



TOWN OF DENNIS FISCAL 2027 BUDGET

Elizabeth Sullivan, Town Administrator

December 2, 2025

BUDGET GOALS

1. Submit a budget that complies with the statutory limitations of Proposition 2 ½;
2. To properly anticipate salary adjustments as per negotiated labor contracts and Town compensation policies;
3. Continue to re-establish the fiscal policies adopted by the Board of Selectmen. The Town has affirmed a long term AAA rating. Positive credit factors included strong management, robust financial policies and practices, solid budgetary performance, respectable budgetary flexibility and liquidity, and strong debt and contingent liability position.

BUDGET GOALS

4. To continue the Town's commitment in pursuing a collaborative process with all standing committees to begin to evaluate all financial policies relating to budget management, funding, financial planning and other related fiscal policies so there is consensus among the various committees as to budget and financing approach for FY 2027 and beyond;
5. To identify emerging operational, capital and financial planning issues for future years;

BUDGET GOALS

6. To continue the Board's practice of not utilizing free cash as a recurring revenue stream to supplement the budget.
7. To continue to identify trends in the District School Budget Assessment so that the two Select Boards in Yarmouth and Dennis can develop timely and both effective funding strategies that sustain and enhance our District educational programs.

BUDGET ASSUMPTIONS

- \$300,000 in new construction revenue
- 2.5% real estate tax revenue increases over FY26 levy limit generating \$1,691,667
- Personnel budgets are funded in accordance with the current contractual salary charts.
- Operating budgets are level funded to maintain the FY26 level of services.

BUDGET ASSUMPTIONS

- The final school assessment figure unknown at this time, a preliminary 6.3% increase of the estimated five year foundation rolling average is **estimated** for the Dennis/Yarmouth Regional School District budget at \$21,538,154, with debt service at \$1,550,256.
- A \$1,608,464/2.5% projected Cape Cod Regional Technical High School budget is based on **estimated** enrollment projections and debt service for Cape Tech school is \$545,571.

BUDGET CONSIDERATIONS

Wages – Collective Bargaining Agreements expire at the end of Fiscal Year 2026 for SEIU- A, SEIU-B, MLDC and AFSCME A. Only step increases for all applicable units/departments are included in the budget line items.

Fixed Cost Increases – Retirement, Group Insurance, Property & Liability Insurance have projected budget increases ranging between 4-8%.

Health Insurance – A 12% estimated increase has been budgeted per preliminary projection from Cape Cod Municipal Health Group (CCMHG) who will meet again in February 2026; the Board will be updated as better estimates become available.

REVENUE - TAX LEVY

	FY26 Recap	FY27 Proposed	Increase%
Tax Levy	51,097,877	52,748,284	3.23%
2.5% Increase	1,277,447	1,318,707	3.23%
New Construction	<u>372,960</u>	<u>300,000</u>	
Total Tax Levy	52,748,284	54,366,991	3.07%

REVENUE - NON TAX LEVY

	FY26 Budget	FY27 Proposed	Change%
Cherry Sheet	800,000	800,000	0.00%
Local Receipts	15,290,873	15,581,586	2.29%
Other Available Funds	3,327,061	3,112,566	-6.45%
Total Non Tax Levy	19,417,934	19,553,439	0.70%

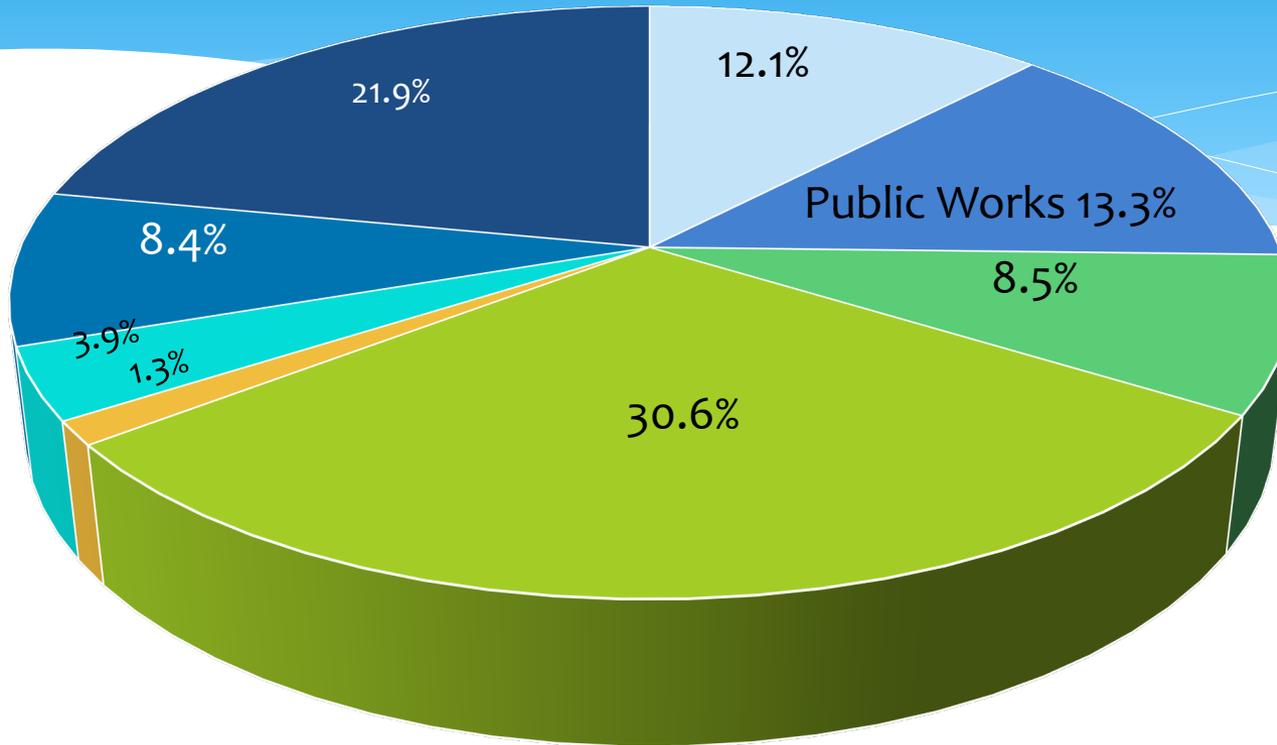
FIXED COSTS

	FY26 Budget	FY27 Proposed	Change%
<u>Total Fixed Costs</u>	<u>9,227,177</u>	<u>10,388,4788</u>	<u>12.59%</u>
Sick Buy Back/Vacation	75,000	75,000	0.00%
Worker's Compensation	130,000	130,000	0.00%
Unemployment	135,697	135,697	0.00%
Retirement	4,420,344	4,773,972	8.00%
Group Insurance*	4,108,649	4,601,687	12.00%
OPEB	0	300,000	100.00%
Mitigation Reimbursement	10,000	10,000	0.00%
Medicare	347,487	362,122	4.21%

DEPARTMENTAL BUDGETED EXPENSES

<u>Governmental Function</u>	FY26 Budget	FY27 Proposed
General Government	6,224,262	6,315,875
Public Safety	14,894,018	16,051,177
Public Works	7,050,735	6,968,731
Planning/Comm Development	1,997,051	2,046,309
Culture & Recreation	4,392,966	4,476,598
Human Services	706,202	695,091
Shared Expenses	10,100,683	11,463,878
Debt	3,324,288	4,382,531
Total Departmental Budget	48,690,205	52,400,190

FY27 PROPOSED TOWN BUDGET



- General Government - 12.1%
- Culture/Recreation - 8.5%
- Public Safety - 30.6%
- Human Services - 1.3%
- Planning/Community Development - 3.9%
- Debt Service - 8.4%
- Shared Expenses - 21.9%

BUDGET CHALLENGES FY27 & BEYOND

- **Housing Funding and Dennis Housing Production Plan**
- **Funding Infrastructure & Operational Costs**
- **School Funding Infrastructure & Operational Costs**
- **Buildings/Infrastructure & Large Capital Maintenance Projects**
 - **Wixon School**
 - **Consolidation/Removal/Relocations of DPW Municipal Building at Bob Crowell Road**
 - **West Dennis Graded School House**
 - **Carleton Hall**
 - **Sesuit Harbor West Design & Construction Project**
 - **ADA Transition Plan & Remediation**
- **Solid Waste Disposal & Recycling**
- **Coastal Resiliency & Mitigation from Storm Damage**
- **Collective Bargaining Agreements & Compensation**
- **Health Insurance**
- **OPEB**

BUDGET CHALLENGES FY27 & BEYOND

Recommended:

➤ Financial Management

- New revenue sources to sustain General Fund Operating Budget and Capital Budget
 - Local Impact Fees
 - Surplus Property
 - Local Option Tax (i.e. marijuana) Capital Funding
- Capital Override
- Establish Designated Funding Source

FY2027 FINANCIAL OUTLOOK AND PROJECTED DEFICIT

The FY27 preliminary projection shows a budget deficit of \$1,883,305, with \$468,454 in identified cuts to date. Options under consideration include removing OPEB funding again (\$300,000), evaluating service reductions, or pursuing additional revenue measures.

Given the scale of structural cost growth, the Town and Schools may need to either reduce services or consider an operational override to maintain current service levels. If pursued, an override would require approval at the May 5, 2026 Annual Town Meeting and the May 12, 2026 Annual Town Election.

PENDING INFORMATION

Final budget development awaits several key inputs:

- DY Regional School District preliminary and final budgets (Jan–Mar 2026)
- CCRTHS budget (Jan–Feb 2026)
- Cape Cod Municipal Health Group premium rates (Feb 2025)
- Governor’s FY2026 House 2 Budget (Jan 2025)
- Insurance premium updates and final revenue estimates
- Select Board policy priorities

SELECT BOARD DIRECTION REQUESTED

As we move toward the preparation of the FY2027 Recommended Budget, staff respectfully requests guidance from the Select Board on the following:

Community and service priorities that should guide budget balancing.

Whether the Board prefers to evaluate service reductions, revenue enhancements, or a potential operating override.

Consideration of the Local Marijuana Excise Tax for May 2026 Town Meeting.

Direction regarding capital priorities, workforce development, and facility maintenance given the ongoing removal of Building R&M funding.

Any additional policy goals or strategic initiatives the Board wishes incorporated into FY27 planning.

CONCLUSION

FY2027 will require continued diligence, transparent decision-making, and continued early engagement between the Select Board, Finance Committee, School Districts, and Town Administration. Staff will continue refining revenue estimates, monitoring contractual impacts, and incorporating upcoming school assessments and insurance data into the next phase of budget development.

Please carefully review the expanded TA Budget Message and advise on any additional information or analysis the Board would like included as we prepare the FY2027 Recommended Budget.



Thank you