



Town Administrator's Fiscal 2027 Budget Presentation

April 29, 2026

What We Will Cover Tonight

- Statewide Financial Environment
- Local Budget Process
- Budget Drivers
- Funding Approach
- Questions?



Statewide Financial Environment

Mendon is not insular

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Statewide Financial Environment



A Perfect Storm: Cities and Towns Face Historic Fiscal Pressures

An Analysis of Fiscal Pressures on Massachusetts Municipalities | OCTOBER 2025

[A Perfect Storm](#)



Navigating the Storm: Charting a Course Toward Fiscal Stability

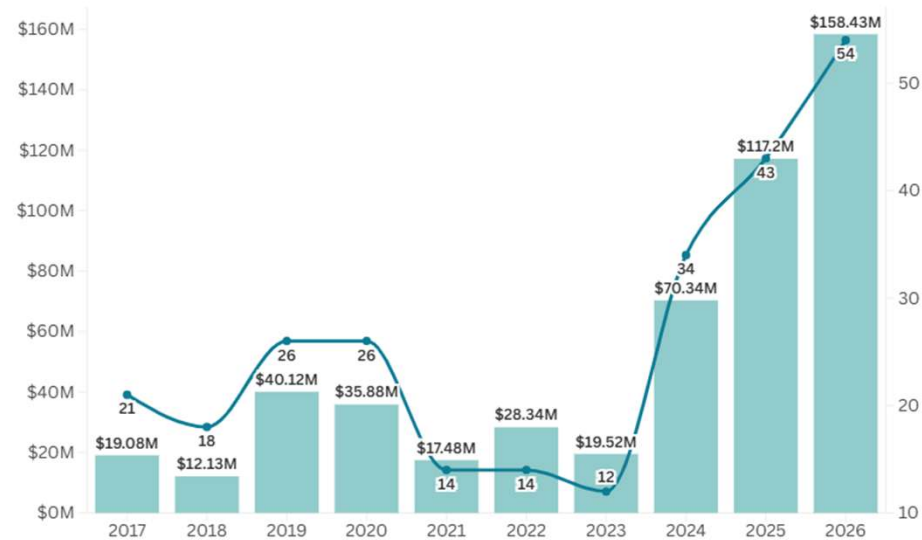
Recommendations from the Massachusetts Municipal Association | DECEMBER 2025

[Navigating the Storm](#)

Override Requests in Massachusetts, FY2017–2026

Data includes both general and department-specific override ballot questions.

■ No. of communities with override ballot questions ■ Total ask amount



Graphic from Marblehead Current - March 17, 2026



A Perfect Storm: Cities and Towns Face Historic Fiscal Pressures



Rising costs and sluggish state aid are putting enormous pressure on local budgets across Massachusetts.



A prohibition against local sales and income taxes, combined with a 2.5 percent cap on property tax increases, prevent municipalities from raising adequate revenue on their own to respond to community needs.



Different municipalities are being affected in very different ways. For example, rural towns have been forced to curtail spending in key areas, like education. By contrast, gateway cities have boosted education spending, thanks to an infusion of targeted state aid, but are falling behind in virtually all other areas of local spending.

Massachusetts Municipalities Have Been Frugal

Annual change in total operating spending, 2010-2022



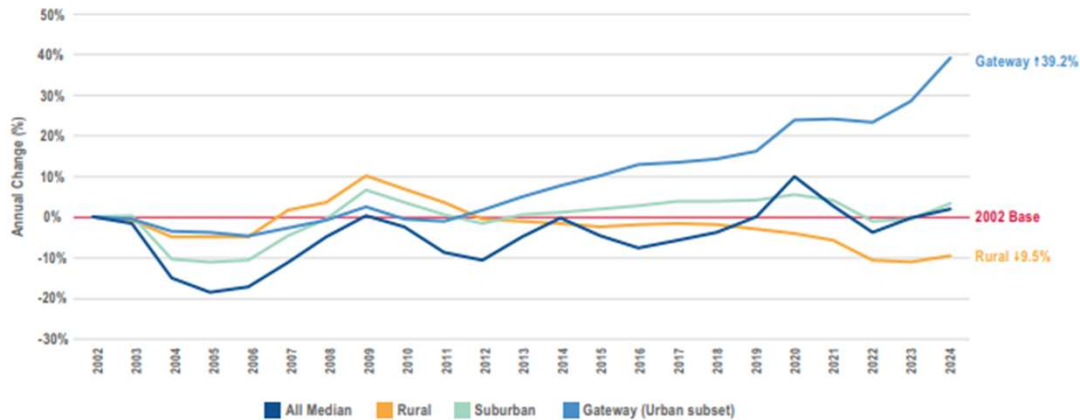
U.S. Census Bureau, MassBudget's Budget Browser, CSPA calculations



A Perfect Storm: Cities and Towns Face Historic Fiscal Pressures

Education Aid Inconsistent Across City and Town Types

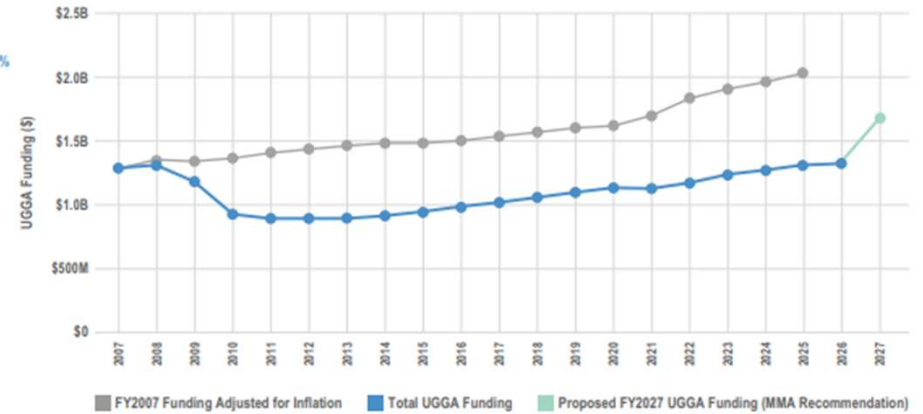
Percent change, 2002–2024



Division of Local Services; CSPA calculations

UGGA Funding Has Not Kept Pace With Inflation Since the Great Recession

Total UGGA funding vs. inflation-adjusted FY2007 benchmark, 2007–2027



Source: Massachusetts Division of Local Services and U.S. Bureau of Labor Statistics (CPI)

Mendon expects to receive just over \$500,000 in UGGA for Fiscal 2027



Local Budget Process

Collaboration and communication is key

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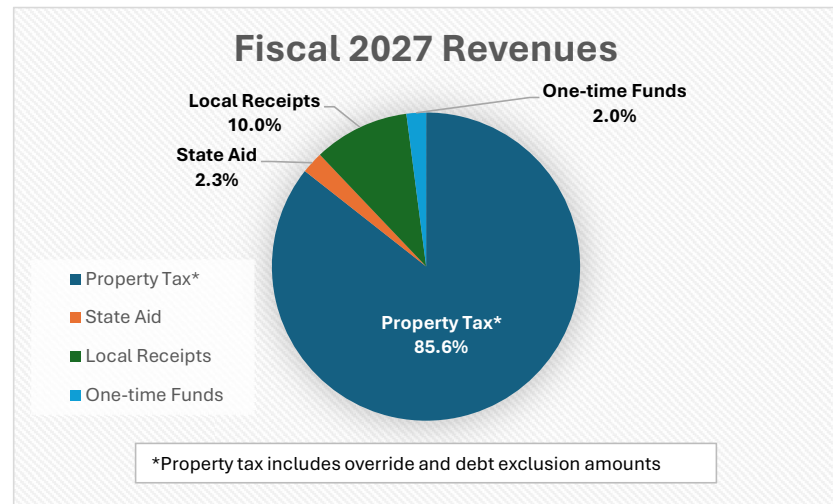
Local Budget Process - Timeline

- December 10th – Department Head meeting and memo
 - “By definition, municipal budgets exist on a knife’s edge and balancing each year is a constant struggle. The Town is committed to maintaining services, investing in its staff and residents, and doing it all effectively and transparently.”
- Late January into February – Town Administrator and Department Head meetings on budget requests
- Late February – Joint Finance Committee/Select Board Budget meetings
 - Plus MURSD Multi-Board meeting with Upton counterparts
- Two April joint meetings to finalize the budget



Local Budget Process - Outcome

| Fiscal 2027 Snapshot | |
|-----------------------------------------------------|-------------------------|
| Fiscal 2026 Levy Limit | \$ 20,787,414.00 |
| Prop 2 1/2 Increase | \$ 519,685.35 |
| New Growth Est. | \$ 175,000.00 |
| Subtotal Levy Limit | \$ 21,482,099.35 |
| Debt Exclusion (matches 301 debt, plus 710 and 751) | \$ 1,219,903.00 |
| State Aid (less offset) | \$ 645,938.00 |
| Local Receipts | \$ 2,790,100.00 |
| Overlay Surplus | \$ - |
| Free Cash | \$ - |
| Stabilization | \$ 564,402.62 |
| Indirect Costs | \$ - |
| Proposition 2 1/2 Override | \$ 1,100,000.00 |
| Total Revenues | \$ 27,802,442.97 |
| Budget Expenditures | \$ 27,759,442.97 |
| Prior Year Snow/Ice Deficit | \$ - |
| Assessor's Valuation Update | \$ 25,000.00 |
| Assessor's Cyclical Program | \$ 18,000.00 |
| Total Expenditures | \$ 27,802,442.97 |
| Surplus/(Deficit) | \$ (0.00) |



- Total Fiscal 2027 Budget Increase
 - \$3.2 M (13.4%) over Fiscal 2026
 - \$328k is new MURSD debt service
- Without MURSD
 - \$682 K (5.1%) over Fiscal 2026



Budget Drivers

Fixed costs plus key investments

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Budget Drivers - Municipal

- Key additions to municipal service
 - Two new Firefighters
 - ~\$217,000 base plus all ancillary costs, including insurance
 - Move Fire Executive Assistant to Fire HQ and backfill at Police HQ
 - ~\$75,000 when netted with reduction in hours at Fire
 - 32 hr/wk Assistant Town Administrator
 - ~\$82,000 when netted with reduction of hours in SB & HR budgets
 - Regional Dispatch future planning
 - \$30,000 for capital to be used in future years for non-subsidized assessment
- Cost savings
 - Refined budgets in Reserves, Building Maintenance, Insurance, Norfolk Aggie, Legal



Budget Drivers - MURSD



- \$2.3 M (21%) increase in Mendon’s assessment over Fiscal 2026
 - Fiscal 2026 was \$0 above Fiscal 2025
 - Mendon included \$50,000 “spacer” in Fiscal 2026
 - 8.1% CAGR since Fiscal 2024
 - 1.6% CAGR since Fiscal 2016
- Health Insurance - \$1.7 M increase district-wide (32%)
 - Driven by increased participation, claim history, and premium increases
- Salaries - \$1.5 M increase district-wide (6.3%)
 - Contractual COLAs, steps, and lanes; essential for retaining talented staff
- Special Education - \$980 K increase district-wide (25%)
 - Out-of-district placements that require more care/expertise than available locally
- These three drivers represent **81%** of the total MURSD increase



Funding Approach

Stabilizing operations and the tax rate

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Funding Approach – Decisions

- Final deficit of \$1,664,402.62
 - After both cuts and additions on the school and municipal sides
- Full deficit on Override
 - Average Annual Single Family Home Tax Impact - \$684.43 ¹
 - Tax impact too high
- Balance by cutting
 - Draconian and eliminates any new investment in people and services
- Hybrid approach of reserves plus override
 - Balances taxpayer impact with new investments
 - Needs sufficient planning to maintain solvency

1 . Source: [DLS Tax Impact Calculator](#) (Avg. SFH = \$664,496)



Funding Approach – Available Balances

Free Cash

- October 2025 Certified: ~\$2.2 Million
- 2025 STM Appropriations: ~\$1.2 Million
- **Current Balance: \$913,916.67**

Capital Stabilization Fund

- Current Balance: \$566,379

Stabilization Fund

- Fiscal 2019 \$848,557
- Fiscal 2020 \$979,253
- Fiscal 2021 \$980,524
- Fiscal 2022 \$1,420,506
- Fiscal 2023 \$1,090,200
- Fiscal 2024 \$1,121,513
- Fiscal 2025 \$1,679,652
- **Current Balance: \$2,038,670**

Year End Balances



Funding Approach – Town Meeting Votes

- Total General Fund Budget - \$27,759,442.97
- Motion A -Town General Fund Budget of \$26,095,040.35
 - Funds all municipal services, including noted additions
 - Includes an MURSD appropriation of \$11,692,130.38
 - \$645,303.38 (5.8%) increase from Fiscal 2026
- Motion B – Revised Town General Fund Budget of \$26,659,442.97
 - 2/3 vote to use Stabilization and increase MURSD by \$564,402.62
- Motion C – Contingent Town General Fund Budget of \$27,759,442.97
 - Simple majority, contingent on \$1.1 M Override passing on ballot
 - No ATM Article on Override, just this vote
- Finance Committee voted April 27th to support all three motions



Funding Approach - Details

| Sampe Hybrid Approach Math | | | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|--------------------|---------------------|---------------------|---------------------|
| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 |
| Prop 2 1/2 Annual Growth | \$ 519,685 | \$ 537,000 | \$ 555,000 | \$ 573,000 | \$ 591,000 | \$ 611,000 | \$ 632,000 |
| Prop 2 1/2. on Override Amt | \$ - | \$ 27,500 | \$ 28,188 | \$ 28,892 | \$ 29,614 | \$ 30,355 | \$ 31,114 |
| New Growth Est. | \$ 175,000 | \$ 175,000 | \$ 180,000 | \$ 185,000 | \$ 210,000 | \$ 220,000 | \$ 230,000 |
| Local Receipt Growth Est. | \$ 140,000 | \$ 147,000 | \$ 154,000 | \$ 162,000 | \$ 170,000 | \$ 179,000 | \$ 188,000 |
| Total New Revenue | \$ 834,685 | \$ 886,500 | \$ 917,188 | \$ 948,892 | \$ 1,000,614 | \$ 1,040,355 | \$ 1,081,114 |
| Stabilization Use* | \$ 564,403 | \$ 350,000 | \$ 250,000 | \$ 100,000 | | | |
| "Gap" from Prior Stab. Use | \$ - | \$ 214,403 | \$ 314,403 | \$ 464,403 | \$ 564,403 | \$ 564,403 | \$ 564,403 |
| Stabilization Repayment* | \$ - | \$ - | \$ - | \$ - | \$ 200,000 | \$ 300,000 | \$ 400,000 |
| Remaining New Revenue | n/a | \$ 672,097 | \$ 602,785 | \$ 484,490 | \$ 236,212 | \$ 175,952 | \$ 116,711 |
| 2% Expense Increases | n/a | \$ 530,791 | \$ 541,407 | \$ 552,235 | \$ 563,279 | \$ 574,545 | \$ 586,036 |
| "leftover"/(deficit) | n/a | \$ 141,307 | \$ 61,378 | \$ (67,745) | \$ (327,068) | \$ (398,593) | \$ (469,325) |
| as a % of budget | n/a | 0.52% | 0.22% | -0.24% | -1.14% | -1.36% | -1.57% |
| Stabilization Balance | \$ 1,474,267 | \$ 1,124,267 | \$ 874,267 | \$ 774,267 | \$ 974,267 | \$ 1,274,267 | \$ 1,674,267 |



Funding Approach – Taxpayer Impact

Division of Local Services Tool

Enter Amount to Adjust by

| Mendon | | | |
|------------------------|-------------------------------|----------------------------------------------------|---------------|
| | Residential & Open Space (RO) | Commercial, Industrial and Personal Property (CIP) | Total |
| FY 2026 # of Parcels | 2,529 | 412 | 2,941 |
| FY 2026 Assessed Value | 1,441,958,251 | 180,304,169 | 1,622,262,420 |
| FY 2026 Tax Levy | 19,120,366 | 2,383,621 | 21,503,988 |

| RO Tax Rate | CIP Tax Rate |
|-------------|--------------|
| 13.26 | 13.22 |

| | RO | CIP |
|-----------------------------------------------------------------------|----------------|----------|
| Proposed Increase/Decrease to Levy: | 978,070 | 121,930 |
| Levy Share: | 88.9154% | 11.0846% |
| Proposed Tax Rate Impact Per \$1,000: | 0.68 | 0.68 |
| Proposed New Tax Rate Per \$1,000 (Estimated New): | 13.94 | 13.90 |
| FY 2026 Average Single Family Assessed Value (Current): | 664,496 | |
| FY 2026 Average Single Family Tax Bill (Current): | 8,811 | |
| FY 2026 Average Single Family Tax Bill Impact (Estimated New): | 451.86 | |

| Assessed Value | Tax Impact |
|------------------|---------------|
| \$100,000 | \$ 68 |
| \$450,000 | \$ 306 |
| \$664,496 | \$ 452 |
| \$950,000 | \$ 646 |



Questions?

Check out mendonbudget.com

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Assumptions on Hybrid Math

- New Growth – truncated after Cape Rd. warehouse 85% online

| Fiscal Year | Cert. New Growth | % change |
|-------------|------------------|----------|
| 2020 | \$ 258,707.00 | |
| 2021 | \$ 311,480.00 | 20.4% |
| 2022 | \$ 287,134.00 | -7.8% |
| 2023 | \$ 347,922.00 | 21.2% |
| 2024 | \$ 309,405.00 | -11.1% |
| 2025 | \$ 315,101.00 | 1.8% |
| 2026 | \$ 417,871.00 | 32.6% |

| | |
|--------------|---------------|
| 3 Yr Average | \$ 347,459.00 |
| 7 Yr Average | \$ 321,088.57 |

- Local Receipts – 5% yearly growth (rounded)

| Fiscal Year | Local Receipt Total* | % Change |
|-------------|----------------------|----------|
| 2022 | \$ 2,099,594.48 | |
| 2023 | \$ 2,534,649.94 | 20.7% |
| 2024 | \$ 2,976,849.00 | 17.4% |
| 2025 | \$ 3,103,747.51 | 4.3% |
| 2026** | \$ 2,606,893.56 | |
| 2027** | \$ 2,790,100.00 | |

*Controlled for Solid Waste Change

**budget

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