

TOWN OF EASTHAM, SELECT BOARD FY 2027 BUDGET UPDATE

December 2, 2025, Select Board Meeting

1. Capital Budget

- a. First Draft completed – to be posted to website
- b. Fully funded with \$400,000 of tax levy and Free Cash, Grants, OAF's
- c. Tax Levy for recurring vehicle and equipment replacement programs is no longer sufficient due to inflation, being supplemented by Free Cash.
- d. Free Cash needed to support CIP averages approx. \$2 million per year for the next 3 years.
- e. No borrowing anticipated for FY 2027 Capital Budget
 - i. One potential lease for ambulance replacement
- f. Potential borrowing pending engineering evaluation for Library Roof.
- g. FY 2028 anticipates borrowing for Town Landing projects, Route Six engineering and design work. Potential for Fire Engine replacement.

2. Reserves and Other Budget Items

- a. Sufficient Free Cash to address reserves
 - i. Stabilization Fund - Wastewater Stabilization
 - ii. OPEB Fund
 - iii. IOD Fund
 - iv. Compensated Absence Fund
- b. Sufficient to address one-time needs or Pilot projects

3. Operating Budget

- a. Severe inflation and cost increases across the Commonwealth, but especially on the Outer Cape make balancing a budget within Proposition 2 ½ difficult without reducing staffing, services, or programs. Wages, benefits, utilities, contract services, and insurance are all seeing significant increases.
- b. Base "Level Service" budget with FY 2026 collective bargaining rates is balanced.
 - i. Includes a placeholder of 3% for education – likely not sufficient
 - ii. Additional items below will require an override in order to fund.
- c. Negotiations for new 3-year collective bargaining agreements are ongoing
 - i. Settlement of agreements in amounts above current rates will require an override to maintain the current level of services and staffing.
- d. Participation percentage in regional school districts has increased
 - i. Anticipating approximately \$300,000 in "assessment shift"
- e. New legislation regarding inspection requirements will require additional staff.
 - i. Building & Fire Inspections
- f. Several service enhancements have been requested
 - i. Increases to Pre-School program and Human Service grant program
 - ii. Staffing for Health & Environment – conservation
 - iii. Staffing for Community Services - COA
 - iv. Staffing for Community Services – recreation
 - v. EES School Resource Officer
- g. Need to provide for wastewater operating costs

ANTICIPATED/POTENTIAL ARTICLES AND OVERRIDE QUESTIONS

Budget Article 1: Operating Budget Article

Will include municipal level service budget based upon current collective bargaining agreements. By necessity, will include regional school district assessments as certified – expected to be significantly higher than 3% amount provided for due to enrollment shift, wage and employee benefit inflation, and prior use of one-time revenues.

Education costs over 3% will be included in a general Proposition 2 ½ override request, however, not make it contingent on its passage. Not being contingent allows the Town Meeting approved budget to remain in effect in the event the override does not pass, as long as we allocate short-term rental revenues to cover school costs. However, this does impact our wastewater funding plan.

Budget Article 2: Ratify and fund Collective Bargaining Agreements

Town Meeting vote to ratify anticipated agreed upon collective bargaining agreements, and the funding required (above 2.5%) for the three-year contract or provision, therefore.

The funding required for this article would be added to the proposed general override, and we anticipate this article being contingent on the passage of the override. If the override were to fail, we would have to restart negotiations and return for another Town Meeting and another election to ratify and fund successor agreements. The subsequent Town Meeting would present a budget contingent on passage of an override, and a separate budget showing the reductions necessary to maintain a balanced budget without an override.

Budget Article 3: Supplemental budget article

(Should this be one article with a list, or separate articles)

- a. State mandated inspectional services
- b. Human Service funding
- c. COA staffing
- d. Recreation staffing
- e. Health & Environment staffing
- f. EES School Resource Officer
- g. Increase tax levy funding of Capital Plan replacement programs
- h. All the above contingent upon passage of an Override.

Election Ballot Override Questions

- **General Override Question** – funds level service budget, with collective bargaining requirements, and schools.
- **Wastewater Operating Costs Question** - \$1.5 million – provides authority but not yet needed in budget. This was discussed as part of wastewater discussion and is included in the \$1,000 property tax cost estimate.
- **Supplemental services Question** – one question, separate questions to match the list, or combine some items into a few questions? Or, add some items to the General Override Question?