



Town Manager's Office

Municipal Office Building

66 Central Square
Bridgewater, MA 02324
508-697-0919

**Town Manager's Preliminary Budget Forecast Message
FY2027 General Fund Budget**

January 30, 2026

This FY2027 General Fund Sources and Uses preliminary budget forecast, at a very early stage of our budget process, conservatively outlines revenues and expenses for the Town. It also serves as a policy statement from the Council, reflected in the FY2027 budget goals and the Town Manager's operational focus for FY2027.

Despite the preliminary nature of this budget, this exercise is critical to setting early expectations for our financial situation for the upcoming year. Ultimately, this preliminary budget forecast will be revised before the submission of the Town Manager's Budget, as revenue and expenditure projections are confirmed and comprehensively reviewed as part of our budget process.

The Town's revenue-sharing model, developed and implemented in FY2021, has been a vital tool for allocating scarce budget dollars and has provided stable, predictable estimates in the preliminary budget process. With limited revenue growth and rising costs, our goal for the following fiscal year is to sustain the Town's financial stability while providing the community with the best possible town services within constrained budgets and revenue. All town services, including educational needs, face rising costs that exceed the revenue available within our tax levy. Within the revenue available to the Town, we will not be able to expand the requested services, nor, in some cases, maintain services at the level provided to the community now. Revenue growth has remained challenging for most communities across the Commonwealth, and reliance on limited levy growth, state aid, and local receipts remains our greatest budget challenge. The current fiscal climate we face as a Town is not unique to Bridgewater; it is a challenge for cities and towns throughout the commonwealth, as detailed in the following [report](#) from the Massachusetts Municipal Association.

On January 28, 2026, the Governor's budget proposal (House 2, H2) was released. H2 recommends funding Chapter 70 at just over \$7.6 billion, or \$242 million (3.3%) higher than the FY2025 GAA, and increases Unrestricted General Government Aid (UGGA) by \$33 million (2.5%) to \$1.356 billion. Ultimately, the fiscal impact for the Town and the regional school district is reflected in the following preliminary cherry sheet information.

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FY2027 Preliminary Cherry Sheet Estimates
Bridgewater

Estimated Receipts | Estimated Assessments & Charges

PROGRAM	FY2026 Cherry Sheet Estimate	FY2027 Governor's Local Aid Proposal	FY2027 House Budget	FY2027 Senate Budget	FY2027 Conference Committee
Education Receipts:					
Chapter 70	190,196	190,196			
School Transportation	0	0			
Charter Tuition Reimbursement	0	0			
Smart Growth School Reimbursement	0	0			
Offset Receipts:					
School Choice Receiving Tuition	0	0			
Sub-Total, All Education Items:	190,196	190,196			
General Government:					
Unrestricted Gen Gov't Aid	4,534,050	4,647,135			
Regional Public Libraries	0	0			
Veterans Benefits	73,050	60,253			
Exemp: VBS and Elderly	163,768	165,026			
State Owned Land	767,974	788,277			
Offset Receipts:					
Public Libraries	81,265	82,366			
Sub-Total, All General Government:	5,620,107	5,743,057			
Total Estimated Receipts:	5,810,303	5,933,253			

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FY2027 Preliminary Cherry Sheet Estimates
Bridgewater

Estimated Receipts Estimated Assessments & Charges

PROGRAM	FY2026 Cherry Sheet Estimate	FY2027 Governor's Local Aid Proposal	FY2027 House Budget	FY2027 Senate Budget	FY2027 Conference Committee
County Assessments:					
County Tax	74,777	74,777			
Suffolk County Retirement	0	0			
Sub-Total, County Assessments:	74,777	74,777			
State Assessments and Charges:					
Retired Teachers Health Insurance	25,584	31,035			
Mosquito Control Projects	93,642	99,610			
Air Pollution Districts	9,316	8,830			
Metropolitan Area Planning Council	0	0			
Old Colony Planning Council	11,952	12,246			
RMV Non-Renewal Surcharge	35,200	33,480			
Sub-Total, State Assessments:	175,694	185,201			
Transportation Authorities:					
MBTA	157,971	156,176			
Regional Transit	61,730	65,910			
Sub-Total, Transp Authorities:	219,701	222,086			
Annual Charges Against Receipts:					
Multi-Year Repayment Program	0	0			
Special Education	0	0			
Sub-Total, Annual Charges:	0	0			
Tuition Assessments:					
School Choice Sending Tuition	0	0			
Charter School Sending Tuition	0	0			
Sub-Total, Tuition Assessments:	0	0			
Total All Estimated Charges:	470,172	482,064			

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FY2027 Preliminary Cherry Sheet Estimates
Bridgewater Raynham

PROGRAM	FY2026 Cherry Sheet Estimate	FY2027 Governor's Local Aid Proposal	FY2027 House Budget	FY2027 Senate Budget	FY2027 Conference Committee
Education Receipts :					
Chapter 70	34,209,990	34,629,615			
Charter Tuition Reimbursement	158,451	275,681			
Regional School Transportation	2,838,767	2,625,795			
Offset Receipts :					
School Choice Receiving Tuition	158,518	149,580			
Total Estimated Receipts :	37,365,726	37,680,671			
Estimated Charges :					
Special Education	32,175	18,692			
School Choice Sending Tuition	947,813	1,153,261			
Charter School Sending Tuition	602,534	823,805			
Total Estimated Charges :	1,582,522	1,995,758			
Total Receipts Less Charges :					
Net Receipts :	35,783,204	35,684,913			

Cherry Sheet estimate information can be found [here](#)

In summary, the Town will see a minimal increase of approximately \$111,058 compared to the FY2026 cherry sheet figures under H2, while the Bridgewater-Raynham school district sees a decrease in funding of \$98,291. While the Governor's proposed budget is not final and is ultimately subject to the legislative process. Historically, adjustments to state aid funding have usually coincided with adjustments to state assessment charges. Thus, we will conservatively estimate these numbers and adjust accordingly as we develop the budget. As shown, the financial resources available to the Town and the regional school district are nowhere near sufficient for Town and school operations, with the school district potentially receiving less state aid than last year due to lower enrollment and increased school assessments. This makes an already challenging fiscal climate even more challenging in addressing Town and school operational needs.

Here are some key points that we will monitor and that will be critical as part of our budget development:

- New growth is estimated at \$200,000 in this preliminary budget, which is significantly less than the FY2026 new growth amount of \$521,178. This reflects the recent decline in the Town's annual new growth in both our residential and commercial building. This decline, unfortunately has been trending for the last five years. As the Town grapples with water and wastewater infrastructure needs within the Town, we expect further decline in new growth projections. The final estimate for FY 2027 new growth will be available in mid-March, as the Chief Assessor analyzes potential activity that can be accurately projected.

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- A best practice in municipal finance is to estimate local receipts to reflect trends over the past five years. Ultimately, we will review local receipts with best practices in mind and evaluate economic indicators and trends, as local receipts often provide early warning signs that the economy is cooling. Thus, while we understand the need to allocate as much expected revenue as possible to meet the community's many needs, we must also be conservative to protect the Town's financial well-being.
- We anticipate a larger percentage increase transfer from the Ambulance Receipts Reserved for Appropriation Fund, which supports the salaries and expenses of the Fire/EMS Department. We have increased ambulance service rates and believe they will be necessary to support the Town's staffing needs, as indicated by community demand.
- The Town has received early preliminary forecasts for health insurance costs, and figures range from 15-25%. The Town has been fortunate to experience conservative increases in health care costs in the preceding years. We will continue to work with our employees and our health care collaborative to constrain any large increases in health care costs for the Town and employees as much as possible. In addition, pension obligations are largely directed by the county retirement system. With an expected increase of 7.26%. Communities have been petitioning the Plymouth County Retirement Board to delay the full funding of pension obligations of its target date in FY2031 in order to mitigate increasing costs associated with employee retirements.
- The Town continues the work in collaboration with our union partners to settle contracts for the police and fire unions. Any fiscal budget will need to account for changes to CBA agreements and will be reflected in the final budget. A majority of the Town's collective bargaining groups' CBA agreements will expire at the end of FY2027.
- We will ensure that we continue to partner and communicate with the Bridgewater-Raynham Regional School District and our vocational/technical schools to ensure that we are providing as many financial resources as possible within the financial levy to support the education of children within the community.
- The tuition fees the town will pay will depend on the number of students enrolled in our vocational and technical schools. As members of Bristol-Plymouth, transportation expenses are included in our annual assessment. With the other vocational and agricultural schools, the town is obligated to pay for this out-of-district transportation, in which we have had to absorb exorbitant transportation costs. In FY2026, the town has worked collaboratively with the busing company to mildly reduce these costs and try to improve efficiency and realize cost savings. The town has been working with the state, DESE, and our town representatives to demand state assistance and reimbursement. We continue to work diligently on this matter as these transportation expenses are unsustainable.



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Town Council Budget goals for FY2027:

- Continue the Town's efforts within all departments to obtain grant funding from federal, state, and other sources in order to offset capital expenditures and major initiatives.
- Review the cost implications of contracted services vs. staffing in various departments and explore areas for consolidation or regionalization.
- Continue to enhance the Town's website and use other technologies as cost-effective means for delivering information and services, increasing public awareness, budget transparency, and encouraging public feedback.
- Submit a budget that attempts to maintain the Town's current service level and a budget that will meet the Town Manager's service priorities.
- Develop a plan that will improve Town-owned roads (within projected funds) that are in need of improvement. Understanding that a great deal of roads are in need of repair, present a priority of what road(s) will be a priority for FY27, where funding will include projected Chapter 90 funds, State/Federal grants, and capital funds.
- Work collaboratively with the School Superintendent to best allocate financial resources to the Bridgewater-Raynham School District.

Town Manager Budget goals for FY2027:

- Present a budget that remains within the limits of Proposition 2 ½, while identifying the operational needs of the Town in order to make tangible improvements on pressing infrastructure and delivery service needs within the Town.
- Implement strategies that position the Town to withstand future long-term financial challenges.
- Collaboratively and aggressively work to manage benefit costs, both short-term and long-term.
- Review and ensure that we provide competitive employee compensation to attract and retain a high-quality workforce.
- Collaborate with the regional school district and our educational partners to best support their operational needs to deliver quality education services for students.
- Ensure we make prudent and necessary investments in our critical infrastructure.



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The preliminary budget, as presented, outlines revenues and expenses at a high level and does not reflect the work to be done during the budget review process. This preliminary budget forecast is deliberately cautious in our revenue assumptions, based on both the basic criteria in the Town Council Budget Resolution for FY2027 and the current fiscal climate. The following is a generalized summary of assumptions utilized as part of this preliminary forecast.

1. General Government: A general increase of 3.9% is allocated for general government expenses. Some of the Town Manager's priorities are listed below:
 - a. Work to ensure, as best as possible, that staffing levels are maintained to provide quality delivery services to the community, while evaluating opportunities to streamline or enhance performance. We will review and utilize the Collins Report, along with observations during my time here in Bridgewater, to address staffing concerns and needs.
 - b. DPW: To the extent possible, our final budget will attempt to allocate funding in addition to capital and Chapter 90 funds to advance key objectives, such as roadway/sidewalk improvements.
 - c. Town Buildings: We will attempt to continue to fund deferred maintenance in a sustainable manner, and address ADA improvements, while trying to garner as many other sources of funds to mitigate costs.
 - d. Debt Service – While there is some maturity of past debt service from 2007 coming off the town's debt service, the town's DE for the Williams School, new Fire Station, and Bristol Plymouth remain the largest current payments annually.
 - e. Insurance: The FY2027 budget accounts for increased costs in the town's insurance coverage, including property, law enforcement, public officials, and liability insurance for both Police and Fire departments. These rising premiums reflect the broader financial pressures on insurance markets and are necessary to maintain adequate coverage for the town's assets and personnel, which include a brand-new fire station, and other additions to Town property.
2. Public Safety: A general increase of 3.5% is allocated for public safety expenses. Typically, the largest operational expenses outside of education funding are related to public safety expenses. The Town of Bridgewater is no different. Some of the Town Manager's priorities are listed below:
 - a. As best as possible, support current staffing levels, understanding the need to add staffing to meet the critical public safety needs of the Town. And ensure that proper succession planning is done to fill critical public safety positions.
 - b. Enhance organizational management and efficiency.



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3. Education: A general increase of 3.7% is allocated for education expenses. Education expenses are the Town's largest operational expense. This appropriation builds on the post-supplement budget appropriation for this fiscal year, which saw an increase of 7.24% for the BR school district. While the Town was able to appropriate additional funding in this past fiscal year, in conjunction with Town service and position reductions, and an appropriation from a reserve fund. That will be much more difficult to accomplish this fiscal year without severely impacting Town services.
 - a. The Town's share of Bridgewater Raynham Regional District tuition has been increased based upon our long-standing revenue-sharing plan. This additional revenue over FY 2026 equates to an increase of 2.584%. The Governor's budget proposal reflects a slight decrease in Chapter 70 revenue in comparison to FY2026.
 - b. The assessment to BRRSD does not include the separate resources that have been allocated to long-term excluded debt and annual capital needs of our school district. B-R District's debt service includes annual payments for Debt Excluded loans - Williams School (***Matures in 2028***) the Regional High School (***Matures in 2028 and 2032***) and the new Mitchell Elementary School (***Matures in 2041***) – Expected budget \$3,443,129.
 - c. A capital appropriation for FY2027 will be submitted by the regional school district for consideration in the fall, based on a newly agreed approach to funding the capital needs of the school district.
 - d. The budgets for the three vocational schools have yet to be received from the various districts. Having said that, we anticipate slightly higher than usual tuition increases to account for more students deciding to attend Bristol-Plymouth Regional Technical School, Norfolk Aggie, and Bristol Aggie.
4. Employee Benefits: A total increase of 11% is anticipated for the coming fiscal year:
 - a. Health Insurance: Estimated increase of around 15%
 - b. Retirement Assessment: Actual increase of 7.26%
 - c. Other Benefits: Workers Compensation, State c.111F (fire and police injured on duty insurance), Employee Life, and Medicare – Estimated increase of 3.0%.



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In closing:

The development of the FY2027 budget will be based on priority-based budgeting to ensure that we allocate financial resources in the areas of priority for the Town as we grapple with an unusually challenging fiscal climate; where limited revenue from the state and locally within the parameters of Proposition 2 ½, along with increased expenses will not allow us to meet the needs of service delivery within the existing tax levy. Without additional revenue, the Town will be unable to deliver the same level of service as this fiscal year.

This preliminary forecast provides a high-level indication of the challenge that we face. Until revenue growth from a growing and/or diversified tax base is realized, we will continue to meet the challenge of doing more with less, as best as possible. We are aware of the community's desire for more services in education, public safety, elder services, parks & recreation, cultural needs, and improvements to our roadway infrastructure. Supporting this are calls for economic development initiatives that can offset the increased costs of expanded services, which ultimately require significant investments in our water and wastewater infrastructure to enable those opportunities. We remain committed to communicating and identifying all the Town's ongoing needs to the public and stakeholders. We will work diligently to find opportunities to fund critical priorities while understanding the financial impact on taxpayers in a difficult financial climate.

The attached high-level "Town of Bridgewater Sources and Uses of Funds FY 2027 Projection" document is intended to provide the Town Council and the community with a broad overview of our budget projection for this budget cycle. The bottom line shows a \$ 2,045,736 deficit. For context, last year, the Town had an initial deficit of \$1,299,753. Ultimately, the Town must pass a balanced budget, and I will submit one that best prioritizes the Town's needs and goals, aligned with the Council's and the community's priorities. This work will be difficult in this budget climate, but we are committed to doing it and providing this information as transparently, clearly, and concisely as possible.

In addition to the General Fund budget, we will also work diligently with the Department of Public Works to present to you balanced budgets for our Enterprise Funds: Water, Sewer, and Transfer Station. The challenges of funding operational needs alongside rising utility costs are acknowledged. Especially when addressing key infrastructure challenges the Town faces. We will ensure that proposed FY2027 budgets reflect the funding required to implement critical improvements supporting key infrastructure systems.

This team is committed to doing the work required and presenting a sustainable and balanced FY2027 budget. We look forward to engaging with the Town Council, our education partners, the Finance Committee, and the community as we develop a prudent, sustainable FY2027 budget.

Respectfully Submitted,

Justin Casanova-Davis
Town Manager

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Town of Bridgewater Sources & Uses of Funds	FY 2027 Preliminary Budget Forecast	
	Amount	Total
General Fund Sources of Funds:		
Property Taxes		
Prior Levy Limit	58,152,438	
Amended New Growth	0	
2.5% Increase	1,453,811	
New Growth - per LA 13	200,000	
Total Levy Limit		59,806,249
Debt Exclusion:		
Town Excludable Debt Actual	1,642,525	
Adj. Excludable Debt - Premium Amort.	(3,627)	
Bristol Plymouth	1,061,368	
B/R Regional	3,443,129	
Total Debt Exclusion		6,143,395
Excess Capacity - Rounding		(25,627)
Allowances for Abatements & Exemptions		(463,817)
Total Property Taxes NO Allowances - Balance to Levy Recap		
Total Property Taxes		65,460,200
State Receipts		
Chapter 70	190,196	
Unrestricted General Government	4,647,135	
Veterans Benefits (Reimb. @ 75%)	60,253	
Exemptions: State Share	165,026	
State Owned Land	788,277	
Public Libraries	82,366	
Public Libraries Offset	(82,366)	
Total State Receipts		5,850,887
Local Receipts		
Line 1: MVE	4,037,500	
Line 2.1: Other Excise-Meals	372,350	
Line 2.2: Other Excise-Room	186,500	
Line 3: P & I On Taxes & Excise: Property	100,000	
Line 3: P & I On Taxes & Excise: Tax Title	50,000	
Line 3: P & I On Taxes & Excise: MVE	100,000	
Line 4: Payment in Lieu of Taxes (BHS/SSR)	5,042	
Line 10.0: Fees-Annual (Mobil Home/Tattoo)	32,085	
Line 10.1: Fees-Cannabis	0	
Line 10.2: Fees-Variable (Septic/MV Registry/MLC'S)	181,125	
Line 11: Rentals: American Tower	9,000	
Line 12: Other Intergov't - B/R School	35,000	
Line 16: Other Departmental Revenue (PB/ZBA)	50,000	
Line 17.0: Licenses & Permits-Annual (Alcohol/Com-Vic/Cert-of-Insp.)	193,898	
Line 17.1: Licenses & Permits-Variable (Building/Wiring/Plumbing)	500,000	
Line 19: Fines & Forfeits (Parking)	32,000	
Line 20: Investment Income	300,000	
Line 22: Misc. Revenue -Amortized Reimb/DE-1 Academy Bldg Capital	3,627	
Total Local Receipts		6,188,127
Transfers/Reserves		
E/F: WTR/SWR/Transfer - GF Overhead	691,480	
E/F: Water/Sewer - TC - Collections	50,526	
S/R: RRA-Ambulance	2,227,680	
S/R: RRA-Conservation-Adm.	25,000	
S/R: Title V	107,957	

Town of Bridgewater Sources & Uses of Funds	FY 2027 Preliminary Budget Forecast	
	Amount	Total
S/R: Elm Street DIF	356,312	
Other Available Funds (Energy)	150,000	
Other Available Funds (DIF Surplus)	300,000	
Other Available Funds	0	
Other Available Funds (OSLGC)	300,000	
Total Transfers/Reserves		4,208,955
Total Source of Funds:		81,708,169
General Fund Uses of Funds:		
Town Operating & Debt Service Budgets:		
100-General Gov't Departments	4,557,042	
200-Public Safety / Inspectional Services	15,069,379	
400-Roadways / Street Lights / Snow & Ice / Engineering	1,892,495	
500-Health & Human Services	580,719	
600-Culture & Recreation	1,060,987	
700-Debt Exclusion	1,642,525	
700-Debt - Title V	107,957	
700-Debt - Within Levy	0	
700-Debt - Elm Street DIF	356,312	
700-Debt - OSLGC	27,690	
911-919-Benefits	11,619,341	
945-Liability Insurance	405,000	
950-Gas & Oil	253,050	
Total General Fund Operating Budgets		37,572,497
School Operating & Debt Service Budgets		
300-B/R Regional School District	36,394,857	
300-B/R Excludable Debt Service	3,443,129	
301-Bristol Agricultural School Tuition/Debt Assessment	812,381	
301-Bristol Agricultural School Out of District Transportation	210,000	
302-Bristol Plymouth Regional Technical School Tuition/Transportation/Capital	2,266,111	
302-Bristol Plymouth Regional Technical School Debt Service	1,061,368	
303-Norfolk County AGI School Tuition	183,211	
303-Norfolk County AGI Out of District School Trans.	88,917	
Total Education		44,459,974
Total General Fund Operating Budgets		82,032,471
State & County Tax-OITBR (Other Items To Be Raised)		
820-State Assessments	185,201	
820-Transportation Assessments	222,086	
830-County Assessments	74,777	
Total State & County Charges		482,064
Cherry Sheet Offsets / Misc. OITBR / S&I Deficit		
Misc. OITBR - Tax Title Budget	0	
DIF TO BE TRANSFERED OUT	739,370	
Snow & Ice Deficits	500,000	
Total Cherry Sheet Offsets & OITBR		1,239,370
Total Use of Funds:		83,753,905
Variance: Surplus / (Deficit)		(2,045,736)