

# FY26 Budget Report

**Town Administrator Presentation**  
**2/04/2025**

Feb 18 Selectboard - Line item budget discussion

Feb 20 Appropriations - Initial budget meeting

March 1 Community Budget meeting

March 4 Selectboard - Budget Public Hearing

March 11 School Comm - Budget Public Hearing

March 18 Selectboard - Budget Vote

March 20 School Comm - Budget Vote

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Meeting notices: [southhadley.org/calendar](https://southhadley.org/calendar)

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# Fiscal Year 2026 Operating Budget - Revenue

The FY2026 projected operating budget will be just over \$58 million, a 3% increase over FY2025 budget of \$56.8 million.

1. Local estimated receipts (to be determined, small increase if any)
2. Cherry sheet (NET is almost level funded)
3. Enterprise funds (to be determined, small increase if any to offset increases)
4. Available Funds (to be determined)
5. Tax Levy (2.5%) + New Growth ( \$150k) = ~ \$1m

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# Fiscal Year 2026 Operating Budget - Expenses

A Level Service Budget will yield a Budget Deficit of \$3.5 - 4 million (8% increase). Most department budgets will aim for a max of 2% growth with most at Level Spending (0%), which means cutbacks.

1. School (level fund\*)
  2. General Government (level fund\*)
  3. Public Safety (level fund\*)
  4. Public Works (level fund\*)
  5. Human Services (level fund\*)
  6. Health Insurance (19% increase, \$1m)
  7. Retirement (10.3% increase, \$500k)
  8. General Liability (15% increase, \$70k)
  9. Enterprise (Landfill 0%, Ledges 2%, Wastewater 2%)
  9. Stabilization Fund (to be determined)
  10. Debt (level)
- \*Level Fund will mean cutbacks due to inflation, contractual increases*

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# Towards a Balanced Budget

Evaluate funding levels for each department, explore savings

- Level Funding Budgets (70-75% deficit reduction)
- Evaluate Local Receipts (2-3% deficit reduction)
- Evaluate Health Insurance funding level (10% deficit reduction)
- Evaluate use of Free Cash (to be determined)
- Evaluate further reductions in staff and services below level funding (to be determined)