

FY26 Budget Report

Town Administrator Presentation
2/26/2025

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

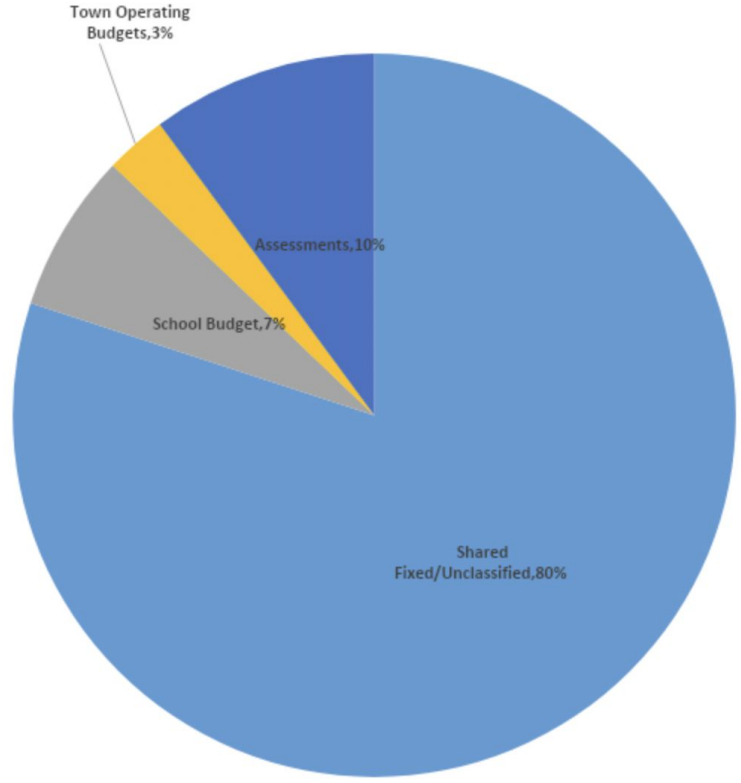
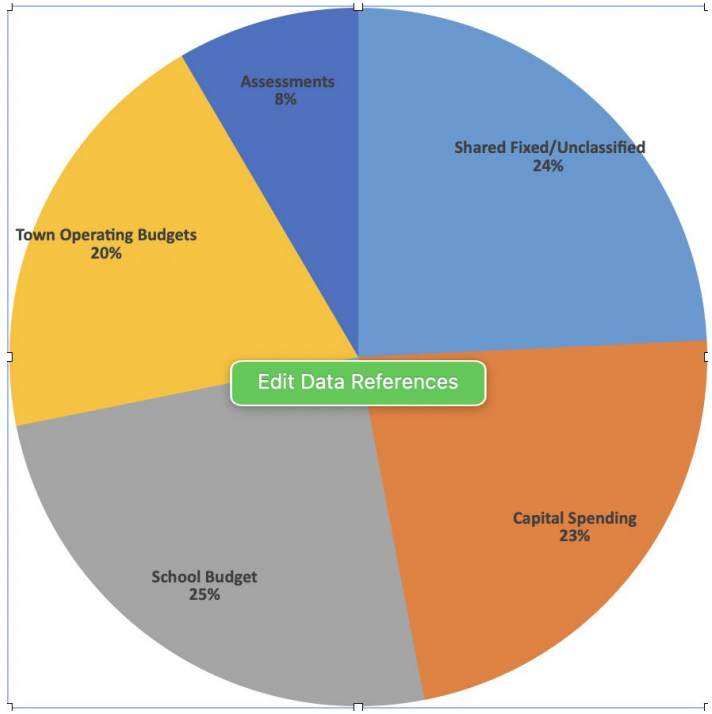
Meeting notices: southhadley.org/calendar

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 (\$250k increase - fees, interest, excise)
2. Cherry sheet (NET is almost level funded)
3. Enterprise funds (staff recommend \$25 fee increase landfill and \$50 increase from solid waste)
4. Available Funds (no change)
5. Tax Levy (2.5%) + New Growth (\$150k) = ~ \$1m

FY25 vs FY26 additional fund allocation



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 - aim for 1% increase
 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 (no additions)
 10. Debt (level)
- *Level Fund will mean cutbacks due to inflation, contractual increases*

Towards a Balanced Budget

Evaluate funding levels for each department, explore savings

- Level Funding Budgets - working to minimize impact
- Evaluate Health Insurance - offering opt out program
- Evaluate use of Free Cash - for strategic use, not for ongoing expenses - maintenance, technology, transportation
- Evaluate staff and services - develop priorities, reorganize