

# South Hadley Budget Task Force

1/22/26 Public Forum

South Hadley Senior Center

# MEMBERS

- Nick Gingras – Co-Chair
- Kevin McAllister – Co-Chair (Appropriations)
- Andrea Miles – Clerk (Selectboard)
- John McCarthy
- Forrest Bowlick
- Charles Miles (School Committee)
- Gena Lomelin
- Nicholas Prentiss
- Hector Lomelin
- Emily Young
- Dan Luis (Capital Planning)

# THE PROBLEM

STRUCTURAL DEFICIT DRIVEN BY **COST INCREASES**  
EXCEEDING REVENUE

## REVENUE: LOW TO NO GROWTH

- *Property Tax Levy Cap* 2.5%
- *New growth* < 1%
- *State Aid* < 0%

## EXPENSES: RAPID INCREASES

- *Health Insurance* +42%
- *Mandated Services* +10-15%  
(*Special Education*)
- *Utility Costs* +10%

# Duties of the Task Force

## In Scope

- Review town's mission & value of department services
- Forecasting/budget projections
- School enrollment/cost analysis
- Efficiency identification
- Revenue source analysis
- Benchmarking

## Out of Scope

- Department-specific budgetary and personnel decisions
- Departments outside town budget (Fire/Water/SHELD)
- Zoning and bylaw review
- Rates - Sewer and Trash Rates



# Important Dates

Budget Task Force Meetings - Jan 26, Feb 2 and 9 at 6pm

Feb 10 - Selectboard vote on Special Town Meeting

Feb 25 - tentative Special Town Meeting

March 3 Selectboard - Budget Public Hearing

March 11 School Committee - Budget Public Hearing

March 17 Selectboard - Budget Vote

March 25 School Committee - Budget Vote

March 28 - tentative community meeting

April 14 - Annual Town Election and tentative Override Vote

# PROCESS:

## Diligent Approach to Complex Problem

### EXAMINE

- Budget review
- Revenue sources
- Department discussions
- State/Federal impact(s)

### RESEARCH

- Priorities for the community
- Benchmarking
- Efficiencies
- Best Practices

### ANALYZE

- Scenario Modeling
- Tax payer impact of scenarios
- Impact of any cuts on services

# VALUE OF SERVICES

(Current Perspective)

- **Safe neighborhoods**
- **Strong schools**
- **Reliable roads and infrastructure**
- **Essential human services**
- **Libraries**
- **Committed, accessible and skilled staff**

# Important Terms

**Debt Exclusion:** A temporary property tax increase, approved by voters, that allows a municipality to raise money outside of Proposition 2½ limits to fund specific, large capital projects

**Override:** A vote by a community at an election to permanently increase the levy limit. An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount.

# Current OBSERVATIONS

- **Health Insurance** -> Town has limited control
- **Schools** -> Mandated Services & Choice Negative
- **Departments** -> Lean, Efficient & Smaller than peers
- **Growth** -> Constrained and barriers exist
- **State** -> Minimal New Funding & Small Solutions
- **Capital & Maintenance** -> Risk to critical projects

# FY2026 Operating Budget - \$63.42 million

## Revenue

- Local: Interest rates, building permits below FY2025 but still above budget estimates\*
- State: Final state budget lower than budget by \$40k, offset by \$40k increase in SHELD PILOT
- Taxation: New growth is about \$150k, \$10k below estimates

## Expense

- Nov 2025 town meeting voted \$800k in free cash to cover mid year health insurance increase
- Snow and Ice is now in deficit
- Big unknown with education and police collective bargaining agreements not settled
- OPEB actuarial up \$2.6m

*\* Mid Year Financials will be presented at the Feb 10 meeting*

# Effective Cost Management

## IMPLEMENTED

- Human Services Dept - sustain services with \$86k payroll reduction from FY24 to FY26.
- Move \$90k annual payroll in Treasurer and Building to grant ending December 2026
- Green Communities designation
- Eliminate 1.5% PBE raises
- Insurance Opt-Out program
- School Transportation vans

## EVALUATING

- Benchmarking local fees
- Move to regional dispatching
- Volunteer PILOT program
- Health Care - plan design
- Strategies to encourage new growth and redevelopment
- Impact of loss of grants, state and federal funding sources
- Needs assessment
- School choice impacts

# FY2027 Operating Budget - Potential Impacts

A Level Service Budget (\$67.7m) will yield a Budget Deficit of about \$3.5 million largely due to \$1.7m increase in health insurance, \$1.7m increase needed for school budget to offset grant loss\*

## Projected School Impacts (cut \$1.5m)

- Administration - 3 positions
- Student Facing - 20 positions
- Cuts to sports
- Cuts to extracurricular activities
- Reduce electives at middle/high school
- Reduce transportation options, review fees

**Other measures: Local funds up estimates by 400k.  
OPEB payment down 200k. Free cash Use up 200k.**

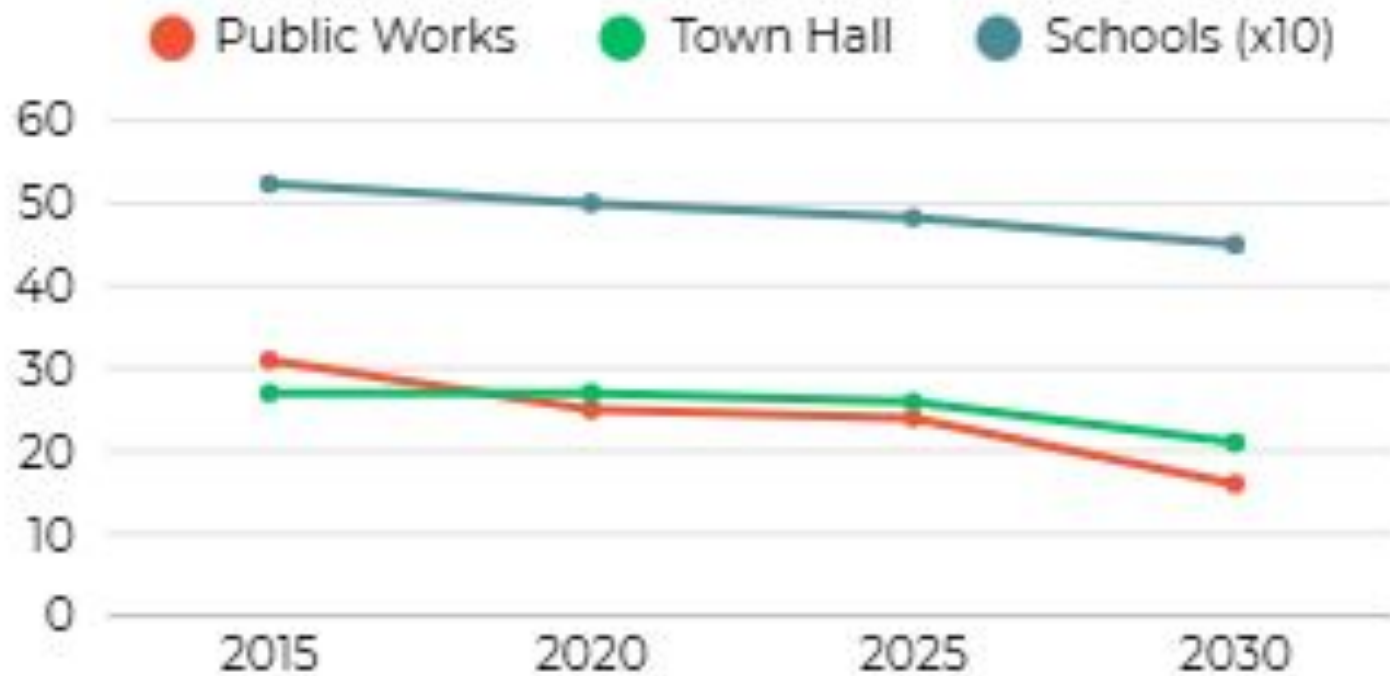
## Projected Town Impacts (cut \$1m)

- Library - close Gaylord, lose ability to borrow statewide
- Senior Center & Town Hall - reduce staff and close Fridays
- Reduce health & safety inspections
- Police - reduce supervisor, patrol, SRO
- Public Works - reduce staff, maintenance, close spray parks

*\* After cuts: Projecting \$1m deficit in FY29, \$2.5m deficit in FY30 and \$4.6m deficit in FY31*

# Employee Counts (2030 projected)

Note: *school figure divided by 10 for scale*



# Override Options

The Budget Task Force is reviewing the needs for an override and will produce a report by February 9.  
More information online: [www.southhadley.org/1504/Budget-Task-Force](http://www.southhadley.org/1504/Budget-Task-Force)

\$3 million

Raised in year 1

Average single family impact:  
\$40 per month

Impact: Limits MORE cuts in FY29. Creates a \$2.2m stabilization fund in FY27-28 to cover FY29- 30. Estimated \$4.6m deficit in FY31.

\$6 million

Raised over 3 years

Average single family impact:  
\$27 per month in year 1, 2 & 3.

Impacts: Limits cuts in FY27-29. Estimated \$1m deficit in FY30 and \$3.4m deficit in FY31. Schools funded \$1m below level funding.

\$9 million

Raised over 5 years

Average single family impact:  
\$33 per month in year 1, \$28 in year 2-4, \$8 in year 5

Results: Limits cuts in FY27-30. Estimated \$1m deficit in FY31. Schools at level funding with 3% increase/year.

Taxpayer  
impact (per  
\$1 million)

Proposed Tax Rate Impact Per \$1,000:	0.38
Proposed New Tax Rate Per \$1,000 (Estimated New):	13.90
<b>FY 2026 Average Single Family Assessed Value (Current):</b>	<b>417,106</b>
<b>FY 2026 Average Single Family Tax Bill (Current):</b>	<b>5,639</b>
<b>FY 2026 Average Single Family Tax Bill Impact (Estimated New):</b>	<b>158.50</b>

Assessed Value	Current Estimated Tax Bill	Proposed Estimated Tax Bill	Estimated Tax Bill Impact
250,000	3,380.00	3,475.00	95.00
350,000	4,732.00	4,865.00	133.00
450,000	6,084.00	6,255.00	171.00
550,000	7,436.00	7,645.00	209.00
650,000	8,788.00	9,035.00	247.00
750,000	10,140.00	10,425.00	285.00
850,000	11,492.00	11,815.00	323.00
950,000	12,844.00	13,205.00	361.00
1,050,000	14,196.00	14,595.00	399.00
1,150,000	15,548.00	15,985.00	437.00
1,250,000	16,900.00	17,375.00	475.00
1,350,000	18,252.00	18,765.00	513.00
1,450,000	19,604.00	20,155.00	551.00
1,550,000	20,956.00	21,545.00	589.00

# ENGAGEMENT

MEETINGS: Jan. 5 26, Feb. 2 & 9 @ 6pm hybrid at Senior Center (aired/streamed on demand on SHCTV15)

LEARN: [www.southhadley.org/1504/Budget-Task-Force](http://www.southhadley.org/1504/Budget-Task-Force)

PARTICIPATE:

- Live on town website: [\*town-wide survey\*](#)
- School Committee and Selectboard public comment
- Email [Selectboard@southhadleyma.gov](mailto:Selectboard@southhadleyma.gov)