



Montague Town Administrator FY26 Selectboard Budget Guidelines

From: Walter Ramsey, Town Administrator
To: Department Heads, Committees with budgets
Subject: **FY27 Budget Guidelines**
Date: October 29, 2025

Dear Department Leaders,

This message provides guidance for preparing your **FY27 operating budget requests**. These guidelines reflect preliminary decisions by the Selectboard as part of the early budget planning process. Please note that assumptions may evolve over the winter as we work toward a **recommended budget for Annual Town Meeting on May 2, 2026**.

Current Budget Outlook

Initial projections show **3.3% growth in revenues** but an **8.3% increase in Town operating expenses**, resulting in an estimated **\$339,000 shortfall**.

The primary cost drivers are:

- **Personnel costs:** +\$481,000 (new union contracts and wage scale adjustments)
- **Health insurance:** projected +20% increase (+\$581,000)

While we anticipated and budgeted for competitive wage adjustments, the **unexpected spike in health insurance costs**—has created significant budget pressure this year.

The budget shortfall may be reduced if health insurance premiums rise less than projected, or if “new growth” exceeds current estimates however **reductions to the General Fund operating budget may be necessary**.

Department Budget Requests

To guide our early planning, the Selectboard requests that each department submit **two budget scenarios**:

1. **Level Services Budget:** Maintains current staffing and service levels.
2. **Level Services Minus 2%:** Reflects a *minimum* 2% reduction in discretionary spending.

At this time, **no staff reductions are expected**, though I encourage you to explore opportunities for **shared staffing, efficiencies, or cost savings** where practical.

Please focus your review on **discretionary spending**—for example, equipment, furniture, printing, travel, licenses, advertising, and similar costs.

Use the **Excel budget spreadsheet** provided by Angelica and include a **budget narrative** describing your proposed changes and the operational impact of the 2% reduction. Departments with multiple sub-budgets may consolidate responses if substantive changes are limited to specific areas.

Other Requests

- **Special (non-capital) financial articles:** Please use the attached form and discuss proposals with me in advance.
 - **Staffing changes:** Discuss any staffing proposals with me **by November 10**. The Selectboard has indicated that staffing expansions are **unlikely** in FY27 but still wants to understand your needs and planning horizon.
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Submission Details

Please submit your **department budget and any financial special article requests** by **Monday, December 8, at 4:00 PM** to:
Angelica@montague-ma.gov
cc: **walterr@montague-ma.gov**

Annual Town Meeting

Please note that **Annual Town Meeting will be held on Saturday, May 2, 2026, at 9:00 AM**. Attendance by department leaders is required. Please reserve this date now on your calendars.

Thank you for your time, diligence, and thoughtful participation in developing the FY27 budget. I fully appreciate that reducing your budgets is a difficult task, so please know that I am available to help and support you. If you have questions about the budget process, technical issues, or any substantive proposals, please schedule a time to meet with me or Angelica.

Respectfully,



Walter Ramsey, Town Administrator

Cc: Montague Selectboard, Montague Finance Committee, Fern Smith