



OFFICE OF THE TOWN ADMINISTRATOR

Nathan R. Boudreau, MPA, MCPPO
Town Administrator

May 12, 2025

Town of Hubbardston
48 Gardner Road, Unit 3
Hubbardston, MA 01452

RE: FY26 Budget Revision #4

Dear Select Board and Finance Committee Members,

I am pleased to transmit **Budget Revision #4**, the final version of the FY26 Town Administrator's Proposed Budget. While the overall appropriation remains unchanged at **\$11,666,115**, this revision represents a meaningful shift in how the budget is structured—one that strengthens our financial posture, eliminates the use of Free Cash for operations, and positions the Town for long-term sustainability.

Structural Improvements Since Budget Revision #3

Budget Revision #3 proposed a balanced plan that used \$99,539 in Free Cash to close an operating gap. That approach was viable and compliant with financial policy. However, subsequent developments—including a reduction in the Quabbin Regional School District assessment and continued refinement of revenue expectations—enabled us to fully close the gap using recurring revenues.

In parallel, we expanded our use of existing restricted and special revenue sources. A total of **\$66,924** has now been reclassified from grants and special articles to fund eligible one-time expenses—preserving the tax levy for core services while responsibly addressing priority needs.

The result is a structurally balanced FY26 operating budget that does **not rely on Free Cash at all**, and instead holds that flexibility in reserve for capital planning or future-year support.

Investments Covered by Reclassified Funds

All \$66,924 in reclassified funding has been aligned to one-time expenses that fall squarely within the intent of their original appropriations. These are not new funds, but unspent, eligible balances that we are now putting to productive use:

Use Area	Amount	Purpose
Planning Services	\$20,000	Funds the part-time Town Planner, providing technical and zoning support
Road Materials	\$14,850	Increases local DPW capacity for repair and surface improvements
Fire Department Stipends	\$15,000	Integrates overnight stipend program into operations, supporting response continuity



Use Area	Amount	Purpose
Police Equipment	\$3,000	Supplements operating budget to fund equipment needs
Fire Vehicle Equipment	\$2,000	Provides tools, storage, and readiness outfitting for a new support vehicle
Parks and Fields Support	\$2,500	Enhances maintenance capacity during the seasonal peak
Technology & Operations	\$9,574	Supports infrastructure, cyber security, and web modernization

These investments are necessary, service-focused, and do not expand the base budget. By covering them through existing special revenue, we avoid artificially inflating department lines while still addressing known needs.

Revenue Strategy and Sustainability

While the revenue assumptions in Budget Revision #3 were sound, this final budget employs a more conservative outlook, particularly in local receipts. Our goal was not simply to balance this budget, but to do so in a way that improves our ability to generate **Free Cash at year-end**. That flexibility, in turn, will better position us to invest in infrastructure, respond to mid-year issues, and manage future levy constraints.

Concretely, we reduced the local receipt projection by over \$36,000 compared to Revision #3. We did so without cutting services or reducing planned investments—because we were able to substitute eligible restricted funds instead. That’s a sign of both structural efficiency and fiscal maturity.

This approach also aligns with DLS recommendations and best practices: avoid using Free Cash for recurring costs, keep projections within historical norms, and leave room for positive variance.

Revenue Line	Rev 3	Rev 4	Change	Comment
Motor Vehicle Excise	\$767,618	\$745,790	−\$21,828	Adjusted for long-term sustainability
Ambulance Receipts	\$200,000	\$175,000	−\$25,000	Scaled to more reliable multi-year trend
Police Fees	\$15,000	\$17,500	+2,500	Increased due to updated LTC permit policy
Earnings on Investment	\$20,000	\$20,000	—	Maintained strong return assumption
Miscellaneous Revenue	\$25,000	\$20,000	−\$5,000	Adjusted slightly downward
Other receipt categories	Minor	Minor	Net neutral	No material changes in aggregate
Total Local Receipts	\$1,629,820	\$1,593,757	−\$36,063	Reflects a deliberate strategy to generate surplus

Line Item	Budget Rev 3	Final (Rev 4)
Total Budget	\$11,666,115	\$11,666,115
Free Cash Used	\$99,539	\$0
Reclassifications	\$65,000	\$66,924
Operating Gap	\$99,539 deficit	Fully resolved
Quabbin Assessment	\$6,788,847	\$6,629,289
Local Receipts	\$1,629,820	\$1,593,757

With these changes, we've preserved every core service, addressed multiple one-time needs, and created the potential for year-end budget performance that strengthens reserves—not drains them. All while maintaining full transparency. This is more than just a balanced budget—it's a financial plan that respects where we are, anticipates what we'll need, and avoids the easy habit of solving today's problems at tomorrow's expense.

I want to thank the Finance Committee and Select Board for your continued partnership in building not just a budget, but a culture of fiscal responsibility. We've crafted a plan that delivers, sustains, and prepares. And I'm proud of the work we've done together to get here.

Please let me know if you would like a formatted version of this letter prepared for your meeting packet or public presentation.

Sincerely,

Nathan Boudreau
Town Administrator