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**Town of Ashland, *Office of the Town Manager***

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April 3, 2026

To: Ashland Select Board  
Ashland Finance Committee  
Ashland Town Meeting

I am pleased to transmit the Town Manager's Proposed Budget for Fiscal Year 2027 for your review and consideration. This budget represents the collaborative work of our department heads and the administration and finance team, and has been prepared in consultation with the Select Board and the Finance Committee.

The FY2027 General Fund budget totals **\$87,813,507**, an increase of \$4,068,641 (+4.9%) over FY2026. The budget includes a Proposition 2½ operational override of **\$2,750,000**, which will appear on the Town election ballot in May. Total proposed revenues and expenditures are balanced at \$88,941,198.

The dominant challenge in this budget is the continuing impact of externally set cost increases that outpace the levy cap. Three mandatory fixed costs - health insurance (+\$774,400 via the GIC), the Middlesex County Retirement assessment (+\$352,045), and the Keefe Technical High School assessment (+\$396,825) - together consume roughly 81 cents of every new dollar the 2.5 percent cap provides. Education accounts for \$3,146,825 of the total increase, reflecting the \$2,750,000 operating override for the Ashland Public Schools and the contractual Keefe Tech increase. Public Safety increases \$400,000, primarily to fully fund authorized Fire Department positions. Debt service decreases \$336,777, and Capital Outlay is deferred to the Fall Special Town Meeting.

There is no combination of local receipt growth, state aid, or administrative efficiency that closes this gap. The override is not a choice between a tax increase and a status quo budget - it is a choice between a modest, permanent tax increase and significant service reductions.

Ashland arrives at this moment only after exhausting practically every other practical and creative path. For example, using just three initiatives as an example, the Town has documented \$18.9 million in operating savings, secured \$32.3 million across 114 competitive grant awards, grown reserves from \$1.27 million to \$12.11 million, earned and held a AAA bond rating for nine consecutive years, and received 14 consecutive clean audit opinions. Even outside analysis such as the MMA/Tufts University report identifies mature Boston suburbs like ours as the communities facing the most concentrated structural fiscal pressure statewide.

Even with the override, Ashland's estimated average single-family tax bill of approximately \$9,800 would remain well below the regional average of \$12,114 and below Holliston, Natick, and every community above them. Ashland's bills have grown 38 percent over the past decade compared to 46 percent for the regional average. The override does not change our position as one of the lower-tax communities in the area.

The FY2027 budget proposes a one-time draw of \$1,442,369 from the General Stabilization Fund to bridge the operating budget, contingent on override passage. After this draw, the fund balance is projected at approximately \$6,871,000, or 7.8 percent of the operating budget. The fund remains above the 5 percent threshold recommended by rating agencies, but it cannot sustain annual draws of this magnitude indefinitely. Reserves are a tool for managing volatility, not a substitute for recurring revenue.

The complete budget document that accompanies this letter includes five overview sections - the Revenue and Expenditure Summary, General Fund Overview by Department, the Economic and Financial Environment analysis, the Revenue Picture, and the Reserve and Fund Balance report - followed by detailed departmental budgets. I encourage each of you to review it carefully.

This year's budget process is my thirteenth for the Town of Ashland. Given the financial circumstances, I've been more involved this year than many of the previous budgets as Town Manager. Last year, the departure of many long-time department heads and executive team members gave us an opportunity to promote familiar faces to new positions and bring in new people to familiar or even new positions. The learning curve for new incumbents can be steep, and I am incredibly proud of the work ethic and talent of our team. I am especially indebted to the dedicated efforts of our senior management and finance team: Assistant Town Managers Katherine Bird & Beth Reynolds, and Finance Director/Treasurer-Collector Cindy Cincotta, Director of Assessing Don Clarke, and Town Accountant Stephanie Pemberton, for their help and support during this year's budget season.

I am also grateful for the partnership with the School Department, especially Superintendent Jim Adams and his administration and finance team. We have helped the town and school department succeed much with comparatively few resources by building bridges instead of walls.

I am also thankful for our partnership with our Elected Select Board and School Committee, and our Moderator-appointed Finance Committee for their diligence and leadership through a challenging budget season so far. We've developed a culture of mutual success through mutual support. We must be vigilant in ensuring that culture endures, through not only good times but bad.

This document represents only the general fund. A revised version with enterprise fund budgets will be posted shortly. However, given the circumstances surrounding this year's budget, I wanted to get this to you as soon as possible. I look forward to discussing this budget with you at Town Meeting and am available to answer any questions you may have in advance of that date.

Respectfully submitted,

**Michael Herbert**

Town Manager

Town of Ashland, Massachusetts



