Town of Marblehead
State of the Town

January 28, 2026

Thatcher Kezer
Town Administrator

Aleesha Benjamin
CFO/Finance Director

Mission Statement

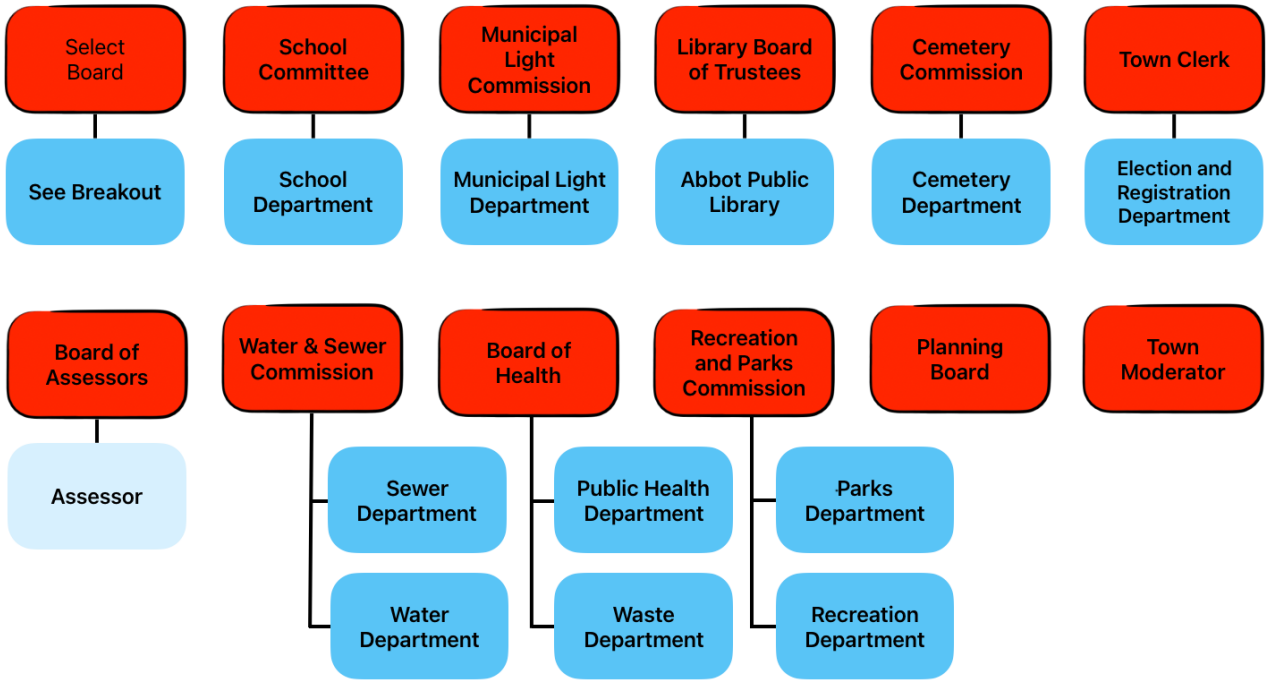
"To provide excellent services, at the level desired by citizens, taxpayers, and ratepayers, that ensures the health, safety, education, welfare, and quality of life of the community."

Core Municipal Services

Public Education Public Safety Public Infrastructure Culture & Recreation Health & Human Services	Service Delivery
General Government	Resource Management
Executive Management	Policy & Management

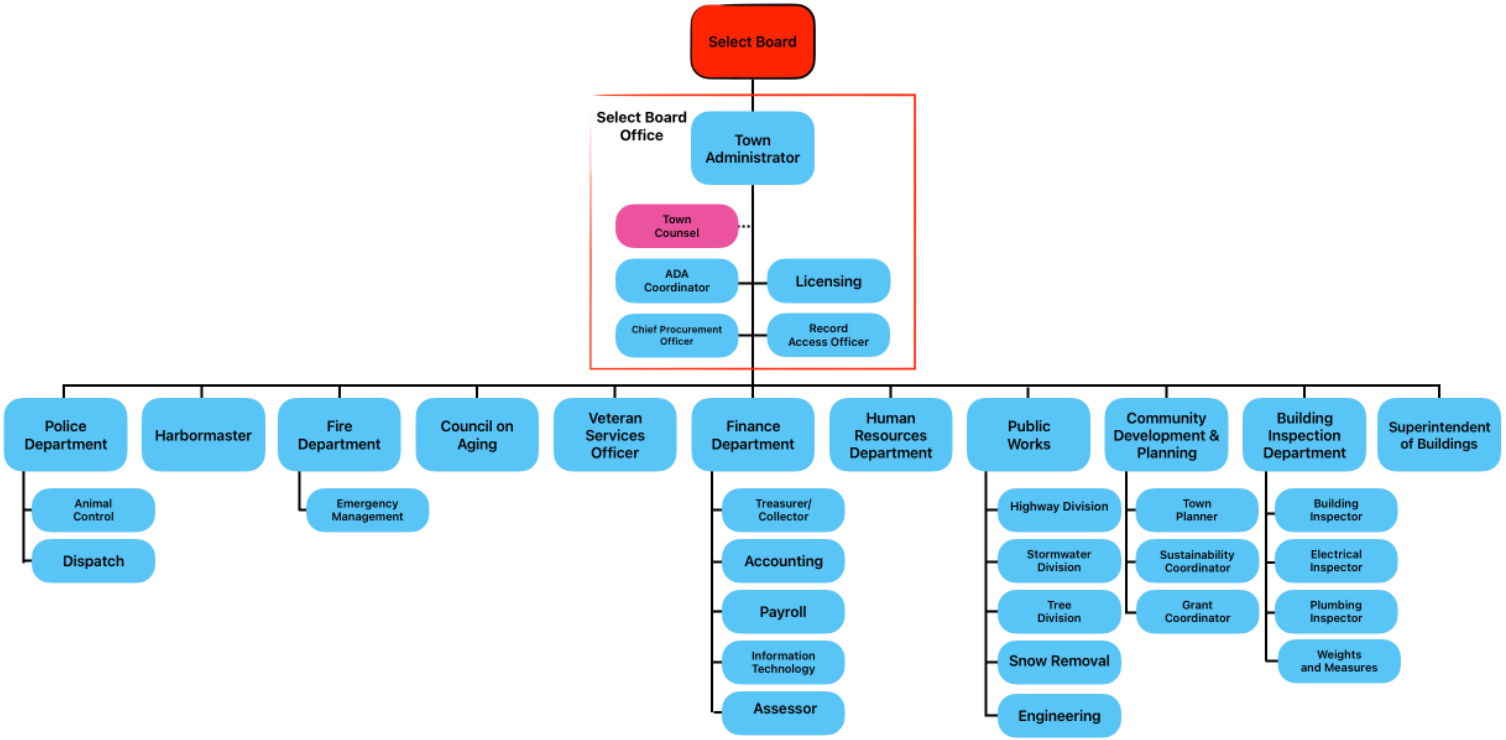
Municipal Organization

Elected Boards and Committees



Municipal Organization

Select Board Departments



Municipal Organization

Appointed Boards and Committees

Boards and Committees Created by Town Meeting

- Affordable Housing Trust Fund
- Capital Planning Committee
- Compensation Committee
- Conservation Commission
- Council on Aging Board
- Cultural Council
- Design Review Board
- Disability Commission
- Harbors and Waters Board
- Historical Commission
- Marblehead Forever Committee
- Old & Historic Districts Commission
- Personnel Relations Board
- Taxation Aid Committee
- Traffic Safety Advisory Board

Boards and Committees Established by State Law

- Civil Process Constables
- Fence Viewers
- Finance Committee
- Registrars of Voters
- Shellfish Constables
- Zoning Board of Appeals
- Marblehead Housing Authority
- Metropolitan Area Planning Council
- MBTA Advisory Board
- Retirement Board
  - Retirement

Marblehead appointments to state boards

Committees Created by Select Board (Currently Active)

- Archives Advisory Committee
- Board of Abbot Library Second Century Fund
- Cable TV Advisory Committee
- Charter Committee
- Complete Streets Committee
- Fair Housing Committee
- Fireworks Committee
- Fort Sewall Oversight Committee
- Green Marblehead Implementation Committee
- Harbor Plan Implementation Committee
- Harris Street Cemetery Oversight Committee
- Hazard Mitigation Plan Committee
- Housing Production Plan Implementation Committee
- Old Burial Hill Oversight Committee
- Task Force Against Discrimination

Committees Created by Board of Health

- Mental Health Task Force
- Solid Waste Facility Committee
- Organic Pest Management Advisory Committee

Recent Successes

Modern Government

- Munis migration from legacy Softright system
- OpenGov procurement platform launched
- ClearGov public budget dashboards
- Cybersecurity and IT upgrades

Financial Strength

- Assessing Department stabilized under CFO
- Database repaired; more in-house inspections
- New growth identified with Inspectional Services
- Improved Free Cash controls and reporting

Public Safety & Health

- MPD's Mental Health Clinician focused on jail diversion and substance use disorders
- MPD reaccredited. One of 112 out of 258 departments with that status.
- Town building fire alarm and safety compliance restored
- Upgrades to First Due software to improve access to critical first responder information

Recent Successes

Capital & Infrastructure

- Mary Alley & Community Center roofs completed
- Hobbs House deck replaced
- Elm Street Park redevelopment advancing
- Rail Trail Showcase project moving forward

Sustainability & Resilience

- Net Zero Roadmap launched (2040 goal)
- EV charging infrastructure plan underway
- Coastal resilience projects advanced

Workforce & Community

- HR modernization & benefits improvements
- Townwide compensation & classification study being conducted

Biggest Challenges

Structural Financial Deficit

- Ongoing gap between recurring revenues and recurring expenditures
- Rising fixed costs (health insurance, pensions, trash contract, wages)
- Limited revenue growth under Proposition 2½
- Significant reliance on one-time funds to balance operating budgets

Aging Infrastructure & Facilities

- Major municipal building equipment reaching end of life (Mary Alley, Community Center, Old Town House, Fire HQ, DPW)
- Deferred maintenance creating higher long-term costs
- Limited maintenance funding capacity in operating budget

Public Safety & Staffing Pressures

- Growing service expectations
- Competitive regional labor market driving wage pressures
- Maintaining ready first responder equipment and safety gear

Biggest Challenges

Regulatory & Legal Mandates

- MBTA Communities Act compliance and zoning litigation risks
- Unfunded or underfunded state mandates
- Increasing environmental, housing, and accessibility requirements

Climate & Coastal Vulnerability

- Rising sea levels and storm surge threatening public assets
- Costly shoreline protection needs at Hammond Park, Parker's Boatyard, Cliff Street, and Front Street

Housing Affordability & Workforce Housing

- Escalating home prices and rents
- Difficulty attracting new Town and school employees
- Limited developable land for new growth revenues

Biggest Challenges

Technology & Data Modernization

- Legacy systems still being replaced
- Ongoing cybersecurity threats
- Need for reliable, integrated data across departments
- Demand for more and improved communications with the public

Projected Revenues

	FY25 Actual	FY26 Projected	FY27 Projected	FY26-FY27 Change
Revenue				
Levy	73,202,405	75,365,013	77,543,708	2,178,695
New Growth	324,437	287,385	260,000	(27,385)
Levy Limit	**73,526,842**	**75,652,398**	**77,803,708**	**2,151,310**
Other Funds	9,000	9,000	9,000	-
Free Cash - Levy	5,500,000	7,000,000	5,000,000	(2,000,000)
Free Cash - Capital/Stabilization	1,000,000	2,000,000	-	(2,000,000)
Cherry Sheets - Town State Aid	1,578,607	1,642,836	1,666,021	23,185
Cherry Sheets - School State Aid	7,247,445	7,316,696	7,658,254	341,558
Stabilization/Overlay Surplus	-	-	-	-
Municipal Light Surplus	330,000	360,000	360,000	-
Enterprise Funds Indirect Costs	359,693	437,686	609,050	171,364
Local Receipts *(w/Meals & Rooms)*	10,069,737	8,881,283	7,917,995	(963,288)
Total Other Funds	**26,094,482**	**27,647,501**	**23,220,321**	**(4,427,180)**
Total Revenue/Available Funds	***99,621,324***	***103,299,899***	***101,024,029***	***(2,275,871)***
Debt Exclusion	10,993,076	9,117,141	11,098,398	1,981,257
Total Revenue Including Debt Exclusion	**110,614,400**	**112,417,040**	**112,122,427**	**(294,614)**

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Local Receipts Reductions	*FY25 Actual*	*FY27 Projected*	*FY26-FY27 Change*
Interest Income	1,584,677	800,000	(784,677)
Motor Vehicle Excise Taxes	4,120,628	3,500,000	(620,628)
Permits	1,259,881	900,000	(359,881)

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Projected Expenses

Expenses	*FY25 Actual*	*FY26 Projected*	*FY27 Projected*	*FY26-FY27 Change*
Town Operating Budgets	42,717,923	47,771,952	53,724,560	5,952,608
School Dept Appropriation	46,294,268	49,120,287	49,990,287	870,000
Tech School Assessments	468,057	627,323	636,733	9,410
Levy Funded Articles	450,000	450,000	450,000	-
Debt Service - BAN Interest	92,223	197,000	-	(197,000)
				-
Total Operating Budget	**90,022,471**	**98,166,562**	**104,801,580**	**6,635,018**
Capital Planning and Warrant Articles	1,000,000	2,000,000	1,000,000	(1,000,000)
Total Appropriations	**91,022,471**	**100,166,562**	**105,801,580**	**5,635,018**
Stabilization Reserves	-	-	250,000	250,000
Cherry Sheet Charges & Offsets - Town	585,985	603,491	609,432	5,941
Cherry Sheet Charges & Offsets - School	1,911,600	1,872,124	1,945,937	73,813
Snow and Ice	311,368	-	150,000	150,000
Allowance for Abatements	274,657	657,722	738,903	81,181
Total Other Amounts	**3,083,610**	**3,133,337**	**3,694,272**	**560,935**
Total Projected Expenses Less Excluded Debt Service	**94,106,081**	**103,299,899**	**109,495,852**	**6,195,953**
Excluded Debt Service	10,993,076	9,117,141	11,098,398	1,981,257
Total Expenditures	***105,099,157***	***112,417,040***	***120,594,250***	***8,177,210***
Net Budget Variance	***5,515,243***	***0***	***(8,471,823)***	***(8,471,823)***

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Major Cost Increase Line Items for the Town Budget

Major Cost Drivers	*FY27 Projected*
New Trash Contract	844,575
Pension Costs	462,735
Health Insurance (est. 15%)	1,951,708
	3,259,018

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Total Projected Expenses Less Excluded Debt Service	**94,106,081**	**103,299,899**	**109,495,852**	**6,195,953**
Excluded Debt Service	10,993,076	9,117,141	11,098,398	1,981,257
Total Expenditures	***105,099,157***	***112,417,040***	***120,594,250***	***8,177,210***
Net Budget Variance	***5,515,243***	***0***	***(8,471,823)***	***(8,471,823)***

Expenses	*FY25 Actual*	*FY26 Projected*	*FY27 Projected*	*FY26-FY27 Change*
Town Operating Budgets	42,717,923	47,771,952	53,724,560	5,952,608
School Dept Appropriation	46,294,268	49,120,287	49,990,287	870,000
Tech School Assessments	468,057	627,323	636,733	9,410
Levy Funded Articles	450,000	450,000	450,000	-
Debt Service - BAN Interest	92,223	197,000	-	(197,000)
				-
Total Operating Budget	**90,022,471**	**98,166,562**	**104,801,580**	**6,635,018**
Capital Planning and Warrant Articles	1,000,000	2,000,000	1,000,000	(1,000,000)
Total Appropriations	**91,022,471**	**100,166,562**	**105,801,580**	**5,635,018**
Stabilization Reserves	-	-	250,000	250,000
Cherry Sheet Charges & Offsets - Town	585,985	603,491	609,432	5,941
Cherry Sheet Charges & Offsets - School	1,911,600	1,872,124	1,945,937	73,813
Snow and Ice	311,368	-	150,000	150,000
Allowance for Abatements	274,657	657,722	738,903	81,181
Total Other Amounts	**3,083,610**	**3,133,337**	**3,694,272**	**560,935**
Total Projected Expenses Less Excluded Debt Service	**94,106,081**	**103,299,899**	**109,495,852**	**6,195,953**
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Total Expenditures	***105,099,157***	***112,417,040***	***120,594,250***	***8,177,210***
Net Budget Variance	***5,515,243***	***0***	***(8,471,823)***	***(8,471,823)***

Revenue and Expenses Balances

	FY25 Actual	*FY26 Projected*	*FY27 Projected*	*FY26-FY27 Change*
Total Revenue/Available Funds	*99,621,324*	*103,299,899*	*101,024,029*	*(2,275,871)*
Total Projected Expenses Less Excluded Debt Service	94,106,081	103,299,899	109,495,852	6,195,953
Revenue and Expenses Balances	5,515,243	0	(8,471,823)	(8,471,823)

If We Balance the Budget Using Only Available Revenues

This will require:

- Staff reductions in our schools (as determined by the School Committee)
- Elimination of more than 50 Town positions (approximately 15% of the municipal workforce)
- Limiting services to only the most critical public safety and operational functions
- Significant reductions or elimination of “quality of life” services relied upon by residents
- Deferring maintenance of Town-owned and historic buildings, accelerating long-term deterioration
- Additional budget cuts to absorb unemployment benefit costs resulting from these layoffs

If the Community Considers a Proposition 2½ Override

An override would allow voters to decide:

- Which services and positions should be restored or protected?
- What level of service Marblehead wants to sustain — reduced, level, or enhanced?
- How the override should be structured to provide meaningful choices and transparency?
- Whether the override is one-year or multi-year solution?
- How to balance affordability with community priorities?

Ultimately, this is a community conversation about values: ***What does the Marblehead we want look like, and how are we willing to support it?***

Mission Statement

"To provide excellent services, at the level desired by citizens, taxpayers, and ratepayers, that ensures the health, safety, education, welfare, and quality of life of the community."