

TOWN OF MARBLEHEAD



Article 23 - FY27 Budget Presentation

Annual Town Meeting

May 2026

Presented by the Marblehead Finance Committee

FY27 Revenue Forecast

Total revenue available for Town and School budgets (\$ in millions)

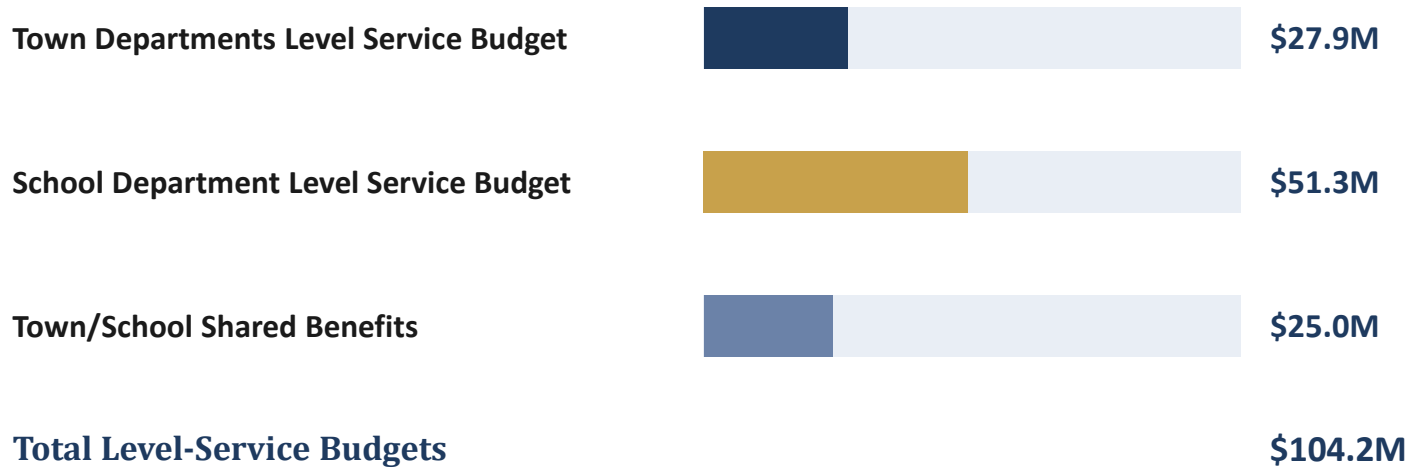
	FY26	FY27	Inc/(Dec) \$	Inc/(Dec) %
Property Tax Levy	\$75.7	\$77.8	\$+2.1	+2.8%
Local Receipts	\$8.9	\$7.9	(\$1.0)	-11.2%
State Aid, Net of Offsets	\$6.5	\$6.7	\$+0.2	+3.1%
Free Cash Used to Balance Budget	\$7.0	\$5.0	(\$2.0)	-28.6%
Other Revenue	\$0.8	\$1.0	\$+0.2	+25.0%
Other Offsets	(\$1.8)	(\$1.9)	(\$0.1)	+5.6%
Total Revenue Available for Town/School Budgets	\$97.1	\$96.5	(\$0.6)	-0.6%

Total available revenue for FY27 declines by \$0.6M compared to FY26, driven primarily by a \$2.0M reduction in Free Cash and a \$1.0M decline in Local Receipts.

FY27 Identified Deficit

Revenue available vs. level-service budgets (\$ in millions)

Level-Service Budget Components



FY27 Budget Gap

Total Revenue Available

\$96.5M

Less: Total Level Service Budget

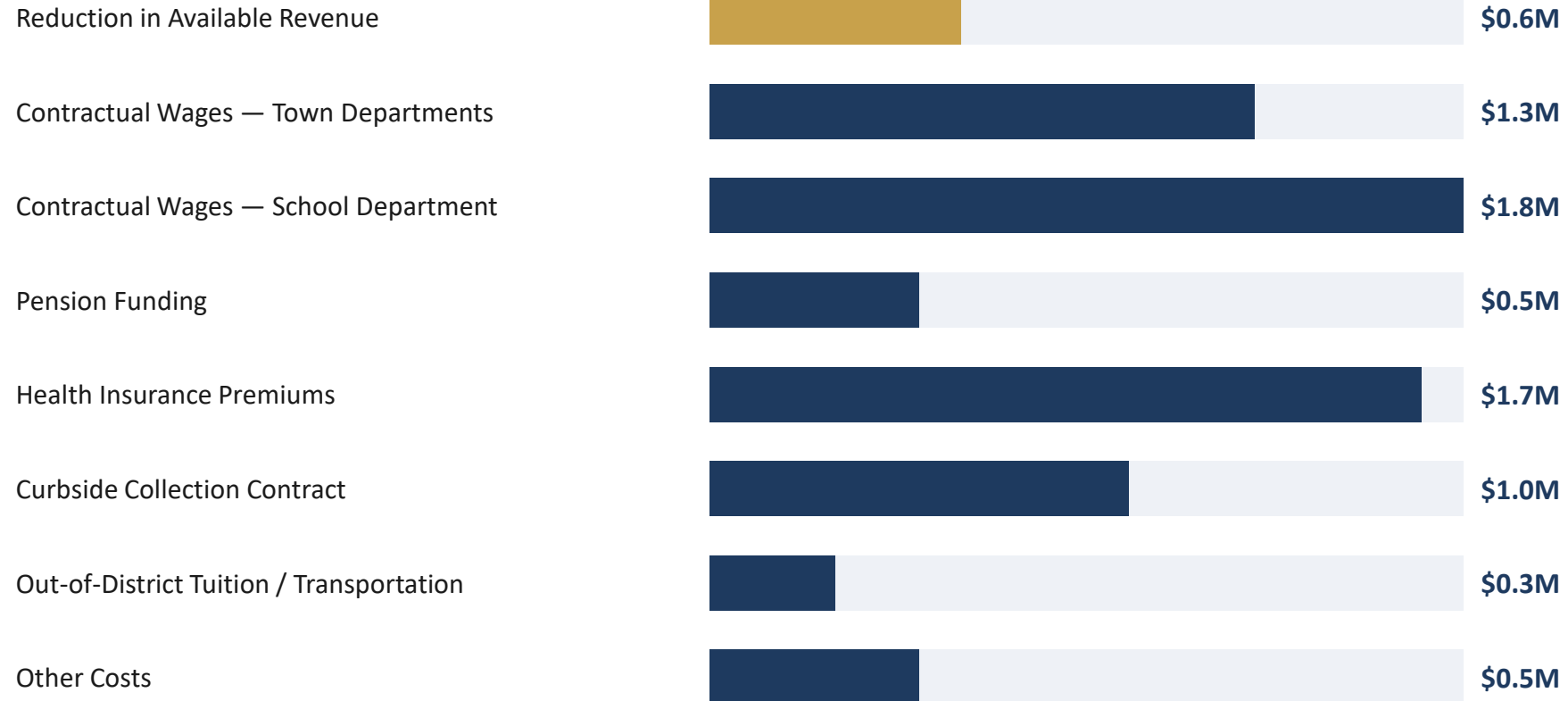
(\$104.2M)

Identified FY27 Deficit

(\$7.7M)

FY27 Deficit Drivers

(\$ in millions)



Total Deficit Drivers

\$7.7M

Top Pressures

Wages

\$3.1M combined

Health Insurance

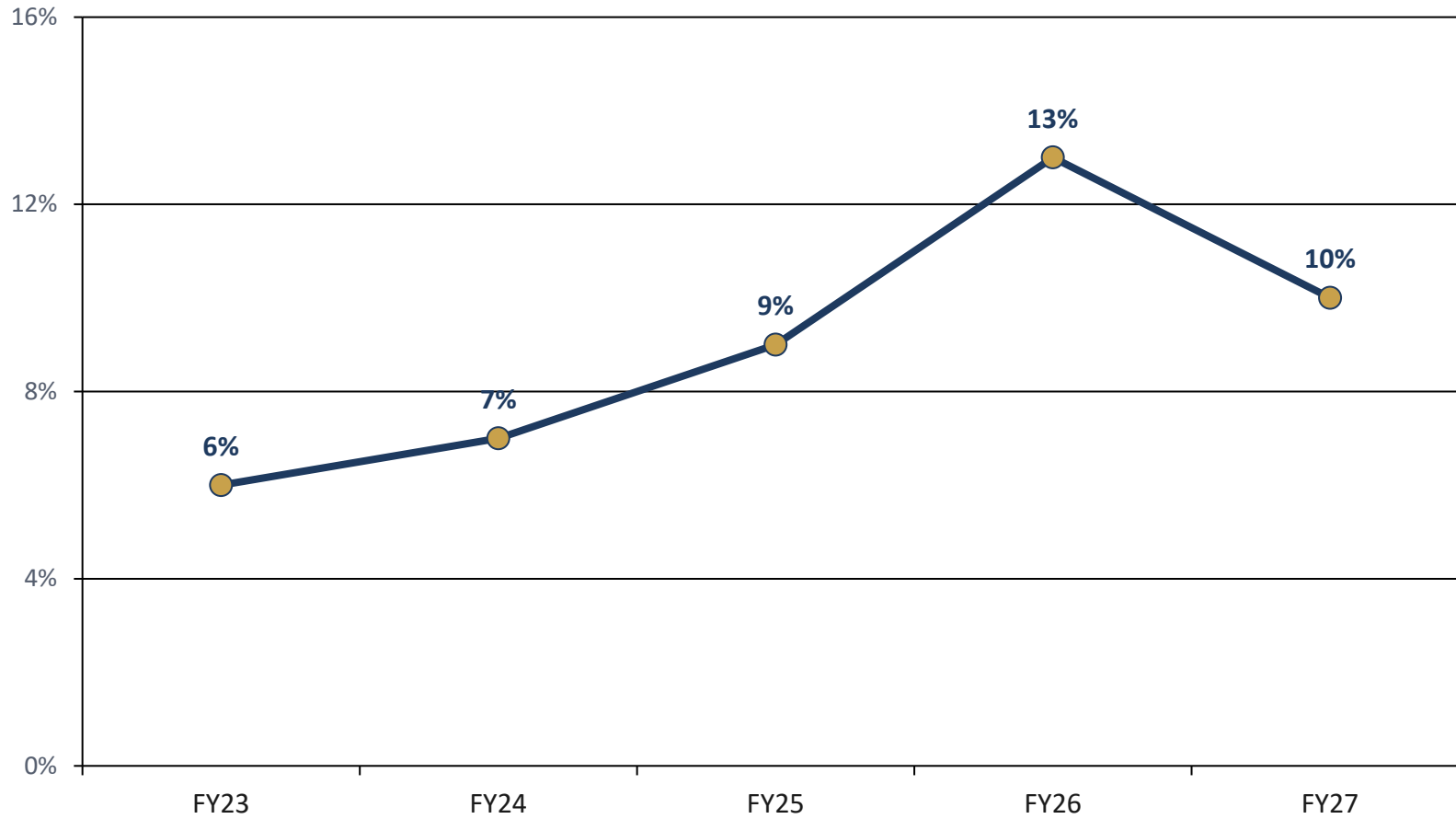
\$1.7M

Curbside Collection

\$1.0M

GIC 5-Year Average Rate Increases

Group Insurance Commission active employee health insurance premium increases



Why It Matters

5-Year Average

9.0%

FY27 Rate Increase

10.0%

Health insurance premiums for active employees and retirees together drive a \$1.7M cost increase in the FY27 level-service budget.

Cost Accountability Framework

Reclassifying shared benefits to align costs with Town and School (\$ in millions)

	TOWN		SCHOOL		TOTAL
FY26 Balanced Budget — Shared Benefits	\$22.5		\$0.0		\$22.5
FY26 Balanced Budget — Accounting Format	\$25.5		\$49.1		\$74.6
FY26 Balanced Budget — Accounting Format Total	\$48.0	49%	\$49.1	51%	\$97.1
Re-Class School Share of FY26 Benefits	(\$11.4)		\$11.4		\$0.0
FY26 Balanced — Cost Accountability Format	\$36.6	38%	\$60.5	62%	\$97.1
FY27 Available Revenue	\$36.4	38%	\$60.1	62%	\$96.5
FY27 Level Service Budget — Cost Accountability	\$40.4		\$63.8		\$104.2
Identified FY27 Budget Deficit	(\$4.0)		(\$3.7)		(\$7.7)

The cost accountability framework aligns operating decisions to cost outcomes and sets expectations with respect to the future allocation of new available revenue.

Town Level-Service Budget Adjustments

Closing the \$4.0M Town share of the FY27 deficit

Department-Level Adjustments (Revenue shift in blue, Cuts in red, Increase in gold)

Curbside Trash Collection Fee (or Override)		(\$2.2M)
Library		(\$700K)
Other General Government		(\$590K)
Comm Dev & Planning		(\$300K)
DPW		(\$150K)
Finance		(\$120K)
Public Buildings		(\$120K)
Cemetery		(\$110K)
Council on Aging		(\$70K)
Town Clerk		(\$60K)
Police		(\$60K)
Building Inspections		(\$50K)
Rec & Parks		(\$45K)
Reserve Fund		(\$25K)
Human Resources		(\$10K)
Select Board		(\$5K)
Unemployment Cost Increase		+\$600K

Town Summary

Identified FY27 Deficit

\$4.0M

Curbside Fee/Override

(\$2.2M)

Department Cuts

(\$2.4M)

Unemployment Increase



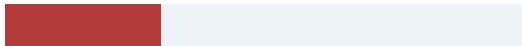


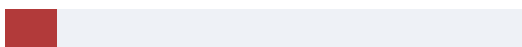
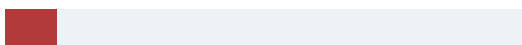
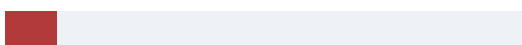

+\$0.6M

Includes the reduction of **22 FTEs** (12% of Town workforce)

School Level-Service Budget Adjustments

Closing the \$3.7M School share of the FY27 deficit

School Department Adjustments

FY27 Out-of-District Tuition Prepayment from FY26 Funds		(\$1.5M)
Teacher and Instructional Assistant Cuts		(\$750K)
Vacant Position Cuts		(\$450K)
Expenses Moved to Revolving Funds / Grants		(\$350K)
Reduction of Daily Substitutes		(\$150K)
Supplies, Curriculum & Technology Cuts		(\$150K)
Administrative / Operations Cuts		(\$150K)
Other Budget Adjustments		(\$150K)
Student Services Cuts		(\$50K)

School Summary

Identified FY27 Deficit

\$3.7M

Tuition Prepayment

(\$1.5M)

Department Cuts

(\$2.2M)

Includes the reduction of **18.25 FTEs** (4% of School workforce)

Growth Factors — Balanced Budget

Year-over-year change in operating budgets, FY26 vs. FY27

	FY26	FY27	\$ Change	% Change
Town Operating Budgets	\$25.5M	\$24.5M	(\$1.0M)	-3.9%
School Operating Budgets	\$49.1M	\$47.6M	(\$1.5M)	-3.0%
Town/School Shared Benefits	\$22.5M	\$24.4M	+\$1.9M	+8.4%
Balanced Budget — No Debt Service/Enterprise Funds	\$97.1M	\$96.5M	(\$0.6M)	-0.6%

THANK YOU

