



TOWN OF MARBLEHEAD

SELECT BOARD

FY 2027

Annual Town Meeting

# THREE-TIER OVERRIDE

*3-YEAR OVERRIDE TIERS AND PURPOSE*

TIER 1

**\$9M**

Partial Restore

TIER 2

**\$12M**

Build

TIER 3

**\$15M**

Invest

# THREE-TIER OVERRIDE

## Understanding Tier Options



### 1 TIER 1 — PARTIAL RESTORE

## \$9 Million

3-year total: \$2.8M · FY27: \$1.26M · FY28: \$718.8K · FY29: \$811.5K

*Partially restores previously reduced services to ensure baseline functionality across key departments.*

- Restores 15 positions cut in FY27 balanced budget
- Allows Library to apply for accreditation waiver
- Brings back Police SRO position
- Restores DPW, Rec & Park, COA, Public Buildings, Finance
- Partial restore of Community Development and Laborer in Cemetery
- Restores Long-Term Financial Health contributions

### 2 TIER 2 — BUILD

## \$12 Million

3-year total: \$4.8M · FY27: \$2.8M · FY28: \$1M · FY29: \$1M

*Adds staff, creates a maintenance division, and expands Recreation and Council on Aging services.*

- All Tier 1 restorations included
- Fully restores Library and Materials and +1 PT Assistant Librarian + expenses
- +2 Firefighters + 1 Police Officer
- +1 IT Director +1 Budget Analyst
- + 1 PT Social Worker +1 GIS position
- \$450K maintenance to public buildings for buildings and rail trail
- Restores 1 Special Clerk and 1 Assistant Planner (former Sustainability) and 1 Conservation Agent (former Grants)

### 3 TIER 3 — INVEST

## \$15 Million

3-year total: \$6.5M · FY27: \$4.3M · FY28: \$1.2M · FY29: \$1M

*Comprehensive investment combining all restorations, enhancements, mental health funding & capital.*

- All Tier 1 & 2 investments included
- +2 Firefighters + 1 Police Officer
- +1 Foreman +1 Specialized HEO
- +1 Grants Writer
- \$60K for mental health counseling
- \$1M recurring capital investment



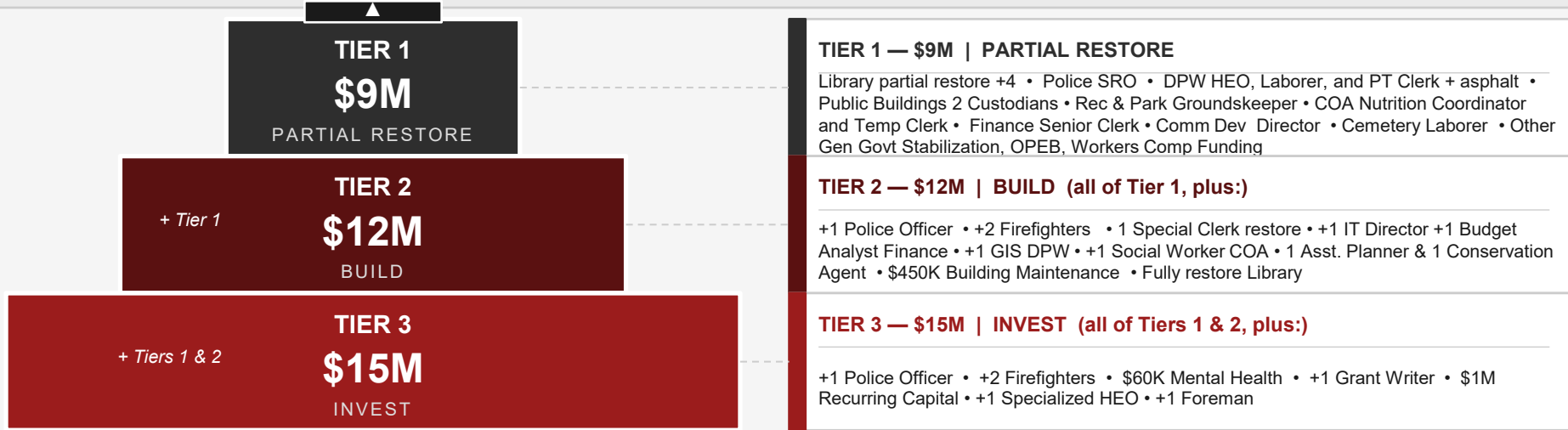
# REVENUE ASSUMPTIONS

|  | <u>FY27 BUDGET</u> | <u>FY28 FORECAST</u> | <u>FY29 FORECAST</u> |   |
|--|--------------------|----------------------|----------------------|---|
| TOTAL PROPERTY TAX LEVY  | 77,803,708         | 80,028,801           | 82,329,521           | ASSUMES 2.5% ON PRIOR LEVY (WITHOUT DEBT) + NEW GROWTH ESTIMATE |
| TOTAL STATE AID  | 9,456,063          | 9,550,624            | 9,646,130            | ASSUMES 1% INCREASE IN BOTH FY28 AND FY29                       |
| TOTAL LOCAL RECEIPTS   | 7,917,995          | 8,131,535            | 8,351,481            | SEE VARIOUS ASSUMPTIONS IN COLLAPSED ROWS                       |
| FREE CASH DECLINING  | 5,000,000          | 4,000,000            | 3,000,000            | ASSUMES \$1 MILLION DECLINING USE OF FREE CASH BY YEAR          |
| MUNICIPAL LIGHT SURPLUS  | 360,000            | 360,000              | 360,000              | ASSUMES FLAT IN BOTH FY28 AND FY29                              |
| CONCOM FUND TRANSFER   | 9,000              | 9,000                | 9,000                | ASSUMES FLAT IN BOTH FY28 AND FY29                              |
| ENTERPRISE FUND INDIRECT COSTS                                 | 609,050            | 627,322              | 646,141              | ASSUMES 3% INCREASE IN BOTH FY28 AND FY29                       |
| <b>TOTAL REVENUE BEFORE OFFSETS</b>                            | <b>101,155,816</b> | <b>102,707,281</b>   | <b>104,342,273</b>   |   |
| ALLOWANCE FOR ABATEMENTS                                       | (754,747)          | (754,747)            | (754,747)            | ASSUMES FLAT IN BOTH FY28 AND FY29                              |
| STATE AID DIRECT OFFSETS                                       | (2,783,125)        | (2,810,956)          | (2,839,066)          | ASSUMES 1% INCREASE IN BOTH FY28 AND FY29                       |
| SNOW AND ICE RESERVE FUNDING                                   | (150,000)          | (150,000)            | (150,000)            | ASSUMES FLAT IN BOTH FY28 AND FY29                              |
| TAX LEVY FUNDED WARRANT ARTICLES (STORMWATER & WALLS/FENCES)   | (225,000)          | (450,000)            | (450,000)            | ASSUMES FLAT IN BOTH FY28 AND FY29                              |
| ESSEX TECH ARTICLE FUNDING                                     | (749,920)          | (772,418)            | (795,590)            | ASSUMES 3% INCREASE IN BOTH FY28 AND FY29                       |
| <b>TOTAL OFFSETS</b>   | <b>(4,662,792)</b> | <b>(4,938,121)</b>   | <b>(4,989,403)</b>   |   |
| <b>NET AVAILABLE REVENUE TO SPLIT BETWEEN TOWN AND SCHOOL</b>  | <b>96,493,024</b>  | <b>97,769,160</b>    | <b>99,352,870</b>    |   |
| <b>TOTAL INCREASE(DECREASE) IN AVAILABLE REVENUE FOR SPLIT</b> |                    | <b>1,276,136</b>     | <b>1,583,710</b>     |   |



# HOW A THREE-TIER OVERRIDE WORKS

One question on the ballot. Three tiers. Vote YES on any or all tiers — the tier with highest \$ amount and majority vote is approved.



## HOW RESIDENT VOTE WORKS

**Vote YES on Tier 1 only**

-> \$9M enacted — Tier 1 restorations take effect

**Vote YES on Tier 2 (Tiers 1 & 2)**

-> \$12M enacted — Tier 1 restore & Tier 2 additions

**Vote YES on Tier 3 (1 & 2 plus Tier 3 adds)**

-> \$15M enacted — Tier 1 restore & Tier 2 additions plus Tier 3 additions

# IF NO OVERRIDE PASSES

*Loss of Town Services by Department*

## **LIBRARY**

### **Loses certification**

Open only 3 days/week ; No Evenings and No Weekends; 8.5 positions cut

## **POLICE**

### **No SRO in schools**

School Resource Officer eliminated

## **FIRE**

Overtime costs spike; Down 1 full shift

## **RECREATION & PARKS**

### **No Groundskeeper**

No Trash pickup for 186 public trash barrels

## **TOWN CLERK**

**No Special Clerk** ; reduced services

## **PUBLIC WORKS**

### **2.5 positions Cut & Asphalt Cut**

No Laborer, Heavy Equipment Operator, and PT Clerk; \$60K Asphalt

## **CEMETERY**

**No Laborer**

## **COUNCIL ON AGING**

### **Key staff cut**

No Nutrition Coordinator/Labor and Temporary Clerk ;

## **COMM DEV & PLANNING**

**No Community Development Director**, Sustainability Coordinator, and Grants Coordinator;

## **FINANCE**

### **Senior Clerk cut and IT equipment and Training cut**

**No Senior Clerk** causing Treasurers Office to be understaffed; IT replacement equipment & training for new staff eliminated

## **PUBLIC BUILDINGS**

### **2 Custodians cut**

Facility upkeep diminished for Mary Alley and Abbot Hall.

## **BUILDING INSPECTIONS**

Cut Other Professional and Technical Expense which funds OpenGov Subscription & Copier Maintenance

## **CAPITAL**

### **Zero capital FY2027**

No equipment, Public Buildings improvements

## **FINANCIAL HEALTH**

No Stabilization Fund or OPEB liability (\$250K each); Cut FinCom Reserve by \$26K; cut \$97,662 Workers Comp

# COMPARISON: NO OVERRIDE vs. TIERS 1–3



|                                  | No Override  | Tier 1 – Partial Restore  | Tier 2 - Build  | Tier 3 - Invest   |
|----------------------------------|--|---|---|---|
| Library                          | Lose Accreditation; Operates only 3 days per week; No evenings or weekends; 8.5 positions cut  | Allows Waiver for Accreditation; No evenings/weekend hours; 4 positions restored  | Fully Restored; 8.5 positions and library materials; +1 Part-time Librarian and increase expenses funding | ✓   |
| Police Department                | No School Resource Officer (SRO) brings staffing to 29 officers  | Fully restored SRO but Police staffing level at historically low level  | Fully Restored SRO +1 Police Officer Added  | 1 Police Officer added for a total of 3 with SRO brings Police Staffing Level to 33 Officers in line with historic staffing level   |
| Fire Department                  | No staff cuts to contain overtime (OT) expense; currently down 1 full shift  |   | 2 Firefighters added  | 2 Firefighters added for a total of 4 to reduce overtime costs  |
| Department of Public Works       | 2.5 positions cut; \$60,000 reduction in asphalt; reduced services levels  | Fully restored 1 PT General Clerk, 1 Heavy Equipment Operator, 1 Laborer and Asphalt; service levels at historic low level                              | 1 GIS position added; Improved service levels   | In addition to the 3 positions restored and the new GIS position in tier 2, Adding 1 Foreman position & 1 Specialized HEO; significantly improved service levels in line with past staff levels |
| Recreation & Parks               | Cut Groundskeeper; No trash pick up for 187 public trash barrels   | Fully restored 1 Groundskeeper to pickup trash barrels  | Maintenance & Materials budget increased \$25,000; Utilities increased \$17,000                           | ✓   |
| Council on Aging                 | Nutrition Coordinator/General Labor & Temp Special Clerk cut   | Fully restored 1 Nutritional Coordinator/Labor and 1 Temp Clerk   | 1 Part time Social Worker added; Building maintenance \$15K added; Improved Service                       | ✓   |
| Community Development & Planning | Cuts include Director, Sustainability Coordinator, and Grant Coordinator   | Director restored only; Currently the Director is also the interim Planner; Lost 2 employees (planner & sustainability) FY26.                           | 1 Asst. Planner & 1 Conservation Agent added (replacing Sustainability Coordinator & Grant Coordinator)   | In addition to full restore and 2 tier positions Adding 1 Grant Writer position to bring in additional grant revenue for the Town.  |
| Finance Department               | Senior Clerk cut; Computer equipment and Staff training cut; Treasurer Office under staffed and need IT equipment Cut 2 Special Labor Custodians that service Mary Alley and Abbot Hall. Impacts cleaning, meetings, & more. | Fully restored 1 Senior Clerk, IT equipment identified for replacement, and training for new staff hired along with certifications                      | 1 Town IT director added; 1 Budget Analyst added to improve IT and operations                             | ✓   |
| Public Buildings                 |  | Fully restored 2 Special Labor Custodians that serve Mary Alley and Abbot Hall.   | Establish a \$450,000 maintenance budget for buildings townwide and rail trail                            | ✓   |
| Building Inspections             | Cut OpenGov subscription and copier maintenance.   | Fully restored OpenGov subscription and copier maintenance needed for operations.   | ✓   | ✓   |
| Health Department                | Level funded Health despite need for additional mental health  |   |   | Double funding to Mental Health with \$60,000 investment in mental health counseling  |
| Town Clerk                       | Cut 1 special clerk reducing the office from 3 employees to 2 employees  |   | Fully restored 1 Special Clerk  | ✓   |
| Cemetery                         | Reduce dept. head to part time; Cut 1 laborer  | Restore 1 laborer   | ✓   | ✓   |
| Recurring Capital                | No Capital for FY2027 except contractual Leases; 1 of 3 recurring Capital Articles on warrant funded.  |   |   | \$1 million capital for recurring leases, equipment, and building improvements (3 articles seen annually on the Town Warrant)   |
| Long Term Financial Health       | No contribution to Stabilization Fund or OPEB liability (\$250K each); Cut FinCom Reserve by \$26K; cut \$97,662 Workers Comp  | Fully restored annual stabilization transfer, OPEB transfer, FinCom Reserve restored to 440K, and workers comp restored to cover any unexpected claims. | ✓   | ✓   |
| FTE Summary                      | Cuts 21.5 Positions  | Restores 15 Positions   | Restores another 6.5 positions; Adds 7 New Positions  | Adds an additional 6 New Positions  |

# School Department Tier 1: Prevent Further Damage

3-year total: \$6.2M · FY27: \$0 · FY28: \$4.4M · FY29: \$1.8M

## WHAT TIER 1 COVERS

### COLA & Step Salary Increases for Staff

FY28 and FY29 — contractual obligation. Without this, the district is in breach of its agreements with staff.

### Special Education Out-of-District Tuition

Restores \$1.5M removed from the FY27 budget. Students with IEPs have a federally protected right to services — this is non-negotiable.

### Revolving Fund Positions → General Fund

Moves \$59,699 (FY28) and \$209,374 (FY29) of positions from revolving accounts back into the General Fund where they belong.

## WHY THE OVERRIDE IS NEEDED: THE COST DRIVERS

School spending — excluding shared benefits — is growing at only 3% per year on average (FY26–FY29). The override is not about bloated school spending. It is about costs the district cannot control.

| Category                      | FY27          | FY28         | FY29         | CAGR        |
|-------------------------------|---------------|--------------|--------------|-------------|
| School Dept. (excl. benefits) | -3.1%         | +9.0%*       | +3.8%        | 3.1%        |
| Benefits & Shared Costs       | <b>+11.0%</b> | <b>+5.6%</b> | <b>+6.0%</b> | <b>7.5%</b> |

Source: Finance Committee analysis, April 2026. FY28 school salaries reflect union contract implementation.

\*Driven by restoration of Special Ed OOD Tuition

**Benefits & shared costs — not school or town department spending — are the primary driver of Marblehead's structural deficit.**

# School Department Tier 2: Get Back to Basics

3-year total: \$7.2M · FY27: \$0 · FY28: \$5.7M · FY29: \$1.5M · Includes everything in Tier 1

## SCHOOL TECHNOLOGY LEASE

**\$150,000 per year · FY28 and FY29**

- Funds student devices, software licenses, and instructional technology across all grade levels
- Replaces aging equipment that has gone unfunded during multiple rounds of budget cuts
- Structured as a multi-year lease — predictable, manageable annual cost
- Keeps Marblehead competitive with neighboring districts that are investing in technology
- Directly supports classroom instruction — not administrative overhead

## FREE FULL-DAY KINDERGARTEN

**FY28: \$671,408 replaced by override**  
**FY29: \$710,711 replaced by override**

- Eliminates out-of-pocket tuition for Full-Day Kindergarten — families currently pay a fee for access
- Removes an equity barrier that disadvantages working families and lower-income households
- Aligns Marblehead with the direction of the state and the practice of peer communities
- Research consistently links full-day kindergarten to better long-term academic outcomes

# School Department Tier 3: Invest in Marblehead's Future

3-year total: \$8.5M · FY27: \$0 · FY28: \$5.9M · FY29: \$2.6M · Includes everything in Tiers 1 & 2

## INITIATIVE 1 OF 3

### Curriculum & Professional Development

FY28 & FY29 — \$100,000/year

Reestablishes the Teaching & Learning investment that was eliminated during cuts. Funds curriculum updates, instructional coaching, and teacher professional development. Strong professional development is directly tied to student achievement and is how Marblehead maintains its academic standing.

## INITIATIVE 2 OF 3

### Post-Graduate Special Education Program

FY29 — \$500,000 - New in-district program

Creates a district-run program for Special Education students aged 18–22 who are entitled to educational programming but have not earned a diploma. Currently these students are served by expensive private schools or collaboratives. An in-district program improves student outcomes and reduces long-term costs to the town.

## INITIATIVE 3 OF 3

### School Building Capital Fund

FY29 — \$500,000 dedicated fund

Establishes dedicated capital funding for extraordinary maintenance across school buildings. Without investment, deferred maintenance becomes emergency repairs at far greater cost. This fund ensures our buildings remain safe, functional, and conducive to learning for the next generation of Marblehead students.

# School Department - What Happens If Voters Say No

## Special Ed OOD Costs Continue Rising

Out-of-district tuition and transportation are mandatory district obligations. Without override revenue, these costs crowd out everything else — and the district faces legal exposure if IEP obligations go unmet.

## Staff Salary Increases Go Unmet

COLA and step raises are contractual. Without override revenue, they cannot be covered within the levy limit — straining staff retention and labor relations across the district.

## Benefit Costs Outpace Revenue Every Year

Health insurance rose 11.17% this cycle. Pension contributions rose 8.6%. Revenue grows just 2.5%. This structural mismatch permanently widens without new funding.

## Education Quality Declines

Superintendent Robidoux warned publicly: further cuts 'will 100% impact classrooms. It will 100% impact students.' Class sizes grow, interventions are cut, and the academic programs that define Marblehead's reputation erode.

## Technology Falls Further Behind

Devices and software continue aging with no replacement plan. Marblehead students lose ground to neighboring districts making sustained technology investments.

## The Problem Compounds Each Year

A 'no' vote does not freeze the school budget. It guarantees a larger structural gap in FY28 and FY29 — requiring a more difficult and painful vote in the near future.

*A 'no' vote is not 'saving money' — it is choosing larger problems tomorrow over smaller investments today.*

# School Override: Tier Comparison at a Glance

| What's included for schools              | No Override | Tier 1 | Tier 2 | Tier 3 |
|--|-------------|--------|--------|--------|
| COLA & Step Salary Increases for Staff   | X           | ✓      | ✓      | ✓      |
| Special Ed OOD Tuition Fully Funded      | X           | ✓      | ✓      | ✓      |
| Revolving Positions → General Fund       | X           | ✓      | ✓      | ✓      |
| School Technology Lease                  | X           | X      | ✓      | ✓      |
| Free Full-Day Kindergarten               | X           | X      | ✓      | ✓      |
| Curriculum & Professional Development    | X           | X      | X      | ✓      |
| Post-Graduate Special Ed Program (18–22) | X           | X      | X      | ✓      |
| School Building Capital Fund             | X           | X      | X      | ✓      |

# WHAT DOES IT COST?

Tax impact on the Median \$998,600 Marblehead homeowner

Overrides are phased in over 3 years. The amounts below reflect the estimated annual property tax increase per household.

## TIER 1 — Partial Restore

# \$9M

Override Total

|        |              |
|--------|--------------|
| Year 1 | ~\$130       |
| Year 2 | ~\$533       |
| Year 3 | ~\$256       |
|        | <b>\$919</b> |

## TIER 2 — Build

# \$12M

Override Total

|        |                |
|--------|----------------|
| Year 1 | ~\$280         |
| Year 2 | ~\$676         |
| Year 3 | ~\$274         |
|        | <b>\$1,230</b> |

## TIER 3 — Invest

# \$15M

Override Total

|        |                |
|--------|----------------|
| Year 1 | ~\$430         |
| Year 2 | ~\$720         |
| Year 3 | ~\$388         |
|        | <b>\$1,538</b> |

# WHAT DOES IT COST?

Tax impact on the Average \$1,291,507 Marblehead homeowner

Overrides are phased in over 3 years. The amounts below reflect the estimated annual property tax increase per household.

## TIER 1 — Partial Restore

# \$9M

Override Total

|        |                |
|--------|----------------|
| Year 1 | ~\$168         |
| Year 2 | ~\$689         |
| Year 3 | ~\$331         |
|        | <b>\$1,188</b> |

## TIER 2 — Build

# \$12M

Override Total

|        |                |
|--------|----------------|
| Year 1 | ~\$362         |
| Year 2 | ~\$875         |
| Year 3 | ~\$353         |
|        | <b>\$1,590</b> |

## TIER 3 — Invest

# \$15M

Override Total

|        |                |
|--------|----------------|
| Year 1 | ~\$556         |
| Year 2 | ~\$931         |
| Year 3 | ~\$502         |
|        | <b>\$1,989</b> |

# OVERRIDE TAX IMPACT (CUMULATIVE AT END OF 3 YEARS)



★ Median home value: \$998,600 (current tax bill ~\$8,548/yr) | Average home value: \$1,291,507 (current tax bill ~\$11,055/yr) | Current Tax Rate \$8.56

Annual cost per household based on assessed home value. Rate: \$0.10 per \$1,000. Chart shows increase if full costs in year one rather than phased over 3 years.

| Home Value                | Tier 1 — \$9M  | Tier 2 — \$12M | Tier 3 — \$15M | Monthly (Tier 3) |
|---------------------------|----------------|----------------|----------------|------------------|
| \$500,000                 | \$450          | \$600          | \$750          | \$63/mo          |
| \$600,000                 | \$540          | \$720          | \$900          | \$75/mo          |
| \$700,000                 | \$630          | \$840          | \$1,050        | \$88/mo          |
| \$800,000                 | \$720          | \$960          | \$1,200        | \$100/mo         |
| \$900,000                 | \$810          | \$1,080        | \$1,350        | \$113/mo         |
| <b>\$998,600 ★ MEDIAN</b> | <b>\$899</b>   | <b>\$1,198</b> | <b>\$1,498</b> | <b>\$125/mo</b>  |
| \$1,100,000               | \$990          | \$1,320        | \$1,650        | \$138/mo         |
| \$1,200,000               | \$1,080        | \$1,440        | \$1,800        | \$150/mo         |
| <b>\$1,291,507 ★ AVG</b>  | <b>\$1,162</b> | <b>\$1,550</b> | <b>\$1,937</b> | <b>\$161/mo</b>  |
| \$1,400,000               | \$1,260        | \$1,680        | \$2,100        | \$175/mo         |
| \$1,500,000               | \$1,350        | \$1,800        | \$2,250        | \$188/mo         |

# MEMORANDUM OF UNDERSTANDING (MOU)



A public commitment among the Select Board, School Committee, and Finance Committee governing fiscal discipline through FY2030.

## **No override at least through FY2030**

Select Board, School Committee, and Finance Committee commits to not pursuing another override at least through fiscal year 2030.

## **62%–38% unrestricted revenue split formalized along with benefits allocation**

Establishes clear allocation of revenues and benefits between schools and the town.

## **Quarterly joint financial review**

Quarterly finance reviews and annual public updates from Town Administrator and School Superintendent

## **Reduce reliance on Free Cash**

Shift to structural budgeting and phase out use of Free Cash to balance the budget.

## **Build Stabilization Fund to 5% of Operating Budget**

Establishes a target reserve level that provides a meaningful financial cushion for the town against future volatility and unexpected costs in line with financial policy.

**This MOU is a public promise — accountability to Marblehead residents.**