



TOWN OF STONEHAM

MASSACHUSETTS 02180

Override Study Committee

35 Central Street
Stoneham, MA 02180

Stoneham Override Study Committee Report

Joseph Joffe, Committee Chair and Finance/Advisory Board Representative

Stephen Ternullo, Committee Vice-Chair and Resident Representative

Eric Scruggs, Secretary and Resident Representative

Heidi Bilbo, Member and Select Board Representative

Brendan Dowdle, Resident Representative

Jackie Mahoney, Resident Representative

Cory Mashburn, Member and School Committee Representative

Nick Stavre, Resident Representative

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Executive Summary

How did we get here?

The current financial strain on the town is primarily a reflection of the same inflation that has impacted other costs across the economy. The costs to provide services to town residents have risen significantly more than town income as a result of limits set by Proposition 2 ½, creating the need for either an override or cutting town services significantly.

What is the recommendation?

The majority of the committee recommended an override of \$12,506,094 in order to accomplish the following:

- Lift hiring freezes impacting the Town including the Fire Department, Police Department, and Department of Public Works.
- Increasing staffing levels for Fire Department, Police Department, and Department of Public Works to address rising overtime costs, burn out, and provide a better level of service to residents.
- Providing funding to departments allowing them to invest and build efficiencies.
- Allow the School Department to negotiate in good faith with labor units to secure market rate contracts to improve teacher retention and recruitment.
- Empower the School Department to restore previously cut services enabling the department to better provide services to students in the district, reducing out of district placement costs and hopefully keeping students out of charter schools which has additional costs on the town.

What impact would a \$12.5 million Override have on tax bills?

For a single-family home with an assessed value of \$765,770 the recommended override would result in a property tax increase of \$1,447.31 annually (\$120.61 per month).

What would happen without an override?

Without an override the town would be faced with reducing "optional" services to be able to continue to fund "required" services. Optional services that would need to be closed or cut significantly include the Library, Council on Aging, and School Department class offerings.

Committee Recommendations

On **August 26th, 2025**, the Override Study Committee voted 7 to 1 in recommendation that the Stoneham Select Board Put Forth another override vote before the town ahead of Fiscal Year 2027.

On **September 25th, 2025**, the Override Study Committee voted 6 to 2 in recommendation that the amount of \$12,506,094 be considered ahead of Fiscal Year 2027, with the intention that this amount will serve to help balance budgets for at least Fiscal Years 2027 through 2029, barring any unforeseen outside factors.

Note from Stephen Ternullo, Vice-Chair:

September 29, 2025

Chairman Joseph Joffe
Override Study Committee
Town of Stoneham

Dear Chairman Joffe,

I am writing in regard to the recently issued Override Study Committee Report. While I appreciate the work and effort that went into the committee's deliberations, I must respectfully state for the record that I do not agree with its conclusions or recommendation.

Although my name appears on the report and I participated fully in the committee's discussions, I cannot in good conscience support the report as written. My position remains that Stoneham should not move forward with the proposed override. I believe the financial impact on our residents would be too great, and I want to ensure that my views are clearly distinguished from the committee's final recommendation.

Please include this letter as part of the official record of the committee's work.

Respectfully,
Stephen Ternullo
Vice Chairman
Override Study Committee

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Background

The Town of Stoneham entered the Fiscal Year 2026 budget process facing significant financial challenges, as most town departments requested funding beyond what projected revenues could support. The process began in late 2024, with the expectation that an override vote would appear on the April 1, 2025 ballot. To prepare, the Select Board and Town Administrator developed a dual-track budget: one reflecting approval of the override, and one assuming it did not pass.

Like many other Massachusetts municipalities, Stoneham has faced several years of fiscal strain. Proposition 2½, passed by state voters in 1980, limits the annual increase in property taxes to 2.5 percent unless an override is approved by local residents. In recent years, inflation and rising costs—particularly following the COVID-19 pandemic—have driven municipal spending higher than revenues allowed under the cap, leaving many communities in a difficult position. Across the state, towns have turned to override measures with mixed results.

Leading into the April 1, 2025 Town Election, the Stoneham Select Board approved a ballot measure requesting a \$14.6 million override to bridge the gap between departmental funding requests and available revenues. On Election Day, voters rejected the measure, with 3,407 voting “no” and 2,896 voting “yes.”

Following the failed override, the Select Board and Town Administrator reworked the FY2026 budget. The revised plan reduced allocations across several departments and reallocated funds from fund balances to close the gap. Additionally, several motions were made and accepted at Town Meeting, to further reallocate or reappropriate funds for specific departments. This final budget was approved at Stoneham Town Meeting on May 5, 2025.

Shortly afterward, discussion of a new override began. While another ballot measure was nearly immediately proposed, the Select Board opted to delay until Fall 2025 in order to give residents and town leaders additional time to assess needs and community priorities. To guide this process, the Board created an Override Study Committee (OSC).

The OSC consists of five resident representatives, each appointed by a member of the Select Board, along with representatives from the Finance and Advisory Board, Select Board, and School Committee. Meeting weekly throughout the summer and early fall of 2025, the committee heard from department heads, reviewed financial projections, and considered the implications of both recommending or not recommending an override. This report summarizes the committee’s work and presents findings to help inform both the Select Board and residents as Stoneham considers its next steps in this process.

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Department Funding Breakdowns:

Town Moderator

FY26 Budget Overview

- FY26 budget allotment is \$0, a 100% decrease from FY25's \$400.

<u>FY26 Budget Allotment:</u> \$0
<u>FY25 Budget Allotment:</u> \$400
<u>Variance from FY25 Budget:</u> -\$400 (decrease of 100%)

Services Provided

- The moderator shall preside and regulate the proceedings, decide all questions of order and make public declaration of all votes.
 - The moderator may take all votes requiring a two-thirds majority in the same manner in which the moderator conducts the taking of a vote when a majority is required.
-

Select Board

FY26 Budget Overview

- FY26 budget allotment is \$104,223 a 9.5% decrease from FY25's \$118,686.

<u>FY26 Budget Allotment:</u> \$104,223
<u>FY25 Budget Allotment:</u> \$118,686
<u>Variance from FY25 Budget:</u> \$14,463 (decrease of 12.19%)

Services Provided

- The Select Board sets policy for the Town.
 - The Select Board held 39 meetings in FY 25 and processed many applications for site plan approval, grants of location, restaurant licensing, entertainment licensing, alcohol licensing, and cable licensing. The Board continues to improve and implement internal policies and guidelines and work toward efficiency in all processes.
-

Town Administrator

FY26 Budget Allotment: \$493,291

FY25 Budget Allotment: \$466,981

Variance from FY25 Budget: \$26,310
(increase of 5.63%)

FY26 Budget Overview

- FY26 budget allotment is \$493,291 5.63% increase from FY25's \$466,981.
- The increase for the Town Administrator Budget is from contractually required salary increases.

Services Provided

- The Town Administrator is appointed by the Select Board.
 - The Town Administrator is responsible for ensuring that the resources of the Town (primarily human and fiscal) are utilized in the most efficient and effective manner by encouraging high levels of cooperation and teamwork.
-

Town Accountant

FY26 Budget Allotment: \$284,901

FY25 Budget Allotment: \$288,138

Variance from FY25 Budget: -\$3,237
(decrease of 1.1%)

FY26 Budget Overview

- FY26 budget allotment is \$284,901 a 1.1% decrease from FY25's \$288,138.

Services Provided

- The Town Accountant works collaboratively and effectively with the Town Administrator and the administrative team.
 - Maintains a complete set of financial records for all town accounts, appropriations, debts, and contracts; maintains a general ledger and journal for the recording of all transactions.
 - Oversees and participates in the posting of weekly warrants in ledger, posts cash receipts in ledger as received and monthly entries in journal.
 - Monitors expenditures of all Town funds; examines all vouchers, department bills and payrolls for appropriateness of expenditure and for accuracy and availability of funds before payment by Treasurer; reconciles Treasurer/Collector's cash and receivables balances with the general ledger; oversees preparation of weekly payroll and accounts payable warrants for review by the Board of Selectmen.
-

Board of Assessors

FY26 Budget Allotment: \$201,459

FY25 Budget Allotment: \$200,657

Variance from FY25 Budget: \$802 (increase of .4%)
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FY26 Budget Overview

- FY26 budget allotment is \$201,459 a .4% increase from FY25's \$200,657.
- The budget increase is from contractually required salary increases.

Services Provided

- The role of the Assessor's Office, under the direction of the Board of Assessors, is the valuation of all real and personal property throughout the entire community.
- This office is responsible for meeting and adhering to strict certification requirements of the Department of Revenue.
- In addition to its appraisal duties, the Assessor's Office responsibilities include the processing of property tax abatements, statutory exemptions, resolving excise tax issues, as well as various real estate related inquires.

Looking Ahead (Future Considerations)

- If budget constraint continues the elected board of assessors should look at decreasing their salaries.
-

Treasurer/Collector

FY26 Budget Allotment: \$427,699

FY25 Budget Allotment: \$407,101

Variance from FY25 Budget: \$20,598 (increase of 4.8%)
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FY26 Budget Overview

- FY26 budget allotment is \$427,699 a 4.8% increase from FY25's \$407,101.
- The budget increase is from contractually required salary increases.

Services Provided

- The Treasurers Office is responsible for the receipt of all town money and investments, maintaining tax title accounts, the administration of all Town authorized debt, and disbursement of both the vendor and payroll warrants, including the payroll process.
-

Town Clerk

<u>FY26 Budget Allotment:</u> \$251,789
<u>FY25 Budget Allotment:</u> \$238,333
<u>Variance from FY25 Budget:</u> \$13,456 (increase of 5.3%)

FY26 Budget Overview

- FY26 budget allotment is \$251,789 a 5.3% increase from FY25's \$238,333.
- The budget increase is from contractually required salary increases.

Services Provided

- The Town Clerk is the chief election official, recording official, registrar of vital records and the chief records access officer for public records requests.
 - The office responds to inquiries and requests from the public as well as from other departments, boards, committees and State and Federal agencies.
-

Economic and Community Development

<u>FY26 Budget Allotment:</u> \$172,646
<u>FY25 Budget Allotment:</u> \$205,308
<u>Variance from FY25 Budget:</u> \$32,662 (decrease of 15.9%)
<u>Cuts Due to FY26 Budget:</u> Professional Development line decreased by 42%.

Economic and Community Development is a one-person department. The Director applies for multiple long-range grants per year and manages all the grants as well.

FY26 Budget Overview

- FY26 budget allotment is \$172,646 a 15.9% decrease from FY25's \$205,308.

Services Provided

- The mission of the Planning & Community Development Department is to collaborate with residents, town officials, and business owners by following best practices of urban planning and development to progress short- and long-range plans that identify and prioritize the needs of the municipality while promoting a well-designed, livable and thriving community.
 - The department manages \$8,399,405.06 in grants assisting the Town of Stoneham with projects in areas of Infrastructure, Energy Efficiency and Planning projects.
-

Stoneham Police Department

Stoneham Police Department (SPD) faces significant budget cuts, risking certification and essential services for the community.

FY26 Budget Overview

- Based on comparable nearby towns including population and 2025 calls, SPD has a smaller budget and fewer total staff including Officers and Deputy Chiefs.
- Consistent understaffing and current funding levels may cause officer burnout, create recruitment and retention issues, drive additional overtime costs and impact the services provided.
- Unfunded Training Mandates

<u>FY26 Budget Allotment:</u> \$5,734,927
<u>FY25 Budget Allotment:</u> \$5,359,363
<u>Variance from FY25 Budget:</u> (+ \$375,564 or +7.0%)
<u>Cuts Due to FY26 Budget</u> Staffing which results in increased o/t Unfunded Training Mandates Dispatch needs Reduction in Mental Health Response and follow up.

Services Provided

- Responding to emergencies and calls for service.
- Law enforcement and crime prevention.
- Patrol and traffic enforcement.
- Community policing builds positive relationships with residents.
- Crisis intervention.

Certification Standards (Unique Department Needs/Challenges)

- Currently the Stoneham Police Department is in the accreditation/certification process with the Massachusetts Police Accreditation Commission to ensure SPD is following best practices which have additional training and costs associated.
- Between 2001 and 2025 staffing remained relatively flat while calls for service have risen by 42%. (2000- 13,116 calls vs 2024 -18,620 calls) Stoneham in 2001 was also staffed with 15-16 Auxiliary Officers which aided in the workload and has since been eliminated due to POSTC regulation changes. Based on Stoneham's population, acceptable staffing levels for SPD would be roughly 46 officers and with the expected population growth that number could grow to 48.
- The Police Department currently has 40 officers, which includes 4 that just came out of training and leaves six to eight positions to be filled. There are six officers eligible to retire within the next five years, which may have further impacts on department staffing. Training an officer takes approximately one year before being put in the field and the Police Academy is projected to cost \$27,000 per trainee.
- Covering staffing needs has become increasingly challenging due to injuries, FMLA, requirements, unfilled positions, vacations and training needs. This leads to increased overtime required by officers, which has added an additional financial cost to the town and places a burden on the officers who must make up for openings.
- Based on current staffing levels it is likely that the FY 26 overtime actual spending will be approximately the same as FY 25 (\$777k FY 25 spending vs \$555k FY 26 Budget) An additional expense of \$222K in FY26.

Looking Ahead (Future Considerations)

- The last several years SPD has received a state grant to cover costs of mental health response calls including covering the salary of a dedicated mental health clinician, officer training and overtime costs associated with proactive follow-ups. Beginning in FY 26 the grant funds have been reduced to only cover the clinician position and it is unclear if funding will be restored in the future resulting in a reduction of services.
- If understaffing continues some services that could be potentially cut include the school resource officer, reduced detective division and other specialty positions.
- The midnight dispatch shift currently has one dispatcher working which creates coverage issues when the dispatcher needs a break or is out sick on their shift.
- Massachusetts officers are now required to complete extensive training including de-escalation, mental health response, use of force, defensive tactics, biased policing awareness and all costs are passed on to the department.

Conclusion

- A properly funded Police Department can lead to lower crime rates, increased public safety, and greater community confidence in law enforcement. These benefits stem from the department's ability to hire and retain qualified officers, provide better training and equipment, and invest in community. Adequate funding allows the department to provide officers with the training they need to handle a wide range of situations. It also enables them to acquire and maintain the latest technology and equipment, such as body cameras and surveillance systems.

Stoneham Fire Department

Stoneham Fire Department (SFD) faces staffing challenges and outdated facilities because of budget constraints creating potential risks to the department's ability to respond adequately.

FY26 Budget Overview

- FY26 budget allotment is \$5,073,899 a 9.22% increase from FY25's \$4,645,419.
- \$313,730 (73.22%) of the budget increase is from contractually required salary increases.

Services Provided

- The mission statement of the Stoneham Fire Department is to protect life, property and the environment in the community in the most professional, courteous, and efficient manner possible.
- In 2024, 4,344 calls resulted in 7,747 responses from the department. Call volume has increased over 40% between 2000 and 2024.

FY26 Budget Allotment: \$5,073,899
FY25 Budget Allotment: \$4,645,419
Variance from FY25 Budget: \$428,480 (increase of 9.22% YoY)
Cuts Due to FY26 Budget: Roles were left open and unfilled to reduce the impact of funding challenges on other departments.

Unique Department Needs/Challenges

- Open roles and challenges due to military deployment, illness, injury, and FMLA are stressing departmental staffing. National staffing standards (NFPA 1710) would be 3 firefighters and 1 officer per company. Stoneham currently has 2 firefighters per company with no officer (exception is Engine-1).
- While calls have increased, the size of the department has been relatively unchanged. In 2001, SFD had a complement of 39 including a Deputy Chief position and, in 2024, the department complement was 42.
- Maintaining the current levels of staffing places significant stress on the staff of the department risking turnover and burnout, creates excess overtime costs, and may result in inadequate firefighters to respond to certain types of calls.

Looking Ahead (Future Considerations)

- SFD should study the impact of bringing ambulance services in house as a way of reducing costs.
- Continue to apply for FEMA SAFER Grants to help offset the cost of increased staffing levels.

Conclusion

- SFD’s ability to provide rapid response to calls is vital for the community, but ongoing funding issues threaten its operation and service level.
- SFD requested 4 additional staff, to promote 4 current roles to officer positions, and add 1 Deputy Chief to better oversee the department.

Stoneham Public School Department

The Stoneham Public Schools (SPS) are facing funding and staffing challenges, and the financial constraints are having an impact on education quality.

FY26 Budget Overview

- FY26 budget allotment is \$39,460,244, a 10.23% increase from FY25’s budget of \$35,796,978.
- This allotment was only possible with a one-time diversion of \$1.2M from Free Cash (which was intended to go into Stabilization), as well as cuts to the budgets from many departments, including the Council on Aging, Stoneham Public Library, Stoneham Police Department, and Stoneham Fire Department.

Services Provided

- The Stoneham Public School System includes the Stoneham Early Learning Center, 3 Elementary schools, a middle school, and a high school, all overseen by a superintendent and a school committee responsible for policy and budget decisions.

Unique Department Needs/Challenges

<u>FY26 Budget Allotment:</u> \$39,460,244
<u>FY25 Budget Allotment:</u> \$35,796,978
<u>Variance from FY25 Budget:</u> \$3,663,266 (increase of 10.23% YoY) <i>(but required \$1.2M to be diverted from Stabilization, as well as cuts from CoA, SPL, SPD and SFD budgets to achieve)</i>
<u>Staffing Challenges:</u> SPS Teachers and other Staff are working without ratified contracts, and Stoneham started the school year with 28 unfilled positions due to staff leaving for higher pay and more secure employment in other municipalities.

- **Funding Sources**

- Funding comes from local property taxes, state aid through the Chapter 70 program, and limited federal contributions for specific programs. Local funding is the primary source, while state aid fluctuates based on economic conditions.

- **Key Funding Issues**

- **Budget Constraints:** Over 80% of the SPS budget goes towards staffing. Annual budget considerations have led to necessary reductions on staffing and programming, due to rising costs and limited local tax growth without a Proposition 2 ½ Override. Whereas the majority source of funding (Local Property Taxes) is constrained with a maximum yearly growth factor, there are no such caps against the biggest cost drivers that the School District faces.
- **State Aid Volatility:** Changes in state funding formulas create uncertainty, forcing reliance on local taxes. As Federal funding and priorities continue to shift and attempts to rescind already awarded grant money to Massachusetts continue, Stoneham's State Delegation expects further cuts to State budgets in the short term – highlighting the need to insulate Stoneham from this volatility.
- **Infrastructure Needs:** As school facilities age, they require maintenance that is often deferred due to limited capital budgets. Those capital budgets are directly impacted by decisions that had to be made to balance the FY26 budget, meaning even less money that Stoneham can direct towards needs for all Town Infrastructure upkeep.
- **Special Education Costs:** Federal and state funding does not fully cover special education expenses, leading to additional burdens on the general fund. Due to budgetary and staffing constraints, SPS must send students out of district to receive mandated services, and these costs have increased year over year, far faster than Prop 2 ½ allows for the town to catch up. SPED costs grew from FY23 \$10,808,402 to \$15,513,566 in FY25. The percentage of the School District budget spent towards Special Education costs was 33.67% and by FY25 it had risen 43.34% of the overall budget.

Looking Ahead (Future Considerations)

- **Teacher Recruitment and Retention:** Budget constraints hinder competitive salaries, resulting in staffing shortages and contract disputes. Stoneham Public Schools has yet to ratify contracts with all but one bargaining unit, and most teachers and staff are working with contracts and at salaries that expired in FY25. District-wide, 28 positions were unfilled at the start of the school year, and many staff left over the summer for significantly higher wages and more job stability in other Massachusetts towns.

For these reasons, the OSC recognized the need to support the School District and the School Committee in negotiations, and bring our SPS staff compensation closer to market rate.

- **Program Cuts:** Financial shortfalls have led to reductions in extracurricular and enrichment programs, impacting the overall educational experience. In the recent past, the items that SPS has been forced to cut have included staffing and availability of Athletics programs and non-core curriculum. If the funding trends are not addressed, SPS will have to contend with ensuring that core curriculum is still offered for General Education, to the exclusion of all else.

A further point to be aware of is the rise of costs for Stoneham students who choose to attend

Charter Schools. In FY19, Stoneham’s Charter School contribution was \$1.23M and by FY26, it had increased to just over \$4M. These costs are mandated which diverts resources out of the general SPS budget. These costs do reduce the overall cost burdens that SPS faces though, by having those students attend Charter Schools.

Conclusion

- The Stoneham Public School System faces significant challenges due to funding issues, necessitating collaboration among stakeholders to secure adequate resources for the future. The loss of experienced staff and unfilled positions (representing over 100 years of combined institutional knowledge just from the staff who left this summer) highlights the urgent need for financial solutions to maintain educational quality.

Department of Public Works

FY26 Budget Overview

- FY26 budget allotment is \$2,524,720, a decrease of 4.2% from the FY25 allotment of \$2,634,750

FY26 Budget Allotment: : \$2,524,720
FY25 Budget Allotment: \$2,634,750
Variance from FY25 Budget: -\$110,030 (decrease of 4.2%)

Services Provided

- Responsible for the maintenance of Water and Sewer, the Cemetery, Parks and Grounds, Departmental Vehicle Maintenance, road maintenance, Solid Waste and Recycling.
- The Department is also responsible for the care and maintenance of Town trees, Snow and Ice removal, and Street Lighting.

Departmental Needs/Challenges

- **Key Responsibilities:** The Department of Public Works (DPW) is responsible for maintaining 80 miles of roadway, 60 miles of sidewalk, 75 miles of water mains, 6,100 water service connections, 6,000 sewer connections, 800 fire hydrants, 1,800 catch basins, and 5 sewer pump stations. These systems require continuous maintenance as they age, break down, or face increased demand.
- **Weather related issues:** DPW handles many issues such as flooding of sewers during storms and snow removal during winter events.
- **Staffing and Budget Shortages:** The Director of DPW highlighted ongoing staffing shortages and the strain this places on both the department and the town budget. To meet needs, the DPW often hires contractors—sometimes due to lack of equipment and manpower, and sometimes because certain specialized services (such as snow removal or painting street lines) are better suited for outside contractors.
- **Aging equipment:** While most DPW vehicles are ideally replaced every 10 years, Stoneham currently has seven trucks ranging from 11 to 19 years old, along with 20 pieces of equipment at or beyond the 10-year mark, out of 80 total. The department currently relies on just two employees to perform repairs, further limiting capacity. These two DPW employees are also the sole mechanics for Town vehicles.

Looking Ahead (Future Considerations)

- **Regional Comparison:** Stoneham's DPW budget remains significantly smaller than that of neighboring towns with similar populations, highlighting long-term resource challenges.
- **Deferred Maintenance Risks:** Delayed repairs and maintenance will continue to drive costs upward due to inflation and create risk of sudden system failures.
- **Service Interruptions:** Staffing and funding limitations increase the likelihood of service delays or disruptions. For example, nearby towns experienced trash collection interruptions in Summer 2025 due to contractor strikes. Stoneham residents have already voiced concerns about delayed snow removal.
- **Staffing vs. Contractors:** A strategic review is needed to determine the optimal balance. Contractors provide specialization and flexibility, but expanding full-time staff could reduce long-term costs if supported with proper training and equipment.

The Council on Aging

The Council on Aging (COA) faces significant budget cuts risking essential services for the community.

FY26 Budget Overview

- FY26 budget allotment is \$181,111 a 27.57% reduction from FY25's \$250,054.
- FY26 funding was partially preserved via other departments forgoing hiring.
- The Council receives state funding of \$16 per senior, defined as a person over age 60, which is used to pay for programming, bus drivers, and other professionals.

Services Provided

- Services provided include transportation, congregate meals, SHINE, Outreach, Elder Law Pro Bono services, AARP Tax Prep, and Monthly Health Screenings.
- The Council on Aging provides resources that enable seniors to remain connected to their community, maintain access to healthcare and other essential services, and ensure seniors are aware of other resources available to them.

Unique Department Needs/Challenges

- Funding for the council is used to cover the costs of maintenance and upkeep of the historic Almshouse, the facility the council operates from.
- Stoneham's population of seniors is increasing and the demand for the department's services are likely to increase, meaning that additional funding to maintain services is likely needed.
- The Council on Aging was flagged as one of the departments that may be shut down or face

<u>FY26 Budget Allotment:</u> \$181,111
<u>FY25 Budget Allotment:</u> \$250,054
<u>Variance from FY25 Budget:</u> \$-2,778 (reduction of 27.57% YoY)
<u>Cuts Due to FY26 Budget:</u> As of 9/29, no services have been cut. It is anticipated that the Council could be forced to cut services as they are depleting their non-general fund accounts.

significant cuts in the near term without an override.

Looking Ahead (Future Considerations)

- The Council should study the costs and benefits of advertisements, sponsorships, and potentially allowing event rentals as ways to generate revenue.

Conclusion

- The Council on Aging's support of the Town's seniors are vital for the community, but ongoing funding issues threaten its operation and service levels.

Recreation Department

The Recreation Department faces significant budget cuts risking all programming for the community.

FY26 Budget Overview

- FY26 budget allotment is \$38,900 a 52.81% decrease from FY25's \$82,438.
- There is only 1 full-time staff position: a Recreation Director (1.0 FTE)

Services Provided

- The Stoneham Rec Department provides educational and enjoyable recreational programming for youth, adults and seniors in the community.
 - The Recreation Department has also facilitated local, private funding for field upgrades and refreshes to Recreation Park and Steele Playground.
-

<u>FY26 Budget Allotment:</u> \$38,900
<u>FY25 Budget Allotment:</u> \$82,438
<u>Variance from FY25 Budget:</u> \$43,538 (decrease of 52.81%)
<u>Cuts Due to FY26 Budget:</u> As of 9/29, no services have been cut. It is anticipated that the Rec Department could be forced to cut services as they are depleting their non-general fund accounts

Stoneham Public Library

Stoneham Public Library faces significant budget cuts, risking certification and essential services for the community.

FY26 Budget Overview

- FY26 budget allotment is \$861,334, a 13.22% reduction from FY25's \$992,571.
- Operating hours and programming have been cut, with no Saturday operations.
- The library has cut 2 FTE positions and 1 PTE position from FY25 staffing.
- \$57,000 in state aid is at risk if certification is not maintained.

Services Provided

- SPL offers a wide range of services, including lending, reference, youth programs, adult programs, digital resources, and public computing.
- In FY24, over 119,000 items were checked out, and 56,587 patron inquiries were answered.
- 3300 kids and tweens attended 55 youth programs, while 164 adult programs had over 1000 attendees.

Certification Standards (Unique Department Needs/Challenges)

- Certification by the Massachusetts Board of Library Commissioners (MBLC) is crucial for state aid and guaranteed borrowing privileges outside of SPL.
- Stoneham must meet funding requirements based on the average of the last three years' appropriations plus 2.5%.
- Current funding is inadequate to meet certification benchmarks, necessitating a waiver application.

Looking Ahead (Future Considerations)

- SPL has begun limiting hours and programs due to budget constraints.
- Outside funding sources cannot replace municipal funding for certification purposes.
- Without restored funding, SPL risks decertification, joining only four other municipalities in Massachusetts without certified libraries.

Conclusion

- SPL's dedicated staff and services are vital for the community, but ongoing funding issues threaten its operation and certification. Absent an operational override, it is unlikely Stoneham can avoid the decertification of the Public Library or its eventual closure due to larger budgetary constraints.

FY26 Budget Allotment: \$861,334
FY25 Budget Allotment: \$992,571
Variance from FY25 Budget: \$-131,237 (reduction of 13.22% YoY)
Cuts Due to FY26 Budget: Operating Hours have been cut (Reduced to 46 hours, and no Saturday operations), Programming has been affected (many programs discontinued), and Certification is at risk due to funding (final determination of Massachusetts Board of Library Commissioners by Feb. 2026, and \$57,000 in State Aid is at risk if SPL is not Certified)

Shared Services

The shared services portion of the budget faces significant budget strain as year over year cost increases are beyond the Town's direct control.

FY26 Budget Overview

- FY26 budget allotment is \$14,138,065 a 6.17% increase from FY25's \$13,317,009.

Services Provided

- Services provided include health insurance, workers compensation insurance, Medicare tax, unemployment payments, and property and casualty insurance.
- Other budget items included are the audit expenses and reserve funds.

Unique Department Needs/Challenges

- The cost of most of the items included in shared services are outside of the town's direct control as they are driven by market factors and staffing levels.
- Healthcare, which represents almost \$12 million of expense, is experiencing significant cost increases, trending at roughly 10% growth annually.
- Liability insurance, which represents almost \$1 million of shared services, is experiencing significant cost increases with the most recent increase being 24% and previous years ranging from 10%-20%.
- The town shops insurance coverage regularly, getting quotes for just Stoneham's needs and as a participant in larger groups of municipalities, to get better negotiating power.

Looking Ahead (Future Considerations)

- The town should continue to work with insurance agents and broader groups to negotiate insurance rates to keep rates competitive.

Conclusion

- Shared services provide essential town services including employee benefits and manage the town's risk and liability position. The growth factor of costs associated with these services is growing at a significantly higher rate than Prop 2 ½ allows.

FY26 Budget Allotment: \$14,138,065
FY25 Budget Allotment: \$13,317,009
Variance from FY25 Budget: \$821,056 (increase of 6.17% YoY)
Cuts Due to FY26 Budget: No services have been cut as they are required expenses.

No Override Scenario

If there is not a successful override vote, there will continue to be significant strain placed on the town's finances that will necessitate difficult choices. Many of the main drivers of the town's expenses, mainly the school department and shared services, can only be reduced so far before they are at required minimum levels. Once those minimum levels are reached other services will need to be reduced or eliminated, so that those mandated minimums can be met. While it is not possible to be certain exactly what changes and cuts would need to be made, we believe that the following are highly likely over FY27-FY29:

- Continued hiring freezes leaving unfilled positions at the Police and Fire departments. Departmental staff will face increasing levels of staffing stress and burn out along with continued need for overtime.
 - The Police department will potentially need to permanently transfer the School Resource Officer back to Patrol duties.
 - Police Detectives may also need to devote increasing time to patrol duties, leaving detective work uncompleted and creating excess cost as overtime for Detectives costs more than typical Patrol Officers.
 - The Fire Department will remain well below Federally recognized recommended staffing levels, having 50% of the number of fire fighters per truck that would be recommended.
 - The Fire Department will be unable to promote fire fighters to officer positions creating command uncertainty when responding to calls.
 - The increased workload along, with no ability for promotions, will mean increased burnout and turnover in both the Police and Fire Departments which will have further impacts on our first responders.
- The DPW will continue to have unfilled mechanic positions resulting in the need to increase outsourced repairs for town vehicles and equipment, increasing repair costs and/or having town vehicles out of service for longer periods of time.
- DPW snow budget will remain at the same level resulting in increasing issues securing plowing vendors meaning slower snow removal.
- The school department will need to cut services to the state required minimums resulting in cuts such as:
 - Increasing fees for participation in school activities
 - Eventual reduction of all but core curriculum subjects in General Education, which will impact the level and quality of education we provide our students
- The school department will most likely be unable to secure contracts with its labor units and will continue to fall further behind in relative compensation levels. The impacts of this could include:
 - Significant staff turnover, particularly for more experienced staff.
 - Difficulty hiring staff due to an inability to offer competitive compensation.

- Increasing costs to pay for outside consultants, the growing need to place students in outside districts for special education needs and losing students to charter schools.
- The risk of a strike by any or all of the labor units working without a contract.
- Future openings may remain unfilled across town putting stress on basic town services.
- Library funding will face future cuts, meaning that the library will lose its certification, and potentially need to be fully defunded. Residents will not be guaranteed access to any materials or borrowing from neighboring community libraries, if Stoneham does not operate a certified library of its own.
- The Council on Aging will most likely need to be cut from the operating budget leaving only the small amount of funds provided by the state per senior resident of the town.
- Stoneham town shuttle will likely need to be shut down once the initial grant funding is exhausted.
- The recreation department may need to cut salaries from the operating budget, eating into the department's abilities to offer programming.
- Transfers to stabilization funds from free cash will likely need to be suspended, potentially jeopardizing Stoneham's reserves and our credit rating which will impact future debt costs.

In summary, the pain necessitated to balance the FY26 budget will continue and become greater. To be clear, the reduction of services from or outright closure of any departments that we describe above, does not mean a lessening of residents' taxes. Property taxes will need to continue to grow at the maximum 2 ½% allowed, without an override. What residents see in a return for those taxes will simply have to change, as Stoneham will be unable to provide for all of the services it currently does without a successful override.

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Breakdown of the OSC's Recommendation for an Override

OSC Override Amount Recommendations by Department

Department	Baseline Amount	Investment Amount	Baseline Notes/Details:	Investment Notes/Details:
Council on Aging	\$136,000	\$100,000	Sustainability funding current staffing and services	Bringing CoA budget inline with nearby towns
Library	\$232,766		Bring funding to MAR required levels accounting for one-time transfer in current FY	
Economic Development	\$40,000	\$100,000		Adding operations staff member to support multiple departments
Prevention & Outreach	\$40,000			
Shared Services	\$1,616,000	\$81,000	Salary for this currently being covered by opioid funds	Accounts for adding staff
Police	\$415,000	\$93,000	Categories included: Healthcare, Medicare, P&C Insurance, Workers Comp	1 School Resource Officer
DPW	\$181,325	\$180,000	Adding in 5 Patrol Officers, 4 Traffic Directors, and 1 Overnight Dispatcher	Adding additional staff to boost departmental flexibility
Fire	\$362,196	\$160,000	2 staff and consulting services	1 Deputy Chief
Recreation	\$49,086		Restoring 1 firefighter, adding 4 firefighters, and promoting 4 firefighters	
Asst. Building Inspector	\$38,000			
Schools: Restorations	\$4,093,532		Baseline growth along with restoring services in specialized and general education	
Schools: Market Adjustments*	\$4,588,189		Allowing for flexibility to bring salaries closer to market.	
Total	\$11,792,094	\$714,000		
Overall Total		\$12,506,094		

*This amount is subject to labor negotiations and is a good faith estimate of the amount that may be needed. The data is based on amounts voted on at the 9/29/2025 OSC Meeting.

Suggested Resources for the Override

We recommend that the Select Board ensures there is an easy-to-use calculator application available online, for residents to assess an estimate of the individual impact of an override to their personal property tax bills.

At the Budget and Override Info Sessions, many residents commented that they either voted not to approve the last override effort because they could not understand the impact to their individual tax bills, or that neighbors or friends of theirs said something similar.

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Report Summary and Conclusions

Evidence and data collected by the OSC over the last several months indicated the need for Stoneham to seek an Operational Override of Proposition 2 ½, and the OSC voted accordingly (*with a 7-1 decision in favor of an override*). As the town's cost drivers continue to increase year over year, far more than the growth Prop 2 ½ allows, there has been a necessary pattern of trimming from the budget to balance each fiscal year.

After decades of following this pattern, Stoneham is left in a position of having many departments trimmed to only a handful of full-time positions, or just a single individual left for several departments. Services and programs of many departments have had to be cut down over the years, as Stoneham has had no options to do otherwise without a general operational override.

Stoneham cannot continue to operate departments such as the Public Library, the Council on Aging, or Recreation Department, if the current funding situation is not addressed with an override. Nor can Stoneham afford to address the concerning staffing levels at the Stoneham Police Department or Stoneham Fire Department, to ensure our public safety, without an override. Stoneham Public Schools *WILL* continue to operate without an override, but they cannot adequately or appropriately negotiate with staff without one – which will lead to even bigger losses of talent and operational expertise than was seen this year. Eventually, Stoneham Public Schools will no longer be able to offer a course of study for Stoneham's youth that compares to our neighboring communities, without an operational override. Already, SPS is forced into paying higher consultation fees as well as the fees associated with out-of-district placements, because SPS does not have the funding to fully staff for mandated Special Education needs or to attract and retain staff overall.

With proper budgeting, efficiency and overall management, we believe that the Operational Override amount of \$12,506,094 will suffice to shift Stoneham from the previous pattern of cutting year over and year and provide level service for the following 3 fiscal years (*by a vote of 6-2 in favor on both the amount and the timeframe*). The trust we are asking from the taxpayers must be met with transparency from their town government. To that end, the Select Board must

show the residents that the town will wisely and efficiently allocate those funds to correct our current situation, while seeking longer-term opportunities for overall fiscal growth into the future.

Recognizing that this is not a small ask for the taxpayers, the majority of the OSC recommends that the Select Board seek an override.

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Link to the Override Study Committee section of the Town Website:

<https://www.stoneham-ma.gov/1102/Override-Study-Committee>

(All documents, materials, meeting minutes, and videos of previous meetings can be found here.)