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Gary Christenson, Mayor

TO: The Honorable Malden City Council

FROM: Mayor Gary Christenson

DATE: April 28, 2026

RE: Submission of the FY2027 Budget

I submit for your consideration the proposed Fiscal Year 2027 budget. This proposal begins a difficult, yet necessary process of reducing expenses, one that may need to continue if conditions do not improve.

Following the failed Proposition 2 ½ override, as anticipated, we are facing a structural deficit of nearly \$10 million. Addressing this challenge will require a combination of personnel reductions and the use of reserves. The proposed reductions are across multiple departments, starting at City Hall and spanning across the City, including Public Works, the Library, the Police and Fire Departments, and several Boards and Commissions. Where possible, we eliminated positions that recently became vacant due to retirements and resignations. In total, this proposal contains nearly \$4.5 million worth of budget cuts.

These reductions would have been significantly deeper without the continued use of reserves. The proposal includes the use of \$5.2 million in reserves, an amount well above the ideal annual range of \$3–4 million, but necessary to further lessen the impact on core city services.

I recognize that this approach runs counter to the views expressed by many residents, who during the override campaign urged us to continue maximizing the use of reserves. While doing so would make my job much easier in the short term, it would be irresponsible of us to spend in a matter of a few years what we have saved, while not addressing the structural concerns that brought us here. It would also undoubtedly undermine our long-term financial stability and leave our City without the capacity to respond to truly unforeseen events.

The use of reserves requires a careful balance, and I anticipate a discussion with you on achieving that balance. I strongly encourage full Council participation in Finance Committee meetings. While this body cannot add to the proposed budget, I will be open to any proposal supported by a super majority of the City Council.

I am attaching to this memo a copy of my transmittal letter that further details the proposed Fiscal Year 2027 budget. In addition, you will have received an email containing a link that will take you to a PDF version of the budget.

Again, the decisions outlined in this proposal will shape our city for years to come. It represents a coordinated effort across many departments to address the challenges before us. While some may be focused on the next Mayoral election, this is not a moment for politics. It is a time for us to remain focused and work together to navigate this difficult budget year and its long-term implications for our community.