



FAQ: About Overrides in Arlington

What is Proposition 2½?

Proposition 2 ½ is a state law passed in 1980 that controls how local property taxes may be raised. Under the law known as Prop 2 ½, the town can raise property taxes up to 2 ½ percent annually. Any increase greater than 2 ½ percent must be approved directly by the majority of voters.

How does an override work?

When the cost of town services exceeds the limits of Proposition 2 ½, communities may ask voters to consider an override ballot initiative. An override permits a property tax increase greater than the 2 ½ percent limit, though rate increases are limited to 2 ½ percent in subsequent years. The ballot initiative must specify exactly how much additional revenue is being sought.

When did Arlington last approve an override?

In June 2005, the voters approved an override in conjunction with a five-year plan that was created by town leaders. At the time, the selectmen promised not to come back to the town for another override for five years. By economizing, cutting budgets and using reserves created by the five-year plan, the town waited six years before placing another override in front of the voters.

When will Arlington be asked for another override?

If this override passes, the selectmen committed not to ask for another override for at least three years. If this override passes, the spring of 2014 would be the earliest another override would be put on the ballot.

Why does the town need to keep asking for overrides?

Arlington has a “structural deficit,” meaning that revenues from all sources – local, state, and federal – are not adequate to maintain services at current, already reduced, levels. The biggest reason for this is that state aid to cities and towns has been cut deeply for years, and Arlington was among the hardest hit by these cuts, along with limited new growth opportunities which reduce the Town’s ability to expand the tax base.

Why has Arlington been hit harder by cuts in state funding?

The two main sources for aid for towns come either as Chapter 70 educational aid or general aid. Chapter 70 aid has remained largely protected by the legislature, but Arlington receives the minimum aid possible from Chapter 70 because of our high property values and income levels. The major source of state aid for Arlington is general aid, which has been cut drastically by the legislature.

It’s up to us. Vote Yes on June 7.



FAQ: Impact on Town Services

What will the override do for the town?

The override will maintain services at their current level. It will also add back \$600,000 to the school budget to restore core services and \$400,000 to the DPW budget to deal with the backlog of town-wide road resurfacing projects. Many of Arlington's roads are in a critical state due to the extensive damage to them done by severe weather.

The town committed to a three-year plan in conjunction with the override. The plan means that there will be:

- no more than a 3 1/2 percent increase for operating budgets
- no more than a 7 percent increase for health care expenses
- no more than a 7 percent increase for special education

If the override is successful, how will the \$6.49 million be distributed in the town budget?

In the first year, \$2.89 million will go to the town and the schools to maintain level funded budgets – in other words, the town and schools will not have to make cuts but can keep their budgets at FY11 levels. An additional \$600,000 will be added to the school budget to bring back more teachers and reduce athletic fees. The town will receive an additional \$400,000, which will go into the DPW budget and will be used for deferred road maintenance. This leaves \$2.6 million, which will go to the reserves to ensure adequate funding for all three years of the plan. The plan will be extended beyond three years if the town is able to save more money than projected or if the town receives more funds from the Commonwealth.

What are the \$600,000 for the schools and \$400,000 for the town numbers I heard mentioned?

The override will allow the town to maintain the level of services we currently have in FY11 and add back some services that were cut going into this year. The schools would have their level services budget increased by \$600,000. The town's FY12 budget would be increased by \$400,000.

What will Arlington residents lose if we don't pass an override?

Every town department and every school will be affected by the cuts that will have to be made to deal with the town's projected \$4 million deficit. On top of the reductions already made, these cuts will have a significant impact on the quality of services and quality of life in the community. For more details, please [see the fact sheet](#).

Why are so many teachers and employees being cut?

Employees represent approximately 80% of the costs of operating our town. Town officials have cut supplies and materials to the bone. The only place to make cuts is with our staff.

How will the override affect the Fox Library?

If the override fails, the Friends of the Fox will need to fund the equivalent of 2 days of personnel costs for the Fox in order for the Fox Library to stay open the same amount of hours (three days for eight hours each). The town will continue to fund one day of personnel costs and all other expenses.

If the override passes, the current arrangement between the Friends of the Fox and the town will be able to continue. The Friends of the Fox will fund the equivalent of 5 hours of personnel costs and the town will pay for the rest of the personnel and other expenses.

It's up to us. Vote Yes on June 7.



FAQ: Impact on the Taxpayer

How much will the proposed override on June 7, 2011 cost me?

If you want to figure out the increase on your own property, find your property's assessed value on your current tax bill or [on the town website](#). Divide the assessed value by 1000, and multiply that number by 0.94. For example, if your house is currently assessed at \$400,000, multiply \$400 by 0.94 to learn that your taxes will go up by \$376. After the first year, your tax bill would only increase by the usual 2 ½ percent. For the median house assessed at \$479,345, taxes will go up by \$445 a year.

But my tax bill has gone up more than 2 ½ percent some years with no override.

The 2 ½ percent limit applies to the total tax revenue on all existing property in town. If your property's assessed value increased at an above-average rate, your tax bill would have gone up more than the town-wide average. For every taxpayer whose bill rose more than 2.5%, however, there is another taxpayer whose bill went up less than that, to keep overall revenues within the town-wide limits. If you think your assessment is too high, there is a process to appeal it. Contact the Assessor's Office at 781-316-3050.

How are seniors with limited resources protected from property increases?

Many residents are concerned about a property tax increase forcing a senior on a limited income from his or her home. There are several programs in place on the local and state level to help seniors who qualify lower the amount of tax they owe. Anyone concerned about helping a senior should call the [Council on Aging](#) (781-316-3400) for information about eligibility and how to apply.

There are exemptions for veterans (of any age), those who are blind, and various abatements for which residents who are over 65 or over 70 might qualify.

There is also a program that allows seniors who qualify to defer payment of taxes. Interest will accrue and the full amount of tax and interest ultimately must be paid to the community upon the death of the taxpayer or sale of the property.

The state has the "[senior circuit breaker](#)" which allows seniors who qualify to file for tax credit on their state income tax. It allows renters to consider a portion of their rent payment.

Finally, the Council on Aging provides information and assistance to seniors on a wide range of programs: consumer protection and legal advice, fuel assistance, food & meals delivery, financial advice, continuing education, substance abuse, home health care, support groups, volunteering, and transportation.

Will the failure or success of the override affect my property values?

Eventually property values will go down if prospective buyers see Arlington as a less desirable place to buy home and raise a family. Arlington's property values have been maintained in recent years because of the town's proximity to Boston, the school system, and the level of town services. Should services and our schools decline, property values would surely decline as well.

Will rebuilding the Thompson school increase my tax bill even more?

Yes, about \$30.00 a year on the average tax bill. As the middle school and elementary schools are paid off over the next 10 to 15 years, taxes will go down by much more than the \$30 a year that the Thompson financing will add. Debt exclusions are different than operating overrides in that your taxes are reduced when the debt is paid.

It's up to us. Vote Yes on June 7.



FAQ: Town Spending

Are we spending too much? How do our costs and spending compare to similar towns?

Compared to similar communities nearby and state-wide, Arlington spends **less than average** per resident for town services and schools. In fact, Arlington is at or near the bottom of spending levels compared to 19 similar towns (For more details and charts, see the fact sheet [Arlington: A Frugal Town](#)).

(Per-resident expenditures in Arlington compared to: Belmont, Brookline, Chelmsford, Lexington, Medford, Melrose, Milton, Natick, Needham, Norwood, Randolph, Reading, Salem, Stoneham, Watertown, Wellesley, Weymouth, Winchester, and Woburn.)

If Arlington is frugal, why do we need an override?

Arlington has a “structural deficit,” meaning that revenues from all sources – local, state, and federal – are not adequate to maintain services at current, already reduced, levels. The biggest reason for this is that state aid to cities and towns has been cut deeply for years, and Arlington was among the hardest hit by these cuts. In addition, Arlington has a small commercial tax base and is almost completely built out, meaning there is limited opportunity to gain new revenues from new growth.

Why can't we just cut town spending instead of raising taxes?

The town has already responded to the loss of revenue by cutting staff and services. The town has also spent down town reserves until they are now nearly depleted. If the override doesn't pass, further cuts will be made and they will be increasingly painful for the town. The override is the chance for voters to decide which path we want the town to take.

What is the town doing to economize?

- The Town Manager is a member of a ten town consortium that looks for ways to regionalize projects such as purchasing to save money.
- Arlington became certified as a Green Community, which means it can receive grants for improvements that reduce energy costs.
- The town has found ways to outsource work in order to both reduce cost of the services and the town's pension/health care costs.
- Administration and support personnel have been cut until they are as lean as possible.
- The Town Reorganization committee has put before Town Meeting an article proposing that common services be consolidated between the town and the schools to economize and standardize services.
- The DPW is constantly looking at new technologies to be more efficient and reduce staffing.

What is the town doing about health care costs?

The Town Manager and the unions are negotiating changes to the town's health care. The teachers union has already proposed a contract that saves the town money on health care costs by agreeing to pay a greater share of the premium. In addition, the state legislature is currently considering reforms to give towns more control over their health care offerings. Arlington's leaders are so confident that health care costs will be brought down that the three-year plan assumes that health care costs will be reduced next year by \$1 million and the following year by an additional \$1 million.

It's up to us. Vote Yes on June 7.

If the state reforms let us enter the GIC, why would we need an override?

The three-year plan considers health care costs in two ways. First, the plan assumes that Arlington will save \$1 million next year and an additional \$1 million the following year. The health care changes proposed by the teachers union and being discussed with the other employee unions put us well on the way to meeting the first goal. But the plan also assumes that our premiums will grow no more than 7% a year. If we enroll in the GIC we are very likely to meet that 7% target and if the growth is lower than 7% we can extend the plan longer than three years. So the plan is built with GIC-level savings in mind as a commitment to control costs.

Are pension costs for teachers a big expense for Arlington?

No. It's important to first understand that public employees in Massachusetts do not participate in the Social Security retirement system, saving taxpayers from having to pay 6.2 percent of payroll into that system. Next, many people don't realize that the Town pays nothing toward teacher and administrator pensions.

What's more, teachers and administrators fund more than 90 percent of the costs of their own pensions by paying 11 percent of their salaries into the Massachusetts Teachers Retirement System. The state contributes to the MTRS, but much less than if these educators were in Social Security. The rest of the funds come from investment returns, which have averaged over 9 percent a year since the MTRS was created.

Are pension costs for current Town employees a big expense for Arlington?

No. Municipalities are responsible for contributing to their employees' pensions – again, since they do not contribute to Social Security on their behalf. The expense is not unreasonable. Town employees pay about 10 percent of their salaries into their own pension funds. The Town's contribution varies based on actuarial data and investment returns, but is typically much less than if these employees were in Social Security.

What about the \$1.5 million that the schools lost?

No money was actually lost. The budget for last year had income projections that were too aggressive. That income either didn't come in or didn't come in on time. When the school department realized that income was down, they economized and made cuts of over \$1 million. It just wasn't enough to balance the budget. The current CFO is putting into place new procedures that were recommended by financial consultants and approved by all the financial officials in town to improve transparency and communication – this can't happen again. She is also budgeting revenue more conservatively than the schools have in the past.

Why doesn't the town do more to attract businesses?

Arlington tries to be a business friendly community. Intense focus is required to decide what kind of businesses are right for Arlington, keep track of impending opportunities and market the town. The town is taking advantage of the departure of the deputy town planner position to change the job description into a role for someone with this kind of economic development experience. The planning department has also assessed the redevelopment possibilities on several major parcels in town and keeps track of developments there in hopes of attracting the right commercial interests when those parcels turn over. Town leaders were disappointed that Arlington was not successful in attracting a business development to the Brigham's corporate site and hope to have more success in the future.

Why not implement PAYT right now and avoid the override?

The Board of Selectmen feels very strongly that a PAYT program should have the support of the community indicated by a vote. The Selectmen considered including a PAYT program as part of the revenue package with an override and decided it was too many issues to consider at once. They want to come back to the voters with a PAYT question on the town election ballot next spring. If the question passes, some of the cost of trash collection and disposal will shift to a PAYT user fee. The savings will be passed on to taxpayers in the form of a decrease in their tax rates.

It's up to us. Vote Yes on June 7.



FAQ: Other Questions People Ask

Could the town help solve its problems by collecting more fees?

The school department has increased kindergarten, instrumental music, and athletic fees to among the highest levels in the region. The town has increased fees for renting its properties. Fee increases, even if substantial, would not cover the looming deficit.

In addition, there are practical as well as philosophical reasons for not charging more high fees for public services. If schools, roads and safety are all public goods that benefit everyone, then public resources are needed to maintain them. The more you charge families for kindergarten, sports, music and other activities that used to be part of the public school experience, the fewer who will be able to participate.

Isn't there any option other than a property tax?

Town Leaders evaluated the possibility of instituting a trash fee, known as "Pay as You Throw." The Town Manager has the authority to institute a trash fee but it would not generate enough revenue to cover our deficit.

Does the override contain a provision for PAYT?

No. There is a warrant article at Town Meeting asking that Pay as You Throw be implemented, but the members of the Board of Selectmen have indicated that they will not support it.

What are the schools doing to contain Special Education costs?

Arlington has cut its out-of-district placements by one-half over the past five years. This has helped to contain special education cost increases. The district will continue to try to bring more out-of-district programs within the district to further control costs.

The schools were cut in 2011 but there was a fundraiser to restore positions. Will there be another fundraiser?

No. This was a one-time volunteer effort to raise funds for the schools.

It's up to us. Vote Yes on June 7.