

Town of Arlington, Massachusetts

Overrides, Trust & Transparency —
A Framework for Municipal Finance

— Julie Wayman | Deputy Town Manager of Finance

\$247M
FY27 BUDGET

~46,000
RESIDENTS

AAA
BOND RATING



Arlington's Override Approach



RECURRING CYCLE



Returns to voters every **3–5 years** — structural deficit where revenue does not keep pace with expenditures.

CORNERSTONE PRINCIPLES



Communication, transparency & education are the cornerstones of every override cycle.

ONGOING TRUST



Building trust is **ongoing** — resident turnover means each cycle requires fresh engagement.

NO SURPRISES



Overrides should **never surprise** the community — Prop. 2.5 constraints are regularly and proactively discussed.

ARLINGTON OVERRIDE VOTE HISTORY · FY1990–FY2027

| Fiscal Year | Vote Date | Win / Loss | Yes Votes | No Votes | Vote Type | Amount | Total Votes | % Yes Votes | % No Votes |
|-------------|-----------|------------|-----------|----------|-----------|--------------|-------------|-------------|------------|
| 1990 | 6/1/1989 | LOSS | 5,805 | 6,078 | Override | \$ 2,269,528 | 11,883 | 49% | 51% |
| 1991 | 6/1/1990 | WIN | 8,828 | 7,731 | Override | \$ 2,520,000 | 16,559 | 53% | 47% |
| 2003 | 6/14/2003 | LOSS | 6,886 | 7,573 | Override | \$ 4,000,000 | 14,459 | 48% | 52% |
| 2006 | 6/11/2005 | WIN | 7,126 | 6,570 | Override | \$ 6,000,000 | 13,696 | 52% | 48% |
| 2012 | 6/7/2011 | WIN | 7,226 | 6,366 | Override | \$ 6,490,000 | 13,592 | 53% | 47% |
| 2020 | 6/11/2019 | WIN | 8,655 | 4,029 | Override | \$ 5,500,000 | 12,684 | 68% | 32% |
| 2025 | 11/7/2023 | WIN | 7,951 | 4,964 | Override | \$ 7,000,000 | 12,915 | 62% | 38% |
| 2027 | 3/28/2026 | WIN | 9,829 | 3,855 | Override | \$14,800,000 | 13,684 | 72% | 28% |

The Long Range Financial Projection (LRP)

THE BACKBONE OF ARLINGTON'S FINANCIAL PLANNING



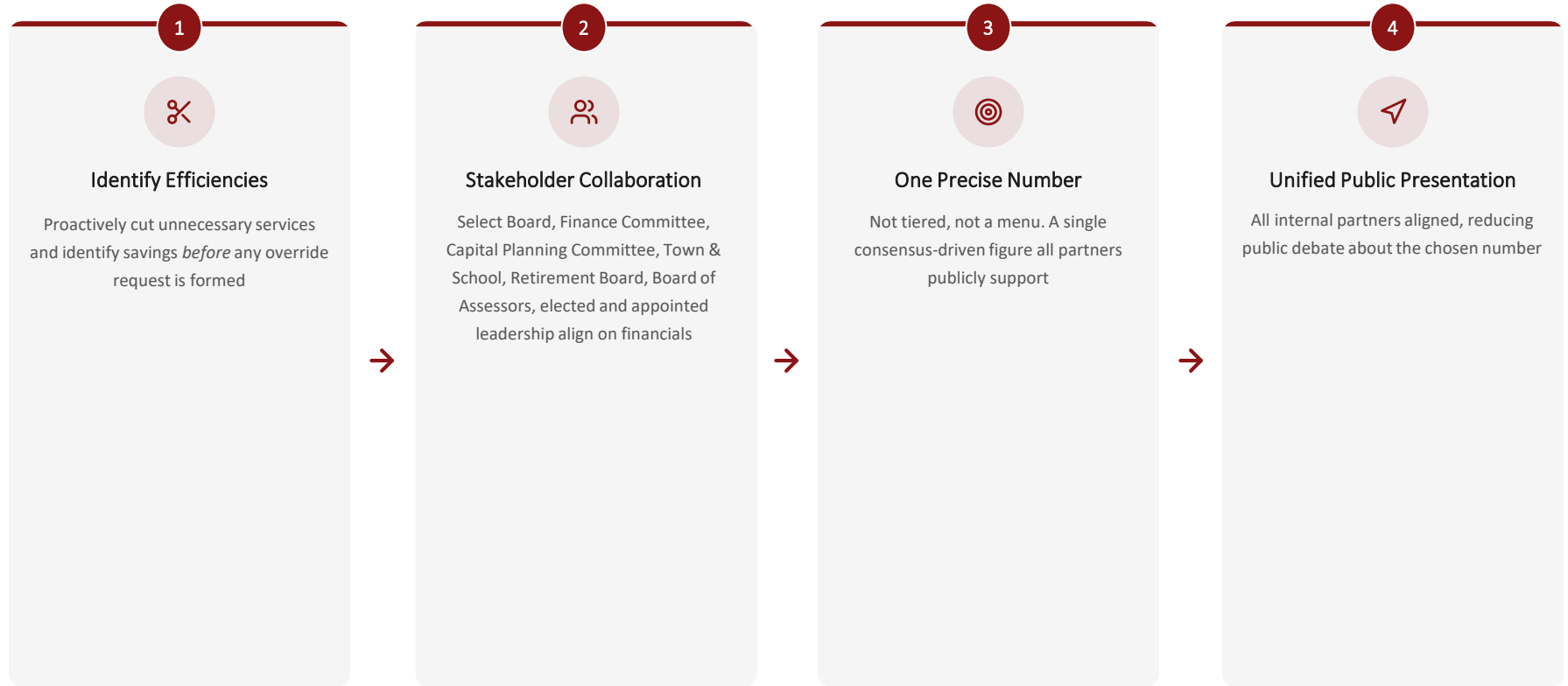
| Long Range Financial Projection | | | | | | | | | | | | | | | | |
|---|--------------------|--------------------|-------------------|----------------|--------------------|--------------------|-----------------|--------------------|--------------------|-----------------|--------------------|--------------------|----------------|--------------------|-------------------|----------------|
| | FY 2026 | FY 2027 | Dollar Change | Percent Change | FY 2028 | Dollar Change | Percent Change | FY 2029 | Dollar Change | Percent Change | FY 2030 | Dollar Change | Percent Change | FY2031 | Dollar Change | Percent Change |
| I. REVENUE | | | | | | | | | | | | | | | | |
| A. State Aid | 30,200,811 | 30,831,002 | 630,191 | 2.09% | 31,134,860 | 303,858 | 0.99% | 31,441,757 | 306,897 | 0.99% | 31,751,723 | 309,966 | 0.99% | 32,064,788 | 313,063 | 0.99% |
| B. Local Receipts | 10,443,994 | 12,488,000 | 2,044,006 | 19.57% | 12,869,000 | 101,500 | 0.81% | 12,822,500 | (33,000) | (0.26%) | 12,667,500 | (45,000) | (0.36%) | 12,712,500 | 45,000 | 0.36% |
| C. Free Cash | 10,298,997 | 11,368,820 | 1,069,823 | 10.39% | 8,462,413 | (2,006,407) | (20.06%) | 6,978,590 | (1,483,823) | (17.53%) | 6,978,590 | 0 | 0.00% | 6,978,590 | 0 | 0.00% |
| D. Overlay Reserve Surplus | 750,000 | 1,250,000 | 500,000 | 66.67% | 200,000 | (1,050,000) | (84.00%) | 200,000 | 0 | 0.00% | 200,000 | 0 | 0.00% | 200,000 | 0 | 0.00% |
| E. Property Tax | 171,327,383 | 191,077,266 | 19,749,883 | 11.53% | 196,444,756 | 5,367,490 | 2.81% | 201,807,226 | 5,362,580 | 2.73% | 207,084,812 | 5,277,586 | 2.62% | 212,399,519 | 5,314,707 | 2.57% |
| F. Override Stabilization Fund | 8,984,045 | 0 | (8,984,045) | (100.00%) | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| TOTAL REVENUES | 232,005,230 | 247,015,088 | 15,009,858 | 6.47% | 251,651,787 | 4,636,599 | 1.86% | 262,084,502 | 10,432,715 | 4.15% | 258,805,879 | (3,278,623) | -1.25% | 264,355,397 | 5,549,517 | 2.14% |
| II. APPROPRIATIONS | | | | | | | | | | | | | | | | |
| A. APS School Budget | 103,630,672 | 107,775,899 | 4,145,227 | 4.00% | 112,086,935 | 4,311,036 | 4.00% | 116,570,412 | 4,483,477 | 4.00% | 121,233,229 | 4,662,816 | 4.00% | 126,082,558 | 4,849,329 | 4.00% |
| Growth Factor | 1,070,420 | 0 | (1,070,420) | (100.00%) | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| Net School Budget | 103,630,672 | 107,775,899 | 4,145,227 | 4.00% | 112,086,935 | 4,311,036 | 4.00% | 116,570,412 | 4,483,477 | 4.00% | 121,233,229 | 4,662,816 | 4.00% | 126,082,558 | 4,849,329 | 4.00% |
| B. Minuteman Operating & Capital | 6,909,620 | 6,612,570 | (2,950) | (0.04%) | 6,844,010 | 231,440 | 3.50% | 7,083,550 | 239,540 | 3.50% | 7,331,474 | 247,924 | 3.50% | 7,589,076 | 256,602 | 3.50% |
| Minuteman Exempt Capital | 1,737,470 | 1,656,187 | (81,283) | (4.68%) | 1,769,692 | 113,505 | 6.60% | 1,761,491 | (8,201) | (0.46%) | 2,049,721 | 288,230 | 16.36% | 2,023,298 | (26,423) | -1.29% |
| Net Minuteman Budget | 8,347,090 | 8,268,757 | (78,333) | -0.94% | 8,613,702 | 344,945 | 4.17% | 8,845,041 | 239,549 | 2.69% | 9,381,195 | 536,154 | 5.71% | 9,611,374 | 230,179 | 2.41% |
| C. Town Personnel Services | 33,887,560 | 35,950,836 | 2,063,276 | 6.09% | 37,119,238 | 1,168,402 | 3.20% | 38,325,613 | 1,206,375 | 3.20% | 39,571,195 | 1,245,582 | 3.20% | 40,857,259 | 1,286,064 | 3.20% |
| Town Expenses | 8,656,211 | 8,120,693 | (535,518) | (6.19%) | 8,384,616 | 263,923 | 3.20% | 8,657,116 | 272,500 | 3.20% | 8,938,472 | 281,356 | 3.20% | 9,229,872 | 290,500 | 3.20% |
| Enterprise Fund/Other Offsets | (5,282,750) | (3,534,611) | (1,748,139) | (33.08%) | (3,534,611) | (114,873) | (3.20%) | (3,534,611) | (114,873) | (3.20%) | (3,534,611) | (114,873) | (3.20%) | (3,534,611) | (114,873) | (3.20%) |
| Net Town Budget | 39,261,121 | 40,536,918 | 1,275,797 | 3.25% | 41,854,368 | 1,317,450 | 3.25% | 43,214,635 | 1,360,267 | 3.25% | 44,619,110 | 1,404,476 | 3.25% | 46,069,231 | 1,450,121 | 3.25% |
| D. MURA Debt Shift | 0 | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| Capital budget | 0 | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| Exempt Debt Service | 12,707,667 | 12,732,788 | 25,121 | 0.20% | 12,642,378 | (90,410) | (0.71%) | 12,560,447 | (82,331) | (0.65%) | 12,110,069 | (349,978) | (2.79%) | 12,128,369 | (81,700) | (0.67%) |
| Non-Exempt Service | 7,417,567 | 8,317,444 | 899,877 | 12.13% | 9,109,861 | 792,417 | 9.53% | 9,268,957 | 159,096 | 1.75% | 9,121,711 | (147,246) | (1.59%) | 9,261,054 | 139,343 | 1.53% |
| Cash | 5,031,594 | 3,992,880 | (1,038,714) | (20.64%) | 3,014,007 | (978,873) | (32.47%) | 3,370,661 | 356,654 | 11.63% | 4,000,039 | 629,378 | 18.67% | 4,409,381 | 409,342 | 10.23% |
| Adjustments to 5% Plan | 0 | 1,076,314 | 1,076,314 | 100.00% | 1,156,507 | 80,193 | 7.45% | 1,148,286 | (10,221) | (0.89%) | 1,126,347 | (19,939) | (1.74%) | 1,218,106 | 91,759 | 8.15% |
| Offsets/Capital Carry Forward | (574,674) | (992,312) | (417,638) | (72.67%) | (319,707) | 672,605 | (211.14%) | (308,784) | 10,923 | (3.42%) | (256,400) | 52,384 | (16.96%) | (245,050) | 11,350 | (4.43%) |
| Total Capital | 24,582,154 | 25,127,114 | 544,960 | 2.22% | 25,603,046 | 475,932 | 1.89% | 26,037,167 | 434,121 | 1.70% | 26,207,766 | 164,599 | 0.63% | 26,771,860 | 570,094 | 2.18% |
| E. Pensions | 15,886,268 | 16,620,963 | 734,695 | 4.78% | 17,452,011 | 831,048 | 4.81% | 18,324,612 | 872,601 | 5.00% | 19,332,466 | 1,007,854 | 5.50% | 20,395,752 | 1,063,286 | 5.50% |
| F. Insurance | 26,210,136 | 28,941,819 | 2,731,683 | 10.42% | 31,493,444 | 2,551,625 | 8.20% | 34,012,920 | 2,519,476 | 7.50% | 36,393,824 | 2,380,904 | 7.00% | 38,941,382 | 2,547,568 | 7.00% |
| G. Curbside Collection | 5,084,973 | 5,390,071 | 305,098 | 6.00% | 5,700,000 | 309,929 | 5.70% | 6,027,750 | 327,750 | 5.70% | 6,359,276 | 331,526 | 5.50% | 6,709,036 | 349,760 | 5.50% |
| H. State Assessments | 4,439,400 | 4,445,601 | 6,201 | 0.14% | 4,553,497 | 107,896 | 2.43% | 4,664,000 | 110,503 | 2.43% | 4,777,446 | 113,358 | 2.43% | 4,893,640 | 116,192 | 2.43% |
| I. Overlay Reserve | 966,875 | 350,000 | (616,875) | (63.81%) | 600,000 | 250,000 | 71.43% | 600,000 | 0 | 0.00% | 600,000 | 0 | 0.00% | 600,000 | 0 | 0.00% |
| J. Reserve Fund | 2,089,593 | 2,326,261 | 236,668 | 11.33% | 2,344,195 | 17,934 | 0.77% | 2,387,285 | 43,090 | 1.84% | 2,444,228 | 56,943 | 2.39% | 2,502,037 | 57,809 | 2.37% |
| K. Warrant Articles | 1,496,948 | 1,400,590 | (96,358) | (6.44%) | 1,350,590 | (50,000) | (3.75%) | 1,400,590 | 50,000 | 3.70% | 1,350,590 | (50,000) | (3.57%) | 1,300,590 | (50,000) | (3.70%) |
| L. Override Stabilization Fund | 0 | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| TOTAL APPROPRIATIONS | 232,005,230 | 247,015,088 | 15,009,858 | 6.47% | 251,651,787 | 4,636,599 | 1.86% | 262,084,502 | 10,432,715 | 4.15% | 272,693,131 | 10,608,629 | 4.05% | 283,877,470 | 11,184,339 | 4.10% |
| BALANCE | 0 | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| Free Cash | 22,737,640 | 16,924,826 | (5,812,814) | (25.57%) | 13,957,180 | (8,780,460) | (62.92%) | 13,957,180 | 0 | 0.00% | 13,957,180 | 0 | 0.00% | 13,957,180 | 0 | 0.00% |
| Stabilization Fund | 4,769,308 | 4,964,694 | 195,386 | 4.10% | 5,163,988 | 199,294 | 3.87% | 5,367,268 | 199,280 | 3.71% | 5,574,613 | 207,345 | 3.85% | 5,786,105 | 211,492 | 3.79% |
| Override Stabilization Fund | 6,146,847 | 11,977,942 | 5,831,095 | 94.85% | 9,157,684 | (2,019,263) | (22.04%) | 123,255 | (8,934,429) | (7.27%) | 0 | (12,321,255) | (100.00%) | 0 | (100.00%) | |
| Overlay Surplus (less liabilities) | 2,074,841 | 1,174,841 | (900,000) | (43.39%) | 1,574,841 | (500,000) | (31.77%) | 1,974,841 | 400,000 | 20.26% | 2,374,841 | 400,000 | 20.26% | 2,774,841 | 400,000 | 20.26% |
| Municipal Bldg. Ins. Trust Fund | 77,055 | 794,526 | 717,471 | 931.12% | 792,674 | 15,149 | 1.93% | 800,000 | 7,326 | 0.92% | 808,607 | 8,607 | 1.07% | 816,663 | 8,056 | 0.99% |
| TOTAL: | 36,505,691 | 35,827,129 | (678,562) | (1.86%) | 30,646,367 | (6,159,724) | (20.10%) | 22,223,141 | (8,423,226) | (37.88%) | 22,715,241 | 492,100 | 2.17% | 23,334,819 | 619,578 | 2.70% |
| Reserves % of General Fund Revenue | 15.7% | 14.5% | | | 12.2% | | | 8.5% | | | 8.8% | | | 8.8% | | |
| Debt % of General Fund Revenue | 8.7% | 8.5% | | | 8.6% | | | 8.3% | | | 8.2% | | | 8.1% | | |
| Projected School Enrollment Growth FY 2027 - FY 2031 | | | | | | | | | | | | | | | | |
| | FY 2026** | FY 2027* | | | FY 2028* | | | FY 2029* | | | FY 2030* | | | FY 2031* | | |
| Actual/Proj. Annual Growth | 0 | \$ 115 | | | 0 | | | 0 | | | 0 | | | 0 | | |
| ** Actual Growth - FY26 50% PPC of \$18.515 = \$9,308 X EG | | | | | | | | | | | | | | | | |
| * Projected Growth - FY2027 through FY2031: APS is currently projecting stable enrollment. No Student Enrollment Growth Factor adjustments anticipated for FY27-FY29. | | | | | | | | | | | | | | | | |

01 **5-Year Horizon**
Revenue & expenditure projections including debt and reserves

02 **3 Core Questions**
When? How large? How long? should each override be?

03 **Conservative Budgeting**
Favorable variance extends override life or reduces future magnitude

Overrides should NOT be a surprise to the community — skepticism breeds in the current climate. Proj. 2.5 confines should be regularly discussed with residents so financial constraints are always understood.



BOARD & COMMITTEE ALIGNMENT

Long Range Planning Committee (LRPC) — Meeting Monthly

MONTHLY MEETINGS



LRPC MEMBERS

Elected Boards & Committees



Select Board

Elected executive governing body of Arlington



Finance Committee

Independent fiscal review & budget oversight



Capital Planning Committee

Long-term capital investment & infrastructure planning



School Committee

Elected oversight of Arlington Public Schools



TOWN STAFF REPRESENTED

Senior Finance & Administration Officials



Town Manager

Chief executive officer of Arlington's municipal government



Finance Director

Leads overall financial strategy & budget development



Comptroller

Accounting, payroll & financial controls oversight



Assessor

Property valuation & tax base analysis for projections



Treasurer / Collector

Cash management, debt issuance & tax collection

TALK WITH
UNION LEADERSHIP,
DEPARTMENT HEADS,
AND STAFF

” Town and School operate in lockstep — residents see it as all Arlington.

”



FY27 PROPOSITION 2 ½ OVERRIDE COMMITMENTS



Expenditure growth caps adhered to — spending discipline enforced each fiscal year



No new override requested before the committed fiscal year — a promise kept



AAA bond rating reserve standards maintained — fiscal credibility protected



Fiscal discipline when revenues exceed projections — windfalls do not become spending



Pursue new revenue sources and identify ways to increase current revenue sources



Tax relief programs actively advertised to all eligible Arlington residents



Forums held with Council on Aging & Assessor's Office — outreach to all communities



Spending not increased when revenues arrive higher than projected — restraint as principle



Stabilization funds preserved to extend override life and defer the next ask



Seek efficiencies in all areas of the organization to find opportunities for cost savings

” We do not spend windfalls — **fiscal discipline** is how we extend the life of each override.



Grants & External Funding

Secured continuously — federal, state & foundation sources pursued proactively



Technology-Driven Operational Efficiencies

Automation, digital workflows & systems modernization reduce staffing costs



Strategic Bidding Practices

Winter timing, multi-year contracts, cooperative purchasing & grouped capital projects



Rental Revenue from Town-Owned Properties

Underutilized municipal spaces leased to generate ongoing non-tax income



One-Time Licensing Opportunities

Opportunistically pursued as revenue without long-term budget dependency



Revenue Sharing with Vendors at Town Events

Contractual arrangements return a portion of event proceeds to the Town



Hiring Freezes Ahead of Override Cycles

Proactive vacancy management signals fiscal discipline to the community



Understanding Community Needs & Responsiveness

Listening to Arlington Residents Across Every Neighborhood



Pedestrian Safety

Investments in crosswalks, signals, and traffic calming directly in response to resident concerns — making every Arlington street safer.



Dog Park and Playground Facilities

Community-requested recreational amenities funded and delivered — turning resident voices into tangible neighborhood improvements.



Public Education

2023 override commitment promised increases to educator compensation.



Credibility Through Action

Responsive investment reinforces that tax dollars are used responsibly — each delivered promise strengthens community trust for the next override cycle.

 *When residents speak, Arlington listens — and delivers.*

Arlington's Unique Financial Constraints

EDUCATING RESIDENTS ABOUT WHY OVERRIDES ARE NECESSARY



95–96% Residential Tax Base — Among the highest residential dependency in the region

~96% Residential



Limited Commercial Shift — A tax shift to commercial would have minimal impact for residents, harm businesses

Minimal Commercial Base



Land Scarcity — Only 5.5 square miles, much covered by waterbodies and roads; growth and new revenue opportunities are constrained

5.5 sq mi Total



Tax-Exempt Properties — Significant acreage off the tax rolls reduces the taxable base

Reduces Tax Base



MBTA Communities Zoning — New growth capacity under state mandate is a long-term opportunity, not an immediate fix

Long-Term Only

Understanding these constraints builds resident empathy — and override support.



TOWN OF ARLINGTON

Fiscal Year 2027
Town Manager's Annual Budget &
Financial Plan



Bi-Monthly Town Manager Updates

Consistent executive communication keeping residents and boards informed on Town priorities and financial standing.



Monthly Financial Discussions

Ongoing budget transparency with boards — ensuring elected and appointed leaders understand fiscal conditions in real time.



Quarterly and Annual Reports

Quarterly financial presentations to the Select Board and comprehensive public financial reporting — including the Public Annual Financial Report (PAFR).



Board & Commission Engagement

Inclusive governance across all Town bodies — no committee is left uninformed; finance conversations reach every corner of Town Hall.



Weekly Town Notices & Social Media

High-frequency community updates — multiple notices and social posts every week highlighting events, grants, and capital projects.



Website Resources

Financial Plan, PAFR, and public data available online — residents can access the full picture anytime, on demand.



CIVIC ACADEMY

6th Session

Spring 2026

112

Graduates since September 2023

30%

Civically engaged post-graduation — Town Meeting, Committees & Election Workers



SIX-SESSION CURRICULUM


 **SESSION 1**
Town Governance & Operations

 **SESSION 2**
Libraries & Arlington Public Schools

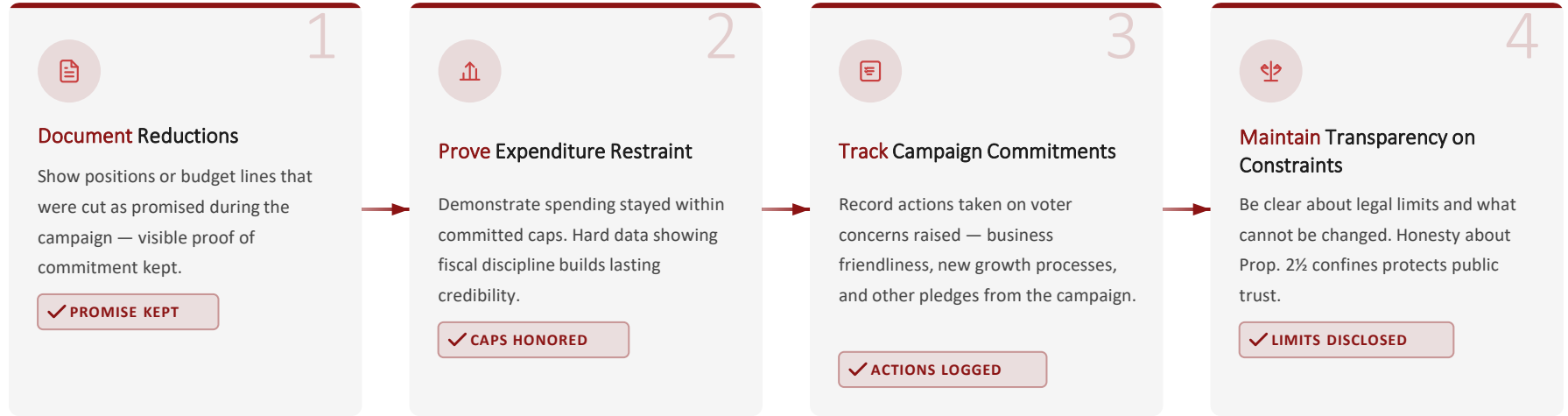
 **SESSION 3**
Public Works, Inspectional Services & Fire

 **SESSION 4**
Health & Human Services, Planning & Police

 **SESSION 5**
Recreation, Town Clerk & Budget/Finance

 **SESSION 6 — CLOSING**
Graduation & Civic Commitment





CREDIBILITY COMPOUNDS OVER TIME →

Every override cycle is proof of the last one — **follow-through IS the next override campaign.**



"We avoid slick or polished messaging.
Home-grown. Humble. Grateful."

TOWN OF ARLINGTON · POST-OVERRIDE COMMUNICATION PRINCIPLE



Understated Presentation

Simple visuals, no glossy marketing, authentic tone. The message speaks through sincerity — not production value.



Humility First

No self-congratulation. Acknowledge the trust voters placed in Town leadership — and honor it with actions, not accolades.



Deliver on Commitments

Overpromising is avoided at every turn. Celebrate wins. Follow-through is the message — and the foundation for the next override cycle.