

Point by Point Rebuttal

This document is a written rebuttal to the "Top Ten Reasons to Vote 'No'" document mailed by the Taxpayers United for Fiscal Responsibility during the week of May 28, 2007.

1. ***They say \$2,470 per person should be enough to run a town like ours...***

Is it? The only way to know is to compare North Andover's budget to comparable towns. Using NATA's own list of comparable communities ⁽¹⁾, North Andover's General Fund budget is actually 10% **lower** on a per capita basis ⁽²⁾. We are not spending more to provide town services; in fact we are spending less. Further we receive less in state aid and have a significantly smaller commercial tax base. Our total tax levy is also 10% **lower** on a per capita basis ⁽²⁾. So is \$2,470 per person enough? Apparently not.

2. ***They say our single family tax bill is 41% higher than the state average, and that our total dollar tax bill is higher than Georgetown, Middleton or Haverhill.***

Our average single family property tax bill in North Andover *is* 41% higher than the state average because the average single family *home value* in North Andover is 40% larger than the state average. Looking at North Andover's tax burden we find North Andover's residential tax rate is slightly above that of comparable communities (\$10.45 vs. \$10.33/\$1000 of assessed value) while its commercial tax rate is significantly below ⁽²⁾. Additionally, NATA's list of "comparable communities" doesn't even include Georgetown, Middleton or Haverhill. Just picking any town with a higher average total dollar tax bill does not take into consideration differences between the towns such as population, road miles, state aid, the commercial vs. residential ratio, property values...

3. ***They say we have had 38 ballot override questions since 1986.***

As part of the democratic process by which our town is governed, any individual can apply to have an article placed on the Town Meeting Annual Warrant. The number of articles that have been considered over the years is immaterial. The real question is how many have actually been approved by the electorate? Remember, an override article must pass a Town Meeting vote, then be voted on by the Board of Selectmen to go to a special election, at which point the general public can vote in a special election.

North Andover has not relied on excessive overrides to provide town services. North Andover has *passed* only 9 propositions 2 ½ overrides in 25 years. Five have been debt exclusion overrides for specific building and land purchases like the High School and Steven's Estate. They have accounted for 88% of all dollars raised and once the project is paid for the tax increase is removed.

4. ***They say the regular school budget increase of 7.4% is more than generous, and that the additional override increase is unnecessary.***

The school budget has received annual increases of **less than 2%** over the past 4 years. These increases have been insufficient to cover inflationary costs, mandated Special Education program requirements and rising enrollment. Unfortunately, these modest increases have taken their toll: the impact has been unreasonably large class sizes district-wide, significant reduction in electives at the High school and Middle School, and limited resources for curriculum initiatives. It's time to catch back up.

5. ***They say the school problems can be traced back to an unaffordable teacher contract signed in 2005.***

Point by Point Rebuttal

This document is a written rebuttal to the "Top Ten Reasons to Vote 'No'" document mailed by the Taxpayers United for Fiscal Responsibility during the week of May 28, 2007.

The FY08 school budget includes a salary increase of 4.4% to maintain its teaching staff, not 7 or 9% that has been previously suggested. North Andover teachers are not paid more than teachers in comparable communities in fact on average they are paid less. Highly qualified staff and administrators are leaving for more reliable positions in neighboring communities.

North Andover does not negotiate contracts in a vacuum. Our teachers, police, fire and municipal employees all have opportunities outside of North Andover. If we ignore the compensation offered by neighboring communities we will continue to see high turnover in our teaching staff. We will continue to bear the cost of teacher training and development. Unfortunately based on the School Department's limited budget increases and rising cost in other areas the only contract that we could have afforded would have been one that actually decreased teacher pay. This would have been accompanied by an increase in teaching hours and an increased work load, making it more difficult to attract qualified teachers.

6. They say the School Committee has wasted \$2.9million taxpayer dollars on Foster Farm.

The 1998 **Town Meeting voters approved** the purchase the Foster Farm land for \$1.9 million, not the School Committee. We will continue to have it at our disposal for future needs. It is an asset, likely to become quite valuable to us in future years, whether used for a school or a fire station or preserved as open space.

The Foster Farm School project has been a difficult problem for the town. Faced with changing state reimbursement methods, the School Committee - in particular Dr. Ormsby - recommended that the town proceed with the \$1,000,000 design process for Foster Farm, construction to be conditional upon an enrollment trigger chosen under his direction. The enrollment criteria was based on grades 1-5 only. Unfortunately Dr. Ormsby and his fellow committee members neglected to re-consider the effects of enrollment when they voted to close Bradstreet School. The elementary schools enrollment skyrocketed with the influx of kindergarteners upon closure of Bradstreet but the enrollment criteria trigger was not reset to reflect the new situation. The Foster Farm school plan was cancelled without a review of the existing school's capacity limits, and we lost our place on the State's project list.

Going forward, the School Committee has convened a new subcommittee, chaired by Chris Allen, to review our long term capacity requirements and update the school's master facility plan.

7. They say the schools ran up a \$500,000 deficit in the school lunch program; money that could have been used to hire more teachers.

A **\$312,000** deficit was accumulated in the school lunch program over *several* years, not last year alone. School lunch programs are self-funded – they must set prices to cover their costs. The cost of providing lunch service increased when the town began charging the cost of the lunch program employees' benefits to the revolving account. A corresponding increase in meal prices was not implemented, despite the Program Director's recommendation to do so. Unfortunately, the School Committee did not follow proper practices and perform annual reviews of the revolving accounts, therefore the problem was not identified until Dr. Hartunian's departure. Barbara Widdden and Bill Kelly co-chaired a financial review committee which addressed this and other issues relating to proper financial review and control. The \$312,000

Point by Point Rebuttal

This document is a written rebuttal to the “Top Ten Reasons to Vote ‘No’” document mailed by the Taxpayers United for Fiscal Responsibility during the week of May 28, 2007.

represents a real cost of the program, not extra cash that could have been used to hire teachers.

8. *They say the School Committee “botched” opportunities to hire a superintendent, and had to pay an extremely expensive package for Dr. Marini.*

North Andover has recently secured Dr. Marini as our new interim superintendent. He’s a proven leader, ready to meet our challenge head-on, and he’s committed to working with town leaders to move our district forward. This search process has been extremely difficult. Our search for a qualified, permanent superintendent came up empty, not because of any flaw in the search process, but because even top money couldn’t entice adequately qualified candidates to come to a polarized community.

9. *They say health insurance costs for town employees are above that of the private sector.*

That’s true. But what is also true is at a local level, the town does not have a great deal of control over benefit packages for municipal employees. Rising health cost have affected everyone in Massachusetts. Generally, town employee health benefits are better than what the private sector offers. However, North Andover, along with other Massachusetts towns, must negotiate with 13 different municipal unions and is not allowed by State law to negotiate different benefit packages for different unions. Additionally, we are constrained in that we must compete with neighboring towns for the same labor pool. This is a state-wide problem that urgently needs to be addressed. Our public officials have pledged to cooperate and support each other in addressing these specific issues and other long term financial problems impacting the community. At Town Meeting, a resolution was passed encouraging out local officials to take appropriate steps with the State to address funding inequities and eliminate laws and regulations that put an undue burden on cities.

10. *They say inflation increased last year by 2.7% so a 4.6% budget increase is unnecessary.*

The Consumer Price Index (CPI) is an index that tracks the prices of a specified basket of consumer goods and services, providing one measure of inflation. It is an oversimplification to compare a town budget to a market basket of goods. Doing so ignores increases in costs such as special education (nearly 1/3 of the overall school budget) or the effects of rising enrollment – both are very real cost pressures North Andover has faced in the last 5 years and neither of which are adequately reflected in the consumer price index.

Footnotes:

(1) Comparable communities as defined by the North Andover Taxpayers Association (NATA), are: Andover, Belmont, Burlington, Canton, Chelmsford, Marshfield, Melrose, Milton, North Andover, Natick, Needham, Reading, Shrewsbury, Walpole, Westford

(2) Source: Massachusetts Department of Revenue At-A-Glance Reports, dated 5/24/07