

## BOARD OF SELECTMEN

The Board of Selectmen is pleased to submit to the residents of Arlington our annual report for 2009. The Board is composed of five elected individuals who set policy and oversee the management of the municipal functions of local government.

The Board members remained the same with the re-election of John W. Hurd and Clarissa Rowe. Mr. Hurd brings his tireless talent for constituent services, his love of youth sports, and his strong voice for East Arlington along to his decision-making. Mr. Hurd not only is committed to, but also participates and supports efforts toward the Arlington's Children Center, The Fox Library, sustainable Arlington issues, traffic and parking policies, and Feast of the East celebration. Ms. Rowe brings her working knowledge in support of Arlington's open space preservation, expertise in conservation, and professional skill in transitioning Board of Survey functions from Selectmen responsibilities over to the Redevelopment Board to implement subdivision controls.



Board of Selectmen  
(l-r) Clarissa Rowe, John W. Hurd, , Annie LaCourt,  
Kevin F. Greeley, Chairman, and Diane Mahon, Vice Chairman

## Financial Overview

Arlington under the leadership of this Board, the Finance Committee, the School Committee, and other Town leaders continued the disciplined budget process during the fourth year of the 5-Year Financial Plan. With the drastic financial downturn at the end of 2008, the Town remained strong throughout the 2009 year because of cost savings that had been realized in the budget and by the cost reductions made in the fall of 2008. The Town continues with an AAA bond rating, which allows the Town to borrow money at a reduced rate. Chair Kevin F. Greeley continued the tradition of coordinating the Budget Revenue Task Force Meetings, bringing to the table Arlington's financial leaders from the Board of Selectmen, Finance Committee, School Committee, Town Manager, Deputy Town Manager, Treasurer, Departments heads, Board of Assessors, State Legislators,

and residents. The group met to review options to keep the Town financially healthy and to prioritize services. This work continues in the Spring of 2010 as we continue to experience local aid cuts from the Commonwealth and continued healthcare and special education cost increases.

## 2009 Selectmen Highlights

### *Arlington – Nagaokakyo 25<sup>th</sup> Anniversary*

A major highlight for the Board this year was the celebration between two “sisters” – Nagaokako, Japan and Arlington, USA recognizing 25 years of friendship, exchange of cultures, and promises of 25 more years – at least. In the spring, Mayor Yutaka Oda led a friendship delegation of officials and students from Nagaokakyo. He and Chairman Greeley and the BOS planted a blossom tree in the Town garden (near the Dallin Flag Pole), exchanged gifts and words of welcome, thanks, and hopes for a brighter future – together.

In November, Kevin Greeley led a friendship delegation to Nagaokakyo for their recognition of our 25 years together. It was a spectacular, 4-day celebration orchestrated by the Mayor and his staff. According to Greeley, “It seemed like the whole city was aware of our visit and came out to welcome us. We visited the sights of Nagaokakyo – the shrines, the schools, the parks and the city. We met the people of the city at parades, banquets and ceremonies.” Mayor Oda and Chairman Greeley planted a tree in the garden in front of City Hall – symbolizing the roots between the sisters and potential for future growth between us.



Friendship delegation to Nagaokakyo Japan led by Kevin Greeley (fourth from right).



# EXECUTIVE SERVICES

## *Town Day Celebration*

This year's Arlington Town Day had continued success as in past years. Resident and vendor participation was tremendous. It was a wonderful day for family activities. There were many highlights of the weekend but the strong community participation that is exhibited yearly displays the greatness of Arlington's spirit. The Board congratulates and thanks the Town Day Committee and in particular the Co-Chairs, Kathleen Darcy and Marie A. Krepelka. The Board also thanks the many businesses and tireless volunteers whose loyalty and hard work make this celebration a success. This celebration is a privately funded Town event.



*Thousands gathered in Arlington Center for Town Day 2009*

## *Two Elections in 2009*

John W. Hurd and Clarissa Rowe were successful candidates for re-election. There were also four questions on the ballot submitted at the request of the Selectmen: one binding and three non-binding questions.

The first question: the 2008 Annual Town Meeting voted to ask the Legislature to authorize placement of this question on the 2009 annual election ballot, asks the electorate to authorize the Board of Selectmen to issue up to five additional licenses for the sale of all alcoholic beverages to be consumed on the premises in restaurants or function rooms that can seat at least 50 people.

The second question: non-binding public opinion advisory question placed on the ballot by majority vote of the Board of Selectmen, asks the electorate on whether to modify the rule of the sale of alcoholic beverages in restaurants that require any sale of alcohol be made in conjunction with the service of food. The vote on this question will be advisory only and will not require the Board to change its rules.

The third question: is a non-binding public opinion advisory question placed on the ballot by majority vote of the Board of Selectmen, asks the electorate on whether to pursue authorization for the issuance of two

additional such licenses. The vote on this question will be advisory only and will not require the Board to take any action toward increasing the number of available off-premise licenses.

The fourth question: is a non-binding public opinion advisory question placed on the ballot by majority vote of the Board of Selectmen, asks the electorate on whether to pursue authorization to amend the current licenses to sell wine and malt beverages for consumption off the premises licenses to allow the sale of all alcohol beverages. The vote on this question will be advisory only and will not require the Board to take any action toward changing the type of available off-premise licenses.

## *Alcohol Restaurant and Package Store Updates*

The Board of Selectmen, their office, and members of the Police and Health Departments received special liquor board training because of their role as the licensers and enforcers of the liquor laws. More programs offered through the year were:

Responsible Beverage Sales Seminar: for all liquor license holders, managers and sales clerks at restaurants and stores that sell beer, wine, or alcohol. The seminar focused on how to practice responsible and thorough ID checks and how to identify over intoxicated individuals. The presentation provided a basic review of state law and legal case stories.

Compliance checks: checks of establishments were conducted using a minor. These checks were conducted only after establishments were provided with the tools to prevent sales to minors including a seminar and scanning devices that were available to vendors to check IDs.

Partnerships with Cambridge, Somerville, and Medford: Arlington worked with the community substance abuse prevention coalitions in each of these communities to coordinate efforts to ensure seamless prevention of underage alcohol sales.

## **Acknowledgments**

The Board of Selectmen would like to thank the Town Manager, Brian F. Sullivan, all Department Heads, all Committees and Boards, and the entire staff of the Selectmen's office for their tireless and intelligent work on our behalf. We thank Marie Krepelka, Board Administrator, Mary Ann Sullivan, Frances Reidy, and Jean Burg for their outstanding dedication and service to the Town of Arlington.

# EXECUTIVE SERVICES

## TOWN MANAGER

Finances continue to be the main issue of concern in 2009 and beyond. The current global financial crisis continues to have a profound impact on state and local government revenues. The good news is that the five year financial plan that the Town has been operating under has provided Arlington with several years of fiscal stability and has put us in better shape than many municipalities to weather these difficult financial times. The commitments made as part of the Proposition 2 ½ override in 2005 which are summarized as follows:

- Override funds will be made to last at least five years (FY2006-FY2010). No general override will be sought during this period.
- Healthcare and pension costs will be limited to increases of no more than 7% and 4% respectively.
- Town and school operating budgets will be limited to increases of no more than 4%. Should healthcare costs exceed the 7% limitation, operating budget increases shall be reduced below 4% accordingly.



*Town Manager Brian F. Sullivan*

Commitments to the plan were fulfilled and the plan worked as designed. In fact, despite the economic crisis and cuts in state aid, the FY2010 budget was fully funded in accordance with the plan, and there was still more than \$1.5 million left in the override stabilization fund to apply to the sixth year, FY2011.

While it was known that at the conclusion of the five year plan the Town would be back to facing difficult financial and budget choices, the economic crisis, spawning a severe recession and high unemployment, has severely exacerbated the Town's financial position. The Town's reserves have plummeted; state aid was cut significantly in FY2009, FY2010, and is expected to be cut again in FY2011.

### **State Aid Reductions Methodology Unfair**

For Arlington, overall local aid is projected to decrease by \$539,155 (3.8%) to a total of \$13,701,410, exclusive of school construction aid. This is less local aid than the Town received in FY1988, some 23 years ago (see chart on next page). During this period Arlington has seen its share of the local aid "pie" cut in half (chart also on next page).

Since FY2002, Arlington has received the fifth largest percentage decrease in local aid out of 351 cities and towns, losing over \$3.6 million through FY2010 (see chart on page 7). Since FY2002, local aid for all municipalities initially dropped by approximately 8%, rebounded through FY2009 to a 20% increase, and then dropped in FY2010 to a cumulative increase of 8% from FY2002. Arlington, on the other hand, has never experienced an increase above FY2002. In fact, in FY2006 Arlington was 15% below FY2002, while the average of all municipalities saw a slight increase. In the current year, FY2010, aid is 16% below FY2002 while the average of all municipalities has seen an increase of 8%.

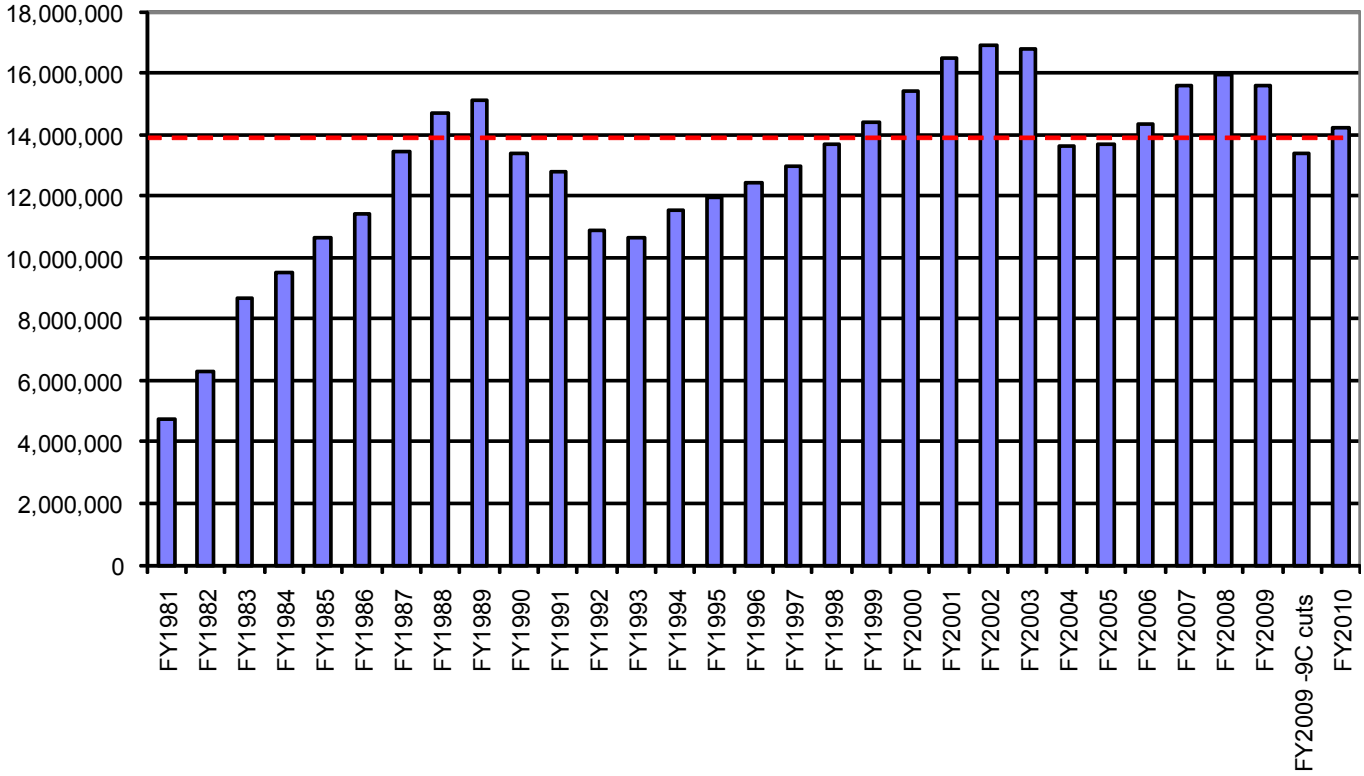
Over the last several years, the distribution formulas used for the cutbacks in state aid—and the subsequent restoration of those cuts—have not been implemented fairly, nor have they recognized the needs of communities like Arlington. The policy has essentially been this: communities with relatively high median income levels and high property values are assumed to have a greater ability to raise revenue locally, and therefore to have less of a need for state aid. The problem is that communities don't have the ability to tax incomes (the state takes all income tax). The only source of revenue available to communities is the property tax, a regressive tax that hurts elderly and lower income residents disproportionately. Without a fair share of state aid, communities like Arlington are faced with the difficult choice of either raising property taxes through overrides, or cutting needed services.

A majority of local aid increases over the last decade has been distributed through the Chapter 70 school aid formula. The formula works to the disadvantage of communities with relatively high incomes and property values. Arlington falls into this category, which means that we are a minimum aid community and are calculated to receive only 17.5% of our school foundation budget (the amount that the state calculates that we should be spending on schools). Some communities receive as much as 85%, with the average targeted at 60%. For FY2011, Arlington will receive the minimum, 17.5%.

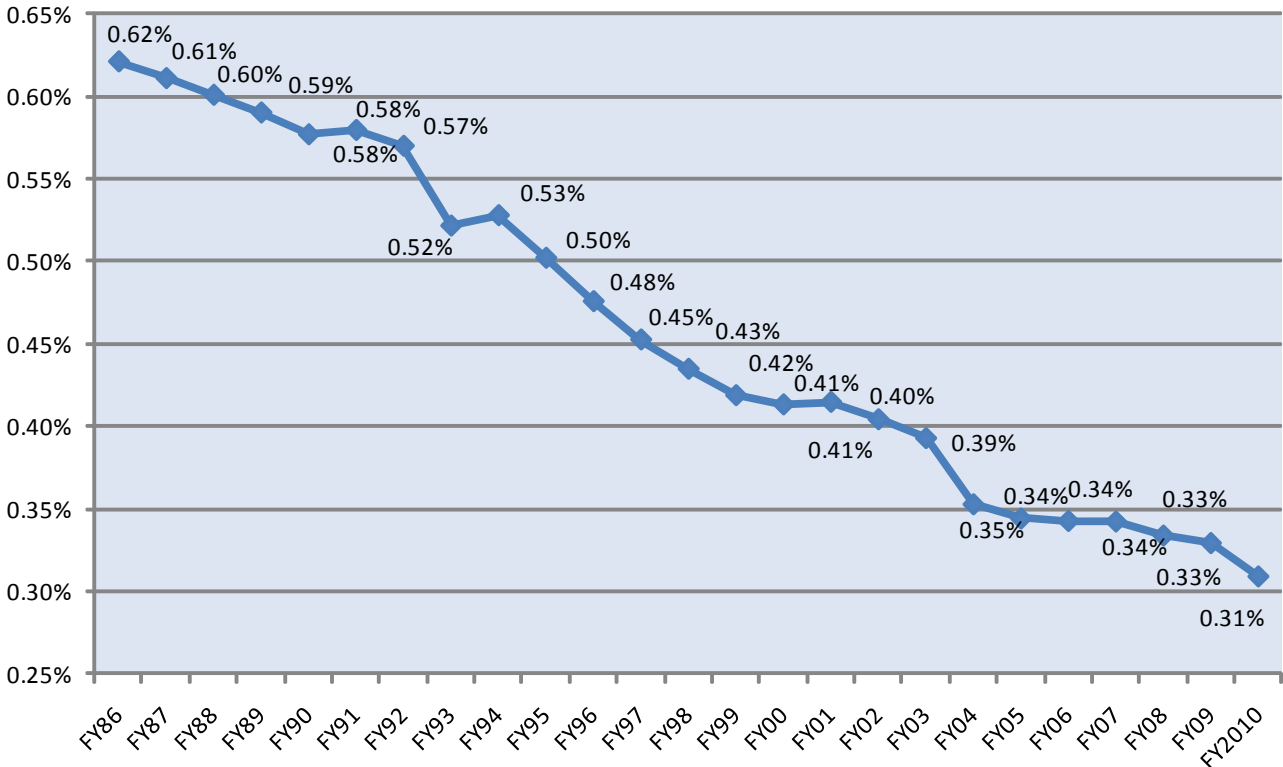
# EXECUTIVE SERVICES

## STATE AID RECEIPTS

(Numbers exclude School Construction and METCO reimbursements)

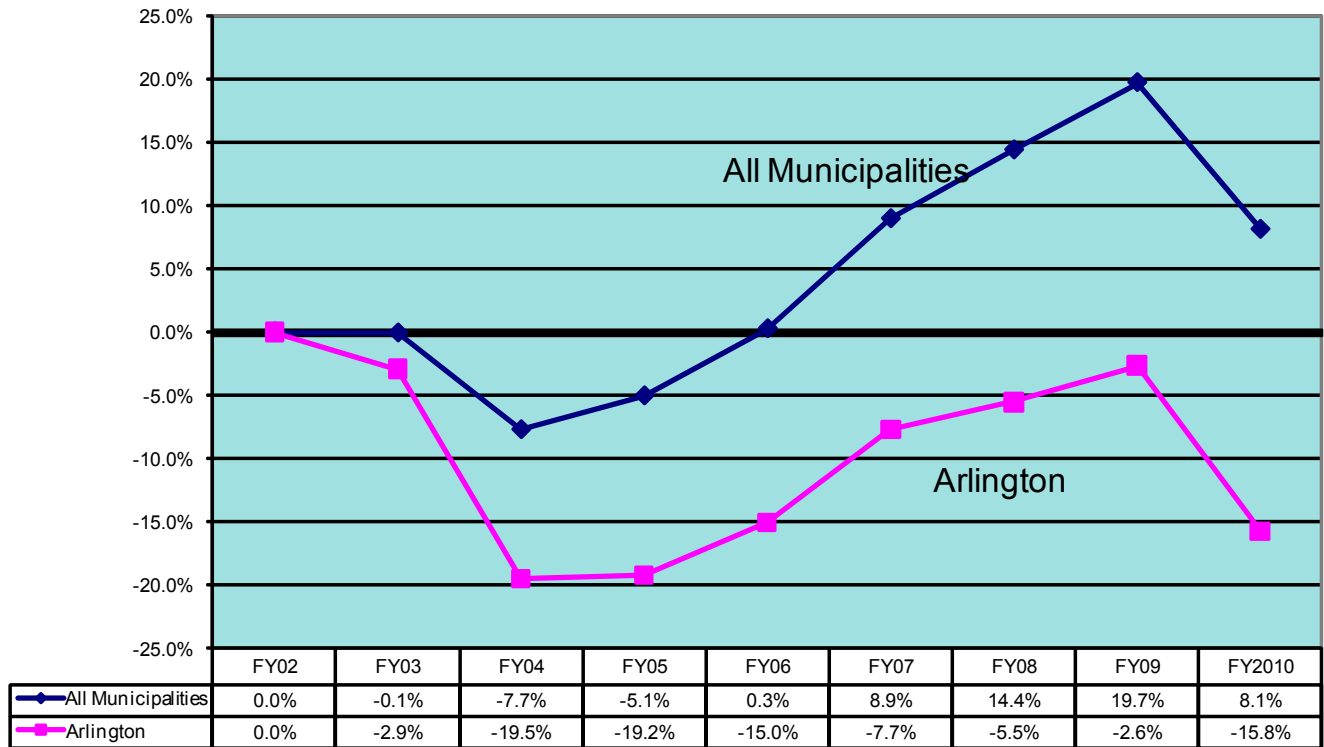


## Arlington's Percent of Total State Aid



# EXECUTIVE SERVICES

**State Aid Cumulative Percent Change  
Since Fiscal Year 2002**  
(Numbers exclude School Construction and METCO reimbursements)



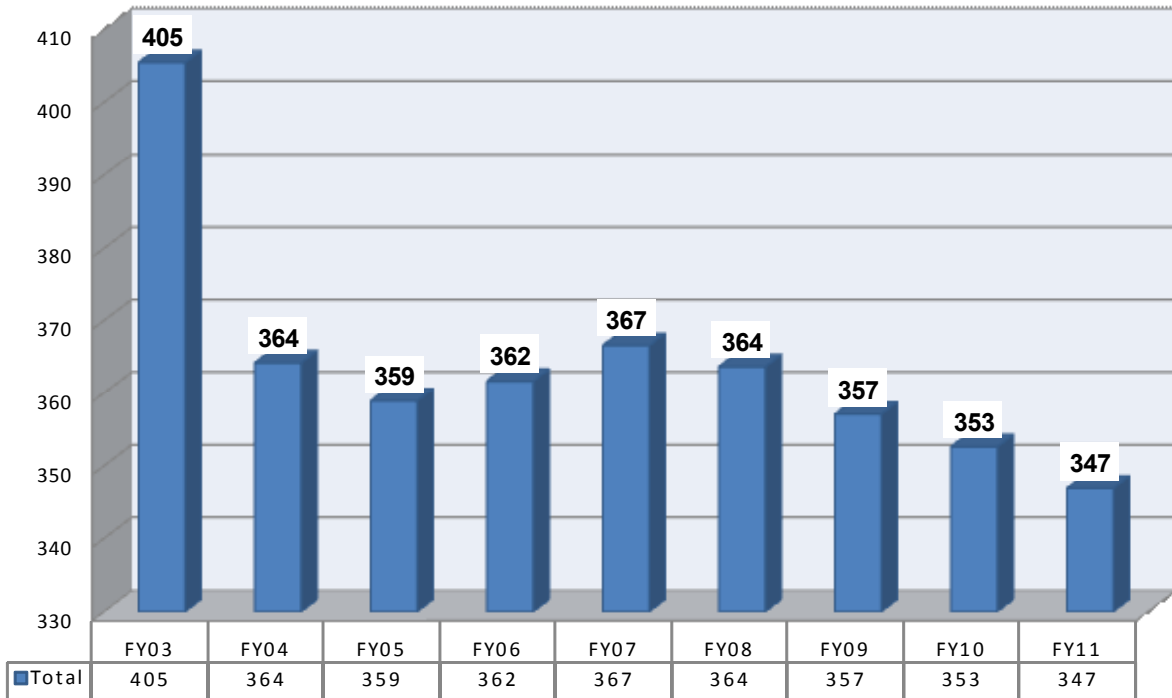
## FY2011 Budget Outlook

As the budget process started out, it appeared that Town and School budgets would have to be decreased by 2.5% from the current year. Through various increases in revenues and decreases in some fixed costs, there is now a net revenue increase of \$691,732 available for Town and School operating budgets which allows for a 1% increase. Given the special education cost pressures on the school budget and some state and federal grant/reimbursement reductions, I have recommended moving \$450,000 from the Town budget to the School budget. This results in a School budget increase of \$850,734 (2.2%) and Town budget decrease of \$159,002 (-0.6%).

Due to various fixed cost increases in the Town budgets, the discretionary cuts amount to over \$500,000. The budgets for Arlington's Municipal departments are already at, or near, the bottom of its comparable communities. Consequently, these cuts are particularly painful and will have negative impacts on services. As an example, Arlington is already the lowest staffed police department on a per capita basis in the metropolitan area. That combined with growing gang violence, increases in the volume and lethality of domestic violence cases, the frequency and complexity of identify theft investigations, and other crime and disorder threatening to spill over to Arlington, is a serious concern. Municipal services are labor intensive, thus most of the budgets are for personnel related costs. Personnel levels are a direct reflection of the Town's ability to provide services and thus provide a good insight as to what is happening. The personnel chart on the next page shows the significant reduction that has occurred over the last several years.

# EXECUTIVE SERVICES

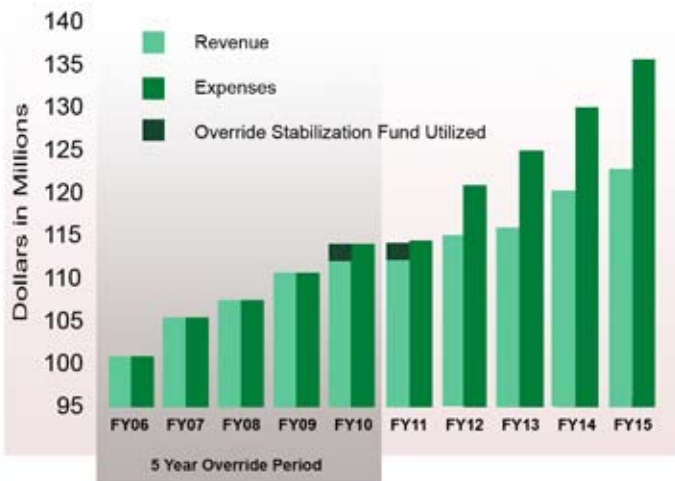
## Town Personnel Trends FY 2003 - FY2011 FTEs



### Town Financial Structure and Outlook

Each year, for several years, the Town has had a structural deficit whereby the growth in revenues has not kept pace with the growth in costs necessary to maintain a level-service budget. The result has been a gradual erosion of services. The nature of the Town's structural deficit is illustrated in the chart and table below.

### Comparison of Revenue/Expenditures



Typical Annual Growth	
<b>Revenue</b>	
Property Taxes	\$ 2,350,000
Local Receipts	\$ 50,000
State Aid	\$ 300,000
<b>Total Revenue</b>	<b>\$ 2,600,000</b>
<b>Expenditures</b>	
Wage Adjustments	\$ 1,900,000
Health Insurance/Medicare	\$ 1,500,000
Pensions	\$ 300,000
Miscellaneous (utilities capital/debt, special education, other)	\$ 1,000,000
<b>Total Expenditures</b>	<b>\$ 4,600,000</b>
<b>Structural Deficit</b>	<b>\$ (2,000,000)</b>

# EXECUTIVE SERVICES

The Town's fiscal condition was exacerbated in FY2003 and FY2004 as a result of state aid reductions in excess of \$3.3 million. After major budget reductions and the depletion of reserves, which carried the Town through FY2005, the Town was facing a deficit of approximately \$4 million in FY2006. The passage of a \$6 million Proposition 2 ½ override in 2005 for FY2006 covered the \$4 million deficit and allowed the Town to put into reserve the remaining \$2 million. One of the key commitments made as part of the Proposition 2 ½ override was that the funds would be made to last five years and that no override would be requested during that time. The current year, FY2010, is the last year of the five-year override plan.

The plan served the Town well. It required tight controls over operating budgets. With these controls appropriately managed, the plan overcame the Town's structural deficit and provided sufficient resources to maintain services for the five year period. The departmental budget increases over this five year period are shown on the right. School department increases were larger than the municipal departments in recognition of some extraordinary special education cost increases.

Operating Budget Increases		
FY 2006 -FY2011		
	<u>Town</u>	<u>School</u>
FY2006	2.9%	6.2%
FY2007	2.8%	3.2%
FY2008	3.9%	4.0%
FY2009	2.0%	3.0%
FY2010	0.9%	2.1%
FY2011	<u>-0.6%</u>	<u>2.2%</u>
Average Increase	2.0%	3.5%

The Town's structural deficit still exists; the override simply provided more than enough funds in the first few years so that the surpluses would be used to fund the deficits of the latter years. After the five years, however, the deficits have reappeared for FY2011. The deficit has been exacerbated by the economic crisis and state aid was cut by \$2.6 million in FY2010, with an anticipated cut of over \$500,000 in FY2011. This total cut of \$3.1 million, when typically the Town would be receiving approximately \$300,000 in increases in each year, results revenue decreases of more than \$3.7 million. This negative factor dwarfs the unanticipated positive factor of having \$1.5 million left over in the override stabilization fund at the conclusion of the five year plan, thus making significant budget cuts unavoidable in FY2011. A turnaround in the economy and state aid increases, together with the reduction in healthcare costs by joining the State's GIC, are the Town's best opportunities for mitigating future budget reductions.

## Community Comparisons

There are a number of factors that contribute to Arlington's structural deficit—some common among all municipalities and some relatively unique to Arlington. Double digit increases in employee healthcare costs and energy costs affect all municipalities. Arlington has been penalized by an unfair state aid distribution formula. Statewide, communities are 8% above the FY2002 level while Arlington is still 16% below FY2002.

There are a series of tables on the next two pages that illustrate some of the factors particular to Arlington including the fact that Arlington is a densely populated, fully built-out community (see Tables 1 and 2). Revenue from growth in the tax base ranks last among a group of 20 comparable communities (see Table 3). It is less than two-thirds of the state-wide average. Another indicator of the Town's ability and opportunity to raise revenues is a measure developed by the Department of Revenue called Municipal Revenue Growth Factor (MRGF). It measures a community's ability to raise revenue, taking into consideration a community's tax levy limit, new growth, state aid, and local receipts. As you can see from Table 4, the state-wide average and average of the twenty comparable communities MRGF is 0.75 and 1.1 respectively. Arlington's is a negative 0.67 and third from the bottom of the 20 communities.

Another factor affecting the Town's financial structure is its tax base. The Town's tax base is nearly all residential—the commercial/industrial sector makes up less than 6% of the total. Table 5 shows that Arlington's commercial/industrial tax base ranks it 17<sup>th</sup> out of 20 comparable communities. The average of these communities is 20.5%, more than triple that of Arlington. This affects not only the Town's ability to raise revenue, it places a heavier tax burden on the residential sector as there is almost no commercial/industrial sector with which to share the tax burden.

Notwithstanding this the tax burden, when measured several different ways, is at or below the average of the 20 comparable communities. In fact, the Town ranks 13<sup>th</sup> in taxes per capita, and 11<sup>th</sup> in taxes per household as a percent of median household income. This despite the fact that Arlington's tax levy includes more than \$5 million in MWRA water and sewer debt that only one other community includes on its levy.

A look at how the Town's spending levels impact the Town's financial position shows that the Town's spending per capita is well below the state average and the average of the 20 comparable communities. In overall expenditures per capita, the Town ranks 16<sup>th</sup> and nearly 10% below the state-wide average (see Tables 9-11). With spending well below the state-wide average and below comparable communities, and with revenue growth opportunities well below the statewide average and at the bottom of comparable communities, it is clear that the structural problem with the Town's finances lies with the revenue side of the equation as opposed to the spending side. Limited growth in the tax base, a tax base almost all residential, coupled with a \$3.3 million reduction in state aid, left the Town in 2005 with only two choices—significant budget cuts with the resulting service reductions or the first Proposition 2 ½ general override since 1991.

# EXECUTIVE SERVICES

Table 1	
Municipality	Pop Per Square Mile
1 BROOKLINE	8,085
2 ARLINGTON	7,914
3 WATERTOWN	7,875
4 MEDFORD	6,827
5 MELROSE	5,695
6 SALEM	5,093
7 BELMONT	4,998
8 WINCHESTER	3,492
9 STONEHAM	3,491
10 WEYMOUTH	3,131
11 RANDOLPH	2,987
12 WOBURN	2,910
13 NORWOOD	2,692
14 WELLESLEY	2,676
15 READING	2,321
16 NEEDHAM	2,265
17 NATICK	2,114
18 MILTON	2,008
19 LEXINGTON	1,846
20 CHELMSFORD	1,519
Ave w/o Arlington	3,791
Arlington	7,914

Table 2	
Municipality	Households Per Sq Mile
1 BROOKLINE	3,890
2 ARLINGTON	3,747
3 WATERTOWN	3,652
4 MEDFORD	2,787
5 MELROSE	2,398
6 SALEM	2,244
7 BELMONT	2,142
8 STONEHAM	1,510
9 WEYMOUTH	1,327
10 WINCHESTER	1,309
11 WOBURN	1,215
12 RANDOLPH	1,145
13 NORWOOD	1,140
14 READING	889
15 NATICK	886
16 WELLESLEY	870
17 NEEDHAM	860
18 MILTON	703
19 LEXINGTON	691
20 CHELMSFORD	575
Ave w/o Arlington	1,591
Arlington	3,747

Table 3	
Municipality	New Growth Ave '08-'10
1 NATICK	2.71%
2 LEXINGTON	2.64%
3 NEEDHAM	2.46%
4 NORWOOD	2.25%
5 WELLESLEY	1.87%
6 WOBURN	1.82%
7 SALEM	1.81%
8 MEDFORD	1.61%
9 BROOKLINE	1.53%
10 CHELMSFORD	1.52%
11 MELROSE	1.40%
12 RANDOLPH	1.35%
13 BELMONT	1.34%
14 READING	1.24%
15 WATERTOWN	1.16%
16 WEYMOUTH	1.09%
17 STONEHAM	1.08%
18 MILTON	1.07%
19 WINCHESTER	0.97%
20 ARLINGTON	0.93%
Ave w/o Arlington	1.63%
Arlington	0.93%
State-wide Ave	1.49%

Table 4	
Municipality	FY2010 Municipal Revenue Growth Factor
1 LEXINGTON	4.59
2 WELLESLEY	3.81
3 NEEDHAM	2.89
4 WINCHESTER	2.14
5 CHELMSFORD	1.88
6 WATERTOWN	1.86
7 BROOKLINE	1.75
8 WOBURN	1.13
9 STONEHAM	1.09
10 READING	0.98
11 MILTON	0.86
12 BELMONT	0.72
13 SALEM	0.54
14 RANDOLPH	0.18
15 NORWOOD	-0.18
16 NATICK	-0.38
17 MEDFORD	-0.66
18 ARLINGTON	-0.67
19 WEYMOUTH	-1.09
20 MELROSE	-1.34
Ave w/o Arlington	1.1
Arlington	-0.67
State-Wide Ave	0.75

Table 5	
Municipality	FY2009 Commercial/Industrial % of Total Value
1 WOBURN	51.06
2 NORWOOD	44.44
3 WATERTOWN	32.73
4 SALEM	27.72
5 WEYMOUTH	23.91
6 NATICK	22.71
7 RANDOLPH	22.26
8 MEDFORD	22.23
9 NEEDHAM	22.15
10 LEXINGTON	22.06
11 CHELMSFORD	19.49
12 STONEHAM	17.39
13 BROOKLINE	15.96
14 WELLESLEY	12.68
15 READING	8.56
16 MELROSE	8.49
17 ARLINGTON	6.02
18 BELMONT	5.79
19 MILTON	5.43
20 WINCHESTER	5.23
Ave w/o Arlington	20.5
Arlington	6.0

Table 6	
Municipality	FY2009 Taxes Per Cap
1 LEXINGTON	3843
2 WELLESLEY	3275
3 NEEDHAM	2869
4 WINCHESTER	2848
5 BELMONT	2684
6 BROOKLINE	2683
7 WATERTOWN	2291
8 CHELMSFORD	2183
9 WOBURN	2132
10 MILTON	2087
11 NATICK	2074
12 READING	2055
13 ARLINGTON	1975
14 STONEHAM	1724
15 NORWOOD	1714
16 SALEM	1626
17 MELROSE	1571
18 WEYMOUTH	1492
19 RANDOLPH	1413
20 MEDFORD	1371
Ave w/o Arlington	2,207
Arlington	1,975



# EXECUTIVE SERVICES

Table 7	
Municipality	FY2009 Ave Tax Per Household
1 WELLESLEY	9,065
2 LEXINGTON	8,162
3 WINCHESTER	7,379
4 BELMONT	6,052
5 NEEDHAM	6,010
6 MILTON	5,666
7 READING	5,172
8 CHELMSFORD	4,836
9 BROOKLINE	4,483
10 NATICK	4,315
11 ARLINGTON	4,002
12 MELROSE	3,496
13 STONEHAM	3,359
14 WATERTOWN	3,106
15 MEDFORD	3,084
16 WOBURN	2,773
17 RANDOLPH	2,766
18 SALEM	2,627
19 WEYMOUTH	2,523
20 NORWOOD	2,325
Ave w/o Arlington	4589
Arlington	4,002

Table 8	
Municipality	FY2008 Gen Gov Expenditures Per Cap
1 WINCHESTER	371
2 NATICK	194
3 LEXINGTON	167
4 BROOKLINE	165
5 NEEDHAM	165
6 BELMONT	162
7 NORWOOD	146
8 WELLESLEY	138
9 WATERTOWN	120
10 READING	115
11 ARLINGTON	111
12 CHELMSFORD	108
13 SALEM	100
14 MELROSE	93
15 WOBURN	87
16 RANDOLPH	87
17 STONEHAM	85
18 WEYMOUTH	81
19 MILTON	78
20 MEDFORD	63
Ave w/o Arlington	127
Arlington	111
State-wide Ave	137

Table 9	
Municipality	FY2008 Public Safety Exp Per Cap
1 WOBURN	641
2 WEYMOUTH	611
3 NORWOOD	593
4 BROOKLINE	475
5 WATERTOWN	442
6 NEEDHAM	400
7 MEDFORD	396
8 BELMONT	379
9 SALEM	374
10 WELLESLEY	346
11 LEXINGTON	342
12 WINCHESTER	341
13 NATICK	331
14 MILTON	304
15 MELROSE	293
16 ARLINGTON	292
17 READING	276
18 CHELMSFORD	264
19 STONEHAM	208
20 RANDOLPH	158
Ave w/o Arlington	378
Arlington	292
State-wide Ave	388

Table 10	
Municipality	FY2008 Public Works Exp Per Cap
1 NORWOOD	695
2 WINCHESTER	269
3 RANDOLPH	261
4 WATERTOWN	252
5 WELLESLEY	245
6 LEXINGTON	242
7 WOBURN	229
8 READING	219
9 BELMONT	211
10 BROOKLINE	188
11 WEYMOUTH	174
12 CHELMSFORD	172
13 MILTON	167
14 ARLINGTON	162
15 NATICK	159
16 NEEDHAM	156
17 MEDFORD	153
18 STONEHAM	145
19 MELROSE	144
20 SALEM	84
Ave w/o Arlington	219
Arlington	162
State-wide Ave	166

Table 11	
Municipality	FY2009 School Per Pupil Exp
1 BROOKLINE	16,847
2 WATERTOWN	16,277
3 LEXINGTON	15,368
4 SALEM	14,469
5 WELLESLEY	14,330
6 RANDOLPH	14,286
7 WOBURN	13,909
8 MEDFORD	13,269
9 NORWOOD	12,993
10 NEEDHAM	12,955
11 NATICK	12,926
12 WEYMOUTH *	12,034
13 ARLINGTON	11,813
14 BELMONT	11,653
15 MILTON	11,473
16 STONEHAM	11,400
17 WINCHESTER	11,259
18 READING	10,742
19 MELROSE	10,288
20 CHELMSFORD	10,221
Ave w/o Arlington	12,435
Arlington	11,813
State-wide Ave	13,060

Table 12	
Municipality	FY2008 Total Exp Per Cap
1 LEXINGTON	3,506
2 NORWOOD	3,501
3 WELLESLEY	3,496
4 WINCHESTER	3,291
5 NEEDHAM	3,268
6 BROOKLINE	3,240
7 READING	3,206
8 NATICK	3,054
9 CHELMSFORD	2,782
10 WATERTOWN	2,713
11 BELMONT	2,713
12 WOBURN	2,711
13 MILTON	2,638
14 SALEM	2,564
15 STONEHAM	2,450
16 ARLINGTON	2,463
17 RANDOLPH	2,397
18 WEYMOUTH	2,137
19 MELROSE	2,079
20 MEDFORD	1,922
Ave w/o Arlington	2,828
Arlington	2,463
State-wide Ave	2,678

# EXECUTIVE SERVICES

## Cost Savings/Performance Strategies

The Town has continuously pursued numerous strategies for reducing costs and becoming more productive. Recently the Town has participated in a consortium of about a dozen area communities to pursue regionalization opportunities. Many service and purchasing contracts are being implemented regionally. Additional regionalizing opportunities are being evaluated at the ongoing monthly meetings of this consortium.

Currently we are in discussions with the Towns of Belmont and Lexington about combining the health departments of the three communities. The Metropolitan Area Planning Council (MAPC) is providing technical assistance to determine what, if any, benefits can be derived and what implementation steps are necessary. The Town has also been evaluating the current service delivery methods for various services to determine the most cost effective way to deliver the services. Last year cemetery grounds maintenance was contracted out after such an evaluation. Other areas currently being evaluated include maintenance of Town and school grounds.

The Town has also joined a consortium of six other communities, under the auspices of the International City Manager's Association (ICMA), to gather and compare performance data for various services. It is helpful to not only measure and compare performance data with comparable communities but to compare the year to year progress made by the Town itself in these service areas.

In order to increase productivity in the long run, the Town has to make better and more effective use of technology. This certainly is not unique to Arlington as any organization worldwide that does not keep up with productively enhancements to be gained through the effective use of technology will not be able to compete. One area in which the Town is behind the curve is geographic information systems (GIS). Nearly every department and service involves geographic information. This is clearly an opportunity to enhance productivity with technology. Funding has been included to begin the implementation of GIS.

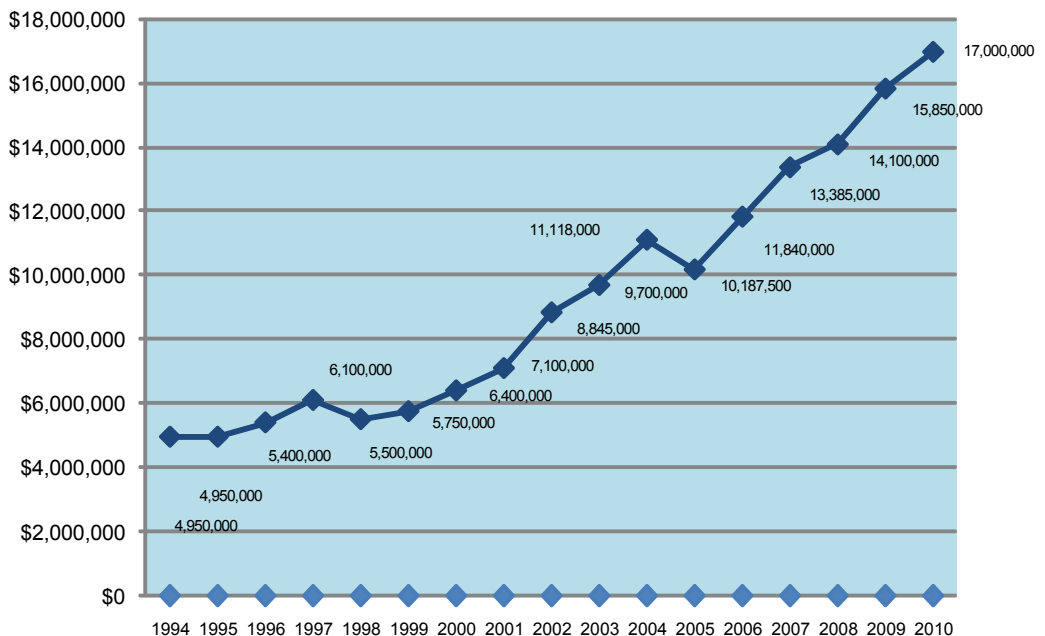
## Healthcare

For more than a year the Town has been negotiating with the employee unions, through a coalition bargaining process, to implement some controls over healthcare costs without significantly impacting the quality of the healthcare programs. After exploring all options, it was determined that the only option that retained quality healthcare while at the same time offering substantial savings for the Town and employees was to join the State's healthcare plan known as the GIC. The first year net savings were over \$3.5 million even after the GIC rate increase for July 1. The Town would have realized significant savings that would have gone to retain the jobs (and healthcare) of many employees who would otherwise be laid off. This was truly a win-win situation for everyone.

The Town and leadership of the unions agreed to a deal which the unions agreed to bring back to their memberships for a ratification vote.

Unfortunately for all parties, the leadership of the Teachers union called five days later to say that they had changed their minds and would not bring the issue to their membership for a vote. Because the teachers control 50% of the weighted vote, they alone can and did block the deal. This action sealed the fate of a number of employees whose jobs could have been saved. Not only that, with healthcare costs going up over \$1.3 million, there is no money for any salary increases. All compensation increases are going to healthcare benefit cost increases.

### Health Insurance Appropriation



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## **Collective Bargaining**

The Police Ranking officers recently settled their contract for FY2009. They were the last group. They settled for the same wage increase agreed to by all other groups. Both the Ranking Police Officers and Patrolman Unions have settled for a 0% increase in FY2010. Negotiations are ongoing for the rest of the groups. Contracts with all the other employee unions expired this past June 30<sup>th</sup>. Negotiations are ongoing for agreements through FY2011. Due to a number of factors including the economic crisis forcing drastic budget reductions, an inflation rate at near zero, and healthcare benefits increasing approximately \$1.3 million, no funds are anticipated to be available for cost of living increases in FY2010 or FY2011. The healthcare cost increase is equivalent to a 3% wage increase.

## **Commercial Development**

A vibrant commercial district is at the heart of any healthy community. Arlington is lucky to have three active commercial districts: East Arlington, Arlington Center, and Arlington Heights. A survey conducted by the Arlington Department of Planning and Community Development (Planning Department) a couple years ago found overwhelmingly that residents like commercial uses to be available to them nearby when such uses enhance the quality of life. We can't take for granted that Arlington will always have appealing businesses. Attracting and maintaining vibrancy in Arlington's commercial centers requires active cultivation and management. We need to have a commercial development plan in place so that when key parcels become available we will be ready to engage those businesses that will *enhance* our community. The Town is constantly working to keep its business districts healthy. It's one of the top priority goals set by the Board of Selectmen.

In 2009, a team of consultants, led by Larry Koff & Associates, have been developing a Commercial Development plan focusing on how to bring more vitality and vigor to Arlington's three commercial centers. The study will also analyze specified key potential development sites. Most of the Commercial Development Plan elements have been drafted and reviewed by business and commercial property owners in Town. A draft of the plan will be presented to the public in early in 2010.

The redevelopment of the former Symmes Hospital site saw little progress this year as the credit-lending crisis limited potential buyers that could take over the site. JPI, the entity that controls the site, continued to seek investor/developers to take over the project, to fulfill JPI's obligations, and to develop the site as permitted by the Town. On a bright note, JPI has a developer very interested in the site who is currently working on putting a proposal together.

## **Massachusetts Avenue Corridor Project**

The Town received funding from the Commonwealth of Massachusetts for design and improvements to Massachusetts Avenue in East Arlington, from the Cambridge city line to Pond Lane. This grant came to the Town as a result of longstanding concerns about pedestrian safety on Mass. Ave. The goals of the project are to make Massachusetts Avenue a safer and more attractive street that improves safety and mobility for pedestrians, bicyclists, and transit users; to maintain motorist mobility and create a safer and more orderly traffic flow; and to improve the business environment by enhancing the streetscape and improving parking efficiency.

The project is being managed by the Town Planning Department and Department of Public Works, with guidance from a Project Review Committee made up of Arlington residents and business owners. During 2009 our consultant team conducted extensive traffic analysis and developed a plan that will transform the wide open pavement into a more organized roadway which balances the needs of all users. Three new crosswalks will be added, along with curb extensions to shorten the crossing distance for pedestrians. The Lake Street commercial area will be improved with new trees, benches, bike racks, pedestrian-scale lighting and outdoor seating and dining areas. After a series of public hearings to review the project, the 25% plans are being revised and will be submitted to the Massachusetts Department of Transportation Highway Division for their review. Following additional design, engineering, and public hearings, construction is anticipated in 2012.

## **Battle Road Scenic Byway**

In 2009 the Town joined with Concord, Lexington, and Lincoln to successfully support federal designation of the "Battle Road Scenic Byway," which runs for fifteen miles along or parallel to the old Revolutionary War battle road through the four towns. While clearly a main theme of this Byway is the Revolutionary War, just as important are the themes represented by the literary, environmental, and technological "revolutions" that have occurred along its length. This cooperative effort, administered by the Metropolitan Area Planning Commission (MAPC), with involvement by the Minuteman National Historical Park, the Massachusetts Highway Department, and the four towns, is focusing on preservation and promotion of this historic corridor, while also exploring options for tourism and economic development. Arlington is participating on the main work group, which is working through a number of sub-groups to draft a comprehensive management plan for the Byway. During the year these groups met several times with various groups

# EXECUTIVE SERVICES

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and the public in each of the towns and will continue to do so in 2010. The final management plan for the Byway will be drafted throughout 2010 with a final plan available early in 2011.

## **2009 H1N1 Flu & Emergency Preparedness**

The H1N1 flu was first detected in the United States in April 2009; the World Health Organization declared in June that a pandemic of H1N1 flu was underway. The vaccine was scarce and the public was anxious. Our Health & Human Services, Police, and Fire departments, along with the Arlington Emergency Management Agency came together, with cooperation from an army of volunteers from the Medical Reserve Corps, to respond to this public health threat.

Throughout the fall, the Health department ran over nineteen clinics, administering 7,193 H1N1 flu, seasonal flu, and pneumonia vaccinations to residents. Over 277 Medical Reserve Corps volunteers assisted and gave over 26,000 hours of service to the Town to vaccinate residents. The Department ran vaccination clinics in each of the 9 public schools in partnership with the school nurses to vaccinate school aged children against the H1N1 flu. Over 2,100 public school children were vaccinated at the school based clinics. The Department used the school based clinics as an opportunity to prepare for future clinics.

A large H1N1 and seasonal flu public clinic was held on December 30 at the high school. Over 2,300 residents were vaccinated in three hours. There were fifty-nine Medical Reserve Corps volunteers running the clinic along with Armstrong Ambulance paramedics, Arlington Public School Nurses, physicians from two pediatric offices in Town, two Arlington Fire Department EMTs, ten Police department detail officers, and the Arlington Emergency Management Agency. This clinic was among the top public clinics in the state for distribution of the vaccine.

The Health department continued to work with the public health emergency preparedness region 4b, which includes all of the health departments in the communities surrounding the City of Boston. In December, Arlington, Belmont, Brookline, Watertown, and Newton came together to offer a public seasonal and H1N1 flu clinic in the Town of Brookline, to test a multi-community response to a large-scale public clinic while offering vaccine to the public. This is the group's seventh regional clinic. The results from the emergency clinics have become a model for other groups of communities as they plan for vaccinating residents.

## **Prescription Drug Discount Card**

The Town of Arlington in collaboration with the National League of Cities (NLC) made available to residents a discount prescription card for uninsured medications. The card, free to all Arlington residents, regardless of age, income or existing health insurance, allows savings, on average, of 20% off the retail price of prescription drugs at participating pharmacies. All Arlington pharmacies are participating in the program and although it is very early in the program, our first report showed an average of 26% savings to residents. We will continue outreach on the program and monitor results in 2010. More information about the program can be found online at [arlingtonma.gov/prescriptioncards](http://arlingtonma.gov/prescriptioncards).

## **Communications**

The Board of Selectmen and I have made improving communications with the public one of our priority goals. This annual report is one such communication vehicle in which we put a great deal of effort to make it informative and attractive. Last year, the Massachusetts Municipal Association awarded the Town's 2008 Annual Report second place for the best Town Report among all the cities and towns in the Commonwealth in our population (over 40K).

### *Online Communications*

A variety of available online communication channels offer tremendous opportunities in reaching vast audiences in an efficient manner. However, multiple communication channels also pose unique challenges in informing the public. Twenty years ago the local newspaper was the main source for reaching a majority of the Town's population. Today, newspapers compete with blogs, social networking sites, and their own online initiatives and their reach continues to shrink. With all these choices there is no single online communication channel that reaches all residents, but we have identified three core online channels that reach the largest segment to invest our limited resources. The three primary online communication channels are: Town of Arlington Notices, Request/Answer Center, the and the Town's main website, [arlingtonma.gov](http://arlingtonma.gov).

### *Town of Arlington Notices*

Town of Arlington Notices are official notices sent by the Town to subscribers, via email, 2-4 times per week. This opt-in email distribution list delivers information on Town activities including: public health and public works alerts, election information, and special Town related events. Our web reports can measure the effectiveness of these Notices and how (and if) citizens are engaged by driving them back to the Town site. Notices are a very helpful tool to get the word out quickly, or in advance, to the public. For example, when the Health Department held its first public H1N1

## EXECUTIVE SERVICES

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vaccination clinic on December 30, an email Notice was sent asking residents seeking the vaccine to download a form from the Town's website and bring it to the clinic completed. The form was downloaded 1,300 times and 800 can be immediately attributed to email outreach. An overwhelming majority of attendees arrived at the clinic with completed forms which expedited the process for both the department and those waiting. The clinic vaccinated almost 2,000 persons for H1N1 that day.

In 2009, 918 subscribers were added to the Notices email list - a 64% increase for a total of 2,450 subscribers. Compared to the number of households (19,000) this would represent 13% of households receive this email. We are pleased with the growth, but we would like to see every resident subscribed to Notices as this is a timely and cost-effective communications mechanism to alert residents of Town activities. Residents can subscribe online at [arlingtonma.gov/subscriber](http://arlingtonma.gov/subscriber). Additional email lists are available for specific Town activities, including Recreation, Selectmen, and School Committee Agendas.

### *Request/Answer Center*

The Request/Answer Center is an online customer service center where residents can make requests of Town services (and track them), ask questions, and search an extensive knowledge base, 24 hours a day. 2009 marked the second year for the Request/Answer Center.

In 2009, the service had significant growth with 1,022 new customer registrations, 2,026 Requests created, and 360 Questions submitted. An impressive 107,661 Answers were viewed. This illustrates that users are overwhelmingly getting the information they seek before having to submit a question or make a call to Town Hall. Where every "Answer Viewed" is a potential phone call not made to Town Hall we can make estimates on the value of this service. According to leading industry analysts, phone inquiries cost an estimated \$4.50 each to process. Using this model, and applying it to Answers Viewed only, the value of the service to the Town in 2009 was \$484,474. While it is difficult to tally the total value of all our online services without investing more resources, these preliminary numbers do show that these are cost-effective, valuable services reaching a widespread audience that wants them delivered this way.

### *Arlingtonma.gov*

The Town's main site receives heavy web traffic with a monthly average of 111,820 Page Views, approximately 39,000 visits, and over 26,000 unique visitors in 2009. When comparing 2009 with 2008 the traffic is similar and shows that the site is consistently being utilized and at very large volumes. However our loyalty is going up. In 2008, 54% were new visitors; in 2009 46% were new visitors, an 11% increase in loyal users.

Arlingtonma.gov was again presented with an *E-Government Award with Distinction* status from Common Cause in 2009. The award recognizes municipalities for their efforts in 'open government' for posting all key governance records on their website.

Our award-winning website strives to improve communications and cultivate positive relations with residents. It also strives to maximize technology for efficiencies and we will continue to build upon this valuable Town asset. However, none of the success can be realized without skillful human intervention and collaboration. From the many content contributions from staff, boards, and committees, to residents utilizing the Request/Answer Center, [arlingtonma.gov](http://arlingtonma.gov) continues to provide accurate and helpful Town information whenever our residents need it.

### **Honored This Year**

#### *Margaret H. "Peg" Spengler*

In November, former Governor Michael S. Dukakis helped honor the late Margaret H. "Peg" Spengler at an event hosted at Town Hall. The event included remarks by friends and colleagues and the placement of bronze plaque in the lobby of Town Hall. In addition, the renaming of Robbins Way to Peg Spengler Way to honor her contributions to the Robbins Library over the years. Peg was involved with over 25 boards and committees in her extensive work with the Town. She served as Town Meeting member for over 40 years, was the president of the Arlington League of Women Voters, and was the first women elected to the Board of Selectmen. She led the drive to change the governance of the Town with the adoption of the Town Manager's Act.

#### *Alan Hovhaness*

In May, composer Alan Hovhaness was honored with the unveiling of a memorial plaque on the grounds of the historic Jefferson Cutter House in Arlington Center. Hovhaness was among the most prolific of 20th century composers and spent his early years in Arlington and attended Arlington High School. The event, attended by local officials, featured musical performances by local and visiting musicians at Town Hall Auditorium.

## EXECUTIVE SERVICES

### Retirements and New Hires

After 23 years of service to the Town of Arlington, Deputy Town Manager Nancy Galkowski left her role in early 2010 to become Town Manager of Holden, MA, her hometown. Nancy's contributions to the Town are endless, including her role as the principal architect of the annual report which has won top awards many times. She put together numerous operating and capital budgets and worked on a variety of projects that have left a legacy for Arlington residents to enjoy. Nancy set a high standard for quality of work and expected perfection from herself and from all those with whom she worked. She will be missed by all.

Kevin O'Brien retired in 2009 from his position as Director of Planning and Community Development after over two decades of service to the Town. Kevin was instrumental in the conversion of the former landfill site near Reed's Brook into McClennen Park and also guided the complex Symmes Hospital redevelopment project from its inception. His work on planning, zoning, serving the Redevelopment Board, and managing the board properties set a high standard in his profession and in the region. Carol Kowalski was hired in July as the new Director of Planning and Community Development.



*Deputy Town Manager Nancy Galkowski holds up a recent award. One of many in her 23 years of service to the Town of Arlington.*

### Dedicated Team

Arlington is very fortunate to have so many talented citizens willing to volunteer their time to serve the Town in various capacities including Town Meeting and the many active Boards, Committees, and Commissions. Together with our elected leaders, management team, and employees, they make Arlington the special community that it is.

My thanks to the Board of Selectmen for its leadership and support this past year. Special thanks also goes to the Town's department heads who have shown true professionalism during times of tremendous challenge. Deputy Town Manager Nancy Galkowski has been an invaluable asset to me and will be sorely missed. I would also like to thank my office staff, Joan Roman, Eileen Messina, and Domenic Lanzillotti. They are exceptional public employees dedicated to providing the best possible service to each and every person interacting with the Town Manager's Office.



# EXECUTIVE SERVICES

## STATE OF THE TOWN ADDRESS 2009 25<sup>TH</sup> ANNIVERSARY NAGAOKAKYO & ARLINGTON – SISTER CITIES APRIL 27, 2009 KEVIN F. GREELEY, CHAIRMAN, BOARD OF SELECTMEN

I am honored to be here this evening to deliver this State of the Town. My 7<sup>th</sup> time as Chairman – even luckier to be here for this celebration between our 2 cities. My 2<sup>nd</sup> time as chair – the 10<sup>th</sup> celebration. For the first couple of minutes Reayko Tanaka will translate for me and she'll come back for the ending.

Tonight we celebrate 25 years of cooperation between our 2 cities. Nagakakyo is a city of about 79,500 people in Southeast Japan. Served as capital of Japan from 784-794. Every 5 years Nagaokakyohave sent a delegation to Arlington.

Mayor Yutaka Oda - Head of the Delegation  
Mr. Hiroshi Yagi – Chairman 25-member City Council  
Ms. Nobuko Asawa – Chairman – 3 member School Committee  
Mr. Toyohiko Yamamoto – City Council Secretarial Dept.  
Ms. Ayumi Nakagawa – Staff of School Education Division

Also welcome Mr. Masuru Tsuji – Consulate General of Japan to Boston. There are also 19 students who have traveled here with the delegation – Conichiwa. The delegation generously gifted Arlington with a Japanese Cherry Blossom Tree for our gardens. Mr. Oda and I planted it yesterday. Thank you for joining us for the opening of our annual tradition called State of The Town. Now I'll continue in English.

Let's face it they're the lucky ones who don't have to listen to me. I know that some of you received invitations to this State of The Town for April 27, 2008, the rumors that I intend to stay on the Board are not true. I have no intention of ever going past 2020!

Let's look at these 2 communities:

Nagaokakyo:	Arlington:
Pop: 79,449	43,000
Area: 7.4 Sq. miles	5.5 Sq. miles
40% Forests	
Density: 10,736 per mile	7,818 per mile
Kyoto & Osaka suburb	Boston suburb

Schools:

14,000 students	
10 Elementary	7 Elementary
4 Middle Schools	1 Middle School
2 High Schools	1 High School
1 Private College	
1 Private Jr. College	

Industrial: Offices & Factories of Mitsubishi, Suntory, Panasonic,

Government:

Japan – Emperor – Symbol of the state – but sovereignty rests with the people.  
House of Rep– 480 members H. of Councilors  
47 Prefectures - each with an elected Governor and a legislature

What is the State of their town – healthy, economically challenged by US Stock Market, Real Estate & Banks – struggling with an aging population.

Board of Selectmen - Town Manager  
Town Meeting – 252 members  
Superintendant & 7 Member elected School Committee

# EXECUTIVE SERVICES

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What Is The State of our Town?

We are also being challenged by the stock market, real estate values, and banks. But we are in fairly good shape especially as compared to many comparable communities. Through the cooperation of many elected and appointed officials, Town Meeting, Finance Committee, employees, and unions we have stayed true to the Lyons 5-Year Plan and have earned a Triple AAA bond rating as a result.

Here too in Arlington – Sovereignty Rests with the citizens.

The citizens select their Selectmen, School Committee, and Town Meeting Members, with other elected officials and multiple boards and committees.

I believe that it is the Board of Selectmen which has the responsibility to lead this Town.

Leadership is given by followers. I would like to take a moment to recognize a few individuals who each have many followers:

Ms. Clarissa Rowe – Tree Hugger, Immediate Past Chairman.

Ms. Diane Mahon – Vice Chairman; Champion of Town Employees, Cheerleading Coach, Fiercely Loyal to her people. Served as Chair – 4/5/2004 - 4/4/2005

Mr. Jack Hurd – Subcommittee Champion; Transportation, Snow, Housing, Veterans, etc.

Served as Chair – 3/29/1999 – 3/3/2000 & 4/4/2005 –4/3/2006

Ms Annie Lacourt – Data Head, Financial & Technology Warrior

Served as Chair – 4/16/2007 – 4/4/2008

Mr. Brian Sullivan, Town Manager.

These are Arlington's Leaders over the past few years!

Unanimous Vote By The Board of Selectmen.

Mayor Yutaka Oda – Honorary Chair, Arlington Board of Selectman, 4/27/2009

On behalf of the Board of Selectmen I would like to reach out to all of Arlington's stakeholders to continue to work cooperatively.

This year – I believe that we need to focus on some key issues facing the town:

1. We need to formalize and execute the next 5 Year Plan.
2. Continue to stress education, conservation, and participation.
3. Carefully guide the Symmes project through the tough economic storm we current sail in.
4. Re-build Thompson & Stratton – and then start all over again!
5. Grapple with compensation – for elected officials and especially for our excellent employees – who year after year do more for Arlington with less.
- 6 Continue to be a welcoming community for all peoples.

We have sailed through storms before – we can weather them again - together.

To my daughter Katie

To my son Sean

To all young Arlingtonians who will be running things soon enough and to the students of the Nagaokakyo Delegation. Keep this cooperation between our 2 cities alive. Let the 50<sup>th</sup> celebration be a vision for you. A vision to strive for even more cooperation and make us truly neighbors in a much smaller world community.

This Sister City Anniversary serves as testament that;

We can overcome prejudice.

We can forget our disagreements.

We can learn and appreciate our cultural differences.

We can cooperate and become a Sovereign One World Community.

Nagaokakyo& Arlington: 25 Years, Sisters, Brothers, One, Bansai! Bansai! Bansai! Domo Arrigato, Thank You, God Bless!