

# EXECUTIVE SERVICES

## BOARD OF SELECTMEN

The Board is pleased to submit our annual report for 2011 to Arlington residents. The Board is composed of five elected people who set policy and oversee the management of municipal functions of the Town. This year, the theme of the report is "Arlington Working Together."

2011 brought a new Selectman, Dan Dunn, to the Board. Dan brings his financial acumen after years on the Finance Committee, his participation on the Town's ITAC Committee, and his native intelligence to the Board. Jack Hurd resigned from his seat after 15 years on the board and Diane Mahon won re-election to the Board once again.

The Town has benefitted from Jack Hurd's efforts over the years. He was instrumental in founding the Transportation Advisory Committee (TAC), the Friends of the Fox Library, the Feast of the East, and the 4th of July celebrations at Robbins Farms Park. His contributions to the community extended beyond his role as Selectman with his work with the Children's Room, the Arlington Boys and Girls Club, and as a hockey coach for the special needs skating program at Arlington Recreation. We thank Jack for his years of service to Arlington.

### Town Manager Brian Sullivan Retires

The Board would like to thank Brian Sullivan for his exemplary service to the Town over the past eight years. As Arlington's Town Manager, Brian brought sound decision making and management, and a strong work ethic that provided Arlington with fiscal stability during the worst economy in decades. His choices of new Town Department heads was excellent.

The Board would like to welcome Adam W. Chapdelaine as Arlington's new Town Manager. Adam has shown exceptional skills as the Deputy Town Manager and we look forward to working with him.



Brian Sullivan honored at his retirement celebration.

## Financial Overview

The Board, with the help of many Town leaders, continued its commitment to the residents of the Town outlined in the first 5-Year Financial Plan, which actually operated into its 6th year. 2011 was the last year of the first long range plan, and a new plan was developed for the next three years during the year.

An override was put on the local ballot and, through the efforts of hundreds of Arlingtonians, passed in June. The Town also worked with its Labor Leaders and Town Workers to forge a plan that put the Town Workers into the state health insurance plan, GIC. The latter move saved the Town a million dollars just this year, and promises to save more than two million dollars during 2012.

By the end of 2011, financial projections show this second, current override lasting again for a five year period, not the three year span. We are incredibly grateful for the support of our Town Workers and the many citizens of the Town who worked to give the Town financial stability for future years.

The Town has avoided the financial shortfalls of other towns and cities because of the override's passage. The Town remained strong throughout the year and its AAA bond rating allows the Town to borrow money at a reduced rate. The Board continues the practice of scheduling, and televising the quarterly Budget & Revenue Task Force (BRTF) meetings, which collectively consists of financial leaders from the Board of Selectmen, Town Manager, Deputy Town Manager, Finance Committee, School Committee, Treasurer, Department Heads, Board of Assessors, State Legislators, and all Town residents. We welcome the Labor Leaders to these meetings.

## Year in Review

This year brought the demolition of the old Thompson School. The project is on track to have the children back in the new school by early 2013. We thank the Permanent Town Building Committee, especially its dean Bill Shea, for its care, diligence, and persistence.

Designated as a "Green Community" in 2010, Arlington continues its energy initiatives. The recent Highland Fire Station renovation was built with new energy standards and the LED streetlight replacement project began. The Mass. Ave. Corridor Project advanced another step. Arlington's many volunteer committees continue to provide valuable contributions to the community by helping those in need, participating in Town governance, and maintaining Arlington's precious open spaces.

# EXECUTIVE SERVICES

## The Moving Wall came to Arlington

“The Moving Wall,” a half-size replica of the Washington D.C. Vietnam Veterans Memorial, was displayed over the Patriots’ Day weekend at Arlington High School. The memorial provided reflection and remembrance of Veterans who served in Vietnam with a special exhibit of Arlington Veterans who did not return. The Board would like to thank the efforts of The Moving Wall Committee for bringing this special memorial to Arlington.



*Vietnam Veterans Moving Wall Memorial*



*Arlington Town Day*

## Town Day Celebration

Arlington Town Day continued on with its proud tradition and continued success. Resident and vendor participation was at an all-time high. Again, the Town Day Committee is grateful for the strong community participation that has become well-known as a source for Arlington’s strong and thriving spirit. The Board would like to extend its thanks and congratulations to the Town Day Committee, and especially the Co-chairs, Marie Krepelka and Kathleen Darcy. The Board also wants to extend the same thanks to the many businesses and tireless volunteers whose loyalty, dedication, and hard work made this celebration the success again. All Town Day activities are privately funded and this event continues without any Town funding.

## Acknowledgements & Recognitions

The Town experienced the loss of two valued contributors to the community with the death of long term DPW employee Richard (Fitzy) Fitzgerald and Arlington Housing authority Chair, Brian R. Greeley.

Fitzy was the longest serving municipal employee of the Town. He has worked for 61 years for the Town of Arlington. His dedication to his job is missed.

Brian Greeley led many programs at the AHA including a domestic violence program, and showed his leadership as the driving force of Arlington’s Patriot’s Day parade. His gifts to his hometown are too numerous to list but his humor and sunny disposition lighted up every room he was in. We miss him.

The Board of Selectmen would also like to thank all Department Heads, Committees and Boards, as well as the entire staff of the Selectmen’s office for their tireless and intelligent work on our behalf. We thank Marie Krepelka, Board Administrator, MaryAnn Sullivan, Frances (Fran) Reidy, and Jean Burg for their exceptional commitment and their dedication and service to the entire Town of Arlington.



*Board of Selectmen (L-R): Annie LaCourt, Diane M. Mahon, Clarissa Rowe, Chair, Kevin F. Greeley, Vice Chair, and Daniel J. Dunn*

# EXECUTIVE SERVICES

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## STATE OF THE TOWN ADDRESS 2011 APRIL 25, 2011 CLARISSA ROWE, CHAIRMAN, BOARD OF SELECTMEN

As I stand here tonight, this is a very different speech than the one I gave you in 2008. Then, we were in the fourth year of the old five-year plan, and things were running smoothly. I want to thank the people who brought the five-year plan to the Town for their forethought and care and for the stability that we have had for the last six years.

Now is a different time. The recession has left us wary and frightened, and mostly concerned about the future and our pocketbooks. The State of our Town is troubled. We can't look to the federal government to help us. CBDG funding has been cut by 33% this year. That federal funding has been our safety net for decades. It funds services for the elderly, for troubled youth and for many programs and scholarships that have made a difference in the lives of young people with meager means. At present, the state government can't help us either because they have their own looming deficits.

Actually, the only major thing that the State can do, and I urge them to do so, is to give the Town the ability to put our Town employees into the GIC or to come up with a health plan that brings comparable savings to the Town. This move seems drastic to many Town employees who have benefited from our generous benefits for years. Now, that said, I must also say that they are underpaid compared to the surrounding communities and to the outstanding job that they do for the Town. I understand the fear of change. I understand the heartbreak of the loss of their bargaining rights. But we have no choice. We are bankrupt. We can't keep doing business the same old way. If we are forced to continue with this broken health system, we will lay off even more teachers, more firefighters and more police, and more DPW workers. We will lose the sense of Arlington that we enjoy today. We have already cut too much.

We need to think and spend in new ways. We want both sides to compromise, as is happening behind the scenes right now on a health care package for the coming year. We need a partnership with our employees. We need to help them by paying them more in wages, and we need to insure that the HRA warrant article #32 is passed this Town Meeting. If, the GIC move is accomplished, we can then really sit down and figure out a way to start paying our teachers, our police, our firefighters and our DPW more. We have to rebalance our books and rejigger our thinking.

As you know, there will be an override vote on Tuesday, June 7th. Like many Town leaders, I urge Town Meeting and citizens to get involved in the discussion about the future of our Town. We really benefitted from the stability of our last multi-year plan. We will benefit from the new plan. It is a shorter time period of three years in a time of great uncertainty. This is a vote about whether we continue to be a great, welcoming community or one that continues to layoff teachers, reduce minimum manning of firefighters and police, and decimates the DPW. Please come to the Override Kickoff next Sunday afternoon from 1-3 at the Masons on Academy Street. We started organizing about three weeks ago and I was pleased that so many young families, and an equal number of white haired veterans, have become involved in this effort. The first organizational meeting drew 52 people, and the Saturday morning meetings at 8 have drawn a wonderful cross section of the Town. Will all the officials and Town meeting members who are already working on the Override stand up. Talk to them, ask them questions. We need you and your vote on June 7th.

There are some really important warrant articles in Town Meeting this year, and we need your thoughtful consideration of possible changes to how we do business. For the last six years, I have watched how we do business on the Town side. We do a darned good job, and I am really proud of the many people who sit behind me tonight. They are an energetic, engaged, group of managers who do a bang up job. They enjoy each other and their work. I give a lot of credit to our Town Manager, Brian Sullivan, for finding these stellar employees, and thank him. They and all the workers in the Town deserve our respect and appreciation. As an example: How in the world did Jimmy Dodge's crew of 19, yes 19, people manage to plow 5 square miles of roadway so efficiently this winter?

This Town Meeting we will make at a lot of big decisions this spring. Should we sell or lease the Town assets of the Crosby and Parmenter Schools in order to help rebuild the Thompson School? We will be thinking about continuing our trend towards consolidation functions by voting on the combined Town/school human resources department. And under Article #51, we will be discussing whether to rework the way that our Town and schools handle their financial affairs. We will be discussing whether it is time for Arlington to take a big step forward by adopting Pay as you throw. All these decisions have the potential to change the way that we do business.



## EXECUTIVE SERVICES

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And in closing, I urge you to think of the words of my former neighbor, the wise Charlie Foskett, who in a recent memo talked about what he believes is Arlington's core mission. As I agree with him for once. He said our core mission is to:

- Insure Public Safety, Public Health, and Public Order. This includes police, fire, health department, building codes, zoning, traffic rules, etc. Without these citizens could not go about their daily activities.
- Maintaining public works and infrastructure. The highways, by-ways, buildings and equipment necessary to assure the first mission. If fire trucks can't get to a residence or commercial buildings, if there is no center for administration, etc, none of the core objectives can be achieved.
- Education of Children: Since the earliest days of our Colonies, our Commonwealth, and our Nation and our Town, this has been a primary obligation of our common society.
- Other Common and Societal objectives. These include social back-up nets for senior citizens or the less fortunate, parks and recreation, arts and culture, beautification programs, etc.

I have always had great confidence in this Town Meeting. You balance out the political agendas with your thoughtfulness and diligence. We need your thoughtfulness this spring, and I look forward to lively debates.



*Winfield Robbins Memorial Garden located between Robbins Library and Town Hall.*

# EXECUTIVE SERVICES

## TOWN MANAGER

The year 2011 proved to be a very momentous year. Residents approved a \$6.49 million override, employees agreed to move into the State's health care program (GIC) saving the Town millions of dollars, several major capital projects were completed or moved ahead, the Town reached agreement with two new developers to move ahead with the long stalled Symmes project, and I announced in September that I would be retiring from my position as Town Manager the following February. This will be my last annual report to the Town.

### Finances Continue To Be The Dominant Issue

As has been the case for the last several years, finances were the driving issue in 2011. Early in 2011, as we were preparing budgets for FY2012, it was clear that the Town was facing a significant budget shortfall. As you recall, in 2005 when the Town was facing a projected \$4 million deficit for FY2006, a five year plan was put together which included an override and commitments to budget constraints. The override, which was projected to last five years, was stretched to last six years despite the economic crisis and cuts in state aid. The five year plan from 2005 projected a budget shortfall for FY2011, but through tight budget constraints, we were able to stretch the override funds to last through FY2011.

At the time that this most recent override was proposed, the Town was facing a projected deficit of \$6 million. Also at that time the Legislature was discussing giving municipalities more authority to control their health care plans and costs. Municipalities were required to obtain union approval before they could make even the slightest change to their health care plans. After years of unsuccessful attempts to get the Legislature to act, there was a little reason to expect that there would be any significant change. Optimistically it was assumed that some changes would be made to allow the Town to save \$1 million. The proposed override was then set at \$6.49 million, an amount that enabled the Town to maintain service levels at approximately the current levels for three years. While all would have preferred a five year plan, the override amount required would have been too great.

Approximately a month after the override passed, the Legislature and the Governor, to their credit, approved a significant health care reform law for municipalities that gives them complete authority to make health care plan design changes up to the level the State provides to its employees and also authorizes municipalities to join the State's health care plan. As a result, Arlington has now joined the State's health care plan (GIC) and is projecting to make significant savings which will enable the Town to stretch the three year plan to a five year plan. We are mindful of the strong desire of residents to maintain quality services and the sacrifices that they have made by supporting the override. We are committed to pursue all appropriate productivity improvements and cost reduction measures in order to sustain these quality services.



Town Manager Brian F. Sullivan

### Cost Savings Initiatives

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 regionalization opportunities are being evaluated at the ongoing monthly meetings of this consortium.

Most recently, the Town has entered into an agreement with Belmont to provide Sealer, Weights and Measures services. This agreement allows Arlington's Sealer to perform inspections for Belmont, and Belmont pays Arlington for the services performed. Currently, the Town is considering the benefits of forming a Veterans' Services District with neighboring communities. Discussions with both Somerville and Lexington have taken place and further research into this possibility is being conducted.

The Town has also moved forward with the hiring of a GIS Coordinator and the implementation of a GIS Strategy.

GIS Projects	Estimated Cost Savings
School Redistricting	\$12,500
Cemetery Mapping	\$15,000
Stormwater Plan Conversions	\$19,000
Health Inspection Software	\$25,000
Master Address Table	\$2,000
Total	\$73,500

# EXECUTIVE SERVICES

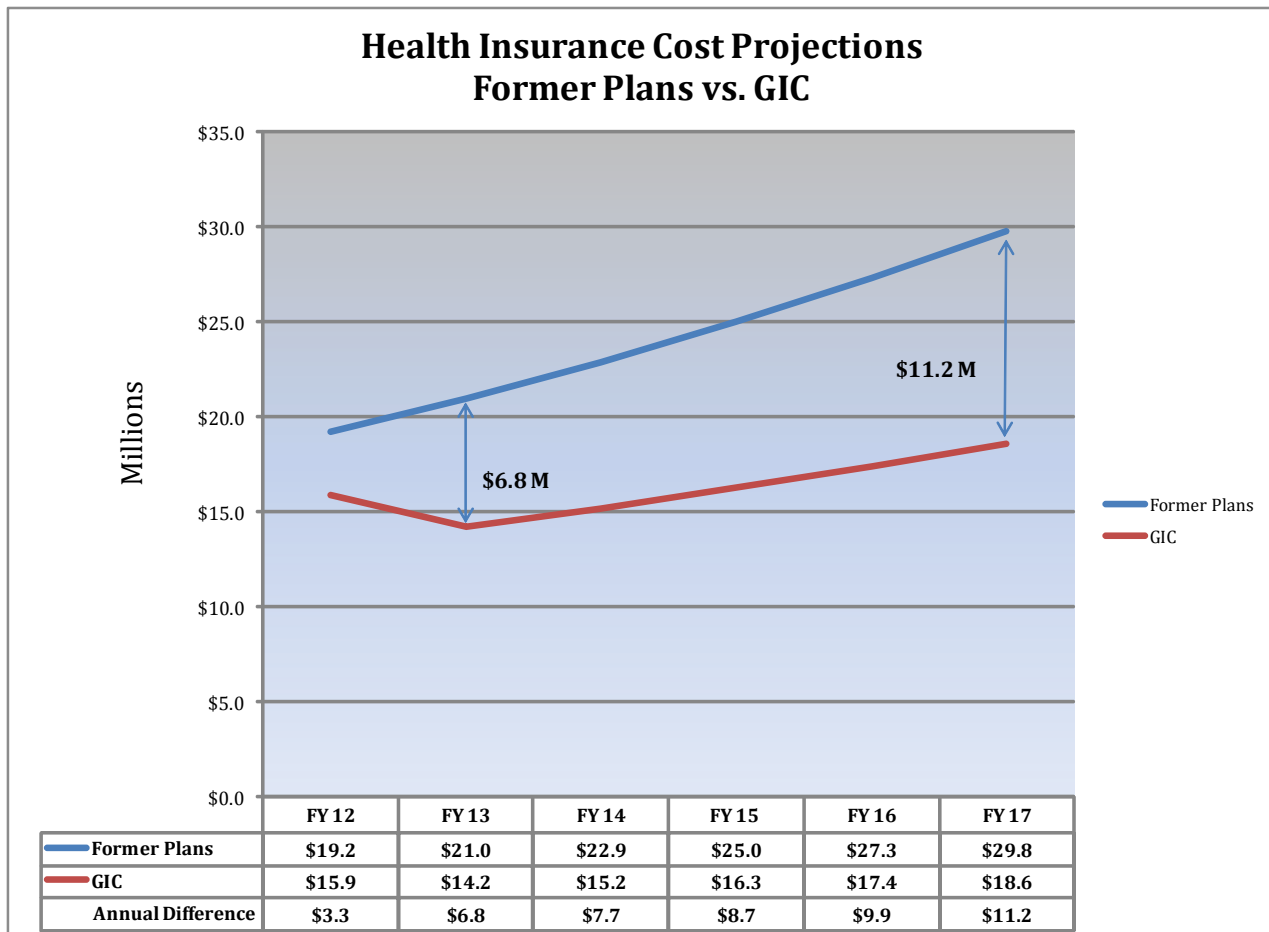
Since his hiring, the GIS Coordinator has begun to implement the structure and framework of GIS for Arlington and has already saved the Town a significant amount of funding due to expanded internal capacity. These savings (cost avoidance for outside services and software purchases) are summarized in the chart on the previous page. Once GIS is fully implemented, it will provide annual improvements in productivity and address-based data tracking.

The Request/Answer Center, the Town’s online customer service center, continues to deliver information and services to residents while providing efficiencies for staff. Since its launch in 2008, an average of 114,000 Answers are viewed on the service annually, yet less than .5% of questions are submitted to staff for a response. If phone calls average 5 minutes per call, then the Town preserved 9,552 productivity hours annually, or the equivalent to 5.25 Full-time employees per year. The Request/Answer Center was also utilized to streamline requests for overnight on-street parking waivers, diverting those requests away from APD dispatch. At the end of 2011 approximately 5,000 requests were submitted with 93% being directly entered by the public. No longer are dispatchers interrupted by these frequent calls and can now focus on their main concern - handling critical public safety calls. Additional details and other communication and customer service initiatives are included later in this report.

In order to increase productivity each year, the Town must continue to make better and more effective use of technology. This certainly is not unique to Arlington as any organization that does not keep up with productivity enhancements, gained through the effective use of technology, will not be able to compete. The Town continues to investigate these and other advances in technology that can greater enhance the efficiency and effectiveness of the Town’s service delivery.

### Healthcare Breakthrough

As mentioned previously, through the municipal health reform law enacted in July 2011, the Town’s employees have entered the State run health care program known as the Group Insurance Commission (GIC) as of January 1, 2012. The savings produced by this have allowed for the three year override period to be extended to five years. As demonstrated in the graph below, the move to the GIC produces significant savings when compared to health care cost projections based on no plan design changes being made. The annual difference, as represented in the graph, highlights the health care costs that will now be avoided due to the move to the GIC.



# EXECUTIVE SERVICES

## Collective Bargaining

All Town and school employees unions have contracts in place through FY2012 with the exceptions of Police and Fire. The Patrolmen and Ranking Officers contracts expired at the end of FY2010 and the Firefighters contract expired at the end of FY2009. The two police unions are in arbitration. Negotiations with all the unions are ongoing.

## State Aid

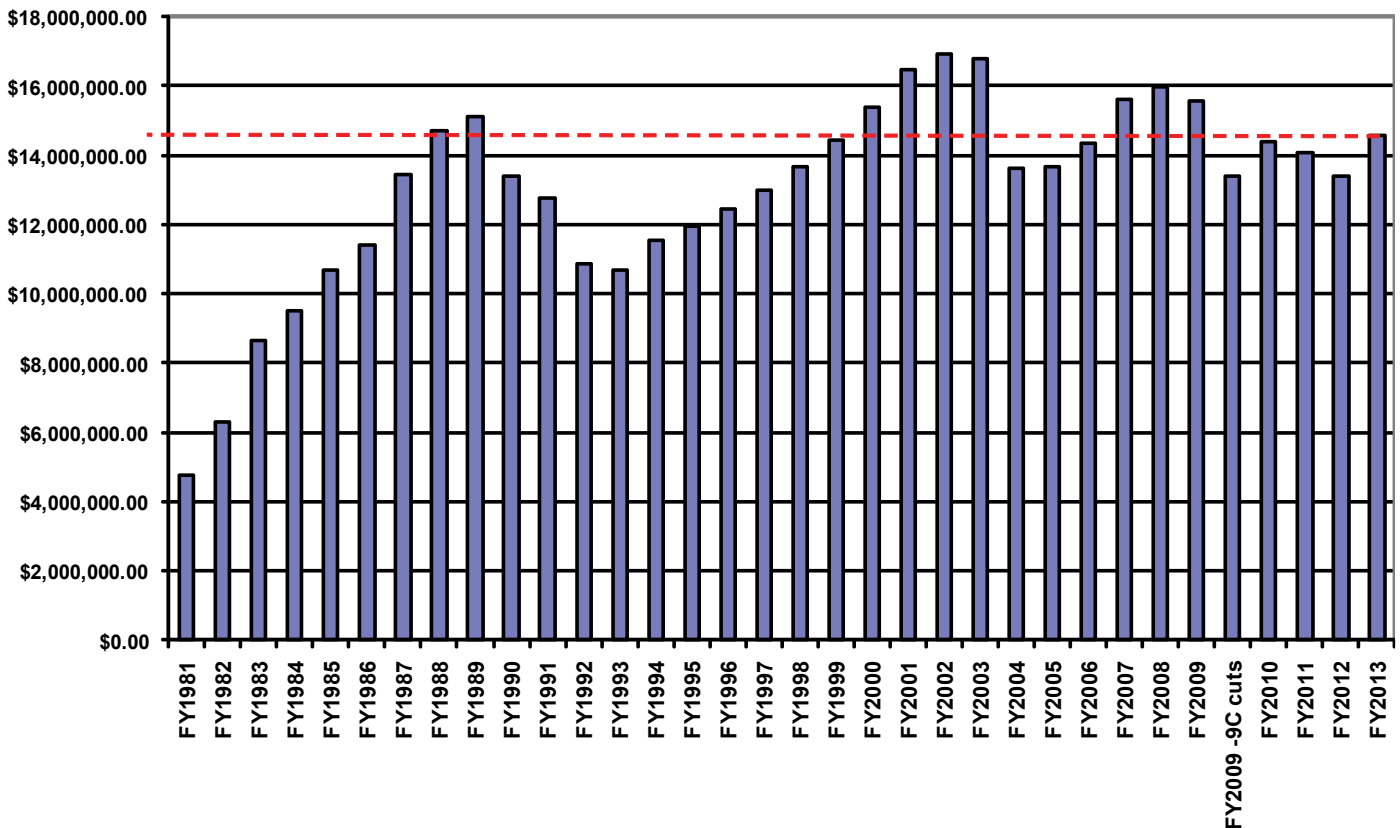
In January, Governor Patrick proposed a \$145 million increase in Chapter 70 School Aid and level-funding for general Government Aid. Based upon the Governor's proposed budget, State aid is projected to increase \$1,097,436, or 6.9%. Because Arlington's foundation budget is increasing 5% and it has reached its maximum required municipal contribution, under the Chapter 70 formula the State picks up the difference between Arlington's maximum municipal contribution and its foundation budget. This required the unusually large increase of \$1,222,363 in Chapter 70 school aid.

In FY2013 Unrestricted General Government Aid (UGGA) is expected to remain level at \$5,952,940. In FY2012 this aid was cut \$463,969 for Arlington and by \$65 million statewide. The Legislature and Governor agreed that if there were sufficient surplus funds left over at year end from the FY2011 State budgets that they would restore the \$65 million cut by making a supplemental payment at the end of October 2011. While that supplemental payment of \$463,969 was made to Arlington this past October, it could not be counted on when determining budgets last spring. This extra one-time payment is available for appropriation in FY2012 or otherwise will flow to free cash. The Governor has proposed the same arrangement for FY2013. If there is a sufficient surplus at the end of FY2012, they will make this same \$463,969 payment in October 2012. Unfortunately we cannot count on it at this time. We are urging the Governor and Legislature to commit to this additional amount without any contingencies.

Exclusive of school construction aid, Arlington's projected State aid for FY2013 is less in real dollars than the amount it received in FY1988 some 25 years ago (see chart below). During this period Arlington has seen its share of state aid cut in half (see chart next page). Just since FY2002 Arlington's total State aid has decreased by 22%, losing over \$4 million. A look at the cumulative year-to-year increases and decreases since FY2002 also shows how Arlington has been disproportionately cut (see chart next page). Since FY2002 local aid for all municipalities initially dropped by approximately 8%, rebounded through FY2009 to a 20% increase, and in FY2013 ends in a cumulative increase

### STATE AID RECEIPTS

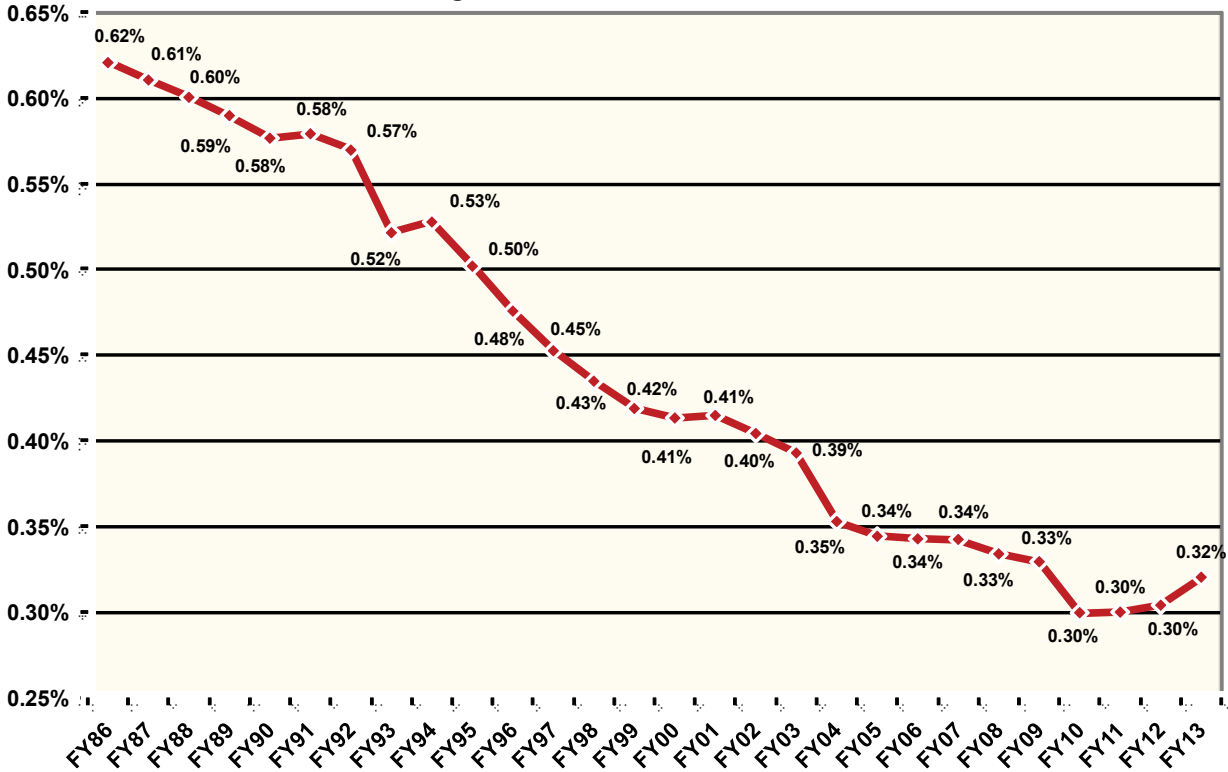
(Numbers exclude School Construction and METCO reimbursements)



# EXECUTIVE SERVICES

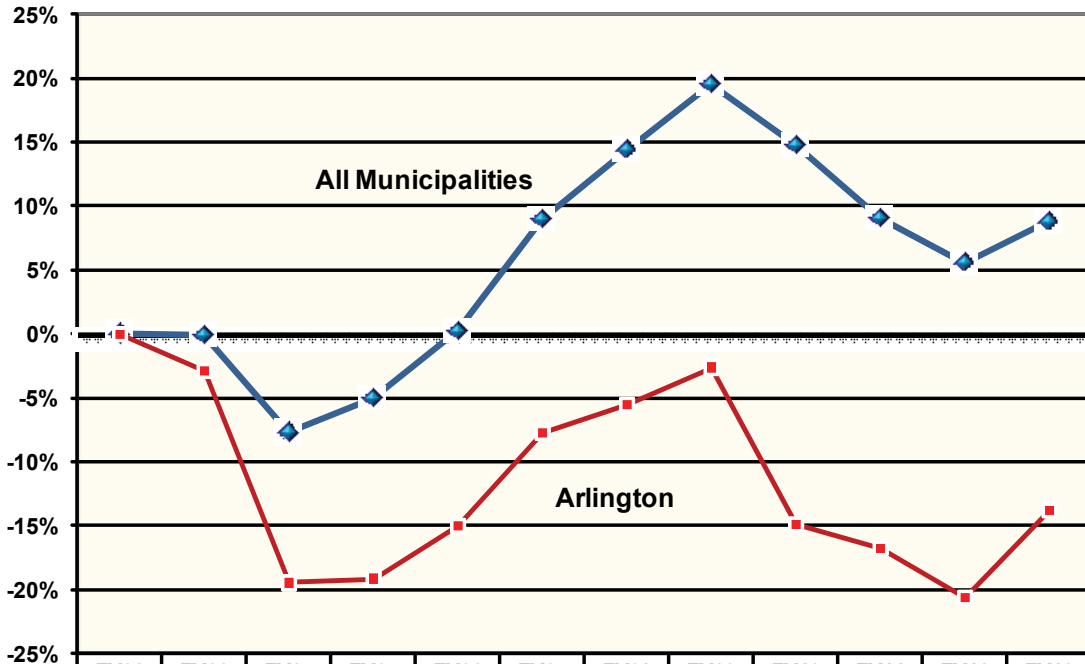
of 9%. Arlington, on the other hand, has never experienced an increase above FY2002. In fact, in FY2006, Arlington was 15% below FY2002, while the average of all municipalities saw a slight increase. In FY2013 the cumulative year-to-year change since FY2002 is a decrease of 14%.

**Arlington's Percent of Total State Aid**



**State Aid Cumulative Year-to-Year Percent Change Since Fiscal Year 2002**

*(Numbers Exclude School Construction and METCO Reimbursements)*



	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
All Municipalities	0.0%	-0.1%	-7.7%	-5.1%	0.3%	8.9%	14.4%	19.5%	14.8%	9.1%	5.6%	8.8%
Arlington	0.0%	-2.9%	-19.5%	-19.2%	-15.0%	-7.7%	-5.5%	-2.6%	-14.9%	-16.8%	-20.6%	-13.8%



# EXECUTIVE SERVICES

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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, 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.

## Comparative Data

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 9% above the FY2002 level while Arlington is still 22% below FY2002.

Some of the factors particular to Arlington include the fact that Arlington is a densely populated, fully built-out community (see Tables 1 and 2 on the next page). Revenue from growth in the tax base ranks near the bottom among a group of 20 comparable communities (see Table 3). It is one-half 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 2.99 and 3.3 respectively. Arlington's is 2.48, fourth 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 only 6% of the total. Table 5 shows that Arlington's commercial/industrial tax base ranks 18th out of 20 comparable communities. The average of these communities is 20.9%, 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 below the average of the 20 comparable communities. In fact, the Town ranks 13th in taxes per capita (Table 6), and 17th in taxes per household as a percent of median household income (Table 7). 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. Arlington ranks 18th out of 20 comparable communities in overall expenditures per capita (see Table 8). The spending average of the other comparable communities is 30% greater than Arlington and the state-wide spending average is 20% greater.

With spending well below the state-wide average and comparable communities, and with revenue growth opportunities well below the state-wide average and nearly 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 \$4 million reduction in State aid just since 2002, has left the Town with only two choices — significant budget cuts resulting in service reductions or Proposition 2 ½ general overrides.

# EXECUTIVE SERVICES

Table 1	
Municipality	Pop Per Square Mile
1 BROOKLINE	8,649
2 ARLINGTON	8,267
3 WATERTOWN	7,765
4 MEDFORD	6,901
5 MELROSE	5,748
6 BELMONT	5,305
7 SALEM	5,101
8 WINCHESTER	3,540
9 STONEHAM	3,487
10 RANDOLPH	3,189
11 WEYMOUTH	3,160
12 WOBURN	3,008
13 WELLESLEY	2,749
14 NORWOOD	2,728
15 READING	2,493
16 NEEDHAM	2,291
17 NATICK	2,188
18 MILTON	2,071
19 LEXINGTON	1,914
20 CHELMSFORD	1,493
Ave w/o Arlington	3,883
Arlington	8,267

Table 2	
Municipality	Households Per Sq Mile
1 BROOKLINE	3,889
2 ARLINGTON	3,841
3 WATERTOWN	3,801
4 MEDFORD	2,969
5 MELROSE	2,500
6 SALEM	2,362
7 BELMONT	2,167
8 STONEHAM	1,550
9 WEYMOUTH	1,381
10 WINCHESTER	1,309
11 WOBURN	1,284
12 RANDOLPH	1,189
13 NORWOOD	1,188
14 READING	971
15 NATICK	935
16 WELLESLEY	901
17 NEEDHAM	883
18 MILTON	746
19 LEXINGTON	733
20 CHELMSFORD	611
Ave w/o Arlington	1,651
Arlington	3,841

Table 3	
Municipality	New Growth Ave '10-'12
1 LEXINGTON	2.63
2 NORWOOD	2.30
3 NEEDHAM	2.17
4 WOBURN	1.93
5 WELLESLEY	1.69
6 NATICK	1.68
7 SALEM	1.36
8 CHELMSFORD	1.35
9 BROOKLINE	1.23
10 WATERTOWN	1.21
11 RANDOLPH	1.10
12 MEDFORD	1.06
13 MELROSE	0.95
14 BELMONT	0.92
15 WINCHESTER	0.91
16 READING	0.86
17 ARLINGTON	0.83
18 WEYMOUTH	0.82
19 MILTON	0.68
20 STONEHAM	0.61
Ave w/o Arlington	1.34
Arlington	0.83
State-wide Ave	1.53

Table 4	
Municipality	FY2012 Municipal Revenue Growth Factor
1 NORWOOD	7.53
2 LEXINGTON	5.39
3 NEEDHAM	3.75
4 CHELMSFORD	4.11
5 BROOKLINE	2.89
6 WELLESLEY	4.40
7 WOBURN	3.41
8 NATICK	4.97
9 BELMONT	3.37
10 MEDFORD	1.78
11 RANDOLPH	2.16
12 MILTON	2.32
13 MELROSE	2.73
14 WATERTOWN	2.71
15 WINCHESTER	2.54
16 SALEM	3.34
17 ARLINGTON	2.48
18 STONEHAM	2.48
19 READING	1.73
20 WEYMOUTH	1.44
Ave w/o Arlington	3.3
Arlington	2.48
State-Wide Ave	2.99

Table 5	
Municipality	FY2012 Commercial/Industrial / Personal % of Total Tax Levy
1 WOBURN	52.53
2 NORWOOD	45.55
3 WATERTOWN	33.41
4 SALEM	28.34
5 WEYMOUTH	24.03
6 NATICK	23.37
7 RANDOLPH	22.86
8 MEDFORD	22.83
9 LEXINGTON	22.27
10 NEEDHAM	22.18
11 CHELMSFORD	19.55
12 STONEHAM	17.46
13 BROOKLINE	16.35
14 WELLESLEY	11.20
15 READING	9.94
16 MELROSE	8.76
17 MILTON	6.10
18 ARLINGTON	6.05
19 BELMONT	6.03
20 WINCHESTER	5.06
Ave w/o Arlington	20.9
Arlington	6.10

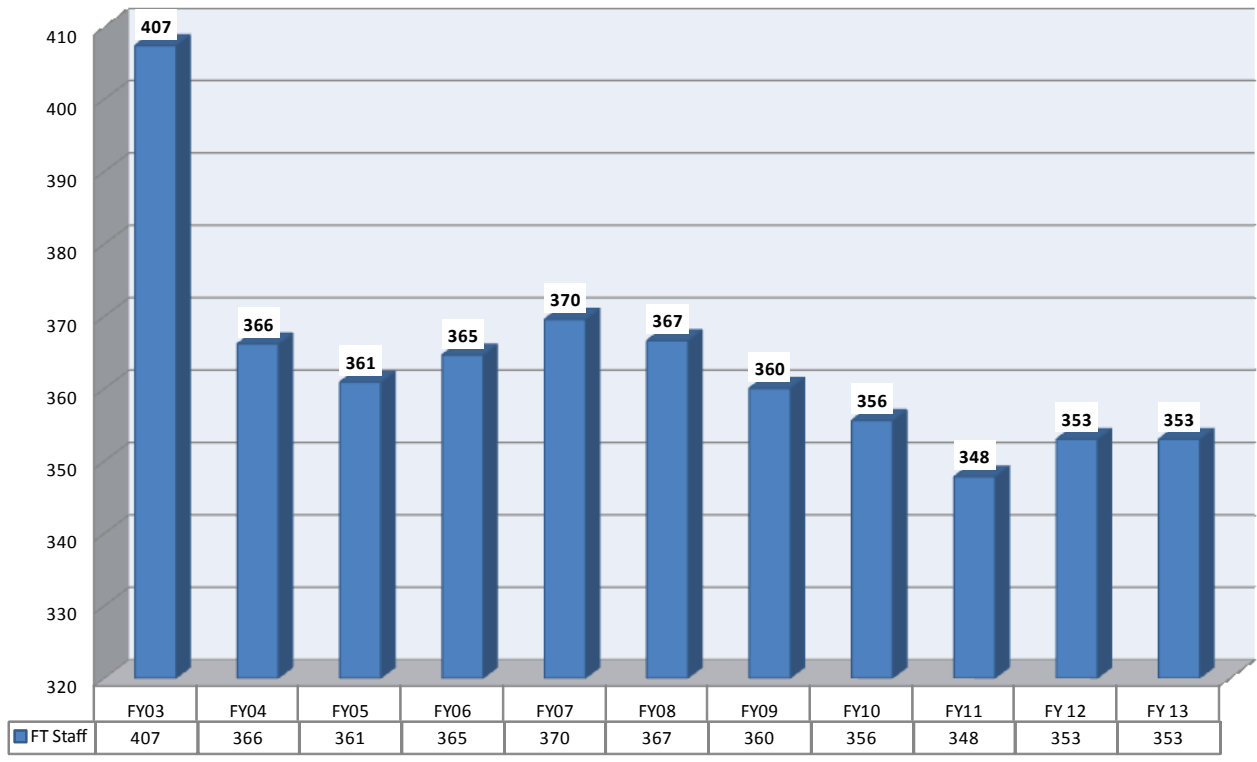
Table 6	
Municipality	FY2011 Taxes Per Cap
1 LEXINGTON	4075.802
2 WELLESLEY	3578.921
3 NEEDHAM	3222.036
4 WINCHESTER	3012.244
5 BELMONT	2736.284
6 BROOKLINE	2688.114
7 NATICK	2413.052
8 MILTON	2288.696
9 WATERTOWN	2266.387
10 CHELMSFORD	2259.072
11 WOBURN	2200.519
12 READING	2089.794
13 ARLINGTON	2006.325
14 NORWOOD	1911.466
15 STONEHAM	1805.461
16 SALEM	1754.529
17 MELROSE	1672.26
18 MEDFORD	1501.514
19 WEYMOUTH	1450.518
20 RANDOLPH	1262.833
Ave w/o Arlington	2,326
Arlington	2,006

# EXECUTIVE SERVICES

Table 7	
Municipality	FY2011 Taxes Per Household as% of '08-'10 median income
1 LEXINGTON	8.4%
2 WELLESLEY	7.5%
3 WOBURN	7.5%
4 NEEDHAM	7.3%
5 SALEM	7.1%
6 WINCHESTER	6.6%
7 BELMONT	6.6%
8 RANDOLPH	6.6%
9 NATICK	6.4%
10 NORWOOD	6.3%
11 MILTON	6.2%
12 BROOKLINE	6.2%
13 WATERTOWN	6.2%
14 CHELMSFORD	6.1%
15 STONEHAM	5.5%
16 READING	5.4%
17 ARLINGTON	5.2%
18 MEDFORD	5.2%
19 WEYMOUTH	5.1%
20 MELROSE	4.6%
Ave w/o Arlington	6.4%
Arlington	5.2%

Table 8	
Municipality	FY2010 Total Exp Per Cap
1 WELLESLEY	3,861
2 LEXINGTON	3,758
3 NORWOOD	3,638
4 NEEDHAM	3,514
5 WINCHESTER	3,495
6 BROOKLINE	3,242
7 NATICK	3,010
8 READING	2,989
9 BELMONT	2,817
10 CHELMSFORD	2,773
11 SALEM	2,770
12 WOBURN	2,730
13 WATERTOWN	2,686
14 MILTON	2,498
15 MELROSE	2,430
16 STONEHAM	2,429
17 RANDOLPH	2,415
18 ARLINGTON	2,232
19 WEYMOUTH	1,983
20 MEDFORD	1,904
Ave w/o Arlington	2,892
Arlington	2,232
State-wide Ave	2,681

**Town Personnel Trends**  
FY 2003 - FY2013 FTEs



# EXECUTIVE SERVICES

## 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. This has happened despite a reduction of nearly 50% in the Town's workforce and spending near the bottom of its comparable communities. The annual structural deficit is estimated at approximately \$2.5 million (see chart to right).

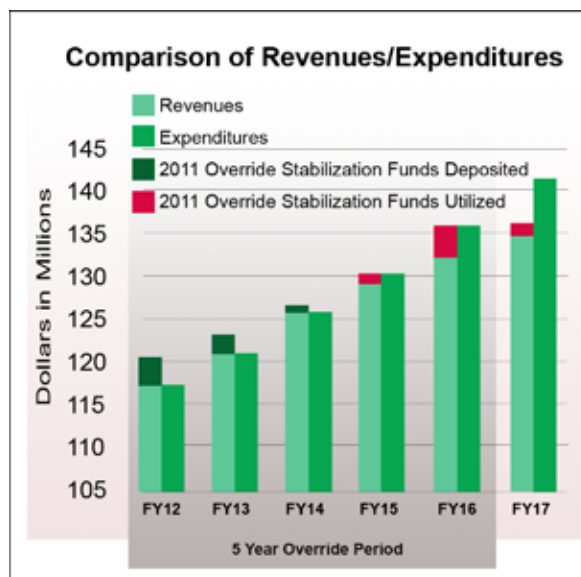
It's not anyone's fault that the Town faces an annual structural deficit; it's basic economics. Arlington's spending, by any measure, is well below that of our comparable communities and is not a contributor to the structural deficit. Just the opposite, municipal departmental budgets grew an average of only 2.01% over the last six years (see chart to right). The major expenditure drivers are largely outside of the control of the Town and include cost-of-living increases for employees, health care cost increases, pension obligations, and special education costs. The main cause of the annual structural deficit is revenue based. The Town's revenue growth is at the bottom of our comparable communities for two reasons. First, Arlington is essentially a fully built out community with limited new growth in its tax base, a base that is 94% residential. As noted earlier, in a comparison of new growth in the tax base of 20 comparable communities, Arlington was near the bottom. Second, the Town has experienced massive, disproportionate cuts in its state aid. Arlington receives less real dollars in State aid than it did in 1988. These two factors have made it necessary for the Town to rely on periodic tax overrides to sustain service levels. Still, in the 30 years of Proposition 2 ½, there have been only three general tax overrides.

In 2005 an override was passed based upon a plan that would cover the annual deficit for five years. Despite substantial cuts to state aid and a collapse of the global economy, with tight budget constraints, the funds were made to last six years. As noted above, over these six years municipal departmental budgets grew by an average of only 2.01% a year. The override passed this past spring was based upon a three year plan. As a result of a recent change to the Town's employee health care program, which will provide significant savings, it is now projected that the override funds can be stretched to last five years rather than only three. This will still require tight constraints on budgets. It is interesting to note recently that a neighboring community, which already spends at levels significantly above Arlington's, is "holding" its budget increase to 6%. Despite fixed cost increases and federal and state mandates, Arlington's increase is being held to 3.5%.

The current plan, which is now a five year plan covering the years FY2012 through FY2016, is illustrated in the chart to the right which projects the revenues and expenditures for the five year period. Note that in the sixth year the deficits return.

Revenues	
Property Taxes	\$ 2,700,000
Local Receipts	\$ 50,000
State Aid	\$ 150,000
<b>Total</b>	<b>\$ 2,900,000</b>
Expenditures	
Wage Adjustments	\$ 2,000,000
Health Insurance/Medicare	\$ 1,200,000
Pensions	\$ 500,000
Special Education	\$ 900,000
Miscellaneous (utilities capital/dept, other)	\$ 600,000
<b>Total</b>	<b>\$ 5,400,000</b>
<b>Structural Deficit</b>	<b>\$ 2,500,000</b>

	Town	School
FY 2006	2.94%	6.17%
FY 2007	2.76%	3.16%
FY 2008	3.93%	3.99%
FY 2009	2.02%	2.46%
FY 2010	0.91%	2.06%
FY 2011	-0.46%	2.66%
<b>Avg. Increase</b>	<b>2.01%</b>	<b>3.41%</b>





# EXECUTIVE SERVICES

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## Capital Projects

*Highland Fire Station* – The Highland Fire Station reopened in July 2011 after undergoing a comprehensive renovation. The station is the first and only Town building that was constructed to meet LEED Silver certification (Leadership in Energy and Environmental Design). This means the station was constructed, and will operate, in accordance with environmentally friendly standards. LEED Silver certification is expected in 2012.

*Thompson School Rebuild* – In July the Massachusetts School Building Authority (MSBA) approved funding of 50.42% of the Thompson School rebuild project costs. The reimbursement rate increased from 47.2% due to points accrued for energy efficiency and maintenance plans. At the spring Town Meeting, a budget of \$20 million was approved for the project. Demolition of the old Thompson Elementary School occurred late 2011. Construction is scheduled to begin in the spring of 2012. Upon completion, which is anticipated prior to the 2013-2014 school year, the new school will house up to 380 students.

*Stratton School* – Stratton School renovations were completed with window and heating replacements made over the summer. The Town was awarded a \$739,000 MSBA Green Repair Grant to help fund this construction project. This grant award helped to reduce the amount that Arlington would need to spend to complete the project.

*Community Safety Building* – The Town completed the first phase of a multi-phase capital improvement program of the Community Safety Building. This phase of the project involved the reconstruction and waterproofing of the plaza between the Community Safety Building and the Cusack Building. This restoration has stopped water infiltration and will prevent future structural damage to the building, while providing a sound foundation for future improvements.

*Fenced In Dog Park* - Construction has begun on the Thorndike Field Off-leash Dog Recreation Area. The park is expected to open in the spring of 2012. This project was funded by a major financial gift from the Stanton Foundation to construct and operate a fenced off-leash dog recreational area at the park.

*Wellington Park Tennis Courts* - The Wellington Park Tennis Courts renovation was completed in 2011. When they open in the spring of 2012 they will be the Town's first lighted tennis courts.

## Additional Projects Around Town

### *DPW Increases Roadway Construction Projects*

In 2011 Arlington Public Works wasted no time in putting to use the \$400,000 annual increase in its paving budget allowing a significant boost in roadway improvements. Through its contractor P.J. Keating, the Town resurfaced and paved various roads throughout Arlington. Public Works will continue to perform these well-needed roadway improvements in the coming years.

### *Energy*

In 2010 Arlington was named a Green Community by the State's Green Communities Division and received a \$200,188 grant for several energy efficiency projects. This honor was both recognition of the work that Arlington has done in the past to reduce energy usage, but also of the plans it has to further reduce energy use in the future. These plans are directed at attaining a 20% reduction in energy usage by FY2014, using FY2009 as a baseline. As of the end of FY2011 the Town has reduced energy usage by 6%. This is a result of a number of energy conservation measures (ECM's) being implemented throughout the Town's buildings, which have leveraged both state and federal grant awards along with rebates and incentives from the utilities. Next year, the Town plans to continue changing all its street lights to LED technology, continue the purchase of fuel efficient vehicles, and install variable frequency drives for HVAC systems as funding allows. To date, the LED street light changeover has allowed for a reduction of \$77,000 in the FY2013 street lighting budget and projects to save an additional \$70,000 once fully implemented. This year, as a means of making more ECM's possible, an energy efficiency fund is being proposed. This fund would be initially capitalized with an appropriation of \$200,000 from supplementary local aid, and then recapitalized in the future by depositing energy rebates earned from projects back into the fund. Such a fund would allow for ECM's to be implemented in an expedited fashion, and thereby quicken the process of reducing overall energy usage.

## EXECUTIVE SERVICES

### *Ottoson Solar Panels*

Ottoson Middle School was the site of a 3.6 kW solar photovoltaic installation that was supported by a grant from the Massachusetts Clean Energy Center. This system will produce electricity for the Ottoson School and also serve as an educational tool for students attending the school.



*Solar Panel Installation at Ottoson.*

### *Symmes*

Near the close of 2011, The Town engaged a developer to resume redevelopment of the former Symmes Hospital site. Building permits were issued to Arlington 360 LLC, a partnership between the Upton and Partners and the Jefferson Apartment Group (JAG) in December. JAG bought the mortgage on the Symmes property with its investor, Starwood Capital, days after Upton and Partners were designated by the Redevelopment Board in July in a non-binding vote as the preferred developer for the Symmes project. The project will proceed largely as permitted in 2007 with townhomes, two large multi-unit buildings and with the addition of an expanded public park and a proposed assisted living facility in place of a few townhome structures. Construction is expected to start in 2012.

### *Former Brigham's Site*

Ground was broken at the former Brigham's Ice Cream headquarters in 2011 for a 116-unit apartment building, a separate retail/office building, retail kiosk, and improvements to the Town-owned park along the Mill Brook. A provision of public access across the site to the park from the Minuteman Bikepath was also included.

### *Massachusetts Avenue Corridor Project*

The Massachusetts Department of Transportation (MassDOT) approved the 25% design of the Mass Ave Corridor Project in 2011. Funding is being provided by the Commonwealth of Massachusetts for 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 primary goal of the project is to upgrade the aging infrastructure including resurfacing the road, rebuilding sidewalks, and replacing outdated traffic signals. As part of this project, there will be some redesign of this section of Mass. Ave. to revitalize the commercial area and make the corridor more pedestrian friendly with a healthy balance between automobiles, bikes, pedestrians, and transit users.

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. Additional design, engineering, and public hearings are planned. Construction is anticipated in 2013. The 75% Mass. Ave. Project Plans submitted to MassDOT can be seen online at [arlingtonma.gov/massave](http://arlingtonma.gov/massave)

### **NLC Prescription Drug Card Program Savings**

The Town continues periodic outreach on the National League of Cities (NLC) Prescription Drug Card Program (launched Dec. 2009). At the end of calendar year 2011, Arlington leads the state in cumulative savings to residents with \$100,737. Arlington is rated #13 in the program nationally.



### **Communications & Customer Service**

The Board of Selectmen and I have made improving public communications and customer service 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, easy to read, and attractive. The Town also makes these reports available online at [arlingtonma.gov/annualreports](http://arlingtonma.gov/annualreports).

Twenty years ago the local newspaper, mail, and the telephone were the main sources for reaching a majority of the Town's population. They still are, but that is changing quickly. A variety of available communication channels offer tremendous opportunities in reaching vast audiences in an efficient manner. The internet, cell phones, smart phones,

# EXECUTIVE SERVICES

text messaging, and social networking all compete with traditional media to get one's attention. Having all these options is exciting, yet they pose unique challenges in informing the public effectively. With all these choices there is no single communication channel that reaches all residents, and trying to support too many would quickly deplete our resources without necessarily achieving our communication goals.

To meet the growing demands of more real-time, in-depth information from the public and to be more accessible, the Town is focused on the following core communication and customer service channels. These channels help inform the public about general Town activities and during emergencies as well as build stronger relationships with our residents and efficiencies for our staff.

## *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. Notices are a very helpful tool to get the word out quickly, or in advance, to the public. For example, during multiple and changing parking bans at the beginning of 2011, due to snow, or when a Town-wide street sweeping operations is planned.

In 2011 we added 1,137 subscribers to the Notices email list - a 38% increase for a total of 4,141 subscribers. Compared to the number of households (19,000), and assuming one subscriber per household, this would represent 22% 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. Residents can subscribe online at [arlingtonma.gov/subscriber](http://arlingtonma.gov/subscriber). Additional email lists are available including Senior News & Notices, Recreation programs, Playing Field Status, Selectmen Agendas, and School Committee Agendas.

<b>Subscribers to Town of Arlington Notices</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Number of Subscribers	4,141	3,004	2,450	1,400
% of Growth from previous year	27%	18%	43%	38%
% Compared with # of households (19,000)	22%	16%	13%	7%

## *Arlingtonma.gov*

The Town's website supports one of the top priority goals of the Board of Selectmen: enhance public communication and customer service and leverage technology to improve efficiencies. Currently the site is made up of over 7,000 pages and growing, serving a population of 42,000, surrounding communities, and more. [Arlingtonma.gov](http://Arlingtonma.gov) supports the online information and outreach activities of community requests (calendar listings, links), fifteen departments, and over sixty-five boards, committees, and commissions, who are much more active with the institution of the new Open Meeting Law (OML) in July 2010. The new workload of the OML compliance alone, adds approximately 1,000 pages to the site annually. It's just one example of the growing demands of more real-time, in-depth information from the public.

In 2011 [arlingtonma.gov](http://arlingtonma.gov) recorded over 1.35 million page views, 547,000 visits, and averaged 23,000 unique visitors per month. When comparing 2010 with 2011 the traffic is similar and shows that the site is consistently being utilized and at very large volumes. This is expected as our audience, our residents, is fairly fixed at 42,000. What is important to measure is visitor loyalty. Between 2008 and 2009 those who visited the site more than 200 times a year, almost doubled (14K-27.7K) – and has held fairly consistent since then.

<b>Website Traffic (<a href="http://arlingtonma.gov">arlingtonma.gov</a>)</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Page Views	1,354,141	1,315,370	1,341,842	1,200,011
Visits	547,114	511,409	488,500	416,859
Unique Visitors	276,345	257,987	242,245	227,519
Visitor Loyalty- # of Unique Visitors Over 200 Visits	24,157	29,585	27,693	14,101

# EXECUTIVE SERVICES

## Request/Answer Center

The Request/Answer Center is Arlington's 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. 2011 marked the fourth year for the Request/Answer Center and it continues to increase usage from both residents and staff.

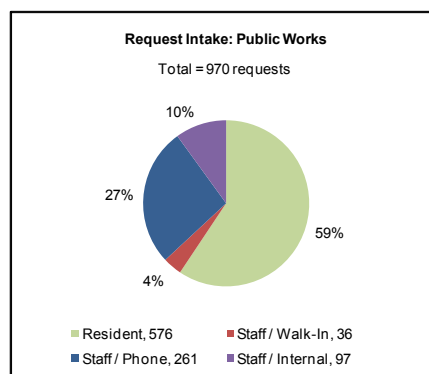
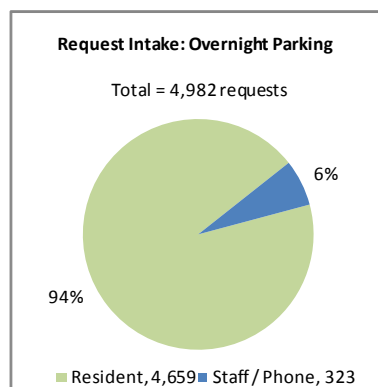
A major feature of the service is the ability for residents to easily search an extensive database before asking someone at Town Hall a question (Find Answers). If they cannot find the answer, their question is forwarded to staff for response. Since launching the service, over 458,000 answers were viewed, yet, only 1,624 questions were forwarded to staff for an answer (less than 1%).

Request/Answer Center: System Stats	2011	2010	2009	2008
Answers Viewed on Portal	203,484	90,249	107,661	57,124
*Productivity Preserved in Hours/Answers Viewed	16,957	7,521	8,972	4,760
**New Customer Registrations	3,071	1,872	1,022	700
Requests Created	2,868	2,314	1,951	1,881
Requests Closed	2,616	2,214	2,004	1,604
% Questions/Requests Remain Open System	11%	13%	18%	9%
Request/Answer Center: PIO Requests	2011	2010	2009	2008
Requests Created	897	739	710	572
Requests Closed	934	708	690	557
% Questions/Requests Remain Open System	8%	10%	6%	5%
*Productivity Preserved in Hours. Answers Viewed are phone calls not answered by staff. Avg length of call = 5 minutes				
**Duplicate customers ID'd - same customer using multiple emails estimated adjustment is 5-10%				

This is a significant statistic and indicates that the Request/Answer Center is working. Residents are getting their answers on their own – true self-service - and the Town is preserving productivity. In measuring productivity, “Answers Viewed” online are potential phone calls not handled by staff. If an average phone call takes 5 minutes to answer, then this feature preserved, on average, 9,552 hours for the Town annually, or the equivalent to 5.25 Full-time employees per year.

Another way in which we utilized this service for productivity gains is helping the Police department with a long standing challenge of receiving multiple phone calls to dispatch requesting an Overnight Parking Waiver. The challenge was not only in the time and interruptions these calls created, but the ability to track them. In November 2010, the APD employed the Request/Answer Center and a dedicated hotline to redirect those requests away from dispatch. In the first full year of this program (2011) 4,982 requests were rerouted to these two channels. A whopping 93% were entered by residents via the Request/Answer Center (online self-serve) and 9% by staff (transferring hotline calls). This new method attained its goals of relieving Police dispatchers from taking these non-emergency requests so they could focus on public safety calls. Plus this new method of collection provides the APD with tracking for enforcement and general trending they did not previously have.

In 2011 the Request/Answer Center received over 2,800 Requests and Town staff closed 2,600. Public Works leads the way in just under 1,000 Requests submitted. The Department receives an average about 940 Requests per year, but estimates this is a small percentage of all Requests submitted to the Department. The challenges of multiple communication channels available to “reach the public” hold true for “the public to reach the Town.” The more channels, the more coordination needed. Residents are submitting requests via phone calls to dispatch, voicemail, email, walk-ins, and the Request/Answer Center. We need to be accessible, but we also need to better control our request intake to preserve productivity. Last year was an approximate even split between staff entered vs. resident entered





# EXECUTIVE SERVICES

Requests. This year, we have seen gains in resident submitted Requests, but we need to improve this even more. Increased outreach in this area is needed to encourage residents into a more 'self-service' model for entering their Requests online via the Request/Answer Center, so staff can focus on fulfilling them.

## *Arlington Alerts*

Effectively notifying the public in an emergency is a top priority and requires tremendous coordination. It's the collaboration of many departments and groups around Town, and oftentimes with state and federal officials, working together to compile and disseminate critical information to the public, quickly and clearly. In emergencies the Town faced in 2010 (Boil Water Order) and 2011 (excessive snow), we recognized the need to improve our emergency phone notification system. In early 2012 the Town launched the Arlington Alert System. This new system offers faster phone notification (10-20 minutes vs. 3-4 hours for a Town-wide phone call) and the addition of text and email notification capabilities. The Arlington Alert system also allows residents to manage their contact information via an online self-registration system. We encourage all residents to register in the system. If you did not receive the test phone call from the Town in January 2012, are not sure, or would like to add additional phone numbers, text, email information, please do so online at [arlingtonma.gov/subscribe](http://arlingtonma.gov/subscribe).

Receive time-sensitive notifications  
Phone \* Text \* Email

# Arlington Alerts



Register at  
[www.arlingtonma.gov/subscribe](http://www.arlingtonma.gov/subscribe)  
or call 781-643-1212

Powered by **CODE RED**  
Keeping citizens informed.

Arlington continues its efforts to improve communications and customer service while cultivating positive relations with residents. We also strive to maximize technology for efficiencies and will continue to build upon these valuable Town assets. We put a lot of effort into making sure our award-winning website is timely and accurate, the Request/Answer Center is working properly and responding to resident needs, keeping residents up-to-date through Town Notices, and to be prepared for an emergency with Arlington Alerts. We constantly evaluate all our channels to maximize service and efficiency. It is important to note, 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 these channels, we continue to help residents 'get connected' and 'stay connected' to Town Hall.

## **Dedicated Team**

After serving as Arlington's Town Manager for the past eight years and after a 37 year career in municipal management, I will be retiring in February 2012. It has been a privilege to serve the residents of Arlington. Subsequent to my appointment as Town Manager, my wife and I bought a home here and feel fortunate to be a part of this great community. My heartfelt thanks go out to all the residents of Arlington.

Arlington is a community of caring and generous people who willingly give of their valuable time to help others and to make this the special community that it is. I am always struck by the countless residents, with amazing professional backgrounds, who give of their valuable time to serve the Town in various capacities including boards, committees, and Town Meeting.

I am especially grateful to the Board of Selectmen for its leadership, dedication, and support. This is one of the hardest working Boards that I have ever worked with in my 37 years and always did what it felt was in the best interest of Arlington. The Board made an excellent choice when it appointed Adam Chapdelaine to replace me as Town Manager. Adam is extraordinarily talented and dedicated and has already been recognized nationally as one of the top young municipal leaders in the country. With the Board and Adam leading the way, working together with the Town's management team, employees, and boards and committees, the Town will be well served for years to come.

I also want to express my appreciation and admiration for the Town's entire management team. The talent and dedication of every one of these individuals is extraordinary. Maryellen Remmert Loud, our Library Director who recently announced that she will be retiring in April, is a prime example. Under Maryellen's leadership for the past 27 years, Arlington's library system flourished, even in the difficult financial times. Through her professional skills and dedication she was able to do more with less. Maryellen was a visionary leader with the management skills to achieve her vision. She will be greatly missed.

I would also like to thank my office staff, Eileen Messina, Domenic Lanzillotti, Joan Roman, and Will Nguyen. They are exceptional public employees dedicated to providing the best possible service to each and every person interacting with the Town Manager's Office.