

Measuring Up...

The **Average Single Family Tax Bill** is the average home value in a community multiplied by that community's property tax rate. While individual tax bills may vary according to individual home value, the Average Tax Bill is a good indicator of what the property tax burden is on residential taxpayers.

Due to relatively high home values, Arlington residents tend to pay a higher tax bill than the state average. While this places Arlington near the middle in terms of its comparable communities, it is still roughly half as much as higher-taxed communities like Wellesley or Lexington.

Average New Growth: Under Proposition 2½ local property taxes cannot be increased by more than 2½%, plus tax revenues from new construction added to the tax base. Consequently, for many communities New Growth is an important revenue source.

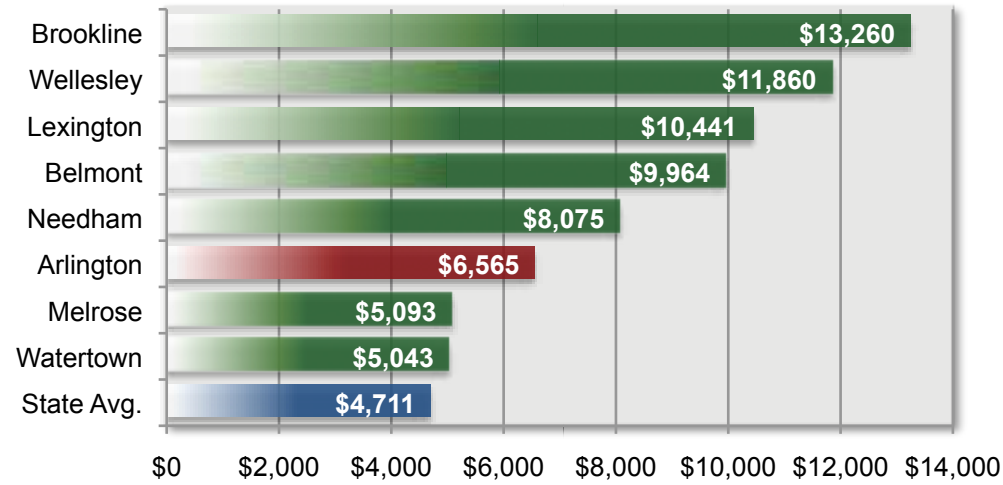
Arlington's New Growth has not kept pace with any of its comparable communities. It ranks last, averaging less than 1% New Growth in a three year period. Communities like Lexington see average increases of over 2.5%, while the state average is 1.53%.

Per Capita Spending is calculated from the Town's total expenditures divided by its population, which provides a point of comparison for how much the Town spends proportionate to its size. This makes it possible to compare spending between Towns while accounting for population.

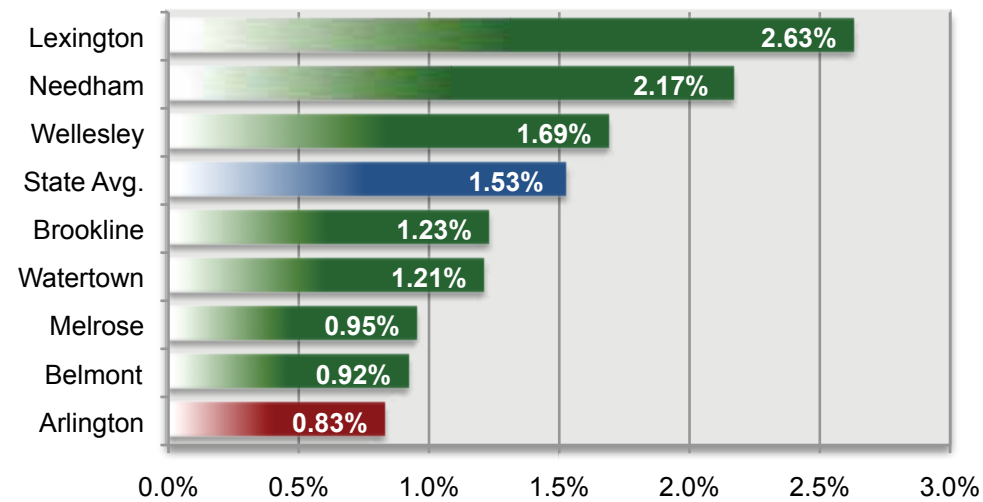
Arlington is near the bottom of per capita spending, relative to its comparable communities. It is also well below the state average of \$2,681 per capita, meaning that the Town's spending is below average relative both to these communities and to the state as a whole.

How Arlington Compares To Other Communities

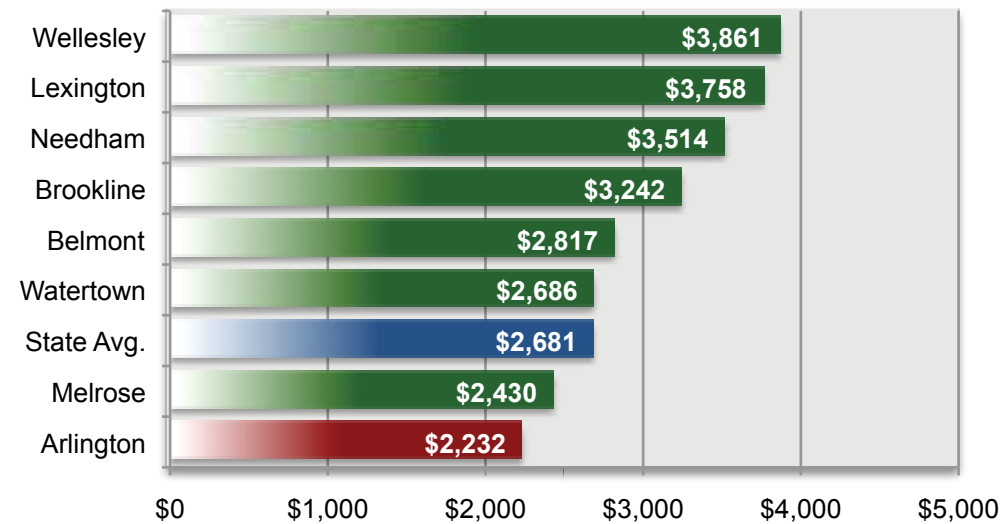
Average Single Family Tax Bill FY2012



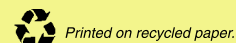
Average New Growth FY2010-FY2012



Total Per Capita Spending FY2010



Receive timely news and notices from Town Hall via email with **Town of Arlington Notices**. Notices include public health and public works alerts, election information, special Town related events, and when the Town Manager's Annual Budget & Financial Plan is online. Subscribe today at: arlingtonma.gov/subscribe



Town of Arlington, Massachusetts Public Annual Financial Report

Fiscal Year Ending June 30, 2012

As part of Arlington's commitment to keep you informed of how your tax dollars are being spent, the Town is providing you with this Public Annual Financial Report (PAFR). We are hopeful that it will provide financial information that you find both useful and easy to access.

All data and financial information found in this report is drawn from the most up-to-date information available from the Town Manager's Annual Budget and Financial Plan, the Town's Annual Report, the Finance Committee's Report to Town Meeting, and the Massachusetts Department of Revenue Division of Local Services (mass.gov/dor).

The PAFR does not present the same level of detail as any of the reports listed above. It contains reports and statements that do not present the entire financial reporting entity and may not conform to GAAP and governmental reporting standards. However, it does provide relevant disclosures to residents regarding the Town's financial condition and trends. It contains summarized financial schedules and tables.

The passage of the 2011 \$6.49 million dollar Proposition 2½ override is an important component of the Town's Long-Range Financial Plan and has a direct impact on the Town's financial condition as reported herein.

Take the Survey - Help Improve Communication of the Town's Financial Status

Take our quick five (5) question online survey. You can also pick up the survey at the Robbins and Fox Libraries, Senior Center, and offices at Town Hall. Along with the survey, many financial documents, including financial plans, financial reports to Town Meeting, and audits may be found online at: arlingtonma.gov/budgets

The deadline to complete the survey is **November 26, 2012**.



Arlington Town Hall

About Arlington

The Town of Arlington was originally settled in 1635 as the Village of Menotomy. It was incorporated as West Cambridge in 1807 and finally named Arlington in 1867. Arlington is home to approximately 43,000 residents and is contained within 5.5 square miles. The Town is currently governed by the "Town Manager Act of the Town of Arlington, Massachusetts," by which a popularly elected, five-member Board of Selectmen appoint a professional manager to administer the daily operation of the Town. The Town's legislative body is a representative Town Meeting, which consists of 252 members elected from their home precincts. There are 21 precincts in Arlington.

The Town Manager is the chief executive officer of the Town, managing the day-to-day business of Town departments. These departments include: Public Works, Police, Fire, Libraries, Legal, Planning, Human Resources, Information Technology, Inspections, Health and Human Services, Recreation, and the Veterans Memorial Rink.

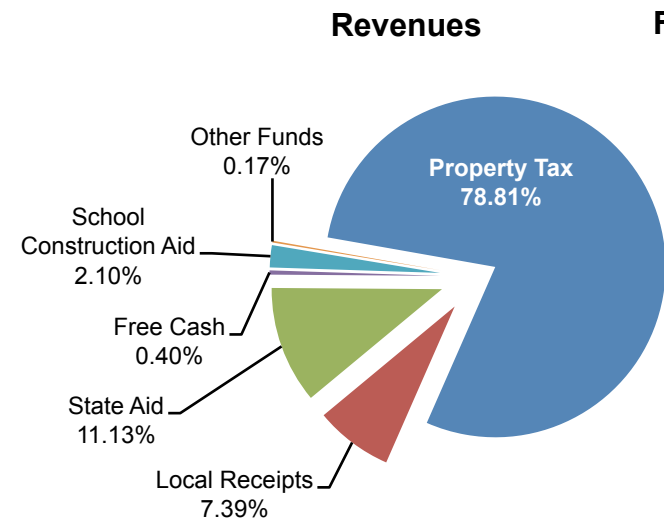
Under independent authority are the Board of Selectmen, Board of Assessors, Treasurer & Collector of Taxes, and the Town Clerk. The Comptroller is appointed by the Board of Selectmen. The School Committee handles school administration and appoints the Superintendent. All departments consist of approximately 800 full-time employees.



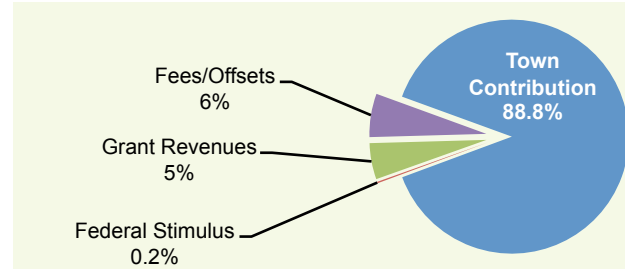
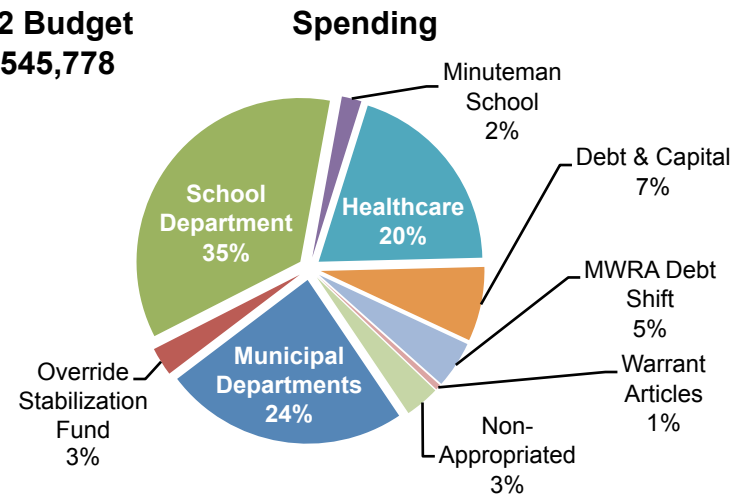
Statue of Samuel Wilson (Uncle Sam)

Where The Money Comes From...

Below is a breakdown of Arlington's revenues and expenditures. As you will see, Arlington's primary source of revenue is the Property Tax, followed by State Aid.



FY2012 Budget
\$120,545,778



School Budget Funding

The School Budget is the largest department budget in the Town. In addition to Town contribution to this budget, some funding comes direct from outside revenue sources. This chart provides an overview of total funding. Details on the school budget may be found online at: arlington.k12.ma.us/administration/budget

The summary below demonstrates the year-to-year growth between Fiscal Year 2012 and Fiscal Year 2013. This growth is consistent with the tenets of the Long-Range Financial Plan. More detailed information and a glossary of terms, including the Town's Long-Range Financial Plan may be found online at: arlingtonma.gov/budgets

Budget Summary & FY2013 Projection

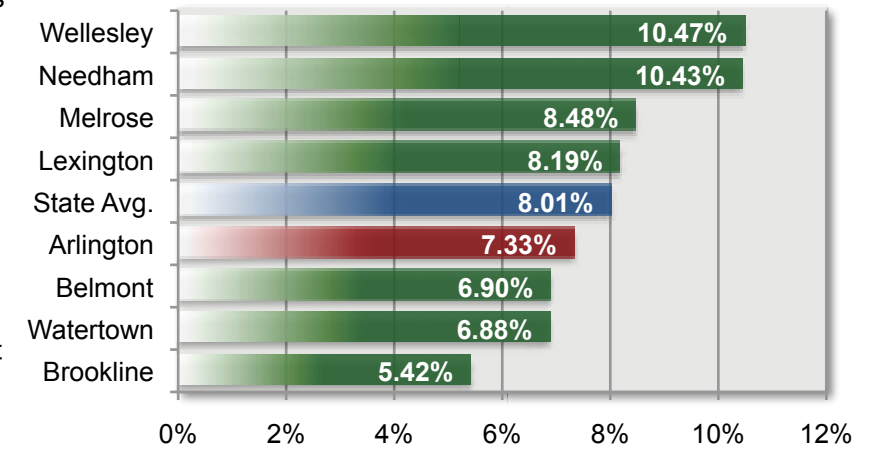
	FY2012		FY2013		Change	
					\$	%
Revenue						
Property Tax	\$ 95,002,494	\$ 97,880,811	\$ 2,878,317	3.0%		
Local Receipts	\$ 8,910,000	\$ 8,455,000	\$ (455,000)	-5.1%		
State Aid	\$ 13,420,743	\$ 15,040,293	\$ 1,619,550	12.1%		
School Construction Aid	\$ 2,531,085	\$ 2,474,796	\$ (56,289)	-2.2%		
Free Cash	\$ 481,456	\$ 600,000	\$ 118,544	24.6%		
Other Funds	\$ 200,000	\$ 200,000	\$ 0	0.0%		
TOTAL REVENUES	\$ 120,545,778	\$ 124,650,900	\$ 4,105,122	3.4%		
Expenditures						
Municipal Departments	\$ 29,072,058	\$ 30,057,059	\$ 985,001	3.4%		
School Department	\$ 42,681,436	\$ 44,642,598	\$ 1,961,162	4.6%		
Minuteman School	\$ 2,352,988	\$ 3,022,146	\$ 669,158	28.4%		
Non-Departmental (Healthcare & Pensions)	\$ 23,812,549	\$ 22,815,980	\$ (996,569)	-4.2%		
Capital (Includes Debt Service)	\$ 8,844,825	\$ 9,343,820	\$ 498,995	5.6%		
MWRA Debt Shift	\$ 5,593,112	\$ 5,593,112	\$ 0	0.0%		
Warrant Articles	\$ 657,311	\$ 794,269	\$ 136,958	20.8%		
Override Stabilization Fund Deposit	\$ 3,401,602	\$ 3,879,356	\$ 477,754	14.0%		
Non-Appropriated Expenses	\$ 4,129,897	\$ 4,502,560	\$ 372,663	9.0%		
TOTAL EXPENDITURES	\$ 120,545,778	\$ 124,650,900	\$ 4,105,122	3.4%		

And Where It Goes

Borrowing Data

In addition to tax revenues, local governments typically fund capital expenditures through borrowing. This chart demonstrates that Arlington has borrowed well within its capacity to repay the debt, is leveraged at a rate below a number of comparable communities, and is below the state average. It is also worth noting that the Town has maintained its AAA bond rating with Standard and Poor's (S&P) since earning it in 2007. The S&P Rating means that Arlington has an extremely strong capacity to meet its financial commitments. Thanks to its AAA rating there is a low risk associated with the Town's credit. Thus, Arlington is able to borrow at the highest credit tier - and the lowest cost - available to municipalities.

Debt as Percent of Total Budget FY2011

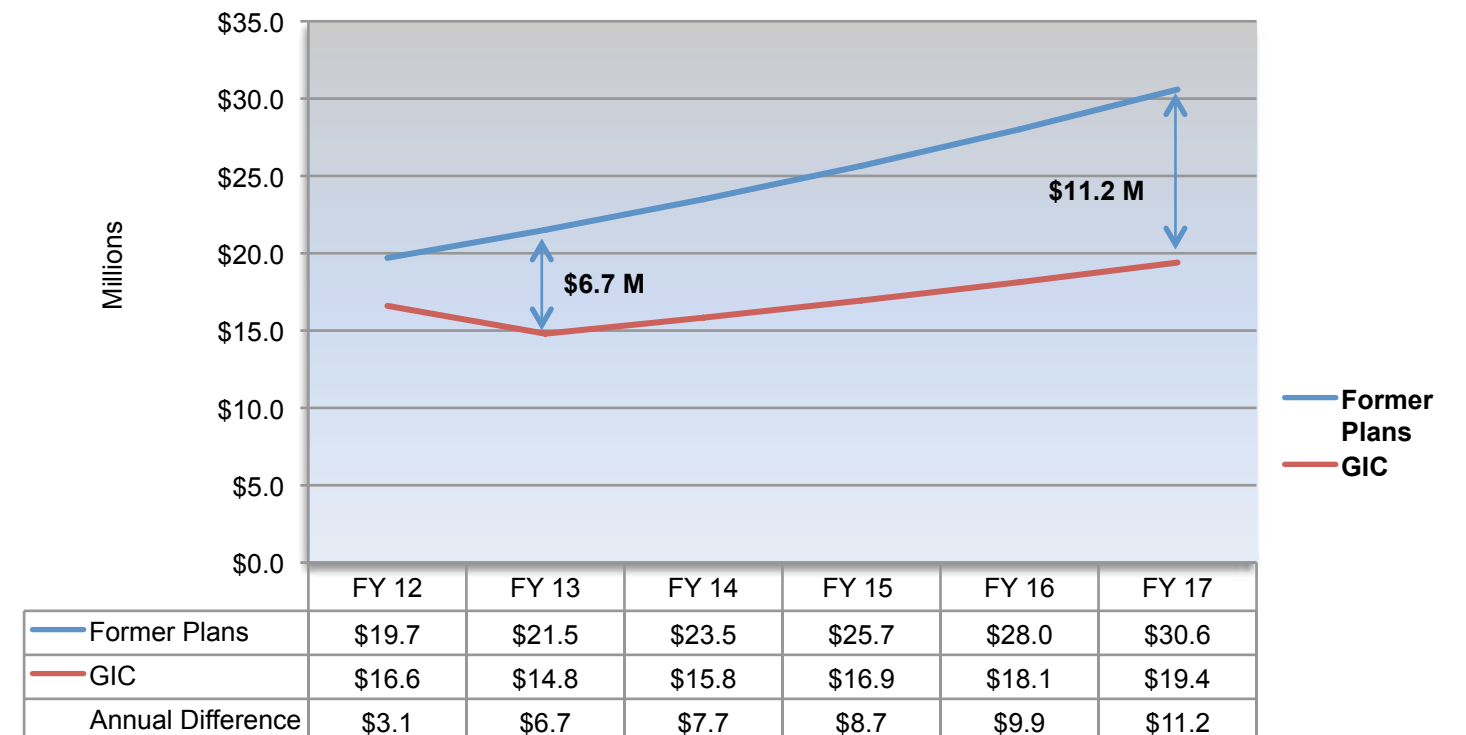


The Town's borrowing is all performed as a result of capital projects, which are part of the Town's Five-Year Capital Plan. This Five-Year Capital Plan is presented to Town Meeting by the Capital Planning Committee and is restricted annually to no more than 5% of the Town's annual operating revenues. The Five-Year Capital Plan provides funding for municipal and school facilities, infrastructure, parks and recreation areas and municipal vehicles.

Health Insurance Savings

In July of 2011 the Governor and State Legislature enacted municipal health care reform. Through this reform, Arlington was able to join the State's Group Insurance Commission (GIC) for employee health care. The transition to the GIC officially occurred on January 1, 2012 and allowed for Town employees to have the same quality health care plan offering as state employees, while providing the Town significant savings in health care costs. The chart below demonstrates the savings over time that the transition to the GIC has provided. The former health care plans provided by the Town had a growth trend of 9.2%, while the GIC's trend had been lower. For the purposes of this analysis, a 7% trend for GIC has been included. The savings provided via this change have allowed for the Long-Range Financial Plan, that was made possible by the 2011 override, to be extended from a three-year period to a period of five years or greater.

Health Insurance Cost Projections



If you have comments or questions about the report, please send them to townmanager@town.arlington.ma.us