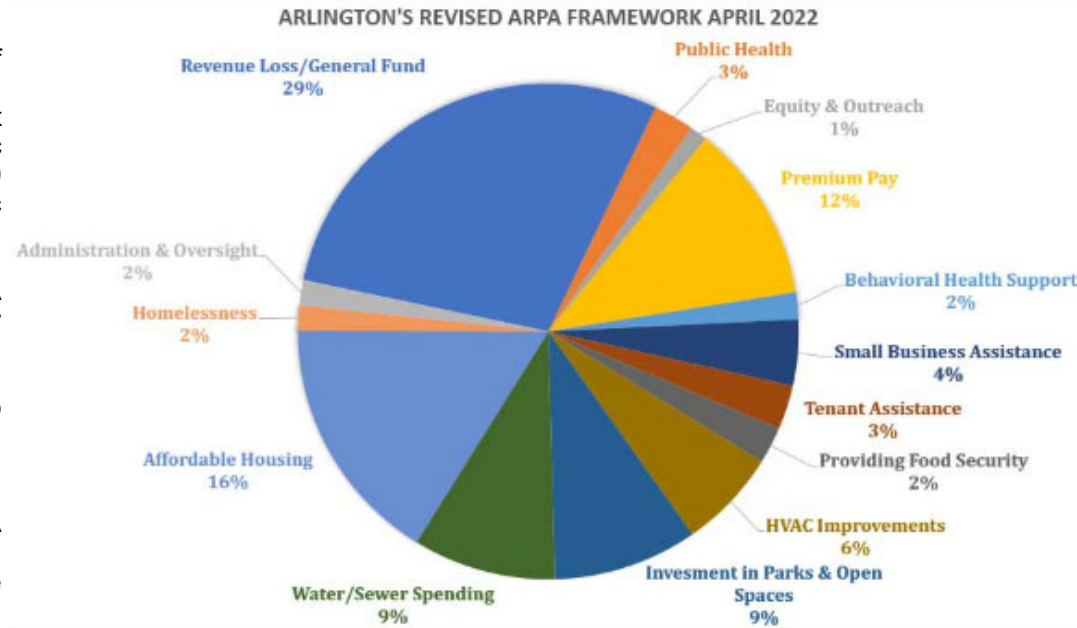


AMERICAN RESCUE PLAN ACT (ARPA) IN ARLINGTON

Municipalities across the nation received a significant influx of federal funds via the American Rescue Plan Act (ARPA) to offset the negative health and economic impacts caused by the COVID-19 pandemic, which includes public health, economic recovery, and infrastructure improvements. Arlington received \$35M in ARPA funds which must be fully committed by December 2025. In August of 2021, the Town developed Arlington's framework to spend the funds, ensuring a lasting impact for Town government and the community. As the Town continues through the ARPA process, and the four-year period in which to spend this funding, the framework may evolve.



HEAT, VENTILATION, AIRCONDITIONING (HVAC)

Nearly \$2.25M has been committed to HVAC improvements at Town and School buildings including at the Community Center, the Cottage at Whittemore Robbins, Police Station, and the Park Circle Fire Station, and Dallin, Hardy, Bishop, and Thompson Elementary Schools.

COMMUNITY HOUSING

Over \$5M in funds have been committed to local non-profits, the Arlington Housing Authority and the Housing Corporation of Arlington to help increase the amount of affordable housing in Arlington, provide funding to prevent homelessness, and to help improve the quality of existing affordable housing. The Department of Planning and Community Development oversaw the distribution of ARPA funds to 230 Arlington residents who rent or own their home and where incomes are at or below 100% of the Area Median Income, as determined by HUD. \$650,000 helped fund up to three months of housing assistance payments.

REVENUE REPLACEMENT

The FY2023 and FY2024 budgets each utilized \$5M of ARPA funds to replace revenue the Town lost due to a reduction in eating out, hotel stays, and purchasing cars during COVID.

PUBLIC HEALTH, BEHAVIORAL HEALTH, DIVERSITY, EQUITY, AND INCLUSION

The Health and Human Services Department allocated over \$600K to the Arlington Youth Counseling Center to subsidize direct mental health counseling and support, and to create a Recovery Program to support residents in the midst of crisis and coming at a time when the need for mental health counseling for youth and families is unprecedented. The Health and Human Services Department also utilized ARPA funds to address racial inequities in our community, exposed and exacerbated by the pandemic. \$100K of ARPA funds were used to conduct an in-depth community equity audit to help uncover possible inequities in the delivery of services and programs and to identify barriers to access for community members, including language and communication. The Town also invested over \$100K in ARPA funding to hire a Community Outreach and Engagement Coordinator. This position engages residents and helps to address findings from the Equity Audit.

ARPA FUNDS WERE ALSO USED TO:

- Assist small businesses and non-profits in Arlington that were impacted by COVID and that had created a plan to bring back or grow their businesses
- Update water meter reading technology Town-wide and for a Water Meter Replacement Program, both of which will help to improve water service
- Renovate three playgrounds: Stratton, Pierce, and Bishop.
- Premium pay for Town/School Essential Workers
- Funds were also provided to local non-profits to address food insecurity



Town of Arlington, Massachusetts Public Annual Financial Report

Fiscal Year Ending June 30, 2022

THE TOWN OF 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 46,000 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 Select Board appoints a professional manager to administer the daily operations of the Town.

The Town's legislative body is a representative Town Meeting, which consists of 252 elected members elected from their home precincts.

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, Treasurer/Collector, Comptroller, Assessing, Information Technology, Inspectional Services, Health and Human Services, Recreation, Facilities, and the Ed Burns Arena.

Under independent authority are the Select Board, Board of Assessors, and the Town Clerk. The School Committee handles school administration and appoints the Superintendent. All departments consist of approximately 1,500 full-time employees.

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

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

The PAFR provides information such as relevant summarized financial schedules and tables so residents can more easily understand the Town's financial conditions and trends. It 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.

Complete Town budgets can be found at arlingtonma.gov/budget.

IN THIS REPORT

The information in this report is a snapshot of the Town's basic financial condition. It is a summary of where Arlington is now and how it compares to other, similar communities.

On **Page 2** you will find 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. Also on Page 2 is a budget summary and projection for FY2022 that provides more detail on the year-to-year growth of the Town budget.

Page 3 compares Arlington's Average Single Family Tax Bill, Average New Growth, and Total Per Capita Spending with other comparable communities, as well as the state average. These communities provide a reference point from which to understand Arlington's financial situation.

Page 4 outlines the projects completed using American Rescue Plan Act (ARPA) money during FY2021, FY2022, and FY2023 so far.



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

Where the Money Comes From

...and Where it Goes

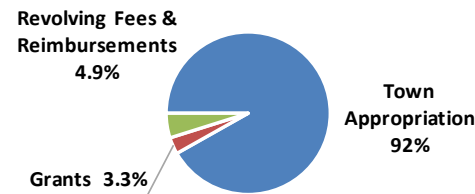
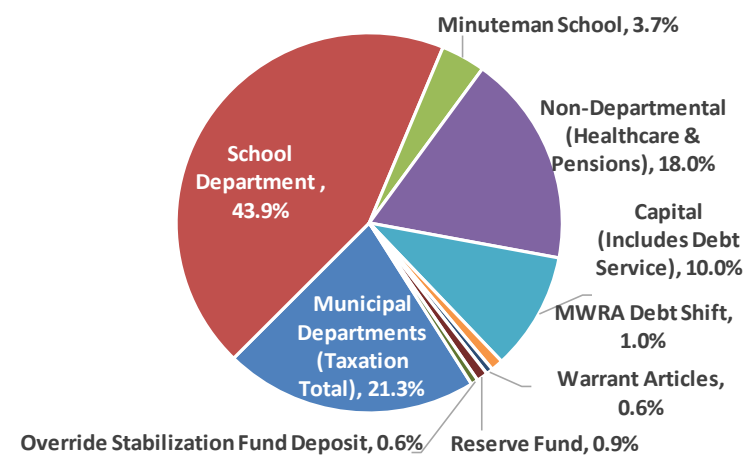
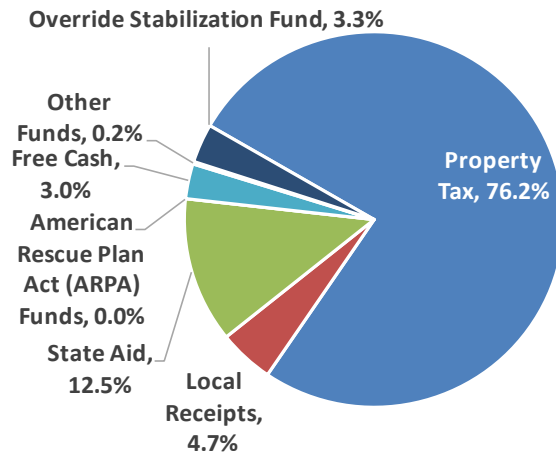
Measuring Up...

How Arlington compares to Other Communities

Revenues

FY2022 Budget
\$187,659,107

Expenditures



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

Budget Summary & FY2023 Projection

The summary provided below demonstrates the year-to-year growth between Fiscal Year 2022 and Fiscal Year 2023. 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 can be found at: arlingtonma.gov/budget.

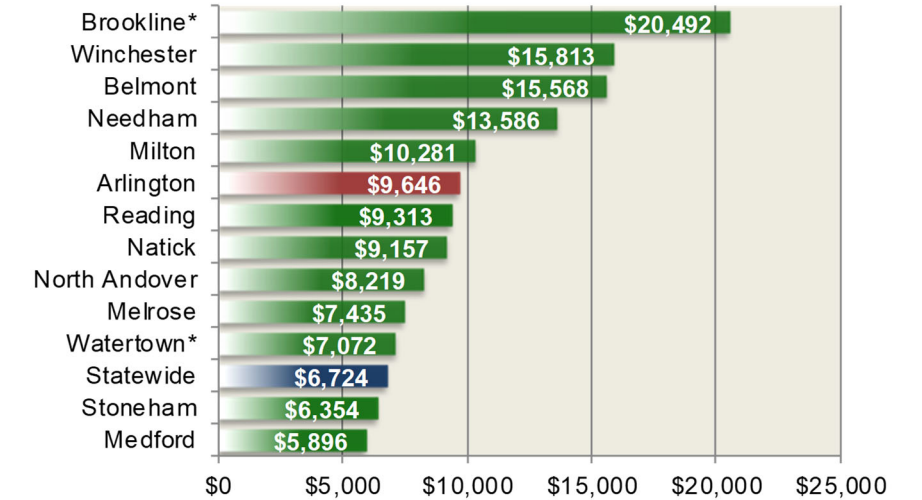
Overall General Fund Budget Summary				
	FY2022 Budget	FY2023 Budget	Change \$	Change %
Revenue				
Property Tax	\$ 142,948,226	\$ 148,700,283	\$ 5,752,057	4.02%
Local Receipts	\$ 8,873,350	\$ 9,225,900	\$ 352,550	3.97%
State Aid	\$ 23,529,766	\$ 24,923,804	\$ 1,394,038	5.92%
American Rescue Plan Act (ARPA) Funds	\$ -	\$ 5,000,000	\$ 5,000,000	-
Free Cash	\$ 5,659,184	\$ 5,539,215	\$ (119,969)	-2.12%
Other Funds	\$ 400,000	\$ 650,000	\$ 250,000	62.50%
Override Stabilization Fund	\$ 6,248,581	\$ 3,046,038	\$ (3,202,543)	-51.25%
TOTAL TAXES, FEES, AID, AND OTHER SOURCES	\$ 187,659,107	\$ 197,085,240	\$ 9,426,133	5.02%
Transfers in (Offsets)	\$ 2,916,046	\$ 3,200,418	\$ 284,372	9.75%
TOTAL REVENUES	\$ 190,575,153	\$ 200,285,658	\$ 9,710,505	5.10%
Expenditures				
Municipal Departments Appropriations	\$ 41,755,150	\$ 43,177,153	\$ 1,422,003	3.41%
Offsets and Indirect Costs	\$ (2,916,046)	\$ (3,200,418)	\$ (284,372)	-9.75%
Municipal Departments (Taxation Total)	\$ 38,839,104	\$ 39,976,735	\$ 1,137,631	2.93%
School Department	\$ 80,104,634	\$ 84,447,869	\$ 4,343,235	5.42%
Minuteman School	\$ 6,795,546	\$ 7,947,939	\$ 1,152,393	16.96%
Non-Departmental (Healthcare & Pensions)	\$ 32,848,298	\$ 35,140,146	\$ 2,291,848	6.98%
Capital (Includes Debt Service)	\$ 18,303,789	\$ 21,949,894	\$ 3,646,105	19.92%
MWRA Debt Shift	\$ 1,845,727	\$ -	\$ (1,845,727)	-100.00%
Warrant Articles	\$ 1,054,291	\$ 1,310,188	\$ 255,897	24.27%
Reserve Fund	\$ 1,720,145	\$ 1,753,178	\$ 33,033	1.92%
Override Stabilization Fund Deposit	\$ 1,094,055	\$ -	\$ (1,094,055)	-100.00%
TOTAL EXPENDITURES	\$ 182,605,589	\$ 192,525,949	\$ 9,920,360	5.43%
Non-Appropriated Expenses	\$ 5,053,518	\$ 4,559,291	\$ (494,227)	-9.78%
Surplus / (Deficit)	\$ -	\$ -	\$ -	0.00%

*The FY22 and FY23 Budgets show offsets as a revenue source, per guidance from the Department of Revenue

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.

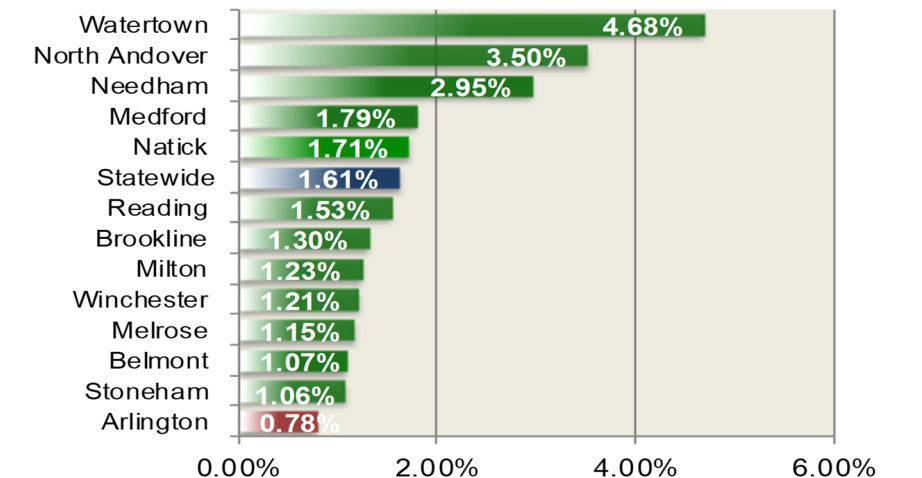
These **12 communities** were selected by Town, School, and Union leadership and based on population, 5 year average municipal growth factor, population per square mile, median income per capita, median income per household, single family median home value, average family tax bill, total tax levy, excess capacity as a percentage of maximum levy, and residential valuation as a percentage of the total tax levy.

Average Single Family Tax Bill FY22



* Denotes these communities have a single family tax exemption

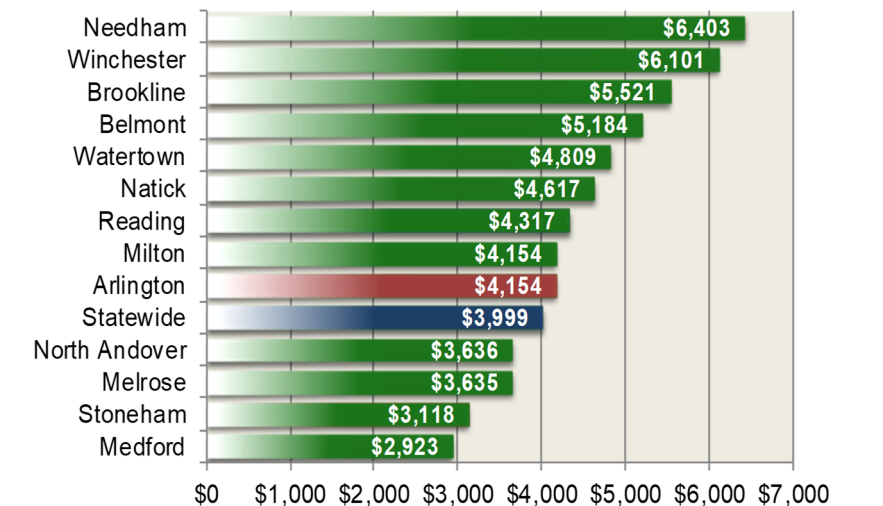
Average New Growth FY21 - FY23



Average New Growth: Under Proposition 2 1/2 local property taxes cannot be increased by more than 2.5% 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 remains at the bottom of its comparable communities and falls short of the state-wide average.

Total Per Capita Spending FY22



Per Capita Spending is calculated from the total expenditures divided by population, which provides a point of comparison for how much the Town spends proportionate to its size and makes possible comparisons of spending among Towns, while accounting for population.

Arlington is in the bottom half of per capita spending relative to its comparable communities. It is slightly above the state average of \$3,999. The Town spending does not create a structural deficit, the lack of revenue creates the deficit.