

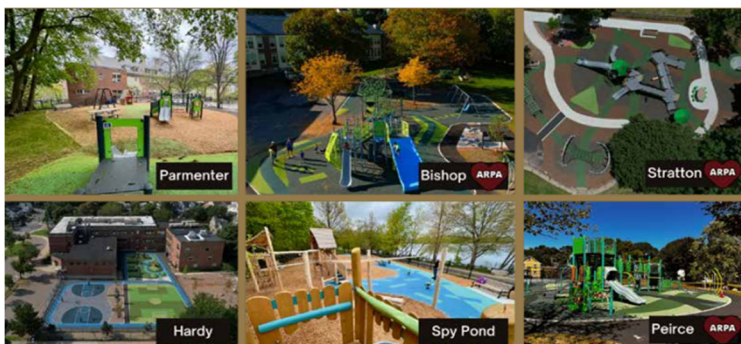
## FY2023 HIGHLIGHTS



The Arlington High School project continues through construction. The completion of **Phase 2** in late 2023 included the Humanities wing, Library, Menotomy Preschool, and over 40 additional classrooms. Along with **Phase 1** completion in early 2022, the project is now over 3/4 complete. **Phase 3** (athletic wing, amphitheater, and black box theater) construction, which is presently ongoing, is slated for completion in February of 2025, and **Phase 4** (athletic fields and final exterior site-work) remains scheduled for completion around the start of the school year in 2025. Updates on the project are available at [ahsbuliding.org](https://ahsbuliding.org).



The renovation and expansion of the Department of Public Works (DPW) facility is nearing completion, which is currently expected in August of 2024. While the renovation of the remaining buildings continues, the DPW and Inspectional Services Department moved into the new Municipal Services Building in the spring of 2023 and the IT Department is expected to move into their new space in May of 2024.



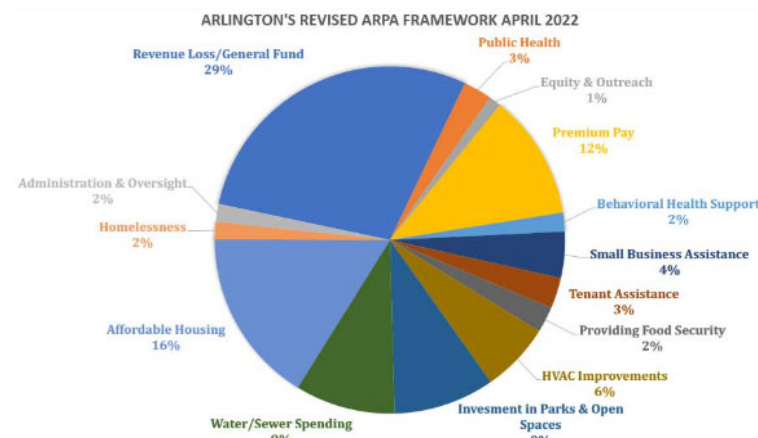
In FY2023, the Recreation Department, under the guidance of the Park and Recreation Commission, managed a number of capital playground projects including Parmenter School, Bishop School, Stratton School, Hardy School, Peirce School, and Spy Pond.

These projects were undertaken by utilizing a combination of Town Capital, ARPA, and Community Preservation Act funding.

## 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 among other eligible expenditures. Arlington received \$35M in ARPA funds which must be fully obligated by December 2025. In April of 2022, the Town updated Arlington's framework to spend the funds, ensuring a lasting impact for Town government and the community. As the Town continues to expend ARPA funding in anticipation of the obligation deadline, investments continue within the following categories:

- Heating, Ventilation, Air Conditioning (HVAC)
- Community Housing
- Revenue Replacement
- Public Health, Behavioral Health, DEI
- Economic Development Activities in support of Business Community
- Water & Sewer Projects
- Playground renovations
- Premium pay for Town/School Essential Workers
- Food Insecurity



Receive timely news and notices from Town Hall via email with **Town of Arlington Notices** or via phone/text with **Arlington Alerts**. 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](https://arlingtonma.gov/subscribe)



# Town of Arlington, Massachusetts Public Annual Financial Report

## Fiscal Year Ending June 30, 2023

### 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 and Community Development, Human Resources, Treasurer/Collector, Comptroller, Assessors, Information Technology, Inspectional Services, Health and Human Services, Recreation/Ed Burns Arena, and Facilities.

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 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](https://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 condition 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](https://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 FY2024 that provides more detail on the year-to-year growth of the Town budget.

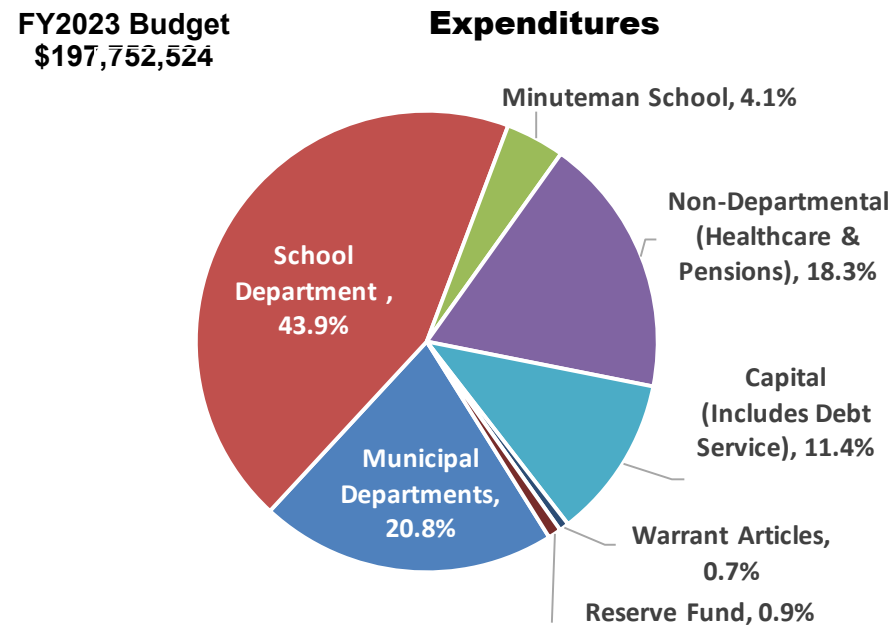
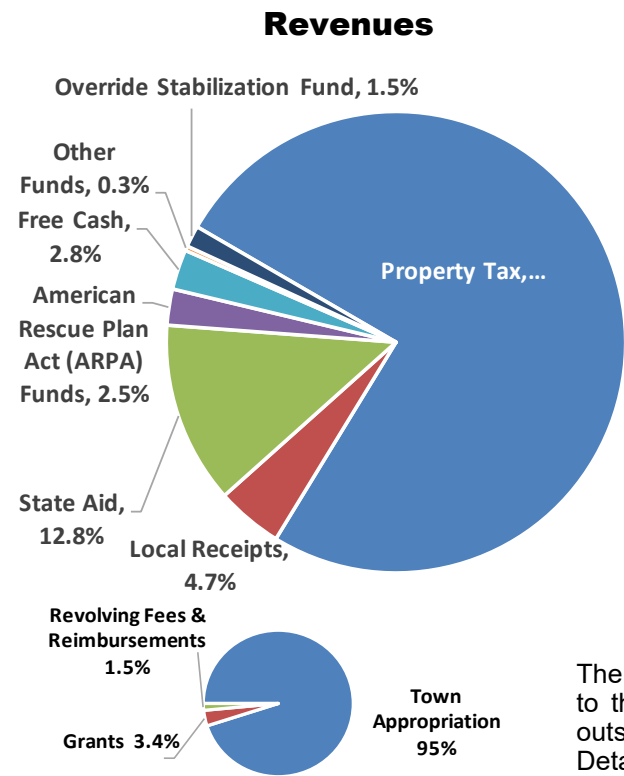
**Page 3** compares Arlington's Average Single Family Tax Bill, Average New Growth, and Total Per Capita Spending with other comparable communities, as well as the state average. These communities provide a reference point from which to understand Arlington's financial situation.

**Page 4** outlines FY2023 highlights including the AHS building project, the DPW facility project, various playground projects, and an American Rescue Plan Act (ARPA) update.





## Where the Money Comes From



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](http://arlington.k12.ma.us)

## Budget Summary & FY2024 Projection

The summary provided below demonstrates the year-to-year growth between Fiscal Year 2023 and Fiscal Year 2024. 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](http://arlingtonma.gov/budget).

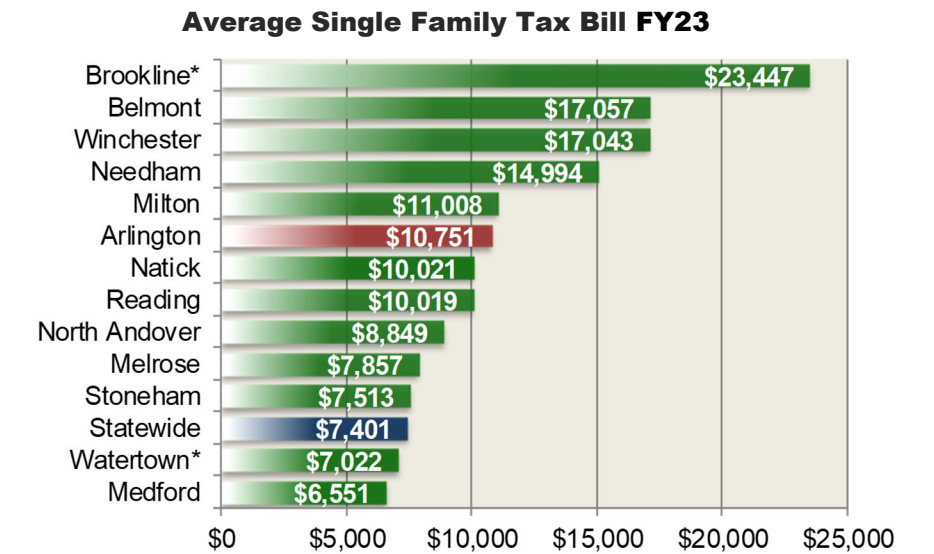
Overall General Fund Budget Summary				
	FY2023 Budget	FY2024 Budget	Change \$	Change %
<b>Revenue</b>				
Property Tax	\$ 149,169,849	\$ 153,571,408	\$ 4,401,559	2.95%
Local Receipts	\$ 9,225,900	\$ 9,855,994	\$ 630,094	6.83%
State Aid	\$ 25,221,523	\$ 28,125,135	\$ 2,903,612	11.51%
ARPA in FY23+FY24	\$ 5,000,000	\$ 5,000,000	\$ -	0.00%
Free Cash	\$ 5,539,215	\$ 7,956,044	\$ 2,416,829	43.63%
Other Funds	\$ 650,000	\$ 600,000	\$ (50,000)	-7.69%
Override Stabilization Fund	\$ 2,946,037	\$ 588,575	\$ (2,357,462)	-80.02%
<b>TOTAL TAXES, FEES, AID, AND OTHER SOURCES</b>	<b>\$ 197,752,524</b>	<b>\$ 205,697,156</b>	<b>\$ 7,944,632</b>	<b>4.02%</b>
Transfers in (Offsets)	\$ 3,200,418	\$ 3,257,455	\$ 57,037	1.78%
<b>TOTAL REVENUES</b>	<b>\$ 200,952,942</b>	<b>\$ 208,954,611</b>	<b>\$ 8,001,669</b>	<b>3.98%</b>
<b>Expenditures</b>				
Municipal Departments Appropriations	\$ 43,177,153	\$ 44,627,453	\$ 1,450,300	3.36%
Offsets and Indirect Costs	\$ (3,200,418)	\$ (3,257,455)	\$ (57,037)	-1.78%
Municipal Departments (Taxation Total)	\$ 39,976,735	\$ 41,369,998	\$ 1,393,263	3.49%
School Department	\$ 84,447,869	\$ 88,947,334	\$ 4,499,465	5.33%
Minuteman School	\$ 7,947,939	\$ 8,932,916	\$ 984,977	12.39%
Non-Departmental (Healthcare & Pensions)	\$ 35,140,146	\$ 36,211,557	\$ 1,071,411	3.05%
Capital (Includes Debt Service)	\$ 21,949,893	\$ 22,365,767	\$ 415,874	1.89%
MWRA Debt Shift	\$ -	\$ -	\$ -	0.00%
Warrant Articles	\$ 1,310,188	\$ 1,266,835	\$ (43,353)	-3.31%
Reserve Fund	\$ 1,753,178	\$ 1,900,782	\$ 147,604	8.42%
Override Stabilization Fund Deposit	\$ -	\$ -	\$ -	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 192,525,948</b>	<b>\$ 200,995,189</b>	<b>\$ 8,469,241</b>	<b>4.40%</b>
<b>Non-Appropriated Expenses</b>	<b>\$ 5,226,576</b>	<b>\$ 4,701,967</b>	<b>\$ (524,609)</b>	<b>-10.04%</b>
<b>Surplus / (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

## 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.

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.

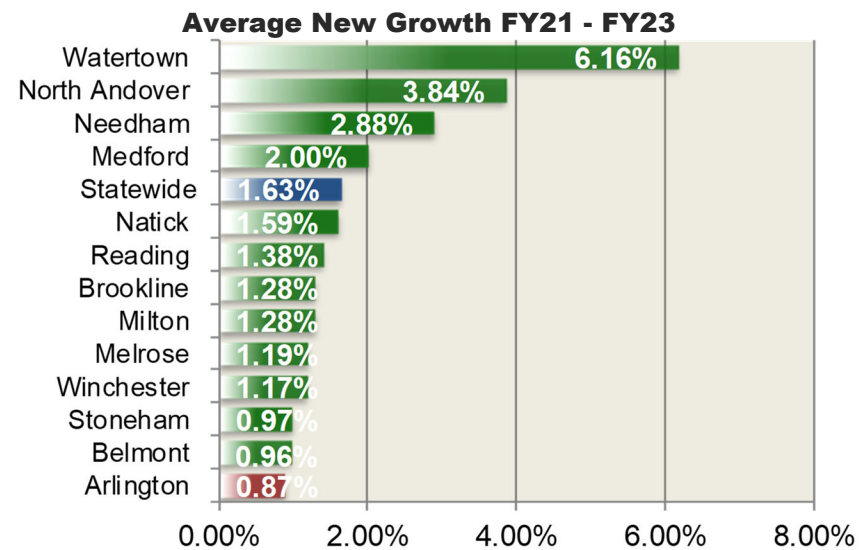
## How Arlington compares to Other Communities



\* Denotes these communities have a single family tax exemption included in the figure above.

**Average New Growth:** Under Proposition 2½ 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.



**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 \$3,739. The Town spending does not create a structural deficit, the lack of revenue creates the deficit.

