



Arlington: A Frugal Town

A history of careful planning

In 2005, Arlington created a five year financial plan that has served as a model for other communities in the state. By following that plan and creatively economizing, the town extended this plan to cover six years. In addition, Arlington maintains an excellent AAA bond rating. This means independent rating agencies believe Arlington is fiscally sound, and we keep our cost of borrowing low.

Comparisons to similar towns

Comparing Arlington to similar towns, Arlington is at or near the bottom of spending levels.

Total Spending Per Resident		
1	Lexington	\$ 3,764
2	Wellesley	\$ 3,694
3	Norwood	\$ 3,607
4	Winchester	\$ 3,484
5	Needham	\$ 3,450
6	Brookline	\$ 3,281
7	Reading	\$ 3,239
8	Natick	\$ 2,999
9	Belmont	\$ 2,880
10	Watertown	\$ 2,853
11	Woburn	\$ 2,809
12	Chelmsford	\$ 2,760
13	Milton	\$ 2,696
14	Salem	\$ 2,551
15	Stoneham	\$ 2,458
16	Randolph	\$ 2,378
17	Arlington	\$ 2,240
18	Melrose	\$ 2,175
19	Weymouth	\$ 2,046
20	Medford	\$ 1,943
	Average without Arlington	\$ 2,898
	Arlington	\$ 2,240

School Spending Per Resident		
1	Lexington	\$ 2,131
2	Wellesley	\$ 1,815
3	Needham	\$ 1,671
4	Reading	\$ 1,556
5	Norwood	\$ 1,501
6	Winchester	\$ 1,492
7	Belmont	\$ 1,452
8	Natick	\$ 1,352
9	Brookline	\$ 1,331
10	Chelmsford	\$ 1,295
11	Randolph	\$ 1,285
12	Milton	\$ 1,235
13	Woburn	\$ 1,221
14	Salem	\$ 1,131
15	Melrose	\$ 1,038
16	Stoneham	\$ 1,033
17	Arlington	\$ 979
18	Watertown	\$ 968
19	Weymouth	\$ 953
20	Medford	\$ 792
	Average without Arlington	\$ 1,274
	Arlington	\$ 979

Creating success with less

Despite spending less, Arlington's schools have been honored with the following:

- The Stratton was awarded a National Blue Ribbon designation by the US Department of Education, 2010
- AHS was named a Silver Medal School in 2008 and 2010 by US News and World Report; recognized as one of the top 50 public high schools in MA by Boston Magazine, Sept. 2010; and was one of 388 schools nationwide named to the AP Achievement List by the College Board, 2011, for Significant Gains in Advanced Placement Test Access and Student Performance
- Brackett, Peirce, Stratton and AHS were named Commendation Schools for high growth in student achievement by Massachusetts Department of Elementary and Secondary Education
- Arlington was awarded a Teaching American History Grant, a \$1 million 3-year consortium grant, to provide professional development for teachers and classroom materials for students.

It's up to us. Vote Yes on June 7.

If Arlington is frugal, why do we need an override?

Arlington has a "structural deficit," meaning that revenues from all sources – local, state, and federal – are not adequate to maintain services at current, already reduced, levels. The biggest reason for this is that state aid to cities and towns has been cut deeply for years, and Arlington was among the hardest hit by these cuts. In addition, Arlington has a small commercial tax base and is almost completely built out, meaning there is limited opportunity to gain new revenues from new growth.

Why has Arlington been hit so hard by cuts in state funding?

The two main sources for aid for towns come either as Chapter 70 educational aid or general aid. Chapter 70 aid has remained largely protected by the legislature, but Arlington receives the minimum aid possible from Chapter 70 because of our high property values and income levels. The major source of state aid for Arlington is general aid, which has been cut drastically by the legislature.

Why can't we just cut town spending instead of raising taxes?

The town has already responded to the loss of revenue by cutting staff and services. The town has also spent down town reserves until they are now nearly depleted. If the override doesn't pass, further cuts will be made and they will be increasingly painful for the town. The override is the chance for voters to decide which path we want the town to take.

What is the town doing to economize?

- The Town Manager is a member of a ten town consortium that looks for ways to regionalize projects such as purchasing to save money.
- Arlington became certified as a Green Community, which means it can receive grants for improvements that reduce energy costs.
- The town has found ways to outsource work in order to both reduce cost of the services and the town's pension/health care costs.
- Administration and support personnel have been cut until they are as lean as possible.
- The Town Reorganization committee has put before Town Meeting an article proposing that common services be consolidated between the town and the schools to economize and standardize services.
- The DPW is constantly looking at new technologies to be more efficient and reduce staffing.

What is the town doing about health care costs?

Health care has become an increasingly large part of municipal budgets as its cost has risen at historic rates. The three year plan assumes that health care costs will be reduced next year by \$1 million and the following year by an additional \$1 million. Given the health care savings already being negotiated with employees, Arlington leaders are confident the town can improve its financial bottom line in collaboration with its employees. Reform at the state level may change the picture in future years, but is not likely to have an impact on the budget year that starts in July. The savings in the plan are in our control and therefore allow the town to maintain or restore services within a predictable framework.

Are pension costs for teachers a big expense for Arlington?

No. It's important to first understand that public employees in Massachusetts do not participate in the Social Security retirement system, saving taxpayers from having to pay 6.2 percent of payroll into that system. Next, many people don't realize that the Town pays *nothing* toward teacher and administrator pensions.

What's more, teachers and administrators fund more than 90 percent of the costs of their own pensions by paying 11 percent of their salaries into the Massachusetts Teachers Retirement System. The state contributes to the MTRS, but much less than if these educators were in Social Security. The rest of the funds come from investment returns, which have averaged over 9 percent a year since the MTRS was created.

Are pension costs for current Town employees a big expense for Arlington?

No. Municipalities are responsible for contributing to their employees' pensions – again, since they do not contribute to Social Security on their behalf. The expense is not unreasonable. Town employees pay about 10 percent of their salaries into their own pension funds. The Town's contribution varies based on actuarial data and investment returns, but is typically much less than if these employees were in Social Security.