

Town of Arlington FY2009 Budget Presentation

Brian F. Sullivan, Town Manager

Board of Selectmen's Goals & Priorities

- Maintain commitment to 5-year plan
- Prioritize Services (Public Safety, Education)
- Explore cost saving strategies
- Pursue strategies to contain healthcare costs
- Encourage sustainable practices (green)

Board of Selectmen's Goals & Priorities (cont.)

- Develop strategies to maximize use of technology for improved productivity
- Improve communications with residents
- Develop strategies to revitalize commercial districts
- Develop plan to maintain/upgrade infrastructure (schools, fire stations, parks)

5-Year Plan/Commitment

- No Override for at least 5 years
- Healthcare and pension costs contained to 7% and 4%, respectively
- Town and School operating budgets contained to 4% and must absorb any excess healthcare costs
- Maintain reserves of at least 5% of budget

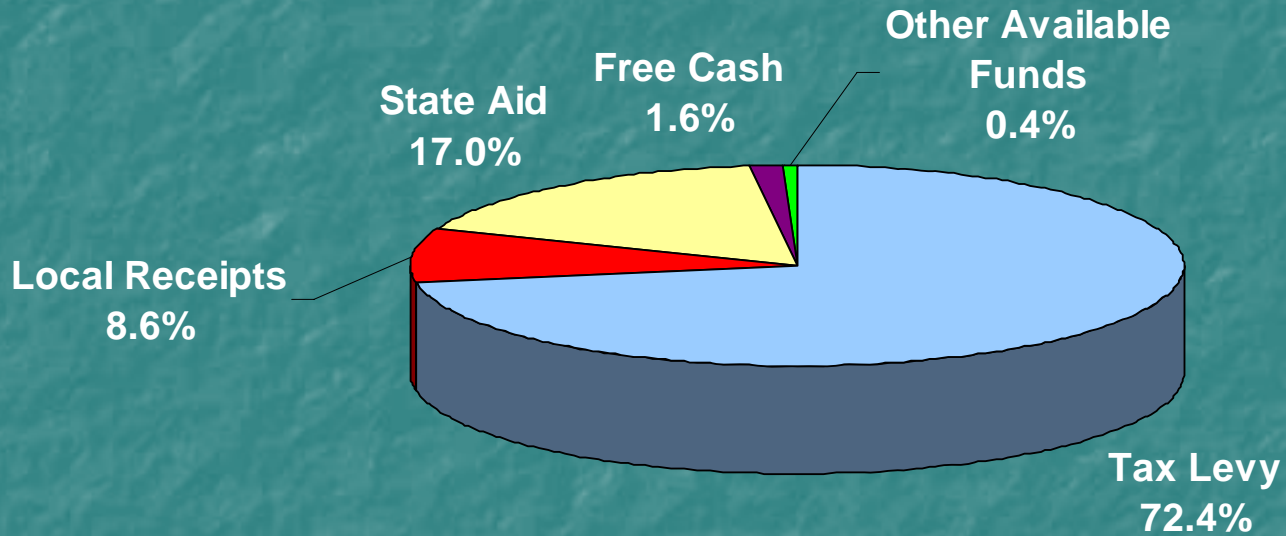
FY2009 Budget Summary

- FY2009 Total Budget: \$111.7M
 - Increase \$4.3M (4%)
- Healthcare: Increase 12.5% (exceeds 7% cap)
- Municipal and School departmental budgets reduced below 4% to stay within overall cap
- Municipal and School departmental budget cap for FY2009 set at 2.8%
- Municipal departmental budgets reduced below 2.8% to provide Schools with 3% increase

FY2009 Revenues

	Total	\$ Increase	% Increase
Overall Revenue	\$111.7	\$4.3	4.0%
Tax Levy	\$80.8	\$2.0	2.5%
Local Receipts	\$9.6	\$.9	11.0%
State Aid	\$19.0	\$.5	2.6%
Free Cash	\$1.8	\$.9	90.5%
Other Available Funds	\$.5	-	0%

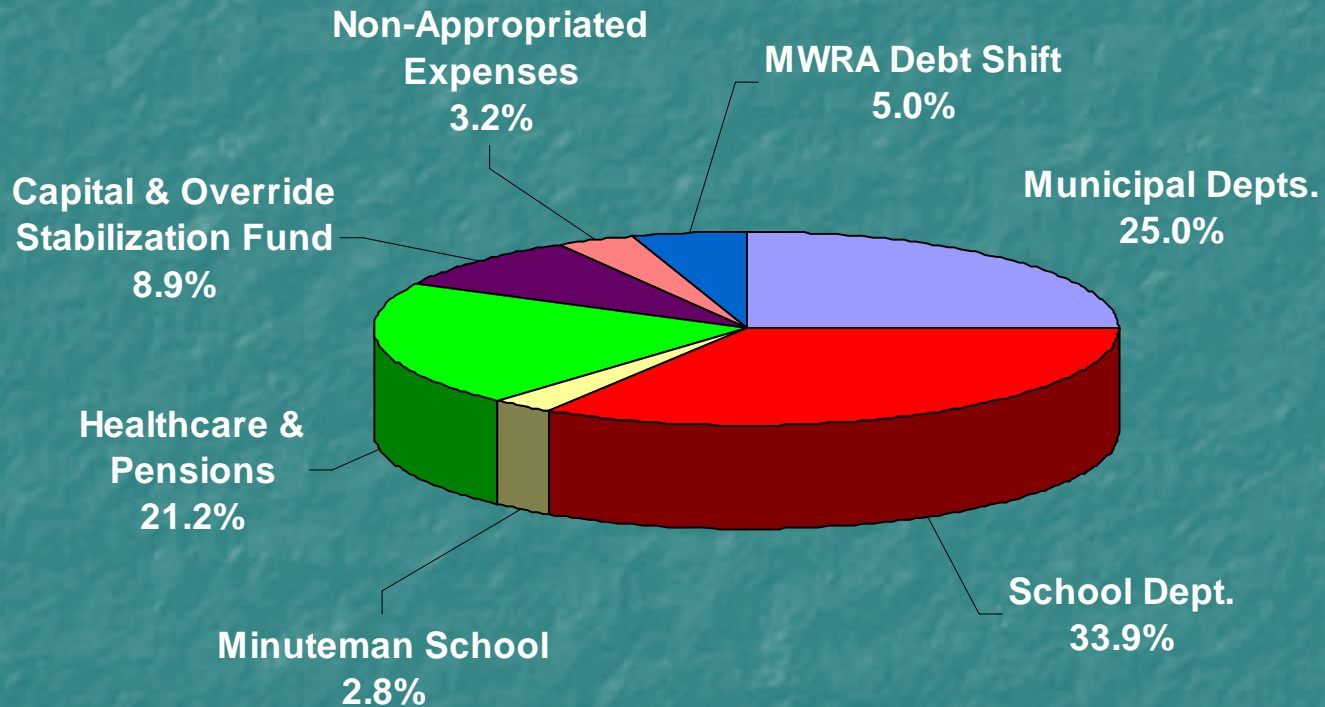
FY2009 Revenues



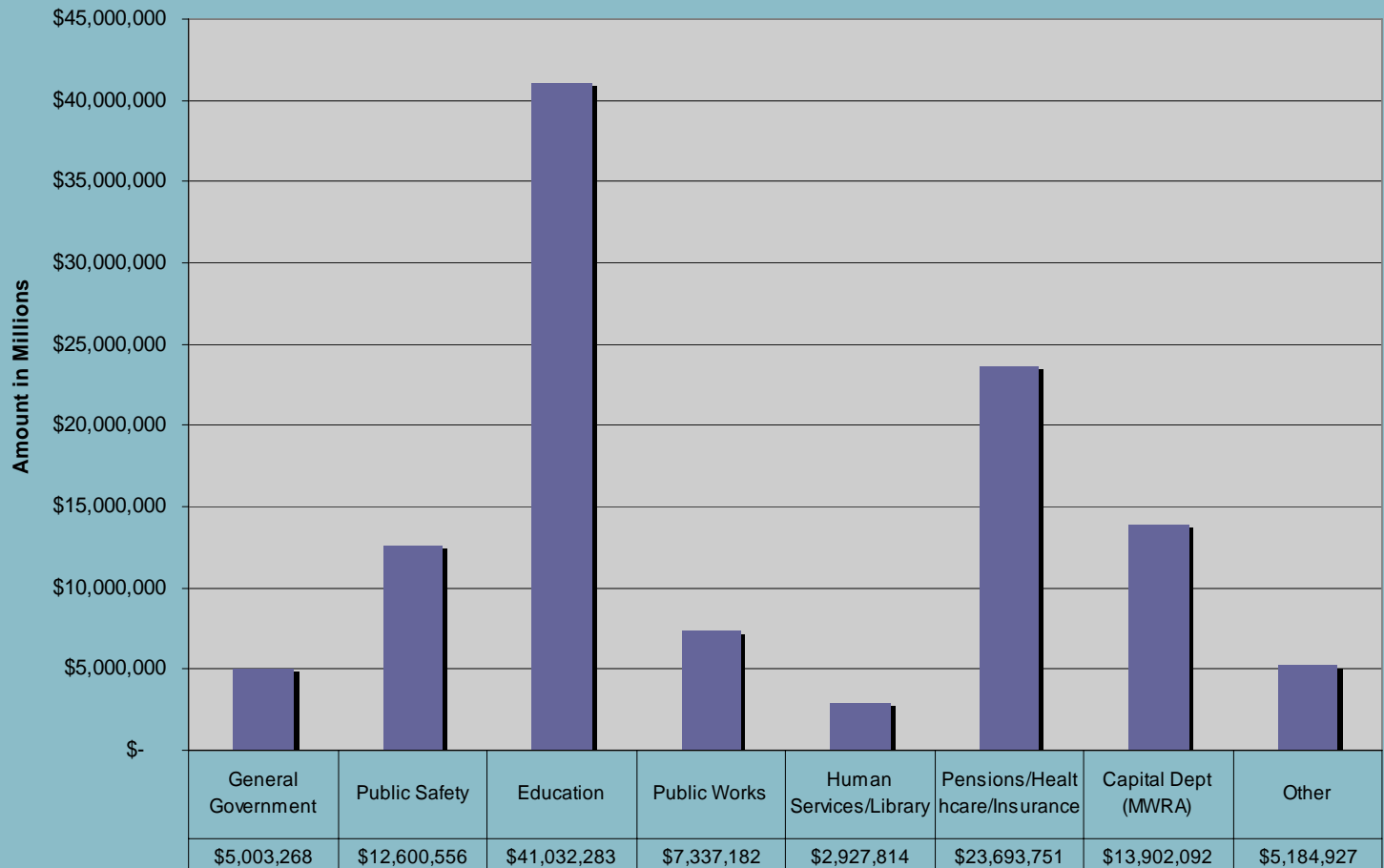
FY2009 Expenditures

	Total	\$ Increase	% Increase
Overall Expenditures	\$111.7	4.3	4%
Municipal Departments	\$27.9	\$0.7	2.7%
School Department	\$37.9	\$1.1	3.0%
Minuteman School	\$3.1	(\$0.1)	(3.8%)
Healthcare and Pensions	\$23.7	\$2.0	9.1%
Capital	\$8.3	(\$.04)	-.5%
Warrant Articles/Override Stabilization Fund	\$1.6	\$0.6	57.3%
Non-Appropriated Expenses	\$3.6	-	-
MWRA Debt Shift	\$5.6	-	-

FY2009 Expenditures



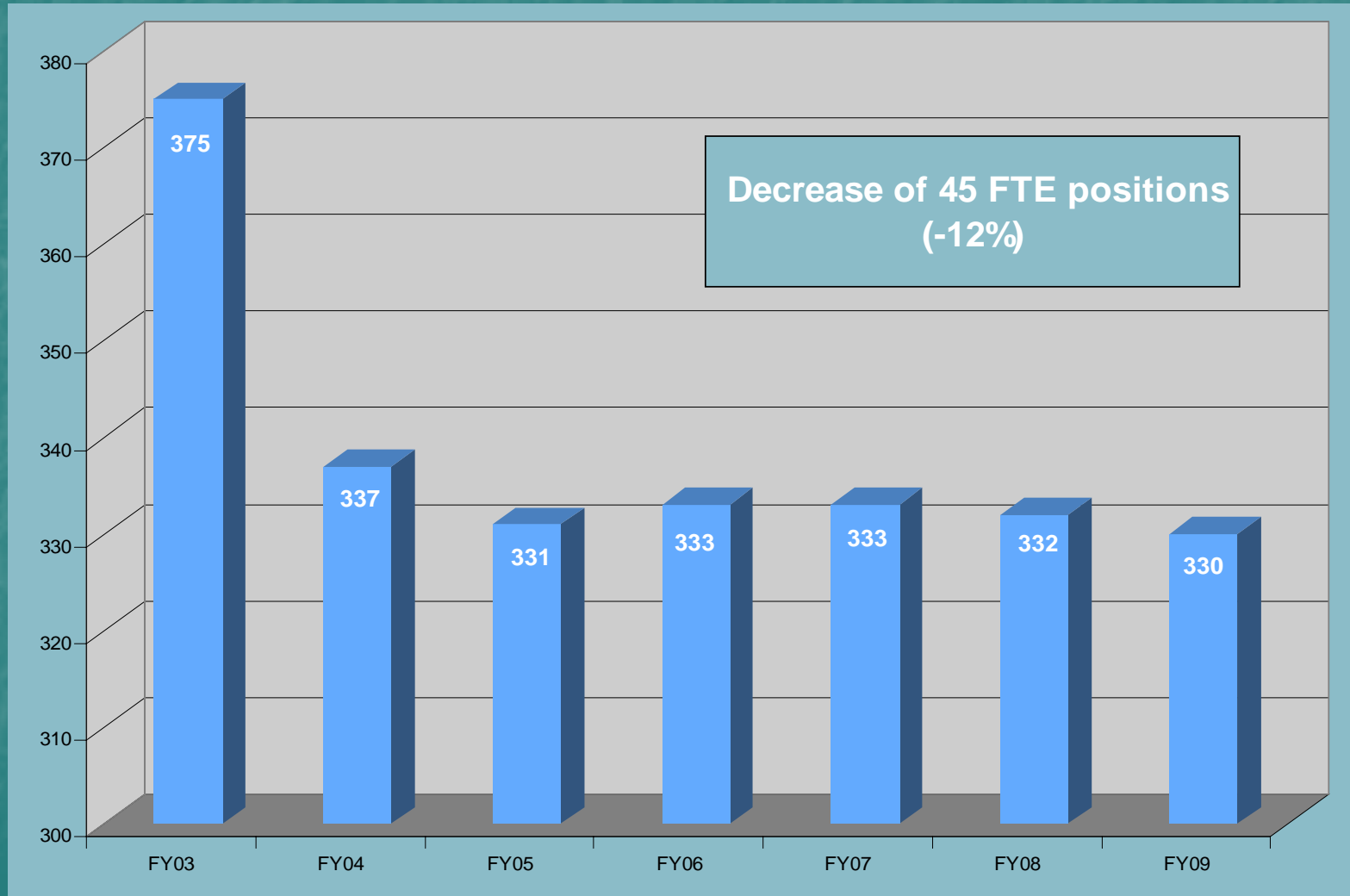
FY2009 General Fund Budget



Municipal Departmental Budgets

- Strategies to adhere to 5-year plan
 - Tight rein on wages
 - Cost saving initiatives implemented
 - Positions reduced
- Minimal increases in expenditures
 - Wages, Steps, Benefits up 2.5% (\$457K)
 - Expenses up 3.5% (\$286K)
 - Refuse Collection \$65K
 - Elections \$37K
 - Youth Services (revenue loss) \$56K
 - Reserve Fund \$50K
 - Miscellaneous \$78K

Municipal Personnel Changes FY2003 – FY2009



Fiscal Challenges

■ Revenue

- Community built out, very little growth in tax base.
- State aid virtually non-existent (FY2009 proposed aid still less than FY2002 amount)

■ Expenditures

- Healthcare costs rising-double digit inflation
- Energy costs skyrocketing (also impacts materials)
- Mandated programs (special education, Veterans' benefits, health services, trench safety)

Revenue Structure

- Only 3 sources of Revenue
 - Property Taxes
 - Local Receipts
 - State Aid

Property Taxes

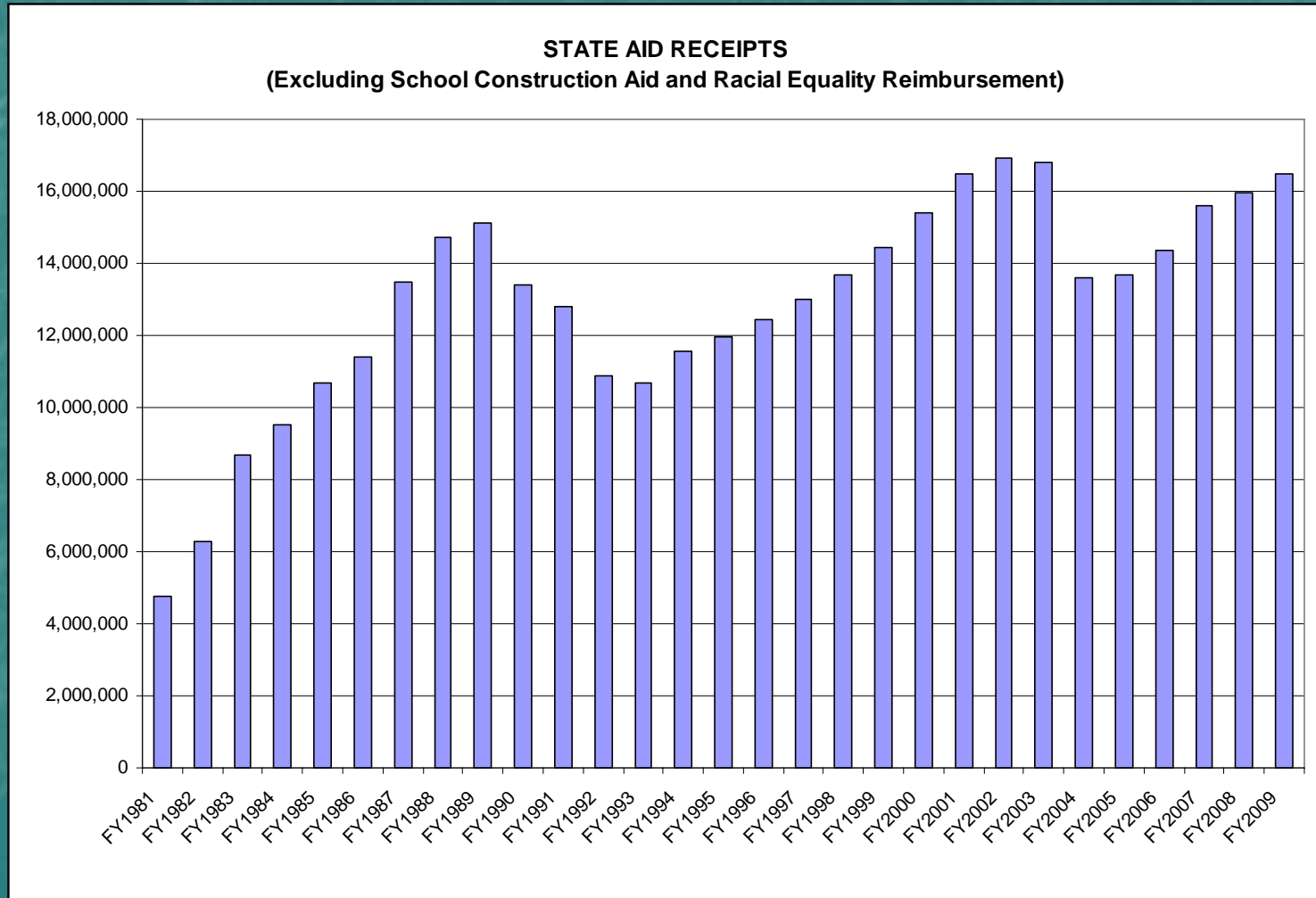
Limited to 2 ½% annual increases and
New Growth

2 ½% increase in FY09	\$ 1.8M	
New Growth in FY09	<u>\$ 450K</u>	
Total Increase	\$2.25M	2.7%

Local Receipts

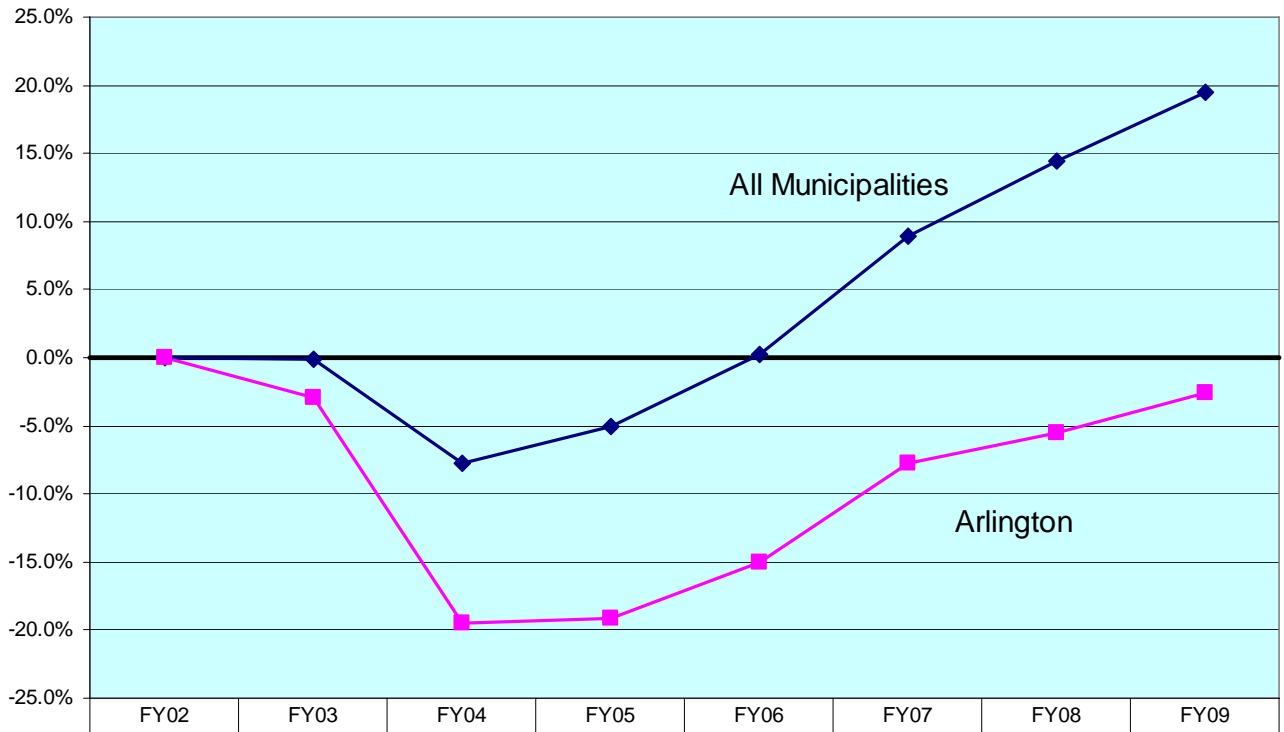
- Growth is fairly static
 - FY2001 = \$8.1M
 - FY2008 = \$8.6M
 - Average annual increase approx. \$50K/year

State Aid



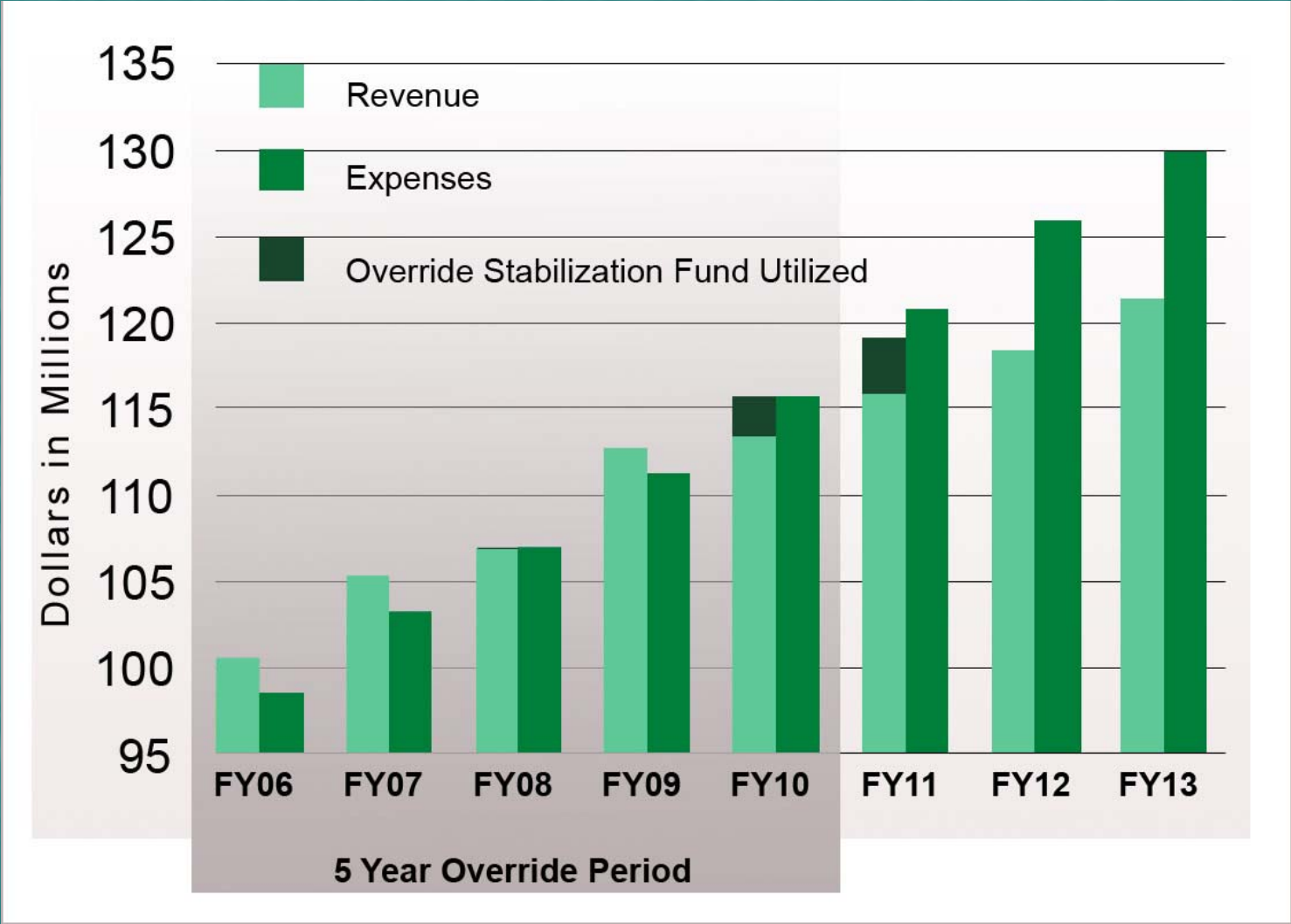
State Aid

**State Aid Cumulative Percent Change
Since Fiscal Year 2002**
(Numbers exclude School Construction and METCO reimbursements)



◆ All Municipalities	0.0%	-0.1%	-7.7%	-5.1%	0.3%	8.9%	14.4%	19.5%
■ Arlington	0.0%	-2.9%	-19.5%	-19.2%	-15.0%	-7.7%	-5.5%	-2.6%

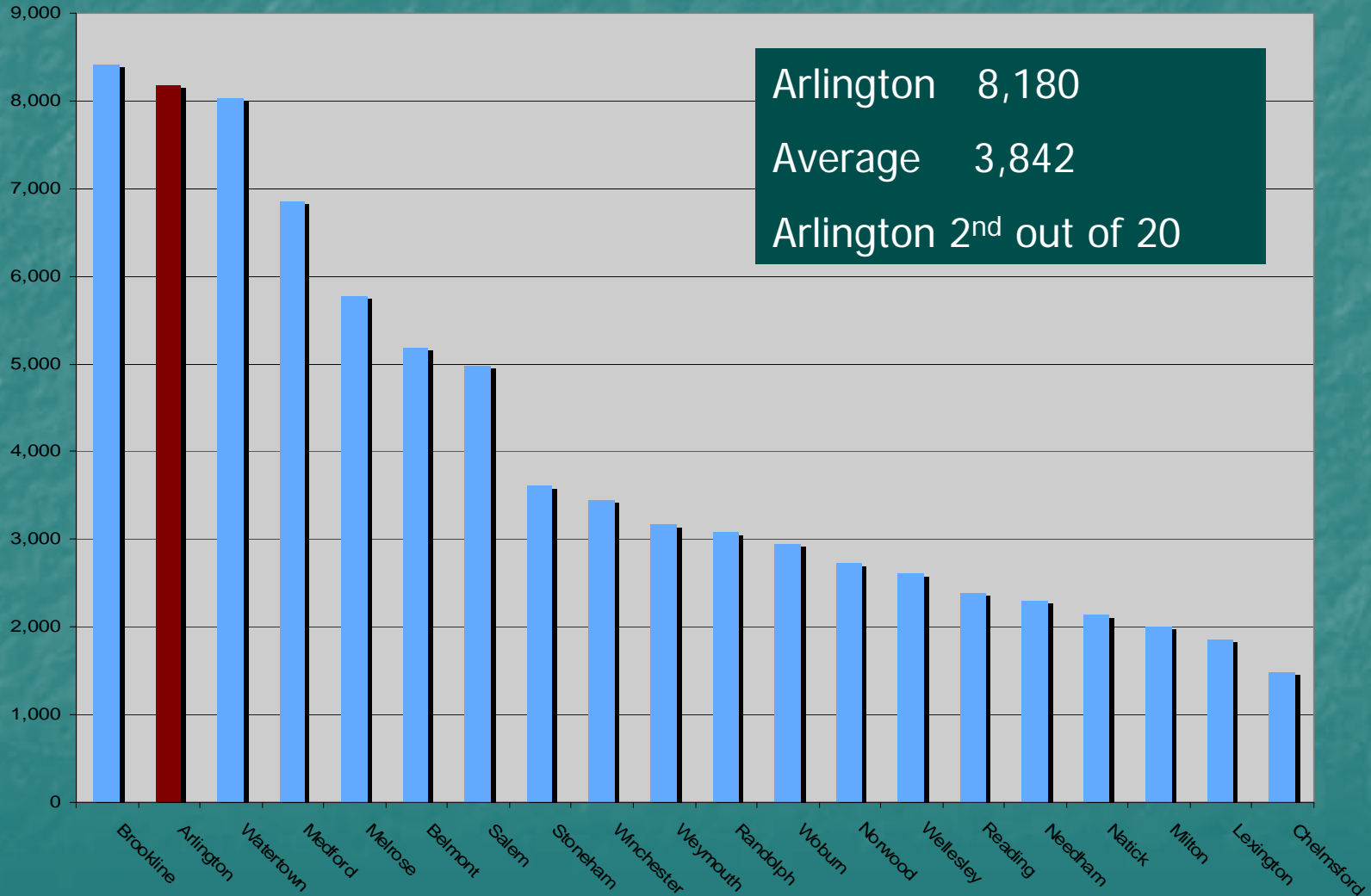
Comparison of Revenue/Expenditures



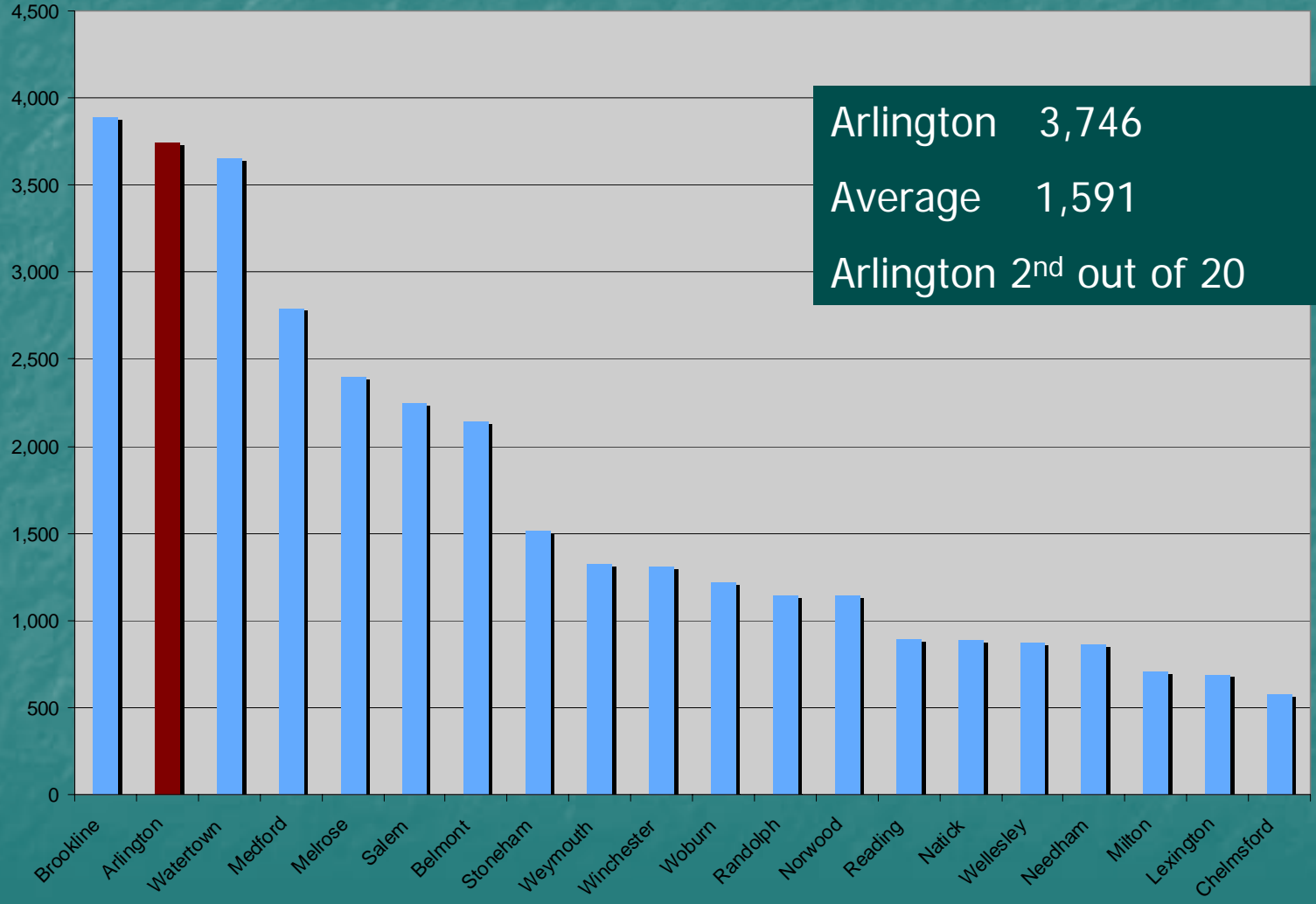
Comparable Communities

- Bedford
- Brookline
- Chelmsford
- Lexington
- Medford
- Melrose
- Milton
- Natick
- Needham
- Norwood
- Randolph
- Reading
- Salem
- Stoneham
- Watertown
- Wellesley
- Weymouth
- Winchester
- Woburn

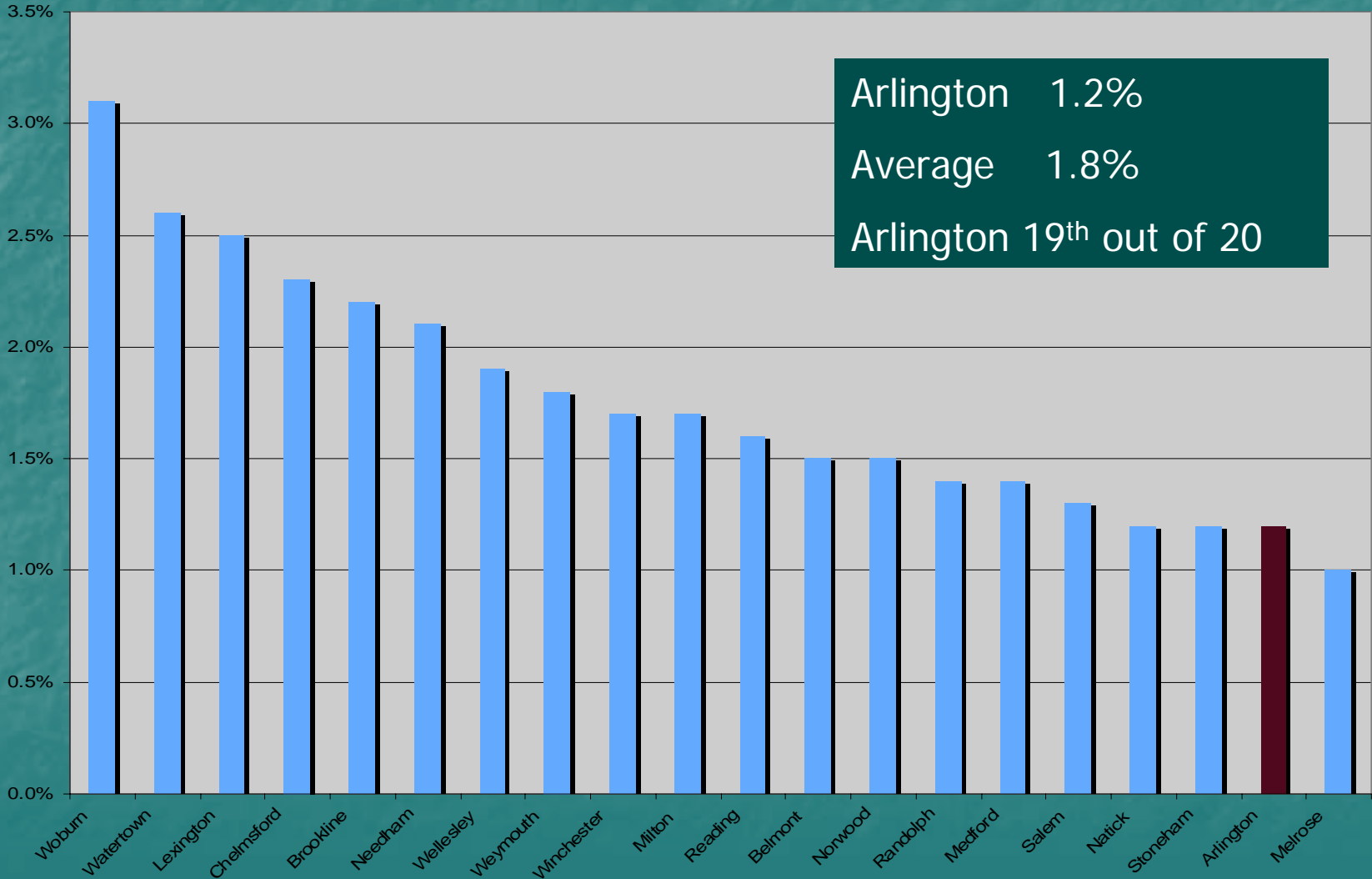
Population per Square Mile



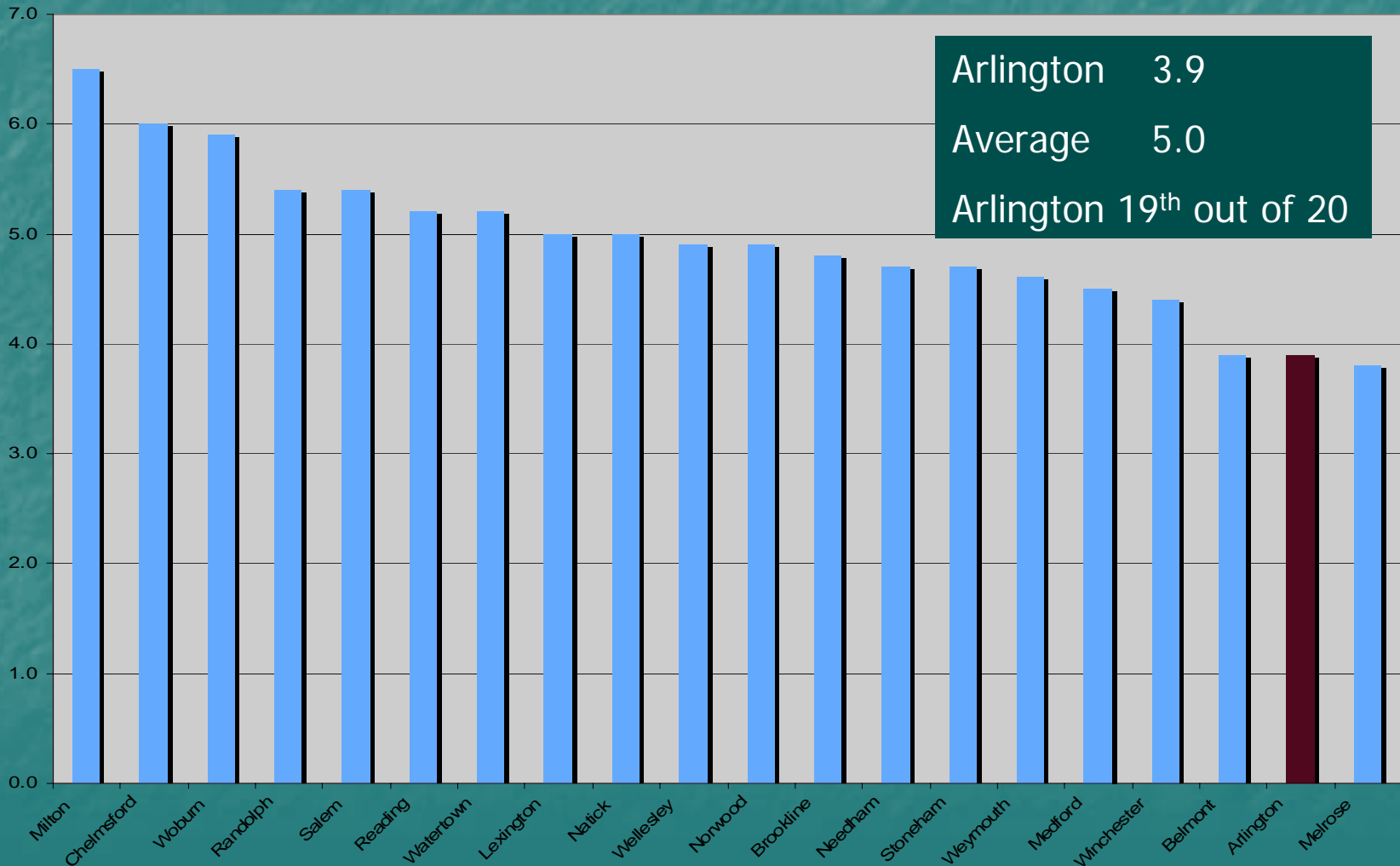
Households Per Square Mile



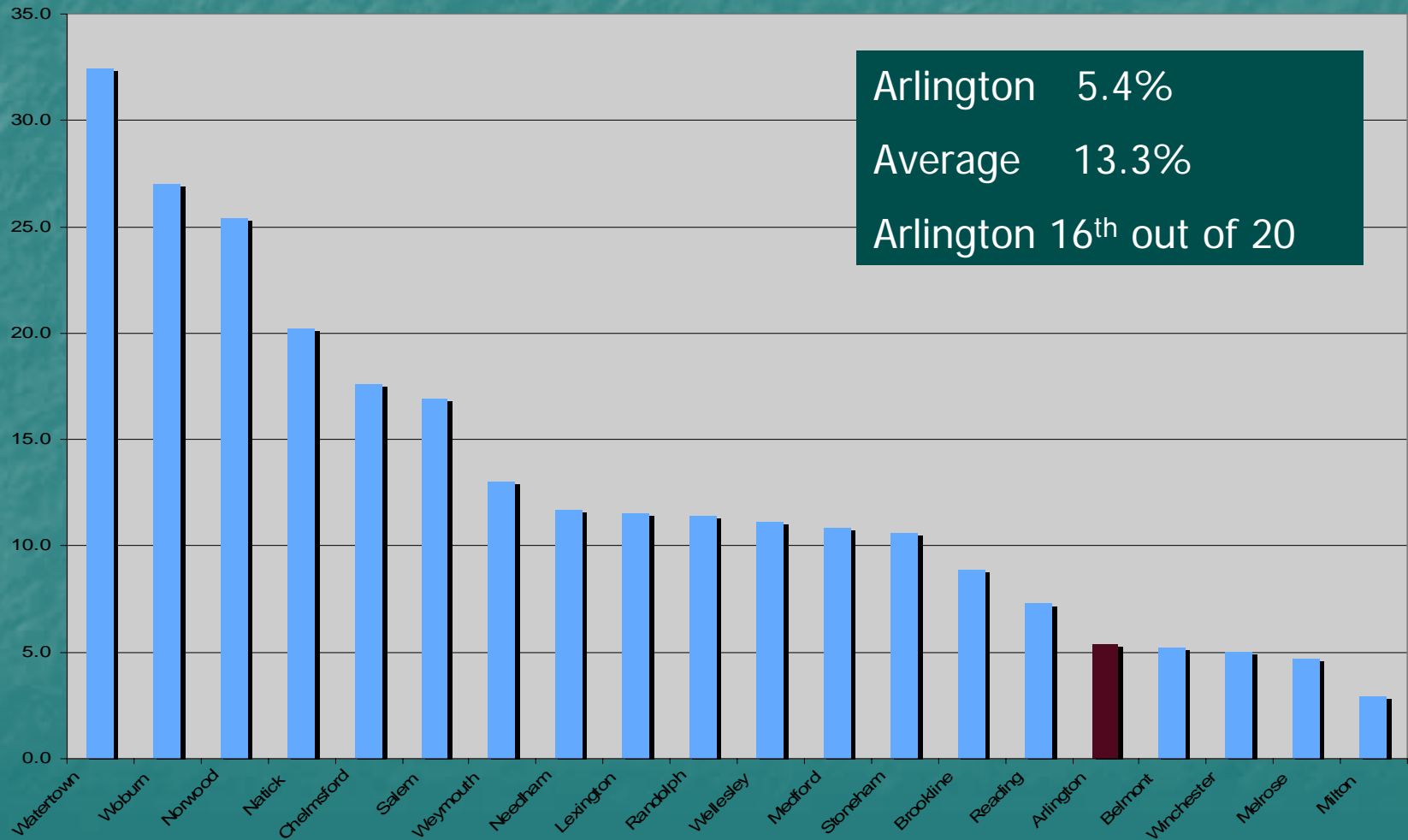
New Growth Ave Last 3 Years



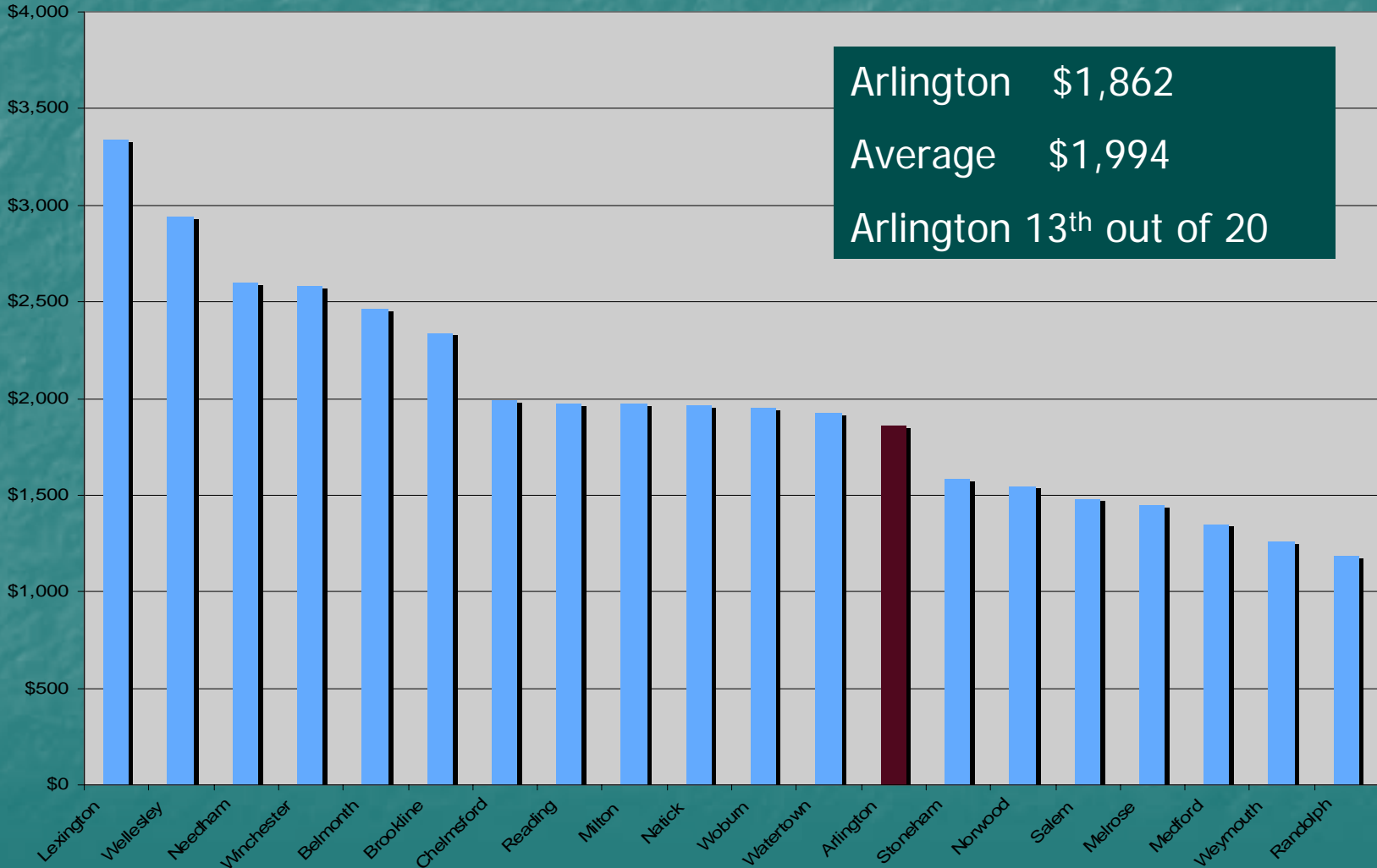
FY2007 Municipal Revenue Growth Factor



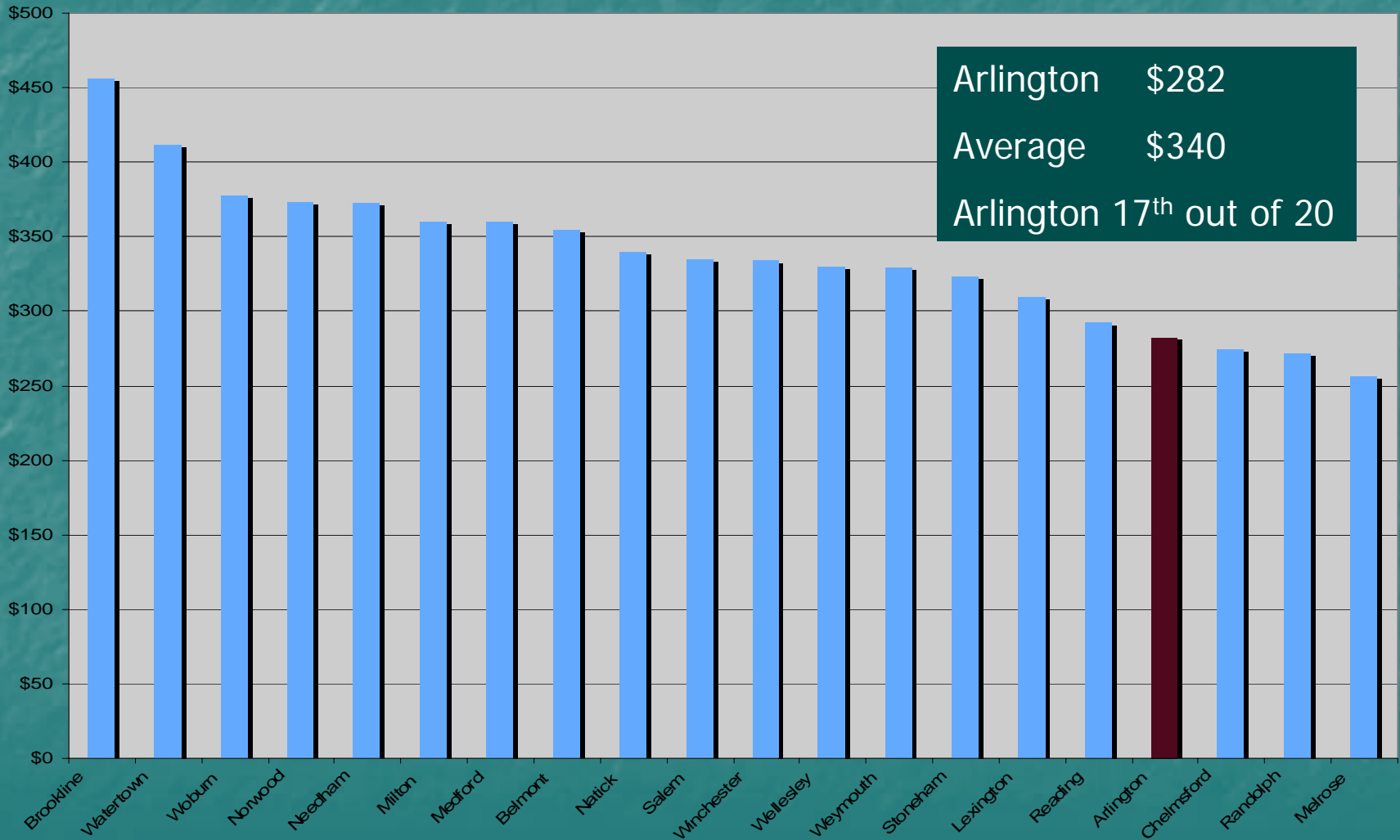
FY2007 Commercial/Industrial % of Total Value



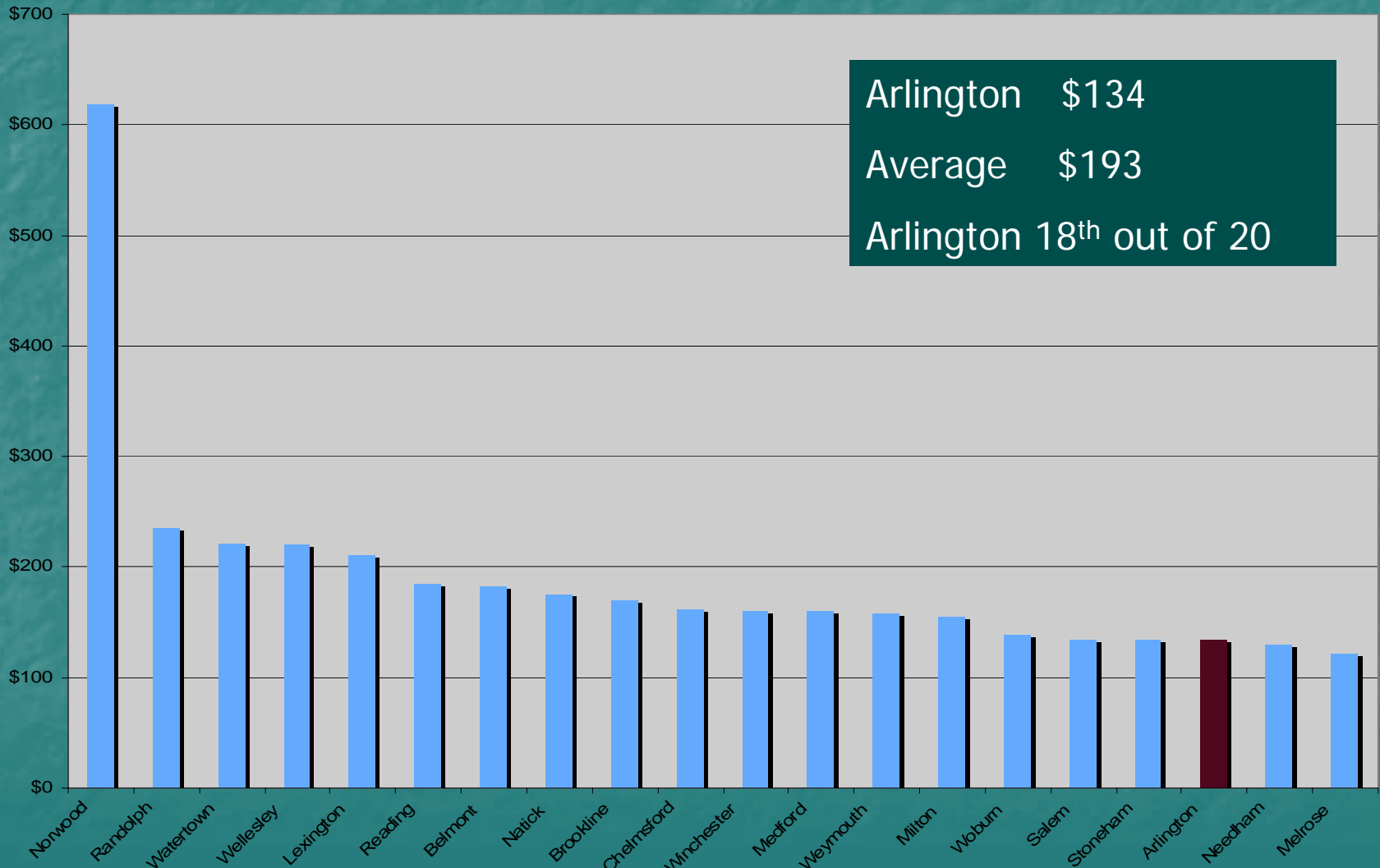
FY2007 Taxes Per Capita



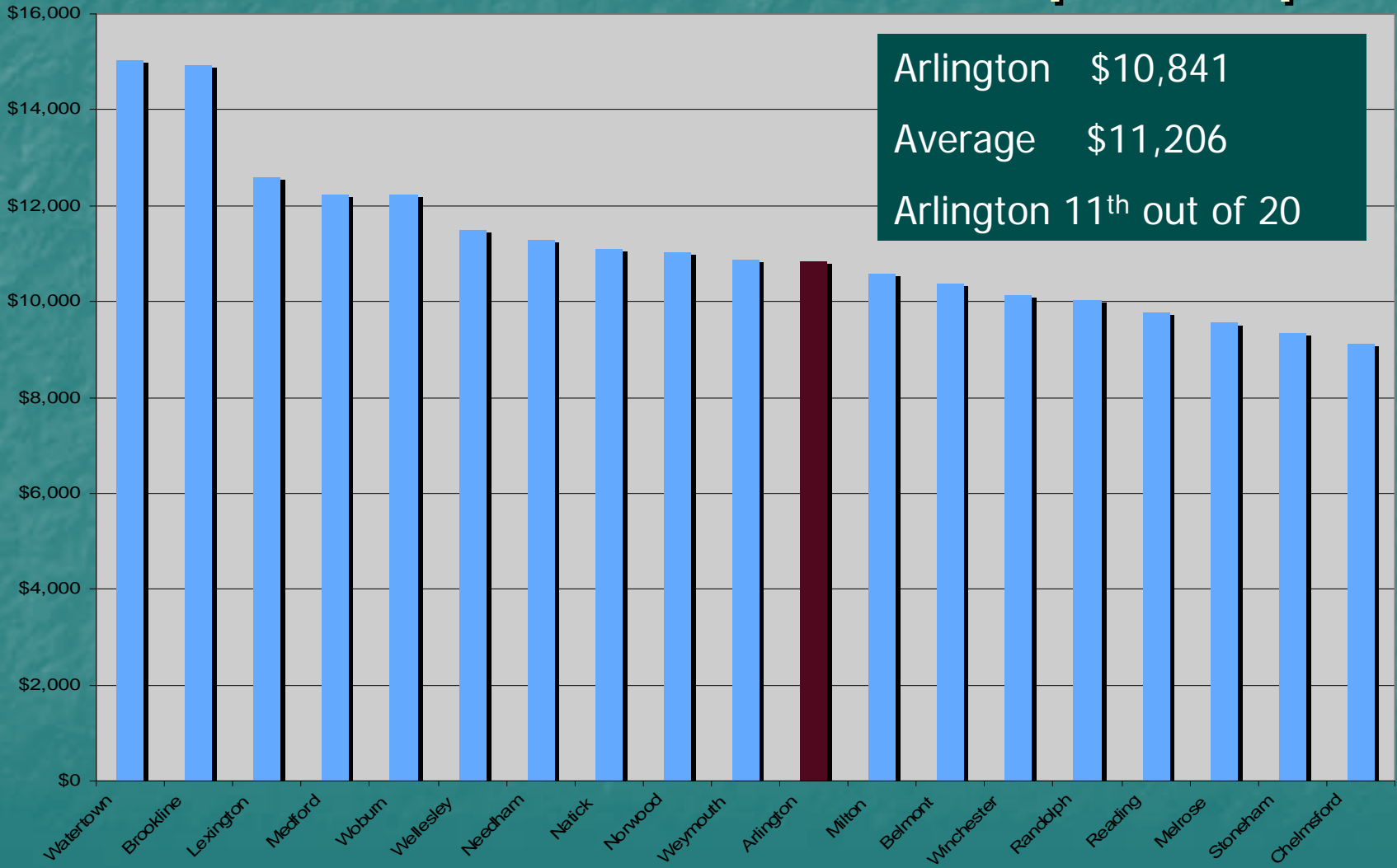
FY2006 Public Safety Exp Per Cap



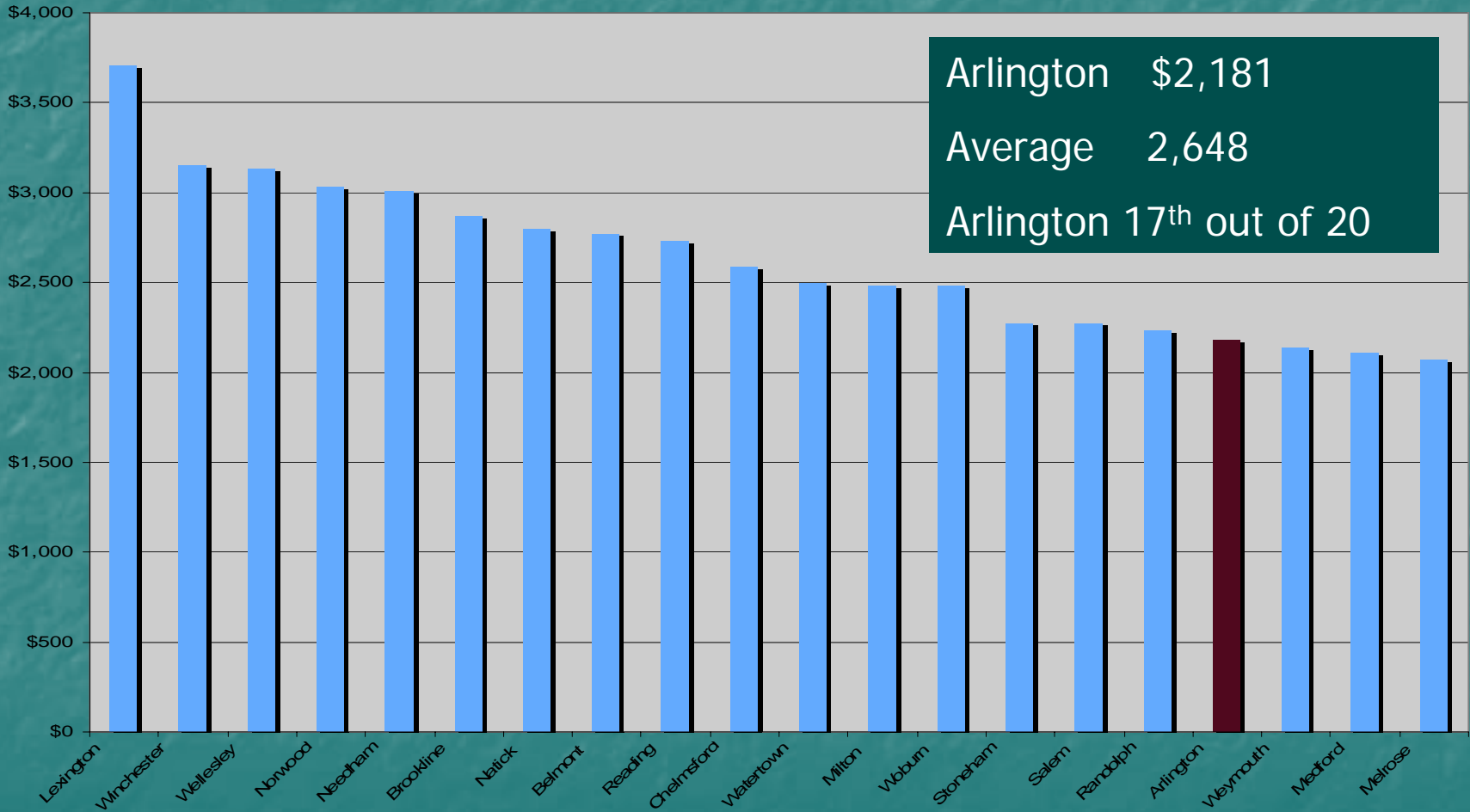
FY2006 Public Works Exp Per Cap



FY2006 School Per Pupil Exp



FY2006 Total Exp Per Cap



Budget Priorities

Public Safety and Education

- Police
 - One additional officer added to assist with criminal investigations
 - \$20K overtime allocated to assist with traffic enforcement
- Fire
 - \$22K overtime allocated to help maintain minimum staffing levels
- Education
 - \$70K re-allocated from municipal to school department

Budget Requests-Unable to Fund

Police

- 3 additional Patrolmen – Traffic Division

Fire

- Additional Firefighters

- Additional Overtime

Library

- Sunday openings

- Reinstatement of lost hours on Thursday mornings

- Full-time Technology Librarian

- Part- time Public Relations Coordinator

- Increased resources for books, subscriptions, and recordings

Public Works

- Additional Laborers in Highway and Natural Resources

- Materials and Equipment Expenses held even though costs are increasing

- Diagnostic Equipment in Motor Equipment Repair shop

\$700,000

Cost Savings Strategy

- Public Works reorganization
 - one management position eliminated
- Cemetery Maintenance (service contract)
 - 2-6 positions eliminated
- Regional Cooperation
 - Economies of scale
- Performance Measurements
 - Identify areas for efficiencies and productivity
 - Best practices
- Public Forums
 - Solicit resident input for additional cost saving strategies and gauge resident priorities for services

Cost Saving Strategies

Healthcare

- Implemented and Ongoing
 - Increased contribution rate
 - Increased co-pays
 - Consolidated plans
 - Offered Opt-out incentives
 - Continue Active Disease Management Program
- Future Opportunities
 - Join State's healthcare program (GIC)
 - Expand Wellness Programs

Cost Saving Strategies

■ Energy

- Substantial savings from Utility Rebate Program
- Entered into long-term electricity/natural gas contracts
- Formed Energy Working Group
 - Joined EPA's Community Energy Challenge
 - Implementing Sustainable Arlington's Action Plan
- Purchased alternative fuel vehicles

■ Recycling

- Hired PT Recycling Coordinator
- Reduced refuse tonnage (5%- \$57K)
- Held several recycling events
- Engage apartments and schools to improve recycling practices

Maximize Use of Technology

- Consolidated Town and School IT operations
- Hired new Information Technology Director
- Upgraded network infrastructure
- Upgraded to dedicated fiber optic line via RCN
- Launched state-of-the-art 911 Call Center
- Implemented Reverse 911 Service
- Explore GIS technology for public safety and public works operations

Improve Communications with Residents

- Maintain timely content on arlingtonma.gov (meeting schedules, agendas, minutes, etc)
 - Site generates an average of 18-20K sessions per week
- Publish instant email alerts to 1K+ subscribers (public health, snow emergencies, trash)
- Develop online resident support center (due to launch February 25, 2008)
- Periodic Columns in Advocate
- R-911 Call System
- Town-wide resident survey
- Public Forums/ Summits

Revitalize Commercial Districts

- Storefront Improvement Design Assistance
- Storefront Improvement loans (3 banks)
- Mass Ave. Corridor Project
- Study to determine what businesses to recruit to create sustainable synergy
- Zoning Overlay Districts
- Sign Bylaw Improvements
- Adjustments to Parking Requirements
- Working with Chamber of Commerce
 - Business Improvement District
 - Broadway Plaza Improvement Effort

Upgrade and Maintain Infrastructure

- Schools
- Fire Stations
- Parks/Playgrounds
- Rink
- Water & Sewer



Summation of Budget

- 5-Year Plan is working but only with tight cost controls
- Budget addresses priorities and maintains services
- Incorporates a number of cost saving strategies
- It is forward thinking – identifies challenges ahead
- Action steps to address challenges already being taken