

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, NOVEMBER 8, 2010

Present: Ald. Gentile (Chairman), Ciccone, Linsky, Salvucci, Danberg, Fuller and Freedman

Absent: Ald. Rice

Also present: Ald. Blazar, Crossley, Lappin, and Merrill

City staff present: David Wilkinson (Comptroller), (Retirement Board Executive Secretary), Nunzio Piselli (Chair of the Retirement Board), Kimberly Fletcher (Retirement Board Member), John Daley (Patrol Officers Union), William Spalding (Superior Officers Union), Frank Eldridge (Superior Officers Union), Tom Lopez ((International Firefighters Union), Alice Ingerson (Community Preservation Planner), David Olson (City Clerk), Nancy Grissom (Chair of Community Preservation Committee), David Turocy (Deputy Commissioner of Public Works), Hugh Downing (Executive Officer, Police Department), Michael Cronin (Director of Operations, School Department), Arthur Cabral (Special Project and Budget Specialist; Public Buildings Department), Stephanie Kane Gilman (Public Buildings Commissioner), Arthur Cabral (Budget and Project Specialist; Public Buildings Department), and Marc Welch (Director, Urban Forestry)

#296-10 NEWTON RETIREMENT BOARD requesting Board of Aldermen acceptance of Chapter 131, Sections 27 and 28 of the Acts of 2010 related to local option to supplemental pension allowance to surviving spouses of disabled employees.
[09-30-10 @ 11:59 AM]

APPROVED 4-2-1 (Freedman, Fuller opposed; Danberg abstaining; Ciccone excused) on 10/25/10

ACTION: APPROVED 4-0-2 (Freedman, Fuller abstaining; Ciccone excused)

NOTE: The item was recommitted to the Finance Committee on November 1, 2010 by the Full Board for further discussion. It is a request to accept Sections 27 and 28 of Chapter 131 of the Acts of 2010. If the acceptance is approved it will increase the benefits to surviving spouses of disabled retirees, who died from a cause that is unrelated to their job-related disability to \$9,000 a year. Ald. Freedman and Fuller submitted a number of financial questions regarding the item, which were attached to the agenda. The Retirement Board Executive Secretary Kelly Byrne provided responses to the questions, which are attached. The Chairman reviewed a number of the responses with the Committee to ensure that there was clarity regarding the financial impact to the City if the item is approved.

The Chairman stated that the cost of the proposed supplemental pension allowance for the ten eligible beneficiaries for the first year is \$17,500. It was explained that the proposal increases the benefit from \$6,000 to \$9,000; however, that does not result in a cost of \$30,000 because the ten widows have received a number of cost of living adjustments over the years. The estimated present net value of the supplemental benefit is \$106,000. The City has the option of paying that amount up front but if the City opts to fund it over 28 years, the estimated cost is \$6,000 for the first year with an increase of four percent each year for 27 years resulting in a total cost of approximately \$316,000.

There is the potential of an additional 27 eligible beneficiaries in the future. The potential beneficiaries are a finite number as the benefit is limited to those with spouses retiring before Retirement Option C was an available choice. If you factor in some probabilities regarding the potential 27 individuals and the 10 eligible beneficiaries, the impact to the funding schedule is \$6,600 for the first year with an additional increase of four percent each year for 27 years. Comptroller David Wilkinson provided the attached breakdown based on an e-mail from the actuary of the projected impact on the annual retirement appropriation over twenty-eight years if all 37 individuals take advantage of the proposed supplemental pension. Not all of the 27 potential individuals will receive the benefit but there are a number of probabilities that cannot be accurately determined; therefore, the exact number of individuals is not available.

It was pointed out that there was another piece of legislation for a local option that if accepted may increase the maximum base on which the cost of living is calculated in multiples of \$1,000. Currently all retirees receive a cost of living adjustment on the first \$12,000 of their retirement. If the option were accepted, the Retirement Board and Board of Aldermen could raise the base for cost of living adjustments. The Retirement Board has not recommended the option for approval, as they felt that it is more important to provide an increase in benefits for the surviving spouses of disabled retirees as they receive the smallest retirement benefits.

Ald. Linsky moved approval of the acceptance of the local option, which carried by a vote of four in favor, two abstentions and one excused. Ald. Freedman and Fuller thanked David Wilkinson and Kelly Byrne for the additional information they provided. However, they abstained, as they would like further clarity on the estimated funding schedule.

REFERRED TO CMTE. ON COMM. PRESERV. AND FINANCE COMMITTEE

#274-10 **COMMUNITY PRESERVATION COMMITTEE** recommending that the sum of forty-six thousand six hundred forty dollars (\$46,640) be appropriated from the fiscal 2011 historic resources reserve of the Community Preservation Fund and expended under the direction and control of the City Clerk, to survey all archival collections held by the City of Newton and set broad priorities for their preservation, as detailed in the Community Preservation Committee's funding recommendation to the Board of Aldermen. [09-24-10 @ 12:18 PM]

CPC APPROVED 5-0 on 10/26/10

ACTION: APPROVED 5-0 (Gentile, Linsky not voting)

NOTE: The Community Preservation Committee is recommending that \$46,640 of Community Preservation Fund money be used to perform a survey of all archival material located within City departments. The survey will be done by a consultant and it will provide the City with a list of all collections, location of the materials, an assessment of the condition of the collection, an assessment of the storage conditions, and a priority ranking of materials for preservation.

The Community Preservation Committee made the recommendation in February 2010 that before any further Community Preservation Act funds were spent on archival materials that a survey of each department's archival collections be undertaken. It is a benefit to the City as it sets priorities for archival preservation and identifies the archival materials held by the City. City Clerk, David Olson, who will oversee the project advocated for it. He stated that most departments within the City do not have an accurate inventory of their materials. It is important to inventory the materials to create a strategic plan to address preservation before the City loses

important information. It is likely that additional Community Preservation Act funds will be requested to begin improving archival storage in City departments.

Ald. Ciccone moved approval, which carried unanimously.

REFERRED TO CMTE. ON COMM. PRESERV. AND FINANCE COMMITTEE

#299-10 COMMUNITY PRESERVATION COMMITTEE requesting that budgeted FY11 revenue from state matching funds to the Community Preservation Fund be revised from \$681,605 to \$618,181, to reflect the final amount confirmed by the Massachusetts Dept. of Revenue to the Newton Comptroller on October 8, 2010. [10/12/2010 @ 1:42pm]

CCP APPROVED AS AMENDED 5-0 @ \$616,589 on 10/26/10

ACTION: APPROVED AS AMENDED 5-0 @ \$616,589 (Gentile, Linsky not voting)

NOTE: The item is a request to reduce the FY'11 Community Preservation Fund budget line item for state matching funds from \$681,605 to 618,181. The Community Preservation Fund budget is set before the actual amount of matching funds from the State are determined. Comptroller David Wilkinson provided a memo that was attached to the agenda requesting an amendment to the docket item. The actual reduction needed to rebalance the Community Preservation Fund is \$65,016 to \$616,589. The Community Preservation Fund budget needs to be rebalanced before the City can submit the tax rates to the Department of Revenue. Ald. Danberg moved approval as amended, which carried unanimously.

#304-10 HIS HONOR THE MAYOR requesting authorization to appropriate and expend two thousand four hundred sixty-nine dollars and thirty-five cents (\$2,469.35) from the Newton Wellesley Hospital Traffic Mitigation Fund to reimburse the Department of Public Works for funds expended at the intersection of Washington Street and Commonwealth Avenue prior to June 9, 2010 in accordance with Condition #22 in Special Permit Board Order #470-04. [10/22/10 @ 2:44 PM]

ACTION: APPROVED 5-0 (Gentile, Linsky not voting)

NOTE: The Department of Public Works has made several improvements at the intersection of Washington Street and Commonwealth Avenue. The improvements totaled approximately \$100,000 and \$90,000 of that was funded by mitigation funds from two projects: the Arborpoint project at Woodland and the Newton Wellesley Emergency Department expansion. The Comptroller informed the Department of Public Works that there was an addition \$2,469.35 available in the Newton Wellesley Hospital Mitigation Fund to reimburse the department. Therefore, the item is a request to expend the \$2,469.35 to compensate the Public Works Department for the cost of improvements made before June 9, 2010, which is the five-year expiration date for use of the funds. Ald. Salvucci moved approval of the item, which carried unanimously.

#305-10 HIS HONOR THE MAYOR requesting authorization to accept and expend a grant of two hundred fifty one thousand five hundred dollars (\$251,500) awarded by the Office of Community Oriented Policing Services at the U.S. Department of Justice for the purpose of purchasing specialized security enhancing equipment for the public schools. [10/22/10 @ 12:47 PM]

ACTION: APPROVED 5-0 (Gentile, Linsky not voting)

NOTE: The docket item is a request to expend a grant of \$251,000 from the Office of Community Oriented Policing Services at the U.S. Department of Justice. The grant is to be used to provide improved security at the high schools, middle schools, and elementary schools in Newton. The grant is a matching grant with a 50% local match requirement; therefore, the City will need to expend \$251,500. The \$90,000 for the Newton South High School cameras will be funded by a carry forward account and the balance of this year’s matching funds will be funded by Charter Maintenance. All of next year's expenditures will be funded by Charter Maintenance.

A few years ago, the City received a grant to perform threat assessments at the city’s schools. Because of the assessments, there were a few deficiencies recognized. The grant funds will be used to address the deficiencies and provide video surveillance at the high schools.

Ald. Fuller moved approval, which carried by a vote of five in favor, none opposed and two not voting.

#306-10 **HIS HONOR THE MAYOR** requesting authorization to accept and expend a reimbursable grant of seventy-eight thousand five hundred thirty-one dollars and ninety cents (\$78,531.90) awarded by the Massachusetts Executive Office of Public Safety and Security for the purpose of purchasing specialized equipment that will enhance security at critical infrastructure sites. [10/22/10 @ 12:48PM]

ACTION: **APPROVED 6-0 (Gentile not voting)**

NOTE: The item is a request to expend a reimbursable grant from the State’s Executive Office of Public Safety and Security awarded to the Police Department. The grant funds are to be used to improve security at critical infrastructure sites within the City. Critical infrastructure sites include special event sites, financial institutions, corporations, or businesses that have received threats.

The Police Department is likely to purchase automatic plate readers for patrol cars and pedestrian barricades to enhance security around the sites. The specialized equipment was pre-approved by the Department of Homeland Security, as part of the grant program. The equipment purchased through the grant funds may also be used for other areas of police work. The Committee had no questions regarding the grant and Ald. Danberg moved approval, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#308-10 **HIS HONOR THE MAYOR** requesting authorization to appropriate and expend sixty-four thousand five hundred dollars (\$64,500) from Budget Reserve for the purpose of funding the environmental cleanup projects as follows:

PROJECT	COST
Cabot School LSP Services	\$7,500
Horace-Mann Elementary School LSP Services	\$41,000
Newton South High School LSP Services	\$8,500
Elliot Street DPW Yard LSP Services	\$7,500
TOTAL	\$64,500

[10/22/10 @ 2:44PM]

**PUBLIC FACILITIES APPROVED 2-0-5 (Albright, Gentile, Crossley,
Danberg, Lappin abstaining; Lennon not voting) on 11/03/10**

ACTION: **APPROVED 5-0 (Gentile, Salvucci not voting)**

NOTE: The item was discussed at the November 3, 2010 Public Facilities Committee meeting and further information was requested from the Public Buildings Department. The additional information was provided in the November 5, 2010 packet. The Public Facilities Committee was concerned that there was a request for additional money for three of the sites. During discussion of the previous request for funds for the four cleanup projects, the Public Facilities Committee was told that three of the sites would be closed out in the very near future.

The backup consisted of breakdown of the FY' 10 license site professional (LSP) services and related cleanup costs for the four 21E cleanup projects, as well as an explanation from the LSP Project Manager regarding the closing out three of the projects. . Special Project and Budget Specialist Arthur Cabral explained that the last request for funds came before the Board of Aldermen in March of this year and it was stated that the projects would be closed out by the end of this year, which is still likely to happen.

The Horace Mann cleanup funds will be included in the operating budget next year, as it is an ongoing yearly expenditure. There is also funding for leak detection systems in the Capital Improvement Plan. Currently no additional City owned sites require environmental cleanup.

Ald. Fuller moved approval of the item, which carried unanimously. Ald. Crossley requested a history and/or statement of expenditure for each of the 21E cleanup projects.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#309-10 HIS HONOR THE MAYOR requesting authorization to reduce the following FY' 11 Water and Sewer Fund Revenue Budgets and corresponding expenditure budgets as projected revenues for the complete fiscal year are expected to be less than the forecasted revenue projections:

WATER FUND REVEUE	REDUCTION
Current Year Reserve.....	\$110,000
Transfer to Sewer Fund.....	\$620,000
Autos/Light Trucks	\$171,000
Engineering Services	<u>\$200,000</u>
TOTAL WATER REDUCTION	\$1,101,000

SEWER FUND REVEUE	REDUCTION
Reserve.....	\$276,000
MWRA Payments	\$52,000
PC Software Administration	\$190,000
Autos/Light Trucks	\$150,000
Construction Equipment	\$15,000
Capital	\$200,000
Temporary Staffing.....	<u>\$37,000</u>
TOTAL SEWER REDUCTION	\$920,000

[10/22/10 @ 2:44PM]

PUBLIC FACILITIES APPROVED 6-0 (Lennon, Albright not voting) on 11/03/10

ACTION: APPROVED 5-0 (Gentile, Salvucci not voting)

NOTE: Chief Financial Officer Maureen Lemieux presented the request to reduce the expenditure budgets in both the water and sewer revenue budgets. There appears to be a \$1.4 million shortfall in the actual revenues versus the forecasted revenues used when the water and sewer enterprise budgets were set. The Board of Aldermen needs to take an action on this item before the City can submit the tax rates.

The City has three options to address the seeming shortfall in the enterprise accounts: raise the rates, use the water reserve funds, or adjust the budget by deferring capital projects. The Executive Office believes that deferring capital projects is the best option, as it is likely that the actual revenues will exceed the forecasted revenues as the fiscal year progresses. In addition, the deferred projects can be refunded, if funds are available.

There was concern that the sewer budget reduction included all of the Sewer Fund Reserve. Ms. Lemieux stated that she had investigated the possibility of using a difference source for those funds but the Comptroller has already provided the preliminary numbers to the Department of Revenue. It would not be pertinent to make changes to what was already submitted. The Executive Office is aware that the reserve funds should contain 7 to 15% of the overall budget and is working to address the shortfalls in the reserve funds.

Ald. Fuller suggested looking at raising the water/sewer rates to address water and sewer infrastructure maintenance, which is substantially underfunded. Ms. Lemieux responded that she did not believe that it was a good idea to raise the rates as the City is in the process of installing new water meters and the actual revenues from water consumption are unknown. In addition, the sewer and water infrastructure maintenance is a regional issue. The Executive Department will review the situation with the Board of Aldermen in February 2011.

Ald. Linsky moved approval of the item, which carried by a vote of five in favor and none opposed.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#298-10 **HIS HONOR THE MAYOR** requesting authorization to transfer the sum of fifty thousand dollars (\$50,000) from the FY2011 Budget Reserve to the Parks & Recreation Forestry Vehicle Rentals Account for the purpose of supplementing the accounts related to tree emergencies. [10/08/10 @2:20PM]

PROGRAMS & SERVICES APPROVED 7-0 on 11/03/10

ACTION: APPROVED 5-0 (Gentile, Salvucci not voting)

NOTE: The requested funds will be used for costs associated with tree emergencies resulting from weather or accidental damage to trees. The Parks and Recreation Department provided a breakdown of the costs to date for the tree emergencies, which was attached to the agenda. The money will be used to reimburse the department for the costs for equipment rental incurred since July 1, 2010 and leave \$29,800 for future costs.

The tree emergency fund is traditionally underfunded in the budget and the Chief Financial Officer Maureen Lemieux is investigating ways to address the issue, such as bringing it in-house. Ms. Lemieux will be having conversations with the Commissioner of Public Works to determine whether the tree emergency work could be a joint effort between the Public Works Department and the Parks and Recreation Department. Ald. Ciccone moved approval, which carried unanimously.

The meeting adjourned at 9:02 and all other items before the Committee were held without discussion. Draft Board Orders for the above items are attached.

Respectfully submitted,

Leonard J. Gentile, Chairman

Questions on #296-10 submitted by John Freedman and Ruthanne Fuller

November 3, 2010

Financial questions:

Please clarify the cash outlays for (1) next year and (2) future years if we keep the benefit at \$6000 or increase it to \$9000. For example, if the ten surviving widows are still alive next year, would cash outlays increase by $10 \times \$3000$ or \$30,000? Why is the amount of \$30,000 never mentioned in any of the materials?

The Section 101 allowance was last increased from \$3,000 to \$6,000 in 1995. Any new Section 101 widow subsequent to 1995 began at the \$6,000 rate and has received COLA's to date. Therefore, the pending increase would bring them from their current rate (\$6,000 + ytd COLA's) to the \$9,000. So it's not a full \$3,000 increase to these widows.

Please clarify what the difference is between the \$6000 and \$6600 figures.

As explained in the Actuary's email, the \$6,000 figure represents liability for the current 10 widows. The additional \$600 represents liability for the potential 27 widows who could receive this benefit in the future. The probability of these widows receiving this benefit can't be determined where only a living spouse can receive the benefit. The Retirement System is legally required to verify that a retiree is living and receiving their benefit on a bi-annual basis. There is no legal requirement to verify that a beneficiary is currently living (verified at retirees death), so there is also the possibility that all 27 widows are not currently living.

Please explain the \$17,500 annual pay-as-you-go cost of the benefit change for the 10 surviving spouses and the statement that "the total increase in current benefit payments for the 10 survivors would be about \$17,500". How does this relate to the \$6000 "actuarial" figure?

The Actuary was given some factual components to work with in computing the affect on the retirement systems funding schedule, these were:

- *Immediate increase in current pension payroll cost based on 10 current widows was \$17,500*
- *Funding schedule extended to year 2038*

The Actuary takes this data and calculates the unfunded liability by amortizing the cost over the 28 years remaining on the funding schedule.

When the potential additional 27 retirees are included, what is the financial impact of increasing the payout from \$6000 to \$9000? What is the cash outlay? What is the actuarial cost per year? What is the present value of the stream of the higher payout to the 27?

The financial impact on the funding schedule is \$600 as explained above.

There is no financial impact in current pension payroll cost if all 27 widows were to receive the Section 101 benefit. The 27 disability retirees are currently receiving \$614,101 in disability payments per year. The Sec. 101 benefit at \$9,000 for all

27 widows would amount to \$243,000, which would result in a reduction in current payroll expense of \$371,101.

What payments did the retired disabled employee and their spouse receive (in the group of 10) receive prior to the death of the retired employee and then after the employee died?

The disabled retiree received his/her accidental disability retirement benefit pursuant to Option A or B prior to his/her death. Upon the retiree's death, the widow received the Section 101 benefit at the rate eff. on the date of death:

1964	\$1,200
1972	\$1,680
1984	\$3,000
1995	\$6,000

What payments are the potential pool of 27 retirees receiving currently? What is the payment once the retired disabled employee dies if there is a surviving spouse (both if we keep the \$6000 level and if we raise the amount to \$9000)?

- Current payments to 27 accidental disability retirees = \$614,101
- Section 101 benefit payment to 27 widows @\$6,000 = \$162,000
- Section 101 benefit payment to 27 widows @ \$9,000 = \$243,000

What payments do retired disabled employees who retired after November 1996 receive? What is the payment once the retired disabled employee dies if there is a surviving spouse? How does this amount compare to either the \$6000 or the \$9000?

Post-Nov/1996 disabled retirees receive benefits pursuant to the option they selected at retirement (Option A, B or C). Payment to a beneficiary depends on both option selection and cause of death. If the retiree did not select Option C and the cause of death is unrelated to the disability, there is no annual payment to a beneficiary (lump sum of any remaining annuity would be payable to the named beneficiary, under Option B). If the retiree chose Option C and died of an unrelated cause, the Option C beneficiary (usually the spouse) would receive 2/3 of the retirees benefit at the time of death.

If the cause of death is related to the disability, the spouse would receive an Accidental Death benefit which is equal to 72% of the disabled employees salary at time of retirement (tax-free), plus a lump sum refund of any remaining annuity in the retirees account – the Accidental Death benefit is payable to the spouse regardless of the option selected at the time of retirement. Similar to the disability application process, the widow would have to apply for this benefit and is subject to the approval of both the Retirement Board and our State regulatory authority (PERAC).

The footnote says that the current pay-as-you-go benefit total for the 27 potential beneficiaries is \$614,102 per year, compared to a total pay-as-you-go benefit total of \$243,000 if all 27 were to predecease their spouses and become eligible for a \$9000 annual survivor benefit. What would be the total pay-as-you-go benefit if all 27 were to predecease their spouses and we keep the \$6000 annual survivor benefit? Should we analyze this in the pay-as-you-go methodology or the actuarial methodology

or with both?

**see numbers above*

The actuary writes that the present value of the \$17,500 would be about \$106,000. What is the present value of the payments for all potential beneficiaries (the 10 plus the potential 27)? Is it simply \$106,000 plus 10% or \$116,600? The Chair of Finance also mentioned a figure of about \$320,000. What is that amount?

The present value of existing 10 plus potential 27 per Actuary = \$120,000. The \$320,000 is the annual increase in appropriation of \$6,600 amortized over the 28 years remaining on the funding schedule, including 4% annual interest.

The actuary writes that the \$6000 payment in the funding schedule will increase at 4% per year through 2038. Please explain the 4% increase each year. For example, does the payment to the survivor increase each year? Does this 4% increase each year apply to the \$6600 figure?

The payment does not match the increase that the survivor's benefit increases each year. The survivor payment increases pursuant to any COLA increase the Retirement Board may approve each year. According to the Actuary's email he stated "Applying the appropriate amortization factor, leads to an increase of about \$6000 in the Funding Schedule. This payment will increase at 4% per year through 2038." It appears that the 4% is an assumption the Actuary uses in preparing the funding schedule.

The actuary writes that on a cash flow basis, there will be a net outflow for several years, followed by a net inflow to the trust. Please explain. Please clarify the impact of this on the present value of the payments.

The materials note that there are 27 retirees that could predecease their spouse and if they die from a cause not related to their disability, then the spouse could receive a Section 101 benefit. What benefit does the spouse receive if they die from a cause related to their disability?

**Answered above.*

How many of the 27 are in Group 4 (Fire and Police) compared to Group 1 & 2?

Group 1: 8 Group 4: 19

What are the ages of the widows/widowers and potential widows/widowers?

The Section 101 benefit is not an age based formula so we would not have data regarding the current or potential widows age. Of the 10 existing widows, 4 live in Newton and according to the City Census they range in age from 84-89.

The average age of the 27 disability retirees is 69.

Non-financial questions:

The materials say that this benefit change applies only to the surviving spouses of certain former employees who at the time of their retirement were "unable to select a benefit option that provided a continuing benefit for a surviving spouse." But, the surviving spouses appear to be receiving a continuing benefit of \$6000 annually. Please clarify whether the surviving spouses are already receiving a continuing benefit. Please clarify whether the employees at the time of their retirement could select a benefit option that provided a continuing benefit for a surviving spouse.

**answered previously*

The materials say that this benefit change applies only to the surviving spouses of certain former employees who at the time of their retirement (prior to November 1996) were unable to select a benefit option that provided a continuing benefit for a surviving spouse. Please clarify what benefit options were available before and after 1996 for surviving spouses and the contribution required by the employee, before and after 1996.

**please see previously answered question. As far as the contribution required by the employee before and after 1996, these are retirees not employees. Only active employees make contributions to the system.*

If the effected retirees had the post November 1996 options available, what would have been the impact on their benefits, pensions, survivor benefits, and contributions?

**answered previously*

What benefits have the disabled employees and their spouses been receiving prior to the death of the disabled employee? What benefits will the surviving spouse receive after the death of the disabled employee?

**answered previously*

Have the names of the disabled employees and/or the surviving widows been shared with members of the Board of Aldermen or the Retirement Board or is this information confidential?

The names of the disabled employees are public information and will be provided upon your written request to do so.

Why did Massachusetts change the pension laws to allow cities and towns to increase the minimum pension benefit payable to widows and widowers of certain deceased City employees from \$6000 to \$9000 per year?

This question should be addressed to the State Legislators' who formulated and approved this local option bill.

The Mayor's Five Year Financial Forecast for FY11 - FY16 show debt service growing annually at 0.7%, Newton Public Schools growing annually at 1.7%, municipal expenditures growing annually at 2.0% BUT retirement costs growing annually at 7.5% (from \$23 million to \$33 million). Is my understanding of the significant increasing costs of the retirement system correct?

Has the City of Newton increased any other benefits in a manner similar to this in the past 5 years? If yes, what is the percentage increase? (This is a 50% increase.)

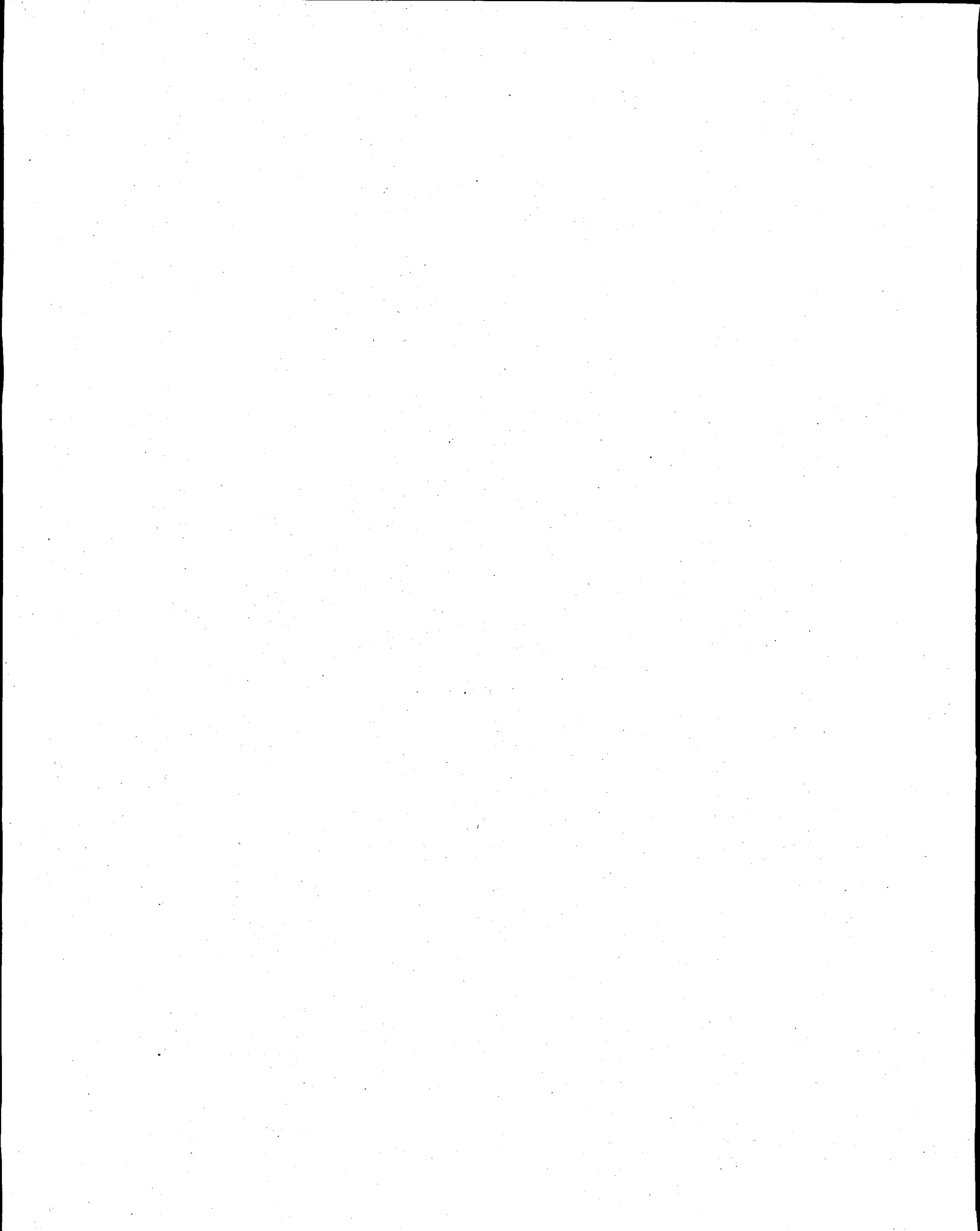
Do we have the option of increasing the payment by less than 50%? For example, if we chose a 5% or 10% increase or \$6000 to \$6300 or \$6600, would that be possible?

You do not have this option.

Docket Item #296-10
Projected Impact on Annual Retirement Appropriation {1}

<u>Fiscal Year</u>	<u>Appropriation Increase {1}</u>
2012	6,600.00
2013	6,864.00
2014	7,138.56
2015	7,424.10
2016	7,721.07
2017	8,029.91
2018	8,351.11
2019	8,685.15
2020	9,032.56
2021	9,393.86
2022	9,769.61
2023	10,160.40
2024	10,566.81
2025	10,989.49
2026	11,429.06
2027	11,886.23
2028	12,361.68
2029	12,856.14
2030	13,370.39
2031	13,905.20
2032	14,461.41
2033	15,039.87
2034	15,641.46
2035	16,267.12
2036	16,917.81
2037	17,594.52
2038	18,298.30

{1} Increase above the amount called for in the 01/01/2010 funding schedule.



CITY OF NEWTON

IN BOARD OF ALDERMEN

, 2010

ORDERED:

That in accordance with the recommendation of the Newton Retirement Board through its Chairman, Nunzio Piselli, and the Finance Committee through its Chairman, Alderman Leonard J. Gentile, the City of Newton hereby accepts the provisions of Sections 27 and 28 of Chapter 131 of the Acts of 2010, for purposes of authorizing the Newton Retirement Board to increase the supplemental pension allowance to surviving spouses of disabled employees from six thousand dollars (\$6,000) to nine thousand dollars (\$9,000) pursuant to Massachusetts General Law Chapter 32, Section 101 effective upon the date of approval but not earlier than January 1, 2011.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

CITY OF NEWTON

IN BOARD OF ALDERMEN

, 2010

ORDERED:

That, in accordance with the recommendations of the Community Preservation Committee through its Chairman Nancy Grissom; the Committee on Community Preservation through its Chairman Alderman Susan Albright; and, the Finance Committee through its Chairman Alderman Leonard J. Gentile, the sum of forty-six thousand six hundred forty dollars (\$46,640) is hereby appropriated and transferred from the Community Preservation Fund Historic Resources Reserve to be expended under the direction and control of the City Clerk/Clerk of the Board of Aldermen, to survey all archival collections held by the City of Newton and set broad priorities for their preservation, as detailed in the Newton Community Preservation Committee's funding recommendation to the Board of Aldermen:

FROM:	Historic Resources Reserve (21R10498-5790B)	\$46,640
TO:	Archival Survey (21B10104-5301)	\$46,640

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

CITY OF NEWTON
IN BOARD OF ALDERMEN

, 2010

ORDERED:

That, in accordance with the recommendations of the Community Preservation Committee through its Chairman Nancy Grissom; the Committee on Community Preservation through its Chairman Alderman Susan Albright; and, the Finance Committee through its Chairman Alderman Leonard J. Gentile, the following adjustments to the City of Newton FY 11 Community Preservation Fund budget, be and are hereby approved in order to rebalance the Community Preservation Fund budget due to an unanticipated decline in State matching funds as follows:

- Reduce anticipated FY 2010 state aid revenue by \$65,016 to \$616,589
- Reduce the FY 2010 Community Preservation General Reserve budget by \$65,016 to \$1,377,473

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

CITY OF NEWTON

IN BOARD OF ALDERMEN

ORDERED:

That in accordance with the recommendation of the Finance Committee through its Chairman, Leonard J. Gentile, the sum of two thousand four hundred sixty-nine dollars and thirty five cents (\$2,469.35) be and is hereby appropriated from the Newton-Wellesley Hospital Emergency Department Expansion Traffic Mitigation Funds, to reimburse the Public Works Department, for the construction of improvements to the intersection of Commonwealth Avenue (Rte.30) and Washington Street (Rte.16):

FROM: Traffic Mitigation Funds (14K101E-5901)	\$2,469.53
TO: Transfer – General Fund (01-4970114K).....	\$2,469.53

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

CITY OF NEWTON

IN BOARD OF ALDERMEN

2010

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chairman Leonard J. Gentile, the Chief of Police is hereby authorized to accept and expend a Community Oriented Policing Services (COPS) Secure Our Schools Grant awarded by the Office of Community Oriented Policing Services at the U.S. Department of Justice in the amount of two hundred fifty one thousand five hundred dollars (\$251,500) to be used to purchase specialized security enhancing equipment Newton public schools.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

CITY OF NEWTON

IN BOARD OF ALDERMEN

2010

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chairman Leonard J. Gentile, the Chief of Police is hereby authorized to accept and expend a reimbursable FFY 2009 Buffer Zone Protection Program Grant awarded by the Massachusetts Executive Office of Public Safety and Security in the amount of seventy-eight thousand five hundred thirty-one dollars and ninety cents (\$78,531.90) to be used to enhance security at critical infrastructure sites within the City of Newton.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

CITY OF NEWTON

IN BOARD OF ALDERMEN

2010

ORDERED:

That, in accordance with the recommendation of the Public Facilities Committee through its Chairman Sydra Schnipper and the Finance Committee through its Chairman Leonard J. Gentile, the sum of sixty-four thousand five hundred dollars (\$64,500) to be appropriated from Budget Reserve, be and is hereby appropriated, granted, and expenditure authorized under the direction of the Commissioner of Public Buildings for the purpose of for the purpose of funding environmental clean-up at the following sites:

Cabot Elementary School	\$7,500
Horace Mann Elementary School	\$41,000
Newton South High School	\$8,500
Elliot Street DPW Yard	\$7,500

FROM:	Budget Reserve	
	(0110498-5790).....	\$64,500
TO:	Environmental Remediation	
	(C115020-5301).....	\$64,500

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

CITY OF NEWTON
IN BOARD OF ALDERMEN

, 2010

ORDERED:

That, in accordance with the recommendations of the Public Facilities Committee through its Chairman Alderman Sydra Schnipper; and, the Finance Committee through its Chairman Alderman Leonard J. Gentile, the following adjustments to the City of Newton FY 11 Water and FY 11 Sewer Fund Revenue budgets and corresponding expenditure budgets, be and are hereby approved in order to rebalance the FY'11 Water and FY 11 Sewer Fund budgets as follows:

WATER FUND REVEUE	REDUCTION
Current Year Reserve.....	\$110,000
Transfer to Sewer Fund.....	\$620,000
Autos/Light Trucks	\$171,000
Engineering Services	\$200,000
TOTAL WATER REDUCTION	\$1,101,000
SEWER FUND REVEUE	REDUCTION
Reserve.....	\$276,000
MWRA Payments	\$52,000
PC Software Administration	\$190,000
Autos/Light Trucks	\$150,000
Construction Equipment	\$15,000
Capital	\$200,000
Temporary Staffing.....	\$37,000
TOTAL SEWER REDUCTION	\$920,000

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

CITY OF NEWTON
IN BOARD OF ALDERMEN

2010

ORDERED:

That, in accordance with the recommendation of the Programs and Services Committee through its Chairman Amy Mah Sangiolo and the Finance Committee through its Chairman Leonard J. Gentile, the sum of fifty thousand dollars (\$50,000), to be appropriated from Budget Reserve, be and is hereby appropriated and expenditure authorized under the direction of the Commissioner of Parks and Recreation for the purpose of supplementing the tree emergencies accounts in the Parks and Recreation Department as follows:

FROM:	Budget Reserve (0110498-5790).....	\$50,000
TO:	Parks Expenses (01602011-5273).....	\$48,310
	Parks Salaries (01602011-513001	\$1,690

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor