

**Town of Arlington
Massachusetts**

**Report of the
Finance Committee**



SPECIAL TOWN MEETING
Wednesday, October 10, 2012

REPORT OF THE CHAIR OF THE FINANCE COMMITTEE

While this Special Town meeting was called as a result of a citizen initiative for non-financial issues, it has presented an opportunity to address on a timelier basis three matters of a financial nature that can bring significant value to Arlington. These are School Budget Changes, Collective Bargaining Agreements and funding for the Thompson School Project.

In recent years, Arlington has offered free half-day kindergarten sessions, but those families wishing to have their children attend full-day sessions had to make tuition payments, either directly or through need-based scholarship programs. Tuition students were not counted as part of Arlington Public Schools enrolled student base. A recent change in the Commonwealth's Chapter 70 school-aid law and the way it treats Arlington's "Foundation Budget" provides for higher Chapter 70 payments to the Town for increased qualified kindergarten enrollment. One way for APS to achieve increased kindergarten full-time equivalent enrollment is to convert the tuition kindergarten students to non-tuition students, which would decrease APS revenues by \$970,000 per year. Alert School Department management personnel and parents determined that this decrease in revenue would bring in additional Chapter 70 revenue of \$1.4 million per year. Since the State's Department of Education determines enrollment by the prior year actuals on October 1, it was necessary for the APS to forego tuition collections this year in order to qualify for the increased Chapter 70 next year and in following years. Through FY 2018, the state aid increase, after paying for actual decreased revenues, will be approximately \$1.18 million in addition to the benefit of Arlington parents getting free all-day kindergarten. For this reason the Finance Committee applauds the efforts of APS management and recommends increasing the FY 2013 School Budget by \$970,000 through a transfer from certified Free Cash.

The Town Manager and several of the Town's employee unions have reached new collective bargaining agreements. Funding for these agreements was voted in the 2012 Annual Town Meeting and in the May 7, 2012 Special Town Meeting; this vote releases them into compensation payments. The agreements fall within the 3.5% budgetary growth constraints of the Town's Long Range Plan. Resolution of these agreements is good for the Town and the Town's employees.

Last May, following earlier authorization by Town Meeting, the Town sold the Crosby School to its tenant, Schools for Children. Proceeds from the sale went into the Town's Sale of Real Estate Fund. Town meeting authorized the sale as part of the funding program for the rebuilding of Thompson School. Releasing these funds now, rather than at the Annual Town Meeting in the spring of 2013, can save the Town tens of thousands of dollars in interest expense.

**Respectfully submitted,
Charles Foskett
Acting Chair, Finance Committee**

ARTICLE 5

COLLECTIVE BARGAINING

To see if the Town will vote to fund any fiscal items in the event that any are contained in collective bargaining agreements between the Town and the following named collective bargaining units, and to fund for non-union, M Schedule, and elected officials' salaries or fringe benefits, determine how the money shall be raised and expended; or take any action related thereto:

- A. Local 680, American Federation of State, County and Municipal Employees;
- B. Service Employees International Union (formerly NAGE);
- C. Robbins Library Professional Association;
- D. Local 1297, International Association of Firefighters;
- E. Arlington Patrolmen's Association;
- F. Arlington Ranking Police Officers' Association;
- G. M Schedule and non-union employees; and
- H. Full-time elected officials.

(Inserted at the request of the Town Manager)

VOTED: That the Town hereby ratifies the following financial items in the collective bargaining agreements and memoranda of agreement with the following enumerated collective bargaining units and hereby approves the following financial items relating to non-union employees and full-time elected officials:

A. Local 680, American Federation of State, County, and Municipal Employees

- (1) a 3% general wage increase effective July 1, 2012;
- (2) a 2.75% general wage increase effective July 1, 2013;
- (3) a 2.75% general wage increase effective July 1, 2014;
- (4) snow and ice incentive increase; and
- (5) tool allowance increase

and that for this purpose the sum of \$150,627.00, which is to be raised by the general tax and which has been previously appropriated and set aside by vote of the 2012 Annual Town Meeting under Warrant Article 38, may be expended under the direction of the Town Manager, provided that this vote shall be null and void unless the collective bargaining unit has ratified the collective bargaining agreement no later than October 9, 2012;

B. Service Employees International Union

- (1) a 3% general wage increase effective July 1, 2012;
- (2) a 2.75% general wage increase effective July 1, 2013;
- (3) a 2.75% general wage increase effective July 1, 2014;
- (4) snow and ice incentive; and
- (5) pay for performance program

and that for this purpose the sum of \$72,286.00, which is to be raised by the general tax and which has been previously appropriated and set aside by vote of the 2012 Annual Town Meeting under Warrant Article 38, may be expended under the direction of the Town Manager;

C. Robbins Library Professional Association

- (1) a 3% general wage increase effective July 1, 2012;
- (2) a 2.75% general wage increase effective July 1, 2013; and
- (3) a 2.75% general wage increase effective July 1, 2014

and that for this purpose the sum of \$15,453.00, which is to be raised by the general tax and which has been previously appropriated and set aside by vote of the 2012 Annual Town Meeting under Warrant Article 38, may be expended under the direction of the Town Manager;

D. Local 1297, International Association of Firefighters

- (1) a 2% general wage increase effective September 1, 2011;
- (2) a 1% general wage increase effective January 1, 2012;
- (3) a 3% general wage increase effective July 1, 2012;
- (4) a 2.75% general wage increase effective July 1, 2013;
- (5) a 2.75% general wage increase effective July 1, 2014;
- (6) EMT increases for FY13 and FY14; and
- (7) purchase of promotional examination study guides and reimbursement of certain promotional examination costs

and that for this purpose the sum of \$91,591.00, which is to be raised by the general tax and which has been previously appropriated and set aside by vote of the May 7, 2012 Special Town Meeting under Warrant Article 3, and the sum of \$250,240.00, which is to be raised by the general tax and which has been previously appropriated and set aside by vote of the 2012 Annual Town Meeting under Warrant Article 38, may be expended under the direction of the Town Manager, provided that this vote shall be null and void unless the collective bargaining unit has ratified both the memorandum of agreement and collective bargaining agreement no later than October 9, 2012;

F. Arlington Ranking Police Officers' Association

- (1) a 2.75% general wage increase effective July 1, 2011;
- (2) a 3% general wage increase effective July 1, 2012;
- (3) a 2.75% general wage increase effective July 1, 2013;
- (4) a 2.75% general wage increase effective July 1, 2014;
- (5) staff assignment premiums; and
- (6) clothing allowance increase

and that for this purpose the sum of \$33,551.00, which is to be raised by the general tax and which has been previously appropriated and set aside by vote of the May 7, 2012 Special Town Meeting under Warrant Article 3, and the sum of \$88,462.00, which is to be raised by the general tax and which has been previously appropriated and set aside by vote of the 2012 Annual Town Meeting under Warrant Article 38, may be expended under the direction of the Town Manager;

G. M Schedule and Non-Union Employees

- (1) a 3% general wage increase effective July 1, 2012;
- (2) a 2.75% general wage increase effective July 1, 2013; and
- (3) a 2.75% general wage increase effective July 1, 2014;

and that for this purpose the sums of \$50,395.00 (M Schedule) and \$70,105.00 (non-union), which are to be raised by the general tax and which have been previously appropriated and set aside by vote of the 2012 Annual Town Meeting under Warrant Article 38, may be expended under the direction of the Town Manager; and

H. Full-Time Elected Officials

- (1) a 3% general wage increase effective July 1, 2012;
- (2) a 2.75% general wage increase effective July 1, 2013; and
- (3) a 2.75% general wage increase effective July 1, 2014;

and that for this purpose the sum of \$5,231.00, which is to be raised by the general tax and which has been previously appropriated and set aside by vote of the 2012 Annual Town Meeting under Warrant Article 38, may be expended under the direction of the Town Manager; and that the Classification and Pay Plan be and hereby is amended accordingly.

(11-0)

COMMENT: The Town Manager and several of the Town's employee unions have reached new collective bargaining agreements. Funding for these agreements was voted in the 2012 Annual Town Meeting and in the May 7, 2012 Special Town Meeting; this vote releases them into compensation payments. The agreements fall within the 3.5% budgetary growth constraints of the Town's Long Range Plan. A more detailed analysis prepared by the Town Manager's office is attached in Exhibit I.

ARTICLE 6

CAPITAL BUDGET/THOMPSON SCHOOL

To see if the Town will vote to appropriate a sum of money from the Sale of Real Estate Fund to defray the expense of reconstructing the Thompson Elementary School; or take any action related thereto.

(Inserted at the request of the Town Manager)

VOTED: That the sum of \$2,873,671.74 be and hereby is appropriated from the Sale of Real Estate Fund to fund the reconstruction of the Thompson Elementary School located at 60 North Union Street.

(11-0)

COMMENT: Releasing these funds at this time rather than at the Annual Town Meeting in 2013 can save the town tens of thousands of dollars in short-term borrowing interest expense.

Exhibit I: Analysis and Commentary Article 5

ARTICLE 5

COLLECTIVE BARGAINING

To see if the Town will vote to fund any fiscal items in the event that they are contained in collective bargaining agreements between the Town and the following named collective bargaining units, and to fund for non-union, M Schedule and elected officials salaries or fringe benefits, determine how the money shall be raised and expended; or take any action related thereto:

A. Local 680, American Federation of State, County and Municipal Employees;

Summary: The Town of Arlington and AFSCME, Local 680, came to a tentative agreement in mid-August of 2012. The Agreement must be ratified by the Union on or before October 9, 2012.

The final contract centers on adjustments to the salary table and several other minor modifications to snow incentive pay and tool allowances for building maintenance staff and mechanics.

Description: The contract is for a three-year period commencing July 1, 2012 through June 30, 2015. Cost of living increases were consistent with those of other unions who settled for the same period.

Wages:	July 1, 2012	3.0% Increase
	July 1, 2013	2.75% Increase
	July 1, 2014	2.75% Increase

Snow and Ice Incentive: Currently, any custodian, recreation, cemetery, community safety mechanics, the DPW Administrative Assistance and/or natural resource employees that responds to every winter snow/ice event from November 1st to April 30th (at least two in the season) receives a snow incentive of \$400. The new agreement would increase the snow incentive by \$100, to \$500.

Tool Allowance: Town mechanics currently receive a \$500 tool allowance. Under the new agreement, the mechanic's tool allowance would increase by \$100, to \$600 and the building maintenance staff would receive a \$300 tool allowance. Both mechanics and building maintenance staff will be responsible for purchasing their own hand tools, including cordless power tools.

ITEM	FY11	FY12	FY13	TOTAL
7/1/2010 - 0%	0			-
7/1/2011 - 2% (9/1/11) 1% (1/1/12)		Funds previously appropriated		-
7/1/2012 - 3%			145,627	145,627.00
				-
Snow Incentive			2,000	2,000.00
Tool Allowance			3,000	3,000.00
TOTAL ROLL OUT COST OF 3 YEAR PERIOD	0	0	150,627	150,627.00

B. Service Employees International Union

Summary: The Town of Arlington and SEIU, Local 888, came to a tentative agreement in mid-May of 2012. The Agreement was ratified by the Union on May 23, 2012.

The final contract centers on adjustments to the salary table, the addition of snow and ice incentive language and the addition of a performance and development pay program.

Description: The contract is for a three-year period commencing July 1, 2012 through June 30, 2015. Cost of living wage increases were consistent with those of other unions who settled for the same period.

Wages:

July 1, 2012	3.0% Increase
July 1, 2013	2.75% Increase
July 1, 2014	2.75% Increase

Snow and Ice Incentives: Consistent with other union contracts whose membership is required to respond during snow and ice events, members of the union shall receive a \$400 incentive if the bargaining unit member reports to every winter snow/ice event on and between November 1st and April 30th, providing that there are at least two events.

Pay for Performance Program: In continuance of its mission to provide excellent service to the community, the Town shall have the authority to

implement a program where bargaining unit employees may apply to enhance their pay through improvements to their job performance. Employees who either demonstrate a higher level of qualitative and quantitative output and/or develop skills or competencies that can enhance their ability to perform in their current job or boost their eligibility for potential promotions or increase their understanding of the functions of government may be eligible for a one-time payment of \$350.

ITEM	FY11	FY12	FY13	TOTAL
7/1/2010 - 0%	-			-
7/1/2011 - 2% (7/1/11) 1% (1/1/12)		Funds previously appropriated		-
7/1/2012 - 3%			55,586	55,586.00
				-
				-
Snow Incentive			2,000	2,000.00
Performance & Development Pay			14,700	14,700.00
TOTAL ROLL OUT COST OF 3 YEAR PERIOD	-	-	72,286.00	72,286.00

C. Robbins Library Professional Association

Summary: The Town of Arlington and the Robbins Library Professional Association came to a tentative agreement in early June of 2012. The Agreement was ratified by the Union on August 27, 2012.

The final contract centers on adjustments to the salary table.

Description: The contract is for a three-year period commencing July 1, 2012 through June 30, 2015. Cost of living wage increases were consistent with those of other unions who settled for the same period.

Wages:

July 1, 2012	3.0% Increase
July 1, 2013	2.75% Increase
July 1, 2014	2.75% Increase

ITEM	FY11	FY12	FY13	TOTAL
7/1/2010 - 0%	0.00			-
7/1/2011 - 2% (7/1/11) 1% (1/1/12)	Does not require an appropriation			-
7/1/2012 - 3%			15,453.00	15,453.00
				-
				-
TOTAL ROLL OUT COST OF 3 YEAR PERIOD	0.00	0.00	15,453.00	15,453.00

D. Local 1297, International Association of Firefighters;

Summary: The Town of Arlington and the International Association of Firefighters, Local 1297 came to a tentative agreement in mid-September of 2012. The Town and the union have not been under contract since June 30, 2009. The parties agreed to a Memorandum of Agreement (MOA) for FY10 through FY12 and agreed on a successor agreement for FY13 through FY15. Both agreements must be ratified by the Union on or before October 9, 2012.

The final contract centers on adjustments to the salary table and EMT pay.

Description: The MOA and the successor agreement are both for three-year periods. The MOA commenced on July 1, 2009 through June 30, 2012 and the successor agreement commenced on July 1, 2012 through June 30, 2015. Cost of living wage increases were consistent with those of other unions who settled for the same period.

Wages:

July 1, 2009	0% Increase	MOA FY10-FY12
July 1, 2010	0% Increase	
September 1, 2011	2% Increase	
January 1, 2012	1% Increase	
July 1, 2012	3.0% Increase	Successor Agreement
July 1, 2013	2.75% Increase	
July 1, 2014	2.75% Increase	

EMT Pay: The Town and Union agreed to increase the EMT pay from 1% of maximum firefighter salary to 1.5% of maximum firefighter salary in FY13 and to 2% of maximum firefighter salary in FY14.

Other Provisions:

Promotional Exams and Promotional Exam Study Guides: The Town agreed to purchase two sets of study guides for the Human Resources Division promotional exams for Fire Captain and Lieutenant. The Town also agreed to reimburse members of the bargaining unit who pass Human Resources Division Promotional Exams.

ITEM	FY11	FY12	FY13	TOTAL
7/1/2010 - 0%	0			-
9/1/2011 - 2%		70,131	70,131	140,262.00
1/1/2012 - 1%		21,460	21,460	42,920.00
7/1/2012 - 3%			137,215	137,215.00
				-
EMT Stipend - 0.5%			19,434	19,434.00
Purchase of Exam Study Guides & Exam Reimbursement			2,000	2,000.00
TOTAL ROLL OUT COST OF 3 YEAR PERIOD	0	91,591	250,240	341,831.00

E. Arlington Ranking Police Officers' Association;

Summary: The Town of Arlington and the Arlington's Ranking Officers' Association came to a tentative agreement in mid September of 2012. The Town and the union have not been under contract since June 30, 2010. The parties agreed on a Memorandum of Agreement (MOA) for FY11 through FY12 and agreed on a successor agreement for FY13 through FY15. Both agreements were ratified by the Union on September 20, 2012.

The final contract centers on adjustments to the salary table, the addition of staff assignment premiums and clothing allowances.

Description: The MOA and the successor agreement are both for three-year periods. The MOA commenced on July 1, 2010 through June 30, 2012 and the successor agreement commenced on July 1, 2012 through June 30, 2015. Cost of living wage increases were consistent with those of other unions who settled for the same period.

Wages:

July 1, 2010	0% Increase	MOA FY10-FY12
July 1, 2011	2.75% Increase	
July 1, 2012	3.0% Increase	Successor Agreement
July 1, 2013	2.75% Increase	
July 1, 2014	2.75% Increase	

Staff Assignment Premiums: The Town and Union agreed that employees represented by the bargaining unit who are regularly assigned to the Support Services/Training, Traffic/Parking Officer in Charge, or Details & Licensing functions shall be paid a five percent (5%) staff assignment differential.

Clothing Allowance: Members of the bargaining unit currently receive a clothing allowance of \$500. The Town and Union agree to increase the clothing allowance by \$100, to \$600. Members of the bargaining unit agree to assume the responsibility of purchasing their own body armor.

ITEM	FY11	FY12	FY13	TOTAL
7/1/2010 - 0%	0			-
7/1/2011 - 2.75%		33,551	33,551	67,102.00
7/1/2012 - 3%			40,511	40,511.00
				-
Clothing Allowance			1,400	1,400.00
Day Assignment Stipend			13,000	13,000.00
TOTAL ROLL OUT COST OF 3 YEAR PERIOD	0	33,551	88,462	122,013.00

G: M Schedule and non-union employees;

Summary: The Town of Arlington’s M Schedule employees and non-union employees will receive cost of living increases that are consistent with the wage increases in the collective bargaining agreements for FY13 through FY15.

Wages:	July 1, 2012	3.0% Increase
	July 1, 2013	2.75% Increase
	July 1, 2014	2.75% Increase

M Schedule

ITEM	FY11	FY12	FY13	TOTAL
7/1/2010 - 0%	0			-
7/1/2011 - 2% (7/1/11) 1% (1/1/12)		Funds previously appropriated		-
7/1/2012 - 3%			50,395	50,395.00
TOTAL ROLL OUT COST OF 3 YEAR PERIOD	0	0	50,395	50,395.00

Non – Union

ITEM	FY11	FY12	FY13	TOTAL
7/1/2010 - 0%	0			-
7/1/2011 - 2% (7/1/11) 1% (1/1/12)		Funds previously appropriated		-
7/1/2012 - 3%			70,105	70,105.00
TOTAL ROLL OUT COST OF 3 YEAR PERIOD	0	0	70,105	70,105.00

H: Full time elected officials;

Summary: The Town of Arlington’s full-time elected officials will receive cost of living increases that are consistent with the wage increases in the collective bargaining agreements for FY13 through FY15.

Wages: July 1, 2012 3.0% Increase
 July 1, 2013 2.75% Increase
 July 1, 2014 2.75% Increase

ITEM	FY11	FY12	FY13	TOTAL
7/1/2010 - 0%	0			-
7/1/2011 - 2% (7/1/11) 1% (1/1/12)		Funds previously appropriated		-
7/1/2012 - 3%			5,231	5,231.00
TOTAL ROLL OUT COST OF 3 YEAR PERIOD	0	0	5,231	5,231.00