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Finance Committee Minutes 02-05-2003

ARLINGTON FINANCE COMMITTEE
 MINUTES OF MEETING
 7:30 PM O'Neill room, community safety building
 2/5/03

ATTENDEES:

Janowitz*	Feinleib	O'Riordan*	O'Neill*	Mahoney*
DeCoursey*	Connors	Simmons	Morrisette	
Tosti*	Foskett*	Deyst*	Ronan*	
Piandes*	Franclemont*	Jones*	Olsen*	
DuBois*	Howard*	Fanning*	Tosi*	Kneeland*

* Indicates present

VISITORS: Transportation Advisory Committee Chair Ed Starr, Retirement Board Administrator Rich Greco, Retirement Board Member Joe Rosselli, Paul Beyer

MINUTES of 2/3/03 approval postponed.

REPORTS:

CHAIR: Budgets expected on 2/12/03. May meet with Board of Selectmen on 2/10/03

EDUCATION SUBCOMMITTEE: It now appears that an additional appropriation for the Peirce renovation (draft Article 71) may not be required.

SYMMEs: Public Workshop scheduled for the evening of 2/13 in AHS auditorium. One of the plans to be discussed will likely be presented to a Special Town Meeting in May for bids during the summer. Interest on the Bond Anticipation Notes are being paid by rental income.

MINUTEMAN TECH: The Minuteman School Committee approved the budget. DeCoursey provided details and handouts. Costs are down 1%, but so are revenues, because the choice students have not been replaced. Land sales are planned. The Arlington "by agreement" assessment is \$2,309,405, a 9.6% increase. This budget includes health insurance costs. The Legislature took no action on the provision to allow out-of-district 9th graders to attend.

ARTICLE 6 (draft) TRANSPORTATION STUDY: Starr reviewed the work accomplished this year, the work planned for next year, and proposed continuing to hire an engineering intern at \$15/hr. He requested either \$18k for 6mos or \$32k for 12mo. He stated that \$10k to \$12k will remain in the FY03 appropriation in June.

VOTED A motion to appropriate \$8m was defeated 7-8-1. A motion to postpone action until budget policy is more clear was approved unanimously.

ARTICLE 37 (draft) ACCEPTANCE OF LEGISLATION ORDINARY DISABILITY RETIREMENT: Greco described the law and provided a handout. Currently veterans are eligible after 10 yrs credible service; others after 15 yrs. This law allows non-veterans the same benefit as veterans. All but eight towns have adopted this provision. Of the 610 current retirees, three are on ordinary disability. The FinCom requested a cost estimate from the Board's actuary.

ARTICLE 38 (draft) ACCEPTANCE OF LEGISLATION VETERAN'S BUYBACK: Greco explained, using a handout, that during the

1997 early retirement offering, employees with military service were allowed to add this service to their Arlington service time by paying the Retirement System 10% of their annual starting salary for each year of military service. This opportunity was offered for a limited time. An amendment to this law permits a community to reopen this buyback window for six months. Six employees are eligible. This may cost \$80k total. Rosselli characterized this buyback as insurance that an employee might buy in case he had to retire before reaching 32 years of service at which the maximum pension of 80% of final salary becomes available. Retirement before 32 yrs results in much smaller pension. The Finance Committee requested an actuarial report on the cost to the retirement system.

ARTICLE 46 (draft) PENSION ADJUSTMENT FOR RETIREES: This is the annual authorization to allow the Retirement Board to increase the pension of any retiree whose pension after cost-of-living adjustments fall below 50% of the current salary of the position he held before retirement. An increase made under a previous year's Warrant Article would not be affected by defeat of a subsequent year's article. The Finance Committee requested a report on the cost to the retirement system of this provision over the last 2 yrs. The Finance Committee also requested a revised retirement system funding plan that spreads the cost to 2028, the legal maximum.

RESERVE FUND BALANCE: \$300,000

Peter B. Howard, Secretary

Budget & Article Action Summary

Bud #	Date of presentation	Date of vote	\$	Vote	Art#	Date of presentation	Date of vote	\$	Vote/ assigned to
1					6	2/5	postponed		
2					7				
3					10				
4					11				
5					12				
6					14				
7					15				
8					17				
9					19				Foskett
10					20	2/3	2/3	Support	
11					21				
12					23				
13					26				
14					27				Foskett
15					30	2/3	postponed		
16					31	2/3	postponed		
17 a					36				
17 b					37	2/5	info req'd		
17 c					38	2/5	info req'd		
17 d					39				
17 e					42				
17 f					43				
19					44				
20					46	2/5	info req'd		
21 a					47				
21 b					48				
21 c					49				
21 d					50				
22					51				
23					52				
24					53				
25					54				
26					55				
WS					56				O'Neill
Rec					57				

Rnk					58				
CO					59				Foskett
A									
YS					60				DeCoursey
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					66				
					67				
77					68				
76					69				
75				Foskett	70				
74				Olsen	71		with drwn?		Fanning
73				Howard et al	72				