

ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
7:30 PM O'NEILL ROOM, COMMUNITY SAFETY BUILDING
2/6/06

ATTENDEES:

McGaffigan*	Fey*	Dunn*	O'Neill*	Mahoney*
DeCoursey	Connors*	Simmons*		
Tosti*	Foskett*	Deyst*	Ronan*	
Ferrara*	Franclemont*	Jones*	Olsen	
DuBois*	Howard*	Fanning*	Carman*	Kneeland*

* Indicates present

VISITORS: Paul Bayer, Retirement Board Members: John Bilafer, Joe Rosselli; Council On Aging Board Members: Chair Bob Tosi, Exec Director John Jope, Vice Chair Paul West, Bob Carey, Ann MacGowan, Harry McCabe

MINUTES of 2/1/06 meeting were approved. Unanimous.

PENSION ARTICLES

HEALTH CARE TRUST FUND: This fund was established to address the Town's unfunded liability for retiree's health care. The FinCom's policy since the fund was established has been to recommend that Town Meeting appropriate to the fund the difference in the cost of non-contributory pensions between when the fund was established (\$500k) and the budget year (\$279k in FY07). Bilafer stated that the Board's actuary will report the Town's liability in mid-March. The Board is considering other funding sources.

PENSION ADJUSTMENTS FOR 25YR AND ACCIDENTAL DISABILITY RETIREES:

Bilafer requested that these adjustments be reauthorized as they have been for many years to insure that retirees pensions are not destroyed by inflation. About 100 retirees are affected. In the past the inclusion of disability retirees was by mention of the appropriate section of the MA laws (Ch32 Sect 90A &90D according to Rosselli) but not in the descriptive text.

DISABILITY BENEFITS FOR VETERANS: Bilafer reviewed the history of this benefit. The local option law, passed in the late 1940s, stated that all municipal veterans, when they retired, "shall" annually receive \$15 per year of Town employment. For some time this benefit was capped if it increased the retiree's salary above 80% of his salary at retirement. In the early 90's this policy was challenged & the judge found that the benefit was not subject to the 80% cap. His opinion, however, was applied only to regular retirees, not to disability retirees. Recently the Board obtained new legislation that extended the benefit to disability (suffered on the job) retirees. This is the law that the Board wants the Town to accept. The annual cost is \$13.8k. The retroactive cost is \$278k. About 55 retirees are affected, of which 30 would receive the full \$300 (for 20 yrs service). The board would pay these costs from the retirement fund (now at \$120m to \$130m according to Bilafer) and refund them at a rate of \$45k to \$50k annually. As long as the stock market is strong, Bilafer accepts the 4% (promised to the voters during the override campaign) on increases in annual pension appropriations. In response to questions, Bilafer stated that unlike regular retiree pensions, disability retiree pensions, are based on 72% of salary at retirement and are not taxed. No appropriation is requested for FY07.

COUNCIL ON AGING ARTICLES: The COA proposed restoring or establishing 3

programs. They provided a handout for each article which summarized the history of the program, its benefits, & requested an appropriation. Tosi & Jope presented the material & answered questions.

MINUTEMAN SENIOR SERVICES: Until FY04 Arlington contributed its "fair share". Services are used by many elders. Request for FY07 is \$9625. FinCom requested amounts paid by other communities.

HARRY BARBER SERVICE PROGRAM: Seniors meeting income limits earn a fixed fee while working in a Town department. Program successful for several years but not funded starting in FY04. COA proposed a 14 person max program paying \$750/person. Total cost \$10500.

EXERCISE PROGRAM: New in FY06 when funded by a grant. Includes 3 different programs. Said to be well-subscribed. Grant renewal possible. \$8000 requested. Tosi suggested his priority would be Barber, Exercise, Minuteman. He also thought funds spent this way would offset the relatively high cost of the override to elders. COA not prepared to answer questions on use of trust funds. Human Services SubCom to follow up.

COMMITTEE: Next mtg Monday 2/13

RESERVE FUND BALANCE: \$248,590.66

Peter B Howard Secretary 2/3/06

cc Selectmen, FinCom Members, Town Manager, Library File, Town Web Site FinCom Web Site