



CITY OF CAMBRIDGE
Finance Department
City Hall, Cambridge Massachusetts 02139

Administration 349-4212
Tax/Utility Coll 349-4220
Treasury 349-4212
Payroll 349-4290

November 5, 1991

TO: Robert W. Healy
City Manager

FROM: James P. Maloney
Finance Director

SUBJECT: Council Order #20, dated 9/23/91

The Retirement Board has completed their analysis of the cost implications related to the City's acceptance of M.G.L. Chapter 32 Section 90c.

The acceptance of this Law mandates a pension increase for all retirees who are currently receiving an annual pension that amounts to less than one half of the existing annual salary for the position from which they retired. The increase would bring those affected retirees from their current pension to the amount equal to one half the existing salary. The total cost of this acceptance would be \$1,171,027.00 in the first year, all borne by property taxes. The increase would go to 230 retirees; an average \$5,091 annually to the affected retirees. Because of longevity factors and early retirements, many of these retirees would see an annual increase of over \$15,000, with one retiree receiving an annual increase of his pension of over \$34,000. Many retirees would receive a pension increase in excess of 100%.

Beyond the obvious inequities in this Law, with the City essentially at its Proposition 2 1/2 levy limit and projected to exceed it as early as next year, this acceptance of this act would be fiscally crippling to the City. I strongly urge that the Council not consider this acceptance of this act.



City of Cambridge

20.

IN CITY COUNCIL

September 23, 1991

COUNCILLOR SULLIVAN
COUNCILLOR TOOMEY
COUNCILLOR WALSH

WHEREAS: This City Council has passed previous orders relative to the acceptance of Massachusetts General Laws Chapter 32 Section 90C entitled "Increasing Allowance of Former Employees Retired on Superannuation;" and

WHEREAS: This City Council has requested the City Manager to determine the cost of acceptance of the above referenced statute; now therefore be it

ORDERED: That the City Manager be and hereby is requested to forward to this City Council the budgetary impact relative to the acceptance of this statute.

In City Council September 23, 1991.
Adopted by the affirmative vote of nine members.
Attest:- Joseph E. Connarton, City Clerk.

A true copy;

A handwritten signature in cursive script, reading "Joseph E. Connarton".

ATTEST:-

Joseph E. Connarton, City Clerk



16.

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

November 18, 1991

To The Honorable, The City Council:

In reference to Awaiting Report Item No. 42, regarding increasing allowance for former employees retired on superannuations, please find attached a response from James P. Maloney, Assistant City Manager for Fiscal Affairs, relative to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 16

S-1206

Awaiting Report Item Number 42, regarding
increasing allowance for former employees
retired on superannuations.

In City Council,

November 18, 1991

Placed on file