



# *City of Quincy, Massachusetts*

OFFICE OF THE COUNCIL

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COUNCILLOR AT LARGE

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**TO: ALL MEMBERS OF THE FINANCE COMMITTEE  
OF THE QUINCY CITY COUNCIL**

**FROM: COUNCILLOR JOSEPH G. FINN, CHAIRMAN**

The Finance Committee of the Quincy City Council will meet in the NEW CITY HALL COUNCIL CHAMBERS on MONDAY, MAY 21, 2012, AT 6:30 PM to discuss and act upon matters pending in Committee including:

**#2012-053 Palmucci Resolve re: Update on Unfunded Pension Liability**

**#2012-082 Finn/Gutro Resolve urging Administration to take steps in FY13 budget to address Unfunded Health & Pension liability**

**#2012-050 \$18 million bond for renovation & restoration of City Hall and Coddington School**

**Please attend this very important meeting.**

**COPY TO ALL COUNCILLORS  
DEPARTMENT HEADS  
PATRIOT LEDGER  
QUINCY SUN, QUINCY ACCESS TV  
MESSRS. SHEA, FATSEAS, TIMMINS,  
CAVANAGH, HARRINGTON, MASTERSON  
COMMR. RAYMONDI, MS. O'CONNOR**

CITY OF QUINCY  
IN COUNCIL



April 2, 2012

ORDER NO.

ORDERED: 2012-053

WHEREAS, the City of Quincy is obligated to provide adequate funding to support its retiree pension costs.

WHEREAS, in addition to pension costs, the city pays certain health insurance costs for its retirees, known as other post-employment benefits ("OPEB").

WHEREAS, Quincy's public employees currently pay 9% of their salaries to the public pension system and an additional 2% on salary over \$30,000.

WHEREAS, under state law, if an employee works for 32 years or more, they will receive 80% of their highest three-year salary average when they reach retirement age.

WHEREAS, employees must rely solely on their pensions, as they are not eligible to participate in Social Security.

WHEREAS, under such a system most employees will self-fund 100% of their total retirement costs.

WHEREAS, prior to 1988, municipalities operated on a "pay as you go" pension system which required that municipalities pay retiree costs only after employees had retired.

WHEREAS, prior to 1988 cities and towns had relatively few retirees, allowing annual costs to be kept relatively low in comparison to the long-term funding obligations of the systems.

WHEREAS, as the number of retirees began to increase, this system proved to be wholly unsustainable, and prompted state-wide pension reform which eliminated the "pay as you go" system.

WHEREAS, despite pension system reforms, pension funds were still liable to pay retiree pensions for those who had contributed no or insufficient amounts into the system. This is known as the unfunded pension liability.

WHEREAS, Quincy's unfunded pension liability as of July 1, 2009, was \$163,937,985, and the City's annual appropriation is approximately \$20 million which is intended to pay down that unfunded liability.

WHEREAS, state law requires that the City fully fund its currently unfunded pension liabilities by 2040.

NOW THEREFORE BE IT RESOLVED, that the City Council be provided an update on the status of the City's unfunded pension liability, as well any plans in place, currently in place, beyond annual appropriations to fund said liability as required by state law.

**YEAS** Coughlin, Croall, Finn, Hughes, McNamee, Gutro, Laforest, McFarland, Palmucci

**NAYS** Coughlin, Croall, Finn, Hughes, McNamee, Gutro, Laforest, McFarland, Palmucci

April 23, 2012

Introduced by

Joseph Finn, Councilor At Large  
Douglas Gutro, Councilor At Large

2012 - 082

**Resolution urging the administration to take steps in FY 2013 Budget to address unfunded health and pension liability**

Whereas; Council Order 2012-28 establishes a City Council request of the administration to provide various items with regard to the preparation of the City Budget; and

Whereas; the City of Quincy, like most communities has not established a long term strategy for meeting unfunded health and pension liability; and

Whereas, First Southwest representative Cinder McNerney recently testified before the Quincy City Council that many communities are taking steps to establish line items in their annual budgets to plan for unmet pension and health obligations; and

Whereas; as part of that planning, in addition to establishing line items in their annual budget process, municipalities are creating designated funds for unfunded pension and health liability to ensure proper accounting of such funds;

Now therefore be it resolved that the Quincy City Council urges the Mayor and his administration to introduce requisite ordinances to the City Council for the establishment of said funds; and

Be it further resolved that the Quincy City Council encourages the Mayor and his administration to include an annual appropriation in the 2013 budget request to begin a process necessary to meet future health and pension obligations.

*to Mayor*

**CITY OF QUINCY  
IN COUNCIL**

ORDER NO:

ORDERED: 2012-50

March 14, 2012

Be it ordained by the Quincy City Council that the aggregate amount of \$18,000,000 is appropriated to pay costs of the renovation and restoration of City Hall and the Coddington School, and for the payment of all other costs incidental or related thereto; that to meet this appropriation the Treasurer-Collector with the approval of the Mayor is authorized to borrow \$18,000,000 under G.L. c.44 or c.44B, or any other enabling authority; that the Mayor is authorized to take any other action necessary or convenient to carry out these projects; and that the Collector-Treasurer is authorized to file an application to qualify under G.L. c. 44A any or all of the bonds and to provide such information and execute such documents as may be required for these purposes.

PASSED TO BE ORDAINED

ATTEST:

CLERK OF COUNCIL

**YEAS** Coughlin, Croall, Finn, Gutro, Hughes, LaForest, McFarland, McNamee, Palmucci  
**NAYS** Coughlin, Croall, Finn, Gutro, Hughes, LaForest, McFarland, McNamee, Palmucci