



# City of Malden

Malden City Hall  
215 Pleasant Street  
Malden, MA 02148

## Meeting Minutes - Final Finance Committee

*Councillor-at-Large McDonald, Chair*  
*Councillor Condon, Vice-Chair*  
*Councillor O'Malley*  
*Councillor-at-Large Colon-Hayes*  
*Councillor Simonelli*  
*Councillor Linehan*

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Tuesday, April 11, 2023

6:00 PM

City Hall, Room #105  
215 Pleasant Street

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### Roll Call

**Present:** 5 - Councillor at Large Carey McDonald, Councillor Paul Condon, Ryan O'Malley, Karen Colon Hayes and Amanda Linehan  
**Absent:** 1 - Chris Simonelli

Also Present: Councillors Murphy, Crowe and Winslow  
Maria Luise-Mayor's Office  
Warren Atkinson-Member Retirement Board  
Domenic Fermano-Member Retirement Board  
James Ryan-Director Malden Retirement Board  
Dan Grover-Treasurer  
Alicia McNeil-Assistant City Solicitor

Councillor McDonald called the meeting to order at 6:00 PM.

### Minutes to be Approved

[146-23](#) Minutes of March 21, 2023 to be approved.

**A motion was made by Councillor Condon, seconded by Councillor at Large Colon Hayes, that the Committee Minutes of March 21, 2023 be approved. The motion carried by a unanimous vote.**

### Business

[138-23](#) Order: That the sum of Two Million Dollars (\$2,000,000) is appropriated from available water sewer enterprise fund retained earnings to be used for continued lead line replacement throughout the City.

**Sponsors:** Carey McDonald

**Attachments:** [Final Paper: 138-23](#)

*ill.Dan explained this is to help ramp up the lead line replacements through engineering. We have been spending millions of dollars in ARPA funds. The water price currently has \$6mill in retained earnings which is 19% of the budget. This is an opportunity to spend a little more money and accelerate the lead line replacement which would bring us down to*

about 13% in retained earnings which we feel comfortable with. The cause is worth the expense.

Maria said there are different pockets of money they are working from expected soon from Congresswoman Clarke's office air marked for us to replace the leadlines. This money would be for the leadlines that we are unable to do in house. It expands our program.

Councillor Winslow said he just had a meeting with Yem, Emily Granoff and Stephanie Muccini Burke to specifically talk about long term funding programs. There is some money targeted toward leadlines. Yem needs to find \$20mill over the next ten years to accelerate things to get it done in ten years. Emily said the money will probably come in three year spurts. The new strategy of focusing on the lead service lines in areas where kids are and publicly notifying constituents that we will pay to remove the leadline on the private side and the public side and we are getting another award for that. We have over \$2,500 but this is to insure we will be getting \$2,500 over the next ten years which is part of the \$20mill. He said Emily explained that there is money out there but it does not come up in one big clump, it comes up more in dribs and drabs. This funding helps to move forward. We need to crank the \$2,500 up and this would help. He said the ARPA money will run out next year so this is another addition to come up to the \$20mill. Councillor McDonald mentioned \$4mill-ARPA money, \$2mill MWRA Bond, \$3mill from Congresswoman Clarke's office and this \$2mill from W&S Funds which equals \$11mill which is halfway there.

Councillor O'Malley asked is this money only used for leadline replacements

Councillor Winslow said the time impediment is making sure we have enough money to dig up the street and repair the streets which is included in the \$20mill. That is why we are making sure this program has that much money.

Councillor McDonald said he also saw another paper which will bond some additional money for road paving again so we are not relying on this for that purpose.

Motion to approve this transfer by Councillor O'Malley seconded by Councillor

Colon-Hayes. All were in favor. Roll Call Vote: Condon:yes O'Malley:yes

Colon-Hayes:yes Linehan:yes McDonald:yes. 5-yay 0-Nay

**A motion was made by Councillor O'Malley, seconded by Councillor at Large Colon Hayes, that the Order be recommended favorably to the City Council. The motion carried by a unanimous vote.**

### 137-23

Order: That the City Council approve an additional 2% COLA for FY23 retroactive to July 1, 2022 for all retirees and survivors of the Malden Retirement System.

**Sponsors:** Carey McDonald

**Attachments:** [Retirement Board Recommendation](#)

[Final Paper: 137-23](#)

Councillor McDonald began with Paper #137-23 to approve a COLA raise from 3 James Ryan, Retirement Director explained that the slides were put together by a professional actuary of Stone Consultants, LLC these are his recommendations within the slides. (see attached).

Dan Grover, Treasurer explained FY23 we are looking at a 3% on \$18,000 COLA base but the proposal as voted by the board is they are requesting a 5% COLA increase based on \$18,000 and what this means is that in essence this only effects the existing retirees and no effect on activities and effect will increase liability roughly by \$2.3mill based evaluation of 6.75.

Jim said the legislation that is passed last fall was for a total 5% COLA, 3% was already passed and approved by the board July 1, 2022 to make it the 5% it is an additional 2% to get it to 5%. Right now 2/3rds of all the 102 municipal retirement systems have

approved this through their legislative Council. The impact of that is minimum which is .6% on the unfunded liability that the retirement system has and it only adds one more year to the payoff of this unfunded liability which will be in fiscal year 2031.

Councillor Murphy states the retirement board has the ability to approve a 3% COLA raise but anything after that has to come before the Council which is the 2% increase before us now.

Councillor McDonald said if we approve the 5% Cola increase the Mayor needs to recommend a funding strategy as part of the budget.

Dan said if the Council passes the Cola increase then PERAC and the State have to approve the outline of what the actuarial amount is in conjunction with the actuarial's but the Mayor has to come up with money to fund that. Dan continues with the presentation. (see attached) There are conversations between Perac, the City and the Retirement Board as to what the city can afford.

Dom Fermano said for clarification the bottom line figure we are talking about is not a result of the 2% or the annual 3% that we have in front of us. There are a lot of other factors that come in here such as increases in salaries now that you have a union involved nobody knows what that will be. There is a factor in the actuarial report that has a threshold as to what the increases this system can sustain if they are 4 or 5 but as you have increases in the salary portion that will effect us big time. There is \$45 per month that appears on every retirees paycheck with the addition of 2% its another \$30 per month which is \$75 for the year. If this raise happened at the end of this fiscal year it ends and we go back to the 3% based on the \$18,000 threshold. The Senate and the House got together due to inflation from the pandemic they decided to do something in November of last year and Governor Baker signed it.

Councillor Murphy explained social security COLA increase for 2022 was 8.7% which was what retirees who are not working for the City received last year. This is still under the threshold for somebody who had been contributing to FICA received which is probably one of the reasons the house and the senate got together to pass this to give towns the opportunity to give retirees a little change in their pockets due to the cost of living increases.

Councillor McDonald asked how does the performance of the portfolio effect our schedule and liability for payments

Jim said the actuary does the complete evaluation every two years of all the different factors and taking into account of performance of the portfolio

Dom said as a reference the last 20 years where we are with our finances our returns on our investments were ranked #3 in the state out of 102 retirement boards in the State including the state.

Councillor O'Malley asked if we know what the Mayor's position is on this

Maria said the Mayor sent this down as a financial paper and she feels if he was not going to support this he would not have sent it down

Dom said this particular paper is different than what the board normally sends down. We normally send down the boards decision on granting 3% on the \$18,000. This paper is different than because the way the bill the way it was signed is that the Mayor of the City has to be notified of the decision of the board he or she will make a valued judgement and approve or disapprove it. His judgement was to send it to the Council for a vote he approved it.

Councillor McDonald said our retirees deserve as much money as we are able to give them and our job as a Council is to weigh in all the different trade-offs. His preference would be to hold this vote and bring the controller in for more conversation. He is willing to move forward if the committee prefers to vote today.

Councillor Condon would like to move forward with this tonight.

Councillor Linehan said she would like to hear from the Controller, however does not want to hold it up to get close to the end. She also but asked if this has to go back before the state before approval.

*Dom said the vote has to be taken prior to June 30, 2023*  
*Councillor Hayes said she doesn't have a problem voting on this tonight.*  
*Councillor O'Malley would also like to hear from the Controller but would also like to have him come before the full council to talk about it on the floor*  
*Councillor McDonald said we could go forward with this vote tonight and ask the Controller to come before the Council before the vote on the floor in two weeks.*  
*Councillor Murphy clarifies that we could have a Full Council meeting and invite the Controller to speak.*  
*Councillor Linehan would like to have the paper on the docket and invite the Controller to speak at that Full Council Meeting.*  
*Motion was made by Councillor Condon to recommend approval of the 3% to 5% COLA increase seconded by Councillor O'Malley (an additional 2%). All were in favor. Roll Call: Condon-yes, O'Malley-yes, Linehan-yes, Colon-Hayes-yes and McDonald-yes. Passes 5-yay 0-Nay*  
*Councillor McDonald would like to see more written history of the votes the Council has had to take about the retirement system changes throughout the years.*

**A motion was made by Councillor Condon, seconded by Councillor O'Malley, that the Order be recommended favorably to the City Council. The motion carried by a unanimous vote.**

## Other Business

### Tabled Papers

[381-22](#)

Minutes of June 14, 2022 to be approved.

## Adjournment

**Motion was made by Councillor Condon, seconded by Councillor at Large Colon Hayes, that this meeting be adjourned at 6:57 PM. The motion carried unanimously.**