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For Immediate Release:  
May 17, 2010

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**MOORE VOTES FOR MUNICIPAL RELIEF, PENSION REFORM**

**BOSTON** - The Senate last Thursday unanimously passed a municipal relief bill that gives cities and towns new tools and local options to plan budgets, pool resources and save money, Senator Michael O. Moore (D-Millbury) announced today. The legislation also includes new pension reform provisions that will generate millions of dollars in savings for local and state retirement systems.

“This legislation will provide much-needed relief to our cities and towns,” said Sen. Moore. “Cities and towns are faced with their own severe financial constraints, but the budget crisis at the state level has made their situations worse. People depend on their local governments to provide quality public schools, police, fire, and countless other services that affect their daily lives. The importance of providing relief to our communities cannot be overstated.”

The pension reform provisions are a unique aspect of the Senate municipal relief bill and will apply to all current and new employees to the extent it is constitutionally permissible.

The key provisions include:

- A cap on pension earnings, restricting them to a percentage of the federal limit and eliminating grossly inflated pension pay-outs;
- Elimination, for all new employees, of the so-called “Section 10” termination allowance, which was removed for elected officials in last year’s pension reform legislation;
- An anti-salary-spiking rule that would limit the allowable annual increase in pensionable earnings to no more than 7 percent plus inflation, but would not apply to legitimate and permanent job changes or promotions;
- Adjusting benefits based on employment history by pro-rating retirement allowance for employees who have served in more than one service Group, eliminating an individual’s ability to jump to a higher Group just to receive a greater retirement benefit;
- A buy-back rule, consistent with all other state employees, that would require retired public officials elected to a new office to repay received benefits plus interest in order to rejoin the system; and

- A requirement for Supreme Court Justices, the only state employees who do not pay into the pension system, to contribute to their retirement benefits.

In addition to pension reforms, the bill also establishes cost-saving efficiency measures specifically for local governments and gives municipalities the ability to enter into shared-service agreements free from collective bargaining requirements.

Several regionalization measures in the bill would allow cities and towns to establish mutual aid agreements between fire, police, EMS, public works and other local services; and allow school districts to share superintendents and enter into collaborative bulk-purchasing agreements.

Other initiatives benefiting schools include:

- Flexibility in municipal and regional school districts to finance projects over a term matching the asset's useful life, not to exceed 30 years, spreading out cost over a longer term to reduce annual expenses (this provision applies to municipalities in general as well);
- Streamlining procedures for regional school districts to access their stabilization funds, allowing them to draw funds by a two-thirds vote of all members of the district; and
- Setting Special Education tuition rates by October 1 of each fiscal year, prior to the first of the year, making it easier for schools to plan their upcoming annual budget.

Additional money-saving local options in the bill establish an early retirement program for municipal employees with at least 20 years of service. The benefit would be capped at 80 percent of the employee's salary. Municipalities would be limited to the number of salaries they could replace.

The bill also gives municipalities the option to use electronic billing, if approved by a board of selectmen or mayor, and establish temporary tax amnesty programs that would expire June 30, 2011.

A series of sound business practices in the legislation improves and streamlines the local bidding and procurement process, and allows municipalities to enter into cost-saving cooperative purchasing agreements.

Finally, the bill also increases the authorized term of municipal leases from 10 to 30 years, and it eliminates the need for legislative approval to rectify irregularities in town elections or town meetings if the secretary of state finds that procedural standards were met.

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