



ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
TOWN HALL LYON'S ROOM
7:30 PM 3/28/16

ATTENDEES:

Deyst*	White*	Caccavaro	Kellar*	McKenna*
DeCoursey	Wallach*	Harmer*	Gibian*	
Tosti*	Foskett	Bayer*	Duvadie*	
Russell*	Beck*	Jones*	Deshler	
Franclemont*	Howard*	Fanning*	Carman*	Turkall*

*Indicates present

VISITORS: President AEA Linda Hanson, School Committee Member Kirsi Allison-Ampe, ATED Chair Angela Olszewski

MINUTES of 3/23/16 accepted as corrected. Unanimous.

ART 44 ATED: Olszewski modified her previous funding request to the standard \$1775 to cover committee costs plus \$2500 to pay a part time Town employee to help recruit volunteers to staff the visitors center and to supervise them. The web site will be developed in conjunction with the Chamber of Commerce.

VOTED \$4275 Unanimous

RECREATION EF: HumSer SubCom Franclemont provided revised budgets for both Recreation and Rink (Ref 1). She reviewed the changes including increases to account for the increase in minimum wage. The cost of health insurance in neither case agrees with the Insurance budget. She reported that Recreation depends on the Gibbs gym. They hope that if Gibbs reverts to a public school, they can arrange for continued use of the gym. The Recreation EF balance was \$210,478 on July 1.

VOTED: Expenses \$680,023, Revenue \$681,660 Balance \$1,637 Unanimous

RINK EF: There has been a reduction in food sales. The fund balance on July 1 was \$79,021.

VOTED: Expense \$641,940, Revenue \$642,640, Balance \$700

FOUNDATION BUDGET REVIEW COMMISSION: Hanson, supported by Allison-Ampe, described the Commission and their report (Ref 2). Implementation of the report would require a State appropriation increase to Chap 70 of \$3.6m. The BoS have signed a Proclamation (Ref 3) of support of the recommendations.

BUD 25 INSURANCE: FinanceSubCom Kellar provided an updated insurance budget with attached details (Ref 4). The overall health insurance increase is 3.45%. Part of the increase is because there will be more members. The opt-out program is still worthwhile at \$3k to \$4k per person. The Health Trust Fund is worth more than \$3m. It can continue to contribute to OPEB. The Trust Fund gives the Town an option should it want to leave the GIC. Ref 1 also provides an updated Liability Insurance budget with defense by the Workers Comp Agent. Kellar recommended the most recent budgets as printed:

VOTED Health Insurance \$15,894,742 (Revised 3/30/16), Liability Insurance \$1,045,000 Unanimous

The Chair requested the Finance SubCom & HumSer SubCom to work with the Deputy Town Manager to resolve the differences in the health insurance budgets.

WATER & SEWER EF: W&S SubCom Gibian provided details of this budget (Ref 5). He noted that the department is concerned with storm sewer overflow. The replacement of household meters is on hold. He recommended the budget as printed.

VOTED Expenses \$19,975,567 Revenues \$19,975,567, Balance \$0. Unanimous

ART 44 COMMITTEES&COMMISSIONS: VOTED \$29,835 confirming the votes taken on some of the committees earlier. Unanimous.

ART 52 OVERLAY RESERVE The Finance SubCom Beck recommended the same as last year.

VOTED \$200,000 Unanimous:

ART 50c OPEB TRUST FUND Contribution from the Health Care Trust Fund as suggested above.

VOTED: \$300,000 Unanimous

COMMITTEE: Tosti urged members to carefully consider the MM Tech Bond issue. Eventually the FinCom will have to make a recommendation. He reviewed again the possible feedback that might result from an increase in per-student costs to \$35k for members and a similar increase for non-members that may discourage applications. A state requirement on nonmember students to start 9th grade in their own HS may also discourage applications. The new AHS may act as a disincentive for Arlington students to go to MM Tech. In addition some local high schools may develop their own competing voc-tech programs. As attendance decreases the cost to members will increase further.

RESERVE FUND Balance \$1,174,445 of which \$200,000 is held for SPED if needed.

Peter Howard 3/29/16 (Revised 3/30/16)

Ref 1 Revised Rink & Recreation Enterprise Fund budgets

Ref 2 Chap 70 Foundation Budget Presentation

Ref 3 Proclamation

Ref 4 Insurance Budget

Ref 5 Water & Sewer Budget

	2014 Actual	2015 Actual	2016 Budget	2017 Request	\$ Change	% Change
RECREATION						
5101 SALARIES & WAGES	141,282	154,898	147,965	167,210	19,245	13.01%
5102 SALARIES & WAGES TEMP	88,198	134,000	152,000	168,720	16,720	11.00%
510211 RESERVOIR STAFFING	51,869	-	-	-	-	-
5103 OVERTIME	-	200	-	-	-	-
5156 LONGEVITY	300	1,238	564	597	33	5.85%
5203 DATA PROCESSING EXPENSES	-	-	-	-	-	-
5211 ENERGY	27,216	28,000	28,000	30,000	2,000	7.14%
5223 OFFICE SUPPLIES	1,939	1,900	1,900	1,900	-	0.00%
5240 JOBS PROGRAM	2,975	4,000	4,000	4,000	-	0.00%
5258 PRINTING OF BROCHURES	13,522	15,000	14,000	14,500	500	3.57%
5260 CLEANING, CLOTHING, TRAINING	-	150	600	600	-	0.00%
5281 TRAVEL: CAR ALLOWANCE	1,683	1,677	1,677	1,677	-	0.00%
528910 SUMMER PROGRAMS RECREATION	14,606	19,000	19,000	20,000	1,000	5.26%
528911 RESERVOIR SUPPLIES	6,706	12,000	12,000	12,000	-	0.00%
528912 RESERVOIR - EXPENSE CHLORINE	15,679	13,000	15,500	15,500	-	0.00%
528913 GIBBS SCHOOL GYM	27,941	25,000	31,000	31,000	-	0.00%
528915 RESERVOIR CONCESSION STAND	-	-	4,000	5,000	1,000	25.00%
528920 FALL PROGRAMS RECREATION	5,296	7,000	7,000	7,000	-	0.00%
528925 TRAVEL BASKETBALL	-	-	-	50,000	50,000	-
528930 WINTER PROGRAMS RECREATION	18,996	25,000	25,000	20,000	(5,000)	-20.00%
528940 SPRING PROGRAMS RECREATION	4,683	2,500	2,500	2,000	(500)	-20.00%
5295 PRIOR YEAR EXPENSES	20,607	-	-	-	-	-
5299 CREDIT CARD PROCESSING	64,014	55,000	65,000	40,000	(25,000)	-38.46%
5706 HEALTH INSURANCE	51,086	55,804	53,144	60,519	7,375	13.88%
5830 VEHICLE MAINTENANCE	-	-	-	300	300	-
5831 MECHANICAL MAINTENANCE	9,881	30,000	27,500	27,500	-	0.00%
5199 SALARY INCREASE	-	-	7,366	-	-	-
TOTAL RECREATION EXPENSES	568,481	585,367	619,716	680,023	60,307	9.73%
PERSONNEL SERVICES SUMMARY	281,650	290,336	300,529	336,527	35,998	11.98%
EXPENSES SUMMARY	286,831	295,031	311,821	343,496	31,675	10.16%
TOTAL EXPENSES	568,481	585,367	612,350	680,023	67,673	11.05%
TOTAL REVENUES	(569,337)	(589,200)	(615,000)	(681,660)	(66,660)	10.84%
BALANCE	(856)	(3,833)	(2,650)	(1,637)	1,013	-38.23%

	2014	2015	2016	2017	% Change
	Actual	Actual	Budget	Request	\$ Change
RECREATION					
4289 OTHER FEES AND CHARGES	(21,476)	(7,200)	(5,000)	(25,000)	(20,000)
428909 KIDS CARE AFTER SCHOOL PROGRAM	(40,000)	(25,000)	(40,000)	(50,000)	(10,000)
428910 SUMMER PROGRAMS	(124,261)	(145,000)	(140,000)	(152,000)	(12,000)
428911 RESERVOIR	(132,839)	(122,000)	(132,000)	(142,660)	(10,660)
428913 GIBBS RENTAL INCOME	(36,540)	(45,000)	(43,000)	(55,000)	(12,000)
428914 GIBBS CAPITAL	(6,430)	-	-	-	-
428915 RESERVOIR CONCESSION STAND	-	-	(8,000)	(10,000)	(2,000)
428920 FALL PROGRAM INCOME	(64,534)	(60,000)	(65,000)	(35,000)	30,000
428925 TRAVEL BASKETBALL				(70,000)	(70,000)
428930 WINTER PROGRAM INCOME	(78,101)	(100,000)	(90,000)	(50,000)	40,000
428940 SPRING PROGRAM INCOME	(25,349)	(18,000)	(25,000)	(25,000)	-
4330 OTHER STATE REVENUE	(17,000)	(17,000)	(17,000)	(17,000)	-
4421 SPRING FIELD PERMIT FEES	(22,806)	(25,000)	(25,000)	(25,000)	-
4973 USE OF RETAINED EARNINGS	-	(25,000)	(25,000)	(25,000)	-
TOTAL RECREATION REVENUES	(569,337)	(589,200)	(615,000)	(681,660)	(66,660)
					10.84%

	2014	2015	2016	2017		
	Actual	Budget	Request	Request	\$ Change	% Change
657 ED BURNS ARENA						
5101 SALARIES & WAGES	193,156	209,662	193,986	201,016	7,030	3.62%
5102 SALARIES & WAGES TEMP	59,469	60,000	67,500	82,486	14,986	22.20%
5103 OVERTIME	982	1,500	1,500	1,500	-	0.00%
5156 LONGEVITY	984	2,256	2,269	2,505	236	10.40%
5203 EQUIPMENT/BUILDINGS/GROUND	31,865	19,000	25,000	25,000	-	0.00%
5206 REFRIGERATION CONTRACT	2,123	5,000	5,000	5,000	-	0.00%
5208 DCR LEASE PAYMENT				12,853	12,853	
5211 ENERGY	83,127	95,000	95,000	100,000	5,000	5.26%
5213 NATURAL GAS	38,463	37,000	39,000	37,000	(2,000)	-5.13%
5223 OFFICE SUPPLIES	424	1,200	500	500	-	0.00%
5224 OTHER SUPPLIES	1,295	-	-	-	-	0.00%
5233 SECURITY ALARM SYSTEM LEASE	7,260	8,000	4,832	4,832	-	0.00%
5236 RINK MARKETING	-	500	500	500	-	0.00%
5241 UNIFORMS, BADGES, & GLOVES	-	550	550	550	-	0.00%
5260 CLEANING, CLOTHING, TRAINING	-	550	400	400	-	0.00%
5281 TRUCK & ZAMBONI GAS	2,160	1,305	2,200	2,200	-	0.00%
5290 CONCESSION STAND	20,298	19,000	19,000	19,000	-	0.00%
5295 PRIOR EXPENSES	1,252	-	-	-	-	0.00%
5299 OTHERWISE UNCLASSIFIED	620	2,500	2,500	-	(2,500)	-100.00%
5706 HEALTH INSURANCE	51,000	51,405	58,776	63,598	4,822	8.20%
5871 DEBT SERVICE	83,000	83,000	83,000	83,000	-	0.00%
CAPITAL OUTLAY	24,082					
5890 BLDG EXPANSION FEASIBILITY STUDY	14,096	6,065	6,167	-	(6,167)	-100.00%
5199 SALARY INCREASE			5,043			
ED BURNS ARENA TOTAL	615,656	603,493	612,723	641,940	29,217	4.77%
PERSONNEL SERVICES SUMMARY	254,591	273,418	265,255	287,507	22,252	8.39%
EXPENSES SUMMARY	361,065	330,075	342,425	354,433	12,008	3.51%
TOTAL	615,656	603,493	607,680	641,940	34,260	5.64%
REVENUES	(596,110)	(606,500)	(616,700)	(642,640)	(25,940)	4.21%
BALANCE	19,546	(3,007)	(9,020)	(700)	8,320	-92.24%

	2014	2015	2016	2017	
	Actual	Budget	Request	Request	% Change
ED BURNS ARENA					
4233 BUILDING CAPITAL RINK	(81,581)	(83,000)	(83,000)	(83,000)	0.00%
4289 USER CHARGES	(20,050)	(20,000)	(20,000)	(25,000)	25.00%
428901 RENTALS - ICE TIME	(350,935)	(358,000)	(367,200)	(376,000)	2.40%
428902 ADMISSION FEES - PUBLIC SKATING	(62,851)	(56,000)	(60,000)	(73,320)	22.20%
428903 SKATE PASSES	(5,890)	(5,500)	(5,500)	(8,500)	54.55%
428904 SKATE RENTALS	(18,926)	(17,000)	(17,000)	(21,600)	27.06%
428905 CONCESSION STAND	(30,520)	(34,000)	(34,000)	(30,000)	-11.76%
428906 VENDING MACHINE	(10,124)	(14,000)	(13,000)	(9,000)	-30.77%
428907 MARKETING	(10,795)	(13,000)	(11,000)	(9,500)	-13.64%
428908 SKATE SHARPENING	(4,330)	(4,500)	(4,500)	(5,220)	16.00%
428942 ADMISSION ROLLER SKATING	(50)	(1,500)	(1,500)	(1,500)	0.00%
428944 ROLLER SKATE RENTALS	(59)	-	-	-	
4972 TRANSFER FROM OTHER FUNDS	-	-	-	-	
5208 RENTAL OF BUILDINGS	-	-	-	-	
5911 TRANSFER TO GENERAL FUND	-	-	-	-	
657 SUBTOTAL ED BURNS ARENA	(596,110)	(606,500)	(616,700)	(642,640)	4,21%
				(25,940)	

Why Support the Foundation Budget Review Commission Resolution?

FinCom Presentation, Spring 2016
Kirsi Allison-Ampe & Linda Hanson

What is the Foundation Budget (FB)?

- * Integral part of Chapter 70 Aid calculations
- * Foundation budget is designed to calculate total cost for providing adequate education for all students
- * Chapter 70 aid calculations use foundation budget amount plus estimates of a town's ability to pay to determine state and town required share of cost

Mission of the FBRC

- * Established in the FY15 State Budget
- * Purpose:
 - * Determine the educational programs and services necessary to achieve the Commonwealth's educational goals
 - * Review the way foundation budgets are calculated and make recommendations for potential changes
 - * Determine the educational programs and services necessary to prepare students to achieve passing scores on the MCAS

New Considerations Since 1993

- * Need to reconsider the adequacy of the 1993 foundation budget calculations and update the formula to meet the needs of the 21st Century
- * Failure to consistently meet the needs of all geographic and demographic groups – achievement gap (ELL, IEP, Low-Income)
- * Schools with large numbers of high needs students must have sufficient resources to help students meet achievement standards

Major Factors Considered

- * Health Insurance Costs
- * Special Education Related Costs
- * ELL Related Costs and Outcomes
- * Low-Income Student Related Costs and Outcomes

FBRC Findings

- * **Health insurance**

- * Cost significantly underestimated in foundation budget

- * **Special Education**

- * Costs underestimated because districts have more students in special education than FB estimates, and because districts spend significantly over FB estimates in OOD tuition costs

- * **ELL**

- * High variance of costs to educate elementary, middle or high school ELL students; secondary level student costs were underestimated

FBRC Recommendations

Change foundation budget formula as follows:

- * **Health insurance**

- * Increase health insurance amounts

- * **Special Education**

- * Increase the assumption for in-district special education enrollment
- * Increase the out-of-district special education cost rate

- * **ELL**

- * Increase the increment for all grade levels to \$2,361
(= Middle School level)

- * **Low Income**

- * Increase the increment in districts with high concentrations of low income students

\$\$ Change for Arlington

Projections if new formula used:

- * Additional Chapter 70 money required to meet new foundation budget: **\$3,498,057**
- * Additional ELL funding: **\$110,000**
- * Unclear if low income increment would apply to us as we are not a high-concentration district
- * **Total increase: \$3,608,057**

Next Steps

- * Advocate for the Legislature to fully fund the recommendations of the FBRC report
- * Widespread adoption of Chapter 70 Resolution calling for full funding of foundation budget per FBRC report
- * Arlington School Committee and BoS have passed resolution
- * To date in Massachusetts, 17 BoS, 11 FinCom and 64 School Committees have passed resolution

Resolution Calling for Full Funding of the Foundation Budget Review Commission's Recommendations

Whereas the Massachusetts Foundation Budget Review Commission identified two areas (employee health insurance and special education) where the Massachusetts Foundation Budget significantly understates the true cost of educating students in the Commonwealth and has failed to keep pace with rising costs;

Whereas this underfunding means the cost of providing a quality education has increasingly been borne by local communities, most often at the expense of other vital municipal operations;

Whereas investing in education today leads to higher incomes, and thus less investment in police, prisons, subsidized health care, low income housing, welfare, etc. in the future;

Whereas state and local economies are most effectively strengthened "by investing in education and increasing the number of well-educated workers."

Therefore Be It Resolved that the [insert name of local governing board here] calls on the Massachusetts Legislature and the Governor of Massachusetts to fully fund and adopt the recommendations of the Foundation Budget Review Commission in the immediate future.

Rationale: The Foundation Budget Review Commission (FRBC) was established by the Legislature in the FY16 budget and was charged with examining the Foundation Budget (Chapter 70) formula. The formula was first established as part of the Education Reform legislation in 1993 and has not been thoroughly reviewed or updated since that time. The FBRC found that the current formula understates costs significantly in two areas: Employee Health Insurance and Special Education.

If the recommendations of the FBRC had been implemented in the FY16 budget, state funding for education would have been about \$500 million more than it was. However, if Chapter 70 reflected the true cost of education, the number would be closer to \$2 billion.

Spending by school districts over the required Net School Spending amounts has increased, as a whole, for more than a decade, indicating that communities are using local property taxes and diverting funding from other portions of municipal budgets to fund their schools. In FY14, the total spending above Foundation in the state was \$1.7 billion. At the same time, the state's commitment to municipal aid has declined. Since 2001, unrestricted local aid has been cut by 43%. The net effect is a combination of cuts to local and school services and an increasing reliance on the regressive property tax.

The evidence overwhelmingly establishes the correlation between a well-educated workforce and higher income individuals. States that invest more in education have a higher paid workforce; also, states that increase the level of education of their population see greater productivity and higher wages over time. The link can then easily be made between higher paid individuals and less reliance on various forms of government assistance, as well as lower rates of crime.

A state's high school and college attainment rates are important factors in the state's overall economic strength. Additionally, investments in education can have significant long-term impacts on state and local economies, as well-educated individuals tend to stay relatively local and contribute tax dollars to the state and municipality in which they reside. In general, the taxes paid over time by these individuals are substantially higher than the cost of their public education.

Ref 5

	2014 Actual	2015 Actual	2016 Budget	2017 Revised	Change 2017/2016	Change 2017/2014
6505006 SEWER COLLECTION SYSTEM						
5101 SALARIES & WAGES	463,682	500,192	522,857	502,688	(20,169)	-3.86%
SUBTOTAL SEWER COLLECTION SYSTEM	463,682	500,192	522,857	502,688	(20,169)	-3.86%
6505013 INDIRECT CHARGES - SEWER						
5701 WORKERS COMP COST	6,000	6,000	6,000	6,000	-	0.00%
5702 UNEMPLOYMENT COMPENSATION	1,500	1,500	1,500	1,500	-	0.00%
5707 RETIREMENT COSTS	477,995	507,479	535,390	552,445	17,055	3.19%
5713 HEALTH BENEFITS	365,189	276,459	282,378	288,414	6,036	2.14%
5903 INDIRECT COSTS	251,698	273,622	295,319	299,390	4,071	1.38%
6505013 SUBTOTAL INDIRECT CHARGES - SEWER	1,052,382	1,065,060	1,122,677	1,147,749	25,072	2.23%
6505082 SEWER COLLECTION EXPENSES						
5202 MAINTENANCE	24,927	70,000	70,000	70,000	-	0.00%
5211 ENERGY	14,460	29,000	29,000	29,000	-	0.00%
5218 TRAINING	-	2,000	2,000	2,000	-	0.00%
5224 OTHER SUPPLIES	27,463	24,000	24,000	24,000	-	0.00%
6505082 SUBTOTAL SEWER COLLECTION	66,850	125,000	125,000	125,000	0	0.00%
6505011 MWRA ASSESSMENT - SEWER						
5630 MWRA ASSESSMENT	7,661,286	8,006,000	7,997,138	8,007,249	10,111	0.13%
6505011 SUBTOTAL MWRA ASSESSMENT - SEWER	7,661,286	8,006,000	7,997,138	8,007,249	10,111	0.13%
6505002 SEWER DEBT SERVICE/SEWER CAPITAL						
5760 SEWER DEBT SERVICE - NON MWRA P & I	415,409	341,763	406,818	397,069	(9,749)	-2.40%
5760 SEWER DEBT SERVICE - MWRA LOAN PROGRAM	-	156,640	130,416	124,616	(5,800)	-4.45%
5580 SEWER REHAB	305,959	500,000	100,000	100,000	-	0.00%
5580 REHAB WATER MAINS	-	-	-	-	-	-
6505002 SUBTOTAL DEBT SERVICE/SEWER CAPITAL	721,368	998,403	637,234	621,685	(15,549)	-2.43%
TOTAL SEWER COLLECTION SYSTEM						

	2017 Actual	2015 Actual	2016 Budget	2017 Revised	Change	% Change
6505007 STORM SEWERS COLLECTION SYSTEM						
4840 RECEIPTS	(250)	-	-	-	-	0.00%
5202 MAINTENANCE	61,504	71,000	71,000	71,000	-	0.00%
5224 OTHER SUPPLIES	-	5,000	5,000	5,000	-	0.00%
5580 REHAB STORM SEWERS	108,098	150,000	150,000	150,000	-	0.00%
6505007 TOTAL STORM SEWERS COLLECTION	169,352	226,000	226,000	226,000	0	0.00%

	2014 Actual	2015 Actual	2016 Budget	2017 Request	\$ Change	% Change
6505502 WATER DISTRIBUTION SYSTEM						
5101 SALARIES & WAGES	748,823	867,642	852,829	881,674.0	28,845	3.38%
5102 SALARIES & WAGES TEMP	373	18,750	18,750	-	-	0.00%
5103 OVERTIME	186,095	110,456	113,217	116,050.0	2,833	2.50%
5104 SICK LEAVE	172	-	-	-	-	-
5111 DOUBLE TIME	50,013	33,137	33,965	34,815	850	2.50%
5119 OUT OF GRADE PAY	3,684	2,209	2,264	2,320	56	2.46%
5156 LONGEVITY	6,633	7,353	7,853	7,456	(397)	-5.06%
5199 SALARY INCREASE		20,800	21,733	(21,733)		-100.00%
5260 CLEANING, CLOTHING, TRAINING	20,880	20,800	20,800	20,800	-	0.00%
6505502 SUBTOTAL WATER DISTRIBUTION	1,016,572	1,069,587	1,053,187	1,082,185	28,598	2.71%
6505513 INDIRECT CHARGES - WATER						
5701 WORKERS COMP COST	1,000	1,000	1,000	1,000	-	0.00%
5702 UNEMPLOYMENT COMPENSATION	1,000	1,000	1,000	1,000	-	0.00%
5707 RETIREMENT COSTS	477,995	507,479	535,390	552,445	17,055	3.19%
5713 HEALTH BENEFITS	219,113	276,459	282,378	288,414	6,036	2.14%
5903 INDIRECT COSTS	251,698	273,622	295,319	299,390	4,071	1.38%
6505513 SUBTOTAL INDIRECT CHARGES - WATER	950,806	1,059,560	1,115,187	1,152,249	36,662	3.27%
6505582 WATER DISTRIBUTION						
5202 MAINTENANCE	122,568	110,000	110,000	110,000	-	0.00%
5218 TRAINING	4,853	5,000	5,000	5,000	-	0.00%
5224 OTHER SUPPLIES	229,855	220,000	225,500	225,500	-	0.00%
5241 UNIFORMS, BADGES, & GLOVES	4,800	5,600	4,400	4,400	-	0.00%
5260 CLEANING, CLOTHING, TRAINING	300	300	300	300	-	0.00%
5299 OTHERWISE UNCLASSIFIED	-	-	-	-	-	0.00%
6505582 SUBTOTAL WATER DISTRIBUTION	362,376	340,900	345,200	345,200	4,300	1.26%
6505511 MWRA ASSESSMENT - WATER						
5630 MWRA ASSESSMENT	4,553,819	4,713,200	4,715,211	4,890,344	175,133	3.71%
6505511 SUBTOTAL MWRA ASSESSMENT - WATER	4,553,819	4,713,200	4,715,211	4,890,344	175,133	3.71%
TOTAL WATER DISTRIBUTION SYSTEM						

	2014 Actual	2015 Budget	2016 Request	% Change
6505504 WATER/SEWER PROPERTIES				
5101 SALARIES & WAGES	463,683	500,192	502,688	(20,169)
5211 ENERGY	18,225	28,600	28,600	-
5214 HEATING FUEL	33,537	35,000	35,000	-
5299 OTHERWISE UNCLASSIFIED	-	-	-	-
5530 GREAT MEADOWS EXPENSES	2,565	4,000	4,000	-
6505504 SUBTOTAL WATER/SEWER PROPERTIES	518,009	567,792	570,288	(20,169)
6505506 REHAB WATER SYSTEM CAPITAL				
5580 REHAB WATER MAINS	44,710	100,000	100,000	-
6505506 SUBTOTAL REHAB WATER SYSTEM CAPITAL	44,710	100,000	100,000	0.00%
6505509 WATER DEBT SERVICE DEBT/WATER CAPITAL				
5760 WATER DEBT SERVICE - MWRA LOAN PROGRAM	609,900	664,900	666,100	(3,800)
5760 WATER DEBT SERVICE - PRINCIPAL & INTEREST	216,625	250,875	379,150	(37,375)
6505509 SUBTOTAL DEBT SERVICE CAPITAL PROJECTS	826,525	915,775	1,045,250	(41,175)
6505517 WATER MAINT CAPITAL OUTLAY				
5850 WATER CAPITAL OUTLAY	-	78,000	(78,000)	-100.00%
5851 CAPITAL EQUIP	288,994	42,500	22,500	52.94%
5890 SMALL EQUIPMENT	-	5,000	5,000	0.00%
5830 HYDRANT & VALVE REPLACEMENT PROGRAM	68,070	100,000	100,000	0.00%
6505517 SUBTOTAL WATER MAINT CAPITAL OUTLAY	357,064	225,500	170,000	(55,500)
TOTAL WATER DISTRIBUTION SYSTEM				
PERSONNEL SERVICE SUMMARY	1,944,037	2,060,731	2,087,241	(29,885)
EXPENSES SUMMARY	652,904	759,500	763,800	-
MWRA ASSESSMENT	12,215,105	12,712,349	12,897,593	185,244
INDIRECT CHARGES	503,396	547,244	598,780	8,142
CAPITAL AND DEBT	1,949,668	2,154,178	1,936,935	(112,224)
HEALTH INSURANCE	584,302	552,918	576,828	12,072
RETIREMENT	955,990	1,014,958	1,104,890	34,109
WORKERS COMP/UNEMPLOYMENT	9,500	9,500	9,500	-
TOTAL EXPENSES	18,814,902	19,878,109	19,975,567	97,458
TOTAL REVENUES	(20,281,944)	(19,868,449)	(19,975,567)	(107,118)
BALANCE	(1,467,042)	(50,220)	-	(9,660)
				-100.00%

	2014 Actual	2015 Actual	2016 Budget	2017 Request	\$ Change	% Change
WATER/SEWER ENTERPRISE						
4972 TRANSFER FROM GENERAL FUND	(5,593,112)	(5,593,112)	(5,593,112)	(5,593,112)	-	0.00%
421000 USER CHARGES RECEIVABLE	(13,660,310)	(13,954,027)	(13,954,027)	(13,954,027)	-	0.00%
421100 WATER LIENS	(185,118)	(189,945)	(189,945)	(189,945)	-	0.00%
421400 LIEN COSTS	(16,728)	-	-	-	-	-
421900 INTEREST & PENALTIES	(37,949)	(48,337)	(48,337)	(48,337)	-	0.00%
422900 CONNECTION FEES	(23,750)	(83,028)	(83,028)	(83,028)	-	0.00%
4800 A.M.R. REPLACEMENT	(23,784)	-	-	-	-	-
USE OF RETAINED EARNINGS	(741,194)	-	-	(107,118)	(107,118)	-
TOTAL WATER/SEWER REVENUE	(20,287,944)	(19,868,449)	(19,868,449)	(19,755,567)	(107,118)	0.5%

	2014 Actual	2013 Actual	2010 Budget	2011 Request	Change	% Change
0191487 GROUP HEALTH INSURANCE						
5190 OFFSETS	(986,388)	(656,905)	(676,676)	(722,161)	(45,485)	6.72%
5700 MEDICARE PENALTY	15,861	15,861	18,000	18,000	-	0.00%
5703 OPT OUT PROGRAM	230,918	246,898	245,995	245,995	-	0.00%
5704 INSURANCE:GROUP HEALTH	12,752,347	13,028,530	14,435,659	15,105,907	670,248	4.64%
570401 HCHP EMPLOYEE SHARE	-	-	-	-	-	-
57041 EMPLOYEE HEALTH MITIGATION FD	200,000	200,000	200,000	-	(200,000)	-100.00%
5705 INSURANCE: GROUP LIFE	51,744	53,579	63,633	63,633	-	0.00%
5706 MEDICARE PAYROLL TAX	929,926	1,000,714	974,723	1,100,000	125,277	12.85%
5709 FLEXIBLE BENEFIT PLAN	46,084	52,938	103,248	83,368	(19,880)	-19.25%
0191487 GROUP HEALTH INSURANCE	13,240,493	13,941,615	15,364,582	15,894,742	530,160	3.45%

	2014 Actual	2015 Actual	Budget	Request	
0191487 GROUP HEALTH INSURANCE					
5190 OFFSETS	(986,388)	(656,905)	(676,676)	(741,339)	9.56%
5700 MEDICARE PENALTY	15,861	15,861	18,000	18,000	0.00%
5703 OPT OUT PROGRAM	230,918	246,898	245,995	245,995	0.00%
5704 INSURANCE:GROUP HEALTH	12,752,347	13,028,530	14,435,659	15,105,907	4.64%
570401 HCHP EMPLOYEE SHARE	-	-	-	-	-
57041 EMPLOYEE HEALTH MITIGATION FD	200,000	200,000	200,000	(200,000)	-100.00%
5705 INSURANCE: GROUP LIFE	51,744	53,579	63,633	63,633	0.00%
5706 MEDICARE PAYROLL TAX	929,926	1,000,714	974,723	1,100,000	12.85%
5709 FLEXIBLE BENEFIT PLAN	46,084	52,938	103,248	83,368	-19.25%
0191487 GROUP HEALTH INSURANCE	13,240,493	13,941,615	15,364,582	15,875,564	3.33%

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17 contracts

for new

teachers

growth

Org code: 886 HEALTH CLAIMS TRUST FUND Type: B A
 Object code: 1040 CASH Status: A
 Project code: Budgetary: N

Fund 8860 HEALTH CLAIMS TRUST FUND
 Function 0 FUNCTION
 Cost Center 0000 MISCELLANEOUS
 Program 0000 MISCELLANEOUS
 Location 00 LOCATION
 Respons Code 00 UNUSED
 Grade Level 0 GRADE LEVEL
 Budget 1040 *UNKNOWN*

Full description: CASH Short desc: CASH

----- CURRENT YEAR MONTHLY AMOUNTS -----

PER	ACTUAL	ENCUMBRANCE	BUD TRANSFER	BUDGET
00	3,108,350.42	.00	.00	.00
01	-300,000.00	.00	.00	.00
02	320.26	.00	.00	.00
03	15,267.83	.00	.00	.00
04	351.37	.00	.00	.00
05	299.93	.00	.00	.00
06	752.59	.00	.00	.00
07	333.97	.00	.00	.00
08	697.77	.00	.00	.00
09	.00	.00	.00	.00
10	.00	.00	.00	.00
11	.00	.00	.00	.00
12	.00	.00	.00	.00
13	.00	.00	.00	.00
Tot:	2,826,374.14	.00	.00	.00

----- CURRENT YEAR TOTAL AMOUNTS -----

Actual (Memo)	2,826,374.14	Original Budget	.00
Encumbrances	.00	Budget Tranfr In	.00
Requisitions	.00	Budget Tranfr Out	.00
Total	2,826,374.14	Carry Fwd Budget	.00
Available Budget	.00	Carry Fwd Bud Tfr	.00
Percent Used	.00	Revised Budget	.00
Inceptn to SOY	.00	Inceptn Orig Bud	.00
		Inceptn Revsd Bud	.00
Encumb-Last Yr	.00	DEPT REQST	.00
Actual-Last Yr	.00	APPROVED	.00
Estim-Actual	.00	FIN COMM	.00
		TOWN MEETG	.00

LAST YEAR MONTHLY AMOUNTS

PER	ACTUAL	ENCUMBRANCE	BUDGET
00	3,992,045.85	.00	.00
01	-302,220.16	.00	.00
02	412.00	.00	.00
03	-299,552.99	.00	.00
04	717.08	.00	.00
05	-133,496.82	.00	.00
06	-159,235.07	.00	.00
07	5,653.75	.00	.00
08	295.64	.00	.00
09	271.28	.00	.00
10	1,584.11	.00	.00
11	238.69	.00	.00
12	1,637.06	.00	.00
13	.00	.00	.00
Tot:	3,108,350.42	.00	.00

----- PRIOR YEARS TOTAL AMOUNTS -----

2015 Actual	3,108,350.42	2015 Orig Budget	.00
2015 Closed @ YE	3,108,350.42	2015 Bud Tfr In	.00
2015 Encumbrance	.00	2015 Bud Tfr Out	.00
2015 Memo Bal	3,108,350.42	2015 C Fwd Budget	.00
2014 Actual	3,992,045.85	2015 Revsd Budget	.00
2013 Actual	4,220,172.54		
2012 Actual	4,461,204.89	2014 Orig Budget	.00
2011 Actual	4,976,606.10	2014 Revsd Budget	.00
2010 Actual	3,392,398.55	2013 Orig Budget	.00
2009 Actual	2,676,301.40	2013 Revsd Budget	.00
2008 Actual	1,967,661.55		
2007 Actual	2,023,198.46		
2006 Actual	2,324,254.79		

----- FUTURE YEAR AMOUNTS -----

PER	2017 BUDGET	BUDGET	BUDGET
00	.00	2017 DEPT REQST	.00 .00
01	.00	2017 APPROVED	.00 .00
02	.00	2017 FIN COMM	.00 .00
03	.00	2017 TOWN MEETG	.00 .00
04	.00		
05	.00	2017 Revised	.00
06	.00	2018 Estimate	.00 .00
07	.00	2019 Estimate	.00 .00
08	.00	2020 Estimate	.00 .00
09	.00	2021 Estimate	.00 .00
10	.00		
11	.00	2017 Memo Bal	.00
12	.00	2017 Encumbrance	.00
13	.00	2017 Requisition	.00
Tot:	.00		

----- ACCOUNT NOTES -----

Org code: 886 HEALTH CLAIMS TRUST FUND Type: B A
 Object code: 1040 CASH Status: A
 Project code: Budgetary: N

Fund 8860 HEALTH CLAIMS TRUST FUND
 Function 0 FUNCTION
 Cost Center 0000 MISCELLANEOUS
 Program 0000 MISCELLANEOUS
 Location 00 LOCATION
 Respons Code 00 UNUSED
 Grade Level 0 GRADE LEVEL
 Budget 1040 *UNKNOWN*

Full description: CASH Short desc: CASH

----- CURRENT YEAR MONTHLY AMOUNTS -----

PER	ACTUAL	ENCUMBRANCE	BUD TRANSFER	BUDGET
00	3,108,350.42	.00	.00	.00
01	-300,000.00	.00	.00	.00
02	320.26	.00	.00	.00
03	15,267.83	.00	.00	.00
04	351.37	.00	.00	.00
05	299.93	.00	.00	.00
06	752.59	.00	.00	.00
07	333.97	.00	.00	.00
08	697.77	.00	.00	.00
09	.00	.00	.00	.00
10	.00	.00	.00	.00
11	.00	.00	.00	.00
12	.00	.00	.00	.00
13	.00	.00	.00	.00
Tot:	2,826,374.14	.00	.00	.00

----- CURRENT YEAR TOTAL AMOUNTS -----

Actual (Memo)	2,826,374.14	Original Budget	.00
Encumbrances	.00	Budget Tranfr In	.00
Requisitions	.00	Budget Tranfr Out	.00
Total	2,826,374.14	Carry Fwd Budget	.00
Available Budget	.00	Carry Fwd Bud Tfr	.00
Percent Used	.00	Revised Budget	.00
Inceptn to SOY	.00	Inceptn Orig Bud	.00
		Inceptn Revsd Bud	.00
Encumb-Last Yr	.00	DEPT REQST	.00
Actual-Last Yr	.00	APPROVED	.00
Estim-Actual	.00	FIN COMM	.00
		TOWN MEETG	.00

BY FUND APPROPRIATION WITH ACTUAL GIC RATES	
Opt Out Program	245,996
Group Health	14,642,066 (excludes opt out)
New Growth	283,471 (30 contracts of Harvard HMO @ 75/25% split)
Employee Mitigation	-
Group Life	63,633 (second year of 3 year contract)
Flexible Benefit Plan	45,212 (includes town paying the \$48 fee for participating employees)
HRA Admin Fee	38,156 (switched to new vendor with YOY savings of 19,880)
Payroll Tax	1,100,000 (based on 20 new hires)
Medicare Penalty	18,000
	16,436,533
	1,045,000.0 Liability Insurance
	17,481,533.0 Subtotal
	(741,339.0) Offsets
	16,740,194.0 Subtotal
	16,740,194 In Master Budget
	- Difference
	180,370 New Teacher Growth
	16,920,564

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	2014 Actual	2015 Actual	2016 Budget	2017 Request	\$ Change	% Change
0191487 GROUP HEALTH INSURANCE						
5190 OFFSETS	(986,388)	(656,905)	(676,676)	(741,339)	(64,663)	9.56%
5700 MEDICARE PENALTY	15,861	15,861	18,000	18,000	-	0.00%
5703 OPT OUT PROGRAM	230,918	246,898	245,995	245,995	-	0.00%
5704 INSURANCE:GROUP HEALTH	12,752,347	13,028,530	14,435,659	14,925,537	489,878	3.39%
570401 HCHP EMPLOYEE SHARE	-	-	-	-	-	-100.00%
57041 EMPLOYEE HEALTH MITIGATION FD	200,000	200,000	200,000	-	(200,000)	0.00%
5705 INSURANCE: GROUP LIFE	51,744	53,579	63,633	63,633	-	0.00%
5706 MEDICARE PAYROLL TAX	929,926	1,000,714	974,723	1,100,000	125,277	12.85%
5709 FLEXIBLE BENEFIT PLAN	46,084	52,938	103,248	83,368	(19,880)	-19.25%
0191487 GROUP HEALTH INSURANCE	13,240,493	13,941,615	15,364,582	15,695,194	330,612	2.15%

2016 mtg
for FY17

Health Insurance Offsets Calculation FY 2017

		FY17 Health Cost	Recommended Offset Percent	FY-17 Offset
1)	Board of Selectmen	104,011	0.1734	18,036
2)	Town Manager	50,456	0.1734	8,749
3)	Personnel	27,029	0.1734	4,687
4)	Information Technology	80,506	0.1734	13,960
5)	Comptroller	76,159	0.1734	13,206
6)	Treasurer/Collector	75,084	0.1734	13,019
7)	Legal	60,201	0.1734	10,439
8)	Administration	170,402	0.5000	85,201
9)	Engineering	88,972	0.6200	55,162
10)	Highway (without S.Waste)	385,769	0.2000	77,154
11)	MER	141,907	0.3000	42,572
12)	Water Division	88,665	1.0000	234,644
13)	Total 1) - 12)			576,829
14)	HEALTH Offset - Sewer (50% of #13)			288,414
15)	HEALTH Offset - Water (50% of #13)			288,414
	Water & Sewer Enterprise Subtotal			576,829

Other Insurance Costs charged directly to Enterprise Fund & Retirement Office

Recreation	51,932	1.0000	51,932
Ed Burns Arena	52,624	1.0000	52,624
Retirement	40,777	1.0000	40,777
Other Enterprise & Retirement Subtotal			145,332

Total Health Insurance Offset	722,161
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Note: Departmental health insurance costs include current employees and retirees

FY 2016		Expenditures		Anticipated	
Appropriation:		year to date		Projected Total FY16 - Projected Balance	
\$ 18,000.00	\$ 11,950.26	medicare penalty	\$ 16,078.32	\$ 1,321.88	
\$ 245,985.00	\$ 148,038.66	opt out program	\$ 220,038.66	\$ 25,956.34	
\$ 14,435,658.00	\$ 10,129,861.45	group health	\$ 13,632,222.48	\$ 803,436.51	
\$ 974,723.00	\$ 688,695.96	medicare withhold	\$ 1,028,695.96	\$ (53,972.96)	
\$ 103,248.00	\$ -	flex/HRA	\$ -	\$ 103,248.00	
\$ 200,000.00	\$ 200,000.00	mitigation fund	\$ 200,000.00	\$ -	
\$ 15,977,625.00	\$ 11,178,546.33		\$ 15,097,036.43	\$ 880,589.57	

Month	Medicare Penalty	Opt Out	Group Health	Medicare Withhold
July	\$ 1,321.78	\$ 16,327.19	\$ 1,167,788.24	\$ 73,544.03
August	\$ 1,321.78	\$ 14,458.48	\$ 1,167,453.68	\$ 62,879.88
September	\$ 1,321.78	\$ 15,031.73	\$ 1,149,933.67	\$ 81,741.29
October	\$ 1,321.78	\$ 28,448.49	\$ 1,149,049.03	\$ 93,038.05
November	\$ 1,321.78	\$ 14,180.11	\$ 1,165,001.37	\$ 82,555.13
December	\$ 1,321.78	\$ 63,309.38	\$ 866,813.10	\$ 123,660.41
January	\$ 1,321.78	\$ (16,358.39)	\$ 1,133,379.57	\$ 87,181.89
February	\$ 1,321.78	\$ 14,641.64	\$ 1,170,139.36	\$ 84,095.26
March	\$ 1,376.02	\$ 18,000.00	\$ 1,160,303.43	\$ 85,000.00
April	\$ 1,376.02	\$ 18,000.00	\$ 1,167,453.68	\$ 85,000.00
May	\$ 1,376.02	\$ 18,000.00	\$ 1,167,453.68	\$ 85,000.00
June	\$ 1,376.02	\$ 18,000.00	\$ 1,167,453.68	\$ 85,000.00
YTD Actual	\$ 11,950.26	\$ 148,038.66	\$ 10,129,861.45	\$ 688,695.96
EOY Projected	\$ 16,078.32	\$ 220,038.66	\$ 13,632,222.49	\$ 1,028,695.96

ENROLLMENT BREAKDOWN OF GIC PLANS

Plan Name	Premium	Town	FY2017	FY2016	Change	Ind	fam	
FALLON DIRECT FAMILY	1247.40	1060.29	6	7	-1		-1	-12723.48
FALLON DIRECT FAMILY 75/25	1247.40	935.55	4	2	2		2	22453.2
FALLON DIRECT INDIVIDUAL	519.74	441.78	7	9	-2	-2		-10602.696
FALLON DIRECT INDIVIDUAL 75/25	519.74	389.81	13	11	2	2		9355.32
FALLON SELECT FAMILY	1857.54	1408.91	10	8	2		2	33813.816
FALLON SELECT INDIVIDUAL	690.66	587.06	7	7	0	0		0
FALLON SELECT INDIVIDUAL 75/25	690.66	518.00	2	2	0	0		0
HARVARD INDEPENDENCE FAMILY	1992.07	1593.66	131	142	-11		-11	-210362.592
HARVARD INDEPENDENCE FAMILY- 75/25	1992.07	1494.05	26	39	-13		-13	-233072.19
HARVARD INDEPENDENCE INDIVIDUAL	816.43	653.14	100	123	-23	-23		-180267.744
HARVARD INDEPENDENCE INDIVIDUAL- 75/25	816.43	612.32	26	40	-14	-14		-102870.18
HARVARD PRIM CHC FAMILY	1489.38	1265.97	94	99	-5		-5	-75958.38
HARVARD PRIM CHC FAMILY 75/25	1489.38	1117.04	34	14	20		20	268088.4
HARVARD PRIM CHC INDIVIDUAL	610.40	518.84	60	66	-6	-6		-37356.48
HARVARD PRIM CHC INDIVIDUAL 75/25	610.40	457.80	45	17	28	28		153820.8
HEALTH NEW ENG FAMILY	1326.04	1127.13	0	0	0		0	0
NHP CARE FAMILY	1357.32	1153.72	8	4	4		4	55378.656
NHP CARE FAMILY 75/25	1357.32	1017.99	3	7	-4		-4	-48863.52
NHP CARE INDIVIDUAL	512.21	435.38	5	4	1	1		5224.542
NHP CARE INDIVIDUAL 75/25	512.21	384.16	15	10	5	5		23049.45
TUFTS NAVIGATOR INDIVIDUAL	686.34	549.07	79	89	-10	-10		-65888.64
TUFTS NAVIGATOR INDIVIDUAL-75/25	686.34	514.76	30	25	5	5		30885.3
TUFTS NAVIGATOR FAMILY	1674.68	1339.74	117	130	-13	-13		-209000.064
TUFTS NAVIGATOR FAMILY-75/25	1674.68	1256.01	29	23	6	6		90432.72
TUFTS SPIRIT FAMILY	1240.52	1054.44	15	17	-2		-2	-25306.608
TUFTS SPIRIT FAMILY 75/25	1240.52	930.39	5	4	1		1	11164.68
TUFTS SPIRIT INDIVIDUAL	515.32	438.02	19	30	-11	-11		-57818.904
TUFTS SPIRIT INDIVIDUAL 75/25	515.32	386.49	25	23	2	2		9275.76
UNICARE BASIC FAMILY	2245.96	1684.47	17	19	-2	-2		-40427.28
UNICARE BASIC INDIVIDUAL	959.09	719.32	37	36	1	1		8631.81
UNICARE COMM CHC FAMILY	1170.35	936.28	5	1	4		4	44941.44
UNICARE COMM CHC FAMILY 75/25	1170.35	877.76	4	2	2		2	0
UNICARE COMM CHC INDIVIDUAL	487.63	390.10	6	6	0	0		0
UNICARE COMM CHC INDIVIDUAL 75/25	487.63	365.72	8	5	3	3		13166.01
UNICARE PLUS FAMILY	1566.13	1252.90	16	8	8		8	120278.784
UNICARE PLUS FAMILY 75/25	1566.13	1174.60	2	2	0		0	0
UNICARE PLUS INDIVIDUAL	655.32	524.26	14	14	0	0		0
UNICARE PLUS INDIVIDUAL 75/25	655.32	491.49	2	2	0	0		0
			1026	1047	21	28	7	\$ (410,558.07)

FALLON SENIOR PLAN	311.54	264.81	3	2	1			3177.708
HARVARD MEDICARE SENIOR PLAN	439.17	329.38	349	335	14			55335.42
TUFTS MED COMPLT SENIOR PLAN	398.39	338.63	91	89	2			8127.16
TUFTS MED PREFER SENIOR PLAN	276.46	234.99	59	59	0			0
UNICARE OME	374.63	280.97	390	392	-2			-6743.34
			892	877	15			\$ 59,896.94

Opt Out - Individual	166.66	166.66	29	27	2			
Opt Out - Family	333.33	333.33	47	48	-1			
			1994	1999	5			\$ (350,661.13)

Opt Out Savings	Full	Town Share	Annual Cost	Net Annual C Contracts	Savings
HARVARD INDEPENDENCE FAMILY	1992.07	1593.66	19124	15124	47 710822
HARVARD INDEPENDENCE INDIVIDUAL	816.43	653.14	7838	5838	29 169294.1

880116.1

Mar-16

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GIC Summary of Bill Breakdown 2016

Month	Town Share	Employee Share	Total owed	Amount Paid	Date Paid
January	\$1,161,712.95	\$325,784.49	\$1,487,497.44	\$1,487,497.44	
February	\$1,165,886.18	\$326,454.49	\$1,492,340.67	\$1,492,340.67	
March	\$1,158,533.16 ¹⁶ ₁₆	\$322,757.17	\$1,481,290.33	\$1,481,290.33	
April					
May					
June					
July					
August					
September					
October					
November					
December					

GIC Summary of Bill Breakdown 2016

Month	Town Share	Employee Share	Total owed	Amount Paid	Date Paid
January	\$1,161,712.95	\$325,784.49	\$1,487,497.44	\$1,487,497.44	
February	\$1,165,886.18	\$326,454.49	\$1,492,340.67	\$1,492,340.67	
March	\$1,158,533.16	\$322,757.17	\$1,481,290.33	\$1,481,290.33	
April					
May					
June					
July					
August					
September					
October					
November					
December					

GIC Summary of Bill Breakdown 2015

Month	Town Share	Employee Share	Total owed	Amount Paid	Date Paid
January	\$1,270,187.62	\$309,085.68	\$1,579,273.30	\$1,579,273.30	
February	\$1,101,462.41	\$309,176.86	\$1,410,639.27	\$1,410,639.27	
March	\$1,102,325.41	\$309,382.34	\$1,411,707.75	\$1,411,707.75	
April	\$1,108,219.28	\$302,233.18	\$1,410,452.46	\$1,410,452.46	
May	\$1,099,360.67	\$308,762.97	\$1,408,123.64	\$1,716,886.61	
June	\$1,097,332.33	\$307,522.79	\$1,404,855.12	\$1,404,855.12	
July	\$1,166,853.68	\$328,401.07	\$1,495,254.75	\$1,823,655.82	
August	\$1,165,971.36	\$329,283.39	\$1,495,254.75	\$1,824,538.14	
September	\$1,163,309.95	\$324,961.34	\$1,488,271.29	\$1,488,271.29	
October	\$1,147,811.53	\$321,036.15	\$1,468,847.68	\$1,468,847.68	
November	\$1,162,157.84	\$325,498.27	\$1,487,656.11	\$1,487,656.11	
December	\$862,913.61	\$326,903.21	\$1,189,816.82	\$1,189,816.82	* Medicare subsidy re fund

(6)

**Group Insurance Commission
FY16 vs. FY17 Full Rates**

PROJECTED WITH .4% ADMIN FEE - SUBJECT TO CONFIRMATION

HEALTH PLAN	FY16		FY17		RATE CHANGE		
	PLAN TYPE	INDIVIDUAL	FAMILY	PLAN TYPE	INDIVIDUAL	FAMILY	
Fallon Health Direct Care	HMO	\$492.89	\$1,182.96	HMO	\$519.70	\$1,248.02	5.4%
Fallon Health Select Care	HMO	\$654.98	\$1,571.91	HMO	\$691.00	\$1,658.37	5.5%
Harvard Pilgrim Independence Plan	PPO	\$749.39	\$1,828.49	POS	\$816.83	\$1,993.06	9.0%
Harvard Pilgrim Primary Choice Plan	HMO	\$599.51	\$1,462.80	HMO	\$610.70	\$1,490.13	1.9%
Health New England	HMO	\$494.17	\$1,225.14	HMO	\$535.13	\$1,326.71	8.3%
NHP Care (Neighborhood Health Plan)	HMO	\$470.71	\$1,247.36	HMO	\$512.46	\$1,358.00	8.9%
Tufts Health Plan Navigator	PPO	\$659.25	\$1,609.60	POS	\$686.69	\$1,675.52	4.2%
Tufts Health Plan Spirit	HMO-type	\$501.40	\$1,210.86	HMO-type	\$515.57	\$1,241.13	2.8%
UniCare State Indemnity Plan/Basic with CIC (Comprehensive)	Indemnity	\$974.65	\$2,281.72	Indemnity	\$1,002.81	\$2,347.61	2.9%
UniCare State Indemnity Plan/Community Choice	PPO-type	\$472.29	\$1,136.29	PPO-type	\$487.87	\$1,170.94	3.3%
UniCare State Indemnity Plan/PLUS	PPO-type	\$655.64	\$1,566.91	PPO-type	\$655.64	\$1,566.91	0.0%
Medicare Plans Health Plan	Plan Type	Per Person		Plan Type	Per Person		Rate Change
Fallon Senior Plan*	Medicare (HMO)	\$311.69		Medicare (HMO)	\$318.72		2.3%
Harvard Pilgrim Medicare Enhance	Medicare (Indemnity)	\$392.24		Medicare (Indemnity)	\$439.39		12.0%
Health New England MedPlus	Medicare (HMO)	\$360.95		Medicare (HMO)	\$411.17		13.9%
Tufts Health Plan Medicare Complement	Medicare (HMO)	\$353.91		Medicare (HMO)	\$398.59		12.6%
Tufts Health Plan Medicare Preferred*	Medicare (HMO)	\$276.60		Medicare (HMO)	\$283.63		2.5%
UniCare State Indemnity Plan/Medicare Extension (OME) with CIC (Comprehensive)	Medicare (Indemnity)	\$403.98		Medicare (Indemnity)	\$374.81		-7.2%

HEALTH INSURANCE RATES - JULY 1, 2016 GIC

P. 201

HEALTH PLANS	Plans for: Current Employees				Plans for: PPOs/POSs				Plans for: All New Hires after 12/1/2011				Survivor Monthly Rate	"Cobra" Monthly Rates Includes 2% Admin Fee			
	Monthly Rate	Town Monthly Rate	Employee Weekly Rate	Employee Bi-Weekly Rate	Monthly Rate	Town Monthly Rate	Employee Weekly Rate	Employee Bi-Weekly Rate	Monthly Rate	Town Monthly Rate	Employee Weekly Rate	Employee Bi-Weekly Rate			Monthly Rate	Town Monthly Rate	Employee Weekly Rate
Fallon Comm Dir Care-Ind.	519.74	77.97	110.45	38.99	0.00	0.00	0.00	0.00	389.81	97.46	32.49	194.92	64.97	194.92	32.49	64.97	630.14
Fallon (Comm Dir Care-Family	1,247.40	187.11	265.07	93.56	0.00	0.00	0.00	0.00	935.65	233.89	77.96	487.78	156.93	487.78	77.96	156.93	1,272.36
Fallon Comm Select-Ind.	890.66	103.60	146.77	51.80	0.00	0.00	0.00	0.00	518.00	129.50	43.17	259.00	86.34	259.00	43.17	86.34	704.47
Fallon Comm Select-It Family	1,667.54	248.64	352.23	124.32	0.00	0.00	0.00	0.00	1,243.18	310.79	103.60	621.68	207.20	621.68	103.60	207.20	1,890.69
HA Pilg Prim Choice-Ind.	610.40	91.58	129.71	45.78	0.00	0.00	0.00	0.00	457.80	114.45	38.16	228.90	78.30	228.90	38.16	78.30	622.81
HA Pilg Prim Choice-Family	1,489.38	223.41	316.60	111.71	0.00	0.00	0.00	0.00	1,117.04	278.26	93.08	566.52	186.18	566.52	93.08	186.18	1,618.17
Health New England-Ind.	534.87	80.23	113.66	40.12	0.00	0.00	0.00	0.00	401.16	100.29	33.43	200.58	56.96	200.58	33.43	56.96	545.67
Health New England-It Family	1,328.04	198.91	281.78	98.45	0.00	0.00	0.00	0.00	994.63	248.63	82.88	497.27	165.76	497.27	82.88	165.76	1,362.66
NHR(Neighborhood HR Pl-Ind	512.21	76.84	108.84	38.42	0.00	0.00	0.00	0.00	384.16	96.04	32.02	192.08	64.03	192.08	32.02	64.03	522.45
NHR(Neighbor.HIL Pl-Family	1,357.32	203.60	288.43	101.80	0.00	0.00	0.00	0.00	1,017.99	254.60	84.83	509.00	169.87	509.00	84.83	169.87	1,384.47
Tufts Hth Plan Spirit-Ind.	516.32	77.30	109.51	38.66	0.00	0.00	0.00	0.00	396.49	96.62	32.21	193.25	64.42	193.25	32.21	64.42	525.63
Tufts Hth Plan Spirit-Family	1,240.52	186.06	263.51	93.04	0.00	0.00	0.00	0.00	930.39	232.60	77.63	465.20	155.07	465.20	77.63	155.07	1,266.33
Harvard Pilgrim Ind.Pl-Ind.	816.43	119.32	169.51	62.52	163.29	163.29	40.82	326.58	612.32	153.08	51.03	306.16	102.06	306.16	51.03	102.06	832.76
Harvard Pilg. Ind.Pl-Family	1,992.07	283.61	398.41	146.81	398.42	398.41	99.81	796.83	1,494.05	373.61	124.50	747.03	249.01	747.03	124.50	249.01	2,031.92
Tufts Hth PL Navigator-Ind.	686.34	103.27	137.27	48.07	137.27	137.27	34.32	274.54	514.76	128.69	42.80	257.38	86.79	257.38	42.80	86.79	700.07
Tufts HIL PL Navigator-Fam.	1,674.88	234.94	334.94	124.32	334.94	334.94	83.74	669.87	1,256.01	314.00	104.87	628.01	209.34	628.01	104.87	209.34	1,708.18
Unicare Comm. Choice-Ind.	487.63	77.30	109.51	38.66	97.63	97.63	24.38	195.05	365.73	91.43	30.48	182.87	60.96	182.87	30.48	60.96	497.39
Unicare Comm. Choice-Fam.	1,170.35	186.06	263.51	93.04	234.07	234.07	68.62	488.14	877.77	218.44	73.15	438.89	146.30	438.89	73.15	146.30	1,193.76
Unicare Indemn.Plus-Ind.	656.32	103.07	131.07	48.07	131.07	131.07	32.77	282.13	491.49	122.87	40.96	245.75	81.92	245.75	40.96	81.92	668.43
Unicare Indemn.Plus-Fam.	1,668.13	248.64	352.23	124.32	352.23	352.23	78.31	626.45	1,174.60	293.65	97.89	587.30	196.77	587.30	97.89	196.77	1,697.46
Unicare Basic w/cic-Ind.	1,002.41	146.77	203.60	76.84	146.77	146.77	38.66	203.60	761.81	187.95	62.66	375.91	125.30	375.91	62.66	125.30	1,022.46
Unicare Basic w/cic-Family	2,348.44	352.23	493.06	186.18	493.06	493.06	146.65	146.65	1,769.83	439.06	146.65	879.92	263.31	879.92	146.65	263.31	2,393.27
Unicare Basic w/cic-Ind.	959.09	146.77	203.60	76.84	146.77	146.77	38.66	203.60	761.81	187.95	62.66	375.91	125.30	375.91	62.66	125.30	978.27
Unicare Basic w/cic-Family	2,246.96	352.23	493.06	186.18	493.06	493.06	146.65	146.65	1,684.47	421.12	140.37	842.24	280.75	842.24	140.37	280.75	2,290.88

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**Town Retirees and Mass Teachers - Medicare Plans
GIC HEALTH INSURANCE RATES - JULY 1, 2016**

FY 2017

HEALTH PLANS	Monthly Rate	(15% Contribution for HMO's*)			(25% Contribution)			Survivor Monthly Rate	"Cobra" Monthly Rates Includes 2% Admin Fee
		Town Monthly Rate	Retiree Monthly Rate	Retiree Weekly Rate	Town Monthly Rate	Retiree Monthly Rate	Retiree Weekly Rate		
Fallon Senior Plan	311.54	264.81	46.73	11.68				155.77	317.77
Health New England Medplus	410.96	349.32	61.65	15.41				205.48	419.18
Tufts Hlth Pl Medicare Compl	398.39	338.63	59.76	14.94				199.20	406.36
Tufts Hlth Pl Medicare Prefer	276.46	235.00	41.46	10.37				138.23	281.99
Harvard Pilg. Medicare Enh.	439.17				329.38	109.80	27.45	219.59	447.95
Unicare Indemn. With CIC	374.63				280.98	93.66	23.42	187.32	382.12
Unicare Indemn. w/o CIC	363.94				272.96	90.99	22.75	181.97	371.22

Note:
*Retirees after July 1, 2007: Contribution rate will not be less than their contribution rate as active employees.

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EMPLOYEE HEALTH MITIGATION FUND BREAKDOWN*

Appropriated by Town Meeting	
FY12	500,000
FY13	500,000
FY14	200,000
FY15	200,000
FY16	200,000 *amount in excess of 1M reverts to Town
Total	1,600,000

Munis Balances as of 1/7/2016	
Org 2525 (EHMF)	
Obj 57041	599,125
Org 0191487 (Group Health)	
Obj 57041	200,000 *currently transferred in equal installments

HRA Expenditures	
2015	75,000.00 sentinel
2014	75,000.00 sentinel
2012	75,000.00 sentinel
2011	75,000.00 sentinel
2013/14	500,775.00 medicare reimbursements
Total	800,775.00

HRA Usage by Calender Year	
2015	50,000.00 estimate (real number in early april 2016)
2014	34,419.48
2013	44,833.94
2012	92,509.66
Total	221,763.08

*PEC Agreement dicated Town appropriate 1,000,000 in addition to 483,600 for Medicare reimbursements

FY16 Medicare Tax Projected Total		
Actual	July	\$ 73,544.03
Actual	August	\$ 62,879.88
Actual	September	\$ 81,741.29
Actual	October	\$ 93,038.05
Actual	November	\$ 82,555.13
Actual	December	\$ 123,660.41
Projected	January	\$ 87,181.89
Projected	February	\$ 84,095.28
Projected	March	\$ 85,000.00
Projected	April	\$ 85,000.00
Projected	May	\$ 85,000.00
Projected	June	\$ 85,000.00

688,695.96 YTD

1,028,695.96 FY16 Projected Total

\$1,049,269.88 2% Increase

\$17,748.00 (20 hires at 60K *2% cola *1.45% medicare tax)

\$1,067,017.88

Mar-16

	Actual	Actual	Budget	Request	
0191488 LIABILITY INSURANCE					
5190 OFFSETS	(20,625)	(20,625)	(20,625)	(20,625)	0.00%
5245 EXP: WORKERS COMP	437,868	472,299	490,000	540,000	10.20%
5702 UNEMPLOYMENT COMPENSATION	156,890	105,336	200,000	<u>200,000</u>	0.00%
5750 INSURANCE: OFFICIALS LIABILITY	56,863	55,379	55,000	55,000	0.00%
5751 PROPERTY INSURANCE	235,692	254,020	270,625	270,625	0.00%
0191488 LIABILITY INSURANCE TOTAL	866,688	866,409	996,000	1,046,000	5.03%

TOWN OF ARLINGTON
LEGAL DEPARTMENT

Administration of:
Workers' Compensation
Line of Duty Injuries



50 Pleasant Street
Arlington, MA 02476
781-316-3154
Fax: 781-316-3159

MEMO

To: Insurance Subcommittee
Adam Chapdelaine, Town Manager

From: Edward M. Marlenga
Workers' Compensation Agent/Benefits Attorney

Re: 2017 Workers' Compensation Budget

Dated: March 16, 2016

A. Covered Employees

The Town is required to cover all full-time, part-time, temporary, seasonal and on-call employees pursuant to the provision of the Massachusetts Workers' Compensation law (General Laws Chapter 152). This includes all School Department employees but excludes Police Officers and Firefighters. Police and Fire Department employees are covered by separate line-of-duty wage replacement and medical indemnity statutes. Injury related payments for police and fire are directed out of the respective departments but the entire claims handling process is managed through this department.

B. Present Status of the 2016 Budget

As of 2/29/2015, the Workers' Compensation budget has expended approximately \$330,690 of its \$490,000 FY16 budget. These expenditures represent payments for weekly compensation indemnity benefits pursuant to Chapter 152, §34 (temporary total disability payments), §35 (temporary partial disability payments), §34A (permanent and total disability payments), §31 (widows benefits), §§13 & 30 (hospital and medical benefits) and departmental related costs.

The following information is provided pursuant to (and constrained by) the various state and federal privacy laws.

The weekly indemnity payroll has averaged approximately \$4,628 (although for the week ending 3/11/15 it stood at \$ 4,223.39 per week) and remains within the baseline FY16 budget

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projection. Medical payments have averaged approximately \$4,220 per week (a significant increase over last year). The increase in medical expenditures is mainly resultant from injuries requiring extended hospitalization and sophisticated medical care. Additionally, the upward trend of independent consideration costs associated with increasingly sophisticated medical procedures continued into the current fiscal year. Under Massachusetts workers compensation law, a fiscal year payment for causally related medical treatment includes new claims as well as statutorily mandated payments that follow the injured employee whether active, inactive or retired.

The department has filed multiple subrogation claims against third party tortfeasors during the current fiscal year. Subrogation claims are instituted against third parties whose conduct or actions either caused or contributed to an injury sustained by a Town employee. All subrogation recovery checks are made payable to the Town of Arlington and are forwarded to the Town Treasurer for deposit into the Town's General Fund. Additionally, the department successfully contested FY16 liability claims resulting in significant direct cost and long term savings.¹

There presently are several employees who are scheduled to undergo work-related surgical intervention (potentially with short accompanying hospitalization) prior to the end of this fiscal year. It is projected that the associated medical expense costs will approximate \$15,000 - \$30,000.

Given the existing weekly indemnity payments, projected hospital, medical, rehabilitative costs, redemption of liability expense and pending claims analysis it is projected that the department will stay within budget at the end of FY16.

There is presently \$128,781.49 remaining in the Workers' Compensation Reserve Fund. In addition to sound fundamental self-insurance claim practice, another purpose of the Reserve Fund is to fund liability redemption for claims having occurred in previous fiscal years. There is a necessity to restore claim loss reserves to appropriate levels. Liability redemption and statutory functional loss reserve payments are anticipated to deplete a percentage of the existing fund amounts by the end of this present fiscal year. It is therefore recommended that any remaining balance in the Workers' Compensation Expense Account at the end of FY16 be used to appropriately fund the Workers' Compensation Reserve Fund as contemplated and allowed by the Workers' Compensation statute. This fiscally responsible practice has served the Town well in the past.

C. FY 2017 Budget

The following assumptions have been made: (1) the number of employees covered under the Massachusetts Workers' Compensation Act will remain essentially the same or increase slightly on the School side, (2) the nature and essential job functions of the existing employees will remain the same, (3) the number of "standard" hours worked by employees will remain the same, (4) the manual labor force employees' average standard overtime hours will remain constant given the Town's projected projects and winter storm conditions, (5) the average age of

¹ Further cost savings to the Town are obtained through medical services bill negotiation and rate reduction for Town employee workers' compensation (including the School Department) and Police and Fire line-of-duty claims. The last full fiscal year saving (FY15) was \$ \$291,354.20 for Workers Compensation; \$111,572.12 for Police; and \$91,075.85 Fire Line-of-Duty claims. Total \$494,002.17

the Town employee will remain the same or decrease slightly, (6) given the present state of the economy, it is presumed that the maximum average weekly wage in the Commonwealth of Massachusetts will not increase greater than 3% above the existing \$1,256.47 [weekly indemnity ceiling set each October 1st by the Department of Industrial Accidents], (7) the Town employee's average weekly wage increase will not exceed 3%, (8) the workers' compensation weekly indemnity statutory rate (60% of average weekly wage) will remain the same, (9) hospital/medical HHS reimbursement rates will not exceed the state's previously set 3.6% benchmark, and (10) the increase in the costs of non-rated medical services will not exceed ten percent.

Taking into consideration all of the standard claims/loss factors as well as the nature of the Town's specific workers' compensation experience rates over the past decade (inclusive of the factors previously detailed), it is projected that the costs associated with the existing claims (including inactive and retired employee claim tails but excluding claims redeemed) and the anticipated new compensable injuries will not result in payments significantly greater than those estimated to be expended in FY16. However, given the depletion of the Workers Compensation Reserve Fund by almost \$50,000, the present loss reserves incurred and accrued, and the uncertain result of pending litigation claims, it is recommended that the FY17 budgeted amount for Workers' Compensation be increased to \$540,000. This figure provides an appropriate amount for projected FY17 claims, funds loss reserves, addresses potential litigation claims/loss exposure and provides funds for the appropriate redemption of existing claims. As indicated, the increase is due mainly to appropriate self-insurance reserve funding. This would be the first requested budget increase since FY08.

