



## Arlington Finance Committee

Date: Wednesday, March 20, 2024.

Time: 7:30pm.

Location: O'Neill Community Room, Public Safety Building, 112 Mystic Street, Arlington, MA.

### Minutes

Attendance: Christine Deshler, Josh Lobel, Dean Carman, Topher Heigham, Alan Jones, Jennifer Susse, Michael Ruderman, Charles Foskett, David McKenna, Sophie Migliazzo, Grant Gibian, John Griffin, Carolyn White, Rebecca Younkin, Darrel Harmer, Allan Tosti, Annie LaCourt and Tara Bradley (Secretary). Visitors: Sean Keane (ACMi).

1. Water & Sewer Enterprise Fund, Article 43 – Appropriation / Financing of Construction or Reconstruction of Sewers and Sewerage Facilities and Article 44 – Appropriation / Financing of Construction or Reconstruction of Water Mains and Water Facilities: goal to replace all unlined pipe. Current one mile per year replacement rate is insufficient. More reasonable rate is one and a half to two miles per years so oldest pipes are maximum 65-80 years old at a time. Approximate Retained Earnings balance as of 3/19/24 is \$6,253,093. Unaccounted water about 20% of all water use. Certified Estimate of Municipal Users (CEMU) is approximately 12,702. Approximately 894 legacy meters (Neptune hardware, Informix software) still in use. There is difficulty in gaining access to replace legacy meters.
  - a. VOTE – Article 43: motion to accept \$900,000 appropriation for sewers and sewerage passed unanimously.
  - b. VOTE - Article 44: motion to accept \$1,500,000 appropriation for water mains and water facilities passed unanimously.
  - a. VOTE - Water & Sewer Enterprise Fund: motion to accept \$24,637,529 in expenses and \$24,637,529 in revenues passed unanimously.
2. Article 21 – Home Rule Legislation – To Amend The Senior Citizen Property Tax Exemption: Mann is withdrawing this article.
  - a. VOTE: motion to take No Action passed unanimously.
3. Article 65 – Collective Bargaining: no contracts are expected to be finalized before the end of Town Meeting.
  - a. VOTE: motion to take No Action passed unanimously.

4. Article 58 - Local Options Tax: Municipal Empowerment Action unlikely to be passed before town meeting.
  - a. VOTE: motion to reconsider this article passed unanimously.
  - b. VOTE: motion to take No Action passed unanimously.
5. Insurance: Employee Mitigation is to help offset change to GIC.
  - a. VOTE: motion to accept \$22,634,217 Group Health Taxation Total and to authorize Chair and Vice Chair to amend amount as needed given interest changes in the Health Claims Trust Fund account passed with 15 in favor and one abstaining (McKenna).
  - b. VOTE: motion to transfer \$127,655.93 remaining balance from Health Claims Trust Fund to the General Fund to offset the Group Health Insurance expense passed with 15 in favor and one abstaining (McKenna).
  - c. VOTE: motion to accept \$607,713 Liability Insurance Taxation Total passed with 15 in favor and one abstaining (McKenna).
6. Article 50 - Community Preservation Fund.
  - a. VOTE: motion to endorse projects with expenses of \$2,179,084 passed with 11 in favor, one opposed (Griffin) and three abstaining (Carman, Ruderman and Tosti).
7. Article 55 – Appropriation / Massachusetts Public Library Construction Program Match: \$150k original appropriation request. Town Manager withdrew \$50k appropriation request from Article 57 (Master Plan). Arlington 250 Committee reduced their ask from \$50k to \$25k. Memo from Director of Libraries Litten confirms that additional \$75k to come from Libraries Trust Fund. Still eligible for grant match with \$75k coming from Libraries Trust Fund. Last time grant program open was 2016.
  - a. VOTE: motion to appropriate \$75,000 to be used together with \$75,000 from Library Trust Fund to be spent to obtain a matching grant provided no money be spent absent receipt of said grant passed with 14 in favor, one opposed (Ruderman) and one abstaining (Foskett).
8. Article 46 – Appropriation / Committees and Commissions – Commission on Disability.
  - a. VOTE: motion to accept \$20,000 Commission on Disability budget passed unanimously.
9. Article 49 – Appropriation / Water Bodies Fund: \$120,000 request.
  - a. VOTE: motion to accept \$50,000 Water Bodies Fund budget failed with six in favor and ten opposed.
  - b. VOTE: motion to accept \$85,000 Water Bodies Fund budget passed with 12 in favor and four opposed.
10. Article 46 – Appropriation / Committees and Commissions - Scenic Byway.
  - a. VOTE: motion to accept \$5,000 Scenic Byway budget passed with 15 in favor and one opposed (Carman).

11. Article 46 – Appropriation / Committees and Commissions – Arlington 250: reduced to \$25k request.
- a. VOTE: motion to accept \$25,000 Arlington 250 budget passed with 15 in favor and one abstaining (Ruderman).
12. Article 46 – Appropriation / Committees and Commissions – Human Rights Commission: Commission requested \$10k. Discussion around town versus independent email and file system use.
- a. VOTE: motion to accept \$7,500 Human Rights Commission budget passed with 15 in favor and one against (LaCourt).

Summary of Votes

<b>Budget</b>	<b>Total</b>	<b>Status</b>	<b>Date</b>	<b>Votes</b>
Article 43 – Sewers	\$900,000.00	Approved	3/20/2024	16-0-0
Article 44 - Water	1,500,000.00	Approved	3/20/2024	16-0-0
Water & Sewer Enterprise Fund	\$24,637,529 in expenses/revenues	Approved	3/20/2024	16-0-0
Article 21 – Senior Citizen Property Tax	No Action	Approved	3/20/2024	16-0-0
Article 65 – Collective Bargaining	No Action	Approved	3/20/2024	16-0-0
Article 58 – Local Options Tax	No Action	Approved	3/20/2024	16-0-0
Group Health Insurance	\$22,634,217.00	Approved	3/20/2024	15-0-1
Transfer: Health Claims Trust Fund to General Fund	\$127,655.93	Approved	3/20/2024	15-0-1
Liability Insurance	\$607,713.00	Approved	3/20/2024	15-0-1
Article 50 – Community Preservation	Endorse/ \$2,179,084.00	Approved	3/20/2024	11-1-3
Article 55 – Library Program Match	\$75,000.00	Approved	3/20/2024	14-1-1
Article 46 – Commission on Disability	\$20,000.00	Approved	3/20/2024	16-0-0
Article 49 – Water Bodies Fund	\$85,000.00	Approved	3/20/2024	12-0-0
Article 46 – Scenic Byway	\$5,000.00	Approved	3/20/2024	16-1-0
Article 46 – Arlington 250	\$25,000.00	Approved	3/20/2024	15-0-1
Article 46 – Human Rights Commission	\$7,500.00	Approved	3/20/2024	15-1-0

Meeting adjourned at 10:04pm.

By Tara Bradley.

Reference 1: Water & Sewer FY25 Budget Preview

Reference 2: Water & Sewer FY25 Budget Preview Email Gibian 20240309

Reference 3: Great Meadows Expenses Emails Gibian White 20240202

Reference 4: Public Comment Articles 43 & 44 Email Stoff 20240318

Reference 5: Public Comment Articles 43 & 44 Email Stoff 20240318

Attachment NPDES Climate Planning

Reference 6: Public Comment Articles 43 & 44 Email Stoff 20240318

Attachment NPDES Permit Letter Feeney Helmuth 20231127

Reference 7: Articles 43 & 44 Email Stoff 20240318 Attachment Comments

Reference 8: FY25 Water & Sewer Budget 20240320

Reference 9: 3 Year Recap of Number of Water Meters

Reference 10: Water & Sewer Retained Earnings Balance Calculation

Reference 11: 2024 Insurance Expenses and Rates

Reference 12: 2024 Insurance Workers Compensation Memo 20240318

Reference 13: Master Insurance Budget Including Health Claims Offset Update



## FY 2025 Water and Sewer Budget “preview”

### Operating (not including indirect exp)

Where	What	Why	Comment
Water Dist System Salaries & Wages	9.63% increase	-union settlement -1 new position added	-added Senior Engineering position, \$82,340 -is vacant; also 3 other positions vacant -total 4 vacant positions

### Indirects

Where	What	Why	Comment
DPW Staff Indirect charges	3.3% increase	Increases in DPW dept’s budgets voted last year	Amount is based on last year’s voted <i>total budget</i> (similar to non-DPW indirects)
Workmen’s Comp	No change	Claim infrequency	-Increase in actuals, 1 claim being paid, -Just 1 <sup>st</sup> claim in over 12 years
Health Benefits	3% increase	Health insurance increases	This is the number from the state we’re expecting soooooon.
Indirect Costs	4.06%	Increase in non-DPW budgets voted last year: - Comptroller - HR - Town Mgr - Select Board - IT - Treasurer - Legal - Postage	Amount is based on that non-DPW last years voted <i>total budget</i> (similar to DPW Staff Indirects) -% of total budget was determined by Powers & Sullivan study, circa 2012 - ( <i>represents</i> amount/ % of time worked on W&S items)

### Debt Service

Where	What	Why	Comment
Water Debt Service Debt Capital (sic)	7.87% Increase	increased amount of debt of (interest free) MWRA loans	water main maintenance: - Article for Water Mains has increased last few years from earlier years (e.g.1.5m fy 2025)
Water Debt Service Principal & Interest	10.36% decrease	Decrease in interest loans	Shift to interest free loans

Total Expenses increased 2.66%, and so Total Revenues amount increases 2.66%

Increase in revenue sourced from 2.7% increase in (total) user fees: typically # of total users increases

**Grant Gibian** <[grantgibian@gmail.com](mailto:grantgibian@gmail.com)>

To: [jtremy90@gmail.com](mailto:jtremy90@gmail.com); +40 others

Sat 3/9/2024 12:50 PM

Water and Sewer Budget preview.pdf

42 KB

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi everyone,

To prepare for the upcoming and ever exciting event of the water and sewer budget presentation, I am writing to ask everyone to review the *current* W&S budget and to please email me by the end of Monday with any questions .

As we all probably know at this point, the current (budget book) budget changes once the insurance numbers are announced. The changes affect the indirect expenses and, naturally, several totals as well: they don't affect the operating and debt service portions of the budget. By the way, *this* is why it's almost always done last :).

Spoiler Alert: Attached and pasted below is a W&S "preview", addressing the more obvious budget items. It's likely the flattest W&S budget I've seen.

Thanks,  
Grant

### **FY 2025 Water and Sewer Budget "preview"**

#### **Operating (not including indirect exp)**

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**Re: Great meadows expenses**

CW

Carolyn A White <[cawhitema@gmail.com](mailto:cawhitema@gmail.com)>

To:

[grantgibian@gmail.com](mailto:grantgibian@gmail.com)

Cc:

Tara Bradley; **+40 others**

Fri 2/2/2024 6:42 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Thanks Grant!

This information, and more importantly the page number, is quite useful to the Water Bodies and Conservation Committee.

Water Bodies was thinking of asking Lexington to assist in expenses of Mill Brook and more importantly the Reservoir to reduce invasive water chestnuts. However, given that the amount the Town of Arlington pays Lexington is so low, we'd likely open a can of very expensive worms. On top of that, I suspect those water chestnuts are coming from Great Meadows, which belongs to Arlington.

Water Bodies won't pursue this any time soon.

Have a wonderful weekend,

Carolyn

**Carolyn A White, PT, MBA**

**[cawhitema@gmail.com](mailto:cawhitema@gmail.com)**

**(617) 417 - 7177**

On Thu, Feb 1, 2024 at 9:43 AM Grant Gibian <[grantgibian@gmail.com](mailto:grantgibian@gmail.com)> wrote:

Hi all,

There was a slight air of mystery last night when it came to the question of Arlington's payments to Lexington for Great Meadows.

The Water and Sewer Budget, as almost always, can help shed some light on this... and perhaps solve this slight and obscure mystery:

### **W&S Budget page 167**

**5530 Great Meadows Expense**...for the past decade, budget amount is *always* \$4,000, actuals change slightly but never exceed \$2,692 (in 2018). The actual amount has been constant at \$2,048 since 2020. This also provides an example of the budget vs. actuals technique we've discussed.

My understanding, relying on my notes from the last decade, is that these payments are made to Lexington in lieu of taxes. Alan Jones had mentioned Arlington owns the land: Most landowners ~usually~ pay taxes, these payments are in lieu of landowner taxes.

I started to mention this last night, but by the time I looked up the account info, I felt the time had passed as we had moved on to other subjects. Pretty sure this is what Carolyn was referring to when she inquired about payments to Lexington pertaining to Great Meadows. Hopefully this solves the mystery.

Why is it in W&S? Well, that's a different mystery... for another time (and I have a theory).

elementarily yours,  
Grant

# Comments and Questions about Warrant Articles 43 &44 for Distribution to the Finance Committee

Reference 4

David Stoff <dstoff@rcn.com>

Mon 3/18/2024 2:19 PM

To:Tara Bradley <tbradley@town.arlington.ma.us>

📎 3 attachments (301 KB)

NPDES Climate Planning.pdf; Town of Arlington's Comments on Draft NPDES Permit for the Deer Island WWTP, November 28, 2023.pdf; Stoff FinCom comments Art 43,44.pdf;

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Tara Bradley, Finance Committee Executive Secretary

Tara:

Could you please distribute this email with my comments regarding the warrant articles for water and sewer to the Finance Committee. I've attached a pdf version if you have to print it out. Unfortunately I will be out of state when the hearings will be held.

Thanks,

David Stoff  
88 Fairmont Street  
Arlington, MA 02474

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Thank you for the opportunity to present my comments on Articles 39, 43 & 44. The issue here is complex, the climate resiliency of Arlington's water and sewer infrastructure.

## Background

Recently the Town chose to challenge new climate change resiliency requirements for its water and sewer system. Briefly, the federal Clean Water Act regulates discharges to the nation's waters from point sources through a permit system. One of those point sources is the Deer Island Waste Water Treatment Plant operated by the MWRA. EPA, the permitting authority in Massachusetts, issued a draft permit (NPDES Permit)for MWRA's Deer Island plant last year.

The permit included new requirements related to climate change, such as the development of a Sewer System Major Storm and Flood Events Plans(climate change resiliency planning). EPA also added the communities, like Arlington, whose sewer systems discharge to Deer Island as co-permittees to enforce the requirements.

[Arlington's letter to EPA is attached].

## Climate Resiliency Requirements

EPA's climate change resiliency planning requirements are quite detailed [document attached; link to full permit:<https://www3.epa.gov/region1/npdes/mwra/pdf/2023/mwra-2023-draft-permit-pn.pdf>]. Of interest to the Finance Committee would be the requirements for a description of the funding source for resilience planning, and a description of staffing levels and funding sources necessary to implement the plan.

The Town's response raises 2 immediate questions:

- Will any funds appropriated in Articles 39, 43, 44, be used for legal expenses for a permit challenge?
- In the absence of EPA's climate change planning requirements, can DPW state that the water and sewer projects contemplated in Articles 43 &44 will achieve their full service life, or will some of those funds be wasted?

Climate change discussions are usually abstract. When the reality of climate change shifts from comfortable voluntary action to requiring immediate responses (that have to be paid for) the dialog stops.

**A practical example for your consideration:**

Arlington DPW operates a ground water pump station at Magnolia Park. Maintaining the ground water level helps drain the playing field. It also keeps the yards and basements of adjacent homes from flooding. The pump itself is located in a flood prone area. ( See preliminary revised flood maps 2023; <https://storymaps.arcgis.com/stories/92ce50d0a6cd42ee835cfe22c4212a0b> ).

Reference 4

Arlington chooses to delay climate change planning requirements. Questions like these arise:

- How will any vulnerability of the Magnolia pump station effect the condition of Magnolia Park?
- Will maintaining the ground water at current levels be possible in 10 years? 20 years? 100 years?
- The FY 24 capital plan for the Parks and Recreation Department has funding for planning a renovation of the adjacent Thorndike Field. How will the drainage of Thorndike Field be impacted and will that project be impacted? Will the Town need another pump there?
- If the Town chooses to upgrade the pump station, when should that happen, how much will it cost, how long will the upgrade last, and what's the best way to pay for it?

Then there's the abutters. Is Arlington prepared to tell them the pump station will maintain the current level of service come hell or high-water? What portion of the public works budget and the Town's civil engineering expertise is to be employed maintaining the marketability of every parcel of land in town without regard to location? Strategic pull back or fight the water to the last drop?

That's the discussion we're not having.

Reasonable differences exist about the extent and probability of climate change driven flooding, but it's difficult for me to understand how a *planning requirement* to access the vulnerability of Arlington's infrastructure, like the pump station in the example is unreasonable. I hope you understand and share my concerns.

Please find the time to ask the DPW representative who'll appear before you *when and how* they see planning for the climate resiliency of Arlington's water and sewer infrastructure occurring. Are we getting better value from our taxes through delay?

We do ourselves no service when we shrink away from doing big things. It just makes us look small.

David Stoff  
88 Fairmont Street  
Arlington, MA 02474

- i. A description of the collection system management goals, staffing, information management, and legal authorities;
- ii. A description of the collection system and the overall condition of the collection system including a list of all pump stations and a description of recent studies and construction activities; and
- iii. A schedule for the development and implementation of the full Sewer System Operation and Maintenance Plan including the elements in Parts I.E.2.e.(3)(i) through (3)(ix) below.

(2) Within 12 months of the effective date of the Permit, the Permittee, CSO-responsible Co-Permittees and Co-permittees shall develop and implement a *Sewer System Flood Events Plan* as an element of the *Sewer System Operations and Maintenance Plan*. The Plan shall contain three components: (1) an asset vulnerability evaluation, (2) a systemic vulnerability evaluation of the system and (3) an alternatives analysis. The Plan shall include resiliency planning and implementation informed by an evaluation<sup>18</sup> of all sewer system vulnerabilities to major storm and flood events<sup>19</sup>. The planning process shall be iterative, and re-evaluations shall be conducted; (1) if on- or off-site structures are added, removed or significantly changed in any way that will impact the vulnerability of the sewer system and (2) as data sources used for such evaluations are revised or generated. At a minimum, the Plan must take future conditions into consideration, specifically midterm (i.e., 20-30 years) and long-term (i.e., 80-100 years) and, in the case of sea level change, the plan must consider extreme sea level change. The Plan shall be updated every five (5) years from the effective date of this Permit.

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<sup>18</sup> To determine the vulnerabilities to the facilities from major storm and flood events, you must conduct the evaluation using, at a minimum, the worst-case data relating to changes in precipitation, sea level rise, extreme weather events, coastal flooding, inland flooding, sewer flow and inflow and infiltration and relevant to the facilities from: 1) the data generated by the 13 federal agencies that conduct or use research on global change that contributed to the latest National Climate Assessment produced by the U.S. Global Change Research Program (USGCRP); 2) climate data generated by the Commonwealth of Massachusetts; and 3) resiliency planning completed by the municipality in which a given facility is located (i.e., City of Boston) and incorporate the results of the evaluation in a manner that demonstrates that the control measures taken are precautionary and sufficiently protective. Evaluation must be completed by a qualified person on a five-year basis considering: 1) historical observations from all years the Permittee has operated the facility prior to this Permit's term; 2) set midterm (i.e., 20-30 years) and long-term (i.e., 80-100 years) ranges.

<sup>19</sup> "Major storm and flood events" refer to instances resulting from major storms such as hurricanes, extreme/heavy precipitation events, and pluvial, fluvial, and flash flood events such as high-water events, storm surge, and high-tide flooding. "Extreme/heavy precipitation" refers to instances during which the amount of rain or snow experienced in a location substantially exceeds what is normal. What constitutes a period of heavy precipitation varies according to location and season. "Extreme/heavy precipitation" does not necessarily mean the total amount of precipitation at a location has increased-just that precipitation is occurring in more intense or more frequent events.



- i. *Component 1: Asset Vulnerability Evaluation.* The first component of the *Sewer System Operation and Maintenance Plan* must assess the vulnerability of individual sewer system-related assets. The Permittee and Co-permittee may find EPA’s guide: *Flood Resilience: A Basic Guide for Water and Wastewater Utilities*<sup>20</sup> and EPA’s website<sup>21</sup> *Creating Resilient Water Utilities (CRWU)* helpful for completing this component.

The Asset Vulnerability Evaluation shall include, at a minimum, the following:

- (a) Description of planning priorities related to the location of the sewer system;
- (b) Identification of all assets (e.g., pump stations, pipes, etc.), the elevation of the asset, and if the asset falls into the 100-year flood map or the 500-year flood map,<sup>22</sup>
- (c) Description of structural improvements, and/or other mitigation measures<sup>23</sup> to minimize<sup>24</sup> the impacts of major storm and flood events to each specific asset identified in Part I.E.2.e.(2).i.(b) above.

The Permittee, CSO-responsible Co-Permittees, and Co-permittees shall consider, at a minimum, the following measures:

- (i) Construction of flood barriers to protect structure or reinforce existing structures to withstand flooding and additional exertion of force;
- (ii) Establish remote locations for operations, equipment, records and data backups;
- (iii) Plan and establish alternative or on-site power supply;<sup>25</sup>

<sup>20</sup> [https://www.epa.gov/sites/default/files/2015-08/documents/flood\\_resilience\\_guide.pdf](https://www.epa.gov/sites/default/files/2015-08/documents/flood_resilience_guide.pdf)

<sup>21</sup> <https://www.epa.gov/crwu>

<sup>22</sup> See [https://www.epa.gov/sites/default/files/2015-08/documents/flood\\_resilience\\_guide.pdf](https://www.epa.gov/sites/default/files/2015-08/documents/flood_resilience_guide.pdf) for a basic guide to flood resiliency for water and wastewater utilities.

<sup>23</sup> Mitigation measure can be an emergency planning activity, equipment modification/upgrade or new capital investment/construction project.

<sup>24</sup> For the purposes of this provision, the term “minimize” means to reduce and/or eliminate to the extent achievable the impacts to the facilities.

<sup>25</sup> The Permittee shall clearly document measures taken specifically to manage energy system disruptions, such as a general power outage, well as document whether and, if so, to what extent, power supply adequate to ensure safe and reliable operations of the facility is threatened during a major storm or flood. They shall clearly document measures that have been taken to address any risks the facility faces of losing power during a major storm or flood in a manner that could result in environmental or public health impacts.

- (iv) Relocate facilities and/or infrastructure to higher elevations;
  - (v) Catalog emergency resources used during a major storm or flood event;
  - (vi) Develop emergency response plans;
  - (vii) Establish mutual aid agreements with neighboring utilities;
  - (viii) Integrate long-term risks into capital improvement plans;
  - (ix) Participate in community planning and regional collaborations;
  - (x) Conduct staff training for implementing your emergency procedures at regular intervals;
  - (xi) When designing new or replacement facilities, strive to locate facilities above the base flood elevation;<sup>26</sup>
  - (xii) Identify the source of data used to assess vulnerabilities to major storm and flood events; and
  - (xiii) Identify the potential funding sources<sup>27</sup> for resilience planning and implementation (e.g., EPA, FEMA, MassDEP, capital planning, etc.).
- ii. *Component 2: Systemic Vulnerability Evaluation.* Upon completing assessment of the vulnerabilities of individual assets, the Permittee and Co-permittee shall evaluate the vulnerability of its sewer system as a whole. This second component of the plan shall include, at a minimum, a systematic vulnerability evaluation for each asset identified in Part I.E.2.e.(2).i.(b), including the following:
- (a) Define the criticality of each asset to the overall sewer system operations; and
  - (b) Identify the highest priority assets for the sewer system and measures<sup>28</sup> taken to reduce system vulnerability to risks that could degrade the overall system operations in a manner that would result in environmental or public health impacts.

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<sup>26</sup> For MA facilities, for activities proposed within Areas Subject to Protection under M.G.L. c. 131, § 40 or the 100-foot buffer zone, the Base Flood Elevation is defined at 310 CMR 10.04, Definitions of Special Flood Hazard Area, Velocity Zone, and Coastal High Hazard Area, Land Subject to Coastal Storm Flowage at 310 CMR 10.36 and Bordering Land Subject to Flooding, and Isolated Land Subject to Flooding at 310 CMR 10.57. Also refer to the Massachusetts State Building Code for any other required standards related to Base Flood Elevation.

<sup>27</sup> See <https://www.epa.gov/fedfunds>

<sup>28</sup> For example, an asset like a pumping station or headworks is often ranked “high” for criticality, as the safe and reliable operation of many assets during a major storm or flood depend upon the continued operation of that particular asset. If a pump station is degraded or fails, the operations of many other assets can degrade or fail, resulting in environmental or public health impacts.

- iii. *Component 3: Alternatives Evaluation.* Upon completing assessment of the vulnerabilities of the sewer system as a whole, the Permittee, CSO-responsible Co-Permittees, and Co-permittees shall provide an assessment of individual asset-specific, and/or, if appropriate, combinations of mitigation measures must be presented in order to determine the most effective mitigation measures to minimize the impact of major storm and flood events.

This third component shall include, at a minimum, the following with regard to alternative evaluation, at a minimum:

- (a) An evaluation of alternatives including a cost-effectiveness analysis and a review of technical, environmental, and institutional factors. The alternatives analysis should conclude with the development of a recommended plan.
- (b) For each alternative, quantitatively document (including assumptions and methodologies) the residual risk today and for the midterm (i.e., 20-30 years) and long-term (i.e., 80-100 years). The evaluation should include estimates of which customers and geographic areas bear the residual risk from the approach to resiliency planning in that system. Residual risk is a term that refers to the risk remaining for an asset or system, after mitigation measures are taken.
- (c) For each asset, document the total projected alternatives for implementing all planned mitigation measures identified in the *Sewer System Major Storm and Flood Events Plan*.
- (d) Selection of mitigation measures to be undertaken, including:
  - (i) a schedule to implement each selected mitigation measure;  
and
  - (ii) a map showing the location of planned mitigation measures.

- iv. *Annual Report.* The Permittee and Co-permittee shall submit an Annual Operation and Maintenance Report on the *Sewer System Major Storm and Flood Events Plan* implementation and results for the prior calendar year including documenting any changes to the sewer system or other assets that may impact the current vulnerability evaluation. The first annual report is due the first March 31 following submittal of the *Sewer System Major Storm and Flood Events Plan* and shall be included with the annual report required in Part I.E.3 below.
- (3) The full Sewer System O&M Plan shall be completed, implemented, and submitted to EPA and to MassDEP within twenty-four (24) months from the effective date of this Permit. The Plan shall include:
- i. The required submittal from paragraph I.E.2.e.(1) above, updated to reflect current information;
  - ii. A preventive maintenance and monitoring program for the collection system; including resiliency evaluation and planning that the Permittee, CSO-responsible Co-permittees and Co-permittees owns and operates;
  - iii. Description of sufficient staffing necessary to properly operate and maintain the sanitary sewer collection system that the Permittee, CSO-responsible Co-permittees, and Co-permittees owns and operates and how the operation and maintenance program is staffed;
  - iv. Description of funding, the source(s) of funding and provisions for funding sufficient for implementing the plan that the Permittee, CSO-responsible Co-permittees, and Co-permittees owns and operates plan;
  - v. Identification of known and suspected overflows and back-ups, including manholes. A description of the cause of the identified overflows and back-ups, corrective actions taken, and a plan for addressing the overflows and back-ups consistent with the requirements of this permit that apply to the Permittee, CSO-responsible Co-permittees, and Co-permittees;
  - vi. A description of the Permittee's, CSO-responsible Co-permittee's, or Co-permittee's programs for preventing I/I

related effluent violations and all unauthorized discharges of wastewater, including overflows and by-passes and the ongoing program to identify and remove sources of I/I. The program shall include an inflow identification and control program that focuses on the disconnection and redirection of illegal sump pumps and roof down spouts;

- vii. An educational public outreach program for all aspects of I/I control, particularly private inflow; and
- viii. An Overflow Emergency Response Plan to protect public health from overflows and unanticipated bypasses or upsets that exceed any effluent limitation in the Permit.
- ix. The resiliency evaluation and planning portion of the Sewer System O&M Plan shall be revised at least every five years. See Part I.E.2.e.(2).

### 3. Annual Reporting Requirement

The Permittee, CSO-responsible Co-permittees and Co-permittees shall submit a summary report of activities related to the implementation of its O&M Plan during the previous calendar year. The report shall be submitted to EPA and to MassDEP annually by March 31. The first annual report is due on the first March 31 following submittal of the O&M Plan required by Part I.E. of this Permit. The summary report shall, at a minimum, include:

- a. A description of the staffing levels maintained during the year;
- b. A map and a description of inspection and maintenance activities conducted, and corrective actions taken during the previous year;
- c. Expenditures for any collection system maintenance activities and corrective actions taken during the previous year;
- d. A map with areas identified for investigation/action in the coming year;
- e. A summary of unauthorized discharges during the past year and their causes and a report of any corrective actions taken as a result of the unauthorized discharges reported pursuant to the Unauthorized Discharges section of this Permit; and
- f. If the average annual flow in the previous calendar year exceeded 80 percent of the facility's 361 MGD design flow (288.8 MGD), or there have been capacity related overflows, the report shall include:
  - (4) Plans for further potential flow increases describing how the Permittee will maintain compliance with the flow limit and all other effluent limitations and conditions; and

November 27, 2023

Michele Barden  
U.S. environmental Protection Agency – Region 1  
5 Post Office Square, Suite 100 (06-1)  
Boston, MA 02109-3912  
[barden.michele@epa.gov](mailto:barden.michele@epa.gov)

[massdep.npdes@mass.gov](mailto:massdep.npdes@mass.gov)

Re: Public Comment  
NPDES Permit No. MA0103284  
Massachusetts Water Resources Authority (MWRA), Applicant

Dear Ms. Barden:

Please accept this correspondence as public comment for your consideration from the undersigned representatives of the Town of Arlington (“Arlington” or the “Town”) regarding proposed NPDES Permit No. MA0103284 (the “Draft Permit”).

As you know, the Draft Permit relates to proposed authorization of the discharge of waste and sewage into local waterways. Of particular concern to the Town are Combined Sewer Overflow Outfall (“CSO”) Number MWR003, with receiving water listed as “Little River” in Segment MA71-22 and CSO Number SOM001A, also known as the Tannery Brook outfall, with receiving water listed as the Alewife Brook. During the term of the expiring 2000 NPDES permit, the Alewife Brook has suffered significant damage due to the release of millions of gallons of sewage from the above identified CSO’s. Moreover, the flat topography of the low-lying Brook watershed has resulted in a disproportionate impact upon the surrounding area in Arlington. Unfortunately, the conditions contained within the existing permit have not led to a reduction or elimination of CSO events affecting Alewife Brook.

Although the Town recognizes the addition of a specific section addressing CSOs within the Draft Permit and the incorporation by reference therein of the terms of the Variance for limited CSO Discharges to the Alewife Brook/Upper Mystic River Basin that the Massachusetts Department of Environmental Protection (“DEP”) issued on August 30, 2019, it remains the Town’s position that the Draft Permit does not go nearly far enough to protect Alewife Brook and our citizens who live, work or recreate within its 100-year floodplain. Accordingly, while we continue to believe that CSOs should not be authorized, we urge you to revise the Draft Permit so that the practice of permitting CSO’s is at the very least, mitigated to the point that their frequency and volume are dramatically reduced. Now is the time to take action to protect the Alewife Brook.

More specifically, the Town requests that the Draft Permit be revised to address more effectively:

- an end to untreated sewage pollution;
- combined sewer separation;
- the construction of green storm water infrastructure including constructed wetlands, rain gardens, bio swales and tree trenches;
- CSO storage in underground holding tanks and, should other measures be unsuccessful in eliminating CSO events;
- a local Alewife CSO treatment facility.

The types of solutions suggested above are needed not only to protect the Alewife Brook and the surrounding watershed as a waterway and ecosystem, but more importantly, to protect the health of the people in the area. Arlington appreciates and understands the costs of implementing some of these suggested changes, but steps must be taken now to address what has become an untenable situation.

Should CSO events continue to be authorized through the issuance of the next NPDES permit, it is critical that the requirements for notification be upgraded to alert those in the area when an event occurs. A system that provides notification to those nearby in real time, via a wireless, remote controlled, solar powered warning sign with flashing lights, is desperately needed. Such technology exists and is in use in other parts of the country for similar notifications which must be delivered contemporaneously. As recently as this past summer, Alewife Brook overflowed its banks due to CSO discharges from other communities. Print and television news reports captured the accounts and images of cyclists, joggers and pushed baby strollers as they unknowingly made their way through sewage containing, standing water on the Alewife Greenway Bike Path. These events must not continue.

Further, odors emanating from combined sewers, particularly during the summer months, are having a deleterious and disproportionate impact on abutting Arlington residents. Persistent odors often trigger nuisance complaints and interfere with the enjoyment of rear yards and porches. Since impacted parties and passers-by should be able to easily identify parties responsible for inspection and remedial action, the final permit should require a contact phone number on the sign at each outfall for proper reporting of issues. A further condition should require the reporting within monthly maintenance reports of odor complaints relating to CSOs as well as steps taken in response thereto.

As to floatables emanating from CSOs, the Arlington Health Department has received complaints about toilet paper and other floatables, especially in the direct vicinity of SOM001A, caught in the vegetation surrounding the Alewife Brook following CSO discharges. Any revised floatables control plan contained within the next permit should require netting, screening or similar system for capturing and retaining these solids, coupled with a requirement for timely post-discharge removal of same.

An additional concern with the Draft Permit is the inclusion of Arlington, a sanitary sewer community, as a “co-permittee”. As an initial matter, Arlington disputes the authority of either the United States Environmental Protection Agency (“EPA”) or the DEP from designating Arlington as a “co-permittee” as part of the current permit application. Arlington is not a party to the current permit application. Absent a permit application from the Town, neither the EPA, nor

DEP, is empowered with the statutory or regulatory authority to impose conditions or obligations upon Arlington as a designated co-permittee. Accordingly, Arlington requests that it be removed from the Draft Permit as a co-permittee.

Further, Arlington objects to the requirement at Part I. E. 2e. of the Draft Permit that the Town develop and implement plans (Major Events Planning Provisions) to address its sewer system's climate change resiliency. The proposed plans, which would apply to CSO-responsible and sanitary sewer communities alike, contain no explanation of their merits, the process by which they would be formulated, or a source of funding to achieve them. Arlington already has an inflow/infiltration reduction plan that it has been operating for 13 years. Arlington expends significant funding every year to study, design and construct sewer solutions that address its system's effectiveness and climate change resiliency. Additional obligations assigned to a sanitary sewer community like Arlington take attention away from other issues, like those outlined above, that require immediate revision.


Finally, Arlington states that should the requirement at Part I. E. 2e remain as proposed, it will be impracticable for most communities, and especially Arlington, to meet the goal within the 6 months allotted. This is because Arlington will need to seek an appropriation at its Annual Town Meeting in April in order to obtain funding for the coming fiscal year. Once funding is available on July 1st, the Town would need to issue a Request for Proposals in accordance with procurement law in order to engage a consultant. Only once a contract is ratified can the chosen consultant begin to perform the necessary study and analysis. This process typically requires at least 24 months to complete, and this reality needs to be reflected in the Permit should the requirement endure.

Thank you for your consideration of the foregoing comments and for your continued attention to this important matter.

Best regards,



James Feeney  
Town Manager, Arlington



Eric D. Helmuth  
Chair, Arlington Select Board  
(on behalf of entire Arlington Select Board -  
Stephen W. DeCoursey, Lenard Diggins,  
John V. Hurd, Diane M. Mahon)

cc: Senator Elizabeth Warren  
Senator Edward Markey  
Congresswoman Katherine Clark



Thank you for the opportunity to present my comments on Articles 39, 43 & 44. The issue here is complex, the climate resiliency of Arlington's water and sewer infrastructure.

### **Background**

Recently the Town chose to challenge new climate change resiliency requirements for its water and sewer system. Briefly, the federal Clean Water Act regulates discharges to the nation's waters from point sources through a permit system. One of those point sources is the Deer Island Waste Water Treatment Plant operated by the MWRA. EPA, the permitting authority in Massachusetts, issued a draft permit (NPDES Permit) for MWRA's Deer Island plant last year.

The permit included new requirements related to climate change, such as the development of a Sewer System Major Storm and Flood Events Plans (climate change resiliency planning). EPA also added the communities, like Arlington, whose sewer systems discharge to Deer Island as co-permittees to enforce the requirements. [Arlington's letter to EPA is attached].

### **Climate Resiliency Requirements**

EPA's climate change resiliency planning requirements are quite detailed [document attached; link to full permit: <https://www3.epa.gov/region1/npdes/mwra/pdf/2023/mwra-2023-draft-permit-pn.pdf>]. Of interest to the Finance Committee would be the requirements for a description of the funding source for resilience planning, and a description of staffing levels and funding sources necessary to implement the plan.

The Town's response raises 2 immediate questions:

- Will any funds appropriated in Articles 39, 43, 44, be used for legal expenses for a permit challenge?
- In the absence of EPA's climate change planning requirements, can DPW state that the water and sewer projects contemplated in Articles 43 & 44 will achieve their full service life, or will some of those funds be wasted?

Climate change discussions are usually abstract. When the reality of climate change shifts from comfortable voluntary action to requiring immediate responses (that have to be paid for) the dialog stops.

### **A practical example for your consideration:**

Arlington DPW operates a ground water pump station at Magnolia Park. Maintaining the ground water level helps drain the playing field. It also keeps the yards and basements of adjacent homes from flooding. The pump itself is located in a flood prone area. ( See preliminary revised flood maps 2023; <https://storymaps.arcgis.com/stories/92ce50d0a6cd42ee835cfe22c4212a0b> ).

Arlington chooses to delay climate change planning requirements. Questions like these arise:

- How will any vulnerability of the Magnolia pump station effect the condition of Magnolia Park?
- Will maintaining the ground water at current levels be possible in 10 years? 20 years? 100 years?
- The FY 24 capital plan for the Parks and Recreation Department has funding for planning a renovation of the adjacent Thorndike Field. How will the drainage of Thorndike Field be impacted and will that project be impacted? Will the Town need another pump there?
- If the Town chooses to upgrade the pump station, when should that happen, how much will it cost, how long will the upgrade last, and what's the best way to pay for it?

Then there's the abutters. Is Arlington prepared to tell them the pump station will maintain the current level of service come hell or high-water? What portion of the public works budget and the Town's civil engineering expertise is to be employed maintaining the marketability of every parcel of land in town without regard to location? Strategic pull back or fight the water to the last drop?

That's the discussion we're not having.

Reasonable differences exist about the extent and probability of climate change driven flooding, but it's difficult for me to understand how a *planning requirement* to access the vulnerability of Arlington's infrastructure, like the pump station in the example is unreasonable. I hope you understand and share my concerns.

Please find the time to ask the DPW representative who'll appear before you *when and how* they see planning for the climate resiliency of Arlington's water and sewer infrastructure occurring. Are we getting better value from our taxes through delay?

We do ourselves no service when we shrink away from doing big things. It just makes us look small.

David Stoff  
88 Fairmont Street  
Arlington, MA 02474

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
<b>6505006 SEWER COLLECTION SYSTEM</b>						
5101 DPW STAFF INDIRECT CHARGES	593,472	589,876	624,680	645,394	20,714	3.32%
<b>SUBTOTAL SEWER COLLECTION SYSTEM</b>	<b>593,472</b>	<b>589,876</b>	<b>624,680</b>	<b>645,394</b>	<b>20,714</b>	<b>3.32%</b>
<b>6505013 INDIRECT CHARGES - SEWER</b>						
5701 WORKERS COMP COST	66	12,793	6,000	6,000	-	0.00%
5702 UNEMPLOYMENT COMPENSATION	-	1,500	1,500	1,500	-	0.00%
5707 RETIREMENT COSTS	712,883	739,497	771,272	780,477	9,205	1.19%
5713 HEALTH BENEFITS	323,165	306,083	271,424	280,376	8,952	3.30%
5903 INDIRECT COSTS	383,433	383,925	391,985	407,912	15,927	4.06%
<b>6505013 SUBTOTAL INDIRECT CHARGES - SEWER</b>	<b>1,419,547</b>	<b>1,443,798</b>	<b>1,442,181</b>	<b>1,476,265</b>	<b>34,084</b>	<b>2.36%</b>
<b>6505082 SEWER COLLECTION EXPENSES</b>						
5202 CONTRACTED SERVICES	15,327	93,213	75,000	75,000	-	0.00%
5211 ELECTRICITY	19,939	15,382	29,000	29,000	-	0.00%
5218 TRAINING	-	-	2,000	2,000	-	0.00%
5224 MATERIALS AND SUPPLIES	13,790	30,626	24,000	24,000	-	0.00%
<b>6505082 SUBTOTAL SEWER COLLECTION</b>	<b>49,056</b>	<b>139,221</b>	<b>130,000</b>	<b>130,000</b>	<b>-</b>	<b>0.00%</b>
<b>6505011 MWRA ASSESSMENT - SEWER</b>						
5630 MWRA ASSESSMENT	9,124,432	9,392,520	9,540,188	9,615,593	75,405	0.79%
<b>6505011 SUBTOTAL MWRA ASSESSMENT - SEWER</b>	<b>9,124,432</b>	<b>9,392,520</b>	<b>9,540,188</b>	<b>9,615,593</b>	<b>75,405</b>	<b>0.79%</b>

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
<b>6505002 SEWER DEBT SERVICE/SEWER CAPITAL</b>						
5760 SEWER DEBT SERVICE - NON MWRA P & I	345,250	277,472	325,214	354,445	29,231	8.99%
5761 SEWER DEBT SERVICE - MWRA LOAN PROGRAM	50,231	112,949	166,072	185,072	19,000	11.44%
<b>6505002 SUBTOTAL DEBT SERVICE/SEWER CAPITAL</b>	<b>395,481</b>	<b>390,421</b>	<b>491,286</b>	<b>539,517</b>	<b>48,231</b>	<b>9.82%</b>
<b>6505003 SEWER REHAB</b>						
5580 SEWER REHAB	137,278	-	100,000	100,000	-	0.00%
<b>6505003 SUBTOTAL SEWER REHAB</b>	<b>137,278</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>0.00%</b>
<b>TOTAL SEWER COLLECTION SYSTEM</b>	<b>11,719,267</b>	<b>11,955,836</b>	<b>12,328,335</b>	<b>12,506,769</b>	<b>178,434</b>	<b>1.45%</b>
<b>6505007 STORM SEWERS COLLECTION SYSTEM</b>						
5202 CONTRACTED SERVICES	64,844	4,178	71,000	71,000	-	0.00%
5224 MATERIALS AND SUPPLIES	-	3,374	5,000	5,000	-	0.00%
5580 REHAB STORM SEWERS	67,481	188,060	400,000	400,000	-	0.00%
<b>6505007 TOTAL STORM SEWERS COLLECTION</b>	<b>132,325</b>	<b>195,612</b>	<b>476,000</b>	<b>476,000</b>	<b>-</b>	<b>0.00%</b>



	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
<b>6505502 WATER DISTRIBUTION SYSTEM</b>						
5101 SALARIES & WAGES	854,833	764,461	1,124,103	1,232,299	108,196	9.63%
5102 SALARIES & WAGES - TEMP	-	-	5,000	5,000	-	0.00%
5103 OVERTIME	236,275	239,420	203,815	209,929	6,114	3.00%
5111 DOUBLE TIME	61,384	50,509	58,233	58,233	-	0.00%
5119 OUT OF GRADE PAY	7,908	2,561	7,211	7,211	-	0.00%
5141 CLOTHING ALLOWANCE	4,200	3,675	6,300	6,300	-	0.00%
5156 LONGEVITY	6,299	5,121	4,946	5,082	136	2.75%
5160 CLEANING ALLOWANCE	850	425	850	850	-	0.00%
5260 STIPENDS	21,600	35,102	36,400	36,400	-	0.00%
<b>6505502 SUBTOTAL WATER DISTRIBUTION</b>	<b>1,193,348</b>	<b>1,101,274</b>	<b>1,446,859</b>	<b>1,561,304</b>	<b>114,446</b>	<b>7.91%</b>
<b>6505513 INDIRECT CHARGES - WATER</b>						
5701 WORKERS COMP COST	-	-	1,000	1,000	-	0.00%
5702 UNEMPLOYMENT COMPENSATION	-	-	1,000	1,000	-	0.00%
5707 RETIREMENT COSTS	712,883	739,487	771,273	780,477	9,204	1.19%
5713 HEALTH BENEFITS	323,165	306,083	271,424	280,376	8,952	3.30%
5903 INDIRECT COSTS	383,433	383,925	391,985	407,912	15,927	4.06%
<b>6505513 SUBTOTAL INDIRECT CHARGES - WATER</b>	<b>1,419,481</b>	<b>1,429,495</b>	<b>1,436,682</b>	<b>1,470,765</b>	<b>34,083</b>	<b>2.37%</b>
<b>6505582 WATER DISTRIBUTION</b>						
5202 CONTRACTED SERVICES	153,193	111,956	216,200	216,200	-	0.00%
5218 TRAINING	4,801	3,046	5,000	5,000	-	0.00%
5224 MATERIALS AND SUPPLIES	206,188	198,133	227,755	227,755	-	0.00%
<b>6505582 SUBTOTAL WATER DISTRIBUTION</b>	<b>364,181</b>	<b>313,135</b>	<b>448,955</b>	<b>448,955</b>	<b>-</b>	<b>0.00%</b>

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
<b>6505511 MWRA ASSESSMENT - WATER</b>						
5630 MWRA ASSESSMENT	5,958,052	5,648,095	5,720,769	5,762,333	41,564	0.73%
<b>6505511 SUBTOTAL MWRA ASSESSMENT - WATER</b>	<b>5,958,052</b>	<b>5,648,095</b>	<b>5,720,769</b>	<b>5,762,333</b>	<b>41,564</b>	<b>0.73%</b>
<b>TOTAL WATER DISTRIBUTION SYSTEM</b>	<b>8,935,063</b>	<b>8,491,999</b>	<b>9,053,265</b>	<b>9,243,357</b>	<b>190,093</b>	<b>2.10%</b>
<b>6505504 WATER/SEWER PROPERTIES</b>						
5101 SALARIES & WAGES	593,472	589,876	624,680	645,394	20,714	3.32%
<b>6505504 SUBTOTAL WATER/SEWER PROPERTIES</b>	<b>593,472</b>	<b>589,876</b>	<b>624,680</b>	<b>645,394</b>	<b>20,714</b>	<b>3.32%</b>
<b>6505506 REHAB WATER SYSTEM CAPITAL</b>						
5580 REHAB WATER MAINS	817	199,182	100,000	100,000	-	0.00%
<b>6505506 SUBTOTAL REHAB WATER SYSTEM CAPITAL</b>	<b>817</b>	<b>199,182</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>0.00%</b>
<b>6505509 WATER DEBT SERVICE DEBT/WATER CAPITAL</b>						
5760 WATER DEBT SERVICE - MWRA LOAN PROGRAM	840,600	1,035,000	1,080,000	1,165,000	85,000	7.87%
<b>6505509 SUBTOTAL DEBT SERVICE/CAPITAL</b>	<b>840,600</b>	<b>1,035,000</b>	<b>1,080,000</b>	<b>1,165,000</b>	<b>85,000</b>	<b>7.87%</b>
<b>6505514 WATER/SEWER PROPERTIES</b>						
5211 ELECTRICITY	23,172	12,147	28,600	28,600	-	0.00%
5214 NATURAL GAS	25,428	11,591	35,000	35,000	-	0.00%
5530 GREAT MEADOWS EXPENSES	2,048	2,048	4,000	4,000	-	0.00%
<b>6505514 SUBTOTAL WATER/SEWER PROPERTIES</b>	<b>50,648</b>	<b>25,786</b>	<b>67,600</b>	<b>67,600</b>	<b>-</b>	<b>0.00%</b>
<b>6505516 WATER DEBT SERVICE DEBT/WATER CAPITAL</b>						

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
5760 WATER DEBT SERVICE - PRINCIPAL & INTEREST	215,513	350,165	469,286	378,409	(90,877)	-19.36%
<b>6505516 SUBTOTAL DEBT SERVICE/CAPITAL</b>	<b>215,513</b>	<b>350,165</b>	<b>469,286</b>	<b>378,409</b>	<b>(90,877)</b>	<b>-19.36%</b>



	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
<b>6505519 HYDRANT REPLACEMENT PROGRAM</b>						
5830 HYDRANT & VALVE REPLACEMENT PROGRAM	6,626	19,395	50,000	50,000	-	0.00%
<b>6505519 SUBTOTAL HYDRANT REPLACEMENT</b>	<b>6,626</b>	<b>19,395</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>0.00%</b>
<b>6505520 SMALL EQUIPMENT</b>						
5890 SMALL EQUIPMENT	2,240	13,383	5,000	5,000	-	0.00%
<b>6505520 SUBTOTAL SMALL EQUIPMENT</b>	<b>2,240</b>	<b>13,383</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>0.00%</b>
<b>6505522 WATER CAPITAL EQUIP</b>						
5851 CAPITAL EQUIP	137,664	-	-	-	-	0.00%
<b>6505522 SUBTOTAL WATER CAPITAL EQUIP</b>	<b>137,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>6505523 WATER CAPITAL 1 TON D</b>						
5850 TRUCK	-	14,500	75,000	-	(75,000)	-100.00%
<b>6505523 SUBTOTAL WATER CAPITAL 1 TON D</b>	<b>-</b>	<b>14,500</b>	<b>75,000</b>	<b>-</b>	<b>(75,000)</b>	<b>-100.00%</b>



	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
<b>TOTAL WATER DISTRIBUTION SYSTEM</b>	<b>10,782,643</b>	<b>10,739,286</b>	<b>11,524,831</b>	<b>11,654,760</b>	<b>(60,163)</b>	<b>-0.52%</b>
PERSONNEL SERVICE SUMMARY	2,380,292	2,281,026	2,696,219	2,852,092	155,873	5.78%
EXPENSES SUMMARY	596,211	673,754	1,122,555	1,122,555	-	0.00%
MWRA ASSESSMENT	15,082,484	15,040,615	15,260,957	15,377,926	116,969	0.77%
INDIRECT CHARGES	766,866	767,850	783,970	815,824	31,854	4.06%
CAPITAL AND DEBT	1,736,219	2,022,046	2,370,572	2,337,926	(32,646)	-1.38%
HEALTH INSURANCE	646,330	612,166	542,848	560,752	17,904	3.30%
RETIREMENT	1,425,766	1,478,984	1,542,545	1,560,954	18,409	1.19%
WORKERS COMP/UNEMPLOYMENT	66	14,293	9,500	9,500	-	0.00%
<b>TOTAL EXPENSES</b>	<b>22,634,235</b>	<b>22,890,734</b>	<b>24,329,166</b>	<b>24,637,529</b>	<b>308,363</b>	<b>1.27%</b>
<b>TOTAL REVENUES</b>	<b>(23,588,928)</b>	<b>(23,427,909)</b>	<b>(24,329,166)</b>	<b>(24,637,529)</b>	<b>(308,363)</b>	<b>1.27%</b>
<b>BALANCE</b>	<b>(954,693)</b>	<b>(537,175)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>WATER/SEWER ENTERPRISE</b>						
4972 TRANSFER FROM GENERAL FUND	(1,845,727)	-	-	-	-	0.00%
412200 TAX LIENS	-	-	-	-	-	0.00%
421000 USER CHARGES RECEIVABLE	(21,372,698)	(22,689,254)	(23,959,166)	(24,267,529)	(308,363)	1.29%
421100 WATER LIENS	(200,462)	(216,069)	(200,000)	(200,000)	-	0.00%
421900 INTEREST & PENALTIES	(50,054)	(73,263)	(50,000)	(50,000)	-	0.00%
422800 PERMITS	-	(84,410)	-	-	-	0.00%
422900 CONNECTION FEES	(119,987)	(21,750)	(120,000)	(120,000)	-	0.00%
4800 AMR	-	(13,970)	-	-	-	0.00%
4840 RECEIPTS	-	(3,000)	-	-	-	0.00%
484000 FEES	-	(6,193)	-	-	-	0.00%
USE OF RETAINED EARNINGS	-	(320,000)	-	-	-	0.00%
<b>TOTAL WATER/SEWER REVENUE</b>	<b>(23,588,928)</b>	<b>(23,427,909)</b>	<b>(24,329,166)</b>	<b>(24,637,529)</b>	<b>(308,363)</b>	<b>1.27%</b>

FY 2025 SALARY DETAIL			FY2025							FY2024		FY2025				
WATER & SEWER	Previous	Job	FTE	BU	Grade	Step	Step	Min	Max	New Pay	New Pay	Base	Step	Longevity	Total	
MOUNT	STONEKING	SUPERVISOR WATER AND SEWER	1.00	SEIU	9	8	8	71,235	97,542	92,173	92,173	92,173	0	922	93,095	
SEARS	BAKER	WORKING FOREMAN WATER/SEWER	1.00	MC	8	6	6	55,403	70,939	68,372	68,375	68,375	0	0	68,375	
SHAW, SR		WORKING FOREMAN WATER/SEWER	1.00	MC	8	6	6	55,403	70,939	68,372	68,375	68,375	0	300	68,675	
ESCOBAR		ACCOUNTANT/OPERATIONS ASSIST	1.00	OFFA	6	7	7	48,373	65,753	57,944	60,080	57,944	2,136	0	60,080	
GRENIER		WATER SYSTEMS MAINT CRAFTSMAN	1.00	MC	7	4	4	53,817	68,933	58,097	60,379	58,098	2,281	0	60,379	
GILLIS		MOTOR EQUIPMENT OPERATOR III (3)	1.00	MC	6	4	4	51,558	66,139	55,642	57,838	55,643	2,195	0	57,838	
DEVLIN		WATER SYSTEMS MAINT CRAFTSMAN	1.00	MC	7	7	7	53,817	68,933	68,930	68,933	68,933	0	700	69,633	
1- VACANT		MOTOR EQUIPMENT OPERATOR III (3)	1.00	MC	6	7	7	51,558	66,139	66,135	66,139	66,139	0	0	66,139	
SCHANDA		WATER ACCOUNT CLERK	1.00	ATP	3	9	9	49,694	67,525	65,084	67,525	67,525	0	900	68,425	
LOPEZ		WATER METER TECHNICIAN	1.00	MC	5	4	5	48,864	62,735	52,796	55,926	53,840	2,086	0	55,926	
DARDONIS		WATER SYSTEMS MAINT CRAFTSMAN	1.00	MC	7	6	6	53,817	68,933	66,439	66,441	66,441	0	500	66,941	
LUSSIANO		WATER SYSTEMS MAINT CRAFTSMAN	1.00	MC	7	3	3	53,817	68,933	68,930	58,098	55,903	2,195	0	58,098	
2- VACANT		WATER SYSTEMS MAINT CRAFTSMAN	1.00	MC	7	6	6	53,817	68,933	66,439	66,441	66,441	0	0	66,441	
3- VACANT		WATER SYSTEMS MAINT CRAFTSMAN	1.00	MC	7	4	4	53,817	68,933	66,439	60,379	58,098	2,281	0	60,379	
SHEPARD		WATER SYSTEMS MAINT CRAFTSMAN	1.00	MC	7	7	7	53,817	68,933	68,930	68,933	68,933	0	500	69,433	
DANTON		WATER/SEWER ACCOUNT MANAGER	1.00	SEIU	5	7	7	60,897	83,389	75,951	75,951	73,205	2,746	760	76,711	
4- INTERRANTE		WORKING FOREMAN WATER/SEWER	1.00	MC	8	7	7	55,403	70,939	70,936	70,939	70,939	0	500	71,439	
VACANT		SENIOR ENGINEERING	1.00	SEIU	10	4	4	73,731	100,961	70,936	82,340	79,365	2,975	0	82,340	
<b>TAXATION TOTAL:</b>			<b>18.00</b>							<b>1,137,609</b>	<b>1,215,265</b>	<b>1,196,370</b>	<b>18,895</b>	<b>5,082</b>	<b>1,220,347</b>	



3/19/2024

ATT A:

## Health Insurance Offsets Calculation FY 2025

	FY25 Health Cost	Recommended Offset Percent	FY-25 Offset
1) Select Board	50,291	14.33%	7,206
2) Town Manager	87,117	14.33%	12,482
3) Personnel	18,633	14.33%	2,670
4) Information Technology	99,887	14.33%	14,312
5) Comptroller	111,082	14.33%	15,916
6) Treasurer/Collector	172,835	14.33%	24,764
7) Legal	67,546	14.33%	9,678
8) Administration	233,561	50.00%	116,781
9) Engineering	73,351	62.00%	45,478
10) Highway (without S.Waste)	350,405	20.00%	70,081
11) MER	150,717	30.00%	45,216
12) Water Division	196,167	100.00%	196,167
13) Total 1) - 12)	1,611,592		560,751
14) <b>HEALTH Offset - Sewer</b> (50% of #13)			<b>280,376</b>
15) <b>HEALTH Offset - Water</b> (50% of #13)			<b>280,376</b>
<b>Water &amp; Sewer Enterprise Subtotal</b>			<b>560,752</b>
<b>Other Insurance Costs charged directly to Enterprise Fund &amp; Retirement Office</b>			
Recreation	75,167	1.0000	<b>75,167</b>
Ed Burns Arena	40,411	1.0000	<b>40,411</b>
Retirement	50,802	1.0000	<b>50,802</b>
After School	224,334	1.0000	<b>224,334</b>
Arlington Community Ed	81,569	1.0000	<b>81,569</b>
School Lunch	115,487	1.0000	<b>115,487</b>
<b>Other Enterprise &amp; Retirement Subtotal</b>			<b>587,770</b>
<b>Total Health Insurance Offset</b>			<b>1,148,521.60</b>

**Note: Departmental health insurance costs include current employees and retirees**

ATT B

**W/S Offsets Calculated  
for Other Support Departments and Other DPW Divisions  
FY25**

Recommended percentages from Powers and Sullivan study.

Other Town Department Offsets

	FY-24 Voted Budget	Recommended Offset Percent	FY-25 Offset
1) Postage	227,251	17.29%	39,297
2) Select Board	484,045	5.89%	28,509
3) Town Manager	1,046,948	19.11%	200,068
4) Human Resources	403,767	4.83%	19,488
5) Information Technology	1,411,684	18.11%	255,664
6) Comptroller	386,756	8.36%	32,346
7) Treasurer/Collector	856,241	13.89%	118,932
8) Legal	633,718	19.18%	121,520
9) Total 1) - 8)			815,824
10) Sewer Indirect (50% of #9)			407,912
11) Water Indirect (50% of #9)			407,912

Other DPW Division Offsets

	FY-24 Voted Budget	Recommended Offset Percent	FY-25 Offset
12) Administration	644,542	50.00%	322,271
13) Engineering	472,771	62.00%	293,118
14) Highway (without S.Waste)	2,363,463	20.00%	472,693
15) MER	675,687	30.00%	202,706
16) Total 12) - 15)			1,290,788
17) W/S Sewer Wages Offset (50% of #16)			645,394
W/S Sewer Wages Offset (50% of #16)			645,394

**Retirement Offsets Calculated  
FY-25**

	Current	Recommended	FY-25
	Retirement Cost	Offset Percent	Offset
1)			
2) Select Board	363,417	0.1433	52,069
3) Town Manager	282,657	0.1433	40,498
4) Personnel	80,759	0.1433	11,571
5) Information Technology	161,519	0.1433	23,142
6) Comptroller	524,935	0.1433	75,211
7) Treasurer/Collector	565,315	0.1433	80,997
8) Legal	121,139	0.1433	17,356
9) Facilities	80,759	0.1433	11,571
9) Administration	323,037	0.5000	161,519
10) Engineering	242,278	0.6200	150,212
11) Highway (without S.Waste)	1,897,843	0.2000	379,569
12) Motor Vehicle Equipment Repair	242,278	0.3000	72,683
Water Division	484,556	1.0000	484,556
13) Total 1) - 12)			1,560,954
14)			
17) W/S Retirement Offset - Sewer (50% of #13))			780,477
W/S Retirement Offset - Water (50% of #13))			780,477
			<b>1,560,954</b>



**" CONSOLIDATED" FY25 SEWER AND WATER BUDGET AMOUNTS FOR EXPLAINING OFFSETS AND INDIRECT CHARGES:**

Prepared for Arlington Finance Committee by G Gibian, March 20, 2024

	2023 "Actual"	2024 Budget	2025 Budget	\$ Change	% Change
<b>6505006 Consolidated SEWER COLLECTION &amp; WATER/SEWER PROPERTIES</b>					
5101 DPW STAFF INDIRECT CHARGES + "SALARIES & WAGES"	1,179,752	1,249,360	1,290,788	69,608	5.90%
<b>6505013 Consolidated INDIRECT CHARGES - SEWER COLLECTION &amp; WATER DISTRIBUTION</b>					
5707 RETIREMENT COSTS (see BB pg 154: Retirement Budget)	1,478,994	1,510,770	<b>1,560,954</b>	31,776	2.15%
5713 HEALTH BENEFITS (rev.BB page 160: Health Ins Budget)	609,792	542,848	<b>560,752</b>	(66,944)	-10.98%
5903 INDIRECT COSTS (see below detail)	767,850	783,970	<b>815,824</b>	16,120	2.10%
<b>6505013 SUBTOTAL INDIRECT CHARGES - SEWER &amp; WATER</b>	<b>2,856,636</b>	<b>2,837,588</b>	<b>2,937,530</b>	99,942	3.52%
<b>Salaries And Wages detailed:</b>					
<b>2023 Budget details and sources</b>					
			<b>INDIRECT COSTS (see "Att B W/S Offsets Calculated)</b>		
Engineering , p 92 & p93	\$293,118		- Selectboard	28,509	p24 & p 25
DPW Admin portion, p 96 & p 97 (Total DPW Admin \$357,271-\$35,000 Rec Rev Fund)	\$322,271		+ Town Manager	200,068	p28 & p29
Highway, p100 & p 101	\$472,693		+ HR	19,488	p32 & p33
Motor Equip Repair, p 106 & p 107	\$202,706		+ IT	255,664	p36 & p37
<b>Total</b>	<b>1,290,788</b>		+ Comptroller	32,346	p40 & p41
(50% Sewer Collection System & Water / 50% Sewer Properties)	645,394		- Treasurer	118,932	p44 & p45
<b>Health Benefits (see Att A "Health Ins Offsets Calc FY2025)</b>			- Postage	39,297	p48
			- Legal	121,520	p56 & p57
W&S portion	<b>560,752</b>		Total indirect	<b>815,824</b>	
Other (\$75,167 Rec, \$35,936 Arena, \$40,411 Retir'mnt Ent funds, \$50,802,AS 224,334, Arl Comm Ed, \$81,569 school lunch \$115,487)	587,770		<b>50% of Total Indirect</b>	<b>407,912</b>	p1 & p3 revised budget and next page
<b>Total (see revised Health Ins budget, Health Insurance Offset)</b>	<b>1,148,522</b>				

	2023 "Actual"	2024 Budget	2025 Budget	\$ Change	% Change
<b>6505006 SEWER COLLECTION SYSTEM</b>					
5101 DPW STAFF INDIRECT CHARGES p1 rev budget	589,876	624680	645394	34,804	5.90%
<b>6505504 WATER/SEWER PROPERTIES</b>					
5101 SALARIES & WAGES p3 rev. budget (still titled Salary & Wages s/b DPW STAFF INDIRET CHARGES)	589,876	624680	645394	34,804	5.90%
<b>6505013 INDIRECT CHARGES - SEWER (page 1, revised budget)</b>					
Acct's 5701 & 5702 : Workers and Unemployment comp placeholders	14,293	7,500	7,500		
5707 RETIREMENT COSTS (ATT A: line 17 Retirement offsets)	739,497	771,272	780,477	9,205	#REF!
5713 HEALTH BENEFITS (ATT B: line 14 of health offset sheet)	306,083	271,424	280,376	8,952	2.92%
5903 INDIRECT COSTS (ATT C: Admin Exp Offset, line 10 W/S offset page)	383,925	391,985	407,912	15,927	4.15%
<b>6505013 SUBTOTAL INDIRECT CHARGES - SEWER</b>	<b>1,443,798</b>	<b>1,442,181</b>	<b>1,476,265</b>	<b>34,084</b>	<b>2.36%</b>
<b>6505513 INDIRECT CHARGES - WATER (page 3, revised budget)</b>					
Acct's 5701 & 5702 : Workers and Unemployment comp placeholders	2,000	2,000	2,000		
5707 RETIREMENT COSTS (ATT A: line 17 Retirement offsets)	739,497	771,273	780,477	9,204	1.24%
5713 HEALTH BENEFITS (ATT B: line 15 of health offset sheet)	303,709	271,424	280,376	8,952	2.95%
5903 INDIRECT COSTS (ATT C: line 11 W/S offset)	383,925	391,985	407,912	15,927	4.15%
<b>6505513 SUBTOTAL INDIRECT CHARGES - WATER</b>	<b>1,429,131</b>	<b>1,436,682</b>	<b>1,470,765</b>	<b>34,083</b>	<b>2.37%</b>



<u>Summary Category</u>	<u>Budget line item</u>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>per \$ user (12,702)</b>
<b>PERSONNEL SERVICE SUMMARY</b>				
Sewer Collection System	5101 DPW STAFF INDIRECT CHARGES	624,680	645,394	\$51
Water Sewer Properties	5101 SALARIES & WAGES	624,680	645,394	\$51
Water Distribution System	6505502 SUBTOTAL WATER DISTRIBUTION	<u>1,446,859</u>	<u>1,561,304</u>	\$123
<b>Total PERSONNEL SERVICE SUMMARY</b>		<b>2,696,219</b>	<b>2,852,092</b>	<b>\$225</b>
<b>EXPENSES SUMMARY</b>				
Sewer Collection System	6505082 SUBTOTAL SEWER COLLECTION EXPENSES	130,000	130,000	\$10
Storm Sewer Collection System	6505007 TOTAL STORM SEWERS COLLECTION	476,000	476,000	\$37
Water Distribution	6505582 SUBTOTAL WATER DISTRIBUTION (Expenses)	448,955	448,955	\$35
Water/Sewer Properties	6505514 SUBTOTAL WATER/SEWER PROPERTIES	<u>67,600</u>	<u>67,600</u>	\$5
<b>Total EXPENSES SUMMARY</b>		<b>1,122,555</b>	<b>1,122,555</b>	<b>\$88</b>
<b>MWRA ASSESSMENT</b>				
Sewer	6505011 SUBTOTAL MWRA ASSESSMENT - SEWER	9,540,188	9,615,593	\$757
Water	6505511 SUBTOTAL MWRA ASSESSMENT - WATER	<u>5,720,769</u>	<u>5,762,333</u>	\$454
<b>Total MWRA ASSESSMENT</b>		<b>15,260,957</b>	<b>15,377,926</b>	<b>\$1,211</b>
<b>INDIRECT CHARGES</b>				
Sewer	5903 INDIRECT COSTS	391,985	407,912	\$32
Water	5903 INDIRECT COSTS	391,985	407,912	\$32
<b>Total INDIRECT CHARGES</b>		<b>783,970</b>	<b>815,824</b>	<b>\$64</b>
<b>CAPITAL AND DEBT</b>				
Sewer	6505002 SUBTOTAL DEBT SERVICE/SEWER CAPITAL	491,286	539,517	\$42
Sewer	6505003 SUBTOTAL SEWER REHAB	100,000	100,000	\$8
Water	6505506 SUBTOTAL REHAB WATER SYSTEM CAPITAL	100,000	100,000	\$8
Water (MWRA loan program)	6505509 SUBTOTAL DEBT SERVICE/CAPITAL PROJECTS	1,080,000	1,165,000	\$92
Water Debt Service	6505516 SUBTOTAL DEBT SERVICE/CAPITAL PROJECTS	469,286	378,409	\$30
Hydrant Replacement	6505519 SUBTOTAL HYDRANT REPLACEMENT PROGRAM	50,000	50,000	\$4
Small Equip	6505520 SUBTOTAL SMALL EQUIPMENT	5,000	5,000	\$0
Water Capital Equip	6505522 SUBTOTAL WATER CAPITAL EQUIP			
Water Capital (Truck)	6505523 SUBTOTAL WATER CAPITAL 1 TON D	<u>75,000</u>		
<b>Total CAPITAL AND DEBT</b>		<b>2,370,572</b>	<b>2,337,926</b>	<b>\$184</b>
<b>HEALTH INSURANCE</b>				
Indirect Charges - Sewer	5713 HEALTH BENEFITS	271,424	280,376	\$22
Indirect Charges - Water	5713 HEALTH BENEFITS	271,424	<u>280,376</u>	\$22
<b>Total HEALTH INSURANCE</b>		<b>542,848</b>	<b>560,752</b>	<b>\$44</b>
<b>RETIREMENT</b>				
Indirect Charges - Sewer	5707 RETIREMENT COSTS	771,272	780,477	\$61
Indirect Charges - Water	5707 RETIREMENT COSTS	<u>771,273</u>	780,477	\$61
<b>Total Retirement</b>		<b>1,542,545</b>	<b>1,560,954</b>	<b>\$123</b>
<b>WORKERS COMP/UNEMPLOYMENT</b>				
Sewer	5701 WORKERS COMP COST	6,000	6,000	\$0
Sewer	5702 UNEMPLOYMENT COMPENSATION	1,500	1,500	\$0
Water	5701 WORKERS COMP COST	1,000	1,000	\$0
Water	5702 UNEMPLOYMENT COMPENSATION	<u>1,000</u>	<u>1,000</u>	\$0
<b>Total WORKERS COMP/UNEMPLOYMENT</b>		<b>9,500</b>	<b>9,500</b>	<b>\$1</b>
<b>Total Expenses</b>		<b>24,329,166</b>	<b>24,637,529</b>	<b>\$1,940</b>



- 3 year Recap of Number of water meters and
- 5 year recap of unaccounted water percentage

- 3 year Recap of Number of water meters

Year	Total accounts	Billable accounts
FY22	12780	12685
Fy23	12789	12694
FY24	12783	12702

- 5 year recap of unaccounted water percentage

year	%
2018	20%
2019	24%
2020	14%
2021	15%
2022	21%
2023	Not available (yet)

Unaccounted water calc:

Amount provided by MWRA

Less,

Metered distribution  
CEMU (certified estimate of municipal use)  
Equals

amount of unaccounted water

**Water and Sewer Retained Earnings balance calculated as of March 19 2024****\$6,253,093 is the calculated balance**

audited and certified RE as of 6/30/23	\$ 6,962,689
Plus receipts to date	\$17,175,628
Less	
Expenses to date	\$17,747,025
Encumbrances to date	\$ 1,381,199
<b>Calculated balance of fund</b>	<b>\$ 6,253,093</b>



	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
<b>0191487 GROUP HEALTH INSURANCE</b>					
5245 EXP: WORKERS COMP	532,091	580,000	580,000	0	0.00%
5700 MEDICARE PENALTY	13,569	15,000	15,000	0	0.00%
5703 OPT OUT PROGRAM	219,805	213,996	207,996	(6,000)	-2.80%
5704 INSURANCE:GROUP HEALTH	18,397,619	19,546,768	20,905,086	1,358,318	6.95%
5705 INSURANCE: GROUP LIFE	92,872	99,823	99,823	0	0.00%
5706 MEDICARE PAYROLL TAX	1,576,152	1,818,716	1,975,489	156,773	8.62%
5709 FLEXIBLE BENEFIT PLAN	49,297	38,880	52,000	13,120	33.74%
578027 EMPLOYEE MITIGATION	50,000	50,000	75,000	25,000	50.00%
<b>0191487 GROUP HEALTH INSURANCE APPROPRIATION TOTAL</b>	<b>20,931,406</b>	<b>22,363,183</b>	<b>23,910,395</b>	<b>1,547,212</b>	<b>6.92%</b>
OFFSETS	(758,928)	(864,431)	(1,148,522)	(284,091)	32.86%
<b>0191487 GROUP HEALTH INSURANCE TAXATION TOTAL</b>	<b>20,172,478</b>	<b>21,498,752</b>	<b>22,761,873</b>	<b>1,263,121</b>	<b>5.88%</b>
<b>0191488 LIABILITY INSURANCE</b>					
5702 UNEMPLOYMENT COMPENSATION	66,100	150,000	150,000	0	0.00%
5750 INSURANCE: OFFICIALS LIABILITY	57,713	55,000	65,100	10,100	18.36%
5751 PROPERTY INSURANCE	369,912	394,695	413,238	18,543	4.70%
<b>0191488 LIABILITY INSURANCE APPROPRIATION TOTAL</b>	<b>493,725</b>	<b>599,695</b>	<b>628,338</b>	<b>28,643</b>	<b>4.78%</b>
OFFSETS	(20,625)	(20,625)	(20,625)	0	0.00%
<b>0191488 LIABILITY INSURANCE TAXATION TOTAL</b>	<b>473,100</b>	<b>579,070</b>	<b>607,713</b>	<b>28,643</b>	<b>4.95%</b>

3/15/2024

## Health Insurance Offsets Calculation FY 2025

	FY25 Health Cost	Recommended Offset Percent	FY-25 Offset
1) Select Board	50,291	14.33%	7,206
2) Town Manager	87,117	14.33%	12,482
3) Personnel	18,633	14.33%	2,670
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12) Water Division	196,167	100.00%	196,167
13) Total 1) - 12)	1,611,592		560,751
14) <b>HEALTH Offset - Sewer</b> (50% of #13)			<b>280,376</b>
15) <b>HEALTH Offset - Water</b> (50% of #13)			<b>280,376</b>
<b>Water &amp; Sewer Enterprise Subtotal</b>			<b>560,752</b>

### Other Insurance Costs charged directly to Enterprise Fund & Retirement Office

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Retirement	50,802	1.0000	<b>50,802</b>
After School	224,334	1.0000	<b>224,334</b>
Arlington Community Ed	81,569	1.0000	<b>81,569</b>
School Lunch	115,487	1.0000	<b>115,487</b>
<b>Other Enterprise &amp; Retirement Subtotal</b>			<b>587,770</b>

<b>Total Health Insurance Offset</b>	<b>1,148,521.60</b>
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**Note: Departmental health insurance costs include current employees and retirees**

ENROLLMENT BREAKDOWN OF GIC PLANS DECEMBER 2023 TO DECEMBER 2024

Plan Name	FY24			23-Dec	22-Dec	Change	Ind	fam	
	Premium	Town	Employee						
HARVARD INDEPENDENCE FAMILY	0.00	0.00	0.00	0	69	-69		-69	0.00
HARVARD INDEPENDENCE FAMILY- 75/25	0.00	0.00	0.00	0	35	-35		-35	0.00
HARVARD INDEPENDENCE INDIVIDUAL	0.00	0.00	0.00	0	47	-47	-47		0.00
HARVARD INDEPENDENCE INDIVIDUAL- 75/25	0.00	0.00	0.00	0	35	-35	-35		0.00
HARVARD INDEPENDENCE SURVIVOR FAMILY - 50/50	0.00	0.00	0.00	0	0	0			0.00
HARVARD INDEPENDENCE SURVIVOR INDIVIDUAL - 50/50	0.00	0.00	0.00	0	3	-3	-3		0.00
HARVARD PRIM CHC FAMILY	0.00	0.00	0.00	0	67	-67		-67	0.00
HARVARD PRIM CHC FAMILY 75/25	0.00	0.00	0.00	0	54	-54		-54	0.00
HARVARD PRIM CHC INDIVIDUAL	0.00	0.00	0.00	0	31	-31	-31		0.00
HARVARD PRIM CHC INDIVIDUAL 75/25	0.00	0.00	0.00	0	73	-73	-73		0.00
HARVARD PRIM CHC SURVIVOR INDIVIDUAL - 50/50	0.00	0.00	0.00	0	0	0			0.00
TUFTS NAVIGATOR FAMILY	2412.86	1930.29	482.57	0	86	-86		-86	0.00
TUFTS NAVIGATOR FAMILY 75/25	2412.86	1809.65	603.22	0	78	-78		-78	0.00
TUFTS NAVIGATOR INDIVIDUAL	976.42	781.14	195.28	0	54	-54	-54		0.00
TUFTS NAVIGATOR INDIVIDUAL-75/25	976.42	732.32	244.11	0	80	-80	-80		0.00
TUFTS NAVIGATOR SURVIVOR INDIVIDUAL- 50/50	976.42	488.21	488.21	0	3	-3	-3		0.00
TUFTS SPIRIT FAMILY	1829.24	1554.85	274.39	0	6	-6		-6	0.00
TUFTS SPIRIT FAMILY 75/25	1829.24	1371.93	457.31	0	19	-19		-19	0.00
TUFTS SPIRIT INDIVIDUAL	721.33	613.13	108.20	0	14	-14	-14		0.00
TUFTS SPIRIT INDIVIDUAL 75/25	721.33	541.00	180.33	0	60	-60	-60		0.00
UNICARE BASIC FAMILY	2983.18	2237.39	745.80	0	12	-12		-12	0.00
UNICARE BASIC FAMILY 75/25	2983.18	2237.39	745.80	0	4	-4		-4	0.00
UNICARE BASIC INDIVIDUAL	1348.43	1011.32	337.11	0	25	-25	-25		0.00
UNICARE BASIC INDIVIDUAL 75/25	1348.43	1011.32	337.11	0	8	-8	-8		0.00
HEALTH NEW ENG FAMILY 75/25	1866.96	1400.22	466.74	0	0	0			0.00
HEALTH NEW ENG INDIVIDUAL 75/25	778.25	583.69	194.56	0	1	0			0.00
MASS GEN BRIGHAM ALLWAYS/NHP CARE FAMILY	2585.42	2197.61	387.81	26	23	3		3	79,113.85
MASS GEN BRIGHAM ALLWAYS/NHP CARE FAMILY 75/25	2585.42	1939.07	646.36	36	23	13		13	302,494.14
MASS GEN BRIGHAM ALLWAYS/NHP CARE FAMILY SURVIVOR	2585.42	1292.71	1292.71	1	0	1		1	15,512.52
MASS GEN BRIGHAM ALLWAYS/NHP CARE INDIVIDUAL	977.66	831.01	146.65	12	12	0		0	0.00
MASS GEN BRIGHAM ALLWAYS/NHP CARE INDIVIDUAL 75/25	977.66	733.25	244.42	42	30	12		12	105,587.28
WELLPOINT UNICARE COMM CHC FAMILY	1849.09	1479.27	369.82	11	11	0		0	0.00
WELLPOINT UNICARE COMM CHC FAMILY 75/25	1849.09	1386.82	462.27	28	25	3		3	49,925.43
WELLPOINT UNICARE COMM CHC INDIVIDUAL	744.97	595.98	148.99	5	6	-1		-1	-7,151.71
WELLPOINT UNICARE COMM CHC INDIVIDUAL 75/25	744.97	558.73	186.24	49	32	17		17	113,980.41
WELLPOINT UNICARE PLUS FAMILY	2284.05	1827.24	456.81	22	19	3		3	65,780.64
WELLPOINT UNICARE PLUS FAMILY 75/25	2284.05	1713.04	571.01	30	16	14		14	287,790.30
WELLPOINT UNICARE PLUS INDIVIDUAL	958.62	766.90	191.72	14	15	-1		-1	-9,202.75
WELLPOINT UNICARE PLUS INDIVIDUAL 75/25	958.62	718.97	239.66	39	37	2		2	17,255.16
HP ACCESS AMERICA INDIVIDUAL	2809.26	2247.41	561.85	10	0	10		10	269,688.96
HP ACCESS AMERICA INDIVIDUAL 75/25	2809.26	2106.95	702.32	0	0	0		0	0.00
HP ACCESS AMERICA FAMILY	1259.39	1007.51	251.88	1	0	1		1	12,090.14
HP ACCESS AMERICA FAMILY 75/25	1259.39	944.54	314.85	0	0	0		0	0.00
HP EXPLORER FAM	2645.90	2116.72	529.18	165	0	165		165	4,191,105.60
HP EXPLORER FAM 75/25	2645.90	1984.43	661.48	56	0	56		56	1,333,533.60
HP EXPLORER INDIVIDUAL	1067.87	854.30	213.57	93	0	93		93	953,394.34
HP EXPLORER INDIVIDUAL 75/25	1067.87	800.90	266.97	115	0	115		115	1,105,245.45
HP EXPLORER SURVIVOR INDIVIDUAL	1067.87	533.94	533.94	6	0	6		6	38,443.32
HP QUALITY FAM	2005.81	1704.94	300.87	61	0	61		61	1,248,014.98
HP QUALITY FAM 75/25	2005.81	1504.36	501.45	71	0	71		71	1,281,712.59
HP QUALITY INDIVIDUAL	788.04	669.83	118.21	47	0	47		47	377,766.38
HP QUALITY INDIVIDUAL 75/25	788.04	591.03	197.01	125	0	125		125	886,545.00
UNICARE TOTAL CHOICE FAMILY	3331.72	2498.79	832.93	6	0	6		6	179,912.88
UNICARE TOTAL CHOICE FAMILY 75/25	3331.72	2498.79	832.93	6	0	6		6	179,912.88
UNICARE TOTAL CHOICE INDIVIDUAL	1501.35	1126.01	375.34	18	0	18		18	243,218.70
UNICARE TOTAL CHOICE INDIVIDUAL 75/25	1501.35	1126.01	375.34	12	0	12		12	162,145.80
			Active Plans	1,107	1,113	-6	23	-28	1,021,085.27
HARVARD MEDICARE SENIOR PLAN	436.13	327.10	109.03	472	343	129			506,346.93
TUFTS MED COMPLT SENIOR PLAN	0.00	0.00	0.00	0	124	-124			0.00
TUFTS MED PREFER SENIOR PLAN	363.84	309.26	54.58	64	63	1			3,711.17
WELLPOINT UNICARE OME	444.68	333.51	111.17	357	358	-1			-4,002.12
			Medicare Supplements	893	888	5			506,055.98
Opt Out - Individual	166.66	166.66		24	25	-1			
Opt Out - Family	333.33	333.33		40	42	-2			
			Grand Total	2,064	2,068	-4			
									1,527,141.25
Opt Out Savings			Full			Net Annual Cost	Contracts	Savings	
HP EXPLORER - HARVARD INDEPENDENCE FAMILY	2645.90	2116.72	12			21401	38	813224.32	
HP EXPLORER - HARVARD INDEPENDENCE INDIVIDUAL	1067.87	854.30	12			8252	27	222791.904	
								\$ 1,036,016.22	

\*\*FY24 Premiums reflect GIC Plan consolidations and default plans

**FISCAL YEAR 2024**

FY 2024 Appropriation	Expended year to date		Projected Total FY2024	Projected Balance
\$ 15,000.00	\$ 9,702.89	medicare penalty	\$ 13,057.13	\$ 1,942.87
\$ 213,996.00	\$ 121,005.60	opt out program	\$ 215,689.64	\$ (1,693.64)
\$ 19,375,651.00	\$ 12,458,778.28	group health	\$ 18,839,791.32	\$ 535,859.68
\$ 1,818,716.00	\$ 1,032,876.20	medicare withhold	\$ 1,618,420.70	\$ 200,295.30
\$ 99,823.00	\$ 63,275.85	group life	\$ 94,822.20	\$ 5,000.80
\$ 38,880.00	\$ 40,386.64	flex/hra admin fee	\$ 52,644.94	\$ (13,764.94)
\$ 21,562,066.00	\$ 13,726,025.46		\$ 20,834,425.93	\$ 727,640.07

Month	Medicare Penalty	Opt Out	Group Life	Flex/HRA Admin	Group Health	Medicare Withhold
July	\$ 1,071.85	\$ 1,692.08	\$ 7,855.65	\$ 6,860.44	\$ 1,418,409.08	\$ 13,151.74
August	\$ 1,055.36	\$ 9,999.80	\$ 7,801.20	\$ 4,178.00	\$ 1,585,381.15	\$ 119,999.65
September	\$ 1,055.36	\$ 33,767.14	\$ 7,563.60	\$ 4,189.70	\$ 1,539,009.91	\$ 139,656.32
October	\$ 1,055.36	\$ 9,382.58	\$ 7,528.95	\$ 4,216.30	\$ 1,554,117.46	\$ 134,445.15
November	\$ 1,055.36	\$ 9,882.58	\$ 7,677.45	\$ 4,292.30	\$ 1,581,975.57	\$ 133,308.86
December	\$ 1,055.36	\$ 35,900.86	\$ 8,400.15	\$ 4,326.70	\$ 1,587,371.34	\$ 217,104.73
January	\$ 1,118.08	\$ 10,190.28	\$ 8,325.90	\$ 4,184.70	\$ 1,597,988.31	\$ 140,219.74
February	\$ 1,118.08	\$ 10,190.28	\$ 8,122.95	\$ 4,052.40	\$ 1,594,525.46	\$ 134,990.01
March	\$ 1,118.08	\$ 37,228.68	\$ 7,920.00	\$ 4,086.10	\$ 1,595,253.26	\$ 134,990.00
April	\$ 1,118.08	\$ 9,882.58	\$ 7,944.75	\$ 4,086.10	\$ 1,595,253.26	\$ 134,990.00
May	\$ 1,118.08	\$ 10,190.26	\$ 7,870.50	\$ 4,086.10	\$ 1,595,253.26	\$ 134,990.00
June	\$ 1,118.08	\$ 37,382.52	\$ 7,811.10	\$ 4,086.10	\$ 1,595,253.26	\$ 180,574.50
YTD Actual	\$ 9,702.89	\$ 121,005.60	\$ 63,275.85	\$ 40,386.64	\$ 12,458,778.28	\$ 1,032,876.20
EOY Projected	\$ 13,057.13	\$ 215,689.64	\$ 94,822.20	\$ 52,644.94	\$ 18,839,791.32	\$ 1,618,420.70

Updated 3/18/2024



## Fiscal Year 2025 Municipal Full Cost Health Insurance Rates

*All rates below are effective July 1, 2024 and **include** the 0.30% administrative fee*

<b>Employee and Non-Medicare Retiree/Survivor Health Plans</b>				
<b>Health Product</b>	<b>Individual</b>	<b>Family</b>	<b>Product Type</b>	<b>Product Category</b>
Harvard Pilgrim Access America	\$1,259.39	\$2,809.26	PPO	<b>National Network</b>
Wellpoint Total Choice	1,501.35	3,331.72	Indemnity	<b>Broad Network</b>
Wellpoint PLUS	958.62	2,284.05	PPO-type	
Harvard Pilgrim Explorer	1,067.87	2,645.90	POS	
Mass General Brigham Health Plan Complete	977.66	2,585.42	HMO	
Health New England	778.25	1,866.96	HMO	<b>Regional Network</b>
Wellpoint Community Choice	744.97	1,849.09	PPO-type	<b>Limited Network</b>
Harvard Pilgrim Quality	788.04	2,005.81	HMO	

<b>Medicare Plans</b>			
<b>Health Product</b>	<b>Individual</b>	<b>Product Type</b>	<b>Product Category</b>
Tufts Health Plan Medicare Preferred	\$363.84	HMO	<b>Medicare Advantage</b>
Wellpoint Medicare Extension	444.68	Indemnity	<b>Medicare Supplement</b>
Harvard Pilgrim Medicare Enhance	436.13		
Health New England Medicare Supplement Plus	438.79		

<b>Municipal Retiree Dental Plan</b>	
<b>Coverage Type</b>	<b>Retiree Monthly Cost</b>
Individual	\$29.36
Family	70.75

## Fiscal Year 2025 Full Cost Premiums: Medicare

Product	Plan	Tier	FY24 Rates	Current FY24 Enrollment	FY25 Rates	% Increase Over FY24 Rates
Medicare Advantage	THP Medicare Preferred	Individual	\$351.69	4,653	\$362.75	3.1%
Medicare Supplement	Harvard Pilgrim Medicare Enhance	Individual	\$420.58	30,131	\$434.83	3.4%
	HNE Medicare Supplement Plus	Individual	\$429.00	3,852	\$437.48	2.0%
	Wellpoint Medicare Extension	Individual	\$423.84	77,230	\$443.35	4.6%



### Key Insights

- Premium increases across all plans with HNE having the smallest increase
- All Medicare Supplement products offer similar value propositions and premiums
- The majority of GIC Medicare-eligible members are in Wellpoint Medicare Supplement plan

\*Enrollment counts as of July 2024

- Overall average Fiscal Year 2025 premium increase amongst Medicare products is 4.1%
- Tufts Health Plan Medicare Preferred is the only Medicare Advantage product offered to GIC members
- There is little premium variation across Medicare Supplement products with a maximum premium differential of about \$9/month





## Fiscal Year 2025 Member Contributions: Medicare

Product	Plan	Tier	Member Contributions (State only)			
			90% / 10%	85% / 15%	80% / 20%	75% / 25%
Medicare Advantage	Tufts Health Plan Medicare Preferred	Individual	\$36.28	\$54.41	\$72.55	\$90.69
Medicare Supplement	Harvard Pilgrim Medicare Enhance	Individual	\$43.48	\$65.22	\$86.97	\$108.71
	Health New England Medicare Supplement Plus	Individual	\$43.75	\$65.62	\$87.50	\$109.37
	Wellpoint Medicare Extension	Individual	\$44.34	\$66.50	\$88.67	\$110.84

Note that the member contributions shown above only reflect the core medical portion of individual member contributions and do not include other benefits contributions such as life insurance, dental and vision; additional administrative fees may also apply (i.e., municipality fees)

# Fiscal Year 2025 Full Cost Premiums: Non-Medicare

Network	Plan	Tier	FY24 Rates	Current FY24 Enrollment	FY25 Rates	% Increase Over FY24 Rates
Regional	Health New England	Individual	\$732.80	5,906	\$775.92	5.9%
		Family	\$1,752.35	5,994	\$1,861.38	6.2%
Narrow	Wellpoint Community Choice	Individual	\$674.72	9,412	\$742.74	10.1%
		Family	\$1,664.17	11,070	\$1,843.56	10.8%
	Harvard Pilgrim Quality	Individual	\$719.17	8,339	\$785.68	9.2%
		Family	\$1,823.77	6,692	\$1,999.81	9.7%
Broad	Wellpoint Plus	Individual	\$881.35	11,043	\$955.75	8.4%
		Family	\$2,091.70	14,788	\$2,277.22	8.9%
	MGB Complete HMO	Individual	\$889.83	4,648	\$974.74	9.5%
		Family	\$2,345.38	4,453	\$2,577.69	9.9%
Harvard Pilgrim Explorer	Individual	\$973.50	18,780	\$1,064.68	9.4%	
	Family	\$2,405.64	23,493	\$2,637.99	9.7%	
Wellpoint Total Choice	Individual	\$1,344.40	7,182	\$1,496.86	11.3%	
	Family	\$2,974.26	4,830	\$3,321.75	11.7%	
National	Harvard Pilgrim Access America	Individual	\$1,176.87	1,729	\$1,255.62	6.7%
		Family	\$2,621.18	974	\$2,800.86	6.9%

\* Enrollment counts as of July 2024

- Overall average Fiscal Year 2025 premium increase amongst non-Medicare products is **9.5%**
- The highest increase is **11.7%** (Wellpoint Total Choice) and the lowest is **5.9%** (Health New England)
- Wellpoint Community Choice remains the lowest cost product followed by Health New England and Harvard Pilgrim Health Care Quality



## Key Insights

- **Regional products** are offered by provider-owned carriers; their premiums reflect their geographies and favorable contracted rates offered by their parent organizations
- **Narrow network products** offer lower rates due to more efficient providers, and generally attract lower risk members
- **Broad network products** offer a range of premiums; premiums higher than limited products as network is more robust
- **National products** remain the most expensive; they offer the most generous benefits and maximum choice



## Fiscal Year 2025 Member Contributions: Non-Medicare

Network	Plan	Tier	Member Contributions (State only)			
			90% / 10%	85% / 15%	80% / 20%	75% / 25%
Regional	Health New England	Individual	\$77.59	\$116.39	\$155.18	\$193.98
		Family	\$186.14	\$279.21	\$372.28	\$465.35
Narrow	Wellpoint Community Choice	Individual	\$74.27	\$111.41	\$148.55	\$185.69
		Family	\$184.36	\$276.53	\$368.71	\$460.89
	Harvard Pilgrim Quality	Individual	\$78.57	\$117.85	\$157.14	\$196.42
		Family	\$199.98	\$299.97	\$399.96	\$499.95
Broad	Wellpoint Plus	Individual	\$95.58	\$143.36	\$191.15	\$238.94
		Family	\$227.72	\$341.58	\$455.44	\$569.31
	MGB Complete HMO	Individual	\$97.47	\$146.21	\$194.95	\$243.69
		Family	\$257.77	\$386.65	\$515.54	\$644.42
	Harvard Pilgrim Explorer	Individual	\$106.47	\$159.70	\$212.94	\$266.17
		Family	\$263.80	\$395.70	\$527.60	\$659.50
	Wellpoint Total Choice	Individual	\$149.69	\$224.53	\$299.37	\$374.22
		Family	\$332.18	\$498.26	\$664.35	\$830.44
National	Harvard Pilgrim Access America	Individual	\$125.56	\$188.34	\$251.12	\$313.91
		Family	\$280.09	\$420.13	\$560.17	\$700.22

Note that the member contributions shown above only reflect the core medical portion of member contributions and do not include other benefits contributions such as life insurance, dental and vision; additional administrative fees may also apply (i.e., municipality fees)

GIC	Town Share	Employee Share	Admin Fee	Adjustments	Total owed	Amount Paid	Date Paid	Warrant	Warrant	
FY24	0191452-578003	0001-215000					Due	Wire	Number	Date
Jul-23	1,589,530.28	476,543.61	0.00	0.00	2,066,073.89	2,066,073.89	7/20/23	7/19/23	24017	7/20/23
Aug-23	1,584,667.15	469,363.01	0.00	0.00	2,054,030.16	2,054,030.16	8/25/23	8/17/23	24051	8/17/23
Sep-23	1,536,188.30	461,102.88	0.00	0.00	1,997,291.18	1,997,291.18	9/28/23	9/27/23	24081	9/28/23
Oct-23	1,547,693.87	464,987.41	0.00	0.00	2,012,681.28	2,012,681.28	10/26/23	10/25/23	24108	10/26/23
Nov-23	1,578,457.32	475,724.02	0.00	0.00	2,054,181.34	2,054,181.34	11/23/23	11/22/23	24138	11/22/23
Dec-23	1,586,217.21	478,352.10	0.00	0.00	2,064,569.31	2,064,569.31	12/21/23	12/20/24	24158	12/20/24
Jan-24	1,589,061.35	482,405.73	0.00	0.00	2,071,467.08	2,071,467.08	1/26/24	1/25/24	24195	1/25/24
Feb-24	1,591,572.74	481,561.80	0.00	0.00	2,073,134.54	2,073,134.54	2/29/24	2/22/24	24225	2/22/24
Mar-24	1,595,253.26	483,253.26	0.00	0.00	2,078,506.52	2,078,506.52	3/28/24			
Apr-24			0.00	0.00	0.00	0.00				
May-24			0.00	0.00	0.00	0.00				
Jun-24			0.00	0.00	0.00	0.00				
	14,198,641.48	4,273,293.82	0.00	0.00	18,471,935.30	18,471,935.30				
	Town Share	Employee Share	Admin Fee	Adjustments	Total owed	Total Paid				

GIC HEALTH INSURANCE RATES EFFECTIVE 7/1/2024					FY25	15% Contribution: HMO						20% Contribution: PPO & POS						25% Contribution: Indemnity (ALL New Hires after 12/1/2011)						Survivor	COBRA
Health Plan	Coverage Type	Product Type	%	Product Category	Full Premium	Town Monthly	Employee Monthly	Town Weekly	Employee Weekly	Town BiWeekly	Employee BiWeekly	Town Monthly	Employee Monthly	Town Weekly	Employee Weekly	Town BiWeekly	Employee BiWeekly	Town Monthly	Employee Monthly	Town Weekly	Employee Weekly	Town BiWeekly	Employee BiWeekly	Survivor Monthly	COBRA Monthly
Health New England	Individual	HMO	15	Regional	778.25	661.53	116.72	165.39	29.18	330.77	58.36	x	x	x	x	x	x	583.69	194.56	145.93	48.64	291.85	97.28	389.12	793.82
Health New England	Family	HMO	15	Regional	1,866.96	1586.92	280.04	396.73	70.01	793.46	140.02	x	x	x	x	x	x	1400.24	466.72	350.06	116.68	700.12	233.36	933.48	1904.30
Harvard Pilgrim Quality	Individual	HMO	15	Limited	788.04	669.84	118.20	167.46	29.55	334.92	59.10	x	x	x	x	x	x	591.04	197.00	147.76	49.25	295.52	98.50	394.02	803.80
Harvard Pilgrim Quality	Family	HMO	15	Limited	2,005.81	1704.97	300.84	426.25	75.21	852.49	150.42	x	x	x	x	x	x	1504.37	501.44	376.10	125.36	752.19	250.72	1002.90	2045.93
MGB Complete	Individual	HMO	15	Broad	977.66	831.02	146.64	207.76	36.66	415.51	73.32	x	x	x	x	x	x	733.26	244.40	183.32	61.10	366.63	122.20	488.83	997.21
MGB Complete	Family	HMO	15	Broad	2,585.42	2197.62	387.80	549.41	96.95	1098.81	193.90	x	x	x	x	x	x	1939.10	646.32	484.78	161.58	969.55	323.16	1292.71	2637.13
Wellpoint Community Choice	Individual	PPO-TYPE	20	Limited	744.97	x	x	x	x	x	x	596.01	148.96	149.01	37.24	298.01	74.48	558.73	186.24	139.69	46.56	279.37	93.12	372.48	759.87
Wellpoint Community Choice	Family	PPO-TYPE	20	Limited	1,849.09	x	x	x	x	x	x	1479.29	369.80	369.83	92.45	739.65	184.90	1386.85	462.24	346.72	115.56	693.43	231.12	924.54	1886.07
Wellpoint PLUS	Individual	PPO-TYPE	20	Broad	958.62	x	x	x	x	x	x	766.90	191.72	191.73	47.93	383.45	95.86	718.98	239.64	179.75	59.91	359.49	119.82	479.31	977.79
Wellpoint PLUS	Family	PPO-TYPE	20	Broad	2,284.05	x	x	x	x	x	x	1827.25	456.80	456.82	114.20	913.63	228.40	1713.05	571.00	428.27	142.75	856.53	285.50	1142.02	2329.73
Harvard Pilgrim Access America	Individual	PPO	20	National	1,259.39	x	x	x	x	x	x	1007.55	251.84	251.89	62.96	503.78	125.92	944.55	314.84	236.14	78.71	472.28	157.42	629.69	1284.58
Harvard Pilgrim Access America	Family	PPO	20	National	2,809.26	x	x	x	x	x	x	2247.42	561.84	561.86	140.46	1123.71	280.92	2106.98	702.28	526.75	175.57	1053.49	351.14	1404.63	2865.45
Harvard Pilgrim Explorer	Individual	POS	20	Broad	1,067.87	x	x	x	x	x	x	854.31	213.56	213.58	53.39	427.16	106.78	800.91	266.96	200.23	66.74	400.46	133.48	533.93	1089.23
Harvard Pilgrim Explorer	Family	POS	20	Broad	2,645.90	x	x	x	x	x	x	2116.74	529.16	529.19	132.29	1058.37	264.58	1984.46	661.44	496.12	165.36	992.23	330.72	1322.95	2698.82
Wellpoint Total Choice	Individual	INDEMNITY	25	Broad	1,501.35	x	x	x	x	x	x	x	x	x	x	x	x	1126.03	375.32	281.51	93.83	563.02	187.66	750.67	1531.38
Wellpoint Total Choice	Family	INDEMNITY	25	Broad	3,331.72	x	x	x	x	x	x	x	x	x	x	x	x	2498.80	832.92	624.70	208.23	1249.40	416.46	1665.86	3398.35

<b>GIC HEALTH INSURANCE RATES EFFECTIVE 7/1/2024</b>				<b>FY25</b>						
<b>Health Plan</b>	<b>Product Type</b>	<b>Product Category</b>	<b>%</b>	<b>Full Premium</b>	<b>15% Contribution</b>		<b>25% Contribution</b>		<b>Survivor Monthly</b>	<b>COBRA Monthly</b>
					<b>Town Monthly</b>	<b>Retiree Monthly</b>	<b>Town Monthly</b>	<b>Retiree Monthly</b>		
<b>Tufts Health Plan Medicare Preferred</b>	HMO	Medicare Advantage	15	<b>363.84</b>	309.28	54.56	272.88	90.96	181.92	371.12
<b>Harvard Pilgrim Medicare Enhance</b>	INDEMNITY	Medicare Supplement	25	<b>436.13</b>	x	x	327.13	109.00	218.06	444.85
<b>Wellpoint Medicare Extension</b>	INDEMNITY	Medicare Supplement	25	<b>444.68</b>	x	x	333.52	111.16	222.34	453.57
<b>Health New England Medicare Supplement Plus</b>	INDEMNITY	Medicare Supplement	25	<b>438.79</b>	x	x	329.11	109.68	219.39	447.57

Account Inquiry [TOWN OF ARLINGTON]

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Account Inquiry [TOWN OF ARLINGTON]

Display current year monthly amounts.

Account

Fund 3208 EMPLOYEE I Acct 3208-1-914-914-0000-000000-0000-50-578037-  
 Org 32085 EMPLOYEE I Acct name EMPLOYEE HEALTH MITIGATION FD [Account Notes](#)  
 Object 578037 EMPLOYEE H Type Expense Status Active  
 Project [View](#)  
 Rollup [View](#)  
 Sub-Rollup [View](#)  
 Annual Budgeting  
 MultiYr Fund

4 Year Comparison

Current Year History 4 Year Graph History Graph

Yr/Per 2024/09	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2025	Life
Original Budget	182,324.83	207,339.33	.00	.00	.00
Transfers In	.00	16,404.97	321,731.00	.00	5,560,187.13
Transfers Out	.00	.00	.00	.00	.00
Revised Budget	182,324.83	223,744.30	321,731.00	.00	5,560,187.13
Actual (Memo)	51,972.39	41,419.47	97,986.70	.00	1,401,010.42
Encumbrances	48,027.61	.00	.00	.00	48,027.61
Requisitions	.00			.00	.00
Available	82,324.83	182,324.83	223,744.30	.00	4,111,149.10
Percent used	54.85	18.51	30.46	.00	26.06

Display detail information for current account.

Account Inquiry [TOWN OF ARLINGTON]

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Detail Months Seg Find Totals User Defined Fields

Account Inquiry [TOWN OF ARLINGTON]

**Org** 0191352 **UNEMPLOYME** **Acct name** UNEMPLOYMENT COMPENSATION Account Notes  
**Object** 578011 **UNEMPLOYME** **Type** Expense **Status** Active  
**Project** INSURANCE  
 MultiYr Fund

[4 Year Comparison](#) | [Current Year](#) | [History](#) | [4 Year Graph](#) | [History Graph](#)

Yr/Per 2024/09	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2025
Original Budget	150,000.00	150,000.00	150,000.00	.00
Transfers In	35,345.36	4,120.97	16,969.76	.00
Transfers Out	-7,327.86	-1,294.36	-1,495.25	.00
Revised Budget	178,017.50	152,826.61	165,474.51	.00
Actual (Memo)	81,805.93	68,926.25	112,133.54	.00
Encumbrances	21,211.57	.00	.00	.00
Requisitions	.00			.00
Available	75,000.00	83,900.36	53,340.97	.00
Percent used	57.87	45.10	67.76	.00

Display detail information for current account.



TOWN OF ARLINGTON  
LEGAL DEPARTMENTAdministration of:  
Workers' Compensation  
Line of Duty Injuries50 Pleasant Street  
Arlington, MA 02476  
781-316-3154  
Fax: 781-316-3159

## MEMO

To: Insurance Subcommittee  
James Feeney, Town Manager

From: Michael C. Cunningham

Re: FY25 Workers' Compensation Budget

Dated: March 18, 2024

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. Uniformed 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 FY24 Budget

As of March 18, 2024, the Workers' Compensation budget has expended \$430,300.31 (75.24%) of its \$580,000 FY24 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 for FY23 to date has averaged \$6,204.68 and presently stands at \$7,197.28 per week. The present weekly amount is slightly lower than last year and based on current projections, is not expected to push expenditures past

the FY24 budget of \$580,000.<sup>1</sup> As for medical payments, they have averaged approximately \$5,451.69 per week, a significant increase from last year. Medical costs remain an ongoing concern as the costs of most treatment and procedures continually outpace funding resource increases. The nature of workers' compensation coverage lends itself to medical and indemnity monetary deviations, and the years following the pandemic created more variability than ever.

As referenced above, a driver of increased costs in FY24 that is expected to continue into FY25, is that medical expenditures will be pressured by the increased use and availability of sophisticated medical diagnostics and treatment within the Town's geographic area. The Executive Office of Health and Human Services has statutory authority to establish rates of payment for hospitals and health care providers for services covered by insurers and other purchasers under the Workers' Compensation Act. While it is commonly accepted that rates will increase, there has been a general slowing in the percentage thereof. 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.

In an effort to recoup paid costs, this department pursues subrogation claims, when appropriate, against third party tortfeasors. 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 regularly contests liability claims, resulting in significant direct cost and long term savings. 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.

In an effort to anticipate further medical costs for the remainder of FY24, we note that at present, there is at least one Town employees who is scheduled or expected to undergo a work-related surgical intervention prior to the end of this fiscal year. So far in FY24, there have not been any lump sum settlement agreements, but there may be one, possibly two prior to the end of the fiscal year. All settlements are expected to be fair and reasonable and will help the Town reduce its weekly compensation indemnity payments.

Given the existing weekly indemnity payments, projected hospital, medical, rehabilitative costs, redemption of liability expense and pending litigation claims analysis, it is projected that the department may slightly exceed the limits of the FY24 budget and may make a request for a reserve fund transfer this fiscal year. The reason for that request is driven by the increase in medical costs, which continue to increase on an annual basis.

There is presently no amount remaining in the Workers' Compensation Reserve Fund. In addition to sound fundamental self-insurance claim reserves practice, another purpose of the

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<sup>1</sup> It is noted that the Workers' Compensation budget was increased last fiscal year from \$540,000 to \$580,000. It was the first time that the budget since FY17. No Workers' Compensation budget increase is requested or recommended this fiscal year. A request for an increase to the Workers' Compensation budget is anticipated for FY26, based on increasing medical costs.

Reserve Fund is to fund liability redemption for claims having occurred in previous fiscal years. There always exists a necessity to restore claim loss reserves to appropriate levels. It is therefore recommended that any remaining balance in the Workers' Compensation Expense Account at the end of FY24 be used to appropriately fund the Workers' Compensation Reserve Fund as contemplated and allowed by the Workers' Compensation statute. Given the uneven nature of annual claim losses, this fiscally responsible practice has served the Town well for many years.

### C. FY 2025 Budget

The following assumptions have been made: (1) the number of employees covered under the Massachusetts Workers' Compensation Act will remain essentially the same on both the School and Town 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 the Town employee will remain essentially the same, (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 4% above the existing \$1,796.72 [weekly indemnity ceiling set each October 1<sup>st</sup> by the Department of Industrial Accidents],<sup>2</sup> (7) Town and School District 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.

Based on the assumptions set out above, as well as ongoing trends regarding increasing medical costs, the Workers' Compensation budget, which had been set at \$540,000 per year since FY17 (with a one year decrease to \$500,000 in FY18) was increased by \$40,000 (7.4%) to \$580,000 in FY23. No increase is requested or recommended for FY25. However, it is noted that based on increasing costs related to medical care, a request for an increase to the Workers' Compensation budget is anticipated for FY26. The amount of the anticipated request is estimated at \$25,000 - \$40,000, but will depend on additional cost data that is collected in advance of the FY26 budget process.

The primary drivers for the approved increase in FY23 included the increasing year over year costs of indemnity benefits to employees injured on the job and the ongoing difficulty in managing medical costs that are outpacing budgetary allowances. It was also noted that some types of medical services are increasingly difficult to secure, given the low reimbursement rates for medical services, as set by the Executive Office of Health and Human Services.<sup>3</sup> The low reimbursement rates make it difficult to schedule some types of treatment with medical providers who are reluctant or refuse to accept current reimbursement rates for service. The requested

<sup>2</sup> It is noted that following an increase in 2022 of 4.2%, the 2023 increase was only 1.78%. Annual increases from the three previous years (2018-21) were 3.9%, 3.4% and 3.4% and 13.8%.

<sup>3</sup> Effective October 1, 2023, the rate of payment set by the Executive Office of Health and Human Services for hospital outpatient workers' compensation charges increased from 61% to 53%. The rate has varied from 58% in 2021, 62% in 2020 and 66% in 2019.

budget increase has helped secure the best medical care for our employees so that we can assist them in their quest to return to work as soon as possible and off of the Town's weekly Workers Compensation payroll. Below is a summary of the average weekly payroll for our Town employees who receive Workers' Compensation benefits:

YEAR	WEEKLY AVERAGE
FY24 (as of 3/18/24)	\$6,204.68
FY23	\$6,500.26
FY22	\$7,411.37
FY21	\$6,520.99
FY20	\$6,671.11
FY19	\$6,671.11
FY18	\$4,919.28
FY17	\$3,457.00

As noted above, this office seeks level funding in FY25 for the Workers' Compensation budget so that we may provide an appropriate amount for projected FY25 claims, funds loss reserves, address potential litigation claims/loss exposure and provide funds for the appropriate redemption of existing claims.

	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
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### 0191487 GROUP HEALTH INSURANCE

5245 EXP: WORKERS COMP	532,091	580,000	580,000	0	0.00%
5700 MEDICARE PENALTY	13,569	15,000	15,000	0	0.00%
5703 OPT OUT PROGRAM	219,805	213,996	207,996	(6,000)	-2.80%
5704 INSURANCE:GROUP HEALTH	18,397,619	19,546,768	20,905,086	1,358,318	6.95%
5705 INSURANCE: GROUP LIFE	92,872	99,823	99,823	0	0.00%
5706 MEDICARE PAYROLL TAX	1,576,152	1,818,716	1,975,489	156,773	8.62%
5709 FLEXIBLE BENEFIT PLAN	49,297	38,880	52,000	13,120	33.74%
578027 EMPLOYEE MITIGATION	50,000	50,000	75,000	25,000	50.00%

<b>0191487 GROUP HEALTH INSURANCE APPROPRIATION TOTAL</b>	<b>20,931,406</b>	<b>22,363,183</b>	<b>23,910,395</b>	<b>1,547,212</b>	<b>6.92%</b>
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HEALTH CLAIMS TRUST OFFSET			(127,656)	(127,656)	-
ENTERPRISE OFFSETS	(758,928)	(864,431)	(1,148,522)	(284,091)	32.86%

<b>0191487 GROUP HEALTH INSURANCE TAXATION TOTAL</b>	<b>20,172,478</b>	<b>21,498,752</b>	<b>22,634,217</b>	<b>1,135,465</b>	<b>5.28%</b>
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### 0191488 LIABILITY INSURANCE

5702 UNEMPLOYMENT COMPENSATION	66,100	150,000	150,000	0	0.00%
5750 INSURANCE: OFFICIALS LIABILITY	57,713	55,000	65,100	10,100	18.36%
5751 PROPERTY INSURANCE	369,912	394,695	413,238	18,543	4.70%

<b>0191488 LIABILITY INSURANCE APPROPRIATION TOTAL</b>	<b>493,725</b>	<b>599,695</b>	<b>628,338</b>	<b>28,643</b>	<b>4.78%</b>
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OFFSETS	(20,625)	(20,625)	(20,625)	0	0.00%
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<b>0191488 LIABILITY INSURANCE TAXATION TOTAL</b>	<b>473,100</b>	<b>579,070</b>	<b>607,713</b>	<b>28,643</b>	<b>4.95%</b>
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