Notice of Public Meeting – (As required by G.L. c. 30 A, c. §18-25)

DEPT./BOARD: Ways and Means Subcommittee Meeting TH1
DATE: Wednesday, March 5, 2019
Time: 8:00 AM
PLACE: 2nd Floor Conference Room

AGENDA

Central Administration 2020 Budget
Meeting opened at 8:02 AM in the Town Hall 2nd floor Executive Conference Room
Town Hall I Subcommittee members present: Frank Monaco, THI Chairman David Tait
Town Officials present: John Danizio Town Accountant, Whitney Haskell Budget Analyst, Paul Sagarino Town Administrator, Brian Curtin Treasurer

The meeting was devoted to proposed FY2020 Central Administration budget

Central Administration Budget #149, $16,919,931 a 3.4% increase

Materials and Supplies $136,450 a .58% increase
The Central Supplies budget is level funded at $110,000 and has a track record of running close to this amount. The Central Machines budget includes all office machines whether leased or owned plus a service contract. The 3% increase reflects anticipated service contract increases.
Vote 2-0-0

Contracted Services
Chapter 32B Health Insurance $13,739,380 a 3% increase
This budget covers the self insured health benefit for actives and retirees for all town employees. Brian and Paul did a comprehensive review of the health trust fund status, the benefits and programs offered, and all the FY20 projected costs. The plan has performed cost favorable for several years and we currently have about $5.5 million positive balance and expect this remain unused assuming continued claims trends and current premium levels. All are in agreement that we should accept the overall increase of 3% and allow the positive balance to accrue because we are self insured and it is prudent to maintain the trust positive balance to protect against unforeseen claims. We currently carry $125,000 stop loss claim insurance and although the premium has increased the coverage is level funded and is both critical to a self insured plan as well as fairly priced at $1,088,873. Our claim and cost experience is very favorable compared to industry averages which has greatly benefited the town financially while providing excellent coverage.
Vote 2-0-0

Transfer to OPEB Fund $713,593 a 9.3% increase
This is the OPEB annual funding policy amount designed under certain assumptions to retire the liability by FY2045. The program is due for its bi-annual actuarial review based on Dec 2018 actuals and current plan assumptions. We anticipate the final report late summer and plan a full review for Sept 2019 town meeting.
Vote 2-0-0

Unemployment Compensation $100,000 level funded
We self insure rather than accepting State services. This has historically saved us money and we plan to continue this practice. Although the most recent claims experience is below the funding level requested the sentiment is the actuals are too unpredictable on a year to year basis and we should continue level funding this. The treasurers office retains a claims consultant for about $5,000 which helps us manage claims and keep our costs lower than State averages.
Vote 2-0-0

Pension Re-imbursement $1,256 level funded
This is a veterans legacy benefit. We have only one remaining eligible person and will carry this until that person dies at which time the benefit will be ended.
Vote 2-0-0
Town Insurance/Workers Comp $1,006,273 a 5.26% increase
This line item encompasses all insurance for buildings, vehicles, elected and appointed legal liability, and all worker injury claims (except for police and fire which has its own injury insurance). We go to the market for competitive bids however the number of providers is limited and furthermore our recent claims history has caused us to experience higher premiums. As a result it is financially beneficial to take a higher deductible plan to help lower premiums.
Vote 2-0-0

Financial Audit $80,000 level funded
Vote 2-0-0

Medicare $1,142,979 a 4.04% increase
Two factors cause this to increase annually. First as new employees replace older staff medicare coverage is required when previously it was not. This shift is close to over as the work force ages. Second Medicare is calculated as a per cent of salary so basic COLA and step increases automatically increase our Medicare budget.
Vote 2-0-0

Meeting adjourned at 9:30AM
Frank Monaco