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TOWN OF BURLINGTON

Meeting Minutes

DEPT./BOARD: Ways and Means Town Hall 1 Subcommittee
DATE: March 17, 2021
TIME: 8:00AM
PLACE: WebEx Conference Call

MEMBERS and INVITED OFFICIALS:

Present:

John Danizio – Assistant Town Administrator / Town Accountant
Gary Gianino-Treasurer/Collector
Whitney Haskell – Budget Director
Frank Monaco – Town Hall 1
Paul Sagarino – Town Administrator
David Tait – Chair Town Hall 1

Absent: None

Meeting Purpose:

Discuss FY 2022 Proposed Budgets

Dept 149 Central Administration \$18,593.992 a 8.94% Increase

OPERATING BUDGET \$136,550 level funded

Central Supply \$110,000 level funded

Vote: 2-0-0

Central Machine \$26,550 level funded

Vote: 2-0-0

ACCOMMODATED ACCOUNTS \$18,457,442 a 9.01% increase

Unemployment Compensation \$100,000 a 0% increase

We are self-insured and have experienced savings over State sponsored insurance. Our budget has proven adequate and is level funded.

Vote: 2-0-0

Chapter 32B Health Insurance \$15,028,422 a 5.66% increase





TOWN OF BURLINGTON

Meeting Minutes

Gary Gianino did a complete cost analysis partly because this is his first year but it is also the process necessary to evaluate the self-insured program and to establish the next budget. Gary walked us through the analysis including claims history, claims projections, insurance, flex plans, life insurance, and consulting fees.

Our recent experience continues to be favorable and well below national averages. The administration has proposed a 3% premium increase (the town's share is 70%) for the FY22 actives premium and to maintain all of the current suppliers and programs. We also discussed the health benefits trust fund which is the mechanism that we use to pay the actual claims. We currently have about a \$10,000,000 balance. Our current experience is that our premiums on average are equal to the claims. This would suggest that we will continue to maintain the surplus. The committee discussed this and concluded that it is a prudent surplus given that we are self-funded and there is risk in projecting actual costs.

Vote: 2-0-0

Medicare \$1,260,128 a 5% increase

This is an estimate driven by size of payroll and is a legal obligation.

Vote: 2-0-0

Transfer to OPEB \$852,493 a 712.23% increase

This is a non-binding policy to fund OPEB future costs from the operating budget as part of a 30 year program to eliminate the debt. The program is defined with a 9% annual increase but last year we only funded a partial payment so the FY22 increase year over year is greater.

The administration plans to have the biannual actuarial assessment at the close of the calendar year. This is a critical tool to help us manage the program. That report should be available in the first half of FY22.

Vote: 2-0-0

Town Insurance/Workers' Comp \$1,156,399 a 4.53% increase

This covers all insurance for casualty, buildings, auto, and professional liability. It also covers our self-insured workers compensation. We have increased our deductible to help lower the premiums however the budget has been increased by \$50,000 because actual costs are projected higher.

Vote: 2-0-0

Pension Reimbursement \$0.0 no longer funded

This is a legacy obligation for employees who moved to other communities. The records show that we no longer have any obligations.

Vote: 2-0-0

Financial Services \$60,000 level funded





TOWN OF BURLINGTON

Meeting Minutes

This covers the required annual Town audit. The budget remains reduced by \$20,000 which is for discretionary audits throughout the year as needed. It is hoped to reinstate this in FY23.

Vote: 2-0-0

Middlesex Retirement Assessment \$11,757,449 a 10.13% increase

Burlington labor unions have a contractual agreement to participate in the Middlesex Retirement Plan. They fund this through payroll deductions but it is a benefit with a guaranteed dollar amount upon retirement. We are contractually bound to an annual payment for Burlington's portion of an actuarial calculation conducted for the retirement board in order to fully fund the program by year 2035.

Vote: 2-0-0

Dept 145 Treasurer/Collector \$680,445 a .99% Increase

The only increases are contractual payroll items.

Vote: 2-0-0

Adjourned 9:30AM

