

**900 MISCELLANEOUS**

- **910 EMPLOYEE BENEFITS**
- **940 INSURANCES**

# MISCELLENEOUS

**PROGRAM SUMMARY: Miscellaneous (budget code 900)**

**COMMENTS:**

The Miscellaneous Budget Program includes the **Employee Benefits** (Retirement, Workers Compensation, Unemployment Compensation, Health Insurance, Life Insurance, and Medicare) and **Insurances** (946) Sub-Programs.

Expenditure Profile

Requested Fiscal 2015 spending on the Miscellaneous Program is \$1,969,954 or 24.2% of Total General Fund Operating expenses. This represents a \$45,574 or 2.37% increase over FY 2014

Significant Changes

The most significant changes in the miscellaneous program budget are due to increases in the Health Insurance (+\$26,300 or 2.9%) and Medicare (+\$6,954 or 15.1%). General insurances will also increase by \$2,552 or 3%. It should be noted that the increase in health insurance is completely attributable to the addition of new employees. These include a new paraprofessional position in the Library (+\$11,800) and the School Resource Officer (+\$14,500) for the Franklin County Technical School. The latter cost will be entirely recovered through a FCTS reimbursement to the town. Without these new positions, the health insurance budget would have been level funded. Retirement costs will increase modestly by \$4,896 or less than 1%.

Highlights of Goals and Objectives

- To continue the trend of stable growth in employee benefits, particularly in the area of health insurance.
- To monitor future growth in employee benefits as a means of gauging if and when plan design changes may be necessary either through town participation in the State's Group Insurance Commission (GIC) or through the current health insurance provider (Hampshire County Health).

Accomplishments

- Bringing stability to the town's budget by controlling health care costs which prior to 2008 were a major budget buster.

General Category: Miscellaneous

Department **EMPLOYEE BENEFITS**

Dept # 910

EXPENDITURES		Actual 2013	Appropriated 2014	Expended thru 12/31/2013	FY15 Level Services Request	FY15 Fin Comm Recommend	FY15 Town Administrator Budget
5170	Non-Contrib Retirement	37,151	37,998	15,315.42	38,854		38,854
5171	Retirement	752,282	789,701	789,701.00	794,597		794,597
5172	Workers' Compensation	41,378	43,533	30,818.11	46,839		46,839
5173	Unemployment Compensation	790	10,000	1,345.90	10,000		10,000
5174	Health Insurance	872,311	895,000	418,069.63	895,000		895,000
	Health Insurance-SRO				14,500		14,500
	Health Insurance-New Libr position				11,800		11,800
5175	Life Insurance	15,819	16,800	8,659.70	17,200		17,200
	Life Insurance-SRO				155		155
	Life Insurance-New Libr position				155		155
5177	Medicare	40,990	46,046	23,576.61	53,000		53,000
5179	Ret Hlms Other Towns	98	235		235		235
	<b>TOTAL PERSONAL SERVICES</b>	1,760,819	1,839,313	1,287,486.37	1,882,335	-	1,882,335
	<b>TOTAL EMPLOYEE BENEFITS</b>	1,760,819	1,839,313	1,287,486.37	1,882,335		1,882,335

non-contrib includes \$7,367 due to state for town share of state non-contrib retirees

5177 increased to 53k based on YTD figures plus knowledge that 2 contracts have not been settled, but increases are expected

1/9 updated 5174 per Patty

Health/Life for new positions shown sep in case not approved

## **1. Program Description – Insurances (946)**

### Purpose of Department/Mission

The insurance sub-program includes various categories of insurance coverage that the Town of Montague carries. These include Property, Inland Marine, Crime, Auto Fleet, Boiler and Machinery, General Liability, Public Officials Liability and Umbrella. These same line items are budgeted separately for the Water Pollution Control Facility.

### Department Staffing

- None

### Mandated Services

- Liability Insurance coverage for town officials and property

### Other Programs/Services Provided

- Workshops designed to educate employees in the area of loss control. Usually these are provided directly by the insurer.

### Revenues Generated

- None

## **2. Budget Statement**

The insurance budget is projected to increase by \$2,552 or 3% next year. This increase is based upon an early estimate by our insurance provider, MIIA. This 946 budget only includes general insurances and not workers compensation or 111f police coverage. The latter appear in the employee benefits and police budgets respectively. Although they are also being budgeted for a 3% increase, there tends to be more volatility in premiums because they are tied to the previous year's experience modification ratings which may spike in some years.

## **3. Objectives**

**Need:** The town's general insurances have not increased significantly in recent years. This is partially a reflection of success in implementing loss control recommendations. Additional discounts may be available from MIIA if the town succeeds in implementing other measures that have been recommended.

**Objective:** To take full advantage of discount opportunities offered by our insurance provider.

#### **4. Accomplishments**

The town has succeeded in stabilizing the cost of insurance in recent years by implementing measures that reduce our risks, and keeping tight control over the inventory of property being insured.

General Category: Miscellaneous

Department **INSURANCE**

Dept # 946

<b>EXPENDITURES</b>		<b>Actual 2013</b>	<b>Appropriated 2014</b>	<b>Expended thru 12/31/2013</b>	<b>FY15 Level Services Request</b>	<b>FY15 Fin Comm Recommend</b>	<b>FY15 Town Administrator Budget</b>
5740	Unallocated		85,067		87,619		87,619
5741	Property, Inland Marine, Crime	21,364		16,169.01			
5742	Auto Fleet	17,605		18,536.45			
5743	Boiler & Machinery	1,000		1,005.96			
5744	Inland Marine			12,333.31			
5745	Liability	10,977		10,601.73			
5746	Public Officials	10,922		10,661.36			
5747	Umbrella Insurance	1,718		1,651.46			
5748	Employee Assistance Program						
5749	Law Enforcement			5,954.75			
	<b>TOTAL EXPENSES</b>	<b>63,587</b>	<b>85,067</b>	<b>76,914.03</b>	<b>87,619</b>		<b>87,619</b>
	<b>TOTAL GENERAL INSURANCE</b>	<b>63,587</b>	<b>85,067</b>	<b>76,914.03</b>	<b>87,619</b>		<b>87,619</b>