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# TOWN OF BURLINGTON

## *Meeting Minutes*

DEPT./BOARD: Ways and Means Town Hall 1 Subcommittee  
DATE: March 22, 2022  
TIME: 8:00 AM  
PLACE: Town Hall Conference Room

MEMBERS and INVITED OFFICIALS:

**Present:**

John Danizio – Assistant Town Administrator / Town Accountant  
Gary Gianino – Treasurer/Collector  
Whitney Haskell – Budget Analyst  
John Iler – W&M Vice Chair  
Frank Monaco – Town Hall 1  
Paul Sagarino – Town Administrator

**Absent:** None

**Meeting Purpose:**

Discuss Proposed FY23 Department Budgets

**Treasurer/Collector Dept 145; \$695,721 1.92% increase**

Two factors are responsible for the increase. One is further restructuring to align titles and duties and contractual salary increases. The other is a significant percentage increases in cost of required mailings. Most of the dollar increase is in salary.

Discussions entailed description of how work is divided among staff and some discussion on how to possibly reduce future cost with more digital banking and electronic mailing.

Vote: 2-0-0

**Middlesex Retirement Accommodated Account 911; \$12,543,435 a 6.69% increase**

We are a member of the Middlesex retirement system as required by MGL. Burlington has one seat on the management board. This budget item funds the Burlington specific assessment based on the Jan 2020 Actuarial Valuation and the Burlington eligible members. Note that teachers retirement is through the State and is not funded by the Town.

It was highlighted that as a percentage of payroll our cost is 4.85%. This retirement plan is in lieu of Social Security which we do not participate in and which would be much more costly to the Town.

Vote: 2-0-0





# TOWN OF BURLINGTON

## *Meeting Minutes*

### **Pension Reimbursement Accommodated Account; not funded**

This is a legacy retirement benefit for one individual veteran that moved out of town. He died and his widow continued to collect a portion of the benefit from Burlington. The benefit has expired.

### **Negotiated Settlements Account 900; \$872,715 a 63.12% increase**

This account is used annually to fund general government unsettled labor agreements and retirement unused vacation. The increase is relatively meaningless since from year to year the unsettled agreements are very variable.

Vote: 2-0-0

### **Reserve Fund; \$200,000 level funded**

This budget under control of Ways and Means is designed to support unforeseen and emergency money needs in the form of a Reserver Fund Transfer Request which Ways and Means can authorize with a simple committee majority vote. Unused funds are returned at the end of every fiscal year.

Vote: 2-0-0

### **Central Administration Dept 149; \$19,400,102 a 4.34% increase (including accommodated accounts and operating budget)**

#### **Central Administration Accommodated Accounts; \$19,262,182 is a 4.36% increase**

(There are 6 accommodated accounts in this department and need to be voted individually so each are recorded below separately.)

#### **Unemployment Compensation Accommodated Account; \$100,000 level funded**

This is a placeholder to cover our self-insured unemployment benefit for government and schools as needed.

Vote: 2-0-0

#### **Chapter 32B Benefits Accommodated Account; \$15,633,054 a 4.02% increase**

This account primarily funds the town's share of health benefits for all Burlington active and retired employees who have opted to use the Town provided health insurance. There is a breakdown table available showing the budget calculations and estimates for all costs including claims, wellness programs, administrative costs, and stop loss insurance. With a 4.02% increase we expect a slight positive net cash flow for FY23. Note that the budget is fiscal year aligned but the benefit plans and premiums are calendar year aligned.

Burlington is self insured and therefore maintains a health trust fund to cover all expenses. The employee premiums supplement the fund (30% cost sharing for active employees). Currently we have about a positive \$10.5 million balance. The FY23 estimates show that with the employee payroll contributions plus the Town \$15.6 million FY23 budget, the plan should be cash flow neutral.





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## *Meeting Minutes*

The wellness programs and flex spending programs which are in this budget were also reviewed. There continues to be good employee participation. We cannot measure the wellness cost vs savings but we can obviously see that year on year claims increases are relatively low which suggests the wellness programs benefit the health of our cohort and help lower costs.

Vote: 2-0-0

### **Medicare Accommodated Account \$1,323,134 a 5% increase**

This budget is formula based using 1.5% of payroll for town and schools.

Vote: 2-0-0

### **OPEB Accommodated Account; \$931,775 a 9.3% increase**

This budget is a voluntary program to finance our OPEB trust designed to eliminate the OPEB liability. The current plan is to increase our annual contribution by 9.3% until the liability is paid off on an actuarial basis.

Vote: 2-0-0

### **Town Insurance Accommodated Account; \$1,214,219 a 5% increase**

This is for all of government and schools property, accidents, cyber losses, and professional liability. It also includes workers compensation except for police and fire. There is not a lot of vendor competition so bidding has not helped lower our premiums. We are coming off a few high claim years which have made it difficult to get a better rate but we are working with carriers to implement best practices and we have raised our deductible for two years in a row.

Vote: 2-0-0

### **Financial Services Accommodated Account; \$60,000 level funded**

This funds our mandatory government and school general ledger annual audit and has some buffer for spot audits if needed during the year. In past years we did extra audits and had an \$80,000 budget. The need seems less so budget was lowered last year to \$60,000.

Vote: 2-0-0

### **Central Administration Operating Budget; \$137,920 a 1% increase**

This includes office supplies (level funded at \$110,00) and all office mail, copier, and printer machines (\$27,920). We bid an omnibus service contract for owned machines. As owned machines need replacement leasing agreements are considered. Of late it looks like leasing is becoming more cost effective.

Vote: 2-0-0

**Adjourned 10:15 AM**

