

Town of Reading FY - 2009 Budget

Employee Benefits

Budget Summary (Form A)

Group Health / Life Ins - 817

Summary: B1

<u>Budget Summary</u>	Actual Expenditures FY - 2006	Actual Expenditures FY - 2007	Annual Adopted Budget (Revised) FY - 2008	Recommended Budget FY - 2009	One Year Percent Change
Salaries and Wages (Form B)	\$ 0	\$ 0	\$ 0	\$ 0	
Expenses (Form C)	<u>5,612,027</u>	<u>5,867,435</u>	<u>6,657,575</u>	<u>7,305,244</u>	9.73%
Totals	<u><u>5,612,027</u></u>	<u><u>5,867,435</u></u>	<u><u>6,657,575</u></u>	<u><u>7,305,244</u></u>	9.73%
<u>Revenue and Staffing</u>					
Revenues	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	
Staffing	<u><u>0.0</u></u>	<u><u>0.0</u></u>	<u><u>0.0</u></u>	<u><u>0.0</u></u>	

Commentary

Overview: Along with health insurance costs increasing, enrollment in the health insurance program continues to increase.

Changes: The Town will continue to work with the Health Insurance Advisory Committee, and mutually explore cost containment options including further review of co-pays, establishment of a program with deductibles, and any other options available.

Outlook: The Town will complete a study on retiree healthcare liabilities (otherwise know as OPEB - for Other Post-Employment Benefits) in FY08, and propose a funding plan beginning with the FY09 budget. The OPEB liability may be about as large as the original unfunded pension liability from several years ago. Federal and State guidelines will soon establish parameters directing towns in the Commonwealth to address this long-term situation.

Town of Reading FY - 2009 Budget

Employee Benefits

Expenses (Form C)

Group Health / Life Ins - 817

Summary: B1

Classification	Actual Expenditures FY - 2006 \$	Actual Expenditures FY - 2007 \$	Annual Adopted Budget (Revised) FY - 2008 \$	Recommended Budget FY - 2009 \$	One Year Percent Change
Group Health Insurance	6,684,578	7,058,366	7,794,744	8,489,734	8.9%
Group Life Insurance	41,868	42,302	48,150	50,558	5.0%
Employee Assistance Program	3,812	3,895	3,975	4,174	5.0%
New positions in the Town & School budgets				64,000	100.0%
Professional Services	13,500				
Actuarial Study - retiree health ins.	15,000				
Totals	\$ 6,758,757	\$ 7,104,563	\$ 7,846,869	\$ 8,608,466	9.7%
Source of Funding	%	%	%	%	
Water Fund	3.15%	3.33%	2.18%	2.14%	
Sewer Fund	1.03%	1.05%	0.85%	0.84%	
Electric Fund	12.79%	13.03%	11.86%	11.67%	
Inspections revolving fund (Staff planner & Ass't bldg inspector)			0.26%	0.49%	
General Fund (Form A)	\$ 5,612,027	\$ 5,867,435	\$ 6,657,575	\$ 7,305,244	9.7%