

Department: Employee Fringe Benefits & Insurance
Fiscal Year 2007

LINE ITEM EXPLANATION

Workers Compensation:

Line item contains the amount based on a premium assessed by our carrier MEGA as well as a portion for employees who have are currently on long term disability due to an injury during the performance of their job.

Unemployment Insurance:

Line item is set aside for any unforeseen lay offs or reduction in the work force. This amount is for both the School Department and the Municipal Departments. Estimate for Fiscal Year 2007 has been reduced to reflect historical costs from Fiscal Year 2005.

FICA (Medicare):

The Consolidated Omnibus Budget Reconciliation Act of 1985 amended the Internal Revenue Code so that the hospital insurance (Medicare) portion of the Federal Insurance Contributions Act (FICA) applies to wages paid for services rendered after 3/31/86 by employees hired after 3/31/86. The tax is equal to 1.45% of the employee's pay. The employer is required to contribute an amount equal to that deducted from the employee's pay, an additional 1.45%. At the present time the town is paying 1,932 active employees of which 1,692 or (88%) employees were hired after 3/31/86.

FICA (Social Security):

Small percentage of the work force six (6) employees who are ineligible to join the retirement system as they started their employment with the town at age 60 and would not be eligible for a pension.

DOT Testing:

Drug and alcohol testing done on a random basis for certain departments who operate Motor Vehicles (excludes uniformed personnel) this is performed on a monthly basis.

Insurance Group Health & Life:

Coverage for all town employees both currently employed and retirees of the town both school and municipal departments who work greater than 20 hours on a regular basis. Percentages paid by the town vary from plan to plan from a low of 50% to a high of 90% depending on the coverage selected by the employee. Charts are included in this section to provide greater understanding.

Public Safety Chapter 41 Section 111F:

This coverage is paid on a premium basis for the uniformed members of the Town of Natick's workforce who become injured while on duty. This will pay all hospital and medical bills for the injured officer.

LIUNA Pension:

Laborers' International Union of North America National (Industrial) Pension Fund., a pension provided to the following units of the Town of Natick's workforce:

Laborers Local 1116

Clerical Workers

Supervisors & Administrators (Public Works)

School Custodial

And new next year the Librarian's of the Morse Library.

The contribution rate is set by the collective bargaining agreement or other agreement between the Employer and the Union. The rate must fall within the range of rates accepted by the Pension Fund. The rate may be cents, or dollars-and-cents, for each hour for which a covered employee is paid, or a fixed daily, weekly or monthly amount for each covered employee. The rate ranges from \$.25 cents per hour to \$.55 cents per hour. This provides these workers with an additional pension or annuity upon retirement.

TOWN OF NATICK
West Suburban Health Group
Health/Dental Insurance Rates {July 1, 2005 through June 30, 2006}

INSURANCE PLAN	Individual Plan					Family Plan				
	Total Cost	Town Contrib.	Town %	Employee Contrib.	Employee %	Total Cost	Town Contrib.	Town %	Employee Contrib.	Employee %
<i>Health Plans:</i>										
Harvard Pilgrim PPO	\$732.00	\$366.00	50.00%	\$366.00	50.00%	\$1,611.00	\$805.50	50.00%	\$805.50	50.00%
Tufts Point of Service	\$732.00	\$366.00	50.00%	\$366.00	50.00%	\$1,611.00	\$805.50	50.00%	\$805.50	50.00%
Harvard Pilgrim EPO	\$418.00	\$355.13	84.96%	\$62.87	15.04%	\$1,088.00	\$834.60	76.71%	\$253.40	23.29%
Tufts EPO	\$458.00	\$406.38	88.73%	\$51.62	11.27%	\$1,198.00	\$931.45	77.75%	\$266.56	22.25%
Network Blue	\$445.00	\$384.39	86.38%	\$60.61	13.62%	\$1,194.00	\$922.96	77.30%	\$271.04	22.70%
Fallon Group:										
Select Care	\$369.27	\$332.34	90.00%	\$36.93	10.00%	\$1,000.72	\$800.58	80.00%	\$200.14	20.00%
Direct Care	\$350.12	\$315.11	90.00%	\$35.01	10.00%	\$948.84	\$759.07	80.00%	\$189.77	20.00%
<i>Senior Plans</i>										
Out-of-Area Plan	\$806.00	\$403.00	50.00%	\$403.00	50.00%	\$1,761.00	\$880.50	50.00%	\$880.50	50.00%
Medex III	\$353.00	\$176.50	50.00%	\$176.50	50.00%					
Harvard 1st Seniority*	\$210.00	\$105.00	50.00%	\$105.00	50.00%					
HPHC Medicare Enhance	\$408.00	\$204.00	50.00%	\$204.00	50.00%					
Tufts Medicare Supplement	\$289.00	\$144.50	50.00%	\$144.50	50.00%					
Tufts Secure Horizons Plan	\$190.00	\$95.00	50.00%	\$95.00	50.00%					
Blue Care 65 *	\$266.75	\$133.38	50.00%	\$133.38	50.00%					
Managed Blue for Seniors	\$300.45	\$150.23	50.00%	\$150.23	50.00%					
Fallon Senior Plan*	\$198.00	\$99.00	50.00%	\$99.00	50.00%					
<i>Dental Plan:</i>										
Delta Insurance	\$25.00		0.00%	\$25.00	100.00%	\$64.00		0.00%	\$64.00	100.00%

*Rates change on January 1st (Senior Plans)

Note: For purposes of calculating rates town's portion was fixed as of 01/90

Analysis of Projected FY 2007

Insurance Appropriation
Based on December, 2005 Enrolment

	Individual	Family	Total Needs		Individual	Family	Total Needs
Active Employees Plans:				Senior Plans:			
Network Blue				First Seniority			
Rates (Regular Members)	442.05	1,061.40		Rates (Senior Care)	120.75	Rate not available used estimate	
Participants	104	108		Participants	15		
Total	\$551,677	\$1,375,580	\$1,927,256	Total	\$21,735	\$0	\$21,735
Harvard/Pilgrim PPO				HPHC Medicare Enhancement			
Rates (Regular Members)	420.90	926.33		Rates (Senior Care)	234.60		
Participants	29	19		Participants	42		
Total	\$146,473	\$211,202	\$357,675	Total	\$118,238	\$0	\$118,238
Harvard/Pilgrim EPO				Fallon Senior Plan			
Rates (Regular Members)	408.40	959.79		Rates (Senior Care)	113.85		
Participants Includes 25 N/H)	147	232		Participants	1		
Total	\$720,417	\$2,672,055	\$3,392,472	Total	\$1,366	\$1,366	
Tufts POS				Tufts Medicare Supplement			
Rates (Regular Members)	420.90	926.33		Rates (Senior Care)	166.18	Rate not available used estimate	
Participants	7	2		Participants	50		
Total	\$35,356	\$22,232	\$57,587	Total	\$99,705	99,705.00	
Tufts EPO				Out of Area Retirees			
Rates (Regular Members)	467.34	1,071.17	Added New Hires Est 25 Individuals	Rates (Retired Members)	463.45	1,012.58	
Participants	185	162		Participants	7	0	
Total	\$1,037,488	\$2,082,350	\$3,119,838	Total	\$38,930	\$0	\$38,930
Fallon Group Select Care				Medex			
Rates (Regular Members)	382.19	920.67		Rates (Retired Members)	202.98		
Participants	11	12		Participants	266		
Total	\$50,449	\$132,576	\$183,025	Total	\$647,896	\$647,896	
ITT Hartford Life				Tufts Medicare Preferred formerly Secure Horizons			
Participants (All)	2.33	894		Rates (Retired Members)	109.25	Rate not available used estimate	
Total	\$24,996		\$24,996	Participants	23		
				Total	30,153.00	30,153.00	
Premium Cost				Blue Care 65			
Cook & Co			\$10,234,631	Rate	153.39		
Contingency Unforeseen Expense			\$6,400	Participants	5		
All other Miscellaneous Items: (Health Fair/Legal Issues, etc.)			\$100,000	Total	\$767	\$767	
			\$10,000	BCBS Managed Blue for Seniors			
Total Appropriation Needed			\$10,351,031	Rates (Retired Members)	172.76		
				Participants	5		
				Total	\$863.82	\$863.82	
				Medicare Reimbursement			
				Rate	486.53		
				Participants	436		
				Total	\$212,126.21	\$212,126.21	

Requested Per Article (Notations)

Medicare reimbursement increased 12% over 2006 Reimbursements
All HMO and PPO rates calculated using a 15% increase over Fiscal 2006 Rates
Includes 25 New Hires (to replace retiring staff) Harvard/Pilgrim Individual

FY 2007 Budget Presentation

Town of Natick Fiscal Year 2002 thru 2006
Departmental Executive Summary of Finances

Departmental Budget and Personnel Requirements Expended by Fiscal Year					
Category	2002	2003	2004	2005	Thru December 2006
Staffing					
Full-Time Employees					
Part-Time Employees			<i>Not Applicable</i>		
Seasonal Employees					
Operating Budget					
Personal Services					
Purchase of Services					
Technical & Professional Svs					
Supplies					
Other Chgs & Expenditures	\$6,561,870.48	\$7,652,131.97	\$8,185,460.97	\$8,787,164.73	\$5,052,935.98
Total Operating Budget	\$6,561,870.48	\$7,652,131.97	\$8,185,460.97	\$8,787,164.73	\$5,052,935.98
Encumbered Operating Expenses	\$132,841.12	\$67,931.79	\$146,510.78	\$140,257.48	\$130,670.32
Capital Investments Expended					

Quarterly Expenditure Pattern Fiscal Year 2001 thru 2006 - Operating Budget					
Percent Expended by Fiscal Year	2002	2003	2004	2005	2006
Personal Services					
Quarter 1 ending Sept 30					
Quarter 2 ending Dec 31					
Quarter 3 ending March 31					
Quarter 4 ending June 30					
Encumbrances for Year					
Closed to Fund Balance					
Total Pers Svs	0.00%	0.00%	0.00%	0.00%	
All Non-Personal Services					
Quarter 1 ending Sept 30	25.32%	26.60%	26.67%	23.70%	21.43%
Quarter 2 ending Dec 31	22.96%	24.51%	22.56%	23.28%	26.69%
Quarter 3 ending March 31	22.41%	24.01%	23.15%	22.53%	
Quarter 4 ending June 30	23.64%	23.58%	22.92%	22.61%	
Encumbrances for Year	1.83%	0.00%	1.69%	1.48%	
Closed to Fund Balance	3.84%	1.30%	3.01%	6.40%	
Total Non-Pers Svs	100.00%	100.00%	100.00%	100.00%	48.12%
Capital Investments Expended					
Quarter 1 ending Sept 30					
Quarter 2 ending Dec 31					
Quarter 3 ending March 31					
Quarter 4 ending June 30					
Encumbrances for Year					
Closed to Fund Balance					
Total Capital	0.00%	0.00%	0.00%	0.00%	

Encumbrances include Current Year and Carryforward amounts from Previous Fiscal Years
Please NOTE some Encumbrances are MULTI-YEAR.

Employee Finge Benefits and Insurance

	Tn Adm Recommended	Dept Requests	2006 Expended 12/31/05	2006 Appropriated	2005 Actual	2004 Actual	2003 Actual	2002 Actual
Worker's Compensation	450,000.00	520,000.00	217,178.12	503,000.00	374,098.03	432,682.98	507,252.86	476,455.26
Insurance Unemployment	75,000.00	75,000.00	27,884.31	120,000.00	36,276.39	105,937.22	104,546.59	27,389.10
FICA {Medicare}	627,859.00	627,859.00	239,787.12	612,859.00	533,907.62	495,194.28	462,895.70	428,185.06
FICA {Social Security}	2,000.00	2,000.00	226.96	2,000.00	922.01	2,667.22	2,748.95	2,912.91
DOT Testing	4,000.00	4,000.00	561.00	4,000.00	3,427.00	3,345.00	3,201.00	5,342.50
Insurance Group Health & Life (School Dept Grant Offsets)	10,351,031.00 (300,000.00)	10,351,031.00 (300,000.00)	4,483,633.51	8,823,495.00	7,668,784.78	7,036,342.61	6,394,649.25	5,411,463.54
Public Safety C41 S111F Medical	75,000.00	75,000.00	26,839.31	75,000.00	64,400.06	18,808.59	55,071.07	51,714.90
LIUNA Pension	140,450.04	140,450.04	43,738.49	120,536.00	105,348.84	90,483.07	98,966.51	77,934.17
Employee Assistance Program	0.00	0.00	0.00	0.00	0.00	0.00	22,800.04	20,600.04
Employee Benefits Reserve	100,000.00	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00
OTHER PERSONAL SERVICES	11,525,340.04	11,595,340.04	5,039,848.82	10,360,890.00	8,787,164.73	8,185,460.97	7,652,131.97	6,501,997.48
BUDGET TOTAL	11,525,340.04	11,595,340.04	5,039,848.82	10,360,890.00	8,787,164.73	8,185,460.97	7,652,131.97	6,501,997.48