

FY 2022 Budget Questions & Answers
Finance Committee

Dept. Number, Name + Account	Questioner's Name/Question	Response
940 Otherwise Unclassified	FitzPatrick: Could the breakdown detail be included showing what is in the total being allocated to the various enterprises. Are there no costs charged to the schools?	O'Donnell: The detail for the direct and indirect costs is included with each enterprise budget. None of the costs are charged to the schools.
945 Employee Benefits & Misc.	FitzPatrick: How many ex-employees contributed to the increase in unemployment comp?	O'Donnell: There have been several furloughs, with the majority being the school cafeteria workers and town recreation enterprise staff (11). The unemployment assessment calculation is quite complicated and based on a variety of factors. However, since we have had more claims than in the past, we decided to increase this line to account for future increases. Many school employees lost stipends based on sports and other activities being curtailed and they filed unemployment claims.
945 Employee Benefits & Misc.	FitzPatrick: What is education liability?	O'Donnell: It is designed to protect the town against a broad range of nonbodily injury / nonproperty damage liability claims made against the administrators, employees, and staff members of the schools.
945 Employee Benefits & Misc.	FitzPatrick: why would the retirement assessments not coincide with when the liability is due? I'm curious what kind of extra stress it puts on the budget to pay it off 3 years early?	O'Donnell: Originally, the Middlesex Retirement set the target date to pay off the liability by 2035. This gave Middlesex Retirement five years of additional time to fully fund the liability in case the actual investment returns do not meet the assumed returns. With this last actuarial study, Middlesex Retirement extended the target date to fully fund to 2037 because the average returns over the last few years did not meet the assumptions. If this extra "cushion" of time was

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		not built in, our assessment would have increased by a larger percentage.
945 Employee Benefits & Misc.	FitzPatrick: How has the health insurance stabilization fund grown over from 500K to 676K? What additions to the stabilization fund have there been? Is there an upper or lower limit of what the town wants in the fund?	O'Donnell: At the March 2017 Annual Town Meeting, the town appropriated an additional \$100,000 into the health stabilization fund from free cash. The rest of the growth is investment earnings. The town built in an 8% increase to the health insurance budget for our November 1 st renewal. Every 1% above 8% would cost the town approximately \$67,000 through June 30.
945 Employee Benefits & Misc.	FitzPatrick: What is the reconciliation between the chart on page 155 and the budget on page 153?	O'Donnell: It is the FY22 TMR recommended budget of \$19,943,747 on page 153 plus the FY22 OPEB Contribution on page 156 equals the \$20,624,704 total on the chart on page 155.
945 Employee Benefits & Misc. 517155	Vetsa: Health Insurance mitigation for plan design changes. What does this category mean? Are there any anticipated charges that may come in future?	O'Donnell: The town has to bargain any changes in health insurance plan design changes with its employees. Mass General Law requires that 25% of the realized savings from health insurance plan design changes must be set aside to offset the increased out of pocket costs to employees. There are no amounts listed in the budget because the last health insurance design change was in FY18.
945 Employee Benefits & Misc. 530960	Vetsa: What does the drop off charges in FY22 and beyond mean. Is this a service we are discontinuing going forward?	O'Donnell: The drop off in the military assessment occurred because we did not receive any military leave assessment from Middlesex Retirement in FY22. The Health Consulting line item was reduced to zero as the town decided to go back to a traditional health insurance brokerage agreement.
945 Employee Benefits &	Vetsa: Retirement Assessment. What does this category	O'Donnell: This is the town's annual contribution

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Misc, 517100	mean?	towards the pension system (not including educators). The town does not contribute to social security, but rather pays into the Middlesex Retirement system.
945 Employee Benefits & Misc.	Bao: What's difference between "DEPARTMENT TOTAL" on page 153 and "UNCLASSIFIED" on page 5?	O'Donnell: The total on page 5 includes the total for the 940 Otherwise Unclassified Budget (- \$1,475,963 in FY22), 945 Employee Benefits & Misc. (\$19,943,747 in FY22), and 990 Transfers to/from Trusts (\$680,957 in FY22). This matches the FY22 total of \$19,148,741 on page 5.
990 Transfers to/from Trusts	FitzPatrick: Has the actuarial study been completed for OPEB?	O'Donnell: Yes, they are now performed annually. The latest can be found on the town's website .
990 Transfers to/from Trusts	FitzPatrick: Is there a due date for OPEBs to be fully funded?	O'Donnell: No, there is no due date for the OPEB obligation to be fully funded.
990	Bao: "At the June 2021 Annual Town Meeting, we are proposing to fund an additional \$680,597 towards the liability." Is it \$680,957?	O'Donnell: It is \$680,957. I will update the narrative in the budget document. Thank you for the edit.