



Town of Wellesley

FY2018 Budget Request

Workers Compensation Operating Request

Department: 912

Department Head: Marc Waldman, Treasurer/Collector

The Town first self-insured for Workers' compensation in FY93. At that time, the annual insurance premium was about \$760,000. Over the first ten years of the program, no additional appropriation was required as the earnings on the fund balance were adequate to cover costs. In more recent years, the Fund Balance has been reduced and earnings have been significantly lower. This has meant an increase in the appropriation. Because there was a significant increase in the FY09 required appropriation and the Town's loss history continues in a moderate pattern, the FY10 and FY11 required appropriations were reduced. The low interest rate environment forced the Town to make a moderate increase in its appropriation in FY12 and a somewhat more substantial increase in FY13. The funding requirement for FY15 drops, while allowing for a provision to build some reserves in order to smooth future appropriation levels. As in FY17, funding levels will remain level so reserves can continue to grow.

Org	Object	Account # 01-912 Account Title	Explanation	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Budget	FY18 Request	\$ Variance FY17-18	% Variance FY17-18
01912200	578010	Approved Special Expenses	Workers' compensation requirement per Actuarial Study	\$ 720,209	\$ 517,860	\$ 517,860	\$ 517,860	\$ 517,860	\$ -	0.00%
		Other Funding Sources:		<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>		
		Workers' Compensation Requirement Per Actuarial Study		751,000	540,000	540,000	540,000	540,000		
		Municipal Light (1.9% of total appropriation)		(14,269)	(10,260)	(10,260)	(10,260)	(10,260)		
		Water & Sewer (2.2% of total appropriation)		<u>(16,522)</u>	<u>(11,880)</u>	<u>(11,880)</u>	<u>(11,880)</u>	<u>(11,880)</u>		
				720,209	517,860	517,860	517,860	517,860		