



Special Town Meeting

Select Board Article 3

FY23 Budget Supplemental Appropriations



Motion 1

Workers' Compensation

- Town self-insures its Workers' Compensation program.
- Town has an annual actuarial analysis of Wellesley's loss and allocated lost adjustment expense.
- Town appropriates on an annual basis funds into the Town's Workers' Compensation Trust Fund.
- Fund pays claims costs, claims handling costs, reinsurance, and legal/actuarial costs.



Motion 1

Workers' Compensation

- Actuarial Report on prior fiscal year losses is produced in December.
- Last Actuarial Report indicates Wellesley should maintain approximately \$1,345,000 in fund
- Budget funds \$244,149 annually over past 3 years.

Org	Object	Account # 01-912 Account Title	Explanation	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Request	\$ Variance FY22-23	% Variance FY22-23
01912200	578010	Approved Special Expenses	Workers' compensation requirement per Actuarial Study	\$ 287,700	\$ 287,700	\$ 244,149	\$ 244,149	\$ 244,149	\$ -	0.00%



FY22 Claims

- FY21 – 35 Claims, several claims continued into FY22 resulting in \$200,000 of costs
- FY22 – 39 Claims, at one time we had 10 people out on Workers Compensation.
- Costs are result of several serious injuries with expensive surgeries, which require follow up and physical therapy.



FY22 Claims

■ Indemnity/Lost Time Claims

School 16	\$193,947.03
DPW 10	\$137,398.18
FMD 5	\$384,625.98
Total	\$715,971.19

■ Medical Only Claims

School 8	\$4,864.05
Parking 1	\$3,269.21
DPW 4	\$5,301.58
FMD 4	\$1,658.91
Library 1	\$157.07
MLP 1	\$7,625.97
Total	\$22,876.79



FY22 Total Claims

School 24	\$198,811.08
Parking 1	\$3,269.21
DPW 14	\$142,699.76
FMD 9	\$386,284.89
Library 1	\$157.07
MLP 1	\$7,625.97
Total	\$738,847.98

- Request FY22 Expenses exceed anticipated claims, depleting the Trust Fund below actuarial needs.
- Request is to transfer \$700,000 to the Workers' Compensation to bring it back to \$1,345,000



Motion 2

Risk Management

- The Risk Management Budget provides the insurance premium costs for:
 - General Liability
 - Automobile
 - Property
 - Public Official Liability
 - Occupational Health Services
 - Injured on Duty Police and Fire Accident Policy
- FY22 Required Year End Transfer of \$70,000
- FY23 STM Request is for \$100,000



Motion 2

Risk Management

- As buildings and equipment are improved, the value of those items increases.
- As claims arise, premiums are impacted, with a three year look back.
 - FY19-FY21 - \$1.2 million in claims (Hunnewell Fire)
 - FY22 – MLP Entrance Damaged
 - FY23 – Fire Department Damaged
- Claims are up, and building, vehicle, and equipment costs are increasing.



Motion 2

Risk Management

- Comprehensive Liability
- FY20 \$576,744
- FY21 \$638,622
- FY22 \$778,969
 - ATM Budgeted \$710,744
 - FY22 Year End Transfer of \$70,000
- FY23 \$777,471
 - ATM Budgeted \$715,000
- FY23 Request of a supplemental of \$100,000 for cost differential and deductibles