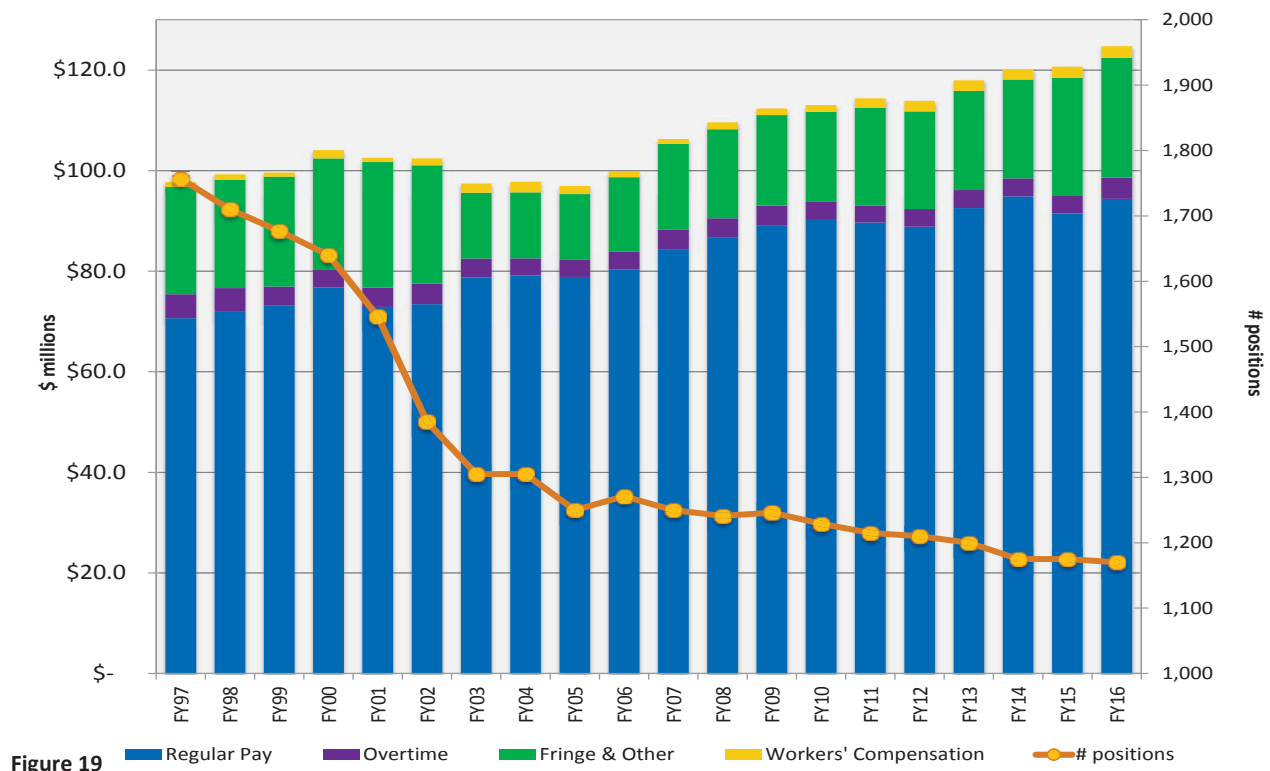


Table 22

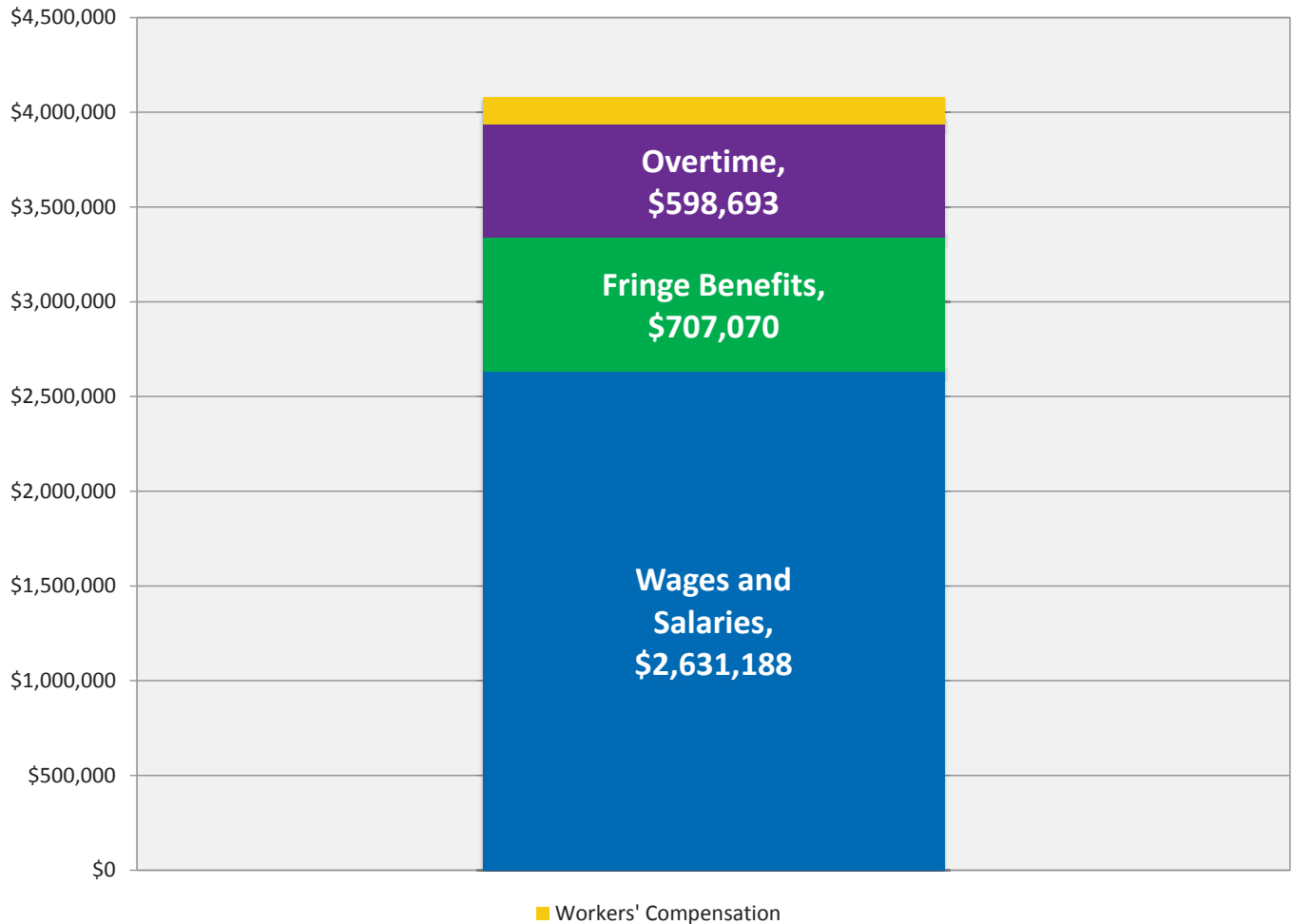
Proposed Fiscal Year 2016				
Personnel Expenses Summary				
(\$s)				
Line Item/Description	Final FY15	Proposed FY16	Δ (\$s)	Δ (%)
<i>Regular Pay</i>	\$94,733,253	\$97,416,860	\$2,683,607	2.8%
Regular wages and salaries for full- and part-time employees.				
<i>Other Pay</i>	1,821,497	1,769,078	-52,419	-2.9%
Includes shift differential, holiday pay, temporary employees, interns/co-ops, and stand by pay.				
<b>Wages and Salaries Subtotal</b>	<b>96,554,750</b>	<b>99,185,938</b>	<b>2,631,188</b>	<b>2.7%</b>
<b>Fringe Benefits</b>	<b>18,299,405</b>	<b>19,006,475</b>	<b>707,070</b>	<b>3.9%</b>
Includes health insurance, dental insurance, Medicare, and all other fringe benefits.				
<b>Overtime</b>	<b>3,620,600</b>	<b>4,219,293</b>	<b>598,693</b>	<b>16.5%</b>
For planned maintenance, emergency, and coverage.				
<b>Workers' Compensation</b>	<b>2,200,000</b>	<b>2,343,000</b>	<b>143,000</b>	<b>6.5%</b>
Includes compensation payments, medical payments, and other related costs.				
<b>TOTAL PERSONNEL EXPENSES</b>	<b>\$120,674,755</b>	<b>\$124,754,706</b>	<b>\$4,079,951</b>	<b>3.4%</b>

### Other Highlights

- Wages and salaries expense includes an estimate of FY16 COLA increases
- Average funded staffing level: 1,170
  - FY15 budgeted level: 1,175
- Fringe benefits expense increased mainly due to projected increase from the GIC; potential changes to the employee contribution for health benefits could impact this line item in the final budget
- Workers' compensation expense is based on a three-year average of actual spending



## Personnel Expenses Increase \$4.1 Million



**Figure 20**

- Staffing levels have decreased by over one-third since 1997
  - March 1997 = 1,775 (peak)
  - Proposed FY15 = 1,170
  - Total reduction: 605 positions
  - March 2014 staffing level: 1,152 filled positions
- New hires tend to begin at lower pay-rates than the incumbents, helping to contain costs
- New hires pay a higher percent of health insurance premiums, reducing fringe benefits costs
- **Due to the lag time inherent in backfilling vacancies, the Advisory Board recommends that the Authority adjusts its attrition/vacancy rate assumptions upward by the average value of three positions, for a reduction of \$300,000 (including associated fringe benefits).**
- **The Advisory Board recommends adding \$100,000 to fund additional personnel for the Toxic Reduction and Control (TRAC) department to begin preparation for issuing permits aimed at reducing molybdenum in the wastewater system ([see additional discussion in the Policy Chapter, page 101](#)).**

## Fringe Benefits

- Makes up 15.2% of total Personnel-related expenses
- ***The Advisory Board expects the Authority's health insurance costs to increase based on new data released this spring from the GIC. The Advisory Board estimates this increase to be \$350,000***

## Proposed FY16 Fringe Benefits Expenses

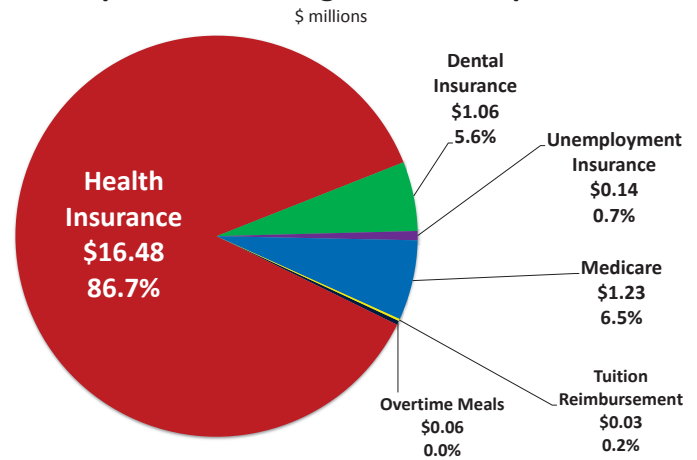


Figure 21

## Workers' Compensation

- Based on a three- to five-year average (average FY13-16 = \$2,300,000)
- Overall average spending has increased by approximately \$200,000 or 10% since FY 2009, but varies from year to year:
  - Factors include number and severity of cases, increases in medical expenses over the years and settlements reached
- MWRA staff administer the program including processing and monitoring injured employees' claims, coordinating claims investigations, working with injured employees to return them to work, and attending hearings at the Department of Industrial Accidents
- MWRA is self-insured
- Authority uses services of a third party administrator for claims management, utilization review, payment processing for lost time compensation and payment of medical bills
- Annual budget includes actual expenses for weekly compensation payments to injured employees for lost time, payments for medical care, and other expenses (DIA hearing fees, medical examinations costs and investigation services)
- The budget also includes reserves for each workers' compensation claim (both compensation for lost time and medical expenses) which represent the estimated future liability for each claim.
- MWRA maintains ongoing safety and training programs to promote and maintain a safe work environment, including confined space entry, trench safety, ladder staging, evacuation training and

## Workers' Compensation Historical and Projected

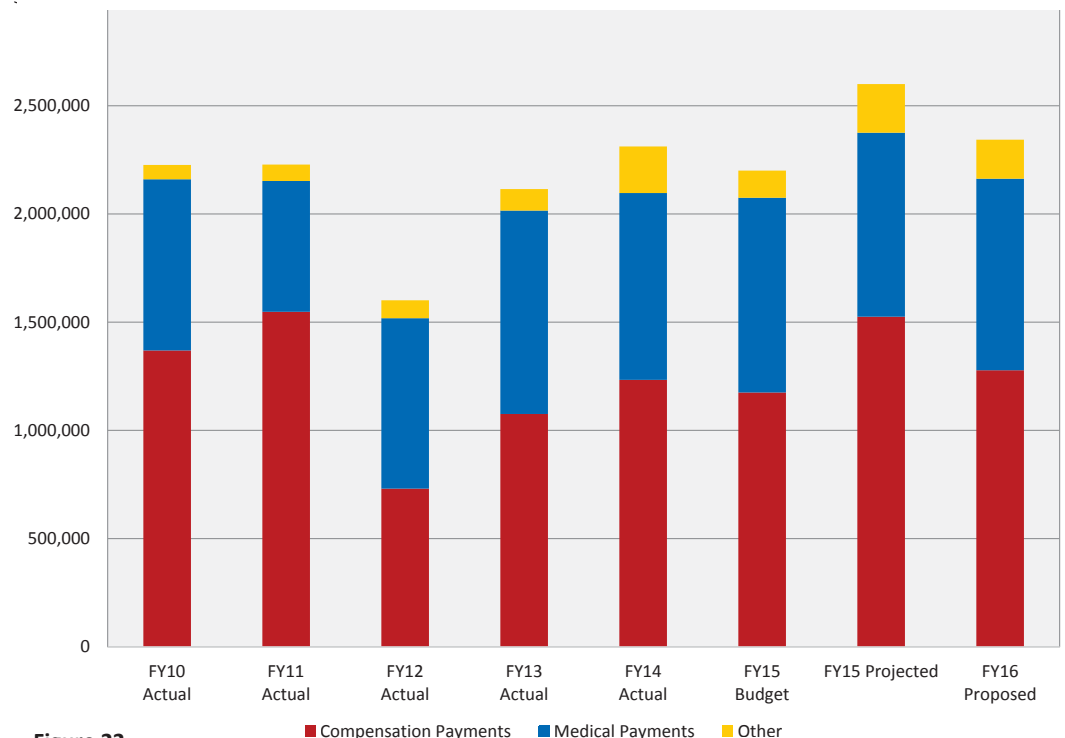


Figure 22

electrical safety, plus safe lifting training

- Light duty assignments are also utilized
- The Authority reports regularly on injury and illness rates as well as highlights of the workers' compensation program (including light duty returns), in the quarterly Orange Notebooks

### Overtime

- Increased by 16.5% (\$600 thousand)
  - Largest driver: planned maintenance (increase of \$573 thousand) for:
    - Wage increases plus resizing based on trends
    - North Main Pump Station and Winthrop Terminal Facility butterfly valve replacement (\$515 thousand in FY16)
      - Assumes 36 eight-hour, overnight shutdowns in FY16; 50 overall
      - Project runs during FY15 through FY17