

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE BUDGET REPORT

MONDAY, MAY 11, 2015

Present: Ald. Fuller (Chair), Ciccone, Norton, Blazar, and Lappin

Absent: Ald. Brousal-Glaser, Gentile, and Rice

City staff present: Joseph Mulvey (Chief Information Officer), Nicholas Read (Chief Procurement Officer), David Wilkinson (Comptroller), Kelly Byrne (Director of Retirement), James Reardon (Treasurer/Collector), Elizabeth Dromey (Director of Assessing), and Maureen Lemieux (Chief of Staff/Chief Financial Officer)

BUDGET & CIP DISCUSSIONS:

Information Technology

Purchasing

Comptroller

Treasurer

Assessing

Executive Office/Sustainability

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

#375-14(2) HIS HONOR THE MAYOR submitting in accordance with Section 5-1 of the City of Newton Charter the FY16 Municipal/School Operating Budget totaling \$361,997,264 passage of which shall be concurrent with the FY16-FY20 Capital Improvement Program (#375-14). [04/15/15 @ 5:08 PM]

EFFECTIVE DATE OF SUBMISSION 04/21/15; LAST DATE TO PASS THE BUDGET 06/05/15

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

#375-14 HIS HONOR THE MAYOR submitting the FY16-FY20 Capital Improvement Plan pursuant to section 5-3 of the Newton City Charter. [10/15/14 @ 3:01 PM]

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

#375-14(4) HIS HONOR THE MAYOR submitting the FY 2016 – FY 2020 Supplemental Capital Improvement Plan. [04/15/15 @ 4:57 PM]

INFORMATION TECHNOLOGY DEPARTMENT

Chief Information Officer Joe Mulvey presented the Information Technology Department's budget for fiscal year 2016. The Information Technology Department provides technology resources and support to employees and residents of the City of Newton. The department also offers training to all employees of the city.

Mr. Mulvey reviewed the below Fiscal Year 2015 accomplishments and Fiscal Year 2016 desired outcomes with the Committee.

FISCAL YEAR 2015 ACCOMPLISHMENTS

FIBER PROJECT

The City fiber network is installed throughout the City. The fiber provides connections between all municipal and school buildings through a looped, redundant network. The department is currently working with the School Department to light the fiber.

VIRTUAL SERVER PROJECT

Most of the servers in the server room at City Hall have been virtualized. The duplicate backup system and the disaster recovery system were completed this fiscal year and are located at the Education Center.

SOFTWARE

The Information Technology Department worked with the Financial Information Systems Department to upgrade the City's Munis and FinancePlus Programs.

SECURITY

Global Digital Forensics was hired to perform an audit of the City's information technology security. The results of the audit were good, as the City only had minor weaknesses. City's firewalls were tested and fifteen weaknesses were identified. Most of the weaknesses were related to small applications that were written in-house. All of those types of applications are on a server located in the DMZ zone, which is a less secure area of the network. To address the weaknesses, the server has been relocated to a host service and all other identified issues have been addressed. The department will continue to have regular external audits of the security systems to ensure that the City's information remains secure.

In addition, the Cisco firewalls were replaced and a redundant load balancing system was put in place this fiscal year. The department began to look at a cloud-based mobile device management solution for City smartphones, tablets, and laptops.

VOICE OVER INTERNET PROTOCOL PILOT (VoIP)

The department began purchasing material and replaced the voice mail server to make the switch to a VoIP phone system in City Hall. The Customer Service Division of Public Works is currently using VoIP.

PROCESS IMPROVEMENTS

The DataStat Program is up and running. The program is a reporting system for all departments to track data metrics and provide the data to residents via the City website. The Parks and Recreation Department and City Clerk's Office are using City Hall Systems for ordering and paying for camp registrations, birth certificates, and dog licenses on-line.

FISCAL YEAR 2016 DESIRED OUTCOMES

Mr. Mulvey highlighted some of the department's desired outcomes for Fiscal Year 2016. All of the desired outcomes for the department are available in the budget book under the Information Technology tab. The Department will continue to move towards a Voice Over Internet Protocol (VoIP) phone system. The plan is to upgrade the cable in the Public Buildings, Inspectional Services, Treasury, and Executive Departments to convert them to the VoIP system in Fiscal Year 2016. In addition, the City's fiber network is expected to be lit this summer.

Follow-up testing to this fiscal year's vulnerability testing of the City's network security is planned, as well as testing of the Police Department's network. Mr. Mulvey is working to develop an employee security awareness-training program to be implemented in Fiscal Year 2016 to further protect the City's network. A mobile device management system should be in place by November 2016.

Several of the City's remote buildings (Crystal Lake Boathouse, DPW yards, Kennard Estate, Gath Pool House, and the Lower Falls Community Center) will get wireless access and become part of the networked computer system once the fiber network is lit.

The department expects to expand online permitting to the Health and Fire Departments. The department will also be working to implement online building permit applications and payments for contractors in the upcoming year. In addition, the department anticipates enabling plan reviews by several city departments through the CommunityPlus Program.

STAFFING

The department personnel is increasing by one full-time employee, as the vacant Applications Developer position is moving from the Financial Information Systems Department to Information Technology this upcoming fiscal year. The Computer Technician position remains vacant.

The department staff will continue to receive specialized training in Newton provided by software consultants. The training focuses on applications and equipment that the City uses. Mr. Mulvey often uses message boards to get information and communicate with other Directors of Information Technology in Massachusetts, which he finds more helpful than attending seminars.

The recommended Information Technology budget is \$1,435,957, which is an increase of 7.43% that can be attributed to the new position in the department. The Department has no

Capital Improvement Plan projects in the upcoming fiscal year. Ald. Blazar moved approval of the Information Technology Department's recommended budget, which carried unanimously.

PURCHASING DEPARTMENT

Chief Procurement Officer Nicholas Read presented the Purchasing Department's Fiscal Year (FY) 2016 budget. The biggest change in the department over the past fiscal year was the retirement of the Purchasing Agent; however, the position was filled by the Purchasing Administrator Maryann LaRosee, which made for a smooth transition. Ms. LaRosee's position was filled by a City employee that previously worked within the Purchasing Department.

Mr. Read began by highlighting the department's accomplishments this fiscal year, which include the establishment of evaluation criteria and procedures for expiring contracts. The information will be used for future procurements. The department worked with a number of City departments to issue a Request for Proposals for an electronic payments vendor. Mr. Read published a new Purchasing and Procurement Policy and Procedures Handbook. He also worked on drafting amendments to Article IV, Purchases and Contracts, Secs. 2-182 through 2-205, of the City ordinances to make the purchasing ordinances consistent with State law. The Law Department is currently reviewing the proposed amendments. Other accomplishments include continuing the publication of the monthly newsletter, and meetings with municipal departments to educate staff on purchasing procedures.

In the upcoming year, Mr. Read will continue to focus on reviewing and proposing amendments to ordinances related to the Purchasing Department. The department is planning to continue with the publication of the monthly newsletter and to issue a 2016 revised policy and procedures handbook. Mr. Read suggested that the Finance Committee approve the annual revisions to handbook. Further details on the department outcomes for FY 2016 are provided in the budget book under the Purchasing tab.

The \$471,901 budget for FY 2016 is slightly more than the FY 2015 budget, because of increases in salary compensation. The staffing levels within the department remain the same. The Department has no Capital Improvement Plan projects. Ald. Lappin moved approval of the recommended budget, which carried unanimously.

COMPTROLLER

Comptroller David Wilkinson reviewed the recommended Fiscal Year (FY) 2016 Comptroller's Department budget. The Comptroller's budget does not have any substantial changes for Fiscal Year 2016. The staffing levels within the Department remain the same for the upcoming fiscal year. Mr. Wilkinson would like to have three of his staff certified as governmental accountants, which requires training and an exam. Two members of the staff have completed training and will be sitting for the certification exam this year. The City has a contract with a fixed fee with the external auditors for four years resulting in a level funded line item for the audit. New in this budget is a line item to fund half of the cost of the actuary for the City's Retirement System because of a change to the reporting requirements for the pensions.

There is also a line item for the Workers' Compensation Fund contribution in the Comptroller's budget. Mr. Wilkinson provided the Workers' Compensation Fund Comparative Balance Sheet as of April 30, 2015, which is attached. The surplus funds in the account from the previous fiscal year were invested by a professional investment manager and the City received a return on investment of over \$1 million. The City will be using \$400,000 from the returns to subsidize next year's payments for the Worker's Compensation policy, which the City self-funds. The City also settled a large worker's compensation case for pennies on the dollar.

The City carries property insurance for all City buildings, which is funded through the Comptroller's budget. There is a slight increase in the costs related to possible adjustments in building values and Fire Station #10 and the Angier School coming back on line as City buildings. The department budget also includes funds for a blanket bond to cover employee theft.

The Comptroller's accomplishments include coordinating the completion of the annual independent financial audit and issuance of the annual financial report. Many of the department's accomplishment are date and performance driven. The Comptroller's Department met all of its goals for Fiscal Year 2015. The objectives for the department are timely and accurate reporting, automated integration of financial accounting records, and ongoing documentation of the City's financial procedures. The Comptroller will continue to work with the Financial Information Systems Department and the Information Technology Department to develop a software bridge between Munis utility billing and FinancePlus.

The 2016 Comptroller budget includes a \$2.5 million snow budget reserve (in addition to the \$1 million snow budget in the Department of Public Works) and a \$750,000 wage reserve to fund future contract settlements. The Administration only increased the Rainy Day Stabilization Fund by \$100,000 in the upcoming budget. The City needs to add an additional \$600,000 in order for the City to meet the goal of having 5% of the operating budget in the Rainy Day Stabilization Fund. In order to ensure the needed funds are available, the City needs to either include a larger line item in future budgets or look at investment options for the Rainy Day Stabilization Fund so that investment returns can help grow the Fund.

Retirement System Budget

The Retirement Department's budget for personnel and expenses is very similar to last year.

The Retirement Department budget includes funding for both municipal and public school participants. However, the school budget contains the funding for the health benefits for retirees from the Massachusetts Teachers' Retirement System. The State funds the employer share of the Teachers' Retirement Systems.

The total Retirement appropriation for FY 2016 is \$31,571,646, which reflects an increase of \$2,024,267 or 6.9%. The City's actuarially required contribution to the pension plan

amounts to \$20,536,782. The contribution increased 8.75% or \$1.62 million over the current year appropriation. The retiree health insurance, Medicare Part B Reimbursement and Basic Life Insurance pay-as-you-go budget of \$10.51 million increased by \$460,000. The City is on track to fully fund its pension liabilities by 2029 with an annual percent increase of 8.75% in its contribution (rather than 8.5%) and an assumed return on investment of 7.35%. Ms. Lemieux noted that it is very important to meet the target funding date of 2029 in order to address the City's Other Post Employment Benefit (OPEB) liability by redirecting the funds going towards pensions into OPEB beginning in 2030.

The Administration is meeting with an OPEB actuary regarding a funding plan for those liabilities. The Committee asked that the Administration provide an analysis of the OPEB funding plan to understand if waiting until 2030 for substantial contributions to OPEB is appropriate. It would also be helpful to have the total amount of employee contributions for both school and City employees in one place in the budget book. The attached OPEB Comparative Statement of Fiduciary Net Position provides the amount of employee contributions and investment income for this year and last year. The City has earned \$70,000 in return on investment since it began investing the OPEB contributions this past year.

Retirement Director Kelly Byrne highlighted the fact that the Retirement System received \$195,000 in retirement liability payments from other municipalities. Previously the City had been making liability payments to other communities but it has become much stricter when it comes to getting retirement liabilities from other municipalities.

Ald. Blazar moved approval of the recommended budget of \$629,013 and the gift account for the Comptroller's Office, which carried unanimously. There is a gift account included in the Comptroller's budget for \$2,500 that allows families to set-up memorial funds to be used for governmental purposes like library activities.

TREASURER'S DEPARTMENT

City Treasurer and Collector James Reardon presented the department's budget for next year. The only significant change in the Fiscal Year 2016 budget is an increase of \$12,500 for banking services due to the implementation of proposed new services like on-line payments and credit card payments. The department is also requesting an additional \$4,500 for a new printer.

Mr. Reardon began by informing the Committee that the staff in the department is excellent. He continued with a review of the department's accomplishments over the past fiscal year. The department has worked on collection efforts on past due parking ticket balances, placing the appropriate liens on delinquent real estate, visiting departments to ensure cash receipt policies are uniform and up to date. In addition, the department is working with the Comptroller to implement a process for water and sewer billing to institute a final billing process that addresses the reconciliation of all transfers, abatements and adjustments. The Department also converted to City Hall Systems for on-line payments. Other outcomes for Fiscal Year 2015 include implementing Internal Revenue Service recommended controls and installing a computer dedicated solely to bank transactions.

Outcomes for Fiscal Year 2016 include switching to a Voice over Internet Protocol (VoIP) phone system to address a number of issues with the phone system in the department. Mr. Reardon expects to continue to implement uniform cash/risk control policies and to begin to perform departmental audits on a quarterly basis. The outcomes also include continuing improvements in the area of tax and utility revenue collection through new technology, accurate account reconciliation, and improved communication with customers. Further details on both the department's accomplishments and desired outcomes can be found in the Fiscal Year 2016 Budget Book.

The Chair asked what the current debt percentage is. The City's debt percentage is approximately 5.3% or around \$19 million. The Aldermen should expect an uptick in the percentage as the debt-excluded projects come on board. With that, Ald. Lappin moved approval of the department budget of \$1,265,853, and the associated debt, loans and state assessments. The motion to approve carried by a vote of five in favor and none opposed.

ASSESSING DEPARTMENT

Director of Assessing Elizabeth Dromey presented the Assessing Department's recommended budget for Fiscal Year 2016. The Department's mission statement is to value real and personal property efficiently, fairly and accurately in accordance with the laws of the Commonwealth, to administer motor vehicle excise, personal exemptions, and abatement programs for water, sewer, real estate, and excise taxes and to address concerns of members of the public professionally, quickly and courteously. The Department works with residents, realtors, business, and developers daily to provide property tax and assessment information. The Department also defends property values before the Massachusetts Appellate Tax Board.

In the past year, the department completed the triannual assessments and met all requirements, which include providing values for 27,000 parcels of taxable real estate and 2,400 personal property accounts amounting to over \$22 billion in assessment. In addition, the department valued new growth due to new construction and renovation that resulted in over \$5.4 million in new tax revenue. Less than 1% of the assessed values were contested, which is the lowest filing rate ever in a revaluation year. The department administered over 500 personal exemption, deferrals, aid programs and tax work-offs and met a 2-day turn around on close to 3,000 fully-documented excise abatement applications.

The desired outcomes for next fiscal year include timely, full, fair cash values that meet Massachusetts Department of Revenue Guidelines, accurate calculation of all property values for new growth or redevelopment, a highly trained staff, successful defense of valuations that are appealed to the Massachusetts Appellate Tax Board, and administration of all of the tax assistance programs.

Ms. Dromey reviewed the overlay reserves with the Committee. The overlay reserve ensures that there are available funds for statutorily required interest payments, if the City were to lose a large property tax case. The Comptroller's Analysis of Property Tax Abatement and Exemption Reserve Activities as of April 30, 2015 and a comparison of Newton's overlay

reserve and the state's overlay reserve that includes overlay as a percentage of the tax levy are attached. The overlay account for Fiscal 2015 contains \$4,647,345 to address any abatements or exemptions that may be awarded to property owners that appeal to the Massachusetts Appellate Tax Board. In addition, there is a case before the Massachusetts Appellate Tax Boards that relates to whether certain personal property for businesses should be assessed at the residential rate. The Massachusetts Appellate Tax Board has heard the case but not made a decision and it is expected that once the decision is rendered it will be appealed either way. There would be a significant financial impact to the City if it is determined that the residential rate should be used. The overlay reserve is set aside for all exemptions and abatements that are brought before the Massachusetts Appellate Tax Board. Every year Ms. Dromey looks at whether the Department can release some of the overlay funds for other purposes and she will continue to monitor the funds to determine if and when some funds can be released.

The staffing levels within the department remain the same at thirteen full-time employees. Ms. Dromey added that the staff in the department is professional and well trained. There are minor changes within the Assessing Department's budget related to increases in employee compensation. There are also increases in the software maintenance line item to fund an increase in fees related to the GIS contract. The postage account was increased because more mail is being sent certified. In particular, the requests to commercial property owners for income and expense information related to the operation of their real estate will be sent out certified, as well as some of the requests for the return of forms that list business personal property, such as furniture, fixtures and machinery in order to improve the rate of return. There was a decrease in the gasoline line item, as the City got a great rate of \$2 per gallon for next year.

With that, Ald. Ciccone moved approval of the Assessing Department's budget at the recommended \$1,266,952. The motion for approval carried unanimously.

EXECUTIVE DEPARTMENT

Chief of Staff Maureen Lemieux started the discussion by reviewing some of the significant changes in the Fiscal Year 2016 budget as follows:

- As mentioned in the notes for the Comptroller's budget, the Rainy Day Stabilization Fund is only being increased by \$100,000 in the upcoming budget. The City earned approximately \$45,000 in interest on the fund, which means it needs an additional \$600,000 to meet the goal of having 5% of the operating budget in the Rainy Day Stabilization Fund. The City needs to either budget for additional funding or look at investment options for the Rainy Day Stabilization Fund.
- There is an additional \$500,000 included in the snow reserve account for a total of \$2.5 million in the Comptroller's budget (and \$1M in the DPW budget). The goal is to have the 5-year average cost of snow and ice in the operating budget or approximately \$5M and the additional funding brings the City closer to that goal but it is still short. Ms. Lemieux added that the City will be receiving \$750,000 from the Federal Emergency Management Agency from a 2013 storm, which will be used to

re-establish the Inclement Weather Fund. The Inclement Weather Fund should have \$1M in it but due to some discussions with the Department of Revenue over the exact nature of the fund, it is currently at a \$0 balance. The Executive Department's goal is to re-establish the fund in compliance with DOR directives.

- There will be an additional \$1.4 million in the Other Post-Employment Benefits Trust Fund by the end of the next fiscal year due to an increase to a 3.25% employee contribution from recently hired employees (from 3.0%).
- There is a \$750,000 wage reserve account, as five municipal contracts have not been settled. The City must put aside funding for the first and second year of any salary increases that employees of those unions would be expected to receive if the contracts were settled. It is imperative that the city have enough money in the reserve to cover those increases.
- The attached Group Health Insurance Fund Update provides details on the financial condition and operating results of the self-insured health plans. There has been an uptick in the number of health care claims filed, particularly in the Tufts Health Plan. Therefore, the City is increasing the employee contributions to the Tufts Health Plan by 11.5% for the upcoming fiscal year. There is no increase to the Harvard Health Plan rates. It is likely that some employees will migrate to Harvard Health Plan due to the lower cost. If there is an equal number of employees in each plan, the City would consider combining both insurances into one fund, as the City is offering the same benefit plan to all employees; therefore the employees should be paying the same rate.

Ms. Lemieux then focused on the Executive Department budget, which continues to maintain the same level of staffing; however, there have been changes in titles and responsibilities. The Financial Analyst is now the Senior Financial Analyst (Rob Symanski) and the Executive Assistant is now the Special Assistant for Operations and Policy (Hannah Voit). The salaries for the two positions reflect the changes in roles. The Sustainability Director position in the Executive Department was just recently filled; therefore, the department is fully staffed.

The Executive Department did not do an accomplishments or outcomes page for the Executive Department's budget because the budget and Capital Improvement Plan is what the Executive Office intends to accomplish each year. There is an increase in the budget line item for dues and subscriptions. The Mayor was invited to join the Metro Mayors Group, which consists of about 14 mayors from the metropolitan communities. The group meets with the Governor and State officials to discuss and give input on upcoming changes that effect municipalities like increase to MBTA assessments. It is important to have a seat at the table during these discussions. There is a cost of \$10,000 to join the group.

Ms. Lemieux reviewed the responsibilities of the Performance Management Director with the Committee. The position is responsible for the new DataStat Program, which will help

the Administration make informed decisions on where to direct its resources and how to improve on a variety of City services. The Performance Management Director is also responsible for working with Departments to develop the outcomes and targets that are included in the budget for each of the City departments.

The total recommended budget for the Executive Office is \$1,041,046. There are no proposed capital improvement projects in the Executive Office. Ald. Norton moved approval, which carried unanimously.

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

#375-14(6) HIS HONOR THE MAYOR requesting that Sec. 17-6 **Fees for building, electrical, gas and plumbing permits.** of the Revised Ordinances of the City of Newton, 2012 be amended by deleting the section and inserting the following in to take effect July 1, 2015:

The fees for all building permits shall be computed at a rate of \$20.00 per one thousand dollars (\$1,000) of estimated construction cost or any fraction thereof, provided however, that in no event shall the fee be less than the minimum fee set out below.

PERMIT FEE SCHEDULE

All fees are “Per \$1,000.00 of Construction or Fraction Thereof”

1. Minimum Permit Fee – Residential (1 & 2 Family)	\$50.00
2. Minimum Permit Fee – Residential (3 Family and Up)	\$100.00
3. Minimum Permit Fee – Commercial	\$100.00
4. Building Permit (Including Signs)	\$20.00
5. Electrical Permit	\$20.00
6. Plumbing Permit	\$20.00
7. Gas Permit	\$20.00
8. Mechanical Permit	\$20.00
9. Demolition Permit	\$20.00
10. Sprinkler Permit	\$20.00
11. All other work requiring permits	\$20.00

If at any point, work has started before the issuance of a permit, the required fee shall be doubled.

RE-INSPECTION FEE SCHEDULE

1. Re-inspection fee –first re-inspection	\$50.00
2. Re-inspection fee – second and subsequent re-inspection	\$100.00

CERTIFICATION OF USE AND OCCUPANCY FEE SCHEDULE

1. Temporary or Partial Certificate of Use and Occupancy, per unit, per month	\$50.00
2. Condominium Certificate of Inspection (not required for new construction)	\$100.00

Estimated Construction Costs shall be computed by multiplying the gross floor area (sq. ft.) by the average square foot costs as published in the latest edition of “Means Cost Data” by R.S. Means Co., Duxbury, MA or other similar recognized national survey data. [04/15/15 @ 4:57 PM]

ZONING & PLANNING APPROVED 6-0 on April 27, 2015

ACTION: APPROVED 5-0 EXCEPT FOR BELOW PORTION OF REQUEST

CERTIFICATION OF USE AND OCCUPANCY FEE SCHEDULE

2. Condominium Certificate of Inspection (not required for new construction) \$100.00

HELD PENDING ACTION ON DOCKET ITEMS #102-11 AND #95-11

NOTE: Commissioner of Inspectional Services John Lojek presented the request to increase fees related to permits issued by the Inspectional Services Department including building, electrical, plumbing and gas permits. The City has not increased any of these fees since 1999. The requested increases are not significant and are in line with what other communities are charging for permits.

The proposed increases simplify the fee schedule for permits, re-inspections and certificates of occupancy. The new fees are also whole numbers, which makes the departmental reconciliation process easier and more efficient.

There was concern that the proposed fee increases included a new fee for condominium conversion inspection, as there are two items pending before the Finance Committee proposing a new ordinance requiring inspection of condominium conversions and a fee for the inspection. It was suggested that the Committee hold that portion of the requested fee increases for discussion in conjunction with the two other items. Ald. Ciccone moved approval of the fees with the exception of the condominium conversion fee. The Committee voted unanimously to support the motion.

The Committee adjourned at 10:15 p.m.

Respectfully submitted,

Ruthanne Fuller, Acting Chairman

CITY OF NEWTON, MASSACHUSETTS
 WORKERS COMPENSATION SELF INSURANCE FUND
 COMPARATIVE BALANCE SHEET
 April 30, 2015
 (with comparative totals for March 31, 2015)

	April 30, 2015	March 31, 2015	\$ Change	% Change
ASSETS:				
Cash & temporary investments	\$ 639,026	\$ 758,728	\$ (119,702)	-15.8%
Investments {1}	10,508,935	10,508,935	-	0.0%
Accrued interest & dividends	24,062	24,062	-	0.0%
Total Assets	11,172,023	11,291,725	(119,702)	-1.1%
LIABILITIES & FUND BALANCES:				
Accrued actuarial self insurance claims payable {2}	8,099,755	8,099,755	-	0.0%
Total Liabilities	8,099,755	8,099,755	-	0.0%
Fund Balance - Public Safety IOD Medical Claims	94,743	99,439	(4,696)	-4.7%
Fund Balance - Workers Compensation Claims	2,977,525	3,092,531	(115,006)	-3.7%
Total Fund Balances	3,072,268	3,191,970	(119,702)	-3.8%
Total Liabilities & Fund Balances	\$ 11,172,023	\$ 11,291,725	\$ (119,702)	-1.1%

{1} Investments marked to market quarterly.

{2} Actuarial accrued liability calculated at fiscal year end.

CITY OF NEWTON, MASSACHUSETTS
 WORKERS COMPENSATION SELF-INSURANCE FUND
 WORKERS COMPENSATION PROGRAM
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITUES, AND CHANGES IN FUND BALANCE
 July 1, 2014 - April 30, 2015

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
Revenues:				
Investment income	\$ 360,304	\$ 1,031,377	\$ 870,949	\$ 190,846
Employee contributions	-	-	-	-
Employer contributions	1,800,000	1,533,880	1,524,874	1,300,659
Insurance recoveries & restitution	-	13,500	-	2,300
Total Revenue	2,160,304	2,578,757	2,395,823	1,493,805
Expenditures:				
Administrative expenses	65,038	84,710	44,888	49,209
Workers compensation benefits	834,451	1,016,156	918,614	988,077
Medical services	392,981	496,591	280,932	342,422
Change in claims accrual	-	-	-	-
Total Expenditures	1,292,470	1,597,457	1,244,434	1,379,708
Excess/(deficiency) revenues over expenditures	867,834	981,300	1,151,389	114,097
Fund Balance - beginning of fiscal year	2,109,691	(1,410,347)	1,725,000	1,601,925
Fund Balance - April 30	\$ 2,977,525	\$ (429,047)	\$ 2,876,389	\$ 1,716,022

CITY OF NEWTON, MASSACHUSETTS
 WORKERS COMPENSATION SELF-INSURANCE FUND
 PUBLIC SAFETY EMPLOYEE INJURED ON DUTY MEDICALS
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 July 1, 2014 - April 30, 2015

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
Revenue:				
Investment income	\$ -	\$ -	\$ -	\$ -
Employee contributions	-	-	-	-
Employer contributions	150,000	150,000	150,000	150,000
Insurance recoveries & restitution	-	-	-	-
Total Revenue	150,000	150,000	150,000	150,000
Expenditures:				
Police medical bills	7,573	47,093	27,525	31,900
Fire medical bills	40,862	41,444	51,678	62,417
Total Expenditures	48,435	88,537	79,203	94,317
Excess/(deficiency) revenues over expenditures	101,565	61,463	70,797	55,683
Fund Balance - beginning of fiscal year	(6,822)	37,439	6,417	1,330
Fund Balance - April 30	\$ 94,743	\$ 98,902	\$ 77,214	\$ 57,013

City of Newton, Massachusetts
 OPEB Trust Fund
 Comparative Statement of Fiduciary Net Position

ASSETS:

Cash and cash equivalents
 Investments

Total assets

NET POSITION:

Assets held in trust for other post
 employment benefits

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
	\$ 88,455.89	896,609.09
	1,748,643.06	-
	<u>1,837,098.95</u>	<u>896,609.09</u>
	<u>\$ 1,837,098.95</u>	<u>\$ 896,609.09</u>

City of Newton, Massachusetts
 OPEB Trust Fund
 Comparative Statement of Changes in Fiduciary Net Position

ADDITIONS:

Employer contributions

Investment income

Net appreciation/(depreciation) in fair value of investments
 Interest and dividends
 Total investment income/(loss)

Less: investment expense

Net investment income/(loss)

Change in Net Position

NET POSITION AT BEGINNING OF FISCAL YEAR

NET POSITION AT MARCH 31

	<u>July 1, 2014 - March 31, 2015</u>	<u>July 1, 2013 - March 31, 2014</u>
	\$ 653,112.53	\$ 357,082.83
	47,743.40	-
	22,188.94	989.03
	69,932.34	989.03
	(5,756.92)	-
	64,175.42	989.03
	717,287.95	358,071.86
	1,119,811.00	538,537.23
	<u>\$ 1,837,098.95</u>	<u>\$ 896,609.09</u>

March 2015

PRIM Board Update



PENSION RESERVES
INVESTMENT
MANAGEMENT BOARD

Massachusetts Pension Reserves Investment Management Board

Market Snapshot for March 2015

Economic data was mixed in March: the Conference Board Leading Economic Index (LEI) for the U.S. continued to increase, consumer confidence climbed to 101.3, the second-highest reading of the current economic expansion and well above economists' expectations for March, after posting 98.8 in February. Unemployment declined 0.2% to 5.5%, jobless claims in the U.S. fell by 9,000 to 282,000, the lowest level in five weeks, and real wages grew by 1.0% for the previous month. On the negative side, U.S. Gross Domestic Product (GDP) expanded at a slower pace than previously reported at 2.2%, after an initial report of 2.6% for 4Q14. The U.S. Purchasing Managers Index (PMI) fell to a 22-month low of 51.5, and retail sales were below expectations. The Federal Reserve lowered its 2015 outlook for GDP, inflation, and unemployment. Equities fell and volatility increased in March.

U.S. Equities were mixed in March. Small capitalization stocks (Small Caps) returned 1.7%, outperforming Large Caps, which were down 1.6%. Oil prices declined to \$47.6 a barrel (down 4.3%), as U.S.-Iran negotiations extended past deadline and U.S. oil inventories grew. The U.S. dollar (USD) appreciated 2.8% versus major currencies.

Developed International Equities returned -1.5% in March. European Equities declined 2.7% in USD terms. Japanese Equities rose 1.5% in March, as shares continued to benefit from the Bank of Japan's (BOJ) QE policies and the Governments Pension Fund's shift from bonds to the nation's equities.

Emerging Markets (EM) Equities declined 1.4% in March. Brazilian Equities fell 11.3%: the nation's currency (the Real) depreciated 10.5%, unemployment rose, oil prices fell, economic data continued to be weak, and the Petrobras corruption scandal continued. Russian equities returned -2.7%, as oil prices fell and as President Barack Obama announced a one-year extension on existing sanctions. Gazprom, Russia's leading natural gas producer, said it would cut dividends after a massive decline in its 2014 earnings, and the World Bank announced that Russia will face years of economic stagflation. Greek shares fell 16.6%, as political tensions rose within the Eurozone, and on reports that Greek bank deposits reached their lowest level in 10 years. The Indian market slid 4.1% amid concerns of weak earnings growth.

Long Treasury prices rose in March: 30-year yields fell 5 basis points (bps) to 2.54%; 10-year yields fell 7 bps to 1.92%, and 2- and 5-year yields were 6 and 13 bps lower, respectively. (Price and yield move in the opposite direction.)

The 20+ Year STRIPS Index gained 1.4% in March, and is up 36.9% for the trailing twelve-month period. Since PRIM's initial funding in April of 2014, the 20+ Year STRIPS portfolio returned 38.2%, while the Barclays Capital Aggregate Bond Index returned 5.3% over the same period. Investor demand for long Treasuries remained strong because of low inflation expectations, the strong U.S. dollar coupled with declining global growth, and continued geopolitical risk.

High yield bonds returned -0.5%, while investment grade credit was up 0.3% for the month. U.S. Dollar denominated emerging market debt (EMD) gained 0.5% in March largely due to the movement in Treasury rates. EMD local currency did not keep up with other risk assets, however, returning -1.3% for the month.

PRIT FUND ASSETS: \$61,937,034,000

PRIT Core Fund Recap – March 31, 2015

Portfolio	Month	CYTD	1-Year
PRIT Core Total	0.34%	2.69%	8.15%
U.S. Equity	-0.91%	1.84%	11.75%
International Equity	-1.06%	5.04%	-0.22%
Emerging Markets Equity	-1.63%	0.35%	-0.56%
Core Fixed Income	0.97%	3.87%	17.27%
Public Value Added FI*	-0.69%	0.55%	-1.78%
Total Value Added FI**	-0.66%	0.01%	0.02%
Private Equity	5.10%	3.30%	13.44%
Core Real Estate	1.63%	3.33%	14.56%
Timber/Natural Resources	-1.60%	-1.62%	1.29%
Hedge Funds (net)	0.91%	3.12%	6.71%
Portfolio Completion Strat. (net)	2.08%	4.10%	N/A

Returns are gross of fees unless otherwise noted. Timber/Natural Resources, Total Value-Added Fixed Income, and Portfolio Completion Strategies sleeves are currently not available through Segmentation; however, the *Public Value Added Fixed Income sleeve is available as of April 1, 2013. **Total Value-Added FI includes return of Public Value-Added FI. Private Equity is available to Segmented Systems through the Vintage Year Program.

Market Recap – March 31, 2015

Global Equity Markets

U.S. Equities:

Index	Month	CYTD	1-Year
S&P 500	-1.58%	0.95%	12.73%
Russell 2000 Growth	1.80%	6.63%	12.06%
Russell 2000 Value	1.69%	1.98%	4.43%
Russell 2500 Growth	1.64%	7.44%	13.83%
Russell 2500	1.33%	5.17%	10.07%

International Equities:

Index	Month	CYTD	1-Year
Custom World IMI Ex-US	-1.49%	4.39%	-1.06%
MSCI Emerging Mkts. IMI	-1.15%	2.48%	1.11%

Fixed Income

Index	Month	CYTD	1-Year
Barclays Aggregate	0.46%	1.61%	5.72%
BC US Treas 20+Yr STRIPS	1.38%	5.54%	37.10%
ML High Yield Master II	-0.53%	2.54%	2.06%
JPM EM Debt Global	0.46%	2.06%	4.08%
JPM GBI EMI Global Div.	-2.98%	-3.96%	-11.14%

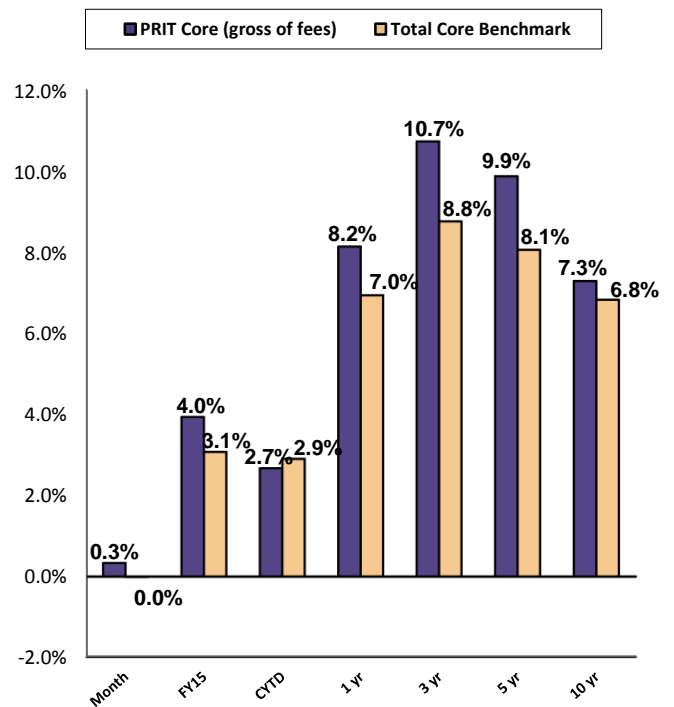
Real Estate

Index	Month	CYTD	1-Year
NCREIF 1-Qtr Lag Private	3.04%	3.04%	11.82%
FTSE EPRA NAREIT Global	-0.20%	4.13%	15.91%

Hedge Funds

Index	Month	CYTD	1-Year
HFRI Fund of Funds	0.63%	2.53%	5.39%

PRIT Core Fund as of 3/31/2015



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CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
ANALYSIS OF PROPERTY TAX ABATEMENT AND EXEMPTION RESERVE ACTIVITY
April 30, 2015

	<u>Fiscal Year 2015 Levy</u>	<u>Fiscal Year 2014 Levy</u>	<u>Fiscal Year 2013 Levy</u>	<u>Fiscal Year 2012 Levy</u>	<u>Fiscal Year 2011 Levy</u>
Original Allowance for Abatements & Exemptions	\$ 5,075,909	\$ 4,058,035	\$ 3,615,573	\$ 3,249,822	\$ 2,955,334
Deficits Raised	-	-	-	-	-
Abatements & Exemptions thru June 30, 2014	-	(370,968)	(649,585)	(1,023,971)	(1,587,068)
Senior Work Program Credits thru June 30, 2014	-	(35,122)	(40,924)	(42,384)	(32,682)
Overlay Surplus Declarations thru June 30, 2014	-	-	-	(427,365)	(810,789)
June 30, 2014 Balances	-	3,651,945	2,925,064	1,756,102	524,795
FY 2015 Abatements & Exemptions	(402,349)	(7,893)	(19,182)	-	-
FY 2015 Senior Work Program Credits	(26,215)	-	-	-	-
FY 2015 Overlay Surplus Declarations	-	(1,600,000)	(1,400,000)	-	-
Total Abatements & Exemptions thru April 30, 2015	(402,349)	(378,861)	(668,767)	(1,023,971)	(1,587,068)
Total Senior Work program credits thru April 30, 2015	(26,215)	(35,122)	(40,924)	(42,384)	(32,682)
Total Overlay Surplus declarations thru April 30, 2015	-	(1,600,000)	(1,400,000)	(427,365)	(810,789)
April 30, 2015 Available Balances	\$ <u>4,647,345</u>	\$ <u>2,044,052</u>	\$ <u>1,505,882</u>	\$ <u>1,756,102</u>	\$ <u>524,795</u>

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
ANALYSIS OF PROPERTY TAX ABATEMENT AND EXEMPTION RESERVE ACTIVITY
April 30, 2015

	<u>Fiscal Year 2010 Levy</u>	<u>Fiscal Year 2009 Levy</u>	<u>Fiscal Year 2008 Levy</u>	<u>Fiscal Year 2007 Levy</u>	<u>Fiscal Year 2006 Levy</u>	<u>Fiscal Year 2005 Levy</u>
Original Allowance for Abatements & Exemptions	\$ 2,828,818	\$ 2,771,614	\$ 2,101,831	\$ 2,900,130	\$ 2,806,623	\$ 2,673,282
Deficits Raised	-	-	-	-	-	-
Abatements & Exemptions thru June 30, 2014	(1,346,425)	(1,725,867)	(1,541,955)	(1,489,397)	(1,086,411)	(1,389,954)
Senior Work Program Credits thru June 30, 2014	(30,668)	(33,814)	(28,763)	(24,255)	(25,357)	(24,802)
Overlay Surplus Declarations thru June 30, 2014	<u>(981,516)</u>	<u>(974,300)</u>	<u>(450,793)</u>	<u>(1,324,658)</u>	<u>(1,644,023)</u>	<u>(1,221,332)</u>
June 30, 2014 Balances	470,209	37,633	80,320	61,820	50,832	37,194
FY 2015 Abatements & Exemptions	-	-	-	-	-	-
FY 2015 Senior Work Program Credits	-	-	-	-	-	-
FY 2015 Overlay Surplus Declarations	-	-	-	-	-	-
Total Abatements & Exemptions thru April 30, 2015	(1,346,425)	(1,725,867)	(1,541,955)	(1,489,397)	(1,086,411)	(1,389,954)
Total Senior Work program credits thru April 30, 2015	(30,668)	(33,814)	(28,763)	(24,255)	(25,357)	(24,802)
Total Overlay Surplus declarations thru April 30, 2015	(981,516)	(974,300)	(450,793)	(1,324,658)	(1,644,023)	(1,221,332)
April 30, 2015 Available Balances	\$ <u>470,209</u>	\$ <u>37,633</u>	\$ <u>80,320</u>	\$ <u>61,820</u>	\$ <u>50,832</u>	\$ <u>37,194</u>

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
ANALYSIS OF PROPERTY TAX ABATEMENT AND EXEMPTION RESERVE ACTIVITY
April 30, 2015

	<u>Fiscal Year 2004 Levy</u>	<u>Fiscal Year 2003 Levy</u>	<u>Fiscal Year 2002 Levy</u>	<u>Fiscal Year 2001 Levy</u>	<u>Fiscal Year 2000 Levy</u>	<u>Fiscal Year 1999 Levy</u>	<u>Fiscal Year 1998 Levy</u>
Original Allowance for Abatements & Exemptions	\$ 2,612,377	\$ 2,518,172	\$ 2,156,379	\$ 2,191,114	\$ 2,000,817	\$ 2,011,777	\$ 2,489,459
Deficits Raised	-	-	-	-	-	-	-
Abatements & Exemptions thru June 30, 2014	(902,906)	(712,135)	(695,199)	(458,132)	(544,084)	(765,056)	(558,186)
Senior Work Program Credits thru June 30, 2014	(8,964)	-	-	-	-	-	-
Overlay Surplus Declarations thru June 30, 2014	<u>(1,672,329)</u>	<u>(1,743,792)</u>	<u>(1,451,347)</u>	<u>(1,725,264)</u>	<u>(1,453,344)</u>	<u>(1,232,483)</u>	<u>(1,924,413)</u>
June 30, 2014 Balances	28,178	62,245	9,833	7,718	3,389	14,238	6,860
FY 2015 Abatements & Exemptions	-	-	-	-	-	-	-
FY 2015 Senior Work Program Credits	-	-	-	-	-	-	-
FY 2015 Overlay Surplus Declarations	-	-	-	-	-	-	-
Total Abatements & Exemptions thru April 30, 2015	(902,906)	(712,135)	(695,199)	(458,132)	(544,084)	(765,056)	(558,186)
Total Senior Work program credits thru April 30, 2015	(8,964)	-	-	-	-	-	-
Total Overlay Surplus declarations thru April 30, 2015	(1,672,329)	(1,743,792)	(1,451,347)	(1,725,264)	(1,453,344)	(1,232,483)	(1,924,413)
April 30, 2015 Available Balances	\$ <u>28,178</u>	\$ <u>62,245</u>	\$ <u>9,833</u>	\$ <u>7,718</u>	\$ <u>3,389</u>	\$ <u>14,238</u>	\$ <u>6,860</u>

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
ANALYSIS OF PROPERTY TAX ABATEMENT AND EXEMPTION RESERVE ACTIVITY
April 30, 2015

	<u>Fiscal Year 1997 Levy</u>	<u>Fiscal Year 1996 Levy</u>
Original Allowance for Abatements & Exemptions	\$ 2,406,769	\$ 3,619,523
Deficits Raised	-	-
Abatements & Exemptions thru June 30, 2014	(637,372)	(1,172,019)
Senior Work Program Credits thru June 30, 2014	-	-
Overlay Surplus Declarations thru June 30, 2014	<u>(1,763,902)</u>	<u>(2,442,414)</u>
June 30, 2014 Balances	5,495	5,090
FY 2015 Abatements & Exemptions	-	-
FY 2015 Senior Work Program Credits	-	-
FY 2015 Overlay Surplus Declarations	-	-
Total Abatements & Exemptions thru April 30, 2015	(637,372)	(1,172,019)
Total Senior Work program credits thru April 30, 2015		
Total Overlay Surplus declarations thru April 30, 2015	(1,763,902)	(2,442,414)
April 30, 2015 Available Balances	\$ <u>5,495</u>	\$ <u>5,090</u>

Massachusetts Department of Revenue
 Division of Local Services
 Municipal Databank/Local Aid Section
 Overlay Reserves

1. Where present, uncheck NULL boxes and enter values (no commas) to set min and max data ranges.
2. Report will always include all data, but will display only communities within set ranges.
3. Click "View Report" and scroll down to check report status.
4. To view or sort data, export to Excel.

Close

Municipality <input type="text" value="Newton"/>	Year <input type="text" value="2015, 2014, 2013, 2012, 2011"/>				
<input type="text" value="1"/> of 1 <input type="text" value="Select a format"/> Export <input type="button" value=""/>					
Overlay Reserves					
DOR Code	Municipality	Fiscal Year	Overlay Reserve	Tax Levy	Overlay as a % of Levy
207	Newton	2003	2,518,172	180,170,220	1.40
207	Newton	2004	2,612,377	187,384,725	1.39
207	Newton	2005	2,673,282	194,189,921	1.38
207	Newton	2006	2,806,623	201,238,041	1.39
207	Newton	2007	2,900,130	208,504,128	1.39
207	Newton	2008	2,101,831	215,772,425	0.97
207	Newton	2009	2,771,614	224,896,509	1.23
207	Newton	2010	2,828,818	233,300,284	1.21
207	Newton	2011	2,955,334	241,707,854	1.22
207	Newton	2012	3,249,822	250,781,839	1.30
207	Newton	2013	3,615,573	260,175,336	1.39
207	Newton	2014	4,058,035	279,224,275	1.45
207	Newton	2015	5,075,909	291,889,879	1.74
Totals by Year - Overlay Reserves*					
Fiscal Year	Overlay Reserve	Tax Levy	Overlay Reserve as a % of Tax Levy		
2003	159,516,810	8,494,021,114	1.88		
2004	176,125,441	9,016,234,137	1.95		
2005	176,373,288	9,483,452,707	1.86		
2006	168,200,515	9,983,073,116	1.68		
2007	178,258,591	10,488,784,344	1.70		
2008	171,756,577	10,992,118,126	1.56		
2009	179,106,695	11,552,794,390	1.55		
2010	171,430,051	12,024,477,443	1.43		
2011	174,847,073	12,484,899,126	1.40		
2012	185,487,711	12,976,230,959	1.43		
2013	201,163,402	13,443,751,414	1.50		
2014	190,696,299	13,974,969,173	1.36		
2015	195,988,132	14,553,496,546	1.35		
*For approved tax rates only					

COMPTROLLER'S OFFICE
CITY OF NEWTON, MASSACHUSETTS
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May 7, 2015

TO: Finance Committee

FROM: David Wilkinson

SUBJECT: Group Health Self Insurance Fund Update – April 30, 2015

The attached (3) page report summarizes the financial condition and operating results of the City's self-insured health plans for the first ten months of the current fiscal year and provides comparative information for changes in both plans for the same time period for each of the three prior fiscal years.

The combined fund balance in the total self-insurance fund amounted to \$11.8 million or 2.7 months of average paid claims. The April 30, 2014 combined fund balance was \$12.9 million or 3.3 months of average paid claims. The City's target fund balance is 1.5 – 2 months of paid claims.

Combined paid claims for the first ten months of this year are \$43.8 million, which represents a \$4.1 million or 10.2% increase over total paid claims for the first ten months of last year.

While both the Tufts and Harvard-Pilgrim health plan claims experience continues to exceed the level of claims that current premiums will support, Harvard-Pilgrim plan's strong reserves (6.8 months of average paid claims) and insurance recoveries (\$1,024,760 to date) have cushioned the adverse claims experience for that plan such that the plan revenue actually exceed year to date expenditures by \$150,018..

Tufts Health plan expenditures have totaled \$3.1 million more than year to date revenues, which has resulted in a 45.8% decline in available reserves since the start of the year. The April 30, 2015 Tufts Health plan fund balance was \$3.7 million, or approximately 1.2 months of average monthly paid claims. Claims reserves stood at 1.4 months at the end of March; 2 months at the start of the fiscal year and 1.9 months at this time last year.

Tufts Health plan paid claims for the first 10 months of the current year were \$31.8 million or 7.7% more than the total amount paid in the first 10 months of the prior year. Year to date stop loss insurance recoveries have been limited to \$19,253. Fiscal year 2016 premiums for the Tufts Health plan are projected to increase by 11.5%.

cc: CFO/Chief of Staff
Benefits Manager

CITY OF NEWTON, MASSACHUSETTS
GROUP HEALTH SELF-INSURANCE FUND
COMPARATIVE BALANCE SHEET
April 30, 2015
(with comparative totals for March 31, 2015)

	April 30, 2015	March 31, 2015	\$ Change	% Change
ASSETS:				
Cash & temporary investments	\$ 17,929,964	\$ 18,344,278	\$ (414,314)	-2.3%
Health benefit deposits	316,326	316,326	-	0.0%
Total Assets	18,246,290	18,660,604	(414,314)	-2.2%
LIABILITIES & FUND BALANCES:				
Accrued claims and expenses	642,424	622,282	20,142	3.2%
Pre-paid premiums	1,477,825	1,470,478	7,347	0.5%
Accrued federal ACA taxes	125,145	125,145	-	0.0%
Incurred but unreported claims liability	4,185,682	4,185,682	-	0.0%
Total Liabilities	6,431,076	6,403,587	27,489	0.4%
Fund Balance - Group Health Claims -Tufts Health Plan	3,656,073	4,379,233	(723,160)	-16.5%
Fund Balance - Group Health Claims - Harvard Health Plan	8,159,141	7,877,784	281,357	3.6%
Total Fund Balances	11,815,214	12,257,017	(441,803)	-3.6%
Total Liabilities & Fund Balances	\$ 18,246,290	\$ 18,660,604	\$ (414,314)	-2.2%

CITY OF NEWTON, MASSACHUSETTS
GROUP HEALTH SELF INSURANCE FUND
TUFTS HEALTH PLAN
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
July 1, 2014 - April 30, 2015
(with comparative activity for the three prior fiscal years)

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
Revenue:				
Investment income	\$ 15,483	\$ 14,604	\$ 18,793	\$ 20,614
Employee/retiree contributions	6,231,303	6,060,733	6,031,476	6,197,347
Employer contributions	25,146,033	23,302,962	23,255,650	24,470,750
Insurance recoveries	19,253	142,547	136,607	233,629
Total Revenue	31,412,072	29,520,846	29,442,526	30,922,340
Expenditures:				
Administrative services	1,592,258	1,591,652	1,577,059	1,530,840
Stop loss insurance premiums	383,137	310,969	297,450	293,209
Federal ACA taxes	271,209	-	-	-
Health claims (paid claims)	31,786,293	29,522,942	25,940,625	27,179,292
Health claims - change in IBNR estimate	469,793	-	(269,788)	(148,279)
Total Expenditures	34,502,690	31,425,563	27,545,346	28,855,062
Excess/(deficiency) revenues over expenditures	(3,090,618)	(1,904,717)	1,897,180	2,067,278
Fund Balance - beginning of fiscal year	6,746,691	7,477,184	7,137,334	6,329,319
Fund Balance - April 30	\$ 3,656,073	\$ 5,572,467	\$ 9,034,514	\$ 8,396,597

CITY OF NEWTON, MASSACHUSETTS
GROUP HEALTH SELF INSURANCE FUND
HARVARD-PILGRIM HEALTH PLAN
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
July 1, 2014 - April 30, 2015

□

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
Revenue:				
Investment income	\$ 11,255	\$ 11,816	\$ 11,835	\$ 12,932
Employee/retiree contributions	2,671,833	2,496,071	2,375,061	2,228,033
Employer contributions	9,853,401	9,268,353	8,875,145	9,486,569
Insurance recoveries	1,024,760	59,702	324,248	-
Total Revenue	13,561,249	11,835,942	11,586,289	11,727,534
Expenditures:				
Administrative services	719,357	697,313	681,298	671,103
Stop loss insurance premiums	219,445	174,880	162,882	158,029
Federal ACA taxes	106,293	-	-	-
Health claims (paid claims)	11,983,404	10,193,826	9,769,926	9,118,149
Health claims - change in IBNR estimate	382,732	-	75,226	(540,091)
Total Expenditures	13,411,231	11,066,019	10,689,332	9,407,190
Excess/(deficiency) revenues over expenditures	150,018	769,923	896,957	2,320,344
Fund Balance - beginning of fiscal year	8,009,123	6,588,928	5,563,475	3,743,270
Fund Balance - April 30	\$ 8,159,141	\$ 7,358,851	\$ 6,460,432	\$ 6,063,614