## Personnel Expenses

<table>
<thead>
<tr>
<th>Line Item/Description</th>
<th>Final FY16</th>
<th>Proposed FY17</th>
<th>Δ ($s)</th>
<th>Δ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Pay</td>
<td>$97,534,090</td>
<td>$100,438,727</td>
<td>$2,904,637</td>
<td>3.0%</td>
</tr>
<tr>
<td>Other Pay</td>
<td>1,829,078</td>
<td>1,790,303</td>
<td>-38,775</td>
<td>-2.1%</td>
</tr>
<tr>
<td><strong>Wages and Salaries Subtotal</strong></td>
<td>99,363,168</td>
<td>102,229,030</td>
<td>2,865,862</td>
<td>2.9%</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>19,326,756</td>
<td>20,592,603</td>
<td>1,265,847</td>
<td>6.5%</td>
</tr>
<tr>
<td>Overtime</td>
<td>4,219,293</td>
<td>4,192,690</td>
<td>-26,603</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>2,343,000</td>
<td>2,274,192</td>
<td>-68,808</td>
<td>-2.9%</td>
</tr>
<tr>
<td><strong>TOTAL PERSONNEL EXPENSES</strong></td>
<td>$125,252,217</td>
<td>$129,288,515</td>
<td>$4,036,298</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

### Table 26

**Other Highlights**

- Wages and salaries expense include an estimate of FY17 COLA increases.
- Average funded staffing level: 1,155
  - FY16 budgeted level: 1,160
- Fringe benefits expense increased mainly due to the reported increase from the GIC; calculations are based on current enrollment.
- Workers’ compensation expense is based on a three-year average of actual spending.

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**Personnel Expenses vs. Funded Positions**

This graph illustrates the comparison between the personnel expenses and the funded positions over the years. The expenses are categorized into different sections: Wages & Salaries, Overtime, Fringe Benefits, and Workers’ Compensation. The positions are shown as a count over the years. The data points are spread across the graph, with different colors representing each category, allowing for a clear visual comparison.
Staffing levels have decreased by over one-third since 1997
  - Proposed FY17 = 1,155 FTEs; 5 positions lower than FY16
  - Total Reduction: 620 positions
  - March 2016 staffing level: 1,135.4 FTEs

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 $1,000,000 (includes associated fringe benefits).

To put this recommendation in perspective: through April 2016, the Authority was underspent in personnel expenses by about $2.6 million.

To support the Lead Loan Program, in FY16 the Authority hired temporary employees to provide additional lab services resources for member communities; these positions will continue at least partly through FY17.

The Advisory Board supports the Authority’s addition of this temporary community support staff and expects the final FY17 CEB to reflect the addition of this staff.
Fringe Benefits

- Fringe benefits make up 15.9% of total Personnel-related expenses. Based on new data released this spring from the GIC, MWRA projects a decrease of $350,285 from the proposed FY17 CEB. The Advisory Board expects this reduction to be included in the final FY17 CEB.

Workers’ Compensation

- Based on a three-year average of costs (FY14-16 = $2,320,000)
- Average spending has been $2.2 million since FY 2010, 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 Advisory Board

- 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 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

MWRA has indicated that due to recent trends, they will be increasing Workers’ Compensation by $70,000. The Advisory Board expects this increase to be included in the final FY17 CEB.

Overtime

- Decreased by 0.6%
  - Largest driver: planned maintenance (increase of $573 thousand) for:
    - Despite wage increases of approximately $93 thousand, some reductions based on trends
    - Reflects reduction of overtime use to support North Main Pump Station and Winthrop Terminal Facility butterfly valve replacement project
      - Assumes 24 eight-hour, overnight shutdowns in FY17
      - FY16 budgeted shutdowns: 50
      - Project runs schedule extends through FY17