

Special Joint Board of Selectmen, Board of Finance and Board of Education Meeting

November 1, 2010

Present: First Selectman Gayle Weinstein; David Muller; Dan Gilbert; Michael O'Brien; Jerry Sargent; Bob Atkinson; Michael Carter; Melissa Koller; Steve Ezzes; Philip Schaefer; Ellen Uzenoff; Richard Bochinski; Dana Levin; Sonya Stack; Leslie Wolf; Denise Harvey; Jerry Belair; Joanne Keating; Tom Landry; Rick Darling; Members of the Administration; residents and press.

This meeting was recorded and video taped and the tapes are available in the Selectmen's office.

Ms. Weinstein called the meeting to order at 7:30pm

Discussion regarding the BOE's Internal Services Fund; Health Insurance---RFP for full and self-funded program; possible regionalization with Health Insurance.

Jerry Belair said that they need to go out and look at their options and look at self funded as well as fully funded for health insurance. It is too early to determine a rate increase. On the public sector side, he is told it is anywhere from mid 20's to 40 percent increases. There is a balance in the Internal Services Fund but they see this as their number one driver. A copy of the Internal Services Fund for Health Benefits is attached.

The employee campaign for the HSA account was far more successful than they had originally planned. Last year ended with almost 3 million dollars in undesignated fund balance. Of the \$2,935,000, \$108,000 is earmarked for OPEB.

Ms. Weinstein asked if there had been any conversation about regionalizing health insurance. Mr. Belair said that they have asked their consultant to look into that. The challenge is going to be the different communities, the different bargaining groups and the contracts and can we standardize a plan design.

Discussion regarding the BOE's SPED costs---personnel and contracted services.

They have three new students this year that have significant needs. These three students will take some additional personnel which will impact them when they build next year's budget. There is another student that will require some out of district support and education.

They had an overage of \$400,000 in special education last year. Due to the efficiencies with energy education, transportation and other things they were able to absorb those costs.

Discussion regarding efficiencies for 2010-11 and what we are looking at for 2011-12. They had planned to send back to the town \$135,227 because of the grant that had been funded in their budget. They actually sent back to the Town \$252,000 and that was the balance they had remaining in the budget from cost savings above and beyond what was required to be spent.

For their budget assumptions the district will continue to explore and implement opportunities to be more cost effective, to contain cost and avoid costs wherever possible. A copy of the Board of Education Operating Budget Assumptions are attached to the minutes.

Discussion regarding the Town's economic indicators. Ms. Weinstein said that we are trending in a positive direction. Town Clerk fees have improved, building permits are picking up and the revenue projects are a little better than anticipated. Tax collector collections are about the same or a little better than in previous years. The one downturn was the estimate of the Grand List, which was anticipated at .25% and now we are looking at .21%. Unemployment in September was reported to be 5.6% from a high of 6.2% in July. Last January it was only at 4.8%. Ms. Hillman, Social Services Director, is seeing that small business owners are really having trouble making it.

Ms. Weinstein said that we are seeing the dip in the grand list because people are fighting their tax assessments from the last reval and that dropped the grand list from the anticipated amount. Ms. Whitman said that this is normal for what happens after a reval year.

Ms. Weinstein said that there were no building permits last year and this year we have three. The fees that we collect for them increased from \$36,798.75 to \$59,501.25.

Discussion regarding the School/Town joint initiatives- Ms. Weinstein said that they had a meeting with the Commission on Aging members and school administration and the school will be sharing their facilities with the seniors in a stronger way. The South House all purpose room will be utilized by the seniors. They have agreed to open up the Middle School weight room before and after school and the Commission on Aging are in the process of finding a certified trainer to work with seniors in a class setting. They also talked about opening the computer labs to use for computer classes for the seniors after school hours.

Discussion regarding GASB 43/45 funding levels for 2011-2012 budget

Board of Finance discussed their rate of return assumptions. They determined that their annual return rate of 8% was not substantiated by the mix of equities and fixed income. They were looking at changes that might bring it down to a sustainable estimate of 7%. To go from 8% to 7% meant about a \$125,000 increase per year contribution.. If the Board makes that change, it will have a meaningful impact on the budget numbers going forward.

Mr. O'Brien said they will be talking to Milliman about stretching the payouts because we do have an aggressive funding approach to this. We need to talk to the actuaries about it and see how it looks.

Discussion regarding MERS outlook for 2011-2012

This applies to both Town and School employees. For the School employees it only affects the non-certified. The town does not maintain its own pension system for Town employees or non-certified school employees. They are all enrolled in MERS (Municipal Employee Retirement System) which is administered by the State of Connecticut but the State of Connecticut puts no money into it. The funding for retirees is by both employees and the employer. The contribution that the employees pay have been 2 ½ % for decades but the amount the employer pay have gone from approximately 3 ½ % to about 9 ¾ %.

Mr. Landry said that he has been pursuing legislation on changing this. They have not determined next years rate yet. Long term we need to think about increasing the contribution rate for employees within the system and they need to come up with a defined contribution plan.

Respectfully submitted

Judy M. DeVito
Administrative Assistant
Approved 1/06/11