

**MINUTES OF THE CHESHIRE TOWN COUNCIL SPECIAL MEETING HELD
ON THURSDAY, NOVEMBER 8, 2012, AT 7:30 P.M. IN COUNCIL
CHAMBERS, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Tim Slocum, Chairman; David Schrumm, Vice Chairman; Michael Ecke, Andrew Falvey, Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco, James Sima. Peter Talbot.

Staff: Town Manager Michael A. Milone; William Voelker, Town Planner; James Jaskot, Finance Director; Arnett Talbot, Exec. Ass't. to Town Manager; Police Chief Neil Dryfe; Personnel Director Louis Zullo.

Dr. Greg Florio, Supt. Of Schools; Vincent Masciana, Director of Management Services, DOE; Gerry Brittingham, Chairman, BOE

Guest: Steve Carroll, Chairman, Technology Study Group.

1. ROLL CALL

The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. Presentation on State Plan of Conservation and Development

Town Planner William Voelker presented a review of the Proposed Connecticut Conservation and Development Policies Plan (the Plan) to the Council. He reviewed the draft of the Plan from the State Department of Policy and Management (OPM) which will come before the State Legislature. Mr. Voelker has had meetings with the Council of Governments (COG) and Mr. Morley of OPM, who is the liaison between the municipalities and the General Assembly.

The Plan will be active from 2013 to 2018, and replaced the former C&D Plan which was active through 2010. The Plan is prepared in accordance with CGS Section 1`6a-24 through 16a-33. The State Plan is a guide for the allocation of resources by the Connecticut State agencies.

There are six (6) Growth Management Principles in the Plan:

- 1) Redevelop and revitalize regional centers and ages with existing or currently planned physical infrastructure.
- 2) Expand housing opportunities and design choices to accommodate a variety of household types and needs.
- 3) Concentrate development around transportation nodes and along major transportation corridors to support the viability of transportation options.
- 4) Conserve and restore the natural environment, cultural and historical resources and traditional rural lands.
- 5) Protect and ensure the integrity of environmental assets critical to public health and safety.

- 6) Promote integrated planning across all levels of government to address Issues on a statewide, regional and local basis.

Mr. Voelker advised that these six(6) principles are assigned to various State agencies per the color chart attached to the Plan. Funding is received from the State and this is why there must be more consistency or minimum conflict between the State and local Plans.

The Council was informed by Mr. Voelker that under CGS Section 87-23 the Town's Plan is required to be completed by 2018 and inconsistencies between the Town Plan and the State Plan must be addressed. The differences between the two Plans are large, and the local plan is focused on local zoning, street plans etc. The State Plan puts growth management principles and development priorities on municipalities as a guide to allocate resources. The biggest concern for Cheshire is support for the WPCA, sewer system infrastructure and provision of discretionary funding for the sewer treatment plant.

According to Mr. Voelker it is important that the WPCA provide guidance on recommendations to be included in the update of the Plan so as not to jeopardize any funding for the treatment plant.

Mr. Voelker referred to page 28 of the Plan and read an excerpt into the record.

Mr. Voelker referred to the two Locational Guide Maps (2004-2009 and 2012). He noted the changes in the maps, and pointed out the Legends for the 2012 map – orange is Village Development Areas; Gray is Protected Open Space and Farmland; Yellow is Balanced Growth Areas; Red is Priority Development Areas; and Tan is Priority Conservation Areas. There is no longer any “green area” on the map, and some of the “red” areas are not in the priority development area. OPM representative Morley has informed Mr. Voelker that if there appears to be a conflict between the State and Town maps, OPM will ask what the Cheshire Plan says about this.

WPCA will be looking at the State Plan as it now exists against the WPCA Facilities Plan approved by DEEP in 2008 to make sure there are no problems with future funding.

Chairman Slocum questioned this being more a “macro map” from the State, ignoring the “micro map” of the Town.

In response, Mr. Voelker said the State does not have neighborhood information and infrastructure data known by the Town and had to use a method consistent overall for 169 towns. The State has used census track data which helped to do the macro project and developed the State map. Some of the growth areas have development in them, and Mr. Voelker emphasized that the Town must make sure funding is there for WPCA and the sewer treatment plant. He did notify

OPM that the WPAC is undertaking a review of the State Plan against its Facilities Plan, and will offer appropriate comments to OPM.

Mr. Schrumm noted that the old State Plan had certain areas which said that sewers in an area could jeopardize future funding, and he asked what has changed in this plan that could jeopardize road, sewer, open space funding. He asked if there is more clout or less clout in the new map. With regard to census areas on the State map, Mr. Schrumm asked about conservation and preservation areas...and a developer is approved by PZC for a subdivision, it does not state anywhere in the Plan about the State coming back and saying it wanted this land for conservation and preservation. And, road money, etc. will not be given by the State to the local municipality.

For clarification, Mr. Voelker said this was never true, and said that the placement of infrastructure is different than the subdivision of land, and land can be subdivided without the infrastructure. A property having on site septic systems would not jeopardize any State funds. He stated that infrastructure can only be put in, i.e. extend a sewer line if WPCA grants approval. PZC will not grant a subdivision approval without WPCA approval. There is a Facilities Plan of the WPCA which was approved by DEEP in 2008, and it is a guide for making discretionary decisions on where sewers should go. Now, we want to make sure there is no more green on the map, and that WPCA's input is in Cheshire's municipal Plan following its review of the State Plan. The prior problem was the way the State Plan was interpreted – extension of infrastructure into the green areas could result in problems securing funding for the sewer plan.

The good news for Cheshire is that the Town has a Facilities Plan approved by DEEP. Cheshire has a new document to review, and wants to insure the WPCA reviews and reacts to the Plan. WPCA has put together a subcommittee to review the State Plan; PZC wants the Authority's input on what should be in the Town's municipal plan for sewer extensions; and we want WPCA to reach out to DEEP and question any problems that could be caused by the new Plan.

It was stated by Mr. Schrumm that it must be very clear and understood that the Facilities Plan is a 20 year look down the road for the sewer system. The State Plan cannot trump that in terms of telling WPCA it must change its Plan to allow greater installation of sewers. They may come back and site areas which cannot be sewerred, but cannot use the Plan to say sewers can go into certain areas.

Stating this is correct and very important, Mr. Voelker said he wants to make sure the State gets this, and with the new guide for State funding, that WPCA reaches out to DEEP.

Regarding funding, Mr. Schrumm asked about the Town applying for open space money, and assumes that if the parcel falls into the State map as an area to be preserved, that this raises some notches on the funding.

Mr. Voelker said the State map is macro, and will not say an area should be preserved, and the current map is only good until the General Assembly revisions to the State Plan. He said the State will look to Cheshire to know what the municipal plan says, and commented on Cheshire having a well executed open space plan, and acquisitions have been responsible and in accordance with good planning principles.

The input of the Town through WPCA, PZC, IWW, and Town Council was questioned by Mr. Schrumm, and he asked when the Legislature will act on the map.

Mr. Voelker believes action will take place later in the session, and additional Town comments must go through the Legislators. Cheshire is in good shape, met deadline with OPM, and has some changes which require input. He will report back to the Council and Town Manager on what the other boards and commissions are doing with regard to the State Plan.

On the Municipal Plan, Mr. Voelker said that the Council will be more active than in 2002 because of amendments to Section 8-23. The General Assembly has amended State statutes to include a more active role by legislative bodies. Planning and Zoning Commissions are obligated to advance their Plan to the legislative bodies 65 days before taking action. The intent is to send the Council copies of the document as it is revised, and not to wait for 65 days to provide a copy of the document. Mr. Voelker will come before the Council and provide sections of the document for its review and input. He noted that the General Assembly wants to get away from a subcommittee acting as a Zoning Board of Appeals, and this can be seen in the proposed Plan.

Mr. Schrumm commented on the State requiring the local Legislative Body to hold a public hearing on changes to the map, as things have a way of slipping through without a public hearing.

In reply, Mr. Voelker said he is unsure this will be done away with completely. The public should always have access to the hearing process, and the State will never deny this access. He thinks the State is trying to set up the administration of the Plan in such a way that it will reduce the need for a development entity to come forward and question why it cannot have sewers in a certain area. Things are disappearing from the map and the first place the General Assembly will look at when these questions arise is the municipal plan. The Council can have a public information session. Mr. Voelker wants the Town to hear from the WPCA now to incorporate their recommendations into the municipal plan. He would recommend a public information session of the Council.

Chairman Slocum thanked Mr. Voelker for his informative presentation to the Council on the proposed State Plan.

4. Bid Waiver and approval of technology consultant successor Agreement.

Town Manager Milone gave a brief introduction to this agenda item, noting that the Town was faced with a crumbling technology infrastructure, inadequate software and equipment, and was fearful that it could not sustain itself technologically much longer. In some cases equipment was 5 generations old, and the last major investment in technology infrastructure was over 20 years ago. The Town Council supported a five year plan and a \$350,000 appropriation. A critical resource was to hire a Chief Technology Officer (CTO). A five year plan could cost \$2 million. A Technology Study Group was formed, chaired by Steve Carroll, to guide the Town along the way. Members of the Study Group included Council Members Peter Talbot and Patty Flynn-Harris, Finance Director Jaskot, Exec. Asst. Arnett Talbot, BOE Member Tony Perugini, DOE staff Supt. Dr. Florio, Asst. Supt. Dietrick, Mr. Masciana and Library Director Burkee.

The Study Group achieved great success along with the effectiveness of the consultant. The referendum of 11/6/12 to fund the technology initiative was approved, and Mr. Milone said we must continue to utilize the services of Apex Technology.

At its meeting four weeks ago, the Study Group recommended that the Town extend the contract with Apex Technology. In his memo, Mr. Milone highlighted five major elements under phase #2 of the initiative, and these elements are incorporated into the \$750,000 appropriation.

Steve Carroll, 70 Hidden Place, Chairman of the Technology Study Group, reported that Apex Technology was hired last year, and this firm is familiar with the Town systems and has been consulting for the Town for many years. The Town has not been disappointed with the services of Apex and Anthony Verrill, the CTO, is highly qualified and skilled in many areas. When Apex came into the job it was more than what they expected.

Mr. Carroll commented on the fact that one year ago the Town was on a technology cliff. In the last year \$350,000 has been spent largely on essential components, network reliability, security, back up and recovery for secured data. A year ago, Cheshire could have lost major systems for an extended period of time, but we are away from that now. The referendum question was approved and the technology initiative can move on.

It was stated by Mr. Carroll that, over time, Cheshire needs to get on a regular replacement cycle and this must be worked into the five year plan. Mr. Carroll said that what is before the Council now is the extension of the contract with Apex Technology. He commented on the fact that the Town received great value for the money spent last year. The voters approved the \$750,000 appropriation, and it will take knowledgeable people to put together the capital equipment purchases. The proposed contract with Apex includes another

needed technology engineer, who will work along with Mr. Verrill and the current engineer. This funding will put Cheshire into a place with up and running and reliable network which is very solid.

Chairman Slocum asked about the large technology problems which were encountered and if the Study Group will be looking at future decisions and keeping pace with technology.

In response, Mr. Carroll said this will be discussed by the Council during the budget process. The position which the Town lacks is someone with a wide area of technology talent and who has the big and high level view. This is a service with Mr. Verrill has provided. The Council must figure out how, organizationally, this will be handled, i.e. create a new position for a person with all the qualifications needed.

Over the years, the technology job has been spread out amongst Town departments, and in addition to the full time network administrator there are part time personnel in every Town building. Mr. Carroll noted that from a standpoint of full time equivalents this is a lot of staff. The Town must look at a centralized management of its network, and go in a centralized direction.

Chairman Slocum thanked Mr. Carroll for attending the meeting and informing the Council and the public on the technology initiative and work of the Study Group and Apex Technology.

MOTION by Ms. Flynn-Harris; seconded by Mr. Talbot.

BE IT RESOLVED, that the Town Council approves Resolution 110812-1

RESOLUTION #110812-1

WHEREAS, the Town of Cheshire and the Cheshire Public Schools have been addressing some serious technology needs and challenges with the assistance of a professional consultant, Apex Technology Group, who has been serving as the Chief Technology Officer and has been providing engineering and technical support,

AND WHEREAS, the Technology Study Group has recommended the continuation of Apex as the professional consultant for this ongoing and critically important project,

NOW, THEREFORE, BE IT RESOLVED, that the Town Council, pursuant to Section 7-8(c)(11) of the Town Charter, finds it in the best interest of the Town of Cheshire to approve a waiver of bid for, and to approve the successor agreement with, Apex Technology Group for these consulting services, upon the terms

presented, pursuant to approval by the Town Attorney as to form and legal sufficiency.

Discussion

Ms. Flynn-Harris noted that the best comment in Town Manager Milone's memo is in paragraph #3 where he outlined what Apex has been doing, including I.T. strategy. She commented on it being great that the public realizes the importance of technology in support of the referendum, and the fact that people are reliant on technology today. Ms. Flynn-Harris informed the Council that Apex Technology has been very good and the Town needs them in going forward with the technology initiative.

Since the referendum passed, Chairman Slocum asked about the time table for everything to unfold.

Mr. Milone said it will be immediately, and Mr. Verrill has already given the Town an outline of the strategy. Staff must be mobilized for equipment purchases, and the time line will be laid out within a few weeks and there will be installation of equipment and staff training. By December the time line will be formulated. There is a balance of \$80,000 (from the \$350,000 appropriation) which was held and not spent pending the referendum outcome. If the referendum was defeated, the Study Group wanted to hold onto this money and re-prioritize what needed to be done. The Study Group will meet to review the plan with Apex and make a decision to go in the right direction.

PUBLIC

William Keeley, 20 Harvest Court, commented on the current technology funds and the prior 1999 appropriation and his volunteering his technology expertise and service at that time. He volunteered and was involved in the replacement of equipment at the high school, middle school and elementary schools. He questioned how the \$750,000 funding will be handled and controlled, who is involved, and what types of equipment will be purchased. Mr. Keeley said the Town has a good committee in place which will continue its work. He informed the Council that there are grants available for technology equipment; he has experience in getting these grants; and the funding goes from \$100,000 to \$300,000. The grants are very competitive. Mr. Keeley noted that over the years the \$100,000 allocated in the budget has never been increased.

Following Mr. Keeley's remarks, Town Manager Milone said he would explore the technology grants and advise the Council.

With regard to the \$750,000 appropriation, Mr. Ruocco asked if the cost of the Apex contract is over and above this. He also asked about the bid waiver limits.

Mr. Milone informed the Council that bid waiver limits are \$12,000 for services and \$24,000 for construction. And, the cost of the Apex contract is over and above the \$750,000.

It was recommended by Mr. Ruocco that the Town Council look at changing the bid waiver limits as they are too low.

VOTE The motion passed 7-2; Ruocco and Sima opposed.

5. Assignment of Capital Projects to the Public Building Commission

MOTION by Mr. Schrumm; seconded by Mr. Sima.

BE IT RESOLVED, That the Town Council approves Resolution #110812-2

RESOLUTION #110812-2

BE IT RESOLVED, That the Town Council assigns the following projects to the Public Building Commission as shown on the FY 2012-2013 Annual Capital Expenditure Budget, which is attached.

- #4 – Public Works Exterior Repairs – Garage Roof and Doors
- #14 – Districtwide Flooring Replacement
- #16 – Districtwide Sidewalk, Chimney and Masonry Repairs
- #17 – Emergency Shelter Operations Generators.

VOTE The motion passed unanimously by those present.

6. Bulky Waste Collection and Automated Recycling Program.

Mr. Milone noted that the Town Council passed a resolution in October recommending that the bulky waste program go out to bid for a one time program, and that the cost of this program be determined.

In 2006 and 2008, the bulky waste program cost was \$150,000. Mr. Milone reported that in 2008 the tonnage was about 1000 tons. Deputy PW Director Noewatne made calls to various haulers, informed them of the tonnage expectations, and received an estimate of \$135,000 from one respected hauler, and another estimate of \$125,000. It was expected that the cost would be more than \$150,000, and Mr. Milone said there is an interest in this type of program. The Town could get the bulky waste program for under \$150,000. The Council must decide on whether to go out to bid in the winter for a spring pickup or in the summer for a fall pickup.

Mr. Milone commented on a mess being created throughout Town during a spring bulky waste pickup program when everything is in bloom. The last program was done in the fall. And, the Council must inform him and staff on

how to proceed. He will put together the bid specs and then the Council can direct accordingly.

Mr. Talbot asked how the bid is determined, i.e. on the tonnage basis, and if there are consequences if the program goes over the stated tonnage.

In response, Mr. Milone said the Town can only estimate the tonnage, with the hope that the hauler comes in with a number. The burden is on the hauler who comes in with a quote, must live with this quote, and complete the program under the contract even if it is in excess of what they expected. When he first became Town Manager there was a company that under bid the project, and then left material languishing in various parts of Town. Another company was called in to complete the program and the performance bond was called. The Town will be protected as a performance bond will be required from the hauler under the contract. The hauler gives the Town a time frame for completion of the program and this is written into the specs. There will be milestones built into the contract so the Town knows the status of the pick up process.

It was noted by Chairman Slocum that there are road repavement projects in the summer and leaf collection projects taking place. He questioned the function of Town capital projects and activity being more fall oriented and done by Public Work crews. He asked about inconveniencing Town services doing the program in the spring versus the fall, and a better price negotiated during the spring.

Mr. Milone explained that in November there is a lot of prep work done by Public Works crews, i.e. drainage work to get ready so when the miller and paver come in there is no delay. When the bulky waste program was done in the fall last time we were able to schedule it so it did not conflict with road projects. It would mean tight scheduling and being careful. When the program was done in the fall it was done early, right after Labor Day, and Mr. Milone would want to avoid the pickup going into October. For a spring program, the start up was in April, and it was a nightmare, with a company not able to complete the terms of the contract and on the verge of bankruptcy. There was bulky waste on the streets, and created a stigma so that the Council did not want to do a spring cleanup again. Fewer towns do the bulky waste program in the fall so there were more bidders, less competition, and more interest from companies.

Ms. Talbot reported to the Council on the automated recycling program as it related to public awareness. In August there was the start-up of information to the public; information on the web site; press releases were issued; containers on display at Town Hall, Fall Festival, and the high school. The Council held a public information session, and employees have been educated on the program so they could respond to questions. Notices will be on the government access channel. Cheshire High School students are producing a video on the program. A brochure has been prepared which will be mailed to every household which includes the scheduling of the bi-weekly recycling pickup by street. Town

Manager Milone will be doing a Code Red message to residents. Containers will be delivered next week and delivered to households.

A copy of the brochure is attached to these minutes.

Mr. Milone informed the Council that the mapping is taking longer than expected. There are streets that are common to collection on multiple days, i.e. Peck Lane has an A and B day, and each section must be identified as to A or B collection day. These streets must have accurate, precise break points to avoid confusion. Due to the mapping taking so long and being so critical to what is being done, and because the contractor is ready to deliver the containers, Mr. Milone will get a message to the public so people know why the containers are arriving.

The key operational issues were reviewed by Mr. Milone. These include the containers starting to be delivered on Monday, November 11th; and the manufacturer indicates the delivery will be completed by Saturday. Since this may not be achievable, it was decided to begin the recycling pickup the week after Thanksgiving, on Monday, November 26th. The program starts on November 26th for the A week and December 3rd for the B week.

Ms. Talbot explained how the mapping was broken down. A.J. Waste took a Town map, blew it up, divided it into 10 separate sections based on what was doable for their collection route. Photocopies of these maps were given to the Town, and they were given to the GIS people who overlaid that information onto the Town map, coded 10 zones for collection. From that information/map, they created a list of streets within each of the zones which will be formatted by Town staff. The list was cross referenced against the current collection schedule, and cross referenced against participating households. Now, there is the final list, with staff in the process of determining exact break points for streets which have more than one collection each week.

It was emphasized by Mr. Milone that if a household is a Monday pickup it will still have Monday pickup. Regarding the current 18 gallon containers they are recyclable but the hauler does not want the recycled because they would clog up the trucks. There will be a decision made by the Town on locations for drop off of the 18 gallon containers. This will be reviewed by the Solid Waste Committee and the location information will be provided to the public.

Regarding swapping of containers, The Solid Waste Committee will allow this after two months of the program. There will be a criteria developed along with a formalized process with guidelines from the committee. At this time there is no pricing schedule if someone wants an additional container.

Mr. Milone reported that the initial order was 2100 of the 64 gallon containers and 6800 of the 96 gallon containers based on the first analysis of the policy relative to who would get each sized container. The multiple lists were reviewed and the

criteria established by the committee was reviewed. It was found out that 2700 of the 64 gallon containers and 6200 of the 96 gallon containers were needed. The order was changed for 2800 of the 64 gallon and 6400 of the 96 gallon containers. There will be about 200 more of the 64 and 96 gallon containers in storage. Some of the condominiums will not need the new containers because of the way the pickup is done by the hauler. Another challenge was the condo complexes as some do not lend themselves to getting the automated truck in and out, and they will continue with the existing recycling program.

The container order cost was \$431,600; \$477,909 was budgeted; more money will be spent on the extensive mailing which will be partially contracted out; and there will be a balance of \$35,000 for the project.

Ms. Talbot advised that the brochure and listing of streets for the collection schedule and multi colored map will be posted on the Town's web site.

7. Teachers' Contract (possible executive session)

Dr. Florio, Mr. Masciana and BOE Chairman Brittingham reviewed the teachers' contract with the Council.

Mr. Brittingham stated that the negotiations were fruitful, and Councilor Falvey was present at most of the sessions. This is a four year contract at 8.93% increase over the four years, with significant changes to the medical insurance plan. The Board of Education (BOE) considers this to be a reasonable contract, with changes in the insurance program easing long term costs for the taxpayers. There are minor changes in the contract; wage and insurance portions of the contract were significant areas of change; and the BOE is pleased with this fair and well done job on both parts. Mr. Brittingham advised that the union brought the four year contract to the table and the BOE agreed, and this provides more stability during these hard economic times.

Summary of Teacher Contract – Major Issues. Dr. Florio stated this is a four year contract with a combined wage increase of 8.93%, or about 2.25% average per year. Year #1 increase is 1% general wage increase, with no step increase, at a cost of about \$285,000. Year #2 cost of the increment, i.e. teacher going from step 3 to step 4 is 1.63%, and a 1.06% general wage increase for a total of 2.69%. Year #3 step increment is 1.69% with a general wage increase of 1% for a total increase of 2.69%; Year #4 step increment is 1.55% with a general wage increase of 1%, for a total increase of 2.55%.

Stipends (coaches, advisors) goes up 1% each year of the contract.

Two significant changes to the contract include teachers giving an additional 30 minutes of work each week which is administrative directive time, i.e. meetings, collaboration. The second change is the medical benefit changes which provide a strong measure of cost control over the course of this contract.

Mr. Masciana reviewed the three medical plans – HMO, HSA, PPO Plans.

HSA – deductible for single increases to \$2,000; 2 person and family deductible increases to \$4,000; 52% of the teachers (160) participate in the HSA plan. This shifts the cost from the BOE to employees of about \$120,000 per year.

PPO – co-pays increase to \$25 per doctor visit; in-patient hospital increases to \$250; out-patient increases to \$150; emergency room increases to \$100; and urgent care goes to \$50.

Teachers pay more for prescription drugs in the three tier plan – paying \$5 for generic drugs, \$25 for brand named drugs in the formulary, and \$40 for brand named drugs not on the formulary. A second change is in the cost sharing formula. When the contract takes effect in 2013 teachers in the HMO will be paying 6% of the allocated cost of the HSA and this dollar figure is the amount the BOE will contribute towards the PPO and HMO. If the cost of family coverage in the HSA is \$20,000, the employee pays 6% and the BOE pays the difference, and this is the maximum the BOE will pay against any of the other plan options. The effect of this is that the cost to the BOE and Town is a neutral decision. Based on estimates, in year #1 the BOE will see a net total reduction of costs. Ultimately, the cost of the plans is based on actual claims, not on the allocated premiums, because the BOE pays for claims as they come in. It is assumed there will be a reduction if actual claims do not go higher than in the past.

Dr. Florio estimates savings of \$200,000 in the first year and this could increase in subsequent years. He said an important factor is that the BOE knows what it will be, and the desire is to push for people to go into the HSA plans going forward.

Mr. Ruocco asked about the buy up, saying that the PPO is the most expensive, and 6% of the HSA premium is applied against this.

Dr. Florio said that if the net cost of the HSA after the employee's share is \$19,000, and if someone wants the \$19,000 plan, they must pay the \$5,000.

A question was raised by Mr. Ruocco about the Affordable Care Act, and rules in the out years with some plans being considered Cadillac plans, i.e. the threshold cost of \$27,000. This is in 2018, and he asked if the BOE plans would be considered Cadillac plans, if there are exemptions for government plans.

When the Council and BOE met with the insurance consultant about the Obama care plans, Mr. Brittingham asked if the \$27,000 threshold is in today's dollars or 2018 dollars. This has not been determined, and there are many things in the out years which have not been determined by Congress.

Mr. Ruocco suggested bringing the consultant back to review what is being implemented and the effect on the Town medical plans.

According to Mr. Brittingham, the consultant said things had not been determined for 2014. This drops the ball into the Council and BOE court. He said the insurance buyout was one of the best things the BOE could do because it does give teachers the flexibility to choose a plan. For the BOE the fear is that the HSA will not be the best option, economically, as savings are not being seen in the premiums as hoped, and it is creeping up there.

The Council was told by Mr. Masciana that the HMO is a co-pay plan so there was no change to that plan, which is the fully insured plan. Once the premiums are paid, the claims are paid, and this is the most cost effective of the plans right now, with 16% of the employees in the HMO plan. The PPO deductibles went up; PPO co-pays went up; and the HSA deductibles increased.

Based on the information he has received, Mr. Ruocco said the steering is to the HSA and HMO, steering away from the PPO.

The PPO is the most expensive plan for the BOE and employees and Mr. Masciana said this explains why 52% of employees have moved to the HSA. The BOE will pay \$16,700 for family coverage under the HSA. With a PPO the employee pays about \$4,900 to stay in this plan, and the BOE pays only \$16,700.

Dr. Florio said that claims are claims, and if you shift people from one plan to another we are still self funding those claims. There are controls with the HSA to mitigate some of the increase.

It was stated by Mr. Masciana that teachers were very agreeable, understood the cost implications and increases to the Town and BOE over the last several years. He acknowledged that this was a very fair move on both sides to come to an agreement on the plans the way they did.

Mr. Schrumm congratulated Dr. Florio, Mr. Masciana and Mr. Brittingham on the changes to the medical plans, noting that they track what people in private industry are undertaking. He said the basic structure of this agreement remains the same regarding teacher compensation and how things are structured. In Connecticut there is a plan put together to provide teacher evaluations which will be implanted in a year out. In that, the evaluation would be tied to compensation. It is his understanding that this is a four year contract where teachers will be evaluated in the second year, but it will not make any difference in their compensation. It will make a difference in compensation in the out years based on a new contract. But, basically, the structure has not changed regarding teacher compensation in the next four years, with teachers getting steps and raises not matter how good or bad a job they do.

Mr. Brittingham agreed that in the next four years certain things are beyond the control of the BOE and the Town, and things will stay as they are. He informed the Council that Cheshire tried to get into the PILOT program for the teacher evaluation system, but was not chosen. In the negotiation process certain things can be rejected by either side, and the BOE brought up merit pay and bonus structure, which was rejected. Mr. Brittingham said we must work within the confines of what the law will allow and what negotiations permit. In the next four years there will be no real earned raise system per person in the teachers' contract. However, he noted that both sides recognized the evaluation system coming into play and the BOE will contend with it...but not in this contract.

In that regard, Mr. Schrumm said there is still no differential by course or skill level, i.e. a person teaching A.P. Physics and a person teaching kindergarten getting the same pay.

The evaluation plan was explained by Dr. Florio for the Council. It is about effectiveness in the classroom and is designed to define effectiveness and provide the administrators more flexibility in making decisions about staffing. There was no way this contract could be meshed with the evaluation system because this system has not been implemented yet. He said he thinks the purpose of the evaluation system is to assure effective teachers are in every classroom.

Mr. Brittingham commented on some Council members taking part in negotiations, and they know that you do not always get what you want in the first contract, but the building blocks are put in place for the next one.

According to Mr. Ecke the major drawback for the four year contract is that the evaluation cannot be implemented for four years.

Mr. Schrumm said the percentages compound out to more than 8.95%.

The Council was reminded by Dr. Florio that four years ago the teacher salary budget was about \$300,000 lower than this year, and that was with a 13.6% contract over four years.

Mr. Schrumm went back to 2004 and added up all the percentage increases, and stated in the last 8 years there has been a 38% increase, not compounded. This is about a 50% increase over 8 years, and we are rapidly getting to the point where people max out and how much municipalities can afford to pay.

In that regard, Mr. Brittingham said this is an issue for all municipalities and agrees with Mr. Schrumm's point. He said that this is where CCM would be a greater voice in Hartford to change the system under which we all suffer.

Chairman Slocum asked about the budget impact of the salary increase in this new contract.

Dr. Florio stated that 1% equates to \$285,000 impact on the budget in the next fiscal year.

There are offsets in the medical insurance program and Mr. Slocum said this is about \$120,000 with cost controls.

Cost controls have been put in place, and Dr. Florio reminded the Council that for the last few years the BOE has relied heavily on medical benefit reserve funds. If medical benefits are fully funded through the BOE operating budget money will not be saved, as the budget will be increased.

Knowing there have been retirements in the last few years, Mr. Slocum said must now mean that Cheshire has more employees in step versus those at the maximum step, so the impact of this contract, over time, could be greater.

It was explained by Dr. Florio that when someone at the top step retires the BOE hires someone who would get step increases, but is hired at a lower salary, and this is something which always happens. 50% of Cheshire's teachers are at tope step and this is a 20% redeuction in the last 10 years.

The average salary for teachers in Cheshire is in the \$67,000 to \$68,000 range, and this is average in the industry.

Mr. Falvey commented on his attending most of the negotiation sessions, and his amazement at how everything worked out. The salary numbers are phenomenal as is the contract settled through mediation, not binding arbitration. The Town dodged a bullet by not having to go to arbitration and what could have come out of it. This contract is a good thing for the Town, and in four years we still might not get what the Town wants to get, as there are no guarantees. This contract is a winning hand for the Town, and Mr. Falvey commended the BOE and its team, for this fair contract for both sides.

This was a mediated settlement, and Dr. Florio said it was in many ways a negotiated settlement. He thanked Judy Masell, President of the Union, John Redford, Chief Mediator and Peter Rupert who is the union representative. A lot of work was done to get to a point in mediation to come to agreement. Everyone was reasonable, and Dr. Florio said it takes two sides, and the teachers' union was willing to work with the BOE for a good agreement for the Town.

Chairman Slocum asked about other contracts being negotiated and settled in other towns.

According to Dr. Florio, the Cheshire contract is an early one, and the Town is usually early, but this is a favorable contract. He is sure that over the next month numbers will be coming out about other contracts.

- 8. Library Collective bargaining agreement (possible executive session)**
- 9. Police Collective bargaining agreement (possible executive session)**

MOTION by Mr. Schrumm; seconded by Mr. Talbot.

MOVED that the Town Council enter Executive Session at 9:30 p.m. to discuss union negotiations, to include Town Manager Milone, Police Chief Dryfe, Finance Director Jaskot, and Personnel Director Zullo.

VOTE The motion passed unanimously by those present.

MOTION by Mr. Schrumm; seconded by Mr. Talbot.

MOVED to exit Executive Session at 10:45 p.m.

VOTE The motion passed unanimously by those present.

10. ADJOURNMENT

MOTION by Mr. Schrumm; seconded by Mr. Talbot

MOVED to adjourn the special meeting at 10:45 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk