MINUTES OF THE CHESHIRE TOWN COUNCIL PUBLIC HEARING HELD ON
TUESDAY, OCTOBER 12, 2010, AT 7:30 P.M. IN COUNCIL CHAMBERS,
TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present
Chairman Tim Slocum, Vice Chairman David Schrumm, Council Members Justin
Adinolfi, Michael Ecke, Andrew Falvey, Anne Giddings, James Sima, Timothy
White.
Absent: Thomas Ruocco.
Staff Present: Louis Zullo, Assistant Town Manager; James Jaskot, Deputy
Finance Director; Robert Ceccolini, Parks and Rec Director; Joseph
Michaelangelo, Public Works Director.

PUBLIC HEARING SUBJECT MATTER
CONSIDERATION OF A PROPOSED AMENDMENT TO THE
PENSION ORDINANCE, SECTIONS 2-132 ND 2-133.

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

2. Explanation of Hearing Procedure and Agenda.
Chairman Slocum explained the procedures for a public hearing of the Cheshire
Town Council.

3. Reading of the Legal Notice.
The Clerk of the Council read the legal notice.

4. Presentation on hearing subject.
Mrs. Giddings explained that this amendment funds $500,000 into an OPEB
Trust Account with money from the CRRA funds. The account will help pay for
contractual benefits to employees who retire. Cheshire is the only Connecticut
Town to do this funding. The only change to the ordinance is the OPEB plan as
one of the plans offered by the Town, and #7 is the only change in the ordinance.

Mr. Jaskot stated that this amendment is to establish a trust as a vehicle to invest
$500,000 out of the FY 2011 budget to earn a higher rate of return. The trust
fund would be managed by the Retirement Board which oversees the other
retirement investments of the Town. There are contractual agreements with
retirees meeting certain years of service to receive benefits from the Town until
they reach age 65. This capped at a certain amount based on the union
contract.

Mr. Schrumm noted that the Town is setting up an investment account to hold the
$500,000 under the auspices of the Retirement Board. This allows the Town to
invest this money at a higher rate of interest than regular Town funds.
Regarding the return on investment, Mr. White said that Mr. Jaskot talked about being measured by the retirement benefits. He asked if there could be a higher return on this investment.

Mr. Jaskot advised that the money is in a risk free investment with a better return. The liability is measured, in part, by how the investment performs. The Town will realize a smaller liability.

Next year, Mr. White said this will be part of a consideration of how much money is put into the retirement benefits plan.

At this time there is an actuarial study being done to determine how much will be contributed to the plans next year, and Mr. Jaskot said the report will be ready in a few months.

Mr. Sima stated that Cheshire has $500,000 set aside in a trust, and the liabilities are, many times, greater than this. By starting this investment procedure we can build and fund future years.

Mr. Falvey asked about other post employment benefits and could be paid for.

Mr. Jaskot advised that when the police retire they get a benefit for health care coverage, after 25 years of employment, for the officer and spouse. There has been a trust established for this since its inception, and it has about $1 million invested. The $500,000 being discussed is for the other union groups for retirement benefits.

The example of teachers was cited by Mr. Jaskot, who explained that when a teacher retires they can utilize the Town's health coverage to age 65, with the premium paid by the retiree. However, this raises the cost for the Town for the hither expenses for this older participant. The benefits are capped at 5 years or age 65.

5. Questions at the discretion of the chair.
   None.

6. Proponents and Opponents statements alternately expressed.
   None.

7. Rebuttal at the discretion of the chair.
   None.

8. ADJOURNMENT
   There were no questions or comments. Chairman Slocum closed the public hearing.
Attest:

______________________________
Marilyn W. Milton, Clerk