

MAP PUBLIC HEARING
MONDAY, APRIL 30, 1990

Board of Selectmen unanimously voted to allow full-time elected officials to participate in the existing Money Accumulation Plan.

Plan was implement in 1983; presently union employees are required to join due to union contract; non-union employees may choose.

Least expensive way to provide elected officials some sort of pension plan. Travelers has agreed to amend the present plan at a cost of approximately \$200 to allow elected official in.

Middlefield last yr Town Clerk & Tap Call. MERFB \$ 327,960 ^ 30470
Same plan as Regional District #13 has.

I believe when an elected official has made a significant commitment to the Town--in Marge's case, 26 years, and in Joanne's, 10 years, they should receive something when they retire.

The way the plan is presently written an elected official would not receive any town money out until they completed a third term of office. An employee cannot join the plan until they have been employed one year; and vesting to begin receiving town contributions out occurs after 5 years in the plan. (Admittedly, my case is a little different because I was an employee of Reg. District #13 and a member of the plan then.) Normally, after 5 years, they employee begins to receive a percentage of town contributions back each year until full vesting occur after 10 years. The employee would always be able to take their own contributions out.

I believe that an elected official has made a significant commitment to the Town if they have chosen to risk having a job every two years for three elections, have not just run one term and decided they didn't like it or done such a poor job that they were not relected.

I wish to make it very clear that: the separate dollar figure for elected officials appeared in the budget at the budget hearing. It will not appear as a separate line item at the annual budget meeting, May 14, 1990. It has been place in contingency by the Board of Finance, however. And, if public approval is indicated at this public hearing, it will be implemented.

HANDOUTS: List of comparable towns presently providing some sort of pension plan for elected officials.

Breakout of total cost for the coming 90-91 budget for the 3 elected officials.

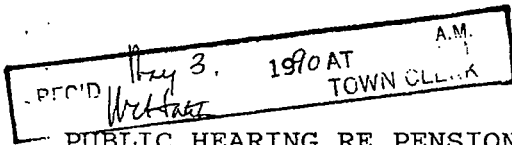
Projected benefits for each elected official.

Assumptions used in projected benefits include:

Marge & Joanne assumed retirement date 12/31/91 (end of present term). In my case the projected retirement date is age 65.

These figures are not hard and fast due to estimated interest rates, estimated percentage of salary increase, and estimated cost of living increase.

NO FORMAL VOTE - SHOW OF HANDS?? SECRET BALLOT??



PUBLIC HEARING RE PENSION PLAN FOR ELECTED OFFICIALS
COGINCHAUG REGIONAL HIGH SCHOOL
APRIL 30, 1990

The hearing was called to order at 8:00 P.M. by Maryann P. Boord, First Selectman. She asked for nominations for a Moderator. Ira Kerschner was nominated, his nomination was seconded and voted.

The Moderator explained a few ground rules for the hearing --there would be no projected or expected vote. However, if a consensus of opinion were desired, the Moderator would entertain such a move.

Mrs. Boord's opening statement was that the Board of Selectmen had unanimously recommended that the elected officials be given the opportunity to join the existing pension plan. The present plan was put in place in 1983 when union employees were required to join and non-union allowed to participate. The Travelers Insurance Co. which administers the current plan has agreed to make amendments to the plan for about \$200.00. This would be the least expensive way to include and provide for retirement for these elected officials. A Middlefield plan last year for their Town Clerk and Tax Collector would have cost the town \$327,960.00 over a thirty year period.

She stated her personal opinion was that when elected officials have given significant time and service there should be some acknowledgment of that service. The plan would start after the first year's employment but the official would have to be in the plan for five years before the town's contribution could be utilized, then it would be based on percentages until total vesting at ten years. The employee would always be able to take their own contributions out.

The Board of Finance has placed the money in the Contingency Fund awaiting public hearing.

A hand-out showed that in a survey of similar neighboring towns, pensions for elected officials are in place for eleven out of fifteen surrounding towns.

The cost to be included in the 1990-1991 budget would be \$11,962.32 for the buy-back for past years of service, and then an annual cost of 5% of total salaries of \$4,050.00 for a grand total of \$16,012.21 this year.

The hand-out of the separate town officials indicate the estimated monthly benefit from the plan for each official - for Joanne Salva, Tax Collector, \$78.88 per month, for Town clerk Marjorie C. Hatch, \$178.47, and the projected amount for Maryann

P. Boord as Selectman was \$1513.78. (However, this would be for a 2008 retirement date.)

Questions from the audience were asked concerning where information was gathered and how long before officials would be eligible. Mrs. Boord repeated that information was gathered from surrounding area towns and that the plan would start following the first year's employment, but the town's contribution would not be forwarded to the officials until five years employment was completed, and then on a percentage basis until fully vested at ten years.

The question was asked what happens to the town's contribution in the event the official does not serve the full five years - the answer was that it would be applied to the cost for the general funding of the pension plan in place.

David Montgomery questioned whether the Board of Finance had put the money in the Contingency Fund and what would be the plan's impact on future budgets.

George M. Eames, IV, Vice Chairman of the Board of Finance stated that the money had indeed been placed in the Contingency Fund and the amount would not impact on the mill rate because if it is not used for the pension fund, it would be applied to the highway equipment reserve.

Some comments were made that this pension plan should have been brought up in an election year with a committee given time to research and report. Also, are there others who should be included such as dog warden, volunteers, etc.

Attorney Robert Poliner stated that Marjorie Hatch as Town Clerk for twenty-six year, Joanne Salva as Tax Collector for ten years, have served the town extremely well and he feels that they are entitled to some repayment for their service as they would have had they worked in the private sector. Maryann Boord served as a Tax Collector for two years, plus five years in the Regional #13 School System and then as Selectman for three years. These three important positions should include the benefits of a retirement plan.

There was comment that the town taxes are already too high, that companies in the private sector are cutting benefits not increasing them, and that we sound like a bunch of people with a rubber stamp in our hands.

Another comment made was that the town budget represented a very small amount in comparison to the Regional #13 School Budget and the pension plan was supported.

Roger Quinley, Chairman of the Personnel Policy Board stated that he supported the pension plan.

- One comment was that there were two different issues involved - the pension was a good idea but past service not a good idea.

Francis E. Korn, member of the Board of Selectmen, spoke in support of the inclusion of the First Selectman, Town Clerk, and Tax Collector in the Money Accumulation Plan. He stated that Durham has a long tradition of attracting good civic minded and public spirited residents who have sought public office. Many have served for the better part of their working lives, such as Marge Hatch for twenty-six years, and Joanne Salva for ten years. The voters of our town have returned these individuals to office many times not only for their qualifications but because of a need for continuity in the administration of town affairs.

Continuing, he stated that those of us who choose to serve in public office do not do so primarily for the money but for many reasons but mainly because of a desire to serve the community. However, these officials should not be excluded from receiving pension benefits because they serve in public office. We all know that Social Security is not enough. The private sector plus Federal and State government has long funded retirement, profit sharing and other programs for their employees so why should fulltime local elected officials be any different?

Just as elected officials are loaned the public trust for a term of office, elected officials entrust residents with providing them with competitive salaries and benefits which make serving in public office more attractive.

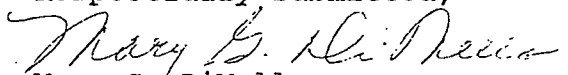
David Gould, a resident for twenty-three years, considers Marge Hatch our Town's finest natural resource, feels the town should do the proper thing by these our elected officials.

A motion to vote to express opinion by a show of hands was seconded and passed.

The count taken by the Moderator was 29 in favor of the plan and 26 opposed with several absentions.

Meeting adjourned.

Respectfully submitted,


Mary G. DiMella