

Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

**Board of Finance
Regular Meeting Minutes
September 6, 2017 – Town Hall – 7:00 pm**

Members Present: Chairman R. Tarlov, R. Lepore, A. Migliaccio, T. Kane, A. Bisbikos

Others Present: First Selectman A. Shilosky, BOE B. Bernier, CFO M. Cosgrove, Tax Collector M. Wyatt, N. Kaplan and Clerk J. Campbell

1. CALL TO ORDER

R. Tarlov called the meeting to order at 7:00 pm.

2. ADDITIONS TO THE AGENDA

None

3. APPROVAL OF MINUTES: August 16 Regular Meeting

A. Migliaccio MOTIONED to approve the minutes from the 8/16 regular meeting, SECONDED by T. Kane. All members voted in favor. MOTION CARRIED 5/0

4. CITIZENS COMMENTS

N. Kaplan expressed his concern over the hiring freeze. N. Kaplan was under the impression that there was zero hiring in PW and P&R. A. Shilosky stated that they were in the process of hiring 2 of the 4 missing PW personnel and the P&R vacancy is in the process. P. MacDowell wanted to reiterate what N. Kaplan had stated.

5. CORRESPONDENCE

See the attached correspondence

6. BOARD OF EDUCATION UPDATE

Due to unforeseen circumstances the parties could not be here to discuss this further. The agenda item has been postponed to 10/4 potentially.

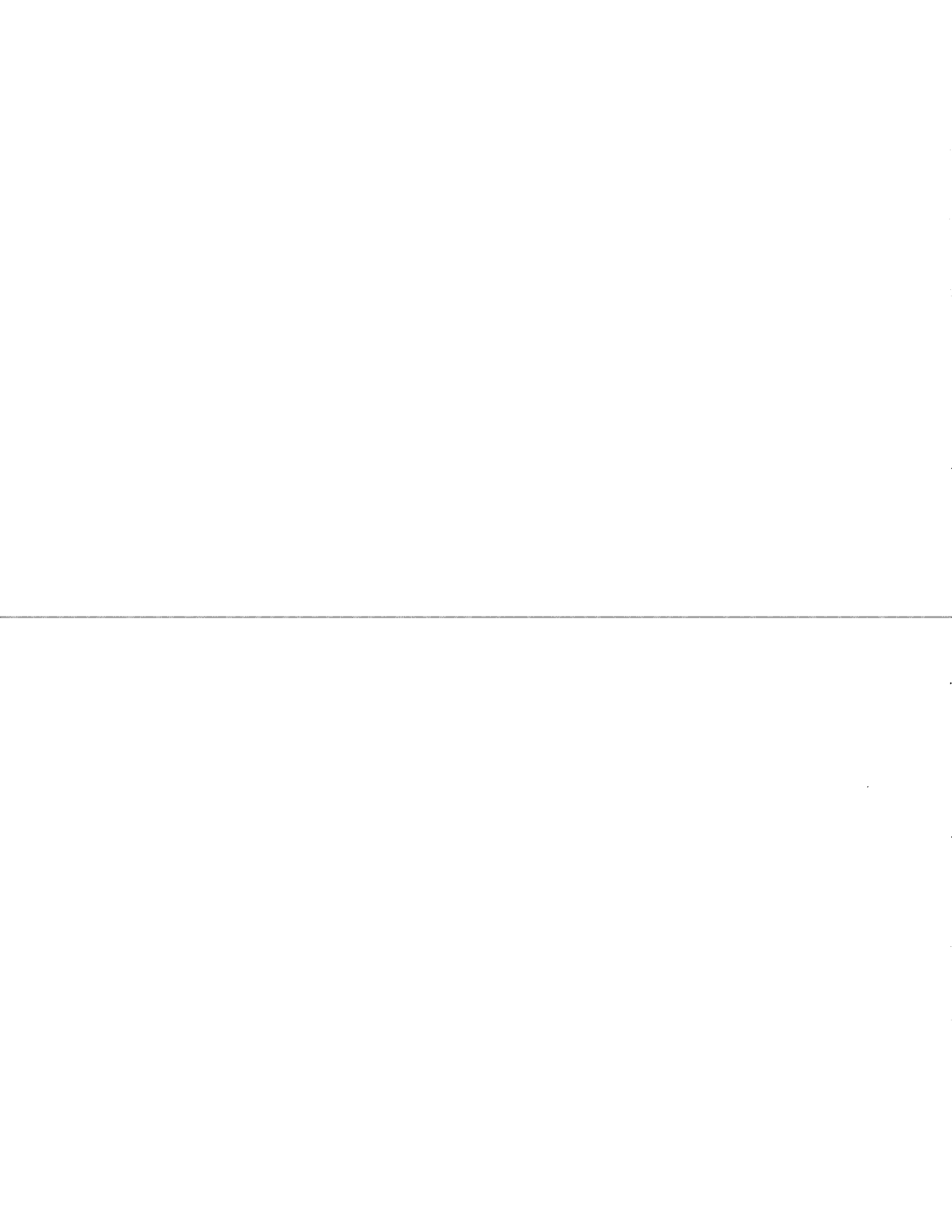
7. DEPARTMENT REPORTS

- a. **Tax Collector** – M. Wyatt reported from the prior meeting that the Assistant Tax Collector will start on Monday Sept. 11. There is still some confusion on the MV bills. The press release has been re-done and posted accordingly.
- b. **Finance** – M. Cosgrove also reported from the prior meeting. The position in Finance on the BOE side has been filed. ED-01 which will have BOE grant information should be ready later this month. M. Cosgrove will print a report from MUNIS for the grant fund. The board can then review and decide if it is enough information.

8. FIRST SELECTMAN

- a. **Transfer requests** - None
- b. **First Selectman's report** – Building has hired for the position of Land Use Assistant. Tax Collector has hired new assistant. A. Shilosky seems to think this candidate will be a great fit. Finance department filled their vacancy as well. PW is in the process of interviewing for 2 of the 4 vacant positions. We have the option to hire a 3rd person, but it may not be needed. A Multi-use machine is being purchased for PW to help eliminate some of the staffing concerns. P&R has interviewed for the Recreation Supervisor position. Jessica will be moved up into the Supervisor position. Currently the fields at the rec plex are in the best condition they have been in in a long time. Baseball had a fundraiser to support the replacement of the dugouts at the rec plex. They are working with PW to finalize the details. The Town Hall roof will be replaced. Capitol has not been transferred out of the general fund with the exception of \$25,000 transferred for IT. The computer systems are dying, 5 systems went down within the last month. Alpha Q building on Upton Rd. has been permitted. Lot next to Starbucks, owners have finalized drawings for a

RECEIVED
COLCHESTER, CT
2017 SEP 11 AM 8:52
A. Shilosky
FIRST SELECTMAN



multipurpose building going in. Upton Rd has a Manufacturer interested in putting in 100,000 sq. ft. building. We are in competition with Montville. A. Shilosky will talk with the EDC about working with the company. C-TIP application was suggested they fill out.

9. NEW BUSINESS

- a. **Review of meeting with Lockton** – M. Cosgrove, R. Tarlov, A. Shilosky, and B. Bernier met with Lockton. They revisited the funding model that they had presented about 1-1 ½ years ago. Lockton brought a Stonington Model because that is one of their clients. Similar to what we do with the exception of not using the entire fund balance to offset the claims and admin costs. 1/3 of the amount that exceeded the 100% claims number plus risk corridor number. M. Cosgrove did run the numbers based on the formula given. The numbers would be too high to change right over. They talked about phasing the new formula in over a 10 year period. Transitioning to a new stop loss program is also going to impact the cash flow. The current formula leaves room for too much volatility.
- b. **2018-2019 Budget – Discussion** – The budget Facebook page has not been successful. The BOF has chosen to remove any presentations from departments that do not have any new initiatives for the budget. A. Bisbikos suggested bringing in State Reps in again to discuss the state budget. T. Kane suggested a meeting with the State Reps coincide with the budget presentations. R. Lepore suggested redoing the survey questions. A. Bisbikos suggested inviting certain groups to meeting, such as a business owner evening, senior night, etc. R. Tarlov would like to see if Laurie Robinson is available to help with the survey questions again and potentially a tri-board committee. All members agreed this should be held after the elections in November.
- c. **Board of Finance Resignation and Vacancy** – There is now a vacancy on the board with a resignation of S. Lowe. The vacancy has been posted. If no other candidates are interested in the vacancy, the board will vote on an already interviewed candidate on the first October meeting.

10. OLD BUSINESS

- a. **2017-2018 Budget Update – Discussion and Possible Action** – There is still no budget from the State. A. Shilosky stated that he has an e-mail into Linda Orange to see what it happening with the mill rate.
- b. **Board of Finance Objectives and Initiatives – Review and Update** – R. Tarlov stated that he does not want to create a new mission statement, which was not his initial goal with the review. He does want to present something to the public on what the BOF can and cannot do. He believes the public thinks the BOF has more latitude then they actually do.

11. LIAISONS' REPORTS

A. Migliaccio reported on the Police Commission. The town has purchased some trail cameras to hopefully prevent some of the break-ins that have happened in the area. The money for these cameras came from the police fund. The police department had purchased software that would allow the data from the car's computer to automatically be downloaded into the state police servers. In a long process we have found out that the server apparently does not have enough storage for this to be downloaded. A. Migliaccio is going to follow up with Mario to make sure the information they are receiving is the correct lingo. A. Shilosky stated that the Police Commission is questioning why they are a commission. T. Kane suggested changing to a Public Safety Commission. R. Tarlov reported on Youth and Social Services. They are hosting an event called Junk in the Trunk. \$20 advanced registration, \$25 day of and you can sell your stuff out of your car. They will also be hosting the bake sale on Election Day. Resolution Run is also coming up. This is their 3rd year hosting this event. Last years was very successful.

12. CITIZENS COMMENTS

None

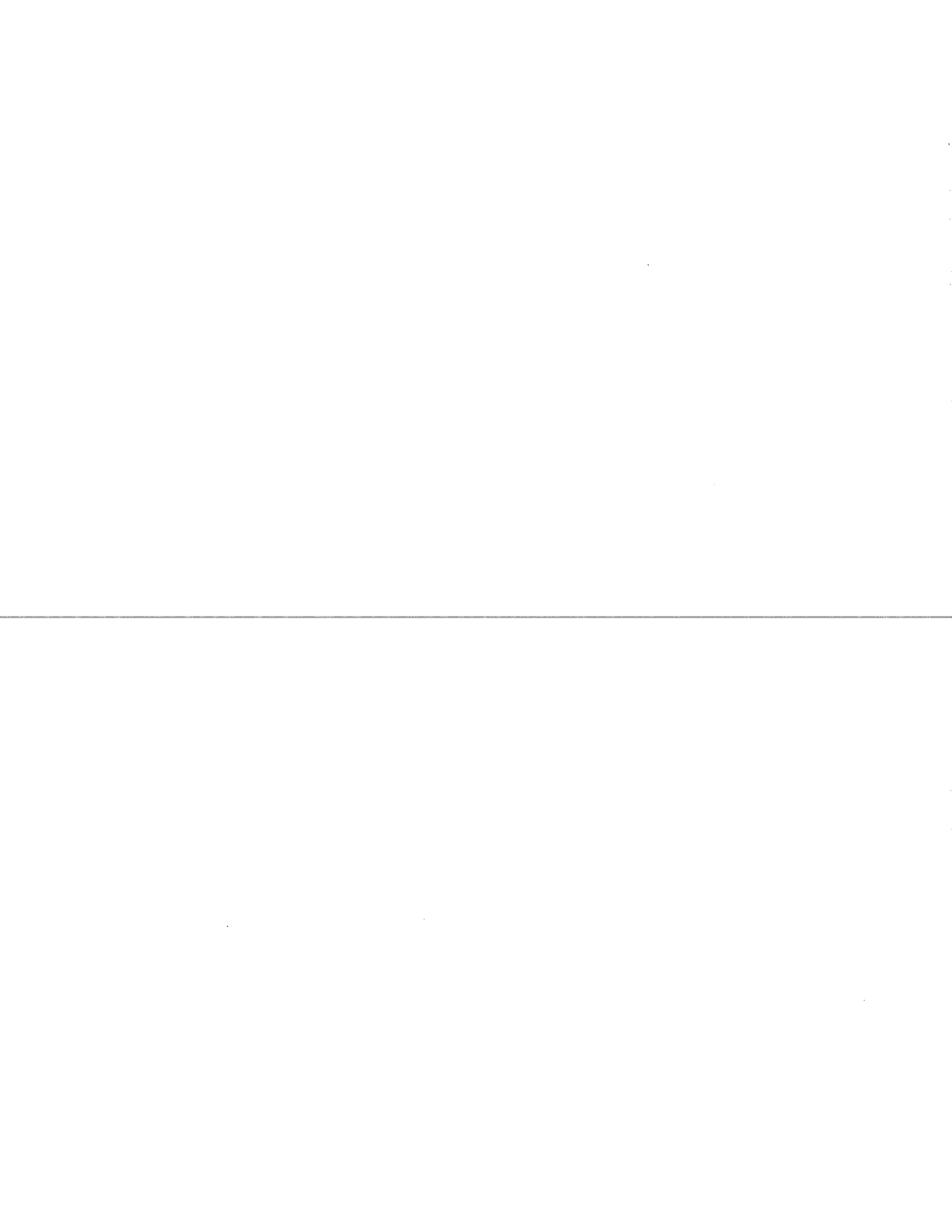
13. ADJOURNMENT

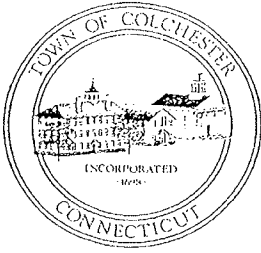
R. Lepore MOTIONED to adjourn the meeting at 8:41 pm, SECONDED by A. Bisbikos. All members voted in favor.
MOTION CARRIED. 5/0

Respectfully Submitted,
Joanie Campbell, Clerk

Attachments:

Correspondence A & B, Lockton Handouts, Objectives & Initiatives





Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

RECEIVED:
COLCHESTER, CT
2017 AUG 22 PM 3:06

Board of Finance
Regular Meeting Minutes
August 16, 2017 – Town Hall – 7:00 pm

Cayle Furman
CAYLE FURMAN
TOWN CLERK

Members Present: Chairman R. Tarlov, R. Lepore, A. Migliaccio, T. Kane, A. Bisbikos, S. Lowe
Others Present: First Selectmen A. Shilosky, BOE B. Bernier, Parks & Rec C. Preston, J. McNair, S. Schuster, J. Kelly, and Clerk J. Campbell

1. CALL TO ORDER

R. Tarlov called the meeting to order at 7:00 pm.

2. ADDITIONS TO THE AGENDA

R. Tarlov asked that a general discussion on minutes be added to the agenda under item 3A. A. Migliaccio MOTIONED to approve the addition to the agenda, SECONDED by A. Bisbikos. All members voted in favor. MOTION CARRIED 6/0

3. APPROVAL OF MINUTES: August 2 Regular Meeting

A. Migliaccio MOTIONED to approve the minutes from the 8/2 regular meeting, SECONDED by S. Lowe. R. Tarlov stated there is a typo that needs to be corrected. 8b, 4th line from the bottom, Opengov is being held, should be held up. A. Migliaccio MOTIONED to approve the minutes with changes, SECONDED by R. Lepore. A. Bisbikos and T. Kane ABSTAINED. All other members present voted in favor. MOTION CARRIED.4/0/2

3a. General Discussion of Minutes

R. Tarlov mentioned that it seems other boards and commissions are not posting minutes on the web site until after the approval at the next meeting. R. Tarlov also stated that the minutes are a summary of the discussion and that the meetings are recorded so that people can check there for the detail. It would be cost prohibitive to have every word in the minutes.

4. CITIZENS COMMENTS

S. Schuster spoke using the attached letter. S. Schuster is asking for a forensic audit of the BOE to find out where all the revenue and expenditures are.

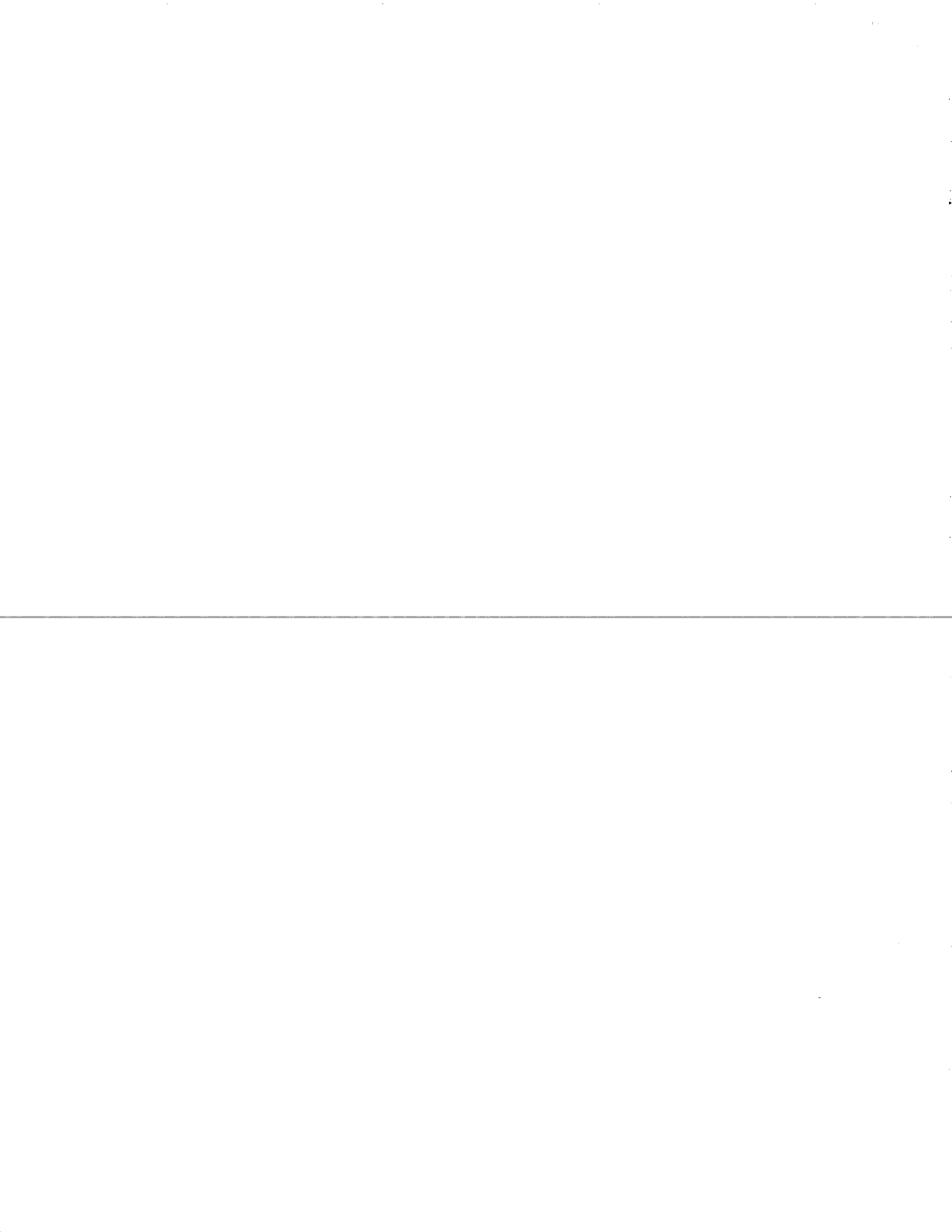
J. McNair shared his interest in voting patterns. He stated that over 4,000 residents have never voted in a referendum. In making phone calls, he found that some residents believe that the BOF has final control over all budget items.

D. Bouchard stated her agreement with the previous 2 speakers. She stated that the BOF was aware of monies from tuition from other area schools. Looking into the previous e-mails there is a variance on how much money was received. She has contacted the State Department of Education to see if the BOE can spend the tuition money on anything but back into the school. A school will use grant money to send a child to our school. Grant money is supposed to only be used for the intended purpose. D. Bouchard is questioning if the BOE then must follow the grant guidelines.

J. Kelly is asking how confident the BOF is on the reimbursement from the state on the school project. Will the money equal what the tax payers have been told?

5. CORRESPONDENCE

See attached Correspondence



6. RECREATION/PROGRAM FUND PRESENTATION

- a. **Program Fund Report and update on plan previously presented**
C. Preston presented about the use of the Program fund as well the Parks & Recreation 2017-2018 budget. See the attached presentation for more details.
- b. **Department Head – discussion of 2018-2019 budget needs**

7. DEPARTMENT REPORTS

- a. **Tax Collector** – M. Wyatt was unable to attend but provided the attached reports
- b. **Finance** – M. Cosgrove was unable to attend but provided the attached reports

8. FIRST SELECTMAN

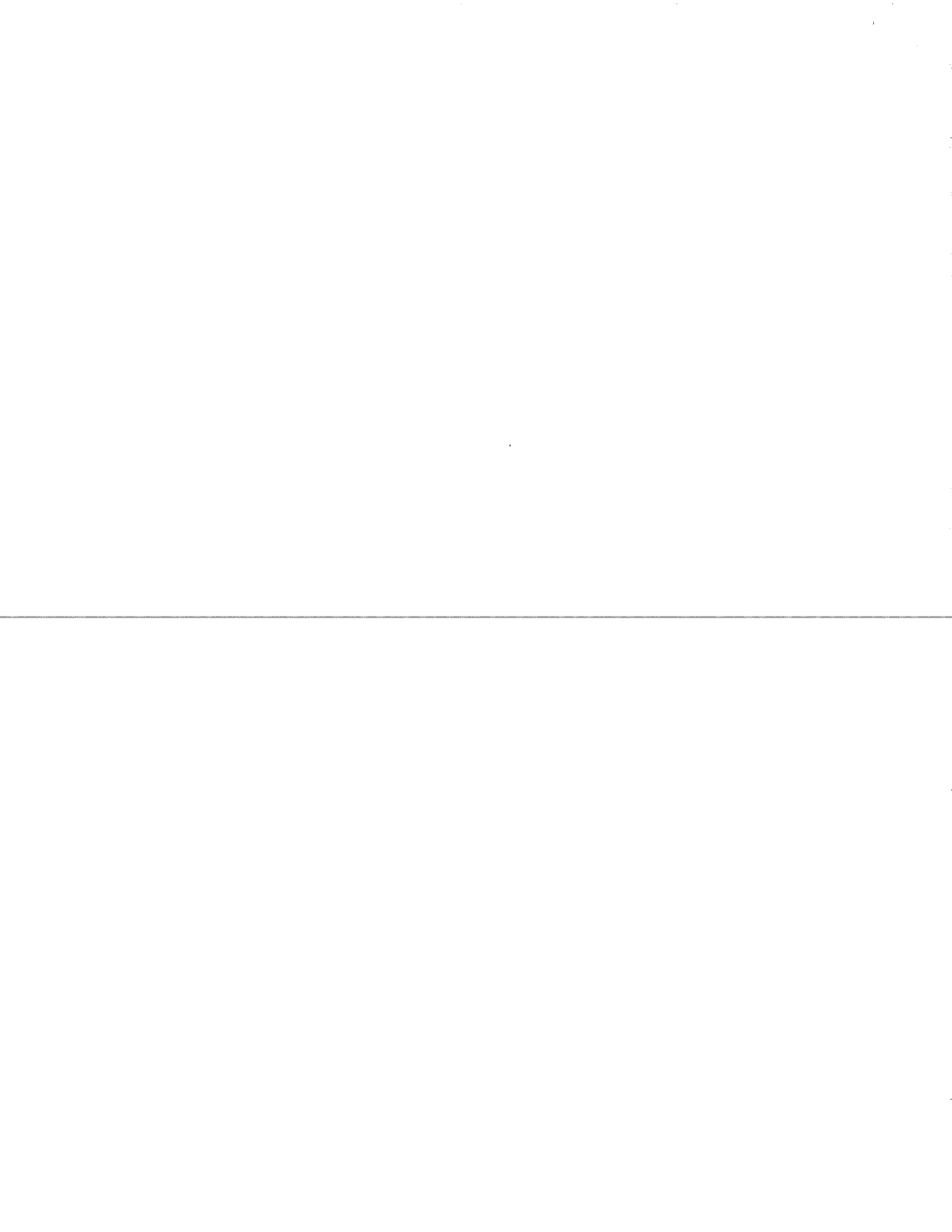
- a. **Transfer requests** - None
- b. **First Selectman's report** – A. Shilosky reported that there are 3 public works employees that are no longer employed due to various reasons with a 4th one leaving on Thursday. M. Wyatt is still in the process of hiring a replacement for the Tax Collector's Office. G. Therian will be retiring August 25th. Interviews have been on going. The bridge on Norwich Avenue by the gravel pit is town owned and has failed inspection. A. Shilosky will be looking to hire someone to replace the bridge, most likely within 30 days. J. Paggioli is looking for a new microphone systems. The potential cost will be \$2-3,000. Our phone system is slowly failing. \$20,000-\$30,000 will be needed to replace the system.

9. NEW BUSINESS

- a. **Review of meeting with Lockton**
Last Thursday M. Cosgrove, A. Shilosky, R. Tarlov, and B. Bernier met with Lockton. They together have come up with a plan to decrease the volatility of the insurance. Stonington has a plan in place which the Town would like to emulate. The town would like to decrease the volatility by 10% each year, which would take approx. 7 years, but could be quicker if annual claims experience is good
- b. **2017-2018 Budget Process Review**
B. Bernier suggested that each board discuss the budget process and what worked or didn't work with the budget process. T. Kane thought that with the exception of the absence of the state budget, the budget season was decent. A. Shilosky stated that people were engaged and communication was better. R. Tarlov felt the BOF and the voters had a better understanding on the BOE budget of the impact on the programs should additional cuts need to be made.

10. OLD BUSINESS

- a. **Budget Update – Discussion and Possible Action**
R. Tarlov stated there is a lot of confusion on the reason behind why the MV tax bills have been delayed. There is currently with the new budget a proposed mill rate cap of 32. Our mill rate is 32.37. If we were to send them out at 32, the supplemental billing would cost too much in postage and handling and printing for the .37 mill rate. Gov. Malloy has several executive orders that he has said he will put forth if a budget is not reached by a certain date. The town manager in Tolland has sent out a well put together letter and we will add it to the 9-6-2017 agenda packet.
- b. **Board of Finance Objectives and Initiatives – Review and Update**
Insurance will go on the agenda for the next meeting when Maggie is available. Mission statement has been added back onto the chart because of a discussion R. Tarlov had with J. McNair. T. Kane mentioned that November is the election and that the board should wait to talk about the Mission Statement until elections are done.



11. LIAISONS' REPORTS

A. Migliaccio reported the COA is looking for new members. They are willing to move their time to attract new members. They received \$14,665 from senior resources to support their making memories campaign. CT Dept. of Transportation has awarded them with an 80/20 grant for a new bus. The total for the grant is \$67,000. The Town pays 20% and the DOT granted 80%. The farmer's market vouchers has been suspended due to funding. The funding for the senior center bistro day has been eliminated due to state budget issues. Senior center will be hosting a food drive. Senior Center currently has 1,053 members. BOE Budget committee reported that the hiring of a replacement of a mandated PT position. There is a proposed 3 year contract for 11,000 for the first year and mid 20's for the remainder of the contract. The board is looking to create a committee consisting of the CFO, Superintendent, BOE, Community representatives, and special education representatives to see if consolidating services, such as IT, with smaller surrounding towns would be a cost saving idea. They are looking for sustainability within the cafeteria fund. There is a potential to hire an outside source to evaluate current services. R. Tarlov reported the WJMS building committee is ahead of schedule. Curbing and paving is in progress. Furniture that was still in good condition has been stored, therefore a cost savings there can be utilized. A reimbursement program for the 2nd gym, which was initially set to not have any reimbursement for the project, adjusted their requirements, and now we will be receiving some reimbursement.

12. Discussion – BOE action to use 2016-2017 Norwich Tuition Money

A. Migliaccio presented a statement from Principal Peel about finding money to purchase the language lab for Bacon. The board members discussed the lack of communication with BOF regarding the purchase of the Language Lab and monies that were used for the purchase. A. Bisbikos stated his concern for the use of this money when the state hasn't settled a budget. R. Tarlov is still concerned about the process for spending monies from this fund as it relates to out of district tuition other than Norwich and also felt that although he realized that the money to purchase the lab was in last year's numbers, money is money and that he didn't think this was the time for this buying decision. R. Lepore feels that the spending of this money was spent at a poor time and both BOE and BOF spoke that the money would not be spent until the state budget is settled. S. Lowe mentioned that during previous budget discussion the BOE Chairman R. Goldstein stated that he would not be spending tuition money until the budget is known.

13. CITIZENS COMMENTS

D. Bouchard stated her appreciation for BOF to bring the tuition money to discussion. She was under the impression that the monies were to put on hold pending the state budget. D. Bouchard stated that at the meeting she has attended most parents were in favor of sports and not the language lab. She is questioning if the BOE Budget committee has the authority to finalize a purchase of the language lab. She also restated her concern that the tuition money is grant money and can only be spent on what it has been intended for.

J. Kelly agreed with R. Tarlov about spending money to educate our children within another town, that money we receive from other towns should be used to defer that cost. J. Kelly feels the BOE is being fiscally irresponsible.

14. ADJOURNMENT

A. Migliaccio MOTIONED to adjourn the meeting at 9:56 pm, SECONDED by S. Lowe. All members present voted in favor. MOTION CARRIED. 6/0

Respectfully Submitted,

Joanie Campbell, Clerk

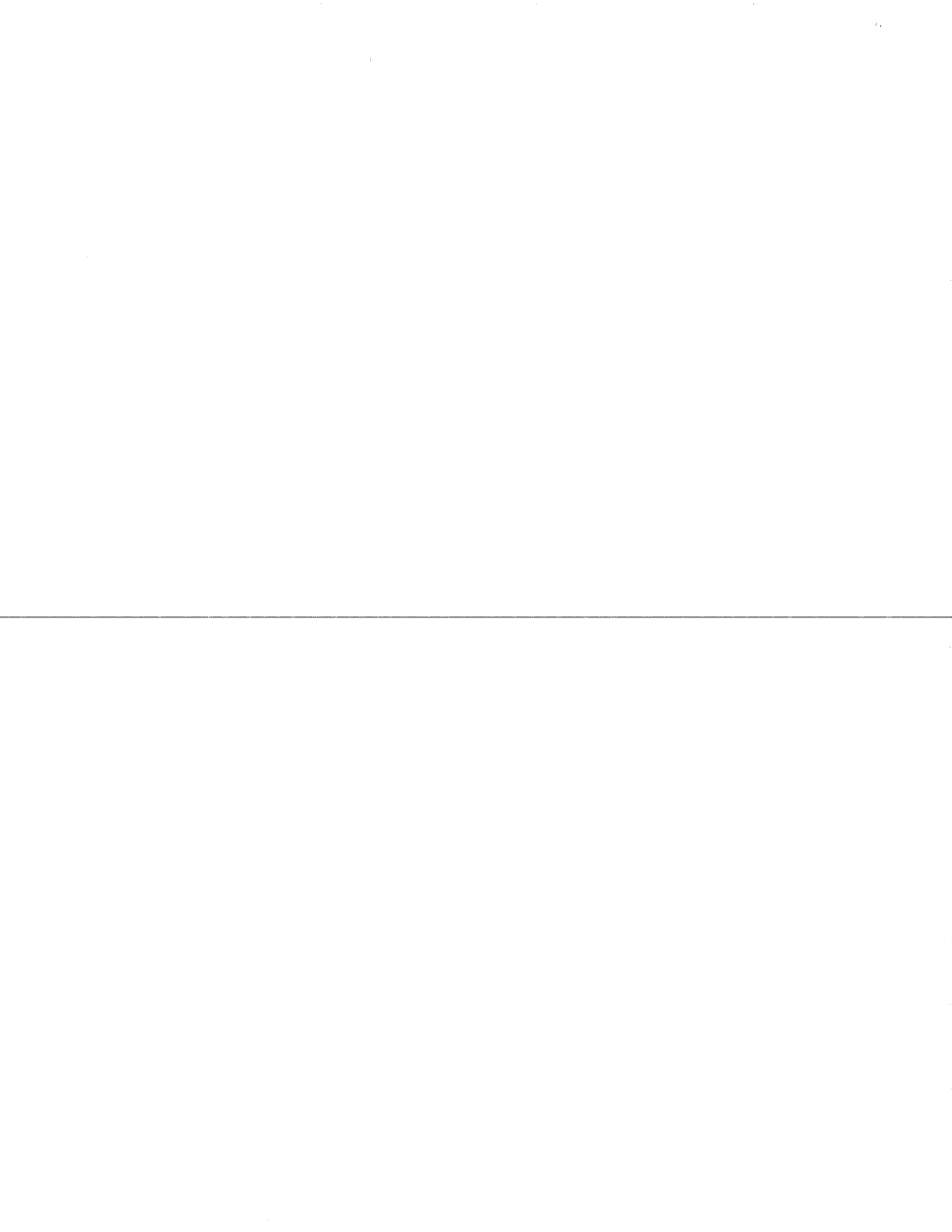
Attachments:

Correspondence A & B
Tax Collector's Reports

Initiatives & Objectives
S. Schuster's Citizens Comment

Finance Reports

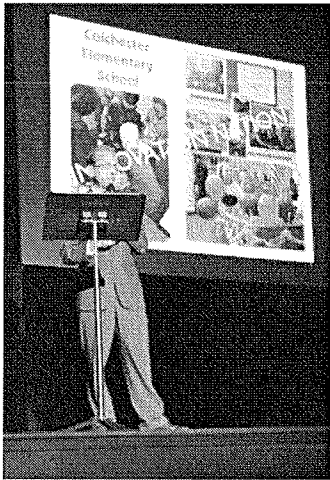
Parks & Rec Presentation



From: James D McNair III <jmcnair3@comcast.net>
Sent: Monday, August 28, 2017 3:41 PM
To: 'Migliaccio, Andrea'
Cc: Robert Tarlov
Subject: FYI BOE year end-better accountability needed??

Andrea,

Here is the BOE agenda from last year. Typically, this is when the BOE shows year end stuff. Notice, no issue releasing unaudited financials last year. I am just curious why year end reporting goes dark for months after year end close. Here is reply from Martha that I assumed meant you guys were given a verbal heads up on the amount. It appears I was wrong. My fear is the BOE is not pumping their brakes on spending this potentially large surplus. Their May 31,2017 report showed over \$800K in unspent and unencumbered funds for last fiscal year. Here is the link. <http://www.colchesterct.org/page.cfm?p=30>



Colchester: Monthly Budget Reports

www.colchesterct.org

Website Accessibility: The Colchester Public School District is committed to making our website content accessible to all members of the public, including those with ...

As a point of reference, their May 2016 report showed \$315K that eventually resulted in a \$146K surplus.

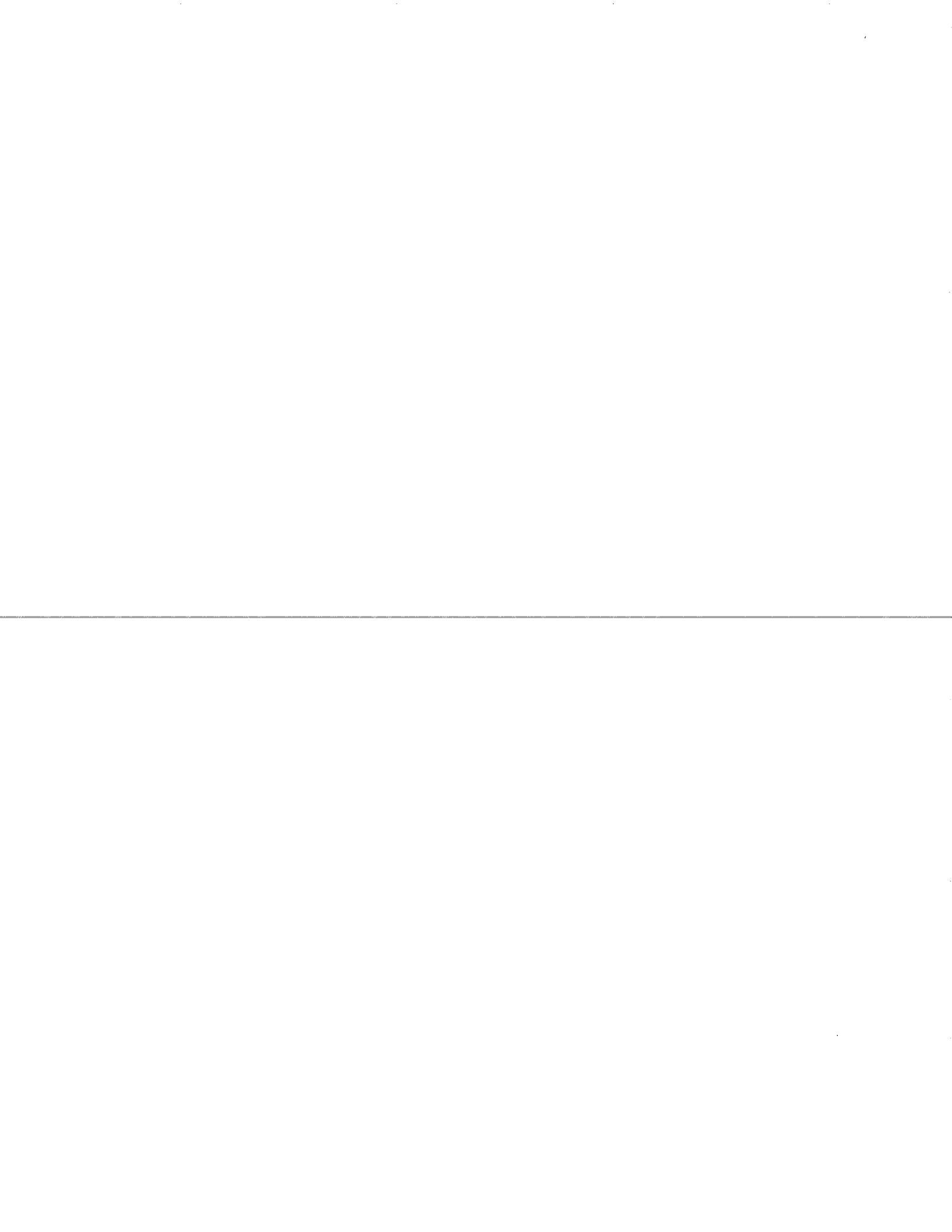
James,

The FY 2016-2017 year end report was not presented at the August 3rd Budget Committee meeting as items are in the process of being posted and verified. CFO Cosgrove provided a verbal update to the Committee.

The Budget Committee reviews each year's June 30th Unaudited Year End Budget Report before it is sent to the full Board. In prior years the reports have been available for review between September and December.

Martha

MARTHA L. INGVES
SECRETARY TO THE SUPERINTENDENT



From: Sen. Linares, Art <Art.Linares@cga.ct.gov>
Sent: Monday, August 28, 2017 1:58 PM
To: Robert Tarlov
Subject: RE: Colchester-State revenue History

Dear Rob,

Thank you for your heartfelt email regarding our state's budget crisis. I agree that towns with responsible budgets and planning should not be held financially responsible.

Please see attached our Republican budget proposal to address the budget crisis. We are in the process of updating the numbers after the SEBAC agreement was passed, but this should give you a good idea of our approach to solving the issues without raising taxes or passing teacher pension costs to the towns.

Sincerely,

Art Linares
State Senate –33rd District

From: Robert Tarlov [mailto:BOFChair@colchesterct.gov]
Sent: Saturday, August 26, 2017 9:37 AM
To: Rep. Orange, Linda; Rep. Ziobron, Melissa; Sen. Linares, Art
Cc: Art Shilosky; Ronald Goldstein; Board of Finance Members
Subject: Colchester-State revenue History

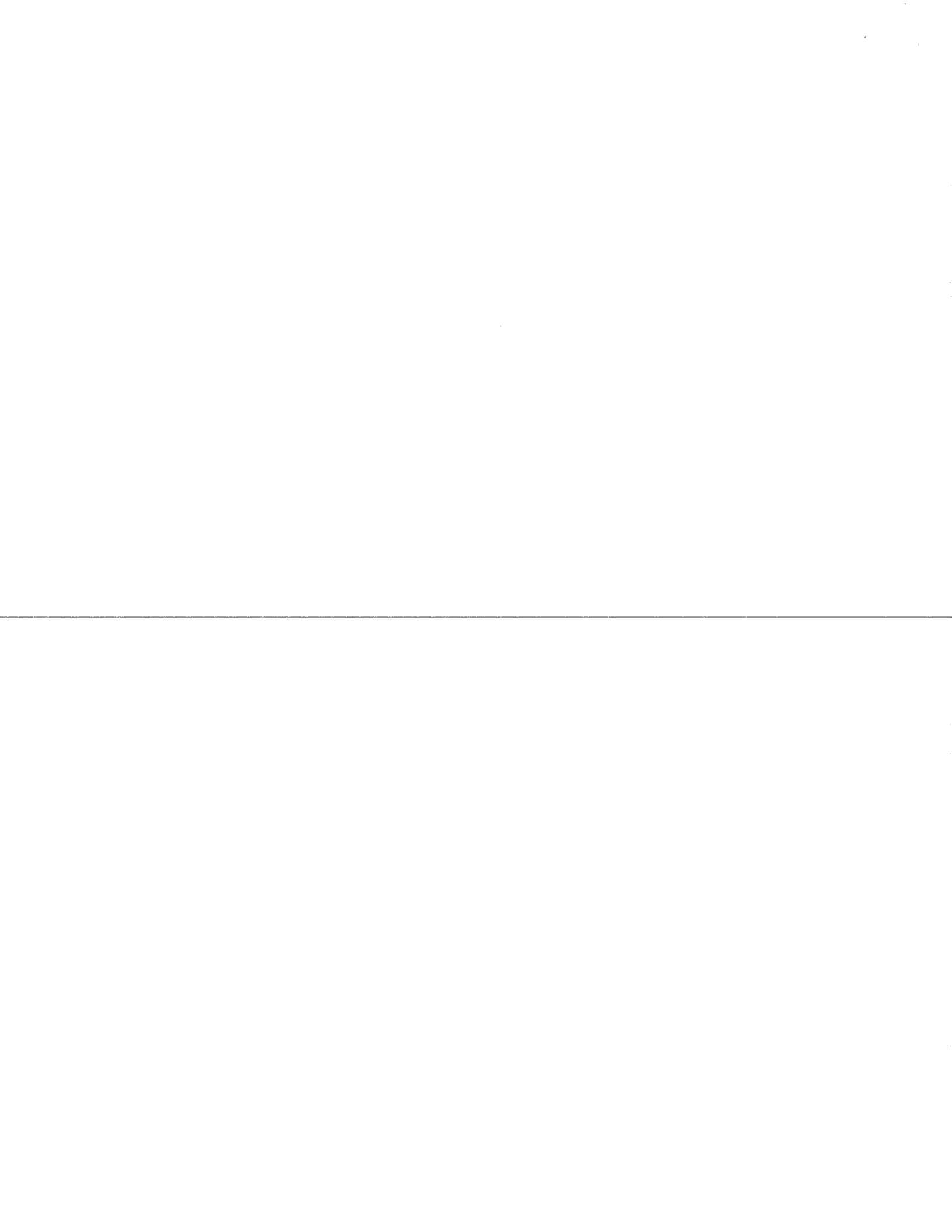
Linda, Melissa, Art,

I read that the Governor has defended cutting aid to towns by saying that State Aid has increased by 21% over the last 5 years. Both in the Governor's reports and my numbers (attached), for Colchester we are getting less money now than 5 years ago. In addition the State has cut funding of state programs like libraries and fire prevention schools, already shifting those costs to us outside of any of these numbers. Add to that we are shown as getting the second largest ECS cut in the state in the Democrat's numbers released on Tuesday.

The Governor has stated that towns with fund balances should bear a greater share in the sacrifice to balance the State budget. Although Colchester has worked hard to build our fund balance back up since 2011, when Moody's downgraded our rating because of our use of fund balance, there are MANY Connecticut towns getting increases in their ECS that have higher unassigned fund balances, (both \$\$\$ and %), higher ratings, higher reserves and much larger per capita commercial grand lists.

Not only is it fiscally responsible to have a rainy day fund, the rating companies demand it. For Colchester, with a school project under construction and a large bonding for it within the next 12 months, maintaining our unassigned fund balance is critical as the new ratings coming with that bond issue will determine the interest we pay on that debt for the next 25 years. The State's mismanagement of the state budget and the rainy day fund has resulted in the State's ratings being reduced and that will negatively impacted the ratings for towns seeking new reviews. Because the State and other towns have mismanaged their budgets and rainy day funds, taxpayers in towns like Colchester, who have paid additional local taxes to build and maintain responsible fund balances and avoid borrowing, should not be asked to now pay even more taxes to offset the State and those towns where taxpayer have not done the same.

As stated, Colchester has continued to see their State revenues fall absolutely, and in relationship to increasing costs. Also, the State has a long standing history of putting legislated mandates upon the towns that have significantly increased our costs. I have always wondered if the past legislators had to figure out how to pay for



these mandates, how many would have seen the light of day. As individuals, there are many "good" things we all want to buy and do, but can't because we don't have the money to do so.

In regards to the Teacher's pension fund, the State created the ground rules with no input from the towns and then proceeded to underfund it for years. I believe we are second only to Illinois in per capita underfunding. The underfunding of both the state employee and teacher pension funds is much worse than represented. To assume 8% and 8.5% return on investment is not prudent in any environment, but are especially high moving forward, and overstate the funding levels of both pensions. Over the last 10 years, the State has not achieved that average annual return.

If the towns are going to be asked to share in the teacher pension fund, it should be phased in over time, and it should be used to increase the funding levels to responsible levels of the pension, not lower the state's contribution of an already unacceptable underfunded amount.

Also, I recently read where Denise Napier, when referring to a good investment year just ending 6/30, said that this gives us extra money to spend on other needed programs. This is wrong. Funding levels should not be decreased based on one year's performance. Funding levels should be maintained to decrease the underfunding and are also needed to offset the years that will have performance under the assumed investment return (as most years will) or even a negative year. If the investments are down 20%, are we going to add that on to that year's budget? This is dangerous and the practice will increase funding volatility and increase the underfunding. Funding levels should be reduced only when long term past performance has been higher than the assumption and only when funding levels are at acceptable levels.

CT is on a downward spiral, and without major changes, there are no better times coming to fix these problems later.

Over the past several months I have read the Speaker, the Governor and others state that towns are being selfish and need to share in the sacrifice. What these statements fail to acknowledge is that those that pay the cost of running the State budget and those who pay to run the towns are the same people. To pass the responsibility for figuring out how to pay for the State's financial mistakes down to the local level, where in most towns, these decisions will be made by unpaid volunteers is unconscionable. The problems created by the State, should be solved at the State. Local leaders should not take the heat for the past actions of State leaders. If that requires increased income tax and increased sales tax, so be it. As local taxpayers we are going to pay the price for the State's overspending, over-borrowing and poor negotiating, regardless, either in increased taxes or in a loss of services and programs.

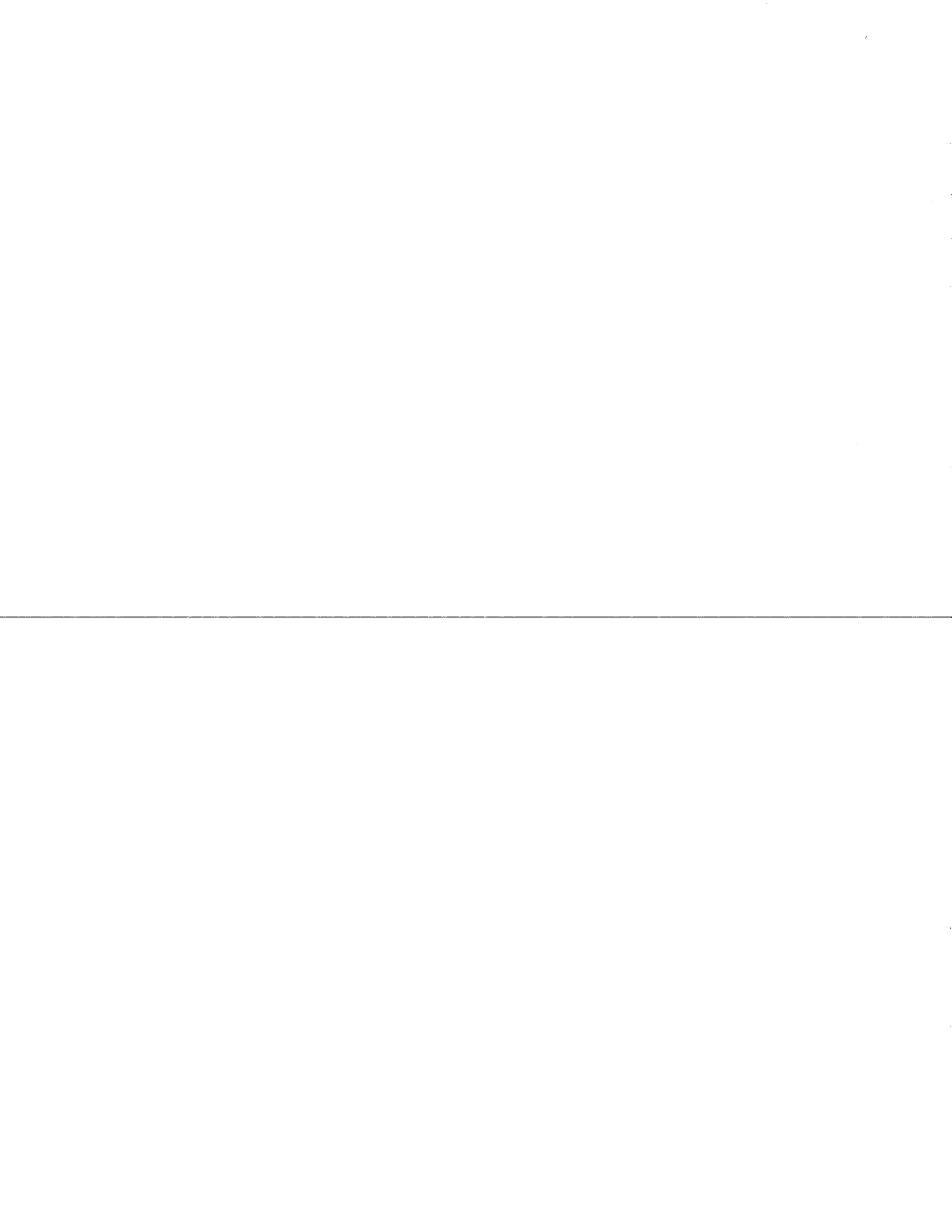
Rob

Rob Tarlov, Chairman, Board of Finance, Colchester
860-608-4293

From: Merja H Lehtinen <ctmlhr@yahoo.com>
Sent: Monday, August 28, 2017 8:00 AM
To: Robert Tarlov
Cc: Robert Tarlov
Subject: Re

Hi Rob,

I highly recommend Tearice Peters for the opening on BOF. You can work with her and she with you.



Best,
Merja

From: deee bouchard <deeedeee1963@yahoo.com>
Sent: Friday, August 25, 2017 9:53 AM
To: Robert Tarlov
Cc: Donald Peters
Subject: BOF CIP VACANCY

Dear Chairman Tarlov,

As you are now aware CIP BOF Member, Stefani Lowe has resigned from the BOF effective 8/25/17, due to an increase in her work responsibilities.

The Colchester Independent Party recognizes that due to the fiscal uncertainty of the CT State Budget and it's potential impact on the Town of Colchester, it is vitally important to have a full Board of Finance to address these unprecedented fiscal issues.

Having already adjudicated the question over who the vacant seat belongs to, the CIP moves to submit CIP Member Tearice Peters for the BOF vacancy.

Although there are several CIP members whom would be eligible to serve, CIP believes Ms Peters appointment to the BOF is fair and in the best interests of the BOF and the Citizens of Colchester.

Ms Peters was already interviewed by the BOF and you and VC Kane had expressed your recommendation to appoint her to the BOF if she was eligible to serve.

I respectfully ask that you move to make this appointment at your next BOF meeting on September 6th, 2017, or that you call a special meeting for this purpose as your September 20, 2017, meeting is cancelled due to the holiday.

This will ensure that the BOF adheres to the provisions set forth in the Colchester Town Charter.

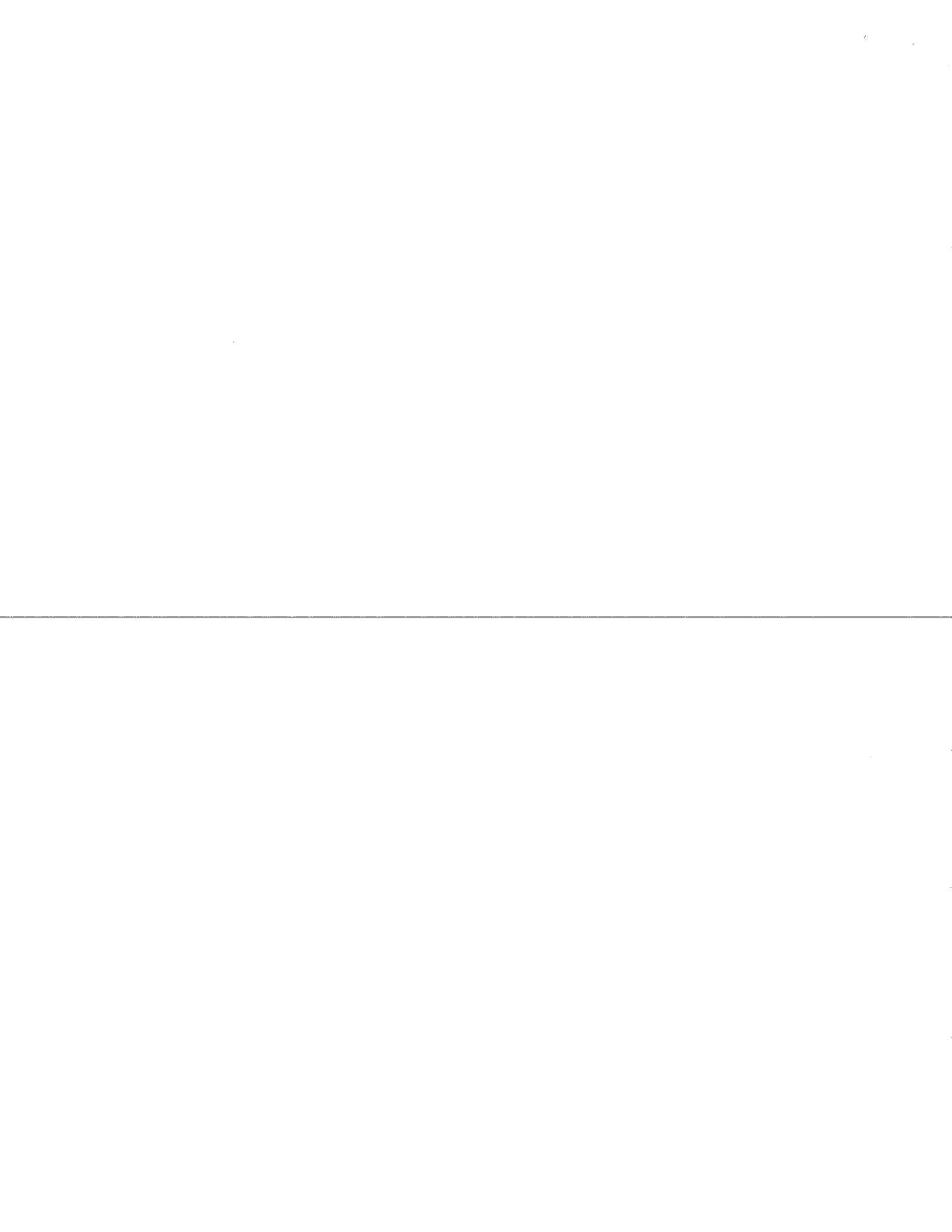
Should you have any additional questions, please feel free to call me at 860-222-4617.

Sincerely,

Deanna E. Bouchard
Chairman
Colchester Independent Party – CIP

From: James D McNair III <jmcnair3@comcast.net>
Sent: Thursday, August 24, 2017 6:42 AM
To: Robert Tarlov
Subject: seeking official clarification-discretionary spending

Rob,



With the Democrat Plan on the table it appears the range of ECS reduction has a floor of about \$1 million. I find it interesting the Democrat plan seems to hit Colchester really hard versus other towns. Minutes have stated there is a spending freeze. Is this only discretionary spending, which is a small percentage, or extended to hiring freeze and other large expenses?

Thanks,

James

From: Robert Tarlov
Sent: Thursday, August 24, 2017 1:21 PM
To: James D McNair III
Cc: Art Shilosky; Ronald Goldstein
Subject: Re: seeking official clarification-discretionary spending

James,

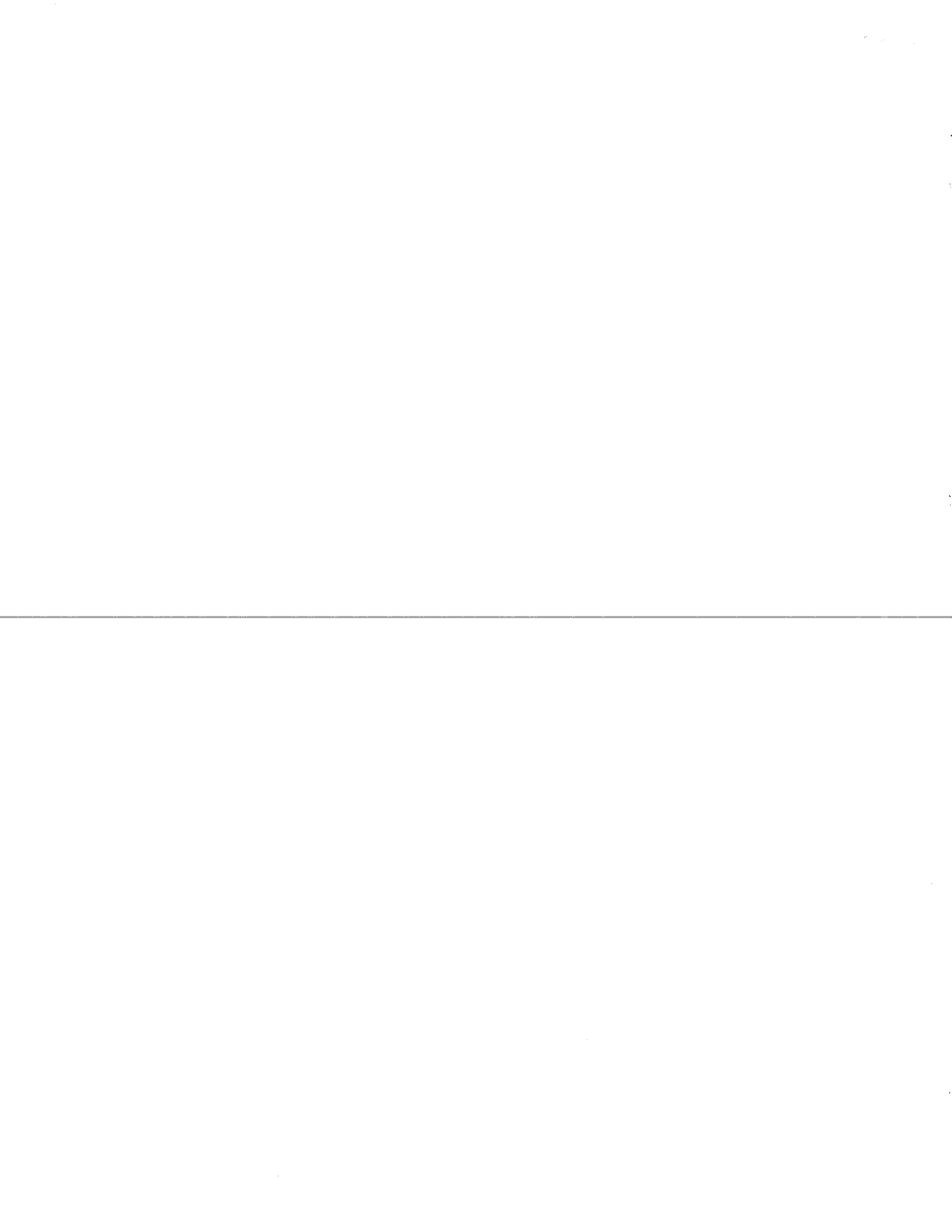
On the Town, Art can provide you a more current report, but as discussed at our last two meetings, in those departments where we can hold off hiring, we have done so. As of the last meeting, we had eight vacancies. Where we have only one position or where we have had to hire a temp due to workload we are interviewing for replacements and will hire if we find a candidate. In Public Works we have had 3 vacancies, and we have held off hiring, but now with a fourth, we must hire, and as we approach the snow season we will have to do so also. People have complained about the embarrassment of weeds on the green around the gazebo, monuments and trees and also along the roads where mowing has been less frequent, a result of having been down 3 people.

I understand many projects have been delayed or slowed down and purchases like the Opengov software and hiring the part time clerk in the Planning Office are on hold.

Ron or Brad can probably provide more details for Board of Ed, but from talking with Ron, I understand that they have not hired replacements for vacant positions, including the Superintendent, unless mandated.

The current net number for the town is about -885,000.

Rob Tarlov, Chairman, Board of Finance
860-608-4293



Correspondence B

From: Robert Tarlov
Sent: Wednesday, September 6, 2017 8:40 AM
To: Donald Peters
Cc: deee bouchard; Art Shilosky; Board of Finance Members
Subject: BOF VACANCY

Tearice,

We have a discussion and possible action on the vacancy on tonight's agenda. The position has been posted for eligible voters to apply, so we will not be making a decision tonight.

I do not feel we need for you to interview again, but other board members will weigh in tonight.

If no one else applies for the vacancy we can take a vote at the beginning of our next meeting, and once approved, immediately have you sworn in after the vote.

We do not have a meeting on 9/20, so October 4 is our next meeting. If we need a special meeting for the budget before that meeting, I will add a vote for the vacancy to the beginning of that agenda and make sure someone is present for the swearing in.

Rob

Rob Tarlov, Chairman, Board of Finance
860-608-4293

From: Robert Tarlov
Sent: Wednesday, September 6, 2017 8:57 AM
To: Donald Peters
Cc: deee bouchard; Art Shilosky; Board of Finance Members
Subject: Re: BOF VACANCY

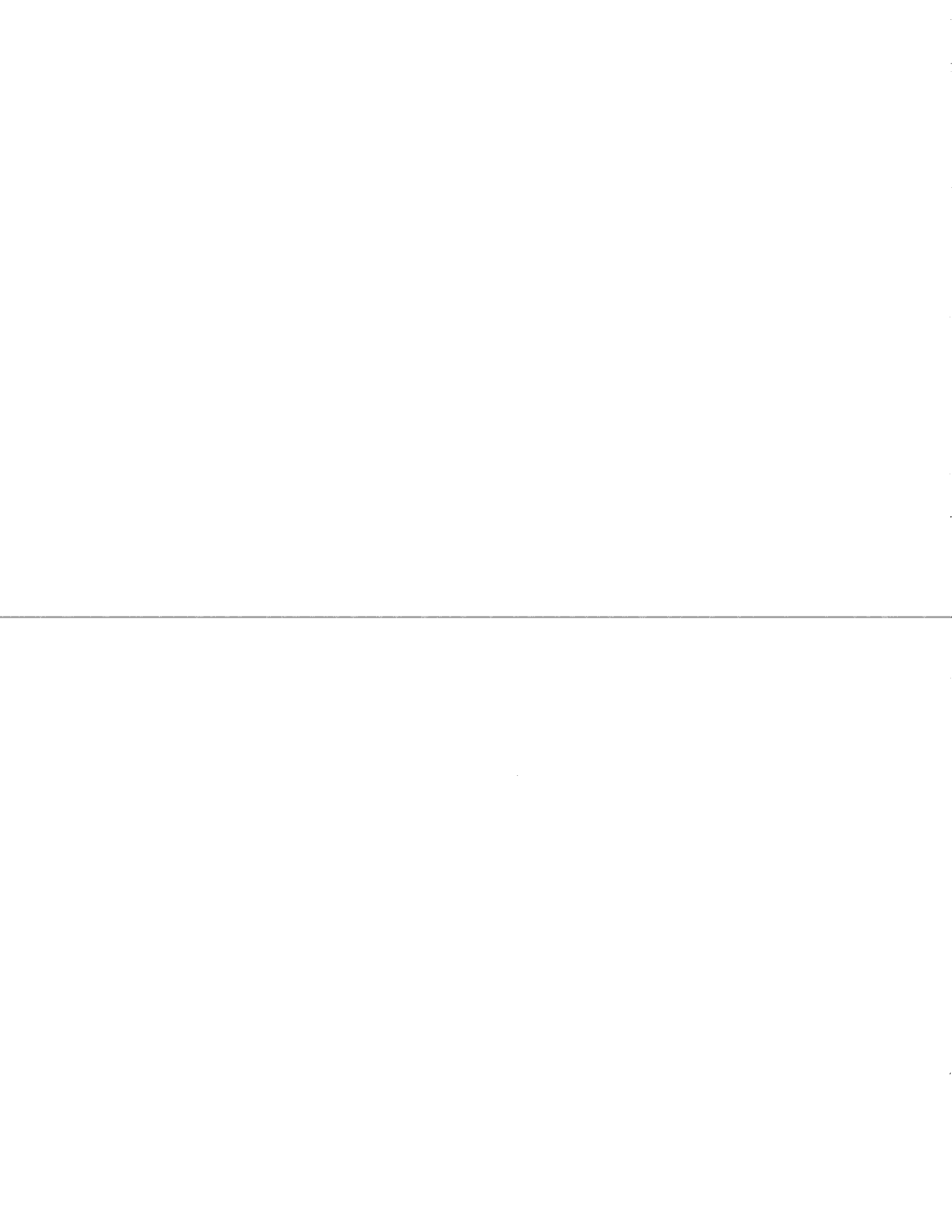
Tearice,

Correction in e-mail below, in looking at tonight's agenda, I put only discussion on the vacancy on the agenda as we are still in the 14 days we allow qualified people to apply for a vacancy.

Rob Tarlov, Chairman, Board of Finance
860-608-4293

From: donald peters <peters.tearice@att.net>
Sent: Wednesday, September 6, 2017 9:00 AM
To: Robert Tarlov
Subject: Re: BOF VACANCY

Thank you Rob, on a side note, my prays and thoughts are with you and your family in Florida. Tearice



From: Robert Tarlov
Sent: Wednesday, September 6, 2017 9:54 AM
To: donald peters
Subject: Re: BOF VACANCY

Thank you. I am heading back down on Friday. Claudia weathered Matthew last year alone. Not happening again!

Rob

Rob Tarlov, Chairman, Board of Finance
860-608-4293

From: donald peters <peters.tearice@att.net>
Sent: Wednesday, September 6, 2017 4:44 PM
To: Robert Tarlov
Subject: Re: BOF VACANCY

I hear you. Have my mom heading to my place here in CT to weather the storm, she still lives in FL. So, I probably should be here when she gets to my house, so I won't be at tonight's meeting. But will check minutes. Be safe.
Tearice

From: Robert Tarlov
Sent: Thursday, September 7, 2017 5:09 AM
To: donald peters
Subject: Re: BOF VACANCY

Just an update from the meeting, the Board was in consensus that the only reason we may want to interview you again is if there are other eligible candidates applying.

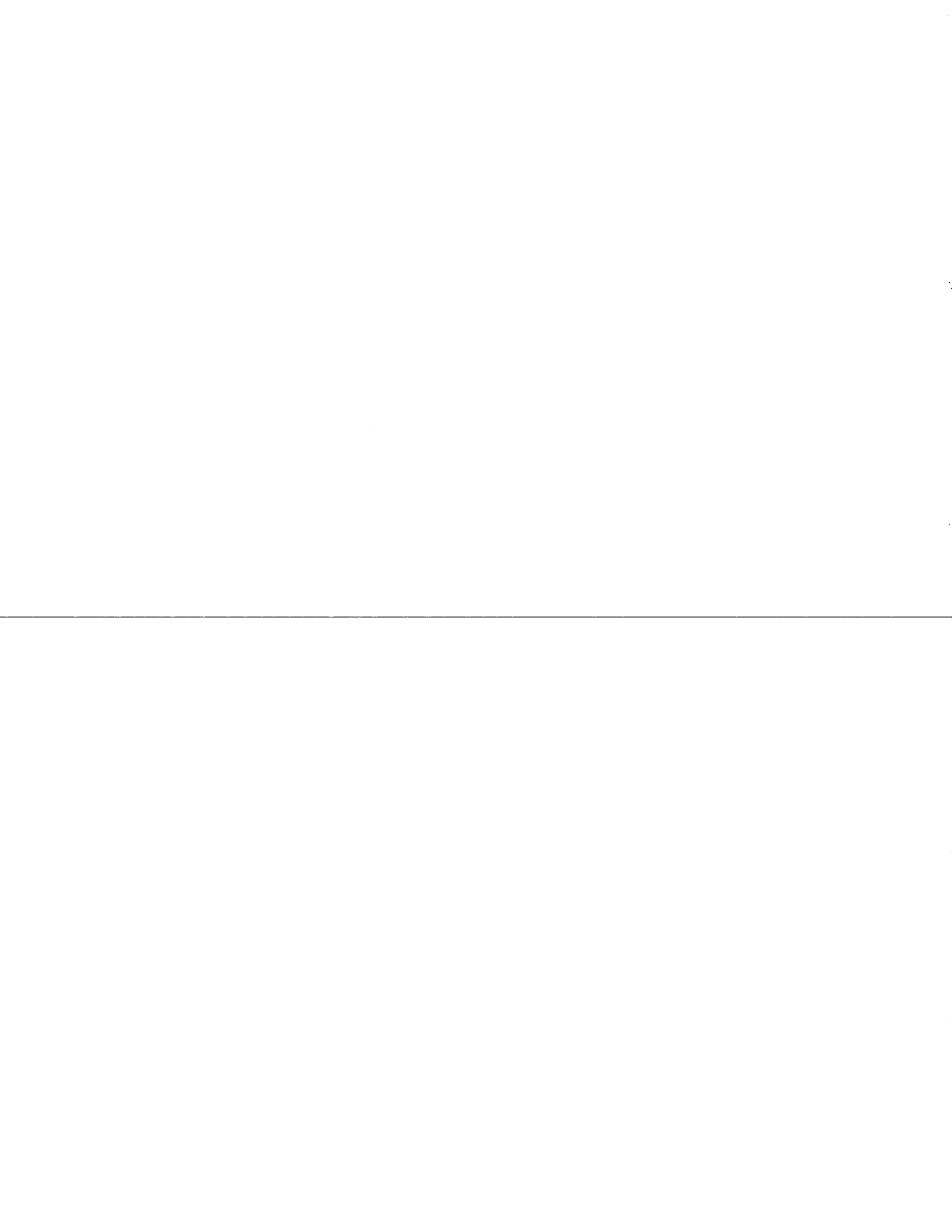
The BOE conversation was moved to October 4 as Karen Loiselle has been out of work.

Rob

Rob Tarlov, Chairman, Board of Finance
860-608-4293

From: donald peters <peters.tearice@att.net>
Sent: Thursday, September 7, 2017 8:54 AM
To: Robert Tarlov
Subject: Re: BOF VACANCY

Thank you for update, will see you on the 10/4. Be safe



From: Robert Tarlov

Sent: Wednesday, September 6, 2017 2:05 PM

To: Art.Linares@cga.ct.gov; Linda.Orange@cga.ct.gov; Melissa.Ziobron@cga.ct.gov

Cc: Board of Finance Members; Art Shilosky; Ronald Goldstein

Subject: CT Mirror Article and Connecticut's Financial Support to Municipalities

Art, Linda, Melissa,

I realize that I have already written to you, but after reading the CT Mirror article, "Malloy defends his track record on aiding cities and towns", from August 24, 2017, I thought I needed to write again. The article quotes Governor Malloy as defending his stance on the towns sharing in the State budget crisis because they had received a 21% increase in State funding since 2011. Because Colchester is nowhere near that amount, I decided to analyze his report, Connecticut's Financial Support to Municipalities, which was linked to the article.

I am always skeptical of reports where the graphs and charts use different starting and ending points. In this report starting points of 2004, 2011, 2012, 2015 and 2016, and ending points of 2016, 2017 and 2019 are used. Most reports in the appendix are historical, while the Teacher Retirement System is forward looking.

I assume the Governor's report is complete but in analyzing the charts in the appendix, Statutory Formula Grants from the State were up 13.74%, Education Funding (ECS, Transportation, Adult Ed) was up 5.17, town grants (PILOT, Mashantucket Pequot and Mohegan, LOCIP and TAR) was down 3.59%. Inflation during the same period was 6.61%.

The governor mentions declining population, declining enrollment but fails to mention inflation, new mandates, the increase in special education enrollment and increase in pre-K enrollment, schools moving to full day K and the increased number of state supported Magnet schools, all costing towns much more money per student.

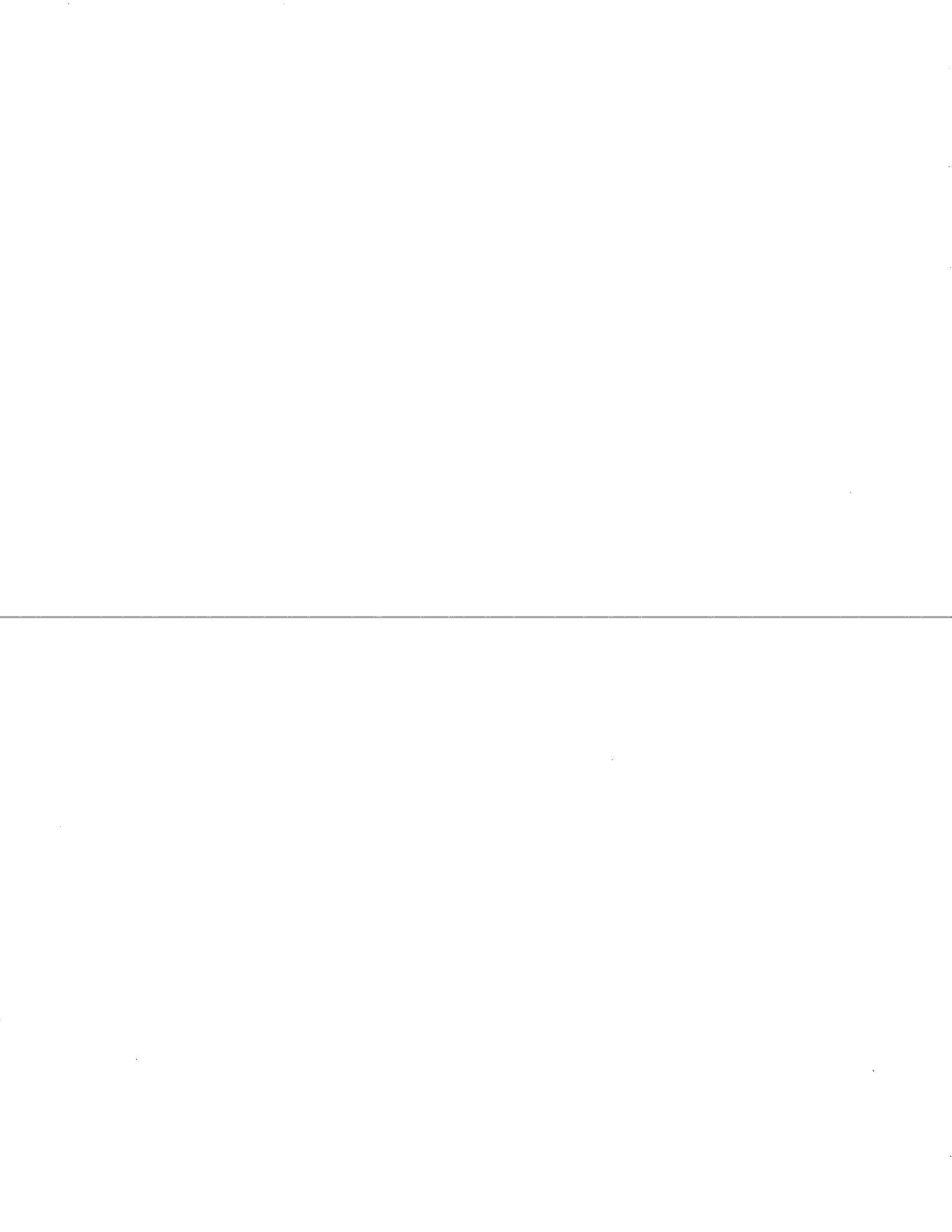
Perhaps the Governor is including the Teachers' Pension in his 21%, however the report fails to show those numbers from 2011. To include these numbers would be disingenuous anyway as this was not aid received by the towns. While funded at less than 60%, and that using an unrealistically high assumed investment return, the teacher's pension is one of the few funded mandates created by the state. Now after the State created the pension without any representation from the towns, it wants the towns to share in an underfunded and unsupportable pension. If each town had been able to negotiate its own pension, would they all have created such a flawed system or taken no action to fix the problem?

While town boards want to make decisions to move forward with "good programs", we often do not as unlike the State, we would not borrow to do so, we are more directly impacted by tax increases, we and have no other entities to impose payment for the programs. It is easy to pass programs that sound good when one does not have to figure out how to pay for them.

Even if we assume the Governor's +21%, the assumption is that every town and city was treated equally. On the Statutory Formula Grants, 35 towns were negative since 2011, nine had annual increases of between 0% and 0.25%, and 74 had a cumulative increase less than the rate of inflation.

Colchester's increase over the 2011 to 2017 period was 0.48%, or 0.08% per year. Under the Democrat's plan, we have the second largest reduction in ECS money, while we have had one of the smallest increases in overall grants and a decrease in ECS funding since 2011.

While I recognize we have had declining enrollment, the reasons we have heard for our disproportionate decrease in funds is our wealth rating and our fund balance.



On the Governor's wealth ratings, which back in February he used to explain his reallocations in ECS money, Colchester was 117. 116 towns received higher wealth ratings and many of them have had larger funding increases since 2011 and, are now receiving increases or smaller decreases in the proposed funding plans than Colchester. Apparently under the Democrat's plan a different way of measuring wealth is being used. I do know when comparing per household to per capita we are higher on per household as we have a larger number of people per household than our peers. That also means more kids to educate per household. The Governor used per capita grand list and per capita income. We also have a much smaller commercial base than other towns. When the Governor's ratings appear to be so different from the legislature's, is one or both arbitrary measuring sticks?

As stated previously our fund balance is right around the median, and many towns with larger fund balances and higher fund balance %'s are getting increases in their ECS.

What I notice is that the towns, like Colchester, with the biggest decreases under the Democrat's plan are those who have had decreases or the smallest increases State funding since 2011.

I look at towns like Glastonbury which has had funding increases since 2011 of nearly 18% while Colchester was less than ½%, Glastonbury has an Unassigned Fund Balance Percentage of 16.8% compared to our 10.76%, a AAA rating compared to our AA2, and a wealth rating of 35 compared to our 117, and I wonder why their ECS funding is increasing by \$93,375 and Colchester is decreasing by \$1,124,857? The same for towns like Avon and West Hartford. All have bigger commercial bases than us too.

I understand that all proposed alternatives state they are applying different ratios of per capita grand lists and per capita income, so although it would appear there is a formula being applied to the different proposed plans, I have not seen the actual numbers used in any plan. Release of the metrics behind the allocations would show that this is not an arbitrary process of rewarding some towns while penalizing others.

I am sure, as in the past you are doing all you can for the towns you represent, so thanks so much for your efforts. You probably have much of this information already, but wrote this letter as I didn't want to assume you did.

I am sure there is a lot I don't know, and that is the problem in understanding Colchester's treatment. Where can the Colchester Board of Finance find the formulas applied to the Connecticut towns in the latest proposals from the Governor, Democrats and Republicans?

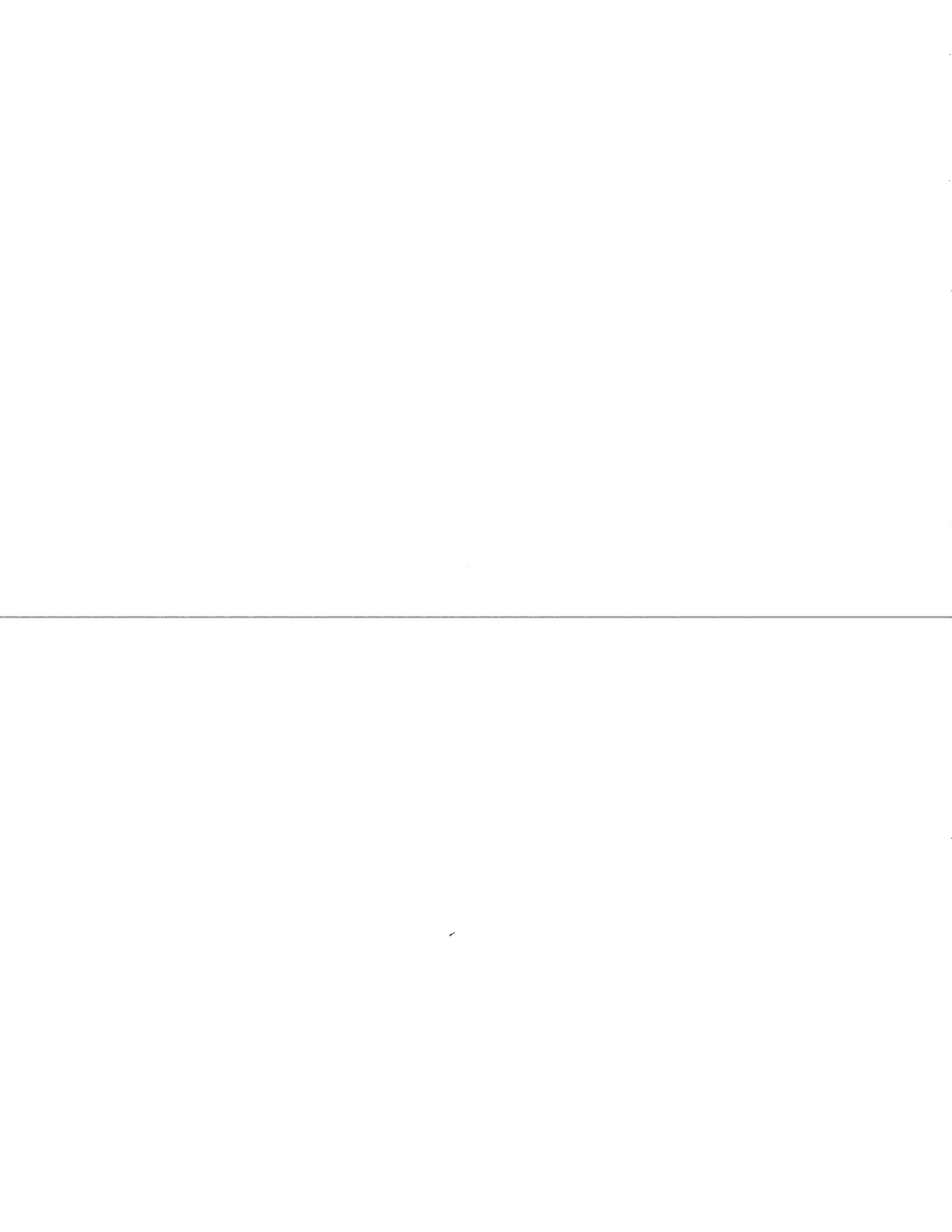
Rob

Robert Tarlov, Colchester Board of Finance

From: Rep. Ziobron, Melissa <Melissa.Ziobron@cga.ct.gov>
Sent: Thursday, September 7, 2017 10:25 AM
To: Robert Tarlov; Sen. Linares, Art; Rep. Orange, Linda
Cc: Board of Finance Members; Art Shilosky; Ronald Goldstein; Zane, Ashley
Subject: RE: CT Mirror Article and Connecticut's Financial Support to Municipalities

Good Morning Rob,

Thanks so much for the email and the information you have sent along.



I will try and round up the formulas for you, as you are right---they are each different. It must be noted however, you ask for the "Democrats" formula---but it is not in fact supported (so far) by the Senate Democrats. In fact, that caucus still has NOT released a public budget and I have no idea if they are supporting a new formula or not. Remember there are FOUR caucuses, two in each chamber.

One thing to note. In the soon to be released updated budget plan from the House and Senate Republicans we do something different. We allow for a hold harmless in 2018 and create a taskforce of stakeholders to create a new ECS formula. **If that task force does not vote to approve a new formula within one year**, then we automatically trigger a new one based on previous Republican budget plans. That formula has been vetted by CEA and others.

I wish I could provide definitive answers, but as you already know---the minority party in the legislature has released multiple balanced budget plans. The majority party in BOTH chambers have yet to agree on a pathway forward and until they do, we are in limbo. Only two people can call legislators in to vote on a budget--the Speaker of the House and President Pro Tem. But BOTH of them must do so. This means the **promise to "vote" on a budget in the House chamber**, on the 14th is suspect. Even if the Senate Democrat leader signs on to allow the vote, if the Senate Democrats don't in fact vote on the same package, **it means nothing**.

Frustrating and painful for every taxpayer and town in CT? You bet.

I will continue to fight for our small towns! Thank you for all you and the volunteer board and commission members do in Colchester.

*Best,
Melissa*

From: Sen. Linares, Art <Art.Linares@cga.ct.gov>
Sent: Thursday, September 7, 2017 11:17 AM
To: Robert Tarlov
Subject: RE: CT Mirror Article and Connecticut's Financial Support to Municipalities

Dear Rob,

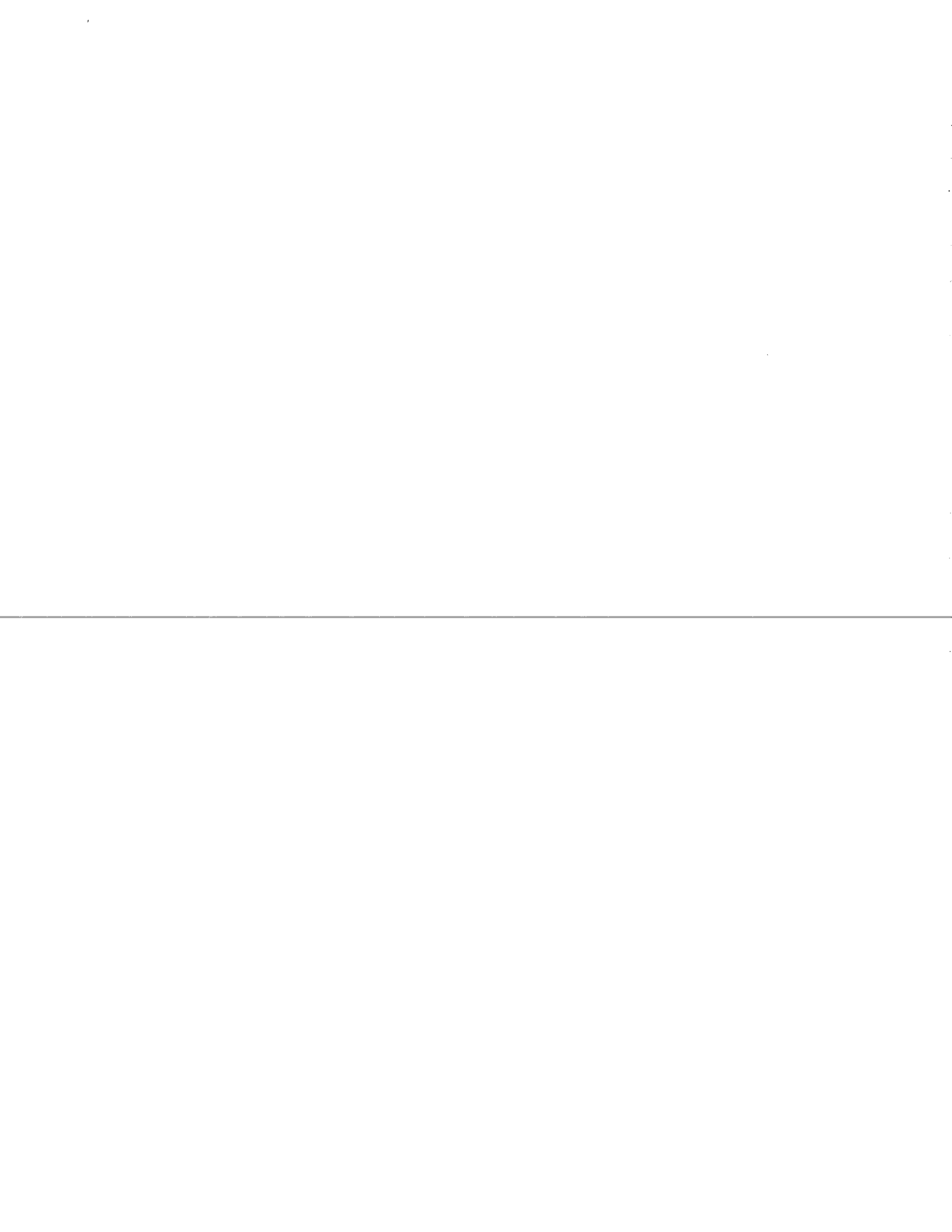
Thank you for all of the effort that you have put into this analysis. Unfortunately, I do not have access to the formulas you are requesting, as I am not on the appropriations committee. Rep. Ziobron may be able to assist more in this area.

Sincerely,

Art Linares
State Senate --33rd District

From: Adams, Debra <Debra.Adams@cga.ct.gov>
Sent: Thursday, September 7, 2017 12:46 PM
To: Robert Tarlov
Subject: RE: CT Mirror Article and Connecticut's Financial Support to Municipalities

Dear Rob,

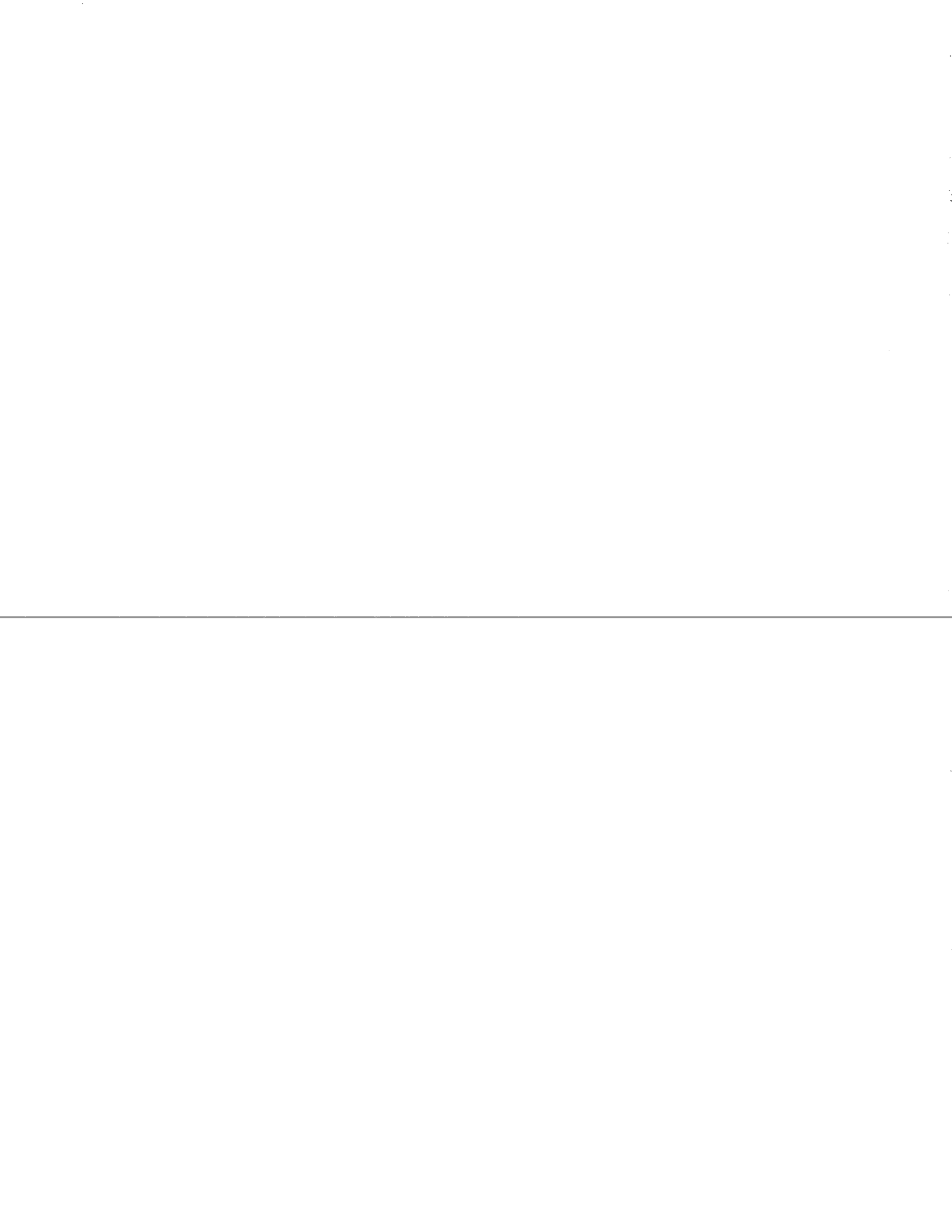


I have just come across this site which may be helpful in your analysis: <http://ctschoolfinance.org/formula-analyses>.

Sincerely,

Debby Adams

Debra L. Adams
Legislative Aide to Senator Art Linares
Legislative Office Building
Room 3400
Hartford, CT 06106
860-240-8800
debra.adams@cga.ct.gov



Town and BOE of Colchester
7/1/2016 - 6/30/2017 Claim Projection
Project Current Experience to End of Current Fiscal Year 6/30/2017

| Month | Medical | | Rx Drug | | Dental | | TOTAL |
|--------------------------------------|-----------------|-----------|-------------|-----------|-----------|-----------|-------------|
| | Claims | Contracts | Claims | Contracts | Claims | Contracts | Claims |
| Jul-15 | 383,883 | 401 | 109,907 | 401 | 42,602 | 402 | 536,392 |
| Aug-15 | 401,484 | 398 | 95,182 | 398 | 31,829 | 399 | 528,495 |
| Sep-15 | 316,690 | 396 | 74,739 | 396 | 30,601 | 398 | 422,030 |
| Oct-15 | 312,235 | 396 | 121,106 | 396 | 27,260 | 396 | 460,602 |
| Nov-15 | 421,649 | 398 | 99,893 | 398 | 26,697 | 398 | 548,238 |
| Dec-15 | 711,518 | 402 | 88,578 | 402 | 37,583 | 402 | 837,679 |
| Jan-16 | 549,692 | 397 | 109,459 | 397 | 31,095 | 398 | 690,245 |
| Feb-16 | 369,558 | 394 | 111,248 | 394 | 28,679 | 395 | 509,485 |
| Mar-16 | 677,060 | 393 | 116,333 | 393 | 33,153 | 395 | 826,546 |
| Apr-16 | 481,556 | 393 | 142,129 | 393 | 29,527 | 394 | 653,211 |
| May-16 | 436,461 | 391 | 100,153 | 391 | 23,199 | 392 | 559,813 |
| Jun-16 | 566,615 | 392 | 115,492 | 392 | 40,520 | 394 | 722,626 |
| Jul-16 | 335,091 | 391 | 138,432 | 391 | 28,488 | 391 | 502,011 |
| Aug-16 | 377,334 | 391 | 102,110 | 391 | 36,098 | 391 | 515,542 |
| Sep-16 | 447,419 | 409 | 137,121 | 409 | 25,934 | 409 | 610,473 |
| Oct-16 | 263,973 | 407 | 85,529 | 407 | 22,632 | 407 | 372,134 |
| Nov-16 | 354,431 | 407 | 85,754 | 407 | 26,588 | 407 | 466,772 |
| Latest 12 Paid Claims | \$5,570,707 | 4,747 | \$1,332,336 | 4,747 | \$363,496 | 4,766 | \$7,266,538 |
| less ISL Claims | \$902,562 | | | | | | |
| Net Latest 12 Paid Claims | \$4,668,145 | | | | | | \$6,363,976 |
| | \$983.39 | 396 | \$280.67 | 396 | 76.27 | 397 | |
| PEPM Paid Claims | \$983.39 | | \$280.67 | | \$ 76.27 | | |
| Trend Factor | 1.0472 | | 1.1016 | | 1.0315 | | |
| Proj. Paid PEPM 12/2016 - 6/2017 | \$1,029.82 | | \$309.18 | | \$ 78.67 | | |
| Proj. Paid 12/2016 - 6/2017 | \$2,933,956 | | \$880,861 | | \$224,141 | | |
| Total 7/16 - 6/17 Fiscal Year | \$4,712,203 (1) | | \$1,429,807 | | \$363,881 | | |
| Rx Allocation | \$1,429,807 | | n/a | | n/a | | |
| Total Paid Projection 7/16-6/17 | \$6,142,010 | | | | \$363,881 | | \$6,505,891 |
| Total Paid Projection 7/16-6/17 PEPY | \$15,184 | | | | \$900 | | \$16,084 |

(1) No stop loss claims paid to date during the current fiscal year

| | | | | |
|--------------------|------------------------|---|------------|-----------|
| Experience Period: | 12/1/2015 | - | 11/30/2016 | 5/31/2016 |
| Projection Period: | 12/1/2016 | - | 6/30/2017 | 3/16/2017 |
| | Trend period (months): | | | 9.5 |

| | | | |
|--------------------|----------------|----------------|---------------|
| | <u>Medical</u> | <u>Rx Drug</u> | <u>Dental</u> |
| Annual Trend % (2) | 6.00% | 13.00% | 4.00% |

(2) Estimated 12-month Trends

Projected to June 30, 2017

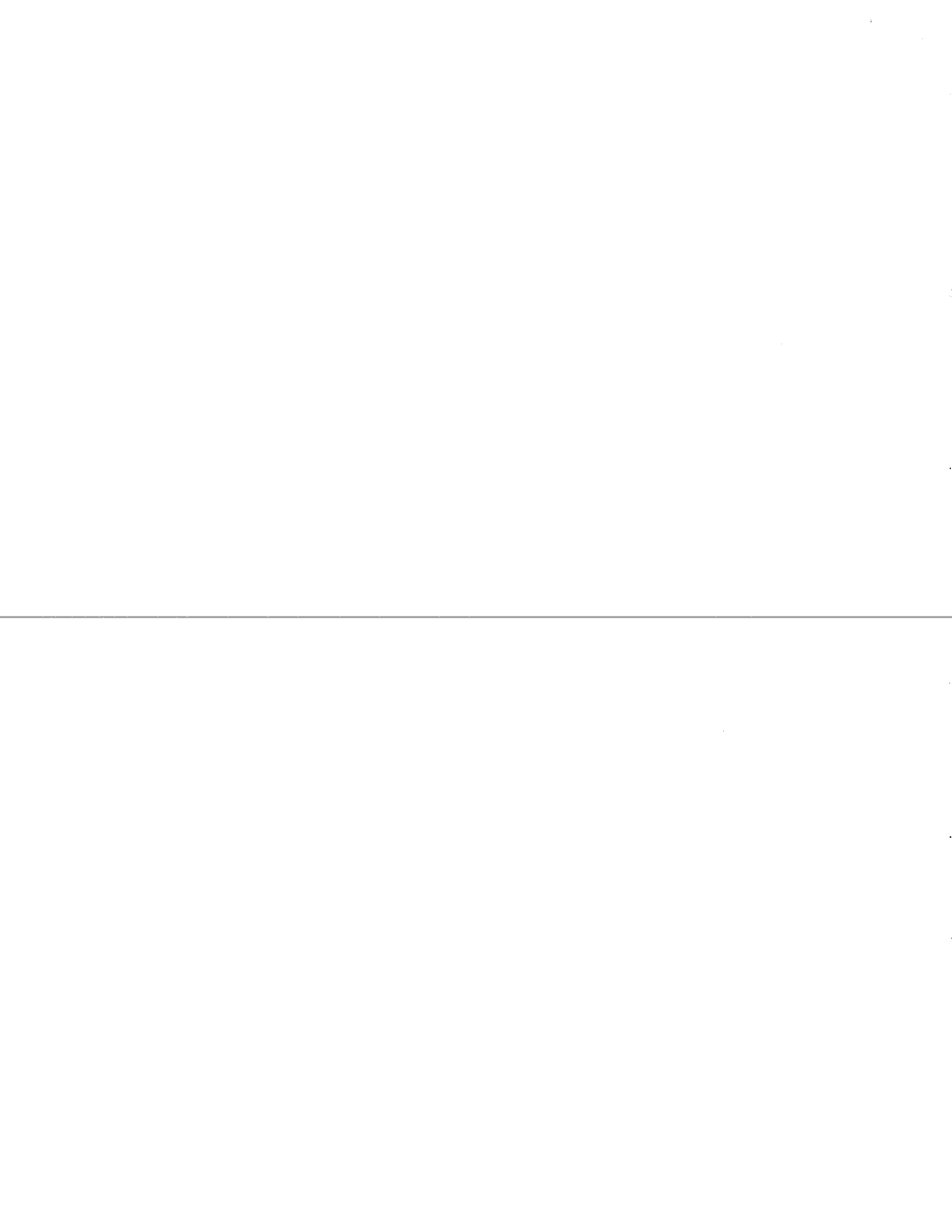
| EXPENSES | Average Employees | 7/1/16 PPO/HDHP | | Annual Cost |
|--|-------------------|--------------------|--------------|-------------|
| | | Monthly Fees | Monthly Fees | |
| Medical ASO Fees | 405 | \$23.21 | | \$112,661 |
| Dental ASO Fees | 405 | \$4.75 | | \$23,057 |
| Aggregate Stop-Loss | 405 | \$7.17 | | \$34,803 |
| Individual Stop-Loss | 405 | \$139.63 | | \$677,764 |
| Managed Benefits Fee | 405 | \$4.38 | | \$21,261 |
| Network Access Fee | 405 | \$32.75 | | \$158,956 |
| ACA Fees (3) | 405 | \$7.82 | | \$31,938 |
| Commissions | | | | \$60,000 |
| Total Expenses | | | | \$1,126,440 |
| Total Expected Medical/Rx/Dental Claims Liability (100%) through June 30, 2017 | | | | \$6,505,891 |
| Maximum Medical/Rx (125%) + Expected Dental (100%) Claims Liability (4) | | | | \$7,941,672 |
| Total Expected Med/Rx/Dental Claims Liability (100%) plus Expenses through June 30, 2017 | | | | \$7,632,331 |
| Maximum Medical/Rx (125%) + Expected Dental (100%) Claims Liability plus Expenses | | | | \$9,068,112 |

7/1/2016 - Lockton Projection (5)

(3) Comparative Effectiveness Research (PCORI) Fee and Transitional Reinsurance Fee \$7,930,893 Med/Rx and Dental (100%)
(4) From Anthem 7/1/2016 Final Renewal of May 4, 2016 -3.8%

(5) From 2016-17 Lockton Projections of December 22, 2015

Updated expected cost vs. final expected



Town and BOE of Colchester
7/1/2017 - 6/30/2018 Claim Projection

| Month | Medical | | Rx Drug | | Dental | | TOTAL Claims |
|---|-------------|-----------|-------------|-----------|-----------|-----------|--------------|
| | Claims | Contracts | Claims | Contracts | Claims | Contracts | |
| Jul-15 | 383,883 | 401 | 109,907 | 401 | 42,602 | 402 | 536,392 |
| Aug-15 | 401,484 | 398 | 95,182 | 398 | 31,829 | 399 | 528,495 |
| Sep-15 | 316,690 | 396 | 74,739 | 396 | 30,601 | 398 | 422,030 |
| Oct-15 | 312,235 | 396 | 121,106 | 396 | 27,260 | 396 | 460,602 |
| Nov-15 | 421,649 | 398 | 99,893 | 398 | 26,697 | 398 | 548,238 |
| Dec-15 | 711,518 | 402 | 88,578 | 402 | 37,583 | 402 | 837,679 |
| Jan-16 | 549,692 | 397 | 109,459 | 397 | 31,095 | 398 | 690,245 |
| Feb-16 | 369,558 | 394 | 111,248 | 394 | 28,679 | 395 | 509,485 |
| Mar-16 | 677,060 | 393 | 116,333 | 393 | 33,153 | 395 | 826,546 |
| Apr-16 | 481,556 | 393 | 142,129 | 393 | 29,527 | 394 | 653,211 |
| May-16 | 436,461 | 391 | 100,153 | 391 | 23,199 | 392 | 559,813 |
| Jun-16 | 566,615 | 392 | 115,492 | 392 | 40,520 | 394 | 722,626 |
| Jul-16 | 335,091 | 391 | 138,432 | 391 | 28,488 | 391 | 502,011 |
| Aug-16 | 377,334 | 391 | 102,110 | 391 | 36,098 | 391 | 515,542 |
| Sep-16 | 447,419 | 409 | 137,121 | 409 | 25,934 | 409 | 610,473 |
| Oct-16 | 283,973 | 407 | 85,529 | 407 | 22,632 | 407 | 372,134 |
| Nov-16 | 354,431 | 407 | 85,754 | 407 | 28,588 | 407 | 466,772 |
| Latest 12 Paid Claims less ISL Claims | \$5,570,707 | 4,747 | \$1,332,336 | 4,747 | \$363,496 | 4,766 | \$7,266,538 |
| Net Latest 12 Paid Claims | \$4,668,145 | | | | | | \$6,363,976 |
| | \$983.39 | 396 | \$280.67 | 396 | 76.27 | 397 | |
| PEPM Paid Claims | \$983.39 | | \$280.67 | | \$76.27 | | |
| Trend Factor | 1.0967 | | 1.2135 | | 1.0641 | | |
| Proj. Paid PEPM 7/2017- 6/2018 | \$1,078.44 | | \$340.59 | | \$81.15 | | |
| Rx Allocation | \$340.59 | | n/a | | n/a | | |
| Total Paid Projection 7/17-6/18 PEPY | \$17,028 | | | | \$974 | | \$ 18,002 |
| Benefit Plan Adjustments | 0.9631 | | | | 1.0000 | | |
| Adjusted Total Paid Projection 7/17-6/18 | \$6,511,063 | | | | \$388,570 | | \$6,899,633 |
| Adj. Total Paid Projection 7/17-6/18 PEPY | \$16,401 | | | | \$974 | | \$17,375 |

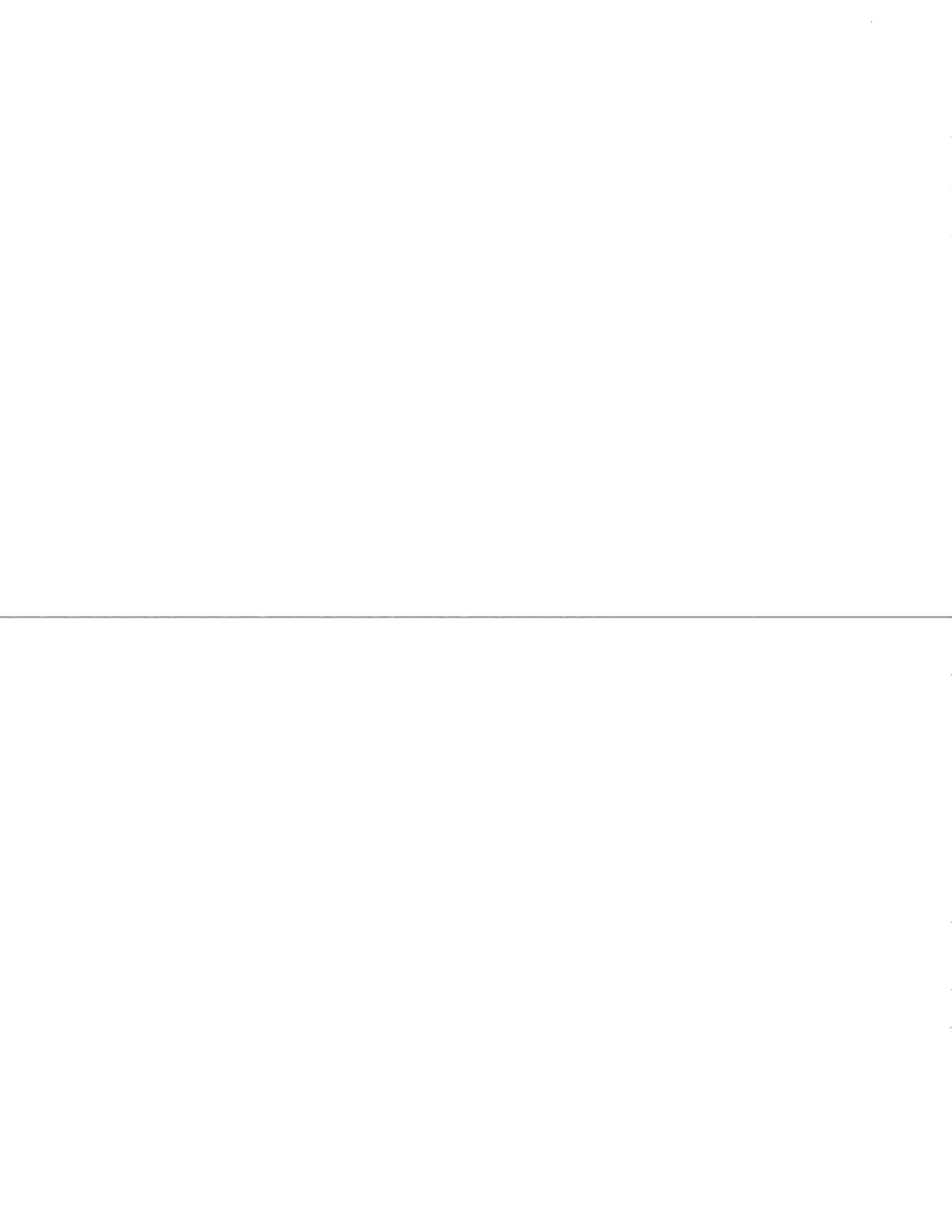
| | | | | |
|------------------------|-----------|---|------------|------------|
| Experience Period: | 12/1/2015 | - | 11/30/2016 | 5/31/2016 |
| Projection Period: | 7/1/2017 | - | 6/30/2018 | 12/30/2017 |
| Trend period (months): | 19.0 | | | |

| | Medical | Rx Drug | Dental |
|--|-----------|----------|-----------|
| Annual Trend % (1) | 6.00% | 13.00% | 4.00% |
| (1) Estimated 12-month trends | | | |
| Reserve \$ Estimate (IBNR) | \$487,655 | \$55,650 | \$16,695 |
| (Est. base on Anthem 2015-16 Settlement) | | | \$560,000 |

| EXPENSES | Projected Employees | Estimated Renewal 7/1/2017 Monthly Fees | Projected to June 30, 2018 | |
|---|---------------------|---|----------------------------|-----------|
| | | | Annual Cost | |
| Medical ASO Fees | 407 | \$23.91 | \$116,758 | |
| Dental ASO Fees | 407 | \$4.89 | \$23,895 | |
| Aggregate Stop-Loss | 407 | \$7.53 | \$36,769 | |
| Individual Stop-Loss | 407 | \$167.56 | \$68,344 | |
| Managed Benefits Fee | 407 | \$4.38 | \$21,392 | |
| Network Access Fee | 407 | \$32.87 | \$160,546 | |
| ACA Fees (2) | 407 | \$0.45 | \$2,198 | |
| Commissions | | | \$61,200 | |
| Total Expenses | | | \$1,241,102 | |
| Total Expected Medical/Rx/Dental Claims Liability (100%) | | | \$ | 6,899,633 |
| Maximum Medical/Rx (125%) + Expected Dental (100%) Claims Liability | | | \$ | 8,527,399 |
| Total Expected Medical/Rx/Dental Claims Liability (100%) plus Expenses | | | \$ | 8,140,735 |
| Maximum Medical/Rx (125%) + Expected Dental (100%) Claims Liability plus Expenses | | | \$ | 9,768,501 |

7/1/2016 - Lockton Projection (3)
\$7,930,893 Med/Rx and Dental (100%)
2.6%
7/17 - 6/18 projected cost vs. 7/16-6/17 projection

(2) Comparative Effectiveness Research (PCORI) Fee
(3) From 2016-17 Lockton Projections of December 22, 2015



Town and BOE of Colchester
SELF-INSURED HEALTH BENEFITS COST ANALYSIS
CONTRACT PERIOD: JULY 1, 2017 through JUNE 30, 2018

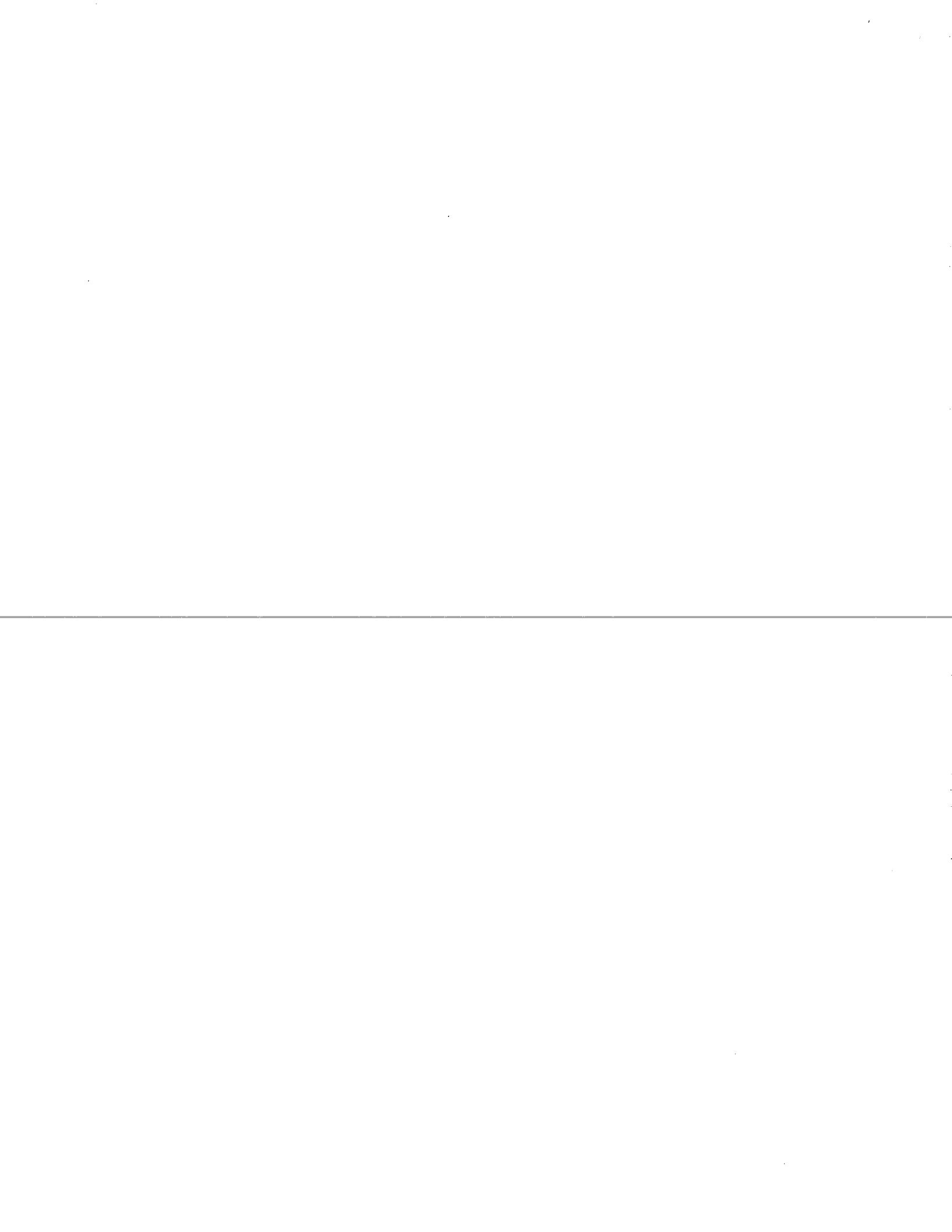
Preliminary Proposed Budget as of
December 29, 2016
Expected Claims Split by Contract Counts

| ITEM | DESCRIPTION | TOWN | BOARD OF ED | TOTAL |
|------|--|--------------------|--------------------|---------------------|
| 1a | Number of Contracts (1) | 62 | 345 | 407 |
| 1b | Expected paid claims for contract period @ 100% split by contract counts | \$1,051,050 | \$5,848,583 | \$6,899,633 |
| 1c | Risk Corridor @ 25% of Med/Rx claims | \$247,964 | \$1,379,801 | \$1,627,766 |
| 2a | Retention Premium (ASO Fees) | \$21,426 | \$119,227 | \$140,653 |
| | | \$23.91 | | |
| | | \$4.89 | | |
| 2b | Managed Benefits Fee | \$3,259 | \$18,133 | \$21,392 |
| | | \$4.38 | | |
| 3 | Individual Stop-Loss Premium | \$124,662 | \$693,682 | \$818,344 |
| | | \$167.56 | | |
| 4 | Aggregate Stop-Loss Premium | \$5,601 | \$31,168 | \$36,769 |
| | | \$7.53 | | |
| 5a | Network Access Fee | \$24,457 | \$136,089 | \$160,546 |
| | | \$32.87 | | |
| 5b | ACA Fees (2) | \$167 | \$932 | \$1,099 |
| | | \$0.45 | | |
| 5c | Commissions | \$9,323 | \$51,877 | \$61,200 |
| 6 | Run Out Claims (IBNR) (3) split by contract count | \$85,307 | \$474,693 | \$560,000 |
| 7 | Gross Total to be Funded | \$1,573,216 | \$8,754,185 | \$10,327,401 |

(1) Contract counts based on December 2016 Anthem ASO P&E report

(2) Comparative Effectiveness Research (PCORI) Fee

(3) From Anthem 2015-2016 Plan Year Settlement

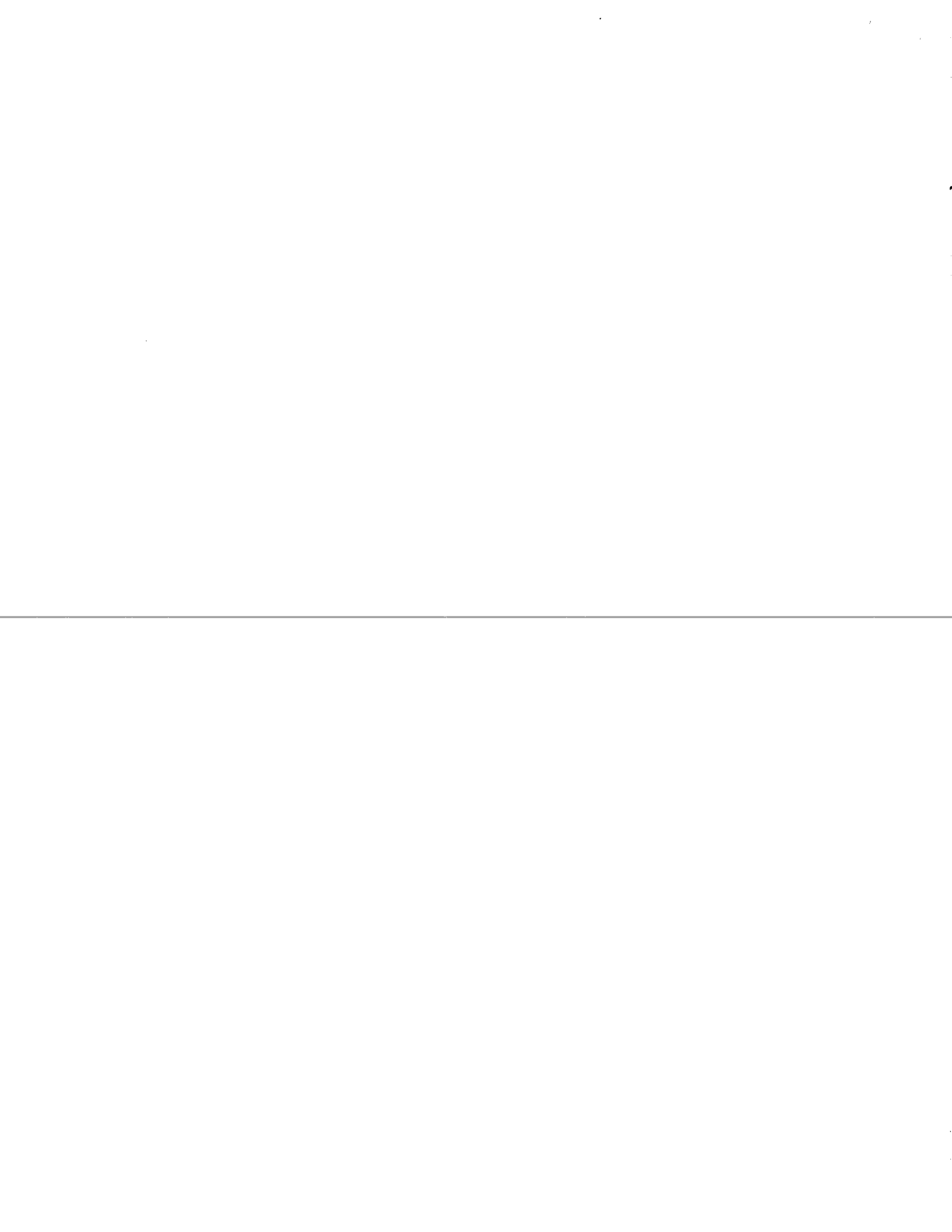


Town and BOE of Colchester
SELF-INSURED HEALTH BENEFITS COST ANALYSIS
CONTRACT PERIOD: JULY 1, 2017 through JUNE 30, 2018

Preliminary Proposed Budget as of
December 29, 2016
Expected Claims Split by Actual Paid Claims

| ITEM | DESCRIPTION | TOWN | BOARD OF ED | TOTAL |
|------|---|--------------------|--------------------|---------------------|
| 1a | Number of Contracts (1) | 62 | 345 | 407 |
| 1b | Expected paid claims for contract period @ 100% split by actual paid claims | \$769,309 | \$6,130,324 | \$6,899,633 |
| 1c | Risk Corridor @ 25% of Med/Rx claims | \$181,496 | \$1,446,270 | \$1,627,766 |
| 2a | Retention Premium (ASO Fees) | \$21,426 | \$119,227 | \$140,653 |
| | | \$23.91 | | |
| | | \$4.89 | | |
| 2b | Managed Benefits Fee | \$3,259 | \$18,133 | \$21,392 |
| | | \$4.38 | | |
| 3 | Individual Stop-Loss Premium | \$124,662 | \$693,682 | \$818,344 |
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| | | \$7.53 | | |
| 5a | Network Access Fee | \$24,457 | \$136,089 | \$160,546 |
| | | \$32.87 | | |
| 5b | ACA Fees (2) | \$167 | \$932 | \$1,099 |
| | | \$0.45 | | |
| 5c | Commissions | \$6,824 | \$54,376 | \$61,200 |
| 6 | Run Out Claims (IBNR) (3) split by actual claims | \$62,440 | \$497,560 | \$560,000 |
| 7 | Gross Total to be Funded | \$1,199,641 | \$9,127,761 | \$10,327,401 |

(1) Contract counts based on December 2016 Anthem ASO P&E report
(2) Comparative Effectiveness Research (PCORI) Fee
(3) From Anthem 2015-2016 Plan Year Settlement



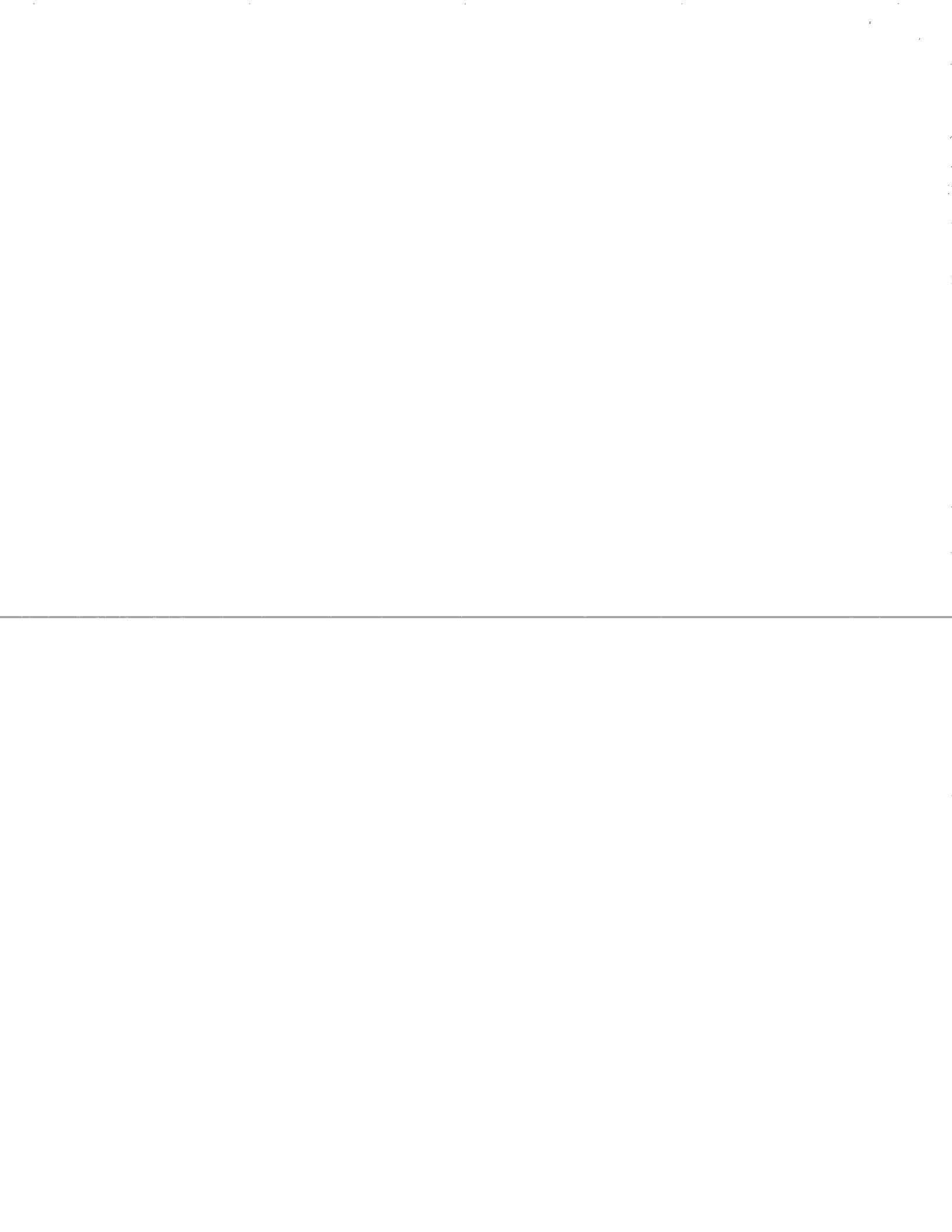
Town and BOE of Colchester
 Projected Paid Claim Adjustments
 Based on confirmed benefit plan changes



| Group | 2015-16 Plan | 2016-17 Plan | Contracts (1) | Medical/Rx Adjustment Factor | Duration Adjusted | Medical/Rx Paid Claim Adjustment | Dental Adjustment Factor | Duration Adjusted | Dental Paid Claim Adjustment |
|----------------------------------|---------------|-------------------|---------------|------------------------------|-------------------|----------------------------------|--------------------------|-------------------|------------------------------|
| BOE Nurses | \$30 PPO | \$30/\$40 PPO | 0 | 0.9941 | 0.7500 | 0.9956 | 1.000 | 1.0000 | 1.0000 |
| BOE Nurses | \$30 PPO | HDHP w/HSA | 1 | 0.8139 | 0.7500 | 0.8604 | 1.000 | 1.0000 | 1.0000 |
| Paraprofessionals | \$30 PPO | \$30/\$40 PPO (2) | 50 | 0.9941 | 0.5000 | 0.9971 | 1.000 | 1.0000 | 1.0000 |
| Paraprofessionals | HDHP w/HSA | HDHP w/HSA | 5 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Active/COBRA Teachers | \$30/\$40 PPO | \$30/\$40 PPO | 52 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Retired Teachers | \$30/\$40 PPO | \$30/\$40 PPO | 24 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Active Teachers - Current | HDHP w/HSA | HDHP w/HSA | 48 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Active Teachers - Migrating | \$30/\$40 PPO | \$30/\$40 PPO | 96 | 0.8187 | 0.8333 | 0.8489 | 1.000 | 1.0000 | 1.0000 |
| Retired Teachers | HDHP w/HSA | HDHP w/HSA | 0 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| BOE Administrators | \$30 PPO | \$30 PPO | 12 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| BOE Administrators | HDHP w/HSA | HDHP w/HSA | 2 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| BOE Office Professionals | \$30 PPO | \$30/\$40 PPO (3) | 16 | 0.9941 | 1.0000 | 0.9941 | 1.000 | 1.0000 | 1.0000 |
| BOE Office Professionals | HDHP w/HSA | HDHP w/HSA | 3 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| BOE Custodians | \$30 PPO | \$30/\$40 PPO (4) | 29 | 0.9941 | 1.0000 | 0.9941 | 1.000 | 1.0000 | 1.0000 |
| BOE Custodians | HDHP w/HSA | HDHP w/HSA | 0 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| BOE Central Office (Supervisors) | \$30 PPO | \$30/\$40 PPO (2) | 6 | 0.9941 | 0.5000 | 0.9971 | 1.000 | 1.0000 | 1.0000 |
| BOE Central Office (Supervisors) | HDHP w/HSA | HDHP w/HSA | 1 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Police | \$20 PPO | \$20 PPO | 9 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Town MEUI Administrators | HDHP w/HSA | HDHP w/HSA | 9 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Town MEUI Administrators | HDHP w/HRA | HDHP w/HRA | 2 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Town Hall Union (Clerical) | HDHP w/HSA | HDHP w/HSA | 10 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Firefighters | HDHP w/HSA | HDHP w/HSA | 3 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Town Library | HDHP w/HSA | HDHP w/HSA | 3 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Town MEUI Highway (PW) | HDHP w/HSA | HDHP w/HSA | 17 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| Town Non-union | HDHP w/HSA | HDHP w/HSA | 9 | 1.0000 | 1.0000 | 1.0000 | 1.000 | 1.0000 | 1.0000 |
| | | | 407 | | | 0.9631 | 1.000 | | 1.0000 |
| | | Total BOE | 345 | | | | | | |
| | | Total Town | 62 | | | | | | |
| | | Total Colchester | 407 | | | | | | |

(1) Contract counts based on December 2016 Anthem ASO P&E report - assumes 65% Active Teacher migration from PPO to HDHP
 (2) Plan changes effective 4/1/16
 (3) Plan changes effective 1/1/17
 (4) Plan changes effective 11/1/16

Lockton



Town & BOE of Colchester

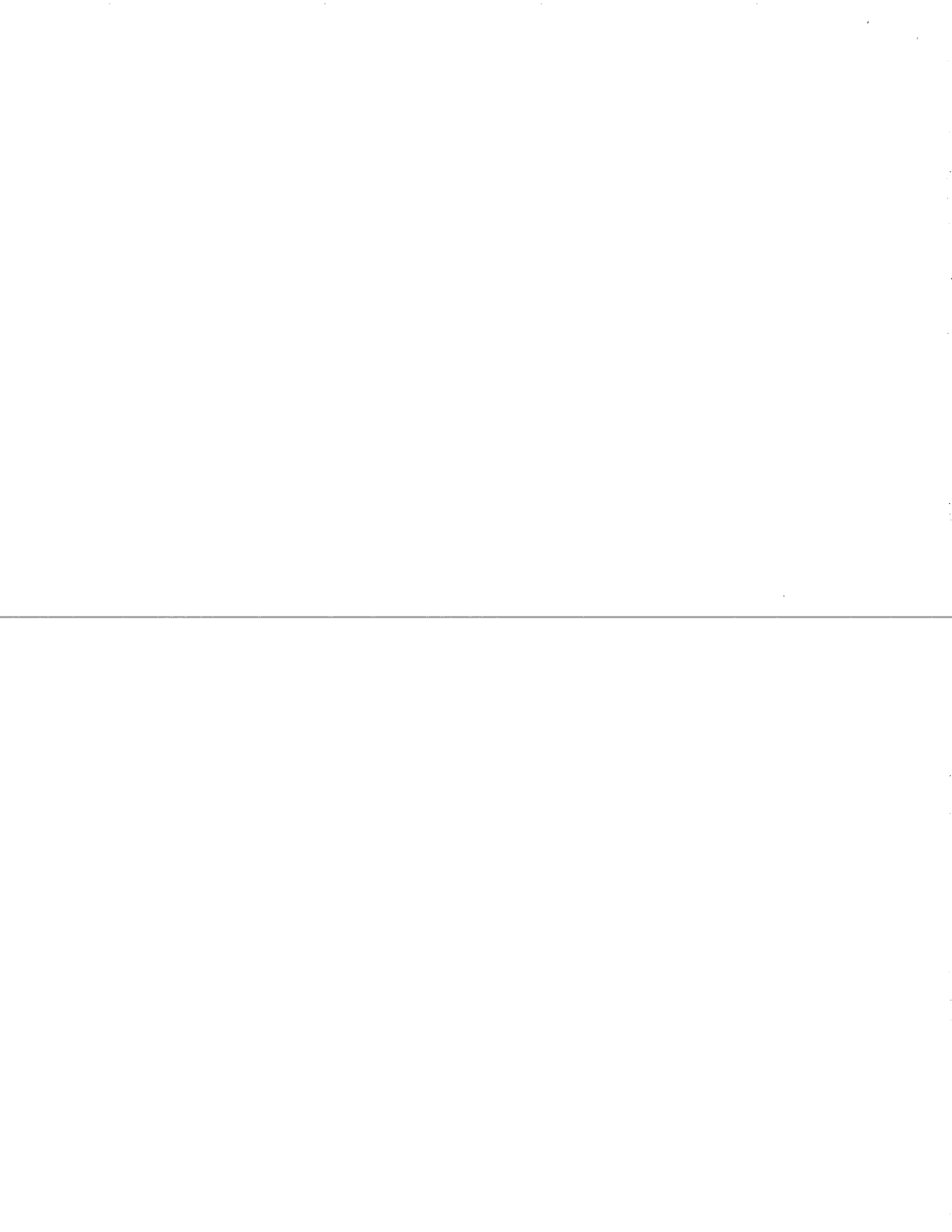
Anthem Medical and Rx Paid Claims
Self-Insured Program



| Month | Total EEs | Total Members | Paid Medical Claims | Rolling 12 | | | Paid Rx Claims | Rolling 12 | | | Total Paid Claims | Rolling 12 | | |
|---|-----------|---------------|------------------------|-------------------------|-----------------------------|-------|-------------------|------------------------|----------------------------|-------|----------------------|----------------------------|-----------------------------------|-------|
| | | | | Med Claims per EE | Avg Med Claims per EE | % Chg | | Rx Claims per EE | Avg Rx Claims per EE | % Chg | | Med/Rx Claims per EE | Avg Med/Rx Claims per EE | % Chg |
| Jul-15 | 404 | 1,025 | 383,883 | 962.11 | 1,091.59 | -3.6% | 109,907 | 275.46 | 278.86 | 1.8% | 493,790 | 1,237.57 | 1,370.45 | -2.6% |
| Aug-15 | 398 | 1,006 | 401,484 | 1,006.23 | 1,133.45 | 3.8% | 95,182 | 238.55 | 274.07 | -1.7% | 496,666 | 1,244.78 | 1,407.52 | 2.7% |
| Sep-15 | 397 | 1,009 | 316,690 | 783.89 | 1,086.01 | -4.2% | 74,739 | 185.00 | 272.33 | -0.6% | 391,429 | 968.88 | 1,358.34 | -3.5% |
| Oct-15 | 395 | 1,004 | 312,235 | 784.51 | 1,069.64 | -1.5% | 121,106 | 304.29 | 274.00 | 0.6% | 433,341 | 1,088.80 | 1,343.64 | -1.1% |
| Nov-15 | 398 | 1,006 | 421,649 | 1,062.09 | 1,059.20 | -1.0% | 99,893 | 251.62 | 272.24 | -0.6% | 521,541 | 1,313.71 | 1,331.45 | -0.9% |
| Dec-15 | 402 | 1,013 | 711,518 | 1,801.31 | 1,112.88 | 5.1% | 88,578 | 224.25 | 271.73 | -0.2% | 800,096 | 2,025.56 | 1,384.61 | 4.0% |
| Jan-16 | 399 | 1,006 | 549,692 | 1,381.13 | 1,121.93 | 0.8% | 109,459 | 275.02 | 270.04 | -0.6% | 659,150 | 1,656.16 | 1,391.97 | 0.5% |
| Feb-16 | 394 | 998 | 369,558 | 919.30 | 1,117.06 | -0.4% | 111,248 | 276.74 | 268.33 | -0.6% | 480,806 | 1,196.04 | 1,385.39 | -0.5% |
| Mar-16 | 393 | 993 | 677,060 | 1,696.89 | 1,185.13 | 6.1% | 115,333 | 289.05 | 273.66 | 2.0% | 792,393 | 1,985.95 | 1,458.79 | 5.3% |
| Apr-16 | 393 | 992 | 481,556 | 1,222.22 | 1,182.33 | -0.2% | 142,129 | 360.73 | 282.96 | 3.4% | 623,685 | 1,582.96 | 1,465.29 | 0.4% |
| May-16 | 391 | 990 | 436,461 | 1,110.59 | 1,152.24 | -2.5% | 100,153 | 254.84 | 270.07 | -4.6% | 536,614 | 1,365.43 | 1,422.32 | -2.9% |
| Jun-16 | 392 | 991 | 566,615 | 1,441.77 | 1,179.71 | 2.4% | 115,492 | 293.87 | 268.96 | -0.4% | 682,106 | 1,735.64 | 1,448.67 | 1.9% |
| Jul-16 | 391 | 981 | 335,091 | 857.01 | 1,171.45 | -0.7% | 138,432 | 354.05 | 275.40 | 2.4% | 473,522 | 1,211.05 | 1,446.85 | -0.1% |
| Aug-16 | 391 | 980 | 377,334 | 962.59 | 1,168.09 | -0.3% | 102,110 | 260.49 | 277.26 | 0.7% | 479,444 | 1,223.07 | 1,445.36 | -0.1% |
| Sep-16 | 409 | 1,012 | 447,419 | 1,144.29 | 1,198.86 | 2.6% | 137,121 | 350.69 | 291.18 | 5.0% | 584,539 | 1,494.99 | 1,490.04 | 3.1% |
| Oct-16 | 407 | 1,010 | 263,973 | 675.12 | 1,190.44 | -0.7% | 85,529 | 218.74 | 284.10 | -2.4% | 349,502 | 893.87 | 1,474.54 | -1.0% |
| Nov-16 | 407 | 1,009 | 354,431 | 866.58 | 1,173.27 | -1.4% | 85,754 | 209.67 | 280.40 | -1.3% | 440,185 | 1,076.25 | 1,453.67 | -1.4% |
| Dec-16 | 409 | 1,010 | 384,092 | 943.72 | 1,101.33 | -6.1% | 125,964 | 309.49 | 287.55 | 2.5% | 510,056 | 1,253.21 | 1,389.08 | -4.4% |
| Jan-17 | 407 | 1,017 | 329,731 | 810.15 | 1,053.33 | -4.4% | 108,371 | 266.27 | 286.78 | -0.3% | 438,102 | 1,076.42 | 1,340.10 | -3.5% |
| Feb-17 | 406 | 1,018 | 377,962 | 924.11 | 1,053.54 | 0.0% | 99,956 | 244.39 | 283.99 | -1.0% | 477,918 | 1,168.50 | 1,337.53 | -0.2% |
| Mar-17 | 392 | 981 | 418,399 | 1,028.01 | 997.71 | -5.3% | 145,760 | 358.13 | 289.88 | 2.1% | 564,158 | 1,386.14 | 1,287.59 | -3.7% |
| Apr-17 | 397 | 978 | 340,198 | 837.93 | 965.74 | -3.2% | 86,671 | 213.48 | 277.59 | -4.2% | 426,869 | 1,051.40 | 1,243.33 | -3.4% |
| May-17 | 397 | 973 | 511,183 | 1,304.04 | 981.53 | 1.6% | 102,247 | 260.83 | 278.08 | 0.2% | 613,430 | 1,564.87 | 1,259.61 | 1.3% |
| Jun-17 | 395 | 968 | 473,275 | 1,192.13 | 961.26 | -2.1% | 118,238 | 297.83 | 278.42 | 0.1% | 591,512 | 1,489.96 | 1,239.68 | -1.6% |
| July, 2014 thru June, 2015* | | | 4,697,845 | 972.04 | | | 1,323,230 | 273.79 | | | 6,021,075 | 1,245.83 | | |
| Projected (from Anthem 2014-15 Renewal) | | | | 930.02 | | | | 309.10 | | | | 1,239.12 | | |
| Actual/Projected | | | | 105% | | | | 89% | | | | 101% | | |
| Change from prior FY | | | | 22.1% | | | | -4.4% | | | | 15.1% | | |
| *Includes removal of ISL claims of \$776,551 | | | | | | | | | | | | | | |
| July, 2015 thru June, 2016** | | | 4,625,599 | 969.52 | | | 1,283,217 | 268.96 | | | 5,908,816 | 1,238.49 | | |
| Projected (from Anthem 2015-16 Renewal) | | | | 901.55 | | | | 301.44 | | | | 1,202.99 | | |
| Actual/Projected | | | | 108% | | | | 89% | | | | 103% | | |
| Change from prior FY | | | | -0.3% | | | | -1.8% | | | | -0.6% | | |
| **Includes removal of ISL claims of \$1,002,802 | | | | | | | | | | | | | | |
| July, 2016 thru June, 2017*** | | | 4,400,221 | 916.90 | | | 1,336,152 | 278.42 | | | 5,736,373 | 1,195.33 | | |
| Projected (from Anthem 2016-17 Renewal) | | | | 962.45 | | | | 286.08 | | | | 1,248.53 | | |
| Actual/Projected | | | | 95% | | | | 97% | | | | 96% | | |
| Change from prior FY | | | | -5.4% | | | | 3.5% | | | | -3.5% | | |
| ***Includes removal of ISL claims of \$212,866 | | | | | | | | | | | | | | |

Note: Employee lives lagged 2 months for per EE calculations

Lockton



BOE of Colchester

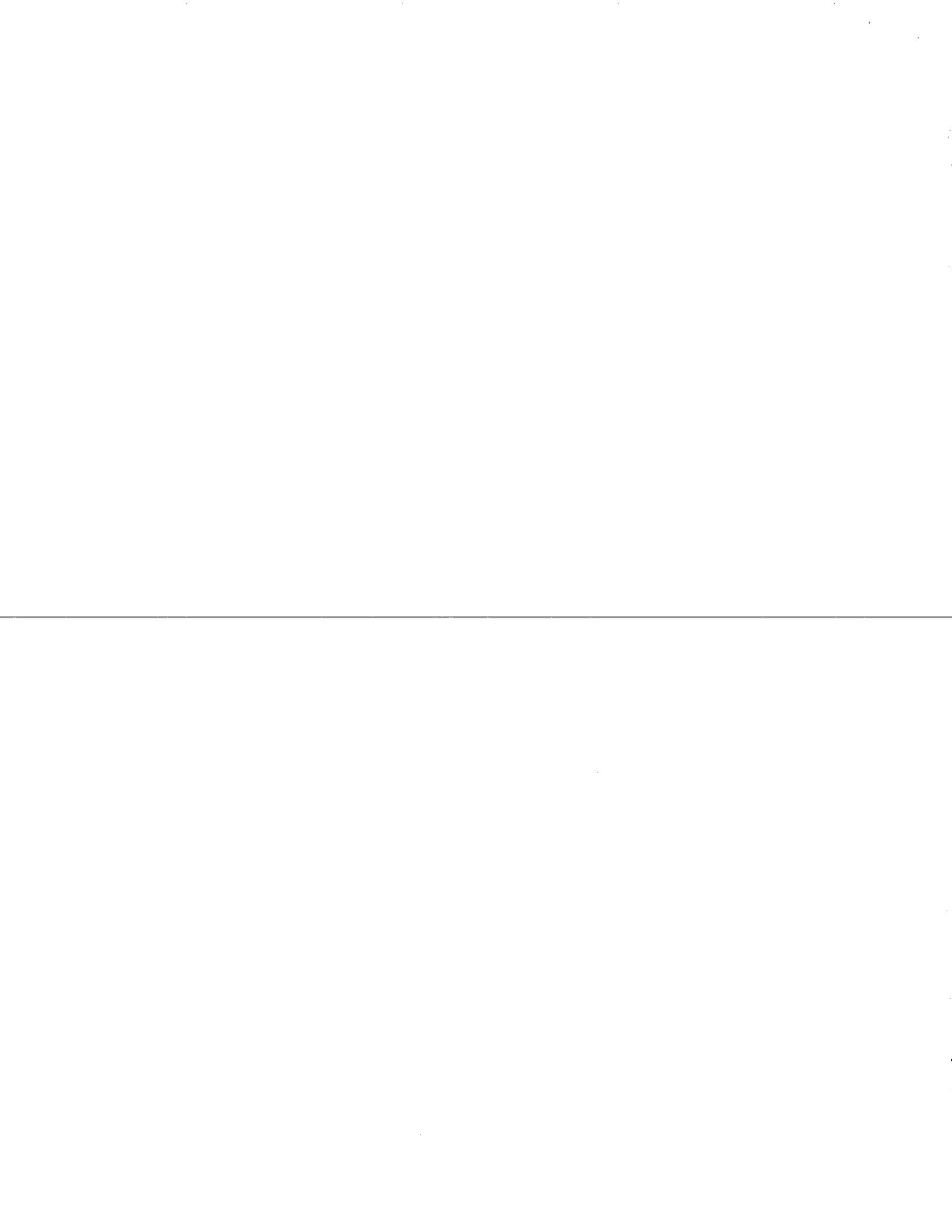
Workers Medical and Rx Paid Claims
Self-Insured Program



| Month | Total EEs | Total Members | Paid Medical Claims | Rolling 12 | | | Paid Rx Claims | Rolling 12 | | | Total Paid Claims | Rolling 12 | | |
|----------------------------|-----------|---------------|------------------------|-------------------------|-------------------------|-------|-------------------|------------------------|------------------------|-------|----------------------|----------------------------|-----------------------------------|-------|
| | | | | Med Claims per EE | Avg Med Claims EE | % Chg | | Rx Claims per EE | Avg Rx Claims EE | % Chg | | Med/Rx Claims per EE | Avg Med/Rx Claims per EE | % Chg |
| Jul-15 | 335 | 860 | 316,480 | 944.72 | 1,099.80 | -4.7% | 90,847 | 271.18 | 283.26 | 1.2% | 407,327 | 1,215.90 | 1,383.05 | -3.5% |
| Aug-15 | 331 | 847 | 379,421 | 1,146.29 | 1,149.63 | 4.5% | 85,631 | 258.70 | 279.25 | -1.4% | 465,052 | 1,404.99 | 1,428.88 | 3.3% |
| Sep-15 | 332 | 852 | 276,988 | 834.30 | 1,092.49 | -5.0% | 67,225 | 202.49 | 278.05 | -0.4% | 344,214 | 1,036.79 | 1,370.54 | -4.1% |
| Oct-15 | 329 | 846 | 263,019 | 799.45 | 1,074.67 | -1.6% | 112,714 | 342.59 | 282.38 | 1.6% | 375,733 | 1,142.04 | 1,357.05 | -1.0% |
| Nov-15 | 332 | 850 | 386,943 | 1,165.49 | 1,066.87 | -0.7% | 92,275 | 277.94 | 284.84 | 0.9% | 479,218 | 1,443.43 | 1,351.71 | -0.4% |
| Dec-15 | 335 | 854 | 677,735 | 2,023.09 | 1,136.20 | 6.5% | 78,069 | 233.04 | 284.59 | -0.1% | 755,803 | 2,256.13 | 1,420.79 | 5.1% |
| Jan-16 | 332 | 850 | 490,643 | 1,473.40 | 1,139.61 | 0.3% | 99,879 | 299.94 | 283.49 | -0.4% | 590,522 | 1,773.34 | 1,423.10 | 0.2% |
| Feb-16 | 331 | 847 | 327,336 | 988.93 | 1,130.79 | -0.8% | 103,188 | 311.75 | 283.59 | 0.0% | 430,524 | 1,300.68 | 1,414.39 | -0.6% |
| Mar-16 | 330 | 842 | 620,908 | 1,911.84 | 1,217.39 | 7.7% | 104,138 | 315.57 | 290.20 | 2.3% | 735,046 | 2,227.41 | 1,507.58 | 6.6% |
| Apr-16 | 330 | 840 | 401,472 | 1,216.58 | 1,211.92 | -0.4% | 124,220 | 376.43 | 301.47 | 3.9% | 525,692 | 1,593.01 | 1,513.39 | 0.4% |
| May-16 | 328 | 838 | 379,128 | 1,155.88 | 1,223.14 | 0.9% | 88,878 | 270.97 | 287.59 | -4.6% | 468,005 | 1,426.85 | 1,510.74 | -0.2% |
| Jun-16 | 329 | 842 | 481,995 | 1,465.03 | 1,258.36 | 2.9% | 98,826 | 300.38 | 287.70 | 0.0% | 580,821 | 1,765.41 | 1,546.06 | 2.3% |
| Jul-16 | 328 | 834 | 276,226 | 842.15 | 1,249.83 | -0.7% | 130,158 | 396.82 | 297.94 | 3.6% | 406,383 | 1,238.97 | 1,547.77 | 0.1% |
| Aug-16 | 328 | 833 | 347,319 | 1,058.90 | 1,242.69 | -0.6% | 97,811 | 298.20 | 301.23 | 1.1% | 445,129 | 1,357.10 | 1,543.92 | -0.2% |
| Sep-16 | 346 | 865 | 357,095 | 1,032.07 | 1,265.07 | 1.8% | 129,885 | 375.39 | 317.55 | 5.4% | 486,980 | 1,407.46 | 1,582.63 | 2.5% |
| Oct-16 | 345 | 862 | 227,929 | 660.66 | 1,257.18 | -0.6% | 80,501 | 233.34 | 309.67 | -2.5% | 308,430 | 894.00 | 1,566.85 | -1.0% |
| Nov-16 | 345 | 861 | 318,444 | 923.03 | 1,235.54 | -1.7% | 80,509 | 233.36 | 305.62 | -1.3% | 398,953 | 1,156.39 | 1,541.16 | -1.6% |
| Dec-16 | 346 | 861 | 309,580 | 894.74 | 1,138.44 | -7.9% | 118,574 | 342.70 | 314.54 | 2.9% | 428,154 | 1,237.44 | 1,452.98 | -5.7% |
| Jan-17 | 344 | 864 | 275,883 | 801.99 | 1,081.17 | -5.0% | 104,097 | 302.61 | 314.57 | 0.0% | 379,981 | 1,104.59 | 1,395.73 | -3.9% |
| Feb-17 | 344 | 865 | 350,854 | 1,019.92 | 1,084.06 | 0.3% | 89,999 | 261.62 | 310.42 | -1.3% | 440,852 | 1,281.55 | 1,394.48 | -0.1% |
| Mar-17 | 331 | 830 | 346,760 | 1,047.61 | 1,010.59 | -6.8% | 133,957 | 404.70 | 316.98 | 2.1% | 480,718 | 1,452.32 | 1,327.57 | -4.8% |
| Apr-17 | 333 | 824 | 301,389 | 905.07 | 982.59 | -2.8% | 77,776 | 233.56 | 304.47 | -3.9% | 379,165 | 1,138.63 | 1,287.06 | -3.1% |
| May-17 | 333 | 819 | 430,208 | 1,291.92 | 994.98 | 1.3% | 86,753 | 260.52 | 303.87 | -0.2% | 516,961 | 1,552.44 | 1,298.84 | 0.9% |
| Jun-17 | 331 | 815 | 380,425 | 1,149.32 | 969.14 | -2.6% | 107,324 | 324.24 | 305.74 | 0.6% | 487,749 | 1,473.56 | 1,274.88 | -1.8% |
| July, 2014 thru June, 2015 | | | 4,638,777 | 1,153.64 | | | 1,125,004 | 279.78 | | | 5,763,780 | 1,433.42 | | |
| Change from prior FY | | | | 26.5% | | | | -7.4% | | | | 18.1% | | |
| July, 2015 thru June, 2016 | | | 5,012,067 | 1,258.36 | | | 1,145,891 | 287.70 | | | 6,137,958 | 1,546.06 | | |
| Change from prior FY | | | | 9.1% | | | | 2.8% | | | | 7.9% | | |
| July, 2016 thru June, 2017 | | | 3,922,111 | 969.14 | | | 1,237,345 | 305.74 | | | 5,159,456 | 1,274.88 | | |
| Change from prior FY | | | | -23.0% | | | | 6.3% | | | | -17.5% | | |

Note: Employee lives lagged 2 months for per EE calculations

Lockton



Town of Colchester

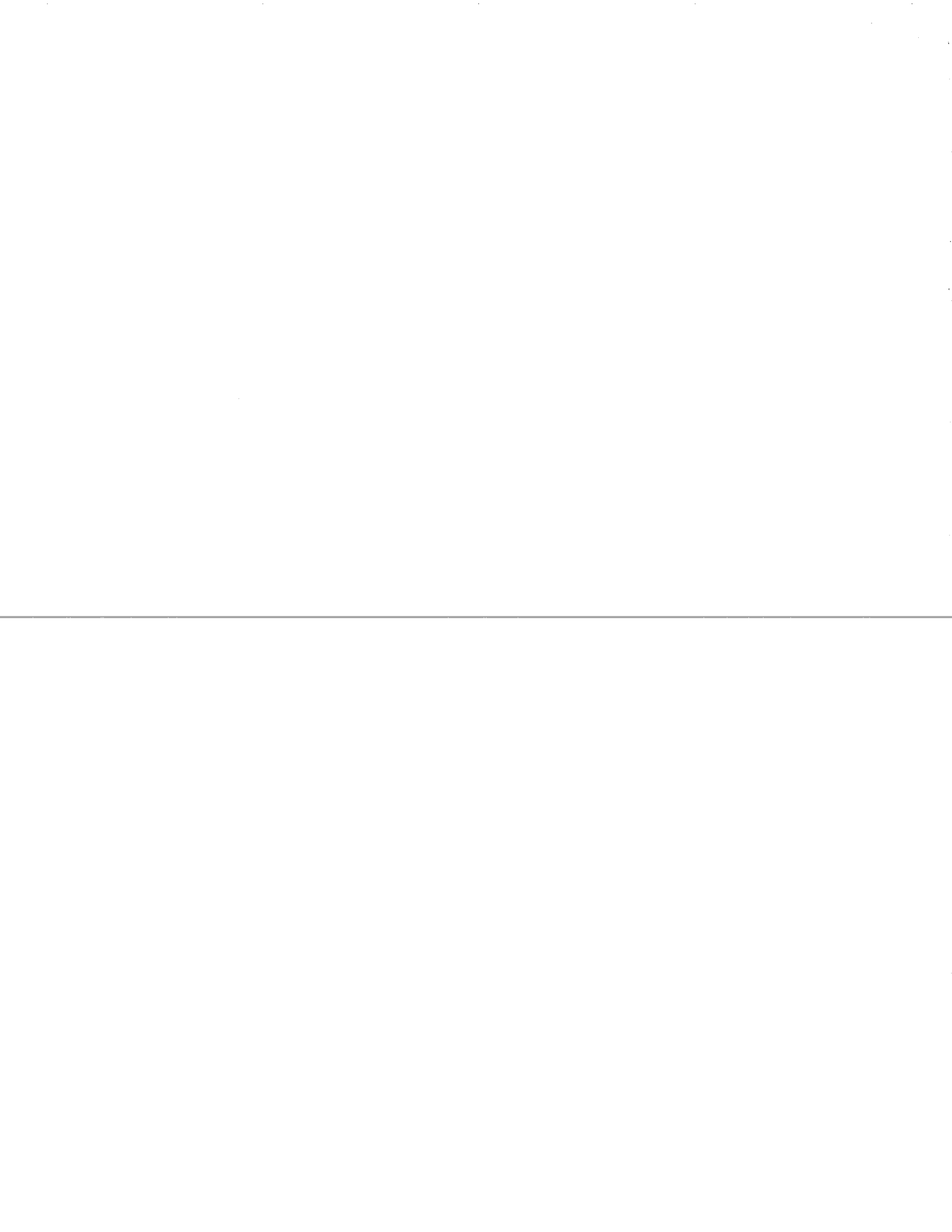
Anthem Medical and Rx Paid Claims Self-Insured Program



| Month | Total EEs | Total Members | Paid Medical Claims | Med Claims per EE | Rolling 12 | % Chg | Paid Rx Claims | Rx Claims per EE | Rolling 12 | % Chg | Total Paid Claims | Med/Rx | Rolling 12 | % Chg |
|----------------------------|-----------|---------------|---------------------|-------------------|-----------------------|--------|----------------|------------------|----------------------|-------|-------------------|---------------|--------------------------|--------|
| | | | | | Avg Med Claims per EE | | | | Avg Rx Claims per EE | | | Claims per EE | Avg Med/Rx Claims per EE | |
| Jul-15 | 69 | 165 | 67,403 | 976.86 | 1,050.87 | 2.1% | 19,060 | 276.23 | 256.99 | 5.3% | 86,463 | 1,253.09 | 1,307.86 | 2.7% |
| Aug-15 | 67 | 159 | 22,063 | 329.30 | 1,052.95 | 0.2% | 9,551 | 142.55 | 248.32 | -3.4% | 31,614 | 471.85 | 1,301.27 | -0.5% |
| Sep-15 | 65 | 157 | 39,702 | 610.79 | 1,053.83 | 0.1% | 7,514 | 115.60 | 243.91 | -1.8% | 47,215 | 726.39 | 1,297.74 | -0.3% |
| Oct-15 | 66 | 158 | 49,216 | 745.70 | 1,044.70 | -0.9% | 8,392 | 127.15 | 232.41 | -4.7% | 57,609 | 872.86 | 1,277.11 | -1.6% |
| Nov-15 | 66 | 156 | 34,706 | 525.85 | 1,021.11 | -2.3% | 7,617 | 115.41 | 209.72 | -9.8% | 42,323 | 641.26 | 1,230.83 | -3.6% |
| Dec-15 | 67 | 159 | 33,784 | 504.23 | 997.10 | -2.4% | 10,509 | 156.85 | 207.88 | -0.9% | 44,293 | 661.09 | 1,204.99 | -2.1% |
| Jan-16 | 66 | 156 | 59,049 | 894.68 | 1,034.22 | 3.7% | 9,580 | 145.15 | 203.34 | -2.2% | 68,628 | 1,039.82 | 1,237.57 | 2.7% |
| Feb-16 | 63 | 151 | 42,222 | 670.19 | 1,048.97 | 1.4% | 8,060 | 127.94 | 192.67 | -5.2% | 50,282 | 798.13 | 1,241.64 | 0.3% |
| Mar-16 | 63 | 151 | 46,152 | 732.58 | 1,025.23 | -2.3% | 11,194 | 177.69 | 191.67 | -0.5% | 57,346 | 910.26 | 1,216.90 | -2.0% |
| Apr-16 | 63 | 152 | 80,084 | 1,271.18 | 1,034.68 | 0.9% | 17,908 | 284.26 | 190.60 | -0.6% | 97,992 | 1,555.44 | 1,225.28 | 0.7% |
| May-16 | 63 | 152 | 57,333 | 910.05 | 796.30 | -23.0% | 11,275 | 178.97 | 182.13 | -4.4% | 68,608 | 1,089.02 | 978.43 | -20.1% |
| Jun-16 | 63 | 149 | 84,620 | 1,343.17 | 782.15 | -1.8% | 16,665 | 264.53 | 174.27 | -4.3% | 101,285 | 1,607.70 | 956.42 | -2.2% |
| Jul-16 | 63 | 147 | 58,865 | 934.36 | 774.26 | -1.0% | 8,274 | 131.34 | 161.20 | -7.5% | 67,139 | 1,065.70 | 935.46 | -2.2% |
| Aug-16 | 63 | 147 | 30,015 | 476.43 | 788.41 | 1.8% | 4,300 | 68.25 | 155.30 | -3.7% | 34,315 | 544.68 | 943.71 | 0.9% |
| Sep-16 | 63 | 147 | 90,324 | 1,433.71 | 859.83 | 9.1% | 7,256 | 114.86 | 156.14 | 0.5% | 97,560 | 1,548.57 | 1,015.98 | 7.7% |
| Oct-16 | 62 | 148 | 36,044 | 581.36 | 847.21 | -1.5% | 5,028 | 81.10 | 152.59 | -2.3% | 41,072 | 662.46 | 999.80 | -1.6% |
| Nov-16 | 62 | 148 | 35,987 | 580.44 | 851.08 | 0.5% | 5,244 | 84.59 | 149.90 | -1.8% | 41,231 | 665.02 | 1,000.98 | 0.1% |
| Dec-16 | 63 | 149 | 74,512 | 1,182.73 | 908.77 | 6.8% | 7,389 | 117.29 | 146.61 | -2.2% | 81,902 | 1,300.02 | 1,055.37 | 5.4% |
| Jan-17 | 63 | 153 | 53,848 | 854.73 | 906.71 | -0.2% | 4,274 | 67.84 | 140.40 | -4.2% | 58,122 | 922.56 | 1,047.12 | -0.8% |
| Feb-17 | 62 | 153 | 27,108 | 437.22 | 891.54 | -1.7% | 9,958 | 160.61 | 143.65 | 2.3% | 37,066 | 597.83 | 1,035.19 | -1.1% |
| Mar-17 | 61 | 151 | 71,638 | 1,174.40 | 928.88 | 4.2% | 11,803 | 193.48 | 145.03 | 1.0% | 83,441 | 1,367.88 | 1,073.92 | 3.7% |
| Apr-17 | 64 | 154 | 38,809 | 606.39 | 875.30 | -5.8% | 8,895 | 138.98 | 133.25 | -8.1% | 47,704 | 745.38 | 1,008.56 | -6.1% |
| May-17 | 64 | 154 | 80,976 | 1,265.24 | 909.12 | 3.9% | 15,493 | 242.08 | 139.23 | 4.5% | 96,469 | 1,507.33 | 1,048.34 | 3.9% |
| Jun-17 | 64 | 153 | 92,850 | 1,450.78 | 918.85 | 1.1% | 10,913 | 170.52 | 131.39 | -5.6% | 103,763 | 1,621.30 | 1,050.24 | 0.2% |
| July, 2014 thru June, 2015 | | | 835,620 | 1,029.09 | | | 198,226 | 244.12 | | | 1,033,846 | 1,273.21 | | |
| Change from prior FY | | | | 35.8% | | | | 18.5% | | | | 32.1% | | |
| July, 2015 thru June, 2016 | | | 616,334 | 782.15 | | | 137,326 | 174.27 | | | 753,660 | 956.42 | | |
| Change from prior FY | | | | -24.0% | | | | -28.6% | | | | -24.9% | | |
| July, 2016 thru June, 2017 | | | 690,976 | 918.85 | | | 98,807 | 131.39 | | | 789,783 | 1,050.24 | | |
| Change from prior FY | | | | 17.5% | | | | -24.6% | | | | 9.8% | | |

Note: Employee lives lagged 2 months for per EE calculations

Lockton



Town & BOE of Colchester

Anthem Dental Paid Claims
Self-Insured Program



| <u>Month</u> | <u>Total EEs</u> | <u>Paid Dental</u> <u>Claims</u> | <u>Dental</u> <u>Claims per</u> <u>EE</u> | <u>Rolling 12</u> <u>Avg Clms</u> <u>per EE</u> | <u>% Chg</u> |
|--------------|------------------|-------------------------------------|---|---|--------------|
| Jul-15 | 405 | 42,602 | 106.24 | 76.82 | -0.6% |
| Aug-15 | 399 | 31,829 | 79.57 | 76.78 | -0.1% |
| Sep-15 | 398 | 30,601 | 75.56 | 77.18 | 0.5% |
| Oct-15 | 396 | 27,260 | 68.32 | 77.29 | 0.1% |
| Nov-15 | 398 | 26,697 | 67.08 | 77.34 | 0.1% |
| Dec-15 | 402 | 37,583 | 94.91 | 79.10 | 2.3% |
| Jan-16 | 398 | 31,095 | 78.13 | 79.16 | 0.1% |
| Feb-16 | 395 | 28,679 | 71.34 | 80.70 | 1.9% |
| Mar-16 | 395 | 33,153 | 83.30 | 79.74 | -1.2% |
| Apr-16 | 394 | 29,527 | 74.75 | 78.19 | -1.9% |
| May-16 | 392 | 23,199 | 58.73 | 76.54 | -2.1% |
| Jun-16 | 394 | 40,520 | 102.84 | 80.06 | 4.6% |
| Jul-16 | 390 | 28,488 | 72.67 | 77.25 | -3.5% |
| Aug-16 | 390 | 36,098 | 91.62 | 78.24 | 1.3% |
| Sep-16 | 402 | 25,934 | 66.50 | 77.51 | -0.9% |
| Oct-16 | 397 | 22,632 | 58.03 | 76.68 | -1.1% |
| Nov-16 | 396 | 26,588 | 66.14 | 76.59 | -0.1% |
| Dec-16 | 399 | 32,706 | 82.38 | 75.55 | -1.4% |
| Jan-17 | 397 | 31,960 | 80.71 | 75.76 | 0.3% |
| Feb-17 | 396 | 27,425 | 68.74 | 75.54 | -0.3% |
| Mar-17 | 393 | 33,200 | 83.63 | 75.57 | 0.0% |
| Apr-17 | 398 | 18,454 | 46.60 | 73.22 | -3.1% |
| May-17 | 398 | 31,301 | 79.65 | 74.96 | 2.4% |
| Jun-17 | 397 | 27,064 | 68.00 | 72.06 | -3.9% |

July, 2014 thru June 2015

| | | |
|---|---------|-------|
| 403 | 374,391 | 77.43 |
| Projected (from Anthem 2014-15 Renewal) | | 79.03 |
| Actual/Projected | | 98% |
| Change from prior FY | | 4.9% |

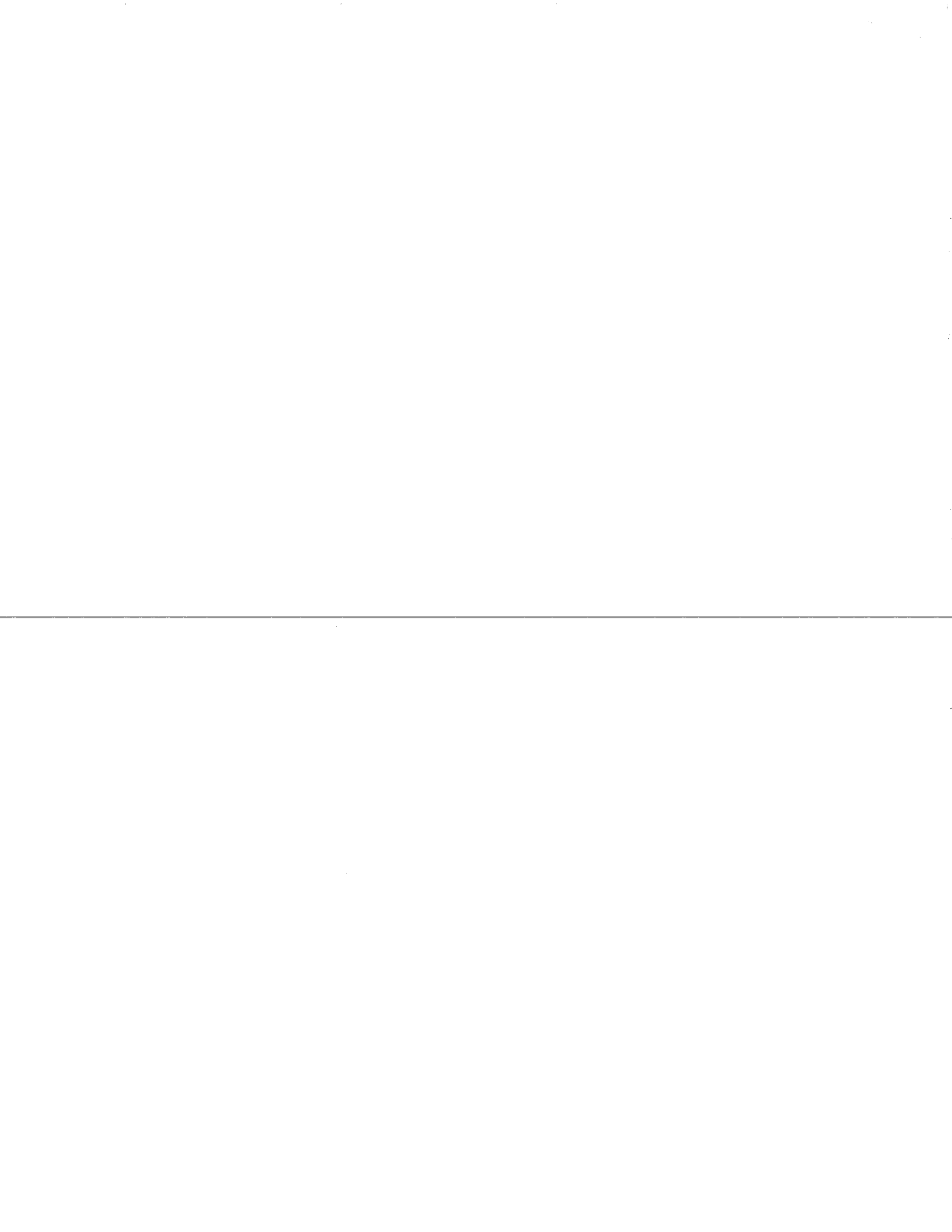
July, 2015 thru June 2016

| | | |
|---|---------|-------|
| 398 | 382,746 | 80.21 |
| Projected (from Anthem 2015-16 Renewal) | | 81.81 |
| Actual/Projected | | 98% |
| Change from prior FY | | 3.6% |

July, 2016 thru June 2017

| | | |
|---|---------|--------|
| 396 | 341,850 | 71.97 |
| Projected (from Anthem 2016-17 Renewal) | | 85.62 |
| Actual/Projected | | 84% |
| Change from prior FY | | -10.3% |

Note: Employee lives lagged 1 month for per EE calculations



| Prioritize | | 2017 - 2018 BOF Objectives and Initiatives - August 16, 2017 | NEXT STEP | NEXT DATE | |
|------------|-----------|--|---|-----------|------|
| (A, B, C) | (1, 2, 3) | | | | |
| A | 2 | <ul style="list-style-type: none"> • Budget Season Communications <ul style="list-style-type: none"> o Graphs and a Budget in Brief <ul style="list-style-type: none"> § Review BOF graphs and new ones created on 6/24 by Town staff § Choose relevant graphs: how to best create relevant and objective graphs to be included in a "Budget in Brief" § Create Budgets in Brief that are similar for BOE and Town § Having Budget document showing headcount trends for Town and BoE. | <p>On the web site: full budget, abbreviate budget with just the department total pages and Stan's presentation from 3/31 and tax impact chart.</p> <p>Stated at 4/1 Meeting, would like to see this</p> | | |
| | | <ul style="list-style-type: none"> • SURVEY • Budget Direction <ul style="list-style-type: none"> ▪ Town budget - 2016 - 2017 process - repeat for 2017-2018? <ul style="list-style-type: none"> • Approach to budget - present the cost of those items that are ongoing items to determine the cost of maintaining current • Have departments prioritize new initiatives and assign cost/benefit to each separate from the above. <ul style="list-style-type: none"> § Department Review to Begin Review with BOF in October • Connecting the continuing current services with a dollar amount and % increase. There was a lot of confusion what <ul style="list-style-type: none"> § New initiatives' calculated separately to see impact on the mil rate. This would also produce the impact on the mill rate if § Also if spending were the same as last year, what would mill rate be? | Agreed for 17/18 | Sept | 2017 |
| A | 1 | <ul style="list-style-type: none"> • GRANTS - How the Town and BOE are using. | Andreas presented info received from the FOI requests on 6/21/2017. He suggested the Town and BOE should prepare an annual list of grants that were received in prior FY. Art was in agreement and Rob spoke with Ron about the same. Rob sent e-mail to Ron and Art on 7/28 for 2016-2017 list. Discussion at 8/2 meeting with Maggie as to how to create - she thinks that a report she provides the State in September might work. | October | 2017 |
| A | 1 | <ul style="list-style-type: none"> • OPENGOV - implementation • ENERGY PROJECT - Using what we save above lease payments - absorb into operating budgets or capital projects? <ul style="list-style-type: none"> ▪ Create policy as to what lease payments will be used for when they expire in XX/XX/20XX. | <p>opengov.com in the 2017/2018 Budget, on hold until State Budget numbers known.</p> <p>Will ask Jim to present annual audit in October or November</p> | October | 2017 |
| | | <ul style="list-style-type: none"> • BUILDING REPAIR/MAINTENANCE/REPLACEMENT <ul style="list-style-type: none"> ▪ Update Funding Plan for the Schools and Town Buildings Plans ▪ Determine annual funding amounts over the next 5 years • Update Current Equipment Reserve Plan <ul style="list-style-type: none"> ▪ Heavy Apparatus - It was proposed we factor in as lease purchases (fire engines, ambulances, etc) | <p>11/18/2015 - Jim P. and Ken Jackson presented updated plan</p> <p>Added to the Reserve Plan</p> <p>Maggie presented updated plan on 1/20/2017</p> | 2017 | Fall |
| A | | <ul style="list-style-type: none"> • BYLAWS REVIEW | last updated October, 2016 | Dec | 2017 |

Initiatives & Objectives

| Prioritize | | 2017 - 2018 BOF Objectives and Initiatives - August 16, 2017 | NEXT STEP | NEXT DATE | |
|------------|-----------|---|--|-----------|------|
| (A, B, C) | (1, 2, 3) | | | | |
| A | 1 | <ul style="list-style-type: none"> • HEALTH INSURANCE FUNDING – establish a new policy for calculating annual funding and reserve requirements. <ul style="list-style-type: none"> ◦ Revise formula to minimize year to year volatility ◦ Create policy - no official funding policy has been adopted in writing | Meeting with Lockton held on August 10, will review at September 6 meeting. | 6-Sep | 2017 |
| X | X | <ul style="list-style-type: none"> • BOF: Powers, Responsibilities, Expectations, Limitations <ul style="list-style-type: none"> ◦ Communication during off budget season. - continue work done on communicating, Informing and Educating the Voter during <ul style="list-style-type: none"> ▪ How do we want to communicate? <ul style="list-style-type: none"> ◦ Informational Meetings? ◦ Web Site ◦ Facebook ◦ TriBoard Discussions ◦ ◦ What do we want to communicate <ul style="list-style-type: none"> ▪ Declining Enrollment, per pupil spending, test results - Graphs forward to BOE <ul style="list-style-type: none"> ◦ ▪ Fund Balance Policy and History <ul style="list-style-type: none"> ◦ (We had a piece previously approved by Board - changes recommended by Maggie were approved) ▪ Budget and Tax Rate History <ul style="list-style-type: none"> ◦ ▪ Revaluation <ul style="list-style-type: none"> ◦ ▪ Unexpended BOE Fund Balances <ul style="list-style-type: none"> ◦ Graph forwarded to BOE ▪ Department Fundraising <ul style="list-style-type: none"> ◦ ▪ People Costs <ul style="list-style-type: none"> ◦ Have official document explain benefits package in contracts ◦ STEPS: what are they? ◦ STEPS: a document stating # staff get contractual increases by increase range 1-2%, 3-5%, 6% and higher | Tom created communication pieces for Links on Art's Weekly Update to new budget communications. | | |
| | | <ul style="list-style-type: none"> • Budget Facebook Page <ul style="list-style-type: none"> ◦ How do we want to use? <ul style="list-style-type: none"> ▪ Post information and/or Direct People to Web Site where information will be posted? ▪ Allow people to ask questions? <ul style="list-style-type: none"> ◦ Can questions be posted anonymously? ◦ Can questions be submitted through page, without posting, and then post questions and answers? | | Sept | 2017 |

Initiatives & Objectives

| Prioritize | | 2017 - 2018 BOF Objectives and Initiatives - September 6, 2017 | NEXT STEP | NEXT DATE | |
|------------|-----------|---|--|-----------|------|
| (A, B, C) | (1, 2, 3) | | | | |
| A | 1 | <ul style="list-style-type: none"> POLICE Department - cost of state trooper program vs other alternatives Police and 24/7 - Other alternatives - Resident Trooper Program - Rob and Stan met with the Police Commission (July 2015) and communicated that in these times of tight budgets, that the Town could not take on this type of expense without definitive data that would justify the cost. | Waiting for a State Budget before other towns continue talks. | Dec | 2017 |
| | | <ul style="list-style-type: none"> Create a policy for funding from operating budget to maintain Unassigned/Undesignated fund balance %? At this point we create by | | | |
| | | <ul style="list-style-type: none"> Continued study of reorganization of Town Hall | | | |
| | | <ul style="list-style-type: none"> BOE: <ul style="list-style-type: none"> Should the capital needs of the schools be removed from the BOE budget - discussed with BOE <ul style="list-style-type: none"> The actual building projects are a Town expense, the ongoing maintenance is not. The BOE when faced with a decision of capital vs operation has always deferred the capital and maintenance BOE cannot do capital planning (funding) beyond the current year. Having capital maintenance within the BOE budget removes BOF ability to plan and make these decisions The Town has transfers and capital outside the operational budget, BOE does not. 3 - 5 year plan to adjust to declining enrollment. reviewed at 8/19/2015 meeting BOE - do we want to communicate expectations of what we would like to see the budget accomplish? | BOE stated they will handle in their budget. | | |
| | | done on November 18, 2015 | | | |
| | | <ul style="list-style-type: none"> FIRE/AMBULANCE Department Strategic Plan Implementation <ul style="list-style-type: none"> Plans for Retention? <ul style="list-style-type: none"> Plans to Increase Call Response Time? <ul style="list-style-type: none"> Plans to Increase Call Response Participation? - Ambulance Incentive Plan was to increase this <ul style="list-style-type: none"> Training Issues Hybrid Department vs Full time? AMBULANCE <ul style="list-style-type: none"> Review net costs of Services Review annual report for the Ambulance Incentive Program | Chief Cox discussed, Ambulance Incentive Program results, challenges in recruitment, training, and retention. Status of research on Paramedic Services | 2-Aug | 2017 |
| | | <ul style="list-style-type: none"> Create a policy for approving use of reserve accounts Health Insurance Funding – establish a new policy for calculating annual funding and reserve requirements. Finalize an agreement with BOS/First Selectman for approving expenditures that require line item transfers before the money is Have Budget document for Town and BoE showing labor salaries and benefits as % of Budget How do we create parity for nonunion position pay increases with union Policy for elected officials pay | | | |
| | | | DONE | | |
| | | | DONE (2014) | | |
| | | | DONE | | |
| | | | DONE | | |
| | | | DONE | | |
| | | | DONE | | |

Initiatives & Objectives

| Prioritize | | 2017 - 2018 BOF Objectives and Initiatives - September 6, 2017 | NEXT STEP | NEXT DATE | |
|------------|-----------|--|---|--------------------------|------|
| (A, B, C) | (1, 2, 3) | | | | |
| | | <ul style="list-style-type: none"> • BOF Web Page: what do we want to add? <ul style="list-style-type: none"> ◦ centralized location to retrieve BOF policies and Town policies relating to BOF <ul style="list-style-type: none"> ▪ Fund Balance Policy ▪ Budget Transfer Procedures - Use of Capital Reserve Fund ▪ BOE Unexpended Funds Policy ▪ Compensation Policy for Nonunion Employees and Elected Officials | <p style="text-align: center;"> DONE DONE DONE DONE </p> | COMPLETED AUGUST 4, 2016 | |
| | | <ul style="list-style-type: none"> • Review Board of Finance and Board of Finance Members Purpose, Responsibilities, Limits of Authority, Meetings, FOI | Done, June 7, 2017 | 2017 | June |
| | | <ul style="list-style-type: none"> • SNOW REMOVAL budget plan: Jim P presented at 10/21 meeting - | New Policy Created February, 2016 | | |
| A | 1 | <ul style="list-style-type: none"> • PROGRAM FUND - 5 year plan, budget vs fund expenses | Cheryl to present FY report for last 24 months | 16-Aug | 2017 |
| | | <ul style="list-style-type: none"> • Additional Items <ul style="list-style-type: none"> ▪ ▪ ▪ ▪ | | | |
| | | <ul style="list-style-type: none"> ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ ▪ | | | |

Initiatives & Objectives