



Ellington Public Schools

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March 3, 2023

Hon. Sean Scanlon
Office of the State Comptroller
State of Connecticut
165 Capitol Avenue
Hartford, Connecticut 06106

Dear Comptroller Scanlon,

The Ellington Public Schools has been a proud member of the Connecticut Municipal Employees Retirement System (CMERS) since 1968. For the majority of those years, the system served our employees well, providing a generous defined benefit retirement plan that exceeds that of most private sector employers at a reasonable cost.

In recent years however, the cost of the defined benefit pension administered by the Comptroller's office is less of a bargain. We do applaud efforts to make the system solvent in the long term, but we are frustrated by the lack of proposals from your office or the legislature to make it affordable for participating municipal entities in the future. The plan may have worked in 1968, but not today.

The State has reformed its own retirement system to create additional tiers in order to keep costs down; where is the reform within CMERS to do the same? The burden on municipalities, schools, and ultimately the residents of our community continues to grow year after year.

For our participating employees, we now see benefit costs exceeding 25% before factoring in group insurances such as health and dental. Despite a 72% increase in our contribution rate since 2017, the 2022 actuarial report shows the funded ratio actually decreased during that period. How much higher will our contribution rates go before the State will enact any reform?

The lack of flexibility in the system is burdening our ability to operate our school district and plan accordingly. Based on the 2022 actuarial report, we expect an increased payment of \$100,000 above our salary base. This is 400% of the projected increase in the 2021 actuarial report. No budget can be put forth with any certainty with that level of volatility.

We understand that these issues developed over many years and it will take time to fix. However, with the current reticence to address the issues of the past, we will never be able to solve the challenges of tomorrow.

We look forward to working with you and the legislature on potential solutions to address these concerns.

Sincerely,

Brian Greenleaf

Director of Finance and Operations

Cc: Rep. Jaime Foster
Sen. Saud Anwar
Dr. Scott V. Nicol, Superintendent

Sen. Jeff Gordon
Sen. John Kissel