

Total Driver Benefit Costs

	FY12	FY13	FY14	FY15	FY16
Salaries	\$1,565,076	\$1,619,853	\$1,676,548	\$1,735,227	\$1,795,960
Health/Dental	\$757,036	\$815,328	\$876,478	\$942,214	\$1,012,880
Retirement UL	\$6,722	\$7,037	\$7,368	\$7,714	\$8,077
Medicare tax	\$20,867	\$21,911	\$23,006	\$24,157	\$25,364
OPEB**	\$907,815	\$907,815	\$1,061,690	\$1,111,590	\$1,163,834
Total benefits	\$1,692,440	\$1,752,092	\$1,968,542	\$2,085,674	\$2,210,155

**OPEB can either be shown as reduced over the term of the contract as above or as a reduction of \$2.3 million in year 1 and \$146,967 to \$176,6077 in year 2 through 5

What are the Savings?

- Key Criteria
 - If the Drivers are no longer employees as of June 30, 2011, what currently paid costs are eliminated?
 - Are there Driver benefit costs we are still obligated to pay now or in the future even if we move to contracted Drivers?

Driver benefit details

- Drivers with less than 10 years of service
 - 33 of 77
 - Not vested in retirement system
 - No obligation to cover health insurance post employment
- Drivers with between 10 and 19 years of service but not 55 years of age
 - 19 of 77
 - Vested in retirement but cannot retire because of age
 - Town is obligated to pay health insurance when retired

Driver benefit details

- Drivers with between 10 and 19 years of service and are 55 and over
 - 10 of 77
 - Eligible to retire at any time
 - Town is obligated to pay health insurance (portion) when they retire
- Drivers with more than 20 years of service
 - 13 of 77
 - Can retire at any age
 - Town is obligated to pay health insurance (portion) when retired

Benefit costs used to calculate cash savings in school analysis

		Health insrnce	Dental	Medicare Tax	Total
1. not vested (less 10)		\$307,929	\$2,963	\$7,358	\$318,251
2. vested less than 55		\$211,637	\$1,698	\$6,266	\$219,601
3. vested over 55 less 20 #		\$72,931	\$845	\$2,622	\$76,399
4. vested over 20 #		\$133,649	\$1,022	\$3,737	\$138,408
certain savings in category 1 and 2 only		\$519,566	\$4,661	\$19,983	\$544,210
	Year 1	\$536,712	\$4,814	\$20,982	\$562,508
	Year 2	\$576,956	\$5,185	\$22,031	\$604,172
	Year 3	\$620,228	\$5,574	\$23,133	\$648,935
	Year 4	\$666,745	\$5,992	\$24,290	\$697,027
	Year 5	\$716,751	\$6,441	\$25,505	\$748,697

Additional Savings not Added to School Calculation

- OPEB, Other Post Employment Benefits
 - Reduce liability by \$2.3 million in year 1
 - Reduce liability by \$153,875 more in year 2
 - Reduce liability by \$161,107 more in year 3
 - Reduce liability by \$168,679 more in year 4
 - Reduce liability by \$176,607 more in year 5
- Benefit spending reductions from any of the vested employees eligible to retire immediately

Retirement Eligible Driver Benefits

	Health insrnce	Dental	Medicare Tax	Total
Year 1	\$213,398	\$1,929	\$6,677	\$222,004
Year 2	\$229,829	\$2,078	\$7,010	\$238,918
Year 3	\$247,066	\$2,234	\$7,361	\$256,661
Year 4	\$265,596	\$2,401	\$7,729	\$275,727
Year 5	\$285,516	\$2,582	\$8,116	\$296,213

These dollars are additional cash savings that can be transferred to offset the school budget costs if additional vested employees defer retirement

Additional Potential Cost Reduction

- **Non-Benefit Cost Reduction**
 - Workers Compensation Coverage
 - Property and Liability Insurance Coverage
 - Stop/Loss Insurance (both health and workers comp)
- These savings have not been included nor calculated as they will only be actualized a year after the action is taken