

RTM Meeting
January 3, 2012

REPRESENTATIVE TOWN MEETING NOTICE

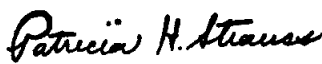
All Representative Town Meeting Members and inhabitants of the Town of Westport are hereby notified that a meeting of the Representative Town Meeting members will be held at Town Hall, 110 Myrtle Ave., on Tuesday, January 3, 2012, at 8 p.m. for the purposes listed below. If necessary, the meeting shall reconvene on Tuesday, January 17, 2012 to deal with any agenda items not disposed of at the adjournment of the January 3, 2012 meeting.

1. To take such action as the meeting may determine, upon the recommendation of the Board of Finance, and a request by the Library Director for an appropriation of \$76,000 to the Library Board Account to cover the increase in salaries negotiated with the library bargaining units effective July 1, 2011.
2. To take such action as the meeting may determine, upon the request of the Finance Director, to authorize the issuance of refunding bonds in an amount not in excess of Twenty million and 00/100 Dollars (\$20,000,000) to be issued in calendar year 2012 for the purpose of refunding all or any portion of the general obligations bonds issued by the Town in the years 2004 and 2006.



Hadley C. Rose, Moderator

This is to certify that I mailed a copy of the above notice, properly prepaid, to each Representative Town Meeting Member on Tuesday, December 27, 2011 and that I caused a copy of said notice to be published in the Westport News in its edition of Friday, December 23, 2011.



Patricia H. Strauss, Town Clerk

RESOLUTIONS

(1)

RESOLVED: That upon the recommendation of the Board of Finance, and a request by the Library Director, the sum of \$76,000 to the Library Board Account to cover the increase in salaries negotiated with the library bargaining units effective July 1, 2011 is hereby appropriated.

(2)

RESOLVED: that General Obligation Refunding Bonds of the Town (the "Refunding Bonds"), in an amount not in excess of Twenty Million and 00/100 Dollars (\$20,000,000) are hereby authorized to be issued in calendar year 2012 for the purpose of refunding all or any portion of the outstanding general obligations bonds issued by the Town in the years 2004 and 2006 (the "Refunded Bonds") provided that the Committee designated below determines that the refunding of Refunded Bonds selected to be refunded generates a present value savings.

BE IT FURTHER RESOLVED: that the First Selectman, the Selectmen and Finance Director are hereby appointed a committee (the "Committee") with full power and authority to cause said Refunding Bonds to be sold, issued and delivered, to determine their form and the aggregate principal amount thereof within the amount hereby authorized; to fix the time of issuance of such bonds, the rate or rates of interest thereon as herein provided, to determine the maturity thereof (provided that no Refunding Bonds shall mature later than the final date of the last maturity of the Refunded Bonds refunded); to select the maturities of the Refunded Bonds to be refunded, to establish and maintain a reserve, escrow or similar fund for the payment of the Refunded Bonds, and to pay all issuance costs incurred in connection with the authorization, issuance, and sale of the Refunding Bonds including, but not limited to, financial advisory, legal, trustee, escrow, verification fees, printing and administrative expenses and underwriters' discount. The Committee is authorized to sell the Refunding Bonds by negotiation. The net proceeds of the sale of the Refunding Bonds, after payment of costs of issuance, shall be deposited in an irrevocable escrow or similar account and invested in investments authorized by statute and approved by the Committee in an amount sufficient to pay all amounts that are or may become due on the Refunded Bonds from the date of issuance of the Refunding Bonds including interest thereon, the principal of, interest and redemption premium, if any, on the Refunded Bonds at maturity, or to redeem at the redemption price prior to maturity, pursuant to any plan of refunding. The Committee is further authorized to appoint an escrow agent or trustee, and to appoint a firm of certified public accountants or arbitrage experts to verify the sufficiency of the escrow investments, and to execute and deliver any and all escrow, and other agreements necessary to provide for the payment when due of the principal of and interest and redemption premium, if any, on the Refunded Bonds; and

BE IT FURTHER RESOLVED: that the Committee shall have all appropriate powers to provide for the issuance of the Refunding Bonds as tax exempt bonds, and comply with the state and federal tax and securities laws and the Committee shall have all appropriate powers to take such actions and to execute such documents, as deemed to be necessary or advisable and in the best interest of the Town by the Committee to issue, sell and deliver the Refunding Bonds.

Report of a Joint meeting of the Finance and Library Museum and Arts Committees Dec. 13, 2011

Present:

Finance Ctee: Jeff Wieser, Chair; Allen Bomes; Dick Lowenstein; John McCarthy; Cathy Talmadge. L,M & A: Arthur Ashman, Chair; Wendy Batteau; John Suggs; Cathy Talmadge.

Maxine Bleiweis explained that last year their budget was set without an allocation for prospective salary increases mid year. When the BOF set the final budget, however, they did account for an expected contingent increase in town employees wage rates. As a result, this request, as approved by the BOF, is an additional appropriation from an amount approved in last year's budget, even though it is an increase in the line item for the library's salary expense.

The increase that has been ratified by the Library Board of Trustees and both unions involved is 1.25%. The increase for part time employees is 1.00%. This is for one year only as the Library, in light of the climate for pending negotiations, opted to agree on a one year deal only. Maxine pointed out that recent settlements in other towns have been higher than this small percentage, but those towns mostly operate non-union libraries.

Allen Bomes asked about the effect of the pension and OPEB on this group of employees. Maxine indicated that is all a part of the town's plan that cannot be dealt with in this aspect of the negotiations. And on questioning by Wendy Batteau, we learned that the library currently employs 38 staff, and 25 retirees are in the system for pension and OPEB benefits.

The Finance Committee voted unanimously to approve the increase,
5 -0.

The Library Museum and Arts Committee also voted unanimously 4-0 to approve the increase.

Respectfully submitted,

Dr Arthur Ashman chair,
Library, Museum and Arts Committee



WESTPORT CONNECTICUT

FINANCE DEPARTMENT

110 MYRTLE AVENUE
WESTPORT, CT 06880

BACK UP MATERIAL
RTM ITEM # 2

December 28, 2011

Gordon F. Joseloff
First Selectman
Town of Westport
110 Myrtle Avenue
Westport, CT 06880

Dear Mr. Joseloff:

On March 2, 2011, the Representative Town Meeting approved a resolution which authorized the issuance of refunding bonds in an amount not in excess of thirty million dollars to be issued in the calendar year 2011. The purpose of this authorization was to allow for refunding all, or any portion of, the general obligation bonds issued by the Town of Westport in the years 2004, 2006, and 2009. This authorization expires on December 31, 2011.

This office has had a new authorization prepared for the 2012 calendar year, and the approval of this authorization has been placed on the agenda of the Representative Town Meeting for the meeting of January 3, 2012. A copy of the newest refunding resolution is enclosed for your review.

Our office will advise the members of the Board of Finance of this action with the forwarding of an email copy of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "John Kondub", written over a large, stylized oval scribble.

John Kondub
Finance Director

JK:ps
Enclosure

cc: Mr. Avi Kaner, Chair, Board of Finance
Mr. Hadley Rose, Moderator, Representative Town Meeting

RESOLUTION AUTHORIZING GENERAL OBLIGATION REFUNDING BONDS.

RESOLVED, that General Obligation Refunding Bonds of the Town (the "Refunding Bonds"), in an amount not in excess of Twenty Million and 00/100 Dollars (\$20,000,000) are hereby authorized to be issued in calendar year 2012 for the purpose of refunding all or any portion of the outstanding general obligations bonds issued by the Town in the years 2004 and 2006 (the "Refunded Bonds") provided that the Committee designated below determines that the refunding of Refunded Bonds selected to be refunded generates a present value savings.

BE IT FURTHER RESOLVED, that the First Selectman, the Selectmen and Finance Director are hereby appointed a committee (the "Committee") with full power and authority to cause said Refunding Bonds to be sold, issued and delivered, to determine their form and the aggregate principal amount thereof within the amount hereby authorized; to fix the time of issuance of such bonds, the rate or rates of interest thereon as herein provided, to determine the maturity thereof (provided that no Refunding Bonds shall mature later than the final date of the last maturity of the Refunded Bonds refunded); to select the maturities of the Refunded Bonds to be refunded, to establish and maintain a reserve, escrow or similar fund for the payment of the Refunded Bonds, and to pay all issuance costs incurred in connection with the authorization, issuance, and sale of the Refunding Bonds including, but not limited to, financial advisory, legal, trustee, escrow, verification fees, printing and administrative expenses and underwriters' discount. The Committee is authorized to sell the Refunding Bonds by negotiation. The net proceeds of the sale of the Refunding Bonds, after payment of costs of issuance, shall be deposited in an irrevocable escrow or similar account and invested in investments authorized by statute and approved by the Committee in an amount sufficient to pay all amounts that are or may become due on the Refunded Bonds from the date of issuance of the Refunding Bonds including interest thereon, the principal of, interest and redemption premium, if any, on the Refunded Bonds at maturity, or to redeem at the redemption price prior to maturity, pursuant to any plan of refunding. The Committee is further authorized to appoint an escrow agent or trustee, and to appoint a firm of certified public accountants or arbitrage experts to verify the sufficiency of the escrow investments, and to execute and deliver any and all escrow, and other agreements necessary to provide for the payment when due of the principal of and interest and redemption premium, if any, on the Refunded Bonds; and

BE IT FURTHER RESOLVED, that the Committee shall have all appropriate powers to provide for the issuance of the Refunding Bonds as tax exempt bonds, and comply with the state and federal tax and securities laws and the Committee shall have all appropriate powers to take such actions and to execute such documents, as deemed to be necessary or advisable and in the best interest of the Town by the Committee to issue, sell and deliver the Refunding Bonds.

Report of RTM Finance Committee Meeting
Tuesday, January 25, 2011

Members Present: Michael Rea, Chair; Alan Bomes; Linda Bruce; Michael Guthman; Richard Lowenstein;
John McCarthy; Cathy Talmadge; Jeff Wieser (Reporter)

Also Present: Kenneth Alexander, Deputy Finance Director

Ken Alexander began by pointing out that the RTM has on many occasions agreed to this sort of authorization which is meant to allow the Town to enter the bond markets at advantageous times and reduce our future debt service. Usually we are requested in rushed, special sessions due to the nature of the markets. The Finance Department is asking us this time for an authorization to issue refunding bonds AT SOME UNCERTAIN TIME in calendar year 2011 so that they will be able to move more quickly should the bond markets open up. The bonds expected to be refunded would be from the issues of 2004, 2006 and 2009. The Finance Department expects to make a similar request of the Board of Finance and RTM each January going forward to provide flexibility in their ability to reduce the town's future debt service.

When the refunding bonds are issued, typically, the funds go into an escrow account and the escrow is used to pay interest and principal on the previously existing debt until it is contractually allowed to be retired. Through this type of refunding, called "defeasance," we do not increase the size of our overall debt, but reduce the debt service of the town.

We are being asked for the authorization leaving the timing subject to the market and with the approval of the "Bond Committee" made up of the Selectmen and the Finance Director. In the past we have been advised of a targeted savings to be achieved. While that is not the case this time, the goal is to create a 3-4% NPV of savings over current debt service. The Finance Dept. has targeted the following bonds for potential defeasance:

2004- \$10,250,000
2006- \$ 8,910,000
2009- \$11,800,000

Total- \$30,960,000

(If they are able to defease the entire \$30 million authorized, the targeted NPV savings would be \$30 million x 3-4% or \$900,000-\$1.2 million)

On further discussion, the committee wondered why the committee appointed to decide timing did not include a member of the BOF. While some expressed concern that this might impact the agility of the committee to meet the necessary timing of the markets, we generally agreed that it might be a good idea to review this question separately. Subsequent investigation revealed that the State statute governing refundings, SGS 7-370, allows a wide scope in the makeup of this committee.

On a motion by Mr. Lowenstein and seconded by Mr. Guthman, the Committee voted unanimously, 8-0, to approve the resolution attached.

Jeff Wieser (Reporter)

RTM Meeting
December 6, 2011

The Call

1. To take such action as the meeting may determine to elect a Moderator of the Representative Town Meeting.
2. To take such action as the meeting may determine to elect a Deputy Moderator of the Representative Town Meeting.

Minutes

Moderator Hadley Rose:

This meeting of Westport's Representative Town Meeting is now called to order. We welcome those who join us tonight in the Town Hall auditorium as well as those watching us streaming live on www.westportct.gov, watching on cable channel 79 or ATT channel 99. My name is Hadley Rose and I am the RTM Moderator. On my right is our RTM secretary, Jackie Fuchs. Tonight's invocation will be by Staples High School Principal, John Dodig.

Invocation, John Dodig:

Thank you for asking me to provide the invocation this year. For those who are recently elected and those of you who have given years of your lives to public service, I congratulate and commend you. I come before you now as a Westport property owner and proud taxpayer. I have avoided living in each of the towns in which I have worked for 42 of the 43 years I have been in education. I recently decided that I wanted to be a part of the Westport community. In short, I moved to Westport because it is an extraordinary community and I want to be a part of it. Those of you who know me know that I speak my mind and wear my emotions on my sleeve. You know that I have never been more proud of a high school than I am at present. It took me only six months seven years ago to realize that this was an extraordinary school; that I had something to offer to bring it to even greater heights; and, here in Westport, I had the opportunity to have my vision for the future accepted and endorsed by the entire school staff. Now, seven years later, I am watching a team of adults make historic change right before my eyes. I fully expect that when I finally decide to retire, I will feel a sense of accomplishment that will be a fitting end to my career. About three years ago, I addressed the Y's Men of Westport and described the beginning of our journey at SHS to change the paradigm of education. Not much has changed in the "how" of education since the first public schools were opened in America. Students came to school each day charged with the responsibility of sitting still, being attentive and listening to what the teacher was sharing with them. The teacher was the repository of all information. We all hoped that students would remember what we told them long enough to pass a test and finally graduate after 12 years of school. My iPhone and gadgets like it have made that model unsuitable, unrealistic, and a complete waste of time. If we do not change the paradigm, American students will be ill-prepared for the competition that is now part of a

world economy. Facts have become a commodity to be shared among databases throughout the world. How to solve problems using this information, where and how to find it, making sure the data are accurate and relevant to the task at hand, and, finally using the data with the help of others in a group to collaboratively develop a plan of action or a solution to a problem is the model that is needed in the new world order. How we do this in America with our millions of school-age kids is way beyond my ability to discern. How we do this in Westport and at Staples, however, is very clear to me and very doable. In fact, it is happening right now. Solving real-world, often ill-defined problems and presenting the findings/solutions persuasively to an audience are skills our students are learning right now. The Westport 2025 initiative begun this year by the Superintendent of Schools will insure that this paradigm shift will be part of every child's experience from the first day of Kindergarten right up through twelfth grade. Just imagine what those graduates will be able to do by the year 2025. There are communities like Westport sprinkled throughout America with similar kinds of students, teachers, parents, and schools. In the grand scheme, however, it is a relatively very small number. What we have in Westport is rare. I know, and most people I speak to know, that our Westport schools sell homes. Our schools have become a huge draw to this community. The students who graduate have skills that far exceed the best from most high schools in America. I am speaking about this today because the new paradigm I described is expensive. One teacher talking at 30 or 40 kids is a less expensive model than one teacher providing students with real-world problems and then coaching them through the process of discovering an answer or solution. Having kids interact with the teacher, with each other, to present, and to demonstrate that they can actually do something useful with the big ideas they have discovered takes time. It can't be done remotely over the Internet. It has to be done in a classroom with sufficient time for teacher/student interaction. It is difficult, but it can be done. What I have shared with you today comes from the heart. It comes from 42 plus years of working with teenagers in public education in six different communities from suburban to urban. I know in my heart that it is the right thing to do for a group of hard-working, intelligent, compassionate, caring, community-minded young people with parents and a broader community that value education. I know you have very difficult decisions to make at budget deliberation time in May of each year. I also know that I am not an impartial observer when it comes to our community and our schools. But I happen to be the very proud Principal of your high school. And I know from everything I have learned over my 42 plus years that if any group of young people can grow up to be successful change-agents in a world that was not even dreamed of only a few short years ago, it is Westport's students. They are worth our investment. I have no school-age children but I will happily pay my taxes with increases each year to support this endeavor. My grandchildren will benefit from some of the great things our students will do one day. I am proud to be a part of this. Thank you for listening.

Mr. Rose:

Before we call the roll call this evening, we have a couple of members who were not able to make the inauguration the other evening so, if the following people would please come up: Mr. Wieser, Mr. Klinge, Mr. Rubin, Ms. Cherry and Mr. Gilbert, please.

Town Clerk Patty Strauss administered the oath of office.

There were 34 members present. Mr. Timmins notified the Moderator that he would be absent. Ms. Cady was also absent. Mr. Rossi notified the Moderator that he would be late. Ms. Calise also arrived late.

Birthday greetings tonight: Mr. Urist, Mr. Arthurs, Ms. Talmadge, Mr. Rossi and, also, Colleen Tarpey who is one of our very, very valuable workers in the Town Clerk's Office.

Announcements

Mr. Rose:

The next RTM meeting, we have a meeting on Dec. 14 at 8 o'clock here in the auditorium. Also, just as a reminder, there is an orientation meeting for new members this Thursday at 7:30 up in room 309.

Some of you have not turned in your committee assignment request sheets and some of you have still not signed off on getting information electronically from the Town Clerk's office. I would really appreciate it if you have everything and by Friday. The committees have to be formed by next week.

Mr. Wieser:

There is going to be a meeting of the Finance Committee on Tuesday, 7:30, room 309.

RTM Announcements

Jack Klinge, district 7:

On Dec. 18, Sunday, one o'clock, Senior Center, the Friends of the Senior Center are, once again, sponsoring a musical concert. It's our holiday concert. It's Maureen Hamill and her Broadway group. They sing wonderful tunes. We will end up with a holiday sing-along. As usual, we provide lots of goodies to eat. We start serving food at one o'clock to two. You are all invited providing you have your birth certificate which shows that you were born in 1951 or earlier. Come one, come all and enjoy a wonderful holiday music concert sponsored by the Friends of the Senior Center thanks to a grant from the Levitt foundation.

Mr. Meyer, Mr. Bomes, Mr. Rubin and Mr. Underhill:

Allen Bomes, district 7:

What happens in 25 days? First Night! This is another exciting show brought to you by popular demand, we are back to two fireworks at 8:30 and at midnight.

George Underhill, district 4:

First Night, it happens to fall on a very good time for us, as Saturday evening. We are going to have clowns. What we are going to do tonight is offer all of you RTM members First Night buttons for the 2012 New Year's Eve celebration. It's only \$10 tonight. It goes up to \$15 on the 15th of this month. We are asking you if you will be the first on your block and purchase them. If you can't use them for some reason or other, if you're going to be out of town or whatever the case might be, there is no problem buying a button and we will give it to the Human Services Department to give to people who can't make it. It can be a charitable contribution if you wish. We have about 25 plus venues throughout the downtown area. It's going to be on New Year's Eve. We are running it from four o'clock to midnight. As it was mentioned to you already, there will be two fireworks. One will be at 8:30 in the evening for the younger children so that they can come home and one at New Year's Eve at midnight which is the first time we have done this in a number of years, as you probably know. We have been very fortunate with these buttons. We have Doug and Melissa, you know who these people are in town, who have made a donation so we can have these buttons. These buttons also contain our website so if you can't buy a button tonight, you can go online on the website and purchase one at \$10 until the 15th of this month. What do you get for it? You get two firework displays. You get a bonfire. You get a horse and buggy ride throughout the town. And like I say, if you can't use the buttons for yourself, please give it back to us and we'll have it donated for human services for kids who can't make it. A wonderful, wonderful evening. If we make this one a success, we'll make it bigger and better for future years. I look for your participation. If you want a button tonight, look for me after the meeting.

Mr. Bomes:

Also, you can also buy a firework. This is a little bit crazy but you can make a donation for one firework, for a bombette or for a barrage.

Bill Meyer, district 3:

We are looking for volunteers. If anyone wants to volunteer for two hours, see a great show, go around, we need about 100 volunteers. This is our 18th year. We get bigger and better every year. Our biggest volunteer is Steve Rubin. That's why I got him up here. He volunteers for 10 hours every New Year's Eve.

Mr. Rose:

Just so the new members understand, you do not have to wear a party hat or have a blower to make an announcement.

Arthur Ashman, district 7:

I'd like to pay homage to our new members with the thought of the day before making my announcements about the jazz concert: "Politicians and diapers are just alike. They need to be changed often and for the same reason." Having said that, now for my musical interlude. There are two very, very good jazz concerts coming up. One is this Thursday at Fairfield University. It's the Jazz Ensemble.

Brian Torff, the head of the Music Department is leading it. It is one of the few times that you will see Ashman play his trombone. All kidding aside, I am the only member of the jazz ensemble that doesn't have pimples but, I enjoy it. Thursday, Dec. 15 is WAC. The Westport Arts Center has its terrific jazz jam. Any one of you who plays an instrument, bring it, you can come in and enjoy yourself. Both are at 7:30. For seniors, the jazz jam has a special \$10 entry fee. So, I'd like to encourage you, if you like jazz, bring the kids. The last time a lot of kids came and we had a spectacular 16 year old from Staples play a guitar. He was terrific. Bring your kids whether they play or not. They will enjoy it. The jazz jam, 7:30 at WAC.

Cathy Talmadge, district 6:

I just wanted to make sure, you will be receiving an invitation via e-mail tomorrow but I wanted to make sure you all knew about the open house at Wakeman Town Farm this Sunday, Dec. 11 between 11 and one. We will be serving cider and have cookies that children can decorate to hang on the tree that is being donated by the Edwards family from the Maple Hill Tree Farm. We will also be able to see the farm. You may notice we will be on the agenda for the 14th to establish a special fund which is fully funded through contributions for the next 18 months. If anyone has any questions and wants to call me prior to the meeting to get any additional information, I would be happy to talk to anyone.

John McCarthy, district 9:

First of all, Dodig didn't mention some of the great things that are happening for Staples this weekend. This is one of the weekends in which is a lot of different talents of our high school students are on display. This is the weekend of the Candlelight Concert, Friday night and Saturday. If you don't have tickets, some might be available. I strongly encourage you to go see it. It was a very special event when I was in it. It's even more special now that I'm not in it. The big event is the Staples football team. Staples Football is playing for the State Championship, Saturday night, 5:30, East Hartford, U. Conn. stadium, Rentschler Field. That's going to be a great event. This is an amazing team, 11 – 0, undefeated, going against 12-0, Xavier. These two teams have been ranked numbers one and two this season and this should be a pretty exciting game. Whether you want to see the athletics or see the performing arts or both, as I'm planning on doing, it is a great weekend to go and watch Staples kids do some of the things that makes this school quite special.

Mr. Rose:

Before we turn to the call, traditionally, at the first meeting of the session, the senior member of the RTM conducts the portion pertaining to the election of a Moderator. This year, as we did two years ago, we actually have two members with the same number of years of service. We have Mr. Rubin and Mr. Meyer who have both served for 16 years. This is their 9th term. Two years ago Mr. Rubin took the stage. This year the honor goes to Mr. Meyer. If Mr. Meyer will

please take the stage. By the way, for new members, you are never going to see this man in a tie again.

Mr. Meyer:

Boy, what an honor. The first time I've worn a suit! I've got a suit for every day of the week, the same one! Patty Strauss prepared something. I think it's fantastic. How many RTM's in the state? Seven: Greenwich, 62,000 population, 230 members. If the RTM met here, they would go all the way out the back door. Branford, the town has 49,000, 30 RTM members and they are partisan. Waterford, which is right before you get to New London, 18,000, 32 people on the RTM, partisan. Darien, the Blue Wave, 20,000 people, 96, non-partisan; Fairfield, the adjacent town, 57,000 people and 50 on the RTM, partisan; Groton next to New London, 40,000, 40 on the RTM; the best his last, Westport, started in 1948. I want to thank Patty Strauss for that. Her son will be playing next Saturday night. He is a big star of the football team. By the way, all these RTM's have two things in common. They are on the water and they are on Route one. Route one goes from Key West, Florida to Fort Benton Maine. Here we go. I'm going to read this because it's official. As Hadley says, 'Don't ham it up. Be official.' Right Hadley, okay. This is a time honored tradition and I am very pleased and proud to be part of this. The reason we're here tonight is our organizational meeting for election of the Moderator and Deputy Moderator. The way our procedures work is that I will run the election for Moderator and then the Moderator who is elected will come up and run the election for Deputy Moderator.

The secretary read item #1 of the call – Election of the Moderator of the RTM.

Mr. Meyer:

I will remind everyone that there is no resolution so there is no resolution to be seconded. I also remind you that under section A162a-11 of the RTM Rules of Procedure, voting for the election of Moderator or Deputy Moderator shall be by signed ballot; however, if only one candidate is nominated or if more than one candidate is nominated but only one candidate accepts the nomination, then the vote for Moderator and Deputy Moderator may be showing of hands at the discretion of the Moderator and so I choose to do it that way. At this time, the floor is open for nominations. Would you please state your name, district and how long you have been on the RTM.

Jeff Wieser, district 4 (been on the RTM four years):

... And I have never seen you in a suit and tie. It might be a little out of protocol, but I'd first like to welcome our new members and for all of the old members, former members, who aren't with us this year for the first time and probably watching on TV out of habit, I'd like to say hello and how much we miss them. I'm sure you guys will take over very quickly and very well for them but we are missing 11 great people.

Good Evening Mr. Acting Moderator, Fellow members of the RTM, members of the audience and those watching on TV. I am honored to stand before you to nominate Hadley Rose to continue in his role as Moderator of the upcoming annual session of this Representative Town Meeting. Twenty five of us know that Hadley has been a good, strong, fair leader, helping us wind our way through some thought provoking, sensitive, and sometimes stormy issues. Our 11 new colleagues might not be as familiar with Hadley's leadership, and I speak especially to you: to assure you that he has done a superb job in leading us for the past four years; to convince you that Hadley is worthy of reelection to this role; and to ask that you vote to keep him in the position. I will admit that in my four years on the RTM I have only known Hadley as Moderator. I will also admit that, prior to my service on the RTM, I did not watch a lot of the RTM meetings in person or on TV. So, I did not see previous Moderators in action. I'm sure our new members are more fully prepared than was I! However, as I think about what a Moderator should be and how one should act, I know we are very fortunate to have the experience of Hadley guiding us. He is fair. He creates an open atmosphere in our meetings so that all can be heard and all can feel comfortable in being heard. Both the public and our membership have the benefit of an open forum, and Hadley guards that jealously. Most impressive to me is his continuation of the tradition of Moderator moderation. He does not speak in meetings. He does not offer his opinions because, he has said, this might lead the discussion. How he controls himself to be able to do that, I don't know, but it is a testament to his leadership that he provides an open forum for all. He is technically competent. He knows Roberts Rules of Order, and he uses them fairly to keep this body on track. And he is a strong leader. That knowledge of Roberts Rules of Order, as well as his understanding of the process of our organization, is of great help in keeping our sometimes long meetings as short as possible. We all appreciate all that he does to achieve that particular goal! Most importantly, after four years on Hadley's RTM, I get the sense that he is proud of all of this organization and, therefore, I am proud of him. So I offer in nomination Hadley Rose as the Moderator of this Representative Town Meeting. It is a great benefit to all of us to have an experienced, principled leader to guide us over the next year. And it is a great benefit to all of us to have seen him in action and know that he happens to be good at the job we are electing him to do. I hope you agree with me that we should take advantage of this good fortune and return Hadley to the position at which he has been so successful. Good luck Hadley.

Melissa Kane, district 3:

Good evening. My name is Melissa Kane, and I am a newly elected representative from District 3. I think I have been on the RTM for about two weeks. I am honored and humbled and, quite frankly, thrilled to have the opportunity to second the nomination of Hadley Rose for Moderator for the upcoming session of the RTM. Until quite recently, I had only known Hadley as one of his constituents. During that time, he has been consistently accessible,

professional, thoughtful and kind and he's also very funny. I *have* been to my fair share of RTM meetings, and I'll admit to having watched more than a few on channel 79, and I've always been really pleased to find Hadley running meetings that are based on civility, impartiality and efficiency. He is an excellent leader. I would also add that the efficiency measures that Hadley has successfully implemented during his tenure as Moderator are, in fact, part of the reason I decided to run for RTM; I knew that, should I be elected, I would be spending my time wisely. So, doing my part towards time efficiency - I thank you for the chance to speak, I look forward to working with all of you, and I urge you to join me in voting for Hadley. Let's return him to the role he fills so well. Thank you.

Mr. Meyer:

Are there any other seconds? [No.] Is there anybody else to be nominated? Since there appear to be no other nominations, we will proceed with public comment.

Members of the Westport electorate – no comments

Members of the RTM – no comments

Mr. Meyer:

Traditionally, there has been little or no public or RTM comment during our Moderator's election; however it is allowed our town charter guarantees it Westport electors have the right to speak on any RTM item. Is there anyone from the town electorate that would like to speak? Let's show hands to elect Hadley. One hundred percent. That is required to elect a candidate. The vote is unanimous. Hadley!

Mr. Rose:

Thank you Bill. Nobody could riff like Bill. We are already off to a better start because, as you recall, in my last nomination, Velma, after extolling my virtues of organizational skills, I got up here and I had forgotten my acceptance speech. So, I made sure I had it this time. First, I'd like to thank you all for your continued vote of confidence. I'd especially like to thank Jeff and Melissa for their kind words. They really are appreciated. We've just come off a very difficult but, I think, very successful session. As we all know, the federal and state governments, not to mention most municipalities, are facing tremendous financial pressures. On any given day, you can pick up the paper and read about pension issues, public sector layoffs, cuts to education, etc. But Westport has so far managed to weather the worst of this storm. Our schools are still top rated. Our services are still, for the most part, first class. Our credit rating is still sound. Yet, our tax increases through these past few years have been very low. How did we do this? By the efforts of the elected officials, by the work of numerous volunteers and by the hard work of our Town employees. It starts at the top. From the modest budget increases put forward by the First Selectman and the continuing efforts of our Town Department Heads and by all our employees

working harder to do more with less. Our Board of Ed. has engaged in ongoing efforts to keep expenses under control and the past few years have proposed some of the most modest increases I have seen, as they continue to try to do the most they can with the dollars we can afford. The Board of Finance does its part to oversee the budgets and try to find new ways to instill fiscal discipline and suggest new procedures or policies as they review various appropriation requests. But, at the end of the day, so much of what makes Westport what it is comes down to us, the RTM. When the public has reservations about newly enacted legislation by the P&Z, they may come to us to review it. When the Board of Finance sends us an appropriation request, our committees review it and we have the final say. When they send us the budget proposal for the next year, we look at it, analyze it, and, in some cases, restore monies that were cut when we feel it will have a negative impact on the smooth functioning of the Town. The bottom line is, where the buck actually stops is here. Much like the past few years, we are facing another tough economic year. Once again we are going to have to try to balance the competing needs of our schools, of our seniors, of those who use the beaches and Longshore, and those who rely on our first responders, our Town employees and Town services in general. We need to do all this, in an environment where many members of the community, our neighbors, are facing harsh economic realities. I have every confidence that this RTM, with its mixture of experienced members and the energy and fresh eyes being brought to us with the influx of 11 new members, will be up to the challenge. Once again, thank you for your support, and I look forward to working with all of you to continue to make Westport the best town it can possibly be.

The secretary read item #2 of the call – To elect the Deputy Moderator of the RTM.

Mr. Rose:

Without repeating everything that Mr. Meyer said, the same rules apply to the Deputy Moderator.

Mr. Klinge:

Thank you Mr. Moderator and congratulations. This is one of the nice things about being on the RTM when you when you get to nominate and support to somebody who's really a true, loyal and wonderful member of this group and well deserving of your support. I am delighted, tonight, to nominate Eileen Flug to another term as Deputy Moderator. Keep in mind that Deputy Moderator is really the same as Moderator with a "Deputy" in front of it. All the skills that make a Moderator successful apply to a Deputy Moderator. Eileen has all of those skills and talents and commitment. Let me start with what I call pragmatic common sense. This is a body that often runs off and forget things, like the basics, which I happen to believe are common sense and pragmatism. Eileen enjoys all of those talents and is happy to communicate them to us and, you know what, we listen. When Eileen speaks, we listen. I confess, over my 14 years in this body, to not

always paying attention to people who are speaking. When Eileen speaks, I listen. It's for a reason. She has something to say. It's worth hearing. It's worth reflecting on. She commands our respect as any Moderator should. She has the ability to make evenhanded, on the spot, decisions which one must make in the role of Moderator... trained lawyer, valedictorian of her class at Pepperdine... Let me tell you about Pepperdine. If you can even begin to study sitting on that campus looking out over the ocean in Malibu and get any kind of good grades, it's remarkable. To get the best grades in your class, is outstanding. I have spent some time at that campus staring out to the ocean. Eileen has a wonderful sense of humor which, quite frankly, as Moderator you need when it comes to dealing with type A, egocentric, idiosyncratic speakers and that's just the RTM! Forget the public. You have to know how to manage your audience and Eileen can do that. Her experience tells us she can do that. Finally, Eileen is a genuinely nice person. She has given lots of time up to this town. You'll hear about more of her accomplishments from Lois Schine. She sacrificed her family and their time to work on public projects. She is truly a wonderful Westporter. You have all heard, probably, of Thomas More, a man for all seasons. Well, it is my privilege tonight to place in nomination for Deputy Moderator, Eileen Flug a woman for all reasons.

Lois Schine, district 8:

It's my privilege to second the nomination of Eileen Flug for Deputy Moderator of the RTM. She is the model of a dedicated Westport citizen and RTM member. She has served on numerous town committees. I'm not going to itemize them. During her previous six years as a member of the RTM she served as Chair of the Ordinance Committee and was Deputy Moderator. She was well prepared for both of these roles as Jack just told you, graduating from Pepperdine University, then spending 13 years as a corporate attorney. I'm sure you will all want to join me in casting your vote for Eileen Flug for Deputy Moderator.

By show of hands, Eileen Flug is unanimously elected Deputy Moderator of the RTM.

Mr. Rose: Congratulations.

Eileen Flug, district 9 :

Thank you Jack and Lois for those really kind words. That was wonderful. As I love short meetings. I love the efficiency measures that Hadley has instituted so I'm going to keep this brief. I just want to say I am honored to be elected your Deputy Moderator. I look forward to speaking and working with each of you. If there are any questions or concerns that you have, anything that you are too shy to speak with Hadley about, or anything that you would like to discuss with me, please contact me. I look forward to getting to know the new members. Once again, thank you very much.

Mr. Rose:

We have no other business tonight. I would just like to remind the new members, please try and attend the orientation meeting this Thursday. Don't get used to meetings being quite this short. This is fairly atypical. When we adjourn, if you would each caucus by your district. I need one member from each district to serve on the Rules Committee. Typically, it is usually the senior member or the member with the most votes. Each district can decide that on their own. So, before you leave, please do that and have somebody come back to me and give me who will be on the Rules Committee.

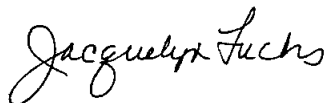
Point of information, Dr. Cunitz: Dunville's...

Mr. Rose:

Anybody who is interested, we are going to Dunville's after the meeting.

The meeting adjourned at 8:45 p.m.

Respectfully submitted,
Patricia H. Strauss
Town Clerk

A handwritten signature in cursive script that reads "Jacquelyn Fuchs".

by Jacquelyn Fuchs
Secretary

ATTENDANCE: December 6, 2011

DIST.	NAME	PRESENT	ABSENT	NOTIFIED MODERATOR	LATE/ LEFT EARLY
1	Don Bergmann	X			
	Diane Cady		X		
	Matthew Mandell	X			
	Cornelia Olsen	X			
2	Catherine Calise	X			8:20 P.M.
	Jay Keenan	X			
	Louis Mall	X			
	Sean Timmins		X	X	
3	Jimmy Izzo	X			
	Melissa Kane	X			
	Bill Meyer	X			
	Hadley Rose	X			
4	Jonathan Cunitz, DBA	X			
	David Floyd	X			
	George Underhill	X			
	Jeffrey Wieser	X			
5	Dewey Loselle	X			
	Richard Lowenstein	X			
	Paul Rossi	X		X	8:15 p.m.
	John Suggs	X			
6	Hope Feller	X			
	Paul Lebowitz	X			
	Catherine Talmadge	X			
	Christopher Urist	X			
7	Arthur Ashman, D.D.S.	X			
	Allen Bomes	X			
	Jack Klinge	X			
	Stephen Rubin	X			
8	Lee Arthurs	X			
	Wendy Batteau	X			
	Heather Cherry	X			
	Lois Schine	X			
9	Eileen Flug	X			
	Velma Heller, Ed. D.	X			
	John McCarthy	X			
	Gilbert Nathan	X			
Total		34	2		

Revised 11/16/11

RTM Meeting
December 14, 2011

The Call

1. To take such action as the meeting may determine, upon the pending recommendation of the Board of Finance, to establish a new Special Revenue Fund entitled Wakeman Town Farm Special Revenue Fund.
2. To take such action as the meeting may determine, upon the pending recommendation of the Board of Finance, to approve a Fund Balance Policy and Fund Balance Policy Statement for the Town of Westport.

Minutes

Moderator Hadley Rose:

This meeting of Westport's Representative Town Meeting is now called to order. We welcome those who join us tonight in the Town Hall auditorium as well as those watching us streaming live on www.westportct.gov, watching on cable channel 79 or ATT channel 99. My name is Hadley Rose and I am the RTM Moderator. On my right is our RTM secretary, Jackie Fuchs. Tonight's invocation will be by Reverend Branson.

Invocation, Reverend John Branson:

So let us pray. As this assembly gathers to envision and plan the future of Westport, we are mindful of the responsibilities that come with our many blessings. And so we first offer our thanks for the dedicated service of all those who have gone before us, upon whose shoulders we stand and in whose memory we live our lives of peace and posterity. And so we turn and take up the challenge of a spirited and faithful leadership for the future. So thank you for the generosity of supporters and benefactors of this town who have nurtured and sustained the vision of this community over so many years and have left us a lasting heritage for our future. Thank you for the administrators, the educators, the teachers, the elected officials, officers, and servants and visionaries. Who, because of their care and sacrifice, have instilled in the hearts of young and old alike an ever deepening sense of community and of the understanding of honesty and integrity and a firm foundation in the values and the meaning of sacrifice in the strengths of this nation. And so we ask God's presence to be with those who gather this evening. In this session, may there be abundant joy and praise, a striving for excellence and for achievements guided by cooperation, communion and gratitude and we also ask that we might curtail our cynicism and our doubt. Finally, we ask God's spirit to be among you to guard over you and to guide you, to be the source of this lively community and that all the angels of God, especially in this holy season, shine upon you with gladness and peace for ever and ever. Amen.

There were 32 members present. Mr. Rossi, Mr. Lebowitz, Mr. Klinge, and Mr. McCarthy notified the Moderator that they would be absent. Mr. Mandell and Mr. Keenan notified the Moderator that they would be late.

There were no corrections to the minutes of November 1. If anyone finds anything, please let Jackie, Hadley Rose or Patty Strauss know.

Announcements

Mr. Rose:

The next RTM meeting will be Jan. 3, 2012.

There are no other scheduled meetings.

RTM Announcements

Bill Meyer, district 3:

I want to give congratulations to the school system. ConnCam, an advocacy group that judges all the schools, they have a district report card. There are 1000 schools in Connecticut and middle schools, there's about 210. The number one school is Coleytown. That is the number one middle school in the state. Number two is Bedford. The number one high school is Staples. Let's hear it for the Wreckers! I have the opportunity, every Monday, to go to Bridgeport and work with children in Bridgeport. I can't tell you the difference between Westport and Bridgeport. It's just heartbreaking to see these poor kids living at poverty level. I mentor a boy in Westport. He doesn't have a father. He is getting all A's at Staples... This afternoon, I spent two hours with John Booth. He was on the RTM for 15 years. He was our Dean. What did he always say? Come on. "Let's call the question." John is watching. Let's all say, "Let's call the question." We love you, John.

Arthur Ashman, district 7:

How can you follow an act like that? I'd like to point out a resource that we have for people of all ages and that is the Westport Arts Center. There is a wonderful exhibition of photography that is absolutely incredible. As you will see, it is mind boggling. I won't tell you who it's by. There are several people. While you are there, especially Thursday night, this Thursday night at 7 o'clock, what do we have? Jazz. Dr. Cunitz had witnessed it last week and he can ask him what he thought of the jazz jam. I would like to invite you all. I'm thinking you will have a good time. If you get bored, look at the walls with the beautiful, beautiful photography.

Jonathan Cunitz, district 4:

Everyone should know that our own Arthur Ashman performed phenomenally on his trombone last week at Fairfield University in the jazz ensemble. He is going to do it again and I'm sure he'll let you know his next performance. I'm sorry that no one else from the RTM was there to see him. The announcement that I would like to make is that thanks to a number of RTM members who provided

assistance, the town of Rye, New York, one week ago, unanimously passed an ordinance banning plastic bags. The ordinance is based on the Westport ordinance and almost identical to it in language. In turn, we will be working with the neighboring communities of Larchmont, Mamaroneck and White Plains who were waiting to see what happened in Rye before they tried to move ahead. So, the word that we started here is spreading. It is a little slower than I had hoped but there is movement going on for the environment and Westport is definitely recognized in all the comments in Rye as being a leader in the environment. So, we should be very proud.

The secretary read item #1 of the call – To establish a new Special Revenue Fund entitled Wakeman Town Farm Special Revenue Fund. By show of hands, the motion passes unanimously.

Mr. Rose:

We are taking the word "pending" out because this was written before the Board of Finance approved this on Wednesday evening.

Presentation

Shelly Kassen, Board of Selectmen:

It's a Special Revenue Fund. We are talking about revenue tonight. Just to correct. I am very pleased and honored to be here this evening to present what has been well over a year coming. This is Wakeman Farm, how it will be structured and how it will be organized within the framework of the town of Westport. I want to begin by thanking GVI, particularly members who are present here who are part of the RTM and those who may not be part of the RTM. It was through GVI's initiative and hard work that the farm got to the point that it is at and a gift to the town of a wonderful, improved asset is much appreciated. We wish them well as they move on to do what their mission is and fulfilling their mission in Bridgeport with gardens at all the schools and all the wonderful things that GVI is doing. So, thank you to GVI, to start, those here tonight, I'm just making introductions primarily, Elizabeth Beller, Stuart McCarthy, Parks and Rec. who everyone knows and he will get up and talk about why this is being organized as a special revenue fund, what the meaning of that is and, of course, John Kondub, our Finance Director, is here to answer any questions, as well, Mike and Carrie Aitkenhead who are back here who will be the stewards of the farm and last but not least the many students who are here in support of this project because we appreciate their interest. As I said, Stuart will talk about why this is a Special Revenue Fund. What I want to do is especially commend everyone who has been involved in terms of the hard work. It has been very hard work in raising funds necessary to give this the green light to get to this point. Part of the Special Revenue Fund is moving all the monies that were saved in escrow to create the asset side of that fund. I see Cathy here. She, too, is on the committee. There are many others and for those who have come and supported at the farm itself, who came either this past Sunday; hopefully, all of you on the

RTM got pancakes at the pancake breakfast as opposed to just a good warm feeling, thank you. We are all here to answer many questions about the operation, the construction of the budget. I don't know that you need to get into that level of detail but the main thing is to create a Special Revenue Fund. So, I invite Stuart.

Stuart McCarthy, Director of Parks and Recreation:

I have been asked by the First Selectman to act as a liaison with the Wakeman Town Farm Committee which was established to oversee the operations of the farm. My role will be to assist them with things like this which is the accounting end of things, the interaction with the town's Purchasing, Finance Department and, to the extent that they have payroll, working with them on the administrative interface between the farm and the Town of Westport. We spent a great deal of time determining the best way to structure this and the proposal before you this evening which was approved by the Board of Finance is to set up a Special Revenue Fund. The best way to consider this is to think about the Railroad Parking Fund. It is a fund that is established as a stand alone. It is approved as part of the budget. It will be approved as part of your annual budget for the town of Westport. The Board of Finance and the RTM will have oversight of this budget from that standpoint but the concept is that it is a revenue in, expenditures out budget which in the case of the farm will allow them to retain funds that are raised through their fundraising efforts. Those revenues will come into this special fund and be available to them for expenditures as outlined in the budget. Most importantly, it then allows for the fund balance to be carried over year after year. So, to the extent that their fundraising is very successful, which we certainly hope it will be, and that there are excess funds at the end of the fiscal year, those will be carried forward into the next fiscal year. Again, if you think of the Railroad Parking Fund, various sewer funds are also special funds. It is anticipated that there will be no taxpayer funding for this project. The revenues coming in from the various programs at the farm as well as the fundraising efforts will be able to sustain the expenditures of the farm in that fashion. The Parks and Recreation Department will also be interacting with the farm to allow them access to some of our program registration capabilities. We will be coordinating their presence on the Town website for their programs so they should have a great deal of marketing capability going through the town's existing infrastructure and we will be coordinating that. The request before you tonight is for a Special Revenue Fund to support Wakeman Town Farm.

Finance Committee, Allen Bomes, district 7:

The RTM Finance Committee met on Tuesday, Dec. 13 to consider a proposal to establish a new fund, "Wakeman Town Farm Special Revenue Fund." The purpose of this request is to legally segregate Wakeman Town Farm revenue from expenses. If we do not set up this new fund, while contributions are considered restricted funds and can only be used as intended, revenue from other sources such as programming fees and sale of produce carry no restrictions. That is, although a moral commitment could be given to only use

this other revenue for Wakeman Town Farm expenditures, town officials could divert the funds in the future to other needs perceived to be more pressing; however, after a Special Revenue Fund is established, the money can only be used for its intended purpose unless the RTM changes this policy later. The committee voted unanimously to recommend that the full RTM establish this proposal (although because of her exemplary work as a Wakeman Town Farm Committee member, Cathy Talmadge recused herself). Respectfully submitted, RTM Finance Committee: Jeff Wieser, Chair, Allen Bomes, Reporter, Dick Lowenstein, John McCarthy, Cathy Talmadge.

Members of the Westport electorate – no comments

Ms. Flug read the resolution and it was seconded by Mr. Rubin..

RESOLVED: That upon the recommendation of the Board of Finance, a new Special Revenue Fund entitled Wakeman Town Farm Special Revenue Fund, is hereby established.

Mr. Rose: Seconded by Mr. Rubin.

Members of the RTM – no comments

By show of hands, the motion was passed unanimously.

Mr. Rose:

All the kids had their hands up. You can't vote! I never saw that before. You guys can come next week, too!

The secretary read item #2 of the call - To approve a Fund Balance Policy and Fund Balance Policy Statement for the Town of Westport. The motion passes 30-1-1. Mr. Bergmann opposed; Mr. Keenan abstains.

Mr. Rose:

We are also eliminating "pending" from the call. It is for the same reason.

Presentation

John Kondub, Finance Director:

Before I start, Mr. Moderator, I just want to congratulate the members who were re-elected this year. It's a pleasure to work with you. I want to thank all the past members that didn't run or didn't get reelected that are not here tonight. I thank them for their support and hard work. I especially want to congratulate the Moderator. He is one of the true leaders of the town of Westport, Mr. Rose, and Ms. Flug for being an able assistant. Now that I've said all that nice things, let me get to the business, why we are here. The resolution reads:

To take such action as the meeting may determine to approve a Fund Balance Policy, upon the recommendation of the Board of Finance, and Fund Balance Policy Statement for the town of Westport.

We had a very fruitful session last night. It was like accounting 101 or governmental accounting 101 regarding this new accounting pronouncement, GASB 54, which talks about the classifications of fund balance that the town of Westport has in the various governmental funds it has. It especially focuses, as you just heard just now, Special Revenue Funds such as the new one that has been approved now, the Wakeman Town Farm Special Revenue Fund, the Railroad Parking Fund, etc. But then it focuses greatly on the classifications within the fund balance that your governmental funds have which, more specifically as we talk here, is the General Fund. We drafted a policy and reviewed it a number of times. We had a substantial number of edits by the members of the Board of Finance. The basic thrust is the components of what our General Fund, Fund Balance is. It has five different levels: non-spendable being resources that are not in a spendable form such as assets that we have, Restricted Fund Balance which is a that is part of the component you may have heard just now about the same Wakeman Town Farm case where people donate money specifically for the operation of that farm. There are other parts of Special Revenue Funds that we have within the total financial picture of the town of Westport. There are governmental revenues associated. They come in strictly for that basis. The third component is committed, where there's internal constraints put upon it. The most classic example I can think of is the action that the Board of Finance usually takes when they set the tax rate. They commit a certain part of the fund balance to fund the operations for next year. I know in the budget we are presently operating in for 11/12, there was a commitment to use \$3,450,000 to fund this year's operations. That's what you're talking about when you have a Committed Fund Balance. The next level is the Assigned Fund Balance and that is designated to cover, as we would say at the end of the fiscal year, accounts payable, outstanding encumbrances/defined as purchase orders that the town of Westport has outstanding to fund certain expenditures. And then there is a subject called Continued Appropriations where we have funds that are not expended yet through the current year's budget and will be expended at a future date. The most prominent example that I can think of that we have is we approve funding for road paving and then Mr. Edwards usually delays that until the subsequent fall. As a matter of fact, the funds that we carried over from 10/11, we just finished expending through the period of Nov. 30. Last but not least is the Unassigned Fund Balance where there are no constraints. That's the big number that everybody has heard about. It used to be called Undesignated Fund Balance. That's the measure that's used, our rating agencies use to look at when they review the finances of the municipality as compared to the total budget of that municipality. In our case, it's, I don't think I've mentioned it in front of this body, but I probably mentioned it in front of the Board of Finance, we are projected to have an Unassigned Fund Balance as of June 30, 2011 of \$19.8 million which would equate to, roughly speaking, 10.5 percent of what our current year's budget level. That's the type of measure that's looked at very favorably by

rating agencies such as Moody's. We have to comply with the GASB 54 pronouncement for our financials as of June 30, 2011; otherwise, there is a consequence as to the money that has been designated as assigned. What has been assigned as continued appropriations, that power has been designated to the Finance Director because that person is traditionally the one that knows the most about the operations of the town and he works closely with the department heads here. Otherwise, that money would be folded back into Unassigned Fund Balance and you would be back to, you would have theoretically an overstated Unassigned Fund Balance and you would be back here appropriating money again for projects that haven't been completed yet. That's basically my presentation.

Committee Report

Finance Committee, Jeff Wieser, district 4:

The first couple of paragraphs of my report go over what John said so I will pass over those. I just want to point out that in delineating the five categories that John mentioned in the report, those are examples of the kinds of different balance, revenues that might fit in there. They are not meant to be exclusive. In talking through why we're doing this because of the accounting reasons and the five sources, I say that ... The committee agreed that this is a somewhat confusing question to bring to the RTM without a clearer explanation of the intent and history of the pronouncement, but after a lengthy discussion just last night at our meeting, we agreed that it represents more transparent accounting and is ultimately a benefit to the town. Dick Lowenstein pointed out that the Special Revenue Funds, currently listed in the Annual Report, will, going forward, be distributed between committed and restricted funds. That determination will be made, per Scott Bassett, the town's auditor from McGladry and Pullen, on the source of the funds (internal or external) and whether that source required that the funds be committed or restricted. The Policy Statement which was in the packet we received, assigns authority to the Finance Director to make the determination on the allocation of continued appropriations. The auditor noted that if they are in disagreement with such determination, the auditor has the authority to raise the issue with the Audit Subcommittee of the Board of Finance, the Board of Finance, the RTM Finance Committee and, ultimately, the RTM. So, if there is a change or conflict, it comes back to us. After all the allocations are made to the various fund balances, the remainder in the Unassigned Fund Balance is viewed by the ratings agencies as a sign of the financial strength of the town. John Kondub explained that the ratings agencies have suggested that a AAA rated town should have an Unassigned Fund Balance equal to about 10 percent of its total expenditures. Most of our neighboring towns have set 10 percent as their standard and again per John Kondub, Westport's current Unassigned Fund Balance is approximately 10.25 percent. Last night, it was 10 $\frac{1}{4}$ and today it is 10 $\frac{1}{2}$. We're getting better every day. Westport's Board of Finance, to ensure that we had some flexibility in this measure, set the policy for the first year, in an annually reviewable exercise, in a range of nine to 11 percent. That's what's in the Fund Policy Statement. The auditor, Scott Bassett, assured

us that these changes would have no impact on our current Unassigned Fund Balance and that that balance would, before and after the changes, be within the parameters set by the Board of Finance and viewed favorably by the ratings agencies. He also assured us that this would not limit in any way the authority of the RTM to approve expenditures in the future. The Committee voted on the resolution approving the Fund Balance Policy and The Fund Policy Statement. The vote was unanimous, 5-0. That vote included Allen Bomes, Dick Lowenstein, John McCarthy, Cathy Talmadge and me.

Mr. Rose:

Thanks Mr. Wieser and thanks to the Finance Committee. I realize this was kind of a rush but we did want to get it in before the end of the year. With the holidays coming up, we had a small window to do this.

Members of the Westport electorate – no comments.

Ms. Flug read the resolution and it was seconded by Mr. Rubin.

RESOLVED: That upon the recommendation of the Board of Finance, a Fund Balance Policy and Fund Balance Policy Statement for the Town of Westport, are hereby approved.

Mr. Rose:

It has been moved and seconded by Mr. Rubin to approve the resolution just read.

Members of the RTM

Don Bergmann, district 1:

I am going to be voting against this resolution and I'd like to explain why. It's sort of came to us in a bit of a rush in a little awkward format. I think there really should have been some comment about that but that's not really the crucial point at all. The ultimate thing that is being sought here by the auditors in connection with GASB is the designation of the role and responsibilities of John Kondub as Finance Director. That is what I believe should be acted upon tonight. The rest of this may be good, maybe not good, may be accurate, may not be accurate. I suspect it is basically pretty much accurate. But, it is not something that flows from GASB 54 in terms of action by the RTM. I have concern with the fact that the RTM is being asked to approve something that is outside of its responsibilities, its role. It doesn't have the right to modify the language, those kinds of questions. The second concern I have is one that is always of concern to me, the way something is written. The statements are awkwardly written. They are just not that clear. Whether they are substantive or not, I'm not prepared to say but it's just not a terribly well-written document. Sometimes, when we have poorly written documents, issues do come up. I have a concern in that regard. The final concern is that there is a statement here which is in the Fund Balance Policy Statement. It repeats sort of some of the language in the earlier statements but most of all it cites the unfunded balance percentage ranges as

from nine to 11 percent. First of all, I would like to see that number at eight percent. I will explain later and we will possibly get into a dialogue on that. However, the RTM has very little role in the siding that nine to 11 percent. It's not required by GASB 54. It's not something that the auditors need or want. It's a serious issue and its also being in here it's not relevant to our credit rating status. In other words, this is put in here as a flow from GASB even though GASB doesn't require us to say it and it's being sort of cited as the example of why we are going to have to maintain our AAA if we're in that range. The fact that we state it here isn't really relevant. For those reasons and they may seem technical to you, I have no idea, but I would've liked to have seen a resolution as follows. I think if I read this you'll understand pretty much where I'm coming from. I'm not proposing this. I'm giving it as information to reflect my views:

Whereas, as a result of the Government Accounting Standards Board Standard 54, GASB 54, the First Selectman has conveyed a request of the Finance Director for the approval of a Fund Balance Policy and a Fund Balance Statement for the town of Westport. Whereas, the Board of Finance, has approved the statements and the Finance Director, the Board of Finance and Westport's auditing firm, McGladrey and Pullen, have requested the RTM to take certain actions respecting the statements, now, therefore, be it resolved that upon the recommendation of the Board of Finance, the authority and duties of the Finance Director set forth in the statements are hereby approved.

That simple statement is what I think we are really doing tonight. To me, that's the important statement. I am not supportive of something that goes beyond what I feel is right and what hasn't been fully discussed, in part, because we really don't have the responsibility. Thank you.

Ms. Batteau:

I was at the same meeting last night and came away with a different understanding than Mr. Bergmann. We are being asked to approve this because we have to. GASB 54 is a requirement from the Government Accounting Standards Bureau. In the same way the OPEB accounting regulations changed, the fund balance regulations are changing. This was stipulated in 2009. It has to be approved so that it's effective as of the end of June 30, 2011. So, number one, we do have to do this. This is something that is appropriate for us to approve and we may have to approve the regulations. Second, the categories that are specified are specified by GASB 54 requirements. The wording is taken, basically, if you look at the GASB 54 rules on their website, the categories are taken right from there. It's not as though something that was made up. The one difference, as Don Bergmann pointed out, is that GASB 54 specifies that a lot of this is the discretion of the "supreme being." They say that it's at the highest level, highest decision-making level in the town. In our particular rules, that's been designated to the Finance Director, whoever he or she may become. However, I was clear to ask last night, to ask, does this in any way change the decision making protocol that's in the Charter and does this in any way limit the RTM's decision making on appropriations and approvals? The answer is no. So,

although it's legalese, there is some awkward language, this is basically what we have to approve. I'm going to be voting for it and suggest that everybody else does too.

Stephen Rubin, district 7:

I certainly would choose at this point to tend to agree with Wendy as opposed to the previous speaker. I do have one question and, hopefully, Jeff or John can answer it for me. In the range, we're talking nine to 11. To be optimistic as opposed to being pessimistic, if the economy should take a turn, why should we have a ceiling of 11 percent? I could understand a lower number, whether it be nine or something else, but why should we restrict ourselves to the 11 percent?

Mr. Wieser:

I want to point out that is a range suggested. There is nothing binding about that range. I believe the town is saying, in that instance, the range, they are speaking to the rating agencies mainly, that if there is a terrible economy and we can't go below nine percent; if there is a great economy and we have a great outcome for a year, we can go above that but then, I think, the rating agencies and our constituents want to know that we are not going to keep taxes up really high and go for 15, 16, 17 percent. We want to keep it in that range which is a conservative, but safe, range. They are speaking to rating agencies saying we don't want to go too much higher than 11 percent because that's not where government should go and, if it gets below nine, we are going to work like mad to get it back up to nine and maintain our rating. But there's nothing binding about it.

Gil Nathan, district 9:

I just have a question and I don't know who the proper person to address it to but according to the policy statement, it says "Any deviation from the stated policy will be reported to the Board of Finance at the earliest possible time." Previous to that, it says "the Finance Director has authority to deviate from this policy if it's in the best interests of the town." So, I guess my question is I don't truthfully understand why we are voting on this nine to 11 percent if it's really up to the Finance Director to decide what range we're in whether it be a better economy or a worse economy. It's a policy that is able to be deviated from at all times so, why are we even setting a range in the first place?

Mr. Kondub:

Excellent question. Deviation from the policy. Let me say this: I would say almost on an every two months basis, we have generated a report to the Board of Finance that kind of gives them an idea where we stand on Unassigned Fund Balance number, what we have traditionally called our surplus or undesignated fund balance. That is something that is closely monitored by them and by our department. I'll speak for myself as the Finance Director. With my past experiences with the Board of Finance, I wouldn't think of deviating from the policy without telling the First Selectman first and then the Board of Finance. They know about what's going on virtually on a monthly basis of how we stand

with regards to our current fund balance. When we talk about a range of nine to 11, it's a recommendation made by the Board of Finance. I made a recommendation here, I think a week ago of 9 ½, a flat number of 9 ½ based on the fact that our surrounding communities said 10 percent. They preferred to have a range of nine to 11. They had quite a debate. When it comes to the point of uses of the Undesignated Fund Balance, which is mostly used to augment the setting of the budget for the next fiscal year, they pretty much have that authority and we report to them on an every two month basis. They know where we are and the most important thing to acknowledge here is that this is subject to an annual review by them. We'll bring the policy back to them every year. They will review it. I don't think the Fund Balance Policy Statement has to be reviewed by the RTM every year but they will review the policy, and see what kind of level they want to set. I've been here in the old days when Moody's thought five percent was a great number of the current Unassigned versus percent of your budget. Now they are talking 10 percent based on where the economy is now and the various government defaults and stuff like that. They have the ultimate authority, in reality.

Mr. Nathan:

While I appreciate what you just said, I still find it a bit confusing. If we don't deviate from that policy, you've said, 'I would never do it without going to the First Selectman and the Board of Finance', I appreciate that. I think that is the right way to do things. I appreciate where Moody's is coming from. It used to be five percent. Now it's 10 percent. I understand where that's coming from. I still don't understand why we are setting a policy statement if it's the Board of Finance and the First Selectman and you are saying you wouldn't deviate from that. If the rating agencies are guiding us to that, if tomorrow it is 15 percent from the rating agencies, then what we as a town should be doing to protect our AAA rating is shooting for 15 percent at that point. I'm just picking a number out of the hat. While I appreciate that we are saying 'They are saying it's 10 percent, we should be in the range.' I don't see what this really does so I understand the point of passing it. To Don's point, maybe it creates some adverse effect by passing this. I don't know what that is. If it can be deviated from and it's in the best interest of our town, why should we pass it? I apologize if I'm being repetitive. I'm missing part of the picture.

Mr. Kondub:

We are asking the RTM to approve the Fund Balance Policy tonight. The policy statement is part and parcel of ...just being more transparent as to why we are doing this, We are not asking you to approve a level of fund balance or whatever. The Board of Finance has recommended that. That's within their purview. We are just asking you to approve the Fund Balance Policy because you, gentlemen and ladies, are the ultimate appropriating authority within the Town of Westport as it comes to Fund Balance and approving expenditures.

Dr. Ashman:

I was at the meeting last night also and I think we are making a very simplistic idea, we are picking it apart and that's not what we are voting on. Basically, as Wendy said, this is government mandated. We have to do it, number one. Two things that it does, it gives the town structure going from A to B to C to D in the various categories and transparency. For that reason only, we should pass it.

Dewey Loselle, district 5:

I am also in favor of passing this as it's written. To answer our colleague's question, though, I think there's a more simple explanation exactly with regard to your concern. It's two things. First of all, the main purpose of this whole thing is to set up a new classification scheme for accounts. That's basically what we are approving tonight. Secondly, there's the concept of what they call "flow assumptions." Which fund do you spend from first when you have five funds, particularly, if you have more than one fund source funding a particular activity or program. That's what this third paragraph talks about. It says,

For purposes of Fund Balance classification, expenditures are to be spent from Restricted Fund Balance first, followed in order by Committed Fund Balance, Assigned Fund Balance and, lastly, Unassigned Fund Balance.

Now here's where the second half of that paragraph comes in:

The Finance Director has the authority to deviate from this policy. He's talking about the policy of which funds to spend from in what order. We have agreed on what the order should be which is also in accordance pretty much with what GASB talks about. The Finance Director has the authority to deviate from this policy if it is in the best interest of the town. Any deviation from this stated policy will be reported to the Board of Finance at the earliest possible time. That's really what the deviation is talking about. It's talking about the change from which fund you go to first reverses the order that we are approving tonight. It's really not talking about the next paragraph which is a goal of what our Fund Balance, Unassigned Fund Balance should be. That's my understanding, anyway.

Dr. Cunitz:

I'm looking ahead to next May. I would like a commitment from the Finance Department by John, hopefully binding on his successor, for an analysis for our budget considerations of what these fund balances will be in these different categories and how they relate that we are going to be considering. Is something like that feasible, John?

Mr. Kondub:

Dr. Cunitz, I can assure you when you see the Comprehensive Annual Financial Report from June 30, 2011, it will break down the components. We'll take a trial run as of December 31, 2011 to take a look at the December 31, 2011 results. I'll make it an issue before I depart company here and see how that will work and be able to pass it along to the RTM Finance Committee. Mr. Wieser and I will work on that. I'll make you that promise.

Velma Heller, district 9:

I'm in favor of this. This to me is just common sense that we need to do this. I did want to say that I think when we look at a situation like this that arises where we are talking about a policy that is happening within the context of ongoing operations, where all of those parties involved are used to the flow of who gets what first, who is more in charge, who is the decider in all of this; there is an ongoing way of operating and this is not a new thing. This is part of that ongoing set of operations. So, I think it is a matter of getting to know how this fits in and sometimes, perhaps more context is needed even in the introduction to such policy to help understand how it will all work out. I think that, in terms of the way it's been set up, it is part of the way the Board of Finance operates and the relationship that is ongoing between the Finance Director and the Board of Finance. So, I urge you to vote for this. I think it just makes good sense.

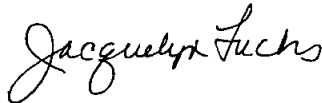
The motion passes 30-1-1. Mr. Bergmann opposed; Mr. Keenan abstains.

Mr. Rose:

Before you all leave, have a very Merry Christmas, Happy Chanukah and happy and healthy New Year to you and your families.

The meeting adjourned at 8:58 p.m.

Respectfully submitted,
Patricia H. Strauss
Town Clerk



by Jacquelyn Fuchs
Secretary

ATTENDANCE: December 14, 2011

DIST.	NAME	PRESENT	ABSENT	NOTIFIED MODERATOR	LATE/ LEFT EARLY
1	Don Bergmann	X			
	Diane Cady	X			
	Matthew Mandell	X			
	Cornelia Olsen	X			
2	Catherine Calise	X			
	Jay Keenan	X			
	Louis Mall	X			
	Sean Timmins	X			
3	Jimmy Izzo	X			
	Melissa Kane	X			
	Bill Meyer	X			
	Hadley Rose	X			
4	Jonathan Cunitz, DBA	X			
	David Floyd	X			
	George Underhill	X			
	Jeffrey Wieser	X			
5	Dewey Loselle	X			
	Richard Lowenstein	X			
	Paul Rossi		X	X	
	John Suggs	X			
6	Hope Feller	X			
	Paul Lebowitz		X	X	
	Catherine Talmadge	X			
	Christopher Urist	X			
7	Arthur Ashman, D.D.S.	X			
	Allen Bomes	X			
	Jack Klinge		X	X	
	Stephen Rubin	X			
8	Lee Arthurs	X			
	Wendy Batteau	X			
	Heather Cherry	X			
	Lois Schine	X			
9	Eileen Flug	X			
	Velma Heller, Ed. D.	X			
	John McCarthy		X	X	
	Gilbert Nathan	X			
Total		32	4		