

RTM Meeting
January 3, 2012

The Call

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.

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 Ken Bernhard.

Invocation, Ken Bernhard:

Thank you, Mr. Moderator, members of the RTM. It's a great honor to be here tonight to open the meeting. Rather than a prayer, permit me to begin tonight's business by affirming on this, the first meeting of the RTM in 2012, Westport's gratitude for the health, availability, generosity, and public service of each of the members of this chamber. You have volunteered your precious time and your tenured wisdom and have volunteered to help your community to survive and prosper. Volunteering may not be uniquely American but it is firmly planted in our history and in our traditions. Without volunteers like you, American towns and cities could neither operate nor govern. Your presence here tonight positions you among the patriots of our community. So, rather than a prayer, for your good service, let me affirm Westport's confidence that you will think clearly, vote responsibly, assuring that we are governed fairly and justly. Mr. Moderator, I give you back the meeting. Good luck with tonight's business.

There were 31 members present. Mr. Mandell, Dr. Cunitz, Mr. Suggs and Dr. Heller notified the Moderator that they would be absent. Ms. Feller was also absent.

There were no corrections to the minutes of Dec. 6 or Dec. 14. Please notify Mr. Rose, Ms. Fuchs or Town Clerk Patty Strauss with any corrections.

Announcements

Mr. Rose:

Birthday greetings: Mr. Timmins, Ms. Schine who has a special birthday, Ms. Feller, Mr. Klinge, Mr. Rubin and Mr. Mall. Happy birthday to you all.

The next RTM meeting will take place right on Feb. 7 at 8 o'clock.

There will be Finance Committee meeting next Tuesday, room 309, 7:30.

There were no other RTM Committee meetings scheduled.

RTM Announcements

Arthur Ashman, district 7:

Tonight, I'd like to mention three different events that are coming up this week that I think you may very well enjoy. The two that are at the Westport Arts Center, of course, Thursday night is the Jazz Jam of which you have heard me speak before so I will go very quickly to Sunday afternoon. Sunday afternoon, Peter Hand Quartet is going to honor Horace Silver. The reason why he is rather well known, he is a Connecticut born and very well recognized pianist, composer. According to Brian Torff, Horace Silver is one of the most important small-group jazz composers in history. And that is saying a lot. Both are at the Westport Arts Center. One is this Thursday at seven o'clock. The other one is Sunday at three o'clock. I think you might enjoy it very much. The other thing is there is a wonderful photographic exhibition at the Westport Arts Center. It's rather unique and it honors a very special person. I'll just say it's the "Weegee" Exhibition. Having seen the exhibition, it's absolutely incredible.

Bill Meyer, district 3:

I guess we all saw this magazine, *Connecticut Magazine*. In towns between 25 and 50,000 people, we are the best in terms of leisure. What happened New Years Eve in Westport that was so great? First Night. We were 25 percent ahead of last year. There were people walking around having fun all night, of all ages. One of the thrills of the night was when this man came up to me and said he was from Sausalito California. They were looking at Darien, New Canaan and Westport and Westport is where the action is and First Night is one of the reasons for it. It's for all ages. It's fun. I want to thank Allen Bomes, our financial guy. If he had been the financial guy for Enron, they wouldn't have been out of business. He's that good. And George, and thanks for Steve our First Night volunteer, and Gordon, thanks for all the publicity on Westportnow. It's fantastic. We were ahead of last year and next year will be even better. I want to pay a special tribute to a special lady named Barbara Pearson. She took this over. She pulled it out. She did great. Next year, we'll all be there. You'll see what you missed. Everybody going to be at First Night next year? Yes!

Jack Klinge, district 7:

Happy New Year. It's that time of year where I start talking about the Friends of the Westport Senior Center which I am the president of, I guess, and it's our sixth year. We are continuing to put on wonderful programs at the senior center for our seniors. Up and coming on January 22 is the country and Western group. I don't have the exact name. I apologize, Jackie. If all my up-and-down work out there will be some great chicken wings and wonderful country and Western food. There will be entertainment. One o'clock, food. Two o'clock, entertainment. Jan. 22 at the Senior Center. On February 5, which is Super Bowl Sunday, we will have our sixth annual Super Bowl party for the town of Westport. You are all invited, any ages. Food will be provided by Oscars which means great hot dogs, potato salad, etc. etc. All free. Staples football team members will be there, cheerleaders. There will be a football theme, Super Bowl tailgate party theme and all of Westport is invited. Again, courtesy of Friends of the Senior Center. So, come one, come all and enjoy.

Mr. Rose:

Before we move on, just as a reminder, this Friday is the beginning of the budget presentation by the Board of Ed. in the McManus room at the library. It starts at 8:30 in the McManus room. You are all obviously invited to attend. They kind of go through a good chunk of the budget. It's the Superintendent's proposed budget to the Board of Education. This is how they start the process. It is the beginning of a very long and very well looked at process.

First Selectman, Gordon Joseloff:

Good evening Mr. Moderator and members of the RTM. Happy New Year. Congratulations to Bill on First Night and all of the volunteers. It was one of the best First Night's that I have seen, literally, how many years has this been done? Eighteen, 18th year. Fantastic job by the volunteers. It was just terrific.

You may have seen, a few hours ago, I announced that we have appointed a new Finance Director. Gary Conrad was the Chief Financial Officer in New Canaan. He has been CFO since 1994. He has broad experience in municipal government and he is wholly respected. Prior to that, he was in private industry for a number of years. So, he brings a wealth of financial management and expertise to Westport. I expect he'll start in a couple of weeks. There will be a smooth transition with John Kondub to whom we are very grateful for his many years of service. We just wanted to bring you that news. Also, you may have seen that the Board of Selectmen just before the new year approved a contract with Milliman, new actuaries. So, we have new actuaries and a new Finance Director on board and look forward to working with the Board of Finance and the RTM on the next budget.

The secretary read item #1 of the call – To approve 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. By show of hands, the motion passes unanimously.

Presentation

Maxine Bleiweiss, Library Director:

Happy New Year. I encourage everyone to participate in Westport Reads this month as we read I was Amelia Earhart by Jane Mendelsohn.

The Westport Public Library, as stated, has requested an additional appropriation of \$76,000 to its budget for fiscal year 2011/2012. That amount is needed to fund salary and wage increases for library staff members during the current fiscal year. This request was unanimously approved by the Board of Finance on Dec. 7. When the library presented its 2011/2012 operating budget earlier this calendar year, we didn't include increases for salaries and wages because renegotiation of labor agreements was underway; however, we anticipated the amount that we would need and advised the First Selectman's Office to that effect. It is our understanding that this amount was included in the final considerations of the 2011/2012 operating budget when the mill rate was adopted by the Board of Finance. The library negotiates with two AFSCME local unions. Five-year labor agreements with each of these unions expired on June 30, 2011. Renegotiation of those agreements took place simultaneously and were concluded in August. This year, as in the past, contracts were negotiated without the assistance of outside counsel; thereby avoiding the expense of lawyers or other fees. In light of the prevailing financial circumstances at the local, state and national levels, the library sought and obtained a one-year agreement with each union rather than multiple year agreements as in the past. The new agreements, which have been ratified by the Library Board Of Trustees and the unions, provide for only one change in working conditions, salary increases equal to 1.25 percent, effective July 1, 2011. The library plans to grant a similar salary increase to nonunion full-time staff members and part-time staff members. In recent years, the town's appropriation has represented slightly over 80 percent of the library's revenue budget. The requested additional appropriation of \$76,000 will increase the town's appropriation from 81.1 percent to 81.7 percent. At the same time, the library will continue its traditional efforts to develop new ways to raise revenue from other sources. Moreover, it is worth noting that the 1.25 percent across-the-board salary increases negotiated with the AFSCME local unions and unilaterally granted to nonunion and full-time staff is substantially less than the increase scheduled in all but one of our traditional benchmark libraries and communities nearby. I'm happy to answer questions when appropriate.

Committee Reports

Library Museum and Arts Committee, Dr. Ashman:

Thank you very much Maxine. She just about said just about everything I was going to say with a few additions. That's the problem when you have an exceptional Executive Director of the library. She takes all the work away. The

committees met in an unusual joint Finance and Library Committee meeting on Dec. 13. In the Finance Committee, Jeff Wieser, Chair; Allen Bomes; Dick Lowenstein; John McCarthy and Cathy Talmadge were present. The Library Museum and Arts: Arthur Ashman, Chair; Wendy Batteau; John Suggs; Cathy Talmadge were present. The only additional point that I would like to add to what Maxine has already said is that Allen Bomes raised the question about the effect of the pensions and OPEB on this group of employees. Maxine indicated that is all a part of the town's plan and will not affect it one way or the other. Also, we learned that the library currently employs 38 staff, and there are 25 retirees that are in the system for pension and OPEB benefits. A vote was taken and it was unanimous 5-0 in the Finance Committee. The Library Museum and Arts Committee also voted unanimously, 4-0, to approve the increase.

Members of the Westport electorate - No comment

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

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.

Mr. Rose:

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

Members of the RTM

Gil Nathan, district 9:

Someone mentioned that this will have no effect on pension and OPEB liabilities. How is that possible if you have a salary increase? It's going to affect pension and OPEB liabilities. The way our pensions work is that it is an accumulation of what you make at the end of your career. If we continually make increases and I'm not trying to pick on the library here, it just happens to be the topic tonight, if we continue to give raises to people across the board, that will have a massive effect on pension and OPEB liabilities going forward. So, this is something that the RTM needs to think about with every single contract that comes in front of us. This just happens to be the first one. It has been negotiated already. A 1.25 percent increase doesn't sound large but, let's keep in mind, fiscally, not just this town but this state and this country are at a place where we haven't been in the past and we need to consider that every increase will have an effect going forward. So, to say it won't have an increase in our pension or OPEB is incorrect, unless I've misunderstood it. We need to be aware of that and consider that every time and also take into effect that this is one contract being negotiated this year and we have other ones that are coming up in the next two years that are very substantial. The comparison should not be that other towns around us have gotten bigger increases. That's foolish and dangerous. That's saying my neighbor is doing something poorly. I should do it less poorly. Let's start to think

about ways to do it correctly. I'm not saying a 1.25 percent increase for the library staff is incorrect. I'm just saying it needs to be addressed properly in this forum and everyone needs to talk about it and understand the implications of it because \$76,000 this year is not \$76,000 when these 38 employees retire. They are all part of our pension system. That repercussion is large and that liability is actually huge. As we see with this new actuarial firm we'll have, it's going to show people that we have a large pension liability in this town. We need to be aware of that and keep that in mind every single time this issue comes up. I wanted to correct that. Feel free to correct me if I'm wrong but every time there is an increase it matters. It does affect our liability going forward. It's not \$76,000 this year, it's \$76,000 this year plus the present value of the difference of what it does to these people's pensions for our liability. So, let's keep that in mind. For future committees and future agreements, I think that should be factored in and anyone presenting it should make that liability known to the best of their ability. I'm not saying you have to know exactly what our discount factor is or anything but, at least present it so everyone has full knowledge of it. It's not just \$76,000. That's for a stagnant budget of one year.

Wendy Batteau, district 8:

Everything Mr. Nathan said about OPEB and our taking it into account is true. There are several of us who have requested repeatedly to have our budget forum include the OPEB and pension line right next to the salary line for the Board of Education as well as for the town so that we know exactly what we are getting into; however, for the library, to clarify, the library does not have control over what its OPEB factor is which is to say that, if it gives a 1.25 percent increase in salary, it's not necessarily the case that it's going to have a similar percentage effect because the town, the library is counted as part of the town and the Finance Director of the town tells the library what number to plug in for OPEB. The library does not have control over what that number is going to be. In other words, when the library administrators make up a budget, they have a blank line for OPEB and the Finance Director or Controller says 'Plug in \$38,000' or whatever. That number is given to them. I think that's the interpretation that it's not going to have an effect. In other words, it's not necessarily going to have a commensurate effect.

Mr. Klinge:

I think what my colleagues are really saying is we are not talking about the library, obviously. We are talking about that "X" pound gorilla in the room and we are all trying to move to defined contribution plans with our future labor contracts. We are all aware of that. If you're not, you should be. I think what we are really saying is the beginning of labor contracts to be negotiated in 2012, 2013 and 2014, and into 2015, there will be a town-wide effort to move away from defined benefit plans to defined contribution plans. I think we should all be looking forward to those kinds of dialogues.

David Floyd, district 4:

I am curious as to how the \$76,000 is calculated because if I do the math, I back into somewhere around a \$7.5 million salary for 35 people so, that's my question.

Ms. Bleiweiss:

The \$76,000 takes in all employees, part-time, full-time, union, nonunion so that's about 105 individuals who are impacted by that. That also includes some steps within the union contracts and FICA.

By show of hands, the motion passes unanimously.

The secretary read item #2 of the call - To authorize the issuance of refunding bonds in an amount not in excess of \$20 million 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. By show of hands, the motion passed unanimously.

Presentation

John Kondub, Finance Director: (I'm still acting personnel director, too!)

Tonight, this is something I think we took note from Dr. Cunitz. He thought it was a good idea that we would come back every year to have a refunding resolution done as a matter of proper fiscal management. We took that note to heart. We did an authorization last year to have an amount of refunding bonds we could issue for the calendar year 2011. Unfortunately, we did not find a better economic opportunity to exercise that during this past calendar year. That resolution expired Dec. 31, 2011. We are here to renew it for this year. You will see, it's for the amount of \$20 million to be issued in the calendar year 2012 and it's for the refunding for bonds that are eligible to be refunded, that we issued originally 2004 and 2006. Everybody has seen a copy of the letter that I wrote to our First Selectman, why we're putting this on the agenda. We didn't have our RTM committee meeting this year. I know we've had a number of detailed conversations with the new Chairman of the Board of Finance, our First Selectman, the distinguished Moderator up there. I think we've talked about, we want to be ready as soon as possible. We are looking at sometime, maybe in January or February of this year. We've had success in refunding. We have done five separate issues over the period of time since 1999. We did two issues in 2009/2010 where we exceeded our expectations on the benchmark of 2.5 to four percent. I think we were over benchmark. I think it was 4.18 and 4.27. There are a lot of technical issues regarding refunding of bonds. It takes a gentleman with a lot of expertise. Mr. Alexander is here to answer any questions of that nature. That's all I have to offer.

Mr. Rose:

Just so you know, the reason there wasn't a Finance Committee meeting on this, we really ran out of time because of the holidays. What I did do, you should have gotten a copy of last year's report on the same subject and, just as a little

background for some of the new members, the reason we have decided in the past to go for this one year authorization was, in the past when the Finance Department would see an opportunity and it might be a fairly short window of opportunity, we frequently would have to have a special meeting to get in in time to be able to take advantage of refinance opportunity. If we didn't do it quickly enough, we would miss the opportunity. So, it was decided two years ago, the RTM suggested this, that we give a one year blanket authorization and, obviously, they still go through the same process of meeting with the various Selectmen and Board of Finance in order to get the approvals. That's the reason we didn't have a committee meeting and that's the reason that the administration is looking for a one year approval.

Members of the Westport electorate - No comment

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

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.

Mr. Rose:

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

Members of the RTM – no comments

By show of hands, the motion passes unanimously.

The meeting adjourned at 8:35 p.m.

Respectfully submitted,
Patricia H. Strauss
Town Clerk

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

by Jacquelyn Fuchs
Secretary

ATTENDANCE: January 3, 2012

DIST.	NAME	PRESENT	ABSENT	NOTIFIED MODERATOR	LATE/ LEFT EARLY
1	Don Bergmann	X			
	Diane Cady	X			
	Matthew Mandell		X	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	X	
	David Floyd	X			
	George Underhill	X			
	Jeffrey Wieser	X			
5	Dewey Loselle	X			
	Richard Lowenstein	X			
	Paul Rossi	X			
	John Suggs		X	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	X	
	John McCarthy	X			
	Gilbert Nathan	X			
Total		31	5		