

RTM Meeting
April 3, 2012

The call

1. To take such action as the meeting may determine, upon the recommendation of the Historic District Commission, to amend Chapter 38-24 of the Code of Ordinances of the Town of Westport by adding the property and building(s) located at 42 Compo Road North as a historic property. (Second reading. Full text available at the Town Clerk Office)
2. To take such action as the meeting may determine, to reject the arbitration decision in the matter of the Town of Westport and the Public Works Bargaining Unit, case # 2010 NBA 104, dated March 20, 2012, and to request that a second review panel of arbitrators be appointed to review the decision.

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 former RTM member, Ms. Linda Bruce.

Invocation, Linda Bruce:

Good evening everyone. In gratitude for the honor of serving each other and our community, I offer the following:

Let your minds be open to new possibilities and new ways of seeing. Let your heart be open to find your truth within you and share that knowledge with others in compassion and goodwill. Let your words be kind and generous. Let your thoughts be free of negativity, shame or blame. In the name of the creator, let your spirit soar.

There were 31 members present. Ms. Olsen, Mr. Wieser, Mr. Suggs, and Ms. Batteau notified the Moderator that they would be absent and Mr. McCarthy was also absent.

Mr. Rose:

There were no corrections to the minutes of March 6. If anyone finds any, please submit them to Jackie Fuchs, Patty Strauss or myself.

Announcements

The next RTM meeting is our big one, May 7th. It will be a 7:30 start. Don't forget. It's a 7:30 start. We start the budget meetings. The first night, we deal with the Town. The second night would be the Board of Ed. and anything else we have on the agenda at that point.

I somehow managed to cleverly forget who has a birthday. Anyone have a birthday this month? Mr. Meyer. He's got a lot of birthdays...Ms. Cherry, Mr. Rossi. We've got the birthdays covered. Thank you.

As of now, we have no RTM committee meetings scheduled.

RTM Announcements

Arthur Ashman, district 7:

Good evening everyone. As chairman of the Library, Museum and Arts Committee, I would like to take a few moments to mention four outstanding events that will be held in the very near future. It should interest most of us here and, hopefully, those watching on TV, as well. The first one has to do with the library. The library, on May 30, is honoring Barry Levinson, a famous, obviously, movie director, screenwriter, actor, responsible for movies like *Rainman*, *Wag the Dog*, *Toys*, *Analyze This*. Please contact the library for further information. It sounds like it will be a great event. The second event I would like to make mention of is the Warhol ball. The WAC, the Westport Arts Center is holding their gala on April 28 in SoNo with electric jazz and visual media, rock music, unique foods and all sorts of other delights that happen. Basically, they are trying to mimic an old Warhol factory which might be very interesting to you art and music lovers. The third thing has to do with jazz and every year the Fairfield Jazz Concert, under Brian Torff, holds, with his jazz ensemble, a special concert.

This year it is Thursday, April 26, 7:30. It will be held at another hall. It is called Gonzaga Hall, not the regular hall. It is really terrific and, if you have never gone to these, he works all year with these students and the jazz is really wonderful. The last thing and the things that you all know about is the Jazz Jam for the Westport Arts Center. It is taking place on April 12, next week, from 7 to 9. Usually, there are seven to 12 musicians that come to jam, blues, rock, Chicago, New Orleans; it has been extremely, extremely successful. We have had a lot of fun doing it. Lastly, I wish our Selectmen Gordon a speedy recovery from all of us and, hopefully, he will be joining us in the near future.

Bill Meyer, district 3:

Arthur, you forgot to say how much fun those jazz concerts are. How many of you have been to Bourbon Street? This is the closest thing to it. Fifty-six years of success. Westport Community Theater, downstairs. A new show: *Picasso*. If anyone wants a ticket...Velma went last time. Wasn't it great? Do you have season tickets? Not yet. The third thing: Gavin Anderson was on the RTM 1995-1997. I ran for the first time in the third district and he was there all day, campaigning. He called on every house in the 8th district. He was a wonderful person. Diane Cady and I were especially close because he was very active in Sunrise Rotary and we took him many times for dialysis. The service tomorrow is at two o'clock. His best friend is Dewey here and he will say some great things about Gavin.

Dewey Loselle, district 5:

Good Evening. We have lost a great citizen of the Town of Westport, Gavin Anderson. The Memorial Service for our friend and colleague Gavin will be held tomorrow at 2 p.m. at Christ and Holy Trinity Church. I am pleased to announce that at the initiative of our State Senator Toni Boucher and our State Representatives, the General Assembly has issued a memorial citation and plaque honoring Gavin. It reads as follows:

Be it known to all that: the Connecticut General Assembly extends its sincerest condolences and expressions of sympathy to the Anderson family on the passing of Gavin Anderson, beloved husband and father.

Gavin was a true patriot who loved his adopted country and its founding principals. Since coming to Westport, Gavin has served as Selectman, a member of the Board of Finance, and as Chair of the Maintenance Committee and the Sherwood Mill Pond Committee. In all aspects of his public service, he drew upon the experience and wisdom of his rich and varied life. Gavin was highly respected and will be forever remembered by his family, friends and the Town he served so well. As Shelly Kassen so aptly said the other evening, Gavin was a modern Renaissance Man: intellectual, warrior, poet, writer, officer, patriot, businessman, musician, sailor, athlete, leader, politician, naturalist, historian, environmentalist, husband and father. In a time when it is in vogue in some circles to always criticize our country Gavin was a patriot and a firm believer in American exceptionalism and that America was a beacon to the world.

In a time when lowered standards and acceptance of mediocrity is common, Gavin was a believer in the pursuit of excellence and high achievement in everything he did.

In a time when low morals and boorish personal behavior are celebrated in the media and on the playing field, Gavin was a true gentleman and a proponent of good manners, high principals and common decency. In a time when politics have become excessively partisan and mean spirited, Gavin was always bipartisan, civil, never personal, and always worked for the common good of all. Most of all, Gavin was a good listener and he genuinely cared about people and their problems no matter who you were. He would always have time for you and try and make things better if he could. Westport will be a poorer place without Gavin Anderson, for sure, but we are richer for his many Town accomplishments, his memories and for the shining example he has left all of us to follow: of what it means to be a public servant.

The secretary read item #1 of the call - To amend Chapter 38-24 of the Code of Ordinances of the Town of Westport by adding the property and building(s) located at 42 Compo Road North as a historic property.

Mr. Henkels was not present. The item will be taken up at the June meeting.

The secretary read item #2 of the call - To reject the arbitration decision in the matter of the Town of Westport and the Public Works Bargaining Unit, case # 2010 NBA 104, dated March 20, 2012, and to request that a second review panel of arbitrators be appointed to review the decision.

Presentation

Floyd Dugas, Berchem, Moses and Devlin:

I am Labor Counsel for the Town. I think it's helpful before I talk about the actual award, just as I did in the committee meeting previously, to explain the process to give everybody the appropriate context. In municipal labor situations such as this, typically, I would be here before you with a contract, have reached an agreement with the union and then your role would be to decide whether to accept or reject the contract and that is done with a simple majority. That is typically, as I have indicated, because the parties had reached a mutual agreement. In cases where the parties don't reach an agreement, which was our case, in the Public Sector in Connecticut, the negotiations then go to an arbitration panel. We have, in Connecticut, what is known as last best offer arbitration on each separate issue. So, on each issue the arbitrators will render a separate decision and that decision is based on evidence that is presented in a hearing and based on very specific statutory criteria. The arbitrators will go point by point; they will decide each and every issue and they will issue an award. So, it's not an agreement. It's an arbitration award. It is the end result of a legal proceeding. When that happens, the role of the legislative body and the role of the Town are different than it is in contract negotiations. It's no longer a question of whether you are going to approve or reject an agreement. Instead, your role is to determine whether or not to reject the arbitration award. Importantly, you don't have to do anything. If you did absolutely nothing, the arbitration award would become binding after 25 days from receipt or roughly around the 16th of April; however, under the statute, you are given a right to reject it. Now, generally speaking, the purpose of that is where an arbitration award is one that the legislative body believes, for financial reasons, is not in the Town's interest and it wants to reject it. That would normally be the case. In the past, when I've been before a body such as this, typically, the issues were roughly split evenly 50/50 or perhaps the wages were higher than what the municipality wanted and they would entertain rejecting. In this case, as I will talk about in a second, of all the arbitration components, the Town essentially won I think it's 15 out of 16 issues when you count the various sub-issues. But, importantly, your role is to do one of two things. It's either to reject the arbitration award or not. If you reject it, a new panel of arbitrators is appointed and the Town will have to pay their costs. They won't take new evidence. Nobody gets a chance to re-argue any issues. They will simply look at what the first panel did and make sure the evidence supports what the first panel did. Then, they will render a decision. The rule of thumb in Connecticut is roughly 85 percent of the time the second panel adopts what the first panel did; so, it's very rare that a second panel will overturn an arbitration decision. So, that's essentially the background. That's essentially what your role is here. Either reject it and send it to another panel or you do nothing and accept it, in which case, the arbitration award will become final and binding.

I'm going to briefly go over the memorandum that I prepared and discuss the issues just very briefly and then we'll turn it over for questions. First of all, let me say this negotiation started in June 2009. We negotiated for roughly a year and a half, a little bit shy, and when I say we negotiated, I think there would be support

in others who sat in on the negotiations with me to say there wasn't a tremendous amount of give-and-take across the table, particularly, when it came to the issues of pension. The union, frankly, did not want to engage us in that conversation. When we didn't reach an agreement, we started the arbitration process in the late fall of 2010 and, of course, as you know, recently received the award. I will quickly brush over some of these issues because I think there are probably only two or three that are really important to most people and of concern but I would be happy to go back if I have gone too fast over anything. The first issue that was presented to the arbitrators had to do with emergency call ins. With this group, as in most municipalities, if an employee is called them on a night or a weekend, there is a guarantee of a minimum number of hours. The thought is you drag somebody out of bed and got them to come in; you ought to pay them at least some minimum number of hours. We pay them three. The union wanted four. At the same time, Mr. Edwards was frustrated with the fact that there were times where he maybe only needed to call people in an hour before the shift; he'd sometimes have guys sitting there ready to work but the union's position was, if you put them out on the street, let's say it was starting to ice up and he wants to send out a sender to a particular area in Town, the union's position, based on the contract was always, if you send them out, you have to pay them the minimum hours of three. Steve wanted to say, you are sitting here, let me send you out. Go do it. I'll pay you for the hour or whatever it is you are working. That was the Town's proposal. The arbitrator sided with the Town and it specifically ruled that it found that both a reasonable and a practical proposal that the Town made. Remember, you have to pick either one or the other. So, they rejected the union and they picked the Town. On wages, the Town won three out of the four years. The first year was a wage freeze, a zero; the second year was a two percent increase which was not retroactive; the third year, the union won. That was a 2.5 percent increase for the current fiscal year and that is retroactive and for the last year which is the next fiscal year beginning in July, the Town prevailed on that issue with a 2.5 percent increase. If you recall back, essentially, it is this economic deal that was reached with WMEU and essentially the one that was reached with fire. Just to give you an order of magnitude, the base payroll is \$1.8 million and so a one percent increase is about \$18,000; so, a two percent increase is around \$36,000. My understanding is, although Gary may shed a little more light on this, is the money is in contingency so we should be able to address that. Now, insurance, I'll just touch on very briefly. Our proposal was simply to get this group in the exact same insurance plan subject to all the same terms and conditions that WMEU agreed to and fire agreed to. Inexplicably, during the negotiations, they would not agree to that. The arbitrator decided the issue and based, obviously, on the fact that we already had two contracts that agreed to the same thing, awarded all the insurance issues to the Town. A very minor issue, the fourth one, had to do with physicals. Basically, the union guys who have a commercial driver's license are required to have an annual physical. Some of that is covered by insurance. Sometimes, it's not, depending on whether you're eligible every two years or five years for a physical and so forth. They wanted the Town to pick up the entire

cost. The arbitrators rejected that. By arbitrators, I mean a majority of the panel. There are three arbitrators. Personal days: Typically, a Public Sector employee gets either two or three personal days during the course of the year. The union wanted four. The arbitrator rejected that. It is the current arrangement which is three. A point which very few people in this room will be able to appreciate but the arbitration forum that you go to is the next issue, issue number seven, if there is a dispute on agreements. Most people in the private sector around the country deal with the American Arbitration Association. Here, in the State of Connecticut, we have something called the State Board of Mediation and Arbitration. What's the problem with it? It only costs \$25 to file for arbitration; whereas, it's more expensive to go to AAA. So, the theory is, in my own personal experience, if you have to go to AAA, you're going to file less grievances. In my opinion, you'll only be fighting over the important stuff. We prevailed on that particular issue. Management rights: The management rights clauses in the contracts in this Town are very curt. They are a very simple statement. The labor board, however, in this state expects very detailed statements about what management rights are if you are going to invoke them so I have been trying to get a much more detailed management rights clause in all of the contracts. Importantly, WMEU agreed to it. I believe fire agreed to it, too. We proposed it in this case and, again, there was virtually no dialogue on the issue but, in the end, the arbitrator awarded that to us. Now let me talk about pensions. There were two pension issues. The first had to do with the defined contribution plan for new hires. As I indicated previously in the committee, when I first took over as Town Labor Counsel, somewhere around three years ago, there were meetings, joint meetings and of the Board of Finance and the RTM subcommittees and the overwhelming clear message was pensions, pensions, pensions, in particular, a defined contribution plan. As you know from the last two times I was up here licking my wounds, the last two times we attempted to do that, arbitrators rejected it and the reason they rejected it is because we had lockout clauses in each of the WMEU and the fire contracts. By a lockout, I mean it prohibited negotiation of anything in those agreements until 2014 and 2016. Public Works' pension does not have a similar provision so we were not prohibited from pursuing that so this was the first real opportunity we had with a bargaining unit to push that issue and we prevailed. The arbitrators awarded that to the Town. The second issue that we pressed and this was from the input our negotiating team received, again, from the same representatives of the RTM and the Board of Finance, was to begin to try to put some sort of limitations on the pensions plans for the existing employees in an effort to address concerns about funding and so forth. So, what we proposed was that there be a 65 percent cap on the pension. What that means is the maximum someone could earn is 65 percent of their final earnings. Before that, the pension plan provided, when you do all the math and wash it through, for 81.25 percent. Most of the pensions here provide for that number. We proposed, in negotiations, to 65; we presented it to the arbitrators and the arbitrators agreed and picked the Town's last best offer on that issue citing, among other things, comparable data we presented for other communities showing the average numbers probably in the mid-60s where we were. The last issue had to do with duration. We were

proposing, especially because we were so far into this process, that we were looking at beginning to negotiate a new contract again, we proposed a four-year agreement which would take us through June 2013. The union was looking for a three-year agreement. So, the arbitrators awarded the Town's proposal for a four-year agreement. If we had agreed and the arbitrators had awarded a three-year agreement, that would mean we would be beginning negotiations right now for the next contract so fortunately it is pushed out one year. Let me just come back for one second to the cap on the defined benefit plan for the existing members. During the process of the negotiations, Tom Hamilton, before he left, had asked for some data and members of the Board of Finance had posed some questions about savings and so forth and that was costed out by the Town's actuaries. It is estimated that the cap of 65 percent on the pension, I'm not an actuary so I am only in relying on the numbers that I received from the actuaries and in others, is that is that during the course of the lifetime of all the members who are in the pension plan, the actual savings to the Town would be roughly \$1 million. Stated differently, that change alone will wipe out an estimated in a \$850,000 under funding in that pension and provide a slight over-funding in the Town's favor. Obviously, that particular aspect of the award has significance to the Town, certainly from an actuarial standpoint. So where do we go from here? As I have indicated, your role is to reject or not reject the contract. We will have some discussion about how that is framed as an update to make sure that everybody knows what they're doing because, under the statute, what it says is it gives you the right to reject so that's the way we framed the question. If you do reject, as I said, it will go to another panel and everything is open. We can't cherry pick. We can't say, you know what, we lost one year of wages, we want a perfect sweep here and we just want to arbitrate that one year. Every single issue will be open. I mention that because in my opinion, there is much, much more at risk to the Town if there is a rejection than if we let it sit. Now, it is entirely likely, after spending, I'm going to guess, \$15,000 to \$20,000 on a second panel, it's very likely that it will come out exactly where it is. To the extent that they don't, I think it is more likely the Town would lose more issues or it's possible anyway and there is only one issue lost so there is next to no upside if you do reject it. Theoretically, you don't have to do anything. If you do nothing, after 25 days, the award will become final and binding. We'll live with it for a year and we will be in negotiations in another year from now; however, you do have the right, under the statute and Mr. Rose said, appropriately so, 'I don't want to drag folks out but they do have a statutory right and I'm not going to presume how people would react even though we won 15 out of 16 issues.' So, that's where we are and why were here.

Mr. Rose:

As some of you know, this came very suddenly to us so we had a very short term in order to get a committee meeting together. The Employee Compensation Committee did meet this evening. Is there a report to be given?

Committee Report

Employee Compensation Committee, Dick Lowenstein:

You know, sometimes, you make good decisions. Sometimes you make bad ones. Tonight, I decided to start the meeting at 630 p.m. and that was a good decision as we went until five minutes of eight in our committee meeting. You'll be hearing from a lot of people in the discussion that follows and the public discussion. What I am going to do right now is tell you about the vote. The motion was 'Should the RTM reject the contract?' I am placing it in positive terms rather than negative terms because there is a double negative in the resolution. The vote was four people: myself, Mr. Loselle, Mr. Nathan, and Mr. Keenan said that we should not reject the contract. Three: Mr. Mall, Mr. Underhill, and Mr. Izzo said we should reject the contract and Mr. Bergmann is abstaining right now. That is my report to the RTM and you will be hearing plenty more from everybody else including myself in the RTM discussion.

Members of the Public

Nate Gibbons, 241 Greens Farms Road:

Good evening ladies and gentlemen. I'm here to speak to encourage you to reject this arbitration decision but it's not for the reasons you might think. Mr. Dugas has done a very complete job in describing the process. I, certainly, from a professional standpoint, complement him. He has been very successful in 15 out of 16. He neglected to tell you that the process was fatally flawed. The problem was with the union's representation. They neglected to complete paperwork required for the panel to make a complete decision. When the paperwork is not completed properly, when it is submitted with a blank, the panel automatically gives what the Town wants. That's how you got 15 out of 16. You can certainly rest on those laurels and there are all sorts of financial reasons why you may want to do that. But, in the spirit of what is correct and what is high road, you need a close examination of this technical flaw. Are you really winning here when the union didn't even get a chance to present their last best offers? And they did not. Now, is it your job to correct whatever malfeasance their representation had? No. Of course it's not. You are here to represent the citizens of the Town of Westport, people like me. I'm up here to tell you that I expect you to be fair and just with these people. You are their court of last resort. If you do not act on this tonight, if you say you are going to accept this, you are taking away their pension, you have all new guys coming into 401(k)'s which that may be what you want. It was negotiated. Golly, don't you want to do it with your head held high? And rather than doing it based on a technicality and the fact that these people did not get the correct representation? I certainly urge you to reject this. Let the process move forward. There are no guarantees in this and in Mr. Dugas is quite correct. Eighty percent of the time you're going to get it anyway. Please. Let these men and women have their right to speak. Let them have the right to have their issues at least adjudicated rather than compromise by incompetence.

Dale Wehmhoff, President of our local:

I have worked for the Town for almost 25 years. What Nate just said is true, that our representative, for some, we don't know why but he filled all the briefs out

and he didn't put the last best offer in. We had talked to him. Everything was supposed to be there. We don't know why it didn't get into the arbitration at all. He made a comment about how long the meetings were. I can talk about how long he presented his case because I believe our case was maybe a day and a half of presenting our side. That's one of the reasons why it took so long. The other reason is when we went to arbitration, he was sick and in the hospital and he couldn't meet. That postponed it for six months, seven months because he was ill. All I'm asking is, give us a chance. If we could put our last best offer in, if we could go to Gordon and try to work something out, we have got guys working here, a guy left the job and all of a sudden, your pension is gone. We are not like other pensions in Town that are frozen. We don't get a cost of living. We do not have Social Security taken out. It's just our pension. The briefs had everything in them but if you look at the last best offer, the union is not there. That's why you have the arbitration case. That's why you have the part on 10 b on the pension. That's why the results are that overwhelming.

Joe Bottone, 430 Riverside Avenue:

I have lived in this Town 49 years, my family, over 100. I have put 25 years in with the Town taking care of your streets in your storms. When trees are falling all over, we're out there. We're in snow storms, 31 hours. Where do we get to sleep? In the truck. We put our lives out there for you guys. We're just asking, just think about what you're doing.

Helen Garten, 4 River Lane, Board of Finance:

I was one of the three representatives from the Board of Finance on the negotiating team. As was mentioned, this started back in 2009. It went through a member who is actually no longer on the board, another member, and then I was involved in the arbitration. I actually testified on behalf of the Board of Finance in the arbitration. I was questioned by our own attorney and I was questioned by the representative of the other side. Since I got on the Board of Finance, but especially during the last four years, the most common question I get from members of the public is 'When are you going to reform the pensions and benefits?' There has been enormous publicity about our pensions and the public understandably says 'Why don't you guys do something? After all, I work for the private sector and I no longer have a defined benefit pension because, essentially, it was changed years ago. And I no longer have medical care after retirement because it was changed years ago. So why don't you guys do something, the RTM and the Board of Finance?' We explain that the process takes time because, for the most part, our employees are union employees and these changes can only come through union negotiations. Union negotiations take a lot of time to. First, there is the negotiation phase where we put our offers on the table. The union brings back their offers. When we talk about the issues. and people can't agree, we go to arbitration and we present the legal case. There are three arbitrators and they make their decision on their own. And we have very little to do with it. Certainly, I saw, as a member of the negotiating team, my direction from the Board of Finance and my constituents was look for reforming

pensions. We want to be fair, obviously, and in negotiations you have to be fair so, in this particular case, we talked about two things. One was the defined contribution plan for new employees. That's something that we have, indeed, already instituted for our non-union employees. That went into effect back last Jan. 1. This is something that just about every town I know is looking for in their union negotiations. It really is, as the arbitrators said in their decision, it's the wave of the future, not just for the private sector but for the public sector. So that was one element. The other element was to see if we could take a look at the existing pension contract and come up with a reform that we felt would be fair to employees but also fair to the taxpayers. That was the genesis of the 65 percent cap on the current employees' defined benefit plans. The reason for arriving at that level was that we thought that it was fair compared with other towns similar to us, people in the private sector and people in the public sector. That, essentially, would give our employees enough of a benefit in retirement because, obviously, we didn't want to leave them bereft at that stage. We presented that in the negotiation. The union, I wasn't involved in the early stages of the negotiation, but they had the opportunity to come back and discuss that with us and we won that in the arbitration proceedings. The arbitrators wrote in the decision that they thought that was comparable to other communities and that was a level that was fair and also benefited the taxpayer. So, this is the result that we got. We got the result just in one union arbitration. It doesn't apply to all of our employees because with every particular union, we have to go back through this same process, union by union. In our view, we think that this is extremely important for the taxpayers of this Town because what we want to do is we do want to get control of the costs and benefits because, as I've said to you and to others many times, we can't continue on this course. Unfortunately, the cost of benefits in this Town have caused us to do a lot of things that haven't been pleasant for anybody. They have caused us to have a hiring freeze and not replace employees who have retired. That's not good for employees and that's not good for taxpayers either because it means that employees have to work harder and they don't get the support they like. It's caused us to pare away at budgets and costs and cut \$100,000 here and \$100,000 there and diminish services and make everyone's life worse because we are trying desperately to cover our benefits costs without increasing taxes to an enormous degree. My view has always been that, if we want to solve this problem, everybody has to give a little bit here. The only fair thing is that everybody has to be part of the solution. The way it works legally is that we have to take one step at a time. We achieved a victory here in this particular case. We achieved something important for the taxpayers that I hope we are going to build on in the future. Your choice is to reject or not reject this contract. I don't think rejecting this contract, frankly, is going to do anything whatsoever and is going to solve any problem that you may have or other people may have with it. I urge you in this particular case not to reject.

Joe Saviano, Immediate Past President Parks and Recreation Department, Parks and Recreation employee, New Milford (because it's expensive to live in this Town):

Unfortunately, I agree that a rejection vote will not do much to change what's happened. I do know that, in all our contracts and pensions, there is a clause that says something to the effect of 'with the mutual agreement of both parties, they can open the pension and/or contract early.' There were some problems. There were not some offers put in by the union that should have been put in. It happens. People make mistakes. I believe the union is going to be appealing to the people of Westport to rectify an injustice. Whichever way you vote, if it turns out that it is upheld, those people have been promised a pension. They were paying in seven to 10 percent of their salary to the pension, more than any other union, because of the fact that they were not allowed to participate in Social Security. That 81 percent rate may seem high but everybody else gets their pension plus what Social Security pays. I'd just like to add one more thing. If the pensions are so detrimental to the Town of Westport, I would like everyone to remember that First Selectman of the Town of Westport tried to get into the pension plan recently.

Janis Collins, 41 Compo Parkway, a newly elected Board of Finance member:

As Helen described, that was really part of our election process this year in our campaign. It was the number one issue that taxpayers and residents wanted to talk to us about... What we were going to do to reform pensions and benefits in a way that was obviously good for our employees, because we care very much about them, but also protects our taxpayers in the future. We cannot afford our current structure because we won't be around and we won't have the money to pay those benefits and pensions in the future unless we make small changes that will help us sustain this. I do have a question, Floyd, though, because this is the first time I heard about this that there was a problem in the process. I was wondering if you could explain that a little bit to all of us about the offer letter that didn't get submitted, if that impacted our arbitration?

Mr. Rose:

As a member of the public, you can't ask that. Somebody else should ask that question.

Ms. Collins:

Someone else will ask that question. I will request that you don't reject this arbitration. We worked very hard on it.

Mr. Rose:

There are two members of the RTM who are recusing themselves from this vote. Mr. Rubin and Mr. Klinge are recusing themselves. They both have perceived conflicts of interest.

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

RESOLVED: That the arbitration decision in the matter of the Town of Westport and the Public Works Bargaining Unit, case # 2010 NBA 104, dated March 20, 2012, is rejected and a further review of the decision by a second panel of arbitrators is requested.

Mr. Rose: Seconded by Mr. Mandell.

Members of the RTM

Don Bergmann, district 1:

I had not heard of any of the procedural issues until that meeting of the Compensation Committee, the meeting which began at 6:30. I'm not sure that everyone here really knows what they are. Let me just go over what, I believe, are the three issues that the union claims they didn't properly address. One is the arbitration issue in which the change requested by the Town is to go to the American Arbitration Association. The union did not put in any counterproposal and as far as I can tell, they just made a mistake. As a result, the Town's position prevailed. The issue, I believe, on that is that the union is troubled by the fact that it is much more costly to them to submit a grievance. The Town is equally troubled by the fact that the old approach is unduly inexpensive. That's one issue in which the union has said that they simply did not present a proposal. The second one is relates to the fourth year salary increase. The union's position, I believe, is that they wanted this contract to be a three-year contract not a four-year contract. Apparently, mistakenly, they made a judgment that, consistent with that philosophy, they should not put not put in a request for compensation increase or whatever they wanted in the fourth year. That seems to be the second issue that they were raising. The third issue is the pension cutback from 81.5 percent to 65 percent. If you'll read in the judgment, it appears that the arbitrators did say that there were positions presented on both sides of this. I believe it's the union's position that they did not, in fact, submit an actual proposal on that and, therefore, once again, the Town's provision automatically prevailed. I say this only because I really want to be objective and fair on this whole discussion. I did not hear any of these until an hour ago. The only point I would note is that the defined contribution plan which is so crucial to so many people, that was not disputed. That is not being disputed so that is clearly something the union accepts. I think that's a good thing. They are not objecting in any way to that, not saying there is a procedural flaw with that. In terms of going ahead at this point, my assessment of what I understand to be the procedure is that the only thing that would make any sense and I don't think it does, would be for this body not to act at all, somehow, to say it will act in another eight or nine days after the union has had an opportunity to meet the negotiating team, I guess that's our First Selectman, to raise these three issues that they failed to raise properly in their negotiations. I do not support that outcome. I think that's unfair to the Board of Selectmen. I think it's unfair to the process. I think it's unfortunate to the union. So, my position is that the only possible course of action that I think could be done that would be constructive is one that I do not support. Ultimately, I think it's also important to keep in mind that this contract will be up for

renegotiation in one year; therefore, each of these points that the union failed to properly deal with in their negotiations can be raised fully a year from now when they negotiate the contract. So, if they are able to negotiate with the Town back up to 81.5 percent or, if they are able to negotiate back to the arbitration commissions what they wanted or they want to make their salary increases, they can do all that. A final point that I would make is that I abstained in the Employee Compensation Committee meeting because I wanted to hear a discussion. I wanted to hear the comments of everyone. At this point, absent hearing something different, I will vote not to reject for all the reasons I said. I am disappointed, somewhat, for the union but I cannot be accountable to their shortcomings and I think they will have another shot at it one year from now which, to me, is not so onerous that I would want to do anything dramatic at this time.

Eileen Flug, district 9:

I would like Mr. Dugas to explain a few things. I just want to make sure I understand the procedural issues. It sounds like the union representative did not submit the union's last best offers on all of the items that were being considered. There were some last best offers presented so the issue is not all of the last best offers were presented? Is that what happened?

Mr. Dugas:

That is correct. I think Mr. Bergmann has accurately described it. There were two issues. One was the American Arbitration Association. The other was the third year wages where the union simply did not submit a last best offer. We can presume they made a mistake. Sometimes, people did not submit a last best offer intentionally so I'm not going to presume what did or did not happen there but, importantly, on the two pension issues, they did submit last best offers. Frankly, I still think there was a mistake or misunderstanding with respect to the 65 percent. But they did, in fact, submit a last best offer and, as Mr. Bergmann pointed out, the arbitrator doesn't say anything about a defective or problematic offer. In point of fact, the union's last best offer, I don't mean to make light of it, the union's last best offer for the cap was 50 percent. So, actually, in effect, the arbitrator did a favor by selecting the Town's at 65 percent. That said, I do think the union or the union representative or somebody was a little confused as to what that issue was but there was a last best offer submitted.

Ms. Flug:

The other issue is that grandfathering for the cap. You didn't mention the grandfathering at all but it looked like the last best offer which was accepted did have a grandfathering for pension amounts that were at a higher rate than 65 percent as of June 30, 2011. Could you explain how that would affect existing employees?

Mr. Dugas:

When it came down to submitting our last best offers, one of the things that we thought about, was anybody going to be hurt by this in the sense that they already have accrued more than 65 percent because there were several individuals, I think that there were three. I think there was one whose cap maxed at 81.25 percent and, my understanding is there were a couple in the 67 percent range. We felt, because they had put in the time, that the only fair thing was to say, if you already accrued more than 65 percent, for example, 70 percent you would be grandfathered at that rate so what ever you have accrued as of July 1, 2011, you would be locked in at that number going forward. You would not be hurt. You wouldn't accrue more going forward but, in fact, you would not be hurt. That was a strategic decision we made at the end because we thought a) we wanted to be fair to those folks and b) we thought in terms of the arbitrator; that would remove one potential concern or impediment on the part of the arbitrators.

Ms. Flug:

So, the amount that is locked in is the percentage as of July 2011. It's locked in. They would not accrue more than that. How does that work if it's based on a percentage of the last year or three years' pay?

Mr. Dugas:

It is based upon their last year but what it is, is there is a formula. The formula is so much per year of service. Right now, the way that works is it maxes out at 81.25 percent of final earnings. Under the new scenario, it will be 65 percent but, again, those people who were already at a number as of July 1, 2011 that was higher than the 65, we will grandfather them at that number. So, again, using my example, if somebody was at 70 percent, it just so happens to be that was the way the math worked out, they would be locked in at the 70 percent number no matter how many more years that they worked but they would not go down to the 65 percent. Importantly, though, if they keep working and their final earnings go up, it will be 65 percent, or in that case, grandfathered at the higher number percentage, of their final earnings which can keep escalating.

Ms. Flug:

So, it would be 81 percent of their final earnings or 65 percent of their final earnings? I just want to make sure I understand.

Mr. Dugas:

For the people who are grandfathered, it will be at whatever percentage they had accumulated as of July 1, 2011. My understanding is there is one gentleman who is at 81.25 percent, the max. There are two people who are somewhere around 68 percent is my understanding. They would be grandfathered at those percentages.

Ms. Flug:

So, the percentages for those people will not change but, under the old system, those percentages would increase over time but now they are capped at 65 percent?

Mr. Dugas: That's correct.

Velma Heller, district 9:

I have another question. I wonder if you could just clarify to get to the nitty-gritty, what percentage do they make per year.? In other words, do they get two percent a year for certain number of years? Is that what totals up to the 65? Can you just give us a general, it doesn't have to be the exact number. I just want people to be aware of how that works. Otherwise, it seems like that 65 percent or 81 comes out of nowhere.

Mr. Dugas:

I'm sorry, I didn't bring the pension plan with me. I believe it's 2.5 percent per year that accumulates per year of service.

Matthew Mandell, district 1:

Mr. Dugas, more questions. Something you mentioned that is important. You said that if we reject it and it goes back to the arbitrators, no new evidence can be brought in for them to make a decision upon. So, whatever has already been submitted is the same thing they are going to vote upon. Is that correct?

Mr. Dugas: Yes.

Mr. Mandell:

Can the members of the union file a grievance with their union members or their attorney to get compensation of some form?

Mr. Dugas:

The short answer is I don't think so. There may be some internal union mechanism that's purely internal and I wouldn't be aware of but I'm not aware of anything.

Mr. Mandell: Of the 15 pieces, how many didn't have information submitted?

Mr. Dugas:

Two. It was the issue on the American Arbitration Association and it was the issue on the fourth year wages.

Mr. Mandell:

The fourth year is 2.5 percent which is the same as the third year, 2.5 percent, which they submitted and they won on that?

Mr. Dugas: That's correct.

Mr. Mandell:

To reject, it takes two thirds of this body or two thirds of those attending?

Mr. Rose: Two-thirds of those attending and voting.

Louis Mall, district 2:

First of all, I agree with Helen that benefits are out of control and one of the things that I suggested the first night that I got up here was suggesting that we do something about it as a public forum and a discussion as a community of what we wanted to be as the employer, the Town, for our employees. I think that we have put a face to some of the people here tonight. They are our neighbors. They are our friends. Joe Buttone happens to be in my district; so, he is one of my constituents and his wife happens to be or had been my daughter's Girl Scout leader. So, there is a connection there. When you are talking about people's lives and their livelihood, it's real people and real money. I'm a big believer in defined contribution plans, by the way. When I was with General Signal we were the second company in the country to convert our saving stock ownership plan to a 401(k) plan. So, I'm familiar with defined contribution plans and, in the long run, I am a big believer in them. When I got a call from one of my constituents, I said, 'Relax. Let's find out what this grandfathering is. Let's get a little bit more information.' We now know what the grandfathering is and it really is for people whose years of service time times 2.5 percent as of June 30, 2011, that was nine months ago, so, any service since then doesn't count. I would expect grandfathering to be a little more inclusive than retroactive to June 30 but that is just my opinion on that particular issue. When I read that employees of the Town get 81.25 percent of their pay, that really got my attention, at first. Let's look at the plan document. When I got the plan document, it referred back to being implemented in 1939. That dawned on me that it was about the time Social Security was put into place. Then I asked, 'Do you guys pay into Social Security?' I found out no, they don't pay into Social Security. As a matter fact, the Public Works employees I think, make the largest contribution to their pension plan of any bargaining group or non-bargaining group. It's 10 percent of pay. So, it is a defined contribution, if you will, of 10 percent of their pay that goes in there. I don't quite understand exactly how it's treated tax-wise when it comes out but that's for another time. The real issue as far as I see it in this Town that's out of control and where people have a problem with what Helen was referring to is the retiree medical plan. Corporations did away with that about 10 or 15 years ago. So, that's a benefit that most people don't have and that's one of the things that I do think is a topic of discussion for all people of Westport and Town employees. So, we do need to have some type of discussion on that. While we were meeting in the Benefits Committee, one of the things that came up that I was stunned about was that this Town's workers comp claims are 3 1/2 times larger than similar Towns. My question was, 'Don't we have a safety program in Westport?' Public Works employees, if you've ever watched them, they are handling heavy equipment, moving parts and it's dangerous and it's hazardous. I've actually seen

somebody tried to run over one of these guys who was a flagman. They just wanted him to get off the sidewalk so that they could get up on so that they could drive up on the sidewalk and get around him. So, it is a hazardous job. I've watched them have to deal with crazy people out there. One of the things that I wanted to make public is this Town needs a safety program for all of its employees. I don't care if it's in the school or the police, the fire, public works. This is a shame that in the year 2012 that there is no safety program. I ran a gravel crusher in 1972 out in Colorado and we had a weekly safety program that we put on ourselves. We didn't have safety accidents. Do you want to see workers comp claims go down? Do you want to see your healthcare costs go down? You would see people's lives improved by having a safety program that works. It doesn't cost anything. It's called common sense. So, here I am trying to figure out what to do about this pension plan. Social Security, by the way, I have the rates. For a self employed person, they would put in 10.4 percent and 2.9 percent for Medicare. Our Town Public Workers I believed do belong, do have to contribute 1.45 percent to Medicare if I'm not mistaken. The Town puts in 1.45. If they were covered under Social Security, it would be 4.2 percent for the employee and 6.2 percent for the employer. So, it comes down to what to we do about the grandfathering or the cap. I find that when you have someone who is age 49 who has worked 26 years for the Town of Westport, that would not normally qualify under the rule of 75, is that in this case it doesn't. Seventy-five being years of service and your age. Sometimes, I get into lingo. But it doesn't qualify in this particular case because you could say well, why don't you just retire. You have to have a minimum of age 55 in this particular plan. So, you can't retire and go elsewhere and do something else. So, to make a long story short, Mr. Dugas, by the way, I think you did a marvelous job and if I were a union employee, I would get my hands on that union rep. that didn't submit things and find someone new. But that's not the Town's fault. I will say that I will vote to reject this because there isn't any place for an employee who is capped out at 65 percent to go and be covered under a plan. They won't be able to go to the new defined contribution plan. They will continue to have to pay 10 percent of their wages in and fund their pension plan; so, to me, if they aren't eligible to replace that lost coverage elsewhere, then I think it's a disservice to this group that otherwise should be accruing more time.

Mr. Rose:

We have had five people. I haven't hear of anybody speak in favor of rejecting. [Mr. Mall just did.] I totally misunderstood you then. I take it back. I thought you were rejecting the rejection which is why I'll be very clear when we talk about the vote.

Gil Nathan, district 9

Lou is voting to reject the arbitration award. I will be voting to not reject this and I think everyone else should. Every point that Lou made except the last one being that he would vote against this is on par with what I believe. I think this imperative. This is the reason that I joined the RTM: pensions, salaries and

health care costs. They are killing our Town. This isn't an individual issue. The ladies and gentlemen that you see back there are hard workers. They put in their time and they are being rewarded for that. I understand that if you went into a job 15 years ago and expected to get 81 percent of your final year's pay, there is a slight calculation for that if anyone wants to take the time and read all six plans that we have in this Town, then they can debate it up here. Until that point, I think it's kind of moot to discuss more, let's call it the last three years average salary for all of our pension plans. Everyone has appealed to sensibilities; let's appeal to cents for a second, dollars and cents. If you make \$30,000 and you start today working and you contribute 10 percent of your pay, we can all do that math. That's \$3,000 a year. If you work for 20 years, that's \$60,000 you have paid into the plan. If you take that \$60,000 and you compound that five percent annually for 20 years, saying that \$60,000, as a fixed amount, then 20 years from there they made five percent on their money, someone would be writing you a check for \$98,500. If you take 10 percent of your pay, \$3,000 per year, and you take that 10 percent, you earn 2.5 percent of your pay credited to your pension. That's \$750/year. Again, if you work for 20 years, that's \$15,000 a year. So, if you retire, let's say you started working at 35, you worked for 20 years, you made \$30,000 statically for those 20 years, you paid in a total as we talked about of \$60,000, 10 percent for 20 years, if you expect to live for another 20 years, 55 to 75, and you receive your pension, we're not going to present value anything cause it will get a lot more technical, you'll receive \$15,000 a year for 20 years. That's \$300,000. I say to anyone who says the cap is too high or too low, let's talk about the math for a minute. Things need to be fair. The ladies and gentlemen back here, they are absolutely right. It needs to be fair. This is something that needs to be done through the Westport electorate. We have non-union supervisory rules that we expect the First Selectmen's office to present similar plans. It needs to be fair and equitable. There's no reason these men and women should go to work every day, contribute 10 percent of their pay and get capped out at 26 years. It's 2.5 percent for 26 years, you get to 65 percent. Again, all rough math. The other thing that's very important here is if we grandfathered everyone in who is in that plan right now, and this is something that the Board of Finance has talked about, we're talking about, when we talk about the budget next month, everyone's eyeing, I've gotten 50 emails in the last two weeks about cutting French class or having full day kindergarten and all this other stuff. You want to talk about money? One million dollars. Helen mentioned it. If we grandfathered everyone in and they got to accrue up to 81 percent of their pay, that would cost us \$1 million. So, if we want to talk dollars and cents, that is a huge, huge amount of dollars and this is our smallest union. We should not be picking on these men and women. They work very hard. They put in their time and they earn this. But to cap them, to say today, if you haven't accrued 26 years, you are going to be capped at 65 percent, their option, at that point, the example that Lou gave, if they worked for 26 years and were 23 years old, they are going to be 49 years old. Their option is to continue working. They will make 100 percent of their pay and they won't accrue the 2.5 percent but let's just talk about what is in the contract currently. The Town presented a fourth year. The union presented

nothing. They got an additional 2.5 percent raise. If they make \$50,000, they will make another \$1,250 and they will get 65 percent of that in their pension. That's an annual payment. So, the more years they work, assuming they continue to get raises and they have almost every year, they will accrue more. So, I don't want you to be led to believe that people will be left high and dry. I think that union members were promised certain things and we're living up to our promises. As members of this electorate and members of this Town and taxpayers, we have to be true to everyone. Everyone in this Town pays taxes. You know who doesn't get their fair shake at the end of the day? Taxpayers. I've lived here two years and every year our taxes go up. So, if the math is always that Westport can always pay more. At some point, they won't be able to. This isn't an attack on this union at all. This was a process that took over two years. Both sides came back and forth. As the union alluded to, obviously, there were some missteps on their representation. That is not the job in front of us. The job in front of us is to vote whether or not to reject the arbitration award. I don't think we should reject it. I think we should put the onus back on the Town. If our constituents are telling us 'We care about salaries and pensions'; we have a budget coming up next month. I'd like to see, some people support what I saw from the Board of Finance when I watched it when Brian and Helen voted against the budget, that it was incomplete. It did not go after cost savings. We need to do this for our non-union supervisory employees. We've got concessions from a union. We will have other union negotiations; in fact, if we do not reject this, we will have this union negotiations starting again in roughly a year. We have a five other unions and some pretty big ones. Those will be bigger than \$1 million if we could get similar concessions. We need to start here. This is where the bar is set. In my opinion, this is a great first step and this is what we need to do. I think we can't lose sight of that. I can reiterate it over and over again but I think this is the right forum for it. I think next month when the budget comes up, that this needs to be proposed so we treat these people fair and equitably, that their supervisors, in particular, are held to the same standard. These people just shouldn't be contributing 10 percent of their own pay. Other people should be doing the same. Our under funded pension is huge and we should help meet this by correcting the problem. We are going into other arbitration but let's do it with our non-union supervisory roles also.

Paul Lebowitz, district 6:

I'm actually interested in something that came up. Let's say, for instance, strategically, we all abstain. So now, you have 25 days. During those 25 days, what does the union do, present or ask of the First Selectman? How does that then come back to this body or an arbitration hearing.?

Mr. Dugas:

If I understand the question correctly, what, theoretically, could happen? I suppose, theoretically, the union could say, notwithstanding this award, we want to work out a deal to do x. The First Selectman could say, 'I'm willing to do x'. Then we would have to bring that back here. The important thing is if you don't

reject the award within the 25 days, it becomes the award. So then, you are talking about a modification off of that. It would have to go through the process. If all the parties agreed to reopen it and discuss it, theoretically, it's possible and it would come back here for approval.

Mr. Lebowitz:

I just wondered why one of the gentlemen from the Westport electorate had said that that was something that they were interested in doing. How does that affect this process? It sounded like you were trying to get the First Selectman to choose sides. I couldn't quite get that.

Mr. Lowenstein:

I want to build on what Mr. Dugas said. If we don't reject the contract, we have a contract. The contract takes effect immediately. It's an agreement. Any agreement between two parties can be modified if both parties agree to modify it. I think the record of this meeting, both the video record as well as the written record will serve to inform the First Selectman that there is interest, maybe, in making some modifications. If he is willing to open negotiations with the union, that's fine. In a sense, the next contract negotiations can begin tomorrow morning, if necessary. There is no time frame as to when to begin these things. But we have to get back to the question before the house which is do we vote tonight to reject or not reject this contract? Anything else is interesting and it's important but it's not anything we can do anything about tonight. I think that it's important that we move forward on this so that there is a contract. If both parties agree to modify it, we can modify it. Remember, we recently tried to open the contract with the WMEU and the firefighters on their pensions. They didn't agree to it. Had they agreed, despite the fact that the contract said they don't have to open it, we could have had a discussion and opened it. If both parties want to make changes or talk about changes, then it can be done. But tonight, our decision is simple. Do we want to vote to reject or not reject this arbitration contract.

Catherine Calise, district 2:

I am going to vote in favor to reject the arbitration tonight and I'd like to urge my other RTM members and colleagues to do so. We are here representing the citizens of our Town. We were elected to help represent the citizens of our Town. Those of us who came before us tonight for their support, they have given 27, 30, 35 years, upwards, of service to our Town helping us improve roadways, all the Public Works aspects of what they're doing. They deserve the right to have a final say, another opportunity, to negotiate for themselves. So, I really urge everyone to please vote in favor to reject this arbitration. We have a chance to go to them, to help support them. They are looking for our support right now.

Mr. Rose:

If you vote in the affirmative on this, you are voting to reject the arbitration award and overturn it. If you vote in the negative, you are voting to sustain it. We have 28 members here. Nineteen votes is required for 2/3.

The motion to reject the arbitration award fails 5 - 23. There were five in favor: Mr. Underhill, Mr. Izzo, Ms. Calise, Mr. Mall, Mr. Timmins – 23 opposed. Two members recused (Rubin and Klinge).

Mr. Rose:

Just so you know, I will be sending out an email later this week about certain things you can and cannot do as we are looking at the budget process. This is particularly for the newer members to understand what our powers are.

The meeting adjourned at 9:30 p.m.

Respectfully submitted,
Patricia H. Strauss
Town Clerk

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

by Jacquelyn Fuchs
Secretary

ATTENDANCE: April 3, 2012

DIST.	NAME	PRESENT	ABSENT	NOTIFIED MODERATOR	LATE/ LEFT EARLY
1	Don Bergmann	X			
	Diane Cady	X			
	Matthew Mandell	X			
	Cornelia Olsen		X	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	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	X	
	Heather Cherry	X			
	Lois Schine	X			
9	Eileen Flug	X			
	Velma Heller, Ed. D.	X			
	John McCarthy		X		
	Gilbert Nathan	X			
Total		31	5		