

RTM Minutes
October 2, 2012

The Call

1. To take such action as the meeting may determine, upon the recommendation of the Town Assessor and upon the recommendation of the Board of Finance, to amend Chapter 54, Article II, Division 2 of the Code of Ordinances of the Town of Westport, Tax Relief for Senior Citizens or Permanently and Totally Disabled Persons. (First reading, full text available in the Town Clerks Office)

2. To take such action as the meeting may determine, to ratify the Collective Bargaining Agreement between the Town of Westport and Local 1303-194, Council 4, AFSCME, AFL-CIL for the period covering July 1, 2011 through June 1, 2015 and to appropriate the sum of \$41, 997 to the 2012- 2013 fiscal year budget.

3. To take such action as the meeting may determine, upon the request of the Finance Director, to approve the Town of Westport 401(k) Plan, as Amended and Restated, Effective October 1, 2012. (Copy of Plan available in the Finance Department)

4. To take such action as the meeting may determine, upon the recommendation of the Finance Director, to approve the Town of Westport Defined Contribution Retirement Plan, Effective January 1, 2012. (Copy of Plan available in the Finance Department)

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 this evening 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 filling in for Jackie is Colleen Tarpey who will act as our secretary. Tonight's invocation will be by Ms. Milwe, please.

Invocation, Liz Milwe, 107 Harbor Road:

I want to thank the Moderator and the Deputy Moderator for having me here tonight. I have been thinking a lot about the election and about local government and Washington so, here we go. Since 1949, the Westport RTM has been the conscience of our town, dedicated to making the best community possible for all of our residents. The RTM, at important times in our country's history, on behalf of the citizens of Westport has taken a stand on issues that face the entire country. This is just one of the ways the RTM has played a unique and vital role in our community. Let me just remind some of the ways that the RTM has responded to the needs and aspirations of the citizens of Westport. In 1972, the RTM, by a vote of 17 to 15, passed a resolution asking President Nixon to withdraw from the war in Vietnam. The resolution was brought to the RTM by a petition signed by 1,000 Westport residents. We were the only town in the country to pass such a

resolution. In 1982, by a vote of 24-2 with seven abstentions, the RTM passed a sense of the meeting resolution urging a nuclear arms freeze and asking the United States and the Soviet Union to stop the arms race. I highly doubt that Westport residents anticipated a vote on the Vietnam war in 1972 when they elected their district representatives or 10 years later a vote on the nuclear arms race but, as a community, we have elected RTM representatives who we believed would make thoughtful and honest decisions and who we knew we could trust to vote their consciences when faced with difficult decisions. What did it take to allow dogs to run freely on our beaches off season? We can ask Diane Cady about that. What did it take to save the playground at Saugatuck from becoming a commuter parking lot or to insure Compo Beach had a children's playground? What did it take to make Winslow Park? We can ask Lois Schine about that. What did it take to ban plastic bags in our town? What did it take to allow Friday night football games, which seems to be one of the most popular decisions the RTM has made. For all these important community victories, it took town residents to organize an effort, hundreds of meetings, lots of discussions and, in the end, it took the Westport RTM to work together, to listen, to compromise and to vote to support the needs and wants of the community. Next month, we will be asked to vote for our next president and elected representatives. I don't think I have to tell anyone that we are in a difficult and a challenging place right now in our country and I can only hope that, when you vote next month, you will be voting for representatives who work together, listen, compromise and vote their conscience. This is what we expect of our RTM and this is what we deserve to have in our country. I just want to end up with a quote from my favorite person, Michelle Obama:

Make no mistake about it. Whether it is health care, the economy, education or foreign policy, the choice we make in this election will determine nothing less than who we are as a country.

There were 28 members in attendance. Mr. Bergman, Ms. Olsen, Mr. Timmins, Mr. Floyd, Mr. Underhill, Ms. Batteau, and Ms. Rea notified the Moderator that they would be absent. Mr. Bomes arrived late.

Corrections to the minutes of August 7: Dr. Ashman was incorrectly marked absent.

Birthday greetings, only one this month: Happy birthday Ms. Kane!

Announcements, Mr. Rose:

The next regularly scheduled meeting will be Nov. 13, right here, in Town Hall at eight o'clock.

There will be a special meeting Oct. 29 which is a Monday night at 8 o'clock in Town Hall. It will be solely about the Baron's South. We will hear a presentation, the public will have a chance to comment, and the RTM will have their chance to comment and question. We will try to set up an FAQ page on the town website for questions relating to that. If any RTM members between now and then have

questions, please funnel them to me and I will forward them on. Our goal is to get that set up. Please mark that on your calendars, Oct. 29.

RTM Committee meetings:

I have one so far, Long Range Planning, on Oct. 11 at 7:30 p.m. in room 309. This will include a presentation by the Downtown 2020 Committee.

RTM Announcements

Bill Meyer, district 3:

Hadley, I'm going for the Guinness Book of Records, my 21st straight meeting. What happens this time of year, every year? The Sunrise Rotary Wine Tasting event. We raise \$25,000 every year for charity. The new name is Around the World with Eighty Wines. Friday, Oct. 26. Diane Cady, Eileen, come on up. You're part of Rotary. Silent auction, 36 different items. It's run by former RTM member, Bob Galan. I want to pass on a couple of accolades to our friends, the noon Rotary. They just had 950 people to a lobster fest. Gordon, here's something you'll be very proud of. There are 169 towns in Connecticut. There's Rotary Clubs in 80 towns. We have a population of 26,000 and there 150 Rotarians, the biggest Rotarian per capita in the state. That's your town, Gordon.

Lois Schine, district 8:

Gordon is a member of the Westport Rotary so he knows that. If you didn't come to the Rotary Lobster Fest, you missed a helluva good time. It was very efficiently run. Everybody enjoyed it. We had a choice of steak or lobster; we had dinner for kids and everybody was smiling. We had music. I'm certain we'll be doing it again. It was probably the biggest fundraiser anybody has every done here in Westport.

Mr. Meyer: It's a challenge!

Eileen Flug, district 9:

So, come to the Sunrise Rotary Wine Tasting. It's Friday, Oct. 26 at the Christ and Holy Trinity Church all to benefit local charities.

Diane Cady, district 1:

It's a beautiful setting at Christ and Holy Trinity Church. You'll be glad to be there.

Mr. Meyer:

To Matt Mandell, congratulations on the successful program you had, the Slice of Saugatuck.

Matthew Mandell, district 1:

Thank you, Bill. I appreciate the kind words about Slice of Saugatuck. On that issue, it was successful. The police estimate that there were between 2,500 and 3,000 people who came there. Money raised, we are still working on the amount going to Homes with Hope to the Gillespie Food Pantry is a minimum of \$4,000. There will be a presentation next week down in Saugatuck where we give one of

those gigantic checks to Jeff in the amount that we finally work out. That's the Slice of Saugatuck. It was successful and the food pantry will do very well. Two announcements about Earthplace. The first one, on next Tuesday night, at 7:30 at Earthplace will be the fifth annual candidate environmental forum. This year I will be moderating two debates at the same time between the State Representatives of the 136 which is Jonathan Steinberg and our own Steve Rubin and the 143 which is Gail Lavielle versus Steve Hofstatter. Again, it will be an open discussion where we ask some questions and all the candidates will be able to discuss each question. We'll move on to another one. We've done different ones before, State Reps, State Senators, and Gordon sitting here even participated in one four years ago for First Selectmen. We hope that everyone can come out to the Candidate Environmental Forum. It's Oct. 9, one week from tonight at Earthplace on Woodside Avenue. The other event is the Earthplace Gala. Since we aren't going to have a meeting prior to the event because of Election Day, Nov. 9. will be the Earthplace Gala celebrating the work of Dr. John Horkel who will be retiring. I hope everybody will come out. It will be a Texas style barbecue. Usually, these events, everybody wears a suit and tie but John has said, 'No, come in jeans. Come comfortable.' Celebrate John Horkel's time at Earthplace, over 25 years that he spent there. So, come out to the Earthplace Gala and support Earthplace. It certainly needs your help. See you then. Tuesday, Oct. 9 and Friday Nov. 9 for Earthplace. Please come out.

Arthur Ashman, district 7:

The Y's Men have meetings every Thursday morning at the Unitarian Church. This week on the 11th, something new is going to be added, a jazz concert. You are all invited. You do not have to be a man. Women are welcome. Also, Thursday evening, Oct. 18 is the Jazz Jam at the Westport Arts Center. It has been extremely successful and, hopefully, you can all join us. I am going to throw you all a curve ball and make one sort of observation that occurred last night in front of my house. I am in district 7 as you all know. Early in the evening, there was a big boom that occurred in the road. A car coming up Bayberry Lane, went into a pole, knocked the pole across the road with all the electrical wires down. I happened to run out and witnessed something I would like to share with you all. That is, we talk about getting lights for football, we talk about all the nice things that happen in this town. I witnessed our first responders, the EMS, the Fire Department, the Police Department, even Connecticut Light. They were so efficient. They were there. They helped a woman out of the car, saved her life. If anyone had crossed the electric wires that were down on Bayberry, they would have been electrocuted. It was so efficient. It was so well done. I would just like to point out to our town that we are very lucky to have those first responders.

Jeff Wieser, district 4:

Following on Liz Milwe's nice invocation, I would just like to point out that last night, just about four years after this body passed the reusable bag ordinance, the town of Barrington Rhode Island, a lovely seaside suburb of Providence Rhode Island, was the second town in New England to pass a ban on plastic bags. It has taken a

long time, slow start, but people are starting to catch on. There are in New York, quite a few towns that have done similar things. It should be pointed out that some time ago, Barrington Town Council contacted the First Selectman's office and Gordon passed it on to some of us and we confirmed with Barrington Rhode Island that four years afterwards, the world has not ended with no plastic bags in Westport and, in fact, it feels pretty good to do even small things for the environment, things that you can do, and that sometimes small things are big things. It was really a good feel good thing and we are proud of Barrington, Rhode Island. Separately, Nov. 9 and 10 is a busy weekend Nov. 10, Stand Up for Homes with Hope is happening for its fifth year at the Westport Playhouse. Daryl Hammond of Saturday Night Live fame is going to be doing a benefit for Homes with Hope. If you are interested, check the Westport Playhouse box office and join us.

Mr. Rose:

Before we move to the agenda, we have a presentation from Steve Daniels on the Baron's South property. This is informational to give us a heads up on the process to see how things are going. As I indicated before, we will have a full blown meeting on the Baron's South on Oct. 29 at which point, we will have not only the Baron's south people, but the administration, the developer. So, there will be a lot of information out at that point. Oh, and Marty Hahuth, also, I'm sorry.

Marty Hahuth, 31 Island Way (along with Steve Daniels, who sits on my left) Co-Chair of the Baron's South Committee:

What we are going to do tonight is very quickly give you an overview of some of the needs we feel we're meeting, the process we've gone through and then Ken Bernhard has a very few personal words to say to you. So, we won't take a lot of your time and really appreciate the time for this forum. This is a very exciting night for me and I think for everyone on the committee and there are many of us here because this is the first real public forum, the first real chance we have to talk about something that is very important to us; that is, the fact that we have recommended to the First Selectman that Jonathan Rose Company partner with the Town of Westport to provide 99 units of senior housing, 60 percent of them affordable, on the Baron's South property. It's a very important move forward. I am going to briefly go over some of the statistics that show you the need for this project. I hope that you have all received a package of information that was sent to you from the First Selectman's office. We put that together. Hopefully, it answers many of the questions so I won't bore you with all of the particulars. You can read them for yourself. But I do want to mention that in 2007 the Town Plan of Conservation and Development mentioned increase in senior housing as a very important goal for the town. In, I believe, 2009, Claritas and Neilsen who had worked with the town to provide very good statistics for the senior tax abatement program indicated that with a stable population of 26,000 by the time we got to 2014, and we are closing in on the end of 2012, there would be 5,600 seniors, 62 or older in Westport. Eight hundred fifty-nine of those would be experiencing less than \$50,000 in annual income. There you have numbers that show you that these

units would be filled very quickly and are desperately needed. Industry experts estimate that 25 to 30 percent of us in this room and throughout the town will use and live in some form of senior housing before we die. That translates to 1,600 people over 62 in 2014. Aging in place, which is the concept that this proposal responds to, allows people to live independently with accessible services. This is acknowledged in the industry as the best practice and a model for community care. You received some additional information this afternoon coming from Barbara Butler from the Department of Human Services, again, sent to you through the First Selectman's office. What this does is provide in great detail some new information, up to date, between Municipal Aging for Seniors, the Westport Center for Senior Activities, 211 Info line and the Westport Housing Authority, total senior requests for this fiscal year are 273. That is 273 requests from seniors for affordable housing. Conservative estimates, using the housing authority waiting list, brings us to around 300 seniors seeking the type of housing this proposal seeks to provide. That's an overview of what you have in your package. I hope you'll take the time to review it in detail. Again, many of you who have been involved in this issue for years have already seen some of these numbers but they are important to review. A personal word...I have a dream. I hope it's not an unattainable fantasy. That is, when the time comes, there will be a small sunny home for me to live out my years in the town that I have loved for 45 years, near my friends, near my family, near the stores I have patronized all these years and the new stores to come as Westport changes. I have to tell you that right now I'm not at all sure that it's possible for me and I'm not alone. There are many people, like me, who worry what the years will bring. I have another fantasy. I hope, again, that it is not out of the question. That is, that the people who live in this community would like for me to stay here and to continue to contribute to the town and to be a part of this community as I have been for all the 45 years that I have lived here. Again, I'm not alone. There are lots of people, my neighbors and your neighbors who really have this dream. This is a chance for this town to meet that need. I am, as I said in the beginning of my remarks, very excited and very proud to, number one, be a part of this committee, number two, to work with the extraordinary people I've gotten to work with over the last year and a half and, most importantly, to be able to recommend to you Jonathan Rose Companies to be partners with the town as we move forward with this dream. They have the depth of experience, the track record and the competent management team that can bring us to a successful conclusion. Thank you for your time. Steve...

Steve Daniels, Co-chair of the Committee, 15 Blind Brook Road:

I have been a resident of Westport for 30 years. I have been a resident of Blind Brook Road for 25. I have long been a proponent of affordable housing in Westport going back as far as 2002. So, it's not surprising that I'm standing here. Many of you have seen me in this position before. The important thing is that last year, when Planning and Zoning passed a text amendment which said to go ahead and explore the possibility of affordable housing on Baron's South, we then went and worked diligently to come up with an RFP to do exactly that. P&Z was very stringent in terms of the rules and the parameters that they gave us and on Dec. 8,

we released an RFP that followed those mandates to the letter. On March 30 at four o'clock we had one response. That was the deadline for the return of the RFP's. At 4:15 we had two and at 4:30, thank goodness, we had three. In the ensuing month, the committee met and organized to see how to vet these RFP's. A little problem in that period was Good Friday and Easter so we only had about two weeks to set up how we were going to approach going through the analysis. In May, we began to interview all of the bidders in depth. In June, we had site visits, began to go back for feedback and clarifications. Let me explain to you that there's been a lot of things about the lack of transparency but, in reality, from the very start of this process, it has been a negotiation. Every step we took was a negotiation, some of the things we asked the bidders to do. We asked one to totally change where he placed the housing. We said, 'Please change it and tell us what it costs and tell us how that affects the return to the town.' We asked another builder, 'We don't like your room sizes. We would like you to change all that. Tell us what the cost effect of that is and how it will affect the return to the town.' We also began to vet each of the submitters in terms of their experience and what they have built and trying to make sure it was applicable to this town. The byline was pretty simple. You have to build something that people in Westport would be proud of. One of the things that I've heard of in the last week is that somehow we are building a slum. I will tell you that I defy anyone to look at what we are submitting and come to us and say that would be a slum. We have a distinguished panel here and I'd like them all to stand up as part of this commission: Jo Fuchs, Sharon Rosen, Barbara Butler, Reverend Horn, John Thompsen, Ken Bernhard, and who is not here is Paul VanOrden who was almost the President of General Electric. I will say to you that there was no fix in this decision. It is a highly competent reputable group, a tough group. We had some real arguments but we think we made the right decision. We made the right decision for these reasons. We had to adhere with what the P&Z gave us as instructions and what the First Selectman gave us as instructions. We had a mandate to build 100 units of houses. We had no opportunity to build skilled nursing beds. They didn't want to hear about it. Therefore, everything had to adhere to the RFP that we put forth and that's exactly what it does. In terms of why we chose Jonathan Rose, he has not only local but national and worldwide acclaim for his mission of building communities. That's what he does. His latest project is Metro Green in Stamford which includes not just putting up a building but changing a neighborhood. They have put up stop lights. They have built out sidewalks. They have actually fenced homes that are not part of the project and they are charged with putting retail in stores in the area. That's the kind of builder that we chose. He has a reputation for lead certification. When you are talking about senior housing, you have to talk about the environment that the senior will exist in. When you are talking about someone who is frail, you want there to be as few problems as possible. He has an outstanding team that surrounds him, and we have an outstanding service provider in the Jewish Home. Malkin Construction will be the construction company and if you look at Stamford Hospital, Norwalk Hospital, two high schools in Fairfield, Malkin has been part of that. We feel confident in our decision and we look forward to the opportunity to

defend it and to continue to pursue our goal of building affordable housing in Westport on Baron's South.

Ken Bernhard, 11 Woods Grove:

I stand with Steve and Marty in being very excited about this project but there are two things that I would like to point out. The first is my concern that there has been some rush to judgment about this, that some people have made up their minds already in advance about what the project is about because they have gotten snippets of information and then have drawn some conclusions. This is the beginning of a process. We are making a recommendation as to who should be the developer, but what is going to be there and how much land is going to be occupied is still a process up for negotiations. The lease hasn't been drawn. That's when you are going to have to make a decision as to whether the lease embodies what the community feels addresses a need and brings adequate financial return. I was talking to one of your members before the meeting and the suggestion was that this is going to be the town entering an endeavor for which it is not equipped. We are only leasing the land. We are not running this facility. The developer is going to do that. That is why we took all the time that we took to find someone who knew how to do this. Our obligation is only to lease the land. I would like to make two observations, quickly. It is not going to be the entire property. We are not talking about 20 acres of land. We are probably talking more in the scope of four acres. That's going to leave a lot of acreage left over for those who want commercial development and think that's appropriate for the land. I'm not one of them, but there are those who do. There is plenty of acreage left over for that. Or, for those who are more conservation minded, there will be land left in its natural state if that is the ultimate decision of the town. So, if you are looking at return on investment, you are not looking at either what it cost us or its present appraised value. You are looking at a percentage of that investment in the land. Keep an open mind. It is still subject to negotiation. As to what the return on investment is going to be, that's also going to be a process, If we want to have certain sized rooms, whether we want washers and dryers in every room, whether how much common space we want, that will be subject to negotiation. At the moment, the proposal is such that we will get a pretty good return on investment, not great, but pretty adequate, something that will address our present financial needs and our future financial needs. But keep an open mind. You'll be able to judge those things when we have the lease. I also want to refer something that troubled me a bit and Steve made a reference to. The suggestion that, somehow, because the process took so long and because we met in some executive sessions in order to weigh the merits of the proposal, that there was some skullduggery of some sort, I have heard some rumors, I have read some irresponsible blogs, I want to say clearly, equivocally, that the process was as ethical as this town has come to expect of all of its public servants. Quite frankly, we all know one another, we are all friends here, and the suggestion that there was something untoward going on because we took our time and, believe me, we took our time because we had to educate ourselves. We traveled to Massachusetts, to Pennsylvania, we learned about the process, what the needs are, what the modern thinking is, what we were going to

require of the developer and that we embodied in the RFP, that took time. The idea that, somehow, the time we took should somehow be a basis for doubt in the process is just plain silly and anyone who repeats the suggestion that there was something untoward going on is not only doing a disservice to our community but it's also doing a disservice to the reasonable and appropriate debate that should ensue from this point on. So, I do hope you'll keep your open mind. Give us a chance to further the negotiations, come in with a proposal. Today, for the first time, I saw a colored depiction of what is going to be suggested by the developer. I found it to be very attractive. We told him that we wanted a world class facility here. We told him that we want them to proud, that this would be the showcase that they could use as models for their future solicitations for more business. I think we're going to get it. Just give us some time to do a little bit more negotiation. Let us come back with a proposal. I think we'll make you proud of what's going to be there. Then you can evaluate the need. I think Marty was very clear that there is a need but that will be a judgment for you to make. And I say you, not just because you have a role to play under the charter provisions, but because you speak for the community. The Board of Finance is going to have the legal task of deciding whether to approve the lease but, quite frankly, it is you who are going to be making the decision because you represent the people of Westport. So, what you have to say is really going to be the telling judgment on whether this is what we want to do. You have to evaluate the need. You have to evaluate the economic return. I think, I'm confident, that when we come back you you'll find there is a need, and I think you'll be confident that the return on investment is not bad, is adequate. I think you'll be glad that we'll be adding, I believe, a facility that will add to the cultural, diversity of which we're all proud that singles out our community in Fairfield County. I'll say that again, that singles out our community in Fairfield County because of its diversity, its open-mindedness, of its ability to accept people into the community. So, thank you, Mr. Moderator.

Mr. Rose:

Thank you all. Just as a reminder, Oct. 29, at eight o'clock, we'll have a full discussion on this.

The secretary read item # 1 of the call – Amend chapter 52, Article II, Division 2 of the Code of Ordinances of the Town of Westport, Tax Relief for Senior Citizens or Permanently and Totally Disabled Persons. First reading.

Presentation

Paul Friia, Assessor:

I am here tonight to talk about the proposed changes to the Senior Tax Relief Ordinance and I'd like to give you a brief overview of the programs, reasons why we initiated our review and a summary of the changes. The two senior tax relief programs are primarily administered by the Assessor's Office as well as human services who provide in home visits. This year the Tax Abatement Program will service approximately 440 senior taxpayers and the Deferral Program will aid

approximately 210 elderly residents. Depending upon income, residents on the Abatement Program are eligible for a tax credit between \$1,000 and \$3,500 per year, while residents on the Deferral Program are eligible to defer either part or their entire taxes for that year. Through observations in the Assessor's Office during the application process, there was a growing sense that clarifications were needed within the ordinance as well as a review of the qualifying income requirements. Our review consisted of obtaining local ordinances from various Fairfield County municipalities and considering how their programs were offered to the public. Each municipality has a program that is really based on their specific needs so we found a large variation from town to town. One area, however, that appeared to be consistent among the surveyed towns was the method in which the losses were handled when calculating qualifying income. The municipalities that used income as a basis for determining their benefits treated any kind of losses as a zero. Just to explain that, that means any loss whether it was a business operating loss or a depreciation on an investment real estate property would have no effect on reducing an applicant's qualified income. To understand that, the lower your income, the more benefit you can receive from the town. At the present time, Westport allows for those losses which results in a number of applicants who would normally have significant incomes and not qualify to actually qualify for some programs. We have addressed this issue within the proposed changes. That was the main change to the ordinance. Some of the other proposed changes include a clarification that seniors can convalesce in a health care facility for up to a year and still remain eligible for the programs. We have introduced language stating that a resident cannot rent out their home during any time that they are receiving the benefit. A resident cannot owe delinquent taxes and be on the benefit program. We have also added language stating that a property can be in a trust as long as the resident of the home is the beneficiary of the trust. We are now requiring all applicants to sign an IRS form which allows the Assessor's Office to verify their income with the IRS. Deferral applicants must have confirmation from their lenders that their lenders are aware of and agree with the terms of the deferral. The terms within the Deferral Program places a lien on the property and, in some instances, banks were okay with that and what we've found lately is that banks, in some cases, they have actually paid the taxes off on the property and come back to the owner for the taxes that are owed. We've put a clarification in that we've defined the time limit when applications are due. Lastly, there was a recommendation from the Board of Finance that no tax abatement will be given to a taxpayer with a residence over \$2 million. They, however, can still apply for the Deferral Program if they qualify. So, those are a majority of the changes. I really believe that the changes will continue to serve and to help Westport's most needy and strike a balance and be fair with the other taxpayers in town who ultimately support the program.

Mr. Rose:

This is a first reading so we have no committee reports. It will go to Ordinance and it will also it will go to the Finance Committee. Typically, we have no comments at

this time but the public is always entitled to speak. Is there any member of the public who wishes to speak?

Members of the Westport electorate

Mike Gilbertie, 360 Main Street:

I have been a resident of Westport for 72 years. I am also a senior. I was also a member of the RTM for five years and I was a member of the Ordinance Committee when this elderly provision was passed. I have to disagree with at least two of the proposed changes. Number one, to disqualify somebody because they rent part of their home, I think, is prejudicial against them. Myself, I rent two parts of my house. I have a four bedroom, three bath home and just myself and my wife live there. I rent a room and a bath with a separate entrance and also two rooms and a bath with a separate entrance. If it wasn't for that income, we wouldn't be able to stay there. One of the reasons for this ordinance was to try to keep elderly in their home. It was supposedly a win/win situation, a win for the elderly person and a win for the town. I'd like to use my home as an example. Right now, I pay approximately \$10,000 in property taxes, a little less, I believe. I qualify for a \$3,500 abatement which is the maximum. If I did qualify for it, the town would still get \$6,500 in taxes from my home. If I were forced to sell my home, I could sell a four bedroom home with three baths to a family with three children. For the town to educate those three children, it's about \$20,000 per child. It's not that now but it will be very shortly the way things are going. So, it will cost the town \$60,000 to educate those three children. Subtract the \$10,000 taxes and the town is in the hole for \$50,000 plus the \$6,500 that I am paying now for the house. So, rather than be on the plus side for \$6,500, the town would be on the minus side for \$56,500. I think that would be detrimental to this town. So, the idea is keep the elderly in their home. It's good for them and good for the town. So, if you take losses, if they invest in something and they lose money, they can take that off their income tax. Yet, you're not going to allow them to claim that to bring them to the income level where they qualify for an abatement. But if they invest in something and they make money and their income goes up and they are above the level that would qualify. My answer to that is what's good for the goose is good for the gander. If a person loses money and their income goes down and they would qualify, that's the object of this ordinance. One thing that I would like to see changed with respect to the rental aspect of it, if somebody does rent their house or part of their house to someone with children in the school system, then that would disqualify them from the benefit program. One thing I would like to mention is this ordinance was passed in 2006 and, at that time, it was \$3,500 maximum. It's still \$3,500. Every year since 2006, the property tax has gone up. So as they have gone up, the benefit has been reduced. If they went up five percent, the \$3,500 has been reduced. I would like to see a cost of living adjustment for that benefit so it keeps its integrity, it keeps its value. If the taxes go up five percent, the abatement should go up five percent. Otherwise, if it keeps going this way, it will be worth nothing. So, I would just suggest that when this comes before the RTM, they would consider these points and maybe we can eliminate them from the changes that they would like to make.

Members of the RTM

Mr. Mandell:

Mr. Friia, could you clarify two things that Mr. Gilbertie said? The first question is when you said you can't rent your place, does that mean rent it and you're not living in it or rent it and you are still in it.

Mr. Friia:

That means rent it and not live in it. We have people that live in different states and are still claiming the benefit. Mr. Gilbertie, do you have a legal apartment in your house? The ordinance would not include if you were renting a legal apartment. You would fall under the legal apartment but could not rent out the portion that was not legal.

Mr. Mandell:

So, essentially, if you are still a resident here but rent out part of it, you can still get the abatement.

Mr. Friia: The ordinance says residence which means your primary residence.

Mr. Mandell:

The other question in terms of loses, if you are talking about capital losses that will be taken out of your capital gains, there would be a max; you wouldn't take it out if there would be a loss below your income. What I'm saying is, right now, on your federal taxes you can only take out \$3,000 maximum beyond your gains. So, if you make \$10,000 and have a loss of \$50,000, you can only take \$3,000 off but if you make \$50,000 and lose \$40,000, you'll still see that as a \$10,000 gain.

Mr. Friia:

Yes. The purpose of that portion of the ordinance, every town I looked at in Fairfield has this in their local ordinance. People were taking depreciation on investment properties, they have business losses, they have significant incomes. They are taking losses essentially on paper. It is reducing their income so that they fall within the guidelines of someone who actually makes \$25,000. Their income is actually a lot higher. They are taking losses on their tax return that on the return looks like their income is only \$25,000.

Mr. Mandell:

One more question, in terms of the trust, if it is in trust for their children but they are actually residing there, they still wouldn't be able to take the abatement?

Joyce Gentilozzi, Deputy Assessor:

They would still be eligible for the program if they were living in the home, if they were in the trust and retaining life use.

Mr. Mandell:

Let's make that clear. There are a lot of people who are looking at putting their houses in trust to escape issues with inheritance taxes which is a reasonable thing and legal within the federal government guidelines and I'm just making sure they won't be penalized by protecting their \$2 million home from inheritance tax but still, if they are still living there, they still get their abatement. They would be correct?

Ms. Gentilozzi:

Yes. Exactly. We do have trusts. We ask people when they sign up to please bring in a copy of their trust. It is looked over. If we see that the basis of the trust is for them to maintain residence there, it's fine.

Katherine Calise, district 2:

I would just like to point out about the tax relief and what it is meant for. The tax relief is based on age so it's meant for senior citizens in the town. Some of these people have lived in the town for 20 or 30 years and so, as the value of the homes around them have gone up as the town has changed, the value of their properties have gone up. So, now the senior citizen situation hasn't changed, their age hasn't changed, their income hasn't changed but yet their property value has gone up because of what's happened around them. So, it actually penalizes that senior citizen from getting the tax abatement because their property values have gone up. If you think about this, a perfect example is Saugatuck Shores. Saugatuck Shores, 20 or 30 years ago, those property values were not worth north of \$1 million or \$2 million. So, it's actually going to penalize the people who have lived there all those years. They are not going to benefit for the tax relief. It's actually almost discriminatory because, if you think about it, there are senior citizens in this town where their property values where they live that haven't changed really or haven't passed the cap. So, they're still going to benefit with the tax relief while the other senior citizens who their property values have gone up because of the neighboring homes, because of their neighborhood, they are now going to lose that tax relief. It's really not fair. It's based on age not on property value. They are proposing to change it based on property value. We were elected by the people of this town to support the people of this town and I would strongly urge my RTM members to vote against it because it's going to actually be hurting the citizens of the town.

Mr. Rose:

Can I remind everybody that this is a first reading and there will be no vote. It's still going to appear before committee and it might not appear before us in the same form that we got it as a first reading.

The secretary read item #2 of the call – To ratify the Collective Bargaining Agreement between the Town of Westport and Local 1303-194, Council 4, AFSCME, AFL-CIO for the period covering July 1, 2011 through June 1, 2015 and to appropriate the sum of \$41, 997 to the 2012- 2013 fiscal year budget. By show of hands, the motion passes unanimously 28-0-1. Mr. Bomes abstained.

Presentation

Floyd Dugas, Labor Counsel, Berchem, Moses and Devlin:

Most of you will recall, I have previously been before you with three contracts, two of which were initially rejected and ultimately we reached agreement on those contracts. That would be Fire and the WMEU, the town-wide unit. We also went to arbitration with the Public Works contract, as you know. This would be the fourth, if there were three, there would be a trilogy, but a fourth in this group of contracts that in plus or minus a year were up together. This group is a group of 25 employees, primarily from the Parks and Rec. Department, It also includes six EMS employees, custodial employees and two Police vehicle maintenance employees. So, it's a group of about 25 employees. Importantly, two things, I guess. Number one, like the WMEU contract and the Fire contract, we were, this contract is also subject to the same pension as the WMEU employee group. So, we are straddled with the same problem that we had with that group and Fire, which is a lock out provision with the pension plan until 2014. Even though we raised issues regarding defined contribution and changing the pension plan, the union was not interested in pursuing any of those changes and, because of the two prior arbitration decisions regarding lock out provisions, we were not going to win that issue and ultimately chose not to pursue those changes. In terms of the contract itself, it is essentially identical to the prior contracts brought before you with WMEU and Fire and also similar to the agreement reached by the arbitrators in the Public Works contract. Just very briefly, on the health insurance side, the same changes to the plan design and the same employee cost sharing as those other contracts as part of this deal. The wages, again, the same deal as entered into with those groups: a wage freeze the first year, a 2.25 percent increase in the second year without any step movement and 2.5 in the third and fourth years. There were a couple of other areas where we were able to obtain some concessions. One of which had to do with vacation. For those employees between 20 and 25 years, what happens is at 20 years they get 20 days and an additional day a year until they hit 25. We have frozen that period so there has been a modest improvement in terms of vacation entitlement in the town's favor and, obviously, the benefit we hope is increased productivity as a result because there will be that much less vacation time. The other area where we achieved some concessions had to do with workers' compensation and specifically the supplement that is in most contracts that gives public sector employees 100 percent of their pay for some time period. The contract provided for two years from day one for up to two years that the town would make an employee whole 100 percent. We have cut that down to 18 months and we also put a 10 day waiting period that they had to be out of work and only receiving workers' compensation before the supplement would kick in which, in my view, is important because most workers' comp injuries are for a relatively short period of time. We thought that would encourage employees to get back to work more quickly. Again, that is consistent with some of the other contracts, particularly WMEU. Lastly, we agreed to the more expansive management rights provision that was agreed to with WMEU and Fire which broadens the articulated rights that the town has relative to the employees and the

union and there are some reasons why that can be of advantage down the road. Aside from granting employees additional pay, the only concession that went toward the union was a modest increase in the dental maximum which went from \$1,000 to \$1,500 per year. Essentially, it is consistent with the other contracts. Again, it is a relatively small group so going to arbitration over one percent, I think Mr. Conrad has provided you with some cost data, but in any event a one percent cost to this group is roughly \$13,000. If you are fighting over half a percent, you are fighting over \$6,500 and if you are fighting over one percent it's about \$13,000 and clearly that can be eaten up in the cost of arbitration. That's a brief summary and, of course, I can answer any questions.

Committees report

Employee Compensation and Finance Committee, Gil Nathan, district 9:

Apologies for tardiness on this. It's completely my fault. I forgot to write it up earlier. To sum this up, this was one of the easier things to do on our agenda the other night. As Floyd alluded to, the pensions are not open for discussion on this. They are not reopened until 2014. So, this is a question of whether or not this compensation structure and the other agreements are within reason. To sum it up, at the end of the day, both the Employee Compensation Committee and the Finance Committees agreed that they both were. We unanimously voted in favor of both items. to ratify the Collective Bargaining Agreement between the Town of Westport and the Local 1303-194, Council 4, AFSCME, AFL-CIO for the period July 1, 2011 through June 30, 2015 and appropriate the sum of \$ 41,997 to the 2012-2013 fiscal year budget. As I said, both committees voted unanimously 7-0 in favor of this.

Members of the Westport electorate – no comments

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

RESOLVED: That the Collective Bargaining Agreement between the Town of Westport and the Local 1303-194, Council 4, AFSCME, AFL-CIO for the period July 1, 2011 through June 30, 2015 is hereby ratified and the sum of \$ 41,997 to the 2012-2013 fiscal year budget is hereby appropriated.

Mr. Rose:

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

Members of the RTM

Dick Lowenstein, district 5:

This is my first year as chair of the Employee Compensation Committee so I am involved in this subject more than I ever have been. There is something that I learned that I want to point out to you. In the handout you got which is this spreadsheet, the very modest general wage increases are shown at the top of the page. What is interesting also is when you go down to the step increases, only two employees of the 25 are getting step increases. The reason for that is that in the

second year of the contract, the only people who are not at the top, will get the increase. In the third year, there are zero because there are none, anymore. I think it is important for the RTM to recognize that the step increases in the labor contracts that we have in this town on both sides, the town and BOE, are quite large ranging from four to five percent. So, when we talk about an agreement with a general wage increase, quite often the percent is modest but everyone who is moving up a step is moving up four to five percent in agreements that were negotiated many years ago sometimes in terms of the steps when things were much better. The other thing is that, if you will notice, we appropriated \$41,000 this year and it didn't go to the Board of Finance for approval. This took a little digging on our part to find out why not. Apparently, if there is a labor agreement, State Statute allows us to bypass the Board of Finance and go directly to the legislative body, i.e., the RTM, for the recommended amount to be approved and to actually appropriate the money. So, there are some young people on the RTM who will be around for many years. When the subject comes up again, you'll know that you don't have to go to the Board of Finance. You can go directly to the RTM for appropriations on labor contracts.

By show of hands, the motion passes unanimously 28-0-1. Mr. Bomes abstained.

The secretary read item #3 of the call – To approve the Town of Westport 401(k) Plan, as Amended and Restated, Effective October 1, 2012. (Copy of Plan available in the Finance Department) By show of hands, the motion passes unanimously, 29-0.

Presentation

Gary Conrad, Finance Director:

The 401 plan, there are actually two plans, the 401 and the defined contribution plan. The 401 plan differentiates from the defined contribution plan because it only contains the employee participants' contributions. They can be on a voluntary basis for existing employees and for anyone hired after Dec. 31, 2011, it will be a mandatory contribution of 3 ½ percent. For the DPW employees, they are not included in this. They do not have a mandatory contribution. It is restricted to the 401(K). The changes that happened to the plan were the dates that people could join. Previously, a person could join on July 1 or Jan. 1 of a year. It also had a restriction. They had to be employed for six months prior to joining. One of the things that came of that, a person that was hired Jan. 15, just after the beginning of the year, wouldn't be eligible to join the plan until July 15. However, the enrollment date was July 1 so it restricted them from joining until Jan. 1 of the following year. So, they are actually waiting almost a full year to get into the plan. The plan, since it only has employee contributions is really restrictive on that part. We felt best that a person should start contributing to the plan as soon as possible to start planning for retirement. Basically, that is the only change that we put into the plan. The plan was updated for any IRS regulations that have changed or made any additional

restrictions. We had our pension attorney, who is a tax lawyer, go through it and rewrite the whole plan and, basically, those are the only changes we submitted to the RTM subcommittees and are submitting to the RTM.

Committee Report

Finance Committee, Jeff Wieser, district 4:

Not much to add. This is on the report that includes DC plan. The only change is really one of equity and we talked about the equitable nature of allowing people to join the plan right away and not have to wait six months up to a year to join it. We voted 7-0 in support of the plan.

Members of the Westport electorate - No comment

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

RESOLVED: That upon the request of the Finance Director, the Town of Westport 401(k) Plan, as Amended and Restated, Effective October 1, 2012 is hereby approved. (Copy of Plan available in the Finance Department)

Members of the RTM

Jack Klinge, district 7:

I think 401(k)'s have been around for a while and they are very straightforward. I have been involved in a couple and my wife has been involved with her small company these days. I can only urge the trust committee and those responsible that they do an extraordinary extra job in informing the employees of all their options, explaining them properly because I have seen some terrible mistakes made and a lot of miscommunication. So, I think it is incumbent upon the town to truly, correctly, properly, and on a timely basis, inform all the contributors of what their options are about when they can change, when market conditions change that might warrant a switch in their assets. I just urge you to keep on top of that.

Louis Mall, district 2:

My only comment about the 401(K) is that I think the appropriate thing is to get people in immediately on their date of hire to contribute for their retirement. I did mention to Gary something that I was concerned about was that we did not have a loan provision. He explained his reasoning for it. I do think we should keep that in mind if you see too many people are relying on hardship distributions, I personally think that they create an additional hardship if you are under 59 ½, that you be willing to come back and come to us to add loan provisions in lieu of hardship. So, that's the only thing that I'd really like to get from you to watch this carefully so that, if it's necessary, that we add a loan provision to the 401(K) plan. You did say \$14 million of assets and how many people in the plan? [153].

By show of hands, the motion passes 29-0.

The secretary read item #4 of the call - To approve the Town of Westport Defined Contribution Retirement Plan, Effective January 1, 2012. (Copy of Plan available in the Finance Department) By show of hands, a vote on the original motion. Those opposed: McCarthy, Mall, Rossi, Heller. The motion passes 24-4.

Presentation

Mr. Conrad:

The plan that was originally presented was two steps. There was a 3 ½ mandatory employee contribution and a 3 ½ employer contribution. The second tier to that was another 3 ½ percent that the employee could voluntarily contribute in increments of one-half which would bring the total to seven percent and the increments in the voluntary portion would be matched dollar for dollar. Through the different committees, the Finance Committee and the Employee Compensation Committee, it was back and forth and it was voted to recommend to the RTM that the plan would be 3 ½ percent on a mandatory basis with the employer matching 3 ½ percent and the second part which was a voluntary contribution would be 1 ½ percent by the employee with the employer matching 1 ½ percent. That would be a total of five percent in the plan. In addition to that, the union negotiation of the Department of Public Works, the settlement that was awarded by the arbiters was a five percent plan. It differentiates because five percent is mandatory. There aren't multiple sections to it. So, that is strictly a five percent mandatory contribution on the employee part and five percent by the employer. One of the things, since the plan submitted shows seven percent, I said I would like to suggest a change before it goes before the RTM. I spoke with First Selectman Gordon Joseloff and we agreed to the plan change to the voluntary portion which was previously recommended at 3 ½ percent and now is stated at 1 ½ percent for a total contribution by the town of five percent. This will change one section of the plan, section 5.2 of the defined contribution plan which will now read 1 ½ percent which previously read 3 ½ percent. The next section, because of the way that the contributions were originally written up by the attorneys, we spoke at great length on this, it was somewhat penalizing the employees. It actually had it where the employee contributed the money all through the year and had to be a member of the plan on the last day of the year. At that point in time, the employer would come in and just drop the money in based on all those contributions. That, we thought, was a severe penalty for the person. The idea is to put the money in and have it working for retirement. The way we looked at it is when the employee put the contribution in through a payroll deduction, the employer would put the money in at the same time. They are all subject to vesting over a five year period of time, 20 percent per year after you have completed one year of service. After you have completed five years of service, you'd be 100 percent vested. The idea is to get the money in working for the employee as quickly as possible instead of waiting until the end of the year. The last section that would be changed is section 7.3(b). That had to do with the same idea. You had to be a member of the plan the last day of the year. The rewrite that the pension attorney is working on, in fact, this evening, we've been going through it since Friday, it will basically read that the non-

bargaining employees referred in section 4.1(a), that's the non-bargaining group, will receive the matching contribution on behalf of the participant entitled thereto in under section 4.2 (a) and 5.2 (a) which is also referring to the non-bargaining group at the same point in time that the employee's mandatory and voluntary contribution are credited to the account. That is the change we are submitting this evening.

Committee report

Finance Committee, Mr. Wieser:

I want to point out we met a number of times on this issue. The first time when we saw it back in July, it was presented as a seven percent flat defined contribution plan. We talked about whether or not we should have a defined contribution plan. The Finance Committee sort of decided that having a flat seven percent was not optimal because a number of people might not be able or willing to contribute that much which is why we set the minimum of 3 ½ percent . Subsequent to that we had four joint meetings. One of the great things that I thought about the meetings was that we had representatives from the Board of Finance and the Board of Education at those meetings and it was a good discussion. It is important to point out that non-union new hires don't have any plan. The defined benefit plan has been cancelled so that we are actually putting into place something that will carry on with them. We had a presentation the last time from Milliman. It's too bad they're not here. To summarize quickly, what Milliman said was, using the assumptions that the Board of Finance has been using for their analysis of the defined contribution plan, there absolutely would be a savings to the town besides the predictability of a defined contribution plan. There would be a substantial savings to the town for a defined contribution plan. She pointed out the corollary that it would generally reduce the retirement benefits to the employee over the long term if they saved the sort of parameters that we were looking at. It was also an interesting topic and I'm summarizing a lot of this stuff that's in your report that everybody in the town is covered by Social Security except Public Works, Fire and Police personnel. Milliman said that the current defined benefit plan is relatively expensive, pointing out, specifically, that employees were able to retire at age 50 after 10 years of service, though few do, and four percent employee contribution for the plan is low for the kind of liberal benefits that our plan gives. So, it's kind of easy to show savings because our current plan is so expensive. We had the most recent meeting, we had a good presentation/discussion with Jim Marpe and the Board of Education will have more to say about that later on so we'll move on from there. Because we spent really most of our time discussing whether or not we should indeed have a defined contribution plan and what the percentage the town match should be to that, we thought the first thing we should do is vote as committees whether or not we should indeed go to a defined contribution plan because there was a little dissent. The Finance Committee voted 7-0 that there should be a defined contribution plan. We shouldn't really resuscitate the defined benefit plan. The Employee Compensation Committee voted 6-1. Don Bergmann's comments are in a separate memo; although, he couldn't be here tonight. Then, we moved on to talk about the defined contribution plan more specifically. There

was general agreement that the 3 ½ percent floor is a good thing in a defined contribution plan because it kind of forces everyone to recognize that they should be saving for retirement, even if it is a small amount, but that 3 ½ percent isn't such an onerous amount that it is something that people shouldn't be able to take care of. But there still was concern about the max of seven percent and the cost of that seven percent max to the town. So, we talked a lot about that. We voted 6-1 on the Finance side and 5-2 by Employee Compensation for a 3 ½ percent/ five percent max. Thank you to the administration for presenting us tonight with that amendment. As I said, we voted 6-1 on the Finance Committee and 5-2 on the Employee Compensation Committee to accept a defined contribution plan at 3 ½ percent and five percent. At the end of the meeting, Gary confirmed the changes about Dec. 31 and that the contributions would be ongoing and not just at the end of the year. So, there were lots of reasons after the Milliman discussion, which is always subject to interpretation for a lot of percentages and how you calculate benefits, especially defined benefits. There was a lot of talk about how we can benchmark what other towns are doing, what those percentages should be but I think that there was a general mood that getting a plan in place, which is always amendable, was a good thing; especially, since there is no plan in place for current employees to be talked to as they are being hired, It was just good to get something in place and that this was a pretty fair plan that many of us have seen in our own lives but it seemed to be a good plan.

Members of the Westport electorate

Jim Marpe, Acting Chairman of the Board of Education, speaking on behalf of the Board of Education:

First of all, I'd like to say that the Board of Education strongly supports the town's efforts to develop a defined contribution pension plan as a means to establish a more sustainable employee benefit cost structure over the long term and to more effectively and transparently manage the associated taxpayer funds. In addition, the Board of Education firmly believes that any defined contribution plan adopted by the Town of Westport must be fiscally responsible and actuarially sound and at the same time be competitive in terms of attracting and retaining the highest quality employees. With over 300 Board of Education employees covered by the town's pension plans, we have a very vested interest in making sure we get this right. We really want to be included as an active partner in defining the scopes and terms of whatever defined contribution plan we come up with. I applaud Jeff and his comments. We were glad to be an active part of the conversation with the RTM Finance and Compensation Committees. But, as always, the devil is in the details of these plans. Our request tonight would be for this body to defer action on this request until such time as we've had an opportunity to work with an appropriate actuarial or pension consulting firm to look at some of the details of the plan. The reduction, in the terms of contributions matching, is definitely a step in the right direction, we believe, but there are other terms and conditions there that we, as a Board of Education, would appreciate some professional analysis, some contribution to the discussion from our own part and some benchmarking. We are regularly asked during the budgeting process to provide benchmarking data to the

Board of Finance and to this body. We, in turn, would ask the same as we move forward. When we talk about things like not just the employer matching things but the maximum level of employee contributions, the vesting terms, the degree of employee control over investment decisions, etc., we would like to see those more clearly defined and we want to make sure we got that right. I accept the fact that all these plans are amendable over the long term but the ability to do that and the disruptions, we'd rather get it right the first time. As an example, one of the details that we struggle with is that our employees are enrolled in 403(b) plans not 401(K). Making sure how we reconcile those plans with the defined contribution is one part of what we are talking about in terms of detail. As Gary Conrad mentioned earlier, they are still working on language. I would think this body would be interested in making sure that language is in place before it is voted on. Having said all that, again, our goal is to assure that this decision to move to a defined contribution plan is a cost effective one both near and long term. We are supportive of that. We would request a delay until your next meeting just to have an opportunity from an administrative standpoint to work with Gary, to work with the actuaries, Milliman or others, to look at benchmarking data, to make sure what we are doing is appropriate for Westport and is appropriate as we compare ourselves to other towns that are similar to us in nature.

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

RESOLVED: That upon the request of the Finance Director, the Town of Westport Defined Contribution Retirement Plan, Effective January 1, 2012 is hereby approved. (Copy of Plan available in the Finance Department)

Members of the RTM

Mr. Nathan:

As I stated before, I'm on the Employee Comp. and Finance Committee and first and foremost, I'd really like to thank Gary Conrad for all the hard work he has put in. Gary hasn't been here a long time and he's done a tremendous amount of work this year. We really appreciate it. I can tell you; sometimes I forget which hat I have on because we've met so many times about these issues. So, I don't know if it had been brought up in one committee or the other and I know that we've talked about that in some of our committees and oh, we weren't informed about this and I say I knew about it two months ago. So, apologies to a lot of my co-committee members about where we are on the issue, but I can tell you that Gary worked really diligently including last week when we, as the Finance and Employee Comp. Committees suggested originally that when we were proposed with the seven percent that Jeff spoke about that we split it with a 3 ½ percent fixed amount that the town matches and the employee is forced to match and then a floating portion of it. What I think is really important here is we came up with different ideas and it got changed. The proposal right in front of us is for 3 ½ and 1 ½, 3 ½ fixed and 1 ½ for a potential match and that's incentive for our employees to contribute more to their retirement. The other thing that is important here is that the administration worked really hard to get this in front of us and to get it in front of us now. You just heard from the Board of Ed and they are asking us to delay. I am here to ask

everyone on the RTM to please vote in favor of this. This is the right thing to do. We've done a lot of work here. This is where our constituents have been pushing us and members of the RTM have been pushing us to move to defined contributions and get away from defined benefit plans and get away from the legacy costs that we are stuck with today. Most importantly, this will cap our liabilities. I think the worst thing we can do is delay. There's no need to wait on this plan. The Board of Education just pointed to an issue of 401(k)'s versus 403(b)'s. That's a language documentation issue. We hope that there are no mistakes in it either but I can tell you anyone is more than welcome to see this. Our committee meetings have been open. We implored everyone on the RTM to come and see the presentation by Milliman. I don't think this needs to be done over and over and over again and pay for the analysis of an actuary to tell us information that, at the end of the day, is pretty commonsense. We have a list here of a group of towns. Some are very good comps and some aren't, but they are a list of towns in Connecticut and they give us their minimum employee contribution and their maximum contribution. What I'm going to tell you is that I think this is all great. That's good comp analysis but we are trying to be on the forefront here. We want people to follow Westport's example. We want to go to defined contributions. We want this to be the way of the future for our town to cap our liability to our taxpayers because that is who we report back to. It doesn't really matter what everyone else is doing because this is what we're doing. This is what we need to do. I think everyone should vote for it tonight. I have been very happy to be part of this process. It is something that you know you've heard me talk about all year. I think it's really important and, again, kudos to Gary because he worked very diligently to get all this done. I really appreciate it and I hope you do, too.

Mr. Klinge:

I'm not exactly sure all I'm going to say is correct but I'm not comfortable with this what I call "a rush to judgment." I appreciate all the work done by the committees and by Gary. Some of this is new to me. I just started reading it this week. I'm not sure it's right. Let me tell you my thoughts and I'm happy to be corrected. I'm in love with the idea of the fact that this is a defined contribution plan. The defined benefit plan is gone. There's no rush. The void is there. We'll fill it when we want to. The defined benefit plan is dead and buried. It's old news. We are now talking about defined contribution. I want our plan to be fair. I want it to be competitive with neighboring communities. I don't want to lose quality key employees to a neighboring town due to an inferior defined contribution plan. I didn't see the exact numbers for the neighboring towns, perhaps it's in here and I missed it, but I'm not comfortable yet that we are going to out-duel Fairfield and Weston and New Canaan and Darien for key personnel. Secondly, if I read this right, and I could be wrong, I understand when it comes to vesting, the amount the town puts in vests as a percentage over five years. I will make the assumption that the amount the employee puts in vests immediately even though the funds are commingled. Is that right, Jeff? Okay. That's appropriate. If I have to retire on my social security, I would get a seven and seven percent, seven from me and seven from my employer or 14 percent. I thought that is what Milliman recommended seven and

seven but the two committees recommended to go 3 ½ and 1 ½ to five so it's five and five. I understand the town would save a lot of money at seven and seven and would save a lot more at five. Five and five doesn't feel quite right to me. It feels cheap. I need to be convinced that it is competitive, reasonable and fair. Because when I do the math, my employee is going to make less from his defined contribution plan than he would from Social Security, I don't feel good about that. I have shared that with Jeff, as he knows. Seven and seven feels a lot better to me than five and five. So, if this goes to a vote tonight as it is currently being explained, I'm going to vote against it until I get answers to my questions, I think it is a fairer plan and I know it's competitive. My biggest concern starts at seven and seven.

Mr. Mandell:

I was wondering if you could address Mr. Marpe's comments about benchmarking and the other individuals who have looked at it. I'm not sure if that's the case or not.

Mr. Conrad:

As far as the benchmarking, we did gather information. It actually came from a 2011 Freedom of Information request from the town of Orange. We got that from Floyd Dugas' office. I notice that there are some towns missing. Apparently, they were either in negotiations or they didn't pick up those towns for the response. Of the towns responding, there are 50 towns with 401-style plans or 457 plans with matching contributions. They are all over the board. Some don't require the employee to contribute anything and the town contributes the full amount. They have been separated out. Some contribute up to 10 or 11 percent, which made no sense at all. We felt strongly that the employee would have to share in this and the employer shares with them. Like I said, there are 50 towns out there that have it. They are all over the board. The average, as of last year in 2011, was 6.8 percent in the employer match. I believe now, with a couple more plans in there, that Floyd says that some are pushing up. We segregated the plans on this that had Fire and Police because they do not have Social Security. You'll find that the contributions that they have are substantially higher because they do not have Social Security. So, there's quite a bit of documentation out there. I gave it out to the committee. I thought it was being passed out at the meeting. I apologize if you did not get it. I think the question was when and if the monies are segregated. On the non-bargaining plan, there are four buckets of money. They are segregated by the pieces of 3 ½ percent of the employee into the 401(k) plan, the other three buckets which are the employee 1 ½ percent are in defined contribution plan, the employer match of the first 3 ½ percent, by the IRS code, it does not allow it to be called a match, it's a separate piece that the employer puts in but, basically, for this purpose, it's a match, that's also in a separate bucket marked off on the employer side on the defined contribution plan, then the 1 ½ employer match of the voluntary part or up to 1 ½ percent, is also in a separate bucket. It's all recorded. It's all handled by a trustee. The employee is totally responsible for managing it. We will have seminars. We will have Wells Fargo investment people come in to go over what the options are. They will have economic news coming out. Employees will

have access to their accounts on line or, if not, they will get monthly or quarterly statements however they chose but it is the responsibility of the employee to manage their account. We cannot give any advice on investments as an employer. It opens us up to lawsuits in the future for any losses they would realize. In addition, we can't give them any tax advice. Basically, we do have a fiduciary responsibility but it really comes back to the employee to manage their own assets.

Mr. Mandell: The other question was actuary input.

Mr. Conrad:

Our actuaries are Milliman. They are probably one of the largest actuarial firms in the United States, very well respected. Becky Sielman, who is the lead actuary in our account, was down. She did some analysis and did presentations. Unfortunately, it was on the screen and difficult to see. It was an active presentation where she would tell you if an employee is contributing five percent, this is what it would mean and look like in the future and how it compared to the current defined benefit plan. The problem with it is, as Jeff said, the defined benefit plans that we have are very generous in comparison to many other towns. So, that's something to look at in the future. We can't attack those right now. They don't come up. The first one comes up in 2014. In the meantime, you have employees that have come in and you have employees going into the future who will be coming on as people retire. You have to address that situation with them. Even though I know that the Board of Education wants to hold off, you are looking at a point here where employees who are already coming in, they are in limbo. They have nothing to contribute to. Effective tonight, they can put their own money into a 401(k) plan but the employer has nothing out there to offer them as far as a match or contribution to help them move forward. So, there is some time restraint that we have here that we want to get this moving as fast as possible. I know that it is not a perfect world but I think we did our due diligence looking at all the other towns. As I said, the average out there in employer match was 6.8 percent so, it was felt by the different committees that five percent was on the side they wanted to be with the lower bar so, as we go into negotiations with the unions, that's where we are going to be starting and, hopefully, staying.

Lois Schine, district 8:

I have to say I'm a little bit disappointed in some of our RTM members because Hadley sent an email notice out to say the Finance Committee and the Employee Compensation Committee were meeting last Thursday. It was our fourth meeting and there would be a presentation by our actuary on what the defined contribution would mean as opposed to the 401(k) as opposed to the defined benefit. You are asking questions that have all been answered. Those of us on those committees have asked many of those questions. We've met in four meetings. We are coming to you with a recommendation. The plan can be amended so this is not a final vote. We vote this plan in and in the future, if we want to change it, it can be changed. There's no reason to delay, none at all. If you look at all the other towns, the pension plans, they are all over the lot and many are in the process of changing

their plans. I don't think too many people take a job by looking at what their pension might be, five percent or seven percent. They look at what their salary is going to be.

Mr. Lowenstein:

You may recall that, in the first quarter of this year, the RTM voted to abolish defined benefit plans for all non-union non-supervisory, non-union supervisory employees hired after 1/1/12. Had we not taken that vote, anybody hired from January 2012 until this date would be in a defined benefit plan. Defined benefit plans are expensive. We know that. So, having dropped a defined benefit plan, we are under an obligation to create a defined contribution plan which we have today. I am concerned that the Board of Education has taken the position that they don't want anything done tonight but there are, as Gary said, there are people being hired by the town and the BOE, that will have no pension plan whatsoever unless we take action tonight. I was surprised, somewhat, to see the letter, which we all did, from the Board of Education and the Superintendent of Schools that we all got this morning or last night. I follow the Board of Education meetings quite carefully and I recall no action by the Board of Education to take a position on this. There was no discussion among the Board of Education and there was no public discussion of it and no resolution was offered to take a position. The Superintendent is entitled to take a position on his own but I don't think the position that we've heard, even though it was represented by two BOE members, was *the* Board of Education position. I was one of the no votes on the resolution, not because I was opposed to defined contribution, but because I wanted to go for seven percent. I thought the range was there. We had seen data from the Finance Director showing the probability of everybody being at seven was low, that the average would probably be a little over five percent which is what we'll have anyway. I concur with Mr. Klinge's comments that we have to be very careful to attract and retain people. They may not come in based on a pension plan but what they do once they establish their employment with the town, I think all the benefits they get are part of the equation. I think a seven percent plan is much better. But I will be supporting the motion tonight to create this defined contribution plan.

Eileen Flug, district 9:

I am concerned that the Board of Education feels like they have not had adequate time to have input into and have the research they needed in order to feel comfortable with this plan for their new hires. So, I have a question for Gary and a question for Jim. The question for Jim is, if you had a month, is that enough time for the Board of Education to consider this adequately? And the question for Gary is, what is the consequence of waiting a month? If the plan is effective Jan. 1, 2013, can the employees make catch up contributions as long as we vote on this before the end of the year?

Mr. Conrad:

The catch up contributions can only be made on the first 3 ½ percent so the penalty comes in that the more you delay on the second part of the up to 1 ½

percent additional. The clock starts ticking on that as soon as the RTM votes this in. So, as time goes by, you are losing that part. Something will have to be done to adjust that with the employees but, right now after tonight, they can start putting it on the next payroll check, into which is their own money. At that point there is no matching out there.

Ms. Flug:

I just want to make sure I understand this. So, could the employee make a lump sum contribution and have the town make a lump sum contribution for the match?

Mr. Conrad:

The only way they could play catch up, I hate to use the word because that applies to people over 50 years old, to do the retroactive, they can't just write a check. As they move closer they have to have it taken out of their pay. So, if you get to November, you may have three paychecks. A person would have to take everything out to get caught up.

Ms. Flug:

But it's possible. So, if they wanted to make the contribution starting in November, they would save the money now and have the money taken out of their November and December paychecks. Whatever money they were going to put into the 401(k) plan, they could just save that and have that taken out of their November and December paychecks. It's possible to be whole at the end of the year even if we wait a month.

Mr. Conrad:

The idea is, the best way to put it, the first 3 ½ percent that you think of on the employer's side, that's an elective contribution by the town that is separate from that. Even though the employee is putting in 3 ½ percent, we are saying the employer is putting in 3 ½ percent. Think of it this way, that is a coincidence. If you look at the analysis done, there are towns out there where the employee puts in three percent and the employer puts in seven...two separate packages there. So, that number has basically been decided, the 3 ½ percent of the employer. It is totally independent of the 3 ½. You can only catch up on that portion back to Jan. 1 because that's only for the employees hired. What happens to the rest of the plan, the 1 ½ percent on the voluntary side cannot go retroactively matched, so that's a loss.

Ms. Flug:

So you are saying, the employee can put in the 1 ½ percent in but the 1 ½ percent match for the town for the month of October if we delay this a month, it's gone already. We are making the decision tonight or making the decision a month from now. So, if we wait a month from now, they are losing the opportunity for the 1 ½ percent employer match for one month and there is no way to make that up. So, there is an economic effect to the employees. How much time would the Board of Education need?

Mr. Marpe:

I believe many of our questions could be answered within a week but, as a practical matter, I suppose that does mean another month in terms of how this body meets. I must speak to Mr. Lowenstein's point. I appreciate, Dick, that you do watch our meetings quite carefully. As the final agenda item at our last public meeting, our board members authorized Elaine Whitney and me to speak on behalf of the board to this matter to this body. So, in fact, we are acting in full faith and support of the total Board of Education. The documents that we've shared with these committees have been shared with our board prior to being shared with you so, to the extent that they have any comment, they would be fed back to us. We are fully aware that we cannot do that arbitrarily.

Ms. Flug:

To what extent was the Board of Education and the Superintendent's office included in the discussion of the defined contribution plan to help craft it so that it's a meaningful plan for their future employees?

Mr. Marpe:

We certainly participated in the committee meetings and I acknowledge both Mr. Wieser's and Mr. Lowenstein's willingness to make sure we were included in that. What I don't think has happened is at the administrative level and probably just an oversight, the opportunity for our HR Director and Superintendent to sit with Mr. Conrad and Mr. Joseloff to make that happen. That's a part of what we need to have happen in addition to making sure that our attorneys understand our employee benefit plans and have an opportunity to take a look at those plans and feel comfortable with it.

John McCarthy, district 9:

As I understand we are talking about two employees. No three. Three employees have been hired since the defined benefit plan has been terminated. That's what we're talking about. One is Mr. Conrad, our Finance Director. We obviously want to get these employees straightened out as quickly as possible and to make this as easy a process as possible. I've got to say that the Board of Education needs more information, I'd like to make sure we do this the right way. In the Finance Committee, I used the line that Lois used. I have never been in a job in which I took the job or didn't take the job because of what my 401(k) match was going to be. It's true. I haven't. But I also work in a high tech start ups in which high risk, high rewards type of situation. That's not the type of employee we're hiring in the Town of Westport. Using my example and my own personal experience in this situation, I used that as a example and I used that when I said, 'Five percent, that sounds good enough. Let's just go with that.' Quite frankly, my decision making in that meeting was improper, not improper, rushed. I'm actually going to take that back tonight. I'm going to vote not to approve this tonight. I'd like to see what does Norwalk, Fairfield, Wilton, all the towns around us, what do they currently do? What is the package of benefits we offer? What is the package of salaries we

offer? How does that match up? Is that a good package? So, I am going to change what I said in the Finance Committee and vote against this.

Lou Mall, district 2:

We've talked about four meetings and I can only recall two, Dick. I'm going to go back. I can only think of two right now. I believe at those two meetings we focused strictly on contributions. One of the things, when we talked about going to a defined contribution plan in March, one of the things that I stood up here and asked if the RTM could participate in the entire process from the ground up. This came from the top down. One of the confusions that I had was where the seven percent came from? I was told this was the average of all these different plans. Where does the five percent come from? This was what the arbitration awarded to Public Works. I formed an opinion on five percent that if we were treating our street sweepers with five percent then why wouldn't we treat the rest of our town with the same contribution. That is no basis for benchmarking or anything else. The benchmarking I used, I looked at that little spreadsheet and saw that Greenwich's minimum contribution is five percent and their maximum employer contribution is five percent. That's where I came up with five percent but it doesn't have any kind of basis of benchmarking what other towns are doing. If you look at the private sector, 80 percent of private companies, the maximum match is three percent. As taxpayers, you are sitting out there and looking at your 401(k) and your account and you're saying 'I only get a match of three percent and the town wants to give seven percent and five percent.' It's like a bidding war going on. The other thing is that you do not take away from employees. That's the worst thing you can do. Everybody says, 'We can amend the plan at some point in time.' Yes, you can increase. You can be a hero increasing but the adverse effect of taking away...A lot of companies did suspend contributions to their 401(k) plan in the hard times after the recession of 2008. So, I don't think we want to get into that. So, I'm going to go along with what John has said. I would like us to postpone this to our next meeting and give everyone the chance to get the foundation built right. I will vote against this plan. I would like to table this until Nov. 13.

Mr. Rose:

Table is an inaccurate term. You want to postpone until Nov. 13. meeting. Now we have discussion on whether we want to postpone or not. This is a different subject. If we vote to postpone, it will be brought back Nov. 13. If this is defeated, we go on with the original motion.

A motion by Mr. Mall to postpone this item until the Nov. 13 meeting. Seconded by Ms. Flug.

Jeff Wieser, district 4:

I want to make two points. Go back to the explanation that Eileen Just pulled out of the administration. If we pass tonight, the total five percent that could be put into the 401(k), retroactive to Jan. 1. Easy numbers, you make \$100,000, you can put \$5,000 this year into the 401(k). in this plan the way it currently is. Right Gary?

Mr. Conrad:

The five percent is not on the table. The 401(k) plan is the 3 ½ percent. The employee can put in a maximum of the IRS limit which is \$16,900.

Mr. Wieser:

That has to come out of your paycheck. So, if we do this on Nov. 13, that amount which one might want normally want to put for the full year out of his paycheck for the defined contribution plan would have to come out for the pay period of Nov. 13, Dec. 1, and Dec. 15. Whereas, if we did that tonight, it could be spread over five or six pay periods which is a hardship for those three employees. Is that right?

Mr. Conrad: I can't speak for them.

Mr. Wieser:

If you're taking your maximum 401(k) contribution out of your own one or two pay periods, it's harder to do at the end of the year than it would have been three months. So, we are talking about a practical something here that is useful who have been waiting since January to get this. It's not our fault or the Board of Education's fault, or not the administration, whatever. It is a hardship. I think we need to act on this tonight and we should act on this tonight for this one very practical reason. If it only takes a week, then the administration and the Board of Education should sit down and we should then, in November, deal with any changes. As to the five percent, you can go back and look at benchmarking forever. But you are going to find three towns that we really can compare ourselves with: Wilton, Fairfield and Greenwich which were the only three towns...Sharon, South Windsor and Suffield are not going to move us a lot. Wilton had a minimum match of five percent and a max of nine, Fairfield was four and six and Greenwich as Lou pointed out was five and five. The conversation I started off with seven...

Mr. Rose:

Mr. Wieser, could you circle back to whether we should postpone this or not rather than debating the full plan. First we have to decide if we have to postpone then you can go back to the full plan.

Mr. Wieser:

Okay. That was the main thing that this is really a practical thing. Also, the five percent is not a terrible thing to take on at the first blush because that is the one precedent that this town has for a defined contribution plan with the DPW. We were anxious not to really negotiate against ourselves by raising that amount. So, from a practical standpoint, we should put it in place. We should get the payroll deductions going. We can deal with this all in a month.

Mr. Meyer:

Jeff, I love you. Don't get mad at me please. Seventeen years on the RTM, the first time anybody on the Board of Education has asked for a month. Most employees

in the town, I have tremendous respect for Jim Marpe. Seventeen years, the first time that they ever asked for it. So, out of respect for them and the best school system in the state, I'm going to vote for it.

Mr. Nathan:

I'm going to say this and I don't want to offend anybody but I'm probably going to offend most all of you. I mean it. No disrespect. It is our responsibility, as elected officials, to get on top of issues. If you want to know it better, get involved. Follow up. Come to a meeting. Go see Gary. Talk to Gordon. Do something. Don't sit there and complain when it comes to you. If there's something you don't like, fine, bring it up. Leave it at that. But get off your behinds. Get up. Come to a meeting and figure it out. If you can't figure it out in that meeting, the onus is on you to do something about it. It's not to sit here and complain and delay. With all due respect to everyone here, I understand the board asked for a month but there are three employees who have waited nine months for it. Yes, Lou is exactly right. We talked about this in March. I brought it up in February. I'll remind everyone I voted against the entire town budget because I wanted this issue brought up and other issues. This has taken too long. A month is too long. If you take someone's pay as Jeff has pointed out and they've got two months left in the year and you take out their medical expenses and other contributions that they make pre-tax and they want to catch up and make their full 15-5 contribution and these are all IRS limits, everyone, let's be clear about that, we are not making up the employee side of what the rules are. They can put a certain percent of their pay up to certain limits and the town has to match and that's what we're talking about here, what the match is. If you think it's not competitive enough, look I said before, I think we want to be on the forefront. I don't think we're making a mistake. If you'd listened to the Milliman presentation, you would have seen that we pay out benefits that are too rich and that's on the defined benefit side. We're trying to do something different here. I think it's the right move. If you don't think it's the right move, then fine, but delaying it does nothing. All it does is rehash issues for people who didn't like it in the first place. Nothing is going to change in the next month. It is either going to be voted for or voted against. If there are technicalities that need to be changed then fine but I think if you have questions about this and it's because, as Lois pointed out, you didn't attend the meeting or you are confused about something after the fact, do a little more work. The responsibility is on us. I, frankly, find it embarrassing. If I do this on a different issue, feel free to berate me for it because I deserve it. I just think everybody needs to take a little responsibility and we should be voting on this and I think the motion should be destroyed.

Allen Bomes, district 7:

I'm not in favor of postponing. Number one, it's not fair to the three employees who have been waiting most of the year. Also, I don't know what a month is going to do for us. Looking at the comparison of what we are proposing for the defined contribution plan to other towns, you can't look at it in a vacuum, which I think is what we are trying to do. You've got to look at the entire, how is the salary compared to other towns, what about the medical, what about the raises, what

about the steps? It's just something that you are not going to get further along in a month. It will probably take you six months. When you look at labor contracts, it is really something that is very hard to get your arms around the whole package to compare apples to apples. Again, one month is not going to do anything for us. There have been four meetings that have been going on for a couple of months. I think its time to take a stand tonight and vote this thing in for the sake of the employees.

Mr. Lowenstein:

The first thing to remember is that we are going to have a defined contribution plan. That's clear. I sympathize a lot with what Lou Mall said and if you read Don Bergmann's letter on the stage, I sympathize with what he said. We, I speak for the committee and for the RTM, have not been consulted by the administration on what's happening. I think our input would have been helpful and would have made the process a lot smoother but I don't think we should postpone out of petulance because we are annoyed. I'm annoyed, too, but I'm not going vote to postpone because I want to show that I'm angry about something. Lou, you have my complete sympathies on your points but tonight is not the night to postpone. Gil's remarks apply to more than just us on the RTM. They apply to everyone in this room, administrative people, other elected officials. We all just can't sit back. We know something is happening. We should make inquiries. Just because we haven't been given a piece of paper, doesn't mean we shouldn't ask for the piece of paper. We should look for stuff that we might find helpful. Postponing makes no sense right now. We are in the same ballpark percentage-wise with a lot of other towns. Actually, we are on the low side with a lot of towns. Tonight's the night to vote. Don't postpone.

Velma Heller, district 9:

I'm trying very hard to listen to all sides here. I did go to that meeting the other night and it was enlightening and then I heard that the Board of Education had some further questions that didn't seem to be answered and I'm not sure they could be answered in that venue. I think one of the things that I am concerned about is when a question is raised by one of our town bodies, this is not the enemy. This is another group of people who have employees who we are paying and they are trying to put together what is going to be the most viable type of defined contribution plan not not to have a defined contribution plan. I guess, what concerns me, is when I hear motivations being attributed to people who don't feel the exact same way that are somehow negative. I don't think that's appropriate at this point. I think what we really should be thinking about what is going to get us the best overall plan. I can understand that we have three employees who are waiting to get into this but I am also looking at the fact that there are potentially a lot more employees in this other body with questions that I think should be answered. I think it's the right thing for us to be doing. In a way, if they feel that their questions could be answered in a week, isn't it too bad that we couldn't just respond within a week. That's perhaps unlikely at this point but, on the other hand, I think that the major issue here is getting as much information possible to make

the best decision possible. Hadley, is there a way to have a meeting before November?

Mr. Rose: We could have a supplemental meeting two Tuesdays from now.

Dr. Heller:

Two Tuesdays from now would certainly allow something to happen. I'm not sure how we put that in as a possibility. Can you guide me, please.

Mr. Rose:

You would have to make a motion to postpone to Oct. 16. [Comment from audience inquiring about the Oct 29 meeting for the postponement.] Only for one issue. That's going to be a long meeting as I'm sure you know.

Dr. Heller:

In other words if I were to make or someone would make such a motion, that would be in conflict with the motion...

Mr. Rose:

We would discuss the newest amendment which would be yours. If that passed, it would go into effect. If it didn't pass, we would go back to the motion for Nov. 13.

Dr. Heller:

I would like to ask Mr. Marpe a question about whether having a meeting on Oct. 16 would allow time to get the kind of information that you are looking for.

Mr. Rose:

While Mr. Marpe is coming up, I have to apologize. When the motion was made to postpone to Nov. 13 and seconded, I should have offered the public the chance to speak first and I didn't. So, if you want to address that at the same time, please.

Mr. Marpe:

Again, I want to reiterate, we are with you in trying to get as quickly as possible to a defined contribution plan. I think all of us on the Board of Education have wished for some time that to be the case. The concerns that we are raising are not done so idly or not done in any way to be disrespectful to the work that has been done. It is because we think there are a few items that need to be resolved. I completely understand that the benchmarking aspect is probably hard to develop more. I think part of that is based, as someone was alluding to, these are a bigger set of issues of how we look at our personnel overall and how we treat them across the whole array of benefits and compensation and work rules and so forth. I think we can address them in a different context. But we do have some technical questions that I think can be answered in a relatively straightforward manner. The current plan, I would respectfully request that the Superintendent be allowed to speak to a particular question that we are concerned about in terms of pension fund management. I don't mean to violate your rules of operation.

Mr. Rose: Not right now unless an RTM member requests it.

Mr. Marpe:

Thank you. The question was, would a couple of weeks help? I believe that would at least give us the opportunity to resolve some questions that have arisen as we've looked at the plan. We would be quite amenable to that. Our desire is not to penalize the three employees who are not participating in a plan at all. We just think in a manner of good order, all of you would expect us to do the same and we would hope so as we come to you with our budgets and other things we come before you for. This is our request in turn.

Dr. Heller:

Housekeeping, I forgot to say, "Velma Heller, district 9". I think, in order to clarify what kinds of questions there might be that require extra time so this is not just people sitting on their hands, I would like to ask the Superintendent to clarify what those questions might be so there is some sense of what the thinking is here.

Superintendent Elliott Landon:

We currently, for all of our employees have what is known as a 403(b) plan. The town has a 401(k) plan. 401(k) plans are no longer permitted under the law but we are grandfathered because the 401(k) plan for town employees was approved before 1986 and in 1986 the law was changed. As an entity, for the 403(b) plan, we hire a firm because it is required by law to oversee the use of that money and insuring certain actions cannot happen on the part of the employees that would endanger their investments or would in any way cause a liability for the Board of Education. Under the law, all the employees in the Board of Education can belong to a 403(b) plan. The defined contribution plan will have a 401(k) plan. If in fact our employees are entitled to a 403(b) plan, the question is whether they can actually go into a 401(k) plan. If they cannot go into the 401(k), that means the Board of Education will have to run a parallel system for investments in a defined contribution plan. I think one of the fundamental questions that has to be asked is can we enlist our employees in a 401(k) plan as part of a defined contribution plan. If we cannot, then the town will run its own pension plan, will continue to run the plan on defined benefits for all Board of Education employees but all new employees will be in a different defined contribution plan which will be administered by the Board of Education, So, we will have the town doing one investment plan, the Board of Education doing another investment plan. The town will be using Wells Fargo. The Board of Education will be using Omni who we use currently or who knows who anybody will have in the future. It seems like a giant complication, an extra expense for the town, which I think is unfair to taxpayers. Without having an answer to that question, I don't see how we can move forward.

Dr. Heller:

That appears to be the question. I am going to ask that we postpone to Oct. 16 which is the next possible meeting in order to allow these questions to be answered.

A motion by Dr. Heller to postpone this item to Oct. 16. Seconded by Mr. Meyer.

Mr. Rose:

What we do now is we are now going to debate whether to postpone to Oct. 16. If that fails, we go back to the motion to go to Nov. 13. If that fails, we go back to the original motion.

Members of the Westport electorate - No comment

Members of the RTM

John Suggs, district 5:

I appreciate Dr. Landon coming to explain what the concerns are in his own words but, at the end of the day, I don't find it compelling enough to postpone. I will not be supporting a postponement of two weeks. I won't be supporting a delay of four weeks. I would prefer that we vote this up or down tonight. I am constantly reminded of the refrain, "Justice delayed is justice denied."

Mr. Nathan:

You all know how I feel about it so I won't go into that now. I have a question for Gary: The superintendent's question, is that answerable right now? In the design of this plan that we are voting on, the actual text is being worked on, is that correct?

Mr. Conrad:

The text that we are talking about is that one item. That's the only text that is going to change in the plan. As far as participation in a 401(k) plan and a 403(b), we can have the tax attorney look at that but since the school has 403 and 457's, the fallback for this would be since we are only considering three employees on the town side, a 457 plan is an acceptable plan under the same guises as what the DC plan is so it can be customized on the 457 side, if need be.

Mr. Nathan:

To summarize, to be absolutely clear, Board of Education employees, if we instituted this tonight would be able to be in a plan. Gary is saying that is the case. I'd just like to point out and, again, it is a very big pet peeve everyone, my point earlier is to attend meetings. You're right. I wasn't just addressing the RTM. I was addressing everyone. That includes some who are watching on TV, constituents, anyone. The point that Dr. Landon brought up wasn't brought up last week in those exact words. I think, I personally don't like the way it was brought up and that's a personal issue. People want to talk about how things might seem whether it be professional. Yes, we're all on the same side. We're trying to do the right thing. That was something that could have been addressed months and months and

months ago. Everyone knew that we were trying to get to a 401(k) plan for our non-union employees. That's a technical issue that could have been asked and answered months and months ago. I'll revert back to what I said earlier. The onus is on all of us. So, I am not in favor of this motion and I'm not in favor of the other motion. Let's get on with this and vote on this issue. If you are not in favor of the plan, the idea and the plan itself, that's a totally different issue. Vote your conscience there but don't delay.

Hope Feller, district 6:

I hope that we can all agree that we, as RTM members, do not have to come up again and again to say the exact same thing. I'd like to vote on this. I think we have been spending too much time laboring on the vote. I think it's going to take more than two weeks to iron this out knowing about benefit packages. I think the difference of a month will not impact much or many. I think it's a good thing to get it right. It appears that the people who want time are directly involved with the teachers at hand who will be waiting.

Mr. Rose: It's not teachers.

Mr. Meyer:

I'll just say it once more, the same thing I said before. I've been on the RTM 17 years. The first time the board asked for more time. We don't like whimsical postmortems. We want them to be satisfied with this. Two weeks isn't long.

A vote on the motion to postpone two weeks. A yes vote is to postpone: McCarthy, Calise, Heller, Flug, Meyer, Rossi in favor. The motion fails 6- 22.

A vote on the motion to postpone until Nov. 13 meeting. A yes vote is to postpone: Keenan, Mall, McCarthy, Feller, Heller, Flug, Rossi, Meyer in favor. The motion fails 8-20.

Back to the original motion:

Members of RTM

Mr. Klinge:

I'm going to make this very brief. I'm going to make a motion. I'd like an up and down vote. No need to agonize over it. I'd like to get a sense of where we stand on it.

A motion by Mr. Klinge to change the contributions from 3 ½/3 ½ and 1 ½ / 1 ½ for a total of five percent to 3 ½ / 3 ½ and 3 ½ /3 ½ for a total of seven percent.

Mr. Rose:

You are making a motion to change the number from 1 ½ percent back to 3 ½ percent. I spoke with the town attorney. He said we could do this. Is there a second? No.

By show of hands, a vote on the original motion. Those opposed: McCarthy, Mall, Rossi, Heller. The motion passes 24-4.

The meeting adjourned at 10:40 p.m.

Respectfully submitted,
Patricia H. Strauss
Town Clerk

A handwritten signature in cursive script that reads "Jacquelyn Fuchs". The signature is written in black ink and is positioned above the typed name of the signatory.

by Jacquelyn Fuchs
Secretary

ATTENDANCE: October 2, 2012

DIST.	NAME	PRESENT	ABSENT	NOTIFIED MODERATOR	LATE/ LEFT EARLY
1	Don Bergmann		X	X	
	Diane Cady	X			
	Matthew Mandell	X			
	Cornelia Olsen		X	X	
2	Catherine Calise	X			
	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	X	
	George Underhill		X	X	
	Jeffrey Wieser	X			
5	Dewey Loselle	X			
	Richard Lowenstein	X			
	Paul Rossi	X			
	John Suggs	X			
6	Hope Feller	X			
	Paul Lebowitz	X			
	Catherine Talmadge	X			
	Christopher Urist	X			
7	Arthur Ashman, D.D.S.	X			Left 10:05
	Allen Bomes	X			Arr. 9:05
	Jack Klinge	X			
	Stephen Rubin	X			Left 9:00
8	Lee Arthurs	X			
	Wendy Batteau		X	X	
	Carla L. Rea		X	X	
	Lois Schine	X			
9	Eileen Flug	X			
	Velma Heller, Ed. D.	X			
	John McCarthy	X			
	Gilbert Nathan	X			
Total		31	7		