

TOWN OF PALM BEACH

Office of The Town Clerk

MINUTES OF THE SPECIAL TOWN COUNCIL MEETING HELD ON TUESDAY, APRIL 6, 2010

I. CALL TO ORDER AND ROLL CALL

The Special Town Council Meeting was called to order on Tuesday, April 6, 2010, at 1:30 p.m., at 355 S. County Road, Palm Beach, Florida 33480, in the Central Fire Station, in the Emergency Operations Center (EOC). On roll call, all elected officials were found to be present.

II. PLEDGE OF ALLEGIANCE

Council President Rosow led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Motion to approve the Agenda as presented was made by Council Member Diamond, seconded by Council Member Kleid. On roll call, the motion carried unanimously.

IV. 2010 LONG TERM FINANCIAL PLAN

A. Overview [Peter B. Elwell, Town Manager]

Town Manager Peter Elwell presented an overview of the Financial Plan.

B. Detailed Forecast Through FY20 [Jane Struder, Director of Finance]

2010 Long Term Financial - Plan Power Point

Finance Director Jane Struder provided a presentation of the financial forecast. A copy of the Plan in the form of a PowerPoint presentation was submitted into the record by Finance Director Jane Struder.

Finance Director Struder and Town Manager Elwell made several of the following comments in response to questions and comments by the Council:

- The small surplus was a million or less;

- The proposed Permit Revision Fee and the Flood Plain Management Fee were included in the bar graph;
- Total savings in the projected plan versus amount of taxes that would be raised was needed in order to make fair decisions;
- Council Member Wildrick stated that citizens wanted to know how much taxes were going to increase and employees wanted to know how much their benefits would be reduced.
- There could be a possible surplus for sand protection expenses without raising taxes;
- Over a ten year period, a gross rather than net \$80 million for the Shore Protection Board would be reimbursed by the state, but the cost to the Town would be about \$50 million. However, a state crunch could eliminate that reimbursement.
- Property values were calculated by using tax revenue, but not taxed or assessed property values.

Responding to Council Member Wildrick, Finance Director Struder stated that \$11 million in property tax revenues over the 10-year period, would equate to about a \$1.1 million increase per year, which was currently a 2.7 % increase in millage rate or \$82 per million dollars of assessed value. Adding in \$8 million for sand placement in that one year period was \$1.9 million per year, which would equate to a 4.6% increase in the tax rate or \$142 per million dollars of assessed value.

Mr. Elwell clarified that the first figure was reflected in the report of the Long Term Financial Plan, which excluded the Coastal Management Plan, and the second figure included it.

C. Health Insurance Update [Danielle Olson, Director of Human Resources]

Human Resources Director Danielle Olson provided an overview of the Health Insurance benefits.

Ms. Olson provided several of the following responses to questions and comments by the Council:

- The costs of the employees associated with the various medical plans, which varied from \$18 a bi-weekly paycheck to \$60, and \$120 at the most, potentially a little bit more for the higher plans. She noted there are various plans that an employee can choose from;
- The Town paid approximately \$380 per month per employee and a bit less for the HMO plan;

- 1 • Additional incentives were built into the healthcare bill to reduce costs and provide
2 incentives and bonuses to the employees that stay healthy.
- 3
- 4 • The total health care costs for the year to the Town were around \$4 million.
- 5
- 6 • Per Finance Director Struder, the amount forecasted was 8% per year increase in health
7 care costs.
- 8
- 9 • The co-pays and plans will change as well as prescription costs; the cost to the Town and
10 the employee will ultimately increase.
- 11

12 Responding to President Rosow, Richard Shell, Gallagher Benefit Services, Boca Raton, stated
13 that the changes effective 10-1-10 would be minimal. He indicated that the biggest concern
14 would be the fees imposed upon the carriers, based on the market size, the prescription drug
15 providers, and the durable medical equipment. The main concern was the administrative fee.
16
17

D. Proposed Reorganization of Some Police Department Functions [Kirk W. Blouin, Police
Chief]

18 Police Town Council Presentation

19
20 Police Chief Kirk Blouin provided a PowerPoint presentation to the Town Council and a copy
21 was submitted into the record.

22
23 Chief Blouin provided several of the following responses to questions and comments by the
24 Town Council.

- 25
- 26 • The changes to the organization will carry forward every year, with an immediate impact
27 to be realized in 2011. The staffing levels were fully staffed.
- 28
- 29 • The crime scene evidence unit manager would be replaced in the future and would not
30 change the level of service.
- 31
- 32 • The clothing allowance which was equal to other managers of \$550 was for a sworn
33 position, and money was allowed toward their clothing allowance; a civilian position
34 would get less money. The civilian employees wear a combination of a uniform and
35 civilian clothes. On Fridays, they have an allowance of a button down with the Town's
36 logo, as it had been standard practice for the managers.
- 37

E. Proposed Reorganization/Privatization of Some Public Works Department Functions. [H.
Paul Brazil, Director of Public Works]

1 Public Works Director Paul Brazil provided a PowerPoint presentation to the Town Council
2 relative to reorganizing and privatizing the Public Works Department; a copy was provided for
3 the record.

4
5 Public Works Director Brazil provided several of the following responses to questions and
6 comments by the Town Council:

- 7
8 • In the proposal of replacing the level of the Town Engineer to an Assistant Director, the
9 same specific degrees and/or licenses were required for both.
- 10
11 • The stash areas of yard trash collection included the condominiums, which also had
12 specific stash areas; along State Road A1A, there was a trail frequently used by
13 bicyclists, residents, etc., which could have interaction with the stash areas.
- 14
15 • The Town service for beach cleaning was less expensive than using a private contractor.
- 16
17 • Cross training is currently in place to provide more flexibility in job fields.
- 18
19 • A cost comparison of the contracts on stash areas of the yard trash collection was
20 requested as it would possibly be the same contract cost with diminished levels of
21 service.
- 22
23 • The projected savings of reducing the collection from five days to three would result in a
24 minimal cost savings, in order to have a substantial impact; there would be additional
25 seasonal overtime for trash collection in order to absorb the recycling without hiring
26 another individual.
- 27
28 • The Capital Improvement Program would need additional resources, as smaller jobs were
29 not cost effective to put Construction Manager Contracts At-Risk in place.
- 30
31 • Contractual help was needed without expanding Town staff, in order to supervise the
32 work properly, as there was an increased volume of work with the accelerated Capital
33 Improvement Program.
- 34
35 • There was not a great amount of recycled material, which was not mandated, and there
36 was a cost associated with it.
- 37
38 • The budget for yard trash removal was \$1.676 million.

39
40 **Public Works Director Brazil was requested to provide the differential in costs for yard**
41 **trash pickup between the north end to Mid-Town versus the condominiums and**
42 **apartments in the South end.**

- 43
44 • The Police Academy should be paid for individually by the attendees;

- The parking meter maintenance and collection, along with penalties from parking tickets and making up the difference in cost was yielding \$600,000 positive revenue per year.

Finance Director Struder was requested to provide a report containing the net profit trend of the parking meter maintenance including capital plus expenditures and benefits.

- The savings estimates reflected existing conditions on a comparison of Town employees versus contracted services, whereas the savings would be less.

V. 2010 RECREATION ENTERPRISE FUND BUSINESS PLAN [Jay Boodheshwar, Director of Recreation]

2010 Recreation Enterprise Fund

Recreation Director Jay Boodheshwar provided a PowerPoint presentation to the Town Council regarding the Enterprise Fund Business Plan and a copy was submitted into the record.

Recreation Director Boodheshwar provided several of the following responses to questions and comments by the Town Council:

- The clubhouse at the Par 3 Golf Course would affect the Town's revenue in a positive manner, as it would be completed in 2012.
- The reduction in participation in the golf course was significant;
- Since 2006 there had been a transition in personnel; staff had been reduced by three full time positions;
- There were two Assistant Director positions by title, half duties responsible for a specific program and then general administrative assignments; the FTE for each position was split: half of the position would be in administration and another half in the recreation center or tennis facilities, even with the reduction of use.
- Cost recovery was defined, which was based on revenue and not net.
- Council President Rosow proposed leasing the golf course, marinas, and all other areas of the Recreation Department to an independent operator and suggested it be considered by the Town, for operation and maintenance. Council President Pro Tem Coniglio was opposed to this.
- Town Manager Elwell indicated that the Fund was stable and there had not been any taxpayer subsidy for many years.

Mr. Boodheshwar was requested to provide a detailed report of the clubhouse.

VI. TOWN MANAGER'S PENSION RECOMMENDATIONS [Peter B. Elwell, Town Manager]

Town of Palm Beach Pension Plans from Town Manager - PowerPoint

Council President Rosow announced that after The Town Manager's comments, there would be an opportunity for public comments.

Town Manager Elwell stated that on December 3, 2009, the Town Council heard a report from Jose Fernandez of Cavanaugh McDonald which was the independent analytical report of the Town's pension plans. One year ago, it was identified that there were significant projected deficits for future years and the strong correlation was between the deficits and expected increase in costs in the pension plans. The pension plan is the most significant factor in expected deficits due to pay and benefits. The Town of Palm Beach was not alone in this, throughout the country, State, and other municipalities are facing many challenges.

To address the issues, last summer, Cavanaugh McDonald was hired to give a report which was provided in November to the three Retirement Boards. The same report was presented to the Town Council in December 3, 2009. Town Manager Elwell was directed to prepare a proposal to the Town Council. The Town Manager's written report was issued on March 22, 2010 via the town website. In preparation for today's meeting, the public and employees have had an opportunity to review the report and recommendations.

Town Manager Elwell presented a power point presentation to the Town Council and a copy was submitted into the record.

Council President Pro Tem Coniglio asked that the Police Officers, Fire Fighters, General Employees, and residents stand so that the Town Council would know who they were in the audience.

The following persons spoke regarding the Pension Plan changes:

- Joanna Cunningham, Town Employee and Palm Beach resident, submitted her comments into the record:

As one of the newer Town Employee hires, I would like to express my concerns regarding the proposed changes to the Town benefits and the impacts they have had in my short year and a half tenure with the Town.

Many people do not know that I was offered another position the same week I was offered my current job. While outlining the pros and cons of each job- I ultimately chose the Town of Palm Beach as my next employer for several reasons, but primarily because of the benefits offered.

In hindsight, the job and its benefits that were offered to me, are certainly not the same job and benefits that I now have.

1
2 My life choices were made based on the communications at the time of hire. Since then, I have
3 lived up to my signed commitment to the Town. I even moved to the Island as a result of the
4 long working hours, and now live, worship and work here. I had hoped that the Town would, at
5 a minimum, keep its good faith promise to me as well.

6
7 Changes to my benefits started on my very first day of employment. Since then, there has been a
8 hiring freeze, elimination of extraordinary longevity pay bonus program, no raises, no COLA's,
9 increased health care costs, and now proposed drastic changes to the pension.

10
11 I feel the rules have significantly changed after the first quarter of the game has begun. I have
12 addressed all of my issues with management before. The response I received has been, that
13 everyone will evaluate the proposals and then make their own personal choices. But basically
14 the message is clear: if you don't like it, you can leave. I believe that is what will happen in
15 some cases. I have empathy for those employees close to retirement age, who have made life
16 plans and decisions with their spouses. All of that could now change and be taken away with one
17 vote from you, the Town Council.

18
19 I dare say that I have received written praise from some of the Town's harshest critics, and pride
20 myself on doing a good job. Although my first evaluation resulted in a 6.5 out of 7% on paper
21 for performance – I was told I was entitled to NOTHING. Many Council Members as well as
22 the Mayor, know that I am responsive 24 hours a day, even if I am out of Town on weekends, or
23 after normal business hours. When I was hired, I thought this would be my last job in my career.
24 I can tell you I love this town, and the people in it. I have made many wonderful new friendships
25 here and stand with many of them here today.

26
27 General Employees do not have the union representation that the police and Fire departments
28 have, and that is what compelled me to speak out. I have seen the results of the hiring freeze,
29 departments afraid to terminate less than stellar employees because they are afraid they will not
30 be permitted to replace the position, miscommunications or non-communication, departments
31 doing more with less and I fear that, at some point, it will all implode because quality and
32 productivity have suffered. Morale is extremely low. Employees are tired, and the consensus is,
33 that employees feel that the Town Council and the Town Management do not have our backs.

34
35 I ask- Am I to believe that no one saw these changes coming even a year and a half ago when I
36 was hired and told how great it would be to become an employee for the Town of Palm Beach? I
37 personally am willing to contribute more to keep the same benefits, but not have them
38 eliminated.

39
40 I urge the Town Council to strongly consider the impacts of the recommended changes to the
41 single parents, to the employees close to retirement, and to the levels of service expected by the
42 residents before voting upon changing our futures. Thank you.

- 43
44 • Patrick Cooper, 261 Sanford Avenue, Director of Palm Beach Civic Association and
45 Shore Protection Board Member
46 • Eric Gilbertson, 151 Chilean Avenue

- Brian Fuller, Assistant Fire Chief, submitted his comments into the record:

Good afternoon Mayor, Town Council, and distinguished guests. My name is Brian Fuller. I am an employee and hold the rank of Assistant Fire Chief. I am a single father of one and have been happily married to the Fire Rescue Department for 15 years. The following statements and facts are of my own opinion and do not reflect the views of the Fire Rescue Department nor do I represent any group.

During my career here, I have witnessed some pretty horrific tragedies. I have seen persons who have been critically injured to include dismemberment and traumatic death. I have been exposed to hazardous chemicals, blood borne pathogens, and diseases that most of you read about or see on TV. I have saved the life of persons with the help of my coworkers and have held the hands of some as they take their last breathe. Most of you would vomit at the mere site and smell of some of the things that have been on my hands, face, and clothing. In fact, I have twice myself as I could not maintain my composure it was so horrific. We have a special washing machine just to clean our uniforms of the dangerous chemicals and blood so we don't take the hazards home with us. I once treated a man who had been the victim of a terrible fire. The skin on his hands and feet were all but melted away. As we transported him to the hospital, he screamed in pain only stopping for a few seconds at each dose of morphine I injected into his veins. He lived to thank me and my team. You see, many of you think that this is paradise, and it is. However, even in paradise bad things happen. The aforesaid are only a very small sampling of what I have seen, and I am sure my colleagues would have many more stories to share. There is a vast delusion that these types of things don't happen here, and as public safety workers we have it easier than other areas. I can assure you they do happen and it is not any easier.

I am still here today for mainly two reasons. The first is because this is paradise. Throughout my career I have had the opportunity to meet some wonderful people in every Town department. The benefits and pay are fair and equitable and have been kept competitive. The second reason is I can't leave. If I leave to work at another Fire Department, I'll be scrubbing toilets again. Not that I'm against scrubbing toilets, it's just that Public Safety personnel cannot just pick up and go to another Department and continue to operate in their rank, keep their seniority and rate of pay.

In the private sector, persons often change jobs for better working conditions, benefits, compensation, or environment to name a few. Depending on their education and acquired skills, they can often laterally transfer, and although their benefits may change, most often for the better, they operate in their same job title as normal, receive the same pay or better, and can often negotiate better terms. Public Safety personnel cannot do this. If we were to leave employment with a Fire Department and be hired somewhere else, we would start out as probationary employee at the bottom, lose our tenure, and receive the lowest salary. This is a significant factor that becomes a reality, in my opinion, around the 5 year mark, dependant on age. Each and every year after that it becomes increasingly detrimental to separate. You then become, as I am, at the mercy of the employer. When this becomes evident, you begin to form a life plan. Those plans include family, buying a home, retirement, paying more attention to healthcare and insurance, and saving for the future. I bought a home which is now worth extremely less than what I paid for it and my taxes still increased; I have half a family; I contribute moderately to a pension program; my health care costs almost doubled; I contribute to a newly formed

1 Retirement Health Savings plan, which I am grateful to have; and I am subject to a wage freeze
2 and no COLA. The CPI has increased. I stopped contributing to the United Way as I have done
3 for the last 16 years and have changed my dependent tax deduction status from 0 to 2 to try and
4 offset. Many of us are struggling to maintain our only home.

5
6 This document as presented, in my opinion, is not pension reform; it's an unexpected divorce
7 announcement of my 15 year marriage here. It's a deep gouge in the skin for which none of my
8 Advanced Life Support skills could stop the bleeding. It represents cuts without any regard to
9 tenure. It penalizes those of us who chose to begin our profession at a young age. The suggested
10 plan affects each and every employee differently, and according to the amount of time you have
11 been here you might be able to recover or in my case probably not. You see, if you're a one year
12 employee you now have 24 more years to change your life plan, change the home you might
13 have purchased, adjust your lifestyle, choose other investment options, and so on. If you're a 20
14 plus year employee, the multiplier you have earned is adequate enough that the part B plan won't
15 affect you and subsequently your life plan is still intact. If you're between 6 and 19 years you
16 have less time to make changes and that depends on what portion of that timeline you fall on. In
17 my case, I have not accrued enough time with Part A to be over the hump so to speak, and well,
18 Part B will not make it to the hump with the time I have left. I am caught in the 22.

19 Each day the employees of this town commute here because we cannot afford to live in one of
20 the top ten places of the world. We often read how the real estate market has not suffered
21 anything close to what our communities are experiencing. Record home sales make the headlines
22 often. The 10 million dollar plus homes have become a commodity for investors. The Town has
23 the best bond rating achievable and rumors speculate up to a 150 million dollar surplus fund
24 without an explanation what this is for. One council member was reported stating "After the
25 bond money comes in, the cash on hand will swell to about 150 million, we are going to have
26 enormous amounts of cash lying around." Just recently it was reported the financial deficits
27 projected in 2012 would be reversed to a 4.2 million dollar surplus with these bold cuts. The cost
28 is being shifted solely on the employee.

29 The Town of Palm Beach is safe, beautiful, desirable place because your employees make it that
30 way. It is the hard working, dedicated men and women, who cut the grass, take care of the
31 infrastructure, pick up the waste, police the streets and rescue you when you are sick or injured.
32 Let's not forget those who make your recreational activities enjoyable and those that endure
33 contractors each day, enforce the code, and the men and women in Finance and Purchasing who
34 pay the bills and ensure we get our paychecks to name a few. Forgive me if I have forgotten
35 anyone.

36
37 Each day as I come to work, I leave my community to enter one of the most desirable
38 destinations in the world. As I look at this Town, I realize something extraordinary. Our police
39 cars are not any different than anyone else's nor are the guns they carry. Our Fire trucks are not
40 special fire trucks, nor is the water in the tank or the hoses that they're equipped with. If you
41 peruse the inside of one of our Rescue ambulances it will look very similar to one across the
42 bridge and our surrounding communities. There aren't any special lawn mowers or leaf blowers.
43 There is not a special chemical in the paint applied to any building and our paychecks are not
44 made of a special paper. What is very special is the quality, dedication, and commitment to you,

1 the resident, and this Town that each and every one of your employees has. It is us that make the
2 difference.

3
4 I would like to close with a story I shared with the Medical Care Commission a few years ago.
5 My parents who are now in their late 70's are experiencing some medical issues that most would
6 at their age. I have done my best to educate them of the warning signs of a Cardiac or Stroke
7 event, and I have done my best to ensure they take care of themselves. The one thing that I told
8 them to do above anything else is, if they feel or see any of these signs, get in the car and drive
9 across a bridge to this Town and call 911. What they will receive is the best possible care in the
10 world because of the people who work here and their dedication to being the best of the best; that
11 is what every employee of this Town is. We are held to a much higher standard and we maintain
12 that standard because that is what you and your guests deserve, demand, and have certainly
13 earned. Thank you. (Town Employees Jason French from Fire Rescue and Michael Hayes, Fire
14 Rescue, donated their time to allow Mr. Fuller to complete his full statement)

- 15
16
 - Lewis Crampton, 2335 S. Ocean Blvd.
 - Joel Brier, Professional Firefighters and Paramedics of Palm Beach County Vice
18 President, represents six municipalities
 - Sgt. Luke Pintacuda, Police Department Employee, spoke on behalf of the Police
20 Department submitted his written comments into the record:

21
22 I am Luke Pintacuda, Administrative Sergeant & SOU Team Leader for the Police Department.
23 I'm in my 10th year with the Town of Palm Beach. I was asked to speak due to my tenure with
24 the town and my position within the department. There are many emotional issues that may be
25 brought before you today but that is not why I'm speaking.

26
27 Ultimately.....There is a great divide between the employees' perspective on current issues and
28 the perspective presented through public comments by the Town Council. That is what I would
29 like to address.

- 30
31 * Although our pension is considered to be in the Top Quartile, we have NEVER been a
32 leader in pension benefits. No new benefits were ever given to employees of ANY
33 employee group without the primary consideration being the Town's competitive
34 position. We have always been followers.

35
36 Now the Town, whose pensions are extremely well funded... much better than most
37 municipalities, wants to LEAD the way in drastic reductions in benefits. Mostly, it
38 seems, because of the pension and benefits received by the top 5% of employees. That
39 5% were the longest term, highest paid employees....and they are being used to describe
40 all 300 plus town employees and, more importantly, their families.

41 In reality, over the last ten years, the average final compensation for a patrol officer with
42 an average of 22 years of service, retiring at the average age of 53, is \$47, 906.46. During
43 the same time frame, the average final compensation for a Sergeant with an average of 23
44 years of service, retiring at the average age of 53 is \$63,659.53. Neither of which are
45 exorbitant given the number of years devoted to the Town. There have already been

1 measures taken to reduce pension costs in the future, for example the elimination of the
2 Hurricane bonuses towards final compensation.

3
4 * Which leads me to one of the major differences between us.

5
6 You moved to the Town of Palm Beach because it is...The Town of Palm Beach. You
7 could have chosen anywhere to live, you chose here. You moved here because you
8 expected a level of service and security not matched by any other community in Florida
9 and virtually unparalleled in the entire country. You moved here for the benefit of
10 YOUR FAMILY..... and you realized that service comes with a price.

11
12 My fellow employees and I answered an advertisement for a position with the Town.
13 Most of us applied to several agencies but the Administration of the Police Department
14 saw our potential, and they grabbed us up before any other agency could. Of course at
15 first, the beautiful landscape, amazing houses and variety of high end cars made for an
16 interesting day..... but that wears off quickly.

17
18 You then start to realize that you will never reach your full potential as a police officer in
19 the Town of Palm Beach.

20 There are fewer specialty positions.

21 You will spend an inordinate amount of time as a Patrol Officer.

22 There are more competitive employees all seeking fewer opportunities for
23 advancement.

24 And this is a more stressful work environment due the higher level of
25 scrutiny and expectations compared to other agencies.

26
27 Regardless of what has been said...**WE DO NOT WORK HERE BECAUSE IT'S SAFE.**
28 **IT'S SAFE BECAUSE WE WORK HERE.**
29

30 So...with an excellent resume and a few years of experience, you start to look elsewhere.

31 That's when you realize that leaving will cost you in pay and benefits.

32 The longer you've been here, the greater the loss.

33 You can then see the sacrifice you have made.

34
35 We all decided to give up our professional goals for the FINANCIAL SECURITY of
36 OUR FAMILIES.

37
38 That's the difference between us:

39 I *work* for the Town of Palm Beach for the Security of My Family,

40 You *live* in the Town of Palm Beach for the Security of Your

41 Family.

42
43 * Ultimately by enacting these sweeping changes you will impact BOTH our families.
44 WE WILL BOTH LOSE.
45

1 Young officers will immediately start to consider their options. Because....IF
2 EVERYTHING IS EQUAL, AND I HAVE TO WORK MORE YEARS FOR
3 LESS BENEFITS, I MIGHT AS WELL BE FULFILLED IN MY
4 PROFESSIONAL CAREER.
5

6 That means over the next few years you lose the best and brightest. The people who
7 remain are either too long term to move on, or too unmotivated to bother. Sadly, it's the
8 latter group that in 5 years will be tasked with taking over the agency when all the senior
9 employees retire and the best move on.
10

11 * So....Every employee understands that some changes need to be made. The long term
12 financial obligations of the pension cannot be overlooked. However, there is a huge
13 difference between making changes to reduce a long term deficit, which is the
14 recommended 45% reduction in pension costs, and making a budget surplus.
15

16 So we would say....DON'T LEAD THE WAY DOWN. For all the reasons I've stated
17 you need to maintain TOP QUARTILE benefits. Let other municipalities seek the
18 bottom, so the Town can pick an appropriate position to maintain the level of service
19 YOU moved to Palm Beach to receive. In business, would you personally stay at the
20 place with the worst benefit package, or would you move to where you skills and loyalty
21 would be appropriately compensated?
22

23 Start by making the decision to Grandfather the current employees to keep the best and the
24 brightest HERE, working for the benefit of their families and yours. You will still show a major
25 reduction in costs while maintaining the quality of staff you have come to expect. In the next
26 year or two, you will be able to look at the pension benefits being provided by the State of
27 Florida and our strongest Municipal competitors and determine where we should fall. You can
28 then make an informed decision based on the best interest of the TOWN, not just the bottom line.
29

- 30
- Nancy Boyer, Public Works Office Manager
 - 31 • Peter Geisler, 255 Bahama Lane, and former Member of the Firefighter Retirement Board
 - 32 • Lisa Gorman, 25 year Police Department employee, and General Employee Retirement
 - 33 Board Trustee
 - 34 • Detective Michael Lynch, Police Department, and Police Retirement Board Trustee
 - 35 • Jeff Taylor, Building Official, Planning building and Zoning Department
 - 36

37 Councilman William Diamond pointed out that the Town is now paying out more to its retirees
38 than to its active workforce, and said he's concerned the trend will escalate as life expectancies
39 continue to rise. Jose Fernandez from Cavanaugh McDonald responded further by saying it
40 would be an actuarial calculation.

41 Council Member Wildrick asked how many new employees are hired per year. Town Manager
42 Elwell indicated that due to a hiring freeze, there are very few right now, but historically, it was
43 approximately 30 employees, or about 7%. The employees do also get Social Security Benefits.
44 Council Member Wildrick then asked if there was a positive cash flow in securities. William

1 Hanes, Fire and Police Pension Administrator, stated that there was a negative cash flow on an
2 annual basis for the Police and Fire Board but they are well-funded.
3

4 Council Member Kleid thought there were some very good comments from the public. He asked
5 about the buy-ins and what the costs would be to the employees. Town Manager Elwell indicated
6 that there were not any numbers available since they would be specific to each employee.
7 Council President Rosow stated that it would be helpful to be provided with a few examples in
8 order to get a range and the employees would be able to see what their costs would be. **Town
9 Manager Elwell was directed to provide sample salaries and lengths of services to the Town
10 Council.**
11

12 Council Member Kleid also inquired about the special assignment overtime in the Police
13 Department, and if that covered the additional costs of pensions. Town Manager Elwell said the
14 increase a few years ago was to explicitly added to cover the costs of pension that had previously
15 not been factored in. It could be a windfall unless the Town Council made a decision to reduce
16 the fee as a policy decision.
17

18 Council President Rosow commended Town Manager Elwell and noted that Town Manager
19 Elwell was often viewed as the villain, and assured everyone that he was responding to the Town
20 Council's directive. He assured everyone that the Town Manager had responded with his
21 recommendations, as instructed. The true villain was the Town Council. The Town Council
22 serves its residents and the Town Council serves the employees. The Town Council does not run
23 the day to day operations. The Town Council Members are stewards of the Town for the long
24 term. That is the objective and the goal of the Town Council, to make sure that they anticipate
25 the issues that would come before the town in order to keep it beautiful and safe. That was why
26 the Town has ARCOM, and Code Enforcement, because they are important elements in the
27 Town. He stated that he did not want anyone leaving the room thinking that Town Manager
28 Elwell was a villain and had done a fine job and complimented him on the work he had done.

29 Council President David Rosow said the economic pain is striking people in many walks of life.
30 He responded to one employee's suggestion that the council cut services to residents by stating
31 that it was unfortunate but morale was low in a lot of different places. He noted that the Town
32 had reduced in the last three years all of the expenditures that were not human expenditures. If
33 the Town cuts services, they would have to lay off employees and the Town Council did not
34 want to do that. He thanked all of the public and employees for their comments. They were
35 heartfelt, strong, and positive and the respect that was shown to the Town Council. No one on the
36 Town Council relishes the thought of having to make the tough decisions that will be made in the
37 future. He urged the employees to trust them to do the right thing long term.
38
39

40 VII. ANY OTHER MATTERS

41 There were none.
42
43
44
45

VIII. ADJOURNMENT

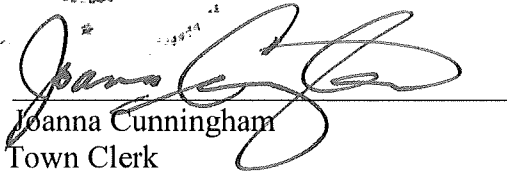
There being no further business, the Special Town Council meeting of Tuesday, April 6, 2010, was adjourned at 5:32 p.m.

APPROVED:



David A. Rosow
Town Council President

ATTEST:



Joanna Cunningham
Town Clerk

2010 Pension Report

2010 Long Term Financial - Plan Power Point