CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Mark A. Lauretti called the Special Meeting of the Board of Aldermen to order at 6:15 p.m. All those present rose and pledged allegiance to the Flag of the United States of America.

ROLL CALL

Alderman John F. Anglace, Jr., President - present
Alderman Lynne Farrell - present
Alderman John “Jack” Finn - present
Alderman Stanley Kudej- present
Alderman Noreen McGorty - present
Alderman John P. Papa -present
Alderman Eric McPherson - present
Alderman Anthony Simonetti - present

ALSO IN ATTENDANCE

Mayor Mark A. Lauretti, City of Shelton
Atty. Thomas Welch, Corporation Counsel

AGENDA ITEMS

1. AMENDMENT TO PENSION PLAN DOCUMENT AND TRUST AGREEMENT OF CITY OF SHELTON

Alderman Anglace MOVED to approve the Amendment to the Pension Document and Trust Agreement Resolution as submitted by the Pension Board dated July 22, 2015, (Attachment A) subject to the following changes: That effective August 15, 2015, the
Pension Plan for Non-Merit System Part-Time Employees cease to be offered and that those current participants in the Plan are grandfathered with no changes in benefit.

SECONDED by Aldermen Papa.

Discussion:

Mayor Lauretti: That is obviously a different motion that was sent down from the Pension Board. Where did that come from?

Alderman Anglase: We do not agree with that one.

Alderman Papa: Mayor, what happens to an employee who has less than one year? He is in the system, and has less than one year of service. Then come August 15th, say he would then have 10 months in the system.

Mayor Lauretti: They need to accumulate 1,000 hours before they can become eligible. This motion is vague; the other motion speaks to it and is more specific and this one is not specific.

Atty. Welch: Is it your intention that you are adopting this entire resolution? Is that the intent of your motion?

Alderman Anglase: Yes, subject to the change in Item #4, that is on page 2. We do not have an issue with setting up the plan, etc.

Atty. Welch: Your intention is to adopt this resolution in its entirety with all of the 'Whereas' and with the 'Resolved', which has four points. You are changing point #4, is that correct?

Alderman Anglase: With #4 being the only change, yes.
Mayor Lauretti: I do not think this motion says that, though. I do not have a copy of the new motion.

Alderman Papa: It is in the last sentence, "with no change to the benefits".

Mayor Lauretti: So at least let the record reflect that the motion does represent the motion that was passed by the Pension Board in its entirety.

Alderman Anglace: We are approving the amendment to the Pension document that everyone has it, and the only thing that we are changing in that document is the second page, Item #4, which is the amendment and that is going to be changed.

Atty. Welch: So it is the intention the amendment to the Pension Plan document would be printed in its entirety in the minutes, because you are moving the adoption of this document that is entitled 'Amendment to Pension Plan Document' with the sole change being what you have added. Correct?

Mayor Lauretti: Well I think this motion requires the last paragraph.

Alderman Papa: Should they be more specific on that?

Alderman Simonetti: Should we table it?

Atty. Welch: So Item #4 should read: "Subject to the approval of the Shelton Board of Aldermen, you are excluding non-merit employees who are not currently participants in the Plan, who are hired or rehired on or after August 15, 2015 from participating in the Plan, and that you are adding that those current participants in the Plan are grandfathered with no change in benefit". So, that is how subsection 4 should read. Correct?

Alderman Anglace: That is correct.
Attys. Welch: So the amendment-

Mayor Lauretti: There is no amendment; it is the motion.

Attys. Welch: So the Board of Aldermen would be looking to approve the amendment and restatement as you have done?

Alderman Anglace: Yes this is the document that we are approving in its entirety, except Item #4 that you have just clarified.

Attys. Welch: Ok, very well.

Alderman Anglace: If you want to restate this legally to Item #4-

Attys. Welch: I just did.

Alderman McGorty: I just wanted to make a comment that I have spoken to Tony Minopoli, who is on the Pension Board. One of his comments was that they did not recommend going from 6% to 3%. What I understand is that our motion is to remove that. Is that right? Do I understand that?

Attys. Welch: There will be no change in benefit.

Mayor Lauretti: The Pension Board did, in fact, approve this amendment from 6% to 3% on the benefit. That may have been his feelings, but that is not what the Pension Board did.

Alderman McGorty: I am just saying what he said.

Mayor Lauretti: Most of the Pension Board members have expressed the point that they really didn’t feel they had any thought in that issue.
Alderman Anglase: Right, and I do agree with that.

Alderman Finn: Mr. Mayor, I did try to contact the Chairman of the Board this afternoon, and I was unable to talk to him. I am totally opposed, along with Alderman Anglase to reduce this down from 6% to 3%. Part timers are the backbone to the City. I mean, that is all we have. We reduced their hours so they cannot receive insurance. We allow them to participate in this program, and now we are penalizing them by reducing it to 3%; that is ludicrous.

Atty. Welch: The motion is on the table as amended, which indicates there is no change.

Mayor Lauretti: Well if you understood the area of public employment you would not think it is ludicrous, number one. Number two; I think there would be a lot of people in the City that would disagree that they are the backbone. They certainly play a role, and a vital role, but I would certainly not call them the backbone. I think that is a wrong comment or characterization of our City employees. Number three; the majority of our part timers are well compensated and their hourly rates have significantly increased. I have always felt that if something was done incorrectly, you would have an opportunity to correct it.

Alderman Finn: Well you are entitled to your opinion as part timers not being the backbone of the City, but I believe they are. They put a lot of effort into their work, and get a lot of things done for the City.

Alderman Anglase: If I understood you correctly, the motion is not to reduce the benefit from 6% to 3%. That is not the motion.

Alderman Finn: I understand, I am in agreement to not reduce it whatsoever.

Alderman Papa: It is staying at 6%.
Alderman Anglace: Yes.

Alderman Kudej: Everyone in the Plan is going to continue to have the same benefits. The only people that are going to get changed are the new people that are being hired. Once they have been in there, they will be able to keep their benefits.

Mayor Lauretti: Any further discussion?

Alderman Anglace: I have one further comment: In reviewing this, one of the things that I have observed is that most private and public employers do not give benefits to part time employees at all. The Mayor said this was done; it is there so I feel that we have to continue it.

Mayor Lauretti: We are just saying that at least we would not have the ability to make corrections, if and when people make mistakes. They make mistakes all of the time, in terms of interpretations of labor contracts, of rates of pay.

Alderman Anglace: We can correct it, provided that the Board of Aldermen wants to correct it. We give a pension to firemen that are not even employees. Do you realize that?

Mayor Lauretti: It never started out as a pension benefit.

Alderman Anglace: That is the way it has evolved, and made it a pension benefit.

Mayor Lauretti: That is another area that needs review because it is escalating far beyond what its intent was.

Alderman Anglace: There is always the opportunity available to us to convert the money that we are putting into a pension benefit for part time employees; just convert it over to an hourly rate and do away with it all together. In other words, if it comes out to
$1.50, just add $1.50 to their wages and get rid of the pension benefit and all of the federal and state rules that go with it.

Aldermen Finn: When it comes to the firemen we have to be careful with that. I do not get a pension out of this; I am not eligible for a pension so I want to make that clear. You have already reduced them $30,000 this year. You start reducing the firemen more; the incentive to have more volunteers will start to decrease. I would hate to see the City go to a paid fire service because then you go up in the millions of dollars.

Mayor Lauretti: Every request gets reduced to some extent because requests are just estimates, and that was an estimate based off an actuarial report. If everybody did what all of the actuaries asked them to do, then nothing would get funded. So again, do not mischaracterize what you think we did as opposed to what we did because there is enough money in that line item to cover the current expenditures required for the firemen; and not the $140,000 that was requested. That happens all of the time with these requests.

Alderman Finn: They have spent every dime that they have requested last year.

Mayor Lauretti: Of course, what do you think they are going to do?

Alderman Simonetti: My question is to legal counsel: Do you feel this is properly written and interpreted easily?

Atty. Welch: Yes.

Mayor Lauretti: Any further discussion? All in favor and motion carries.

A voice vote was taken and the motion was approved unanimously.

2. BOND REFUNDING RESOLUTION
Alderman Anglace MOVED to adopt the following resolution:

RESOLUTION WITH RESPECT TO THE AUTHORIZATION, ISSUANCE AND SALE OF NOT EXCEEDING $10,000,000 CITY OF SHELTON GENERAL OBLIGATION REFUNDING BONDS

RESOLVED:

SECONDED by Alderman Simonetti.

Discussion:

Atty. Welch: I would ask that the full resolution be printed in its entirety in the minutes.

A voice vote was taken and the motion PASSED unanimously.

3. FUNDING FOR BOARD OF EDUCATION

Alderman Anglace MOVED to transfer $125,000 from General Fund Surplus to the Board of Education Account #001-4100-811.80-34.

SECONDED by Alderman Simonetti. A voice vote was made and the motion PASSED unanimously.

4. NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS INVOICE

Alderman Anglace MOVED to approve the Naugatuck Valley Council of Governments Invoice dated July 1, 2015 for FY 2016 Brownfields Dues in the amount of $800 with funding to come from Contingency General Account #001-9900-900.99-00.

SECONDED by Alderman Papa. A voice vote was taken and the motion PASSED unanimously.

ADJOURNMENT

Alderman Papa MOVED to adjourn at approximately 6:30 pm. SECONDED by Alderman Simonetti. A voice vote was taken and the motion PASSED unanimously.
Respectfully Submitted,

Brittany Gannon, Clerk
Board of Aldermen
1. AMENDMENT TO PENSION PLAN DOCUMENT

Move, per the request of the Pension Board, to approve the amended and restated Money Purchase Pension Plan and Trust Agreement of the City of Shelton and approve the following resolution:

WHEREAS, the City maintains the City of Shelton Money Purchase Pension Plan for the benefit of its eligible employees (the “Pension Plan”) and accompanying trust pursuant to a trust agreement with ING National Trust (now “VOYA”) (the “Trust”); and

WHEREAS, VOYA serves as record-keeper for the Pension Plan; and

WHEREAS, the Pension Board as created by Ordinance 878, has responsibility for oversight of City pension fund investments and record-keeper; and

WHEREAS, the Pension Board, with the assistance of its investment advisor conducted a thorough RFP search for a new provider for record-keeping and investment services for the Pension Plan and has selected Prudential Retirement to provide record keeping and trust and investment services for the Plan and Trust; and

WHEREAS, the Pension Board determined to adopt amendments to the Pension Plan in order to reflect applicable Internal Revenue Code (the “Code”) requirements and to submit such amendments to the Internal Revenue Service VCP Program (“VCP Program”) to assure IRS approval and maintain the Plan’s tax-qualified status under Sections 401(a) and 501(a) of the Code; and

WHEREAS, at a Special Meeting of the Pension Board held on July 22, 2015 the following resolution was adopted:

RESOLVED, that the Pension Plan be and hereby is, amended in the form of the restated document with an effective date of January 1, 2015, presented to the Board at this meeting to:
(1) comply with the applicable requirements of the Code and Treasury regulations thereunder;

(2) reflect the appointment of Prudential as Trustee of the Trust;

(3) update ministerial provisions as provided therein; and

(4) subject to approval by the City of Shelton Board of Aldermen, reduce the Employer Contribution for non-merit employees made on or after August 15, 2015 to 3% of compensation from 6% of compensation and to exclude non-merit employees who are not currently participants in the Plan or who are hired or rehired on or after August 15, 2015 from participating in the Plan;

[Now, therefore, the Board of Aldermen approve the amendment and restatement of the Pension Plan in the form presented to the Pension Board on July 22, 2015.]