

TOWN COUNCIL MEETING

APRIL 11, 2000

6:30 P.M.

AGENDA

Blessing – Rev. Lynn Anderson – Independent Christian Church – Wlfd.

1. Pledge of Allegiance and Roll Call
2. Correspondence
3. Consent Agenda
 - a. Consider and Approve Tax Refunds (#377-379) Totaling \$4,790.24
 - b. Consider and Approve Tax Refunds (#380-383) Totaling \$3,393.60
 - c. Consider and Approve Two (2) Council Appointments to the Public Celebrations Committee for a Term of Two Years to Expire 2/1/2002
 - d. Consider and Approve a Budget Amendment in the Amount of \$1,000 from Power Operated Equipment Acct. #800-396-200 and \$2,000 from Transportation Equipment Acct. #800-392-200 for a Total of \$3,000 to Maintenance of Pumping Equipment Acct. #800-633-000 – Water Division
 - e. Consider and Approve a Budget Amendment in the Amount of \$3,000 from Power Operated Equipment Acct. #800-396-200 to Maintenance of Treatment Equipment – Water Division
 - f. Consider and Approve a Transfer of Funds in the Amount of \$13,000 from Salaries & Wages Acct. #6010-101-1000 to Office Supplies & Expenses Acct. #6010-401-4000 – Registrar of Voters

- g. Consider and Approve an Appropriation of Funds in the Amount of \$1,750 To Youth Projects Acct. #012-9000-600-6600 and to Other Revenue Acct. #012-1040-700-7010 – Youth & Social Services
 - h. Consider and Approve a Transfer of Funds in the Amount of \$5,000 from Regular Salaries & Wages Acct. #001-5010-101-1000 to Purchased Services Engineering Consultant Acct. #001-5010-901-9040 – Engineering
 - i. Consider and Approve a Transfer of Funds in the Amount of \$1,000 from Regular Salaries & Wages Acct. #001-5010-101-1000 to Purchased Services “Call Before You Dig” Acct. #001-5010-901-9030 – Engineering
 - j. Approve and Accept the Minutes of the March 22, 2000 Special Town Council Meeting
 - k. Approve and Accept the Minutes of the March 28, 2000 Town Council Meeting
4. Items Removed from the Consent Agenda
 5. PUBLIC QUESTION AND ANSWER PERIOD
 6. Consider and Approve a Transfer of Funds in the Amount of \$40,000 from North Farms Road/Grieb to Route 68 Acct. #002-9899-501-2420-9899 to Town Hall Parking Lot Improvements Acct. #002-9899-501-2430-9899 – Public Works
 7. Consider and Approve a Transfer of Funds in the Amount of \$12,000 to Sludge Disposal Acct. #900-645-000 of Which \$5,400 is Transferred from Chemical Expense Acct. #900-641-000; \$4,600 is Transferred from Misc. General Expenses Acct. #900-930-000 and \$2,000 is Transferred from Supplies, Communications & General Expense Acct. #900-923-000 – Sewer Division
 8. Consider and Approve a Transfer of Funds in the Amount of \$40,500 from Health Insurance Acct. #8035-800-8300 of Which \$25,500 is Transferred to Retirement Sick Leave Acct. #8035-101-1750 and \$15,000 is Transferred to Professional Services Compensation/Classification Study Acct. #1600-901-9032 – Personnel

9. Consider and Approve a Transfer of Funds in the Amount of \$12,500 from General Wages (Police) Acct. #001-2005-101-1000 to Professional Services Specialists Acct. #001-1320-901-9003 – Town Attorney
10. Consider and Approve a Transfer of Funds in the Amount of \$38,653 from Contingency/General Purposes Acct. #001-8050-800-3190 to Self-Insurance Claims Acct. #001-8030-800-8280 – Town Attorney
11. Report Out from the Assessor and Mayor Regarding Plans for Revaluation, Including a General Description of the Possible Impacts for Residential, Commercial and Industrial Taxpayers, Including a General Description of the Impacts on Tax Revenues in the Future as Requested by Councilor Mike Brodinsky
12. Report Out from the Comptroller and General Manager of the Electric Division Regarding how Electricity Used by the Town is Priced by the Electric Division; whether or not the Charge for Electricity is at Cost; and, if not, the Amount of Overcharges Since January 1, 1996 as Requested by Councilor Mike Brodinsky
13. Executive Session Pursuant to Section 1-200(6)(B) of the CT. General Statutes To Discuss Pending Litigation Involving:
 - Bristol Myers v. Town of Wallingford
 - Michael Juhase v. Town of Wallingfordand a Pending Claim Involving:
 - the Assessment of 909 North Colony Road
14. Consider and Approve the Settlement of Pending Litigation Involving Michael Juhase v. Town of Wallingford as Discussed in Executive Session
15. Consider and Approve the Settlement of a Pending Claim Involving the Assessment of 909 North Colony Road as Discussed in Executive Session

TOWN COUNCIL MEETING

APRIL 11, 2000

6:30 P.M.

SUMMARY

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3. Consent Agenda – Items #3a-k	1-2
4. Withdrawn	
5. PUBLIC QUESTION AND ANSWER PERIOD – Comments re: the Town entering property at 34 S. Turnpike Rd. to obtain Environmental Report; Inquiry re: Town's authority to purchase property without P&Z's approval according to State Statute #8-24; Complaint re: Tree hung up on Wallace Dam; Questions re: opening of Community Pool; Request for update on Housing Authority's interest in former Simpson School property; American Legion Bldg. Lease; Robert's Rules of Order pertaining to number of votes required to change Council's rules challenges Council's simple majority rule; Garden Road Property; Former Wooding/Caplan property; Re-building Community Lake Dam; Suggestion to adopt preventative maint. plan at schools.	2-7
6. Approve a Transfer of \$40,000 to Town Hall Parking Lot Improvements	7-13
7. Approve a Transfer of \$12,000 to Sludge Disposal Acct. – Sewer Div.	14
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10. Approve a Transfer of \$38,653 to Self-Insurance Claims Acct. – Town Atty.	21-27
11. Report Out from the Comptroller Regarding Plans for Revaluation, Including a General Description of the Possible Impacts for Residential, Commercial and Industrial Taxpayers, Including a General Description of the Impacts on Tax Revenues in the Future as Requested by Councilor Mike Brodinsky	27-33
12. Report Out from the Director of Public Utilities and the General Manager of the Electric Division Regarding how Electricity Used by the Town is Priced by the Electric Division; Whether or not the Charge for Electricity is at Cost; and, if not, the Amount of Overcharges Since 1/1/96 as Requested by Councilor Mike Brodinsky	33-46

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13. Executive Session – 1-200(6)(B) involving: - Bristol Myers v. Town of Wlfd. - Michael Juhase v. Town of Wlfd. And a claim involving: - the Assessment of 909 N. Colony Road	46
14. Approve the Settlement of Pending Litigation Involving Michael Juhase v. Town of Wlfd. as Discussed in Exec. Session	47
15. Withdrawn	

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TOWN COUNCIL MEETING

APRIL 11, 2000

6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, April 11, 2000 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Robert F. Parisi at 6:34 P.M. Councilors Brodinsky, Centner, Farrell, Knight, Parisi, Rys, and Zappala answered present to the Roll called by Town Clerk Rosemary A. Rascati. Councilor Papale was out of town on vacation; Councilor Vumbaco arrived at 8:30 P.M. due to his attending a National Honor Society ceremony at Sheehan High School to witness his daughter's induction into said Society. Mayor William W. Dickinson, Jr., who also attended the same ceremony, arrived at 7:34 P.M.; Corporation Counselor Adam Mantzaris and Comptroller Thomas A. Myers were also present. Town Attorney Janis M. Small arrived at 9:40 P.M. for executive session Item #13. She left immediately after the item was discussed.

A blessing was bestowed upon the Council by Rev. Lynn Anderson of the Independent Christian Church of Wallingford.

The Pledge of Allegiance was given to the Flag.

ITEM #2 Correspondence – No items were presented.

At this time Mr. Parisi announced that Dianne Saunders, Chairman of the Senior Center Expansion Project, was honored recently by Lt. Governor Jodi Rell for Dianne's acts of volunteerism in the community, specifically her involvement with the Senior Center project.

ITEM #3 Consent Agenda

ITEM #3a Consider and Approve Tax Refunds (#377-379) Totaling \$4,790.24 – Tax Collector

ITEM #3b Consider and Approve Tax Refunds (#380-383) Totaling \$3,393.60 – Tax Collector

ITEM #3c Consider and Approve Two (2) Council Appointments to the Public Celebrations Committee for a Term of Two Years to Expire 2/1/2002

ITEM #3d Consider and Approve a Budget Amendment in the Amount of \$1,000 from Power Operated Equipment Acct. #800-396-200 and \$2,000 from Transportation Equipment Acct. #800-392-200 for a Total of \$3,000 to Maintenance of Pumping Equipment Acct. #800-633-000 – Water Division

ITEM #3e Consider and Approve a Budget Amendment in the Amount of \$3,000 from Power Operated Equipment Acct. #800-396-200 to Maintenance of Treatment Equipment – Water Division

ITEM #3f Consider and Approve a Transfer of Funds in the Amount of \$13,000 from Salaries & Wages Acct. #6010-101-1000 to Office Supplies & Expenses Acct. #6010-401-4000 – Registrar of Voters

ITEM #3g Consider and Approve an Appropriation of Funds in the Amount of \$1,750 To Youth Projects Acct. #012-9000-600-6600 and to Other Revenue Acct. #012-1040-700-7010 – Youth & Social Services

ITEM #3h Consider and Approve a Transfer of Funds in the Amount of \$5,000 from Regular Salaries & Wages Acct. #001-5010-101-1000 to Purchased Services Engineering Consultant Acct. #001-5010-901-9040 – Engineering

ITEM #3i Consider and Approve a Transfer of Funds in the Amount of \$1,000 from Regular Salaries & Wages Acct. #001-5010-101-1000 to Purchased Services “Call Before You Dig” Acct. #001-5010-901-9030 – Engineering

ITEM #3j Approve and Accept the Minutes of the March 22, 2000 Special Town Council Meeting

ITEM #3k Approve and Accept the Minutes of the March 28, 2000 Town Council Meeting

Motion was made by Mr. Rys to Approve the Consent Agenda as Presented, Items #3a-k, seconded by Mr. Knight.

VOTE: Papale and Vumbaco were absent; all others, aye; motion duly carried.

ITEM #4 WithdrawnITEM # 5 PUBLIC QUESTION AND ANSWER PERIOD – 6:35 P.M.

Jack Agosta, 505 Church Street, Yalesville stated that upon reviewing the environmental report on 34 S. Turnpike Road (property the Town bid on due to foreclosure action) it occurred to him that the Town entered the property without the owner's permission to have the study conducted. This is in contradiction to the position the Mayor has taken on the Goldfeder Property on Grove Street, where he has stated that he would not go erect a fence as a means of protecting the neighboring youths from hazardous materials on the property due to liability reasons. Mr. Agosta also pointed out that the Town has also taken the position that they do not want to go onto the Amoco Gas Station property on Route 5 and Christian Street to cut down the brush obstructing the line of sight to the motorists because of liability and safety reasons. According to the environmental report on 34 S. Turnpike Road and the minutes of the meeting at which said report was discussed, the Town went on the property without permission from the owner. If a private citizen, such as himself, went on the property, he could and most likely would be arrested for trespassing. If the Town is going to use liability as a justification for doing or not doing something, then we should be consistent.

Philip Wright, Sr., 160 Cedar Street stated that he attended a meeting of the Planning & Zoning Commission last night. At that meeting, Item #8 dealt with approving the purchase of 1364 Scard Road and 40 George Washington Trail. According to the CT. General Statutes 8-24, Planning and Zoning Commission must approve all purchases and sale of property. He believes that to mean before the purchase or sale is accomplished. In the past when Public Works built a garage without obtaining a permit and when the Board of Ed purchased a computer without having gone through the proper channels to get approval, they were severely criticized and chastised. He stated that the Town Council was probably unaware of the statute and was sure that no one, including the Administration, was trying to skirt rules or statutes. It has been the practice for many years that Planning & Zoning approves the purchase before the transaction takes place. He did not remember if the procedure was followed in the last three or four instances when the Town purchased property. He asked if the Chairman could check on that fact and let him know?

Mr. Parisi asked Corporation Counselor Adam Mantzaris to follow up on Mr. Wright's request for the information.

Pasquale Melillo, 15 Haller Place, Yalesville stated that, in his opinion, the Town is open to a lawsuit if it is not following state statutes with regards to obtaining P&Z approval prior to the purchase of property. He wanted to know if the Town can be sued for this and prior purchases that have not be approved by Planning & Zoning before the transaction took place?

Wes Lube, 15 Montowese Trail stated that he is still concerned about the tree that his hung up on Wallace Dam. He asked if it will be addressed soon?

Mr. Parisi responded, it will eventually come off of the dam. I don't see it doing any harm.

Mr. Lube stated that he could ask if that is an example of the Town's maintenance program on municipal properties, but won't.

Mr. Parisi suggested that Mr. Lube not bring up such statements if he is asking and answering the questions himself.

Mr. Lube stated that he could ask if the tree left on the dam is an example of the Town's municipal pride, but won't. He wondered if any of the Councilors has cared enough about the appearance of the Town's western entrance to discuss with Mr. McCully...

Mr. Parisi interrupted to say that at the last meeting he had done that already.

Mr. Lube pointed out that was two weeks ago. Seven months have gone by (since the tree became hung up), not just two weeks. He was wondering if anyone else on the Council cares enough to have discussed this with Mr. McCully and, if they have, has Mr. McCully given any indication that it will probably be done before the arrival of Mr. (Jesse) Jackson and his entourage?

Mr. Parisi answered, I would not say that it will be done by then. Mr. McCully told me very clearly that when he has the opportunity to make the arrangements, he will do so and I said, fine.

Mr. Lube stated, having had seven months go by, this opportunity seems to be slipping away. Could you please ask Mr. McCully to give a little more attention to that, Mr. Chairman?

Mr. Parisi answered, no. I have asked him once; I accepted his answer and he usually carries through with what he says he will do. I am not going to badger him and I hope that none of the other Councilors would badger him. He has enough to do. When he gets to it, he will get to it and that is acceptable.

Mr. Lubee stated, this is an administrative problem. I am sorry the Mayor is not here to ask him these questions.

Philip Wright, Sr., 160 Cedar Street asked, when will Community Pool open?

Mr. Parisi was not sure.

Mr. Brodinsky stated that he requested an item be placed on the agenda in early May asking for a report out from the Parks & Recreation Director on the opening of the pool.

Mr. Wright stated that he read an article about an upstate New York community who will be opening their community's pool on Memorial Day weekend and for weekends until the full season gets in swing.

Pasquale Melillo, 15 Haller Place, Yalesville presented the Town Council Secretary with newspaper articles on the topic of yield burning of municipal bonds. He asked that every Councilor receive a copy of the article. He asked what the status was of Councilor Farrell's proposed fish farm and hatchery?

Mr. Farrell replied that the Council's secretary had completed entering several hundred names into the computer's database for the purpose of mailing information out to various entities in the hopes of soliciting interest in the proposal. He has scheduled a meeting with Mrs. Zandri to compose a letter to be included in the mailing.

Jack Agosta, 505 Church Street, Yalesville asked for an update on the Housing Authority's interest in the former Simpson School property?

Mr. Parisi announced that the matter is still in process. He has spoken with the parties involved the other day.

Wes Lubee, 15 Montowese Trail asked what the status was of the Former American Legion Building? Two weeks ago we were told that the assembled contract for leasing the building was nearing completion; a few final points needed clearing up.

Mr. Parisi stated that there was a meeting this morning with the potential occupant of the site. There will be a draft lease drawn up to be reviewed by the Council.

Mr. Lubee stated, when the Public Question and Answer Period is over, he hopes Mr. Parisi will be prepared to explain the preference for a simple majority to suspend the Council rules.

Mr. Parisi replied that he was not prepared and reminded Mr. Lubee that he (Mr. Parisi) stated that he would do so at a later meeting.

Mr. Lubee asked, how late?

Mr. Parisi answered, a later meeting is what I said. I have the minutes in my briefcase. At the time that I am finished reviewing it; I spent some time on it today. It is not a simple question.

Mr. Lubee agreed that it was not a simple question.

Pasquale Melillo, 15 Haller Place, Yalesville stated that he believes that Pennsylvania Power and Light and their subsidiaries have been trying to push forward the construction of the proposed power plant. He asked if there have been any new developments?

Mr. Parisi replied, that is a question for the Siting Council.

Philip Wright, Sr., 160 Cedar Street stated, he has heard that Reverend Al Sharpton, Farrakhan and Hillary Clinton are in line after Rev. Jesse Jackson (to visit Wallingford). He asked if anyone else had heard that?

Mr. Parisi answered, no, he has not heard that.

Pasquale Melillo, 15 Haller Place, Yalesville asked, is it true that the Town paid \$1.4 million for the former Wooding/Caplan Property? Did we overpay for the property and what is the actual size of the parcel the Town purchased?

The information was not readily available at this time.

Mr. Melillo urged the Councilors to do their homework on the matter to make sure any proposal is strictly in the best interest of the taxpayers.

Jack Agosta, 505 Church Street, Yalesville asked about the Garden Road properties. He asked if the Town had gone out to bid yet on taking the homes off the property?

Mr. Parisi did not have any information on the property at this time. There have been many suggestions put forth, such as selling the homes, selling off parts of the homes, etc. He did not know what the procedure would be if someone did want to buy the homes. He has not heard the outcome.

Wes Lube, 15 Montowese Trail stated that he took a drive in Garden Road last week at which time there appeared to be eight (8) homes empty already. He asked if the Town has taken title to the properties?

Atty. Mantzaris stated that he believed the Town had. He could not be absolutely sure, though.

Mr. Lube suggested that, for liability reasons, the Town should board up those homes that are vacant before there is vandalism, damage and perhaps lawsuits.

Pasquale Melillo, 15 Haller Place, Yalesville asked if the Town has violated any state laws by failing to re-build Community Lake Dam?

Mr. Parisi did not believe the Town has violated any laws with regards to the matter. The Town has been trying to get the matter resolved for a long time.

Mr. Melillo asked if the Town has considered his suggestion to adopt a preventative maintenance inspection program for the Town's schools?

Mr. Parisi answered, the schools have maintenance departments. The School Building Renovation Committee has toured all of the schools that are on the list for consideration, inspecting them carefully.

Public Question and Answer Period was closed at this time.

ITEM #6 Consider and Approve a Transfer of Funds in the Amount of \$40,000 from No. Farms Rd./Grieb to Route 68 Acct. #002-9899-501-2420-9899 to Town Hall Parking Lot Improvements Acct. #002-9899-501-2430-9899 – Public Works

Motion was made by Mr. Rys, seconded by Mr. Farrell.

Henry McCully, Director of Public Works stated that the original estimate for reconstruction of the parking lot at the Town Hall was \$200,000., with Public Works performing drainage work, managing Tilcon Tomasso Co. and doing some incidental work. There was an overage in the following amounts for the work listed below:

- stone - faced wall	\$ 12,000
- lighting	5,000
- parking lot pavement	20,000
- line/stripping	3,000
- guardrail	6,000
- add'l. eng./surveying	<u>4,000</u>
Subtotal	\$ 48,000
Contingency	<u>2,000</u>
Total	\$ 50,000

With regards to the parking lot pavement overage, upon excavating the rear of the former American Legion Building parking lot area, it was discovered that the area was used as a dumping site for rubbish, trees, brush, etc. A considerable amount of stable fill had to be added to it. The fill then had to be rolled and compacted to minimize settlement of the area prior to paving.

Mr. Centner asked, what is the expected completion date?

Mr. McCully answered, the month of May. Electrical work remains as does the installation of the guardrails and curbing. The paving will be done in two stages over two days time.

Mr. Zappala asked if all of the work listed above was called for in the original bid specifications? Or is it additional work over and above the bid?

Mr. McCully answered, yes it is.

Mr. McCully explained the electrical service had to be upgraded in the Carriage House to ensure sufficient electrical current to the lighting that will be installed in the parking lot. In running the underground conduit from the Carriage House at the depth required by

code, concrete walls buried under the existing parking lot were discovered. This meant additional work drilling through the concrete to run the service, resulting in additional cost. The paving was an estimate from Tilcon Tomasso but as we started to shape the parking lot and remove unsuitable subsurface material, we had to buy material to put in there. The largest component of the overage is comprised of the paving cost.

Mr. Knight stated, I am curious about the process where the Public Works Department is the principal contractor. We have various aspects of this project that have become overrun, and you have explained the lighting and the fill. I am curious about the guardrail, how did that reach \$6,000 more than anticipated?

Mr. McCully answered, John Thompson (Town Engineer) is overseeing that portion of the project. Unfortunately, he could not be here tonight. We elected to go with the more aesthetically pleasing heavy wooden beamed guardrail. This is why we put in a stone-faced retaining wall, just to brighten the place up for our neighbors. I am sure Mr. Thompson would be happy to explain it to you if you give him a call.

Mr. Knight stated, some of the costs are due to unforeseen problems, but are some actual improvements; the wall, itself, and the guardrail being of wood rather than steel?

Mr. McCully answered, yes.

Mr. Knight asked, what are the added surveying costs?

Mr. McCully answered, I handle most of the grading and drainage aspects of the project as well as the paving. Mr. Thompson is handling the engineering aspects of the job along with the lighting, guardrail and plantings.

Mr. Knight stated, I just want to get straight in my mind when Public Works does a good deal of the work and when the whole project is bid out. If this whole project were bid out and the contractor encounters these types of problems, would they not have... would they possibly, in the process of bidding, gone further than we did when we first started?

Mr. McCully answered, he would uncover some of the problems that we encountered.....(inaudible)...many times, for instance, when I do a road job, if we are not sure if we can install a storm line because it is near a water or gas main, we can simply dig a test hole to find out. When we put a project out to bid and you are getting estimates, unless you can do a lot of test digging... there were a lot of things we did not know of even

with original blueprints. We had no idea what was underneath this parking lot once we started to excavate it.

Mr. Knight asked, if the project were to have been one where an outside contractor was going to do everything?

Mr. McCully answered, if it is unforeseen, we have a contingency fund. It would be considered an extra and would be paid from that fund if it was not in the contract documents.

Mr. Knight stated, it looks like, as we went along, we made some improvements that weren't anticipated in the original project and we encountered some problems we did not anticipate...

Mr. McCully added, which inflated original estimates.

Mr. Parisi asked, if we bid out the job and we decided to improve anything at an additional cost, I would have thought that would have come back for consideration before it was implemented. That is the only concern I have.

Mr. McCully answered, only if the money was not in the contract. I would have had to come before the Council as I am now. If you have a contingency... that is what contingencies are for. If you have the funds, whoever is running the contract could then make a decision. But if you didn't have the funds to do it, absolutely, if more funds were needed, you would have to come before the Council.

Mr. Parisi stated, I thought I heard you tell Steve Knight that this was additional funding above the contract?

Mr. McCully answered, it is additional funding, that is correct. That is why I am here.

Mr. Parisi replied, but it has been done already.

Mr. McCully answered, no, the work hasn't been done. We have not done any paving, we are short \$20,000 on paving. No, no, we would never do that.

Mr. Parisi answered, I would hope not.

Geno Zandri, 37 Hallmark Drive asked, did you say the wall was an additional \$12,000?

Mr. McCully answered, yes.

Mr. Zandri asked, was that put out to bid?

Mr. McCully answered, yes it was.

Mr. Zandri asked, was there additional work asked for? Is that why the price went up?

Mr. McCully answered, yes there was and I did not supervise that job, John Thompson put that out to bid and he is the one who can fill in the details for you.

Mr. Zandri asked, is there work on the wall that remains to be done?

Mr. McCully answered, the wall is complete.

Mr. Zandri pointed out, there is an example of work that was done that went over budget and it did not come back before the Council.

Mr. McCully answered, the money was in the overall budget, the original \$250,000. We simply encumbered the money to pave it and we did not know what a lot of this was going to cost, again, they were only estimates.

Mr. Zandri replied, I think that was what Mr. Parisi was eluding to when he said that when there was a change, additional dollars were needed in order to finish a particular part of this and under another form of contract, you would have had to come before the Council to get that approved. What has happened here was, yes, there was money in the overall project but you spent it on the wall and now you are short and you can't do the paving because there is not enough money left. Now in order to get the paving done you are asking for the \$40,000 or what ever you need to do the paving. It is a catch 22 scenario that we are in. Setting that aside, speaking about the paving, would it be more convenient to have the paving done on the weekend versus during the week?

Mr. McCully answered, I explored that and you are looking at close to \$10,000 and I don't feel it was justified to do that. The employees of the Town Hall, with a little advance notice and planning, we could do it in half the time without inconveniencing people too much.

Mr. Parisi noted that Mr. Rys pointed out the additional parking area across the street at the Credit Union. He stated that the parking lot is never full. Why can't we re-direct people over there? They may discover it and find out that its there.

Mr. McCully stated, when we re-roofed the Town Hall I sent around advance notices and everyone was very cooperative. I don't expect any problems.

Mr. Parisi asked, wouldn't it be less expensive if they could pave it all at once?

Mr. McCully answered, not really.

Mr. Parisi stated, I would certainly check on it. I would think it would be cheaper to do something all in one shot versus three or four days.

Philip Wright, Sr., 160 Cedar Street asked, how much money was in the project to begin with?

Mr. McCully answered, the original estimate was \$250,000.

Mr. Wright asked, who has had their fingers in the pie when we gave it out to a contractor? The Public Works Department was in it; you have a responsibility; John Thompson has a responsibility and, as I mentioned two weeks ago that the ball always bounces and no one is responsible for catching it.

Mr. McCully disagreed stating, I am standing here before you. We made an estimate to do a project and we are short funds. That is why we are here.

Mr. Wright pointed out that no one can answer for John Thompson, because he is not here. Every time we get into any kind of a project, we try to do things on the cheap...by putting Public Works in there. I wish Public Works was never involved where we have a contractor because it always winds up that Public Works is going to do this and the contractor is going to do this...the same thing that happened up the Parks & Recreation Building. We ought to learn that we ought to have accountability, we ought to go out to contract and let the Town departments keep their fingers out of the pie. Then, if someone overran the budget, we have some recourse.

Mr. McCully answered, I take offense to that. You are totally out of line here. I am here and I am taking responsibility. When I was in charge of rebuilding the recreation center, I

took full responsibility for that. You are totally out of line on this. There is no one bucking anything here. We are here to do a job and that is why I am here.

Mr. Wright stated, I disagree with the way it is being done and I have a right to speak my mind about this.

Mr. Parisi stated, no one is questioning your right.

Mr. Wright stated, I have seen it too many times; I wish that we would stop doing projects where we have Hanz and Franz and everyone else in it.

Wes Lube, 15 Montowese Trail asked, how many parking places did we have before we acquired these two properties and how many spaces do we have now? I have asked this question before and no one seems to have the answer or be able to supply me with it.

Mr. McCully answered, I don't have the answer.

Mr. Lube asked, when you are spending the people's money, this is what you are accomplishing.

Mr. McCully answered, I can give you a ball park figure. If you call my office tomorrow I will be more than happy to give it to you.

Mr. Parisi stated, you can call him up at his office.

Mr. Lube answered, If I was involved (in the project) I would have known this information in my head. If you take the acquisition of the land and the cost of the improvements, we are probably spending in the neighborhood of \$25,000 per parking space. That is astronomical but I will call and we won't have any more guess work; we will be able to figure out exactly what it does cost.

Pasquale Melillo, 15 Haller Place, Yalesville stated that department heads should be in attendance at Town Council meetings for items on the agenda that pertain to their department. The item should be tabled or withdrawn if the department head is not present to answer questions and provide information.

VOTE: Papale and Vumbaco were absent; all others, aye; motion duly carried.

ITEM #7 Consider and Approve a Transfer of Funds in the Amount of \$12,000 to Sludge Disposal Acct. #900-645-000 of Which \$5,400 is Transferred from Chemical Expense Acct. #900-641-000; \$4,600 is Transferred from Misc. General Expenses Acct. #900-930-000 and \$2,000 is Transferred from Supplies, Communications and General Expense Acct. #900-923-000 – Sewer Division

Motion was made by Mr. Rys, seconded by Mr. Farrell.

It was explained that the Sewer Department was working under an existing bid at the time it prepared its budget for the next fiscal year. The new bid received in June was much higher than what was budgeted for, therefore the department started the new fiscal year under-budgeted in the sludge disposal line item. A ten year agreement had been entered into with NETCO, the lowest and best bidder for the disposal of the sludge, the tipping fee cost. A second bid is based on the hauling of the material or container pulls with the department averaging between 155-165 pulls per year. The department has gone to every length to dehydrate the product as much as possible to reduce costs. The make up of the sludge can vary and filter presses and polymers are used to remove as much water from the project. Related fuel costs figured into the hauling contract are fixed for the first three years of the contract. By mutual consent of both parties, subject to an index, the contract can be extended to a fourth or fifth year.

Frank Wasilewski, 57 N. Orchard Street asked, what is done with the sludge from the Water Treatment plant?

Roger Dann, General Manager of the Water & Sewer Divisions replied that it is handled separately. It is hauled to a facility which is equipped to handle the Water Treatment Plant residual which is a uniquely different material from the sludge cake from the Sewer Treatment Plant. It is two separate accounts.

Motion was made by Mr. Rys, seconded by Mr. Farrell.

VOTE: Papale and Vumbaco were absent; all others, aye; motion duly carried.

ITEM #8 Consider and Approve a Transfer of Funds in the Amount of \$40,500 from Health Insurance Acct. #8035-800-8300 of Which \$25,500 is Transferred to Retirement Sick Leave Acct. #8035-101-1750 and \$15,000 is Transferred to Professional Services Compensation/Classification Study Acct. #1600-901-9032 – Personnel

Motion was made by Mr. Rys, second by Mr. Farrell.

The \$25,500 transfer is requested to pay out an anticipated retirement sick leave obligation for one individual and the balance of the transfer would be used to award a bid for a compensation and classification study of all supervisory and managerial positions, excluding the Board of Education. The successful bidder, Lee Cogswell Associates, Inc., can begin work within fourteen (14) days after receipt of order. Additional funds in the amount of \$600 are requested to pay for consulting services outside of the contract at the bid rate of \$90.00 per hour, if needed. If the Town were to hire the consultant outside of the contract or bid, it would cost up to \$150.00. There may be some wrap-up or ancillary issues that may require a few additional hours. In 1988 the Town went out to bid and went through the same exercise of studying the supervisory and managerial positions. The bid was awarded in 1989 and the changes to the job descriptions and pay plans, as a result of the study, were effective 1990.

Mr. Knight pointed out the publicity in the newspaper recently about the management salaries. He asked if this included everyone under contract as well as other department heads?

Terence Sullivan, Personnel Director replied, this is all non-bargaining and all bargaining unit managers and supervisors.

Mr. Knight asked, what is the point of having the study done with so many people under a collective bargaining agreement when all of what their contract is going to encompass is going to be thrashed out in a collective bargaining session?

Mayor Dickinson answered, we have had a number of requests go to the Personnel Pension & Appeals Board regarding re-classification. It has been ten years and people, right or wrong, start believing the salaries are not correct; the classifications are wrong. Rather than not have any indicator going into negotiations with, I think it is wise for us to have the update of the original study which is ten years old, and have that information so that we are not arguing about it in a vacuum. We will have something to justify our position.

Mr. Knight asked, will this information then be part of the collective bargaining evidenced information that the Town has to justify its positions within the collective bargaining arrangement?

Mr. Sullivan answered, it may be. The salary end of this study cannot be carte blanche implemented. Any changes are subject to negotiating. It would be good data to have

nonetheless, to see where we are from ten years ago. It could be used by the Town to its advantage.

Mr. Knight stated, it seems to me that every time we have a contract come up and it goes to arbitration, the ones that do go to arbitration, the most information that the union uses is other towns and how other towns stack up against Wallingford with regard to what benefit or salary level is used. Is this something we can use in our own defense at an arbitration hearing? Is this evidence that the arbitrators will take into consideration?

Mr. Sullivan answered, absolutely.

Mr. Knight stated, that seems to be money will spent. If we can use it to support our positions in arbitration.

Mr. Sullivan added, notwithstanding collective bargaining purposes, I think it is wise to look at jobs periodically, now with the other unions, as issues arise, employees can raise re-classification issues and we have impact bargaining, interim bargaining several times a year. Sometimes there are no changes and sometimes there are. It is a broad brush seventy-five positions approximately. There may have been some significant changes over the years in different certifications and license requirements; training, education, jobs being added or deleted. There may be inaccurate information in job descriptions now that should be updated. If there are statutory changes that come down from the state or federal changes that over the years, you tend to pick up tasks, the job descriptions should reflect those changes. We try to stay current but we have one hundred eighty-eight job descriptions, not counting the Board of Education so it is virtually impossible to be up to date with every job description.

Mr. Knight asked if the comparison is made with other communities?

Mr. Sullivan answered, right. Generally, these consultants take what's called "bench mark positions" and will take a sample of twelve or sixteen different job classifications and they will compare it to towns that are demographically similar to Wallingford, geographically. There is a whole model in place. They come up with all the statistics to arrive at a dollar per point model. Those points are then added up based upon the worth of a particular class. That is then converted to a salary range.

Mr. Knight stated, and the second part of the study that you feel is as important is the clarification of job descriptions; updating and modernization, if you will, of the job descriptions?

Mr. Sullivan answered, we have employees who have not been successful in being upgraded and have appealed my decisions to the Personnel & Pensions Appeals Board and they have been denied. There is nothing wrong with taking another look at it from an outside source and see where the cards fall.

Mr. Knight asked, will the results of the study find their way into this interim bargaining and the mid-course corrections....?

Mr. Sullivan answered, they may. We cannot unilaterally make a change. Where we want to make a change, we will have to negotiate.

Frank Wasilewski, 57 N. Orchard Street asked, is the retirement sick leave actually the buying of retirees' sick time that they can use before they retire? Is that correct?

Mr. Sullivan answered, not exactly. Under the contract retirees are eligible to cash in the equivalent of ninety days of their sick time. They can accumulate one hundred twenty days but they can be paid out for ninety. That is an obligation of the town.

Mr. Wasilewski asked, are you \$25,000 short in that account?

Mr. Sullivan answered, yes.

Mr. Wasilewski asked, how much is left in the Health Insurance account of the \$2.4 million that you budgeted and are taking this transfer from?

Mr. Sullivan could not provide that information tonight. He guessed at approximately \$10,000.

Mr. Wasilewski asked if the new budget will reflect an increase in that account by about \$500,000?

Mayor Dickinson answered, we had about a 20% rate increase which is the reason the health insurance went up.

Mr. Wasilewski pointed out that this past year the Mayor decreased the retirement sick leave account by \$50,000., that is one reason Mr. Sullivan is short in that account.

Mr. Sullivan answered, we budget upon information we have available at the time. If employees communicate with us and want their numbers run then we know they are seriously considering retirement. Some years we have a surplus and some we have to come back before the Council for additional funds.

Mr. Wasilewski asked, what percentage of the retirees', when they retire, take the ninety days sick leave?

Mr. Sullivan answered, 100%.

Mr. Wasilewski asked, will this study take care of this so we are better on top of this?

Mr. Sullivan answered, the study has nothing to do with this. This item is two transfers from the same account.

Mr. Wasilewski asked, how many retirees are you going to buy ninety days from with this \$25,000?

Mr. Sullivan answered, the \$25,500 is for one employee.

Philip Wright, Sr., 160 Cedar Street asked, how much money was in the Professional Services Classification study account? How much was appropriated for that?

Mr. Sullivan answered, \$3,000.

Mr. Wright asked, we are putting \$15,000 more into that?

Mr. Sullivan answered, yes.

Mr. Wright asked why it was so under-budgeted?

Mr. Sullivan answered, at the time the budget was prepared, he had not proposed conducting the study.

Mr. Wright asked, will the information that is available to us from the study also be available to the bargaining units?

Mr. Sullivan stated, it is all public information when it comes out. If anyone here wants a copy, they could get one.

Mr. Wright stated, in the past arbitrators have ruled on cases, not to our benefit. One of the things they mentioned was that the Town, year after year after year, had a surplus therefore we could always afford what anyone asked for. We could not plead poverty or inability to pay because every year because of our surpluses. I am not sure this study is going to help us out in that area. Is there any possibility that this information we may obtain from this study may indicate that it is time to put a freeze on some of our wages, particularly our management compensation which, in the opinion of many, is out of hand. For years and years people came up to this microphone to talk about wage freezes and finally gave up. Now we are in a position where it is blatantly obvious that we are paying a heck of a lot of money to the people in this town and they are probably more highly compensated than they would be if they were not in a public job. Is there a possibility that something may come out of this in that regard?

Mr. Sullivan answered, there is always the possibility that any changes in hours, conditions of employment or wages have to be bargained.

Mr. Wright stated that he was referring to those employees outside of the bargaining unit.

Mr. Sullivan answered, my understanding of the Personnel Rules is that they mandate that non-bargaining supervisors shall get at least or not less than what the management union would get.

Mr. Wright stated, his biggest concern is those who are not in the bargaining unit. It is time we took a good look at it to see if the taxpayers in town can continue to pay the salaries we pay our managers. The Chief Executive Officer will have to make that decision.

Mr. Wasilewski asked Mr. Sullivan if he had anything to do with the Board of Education retirement sick leave account?

Mr. Sullivan answered, I negotiate the pension plans for non-teachers. Indirectly I do have something to do with it. I am also in charge, by Charter, to administer the pension system but these benefits are collectively bargained. They don't negotiate their labor contracts.

Mr. Wasilewski stated, it would cost the Town an awful lot of money if a lot of the retirees from the Board of Education started retiring at their salaries.

Mr. Sullivan answered, they have the same benefit.

Mr. Wasilewski asked, how much is budgeted for the Board of Ed's retirement sick leave account? Does the Mayor know?

Mayor Dickinson answered, I don't have it with me. It may be part of the budget materials. I don't recall if that was separated out or not.

Mr. Wasilewski stated, about ten years ago I suggested to the Mayor, before the Council, that we freeze the employees' wages. Gov. Weicker was in office at the time and he froze wages and laid people off but here in Wallingford we had contracts with the union that we were obligated to fulfill but it did not bother Weicker one bit. He did it but we couldn't in Wallingford.

Mr. Parisi stated, yes, but he paid for it later on. He won the battle but he lost the war.

Mayor Dickinson stated, at the State level they (wages) were frozen but that loss of wage was made up at a subsequent negotiation. It was a temporary freeze that was paid for later on.

Mr. Wasilewski reminded everyone that there were many foreclosures and bankruptcies yet the employees of Wallingford were getting raises which I thought was wrong. Nevertheless we lived through it.

VOTE: Papale and Vumbaco were absent; all others, aye; motion duly carried.

ITEM #9 Consider and Approve a Transfer of Funds in the Amount of \$12,500 from General Wages (Police) Acct. #001-2005-101-1000 to Professional Services Specialists Acct. #001-1320-901-9003 – Town Attorney

Motion was made by Mr. Rys, seconded by Mr. Farrell.

Correspondence from Town Attorney Janis M. Small states how the funds in the Professional Services Specialists Account has been substantially depleted from fees for open space appraisals, tax appeal appraisals, foreclosure committee fees and Phase I environmental studies. At this time, the Superior Court is stepping up the schedule of tax appeals warranting the need for several appraisals.

Corporation Counselor Adam Mantzaris stated that the department could not anticipate the expenses at the time the budget was prepared.

Mr. Rys asked if the department planned on spending over and above the unencumbered \$22,000 that is in the account already?

Atty. Mantzaris answered, we would spend that plus the additional funds we are asking for.

VOTE: Papale and Vumbaco were absent; all others, aye; motion duly carried.

ITEM #10 Consider and Approve a Transfer of Funds in the Amount of \$38,653 from Contingency/General Purposes Acct. #001-8050-800-3190 to Self-Insurance Claims Acct. #001-8030-800-8280 – Town Attorney

Motion was made by Mr. Rys, seconded by Mr. Farrell.

Atty. Mantzaris stated, this transfer is being requested to pay the attorney's fees that were ordered by the court in the matter of Omnipoint Communications v. Planning & Zoning Commission of the Town of Wallingford. The original request for attorney's fees was something on the order of \$51,200. I researched the case which was handled by an attorney named Richard Buturla (Berchem, Moses & Devlin, P.C.) who handled an exact same situation for the Town of Milford. He helped with the brief for under the \$2,000 limit. It was an excellent brief and if you read the ruling of the court, the words, themselves, seemed to support the Town's position that the judge used. Words like "excessive" and "too high" and then when he got to the figures he reduced it by about \$12,500. I had a meeting with the Planning & Zoning Commission after the decision because Omnipoint had offered to waive its claim for fees if the commission would vote approval. That was mid-way through the court process. In executive session I was asked what I thought the fees might be if we lost the case, which I indicated that our chances for losing were very high, but I estimated the fees to be about \$15,000. Keep in mind that the court was a federal court but a trial court, much like our own Superior Court in New Haven. It is a trial court, not an appeals court. We paid some \$10,000 for attorneys hired outside to take an appeal to an Appellate Court in Connecticut. The fees were estimated to be about \$15,000. It was unbelievable that a \$51,000 fee would be arrived at. I was also told that the judge who ruled on the case is the most liberal federal judge in our district.

Mr. Parisi asked, could we have postponed it and gotten another judge? That seems to be a pretty good tactic these days.

Atty. Mantzaris answered, we don't have any control in the federal system. They just assigned us to whomever it was, he did not hear the case to begin with, he listened to it afterwards; no one ever appeared, it was all on paper; all on briefs.

Mr. Farrell stated, I did have a chance to read Atty. Mantzaris' brief and I did have a chance to also read the judge's decision and I thought Atty. Mantzaris did a pretty good job in getting the fees down. Atty. Mantzaris is right when he says that the judge very much picked up on the argument that he made that what the applicant was asking for, in terms of attorney's fees, was excessive. All in all, Atty. Mantzaris did a good job.

Mayor Dickinson stated, this deals with the telecommunications tower issue, for anyone who is not familiar with that. It is a very disruptive issue in neighborhoods where the towers are approved. Essentially, there is little ability for a community to deal with these issues given the nature of the federal law. For people who are concerned about where the towers can go, the best place to write is your congressional delegation. Literally, if the ability at the local level to dictate where these towers go is severely restricted and, in this case the decision was made not to approve a location now, as you see, we pay attorney's fees because we did reject the location. There is a definite penalty attached to being a so-called "loser" on these cases. I just want to highlight the fact that it is a federal law that does not favor a municipality.

Mr. Parisi stated, there was an article in the paper about some towns, Orange and some neighboring towns, banding together to attempt to gain some leverage in at least asking if more than one site be considered. The interpretation, as it appears to stand now, the cellular companies pick a spot and that is it and there is not much of a chance of getting anything else and it appears they are getting bolder. With the State of Connecticut there was a tower that was decorated so that you don't even know it is a tower, it looks like a silo. It is unfortunate because that is what people are asking for. I understand the proposed tower up a Pilgrim's Harbor was going to look like a flag pole. All of a sudden the company said they were not going to do that. That is what gets people a little bit upset. If we have to have the tower that is fine but it does not seem right that you should have to view an ugly thing like that when, in fact, maybe in twenty years we will be lucky enough to see them disappear. You would think that the effort could be made to make them a little more palatable to the public. That was the reason I argued in favor of what we did and I don't mind saying it. I think some other Councilors may have too. It was the frustration of the people that was carried forward that night.

Atty. Mantzaris stated, my research work in this case is virtually impossible to overturn...when a telecommunications company says that they would like a location, it is virtually impossible to successfully deny them.

Mr. Parisi answered, to at least negotiate the location...I am not even thinking of denying it period but, at least find something that is a little more suitable.

Mr. Zappala stated, you knew we were going to lose the case and you told Planning & Zoning that they could not deny the permit, yet they still did?

Atty. Mantzaris stated, at the meeting I was asked by the person who made the motion and I told them, in my opinion, we had no grounds to deny the application. But it wasn't done. It was the Planning & Zoning Commission's decision to make.

Mr. Zappala stated that he hates to pay out that kind of money when we knew we were going to get beat. If we had a chance to win, it would be different but it was kind of foolish of Planning and Zoning.

Atty. Mantzaris stated, I suppose there was a slight, slight chance. I don't even know that there was a chance. The company that was hired to do the peer review study used the wrong height on the Sprint pole on the farm and that was one of the things that was listed as a reason...whether a judge would have picked up on it or not, I don't know. It was P&Z's decision. Even the second time around they felt just as strongly about pursuing the appeal. I went back to them a second time when there was an offer made by the company to get a permit right-of-way. P&Z was strongly in favor of holding to their decision. I will not fault them for it, it was their decision. Sometimes the applicant decides not to pursue. I don't know what the motivation was.

Geno Zandri, 37 Hallmark Drive stated that the Town Attorney's Office recommended that the application be approved, in other words, that the application not be denied at the Planning & Zoning Commission Meeting.

Atty. Mantzaris agreed. He stated that he told the Commission that there was no way to deny the application, legally.

Mr. Zandri stated, the Commission went ahead and denied it anyway, knowing that Atty. Mantzaris' recommendation was that there would be a potential lawsuit as a result of their action; one that the Town would lose.

Atty. Mantzaris answered, I can't tell what they thought but they could have thought that the applicant would not have pursued it any further, I don't know. There was the chance that they could have thought that there would be an appeal.

Mr. Zandri stated, there has to be a recommendation coming from this body to Planning & Zoning in the future that when they are going to go against the recommendation of our attorneys on an application and it is going to potentially cost the Town some big dollars, there is going to have to be some sort of recourse on their actions. We cannot allow an appointed board like this to go against the Town Attorney's recommendations and just because they may not like a use, deny an application for it. I think there should be some sort of action taken by the Council. If they are thinking of denying something they should table it and bring it before the Council before they act on it because this can happen again. I think it was a wrong move on their part to go against the Town Attorney's recommendation.

Atty. Mantzaris stated, that was the last night that it could have been decided, unfortunately. There were three hearings before the P&Z on this application and that was the very last night. You have an idea there about tabling it, but they could not have done that that night.

Mr. Zandri pointed out that Atty. Mantzaris went back a second time to the Commission and, again, made a recommendation that they not deny it and they were still stubborn about it and went against the Law Department's recommendation again. That is why it is important that the Council notify them that this should not happen again in the future.

Atty. Mantzaris stated, no one, including myself, appreciated the severity of the attorney's fee in this case. I think I was asked that question by P&Z because I think they wanted to have some idea of what it might cost the Town if they continued with the appeal. My estimate was about \$15,000. Our office paid \$10,000 to a lawyer to take an appeal to an Appellate Court. This involved a Memorandum of Law, a brief. No court appearances, no depositions, no extraneous work or effort what so ever except to write a brief. This company used about 50 hours at roughly \$220 an hour to decide if their client should take an appeal. That is ridiculous. I agree with you, Mr. Zandri, and I agree with people who may have some criticism of the Planning & Zoning Commission but there was no conception what so ever that this was the kind of result that we would end up with for filing what they believed to be was the right course. No one appreciated the potential for this kind of decision for what really amounts to a Memorandum of Law why this should happen or that should happen; \$51,000 for that is mind boggling. I can't fault anyone for what happened.

Mr. Rys asked, does the Council have the authority to take any action with Planning & Zoning?

Atty. Mantzaris answered, you cannot direct them because they are an independent body working under state statute. You can make suggestions but you cannot tell them what to do. I couldn't tell them what to do. There is room for discourse and Mr. Zandri has a point. There ought to be some... I am sure this will never, ever happen again with another telecommunications application.

Philip Wright, Sr., 160 Cedar Street stated that the Council should keep its hands off of the Planning & Zoning Commission's decisions. They are an autonomous body. If I remember correctly, there was a lot of pressure on P&Z to try and beat this (application), correct?

Atty. Mantzaris answered, that is correct.

Mr. Wright stated, if anyone is to blame it is those who pushed the P&Z Commission so hard to get them to try against good advice to beat the rap on this. Now, there is nothing you can do about that. If there is enough squeaky wheels, they are going to react to it, to some extent.

Mr. Parisi stated, I would like to say that, the night I spoke there I spoke as a citizen, which I am entitled to do. I was not there speaking in my role as a councilman and I always make that very clear. I have respect for the members of the Planning & Zoning Commission and I respect their ability to make a decision based on what they know of the subject and not who is talking about it. I would never, ever infer that I could influence them. That is my statement.

Mr. Wright replied, I certainly did not mean to infer that you had put any... I did not even know you were at the meeting.

Mr. Parisi stated, I am not saying you meant that. I was just making that statement for the public to make sure they understand.

Pasquale Melillo, 15 Haller Place, Yalesville stated, telecommunication companies have a lot of money. If their initial application is rejected, they are going to appeal it. Appeals can take a long time and involve a lot of attorney's fees. The same holds true for any attorney's fees we will incur to stand our ground. It could very easily add up to a

substantial amount of money. Our Law Department should have the right to supersede the decisions of the Planning & Zoning Commission; override them. Not only the Law Department but the Mayor as well. He asked the Mayor if he had such veto power?

Mayor Dickinson answered, I don't have authority to veto actions by the commissions, no.

Mr. Parisi answered, and we will not give him any either.

Mr. Melillo suggested that the Council hold a meeting with the Zoning Board of Appeals and Planning & Zoning Commission to make sure this type of situation does not happen again.

Mr. Farrell stated, more so than other areas of the law, telecommunications is a very evolving field. Even though I don't practice in it, I follow it closely. I don't think that we knew at the time the P&Z made this decision that the courts were going to be as receptive as they have proven to be to awarding these humungous fees. It is easy to take shots at the P&Z Commission but, again, they are trying to serve our best interest too. As much as they may have gotten advice from the Law Department not to deny this, part of what may have been in their mind was, there are better sites and having the applicant come back with a different application that was more conducive to that area might have been a good....so it might have been as much strategy as legality. I think the suggestion of somehow giving the Town Attorney's Office veto power over our layperson commissions, somehow is repugnant. Lawyers may be smart people but they are not any smarter than the average person in lots of different matters. I can't buy into that what so ever.

Mr. Knight stated that he applauded Mr. Wright for his comments, especially with regard to the fact that the Town has a commission with certain responsibilities and now we are second guessing everything that they did with regard to this action because it cost us \$51,000. That commission was attempting to do the public's business. Often he has heard complaints from individuals in the audience who say that the Council has their minds made up before the public's comments were heard. Here we have an instance where the public had a lot of commentary with regard to Omnipoint wanting to put a cell tower in this town. The commission listened to the public, took it to heart; voted according to what the people wanted and now they are being criticized for it. He found it ironic. It is disappointing to pay out this money but sometimes you have got to take these big corporations to task and many times you will lose. There will also be times when we will win. He supported the Planning & Zoning Commission's efforts in that direction.

Mr. Parisi stated, he recalled at the time that the Commission thought they were on to something. It appeared that it was a reasonable argument to request a relocation of the tower. I think that was the basis. I feel they did their job. It is the old story; you win some, you lose some. If we go back in history we will see that is very true.

Robert Sheehan, 11 Cooper Avenue stated, being one of the opponents of the application that night, I can't fault them either. At the time, I believe they talked about coverage. They did not want the towers all over town and the whole town did not have to be covered by a series of antennas. They basically run along Routes 15 & 91. The only fault I can find with P&Z is, for years out there it has been... commercial property. One of the reasons Omnipoint was able to apply for the use was because of the way the property was zoned, commercial. No commercial business has actively been operating out there for some twenty or more years. To change the zoning now, is a little after the fact. They listened to the people, they did it for the people and I seriously believe they thought they had a valid argument for denying the application. It did not work that way. We like our toys. It is a cell tower and God forbid we should be out of touch with someone for two minutes because our life might change.

VOTE: Papale and Vumbaco was absent; all others, aye; motion duly carried.

ITEM #11 Report Out from the Assessor and Mayor Regarding Plans for Revaluation, Including a General Description of the Possible Impacts for Residential, Commercial and Industrial Taxpayers, Including a General Description of the Impacts on Tax Revenues in the Future as Requested by Councilor Mike Brodinsky

Mr. Brodinsky stated, I thought it might be helpful for all residents to get a little better understanding as to the concept of revaluation. Some of us may know what it is but there may be a lot of people out there that may not be that familiar with it and may not have gone through it. Could you, Mr. Myers, provide us with a very brief overview as to revaluation; what is it; when it will or might take effect; in general terms, how it might effect revenues of the Town and individual taxpayers.

Comptroller Thomas Myers explained, revaluation is required by State Statute. It is an issue that will touch upon every resident in the town, even if they don't own real estate. There is an effect on business property, furnishings and equipment and there is an effect on registered vehicles. The revaluation will effect the Grand List dated October 1, 2001. That will impact our budget for the year beginning July 1, 2002. In addition to that, the state law has changed and we will be required to do periodic updates. We will no longer do a revaluation on a ten year cycle. The property values will be updated every four years.

That is new to Connecticut, it is not new to other parts of the country. Our closest neighbor, Massachusetts, operates under a system such as that presently. We have put the project out to bid. We have received responses from appraisal firms and are currently reviewing and evaluating them. We expect to have a contract some time in late April or during the month of May. We are looking to award the bid and enter into contract some time in May. One of the important parts of reval is to have a good team of senior managers who will monitor the project from beginning to end. That will be accomplished by five senior managers in the Finance Department, including myself, the Assessor, Chief Appraiser, the Tax Collector and our Auditor. Another integral part of that team will be the project manager that the successful bidder assigns to the Wallingford project. In 1991, the management committee met weekly for the term of the project. The project will encompass some 18 months of time and the revaluation committee met and reviewed the project weekly. When we meet, we would plan ensuing tasks, review what had been accomplished, we would monitor results and the most important part, we would issue periodic reports to the public. We would report out every 3-6 months at a Town Council Meeting what was transpiring, where we were at in the process and what, if any, hard information we could pass on to bring everyone up to date. The purpose of revaluation is to ensure an equalization for uniformity of real estate values. That uniformity is defined by arriving at a new market value for all real estate in the town. There are 16,200 parcels of real estate in town. Every one of those parcels will be reviewed and a market value, as of, October 1, 2001 will be arrived at for each of those properties. Market value has changed since 1991 due to inflation, changes in economics and/or changes in neighbors. All of those conditions or issues will be addressed as the project moves forward. Once the contract is awarded the successful bidder will open an office in Town Hall. That office will be very close to the Assessor's Office whose staff will work very closely with the successful bidder. The first inkling that the public will have regarding revaluation will be the field inspection of all properties. The company is required to inspect each and every piece of real estate in the town. It is time consuming and we do have residents who refused entry for inspection purposes. If, after the third attempt to inspect, the resident refused an interior inspection, a certified return-receipt letter addressed the subject. That individual was told that we would achieve or attempt to achieve market value based on our best information available. Personal furnishings of homes are not valued; furniture, equipment, personal computers; those do not enter into the value of the residence. After properties are inspected, each and every owner will receive a report of that inspection detailing what information was found. The inspectors look at type of construction, heating, number of rooms, fireplaces, central air conditioning, roof-type, general upkeep, is the attic finished, is the basement finished, along with other factors. When that information is collected, it is gathered by the contractor and reviewed internally by us. It will then be sent out to every property owner as information and also as verification.

Should something be wrong, we want to know about it. That property owner will have the means to mail back that information to verify it or dispute it. That is the first impact the public will see. Another important aspect will be delineating neighborhoods which have a great deal to do with the value of property. In addition to neighborhoods there is other information that will be gathered to be used in valuing. Current building materials, prices, construction and labor costs, land values, changes in land use, new construction, additions to existing homes and current real estate transactions. During the length of the project all of that information will be collected, reviewed and updated. I can say, with respect to sales of real estate, they will be collected right through to September 30, 2001. All properties will have comparables. The last time we attempted to have two to three comparable properties. If a resident taxpayer asked us to review their property with them and how it was valued, we would be able to go through the statistics regarding their property as well as two to three other properties that had comparable statistics and value. Residents can expect to receive their notification of their 2001 market value during the months of November and December of 2001. The Assessor's Office will also prepare an October 1, 2001 Grand List as if revaluation was not occurring. The purpose of that is to be able to make a valid comparison from October 1, 2000 to October 1, 2001 to measure growth in the grand list. The other factor is to have an un-revalued Grand List as of October 1, 2001 to compare to the revalued Grand List as of October 1, 2001. That is a very important step. We did that in 1991. Beyond a shadow of a doubt that shows where the changes in the component structure of the Grand List are. Throughout the process we will keep the public and Council informed. We found that to be the best way to get the information out last time. In addition, we had written a pamphlet, in house, about revaluation. That pamphlet was mailed to each property owner. That pamphlet won a national award for its thoroughness and ease in reading and understanding. We will make sure that pamphlet is revised and mailed out once again, made available in the Library, Mayor's Office and Town Clerk's Office. He asked each resident to remember that what the Town wants to achieve is a correct market value for each piece of real estate in the Town of Wallingford; that is the purpose of revaluation.

Mr. Farrell pointed out that Cheshire is going through revaluation presently. One of the issues that has cropped up during a great deal of the appeals that are being taken of their revaluation figures is that the company has ascribed a special value to buildings built before 1900. In effect, they are specially taxing owners of what might be termed historic buildings for the inherent historic ness of their building. What position are we going to take on that?

Mr. Myers answered, I could not tell you but I will make sure that is addressed.

Mr. Farrell stated, I don't think we should take that position. You don't want people disinvesting in older buildings. We have a lot of them that are in the central area of the town. If we start creating disincentives and specially penalizing people for that, that is not going to encourage investment in our older homes.

Mayor Dickinson stated, the issue of market value should take care of that question. Depending on where the building is located, the neighborhood, etc., will drive the market value. We didn't have that as an issue in 1991 and I would not expect it this time. Since their effort is to determine in any given area what the market value is and that would be related to the age of the building, how many rooms, etc.

Mr. Farrell replied, in Cheshire, the firm went out and looked for the older, historic homes and determined that there was some added value in that.

Jack Agosta, 505 Church Street, Yalesville referred to Mr. Myers' statement that two or three comparable property values will be available to a property owner who is challenging their revaluation. He asked if it would be a good idea to send out those comparables with the property owner's new assessment? This may eliminate or reduce questions and the filing for appeals.

Mr. Myers answered that he was not sure that could be accomplished. The comparables will be available on the property cards which are available for viewing in the Assessor's Office. That information is on computer and available through the terminals on the counters of the Assessor's Office.

Wes Lube, 15 Montowese Trail complimented Mr. Myers on his presentation. He stated that he was disappointed with the fact that the agenda item listed a report out by the Assessor and no one has mentioned his absence from the meeting.

Mr. Parisi noted that Mr. Myers is the department head. If he (Mr. Myers) deemed that he would do the report out, that is fine with me.

Mr. Brodinsky stated that he was aware that the Assessor would not be in attendance tonight and that Mr. Myers was going to report out. Mr. Myers did a terrific job.

Mr. Lube stated, the impact on residential v. industrial v. commercial is not identical. If residences had gone up over the last ten years a greater proportion, then they will have a greater increase in their Grand List assessments and therefore a larger impact for the mill

rate. Over the last ten years, has there been an equal increase in value, in general; residential, commercial and industrial? Or, has one gone up more than the other has?

Mr. Myers answered, we operate under a mass appraisal system. All of our values are on the books as of October 1, 1991. We have no idea what has happened in the market place. That is the purpose of revaluation.

Mr. Lubee pointed out that the Assessor must know when he goes out to assess a new factory or a new house. He has a ratio that he uses.

Mr. Myers answered, he does not have that town-wide. He may have it on this particular parcel or that particular parcel but that does not mean that that establishes a trend across the whole community.

Mr. Lubee stated, last year \$1.2 million was set aside in anticipation of the possible impact of revaluation and again, \$1.2 million in the proposed budget for a total of \$2.4 million or the equivalent of about 1 mill. What will that mill, set aside, do for us after revaluation? What will it accomplish?

Mr. Myers answered, I can't determine that because we don't know what the value of the revalued Grand List will be.

Mr. Lubee stated, if it results in a tax increase, across the board on average, that is equal to a mill increase. Would we apply this \$1 million set aside towards that mill?

Mr. Myers answered, yes, we could apply all or a portion of it. In 1991 we set aside approximately \$3.8 million and we used \$2.4 million the first year and \$1.4 million the second year.

Pasquale Melillo, 15 Haller Place, Yalesville asked, is there a possibility that there could be a tax decrease for any current taxpayers in Wallingford?

Mr. Parisi answered, I don't know, but I don't think so. That is only my opinion.

Mr. Melillo asked if this is a local, state or federal requirement?

Mr. Myers answered, it is a requirement of CT. General Statutes.

Mr. Melillo asked to describe the impacts that will occur from the neighborhood delineation referred to by Mr. Myers earlier?

Mr. Myers could not recall specifics from 1991 but would be glad to address some of the concerns when he makes periodic reports to the public and Town Council.

Philip Wright, Sr., 160 Cedar Street asked, is the money we are setting aside for revaluation coming out of our bank book; the surplus we have been accumulating?

Mr. Myers answered, it is in our general fund, undesignated, unreserved fund balance.

Mr. Wright asked, how much money is in that Tom?

Mr. Myers answered, \$8.7 million.

Mr. Wright asked, if we are taking out \$2.4 million, how do we replenish this pot?

Mr. Myers answered, it could be replenished in future years by revenues that come in above what we budget and by expenditures that are less than what we budget.

Mr. Wright asked, is that real money?

Mr. Myers answered, yes.

Mr. Wright asked, we have to replenish it from taxes, right?

Mr. Myers answered, when you use the term "replenish it" it sounds like some type of mandate or requirement. In that \$8.7 million, we have \$4.6 million that we designate for our Aa1 credit rating. The amount above that is available for spending. The bottom line is that we don't want to see that account go below what we have targeted for the credit rating reserve. If the money is replenished, it is used in a subsequent period. If the money is not replenished, we end up with our \$4.6 million credit reserve.

Mr. Wright asked, we are taking people today, tomorrow and the next day to replenish that fund so that in the future we will have a big enough fund to do this again ten years from now?

Mr. Myers answered, that might be the case. Budget results at the end of the year can be cyclical. As budgets get tighter we might not have those types of reserves. We are very close to not producing those types of reserves in subsequent periods or future years.

Mr. Wright stated, that makes me feel pretty good. The closer we are looking at what we are spending and what we are taking from the pocketbooks of the residents, the better off we are managing the business of the town.

No action taken.

ITEM #12 Report Out from the Comptroller and General Manager of the Electric Division Regarding how Electricity Used by the Town is Priced by the Electric Division; whether or not the Charge for Electricity is at Cost; and, if not, the Amount of Overcharges Since January 1, 1996 as Requested by Councilor Mike Brodinsky

Mr. Brodinsky asked Ray Smith, Director of Public Utilities, what is the cheapest rate that you charge to an industrial, residential or commercial customer, per unit of electricity?

Mr. Smith answered, the lowest charge is probably the industrial customer. They have the best load factor, the best load characteristics.

Mr. Brodinsky asked, what would be the rate?

Mr. Smith answered, the rate is different than cost.

Mr. Brodinsky stated, I am looking for the rate, as reduced recently by the P.U.C. (Public Utilities Commission).

Mr. Smith answered, about \$.055 (5 ½ cents). That is an average cost to one of our largest customers.

Mr. Brodinsky asked, what rate will you be charging the Town for electricity that goes to the Town Hall, Police Department or Fire Department; those kinds of things?

Mr. Smith answered, there is a small municipal rate and a large municipal rate. They have different components. One has demand charges and the other does not.

Mr. Brodinsky asked, give it to me both ways.

Mr. Smith answered, average is about \$.06 or \$.0625 (6 - 6 ¼ cents) for the large municipal rate and \$.07 or \$.075 (7 - 7 ½ cents) for the small municipal rate.

Mr. Brodinsky stated, we are charging the most preferred industrial user 5 ½ cents and the Town gets charged 6 or 7 cents, in that range, correct?

Mr. Smith answered, the study is undertaken to determine what the cost was.

Mr. Brodinsky stated, I have not gotten to the study yet.

Mr. Smith replied, but that is what you have to understand to get to the price. We have industrial customers that may pay 8 or 9 cents a kWh (kilowatt hour).

Mr. Brodinsky stated, with regards to the one class of customer that has the best rate the 5 ½ cents, for the purpose of helping me to understand where we are going, built into that rate of 5 ½ cents, is there a profit component or do they get it below cost?

Mr. Smith answered, no, there is a margin above cost.

Mr. Brodinsky asked, do you know what that will be?

Mr. Smith answered, I think on average it is about 6.2% is our margin for the entire rate structure.

Mr. Brodinsky stated, I think what you are saying, correct me if I am wrong, you charge the Town more per unit of electricity because it costs you more to serve the Town; to sell to the Town Hall, Police Department or Fire Department, etc., is that the general custom?

Mr. Smith answered, that class of customer, including the Town, has a higher average cost. For example, they don't buy a lot of kWh hours between midnight and 6:00 a.m. when virtually the only cost component is the energy we have to purchase. They buy a lot more kWh hours, they buy in bulk, the large customers as opposed to the Town.

Mr. Brodinsky asked, are there customers similar to the Town, customers of the same general nature and, if so, what rate would they be in?

Mr. Smith answered, they pay the large general service or small or general service. Those rates are both higher than the municipal rate.

Mr. Brodinsky asked for an approximation of those rates?

Mr. Smith answered, slightly higher.

Mr. Brodinsky asked, within a penny?

Mr. Smith answered, yes, they are all within a penny.

Mr. Brodinsky asked, what is the profit rate built into that classification of customer, the profit margin?

Mr. Smith answered, approximately 6%. It may be slightly higher. Back when the 1996 rates were adopted we did a cost of service and that allocated the cost and came up with a recommended series of rates which reflected the cost of service. What occurred was, the residential rate, it was found, should go up 2% at that time, based on a cost of service. As a policy call the P.U.C. said that they did not want the residential rates to go up; in fact they wanted the residential rates to go down. IN spite of the cost of service, the residential rates which should have gone up 2% went down over 8%. There is a class of customers, specifically the residential, that we are not recovering full cost of service, including margin. They have been arbitrarily reduced and are not collecting in accordance with the cost of service. That rate may end up looking lower. Other classes of customers, specifically the large industrials and the large commercials, did not see nearly the rate decrease that they would have as the cost of service study indicated. You have to make up that loss of revenue from the residential class.

Mr. Brodinsky asked, the new electric rate schedule that was recently adopted by the P.U.C., did that, in any way, effect the price that the Electric Division charges to the Town and when I say the Town, I mean electricity used by the Town Hall, Fire, Police, etc.?

Mr. Smith answered, yes, there was a rate change to the large municipal rate. A few days ago I just got a report back that there was an error in the small municipal service rate. I reported to the PUC already that that rate has to be readjusted downward because it is incorrect as adopted now. My recommendation is, since we can't change the rate for three months by law, we are going to have to collect it and calculate the difference, reserve that and refund it back to the Town. The total dollars is maybe \$2,000 over three months.

Mr. Brodinsky asked, when did that come to light?

Mr. Smith answered, this week.

Mr. Brodinsky asked, as a result of this inquiry?

Mr. Smith answered, yes. It is only the small municipal service class. The large municipal rate is appropriate. There is about \$65,000 annual revenue for that class. A large class is about \$1,050,000.

Mr. Brodinsky stated, my interest is to be sure that the Town gets electricity at cost. I am sure you are looking at that, you just reviewed it and found a small error. Who is the one who actually costs out the cost of electricity to the Town? Mr. Cominos? Or is it you?

Mr. Smith answered, it was the consultant. They go through and look at all the components of the cost of service. Cost is not just the price of electricity we buy. It is transmission, command charges, production, distribution costs.

Mr. Brodinsky asked, you had a consultant to that? Was that the Black & Veatch Study?

Mr. Smith answered, yes. Yes. The recent one was. The one in 1996 (July 1995) was Burns and McDonnell.

Mr. Brodinsky asked, has any study been done since that time?

Mr. Smith answered, no, there was the '95 study and then the most recent one.

Mr. Brodinsky asked, is there another study/plan to check out the cost of electricity to the Town in the year 2000 or 2001?

Mr. Smith answered, not at this point.

Mr. Brodinsky asked, do you suspect that the cost has gone up or down for the small and large municipal class?

Mr. Smith answered, it is going down about 12%.

Mr. Brodinsky asked, for how long a period has it gone down?

Mr. Smith answered, as of April billings, it has not taken effect yet.

Mr. Brodinsky asked, is the cost going to trend like...

Mr. Smith stated, there are a number of things that have happened since 1995. We have reduced staff, for example so those costs have changed. Back when the study was done, the Electric Division was still making contributions toward the pension fund. Health costs change when staff was reduced. Our power supply cost did not increase as much as anticipated. All those elements went in and it is time to review those. The other goal of this most recent study was to try to get a sense of what an "unbundled" rate would be. If you pulled out all the different components as they are doing in the state, how do ours look compared to those. The PUC is not interested in going to an unbundled rate at this time but it is sort of a foundation for future changes.

Mr. Brodinsky asked, has your rates to the Town gone down since the 1995 study came out?

Mr. Smith answered, yes. It will go down this 12% that I just mentioned.

Mr. Brodinsky asked, 12% per year?

Mr. Smith answered, yes.

Mr. Brodinsky asked, and you anticipate that they will be going down another 12%?

Mr. Smith answered, no, the rates from 1995-1999 were fixed. The costs were going down...

Mr. Brodinsky stated, that is the point I want to get my thumb on with your help. If your costs have been going down but your rates have been fixed, shouldn't the rates have gone down to track costs?

Mr. Smith answered, that is what we are doing at this time.

Mr. Brodinsky asked, on all municipal classifications, large and small?

Mr. Smith answered, across the board.

William Cominos, General Manager of the Electric Division added, effective April 1.

Mr. Brodinsky asked, is this the \$2,000 or so dollars that you just referred to?

Mr. Smith answered, yes.

Mr. Brodinsky asked, the cost to the Town as a result of your decreasing costs from 1995 to the present time have been going down even though your rates are staying the same and the differential is \$2,000 since 1996? What is the differential since 1996?

Mr. Smith answered, the rate has been in effect since 1996, it has not changed. The Fuel Adjustment varied. It has gone up and last year it went down, causing the rate to change 4-5% last year, I can't recall the exact percentage. In 1999, for the calendar year, the rates actually went down at that point about 3-4% because of fuel adjustment calculations. When we re-vamped we looked at our cost again because of some major things that had occurred as I explained to you. We re-did the study and said, "how does the cost allocation look today?". As a result the cost, starting with the new rates, will go down about 12% for the municipal class.

Mr. Cominos added, the rate study we did in 1995 was a five year plan that we were to review this year and we did. As a result of the review done by Black & Veatch, we are going to reduce rates an average of 6%.

Mr. Brodinsky stated, I think what you said earlier was, your municipal rates were level except for about a 3% reduction in 1999?

Mr. Smith answered, they varied. The energy component varied as a result of the p.c.a. (power cost adjustment).

Mr. Brodinsky stated, the bottom line rate that you have been charging the Town since 1996, I think you said that has been level based upon the 1996 study.

Mr. Smith answered, the rate, itself, has been in effect since 1996. The fuel adjustment component or power cost adjustment component has varied. The actual bill went up in 1996 to 1997, somewhere around the same in 1998, went down in 1999 and again, in 2000 it will go down 12%.

Mr. Brodinsky asked, were you just referring to the rate per unit of electricity just now?

Mr. Smith answered, yes. The rate is the published rate. The bottom line cost is also impacted by the fuel adjustment. So it is the bottom line charge.

David Gessert, PUC Commission stated, when you look at the rate and the power cost adjustment is factored in there...what happens is your nuclear plants produce very low cost electricity. When the nukes are down, as they were for a period of time, and there becomes more and more dependence on fossil fuel plants, oil-fired plants, coal plants throughout the state, your fuel cost adjustment would go up. Even though your base rate hasn't been changed, the fact that your fuel cost adjustment is increasing means the amount the customer was paying may have been higher, even though you did not have a rate change when the fuel costs impacted the rate.

Mr. Brodinsky asked, the cost per kwh that results in a transfer from the Town to you, is that the unit of electricity that you base it on, a kwh?

Mr. Smith answered, yes.

Mr. Brodinsky continued, adding in all the adjustments up or down, tweaks here and there, the bottom line rate that you have charged the Town, taking into account all of those fuel cost adjustments, I think you said, stayed level. Is that true?

Mr. Smith answered, no. I said, in 1996 I think the rate went up slightly and Mr. Gessert gave one of the causes, fuel adjustment changes; it went up for everyone. In 1997 it may have gone up slightly and in 1998 it may have levelized and in 1999 it went down about 4-5%.

Mr. Brodinsky stated, but your costs for that electricity has been trending down about 12% per year, I thought you said.

Mr. Smith answered, if I said that, I did not mean to. The 12% is a reflection of the changes that are going to occur with the new rate implementation April 1st.

Mr. Brodinsky asked, since 1996 to now, have your costs gone up? Gone down? Remained level?

Mr. Smith answered, I believe they have gone down. I would have to look at it. We look at a five year snapshot. We looked at it in mass in 1995 and again, in 1999.

Mr. Brodinsky replied, it seems as though your costs have not tracked the rate exactly because you are dealing with an old study, is that agreed?

Mr. Smith answered, we could do a cost of service study each year if you chose to do that but then you would have rate instability; your rates would have to change every year and they don't. They look at it over the long term and you try to recoup your costs over that window. The rates we are implementing this year we hope will remain in effect for three to four years at least.

Mr. Brodinsky stated, that is the thrust of my inquiry tonight, is there a differential and, if so, what is it? Between what you have charged the Town for electricity and what it costs you for the electricity you are selling to the Town; that is what I was looking for. Do you have that?

Mr. Smith answered, no. It is my opinion that we have not over-charged the Town.

Mr. Brodinsky stated, I know that is your opinion but I am looking for a more in-depth...

Mr. Smith explained, you would have to go back to each customer and look at each customer as an allocated cost; each customer, residential or industrial.

Mr. Brodinsky stated, I am only interested in the Town right now because they are supposed to be charged at cost and the other customers have a profit component built in. What I am trying to find out is, have your rates, if your rates, because I think we have established that your rates have not gone down to track your decreasing costs, that leaves a difference, a little cushion or profit between what you have charged and your costs. Maybe now it is time to look back and to compute the difference between what you have charged and what your costs have been?

Mr. Cominos answered, it is not normally done in the industry.

Mr. Brodinsky stated, I am looking at the (state) statute that says to charge the Town at cost. If you do it on an average basis, o.k., now it is time to average it out.

Mr. Cominos stated, you can do it on a daily basis. Where do you start with it? We did a study that said, this is what we should charge our customers, this is at cost. Five years later they said to take another look at it and when you look at your total operating costs for the year they have dropped down significantly since this report was done. Normally it does not drop down as significantly as this one has or did over the last five years. There has been a differential. There was not an adjustment made for that until now. I see where you are going but you do not normally make that adjustment on a daily basis, monthly

basis or from one year to the next. You wait to do a cost to serve so you do it across the board. That is what is normally done.

Mr. Brodinsky asked, are you suggesting that it is administratively too inconvenient to go back and calculate the difference between what you have charged and your cost? Is that the problem?

Mr. Cominos answered, every change that you make in the industry, whether it is one job that you add; if we added jobs, if we added costs to it, then you would adjust it upwards? You don't do it. You normally plan out about five years and at the end of the five years you take a look at it and adjust accordingly. That is what is normally done in the industry.

Mr. Brodinsky replied, what is normally done in the industry does not interest me as much as what we should do in Wallingford and as long as the statute says that you are supposed to charge the Town your cost and periodically, not every day, not every week and maybe not every year, but periodically there should be a look back to see what has been the difference between what you have charged and what your costs have been and even the books. Is that too difficult to do?

Mr. Cominos answered, I think so.

Mr. Smith answered, yes.

Mr. Cominos stated, this is a discipline unto itself; it is an art unto itself. This is something that you don't do every day or adjust on a monthly basis because you had a hiccup in your utility. The p.c.a. is the only thing that you adjust for, your fuel cost adjustment, because that is a variable. That you can build into your rates that you can adjust because that can be a significant variable. Your labor, operation and maintenance costs, that normally doesn't...that is not a significant effect during the course of a year or over five years. In this utility it has been and that is why we made the adjustment now. It would be an arduous process to do that on a monthly, yearly/annual basis.

Mr. Smith added, if you did that on an annual basis, you would probably wind up with a report like this because you would have to go through the full allocation, every customer of every class. You would have to take all the kwh hours from everyone, even though you are only looking for municipal, you have to learn or understand what has happened to the system; what has caused the load curve to change, who is driving this, a municipal customer or not a municipal customer? What has that done to the cost structure amongst the rates? That is why you typically do this after a multi-year period. You look into the

future and say, this is what it is going to average. There may be years you are above and there may be years you are below. Next year the hospitalization costs triple or something; is that cost going to be there? And we go back and adjust for that.

Mr. Brodinsky stated, I think you are saying, even after the fact, you cannot look back and know what your costs were for Wallingford even though the numbers are in...the books have been closed but you cannot look back and compute your costs, it is administratively too impractical and even though there may be some revenue dollars coming to Wallingford, it is too impractical to do that. Give me a yes to that and I am done.

Mr. Smith answered, yes.

Mr. Brodinsky thanked Mr. Smith and Mr. Cominos.

Mayor Dickinson stated, if we went in that direction, you might owe money back and then the Town might owe you money as well. It can go either direction.

Mr. Brodinsky noted that he first established that costs went down before he proceeded too far so that he was sure we did not have money coming back.

Mayor Dickinson stated, once you set a procedure, that procedure should be followed regardless of whether they went down or whether it goes up so you could potentially, at a future time period, owe money back.

Mr. Brodinsky agreed.

Mr. Parisi noted that it was a very interesting report out.

Frank Wasilewski, 57 N. Orchard Street asked, when you compute your Gross Revenues, do you include the power adjustment, do you? The power adjustment is paid by the ratepayers. Every month the bill shows a power adjustment plus or minus.

Mr. Smith answered, it is a revenue but also an expense associated with the purchased power cost. The expense matches the revenue.

Mr. Wasilewski asked, does the Electric Division lose any money with the rates they charge the Town? You are actually charging a little more than what you pay for the electricity, correct?

Mr. Smith answered, it is at cost according to the consultant's report.

Mr. Wasilewski stated, that is not what you said tonight. If you own a utility, you own it. You are charging us more than what we are paying for the electricity. We own it any way you look at it.

Mr. Smith answered, it is the money for the meters, service, etc., not just the electricity.

Mr. Wasilewski asked, are you losing any money on it?

Mr. Smith answered, no.

Wes Lube, 15 Montowese Trail stated, state statute says that the gas and electricity used by the municipality shall be charged to it at cost. It is a very clear statement. If our municipality is supposed to be paying at cost, I made a comparison of the small municipal rate with the residential rate. On the new rates, without the three month adjustment, the first 700 kwhs, the residents will pay 7.2 cents per kwh and the small municipal rate will be 7.9 cents per kwh. On the next 300 kwh, the new residential is 5.6 cents and the small municipal rate will be 7.9 cents. If our present municipal rates are at cost, it would mean that the residential must be charged below cost. On the first 700 kwhs, the small municipal rates is 9% higher than the residential. On the next 300 kwhs, it is 40% higher. The small municipal rate is paying 40% higher rate than what the residential is paying. That is a huge spread. If you go over 1,000 kwh, the small municipal rate is 24% above residential. If the small municipal rate is now cost, the residential rate is way below cost.

Mr. Cominos answered, that is right, thank you.

Mr. Parisi answered, that is wonderful. What is wrong with that?

Mr. Lube stated, the statute says that we are supposed to be charging the municipality at cost and no one has yet said what the actual cost is per kwh for small municipality. What is an example of a small municipal service?

Mr. Smith answered, a small pump station. It would be any customer up to 25 kwhs. Parks, lighting, tennis court lighting, there is a whole collection of those types of customers.

Mr. Cominos stated, 52 customers, approximately.

Mr. Lube asked, do we have any trouble collecting those bills?

Mr. Gessert answered, no.

Mr. Lube asked, do we have any trouble collecting residential?

Mr. Gessert answered, they pay pretty well, too.

Mr. Lube asked, do we have to write off any bad debts with residential?

Mr. Gessert answered, it was somewhere in the neighborhood of \$70,000 that we wrote off last time I looked. If you look at \$70,000 on an annual bill revenue of \$40 million, it is very close to insignificant. Generally speaking, we are over 99% in our collections.

Mr. Lube pointed out that there are losses, whether they are \$100 or \$70,000., there are losses on residential, commercial and no losses on municipalities. The rate is only one form of the charge, the other is the service charge which is now being revealed on the billing for the first time. The service charge on the residential is \$6.00 per month. The service charge on a small municipal, those 52 meters, pay \$16.80 per month for a service charge. Can you please explain how it is much more difficult to read the meters on those 52 than it is on the 10,000 residential? Why is residential so much lower?

Mr. Smith answered, it is not just reading a meter. They have three phase service which is a more expensive device. Sometimes they have demand meters which is a more expensive device. All residential accounts are simple single phase, self-contained meters. Sometimes you have a three phase instrument rating meters on some of these services that have to be recovered.

Mr. Cominos stated, the investment into those small municipal meters are a lot more than the residential because it is a complex service, not standard service like you have in your home, normally. They are also spread out all around town, to Pistapaug, Prageman Park, etc. They are not in one area where you can pick up one hundred customers. It is traveling to the various sites to pick up the reading, it is maintenance, transformers, overhead lines.

Mr. Lube asked how the service charges are arrived at?

Mr. Cominos stated, the report by Burns & McDonnell, they used the basis for the small commercial customers to come up with the service charge for the small municipal customers. They used that as a comparative. It is the same type of meter, basically.

Mr. Lubee stated, when Black & Veatch was contacted with regards to the state statute, they said that they had not taken that into consideration in recommending the rates. In 1995 the prior study had determined cost of service. What was the cost of service on small municipal at that time?

Mr. Smith answered, in summary, the cost of service for a small municipal account, they came up with a total cost average of 8.078 cents per kwh. A large municipal service had a 6.969 cents per kwh cost of service. The residential had an 8.855 cents per kwh which is higher than the municipal. The PUC chose not to adopt the rate based on the cost of service but chose, instead, to reduce the rate instead of increasing it. There was a 10% shift or reduction in the residential rate even though the cost of service said it should have been higher. The municipal rate stayed at cost in 1996.

Mr. Lubee asked, if the small municipal was paying less per kwh, we were giving the municipality electric service at below cost?

Mr. Smith answered, no, I said, at cost. The residential was below cost. Since they implemented the rates in 1996, yes, the residential rate has been below the true cost of service.

Mr. Lubee asked, and the small municipal for the last five years has been paying 8.708 cents per kwh?

Mr. Smith answered, that was the determination of the cost of service. That was what the projected average cost was for that rate class.

Mr. Parisi announced that the discussion will continue for approximately 3-4 more minutes.

Pasquale Melillo, 15 Haller Place, Yalesville suggested that the Electric Division adopt a senior citizen's discount rate.

Mr. Smith answered, that is a policy call.

Mr. Parisi stated, it is not in the PUC's policy.

Discussion on the item ended at this time. No action was taken.

WAIVER OF RULE V

Motion was made by Mr. Rys to Waive Rule V of the Meeting Procedures for the Purpose of Considering Tax Refunds, Seconded by Mr. Farrell.

VOTE TO WAIVE RULE V: Papale was absent; all others, aye; motion duly carried.

Motion was made by Mr. Rys to Approve Tax Refunds (#384 & 385) Totaling \$797.56, seconded by Mr. Farrell.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #13 Executive Session Pursuant to Section 1-200(6)(B) of the CT. General Statutes To Discuss Pending Litigation Involving:

- Bristol Myers v. Town of Wallingford
- Michael Juhase v. Town of Wallingford

and a Pending Claim Involving:

- the Assessment of 909 North Colony Road

Motion was made by Mr. Rys to Enter Into Executive Session, seconded by Mr. Farrell.

VOTE: Papale was absent; all others, aye; motion duly carried.

The Council entered executive session at 9:45 P.M.

Present in executive session for Bristol Myers v. Town of Wlfd. were all Councilors (with the exception of Councilor Papale), Mayor Dickinson, Atty. Small and Corp. Counselor Adam Mantzaris.

Present in executive session for Michael Juhase v. Town of Wlfd. were all Councilors (with the exception of Councilor Papale); Mayor Dickinson; Mark Wilson, Risk Manager; Atty. Mike Vocalina of Berchem, Moses & Devlin, P.C.; Atty. Janis Small as an observer only.

Present in executive session for the Assessment of 909 N. Colony Road were all Councilors (with the exception of Councilor Papale); Mayor Dickinson and Corp. Counselor Adam Mantzaris.

Motion was made by Mr. Rys to Exit the Executive Session, seconded by Mr. Farrell.

VOTE: Papale was absent; all others, aye; motion duly carried.

The Council exited executive session at 10:42 P.M.

ITEM #14 Consider and Approve the Settlement of Pending Litigation Involving Michael Juhase v. Town of Wallingford as Discussed in Executive Session.

Motion was made by Mr. Rys, seconded by Mr. Knight.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #15 Withdrawn

Motion was made by Mr. Farrell to Adjourn the Meeting, seconded by Mr. Centner.

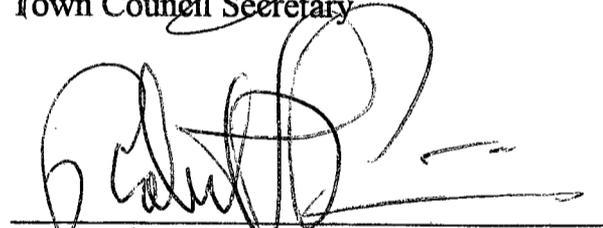
VOTE: Papale was absent; all others, aye; motion duly carried.

There being no further business the meeting adjourned at 10:43 P.M.

Meeting recorded and transcribed by:


Kathryn F. Zandri
Town Council Secretary

Approved by:


Robert F. Parisi, Chairman

5-10-2000
Date

Rosemary A. Rascati
Rosemary A. Rascati, Town Clerk

5-10-2000
Date

RECEIVED FOR RECORD APR. 24, 00
AT 11 H 30 M A. M. AND RECORDED BY
Rosemary A. Rascati TOWN CLERK