

TOWN COUNCIL MEETING

MARCH 26, 1996

6:30 P.M.

AGENDA

Blessing - Pastor Thomas F. Beveridge, First United Methodist Church

1. Roll Call & Pledge of Allegiance
2. Consent Agenda
  - a. Approve and Accept the Minutes of the 3/12/96 Town Council Meeting
  - b. Consider and Approve a Revision to the Town Council Meeting Procedures
3. Items Removed from the Consent Agenda
4. Executive Session Pursuant to Section 1-18a(e)(2) of the CT. General Statutes with Respect to Pending Workers Compensation Claim - Town Attorney
5. PUBLIC QUESTION AND ANSWER PERIOD
6. Discussion and Possible Action on Scheduling a Public Hearing Date on a Proposed Ordinance Amending Ordinance No. 383 Establishing Fees and Penalties Pursuant to the Authority of the State Building Code"
7. Discussion and Possible Action on Approving a Resolution for Participation in a State of Connecticut Municipal Lighting Grant Program - Program Planner
8. Consider and Approve Accepting a Gift of \$20,000 from the Bristol Myers Squibb Foundation as a Grant Award for the "Hands-on, Minds-on Science" Grant Application Submitted by the Wallingford Public School System - Mayor's Office
9. Consider and Approve Establishing a Science Kit Grants Account in the Special Revenue Fund of the Town's Budget and the Appropriation of \$20,000 to Fund Said Account - Mayor's Office
10. Consider and Approve a Transfer of Funds in the Amount of \$19,000 to Retirement - Sick Leave Account and \$5,000 to Employment Exams Account for a Total of \$24,000 Transferred from the Health Insurance Account - Personnel

11. Consider and Approve a Transfer of Funds in the Amount of \$4,000 from Professional Services Specialists Acct. to Professional Services Lawyers Acct. - Town Attorney
12. PUBLIC HEARING on an Ordinance to Repeal Ordinance No. 170 Entitled, "An Ordinance Amending Ordinance No. 104" and An Ordinance to Amend Ordinance No. 104 Entitled, "An Ordinance to Provide a Reserve Fund for Capital and Non-Recurring Expenditures" - 7:45 P.M.
13. Report Out on the Progress of the Recreation Center Project at Fairfield Boulevard as Requested by Councilor David J. Doherty
14. Executive Session Pursuant to Section 1-19b(9) of the CT. General Statutes with Respect to Collective Bargaining Matters - Personnel
15. Consider and Approve Instituting a New Job Classification Entitled, "Buyer" for the Purchasing Department
16. Consider and Approve One Appointment/Re-Appointment to the Position of Commissioner on the Inland Wetlands Commission for a Term of Five (5) Years to Expire 3/1/2001
17. Consider and Approve One Appointment/Re-Appointment to the Position of Alternate on the Inland Wetlands Commission for a Term of Three (3) Years to Expire 3/1/99
18. Consider and approve One (1) Appointment/Re-Appointment to the Position of Alternate on the Planning & Zoning Commission for a Term of Three (3) Years to Expire 1/8/99

TOWN COUNCIL MEETING

MARCH 26, 1996

6:30 P.M.

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TOWN COUNCIL MEETING

MARCH 26, 1996

6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, March 26, 1996 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Robert F. Parisi at 6:29 P.M. All Councilors were present for the Roll called by Town Clerk Rosemary A. Rascati. Mayor William W. Dickinson, Jr. was also present. Assistant Town Attorney Jerry Farrell, Sr. arrived at 6:45 P.M. and Comptroller Thomas A. Myers arrived at 7:25 P.M.

Reverend Thomas Beveridge of First United Methodist Church bestowed a blessing on the Council.

The Pledge of Allegiance was given to the Flag.

ITEM #2 Consent Agenda

ITEM #2a Approve and Accept the Minutes of the 3/12/96 Town Council Meeting

ITEM #2b Consider and Approve a Revision to the Town Council Meeting Procedures

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

VOTE: All ayes; motion duly carried.

Albert Killen, 150 Cedar Street stated that the public should be made aware of the revisions to the meeting procedures for it may be a procedural change that would effect their input at meetings.

Mr. Parisi assured Mr. Killen that the revisions were made to reflect a change in the day of the week by which department heads must submit their agenda requests to the Mayor and the day on which the agenda will be delivered to the Council being one day sooner than in the past. He did appreciate Mr. Killen's concern in the matter.

ITEM #3 Withdrawn

Motion was made by Mr. Centner to Move Agenda Items #16, 17 & 18 Up to the Next Order of Business, seconded by Mr. Rys.

VOTE: All ayes; motion duly carried.

ITEM #16 Consider and Approve One Appointment/Re-Appointment to the Position of Commissioner on the Inland Wetlands Commission for a Term of Five (5) Years to Expire 3/1/2001

Motion was made by Ms. Papale to Re-Appoint James Vitale to the Position, seconded by Mr. Zappala.

Ms. Papale stated that the Democratic Town Committee, and herself, feel that Mr. Vitale has done a remarkable job as Chairman of the Inland Wetlands Commission. His life is Wallingford, he is very concerned about the future as well as the present state of the town and will serve the Town well in the position.

Albert Killen, 150 Cedar Street concurred with Ms. Papale. He was proud of the work performed by Mr. Vitale in fulfilling his duties to the Town in the capacity of Chairman of the commission. He commended the Council for re-appointing Mr. Vitale to the position.

Motion was made by Mr. Doherty to Close Nominations, seconded by Mr. Knight.

VOTE TO CLOSE NOMINATIONS: All ayes; motion duly carried.

VOTE ON RE-APPOINTMENT: All ayes; motion duly carried.

(Applause)

Mr. Parisi stated that the Council was in unanimous agreement on this re-appointment. Mr. Vitale has performed a fine job and it is anticipated that he will continue to do so in the future.

Town Clerk Rosemary A. Rascati performed the Swearing-In Ceremony at this time.

ITEM #17 Consider and Approve One Appointment/Re-Appointment to the Position of Alternate on the Inland Wetlands Commission for a Term of Three (3) Years to Expire 3/1/99

Motion was made by Mr. Zappala to Re-Appoint Vincenzo DiNatale to the Position, seconded by Ms. Papale.

Mr. Zappala stated that Mr. DiNatale is very dedicated, very well qualified in the field and is an asset to the commission.

Motion was made by Mr. Doherty to Close Nominations, seconded by Ms. Papale.

VOTE TO CLOSE NOMINATIONS: All ayes; motion duly carried.

VOTE ON RE-APPOINTMENT: All ayes; motion duly carried.

Mr. Parisi stated, in reviewing the qualifications of Mr. DiNatale, Wallingford is extremely fortunate to have him on the Inland Wetlands Commission.

Town Council Meeting

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March 26, 1996

Town Clerk Rosemary A. Rascati performed the Swearing-In Ceremony at this time.

ITEM #18 Consider and Approve One Appointment/Re-Appointment to the Position of Alternate on the Planning & Zoning Commission for a Term of Three (3) Years to Expire 3/1/99

Motion was made by Mr. Rys to Appoint Armand Menard to the Position, seconded Mr. Parisi.

Mr. Rys stated that Mr. Menard has previously served on the Planning & Zoning Commission and fulfilled his duties well. He is a local businessman in the community who has been established for many, many years. He will serve the commission well in this position.

Mr. Parisi stated that he has personally known Mr. Menard for many years. Although he is quiet he is very busy working behind the scenes. He keeps himself well-informed on all business before the Planning & Zoning Commission. It is a privilege and honor to second the nomination of this gentleman.

Motion was made by Mr. Centner to Close Nominations, seconded by Mr. Rys.

VOTE TO CLOSE NOMINATIONS: All ayes; motion duly carried.

VOTE ON RE-APPOINTMENT: Farrell abstained; all others, aye; motion duly carried.

Town Clerk Rosemary A. Rascati performed the Swearing-In Ceremony at this time.

ITEM #4 Executive Session Pursuant to Section 1-18a(e)(2) of the CT. General Statutes with Respect to Pending Workers Compensation Claim - Town Attorney

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

VOTE: Farrell, no; all others, aye; motion duly carried.

Present in Executive Session were all Councilors; Mayor Dickinson; Attorney Jerry Farrell, Sr.; Mark A. Wilson, Risk Manager; Terrence Sullivan, Personnel Director and Attorney Kevin Blake of Cotter Cotter & Sohon of Bridgeport, CT.

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

VOTE: All ayes; motion duly carried.

Motion was made by Mr. Rys to Approve the Settlement as Presented in the Executive Session, seconded by Mr. Centner.

VOTE: All ayes; motion duly carried.

PUBLIC QUESTION AND ANSWER PERIOD

Martha Violet, New Place Street stated that she has forwarded correspondence to the Mayor's Office with copies to the Town Engineer, John Costello, and Officer Richard Doll of the Police Department regarding the issue of installing sidewalks on New Place Street. With the re-opening of Yalesville School scheduled for the near future many parents are concerned for the safety of their children who presently have to walk in the street due to the lack of sidewalks. A questionnaire was mailed to area residents from the Mayor's Office seeking their input/feelings on the matter of sidewalks. She asked what the status of the questionnaire was?

Mayor Dickinson responded, the count to date is approximately forty-nine (49) residents against installing the sidewalks and thirty (30) in favor. The responses continue to trickle in. No street seems to be unanimous in their opinion as to being in favor or against the sidewalks. The construction of sidewalks usually involves, at times, the necessity for easements, the cutting of trees, regrading, the crossing of driveways, etc. All of those things make the project controversial. Rather than head into this issue we wanted to gain a sense of people's interests on the matter. In order to place sidewalks on all the streets in question, on both sides, it will cost approximately \$800,000. It is less costly to have bus service to the area.

Ms. Violet asked, has any consideration been given to the idea of not placing sidewalks on both sides of the street?

Mayor Dickinson responded, it was considered but it does not alleviate the arguments because there tends to be interest in sidewalks so long as they are placed on the other side of the street.

Ms. Violet asked, if no sidewalks are constructed, where are the children going to walk? Has anyone visited New Place Street to see exactly what it is like? Over the past three months she, along with small children, has walked in the street, literally inches from the yellow line, because of the accumulating snow, ice and/or puddles which line the sides of the road forcing pedestrians to the middle of the road.

Mayor Dickinson stated, if sidewalks are not installed the children will be bused to school.

Ms. Violet asked, what office will be handling this matter and how can I be kept informed on this issue?

Mayor Dickinson responded that it is his office that will be handling the matter. It will ultimately be his office that determines what recommendation will be made in terms of direction. The Town Council will be kept informed on what that recommendation may be.

Ms. Violet asked if she can be notified of any further discussions on this matter?

Mayor Dickinson responded, if a meeting were to be called his office would notify all interested parties. If it is a judgment that it is not feasible then he will be mailing something to everyone who received a letter indicating what the results of the survey are.

Frank Wasilewski, 57 N. Orchard Street asked, will the Town have to pay any portion of the cost of the S. Turnpike Rd./Merit Parkway/Quinnipiac Street construction project handled by the State? The anticipated cost is \$3-4 million and may begin in June.

Mayor Dickinson responded, the Quinnipiac Corridor Project cost is approximately \$2.3 million.

Mr. Wasilewski quoted information given him by the State that the cost is expected to be \$3-4 million.

Henry McCully, Public Works Director, stated that Mr. Wasilewski is referring to the project which entails changing the exit ramps of the Merit Parkway.

Mayor Dickinson responded, there should be no cost to the Town on that project.

Mr. Wasilewski stated that he left some material on the Council bench for the Council to review. He plans on addressing that information at the next Town Council meeting and would like to give the Council the opportunity to digest it first.

Pasquale Melillo, 15 Haller Place, Yalesville asked, if a child is struck by an automobile while walking to school in a neighborhood where the Town has decided not to construct sidewalks, is the Town subject to a lawsuit?

Assistant Town Attorney, Jerry Farrell, Sr., responded, anyone can file a lawsuit any time they wish. The question is, are they going to win? In the case of negligence the question amounts to, does the defendant owe a duty to the plaintiff? If a jury or judge could be convinced that the Town owed a duty to provide those Town

sidewalks then the Town would lose. He does not believe that there is any set standard that the Town has to provide sidewalks for students to reach school. That does not mean, however, that a good claims lawyer might not convince the jury that such a standard should apply.

Mr. Melillo next discussed the matter of a fence located behind Yalesville School on Haller Place. There exists a small portion of fence that seems to stand alone on the rear of the school property. The children can walk around the fence easily therefore he is recommending that the section be removed so that the school yard is opened up to the children as it was in years past.

Lastly, Mr. Melillo suggested that the Town Council form a sub-committee to study limiting development on Route 5. He recommended that Councilor Farrell be appointed to Chair the committee.

Victor Kadulis, 440 South Main Street asked, when will the Council report out on which direction they plan to go with regards to the ice rink? It should have been on tonight's agenda.

Mr. Parisi responded, it was never intended to be on the agenda this evening. The Council has the information the committee submitted to the office last Wednesday and is currently reviewing it. We are conducting a survey of our own and the Mayor's Office is gathering data as well. The information obtained will be reviewed and discussed over the next two to three weeks. After that time the Council will offer to schedule a special meeting with the Ice Rink Committee. The only subject on the agenda that evening will be the ice rink. At that time the committee can make their final proposal to the Council. After a reasonable period of time, maybe two or three weeks, the Council should have an answer one way or the other.

Philip Wright, Sr., 160 Cedar Street, stated that the revisions made to the Town Council Meeting Procedures should not have been placed on the Consent Agenda, those revisions should be made public so they are aware of the effect, if any, they have on them.

Mr. Wright, arriving late to the meeting, was unaware that this issue was previously raised by Mr. Killen.

Mr. Parisi pointed out once again that the revisions were minor language changes made to reflect the change in dates when the department heads must submit their agenda requests to the Mayor's Office to meet the new deadline by which the agenda packets are delivered to the Councilors.

ITEM #6 Discussion and Possible Action on Scheduling a Public Hearing Date on a Proposed Ordinance Amending Ordinance No. 383 Establishing Fees and Penalties Pursuant to the Authority of the State Building Code

Motion was made by Mr. Rys to Schedule a Public Hearing for April 23, 1996 at 7:45 P.M., seconded by Mr. Knight.

VOTE: All ayes; motion duly carried.

ITEM #7 Discussion and Possible Action on Approving a Resolution for Participation in a State of Connecticut Municipal Lighting Grant Program - Program Planner

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

Mr. Rys read correspondence from Don Roe, State & Federal Program Administrator, into the record (Appendix I).

VOTE: All ayes; motion duly carried.

ITEM #8 Consider and Approve Accepting a Gift of \$20,000 from the Bristol Myers Squibb Foundation as a Grant Award for the "Hands-on, Minds-on Science" Grant Application Submitted by the Wallingford Public School System - Mayor's Office

Motion was made by Mr. Rys to Accept the Gift, seconded by Mr. Knight.

Philip Wright, 160 Cedar Street asked, is this the first time this grant has been given or has it been ongoing?

Mr. Centner responded, the Board of Education has changed the curriculum of its science program. They are going to a more "hands-on" type of science which is much more participatory in nature. The schools did not have a wealth of materials up until this point. It is a brand new curriculum and a great idea. It is, however, very costly to bring the laboratory environment to the science programs all the way down to the lower elementary grades.

Mr. Knight commented that he is very impressed by Bristol Myers' willingness to continue to fund educational projects in the Town. Every once in a while someone should speak up on behalf of the Town's largest taxpayer. Not only do they provide tax dollars but they go out of their way to do this for the town as well as many other things for this community.

VOTE: All ayes; motion duly carried.

ITEM #9 Consider and Approve Establishing a Science Kit Grants Account in the Special Revenue Fund of the Town's Budget and the Appropriation of \$20,000 to Fund Said Account - Mayor's Office

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

VOTE: All ayes; motion duly carried.

ITEM #12 PUBLIC HEARING on an Ordinance to Repeal Ordinance No. 170 Entitled, "An Ordinance Amending Ordinance No. 104" and An Ordinance to Amend Ordinance No. 104 Entitled, "An Ordinance to Provide a Reserve Fund for Capital and Non-Recurring Expenditures" - 7:45 P.M.

Motion was made by Mr. Rys to Open the Public Hearing, seconded by Mr. Centner.

Mr. Rys read the Ordinance to Repeal Ordinance No. 170 Entitled, "An Ordinance Amending Ordinance No. 104" into the record (Appendix II).

Albert Killen, 150 Cedar Street stated that the Council cannot hold one public hearing on two ordinances, they should have been scheduled separately.

Rosemary Rascati, Town Clerk stated, the legal notice was published as a public hearing to repeal Ordinance No. 170 Entitled, "An Ordinance Amending Ordinance No. 104" and to Amend Ordinance No. 104 Entitled, "An Ordinance to Provide a Reserve Fund for Capital and Non-Recurring Expenditures". Before placing the legal notice Mrs. Rascati checked with the Town Attorney to be sure that it was going to be published correctly.

Mayor Dickinson stated, the Town Attorney's Office felt that it was one subject matter. The one ordinance amends the other and rather than have one sitting on the books, it made sense to repeal one and amend the central document, Ordinance No. 104. It is all the same subject matter. You can hold one public hearing on both ordinances because it is one subject matter. There would be two votes taken since the Council is accepting public comments on both actions.

Pasquale Melillo, 15 Haller Place, Yalesville asked, why does the Town want to change the ordinance? Why not just increase the 55% of net income rule?

David Gessert, Chairman of the Public Utilities Commission replied, the change was initiated by the Mayor's Office and Comptroller because the gross sales of the Electric Division is a much more stable figure and much easier to calculate. It works out better for the Town to give a smaller percentage of gross sales than a larger percent of net income. The division's net income is sales

less expenses. There have been years when our net income was very low. In some cases our net income may have been zero. We know that the gross sales figure will be a strong figure and is going to have a limited amount of fluctuation from year to year so a smaller percentage of the \$30+ million in gross sales works out better for the Town for it is a much more stable figure. It also makes it easier for everyone to plan on for they will know what they are dealing with. Net income varies tremendously from year to year.

Peter Gouveia, 39 Lincoln Drive stated that he recalled certain years when the Electric Division made over \$4 million and he did not recall the Electric Division paying 55% of that \$4 million to the Town. Some people engage in the business of giving you selective information and deceptive information. Mr. Gessert and others on the Council know that this idea of a compensation to the Town based on percentage has been floating around for the past two and one-half years. Mr. Knight knows that for he was very supportive of that idea before. A better reason is that to continue the present policy is a violation of our Town ordinance. In being in violation of a Town ordinance is also a violation of the Code of Ethics. The Town has engaged for quite some years willingly and knowingly violating their own ordinance. That is why two years ago he (Mr. Gouveia) began pushing the idea of coming up with a percentage. He speaks in favor of what is being proposed tonight, it is the right thing to do, however, what we should find out is, what is a just and fair compensation from the Electric Division to the Town? That takes a little bit of a challenge. To simply say, how much are we giving to the Town now? and then look at gross sales and say, what percentage of gross sales yields the same amount that is being given to the Town now? that is not much of a challenge. You need to do more of your homework. This item should have been before the Ordinance Committee, opened to public hearings at the Ordinance Committee, find out what other municipalities throughout the state and nation do in this situation. Find out if there are any other resources..we have one, a 1990 Camp, Dresser & McKee Study that cost \$45,000 and was paid for by the Town that indicated how much, at that time, they felt the Town should have been receiving from the Electric Division. Since it seems that the Council is ready to vote on this today he suggested that they go back to the issue of fairness. What is a just and fair compensation to the Town? In order to arrive at that the Council must be careful for to give too much compensation to the Town you are going to have the division subsidizing the tax rates. On the other hand, however, if you do not receive enough compensation from the division to the Town, then you have the tax rates subsidizing the electric rates. Either one of those two situations is wrong, therefore you have to work hard to come up with that just compensation to the Town. Someone once pointed out that if the Electric Division was a private entity they would yield about \$600,000 to \$675,000 worth of taxes to the town.

That Electric Division, however, is not a private entity. If they were then all of the liabilities of that business would rest with their shareholders, not with the Town. We all know that the liabilities and all the risks associated with the Electric Division rests with the resident taxpayers of the town. He believes, therefore, that the Council should not only look at that component when determining a fair and just contribution but also return on investment. The division was started by the taxpayers of the Town. Although it may have been somewhere around 1890 at a cost of \$50,000., that amount could have been more than the entire budget of the Town at that time. The Electric Division should pay a return on investment to its shareholders. The Council should consider three factors, Payment in Lieu of Taxes (PILOT), Return on Investment and Risk and Liability when determining the compensation due the Town. He feels that the 4.5% is not enough of a compensation. He would rather see 6% as the rate of contribution. The State of Connecticut has been receiving 4% if not more than 4% from the division so why should the Town accept any less?

Geno Zandri, Jr., 37 Hallmark Drive stated, the residents of Wallingford are the proud owners of a franchised electric business. A franchised business means that they have a captive customer base within the territory that is under our jurisdiction, no one else can sell electricity in this area. As owners of this business we have a right to make a profit. Right now the existing revenues are \$1.6 million, approximately. How can we compare whether or not our business is doing a good job on raising revenues at a profit level? Consider the Town of Norwich which is comparable in size to Wallingford and comparable in size to the size of its electric division. The Town of Norwich contributes 10% on gross sales to the Town which translates to approximately \$4 million per year. Why can't we generate this kind of profits for our Town? Eight years ago when he first served on the Council the Electric Division was contributing approximately \$800,000 per year to the Town. After he reviewed their budget for a few years he realized that there were more dollars in that budget than met the eye as far as profit margin was concerned. He tried to get the Electric Division to contribute more to the Town for he felt that the amount that was being contributed was not enough compensation for the size of the business that we have. As he attempted to do that things began to change in the division as far as surplus dollars that were generated each year which, in his opinion, were the profits that belonged to the residents of this town. All of a sudden the credit rider was developed. What the credit rider did was shift this profit from the residents and give it back to the ratepayers. In essence what was happening was the profits that were due the owners of the utility were being given to the ratepayers. The lion's share of the money went to big business because two-thirds of the income from the division is generated by industrial/commercial customers. That is where most of the money went to. This happened for three years in a row. In excess of \$2 million was given back

to the Electric Division's customers...\$2 million that belonged to the residents of this community. Then we had a second chance...we just signed a new power contract which gave the Town very favorable rates. At that time when the rates were set he recommended that the residential rates be kept at the level suggested by the P.U.C. and not reduce the industrial/commercial rates as the P.U.C. recommended but to instead, increase the level of contribution to the Town. His words fell on deaf ears for it did not happen. What are we losing by not doing this? Time and time again as he sits at these meetings he has heard about the number of projects the Town needs to accomplish...golf course, skating rink, Community Pool, Phase III of the Downtown Project and now the latest, the Senior Center. Time and time again we hear that we cannot accomplish this projects due to the lack of funds. Yet, we are taking funds that rightfully belong to the residents of Wallingford and are giving them back to our customers. It does not make any sense at all. Those funds belong to the residents of this community and should be directed to finance the projects for this community so that the residents can start enjoying these facilities. If his recommendation had been followed for the past four years, instead of talking about Community Pool, the golf course, skating rink, etc., they would have already been completed and financed without having had to raise taxes to do them. We are missing a golden opportunity. You have the ability to make a change tonight and that change should be to change the amount of contribution to the Town much more than what is being recommended tonight. Time is running out for us to benefit from the utility for the warnings have been made that if deregulation ever comes about you will see a drastic change in our utility, we could potentially be out of business and the opportunity to benefit from the utility will be lost. He recommended that the Council make the change tonight while they have the power to do so but warned them to be careful about the amount of dollars that are coming across to the Town.

Mayor Dickinson responded, this is a subject that has been discussed many times and is not new. We speak of golden opportunities...you can color it in that fashion but the question is, where does the gold come from? We talk about residents vs. customers. For the most part it is one in the same. The large businesses use more electricity but they also pay more taxes. If the tax rate goes up they pay more taxes and if the electric rate goes up they pay more for their electricity. Norwich does receive ten percent but if you look at the rates of Norwich they are twenty-eight percent higher than Wallingford's. If you want to pay more out of your pocket for your electricity, yes, there is more money for the Town to use but you are paying more for it right out of your pocket that is labeled, "electric bill". The return on investment is an interesting concept but to his way of thinking, the best return on investment is the money you keep inside your pocket. If you keep the twenty-eight percent off of the electric bill and it stays in your pocket so that no one else can spend it

and you spend it, that is the best return on any investment. If he is going to build projects then he should be able to see them in the tax rate. If we are interested in completing projects then we should not misrepresent where the money is coming from. If he could re-write everything his view would be that the Electric Division would pay its tax equivalent which is somewhere around \$500,000., period. Everything else is a general government expense and should be dealt with out of general government. We already have created a dependency which is the capital and non-recurring fund which is funded by the Electric Division. He is saying, let's continue on the path we are on...it would be painful to pull out of it. He doubted that he had the support from anyone to pull out at this point. We continue on the course that we are going which is not unreasonable but let's keep in mind that it is almost four times the contribution to the Town that the Electric Division would pay in taxes....four times. The Electric Division is not a money machine...it was meant to provide efficient, low cost energy to the people in Wallingford. If the initial question had been, Let's have an Electric Division so that we can earn money for government, how many people in town would have supported that venture? His guess is no one. But the view was, we can provide you with lower rates than what you would have in the commercial marketplace and people said, yes, that is a good purpose for a government project. We ought to keep the purpose of the Electric Division in mind which is not to supply funds for projects in general government but to provide efficient, affordable electric energy. Has it been used to encourage business?, to keep Wallingford healthy in an economic development arena?, absolutely. Was that the reason for the return of money (credit rider) mentioned by Mr. Zandri?, absolutely that was the case. He was not going to apologize for that action. We have a duty to maintain a good economy for the people in the community. A lot of this has been said many times over and he feels that in order to make the public hearing official it had to be said again. We have an ability to provide an amount of money, 4.5% of gross sales to enable us to continue with the capital and non-recurring fund, enable us to continue low rates because if we increase that percentage ultimately it means higher rates. We should continue on the course that we are going, this provides the avenue for the Electric Division to pay a bill just as they pay for purchased power or anything else and continue on the course that he feels has been successful.

David Gessert, Chairman of the Public Utilities Commission stated, as mentioned numerous times before there are a large number of municipalities across the U.S. that are looking into municipal power. In every one of those cases that he has read about their purpose is efficient, low-cost energy. They want to get away from the large investor-owned utility. He has not read of one municipality that wanted to get into municipal power so that they can generate more tax revenue. The comment about Norwich is valid, they do contribute a much larger percentage than Wallingford.

They take it out of everyone's payment every month. An average customer using 750 kwh would pay \$61.66 in Wallingford every month while a Norwich resident pays \$17.00+ more each month which translates to an extra \$212.00 per year. The larger customer is up in the \$328 per year range. They are financing the City of Norwich through their electric bills. That is a decision that Norwich has made. We disagree with that. With the transfer and the new ordinance the Council will have a better idea of what is coming in and a better opportunity to budget. It should also be noted that there are other payments that the Electric Division makes to the Town, i.e., \$148,000 to the Legal Department, Personnel Department, Comptroller's Office; \$36,000 per year for rent; \$17,000 was paid this year to the school electric conservation project, etc.

Mr. Zandri responded to the Mayor's comments by stating, my recommendations are not to increase the residential rates. Just look at the numbers, I have looked at them time and time again. The residential rates can stay exactly where they are. All I am asking you to do is look at your commercial and industrial rates and study those numbers. You can still have those rates be less than any other rate in the State of Connecticut and therefore will still be just as attractive to the businesses to remain in Wallingford or attract new business to Wallingford. You can do this and still increase the contribution to the Town. Who will be the winner here? Everybody. The residential customers will have the lowest rates, the same rates they have today and the commercial customers will still have lower rates than they could get anywhere else in the State, higher than they are now but still lower than anywhere else in the State. The incentive to locate here is still the same and the contribution to the Town can be increased. We can start on some of these projects that should have been done a long time ago and the residents can benefit again. I am not saying to increase the residential rates.

Peter Gouveia, 39 Lincoln Drive Ext. stated, as a taxpayer and ratepayer he would accept the PILOT idea the Mayor spoke about if there were no other issues. We know for instance that last year there was a PCB leakage which cost quite a bit of money to clean that. It just so happens that the Electric Division had enough money to pay for it but if they didn't who would have paid? The taxpayers would have had to pay for it. There is a liability factor that is very important to consider. If there was a major accident that cost \$10 million, even if you wanted to raise the electric rates to cover the damage, you could not do it and the reason is that you are bound by State Statute that you cannot make more than seven percent (7%) profit per year. The taxpayer would have to pay that. That division is a liability to the taxpayers of Wallingford every hour, twenty-four (24) hours a day, three hundred sixty-five (365) days a year. As a compensation for that risk factor, not to mention that every time the Electric Division goes out to borrow money it is always on the good faith and credit

of the Town of Wallingford, so every time they float a bond it is the responsibility of the taxpayers. Because of that risk and liability I think that there should be a higher compensation to the Town than simply a PILOT payment. That is why return on investment, risk and liability and PILOT payments all have to be factored into determining what is a fair and just contribution to the Town. According to the 1990 study it indicated that \$3 million at that time was what should have been contributed to the Town. I am not saying that we should receive \$3 million for a lot may have changed over the past five years. Your challenge is to determine what is a just and fair contribution. We don't want electric rates to subsidize the tax rates and we don't want the tax rates to subsidize the electric rates. I submit that 4.5% is not enough.

Pasquale Melillo, 15 Haller Place, Yalesville stated, what the Council should be concerned with the most is, what does the future hold for the Pierce Generation franchise? We have to make sure we keep that facility going. There are a lot of power companies on the prowl looking to make agreements with local utilities such as we own. It is our largest ace in the hole relating to electric generation.

Albert Killen, 150 Cedar Street stated, the earnings of the Electric Division are subject to appropriation and the bills of the Electric Division are proper bills of the Town of Wallingford and are paid out of the treasury thereof. No one is asking that anything be done about that. We are asking you to center in on the fact that over the course of the years with no one prodding the Electric Division to make more so that we could take more, the Electric Division has amassed quite a bit of money but it has not been used for the purposes for which it was intended namely, the good of the Town of Wallingford. They are tax dollars. If it cost us \$.5 million because they had a loss in a particular year then we should be able to profit by the \$.5 million in the year that they do have it and we don't have a loss facing us. We are playing political football. There are dollars that the Mayor does not want to expend and they are not doing anyone any good they way they are being expended now. The reason we even have any idea of what is going on in the Electric Division is because many moons ago it was decided that the capital and non-recurring fund could be supported for the most part from the Electric Division funds. The fund paid for our schools back in the 1950s and 1960s and it was going to be our safeguard in the future. As agreed, people put their eyes on the money but decided they could use the money better than we could. The funny part of it is that we and they are all the same people but they always prevail, not us. The dollars seem to be pushed aside and now what has developed is a credit rider. It is the same as saying we have too much weight on board and now we have to throw some of it overboard. He would have liked to see some of those dollars returned to the taxpayers for they are the ones who

are responsible for the entity from the very beginning. The taxpayer has been ignored. We are playing a game of political football and the little man doesn't even realize he is getting kicked in the teeth but instead is made to think that he is getting a real good deal. Yes, our rates are low and yes, our taxes are low but a lot of people have put a lot of effort into getting them to that particular point. The irony is that more and more of those people who have put their time and effort into it are being ignored. There probably aren't three individuals on the Council who could answer just what we are doing here this evening in the final analysis. It has taken years and years to know the subject so he is asking the Council to put this decision off for a while, appoint themselves a committee and to study the issue. You may come up with an answer that is 100% opposite of what has been done in the past but he would feel better that the Council took the time to study the issue.

Philip Wright, Sr., 160 Cedar Street stated, the profits of the division are as elusive as the deals we cut. He did not see this as bringing stability. It is nauseating to here this same argument year after year and wished something would happen to make it all go away. He is not sure that what we are doing now will be any better than what we had before. With regards to taxes v. electric bill? - he will take a reduction in taxes every time for stability in taxes as opposed to stability in rates for he could turn off his lights, run one freezer instead of three...he could do something regarding his consumption of electricity. But short of moving out of state...he could not do one thing about his tax bill. As a citizen you are much better off having the taxes kept lower. The capital and non-recurring, in effect, keeps our taxes lower. If we were not putting from borough electric into that we would have to spend that money for capital and non-recurring somewhere, sometime. For anyone to say we wouldn't would not be realistic.

Raymond Smith, Director of Public Utilities stated that he, too, has been in the middle of this discussion for many years as well as some of the Councilors and members of the audience. This franchise was started by borough electric, a group of residents who decided that for \$50,000 they would like to start their own electric operation. In researching the records he found that the original payment for those monies was paid for by the ratepayers and there has never been a dollar that came from the taxpayers to support the electric division. Currently, we have about \$600,000 in long term debt from 1978 bonds and the division has put aside money to cover it so there is no outstanding liability. With regards to the Norwich situation, the actual contribution from the electric operations is approximately \$2.6 million. With a budget of \$26 million they choose to take ten percent (10%) off of the top, it is allowable. Norwich also chooses to accept the fact that their ratepayers pay a lot more money. If we applied their municipal rate to the usage of all the municipal buildings in Wallingford that computes out to another \$300,000 that would be

generated. That is \$300,000 more in the town budget that would have to be covered if they want the ten percent contribution. In looking at a community and their decision you must take into account all the issues. They accept a higher contribution and claim no other subsidies to the town in lieu of tax or rental of the building, etc., it is ten percent off of the top and that ends it. Regarding the credit rider, that came about as a result of overcharges that occurred in the middle 1980s. We established rates based on wholesale rates charged to us by North East Utilities. We received a substantial refund and chose to hold the money at one point because we thought we would utilize it for a capital project at Pierce. When the decision was made not to go forward a conscious decision was then made that it may be in the best interest of the town to help conservation efforts, help economic development efforts and return the money to the people who were overcharged, the ratepayers. There are approximately 11,000 single family houses in Wallingford. Somewhere there is a difference between 11,000 dwelling units and almost 17,000 residential ratepayers in Wallingford. They are ratepayers, they are electors, residents, voters but they just don't have a single family house. As long as you make the conscious choice of charging the ratepayers more to lower tax bills it will have long range impacts on rates. If you can keep the money in the pocket one way or another, you have done a service to the community. Has the Electric Division provided a service? Yes. It is a tough decision and he can deal with which ever way the Council wishes to go but which ever direction it heads in, it will have an impact...it is not a free ride.

Philip Wright, 160 Cedar Street asked, if we were to increase the amount by fifty percent (50%) and we were contributing a figure of \$3 million instead of \$ 2 million, how much of that cost would the industrial user pick up?

Mr. Gessert responded, our revenue stream shows that two-thirds would be paid for by industrial/commercial customers and one-third would be covered by residential customers.

Mr. Smith disagreed with Mr. Gessert stating that the last rate study showed that industrial customers should have received a twenty percent (20%) reduction because that is what the cost of service indicated. The residential customers should not have received a reduction for the rates were proper where they were. The P.U.C. commission chose to pass on some of the benefit to residential customers. What is happening, if deregulation occurs we will be in jeopardy of losing our premiere customers, the very customers that we are trying to take the extra from. He recommended against raising industrial rates, you should pass the cost onto the residential rates...it won't be popular but that is what the study indicated.

Mr. Wright clarified that he did not recommend that we increase the rates to the industrial/commercial users. His question was, how much of an additional \$1 million would be borne by the taxpayers and how much by the commercial users? He suspected that if we take the \$750,000 and distribute it out amongst the big users that their bottom line would not show anything to speak of. He also did not believe that our big users will be leaving the Town of Wallingford if their rate was increased infinitesimally. You must keep in mind that they pay taxes also and when we keep our rates low and let our taxes go up, they are paying for it in taxes, too. They can do something also about their electrical use as a homeowner can but they cannot do anything about the taxes.

Mr. Parisi warned that one should not be too quick to say that big business is not watching what their energy costs are. The rates are a contributing factor today in the decision people make as to where to locate.

Mr. Gouveia thanked Mr. Parisi for the opportunity to speak on the issue once more. He stated that you could reduce the expenditure budget of the Electric Division. Studies have indicated that year after year the Electric Division overestimates their expenditures and at the end of the fiscal year they have a lot more money than they anticipated that was not expended at all on the expenditure side of the budget. Last year there was an attempt to increase the compensation from the Electric Division to the Town by \$450,000. by reducing the expenditure side of the division's budget. That attempt was not accomplished for the votes were not there. He is sure that at the end of this fiscal year the Electric Division will end up with over \$450,000 unexpended in their operational side of the budget. There is another way to increase the contribution by decreasing expenditures. Why must we always say that we will have to increase rates whether it be commercial, industrial or residential in order to compensate for an additional contribution to the Town? It can be done by scrutinizing the budget further and reduce the expenditures. The Council always accepts the budget submitted by the Electric Division, it does not reduce it by a cent, in most cases. Last year it was a joke when we took the \$26,000 budget for the Dog Warden and reduced it by approximately \$8,000 but yet we could not reduce a \$40 million budget by even \$50.

Mr. Zappala stated that this ordinance has been long overdue in coming before the Council. He is glad that we have it for everyone's sake and he hopes that the right decision will be made tonight so that there will be no more problems in the future. The State of Connecticut has approximately six (6) communities that own their own power companies. The only community that compares to Wallingford is Norwich and we are all now aware of what the rate of contribution is for Norwich. Ten percent is rather high and the residents pay more for their electricity. He assumed that the four

and one-half percent (4.5%) which was negotiated by the Mayor and P.U.C. was thoroughly scrutinized but we all know that it is a \$40+ million business we, the taxpayers, own. If Hurricane Gloria's cousin came through Wallingford and we need to repair \$20 million of damage the taxpayers of Wallingford would have to pay for it. We would not be charging Durham or North Branford or Cytec for that cost, we would have to pay for it. This is the time to eliminate any future problems and to do the right thing.

Mr. Zappala made a motion to amend Section (5) of the proposed ordinance to Increase the Contribution from 4.5% to 5%.

He stated that it is not a large increase but substantial if we were going to put those funds towards non-recurring expenditures for a purpose. The people of Wallingford will benefit from it. It will probably bring the total to approximately \$2 million to be used for a special purpose, not to alleviate taxes. We have a lot of projects waiting to get going. We have not yet set a priority list but we know that the senior center would like to move, a hockey rink has been discussed as well as a golf course, the pool has to be fixed, there are many items that could be improved in the Town. These projects could be achieved if the money that we generate from the Electric Division could be set aside with a purpose. He felt that if his electric bill was \$2 higher per month to accomplish the projects, it would not hurt him that much as long as he sees that something was getting done with the money that benefited the people of Wallingford. In the past the Electric Division has had excess money that the Council has tried to put to use but was unable to do so. This ordinance will be the correct way to handle the issue. Let's put it through.

Mr. Doherty seconded the amendment.

Mr. Centner stated that approximately \$6.8 million has been projected in 1996 for Electric Division projects that have been assigned to the Retained Earnings Account. He asked, could a fractional increase such as Mr. Zappala has spoken about be funded out of the Retained Earnings Account and not effect the ratepayers?

Mr. Gessert responded, the Retained Earnings are used for capital projects in the Electric Division. We have some large projects coming up with the upgrading of the system. We expect to do a lot of upgrading this particular year and we are also looking at a several million dollar project at East Street substation and we are also looking at some potential costs with Pierce regardless of which decision is made with it. We have no intention of coming back to the Town and asking the Council to fund those projects but there are significant projects on the books that we would like to have adequate funding for without having to go to bonding or borrowing or that type of thing. If we can do it out of your cash revenue it is foolish to bond and pay interest. Our objective is to finance these projects on a year by year basis without Town

borrowing.

Mr. Centner asked, you do intend to spend the \$6.8 million?

Mr. Gessert responded, with the efforts of Mr. Cominos that we have witnessed over the past couple of years, if there were more money available to upgrade the system and make it better and more reliable he would do that. He has a long list of things that he would like to do.

Mr. Centner asked, this fraction of a percent, this one-half of a percent would have a direct impact on that account and lock you out from doing planned Electric Division capital projects?

Mr. Gessert responded, that is correct.

Mr. Knight stated, the idea of changing the ordinance came up a few years ago for several reasons, one of the primary ones was that we wanted to at least attempt to take some of the politics out of this issue. By using a number that was difficult to manipulate and gross sales is a hard number to manipulate, we felt that it would at least take some of the politics out of this issue. Obviously, it has not done that and it never will for the simple reason that the Mayor pointed out earlier. Either we are going to plunder the Electric Division and take as much as we please or we can take none. We have already decided to go into the Electric Division for money and if we are living true to our philosophy and were taking from the division exactly the equivalent of taxes owed, then we should take exactly that amount. We decided, however, years ago to do otherwise. So what we are arguing about is degree. We have already gone beyond the philosophical argument. Out of interest he ran a small spread sheet to see what the difference was between 4.5% and 5.5%. We have approximately 16,000 residential ratepayers. If we are going to go to the ratepayers then we should go to all the ratepayers. We should not single out one class against another. The difference for the average ratepayer between 4.5% and 5.5% is about \$8.00 per year. Now we get back to the question, "Is the ratepayer obligated to fund the Town projects?" That is the rub, the philosophical argument. That is why we continue to have this debate. It is ironic that only three or four years ago when we were writing checks to the State out of the Electric Division funds of millions of dollars per year this argument never comes up, no one has a problem with it, you just write the check. Yet, when we have to write a check to ourselves we have two hour discussions on the matter. There is an irony we ought to be thinking about. He is glad the ordinance is being proposed for the rates have been established...established because a stone tablet was passed on down to the Council that said "4.5%". We can manipulate that percentage this evening if we want to. But he did not think that the Council wanted to start messing with the electric rates of the community. This argument will come up again. We have already decided the Electric Division will pay some of our

bills we are just trying to decide how much of those bills that division is going to pay.

Mayor Dickinson stated, it is important for everyone to recognize that the rates are constructed around an approximate 4.5% contribution therefore increasing it would have the effect of increasing electric rates. Secondly, it was mentioned about the retained earnings. That account is between \$6 million and \$7 million. We look to have a reserve of one month's purchase power which is about \$3 million which leaves the balance in the account for capital projects. The last time he reviewed the capital projects of the division they totalled \$11 - \$15 million. If we are to avoid serious indebtedness that money is earmarked for Electric Division projects and if we want to eliminate the entire issue of cash in the Electric Division it takes a mere several million dollars in debt for if you load principal and interest payments on debt in the Electric Division budget, any question of available cash disappears very rapidly.

Mr. Centner asked, given the one month's reserve for purchased power, how are the rest of the retained earnings, approximately \$13 million, matched to the capital projects of the division?

Mayor Dickinson did not have that information readily available for a response.

Raymond Smith responded, the division does not have a "sinking fund". Over the next five years an average of \$3 million per year is being set aside for capital projects. The suggestion of changing the rate of contribution from the Electric Division...and a quick calculation shows it to be by \$190,000 the first year...so in five years that translates to roughly \$1 million that would come back to the Town that would not be available to the division. It won't change the rates next year. When will it change the rates? It will shorten the life of when those rates will be in place.

Mr. Smith added, there is another utility in Connecticut, Groton, which is larger than Wallingford. Their annual budget is approximately \$45 million and their contribution last year was \$1,321,000. They choose to do it differently, too.

Mr. Parisi asked, the average rate increase would be \$6 or \$8 but that does not necessarily mean that it would be spread out evenly over each ratepayer.

Mr. Doherty asked, how much more would the contribution be if it were raised from 4.5% to 5%?

Mr. Smith responded, approximately \$198,379.

Mr. Doherty asked, how much is the budget of the Electric Division?

Mr. Smith responded for F.Y. 1997 approximately \$38 million.

Mr. Doherty stated, he has sat on the Council a few times reviewing quite a few of the Electric Division budgets and he is not concerned about the capital projects at all for he feels that the 5% would not even touch the funds for them. He was of the opinion that the \$38 million budget of the division could stand a \$198,000 reduction. He has seen chunks of it taken out at different times. He is not the least bit worried about the division missing the \$198,000. He also has a problem with the equation of the ratepayers and taxpayers. He is not the least bit opposed to seeing the ratepayers of North Branford pay some of the \$198,000 for they tax our Electric Division in their town while enjoying our super rates on top of it. The Norwich contribution is a little too high and does not fit our picture at all.

Mr. Gessert pointed out that in the Division's new rate structure the Town did build in higher rates for Northford to recoup that tax bill that they give us each year.

Mr. Doherty stated that the 5% is a nice round number that the Division could live with. The Council should scrutinize their budget very closely to cut the \$198,000 out of it for he feels it will have no effect on the capital projects at all.

Mr. Parisi called for a vote on Mr. Zappala's amendment to Section (5) raising the rate of contribution from 4.5% to 5%.

VOTE: Doherty, Knight, Papale and Zappala, aye; all others, no; motion failed.

Mr. Doherty made a motion to Amend Section (5) of the Proposed Ordinance to Increase the Contribution from 4.5% to 4.75%, seconded by Mr. Zappala.

VOTE: Doherty, Knight, Papale and Zappala, aye; all others, no; motion failed.

Mr. Zandri stated, as Mr. Knight commented before, the politics will never be taken out of this issue for even if this passes tonight it does not mean that the next Council will not bring this ordinance back and increase it to a ten percent (10%) contribution.

Mr. Gouveia commented, the vote that took place did not upset him as much as a comment that was made during the course of this discussion. The Council was basically told, although they are the fiscal body of the Town, you are the legislative body of the community, you cannot make a choice. The Council was told that the 4.5% contribution was based on the rate structure and therefore the Council's hands are tied, there is nothing that they can do. Why is this item before the Council tonight? You were basically told

that you are not going to be able to make a decision because the decision has already been made for you. Someone already decided that it will be 4.5% based on the rate structure and how dare the Council even discuss this issue. Whether it was 4.5%, 4.7%, 5%, it is irrelevant. That is a lot more important than the vote is. The Council has been rendered totally powerless. That is what is happening to this Council.

Motion was made by Mr. Rys to Repeal Ordinance No. 170 Entitled, An Ordinance Amending Ordinance No. 104, seconded by Mr. Centner.

VOTE: Doherty, no; all others, aye; motion duly carried.

Motion was made by Mr. Rys to Amend Ordinance No. 104 Entitled, An Ordinance to Provide a Reserve Fund for Capital and Non-Recurring Expenditures, seconded by Mr. Centner.

VOTE: Doherty, no; all others, aye; motion duly carried.

The Chairman declared a five minute recess at this time.

ITEM #10 Consider and Approve a Transfer of Funds in the Amount of \$19,000 to Retirement - Sick Leave Account and \$5,000 to Employment Exams Account for a Total of \$24,000 Transferred from the Health Insurance Account - Personnel

Motion was made by Mr. Rys, seconded by Ms. Papale.

As stated in correspondence from Terrence Sullivan, Personnel Director, this request is primarily due to the unanticipated retirements of two firefighters due to disability who are entitled to retirement sick leave payments. The Town is obligated to pay out \$39,527 to the two retirees from an account which exhibits a balance of \$21,630. Additionally, the department anticipates spending approximately \$2,000 for independent medical testing for these employees and will also need \$3,000 for police testing and other recruitment-related costs.

Mr. Centner asked if the positions will be filled at the current rate of pay and how confident is Mr. Sullivan that there exists an adequate supply of qualified candidates for the positions?

Mr. Sullivan responded, the positions will be started at the lowest pay grade assigned to it. He is very confident that there will be a tremendous response to the request for applicants.

VOTE: All ayes; motion duly carried.

ITEM #11 Consider and Approve a Transfer of Funds in the Amount of \$4,000 from Professional Services Specialists Acct. to Professional Services Lawyers Acct. - Town Attorney

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

Mr. Zappala pointed out that the correspondence does not specify what the transfer is needed for.

Assistant Town Attorney Jerry Farrell, Sr., explained that the funds are needed for ongoing matters where the attorneys have already been hired and are performing the work.

Mr. Parisi asked that more information be provided in the future from the Town Attorney. The explanation offered for the request is very vague.

VOTE: All ayes; motion duly carried.

ITEM #13 Report Out on the Progress of the Recreation Center Project at Fairfield Boulevard as Requested by Councilor David J. Doherty

Motion was made by Mr. Rys to Hear the Report, seconded by Ms. Papale.

Henry McCully, Director of Public Works explained that as of April 3rd prospective bidders can pick up the bid documents from the Purchasing Department to prepare their bids for the renovation of the building. On April 16th at 10:00 A.M. a pre-information conference will be held at Fairfield Blvd. for those firms wishing to bid on the project. They can take a tour of the building to gain a better perspective of what they are bidding on. The bids will be received up until April 26th at 2:30 P.M. The bid opening will immediately follow. He suspects that it will take about two to two and one-half weeks to select the lowest responsible bidder, check on references, etc. A funding ordinance will then be placed on the Town Council agenda to schedule a public hearing for. If approved it will take approximately thirty days before the ordinance will go into effect if it is not challenged in referendum. Upon the enactment of the ordinance a contract can then be signed with the vendor. Construction should begin in the first week of August. The architect states that substantial completion is approximately six months after the start of construction with final completion thirty days later. If everything goes well the building should be ready for occupancy by late February or early March 1997.

Mr. Centner asked, what characteristics will be entered into the mix when screening the bidders for the lowest responsible bidder?

Mr. McCully responded, they will check on jobs completed that are comparable in size; similar types of construction previously performed; the quality of the build, etc.

Mr. Centner asked, will there be a contingency account with the project and if so, how much of a percentage will be allowed?

Mr. McCully responded, a five percent (5%) contingency is anticipated but he will have to wait to see what the bids are. Ideally, the figure should be around 10%.

Mr. Parisi asked, is a contingency automatic and is it included in the bid?

Mr. McCully answered, the past experience with projects has been to have a ten percent (10%) contingency tacked on to the funding of the project.

Mr. Parisi stated, it is his personal feelings that contingency accounts send bidders the message that they can make a mistake and the Town will cover it.

Mr. McCully stated, every penny used of the account will have to be justified to not only himself but the architect as well.

Mr. Parisi stated, if the architect fails to check something out and it is an important part of the project it still has to be done and he still gets paid something for it. Yet, to Mr. Parisi's way of thinking the architect did not perform his job the way he should have.

Mr. McCully stated, as is normally the practice, he will keep a close watch on the cost to keep it to an absolute minimum.

Mr. Parisi assured Mr. McCully that it was not a reflection on Mr. McCully but merely a personal frustration of Mr. Parisi's with the system, itself.

Mr. Doherty asked Mr. McCully to voice any/all concerns to the Council he may have with the choice of lowest responsible bidder.

Mr. Parisi reminded Mr. McCully of his right, should he not be happy with the lowest bidder, under the purchasing ordinance, to recommend the next highest bidder so long as he can justify his reasons.

Motion was made by Mr. Rys to Move Agenda #15 Up to the Next Order of Business, seconded by Mr. Centner.

VOTE: All ayes; motion duly carried.

ITEM #15 Consider and Approve Instituting a New Job Classification Entitled, "Buyer" for the Purchasing Department, seconded by Ms. Papale.

Motion was made by Mr. Centner to Remove from the Table to Consider and Approve Instituting a New Job Classification Entitled, "Buyer" for the Purchasing Department, seconded by Ms. Papale.

VOTE TO REMOVE FROM THE TABLE: All ayes; motion duly carried.

Motion was made by Mr. Rys to Approve the New Job Classification, seconded by Ms. Papale.

Terrence Sullivan, Personnel Director explained, at the Council's direction from the last meeting he entered into negotiations with the union on the hourly rate.

The newly proposed pay scale for the job closely resembles the low bid received by the Town when it solicited bids on the position last year. The \$17.20 per hour in the minimum step is the basis for all other steps and cost of living adjustments and represents an average between the current contractual schedule for the positions of Real and Personal Property Appraiser and Apprentice Accountant, positions that the Town and union agreed should be comparable in pay scale to the Buyer position.

Mr. Zappala was pleased to see that the Town found a way to reduce the wages for the position. He feels that this pay grade is more acceptable than what was previously offered.

Mr. Centner appreciated the effort put in to reduce the wage scale.

Mr. Doherty asked, is there still any thought to privatizing the position?

Mr. Parisi responded, in his opinion it is a dead issue in this area.

Ms. Papale commented that two weeks ago when the Council voted on this issue she voted against it at that time, not because she was interested in privatizing the position but because she felt that the hourly wages were too high. She was happy to see the item back on the agenda and appreciated the effort put in to bring it back so quickly.

Mr. Parisi commended the Council for taking the stand it did on the wages two weeks ago and also commended Mr. Sullivan for doing a job that showed that the Council's actions were proper in the matter.

Philip Wright, 160 Cedar Street was under the impression that two weeks ago when this issue was before the Council it was for one buyer position. Now we are talking about two positions. How many people are we adding?

Mr. Sullivan stated, it is actually a net reduction in total personnel.

Mr. Parisi explained that it is a restructuring of the department, reclassification of jobs.

Mr. Sullivan added, it is two buyer positions and the half time clerical position will be eliminated. It is a net reduction.

Mr. Wright asked, can we go back to the well again? If we reject this tonight will we get a lower wage scale? If the answer to that is no, then you have learned one thing...to keep plugging away. Every nickel adds up to a dollar sooner or later. Keep the unions on the ball and if you go at it hard enough you can probably save a dollar or two here and there.

Geno Zandri, 37 Hallmark Drive asked, what was the dollar figure for out sourcing the position?

Mr. Knight responded, \$16.80 to \$19.60 per hour, approximately.

Robert Pedersen, Purchasing Agent verified those figures.

Mr. Zandri asked, does that include benefits?

Mr. Pedersen responded, that is the out of pocket cost to the Town.

Mr. Zandri asked, what did we settle on this as far as an in-house position for this as far as dollars plus benefits?

Mr. Sullivan responded, the hourly rate effective 7/1/96 is \$17.20 compared to the low bid of \$17.50. He did not add fringe benefit costs to this.

Mr. Parisi stated, we are paying the fringe benefit costs now so it results in a "wash".

Mr. Zandri disagreed. If you hire an outside individual you would not be spending those dollars. We could save them. This is costing the Town more by keeping the job in-house. He reminded the Council that industry is trying to get away from the grips of the union. General Motors is a good example...look what happened in the last few weeks, they went on strike for some one hundred or so positions. If you look at the dollars you will see that their employees were getting paid to the tune of \$26.00 per hour with about \$13.00 per hour worth of benefits besides. General Motors could out source for the same if not better quality of product to a non-union firm with wages of \$15.00 per hour and \$3.00 per hour in benefits. This is what is happening today. We have to take a stand in this community and try to save some tax dollars. We are not going to do it by continually feeding the system that is hurting us. When we have the Town employees telling us what we are going to do and what we are going to pay and what positions are going to be union or non-union, we are going in the wrong

direction.

Mr. Parisi agreed somewhat with Mr. Zandri's comments. Not everyone will be able to hide from privatization...it is only over the hill and in some cases it may already be here without us realizing it. It is something that will have to be addressed in the near future but there are better places than the Purchasing Department to consider for privatization.

Mr. Zandri stated, when he sat on the previous Council he felt that this was an ideal position to privatize and he continues to feel that way. It would have been an excellent place to break into privatization and give the Town a track record to follow on how it works. We are missing a good opportunity tonight.

VOTE: All ayes; motion duly carried.

ITEM #14 Executive Session Pursuant to Section 1-19b(9) of the CT. General Statutes with Respect to Collective Bargaining Matters - Personnel

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

VOTE: Farrell, no; all others, aye; motion duly carried.

Present in Executive Session were all Councilors, Mayor Dickinson, Terrence Sullivan, Personnel Director and Comptroller Thomas Myers.

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

VOTE: All ayes; motion duly carried.

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

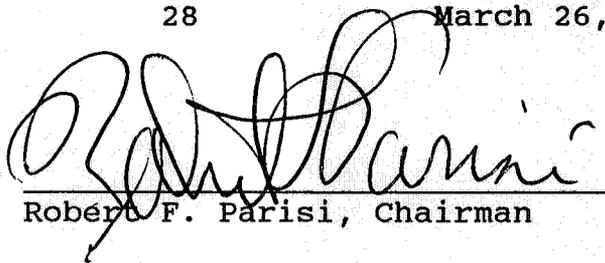
VOTE: All ayes; motion duly carried.

There being no further business, the meeting adjourned at 10:25 P.M.

Meeting recorded and transcribed by:

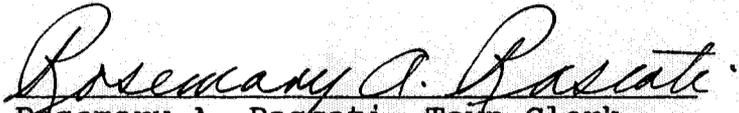
  
Kathryn F. Milano  
Town Council Secretary

Approved by:

  
\_\_\_\_\_  
Robert F. Parisi, Chairman

4-9-96

Date

  
\_\_\_\_\_  
Rosemary A. Rascati, Town Clerk

4-10-96

Date