

SPECIAL TOWN COUNCIL MEETING

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MONDAY - JUNE 30, 1986

6:30 p.m.

There will be a special Town Council Meeting on Monday, June 30, 1986 at 6:30 p.m. in Council Chambers for the express purpose of considering the following items:

- (1) SET A PUBLIC HEARING DATE on an Ordinance for funding for the Asbestos Removal Committee. (Ordinance Forthcoming)
- (2) Consider selection of an insurance carrier for the Town of Wallingford for the fiscal year 1986-1987.
- (3) Consider and approve two transfers for the Electric Division in regards to the Wholesale Rate Case. (Transfers forthcoming)

ADDENDUM TO AGENDA

TOWN COUNCIL MEETING

Monday, June 30, 1986

ITEM (1) SET A PUBLIC HEARING ON AN ORDINANCE APPROPRIATING THE SUM OF NINETY THOUSAND DOLLARS (\$90,000) FOR AN ASBESTOS ABATEMENT INSPECTION DESIGN AND SERVICES PROGRAM FOR WALLINGFORD PUBLIC SCHOOLS, INCLUDING INSPECTION DESIGN AND RELATED SERVICES AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES TO DEFRAY SAID APPROPRIATION.

ITEM (4) CONSIDER RESOLUTION AUTHORIZING BID ON PROPERTY TO BE AUCTIONED JULY 12, 1986.

ITEM (5) CONSIDER A TRANSFER OF \$405.00 TO COVER FACT FINDING COSTS CONCERNING POLICE UNION.

ITEM (6) CONSIDER APPROVING THE WAIVING OF BIDDING PROCEDURE TO HIRE WILBUR SMITH ASSOCIATES (SAME FIRM CURRENTLY CONDUCTING ROUTE 68 ANALYSIS) TO REVIEW STOP AND SHOP PROPOSAL.

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CERTIFICATE OF APPRECIATION presented to Players of The Wallingford Youth Soccer League.

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SET PUBLIC HEARING for Tuesday, July 15, 1986 at 7:30 p.m. on AN ORDINANCE APPROPRIATING THE SUM OF NINETY THOUSAND DOLLARS (\$90,000) FOR AN ASBESTOS ABATEMENT INSPECTION DESIGN AND SERVICES PROGRAM FOR WALLINGFORD PUBLIC SCHOOLS, INCLUDING INSPECTION DESIGN AND RELATED SERVICES AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES TO DEFRAY SAID APPROPRIATION.

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ADOPTED RESOLUTION authorizing bid on property located at 1145 South Curtis Street.

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AMENDED A & B budget for \$50,000 for above resolution.	4
WAIVED BIDDING PROCEDURE to hire Wilbur Smith Associates to review Stop & Shop proposal.	4-7
WAIVED RULE V to discuss transfer associated with above item; established new line item account #701-904 Traffic Study, Stop & Shop, and approved transfer of \$5,500 from A/C 805-319 to A/C 701-904.	7-8
APPROVED TRANSFER of \$405 from 804-836-01 to 130-602, Fact Finding, Police Union.	4
APPROVED TRANSFER of \$10,000 from 926, \$10,000 from 924, \$5,000 from 903, total of \$25,000 to 923-3, Electric Div.	8-9
APPROVED TRANSFER of \$30,000 from 926 to 923-2, Electric.	9
SELECTED INSURANCE CARRIER for Town of Wallingford for fiscal year 1986-1987.	9-20
INSURANCE COMMISSION to be placed on 7/23/86 agenda.	21
DISCUSSED Councilman Gouveia's letter to Stanley J. Pac, Commissioner, Department of Environmental Protection, signed by Chairman Gessert and mailed to DEP.	21
MEETING ADJOURNED.	21

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Special Town Council Meeting

June 30, 1986

6:30 p.m.

There was a special meeting of the Wallingford Town Council on Monday, June 30, 1986 at 6:30 p.m. in Council Chambers. The meeting was called to order at 6:43 p.m. by Chairman Gessert. Answering present to the roll called by Town Clerk Rascati were Council Members Bergamini, Diana, Gessert, Holmes, Killen, Papale Polanski. Councilman Peter A. Gouveia did arrive later in the meeting after the roll was called. Councilman Rys was on vacation and was not present for the meeting. Also present were Mayor William W. Dickinson, Comptroller Thomas A. Myers and Town Attorney Vincent T. McManus, Jr.

The pledge of allegiance was then given to the flag.

Mr. Holmes then moved to Waive Rule V to recognize some of Wallingford's soccer players; seconded by Mr. Polanski.

VOTE: Unanimous ayes with the exceptions of Councilmen Gouveia and Rys who were not present; motion duly carried.

Mayor Dickinson then says that this evening we are very pleased to have two soccer teams from the Wallingford Youth Soccer League. The boys team are state champions, they won the play down in the State Tournament and overall they have a record this year of 24 wins, 1 loss and 1 tie. They are coached by Steve Stabach and Roberta Taylor and they will be headed to Niagra Falls for the Eastern Regional Tournament July 11th and 12th which involves State Champions from the states from Virginia through Maine and we are very pleased to have the boys and their coaches with us. We also have the Girls Team which came in 2nd place in the State Championships. Both are 12 year old divisions. They had a record of 20 wins, 3 losses. They are coached by Tom Crizewski and Bruce Gerber. We do have a number of proud people here. Coaches, staff, parents. Everyone is looking for Niagra Falls.

Chairman Gessert then comments that the two high school teams came home this year with State Championships in football, girls basketball, and girls softball. We did not win the state championship in soccer so they expect them to do it in the next few years.

Mayor Dickinson then comments that this evening they have a certificate of appreciation that they will present to each of the

players. They will begin with the girls team. Mayor Dickinson and Chairman Gessert then present the certificates to all the girls on the soccer team and each one is applauded as they receive their certificate. Next, Mayor Dickinson and Chairman Gessert present the certificates to each of the boys on the soccer team and again as each one comes up they are applauded. 436

A round of applause is then given to both teams.

ITEM 1 on the agenda is to SET a PUBLIC HEARING on an ordinance. Mayor Dickinson then comments this takes a while. Town Clerk Rascati says the paper needs a three day notice and then you have to have 5 days not counting the day it is in and the day of the hearing.

Chairman Gessert then comments that that would bring us to Monday, July 14, 1986. The Council then discusses who will be available for the meeting and Mrs. Bergamini reminds them that P & Z has a meeting in Council Chambers on that night. The only way for that night would be to have it at 6:30 p.m. and only have that item on the agenda. Chairman Gessert then says the 15th would be OK.

Mr. Polanski then moved to Set a PUBLIC HEARING on an Ordinance Appropriating the sum of ninety thousand dolalrs (\$90,000) for an asbestos abatement inspection design and services program for Wallingford Public Schools, including inspection design and related services and authorizing the issuance of bonds and notes to defray said appropriation for Tuesday, July 15, 1986 at 7:30 p.m.; seconded by Mr. Diana.

Mr. Killen resents that they have to build the calender around somebody else with the Council Chambers. It is Council Chambers and we should be able to use it.

Mrs. Papale then asks if they couldn't make it earlier than 7:30 p.m. What about 5:00 p.m. Mayor Dickinson says that would be fine. He would try to eliminate any other items for that night.

Mr. Polanski then amends his motion to Set the Public hearing for July 15, 1986 at 5:00 p.m. and Mr. Diana amends his second.

VOTE: Unanimous ayes with the exceptions of Councilmen Gouveia and Rys who were not present; motion duly carried.

It is then decided to move up Items 4, 5 & 6 on the agenda since Ray Smith from the Electric Division is not yet available.

Mr. Killen then moved to move up Items 4, 5 & 6 on the agenda; seconded by Mr. Holmes.

VOTE: Unanimous ayes with the exceptions of Councilmen Gouveia and Rys who were not present; motion duly carried.

ITEM 4 is then up for discussion and Mrs. Bergamini moves the following resolution:

R E S O L U T I O N

BE IT RESOLVED, by the Town Council of the Town of Wallingford this 30th day of June, 1986 as follows:

WHEREAS, the Town of Wallingford has pending a foreclosure action on property located at 1145 South Curtis Street, Wallingford, owned by Glen Valley Associates; and

WHEREAS, an auction of said property has been scheduled in accordance with said foreclosure procedures for July 12, 1986; and

WHEREAS, Attorney Walter Kusak has been handling this foreclosure action for the Town of Wallingford.

NOW THEREFORE, BE IT RESOLVED that the Town Council of the Town of Wallingford hereby authorizes said Attorney Walter Kusak or his representative to bid on this property on behalf of the Town of Wallingford at said auction to be held on July 12, 1986, or on any other date in the event said auction is rescheduled. Said bid shall not exceed FIFTY THOUSAND AND 00/100 (\$50,000.00) DOLLARS.

Mr. Polanski seconded the motion on the resolution.

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Chairman Gessert then explains that this is a piece of property that taxes have been owed on for many years and the taxes and lien costs have accumulated, the legal costs have accumulated over this period of time. Basically this is to protect the value that we have invested in there with taxes. When it goes up for auction, we could end up with a high bid that is only 1/3 of what our costs are for this property over these years. Our taxes are close to \$30,000 and there is an outstanding sewer lien which is around \$4,400 says Attorney Kusak. Chairman Gessert then says in order to get our obligations back this resolution will enable Attorney Kusak to bid on the property and if the bids don't come high enough, the Town of Wallingford could take possession and turn around and sell it.

Attorney Kusak says that Towns are not involved in sales very often. The appraisal is \$67,000. This is almost 11 acres of land off South Curtis Street. It only has a 25ft frontage to the road. At one time there was a nice dwelling on the property which burned down and the owners did not cover insurance on the property when it burned down and the town was not notified. Normally what happens in an auction for a bank is they get their costs together and make the first bid to protect their investment. He then says he might as well start off the first bid and then stop to protect the town on all their costs. He then says his bid he feels would be about \$43,000-\$44,000. That doesn't mean we have to come up with that amount of cash. The actual expenditure, because we are not going to pay ourselves back taxes, would be in the neighborhood of \$18,000-\$20,000. We don't have to bid and if there is a very low bid, the court does not have to accept it. Everything is subject to court approval.

Mr. Diana then says we are allowing Mr. Kusak to bid on this and why are we not handling this through the Town Attorney's office. Attorney McManus says these types of cases have been put out to other attorney's since before Brian Farrell was the Town Attorney. The fees and costs are paid by the debtor and normally we just supervise the outside attorney.

Mr. Kusak says he has been in contact with Adam Mantzaris throughout the course of this. Attorney Kusak then says it has been lengthy. He has been on appeal to the CT Supreme Court and he has also been on a separate appeal to the CT Court of Appeals. These matters take a lot of time. He is just asking permission to protect the towns interest.

Mr. Diana then comments that the attorney fees will come out of the debtors costs and Attorney McManus says that is true. If it goes to a sale then it is paid out of the proceeds of the sale. Attorney McManus then explains that Attorney Kusak is just protecting the Town's interest by bidding up to their taxes.

Mr. Killen says what happens if we are the lucky bidder. Chairman Gessert says we would take possession of the property and resell it. The attorney would be paid out of the proceeds of the sale. Mr. Killen then says we are not off the hook completely. What if we buy it for \$50,000 and sell it for \$45,000 and then end up paying the attorney on top of it. We don't always get what the property is worth. The Mayor then points out the appraisal is

\$67,000. Chairman Gessert says he doesn't think anyone is going to let it go for less than that with today's market.

Mrs. Bergamini asks what is the zoning on that property and Mr. Kusak says it is residential. It is backland.

Mr. Gouveia did arrive during the discussion of this item but chose to pass on his vote as he was not present for the whole discussion.

VOTE: Unanimous ayes with the exceptions of Mr. Gouveia who passed and Mr. Rys was not present; motion duly carried.

Mr. Myers then reminds the Council that there is an appropriation that also goes along with the resolution.

Mr. Killen then moves to Waive Rule V to amend the budget for the appropriation Mr. Myers spoke of; seconded by Mrs. Bergamini.

VOTE: Unanimous ayes with the exception of Mr. Rys who was not present; motion duly carried.

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Mr. Killen then moved the following:

RESOLVED:

The 1986-87 General Fund budget be amended as follows:

Revenues

Account 702	Other Revenue	
	Sale of Assets - Town	\$50,000

Expenditures

Account 132-690	Property Purchase	
	1145 So. Curtis Street	\$50,000

Mrs. Bergamini seconded the motion.

VOTE: Unanimous ayes with the exceptions of Mr. Gouveia who passed and Mr. Rys was not present; motion duly carried.

ITEM 5. Mr. Holmes moved the amount of \$405 from A/C 804-836-01 to A/C 130-602; seconded by Mr. Diana.

VOTE: Unanimous ayes with the exception of Mr. Rys who was not present; motion duly carried.

ITEM 6. Mrs. Bergamini moved to waive the bid to hire Wilbur Smith Associates to review the Stop & Shop proposal; seconded by Mr. Holmes.

Linda Bush explains at their last meeting Stop & Shop made their presentation to the Commission. They have already received a State traffic commission certificate and what this is is required of all developments that have either 200 parking spaces or 100,000 square feet or an expansion to one of those facilities and they impact on a state highway. Wallingford has never had many STC required certificates in the past and now we have quite a few.

What the state does in reviewing that is look at the development and look at the road and make certain that any development is not going to adversely impact state roads and sometimes they look at town roads. If they feel that a traffic generator is going to impact roads, they will require that the developer at their cost do road improvements. The state has given Stop & Shop a whole list of roadway improvement. Because Stop & Shop is controversial because of its location and existing traffic problems, the P & Z is somewhat skeptical that these traffic improvements will prevent gridlock. At the last meeting they moved to try and have an independent traffic study done on the Stop & Shop traffic study to see if the roadway improvements would be adequate to handle the projected traffic from that site. She is here to recommend Wilbur Smith. She was approached Thursday afternoon by Charles Duffy who is VP of Stockton Associates which is a commercial and industrial real estate consulting and brokerage firm. He is also president of the CT Retailers Assoc. He was approached by Stop & Shop and asked to see her and they are willing to pay the bill for the traffic analysis that we want to have with only one condition. That is to hire a reputable firm and they do feel Wilbur Smith is reputable and the only other thing is that they will be able to see the study before the August 11th meeting of P & Z and know the results of it before they were handed it on the night of the P & Z meeting that they were going to take action on their project. The Town would hire Wilbur Smith to conduct the study and we would pay Wilbur Smith and would be reimbursed for up to \$6,000 by Stop & Shop Corporation. She understands that Wilbur Smith estimates the cost of reviewing the plans to be \$5,500. We would then be reimbursed the full amount.

Mrs. Papale asks what study they will do and Ms. Bush explains they will take the study that Stop & Shop did and evaluate it. The only thing they may do is traffic counts that would be extra information. Therefore if you don't believe Stop & Shop's counting of cars, there would be an additional count from other developments that there is no need to count cars again.

Mrs. Papale says she can't see where they could ever says there will not be a problem with North Main Street Extension. She travels those roads. Ms. Bush says that is the point of doing this. That is what our own consultants will tell us. She has read the study and the road improvements that they have mandated are quite extensive. However, she doesn't know if they would be enough to prevent congestion in other parts of town or in this area. That is the point of having an independent source review it. Ms. Bush then says P & Z can only vote on things based on specific laws. They can't vote on something because it is difficult to get through an intersection. That is not factual enough information to warrant a town denying an application such as this especially since they already have the certificate from the state saying they will not cause traffic congestion. 439

Chairman Gessert comments he is very much opposed to Stop & Shop paying for this. We ought to pay for it. We don't want anything from Stop & Shop and he feels we ought to pay for it ourselves since we are doing it to protect our community.

Mr. Killen says that Ms. Bush feels the expert is needed more than the people who travel over it, the word carries more, then the town is in sorry shape. Ms. Bush says it carries more with the court.

Mr. Killen says the people who live there are not experts but they know what traffic will do. Mr. Killen then asks which roads they intend that the Stop & Shop would pay for widening, repairing etc.

Ms. Bush says partially on Route 5, North Main Street, Route 68, North Main Street extension on both sides. Changing Route 5 from their entrance way which is south of Colonial bank north to the Route 5 collector to 4 lanes proposed. On North Main Street Extension, north of Route 68 another 8 feet from Route 68 to the Barnes Road Connector. Mr. Killen asks if they will do anything south on Route 5. She doesn't believe there are many improvements for south proposed. Mr. Killen says all the fatalities have been south of that particular area. There are many pedestrians that travel that road. There is no walkway. This is where we could stand some improvement. The State is passing it off on Stop & Shop and it will be 20 years before we get any other improvements. If the experts are going to stick with what was done before and just stay with that and not come back and say what ought to be done differently.... Ms. Bush says they will come back with ideas, that is the purpose.

Mr. Diana is opposed to Stop & Shop going to that area. He feels they belong someplace else in the town. That area is not going to handle the traffic as far as he is concerned. Also, he agrees with Chairman Gessert that there is no way in the world that we would allow Stop & Shop to help finance this.

Mr. Polanski then comments that Ms. Bush said Stop & Shop will see the results of the survey before the commission voted on it. Ms. Bush says it will be public information and she feels they have a right to see it. They just want to be assured that if they funded it, they would be able to see it when we received a copy of it.

Mr. Diana asks if Stop & Shop has had any dealings with Wilbur Smith Associates. Ms. Bush says she has no idea. Wilbur Smith is world wide and most big corporations are familiar with them. She is the one who told them it would probably be Wilbur Smith and they are out of New Haven.

Attorney McManus says they will share all the information that their traffic consultant came up with. We pick an expert and they give us all the data. He feels it is a reasonable deal. Otherwise they will have to go from scratch and spend about \$60,000.

Mrs. Bergamini asks if they addressed North Main St. Extension at all in their study. Ms. Bush says yes. The traffic going from the rear entrance south toward the downtown area, there were no improvements proposed by them. Mr. Costello had requested another short turning lane in there. The state didn't propose any extensive conclusion other than signalization. Mrs. Bergamini then comments that somewhere in the record it states that the Super Stop & Shop of this kind will impact an additional 4,000 cars on Route 5. Ms. Bush says they are proposing 7,400 vehicle

trip ends per day. Each car makes 2 vehicle trip ends. If you take the number of parking places which is about 490, each if all used, and they usually aren't, they turn over 15 times a day. They are proposing that 60 % will enter from North Main Street and 60% will leave from Route 5.

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Mrs. Bergamini comments that both the Union Trust bank and Colonial bank there is no way to get out of there with traffic. This is because there is only one teller. Can you imagine that in addition to Stop & Shop. If they widen the road at the point where they come out of Stop & Shop doesn't help because when they get down to Villa Capri and all that, the road narrows right in.

Mr. Diana says we could be facing a legal challenge if Stop & Shop is denied and what he is concerned about is that if we have one consultant we may want to consider two independent studies. To spend \$6,000 each, can you imagine what the legal fees would be to try and defend this in court for the next two years.

Mr. Holmes then says if Stop & Shop meets all the standards as far as zoning is concerned, and the State is satisfied with their traffic study, what avenues are open to the Commission. Ms. Bush says she cannot answer that question herself.

Mr. Gouveia says he is voting yes for this but that does not mean a yes vote for Stop & Shop. If that were the case, he would vote no. He would hope that Stop & Shop would not be allowed to come to town.

Ms. Bush feels we will get a totally unbiased review no matter who is paying the bill. If someone else is willing to pay for it, personally she feels they should go for it. This is not a study from scratch. They will be looking at the state figures..

Mr. Gouveia says this is not a study from scratch and they are just going to look at what was done before. Ms. Bush says there is the traffic count. That is one big area. Many developers have done traffic counts in that area and these will be used also. There is a lot of information readily available that all consultants use. There is no reason to start from scratch and start all over again because a lot of this is available information.

Mr. Diana says he doesn't think any of them have a gripe with Stop & Shop, it could be anybody generating this type of traffic. and it sounds like we are predetermining the results of this traffic study. If the traffic study comes back by an independent study saying there is not going to be a problem, then he is not going to go against this study if they can sufficiently prove there is not a problem in that area.

VOTE: Unanimous ayes with the exception of Mr. Rys who was not present; motion duly carried.

Mr. Killen then moves to waive Rule V to discuss the transfer for this item; seconded by Mrs. Bergamini.

VOTE: Unanimous ayes with the exception of Mr. Rys who was not present; motion duly carried.

Mr. Killen says in doing this they are accepting Stop & Shop's offer. He says this is the way he interprets the resolution. You are amending the budget to show revenue coming in and isn't that where it is coming from, Stop & Shop.

Mr. Myers says right now they just want to make a transfer of funds.

Mr. Killen says the reason he waived Rule V is because we had a resolution before them and he assumed that is what they were going to work on. The Council then discusses doing the funding at the July 23rd meeting and they then decided they can't hire him until they get the money in place

Mayor Dickinson recommends they go ahead with this tonight and if they decide to fund it from another source, they put it on the agenda for the next meeting and it can be done.

Mr. Killen then asks what action they are going to take tonight. There is no item on the agenda that they can take action on. They can't waive Rule V and how are they doing anything. It is then decided that the agenda states to hire Wilbur Smith and that in sense requires funding. This would put it on the agenda.

Mayor Dickinson then says that the letter they have from Mr. Duffy is an enforceable right by the Town of Wallingford representing the funds are there and as long as they are willing to accept that, fine. You will run out of the 65 day period and not have the study if they don't act tonight.

Chairman Gessert then says if you hire a company and they aren't going to start work until August 1st; Ms. Bush then says they will be finished by August 1st or 4th. It has to be before August 11th. They will start by the end of the week when they get the contract.

After much discussion it was decided that the agenda did say hire Wilbur Smith and this would cover the funds for the transfer. They can act on this item tonight.

Mr. Myers then fills out a transfer sheet for this for 1986-87 budget.

Mr. Holmes did leave during the discussion of this item and did not return to the meeting.

Mrs. Bergamini then moved to establish A/C 701-904, Traffic Study Stop & Shop and transfer of \$5,500 from A/C 805-319 to A/C 701-904; seconded by Mr. Polanski.

VOTE: Council members Bergamini, Diana, Gessert, Papale, and Polanski voted yes. Council members Gouveia and Killen voted no and Councilmen Holmes and Rys were absent; motion duly carried.

ITEM 3a. Mrs. Bergamini then moved the transfer of \$10,000 from A/C 926, \$10,000 from A/C 924, and \$5,000 from A/C 903, a total of \$25,000 to A/C 923-3 (ELECTRIC DIVISION); seconded by Mrs. Papale.

Mrs. Bergamini explains that Mr. Smith's letter indicates that additional monies are needed to cover the Wholesale Rate Case.

Mr. Gouveia asks how much money has been appropriated for this case. Mr. Smith says consulting fees of \$201,000 and legal fees of \$90,000. Mr. Gouveia then asks if this will be the total cost. Mr. Smith says this will be the cost until the end of June. There will be more charges coming after July 19th.

Mr. Gouveia then comments that so far we have spent \$291,000. Mr. Smith says yes. Mr. Gouveia says we could be driven out of business just on legal fees. He would like to see if this is really going to save us \$4 million. Mr. Smith comments that up to this point they have saved \$¼ million to the ratepayers. Mr. Gouveia comments that the Town of Wallingford has spent more on this rate case than the Attorney General paid to fight the rate case for the rest of customers of Northeast Utility.

VOTE: Unanimous ayes with the exceptions of Mr. Killen who voted no and Councilmen Holmes and Rys were absent; motion duly carried.

ITEM 3b. Mrs. Bergamini then moved the transfer of \$30,000 from A/C 926 to A/C 923-2 (Electric Division); seconded by Mr. Polanski.

VOTE: Unanimous ayes with the exception of Mr. Killen who voted no and Councilmen Holmes and Rys were absent; motion duly carried.

The Council Chairman then declares a 5 minute recess.

ITEM 2 is then up for discussion and Mr. Gregory Berg from Tillinghaust, Nelson & Warren then comes up as he is the insurance consultant for this project. He sells exclusively to public entities across the country. His particular area of expertise included self-insurance programs. He then states that tonight they are faced with either going with a traditional insurance program

represented by a Wallingford local agent or to move to a more non-traditional approach which is a group self-insurance program offered by CIRMA. He doesn't feel that they should focus on the details of the scope of coverage and not necessarily focus on the details in costs. The reason for this is that after a very in-depth analysis of proposals, they have come to the conclusion that the coverages are generally similar. The costs are also similar. The scope of coverage is slightly broader under the CIRMA program. The costs are higher under the CIRMA program. What is will come down to is what approach does the town really want to take in the future with respect to risk financing. This risk financing approach is much broader than just insurance. The Town of Wallingford does this by being fully self-insured for the worker's compensation program. They are fully self-insured for worker's compensation yet they are buying what is called first dollar coverage for liability exposure and from a strictly financial standpoint, the town should be able to absorb up to a certain amount of one large loss regardless of what kind of loss it is. We recommended that the town take a more consistent approach toward self-insurance and designed their insurance specifications with that in mind. The specs asked for proposals for liability and property coverages with varying optional deductibles. Much higher than what they had before because they felt that the Town could be more aggressive in their posture toward self-insurance that they had been in the past. Before the specs they went through an Agent & Broker pre-qualification process. The idea was that because the insurance market relies on intermediaries to represent you in the insurance market, you have to be careful who is doing that for you. Most towns reviewed the hiring of an agent and buying of an agent as one step. The best deal was the agent. That is not the trend now. It is to evaluate the qualifications of the agent and broker, pick one based on qualifications and then give that agent access to all the insurance markets and let them come in pursuant to the specifications. We did a modified approach to that. They asked this from basically 2 agents. Ferguson & McGuire and Goodwin, Loomis and Britton of Hartford. Ferguson and McGuire was given access to The Hartford. During this process, CCM was developing a liability and property insurance pool so the town filled out an application for coverage so that it could evaluate that along with the proposals by the agents. It became apparent when the specs went out that Goodwin, Loomis and Britton was not going to be able to come in with anything because the companies they went to were reluctant to provide a quote because they knew The Hartford was the current carrier. Therefore, they did not give a quote. That left Ferguson & McGuire and CIRMA. In addition to those they also asked Horvath Agency to go and get a renewal quote for the Volunteer Fireman Insurance Services which is targeted directly for volunteer fire departments. They set a due date but before the due date they got a request from Ferguson & McGuire to extend this for one week because The Hartford was unable to provide the quote in time. After discussing the issue with the town they gave them the week extension. CIRMA was prepared to submit their bid on time but they told them to also send it in a week later.

Chairman Gessert then comments that they were not eligible to bid (CIRMA). Mr. Berg says they are not in operation until midnight tonight. Chairman Gessert says they were not officially in operation until the 26th of June. Mr. Berg says they did not know yet if they had \$2 million in premium and now they do. Chairman Gessert then says that if CIRMA had been eligible and ready to go last week when we sat and discussed this, we wouldn't be here tonight. Therefore, to say we are here tonight because of the one week delay because of Ferguson & McGuire is not quite accurate.

Mr. Berg says the bids submitted are not the best he has seen in terms of presentation, format and completeness. In fact, neither of them really addressed specifically the specifications. The Ferguson & McGuire quote was brief and without supporting material. It did not have a coverage document. The CIRMA quote was also relatively incomplete and to some extent unsupportive and both of them were in that state for different reasons. But it made out job as a consultant very difficult. We had to basically call both of them to fill in a lot of details and learn about policy form that was going to be issued, the scope of coverage. Things were just resolved today that were unresolved as of yesterday. He then explains CIRMA is a service program of CCM. He then says they will have to make a decision on approach. CIRMA is a group insurance program. It has 14 cities in it right now. This would mean pooling your risk with other municipalities in Connecticut. It is non-profit, it does not use any agents which means there are no agent commissions paid. It doesn't pay any premium or income tax. Investment income earned on the loss reserves is

returned to the members. The cost quoted by CIRMA is not finally determined until later. If it turns out that CIRMA charged too much based on the actual losses that occur, they will give money back. If it turns out they charged too little, based on the losses that occur, they can ask for more money. The ultimate net cost of CIRMA is not known to you fully right now. On the other hand, you know the cost that is quoted by The Hartford.

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You will pay that regardless of what your losses are. One of the goals of their program was to bring the Town towards more aggressive posture on risk retention for property and liability exposures. The Hartford quote does not give you that option, they are reluctant to offer a self-insured retention program. CIRMA gave optional quotes at varying self-insured retentions up to \$250,000 per occurrence. CIRMA does offer this and you could see how you like it for a year and decide if you want to be self-insured. If you go with the \$100,000 deductible of CIRMA, they will administer all the claims, even the claims within the \$100,000 deductible. Their price includes this. CIRMA has a reimbursable deductible. They will pay the claim and then ask for reimbursement. Their analysis shows that the scope of coverage is broader in some respects under CIRMA. The price is more however but not a lot more. It is approximately 10%. You need to decide which way you want to go.

Mr. Polanski then asks where is the option that CIRMA offers a \$250,000 deductible. Mr. Berg says it is not in writing. They went back and asked CIRMA. Mr. Polanski then asks if he asked them how much we could self-insure ourselves under General Liability. What if we put the \$512,000 to insure ourselves under General Liability. We haven't paid that much in 10 years.

Mr. Berg says there is no way he could tell you how much money to put aside to self-insure for liability without them employing a casualty actuary. Those are the only people who can do loss projections. He continues to go on and give them their complete recommendation. First, they feel they should buy the Horvath Fire Department proposal. Second, they feel they should buy the CIRMA property and liability coverage except for the Fire Department coverage. On the property, they feel they should take a \$25,000 deductible and on liability they feel it should be a \$100,000 deductible. They also recommend that they buy \$2 million worth of coverage on the liability side. They also recommend a \$1 million umbrella. You have the option under both plans to get the total of \$2 million in coverage. Only under CIRMA could you go another \$1 million if you wanted to but we are not recommending that. For the professional liability coverages under CIRMA, public officials, law enforcement and school board, we recommend you buy \$1 million worth of coverage. The cost for that recommendation that he just explained is approximately \$1.1 million dollars less the amount that CIRMA will credit you because you are not going to buy the Fire Department coverage; that will be approximately \$60,000. Mr. Berg then explains to Mr. Polanski that by taking \$100,000 deductible, you get a \$170,000 credit. It will cost \$340,000 for that \$2 million.

Chairman Gessert then says that at this point he would like to give CIRMA and the representative of The Hartford a chance to speak and give us their input.

Mrs. Bergamini then asks Mr. Berg where the 10% difference comes in. Mr. Berg says they did a comparison with no deductibles and they came up with a difference of \$71,000 for premium on a base of about \$1.2 million, plus they have to pay an entry fee to CIRMA of \$19,000.

Mr. John Salsbury, Vice-President of CIRMA and Mr. Dick Bolles, with the firm of Johnson & Higgins--located in Hartford--who are the underwriters and operations program consultant for the program. He explains that he did not know deductibles and so forth before tonight that the consultant would be recommending. However, with those deductibles he will give a cost and they do have one estimated figure in it and they were asked to take out the Fire Budget. They estimated the Fire budget of \$1.8 million and applied credits. The total cost will be for the following coverages--General Liability with \$2 million limit, Auto Liability with a \$2 million limit, Auto Physical damage, Property Boiler, Public Officials and Law Enforcement as recommended and the cost they have is \$947,740. To that you would have to add \$19,000 for the membership fee. Again if the Fire budget is larger, there would be more of a credit. He continues to say the

issue is just as described earlier. The Council is fortunate to have two proposals. The Hartford certainly is a good company. It is a choice between which route you ultimately want to go in terms of risk financing. The concept that CIRMA brings to you is one that is a pooling of communities where there is the opportunity of sharing of any excess monies over and above our expenses and our losses. On the down side, you have the potential for an assessment offense to occur. One of the major features of our program is that we do encourage the participation of both the governments and the operations of our program on the part of public officials. You may be concerned about our financial security in starting a program of this type. We do not have the resources of the Hartford Insurance Company in terms of our capital base, but he would say that the legislature passed this time around a liability trust fund and for every dollar of premiums and contributions that they have in their pool, the state will be making available to them \$1 in no interest money for a 10 year period to help them capitalize the pool. In addition, they have allocated \$750,000 toward capitalization of the program. They have 14 communities, approximately \$3.4 million in premium. Which means they will be starting with more than \$1 of capital for every \$1 of contributions that they will be taking in from the communities. The reason for this is in case they had a large catastrophic occurrence. He continues to say they are here as an option for them and they know the town has seriously considered them to date, and hope they might chose to become a member. 444

Mr. Killen asks what are some communities they are associated with. Mr. Salsbury says Ansonia, Milford, West Hartford, Woodbridge which are the larger communities. Smaller communities would be a community like a Colbrooke. Wallingford would be somewhere in the middle. Mr. Berg again explains that the \$947,740 price he quoted earlier does not include the Horvath FIS program. They would have to add their premium of \$62,893 and that would bring the total cost to \$1,016,633 on his sheet. The deductions taken out were in excess of \$40,000 as a result of not covering that. The actual premium on that policy is \$62,893. Horvath is slightly more expensive but their coverage is also better than what we were providing in our policy.

Chairman Gessert explains how the Horvath policy is unique in that it specializes in that particular type of coverage.

Charlotte Collins asks the \$100,000 deductible, does that include reserves that you would establish or pay losses only.

The consultant explained the retention the town itself has--in other words, any loss, any occurrence less than \$100,000--CIRMA would handle the claim, etc. and the town would reimburse CIRMA for the amount of that claim. Mr. Salsbury assumed that what the consultant is probably leaning toward is asking the town to set aside some kind of fund for funding whatever the retention levels the town has, based on past experience. Mrs. Collins asked if the \$100,000 included only the up-front expenses the town would pay or does it include the reserve the town would establish also. Mr. Salsbury said if there was a claim of \$50,000, the claim would be put on the loss runs and processed against the \$50,000 reserve but suppose it was improperly reserved and resulted in \$150,000--in that instance, CIRMA would be responsible for those costs above \$100,000. When the payment to the claimant is made, the town sends the loss payment to CIRMA. There is an operations and underwriting committee which oversees the claim and if the town is unhappy about how a claim is being handled, the town can state its case before that committee.

Attorney McManus presented the hypothetical example of knowledge of a claim being presented against the town and the town has put CIRMA on notice--does CIRMA have a staff of investigators who go out and take statements, photographs, etc.. Mr. Salsbury said their claim service is contacted and they generally contract with a firm located in Hamden who goes through a comprehensive routine process. Copies of the report will be sent to the Town of Wallingford. Attorney McManus asked what would be done if the town felt the Hamden firm did not perform a satisfactory investigation and Mr. Salsbury said the program administrator and operations manager would be called and the MacDonald firm from Hamden would take another look and if the town is not satisfied at that juncture, the town could write a letter stating its case and asking for certain action on it. Attorney McManus asked if a writ were dropped on the case in the interim, what would happen. Mr. Salsbury said a defense counsel would be assigned, based on an approved

list of qualified attorneys in the particular area of the claim, and at that time the town is consulted in the process and they proceed toward settlement. Attorney McManus asked if the settlement is proposed and the town says no. . . Mr. Salsbury said to assume the case, in their judgment, should be settled and not tried, ultimately CIRMA will have the final authority but the town will have the opportunity again to present their case if it so desires.

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Mr. Jack McGuire and Mr. Joe Bellanger from THE HARTFORD were present and Mr. McGuire said that basically, he is not very impressed with the consultant at this point and he may or may not be dealing with the consultant in the future. Mr. McGuire started by saying that the specifications were drawn up by the consultant. The first thing Mr. McGuire said was they asked for a one week delay because THE HARTFORD was recalculating the quotes because they were figuring the credits for the general liability coverage based on the Tort Reform Act but one of the larger reasons why the HARTFORD did not get this process going was because the bid proposal asked for a profile on all of the agents and on an account this size, it was very important.

Mr. McGuire of THE HARTFORD further stated that tonight's evaluation would include a scope of coverage and he has not heard any scope of coverage but only heard that there is a difference in the scope of coverage and he would certainly like to hear this. He has not gotten a clear cut figures of THE HARTFORD'S bottom line cost as opposed to CIRMA from the consultant to evaluate the differences. Mr. McGuire also did not hear discussed the services from the agent, the insurance companies, the financial ratings of the insurance companies, particularly CIRMA. Mr. McGuire felt that general liability is not necessarily an area to self-insure but rather other areas such as in the property section and the HARTFORD has two deductibles they are prepared to discuss, as well as an area that is a \$15,000 item in their quote for flood and earthquake and Mr. McGuire does not feel this is a necessary coverage but it was included in the specifications. Mr. McGuire feels that some of the towns that had signed up had no other quotes and CIRMA will probably be attracted to that business to get the program off the ground. Mr. Diana pointed out that THE HARTFORD was the only one who bid Wallingford's insurance and Mr. McGuire said that is the marketplace and nobody is looking for new business right now.

Mr. McGuire said that from his understanding, CIRMA is basically placing their insurance in the reinsurance market and just a year ago, the reinsurance market was the worst hit in the industry at that particular time and he does not feel that it makes sense for Wallingford to get into such a volatile market. He feels that the HARTFORD has provided an excellent quote and he would like to see a copy of CIRMA'S proposal since he hears THE HARTFORD is saving the town basically \$100,000, or 10%, and an important coverage glossed over by the consultants is the excess liability and you are not getting an umbrella quote from CIRMA but an excess coverage over the primary limits. The whole idea of the umbrella policy is that it gives you \$1,000,000 on top of the primary coverages and in addition, it also covers any other claims that may come in in areas that you don't have coverage in with a deductible--the town pays a deductible but the coverage is there and it is much broader coverage and it is certainly in an area that any town would need. Mr. McGuire said THE HARTFORD had the availability this year of providing the town with not just the \$1,000,000 coverage on the umbrella but can go as high as \$3,000,000 and St. Paul was also willing to quote on the umbrella coverage.

Mr. McGuire asked if the boiler and machinery coverage with CIRMA had a \$25,000 deductible on the substations and if it does, in talking with Travelers, they are prepared to alter the quote from \$47,000 to \$38,000 for a \$25,000 deductible.

Mr. Gessert said automobile coverage was a concern in the case of autos worth very little and Mr. McGuire felt they had been removed from the list and he also pointed out other items which he felt should be removed from the specs such as leaching fields, ticket booth frame, some playground equipment, brick storage building, etc. Mr. Gessert also felt some lawnmowers, wrenches, etc. were requested to be removed. Mrs. Bergamini pointed out that Mr. McGuire was supposed to get back to the Council on that area and Mr. McGuire said that not long after that the Council got involved with the consultant.

Mrs. Bergamini pointed out that Mr. McGuire said these specs were on board last year--why weren't they ripped apart to allow him to come before the Council and present a price; she also asked what the town is paying for a \$1,000,000 umbrella policy and Mr. McGuire said it was \$135,000, as opposed to \$92,000 last year with no claims. Mrs. Bergamini can't see how that increase is justified and Mr. McGuire said the cost of umbrellas is high for everybody. 440

Mr. Polanski indicated that claims last year excluding the Molinari case were \$21,000--how much money was paid to THE HARTFORD last year in premiums and Mr. McGuire said there is a claim pending at one of the railroad crossings in town where 2 fatalities occurred. Mr. McGuire explained that reserves must be put aside and if a reserve is not used, the town would get this back in credits on the account.

Mr. Killen pointed out that Mr. McGuire is dissatisfied with the consultant hired by the town and Mr. McGuire said he is dissatisfied. Mr. Killen felt that somebody must put it together for the Council.

Mr. Salsbury mentioned on the issue of scope of coverage, in CIRMA'S opinion, coverage is not a controlling factor here since coverages are practically the same--not enough to make a difference one way or the other and he does not feel a decision should be made on scope of coverage or cost. Mr. Gessert took great exception to the cost since the Town Council is responsible first and foremost to the taxpayers of the Town of Wallingford and cost is a definite factor and it should be weighed.

Mr. Diana felt that the consultant fell short of the mark and a comparison was not made and he would have liked to see a comparison of CIRMA and THE HARTFORD to allow the Council to make an intelligent decision based on liability, dollars, etc. Mr. Diana has seen areas where he feels THE HARTFORD has been remiss and he feels quite frankly that the future of insurance for municipalities will be self insurance or consortiums. He further stated that CIRMA may be out of business in 3 years but the thought process is what is important tonight and the insurance companies are claiming no money and very few municipalities have THE HARTFORD sitting before them tonight and 6 months from now the town could receive a letter from THE HARTFORD stating they did not wish to insure the town anymore and he feels the town should start covering themselves where they can and he feels CIRMA is the way to start. Mr. Diana feels it is ironic that Connecticut is the insurance capital of the world and only 1 insurance company is present tonight.

Mrs. Bergamini asked what the bottom line was and Mr. Salsbury said CIRMA'S package is \$1,203,434; Mrs. Collins said the McGuire package is \$1,109,237, including the CIGNA and TRAVELERS policy, all with the same deductibles. Mr. Gessert asked if the CIRMA package included boilers and volunteer fire departments and Mrs. Collins said the volunteer fire coverage is \$64,903 and boiler and machinery is included in CIRMA coverage. The HARTFORD program combined with Horvath is \$1,131,966 and CIRMA for the same coverage is \$1,203,434, a difference of \$71,468 plus the entry fee of \$19,000. Mr. Gessert came up with \$1,223,337 and Mr. Salsbury pointed out that the amount a town will pay for occurrences arising starting July 1 is a smaller number but will eventually add up to the amount of the cost.

Mr. Killen pointed out that the Molinari case is a good example of why you can't compare since it is being paid over a series of years.

Mr. McGuire felt that flood and earthquake insurance could be removed from THE HARTFORD coverage and \$15,000 saved; Mr. Gessert asked what the cost was with CIRMA for that coverage and Mr. Salsbury said they were not asked to issue a quote for that. Mr. McGuire would recommend an additional \$5,000 deductible in the property area, saving an additional \$5,000 in premium and a \$25,000 deductible could save another \$5,000 and currently that deductible is \$5,000 with the exception of the utility division where there is a \$25,000 deductible.

Mayor Dickinson said there is a series of questions regarding on-site loss control engineering services, proration of premiums, the lack of inspection on any locations and whether that would change any of the quotes from CIRMA since there is an indication that inspection will be necessary. Mrs. Collins said that the town has had a great deal of service from the current and prior carrier in the area of loss control and the big Aetna sent someone about every 3 months to inspect the town properties and INA would come every month and

send loss control reports which she followed up and another problem is with the premiums being prorated to the various divisions and she does not know if CIRMA has the capability to bill the various divisions or not and to the best of her knowledge, no one from CIRMA had inspected any of the town's properties and she wondered if the premiums would change upon inspection. Mrs. Collins still thinks the idea of self insurance is good since the town has had excellent experience in the workmen's comp area and it was only last year that the town paid in expenses an amount about equal to the premium that would have been paid in 1979. Mrs. Collins said THE HARTFORD'S service has been good and the premiums are below the budget figure she set up and the increases were not the amounts she expected and the umbrella policy came in lower. 447

Mr. Diana said this same conversation on self insurance took place a year ago and he tried setting up a committee on insurance which was voted down. One of the questions tonight is how do we justify paying CIRMA more than THE HARTFORD and he would be troubled to answer this but you must look at the total picture. The total picture is that 2 years ago, the town was paying \$300,000 for insurance and that went from \$300,000 to \$800,000+ and based on that thinking, he could say that he could justify \$100,000 increase this year because the town will start putting themselves in a better financial position insurance-wise than putting trust back into the insurance companies again. Mr. McGuire felt that THE HARTFORD is making a market for the municipal business and he personally feels you have the best company for the market right now with them. Mr. Diana asked what would happen with the trash plant on board and Mr. McGuire said you would have to cross that later and Mr. Diana wanted to cross it right now. Mrs. Collins felt that many other carriers would come back in later. Mr. Gessert felt that there was not enough information to decide now about self insurance and he felt that CIRMA'S entry into the business is a positive sign and might make the insurance industry more competitive and if their proposal were less expensive than THE HARTFORD, he might be willing to give it a shot.

Mr. Gessert pointed out in Mrs. Collins' letter that in a pool, you could be assessed for up to 30% of the premiums due to losses not necessarily occurring in Wallingford and he is tempted to go with the fixed cost premium.

Mayor Dickinson appreciates the efforts of everyone here and the bottom line, from his standpoint, has to be, at this point, the dollar figure. The town went into the competitive process first of all to get some specs to obtain a variety of quotes with an eye toward providing the best coverage for the municipality at the best price to the taxpayer and the Mayor felt that ultimately, the town is going to have to move toward self-insurance and we should sit down with Charlotte Collins to determine this restructuring to accomplish that. The Mayor congratulated CIRMA for what they put together in a short period of time but at this point, he felt the town should go with THE HARTFORD. Mr. Salsbury said CIRMA is a step toward self-insurance, no question about it, and the opening remarks made by the consultant summarize the issue very well.

Mr. Killen keeps hearing that someday the town will self-insure and sooner or later, the town will have to make a move and one of the problems with insurance companies is that they have taken some mighty poor risks just to get the money up front because the interest rates were high and they were earning lots of dollars. Mr. Killen said the town is prepared to self-insure to a larger extent than some people realize and why should the town keep paying this money out in premiums since they keep going up whether you are good, bad or indifferent.

Mr. Gouveia asked how high the deductible could be raised with THE HARTFORD and Mr. McGuire said you could go to \$25,000 on property and they do not feel it is sound to do that with liability and if you take the two deductibles on the property side, you can save an additional \$25,000 and another \$15,000 by removing flood and earthquake coverage. Mr. McGuire felt that with most schools being 20 to 30 years old, that is an area to take a chance on with higher deductibles.

Mr. Salsbury commented that every single municipality that has joined the pool, without exception, had proposals from other insurance carriers--THE HARTFORD, TRAVELERS, INA--a series of other carriers, so there is not adverse selection in the program.

Tillinghast of Simsbury did the actuarial study for CIRMA and they had an extensive look beyond just the 14 communities looked at. Mr. Gessert asked why CIRMA premiums would end up higher since they are a non-profit organization and Mr. Salsbury said the first and foremost concern is the financial solvency on a long-term basis and if they did overcharge, the dollars would go back to the community. It is partly based on actuarial data and CIRMA is required to file insurance rates with the insurance department and if they had gone in with greatly reduced rates, they would have had a difficult time. Their option was to provide an alternative. 448

Mr. Gouveia asked if the deductibles can be raised at any time beyond those recommended by the consultant and Mr. Salsbury said this certainly can be done when the coverage is placed. Mr. Gouveia asked if the property deductible were raised to \$100,000, can a quote be given this evening and Mr. Salsbury said this must go back to the underwriters.

Mrs. Collins asked if the town could take the other coverages offered by THE HARTFORD and self-insure completely on the property and Mr. Bellanger couldn't tell if this could be done because this was a package deal. Mr. McGuire said the fire insurance rates are 20¢ and to self-insure the property, the liability rates would go up to offset and there probably wouldn't be any savings and you would be better off with the higher deductible. Mr. Bellanger said the property and liability is quoted as part of a package and he could not give a figure broken down separately at this time.

Mrs. Collins asked whether inspection of the utilities and vacant schools and some such exposures would change the CIRMA premium and Mr. Salsbury said there would not be a premium change on the property side but there had to be an inspection report to cover the dam.

Mr. Polanski would like to see about \$800,000 go into an account to build on it and the interest alone in about 5 years will pay the claims and he feels the town should start. Mr. Diana feels that although CIRMA is not perfect, it is a start for insurance independence and he feels it is time to make that step and he could justify \$100,000 extra this year because when the trash plant comes on board, THE HARTFORD will probably care less about Wallingford's position at that point. Mr. McGuire said THE HARTFORD has made a commitment to municipalities in Connecticut and he thinks the town would be foolish to go into a program such as CIRMA at this time.

Mrs. Papale said the coverage will be for 1 year and she can't see spending an extra \$100,000 this year but feels a committee can be set up for next year for self-insurance and she would like to go with THE HARTFORD but agrees the town must start looking at self-insurance. Mr. Salsbury emphasized that one of the benefits of self-insurance is the investment income earned on reserves that is held until claims have to be paid and CIRMA will do that on a group basis. Mr. Salsbury assumed that the losses and the expenses for the Wallingford account will be \$500,000, including monies reserved--where does the extra \$600,000 go, along with the investment income--suppose every other city and town in the pool has the same proportionate experience--in 5 years the money comes back to Wallingford. Mrs. Papale understands that but also understands it can go the other way. Mr. Salsbury said CIRMA has been in business 6 years in the comp program area and have distributed close to \$8,000,000 in dividends at this point. Mr. Gessert asked about determining comp losses and Mr. Salsbury felt it is easier to determine comp than it is liability.

Mr. Gouveia felt that if the town goes with the consultant's recommendation of higher deductibles, the town could save \$165,000.

Mr. Polanski moved that the Town of Wallingford take its own General Liability and put \$450,000 aside for that policy and CIRMA receive the money minus the fire coverage which the Horvath Agency will take. Mr. Killen seconded the motion.

Mrs. Collins asked who would handle the self-insurance and Mrs. Papale felt they would need a year to decide this issue. Mr. Polanski felt there would be time enough to hire. Mayor Dickinson pointed out that someone must be in charge of supervising this. Mrs. Bergamini thinks the suggestion is commendable but the town needs an agency to call and this is the eleventh hour.

VOTE: Unanimous nos with the exception of Mr. Polanski who voted yes and Messrs. Holmes and Rys who were not present; MOTION DID NOT CARRY.

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Mr. Diana moved to accept CIRMA proposal as presented with the exception of the Firemen coverage going to the Horvath Agency. Mr. Killen seconded the motion. (SEE ADDITION TO MOTION BELOW.)

Mr. Killen asked if this was complete coverage and Mr. Salsbury recommended that the motion include what deductibles the Council wanted on the liability and property and what limits of coverage.

Mr. Diana moved to add to above motion deductibles of \$25,000 on property and \$100,000 on liability. Mr. Killen seconded this addition to the original motion.

Mr. Polanski asked that the exact CIRMA price be included in the motion. Mrs. Collins gave the following figures:

General Liability	\$ 342,540/\$100,000 deductible
Automobile	253,864
Property	116,188/\$ 25,000 deductible
\$1 million excess	204,231
Public Officials Liab.	57,500
Boiler & Machinery	28,379
Entry Fee	<u>19,000</u>

TOTAL \$1,021,207--TOTAL READ BY MRS. COLLINS BUT FIGURES ACTUALLY ADD \$1,021,702.

Mr. McGuire said his figure is \$1,112,000, taking the flood and earthquake off and going with a \$25,000 deductible on the property, not much of a savings but a lot of downside risk and no deductible on general liability and no possibility of a 30% assessment.

Mr. Gouveia asked if anyone from CIRMA or Tillinghast would dispute the figures provided by Mrs. Collins and Mr. Salsbury said that Mrs. Collins did not take out the credits that would be allowed for the Fire Department of \$45,000.

VOTE: Unanimous ayes with the exception of Mrs. Bergamini, Mr. Gessert and Mrs. Papale who voted no and Messrs. Holmes and Rys who were not present; MOTION DID NOT CARRY.

Mr. Gessert stated why he favored the HARTFORD proposal over CIRMA but would have no objection to passing a motion this evening to go with McGuire and set up a panel to put the machinery in motion to be prepared next year at this time on a self-insurance package to be in a position to have the mechanism to do it, have a history on how many cases per year, how much it costs to investigate the cases, somebody to handle the claims and salary developed for that and a line item for servicing claims, a line item for a risk manager and job description developed and a self-insurance program ready to go. Mr. Killen said the problem is how does the Council get off dead center here. Mr. Killen said the town is very satisfied with the results from workmen's comp self-insurance and he is willing to take a shot that some money will be returned and he has never been footloose and fancy free with the taxpayer's dollar. Mr. Diana asked if the HARTFORD was prepared to write a six month policy and Mr. McGuire said he did not feel they would be and he also did not think that was in the town's best interest. Mr. Salsbury felt that to resolve the deadlock, the property coverages could be placed with the HARTFORD and the liability with CIRMA and CIRMA is willing to write the liability without the supporting property coverages. Mr. Gessert felt that the coverages looked more cost effective on the liability side than they are on the property side. Mr. McGuire asked if CIRMA was prepared to give Wallingford a binder on the property and liability coverages tonight and the CIRMA spokesman said they are prepared to give one on the general liability tonight but not on the property tonight because they have to check with the reinsurer. Mr. McGuire read in the consultant's report that binders were to be brought to the meeting this evening, on page 5 of the report. Mr. Berg said that in consultations with the town, proposals have been accepted only up until several days ago. Mr. McGuire said they have tried to conform to the specifications and basically they write a package policy because there are more credits doing it that way and when you split it apart, you lose all your credits.

Mr. Salsbury disputed that and pointed out that coverage on the property side is with a commercial carrier and the liability side is with CIRMA--West Hartford, Milford and Ansonia are just three examples of that circumstance. 450

Mrs. Collins asked if CIRMA would provide any rebate to Wallingford if they were in the program for only one year and Mr. Salsbury said their by-laws read that you have to be participating in the program at the time dividends are granted but the comp program provides a guaranteed dividend of x number of dollars depending on losses but this program does not if you are not physically part of the pool but if you go out and come back in, you are eligible for them at that point because of the exposure of latent liabilities present.

The chair declared a recess and the meeting resumed at 11:00 p.m.

Mrs. Bergamini moved to accept THE HARTFORD INSURANCE GROUP package, to include placing Flood and Earthquake coverage for \$15,000, and a \$25,000 deductible on property and place the Fire Department coverage with the Horvath Agency. Mrs. Papale seconded the motion.

VOTE: Unanimous ayes with the exception of Mr. Polanski who voted no and Messrs. Holmes and Rys who were not present; motion duly carried.

Mr. Gessert mentioned that Mr. Diana has requested an item to be placed on the July 23, 1986 agenda to establish an insurance commission to research self-insurance next year as a more viable alternative and he requested that the Council be prepared to pursue that direction.

Mr. Gessert expressed his appreciation to the CIRMA representatives for their time, efforts and professionalism and he realized that the time constraints were difficult on everybody.

Mr. Gouveia mentioned that at the last meeting, he was charged to write a letter to Stanley J. Pac, Commissioner, Department of Environmental Protection regarding the Quinnipiac River and a copy of this letter was given to the Town Council and Mayor Dickinson for their review and for the Council Chairman's signature. Mr. Diana said he was not in favor of this but he did agree that Wallingford should have been notified. Mr. Diana's only objection is that this is taking a band-aid approach and to say that you can't take the water is crazy and he feels it should say that there should be some better regulations upstream for what is being dumped into the stream. (LETTER TO STANLEY J. PAC, DEP. ATTACHED AS EXHIBIT I.)

A motion to adjourn was duly made, seconded and carried and the meeting adjourned at 11:14 p.m.

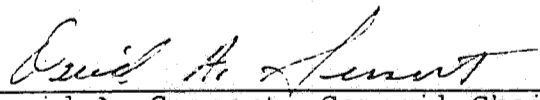
Meeting recorded by:

Lisa M. Bousquet, Council Secretary

Meeting transcribed by:

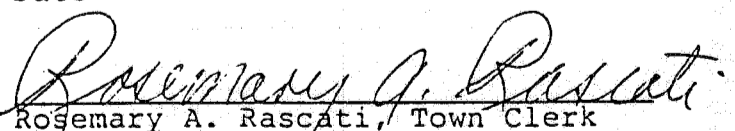
Lisa M. Bousquet and Delores B. Fetta

Approved


David A. Gessert, Council Chairman

July 23, 1986

Date


Rosemary A. Rascati, Town Clerk

July 23, 1986

Date

Special Town Council Meeting

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EXHIBIT I
June 30, 1986

Stanley J. Pac
Commissioner
Department of Environmental Protection
165 Capitol Avenue
Hartford, CT 06106

Dear Commissioner Pac:

We, members of the Wallingford Town Council, wish to register a strong protest with your Department for its failure to notify our town about plans to divert water bound for the Quinnipiac River. A large-scale diversion in towns upstream could have potentially disastrous effects on the ecology of the river and its environs in Wallingford.

We realize the Quinnipiac is already polluted. But we also recognize that the state government has expressed a firm determination to clean up all the rivers of our state, including the Quinnipiac. We cannot sit idly by and let fresh, clean waters be taken from the river upstream. The unavoidable consequence for us is a higher concentration of pollution downstream.

It is ironic that the DEP has embarked on a battle against a plan by the city of Boston to divert water from the Connecticut River in Massachusetts. In your own testimony against that plan, you criticized our neighbor to the north for not even determining the effect of diversion on the river downstream. We ask you to use the same logic in our situation. Any plan to divert water destined for the Quinnipiac should not be approved without a thorough analysis of the impact downstream.

At the very least, we should have been informed about the plan. Imagine your consternation if Massachusetts had embarked on their diversion without even letting Connecticut know about it; that reflects our feelings on this matter.

We therefore ask that we, members of the Wallingford Town Council, and our Mayor, William Dickinson, be informed about all details of this plan, both now, and as it progresses. We also request that a hearing be held in the near future, so that the people of Wallingford can make known their opposition directly.

Thank you.

Sincerely,
