

2002 - 2003 ANNUAL BUDGET

PUBLIC HEARING

APRIL 17, 2002

**DRAFT**

DRAFT MINUTES

**DRAFT**

6:30 P.M.

A Public Hearing on the 2002-2003 Annual Budget of the Town of Wallingford was held by the Town Council in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Robert F. Parisi at 6:38 P.M. Councilors Brodinsky, Doherty, Knight, Papale, Parisi, Toman & Vumbaco answered present to the Roll called by Town Clerk Rosemary A. Rascati. Councilor Farrell was ill; Councilor Rys arrived at 7:07 P.M. due to traffic delays. Mayor William W. Dickinson, Jr. and Comptroller Thomas A. Myers were also present.

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In accordance with the Freedom of Information Act, the following document is a draft transcription of the minutes of the Public Hearing on the F.Y. 2002-03 Budget of the Town of Wallingford the Town Council held on Wednesday, April 17, 2002. This summarized transcription is being filed with the Town Clerk to comply with F.O.I. guidelines. A detailed transcription will follow and will be filed as the permanent record of proceedings of the meeting.

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A blessing was bestowed upon the Council by Deacon Eugene Riotte of Holy Trinity Church.

The Pledge of Allegiance was given to the Flag.

Questions were asked by Robert Sheehan, 11 Cooper Avenue and Jack Agosta, 505 Church Street, Yalesville on the budgets of the Board of Education, Electric, Water & Sewer Divisions, Social Services Contributions and Personnel Employees Benefits accounts.

Motion was made by Mr. Rys to Adjourn the Meeting, seconded by Mr. Toman.

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

There being no further business the meeting adjourned at 7:55 P.M.

APR-19-2002 17:27

P.02

**DRAFT**

Public Hearing – F.Y. 2002-03 Budget

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April 17, 2002

Meeting recorded and transcribed by:

Kathryn F. Zandri  
Town Council Secretary

**DRAFT**

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Rosemary A. Smith TOWN CLERK

2002 – 2003 ANNUAL BUDGET

PUBLIC HEARING

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A Public Hearing on the 2002-2003 Annual Budget of the Town of Wallingford was held by the Town Council in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Robert F. Parisi at 6:38 P.M. Answering present to the Roll called by Town Clerk Rosemary A. Rascati were Councilors Brodinsky, Doherty, Knight, Papale, Parisi, Toman & Vumbaco. Councilor Farrell was ill; Councilor Rys arrived at 7:07 P.M. due to traffic delays. Mayor William W. Dickinson, Jr. and Comptroller Thomas A. Myers were also present.

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Mayor Dickinson explained that the budget totals \$107.9 million in expenditures for the operation of government for one year. He stated, that figure does not include the utility budgets. This budget contains an increase of 4% for Education or \$2.4 million; an increase in General Government of 4.9% or a \$2 million; we are anticipating approximately \$900,000 in Revenues, other than taxes and the principal reduction is in Interest Income. There are some reductions in State Grants but the principal reduction is in Interest Income. As the interest rates drop, so does our return on the money invested. In order to reach the conclusions in this budget, we have included an additional \$3.9 million in reserves in order to offset the effect of revaluation. We had reserved that money for revaluation with the prospect of using it in one or more years. It was felt that all of the money should be used in this initial year. That is \$3.9 million of the revaluation reserve. We are maintaining a \$5.1 reserve for the Aa Credit Rating. We are not looking to sacrifice the Town's fiscal position regarding the credit rating. If adopted, this budget would have a mill rate of 22.7 mills. That is a reduction of 3.8 mills from current 26.5 mills. Due to revaluation; the current average assessment would be \$137,200.

The taxes paid on the \$137,200 property will increase \$424.69. If we had not used the revaluation reserve, it would have been \$600+. Around \$200 has come off of that increase due to the use of that reserve, but it is a \$424.69 increase in taxes. That is a serious matter, I am sure, for everyone in the community. The budget also includes Water, Sewer & Electric services. The Water budget anticipates a rate increase of somewhere between 6-7%. There are a variety of figures but I am using higher figures rather than lower. For a number of reasons, they have seen a reduced revenue stream and they are also embarking on a major capital replacement of aging water mains. There hasn't been a rate increase for water in the past ten years and we have to anticipate it at some point. There is no rate increase for the Sewer Division and they are anticipating capital projects for the lining of the sewer mains; the de-

nitrification project to conform with State, DEP & EPA standards and there is also the replacement of the North Turnpike Pump Station for a cost of an estimated \$650,000. The Electric Division; same rate and principally, the budget deals with maintenance of our existing facilities.

At this time the Mayor used an overhead projection system to describe what the revaluation effect is (Appendix I).

Currently – Residential Properties: The number of residential properties in town are 14,472; the total taxes from those properties amount to \$36,762,653. If you divide those numbers, you find that the current taxes paid on an average property is \$2,540.

Revaluation: The number of residential properties remains the same; 14,472; total taxes from residential property owners increases to \$39,958,860. Taxes paid per property averages \$2,761; a \$221 increase per property. All properties are not of equal value. Tax obligations on some properties will be greater; some may be less depending on individual assessments.

Currently - Business Properties: There are 1,076 business properties; \$22,477, 724. in taxes from business under the current mill rate. Average taxes paid per business property, \$20,890.

Revaluation: The number of businesses properties remain the same, 1,076; total taxes paid is \$21,615,000; Average taxes paid per business property is \$20,088.00, a reduction of \$802.

Currently - Motor Vehicles: Under the present mill rate the taxes paid on motor vehicles total \$6,573,817. Assessments are based on current market value each year.

With revaluation, the mill rate drops. Motor Vehicle taxes due under the new mill rate will total, \$5,716,465, a \$857,352 decrease in revenues from motor vehicle taxes.

That is the effect of revaluation; the values shift. Revaluation has a serious impact and it appears as though a good portion of the residential tax increase is due to revaluation. The other portion is due to the increase in the budget and reflects that there is a 4.4% increase in spending. When less is received from the state or interest income, it has to be made up somewhere and that is the lower taxpayer. The bottom line for all of this is, it is a serious matter; it is a question of what we are willing to invest; pay in order to maintain the quality of life; the services; what we enjoy in Wallingford. At this point, balancing a multitude of factors, we are recommending this budget. It is not a document that is without some serious effect on people in town. With due regard for that, I do urge your review of it and ultimate approval of it.

Chairman Parisi stated that the first budget up for review would be the Board of Education.

**BOARD OF EDUCATION**

Mike Votto, 377 North Elm Street asked if the Mayor's cut to the Certified Salaries line item will have an effect on staff levels?

Joseph J. Cirsuolo, Ed.D., Superintendent of Schools responded, if we were dealing only with that account, yes. When the staff presents a recommendation to the Board in June, depending on what the Council decides, we will take a look at the entire budget. We are projecting a balance at this point of about \$800,000 this year. We will pre-purchase maintenance items, maintenance projects, books, supplies, etc., and then transfer monies out of the accounts where we pre-purchased items, into personnel if we can. The net effect is on the bottom line. The Board asked for a certain amount; the Mayor's recommendation is a little over \$1.9 million less than what the Board asked for. If we can come up with a combination of this year's balance, as savings from next year, we will not have to eliminate anything from the budget. We know that we can reduce employee benefits by about \$200,000. We have about \$1 million and we are still looking for \$900,000.

Mr. Votto asked if the same applies to instructional equipment?

Dr. Cirsuolo answered the instructional equipment does not get cut because it is part of an allocation that we give to the building principals and other department heads and if there is a reduction, it is in the allocation and then we would leave it to them to make the decision as to where it is going to come from. It may come from equipment or other areas.

Robert Sheehan, 11 Cooper Avenue asked, do we have enough teachers to cover every department within the schools? Can we use more teachers in the departments throughout the system?

Dr. Cirsuolo answered that the schools are staffed at the levels the Board intended them to be staffed. The projection is, as far as enrollment is concerned, the net reduction is 7.5 teaching positions. A number of additional positions are being recommended, however. There are five positions in the budget for teaching specialists and another five positions for classroom teachers for various purposes. What it comes down to is a net increase in the professional staff including administrators where there is no increase or decrease of 2.5 positions.

Mr. Sheehan asked, do you budget those positions in the hope that you will fill them?

Dr. Cirsuolo answered, that is correct.

Mr. Sheehan stated, I understand that you are implementing block scheduling in both high schools and that requires an additional four teachers.

Dr. Cirusuolo answered, block scheduling, by itself, does not require any additional staff. What we are implementing is an eight period schedule at the high school at the same time. If we did not do block scheduling and add an eight period scheduling, we have a seven period schedule now, the eight period schedule enables students to take more courses and we are requiring freshmen to take more courses. We are phasing that in. Because of the eight period schedule, we have in the budget as proposed, four additional teaching positions. It is estimated to cost about \$200,000 dollars per year.

Mr. Sheehan asked for an explanation on how the Board will realize a savings in the area of employee health benefits.

Dr. Cirusuolo answered, we budgeted for the premium that was recommended to us by the insurance carrier. The Mayor made a decision and this had to do with the de-mutualization process that Anthem Blue Cross went through and he has decided to use some of the money that accrued to the town from that process to reduce the premiums and that affects us as well.

Jack Agosta, 505 Church Street, Yalesville asked if the school system will run as well as it has been running with the Mayor's proposed cut to the Board of Education's budget?

Dr. Cirusuolo answered, that will depend on whether between the additional balance this year and some savings from next year, we can come up with a little over \$900,000. At this point I can't tell you whether we can or not, we are still looking at that. If we cannot, then the Board will not be able to do everything it wanted to do when it put the budget together and, if that is the case, we will not be making the progress we ought to make. If we can come up with that dollar amount, then the Board can do everything that it intended to do and we will make the progress we ought to make. I can't give you a final answer on that until June.

Mr. Agosta stated, in looking back over every year, the Mayor has cut an average of 3%. I am confident that the school system will stand up to the budget cut.

### **ELECTRIC DIVISION – Five Year Capital Plan**

Robert Sheehan, 11 Cooper Avenue asked how much the Division has in Retained Earnings and what will the Division's contribution to the Town be in this upcoming budget?

Raymond F. Smith, Director of Public Utilities replied that the budgeted amount to be transferred to the Town is \$1,807,502. which is 4.5% of last year's sales as dictated by Town ordinance.

Mr. Sheehan asked again, how much is in retained earnings (cash reserves)?

Thomas Sullivan, Office Manager, Electric Division answered, as of February of 2002, there is \$20,500,000.

### WATER DIVISION

Dave Gessert, Public Utilities Commissioner stated that this would be Richard Cassello's last budget session with the Town. Mr. Cassello is retiring after 34 years employment.

Jack Agosta, 505 Church Street, Yalesville asked if the rates are going up because people are conserving more and less water is being used?

Mr. Cassello, Water Division Office Manager, replied yes.

Mr. Agosta asked questions regarding the capacity levels of the reservoirs.

Raymond F. Smith, Director of Public Utilities stated that the water levels are over 86% of reserves. The amount of precipitation has been slightly above normal for the past six weeks. We are out of the water advisory state but still encourage people to conserve.

Mr. Agosta asked if the Town was bringing water in from elsewhere?

Mr. Smith answered, no. We are in better condition than most systems in the state.

Robert Sheehan, 11 Cooper Avenue asked how much the Division had in Retained Earnings?

Mr. Cassello replied, in the last audited statement, the Water Division showed that the "Cash above minimum levels" was \$2,300,000. In the Sewer Division it was \$1,140,000.

Mr. Gessert stated that he has had the opportunity to work with Mr. Cassello for the past fourteen years and he did not know of a more dedicated and competent Town employee. He stated that Mr. Cassello has done an outstanding job for the Water & Sewer Divisions for many years. He thanked Mr. Cassello for his contributions and wished him success in his retirement. He is a role model for a lot of the employees and has done an outstanding job. Mr. Cassello's last day with the Town is May 17<sup>th</sup>.

(Applause)

### GENERAL GOVERNMENT

**Employee Insurance and Other Benefits**

Jack Agosta, 505 Church Street, Yalesville stated, over the past three years the Town has saved \$918,055 in this account. In the new budget the Mayor is taking \$500,000 from the Anthem Blue Cross money to pay for part of the big increase that is coming. Why is there another big increase in this benefit over the past years?

Mayor Dickinson answered, the insurance rate went up approximately 17%. What we would pay for health insurance rose 17%. By using \$500,000 from the Anthem Blue Cross payment, we reduced that increase to around 11%.

Terence Sullivan, Personnel Director added, HealthNet which is an HMO in town was going up 20.8% so we are using \$500,000 to bring that premium increase down. On the Anthem side it will be about 11.65%. We have seen double digit increases for the past three or four years.

Mr. Agosta wondered if the Town was over-protecting to play it safe?

Mr. Sullivan answered over the past five years the Town has moved to work with the unions to bring in PPOs, Century Preferred product through Anthem Blue Cross/Blue Shield. That has saved the Town and the employees some money. We also anticipate a certain number of vacancies every year. The recent mandated changes and what has to be covered by law such as diabetic coverage, infant formula coverage, colorectal screening, are costs we are now going to pick up; it affects our premiums.

Mayor Dickinson stated, we are given the rate increase by Anthem Blue Cross prior to our budget preparation process.

**Animal Control Officer**

Mr. Agosta asked if the renovations of the shelter would be performed by the Public Works Department or an outside contractor?

Kathryn Lindenmann responded, outside contractor.

**Building Department**

Mr. Agosta asked why there was an increase of \$53,000 to the budget yet no new employees have been hired?



Mayor Dickinson answered, the Housing Code Enforcement Officer used to be a part time position and is now full time.

**Social Services Contributions – Line 6710, 6780**

**Line 6710 - Regional Center for Retarded Children**

**Line 6780 - Wallingford Association for the Retarded**

Mike Votto, 377 N. Elm Street asked what the two line items covers and what is the money used for?

Mayor Dickinson stated that the Town has been making these contributions for many years; before he was Mayor. The Town receives a request for the contribution each year.

Mr. Votto asked if they were both the same organization?

Mayor Dickinson answered that he did not believe so. Acct. #6710 is a John Neardon Summer Camp; Acct. #6780 is a direct contribution to the association separate from the Neardon Camp.

Mr. Votto asked the Mayor if he knows who the people are that are in charge of the funds?

Mayor Dickinson replied that he will get that information and forward it to Mr. Votto.

Mr. Votto stated that he is a parent of a retarded child who is 24. He has never heard from this organization and has no clue as to where the money is spent; how it is spent; etc.

Mayor Dickinson offered to get the information to Mr. Votto if he contacts his office.

**Wallingford Committee on Aging, Line #6750**

**Wallingford Committee on Aging -Mini-Bus, Line #6760**

Jack Agosta, 505 Church Street, Yalesville asked if the attendance at the Senior Center has grown since the new building has opened.

Virginia Phillips, Exec. Director, Wallingford Senior Center stated that there has been a huge increase in participation at the center. During the period of March 1, 2001 to March, 2002 new members totaling 553 have been registered bringing the total membership to 2,400. Overall participation in programs, activities and recorded attendance has hovered around the 80-85% increase in that period of time. The organization has not yet occupied the building for one full year and are curious to see what the impact will be by their anniversary date. This year, through Mr. McCully's office (Dept. of Public Works) an arrangement was made to have people pick up

their landfill permits at the senior center. In ten (10) working days his staff person oversaw the distribution of 979 permits to people who visited the building. The building is being used.

### General Fund, Revenue Budget

Mr. Agosta stated that the newspaper reported that the Grand List total was \$3,072,000,000. The budget request comes out to \$3 billion.

Mayor Dickinson replied, that would not include all property because the total Grand List would list the property...some of it will not pay taxes, you have to estimate a collection rate and I don't know if the paper carried the total Grand List that has exempt property on it that would not show up here.

Mr. Agosta asked how the Mayor arrived at the \$68 million request?

Mayor Dickinson replied, that is what the taxes would be if all of the requests under the request column were granted, we would have to raise \$68,022,284. from taxes. Instead, it is \$65,152,000 as a result of the reductions that show up in the proposed budget.

Mr. Agosta stated that he took the figure of \$3,072,000,000 and multiplied it by 22.7 (mill rate) and that figure matches the first four lines in this budget listed on page 9 of the budget book. He stated that in looking at a different line (he did not specify which one) the numbers don't match.

Mayor Dickinson did not understand Mr. Agosta's question but stated that the Town does not collect 100% of the taxes it is owed. The total requested amount has been reduced. If the budget were \$110,798,000, then the taxes would have been \$68 million. But the budget is \$108 million so taxes are lower.

Mr. Agosta asked how the Mayor arrives at using the figure of \$3,975,206, the same number he used last year, to appropriate into the budget.

Mayor Dickinson replied, it was a combination of what was appropriated the previous year from reserves, plus the additional reserve for revaluation. That gives a total of \$7.9 million.

Mr. Agosta stated that it is exactly the same amount of money put in the budget last year to balance it. Anyone looking at it would be perplexed that it is exactly the same, right to the dollar, as last year's figure. It appears as though there is a \$3.9 million surplus left over from this budget that you are appropriating into next year's budget.

Mayor Dickinson replied that it was not exactly the same dollar amount as last year. This budget appropriates \$3,941,715., which is not the same as \$3,975,206 which is the total from Fund Balance including the estimated Cash Balance you are referring to in the '02 budget.

Mr. Agosta stated, but that is part of your Fund Balance.

Mayor Dickinson could not follow Mr. Agosta's issue.

Mr. Agosta explained, you started off with \$16 million in the Fund Balance. You took \$3,975,000 off of that figure so it comes out to about \$12 million+, and then you took the additional \$4 million off which leaves about \$8 million. You are assuming that the \$3.9 million is going back into the Fund Balance. You are taking \$8 million from the Fund Balance.

Mayor Dickinson replied, we are taking \$8,416,921 from the Estimated Cash Balance and the Audited Cash Balance; \$1,030,000 estimated and \$7,386,924 from the Audited Cash Balance. We are appropriating those funds.

Mr. Agosta stated, I think you made the budget come out this way, because you did the same thing last year and the year before, and you know that money is going to come back. I figured it out; I figured out the savings and fund balance and everything else and I believe that is the figure. Eight million is an awful lot of money to throw into a budget and all you are going to have left is to secure our credit rating and that is dangerous ground. I believe you know that the \$4 million is a surplus coming from this year's budget.

Mayor Dickinson stated, if we take the \$8.4 million out of this budget, then we have to raise the \$8.4 million in taxes. Otherwise you have to cut \$8.4 million worth of expenditures. The budget wouldn't balance without the \$8.4 million.

Mr. Agosta stated, I agree, and the mill rate would be more than 24.1, too. It would be around 26.7 mills if you didn't use that money. You had to do this; you had no choice, otherwise people would have been swallowed under. I think you know the \$4 million is coming back to you from this current budget, that is why you put it in the proposed budget.

There were no other questions presented on the Mayor's proposed budget for F.Y. 02-03.

Motion was made by Mr. Rys to Adjourn the Meeting, seconded by Mr. Toman.

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

There being no further business the meeting adjourned at 7:55 P.M.

Meeting recorded and transcribed by:

*Kathryn F. Zandri*  
Kathryn F. Zandri  
Town Council Secretary

Approved: *Robert F. Parisi (by RR)*  
Robert F. Parisi, Chairman

5-14-02  
Date

*Rosemary A. Rascati*  
Rosemary A. Rascati

RECEIVED FOR RECORD APR 26 2002  
AT 1:35 P.M. AND RECORDED BY  
*Rosemary A. Rascati* TOWN CLERK