

TOWN COUNCIL MEETING

MAY 13, 2003

6:30 P.M.

AGENDA

Blessing – Reverend Joe DeAngelo, Good News Christian Center

1. Pledge of Allegiance and Roll Call
2. Correspondence
3. Consent Agenda
 - a. Consider and Approve Tax Refunds (#572-585) Totaling \$11,262.30—Tax Collector
 - b. Approve and Accept the Minutes of the April 22, 2003 Town Council Meeting
 - c. Consider and Approve a Transfer of Funds in the Amount of \$399 from Continuing Education & Training, Account #001-7010-5700; \$400 from Meetings, Dues & Seminars, Account #001-7010-701-7990; \$800 from Secretarial Services, Account #001-7010-901-9000 for a Total of \$1,599 to Office Expenses & Supplies #001-7010-401-4000—Town Planner
 - d. Consider and Approve a Transfer of Funds in the Amount of \$45,000 from Self-Insurance-Worker's Comp, Account #001-1602-800-8310 to Retirement Sick Leave, Account #001-1602-101-1750—Personnel Director
 - e. Consider and Approve a Transfer of Funds in the Amount of \$8,000 from Injuries & Damages, Account #431-8920-925 to Maintenance of General Plant, Account #431-8920-932—Water Division

- f. Consider and Approve a Transfer of Funds in the Amount of \$1,000 from Operational Labor & Exp. (Source of Supply), Account #431-8600-601; \$1,000 from Pumping Labor & Exp., Account #431-8620-624; \$5,000 from Operating Labor & Exp. (Treatment), Account #431-8640-642; \$1,000 from Maintenance of Transmission & Distribution Lines, Account #431-8660-673; \$1,000 from Maintenance of Services, Account #431-8660-675; \$16,000 from Administration & General Salaries, Account #431-8920-920 for a Total of \$25,000 to Chemical Expense, Account #431-8640-641—Water Division
- g. Consider and Approve a Transfer of Funds in the Amount of \$2,500 from Maintenance of Transmission & Distribution Lines, Account #431-8660-673 to Maintenance of Hydrants, Account #431-8660-677—Water Division
- h. Consider and Approve a Transfer of Funds in the Amount of \$10,000 from Operating Labor & Expense, Account #461-8640-642; \$5,000 from Maintenance of Trans. & Collection Lines, Account #461-8661-673; \$10,000 from Administrative & General Salaries, Account #461-8920-920 for a Total of \$25,000 to Injuries and Damages, Account #461-8920-925—Sewer Division
- i. Consider and Approve a Transfer of Funds in the Amount of \$20,000 from Maintenance of Trans. & Collection Lines, Account #461-8661-673 to Miscellaneous Expenses, Account #461-8640-643—Sewer Division
- j. Consider and Approve a Transfer of Funds in the Amount of \$5,000 from Maintenance of Treatment Equipment, Account #461-8640-652 to Power Purchased, Account #461-8640-623—Sewer Division
- k. Consider and Approve a Transfer of Funds in the Amount of \$2,000 from Maintenance of Treatment Equipment, Account #461-8640-652 to Misc. General Expenses, Account #461-8920-930—Sewer Division
- l. Consider and Approve Lease Agreement Between the Town of Wallingford and Nutmeg Big Brothers/Big Sisters for a period of One Year, July 1, 2003-June 30, 2004—Town Attorney
- m. Consider and Approve a Transfer of Funds in the Amount of \$5,300 From Salaries & Wages, Account #001-1401-101-1000 to Outside Services Accounts, Account #001-1401-901-9007—Finance

- n. Consider and Approve a Transfer in the Amount of \$12,400 from Regular Salaries & Wages, Account #001-5010-101-1000: \$5,800 to Office Copier, Account #001-5010-999-9907 and \$6,600 to Engineering Grade Copier, Account #001-5010-999-9908-Town Engineer
- o. Consider and Approve Release of Electric Easement Over Property Known as 170 North Plains Industrial Road—Town Attorney
4. Items Removed from the Consent Agenda
5. PUBLIC QUESTION AND ANSWER PERIOD
6. Consider and Approve the Renaming of Central Grand Avenue to Chick's Way—Councilor Iris Papale and Chairman Robert Parisi
7. Consider and Approve Adopting the Fiscal Year 2003-2004 Budgets of the Town of Wallingford and Setting a Rate of Tax for Fiscal Year 2003-2004
8. PUBLIC HEARING To Consider and Act Upon an Ordinance Entitled "An Ordinance Appropriating \$1,865,000 For the Planning, Acquisition and Construction of Various Municipal Capital Improvements 2003-2004 and Authorizing the Issue of \$1,865,000 Bonds of the Town to Meet Said Appropriation and Pending the Issuance Thereof the Making of Temporary Borrowings for Such Purpose"—7:45 P.M.
9. Consider and Approve Audit Search Committee Recommendation to Choose Scully & Wolfe as Town Auditor in Accordance with the Request for Proposal—Town Councilor Henry Toman, Search Committee Chairman
10. Executive Session Pursuant to Section 1-200(6)(D) of the CT General Statutes with Respect to the Purchase, Sale and/or Leasing of Property—Mayor

TOWN COUNCIL MEETING

MAY 13, 2003

6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, May 13, 2003 in the Robert Earley Auditorium of the Wallingford Town Hall and was called to order by Chairman Robert F. Parisi at 6:32 P.M. Answering present to the Roll called by Town Clerk Rosemary A. Rascati were Councilors Brodinsky, Doherty, Farrell, Knight, Papale, Parisi, Rys, Toman and Vumbaco. Mayor William W. Dickinson, JR. arrived at 7:05 P.M.; Assistant Town Attorney Gerald E. Farrell, Sr. and Thomas A. Myers, Consultant (Comptroller, retired) were also in attendance.

A Blessing was bestowed upon the Council by Rev. Joseph DeAngelo of the Good News Christian Center.

A moment of silence was observed for Former Town Council Chairman Albert E. Killen, Jr. who served on the Council in excess of twenty years.

ITEM #2 Correspondence

Chairman Parisi stated that he had a request to read a letter from Levitsky & Berney, Certified Public Accountants into the record (Appendix I) which addressed comments made by Mr. Brodinsky in a New Haven Register article published May 10, 2003.

Mr. Brodinsky responded, I want to welcome Levitsky & Berney into the mayoral campaign of 2003. They certainly have injected themselves with a splash; that's good; we like that. Their letters are allegations only and they have some erroneous statements in that letter also. I would also like to point out that the article that was referred to quotes me, quotes Mr. Toman, I believe it quotes Mr. Vumbaco, but when it comes to the particular phrase that Levitsky & Berney is talking about, there's no quotations marks. What the reporter, I believe, was attempting to do was to paraphrase some lengthier remarks and that was an attempt at a paraphrase, but if you look carefully, there were no quotations marks. I never said that Levitsky & Berney failed to spot an accounting error on the part of the Board of Education. That being said, much of Levitsky & Berney's letter is, itself, without foundation. With respect to Levitsky & Berney not consulting with the Council is certainly true and I think that was a fair comment. It is also somewhat interesting that letters have been written to the Council in the past quite critical of one or more public officials and those letters, from time to time, have not been read. This letter was; that's fine. I guess we can say that the mayoral campaign, unfortunately, has reached the Council. That's really too bad. We should be taking care of the public's business and the Council agenda rather than injecting campaign politics. I think it was inappropriate to read the letter, but you did, so that's fine. We will address it and enjoin the issues.

Chairman Parisi replied, I am going to respond to your comment that it is the prerogative of the Chair and the letter was read because the article was in the paper and the Chair felt that if we are going to have a debate, it should be a fair one. A letter is here; the letter is read; the statements were made. As far as I am concerned, the issue is closed. There has been a response from both sides.

Mr. Vumbaco stated, I would like to make a comment also because, obviously, my professionalism has been attacked, here, by Levitsky & Berney. I never, and I will make more comments when we come to this issue, be aware of that, but I have never, ever stated that Levitsky & Berney or the auditing firm at all missed/did not perform their duties, at all. For them to say that I have and lumping me into a discussion and a paraphrase, I think, is wrong and extremely unprofessional on the part of Levitsky & Berney. Since they feel it is necessary for them to clear the air about their professionalism, I would like to go on the record right now and clear the air right now about my professionalism. I am a certified management accountant who lives up to ethical standards of my profession as well as I consider myself an extremely non-prejudicial public official when it comes to performing the business of this community. To be verbally attacked by Levitsky & Berney and question my professionalism, I find completely unfounded and am extremely aggravated by it. Second of all, I am still aggravated, just like Mr. Brodinsky is, in the fact that you chose to read this one particular letter to read into the public when there has been many issues in the past that have been raised by certain individuals who have had to come here on the public question and answer period to try and get their points across. Those were public-concerned issues especially when it comes to the utilities division. You chose to ignore those letters but, lo and behold, have chose to read into the record a letter because you do not agree with the outcome of the decision which was made perfectly clear in the articles that you were quoted in in the past. I think this is wrong. I think it's wrong that you allowed this to be read into correspondence and I think it reeks of politics.

Chairman Parisi replied, I had no preference in this selection and I would ask that you show me the article where I stated that I did have one.

Mr. Vumbaco answered, I will, Mr. Parisi. As a matter of fact I will make it a part of the agenda next time.

ITEM #3 Consent Agenda

ITEM #3a Consider and Approve Tax Refunds (#572-585) Totaling \$11,262.30 – Tax Collector

ITEM #3b Approve and Accept the Minutes of the April 22, 2003 Town Council Meeting

ITEM #3c Consider and Approve a Transfer of Funds in the Amount of \$399 from Continuing Education & Training, Acct. #001-7010-5700; \$400 from Meetings, Dues & Seminars

ITEM #3d Consider and Approve a Transfer of Funds in the Amount of \$45,000 from Self-Insurance Workers Compensation Acct. #001-1602-800-8310 to Retirement Sick Leave, Acct. #001-1602-101-1750 – Personnel

ITEM #3e Consider and Approve a Transfer of Funds in the Amount of \$8,000 from Injuries & Damages, Acct. #431-8920-925 to Maintenance of General Plant, Acct. #431-8920-932 – Water Division

ITEM #3f Consider and Approve a Transfer of Funds in the Amount of \$1,000 from Operational Labor & Exp. (Source of Supply) Acct. #431-8600-601; \$1,000 from Pumping Labor & Exp. Acct. #431-8620-624; \$5,000 from Operating Labor & Exp. (Treatment) Acct. #431-8640-642; \$1,000 from Maintenance of Transmission & Distribution Lines, Acct. #431-8660-673; \$1,000 from Maintenance of Services, Acct. #431-8660-675; \$16,000 from Administration & General Salaries Acct. #431-8920-920 for a Total of \$25,000 to Chemical Expense Acct. #431-8640-641 – Water Division

ITEM #3g Consider and Approve a Transfer of Funds in the Amount of \$2,500 from Maintenance of Transmission & Distribution Lines Acct. #431-8660-673 to Maintenance of Hydrants Acct. #431-8660-677 – Water Division

ITEM #3h Consider and Approve a Transfer of Funds in the Amount of \$10,000 from Operating Labor & Expense Acct. #461-8640-642; \$5,000 from Maintenance of Trans. & Collection Lines Acct. #461-8661-673; \$10,000 from Administrative & General Salaries Acct. #461-8920-920 for a Total of \$25,000 to Injuries & Damages Acct. #461-8920-925 – Sewer Division

ITEM #3i Consider and Approve a Transfer of Funds in the Amount of \$20,000 from Maintenance of Trans. & Collection Lines, Acct. #461-8661-673 to Miscellaneous Expenses Acct. #461-8640-643 – Sewer Division

ITEM #3j Consider and Approve a Transfer of Funds in the Amount of \$5,000 from Maintenance of Treatment Equipment Acct. #461-8640-652 to Power Purchased Acct. #461-8920-930 – Sewer Division

ITEM #3k Consider and Approve a Transfer of Funds in the Amount of \$2,000 from Maintenance of Treatment Equipment, Acct. #461-8640-652 to Misc. General Expenses Acct. #461-8920-930 – Sewer Division

ITEM #3l Consider and Approve a Lease Agreement Between the Town of Wallingford and Nutmeg Big Brothers/Big Sisters for a Period of One Year, July 1, 2003 – June 30, 2004 – Town Attorney

ITEM #3m Consider and Approve a Transfer of Funds in the Amount of \$5,300 from Salaries & Wages, Acct. #001-1401-101-1000 to Outside Services Accounts, Acct. #001-1401-901-9007 – Finance

ITEM #3n Consider and Approve a Transfer in the Amount of \$12,400 from Regular Salaries & Wages Acct. #001-5010-101-1000; \$5,800 to Office Copier, Acct. #001-5010-999-9907 and \$6,600 to Engineering Grade Copier, Acct. #001-5010-999-9908 – Town Engineer

ITEM #3o Consider and Approve Release of an Electric Easement Over Property Known as 170 North Plains Industrial Road – Town Attorney

Motion was made by Mr. Knight to Approve the Consent Agenda as Presented, seconded by Ms. Papale.

VOTE: Farrell abstained; all ayes; motion duly carried.

ITEM #4 Withdrawn

PUBLIC QUESTION AND ANSWER PERIOD

Robert Sheehan, 11 Cooper Avenue complained that the students at Choate School are stepping out into the street in the vicinity of the school from between parked vehicles without stopping and looking instead of crossing in crosswalk-marked areas. He feels this is a dangerous situation. If allowed to continue, devastating consequences will occur.

Chairman Parisi stated that Mr. Sheehan was, indeed, correct in his statements and interpretation of the danger that exists. Mr. Parisi, himself, has witnessed exactly the same scenario on too many an occasion. He stated that both Mr. Farrell and himself are working together on addressing the problem.

John Rooney, 62 Williams Road stated that he has been experiencing a drainage problem in the area of his home and has come to the Council seeking assistance. He stated that the Town gave away a \$37,000 bond for drainage in a little roadwork out on Williams Road that he believed he paid for because the Town, under a condition, to get five lots had to do this \$37,000 worth of work. The developer did not want to do it and the Town didn't want to do it, and he has been after the developer for two years now, and they gave the bond money back to the developer without correcting the situation. He stated that he does not have his drainage, nor do the other residents who live on the four out of five lots that were created from one lot. Nor do any of them have the money they paid for the drainage. The developer got a windfall, stated Mr. Rooney. He got the money and did not have to put the drainage in. Mr. Rooney stated that he would like his money or his drainage.

Chairman Parisi asked Town Engineer, John Thompson if he had any knowledge of the situation?

Mr. Thompson answered that he does have considerable knowledge regarding the situation. Unfortunately, it is much more complicated involving developers gone bankrupt; legal opinions; where we can use bond money; the actual improvements that could have been done by the bonded monies. It is very complicated and this is not the forum to discuss it.

Chairman Parisi stated that a meeting will be set up to gather all information pertinent to the matter.

Ted Curran, 116 Knollwood Road stated that he was very happy to see that the Town has selected another auditor to look at its financial situation. He thought it admirable and hoped that the Council will vote to do so. He stated, the statements in the article New Haven Register article that appeared on Saturday, May 10th for \$20,000 a year over four years means nothing. The Auditor Search Committee made a fine decision and hoped that the Council will approve the committee's findings tonight. He appreciated the efforts the committee made.

Chairman Parisi stated, the committee did not make the decision, the system made it for the committee.

Pasquale Melillo, 15 Haller Place, Yalesville asked if there were any new developments with regards to the little league fields?

Chairman Parisi recalled that the little league was supposed to come forward with a proposal. That is what everyone is waiting for.

Wes Lube, 15 Montowese Trail stated, years ago the police used to report traffic lights, street lights, etc., that were out while patrolling throughout the town. The Electric Division would promptly respond to correct the problem. That old system seems to have quietly disappeared. He heard, but was not sure it was true, that the reason why the patrols no longer make those reports is because the reporting system has become too time consuming. He asked, could we go back to that old system and have the Electric Division draw up some simple NCR-papered memo pads where the pole number could be documented, without having a big to-do over reporting that a light is out? He recalled how the Mayor once referred to the ornamental lighting in town as resembling a "string of pearls". While passing through town recently Mr. Lube noticed that fourteen of the lights were out. On his way up to Town Hall tonight, he noticed that of those fourteen, ten remain out and have been out for some time. He stated, if the taxpayers' money is going to be spent to put in the lighting and we are not going to maintain the lights, then don't spend it. If it is spent, maintain it. Somehow the system is broken; like a string of pearls

is broken. The Council approved the expenditure and should follow through to make sure the lights are maintained.

Chairman Parisi asked Mayor Dickinson if there is a program of replacing bulbs in the ornamental lighting or are there problems with the lights?

Mayor Dickinson replied, the Electric Division is in charge of that and there is a program. At one point there was some problems with some of the fixtures. Ray Smith (Director of Public Utilities) was well aware of it and, as far as I know, they are working on it.

Chairman Parisi asked for a follow up report on the matter at the next meeting for the sake of the public.

Mr. Lube stated, the Electric Division does not work after dark therefore they have no knowledge of when any of the lights anywhere in town are out.

Chairman Parisi asked if the program of the police taking note of and reporting lights that were out could be instituted once again?

Mayor Dickinson replied that he was not aware that anything has stopped. He will check into the details.

Philip Wright, Sr., 160 Cedar Street stated, in reviewing the agenda, he was struck by the number of monetary items on the consent agenda. He added up the Sewer Division's requests which totaled \$58,000; the Water Division's requests totaled \$27,500. He felt they were sizeable amounts and hoped that with the new auditors the Town will be able to do something about departments being more realistic in their budgets and see to it that they stick to it. There has been too much changing, he stated.

Ted Curran, 116 Knollwood Drive asked, what is going on with regards to the hiring of a new comptroller?

Mayor Dickinson answered, we are in the process of selecting a candidate. We should be able to announce fairly soon who the candidate is.

Mr. Curran asked, would one be internal or were there outside people involved?

Mayor Dickinson replied that he would not indicate at this point.

Mr. Curran asked, in the certification of the last year's audit, he believed the auditors found that something was not right with the Board of Education. They were not keeping records of the assets of the Board of Education; no inventories had been taken for many years. He currently substitute teaches at Dag Hammarskjold School and has noticed that there are no identification tags on any of the properties that are owned by the Town of

Wallingford. This was just brought up in the last audit by the firm who has been the Town's auditor for nineteen years. Had it ever been brought up before? What is being done now to take an inventory of the assets of the Board of Education?

Chairman Parisi replied, that is under the new regulation, GASB34 (General Accounting Standard Board 34).

Mayor Dickinson explained, I believe a list was kept before but it wasn't complete and the new GASB34 regulation requires the ability to depreciate assets and that required a different format and a more accurate list than what was kept before. Government has now been put on the same accounting standards as private business so it requires the ability to depreciate public assets. Currently, they have hired an appraisal firm to list all of the assets to provide a report. It is expected that the report will be completed by June 30th because it is needed for the next audit.

Mr. Curran asked, have we, in the past, had a listing of the Board of Ed's assets?

Mayor Dickinson replied, I don't know. I wouldn't receive it; I am not aware of an issue regarding it. I am aware that the GAS B34 required a listing. There were discrepancies and that caused the auditor's qualified report. I was told previously lists were provided. When the new standard #34 became effective, it required a listing that allowed the depreciation of those listed assets. At that point discrepancies were determined. At that point the auditor indicated that the lack of a verifiable list prevented them from providing an unqualified audit. Whether they have stickers or how they have maintained the list in the past, I can't answer that question.

Mr. Curran stated, the depreciation is based upon a total evaluation of the assets the Town of Wallingford owns.

Mayor Dickinson replied, the depreciation followed along with the particular type of asset. We ended up having to depreciate sidewalk vs. a road vs. a bridge. Town government must now list sidewalks, highways, etc. Personally, I think it is bazaar but that is the standard that has been given to everyone.

Mr. Curran asked, at what cost will the appraiser perform the work?

Mayor Dickinson did not know.

Chairman Parisi declared the Public Question and Answer Period closed at this time.

ITEM #6 Consider and Approve the Re-Naming of Central Grand Avenue to Chick's Way as Requested by Councilor Iris Papale and Chairman Robert Parisi

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

Ms. Papale stated that she was hoping this would have been kept a surprise and was dismayed to read it in the newspaper this morning. Chairman Parisi did all the leg work to get this accomplished and it turned out very well.

Chairman Parisi stated that the reason this was done was because there are no houses on the street. It is a road that runs from North Plains Industrial Road to Cherry Street Extension. The change will not effect anyone's address or insurance policies or anything else. Even with no one living on the street, the Chief of Police informed him that there will be a procedure that will require a letter being sent to the State so that all the state records could be corrected. He had no idea that such a simple matter would be so involved. A name change on a street could be a very difficult situation. Fortunately, no one is impacted.

Jack Agosta, 505 Church Street, Yalesville spoke highly of the gentleman the street is being named for.

Robert Sheehan, 11 Cooper Avenue stated, this is long overdue. He never knew the street name because everyone referred to it as "Chick's".

ITEM #7 Consider and Approve Adopting the F.Y. 2003-04 Budgets of the Town of Wallingford and Setting a Rate of Tax for F.Y. 2003-04

Chairman Parisi asked if there were any statements to be made?

Mr. Brodinsky reserved the privilege of making his statements after the votes.

Mr. Vumbaco made the following statement:

I will not support this or any other motions this evening made to pass the FY 2004 Wallingford Town Budget. I will vote no for the same reasons I have the past three years. I do not agree with the policy of understating revenues and overstating expenses, thus needing "appropriated dollars from the surplus account to balance the budget. I do not believe the Town does a good enough job in forecasting it's year end numbers during the budget process to help the council understand where the year end numbers will come out, giving us a better idea of what the real surplus will be at year end. The current year budget process always considers the amount "appropriated" the prior year from surplus as not available for use in the current budget process. While technically that might be correct for accounting purposes, I believe if the Town forecasted it's year end numbers better, the Town would have a better understanding as to what amount of the "appropriated" dollars would be available for use in the upcoming budget.

As a financial professional, I try to use history as a predictor and indicator to what might happen in the current year and into the future. A look at Wallingford's results the past few years gives me a pretty good indication as to what might happen this FY 2003 as well as in FY 2004. For the sake of brevity, I am only sing the past three years, but the results have been the same the 8 of the last 9 years.

Let me explain. The numbers discussed come directly from Schedule A-2 of the Annual Audit.

FY 2000	Appropriated from Reserve	\$3,669,946
	Returned to reserve	\$5,614,898
	Difference	\$1,944,952

Not only was the full amount appropriated returned back to the reserve, an additional \$1.9 million was added to the reserve balance. There was NO tax increase that year.

FY 2001	Appropriated from Reserve	\$2,328,935
	Returned to reserve	\$4,441,321
	Difference	\$2,112,386

Not only was the full amount appropriated returned back to the reserve, an additional \$2.1 million was added to the reserve balance. There was a 4.4% or 1.1 mil tax increase that year.

FY 2002	Appropriated from Reserve	\$3,975,206
	Returned to reserve	\$7,884,662
	Difference	\$3,909,456

Not only was the full amount appropriated returned back to the reserve, an additional \$3.9 million was added to the reserve balance. There was a 2.3% or 0.6 mil tax increase that year.

Do we see a pattern here?

Looking at the current year, FY 2003, the "appropriated" amount used in the budget is approximately \$8.4 million. If the historical pattern continues, our reserve balance will be greater than the \$12 million projected by this administration. I draw this conclusion because as of May, 2003, not one dollar has been charged against the "appropriated" \$8.4 million leaving me to believe some, if not all, of the appropriated amount from this year will turn up in the reserve account at year end and once again the Mayor will be touting the good job done in maintaining the line while building the reserve balance at the expense of the taxpayers. To show my point, as of YE FY 2002, the surplus account has grown 126% since 1994.

The administration is now asking the taxpayers of Wallingford to absorb a 10.6% tax increase next year over and above the 17% tax increase this year, the 2.3% increase in FY 2002 and the 4.4% increase in FY 2001. That is a total of 34% in tax increases in the last four years while the surplus continues to grow. This administration has built the Town's surplus on the back of the taxpayers in this community. I do not think many taxpayers have had that size of an increase in their personal revenue the past four years. The appropriated amount that is needed to balance the budget year in and year out can be manipulated simply by establishing the revenues lower than what they will be and expenses higher than what will incur. Hence a larger appropriation number from reserve to balance the budget. This year the administration takes it one step further by unofficially reserving \$2mm of the Anthem BC/BS settlement for future use. The rates in the past were paid with taxpayer money. The settlement money should now be used to offset the current tax increase, not unofficially reserving it for some unknown potential increases in the future. This money belongs to the taxpayers.

The bottom line is the Taxpayers in the Town do not deserve a tax increase this year, especially with the additional taxes we have to pay in the form of an increased state income tax, an increase in sales tax and an increase in many various indirect taxes charged by the State. Why have a surplus account if one does not use it for a rainy day. Well it is raining out as far as I am concerned and we should be using our surplus dollars to offset this increase. I would rather see the money in the pockets and savings accounts of the taxpayers than in the surplus account of the Town of Wallingford as the Mayor would have it.

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The administration is now asking the taxpayers of Wallingford to absorb a 10.6% tax increase next year over and above the 17% tax increase this year, the 2.3% increase in FY 2002 and the 4.4% increase in FY 2001. That is a total of 34% in tax increases in the last four years while the surplus continues to grow. This administration has built the Town's surplus on the back of the taxpayers in this community. I do not think many taxpayers have had that size of an increase in their personal revenue the past four years. The appropriated amount that is needed to balance the budget year in and year out can be manipulated simply by establishing the revenues lower than what they will be and expenses higher than what will incur. Hence a larger appropriation number from reserve to balance the budget. This year the administration takes it one step further by unofficially reserving \$2mm of the Anthem BC/BS settlement for future use. The rates in the past were paid with taxpayer money. The settlement money should now be used to offset the current tax increase, not unofficially reserving it for some unknown potential increases in the future. This money belongs to the taxpayers.

The bottom line is the Taxpayers in the Town do not deserve a tax increase this year, especially with the additional taxes we have to pay in the form of an increased state income tax, an increase in sales tax and an increase in many various indirect taxes charged by the State. Why have a surplus account if one does not use it for a rainy day. Well it is raining out as far as I am concerned and we should be using our surplus dollars to offset this increase. I would rather see the money in the pockets and savings accounts of the taxpayers than in the surplus account of the Town of Wallingford as the Mayor would have it.

Mayor Dickinson stated, there is always a discussion over budgets. Our primary responsibility is to make sure we provide services to the people of the community. The question is, do we reduce services or do we maintain them as they are? We can always debate about the particulars in any budget. The question is, over a period of time what is the track record? You can choose lengthy periods of time or you can choose short periods of time. You can debate about anything above and in between any period of time. But the bottom line is, exactly what model would you rather follow? Would you like to follow the State of Connecticut model? What other municipal budget model would you like to follow? Is there reason to be proud of Wallingford's fiscal condition, its ability to provide service, its ability to absorb hits such as a promise of \$2.4 million from the State and will receive \$500,000 or \$600,000 less than the \$2.4 million mid-year, no excuse, just no money available. I don't believe local government should function that way. Our responsibility is to see that services are provided. The quality of life, the well-being of the community, ultimately is provided for through taxation. Do we have to absorb perhaps the errors and omissions that occur at other levels? Absolutely we do. We're trustees of assets that are not ours, they are owned by the public. Should we be conservative with our management of those assets? I believe we should. If you are a trustee, most courts will say, I want you to show cautious prudence in management of assets that are yours. No one likes a tax increase. The alternative is to say, our ability to provide services then becomes threatened. I don't think we're willing to say that. I am not going to follow the example of the State of CT. or another municipality. If someone can give me the example of a better model somewhere else, I will be happy to analyze it, look at it, determine whether it is an appropriate one that I feel would be responsible for this community. Over the years, we have adopted an approach to budgeting; Tom Myers has been an excellent teacher and guide. The Town has fared well. We are now in difficult times and to pretend that somehow Wallingford is different than anywhere else, and even though everywhere else or most places they are seeing tax increases but Wallingford doesn't have to have a tax increase because somehow we are unique is, in my opinion, not the direction to go. This is not a political year budget. I am very conscious this is an election year. But it is not an election year budget because I don't see that as my responsibility; I don't think that's your responsibility. It is to tell people exactly what the reality is. Does this mean we use all of our reserves? No, it doesn't because I think future years are going to be just as difficult. I can't recommend that we exhaust all resources this year, in an election year, so that next year everyone absorbs the pain once again. I realize that we can debate many things. There's always room for different judgment but the judgment that we have provided has been sound judgment over the years and it is sound judgment again this year and I urge your adoption of the budget.

Mr. Vumbaco replied, I was not debating the fact of cutting services; I am not debating the quality of life in Wallingford. I think you have somewhat distorted my viewpoint. The bottom line is, I stick by my statements and I think the numbers speak for themselves. The year end balance of the reserve June 30, 1994 was \$9 million; the year end balance of the reserve June 30, 2002 is \$20,371,000. It is an \$11 million increase. Numbers don't lie. You can turn around and say that you appropriated \$8.5 million this year towards this

current year budget. You have said that in years past; the three years that I have been on this Council and the numbers show, every year, the appropriated amount, plus a surplus gets added back in. We are building a rainy day fund? Why are we building a reserve that's \$20 million? Unfortunately, I think it is over-taxation and has nothing to do with politics. I just love the fact that when the minority members of this Council have a debate with the majority members, it is always said to be political. It is not political. I am looking at the taxpayers. Is Wallingford unique? I think Wallingford's unique in the fact that it has a big reserve of dollars and if, in fact, we can use part of that reserves. No one is saying to deplete it. No one is saying to take it down to zero. No one is saying to sacrifice the future years. The bottom line is, we have a \$20 million reserve less your fictitious \$8.4 million appropriated amount to \$12 million and you are asking for a tax increase at the same time. There's dollars available Mayor. We can debate the issue back and forth until the cows come home. It is my opinion. My response to you, please don't lay it on the fact that I'm trying to reduce services or I don't care about the fiscal ability of the Town of Wallingford because I care deeply about it.

Mayor Dickinson replied, with regards to the reserves, we seem to constantly hear about \$20 million in reserves. Everyone on the Council knows that this current budget has \$8 million from reserves in it. If we have appropriated \$8 million in the current budget, 2003, how can we appropriate those same dollars into the 2004 budget? They are already appropriated. They can't be appropriated again. I will ask Tom Myers if the Finance Department can certify that there is \$20 million available to put in this budget. I would like to know it if that's true. Can you certify \$20 million available to put into this budget? Because if we can reduce the taxes by that much, certainly I would like to do it.

Mr. Myers answered, the amount of money available for certification is \$12 million; the \$20 million less the \$8 million which is appropriated to the current budget, 2003. If we only had the \$8 million, there would be no funds available for certification for additional appropriations to any budget.

Mayor Dickinson stated, in this current budget, we are using around \$4-5 million in reserves. We are using reserves. We are not using a credit reserve of \$5.4 million and \$1.9 million which is the Anthem Blue Cross money paid to the Town. Why aren't we using the Anthem Blue Cross money? We are not using it because each year we will use \$500,000 of that to offset premium increases. If we put all of that money in this budget, next year where do we make up that \$1.9 million? It creates another gap in funding that hits the tax rate. Again, I would say, is judgment used in determining what should be the methodology in the budget? Absolutely. We use a conservative methodology, absolutely. I say again, if you can point to me a better example; State of CT. or some other municipality in terms of the handling of the assets, the well-being of the community and its ability to point to sound financial conditions, I am happy to look at that but I think Wallingford is probably one of the better examples in the state. I am not sure we should depart from that standard. In fact, I don't think we should.

Mr. Vumbaco responded, we are going to debate this until my point of view is not distorted by the Mayor. I would assume that, yes, Mr. Myers would state that the \$12 million is certified. Basically, what you are telling me tonight, for the record, is that the \$8.4 million that is in this current year budget is going to be completely used up at year end and we will only have a balance of \$12 million in our reserve account at F.Y. 6/30/03? I fully understand, Mayor, the issue of appropriation/non-appropriation. I do it for a living. Don't put words in my mouth, please. What you are stating here is that the \$8,400,000 appropriated amount is going to be used up before the year's out and at the end of the year, according to your calculations and Mr. Myers' we are only going to have \$12 million left in our reserve?

Mayor Dickinson replied, no, we didn't say that.

Mr. Vumbaco responded, that's what you said.

Mayor Dickinson answered, no we didn't. We said it was appropriated into the 2003 budget. It is now revenue, no different than any other revenue shown in that budget. Until year end you don't know whether that will be used or not. But at this point, that is revenue that is applied to the budget. It is no longer in reserves, hence it is not available for the 2004 budget. We are taking some hits on state revenues as well as interest income. Will that cut into other revenues? Absolutely it will. I am not sure where that will come out. I know we are losing hundreds of thousands of dollars from the State of CT., at least that is what they are telling us, unless they come through with chunks at the very end of the year. That would run a deficit unless we had more money somewhere else in the budget. There is no way to tell if every dollar will come out at zero at the end of the year. That's the year-end process and ultimately will get audited as far as what the year end results are. I can't tell where that will be. I can say that the \$8 million is not available for spending in the 2004 budget because it is already appropriated. You can't appropriate it twice.

Mr. Vumbaco replied, I wasn't asking you to appropriate it twice, Mayor. What I am stating is the fact that you are understating your other revenues besides that and overstating your expenses. There are dollars available in those accounts, too. Historically, that has proven to be a fact. I can hand out this piece of paper if we want to get into the debate year after year, year after year but we won't. Obviously, yes, I know appropriations v. non-appropriations but I will go on the record right now and state that the end of F.Y. 2003, that reserve is going to be millions more than the \$12 million and, again, these people are being asked to absorb a tax increase that probably should not happen.

Ms. Papale stated, my comments won't bring any debate because people have heard them so many times. Every year I give much thought to this budget and think about it, and think about it and, believe me, I ask many questions. We all have our own different opinions and different judgments and I just would like to make a very quick statement. I feel that deciding on the budget is a very important job and a very important part of my job as a Town Councilor. No one, no one anywhere wants to see their taxes go up but sometimes

in our lifetime it shows that it is necessary. This year we are going to be getting less from state money; much less after my conversation today with state representatives and we also don't have the revaluation reserve which is money that we counted on also. In order for the Town to be run the way it has been for so many years, the town departments need the money so they can continue to give the services to our children and to our citizens. The budget is our fiscal plan and I believe it protects Wallingford's finances today and tomorrow. I really feel, therefore, I will be voting yes this evening for the budget.

Robert Sheehan, 11 Cooper Avenue stated, I beg to differ with the Mayor; Wallingford is unique. Wallingford is a business. Wallingford owns its own utilities. We have a nice utility sitting down on John Street called borough electric which has a reserve of \$20 million, never mind what we have here. Their neighbor, the Water & Sewer Division right next door; one has \$7 million and the other \$2-5 million. We have about \$15 million right there just sitting and they sit here and claim that, by his own figure, the shortfall from the state would be \$1.5 million which equates to half a mill, yet we need a 2.4 mill increase. Let me tell you, we had revaluation two years ago; lowered the mill rate and guess what? Two years later we are back at the same mill rate that we were two years ago. That is unconscionable. Two years ago two statements were made by people who work for this town I will never forget until the day I die. That was when a debate was held here to lower the electric rates. One gentleman said, "If you take a dime out of the Electric reserve it will go belly up just like Orange County, California" and we took over \$1 million out of that account twenty-five years ago to build Cook Hill School and I think we even took some money out for Pond Hill School. The thing has not gone belly up, it is just grown and makes money. By state law, it has to make money. You are going to cry poor mouth and rainy day, let me tell you, these are tough economic times and the majority of people in this town are those who live on a fixed income. Now with this 2.4 mill rate increase, they are going to have to give up something; it may be food; it may be medicine. I just say, I am approaching that point myself; that time and age myself. Some of you up here are too young to realize that but, before you know it, you are going to be there, too. We can settle the tax increase. You don't have to change one number on this, all you have to do is come up with some money and this town will not be broke; will not go belly up. I am willing to say that three-quarters of the towns and cities in this state would like to be in the shape that Wallingford's in. That aside, you save for the rainy day that never comes. The rainy day is here now; you help your people when you can afford it and there is no justifiable reason that you can't. If you need to go \$3-4 million to keep the 2 mills out, that's fine, come up with it so we are only down to \$45 million we got in reserves around town. Tsk, tsk, ain't that terrible.

Pasquale Melillo, 15 Haller Place, Yalesville stated, it is the same old pattern seen for years and years; the rich get richer and the poor get poorer. The poor senior citizens who are dying ahead of their time because they haven't got the monies to buy the proper drugs and food they need are affected this. The typical homeowner and senior citizens are getting clobbered more and more with the tax tonight and the budget. It is the same old pattern. Where is it going to stop?

Ted Curran, 116 Knollwood Drive stated, I read in the New Haven Register today that the Town will be receiving \$50,000 to replenish the budget because of the snowstorm on February 18th and 19th. The Mayor may be pleased to hear that.

Philip Wright, Sr., 160 Cedar Street stated, I wish that I were hearing that there was not going to be a tax increase this year but I know that is not the case. As I have said recently in the newspaper, once that budget book comes out, that's it; it is cast in stone and it will not change because our administration wants to have a fat and happy kind of situation in the town where we never have to change the services; we never have to make the public feel a little bit hurt because we are not going to whack them with more taxes. I could do with a little bit less of the Town's public works department trucks running around my neighborhood, one following the other with the first flake of snow. I could do with a little less than that. I wouldn't mind if my services were reduced some, but my taxes have increased year after year and I don't see my services increased to that extent at all. I think what we are doing, again, is just another case of over-taxing the people to make the administrators in the town fat and happy and they can spend money like drunken sailors. It is time we put a stop to this over-taxation.

All motions pertaining to the adoption of the Annual Budget of the Town of Wallingford for fiscal year beginning July 1, 2003 appear on the pages 17 - 23.

With regards to Motion III to establish the property tax rate for the fiscal year beginning July 1, 2003 at 25.1 mills the following comments were made:

Mr. Brodinsky stated, we just passed a tax rate increase of more than 10% and, as you saw, I did not vote for it. I think it is excessive. The Mayor's budget raises about \$12.2 million in new revenues and for one year that is a pretty staggering sum. In one year it raises new revenues \$12.2 million; \$7 million comes from tax increases, the mill rate increase; \$5.2 million comes from a draw down in reserves. If you add the two together, we are putting \$12.2 million, if you believe it that would all be spent, we are putting all that money in the hands of the department heads to spend, as Council Vumbaco pointed out, historically, that doesn't happen. The \$12.2 million in new revenue should be compared to the \$3.6 million which is the increase in expenses according to the Mayor's written statement, from this year to the next. The Mayor's budget proposes to draw down on reserves by \$5.2 million. I am suggesting that we be forced to live with that. We really should be able to given the forecasting errors; given some fiscal restraint, we should try to live with \$5.2 million in revenues. I suspect that a large part of the tax increase is to cover the historically documented forecasting errors. It may be the path of least resistance, raise taxes rather than make some difficult choices. It could be one or both. Raising \$12.2 million in revenues in one year, we should find another way. That is why I have been voting against I and will continue to do at future roll calls. There has been some mention of the decrease in grants from the state. Let's not overplay the significance of that. We also have a Grand List that increased and the increase is in the Grand List and in the revenues that the Town Clerk is going to get from the conveyance tax balances out the reduction in state grants.

I. Mr. KNIGHT

MOVED: TO ADOPT THE TOTAL GENERAL FUND REVENUE BUDGET OF \$112,076,485 FOR THE FISCAL YEAR BEGINNING JULY 1, 2003.

Mr. FARRELL seconded the motion.

VOTE: Mr. Brodinsky and Mr. Vumbaco, NAY

All others: YES

MOTION PASSED

II. Mr. KNIGHT

MOVED: TO ADOPT THE TOTAL GENERAL FUND EXPENDITURE BUDGET OF \$112,076,485 FOR THE FISCAL YEAR BEGINNING JULY 1, 2003.

Mr. FARRELL seconded the motion.

VOTE: Mr. Brodinsky and Mr. Vumbaco, NAY

All others: YES MOTION PASSED

III. Mr. KNIGHT

MOVED: ESTABLISH THE PROPERTY TAX RATE FOR THE FISCAL YEAR BEGINNING JULY 1, 2003 AT 25.1 MILLS.

REAL ESTATE AND PERSONAL PROPERTY TAXES IN EXCESS OF \$100 SHALL BE MADE IN TWO INSTALLMENTS. THE FIRST OF WHICH IS DUE JULY 1, 2003, PAYABLE ON OR BEFORE AUGUST 1, 2003. THE SECOND INSTALLMENT SHALL BE DUE JANUARY 1, 2004, PAYABLE ON OR BEFORE FEBRUARY 1, 2004. REAL ESTATE AND PERSONAL PROPERTY TAXES OF \$100 OR LESS SHALL BE PAID IN ONE INSTALLMENT DUE JULY 1, 2003 AND PAYABLE ON OR BEFORE AUGUST 1, 2003 AS PROVIDED BY CONNECTICUT STATUTE, CHAPTER 204, SECTION 12-144.

MOTOR VEHICLE TAXES SHALL BE MADE IN ONE INSTALLMENT DUE JULY 1, 2003 AND PAYABLE ON OR BEFORE AUGUST 1, 2003 AS PROVIDED BY CONNECTICUT GENERAL STATUTE, CHAPTER 204, SECTION 12-144A. DELINQUENT MOTOR VEHICLE TAXES SHALL BE PAID ONLY IN CASH OR BY CERTIFIED CHECK OR MONEY ORDER AS PROVIDED BY CONNECTICUT GENERAL STATUTE, CHAPTER 204, SECTION 12-146.

PROPERTY TAXES IN AN AMOUNT OF LESS THAN FIVE DOLLARS SHALL BE WAIVED.

CHECKS IN PAYMENT OF PROPERTY TAXES WHICH HAVE BEEN RETURNED BY THE BANK SHALL BE SUBJECT TO A FIFTEEN DOLLAR (15.00) HANDLING FEE.

Mr. FARRELL seconded the motion.

VOTE: Mr. Brodinsky and Mr. Vumbaco, NAY

All others: YES

MOTION PASSED

IV. Mr. KNIGHT

MOVED: TO ADOPT THE BUDGETS OF THE DIVISIONS OF THE DEPARTMENT OF PUBLIC UTILITIES FOR THE FISCAL YEAR BEGINNING JULY 1, 2003 AS HEREIN STATED:

Electric Enterprise Fund

Operating Revenues	<u>\$41,413,300</u>
Operating Expenses	<u>43,375,342</u>
Operating Income (Loss)	<u>(1,962,042)</u>
Non-Operating Revenue	<u>1,068,490</u>
Non-Operating Expenses	<u>200,629</u>
Net (Loss) Before Operating Transfers In (Out)	<u>(1,094,181)</u>
Operating Transfers (Out)	<u>1,730,766</u>
Net (Loss)	<u>(2,824,947)</u>
Working Capital: Sources of Funds	<u>2,704,321</u>
Uses of Funds	<u>2,704,321</u>

Water Enterprise Fund

Operating Revenues	<u>5,896,173</u>
Operating Expenses	<u>5,015,892</u>
Operating Income	<u>880,281</u>
Non-Operating Revenue	<u>198,789</u>
Non-Operating Expenses	<u>582,145</u>
Net Income	<u>496,925</u>
Working Capital: Sources of Funds	<u>3,118,127</u>
Uses of Funds	<u>3,118,127</u>

Sewer Enterprise Fund

Operating Revenues	<u>4,217,107</u>
Operating Expenses	<u>5,647,049</u>
Operating (Loss)	<u>(1,429,942)</u>
Non-Operating Revenue	<u>398,664</u>
Non-Operating Expenses	<u>297,655</u>
Net (Loss)	<u>(1,328,933)</u>
Working Capital: Sources of Funds	<u>1,547,500</u>
Uses of Funds	<u>1,547,500</u>

Mr. FARRELL seconded the motion.

VOTE: Mr. Brodinsky and Mr. Vumbaco, NAY
All others: YES. MOTION PASSED

V. Mr. KNIGHT

MOVED: TO ADOPT THE BUDGET OF THE CAPITAL AND NON-RECURRING EXPENDITURES FUND FOR THE FISCAL YEAR BEGINNING JULY 1, 2003 IN THE AMOUNT OF \$2,325,563 REVENUES AND \$2,325,563 EXPENDITURES.

Mr. FARRELL seconded the motion.

VOTE: Mr. Brodinsky and Mr. Vumbaco, NAY
All others: YES
MOTION PASSED

VI. Mr. KNIGHT

MOVED: TO APPROVE SPECIAL FUNDS OF THE BOARD OF EDUCATION OF THE TOWN OF WALLINGFORD FOR THE FISCAL YEAR BEGINNING JULY 1, 2003 AS ATTACHED HERETO AND MADE A PART HEREOF.

Mr. FARRELL seconded the motion.

VOTE: Mr. Brodinsky and Mr. Vumbaco: NAY
All others: YES. MOTION PASSED

VII. Mr. KNIGHT

MOVED: TO APPROVE SPECIAL FUNDS OF THE TOWN OF WALLINGFORD FOR THE FISCAL YEAR BEGINNING JULY 1, 2003 AS ATTACHED HERETO AND MADE A PART HEREOF.

Mr. FARRELL seconded the motion.

VOTE: Mr. Brodinsky and Mr. Vumbaco: NAY
All others: YES. MOTION PASSED

SPECIAL FUNDS BOARD OF EDUCATION - SUMMARY YEAR ENDING JUNE 30, 2004						
	FY 6-30-02 ACTUAL	1-31-03 ACTUAL	2002-03 APPROVED	2003-04 REQUEST	MAYOR APPROVED	COUNCIL APPROVED
CAFETERIA						
Revenue	1,811,058	835,882	1,701,018	1,777,140	1,777,140	1,777,140
Expenditure	1,811,058	850,880	1,701,018	1,777,140	1,777,140	1,777,140
TITLE I						
Revenue	248,240	-	240,033	248,240	248,240	248,240
Expenditure	247,217	131,221	240,033	248,240	248,240	248,240
ELEMENTARY SCIENCE GRANT (Bristol Myers)						
Revenue	-	-	20,000	-	-	-
Expenditure	-	-	20,000	-	-	-
TITLE VI (Chapter 11)						
Revenue	38,712	2,968	34,958	33,814	33,814	33,814
Expenditure	34,728	6,242	34,958	33,814	33,814	33,814
TITLE VI-CLASS REDUCTION						
Revenue	83,751	-	83,648	-	-	-
Expenditure	83,751	-	83,648	-	-	-
CAG						
Revenue	-	-	-	11,898	11,898	11,898
Expenditure	-	-	-	11,898	11,898	11,898
TITLE II (Eisenhower Math & Science)						
Revenue	27,033	3,875	28,875	154,655	154,655	154,655
Expenditure	27,033	47,104	28,875	154,655	154,655	154,655
TITLE III (ESL)						
Revenue	-	-	-	11,898	11,898	11,898
Expenditure	-	-	-	11,898	11,898	11,898
TITLE IV (Drug Free Schools)						
Revenue	29,549	4,455	29,455	23,522	23,522	23,522
Expenditure	24,546	18,248	29,549	29,455	29,455	29,455
VOCATIONAL ED (PERKINS)						
Revenue	43,903	18,000	43,903	46,485	46,485	46,485
Expenditure	43,903	38,898	43,903	46,485	46,485	46,485
ADULT ED TUITION						
Revenue	158,930	89,828	117,000	90,980	90,980	90,980
Expenditure	141,334	64,980	117,000	90,980	90,980	90,980
ADULT BASIC EDUCATION						
Revenue	206,916	117,717	202,882	220,513	220,513	220,513
Expenditure	206,916	111,882	202,882	220,513	220,513	220,513
ADULT ED ACTIVITY						
Revenue	1,000	800	1,000	400	400	400
Expenditure	1,000	800	1,000	400	400	400
FAMILY LITERACY						
Revenue	63,280	-	48,510	-	-	-
Expenditure	63,280	-	48,510	-	-	-
PRIVATE INDUSTRY COUNCIL						
Revenue	54,158	-	48,898	-	-	-
Expenditure	54,158	-	48,898	-	-	-
IDEA - PART B						
Revenue	680,000	341,051	671,051	825,509	825,509	825,509
Expenditure	653,814	412,883	671,051	825,509	825,509	825,509
PRE-SCHOOL HANDICAPPED						
Revenue	60,780	10,000	41,701	41,812	41,812	41,812
Expenditure	43,438	8,885	41,701	41,812	41,812	41,812
OUTSIDE SERVICES						
Revenue	58,621	28,047	62,000	62,000	62,000	62,000
Expenditure	46,188	22,888	62,000	62,000	62,000	62,000
ADULT ED-ON COMMON GROUND						
Revenue	28,248	5,000	28,248	24,253	24,253	24,253
Expenditure	28,248	4,382	28,248	24,253	24,253	24,253
ADULT ED TECHNOLOGY						
Revenue	150,000	70,000	150,000	100,000	100,000	100,000
Expenditure	-	-	-	-	-	-

SPECIAL FUNDS BOARD OF EDUCATION - SUMMARY YEAR ENDING JUNE 30, 2004						
	FY 6-30-02 ACTUAL	1-31-03 ACTUAL	2002-03 APPROVED	2003-04 REQUEST	MAYOR APPROVED	COUNCIL APPROVED
AE NELLI MAE						
Revenue	-	44,989	44,989	44,989	44,989	44,989
Expenditure	-	6,154	44,989	44,989	44,989	44,989
TECHNOLOGY INFRASTRURE						
Revenue	-	33,297	33,297	33,297	33,297	33,297
Expenditure	-	-	33,297	33,297	33,297	33,297
BILINGUAL GRANT						
Revenue	10,046	-	8,418	8,885	8,885	8,885
Expenditure	10,046	-	8,418	8,885	8,885	8,885
INSURANCE CONTRACT						
Revenue	593,043	434,723	-	600,000	600,000	600,000
Expenditure	577,017	498,402	-	600,000	600,000	600,000
SUMMER SCHOOL						
Revenue	34,800	35,150	35,460	42,800	42,800	42,800
Expenditure	34,738	37,813	35,460	42,800	42,800	42,800
MAGNET SCHOOL TRANSPORTATION						
Revenue	90,000	46,800	92,400	92,400	92,400	92,400
Expenditure	90,000	-	92,400	92,400	92,400	92,400
ACHIEVEMENT GRANT						
Revenue	-	-	5,833	-	-	-
Expenditure	-	-	5,833	-	-	-
AFRICAN DONATION PROJECT						
Revenue	1,500	-	-	-	-	-
Expenditure	4,392	4,080	-	-	-	-
SCHOOL TO CAREER GRANT						
Revenue	79,885	-	78,385	-	-	-
Expenditure	79,885	-	78,385	-	-	-
IT'S ABOUT CHOICE						
Revenue	19,390	-	-	-	-	-
Expenditure	19,390	-	-	-	-	-
OPEN CHOICE						
Revenue	311,854	-	274,000	274,000	274,000	274,000
Expenditure	312,532	60	274,000	274,000	274,000	274,000
SISTER SCHOOLS GRANT						
Revenue	1,808	-	2,000	2,000	2,000	2,000
Expenditure	1,808	-	2,000	2,000	2,000	2,000
VOAG EQUIPMENT						
Revenue	-	-	-	478,450	478,450	478,450
Expenditure	-	-	-	478,450	478,450	478,450
SERC						
Revenue	-	1,000	1,000	-	-	-
Expenditure	-	100	1,000	-	-	-
ACES						
Revenue	-	3,504	7,500	7,500	7,500	7,500
Expenditure	-	1,383	7,500	7,500	7,500	7,500

SPECIAL FUNDS TOWN-GOVERNMENT - SUMMARY
YEAR ENDING JUNE 30, 2004

	FY 6-30-02 ACTUAL	1-31-03 ACTUAL	2002-03 APPROVED	2003-04 REQUEST	MAYOR APPROVED	COUNCIL APPROVED
<u>SCOW</u>						
Revenue	75,335	40,903	88,147	77,563	77,563	
Expenditure	71,805	42,854	88,147	77,563	77,563	
<u>SSBG</u>						
Revenue	3,588					
Expenditure	1,296					
<u>YSB (DCYS)</u>						
Revenue	240,804	14,274	283,021	302,245	302,245	
Expenditure	240,804	151,223	283,021	302,245	302,245	
<u>COUNCIL ON SUBSTANCE ABUSE</u>						
Revenue	28,727	8,835	21,379	21,378	21,378	
Expenditure	23,024	48	21,379	21,378	21,378	
<u>CRRA (SERVICE CONTRACT GRANT)</u>						
Revenue	37,319	28,837	38,450	39,500	39,500	
Expenditure	36,935	19,225	38,460	39,500	39,500	
<u>TOWN AID ROAD</u>						
Revenue	372,277	118,857	330,765	118,378	118,378	
Expenditure	372,277	148,860	330,765	118,378	118,378	
<u>DRUG ENFORCEMENT PROGRAM</u>						
Revenue	38,000	-	60,000	-		
Expenditure	34,250	-	60,000	-		
<u>LOCAL CAPITAL IMPROVEMENTS</u>						
Revenue	291,563	-	353,646	300,266	300,266	
Expenditure	291,563	249,587	353,646	300,266	300,266	
<u>MEALS ON WHEELS</u>						
Revenue	14,844	9,057	16,500	18,000	18,000	
Expenditure	13,524	3,010	16,500	18,000	18,000	
<u>RECREATION DEPT PROGRAMS</u>						
Revenue	547,271	272,588	575,000	600,000	600,000	
Expenditure	547,271	351,180	575,000	600,000	600,000	

VIII. Mr. KNIGHT

MOVED: TO AUTHORIZE THE CHAIRMAN TO SIGN THREE COPIES OF THE FINALIZED BUDGET. TWO TO BE FILED WITH THE TOWN CLERK AND ONE TO BE PLACED ON FILE IN THE WALLINGFORD PUBLIC LIBRARY.

Mr. FARRELL seconded the motion.

VOTE: Mr. Brodinsky and Mr. Vumbaco: NAY
All others: YES MOTION PASSED

Mr. Knight stated, this is obviously a very important meeting and a lot of statements have been made. I think it is appropriate that some of us state our opinions as well. This year was a very difficult year for the budget and for reviewing the budget in light of the fact that as you see here taxes will indeed go up. It goes without saying that there are no politicians in this community or anywhere that really relish raising taxes. When we started reviewing the budget we spent a good deal of time with individual items line, by line by line as, of course, we should. We also spent time talking to the people that formulated this budget and I learned a great deal about municipal accounting from just having a couple of hours to talk with Tom Myers. Tom is leaving a legacy of financial accomplishment that is truly, and this is not an exaggeration, this is a record of financial accomplishment that is the envy of most municipalities in this state. Nobody can argue with that. This is not a philosophy of municipal financing that is careless or ill-prepared. It is one of just the opposite. It is prudent because we are the trustees of the public's money. Every day we pick up newspapers and see what a disastrous path other communities have followed when they have failed to anticipate negative news in both the national economy and the state economy and within their own local economy. There have been times in the past ten years when I have sat here when we have seen big operations, big factory operations move out of this community. That's a shock to the system. We have seen, in this case, the revenues from the two gambling casinos in the eastern part of the state have diminished significantly while the state has to build more and more highways because more and more people are going to them yet, we have received less and less money. The budget that was established this year follows the same philosophy that has been one that has brick by brick established Wallingford as a community that has a solid foundation. People are moving into Wallingford, not just because we have good schools, it is a beautiful town and it is a very centrally-located area. This town, I am proud to say, has a terrific reputation for predictability and there is a lot to be said for predictability. When Tom (Myers) explained to us the methods by which he and Mayor and the departments constructed their budget, it made a great deal of sense to me, every line of it. We challenged line after line after line and Tom came up with extremely incredible reasons for every dollar that is in this budget and that is why I have no qualms, whatsoever, despite our discomfort at raising taxes. I do support it and I will vote for it.

Mr. Toman stated, I would like to take a moment to echo the praise I heard for Mr. Myers. Unfortunately, financial geniuses aren't given statues, generals and politicians are given statues. But if we could, the history of this town would show that Tom Myers has done so much to make the Town of Wallingford what it is today; one of the soundest municipalities not just in the State of Connecticut, but in the country. Our Aa1 rating is the highest you can get in that category and the taxpayers and residents of Wallingford should know that the only reason we are not a Aaa rated municipality is because of demographics; because of a certain size that we have that the national rating societies won't give us a Aaa rating. For all intense and purposes, we are a Aaa, gold-plated rated municipality and that has translated into many things. One of the things that I would like to bring to the attention of the taxpayers of Wallingford, no one likes to pay more taxes. While some of my colleagues in years past were voting no, no, no, the residents in central Connecticut and Fairfield county and other parts of the state were voting yes, yes, yes, with their feet because they wanted to come to Wallingford to live and did come to Wallingford to live and, as a result, in this horrendous stock market that we have had over the past three years which has depleted so much of the assets of the people out there in Wallingford and the miniscule yields that the bond market gives over the past three years compared to previous years to some of our people in the certificates of deposits or the bonds they have, the one shining asset that speaks volumes as to what kind of town this is, is the real estate asset. No one likes to pay more taxes. I don't like to pay a few hundred dollars more in taxes either but I can go back to my residence and reflect upon the fact that that residence is worth 10, or 20, or 30 or 40 or 50 or \$60,000 more dollars over the last three to four years. There isn't a yield like it. You didn't find it in the stock market, the bond market, bank c.d. but we've got it in real estate. For the first time in history we have surpassed Cheshire in real estate market prices and desirability. That just doesn't come because of our location near I-91. It is due to a lot of reasons, one of the main ones is the kind of budget that is put together, of fiscal responsibility and of providing the kind of services to the town. Our education plan is the envy of the state; our recreation department is the envy of the state and other things, too. I have to praise the Mayor for his courageousness at providing a non-election year budget and trying to keep as much in the way of services to the Town of Wallingford and its taxpayers, giving them their dollars' worth which I think he has and that's why I am supporting this budget. While I am putting a statue up for Mr. Myers, I think we should give a medal to the Mayor.

Chairman Parisi stated, my colleagues to my right have spoken very eloquently so I will trim my comments down considerably. I do want to thank all the Councilors for their hard work on the budget and, even though we disagree, I don't doubt the sincerity of anyone. I think politics is made up of the right of people to disagree and usually it is one philosophy that will win out over another. I guess that is our system. I, too, want to congratulate and thank the Mayor. I know it is a tough budget. We did fire the questions and received the answers to our thinking that were adequate. I am going to thank my old friend and colleague, Mr. Myers, for his many, many years of service to the Town of Wallingford and he has been invaluable to me in my years as Chairman, especially my first couple of years because he did spend a lot of time with me and gave me a lot of guidance for which I am

thankful and which I can publicly acknowledge now and I would be remiss if I didn't do so. Tom, thank you. I hope you have the best of a retirement. From what you tell me it sounds like you are off and running and you seem to have been doing it for the last ten years, the way you are talking about it. Good health.

ITEM #8 PUBLIC HEARING To Consider and Act Upon an Ordinance Entitled, "An ordinance appropriating \$1,865,000 for the planning, acquisition and construction of various municipal capital improvements 2003-2004 and authorizing the issue of \$1,865,000 bonds of the town to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose" – 7:45 P.M.

Motion was made by Mr. Farrell to Read the Title and Section 1 of the Ordinance in their Entirety into the Record and to Waive the Reading of the Remainder of the Ordinance Incorporating its Full Text Into the Minutes of the Meeting, seconded by Mr. Knight.

VOTE: All ayes; motion duly carried.

AN ORDINANCE APPROPRIATING \$1,865,000 FOR THE PLANNING, ACQUISITION AND CONSTRUCTION OF VARIOUS MUNICIPAL CAPITAL IMPROVEMENTS 2003-2004 AND AUTHORIZING THE ISSUE OF \$1,865,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$1,865,000 is appropriated for the planning, acquisition and construction of various municipal capital improvements 2003-2004, consisting of Roadway Reconstruction of: (i) High Hill Road, from Carpenter to Route 68; (ii) Mansion Road, from South Turnpike Road to Blue Hills Road; (iii) South Turnpike and Mansion Road safety improvements; (iv) Hall Avenue Streetscape IV and Senior Center Connection Enhancement Project; and (v) North Main Street Extension, from Cedar Lane to Route 68; and for appurtenances, equipment and services related thereto, or so much thereof as may be accomplished within such appropriation, including administrative, advertising, printing, legal and financing costs, said appropriation to be in addition to all prior appropriations for said purpose and inclusive of any and all State and Federal grants-in-aid.

Section 2. To meet said appropriation \$1,865,000 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date. Said bonds may be issued in one or more series as determined by the Mayor, the Comptroller, and the Town Treasurer, or any two of them, and the amount of bonds of each series to be issued shall be fixed by the Mayor, the Comptroller, and the Town Treasurer, or any two of them. Said bonds shall be issued in the amount necessary to meet the Town's share of the cost of the project determined after considering the estimated amount of the State and Federal grants-in-aid of the project, or the actual amount thereof if this be ascertainable, and the anticipated times of the receipt of the proceeds thereof, provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Town and such combined issue shall

be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Mayor, the Comptroller, and the Town Treasurer, or any two of them, bear the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the Mayor, the Comptroller, and the Town Treasurer, or any two of them, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Mayor, the Comptroller, and the Town Treasurer, or any two of them, and be approved as to their legality by Murtha Cullina LLP, Attorneys-At-Law, of Hartford. They shall bear such rate or rates of interest as shall be determined by the Mayor, the Comptroller, and the Town Treasurer, or any two of them. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The aggregate principal amount of the bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds, shall be determined by the Mayor, the Comptroller, and the Town Treasurer, or any two of them, in accordance with the General Statutes of the State of Connecticut, as amended.

Section 3. Said bonds shall be sold by the Mayor, the Comptroller, and the Town Treasurer, or any two of them, in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be sold upon sealed proposals at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If the bonds are sold by negotiation, the provisions of the purchase agreement shall be subject to approval of the Town Council.

Section 4. The Mayor, the Comptroller, and the Town Treasurer, or any two of them, are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Mayor, the Comptroller, and the Town Treasurer, or any two of them, bear the Town seal or a facsimile thereof, be payable at a bank or trust company designated by the Mayor, the Comptroller, and the Town Treasurer, or any two of them, be approved as to their legality by Murtha Cullina LLP, Attorneys-At-Law, of Hartford, and be certified by a bank or trust company designated by the Mayor, the Comptroller, and the Town Treasurer, or any two of them, pursuant to Section 7-373 of the General Statutes of Connecticut, as amended. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and

the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the project. Upon the sale of said bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town (the "Issuer") hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and after the date of passage of this ordinance in the maximum amount and for the capital project defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the project, or such later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Comptroller or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 6. The Mayor, the Comptroller, and the Town Treasurer, or any two of them, are hereby authorized, on behalf of the Town, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to nationally recognized municipal securities information repositories or state based information repositories (the "Repositories") and to provide notices to the Repositories of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this ordinance. Any agreements or representations to provide information to Repositories made prior hereto are hereby confirmed, ratified and approved.

Pasquale Melillo, 15 Haller Place, Yalesville asked, how much of the work that is proposed will be put out to bid?

Henry McCully, Director of Public Works stated, the work associated with the projects is all being performed by Public Works. The portions of the projects that will fall under state bid will be paving and reclaiming of the roadway.

Motion was made by Mr. Knight that the Ordinance Entitled, "An ordinance appropriating \$1,865,000 for the planning, acquisition and construction of various municipal capital improvements 2003-2004 and authorizing the issue of \$1,865,000 bonds of the town to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose" be adopted, seconded by Mr. Farrell.

Mr. Vumbaco stated, with regards to the Hall Avenue Streetscape IV project, for the public's knowledge, what is being done?

John Thompson, Town Engineer replied, it is a program that will take the concept that we have on Quinpiac Street, which is the new concrete sidewalks, the brick pattern in certain areas, new curbing, new catch basin tops, ornamental street lights, street trees on Hall Avenue between Route 5 and River Road down by Community Lake Park. The second portion of the enhancement project would be the so-called Senior Center connection which would take the trail which begins at Hall Avenue and Community Lake and would loop around at the lakefront over to the Senior Center forming the first portion of the loop around the lake. The plan is to have a temporary crossing on the Hall Avenue bridge. The Community Lake Restoration Plan shows a walkway on the dam and when the dam is restored, if an when it occurs, the trail would be relocated from the road location to the dam location.

Mr. Vumbaco asked, is all the land along the senior center side of the former Community Lake been acquired in order to complete the connection?

Mr. Thompson answered there is one piece under private ownership, the White Way Laundry property. We have had discussions with Mr. Grasser for the past several months and are trying to work out the final details of a donation of the land or a minimal acquisition of it. We still don't have the terms of that worked out yet. Nothing in terms of private property issues appear to be precluding us from having that connection done.

Mr. Vumbaco asked, the total cost of the two projects are?

Mr. Thompson answered, about \$2.5 million. We hope to get; the Town would pay 20% of the total cost of the project and we are trying to keep 80% federal money. We are trying to position ourselves to get that 80%.

Mr. Vumbaco asked, until that 80% is guaranteed, the project will not start?

Mr. Thompson answered, the project will start in terms of the engineering design so that we can be in a position so if, in fact, federal money became available, we would have a design ready to immediately take advantage of those monies.

VOTE: All ayes; motion duly carried.

Chairman Parisi declared the ordinance adopted.

ITEM #9 Consider and Approve the Audit Search Committee's Recommendation to Choose Scully & Wolfe as Town Auditor in Accordance with the Request for Proposal as Requested by Council Henry E. Toman, Chairman of the Auditor Search Committee

Motion was made by Mr. Knight, seconded by Ms. Doherty.

Mr. Toman stated, it is my pleasure to put forward to you the firm of Scully & Wolf. The Audit Search Committee met for extensive meetings and interviews from January to April and we followed an R.F.P. process which stated the following: we were searching, in essence, for the firm with the highest composite score which will be considered the lowest responsible bidder. The elements of that were two; the technical score which the members of the committee were responsible for and we had rather extensive evaluation criteria and we attempted, with our interview process of all seven firms, to evaluate them within this extensive criteria. That was 50% of the score. The other 50% of the score was the cost. That was done with a bid process; opening of envelopes and comparing the scores. It was technically possible to have a firm which was very highly scored on the technical criteria which would also perhaps come in with not the lowest cost. That's what fell out. But I must say that Scully & Wolf is a very impressive firm. I thought that the presenter, Mr. Chris Wolf, was one of the most honest people I've ever seen present anything. He was very informative and I think his firm which deals solely with municipal finance clients, municipalities in Connecticut, I think they will do a good job. I recommend Scully & Wolf as the unanimous choice of the Audit Search Committee for the Town's auditor.

Chairman Parisi replied, having served on the committee, I can vouch for how much you made us work and how many meetings we had.

Mr. Brodinsky stated, Mr. Toman is correct. Wallingford has every reason to be proud that Scully & Wolf is going to be its next auditor. There really couldn't be a better choice. I want to fill in some blanks about the firm; it is located in Glastonbury; has twenty-five accountants that specialize in municipal auditing and, as Mr. Toman said, it is the only firm in CT. that does mostly government-type auditing. Scully & Wolf performs audit services for forty cities and towns. That is more than any other accounting firm that we interviewed. It performs audit services for eleven tier I towns. A tier I town are the larger cities and towns that were the first that had to comply with the complicated auditing procedure called GASB 34 which we heard so much about earlier. Scully & Wolf does audit services for eleven towns in that first tier and that is more than any other auditing firm in the state. Sixteen of Scully & Wolf's clients have received the Certificate of Achievement for excellence in financial reporting. That's more clients than any other auditing firm that we interviewed or in the state. Scully & Wolf has a requirement that each of its accountants undergo forty hours of continuing professional education, the strictest standard of any auditing firm that we interviewed. The reputation of Scully & Wolf is second to none. It is a recognized leader in municipal auditing in the State of CT. In fact, when Waterbury ran into its financial difficulties in 1999 and 2000 the State of CT. needed an auditor to go in and find out what was going on and report back. The Office of Policy and Management selected Scully & Wolf as the auditing firm to go in to Waterbury. After that, Scully & Wolf helped the legislature prepare or craft legislation that would allow a state takeover or oversight of Waterbury's finances. As part of that legislation, an oversight panel, a blue ribbon panel was created and the chairman of that blue ribbon panel chose Scully & Wolf when it needed an auditor. That panel indicated in the Waterbury press that it chose Scully & Wolf because it was an auditing firm that it could rely upon.

Scully & Wolf did its first municipal audit in 2001 and has had the engagement ever since. It took over the auditing services from the prior auditor which was Levitsky & Berney. Not only was the State of CT. impressed with Scully & Wolf, the Audit Search Committee was also impressed. Four out of five of the search committee members, comprised of members of the Wallingford Town Council, gave Scully & Wolf the highest technical score. This reflects a remarkable degree of agreement that Scully & Wolf is, indeed, the pick of the litter. Mr. Knight gave Scully & Wolf his highest score, a 94. He also gave other firms a 94 also. Mr. Toman gave Scully & Wolf a 97; Mr. Vumbaco gave Scully & Wolf a 98; I gave Scully & Wolf 100, because I could not think of a reason to mark it down. There is only one other Councilor that downgraded Scully & Wolf to a 78. The mission of the search committee was not to reflect on whether or not we should be changing auditors or whether changing auditors was in the Town's best interest. That had already been made by the Wallingford Town Council on September 10, 2002. Everyone voted on that issue, decided to form a search committee and to look for an auditor, be that Levitsky & Berney, the present auditor, or somebody else. By voting in favor of the motion to start a search committee. Everyone indicated that they were certainly open for a change if, in fact, the winner of that competition was not Levitsky & Berney. Mr. Toman called a search for an auditor a good idea. Bob Parisi said that he didn't have a problem looking for something new and different. A search for an auditor had certainly become a bipartisan matter at that point. Our mission was to interview candidates and look for distinctions; which were the good firms, and they were all good; which were the better firms and which was the best firm. Members of the committee were to grade each firm on the basis of the criteria, letting the chips fall where they may. The result was that the top auditing firm in the State of CT., in my opinion, came in on top. The cream rose to the top and I think it is going to be a great auditor for Wallingford and this is a great result for Wallingford and I am very proud to be part of the process.

Mr. Knight stated, I want to thank Hank Toman and recognize him publicly for the work he did. I thought he kept us right on task. He kept us moving toward the goal at all times and I admire his tenacity. It is hard for anyone to get five Councilors together to do anything other than to have these meetings and Hank was very successful in finding a common ground for us and I appreciate it. He also had a lot of leadership within the meetings and, with five strong-willed people, you can imagine that's not always a very easy thing to do. Nobody else, here, had an opportunity to be in those meetings so I thought it was important to make note of that fact. There are a couple of other things that came out of the meeting that I thought were pretty interesting. One of the questions that we asked all seven firms was a question about the financial fitness of the Town of Wallingford. We were very interested in the answers and it kind of reflects a little bit on the previous agenda item concerning the Town budget. I think we got seven of the very best accounting firms that do municipal work in the State of CT. We got every one that we asked to bid because of the financial condition of this community. In fact, two or three of them specifically stated that they do not answer all R.F.P.s and that there are towns and communities who reputation and financial situations are such that they would steer clear of involvement. Every single one of these firms and Mike did a good job of flushing out just

how impressive Scully & Wolf is. Maybe one of these firms was eager to vie for the possibility of performing auditing services for this town. We had an R.F.P. process, rather than a straight bid and I think Mike, from his comments, would agree with me. The R.F.P. process yielded the best result, all told, for the Town of Wallingford. It was not the least expensive service but, given everything that we reviewed, it seemed very clear that Scully & Wolf has a very clear understanding of exactly the size of the job ahead of them because of the complexity of our enterprise funds, having a large electric division and a sewer division and a water division. What we found is that the hours that they intend to put into auditing the Town of Wallingford is very close to the number of hours that the present auditing firm has expended taking care of auditing our books. I would like to make it clear that when we started this process, we did not say that wanted to change auditors. We did not say that; not on this side; not one of us. What we did say is that we thought it was appropriate, given the backdrop of the accounting profession debacles that we go out into the market place and see what might be available. We did just that and the result is what you see right here. Several of us have made comment in the paper in various articles that we are pleased that Scully & Wolf is as professional as they are and have the terrific reputation that they have. We do, in large measure, feel that this is a lateral move. This town was rendered professional services of the highest quality for the past eighteen years and the fact that another firm is taking over for them should no way reflect poorly on them. They did a terrific job for this town and I wouldn't be surprised if, in five years, we saw them again.

Mr. Vumbaco stated, I am sorry to have to be the fly in the ointment of this love fest here but, there have been many statements that have been made both publicly and privately in the newspapers and to individuals concerning this process. Personally, I was hoping when this process of selecting an audit firm for the Town of Wallingford began from the interview phase to the final decision, I was hoping that it was done on a bi-partisan, non-political basis. However, in reading in the newspaper recently without discussion with me personally, there have been some statements made by the majority members of the committee that I felt have interjected politics into this decision-making process. Majority members of this committee continue to harp on one aspect raised by Mr. Wolf of Scully & Wolf when he was asked if, in his opinion, would he change auditors if he was in the Town's place, i.e., make a lateral move. His answer was, "not if you're happy with what you have." Well, as I stated at the meeting when this was discussed, I don't think there is any consulting firm, whether it be a law firm, an auditing firm, engineering firm, that would publicly state, "yeah, go out to bid every three years," especially when their livelihood depends upon it. That, definitely, would be self-defeating. More importantly, to me, in making that statement, they failed to also state, as Mr. Brodinsky just did, that Scully & Wolf does have the largest book of business in the State of CT. for municipal auditing and I won't go into the fact that it is 25% of their business, etc. I also find it interesting that Scully & Wolf was ranked number 1 on the list of four of the five committee members yet, the decision-making was questioned as to why. Since members of this committee continue to make comments publicly or privately about the process, I felt the need to publicly state for the record my feelings concerning this issue. To make a

statement that the minority councilors on this committee willfully low-balled their scores for Levitsky & Berney to keep them from being one of the top choices, is in insult to the ethics of an elected official. I personally take these comments as an affront to my professionalism as a member of the financial community. I find it interesting that one member gave Levitsky & Berney the highest ranking, yet no charges that they were trying to sway the vote was made. I also take exception to the assertion from Mr. Toman that he made in the New Haven Register article of May 20th that there will be disruption with this change. All the firms, and I stress all the firms interviewed, are professional and indicated that change happens all the time in this business and they all know how to deal with a change in auditors. The Town's staff is competent and professional. I have no doubt that they will have no issue at all with the transition. There should be little or no disruption other than what normally happens when a learning curve is involved. I truly believe the real reason for the majority being aggravated that Scully & Wolf was picked, and I can only go by their statements in the paper, is that they have steadfastly, in the past, stood behind waiving the bid and continually voted Levitsky & Berney as the Town's auditors. That's fine. I have no problem with that, people do what they think. I don't feel that it was proper, though, to interject politics into the process that seemed to be the point of the result of this committee. To claim, as was done in the New Haven Register article, that this will be a bullet point in the upcoming campaign is absolutely ludicrous. To also state that we are attempting to make the Mayor look bad, again, was a ridiculous statement as far as I am concerned. The Mayor really has no issue with this process. This is a Town Council appointment; the Mayor goes by what the auditing firm hands to him. There has absolutely been no attempt at all on the part of myself or Mr. Brodinsky, I think, to believe that we are generating campaign issues. I believe politics was asserted to overstate the fact that they were aggravated that the process found a different auditor. The reasons for my scoring are as follows and I want it stated for the record:

1. the Annual Report was qualified for the first time due to the inability to get GASB 34 implemented fully. While not an issue that would cause a major problem, all the other firms interviewed did indicate this should not have happened because all audit firms knew GASB 34 was coming for many years;
2. two extensions of submission of the final report were required most likely because of the GASB 34 issue. I believe the lack of informing the Town Council of the issues and reasons for the audit problem caused some concern with some Councilors. The firms interviewed indicated the need to communicate with the Town Council or their subcommittee on a pre and post audit basis. To my knowledge this was not done the three years that I have sat on this Council. Whether the opportunity presented itself or not, I still believe communicating the problems last year would have made a difference. All the other firms interviewed stressed their commitment to communicate with the Town Council. The majority might not think that is important but I certainly do. To my knowledge we have never been given the opportunity to discuss any issues with the auditors.

The third thing I would like to bring up and I didn't want to bring this up into the equation until politics became an issue here is, and I am going to do this very delicately but, in reviewing the financial statements of a certain Councilor who will remain unknown, I see that the managing principal, Mr. Alphonse Spadaro, gave a \$250 donation using the address of Scully & Wolf (Levitsky & Berney), 100 Bradley Avenue in Woodbridge. There was also a \$250 donation to the same Councilor in 2001 for the same address, 100 Bradley Avenue, Woodbridge. There was another \$250 donated from a Michael Spadaro of Woodbridge, also, for a total of \$750. While I strongly believe that any individual has the right to donate to whom, for what they believe in, while what they did was perfectly legal, I honestly feel that the appearance of independence has been compromised, therefore my low score. In conclusion, I strongly believe that Scully & Wolf will make an excellent addition to the overall financial reporting system for the Town of Wallingford. I do enthusiastically support their appointment as the new Town auditors.

Chairman Parisi stated, I don't really want to get in to a debate about this, as far as discussion with the auditors goes, Jim. Anyone could have raised a question and asked that they be called in and I am sure that they would have been happy to come. Unfortunately, it appears that, at the time, that thought didn't occur to anyone. Secondly, on the case of the donations, I am the Councilor, Jim, and if you going to bring it up, then put my name in it. I have received donations from Mr. Spadaro, I have known him since 1980 when I worked for Congressman Larry DeNardis and he was sort of a political godfather to me, if you will, and if you had brought that up during the interviews, if you had this fantastic political bomb to drop, then I would have been very happy to have answered it then, as I do now. I answer it publicly. It is totally legal and perhaps it wouldn't be a bad idea if I started reviewing everybody else's campaign donation list because it is pretty difficult to keep these friendships and things out of it and I know that we all know that. I am a little disappointed that at least, that this was information that was important enough to insinuate with, then it should have been important enough to have been brought up in committee so that it could have been responded to and if the committee felt that in any way that I would taint the process, I would have been more than happy to remove myself. I have been in public life for forty-five years and I have never done anything that I am ashamed of, all the way back to being friendly with many people in your party, to now that I still am, because I never placed my politics ahead of my friends and I never will. When the politics is gone, all you have is your friends. I am sorry to end the big mystery so quickly and easily but the press is going to have something to write about tomorrow, and I am sure they will and for that I guess I can thank you, James. As far as Henry Toman goes, I would like to commend him as a freshman Councilor, I think he did an outstanding job. He certainly reflected all the faith I had in him. His corporate background shone through in his leadership on this committee. He never once was deterred, even when I was complaining that he was scheduling meeting on nights that I had other commitments and he very definitely talked me out of it. Fine, I thank you, Henry, because we did finish the job. Tom Myers, again, came through by telephone connection from Florida. He attended all of the meetings, probably with a mint julep or something in

his hand, we'll never know, but his advice was very valuable. As far as Scully & Wolf goes, I have to credit Mr. Wolf with one of the best presentations I ever saw. I guess that the thing that really stuck in my mind, and I guess I am the Councilor that was unfortunate enough to give him a lower score, was that maybe he was so laid back that he didn't convince me that he truly wanted the job. His statement about whether or not we should be considering leaving an auditor that was doing a fine job kind of stuck with me. As far as my defense of Levitsky & Berney, I have felt in the past that they were a good firm. I based that on Mr. Myers' input who, again, I have the deepest respect for and I weighed very heavily on the eight or nine national awards that we achieved when I was told that their work was part of the process and was inspected as thoroughly as our own work. Having said that, I wish Mr. Wolf and his company the very best of luck and, hopefully, it will be a very, very pleasant association with the Town of Wallingford.

Mr. Vumbaco replied, this was not meant to be a political bombshell...

Chairman Parisi stated, that doesn't matter.

Mr. Vumbaco stated, excuse me, I have the floor and when I make my comments I would appreciate it if you would listen like I respectfully listen to you. I did not mention your name because I did not want to make it a political bombshell. I had it on the paper and I scratched it. All I am indicating is that, in my mind, there was a sense of independence issue here. Anybody who donates to the political campaign of anyone who sits in on voting on whether these people have a job or not, a \$90,000+/year job, I think should be questioned. It is my duty as a Councilor to do that. This only came across to me recently. So obviously it was not brought up to the meetings. You can make a decision or not. I was not insinuating at all, Mr. Chairman, if there was any wrongdoing. If the shoe fits, wear it as my mother used to always say. But as far as I am concerned, it is my reasons why, and I did not like the political bickering and accusations that were made by the republican side of this committee saying that solely the reasons for changing auditors was for political purpose. It is obvious we had seven good firms; we interviewed seven good firms and one firm won and that is all I am concerned with. I am sure that firm will do fine.

Chairman Parisi replied, I just want you to remember about the shoe fitting, too, because I didn't make the statements.

Mr. Vumbaco replied, I will bring you every one of my returns and you can look at them until your heart's content.

Chairman Parisi continued, I didn't make the statements about the auditor or about your position or Mr. Brodinsky's. That's fine, I don't have to defend this because there is nothing to defend.

Mr. Vumbaco replied, you're absolutely right, Mr. Chairman, there is nothing to defend. The vote was made; Scully & Wolf is our new auditor.

Chairman Parisi replied, I am talking about your inference about the donations. If I felt that I could be influenced for that amount of money my friend, I would have been the first one to tell you.

Vincent Avallone, 1 Ashford Court stated, I would just like to commend the committee. I think Mr. Knight forgot that I attended one of those meetings. I know I am easy to forget but I did attend, and this is for the public's benefit, that someone from the public other than Councilors were present and I would like to commend all of the Councilors for asking probing questions and I think the results will benefit the town.

Pasquale Melillo, 15 Haller Place, Yalesville stated that there is no representative from the company that is going to be chosen present.

Chairman Parisi stated, they didn't have to be present because they are not engaged yet. They were not required to be here but at the proper time they will be here.

VOTE: All ayes; motion duly carried.

ITEM #10 Executive Session Pursuant to Section 1-200(6)(D) of the CT. General Statutes with Respect to the Purchase, Sale and/or Leasing of Property – Mayor

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

VOTE: All ayes; motion duly carried.

The Council entered into executive session at 9:00 P.M.

Present in Executive Session were all Councilors, Atty. Gerald E. Farrell, Sr. and Mayor Dickinson, Jr.

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

VOTE: All ayes; motion duly carried.

The Council exited executive session at 9:17 P.M.

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

VOTE: All ayes; motion duly carried.

There being no further business, the meeting adjourned at 9:18 P.M.

Meeting recorded by:

Rosemary A. Rascati
Town Clerk

Meeting transcribed by:

Kathryn F. Zandri
Kathryn F. Zandri
Town Council Secretary

Approved by:

Robert F. Parisi (by ee)
Robert F. Parisi, Chairman

7-15-03

Date

Rosemary A. Rascati
Rosemary A. Rascati, Town Clerk

7-15-03

Date

RECEIVED FOR RECORD 6-19-03
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Rosemary A. Rascati TOWN CLERK