

1997-98 ANNUAL BUDGET

PUBLIC HEARING

APRIL 14, 1997

6:30 P.M.

A Public Hearing on the 1997-98 Annual Budget of the Town of Wallingford was held by the Town Council in the Robert Earley Auditorium of the Wallingford Town Hall and Called to Order by Chairman Robert F. Parisi at 6:39 P.M. All Councilors answered present to the Roll called by Town Clerk Rosemary A. Rascati with the exception of Councilperson Papale who was detained out of town by employment obligations and Councilor Zappala who arrived at 6:42 P.M due to the occurrence of an unexpected family situation. Mayor William W. Dickinson, Jr. and Comptroller Thomas A. Myers were also present.

The Pledge of Allegiance was given to the Flag.

Mayor Dickinson welcomed everyone to the public hearing and stated that it involves what is envisioned for the Town of Wallingford. What we want it to be, what it should become in part, is determined by what our budget contains or does not contain. This budget proposes \$89,307,000 of expenditures for the next fiscal year. It involves a 2/10ths of a mill tax increase; 8/10ths of 1% increase or \$21.70 on the average tax bill. Education spending rises by 6.5% under this proposal; General Government spending increases by 3.7%; 1.7% for payrolls, maintenance and operating costs and 2% on capital items. Our utilities involve no rate increase for Water & Sewer and a possible 5% increase on electric bills as a result of fuel adjustment pass through. This budget proposes the use of \$2.7 million from our reserves, almost 1 1/2 mills to offset the tax increase. It also maintains our reserves for a Aa credit rating; \$4.1 million. \$89 million is a serious amount of money. The budget is proposed without any view that any dollar of spending is not something to be concerned about. We should be concerned about every bit of money we spend. On the other hand, what I said earlier is the point; what do we want Wallingford to be? If we want it to be a community that we can be proud of and enjoy, then it means continued contribution and participation in government by people through all kinds of efforts including the payment of taxes. We suggest and encourage the adoption of the budget as it is proposed. I thank everyone who has had a part in putting the budget together; all of the departments do a very good job in providing the information necessary for this hearing to take place.

BOARD OF EDUCATION/CAFETERIA

Jim Krupp, 2 Jonathan Road stated over the past several years Wallingford taxpayers, along with CT. taxpayers, in general, have been subjected to quantum increases in educational costs. These increases however, have not had the desired affect on the quality of education. In fact, the investment of additional taxpayers dollars seems to have had a counterproductive impact. Among the disappointing results, I would include the lack of development and implementation of a merit-based performance compensation system for teachers; the general erosion of S.A.T. scores; the continued unsatisfactory achievement test scores on statewide examinations and escalating drug and discipline problems in our schools. Recently a new initiative was announced involving new testing procedures yet this is another pass/fail system apparently unaccompanied by a substance of change in a curriculum to enable more literate incapable students to be graduated from our school system. My question of the Board is this, what initiatives does the Board of Education plan in curriculum and teaching methods to ensure that we can reverse the adverse trend we have seen in recent years and to provide our students with a quality education which prepares them more effectively for college and post-academic life? Where, specifically, in this budget are these programs provided for? I would submit to this Council that if this budget provides us with more of the same that we have had in the past then a 6.5% increase in the Board of Education budget is not justified nor is the increased tax burden on the taxpayers of Wallingford.

Joseph Cirasuolo, Ed.D, Superintendent of Schools stated that he respectfully disagreed with Mr. Krupp's characterization of the recent past. About four or five years ago we had a number of initiatives in curriculum beginning with Math and Language Arts then Science. Also we initiated a number of steps to hold people accountable for results and did a number of other things as well in terms of staff training. All of that is producing results. For the third year in a row we have had the best mastery test scores Wallingford has ever had. We are above state averages, we are above averages of communities like our own. The same thing is true in the second year, which was last year, of the CT. Academic Performance tests. We give the Metropolitan Achievement Test in grades 5 and 7. On the average our children scored 1 1/2 to 2 grade levels above grade level. The one area where we have not had as much progress as we would like, although last year's scores were better than the year before, were in S.A.T.s but given the curriculum initiatives we started in high school, some of the accountability measures we put in for students, I would expect the 1997 scores will show some noticeable improvement. The Board of Education will be recognizing students who score at 650 or better on any individual part of the S.A.T. either math or verbal. I think we have about thirty youngsters we will be recognizing. At

one point we wanted to recognize those at 600 or better but there were so many that it would have made the award sort of meaningless. Where is this in the budget? There are a number of places. Obviously, it is in the money that we pay the staff to teach the programs, the money for professional development, the money that is in there for technology. That is a big part of the initiative that we have put in to help students learn better. Some of the things in terms of standards are things that do not cost any money. We are now tracking test scores by teacher. When a teacher's students don't score as well as they should we expect improvement. We track test scores by school. When the school does not score as well as it should I expect improvement. We have also put in some academic standards for students. They will have to do more than just earn 23 credits to graduate from high school. All of that is a package and the accountability part of it does not cost anything.

Susan O'Hara, 15 Cassella Drive stated, I am in support of my Board of Education, my principal and the teachers that I have come to know since August. I have two children, one is in the first grade and the other is in the third grade. In two short years I have seen a big difference in how my third grader was taught in the first grade. It is a good difference in a positive way. I don't know anyone in this town than can come up with extra money each week. Before it is in your pocket it is spent. I cannot think of a better way to spend \$21. or \$31. or \$50. than for my children. Just as seniors in this town took on the responsibility, other people were in their situation too. I work with seniors and I know it is not easy for them either, but in the same perspective it is not easy for anyone. I am in favor of the budget the way it stands. I hope the Town Council is listening. Wallingford is where it wants to be. It is booming, its growing, it is not anything that no one knows. People want to be here, let's make them still want to come.

Dave Canto, 4 Meadows Edge Drive stated, the good news is, out of the \$51,000,000 education budget compared to what it was three years ago, the percentage going for salaries and benefits is starting to go below 80%. In 1994-95 it was 82%, it is now 78% which means that someone is doing a good job of controlling the labor costs. The bad news is that Dr. Cirasuolo is no longer the highest paid official in the Town of Wallingford. You would be happy to know that someone makes \$5,000 more a year than you do; the head of the Department of Public Utilities. With regards to the Instructional Equipment Line Account, it went from \$286,000 to \$778,000, is that due to the expansion?

John Quinn, Business Manager responded, most of that will be for the instructional computers and computerization in the school district. We have \$655,698 budgeted for that program next year.

Mr. Canto responded, computer-literacy is more important now than ever. I noticed Pupil Transportation rose about \$400,000. Is that due to an increase in the number of students needing the service?

Mr. Quinn responded, probably \$250,000 of that is for special education transportation and the remainder of that would be for additional buses.

Mr. Canto asked if there were any funds in the proposed budget to address the slab repairs at Moran Middle School?

Dr. Cirasuolo responded, there were no funds in the budget for that situation. That problem developed after the Board made its budget request.

Mr. Canto stated, the Board should try to pay for the repairs itself. If you run out of money on something where structural integrity is involved then you should go back to the Council for money.

Philip Wright, Sr., 160 Cedar Street stated that he has noticed that the salaries of the principals and superintendent have been kept within a range of 2-2 1/2%. In looking at the increases of the department heads throughout the town their increases are 4%. He asked Board of Education Chairperson Karen Hlavac how the Board was able to accomplish this so that those responsible for the department head's salaries could be enlightened.

Mrs. Hlavac responded, Mr. Wright should speak with the Town Council regarding their negotiations on that matter. I believe we had a very good, reputable team put together for negotiations which helped us to arrive at those costs.

Geno J. Zandri, Jr., 37 Hallmark Drive asked, will the Board still be able to work with this budget after the minor adjustments made by the Mayor and still be able to accomplish the goals it set out to achieve?

Dr. Cirasuolo responded, it terms of the administration's perspective that is yet to be determined. The Mayor's recommendation is \$1.2 million less than what the Board asked for. Our latest update on the surplus for this year is \$350,000. The gap is the difference between the \$1.2 million and the \$350,000 that we are going to either have to find an additional savings this year or hope we get some savings next year. I cannot tell you at this time whether or not the Board will be able to do everything it wants to do. By the end of May we will have a much better idea of where we stand.

Mr. Zandri stated, my recommendation to the Council is, when you are going through your budget workshop with the Board of Education, you review each line item that was adjusted to see if you feel that there may be additional dollars needed in order to keep the programs the way they were originally set out. As far as the community is concerned the best investment we can make is in our children.

Wendy Marinan, 333 Christian Street stated, as a parent of three my children do and will attend Moses Y. Beach School. I am a member of the P.T.O. of that school as well. At a recent P.T.O. meeting we discussed a specific line item for Moses Y. Beach which is reflected in the \$5,000 request for playground equipment. I am very concerned and dismayed by the fact that there does not seem to be set out by the Board of Education a minimum standard of what is perceived to be appropriate playground equipment at our schools. If you tour the town it is clear that there is a wide range of facilities available to elementary school children at their school. Currently at Moses Y. Beach we have three swings that are slated to be removed because they do not meet code. When that happens we will have nothing. We will have a blacktop. Although schools do have active P.T.O.s that care and try to enrich and augment facilities programs we feel very strongly that in this situation the Town is failing in that there is not an expected level of playground minimum equipment set out. We want to bring this to the attention of the Town Council for we fear that when it comes down to what looks viable or what could be cut from the budget we want to ask that this be considered in the context of the school where there is nothing for the children to practice gross motor skills on during recess. We were afraid that the \$5,000 in the line account could be cut since it was cut once before and then put back in the budget in a modified form.

Valerie Nolan, 7 Templeton Drive, Second Senior Member of the Board of Education stated that she is happy to report that Charlene Wong, Director of Food Service, has done a marvelous job since she has taken over the operation. We are operating in the black on that program which means that it is not costing the taxpayers one dollar. We are also putting out a quality product for our children besides. With regards to the budget, if the figure of \$300,000 is an accurate surplus figure, that is the smallest surplus we have had in years. I would personally not be very happy if we suddenly came up with an extremely large surplus after what has been reported to me over the past few months. There are some minor items I don't agree with in the budget such as security guards at the high school. Most of our costs are fixed. We have our mandates, our teacher's salaries, our health insurance, we also have our hidden and special education mandates. I would like you to seriously consider supporting this budget as the Board of Education turned it into the Mayor and Council.

Mr. Parisi commented that Ms. Nolan did raise an interesting point about the Food Service Department. He did recall many years when there were problems balancing that budget. He commended Ms. Wong for the fine job she was doing.

PUBLIC UTILITIES - Water/Sewer/Electric Divisions

Dave Canto, 4 Meadows Edge Drive stated that the Electric Division is budgeting for a \$20,000 loss which appears is being caused by the division's contribution to the Town. Is that the case?

David Gessert, Chairman of the Public Utilities Commission responded, we have a formula for the payment in lieu of taxes based on our gross revenues and we pay based on that formula that was adopted last year. One thing that will certainly affect our bottom line of income is a significant amount of capital investment we have been performing over the past several years and then the depreciation on those items starts to kick in.

Mr. Canto pointed out that it is a book loss and not a cash loss. With regards to Purchase Power he asked, is that price determined by contract?

Mr. Gessert responded, most of that price is fixed in the contract however, there is a power cost adjustment or contingency. As you know the cheapest form of power was the atomic power. When they had to replace atomic power with fossil fuel then our costs go up. We are not taking that lightly. We anticipate that expense for the balance of this calendar year until they get the Millstone Plant back on line.

Philip A. Wright, Sr., 160 Cedar Street remarked that Line Item Account #502-1, Steam Expense, increased from \$1,340 in F.Y. 1996 to the budgeted \$39,000 this coming year. Why is this?

Mr. Gessert responded, this budget reflects the anticipated use of our facilities this year as a back up when called upon to produce due to weather conditions and extremely hot weather. We expect to be called on and we included funds to handle that operation.

Mr. Wright asked, do we show somewhere in the budget how much U.I. or someone will pay us for all of this?

Mr. Gessert answered, we will track all of our costs and any increase in costs over our incidental operations, our normal day to day costs, we will recover from Northeast Utilities. Overtime or any other expenses that we normally do not incur we will asked to be reimbursed. We have gotten some commitments in that area.

Mr. Wright asked, how will the funds we receive back from Northeast Utilities show in the budget?

Mr. Gessert responded, there is a line item in the budget entitled, "other revenue" and it may come back through that account.

Jim Vumbaco, 81 High Hill Road asked, how much is put into the Electric Division's budget for outside contractors besides the underground line work that I realize is contracted out, especially in lieu of the five people layoff that we are facing in the division?

William Cominos, General Manager of the Electric Division responded, just on the overhead distribution lines we have \$2.1 million in the budget for possible use of contractors.

Mr. Vumbaco asked, is this in lieu of the work that is done by our own electric division workers or in excess of?

Mr. Cominos responded, in excess of.

Mr. Vumbaco asked, are any of the five people who are being laid off capable of doing any of this work? Does the outside contractor rate cheaper than what it would cost if we had someone inhouse doing the work?

Mr. Cominos responded, these are projects that are specific. We are talking about eight weeks of work here. When I use contractors I use them for specific purposes rather than hire full time employees and then have to lay them off down the road. I don't see where I have work down the road for the employees that I am laying off.

Mr. Vumbaco asked, is there a chance for the employees of the Electric Division to work overtime rather than hiring outside contractors?

Mr. Cominos responded, currently we are working six, ten-hour days per week until the end of June. By that time the major projects that were long term will be accomplished. I can use the workforce that I have from that point forward to handle my day to day functions.

Mr. Vumbaco asked, if the current projects are using the overtime of the current electric division employees and that ends in June why can't they be doing some of those projects over the next year that you are going to hire out to contractors?

Mr. Cominos responded, they may. The union may be given an opportunity to bid on that. If they come in with a reasonable cost to do it within a reasonable time period they may be considered.

Mr. Vumbaco asked, where does the electric division project to be at the end of the year as far as net income or net loss?

Thomas Sullivan, Business Office Manager of the Electric Division responded, the budget as proposed initially had \$1.835 million, we have taken another look at that and expect to cut some expenses and we are looking at income more in the area of \$2,357,000. at the end of this fiscal year.

Mr. Vumbaco asked, is the reason for the layoffs then because the positions are not necessary or are you helping to fund the bottom line?

Mr. Cominos responded, the positions are not necessary.

Mr. Vumbaco asked, the positions have become redundant, they are not necessarily needed? Are we replacing their functions with anything else?

Mr. Cominos responded yes, the positions are not necessary and no, the division is not replacing them.

Mr. Vumbaco asked, so that means all these years they have been doing something that was not necessary?

Mr. Gessert responded, there has been a standing rule in both private and public organizations over the years that if someone leaves a position they are automatically replaced. We are looking at a situation where we are going to deregulation down the road. We are looking at a more competitive environment. We are not satisfied with maintaining a status quo. Every time someone leaves we take a good hard look at the position to see if the duties can be re-allocated, can other people pick up the slack effectively and handle that job or do we really need a full time person in that job. As people have retired and left the organization we have looked to do that over the past several years. Last year six people left voluntarily and we elected not to back fill those. Also, bringing a lot of our network up to date and modernizing it has resulted in a more efficiently run department requiring less service helping us to reduce some of the ongoing costs.

Mr. Vumbaco asked, is it safe to say then that we have a \$2.3 million potential profit for the division and if, in fact, we do use our inhouse labor to do some of this project work instead of this \$2.1 million in outside contractors that is allowable in this budget than that surplus could grow?

Mr. Gessert responded, that is conceivable, yes. I would like to say that we don't take losing employees lightly. Nobody has gone at this process in a vindictive manner and we are very sorry to lose some of the people that have left the division already and

some that will be leaving because they certainly contributed and they are good personnel and we will certainly do everything we can to help them either secure other positions within the Town of Wallingford or if they choose to go to private sector we will give them the best recommendation possible because we are sorry to lose them.

Fred Valenti, 73 Liney Hall Lane asked, are your employees of the P.U.C. covered by the Wallingford Employee's Consolidated Pension Plan?

Mr. Cominos responded, some are and some are in what we call a Hazardous Pension Plan.

Mr. Valenti asked, and the ones that are not, who are they covered by? What pension plan are they covered by? Are they both part of the Wallingford Employees Consolidated Pension Plan?

Mr. Cominos responded, yes, a separate plan but, yes, the Town of Wallingford covers them under their pension.

Geno Zandri, Jr., 37 Hallmark Drive referred to page 80, General Plant, Line Item #391, Office Furniture and Equipment and pointed out that this line item went from \$24,000 to \$1,200,000. Can I have an explanation on that?

Mr. Gessert responded, under our uniform system of accounting that we have to follow little things such as computers come under the category of Account #391, Office Furniture and Equipment. The figure you see there is for a major purchase of a computer system.

Mr. Zandri referred to page 76, Purchase Power and pointed out that the line item increased by \$4 million. He then referred to revenues and sales of electricity to find that it is being increased by approximately \$2 million. He asked, why are we purchasing \$4 million of electricity and receiving only a \$2 million increase?

Mr. Cominos responded, that is your fuel adjustment.

Mr. Zandri stated, you are estimating that you are going to have to purchase \$4 million more of electricity this year than you did last year yet, you are only increasing your sales of last year by only \$2 million. Something does not add up. If you are going to be buying \$4 million more in electricity I would assume that you are selling it and I would think that both of those lines would adjust the same.

Mr. Cominos responded, the cost per kilowatt hour is a lot more. What we are anticipating in the new budget is more than what we were paying last year. For your revenues coming in there is going to be an adjustment made but I think that comes from monies that

we have with CMEEC; the difference.

Mr. Zandri asked, is it costing us more to buy than we are actually going to be receiving as far as sales are concerned?

Mr. Cominos responded, yes.

Mr. Zandri stated, I want a clarification on Mr. Vumbaco's question on the bottom line. According to the budget the bottom line is a negative \$19,809. How do we come up with what you were quoted as saying would be a \$2 million profit?

Mr. Sullivan responded, the figure of \$2 million was additional net income expected in the current year.

Mr. Zandri thought that Mr. Vumbaco had asked for the projected net profit for the 1997-98 budget year.

Mr. Vumbaco stated, that is what he was asking for.

Mr. Sullivan misunderstood Mr. Vumbaco's question. The proposed budget projects a \$19,000+ loss.

GENERAL GOVERNMENT

Geno J. Zandri, Jr., 37 Hallmark Drive stated, one of the goals of the Council is to try to trim the budget to make up for the \$400,000 increase therefore I refer to page 62, Economic Development Commission budget. When you review the budgets during the workshops I would like to have the Council study this page. You could probably eliminate the entire page. Look at the track record of this commission and what it has accomplished over the past four or five years and you will find out that nothing has been accomplished. I think it is a total waste of taxpayers' dollars. I urge the Council to take a hard look at this commission, see what their track record is and see if it is worth the \$60,000+ we are paying for it every year.

Dave Canto, 4 Meadows Edge Drive stated that there are a lot of areas in the budget that have increased that didn't in the year before. On page 68, Contingency Account, the 1996-97 appropriation and the 1997-98 has almost quadrupled. Does that have anything to do with the increase in debt that we have taken on in the year?

Mayor Dickinson responded, what shows as a comparison is inaccurate in the sense that the amount originally appropriated in 1996-97 was a much larger amount. This figure that is showing is after transfers were made out of the account. Account #3190 was

at least \$276,000.

Mr. Myers stated, what shows in the budget book is the balance of the contingency account as of January 31st. The initial amount of account #3190 is comparable to the 1997-98 Mayor Approved figure.

Mr. Canto stated, in comparison to the summary on page 3, the figure goes up from \$428,000 to \$855,000?

Mayor Dickinson answered, that is the combination of the two accounts and account #323 contains reserved amounts for settlement of labor contracts. There is also a fairly large payroll claim pending lawsuit that is also included in that contingency. That accounts for most of the money for it is a reserve against that lawsuit.

Mr. Canto referred to the Mayor's office budget, particularly the Labor Negotiator account. He asked, why are these listed under your office and not Personnel or Law Department?

Mayor Dickinson responded, State law places the authority in the chief administrative officer to appoint a labor negotiator. The Mayor's office takes responsibility for what is done, who is appointed, etc. so the expense rightfully appears there.

Mr. Canto stated, one increase I am in support of is in the Government Access Television budget and that is associated with the refurbishing of the new studio. New equipment is very expensive. Keep in mind that the crew is starting from scratch in a sense because everything they used to have in the Library is almost fully depreciated and even these cameras tonight are almost shot.

With regards to the Finance Department budget on page 25, Mr. Canto pointed out that Mr. Myers is beginning to budget money for re-evaluation. He asked if this money is going toward the hiring of an outside firm to calculate the re-evaluation?

Mr. Myers responded, yes. The new State law calls for a statistical re-evaluation in the year 2000 at an approximate cost of \$750,000., hence the first year funding of three years. If we do a full re-evaluation that cost will be greater than \$1 million. If the law changes we will have to increase the funding schedule. Because of such a large number we are trying to infiltrate it into the budget over a period of years rather than have one hit in one year.

Mr. Canto next referred to the Recreation Department budget on page 47. He spoke with Mr. Dooley a few weeks ago at a small meeting on Community Pool. At that time Mr. Canto asked Mr. Dooley if the renovation costs for the pool will be in the budget? Mr. Dooley responded, yes. In looking at the budget, however, the costs are

not reflected. Does this mean the project is not going to be done? Is it going to go through bonding rather than the budgetary process?

Mayor Dickinson responded, it would not appear in the fiscal year's operating budget. It is the subject of a bond. It is a separate budget for it is a capital project.

With regards to the Pension Fund, Mr. Canto stated, given that the Town is overfunded by 6%, he asked, if you are exactly 100% funded what is the Town's obligation to pay into the pension fund this year?

Mayor Dickinson responded, it is my understanding that we would be paying approximately 7-8%. Mathematically it comes out to somewhere around what you would pay for social security. The Town does not pay social security. There would be a contribution every year because of the ongoing liability. There is a reduction of somewhere over \$400,000 but that is because the actuary is giving us credit for the overfunding. If there is a change in the market, what is today 106% could be 80%. Those values are all book values. It is not money in the bank, it is book value.

Mr. Canto concluded his remarks on the budget by saying, I can't find the \$400,000 to reduce in the budget. A .2% mill is not that bad of an increase. It would be nice and convenient in an election year to try to have a no tax increase year but I cannot find the \$400,000 to reduce the budget by given all the information above.

Albert E. Killen, 150 Cedar Street referred to page 4, Department/Activity Summary stating, there are 42 line items of which 18 received increases from the Mayor over and above what the department requested; six of the line items were cut; 18 stayed even with their requests; 28 departments requested more even though there was no indication that they were going to expend everything that they expended this year. He asked, what was the surplus from last year?

Mayor Dickinson responded, the surplus last year was \$3.7 million.

Mr. Killen stated, we are well on the way of duplicating that process if the Council accepts this budget in total. There is more than enough fat there. The Mayor decreased the General Government budget by \$86,183. When you take into consideration the fact that \$17,476. was in the general contingency fund which was not appropriated for any particular reason, it comes down to \$68,707. We are making people pay now and over the next five years for things they may not be alive to see or they may have moved away from. They are paying for projects that are out of their time. That is what bonding is for. If you are going to take on projects

that will occur over a period of time, bonding is not because you don't have the cash, it is to spread the cost over a period of time so that everyone is penalized equally and use the resources that are available. Reserves are our reserves and they are not doing us any good. At the last Town Council meeting the Council heard a break down by Mr. Myers of our reserve funds. You heard how much was tucked away here and there. There are very few people who work for the Town of Wallingford that can cry poor mouth. There are people in town that cannot afford the .2% mill increase. There is no reason that they should have to. There are a dozen different places that the Council could come up with \$400,000. It is nothing to brag your chest and say, look we have a surplus. If you need \$3 million and you tax to raise \$3.5 million you are going to come up with a surplus.

Mr. Killen referred everyone to the page which is not numbered but follows page 92. It is titled, "Section V - Capital and Non-Recurring". He read one line from the paragraph as follows: "Proposed capital improvement projects for the ensuing fiscal year and for the five years thereafter are presented as part of this annual budget." He then asked everyone to turn to page 95 as he read from the list of "Proposed Six Year Capital Budget" of projects slated to be performed by the Town over the next six years. He noted that in F.Y. 1997-98 \$850,000 is dedicated to Highland Avenue project; F.Y. 1998-99 \$650,000 is dedicated to North Elm Street project; F.Y. 1999-2000 \$550,000., \$250,000. and \$930,000. is dedicated to work at North Farms Road; F.Y. 2000-2001 \$1,000,000. is dedicated to Williams Road work; F.Y. 2001-2002 \$1,000,000. is dedicated to W. Dayton Hill Road work and finally F.Y. 2002-2003 shows \$1,000,000. dedicated to Durham Road for work. All the projects over the next six years are strictly roadwork. This list is supposed to represent the needs of our Town over the next six years; its future improvements. Is that all we have are roads? Mention was made the other evening that we were going to do something with Community Pool, Senior Citizen Center, etc. We just finished renovating and building over a grammar school, we are doing two middle schools over of which none of it was forecast in the six year capital budget. We are not projecting into the future. We are looking at the past and are saying that we have gotten away with this in the past, why do away with something that is doing so well?

Fred Valenti, 73 Liney Hall Lane referred the Council to the Consolidated Pension Plan on page 65, Account #8080, and asked, when the Council votes for the budget is that figure for all the employees in the Town of Wallingford that is covered by the plan?

Mayor Dickinson responded, my understanding is that the amount does not represent all of the employees. Sums of money that are paid by cafeteria, education and utilities are in their respective budgets.

Mr. Valenti charged the Council with finding out if that amount includes all the employees or not before voting on putting that kind of money into the pension plan. It is a consolidated pension plan which covers everyone. If you look in the actuarial book it states that it is for 583+- employees which includes the cafeteria workers, P.U.C. and everyone else. That has been the case since 1990. Right now, in the pension plan as of the end of March, there was \$102+ million in the account. That is after the market took a 10% hit besides. The Wallingford fund only took a hit of 3% or less. Our obligation, as of 6/30/97, is \$80 million. What percentage is that? It is a lot more than 106%. There is \$805,000. in the budget, more than twice what you need to hold the tax rate. You can actually cut the tax rate by removing this one item. Where would we be next year if you take that \$805,000 out of the budget? Right now we have \$102+ million. Let's look at the work case scenario. The pension plan managers won't make a dime and the only amount we add to the \$102+ million is the \$1.4 million that the employees contribute. That brings us up to \$104 million. If we pay out \$4 million we still have \$100 million and still well overfunded. If Account #8080 includes all of the employees then we have been witnessing an over-contribution for years and that is why we are overfunded because we are not supposed to be until the year 2008. In looking at the F.Y. 6/30/96 Actual amount reflected on page 65 under Account #8080 you will see that it shows a figure of \$1.6 million. Compare that figure to the annual report figure which shows a contribution of \$2.6 million. That is \$900,000 over and above the Consolidated Pension Plan budget. I think it is a misunderstanding more than anything and I am looking to stop contributing and stashing money away which you have been doing for the past twenty years. The people in Wallingford have paid for the past service, the present service and the future service of this pension plan and those are people who have been here for one small period. Before the Council votes any money into the pension fund you should look back to see if this consolidated pension plan includes all the employees. It does in the actuarial book. That is another means that someone found to put a little more money asway because no one ever looks there.

Philip Wright, Sr., 160 Cedar Street stated that he has some concerns since listening to Mr. Valenti's statements about the pension fund made at that last Town Council meeting and again, tonight. He, as many others in the community, feel that the town is extremely overfunded in this account and continues to overfund it. The victims of this practice are those taxpayers that are here now. It is time that we got a break while we are still alive. The Council should look at the funding to see if there isn't something that they could convince the Mayor of. Why is it necessary to be super, super cautious and conservative? What Mr. Valenti is saying is factual and there is no justified reason to continue to overfund the account. Allen Greenspan and most members of the financial and governmental world feel that the 3.3% consumer price index is grossly overstated. If this is true how long does the Council feel

that the taxpayers can go on giving most top administrators increases of 4-9% before we have a catastrophe in this Town as we have in our neighboring towns? The Council should look very carefully at that. Check out the increases in salaries, most of them are 4% and there is one that is at least 9%. We cannot go on like this. My property taxes have increased nearly 70% over the past ten years, that is an average of 7% per year. I would like to know, Mr. Mayor, if you feel that Wallingford taxes continuing to rise at this astronomical rate will continue to rise and, if so, will it be only the upper income people who will be able to afford to live in Wallingford?

Mayor Dickinson answered, I would hope it would only consider at less than 1% increase in taxes per year. This budget has an increase of less than 1%. Last year it was a very low percentage and the year before that there was a tax decrease. The community is no different than any other service that is provided. Costs go up throughout for what ever you are consuming or buying and government is no different. It is a labor-intensive process and as citizens we have to be willing to contribute to our community if we want it to be a good place in which to live and work in. The most important investment you have is your real estate and that will not increase in value if the environment in which it exists is seen as a positive environment. If we can keep the tax increases below the cost of living increase, I think it is a reasonable choice and a good direction for the community.

Mr. Wright asked, how much do you feel is surplus in this budget?

Mayor Dickinson responded, there is no budgeted surplus in the budget.

Mr. Wright stated, we don't come by this \$1.7, \$2.7 or \$3.7 million surplus each year without some planning. You must be planning that there is going to be some surplus, how much is it?

Mayor Dickinson answered, as been stated on many occasions, in budgeting you will either have a surplus or you will have a deficit. Almost no one will end up with a zero balance. Is it our job to stay out of a deficit? Yes. Do we budget to have a certain surplus? No. We are fortunate that we do. If we don't the alternative is a deficit.

Mr. Wright asked, how much are you budgeting so that you will not have a deficit?

Mayor Dickinson answered, we are estimating what revenues will come in and what expenses will be. They are honest estimates. We are hoping that we don't have a deficit but we do not budget to have a one, two or three million dollar surplus.

Mr. Wright referred to the Mayor's letter in the beginning of the budget book, specifically the part which mentions that the Mayor is appropriating \$2.7 million from the audited cash balance of the current year and in the next sentence the term "reserves" is used in the statement that the reserves are used to balance the budget. He asked, is this the surplus that keeps rolling around that you are referring to? Are they one in the same?

Mayor Dickinson responded, the audited cash balance in the previous fiscal year indicated that we had \$2.7 million available because money had also been used in this fiscal year's budget.

Mr. Wright asked Mr. Myers, how much was left in the 1996 budget?

Mr. Myers responded, \$3.7 million. Of that amount \$800,000 had already been appropriated to the 1997 budget. You reduce the \$3.7 million by \$800,000., leaving a balance of \$2.9 million. Because of budget growth the money that we keep for the credit rating goes up every year. The balance of it went into the credit rating reserve.

Mayor Dickinson added, we are using \$2.7 million into the proposed F.Y. 1997-98 budget.

Mr. Wright asked, so this is the surplus that we keep rolling around?

Mayor Dickinson answered, I won't characterize it that way.

Geno Zandri, Jr., 37 Hallmark Drive stated, budgeting has a lot to do with philosophy and one of the comments that was made was that there is \$250,000 being set aside in the first installment of three years towards this re-evaluation. You can look at that in two ways; either we can put that away for the next three years and a person living in this town contributes towards that and if they move out they will not gain any benefit by that at all. It is being budgeted that way because we don't want to take a hit in one given year but you can wait until that given year and they project it out for three after that and you won't take the big hit in the first year that it is spent and the people who are living in town for that point on will benefit by the services rendered.

Mr. Killen asked the Mayor, why were so many department budgets increased over and above what the department requested for funding?

Mayor Dickinson responded, it is a result of the settlement of a contract that had been under negotiation. It was settled between the time the departments had submitted their request and the proposed budget was released.

James Vumbaco, 81 High Hill Road stated, back in January the Planning & Zoning Commission came before the Town Council to discuss the potential traffic problems they thought faced the Town. The P&Z offered the Council some solutions from full-time traffic engineers down to some money being spent on either review or consulting services for the town as far as traffic is concerned. Are there any funds in the budget being proposed tonight that addresses that issue?

Mayor Dickinson answered, the funding for town engineer partially addresses that concern. We are hoping to get someone who has familiarity with traffic issues.

Mr. Vumbaco stated, through the studies and discussions on the topic it appears as though there are not many engineers that are capable of doing traffic analysis and review, etc., as well as the day to day duties of the town engineer.

Mayor Dickinson stated, on the contrary I have run across several who did have experience in the traffic area and had done work there. I am optimistic that we can find someone with that background. If we do not we still have the latitude of hiring consultants when needed. People talk about privatizing and that is a perfect example of when privatizing is appropriate.

Mr. Vumbaco stated, I firmly believe that planning is an issue, not so much hiring a consultant to meet the particular needs. As the P&Z commission stated at the January meeting a individual, whether a consultant or actual hired person, will help with the future planning of our roads, roadwork and traffic studies in this town not just an engineer hired for that specific application.

On a separate matter, Mr. Vumbaco stated, in looking at this budget, we are talking about using the monies from 6/30/97. It is now April 14th. Does the Mayor have any idea what the current projected surplus is in the current fiscal year ending 6/30/97?

Mr. Myers responded, yes and we included that as a first item in the revenue budget as \$666,000.

Mr. Vumbaco asked, the \$666,000 is the current projected surplus for 6/97 compared to prior years of \$3.7 million? Is all of the \$666,000 is in this proposed budget?

Mr. Myers responded, yes to both questions.

Mr. Vumbaco stated, we have expenditures of \$89+ million for the year in the Mayor's approved budget so if we take out the \$600,000 then you are projecting total revenues inflow of about \$88.7 million.

Mr. Myers responded, with one exception. Deduct \$2.7 million of surplus from the previous fiscal year. Our revenues do not match our expenditures. Our expenditures are higher. How and where do we get the additional money that is from the available fund balances? In the 1998 budget there is \$3.4 million of surplus used in lieu of taxes.

Mr. Vumbaco next referred to the issue of moving the 911 system. In this budget for F.Y. 6/30/98, what is the status of 911? Is it going to contractor in New Haven or is there money in here for the expansion of the service in town?

Mayor Dickinson answered, there has been no decision regarding a change in 911. There are funds in contingency pending a decision. We expect that there will be some labor changes which will necessitate money no matter what we do. There is money in contingency for that but there has been no decision to change.

Mr. Vumbaco stated, the .2 mill increase is approximately \$400,000. That equates to 4/10ths of 1%. I think that the money could be found in the budget. I would like to see the Council keep taxes flat. The Town of Wallingford has experienced thirteen or fourteen years of tax increases and I think that this year would be a good time for monies to come back especially since the state and town is doing well and the government across the board is doing well. We should be able to find \$400,000 in the budget to cut to maintain our stable tax rate.

Philip Wright, Sr., 160 Cedar Street referred the Council to page 11, Account #1010, Current Property Tax. He noted that the 1997-98 Requested amount was \$55,121,866 and the Mayor Approved figure is \$53,829,948. He asked, why is there a decrease?

Mayor Dickinson responded, the \$55,121,866 represents what would have been necessary to fund the budget as requested. If everything that was requested was placed in the budget, that is the amount needed in taxes that would have to be raised. Since everything was not approved that reduces the amount of taxes that would have to be raised.

With regards to Account #1080, Sewer Assessment Revenues, Mr. Wright pointed out that in 1996 the amount was 208,000+ while in the proposed budget the figure drops down to \$52,000.

Mr. Myers explained, the \$208,000 included large sewer assessment and connection fees on the WalMart, KMart and other one time constructions that we don't look to repeat themselves. The \$53,000 is a flat amount that we budget every year.

Mr. Wright next referred to Account #1065, PILOT-Gaylord Account and noted that it went from \$418,000 in F.Y. 1996 down to \$379,000.

What is the reason for the reduction?

Mr. Myers responded, the State reduced the grant that the Town receives from them.

Mr. Wright next referred to Account #2120, Recreation, on page 12. F.Y. 1996 reflects \$23,000 in revenues and the 2/28/97 Actual figures shows \$0. Why?

Mayor Dickinson explained, these are sums raised through user fees by the Recreation Department. It is a guess as to what amount of money will be available at the end of the year minus what they need for ongoing programs to fund in a revolving account next year.

Mr. Parisi pointed out that there are five PILOT programs in the Town of Wallingford which cover McKenna Court; Ashlar Village; CRRA and Ulbrich Heights as well.

Gene Latourneau, 1098 Durham Road asked, did the entire \$118,000 go into contingency for the 911 system that was budgeted through the Fire Department?

Mayor Dickinson responded, it is somewhere in the neighborhood of \$116,000. in contingency. Regardless of what direction we go it will require funds.

Mr. Latourneau asked, what is C-Med's total overall budget?

Mayor Dickinson could not recall. The Town pays C-Med over \$55,000.

Chief Guy Casanova stated, for F.Y. 1997-98 C-Med's total budget should be \$1,066,161.

Mr. Latourneau stated, recently the bids were opened for the monitoring and dispatching of our box alarm system. Is that still going to be awarded?

Chief Casanova responded, it depends on which direction the department goes with dispatching.

Mr. Latourneau stated, if we are paying C-Med \$55,000 per year out of the budget it is time to look down the road at cost-effectiveness. There is no reason why the Police Department cannot have the same capabilities as the Fire Department with regards to identification of the caller and address from which the call is being made. An E911 screen costs approximately \$7,000. Within the next two years the telephone company will be upgrading all the systems at no charge. He asked Chief Dortenzio of the Police Department if he is still going to hire the two civilian dispatchers for the night shift?

Chief Dortenzio responded, no decision has been made yet.

Mr. Latourneau asked, are the two positions figured into the Police Department's budget? Is that why there is an increase of two in the number of personnel within the department?

Chief Dortenzio explained that the funding for the positions have been placed in contingency. The current staffing level of the department should read 93.

With regards to the Pension Fund, Mr. Latourneau feels that although it is overfunded he feels that the funding should be kept at the current level and the town continue to be cautious in its management of the fund.

There were no further questions from the public at this time.

Mr. Parisi announced that the budget hearings scheduled for Tuesday, April 15th and Wednesday, April 16th are cancelled. He asked that all department heads return on Thursday, April 17th in the evening to answer questions from the Council regarding their respective budgets.

There being no further business the public hearing was closed.

Meeting recorded and transcribed by:

Kathryn F. Zandri
Kathryn F. Zandri
Town Council Secretary

Approved by:

[Signature]
Robert F. Parisi, Chairman

5-13-97
Date

Rosemary A. Rascati
Rosemary A. Rascati, Town Clerk

Date