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SPECIAL TOWN COUNCIL MEETING

January 22, 1986

Town Council Chambers

7:30 p.m.

A special meeting of the Wallingford Town Council was held in Council Chambers, January 22, 1986. The purpose of the meeting was a discussion of Town Insurance, especially as it related to Town Vehicles. Chairman Gessert called the meeting to order at 7:42 p.m. All Council Members were present for the meeting.

Chairman Gessert then explains that before they start the discussion on insurance, they would like to take care of one of the two items tabled at the meeting the other night. The tabled item concerning acceptance of the road will be brought up at the meeting of January 28th. The item he wants to discuss is the addendum to the agenda which is the waiver of bid for the Lyman Hall-Sheehan Championship Celebration. The Mayor has requested this because of the purchase of some items of recognition that come to about \$2,800. Sending it out to bid and writing up specifications would delay this about 5-6 weeks. They have found a place to get these items in a timely fashion.

Mrs. Papale then moved to remove this item from the table; seconded by Mrs. Bergamini.

VOTE: Unanimous ayes; motion duly carried.

Mrs. Papale then moved to waive the bid for the Lyman Hall-Sheehan Championship Celebration; seconded by Mrs. Bergamini.

VOTE: Unanimous ayes; motion duly carried.

Chairman Gessert then says they will get into the insurance problem now and explains that Charlotte Collins, Jack McGuire, and the appropriate department heads that have a handle on their vehicles are present for this meeting.

Charlotte Collins then explains that Mr. Walters is at a retirement dinner and will be here after the dinner.

Chairman Gessert then says that Ed Polanski has been doing homework on this issue and has made a printout on his computer of all the vehicles with figures and coverage. He then says that tonight he would like them to analyze the coverage they have and make some decisions on whether they need certain coverages and if not remove these coverages. He then lets Mr. Polanski speak.

Mr. Polanski then says what he did is took a look at the policy they have and went right down the list and listed them by Make, Model No. ID, Cost, NADA Book Value and Liability, Basic etc. right across. He says there are a few vehicles that weren't listed. Also, he says he received a list from Public Works and there are a lot of vehicles listed that are not on the policy. He may have missed them but he could not find them. This was about 25 vehicles.

Purchasing did not have these vehicles listed on their list and he did give a list of these vehicles to Charlotte Collins and Mr. Dunleavy and suggested they compare it to see if we own them and what is happening. An example is E10, a 1979 Chevy Bucket, cost \$29,000 on the Town's purchasing list and he can't find a book value on it because it is a specialty vehicle.

Charlotte Collins then says some of the vehicles Mr. Polanski is talking about would not appear on the policy because they would be insured under the contractor's equipment. She then says the Chevy bucket he is referring to is insured. She then says it is on Page 11 of the policy.

Mr. Polanski then says he knows it is on the policy but the list he got from Purchasing made no reference of the truck. He then says he feels that her list and the list from purchasing should be the same. He then says for instance E26-30 are all pull trailers. He could not find them from the list given to him by purchasing.

Charlotte Collins then explains that when he asked Mr. Dunleavy for the list, he asked for vehicles and these are not considered vehicles. They are on the Purchasing Printout.

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Mr. Polanski says he did not get the printout, he just got a list. His point is that they have "x" number of vehicles in Town and are they insured.

Charlotte Collins then explains that all kinds of contractor's equipment are insured under another type of policy. They are not under "Vehicles". Anything like bulldozers, backhoes, sweepers, etc.

Mr. Polanski then says he went through his list and marked off a whole bunch of vehicles for basic uninsured motorist's comp. and collision because of their age. The total came to about \$10,000 with those deletions. He did not touch the liability because he felt that maybe some of those needed the liability. He feels they should know what we own, what is insured, what the value of the vehicles are and whether they are over or underinsured on some of the items.

Charlotte Collins then says she questions where he got the \$10,000 because she went through the whole list and any vehicle that was under \$5,000 she took off all the comprehensive and collision and came up with a figure like \$883.

Mr. Polanski then says that there was a case of an old driver Ed. car, E23, that is no longer here so it was left insured under the new car, yet the information he has does not show the new car on the list.

Jack McGuire then says with a fleet of vehicles this size, there are always vehicles coming on and going off the policy. What he started with was the list of vehicles supplied by the Town to quote them for insurance. From there on in, they are constantly adding or subtracting from that with endorsements. It is a simple procedure to look at these and know exactly what is insured. He has to just match up the list from the Town with his list and see if there are any vehicles missing. If they are missing, then he gets back to the proper department in Town and says do you really have it, where is it and who owns it. This is a time consuming process but just a mechanical one. He then says they had looked at places where they could save some money. There probably are some areas that could be cut. He then says from his own experience, every time a vehicle is taken off the list, that will be the one that has a claim the next day. If you take a vehicle off and you then want to replace or repair it, in this case, it would be the Town as opposed to the Insurance Company. He then says the liability area is not something they could save anything by trying to cut back on. They have \$1 million under the policy which costs basically \$165,000 for the entire fleet of vehicles. The area they could look at is the area they call the physical damage section of the policy which is the comprehensive coverage, which is fire, theft and glass breakage coverage, and secondly is the collision coverage which is the damage to your vehicles where your driver is at fault and he damages the vehicle. The comprehensive coverage for the whole policy is approximately \$14,000. The collision coverage for the whole policy is \$36,000. Both of these coverages have a \$1,000 deductible on each one. So if you have a vehicle that is totaled in an accident, the town must absorb the first \$1,000 and they will pay the balance. Total savings then would be about \$50,000. On the other side of it, there are some vehicles that may be \$25,000 in value.

Mrs. Papale then questions if we have some vehicles insured that really don't have to be.

Mr. McGuire says he is sure there are some in the policy. In some cases it may not be and that is why the division heads are here. They should be looking at this when they send their lists into Charlotte and himself. The first thing you look at is the age of the vehicle, someone will look at the NADA book to see what the value of that vehicle is. Then you check the value of the vehicle, the condition of the vehicle, is it beat up with rust etc., the amount of miles. These are all the factors involved on whether we should be insuring it for comprehensive and collision that should be going on in their minds and also that they do have a \$1,000 deductible. With a body of this size, with the sheer economic power of a municipality, they could make a good case and say they don't need to insure any vehicles that are less than \$5,000 and take a chance. Again, they have to look at the savings and remember

that the maximum they are talking about saving is \$50,000. It is the feelings of the Council and what vehicles they would like to put on the vehicle scheduling in this area.

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Charlotte Collins then says she must say she has very good cooperation from the departments whenever they want to trade a car or truck in they let her know and she in turn can let Mr. McGuire know. For example, on page 12 of the policy, there is a 1975 Ford Line Truck which the Electric Division would very much like to trade-in on a new Line Truck. This would be for consideration of the Council. The 1975 Ford Line Truck may not be up to scratch but this is something they need. You know the truck is old but can't afford a new one, this is what is happening.

Mr. Rys then says he has looked through the list they were given from Ferguson & McGuire, and he doesn't know what the criteria is based on for collision for the vehicles. He finds that there are about 70 vehicles on this list that carry collision that is questionable, at a total of approximately \$5,565. He then says there is a 1974 Chevy Van that is only \$40 for collision but what are we going to recoup. A 77 Chevy Pickup for the Electric Division is \$63 for collision. What are we going to recoup. We are looking at an \$1,800 vehicle with a \$1,000 deductible, is it worth keeping the collision. As he said before, he has come up with a total of 70 vehicles, trailers included, that date back to 1962 and could save approximately \$5,565. Is there criteria used to keep collision?

Mr. McGuire says it is not his criteria. It is the Council's decision. We are not at different points on this issue. A meeting like this is exactly what we need. A decision has to be made. Before it was a buyer's market and prices were way down and we could afford to have vehicles on there, even with the \$1,000 deductible. The next step is to take a serious look at the vehicles and decide which ones are really at their peak that we can afford to run that vehicle until something happens to it and walk away from it and then go buy new. He then says we should take every savings possible and justifiably say it will not hurt us somewhere along the line. Even though we are not looking at saving \$100,000, whatever we can save will help.

Chairman Gessert then says do you want to go through the list and scratch off all the unnecessary items.

Mr. McGuire says if we scratch them off he could cancel all the items that the Town Council suggests immediately. They could have a report into the Hartford by Friday and they could issue a credit, a 5-month credit. If it were a savings of \$5,000 they would be looking at a \$2,500 savings.

Chairman Gessert then says he understands it is not a great savings but if they were scratched off now, when the bids are going out again somebody would know that these vehicles have been scratched.

Mr. McGuire says if they do it now or decide to do it know, either decision should be made. Decision have to be started now. They talked with people from the Hartford yesterday, the managers of the Casualty and Property sections of that company to see where the company is going for the year and he told Charlotte it was his intent to sit down with her and start analyzing the policy to take advantage of some things and he feels it is the Town Council that they should give the guidance. Sit down and talk it over and see how they feel and the Council makes the decision where they want the insurance package going.

Chairman Gessert says he would like to go through item by item with department heads included.

Mrs. Bergamini then questions before going through all this nonsense we ought to find out if the insurance company is going to cover us again or are we going to have to go through what we did last time around.

Mr. McGuire says they just came from the meeting with them yesterday and the answer would be yes they will be covering them. Right now the Town of Wallingford is in very good shape as far as lawsuits go. They haven't had any major shock losses and if we can get into the spring, close to the time the policy will be done, without any major loss, we should be in a very good position for The Hartford to look at the Town of Wallingford in a completely different light

than they did last year where we were trying to get the right coverage as a municipality that never did business with them before as opposed to a customer of theirs who is looking to come in with a very good loss ratio and say look this is what we did last year, this is what our experience has been and now where can we go.

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Mr. Rys then says for example, on page 36 of the policy, there is a 1968 Diamon Reo Dump Truck. It has value to the Public Works Dept and the Town but if that hits another vehicle we are covered for that. If we were to drop collision on that vehicle which comes to \$131, he doesn't think much damage would be done to that Diamon Reo unless he hit a train. Then we have a 1979 Mack Truck that has another 10 years on the value of this vehicle so you certainly would want to repair anything done physically to the outer body of the truck to get the other 8-10 years left in this vehicle.

Chairman Gessert then says for the 1968 Diamon Reo, if there were body damage, the chances are we would fix it with our own mechanics, pound it back into shape and spray it. Mr. Deak agrees with this.

Mrs Bergamini then asks Mr. Deak if we should have collision on the 1968 Diamon Reo.

Mr. Deak says with some old trucks we should have collision. He then says for an example the old police car was totaled and the insurance company is willing to give \$2,000 for that car. To us it is worth a lot of money. His car is a 1976 Pontiac and he has 100,000 miles. The car to him is worth \$5,000. Chairman Gessert then says from the insurance standpoint, if he totaled that car, if it got run over at the dump by the payloader, the insurance company would look at it and say 1976 Pontiac with 100,000 miles, our book lists it at \$800, \$1,000 deductible. Mr. Deak then says the car is worth much more to him. Marx's car they gave him \$2,000.

Mr. McGuire then says the insurance company has the option of repairing the car or replacing it. Whichever is cheaper or to total it. When you get into the older cars you have this problem. You can't go out and buy that car back for what they give you. However, we are not talking about an individual here and one car per family. We are talking about the Town of Wallingford that has the ability to go out and buy another car, new or used.

Mr. Deak says they had the superintendent's car. It had 100,000 miles on it. We just fixed up the engine, they painted the car, should they have collision on it or not. It is a 1979 Station Wagon. They have put about \$2,000 or \$3,000 into it. He had no choice.

Mr. McGuire says he could recoup some of that. If he had put \$3,000 into that car 2 months before an accident, if you can verify the amount and the book value is only \$1,000, they will pay you close to what you put into it. It is still up to the Council to decide where you are going to set the figure for the loss.

Mr. Killen says we have a bunch of figures here and we have no idea how many of those have been replaced, what condition any of them are in. We could go down the line and it says a 1974 but they may have new motors in them.

Mr. McGuire then says maybe a little more information should be put next to that car. They know the ages. He would like to know the condition of the car and the mileage. These all effect what you will be able to get for that vehicle. Then they could determine if it is worth it or not.

Chairman Gessert then says the Town of Wallingford doesn't have any 100,000 mile cream puffs out there. If the insurance company saw some of the cars driven they would say I'll give you \$500 for that. Then you have \$1,000 deductible. You don't throw the car away, you drive it until it stops. But to pay an extra \$100 a year to insure it and if it gets damaged it is only worth \$500 and has a \$1,000 deductible it is not worth it.

Mr. McGuire says in staying with the Diamon Reo, not only do they have a \$1,000 deductible on it, they have a cost of \$131. The actual out of pocket in any given year before they get anything back is they have to pay \$1,131 for that car to break even. This is why he feels they need a little more information from the department heads and let them evaluate the cars. They know them better than anybody.

Chairman Gessert says that is why they are here tonight. To make some judgements.

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Mr. Polanski then asks Charlotte Collins in his list of A1-A5, is this a complete list of all vehicles? Charlotte Collins says she does not know because she just got the list. Mr. Polanski says when he got involved with this it was to find out what vehicles we had on the road. They may be insured under another policy but he would like to know that this list is what we own and what is on the road. If we have insurance on them and take it off, what we have. He then says the Hartford must have changed its mind on book value because when he worked there they could of cared less if you owned a 1976 Pontiac and put \$2,000 into it. They gave you book value.

Mr. McGuire says he can remember going to a garage in North Haven where an adjustor had done exactly what you are saying. It was an old car, the owner said he did a lot of work to it and it was in mint condition and he had gotten strictly book value. However, his point is if you present a story, you will collect that money. We deal with it all the time. He wouldn't take book value if it were his car.

Mr. Polanski then says if this is our list of vehicles, as long as when one is dropped or changed or one is deleted from, as long as purchasing knows about it when we buy a vehicle, the department getting it knows about it and the insurance company knows. His point is that there were some that were listed that purchasing didn't have on their list. He would like to see it all together so everyone knows what they have.

Charlotte Collins then points out to Mr. Polanski that in the list he had previously given her, there were many vehicles left out.

Mr. Killen then says a comment was made before about the condition of some of our cars driven by some of our personnel an maybe they were referring to the car pool. What is the going rate we would have to pay someone to use their own car. Has anyone figured it out? We could stay here all night and save \$5,000 - \$6,000. However, if someone sat down and figured out what we are spending on these vehicles you would save much more that \$5,000-\$6,000.

Ms. Collins then says the only one at the Board of Education that has a car, is the Director of Food Services. Mrs. Bergamini then questions what happened to Frank Soldan's car etc. Mr. Rys feels it got turned over. Ms. Collins says she doesn't know what it would have gotten turned over to.

Mr. Killen then brings up the point that the Police Department just got some new cars. Who decides whether they are going to trade in the old cars or what happens to them. It has never come before us to dispose of them. How do we know when at budget time a department head comes to us and wants "x" number of dollars for gasoline, does he now have 6 cars, 7 cars or 108 cars. We are never supplied with this information. He is amazed at the vehicles here. He was not aware that we had this many vehicles.

Mr. Polanski then says there were 21 cars assigned to the police department as shown by the policy.

Mr. Killen says he is right. This includes the motorcycle. There use to be 7 cars total not too long ago.

Mr. Dunleavy then says he was very instrumental in starting the car pool. At that time we were paying .10¢ per mile. They had 3 department heads they were paying \$1,400 a year at .10¢ per mile. He came to the Council and the Mayor and said by taking the trade in Police Vehicles, that would fund the operation by turning them over to the deparment heads. At that time it was costing about \$3,000 to keep the 7 town vehicles on the road. This meant gas, tires etc. everything required. It was done on the basis that they stripped all the department heads of the .10¢ per mile and turned that into a pool which came to be known as the car pool. This is what created the dollars; there was no appropriation made. Each year after that they decreased the amount budgeted to keep those on the road. At that time analyzed data sheets were kept on every vehicle to pinpoint right down to the valve stem of the tire being replaced. It was then given to Steve Deak and right now he doesn't believe it costs \$5,000 to keep the entire car pool on the road. Mr. Deak says it costs between \$6,500 an \$7,000. Mr. Dunleavy then says his division has absolutely nothing to do with insurance.

When he got the request to give a list of every car and truck that they have on the road, he asked if it would be alright to make up a hand list by going through each sheet they had. This is what they presented and on that are not things like trailers, lease vehicles, student education cars because we do not own them. The only thing maintained by the department is a record of fixed assets of moveable equipment. Just before the end of the fiscal year, every year, it is totaled up and put on this form. It is separated by departments and sent out to every department head. With that is a cover letter to please make any corrections or additions and they are given a time frame to conform to. Mr. Myers follows up with a second letter on this and it then becomes the responsibility of the individual department head to say that what is on that fixed asset ledger sheet is correct. We constantly get copies of changes that have gone through. Twice a week, one of the girls in Central Services goes to the terminal in the building and enters this into our memory bank and deletes anything traded in and adds to it. We then take the position that this is an accurate copy of what is owned by the Town of Wallingford. When he says everything he means everything including the chairs they are sitting in, tables, the cars on the road etc. We have no responsibilities to insurance. He is kept abreast on what copies Charlotte gets as to what transfers are made. The easiest route for the department head to do is to just send the same letter to both and he makes a carbon copy that goes to the girl who makes those the changes. He feels confident with that document because it gives an accurate copy of what we own as far as equipment. He then hopes he has cleared it with Mr. Polanski as far as the accuracy goes. Each reference made tonight are on Mr. Dunleavy's printout sheet.

Mr. Polanski then asks if his list matches Mr. Dunleavy's printout and Mr. Dunleavy replies he feels that what Mr. Polanski has is a list of some items that are not on Mr. Dunleavy's list because we don't own them. Lease vehicles on not on there. We insure them but we don't own them. Mr. Polanski then asks how many lease vehicles does the town have and Mr. Dunleavy replies he cannot answer that.

Mr. Dunleavy then says other than that he doesn't know how he can help the Council unless they have questions for him.

Mr. Diana then says some of his questions have been answered. He is wondering if they aren't addressing the symptom vs the problem. Maybe at budget time they ought to take a look at the vehicles. This is an incredible list.

Chairman Gessert feels we can start tonight and eliminate the coverage on some of them.

Mr. Holmes then asks what is the relationship as far as price in lease vs. purchase. Mr. Dunleavy says he will be giving that to Chairman Gessert in writing. Mr. Holmes then asks if we pick up insurance on a lease vehicle. Mr. Dunleavy says there is a portion we must. Charlotte Collins says she believes the only vehicles we lease are the detective bureau and the Mayor. The Chief was using a leased car but it was now bought.

Mr. Killen then asks where the Car Pool is listed. The 10 cars listed for insurance purposes. Charlotte Collins says this comes under Miscellaneous Town Vehicles. Page 18 of the policy. Mr. Killen then says there are 3 listed there. Those premiums were paying are still cheaper than paying .30¢ per mile? This is why he would like all the figures. Maybe Steve is spending \$5,000-\$6,000 but on this page alone we are spending \$600 on each car just for the liability. You are talking \$3,000 minimum in addition to the upkeep. Now are we still ahead? This is the kind of thing that we don't get information on. If we cut something out we are saying this is a good thing but we are only frying one side of the porkchop off.

Chairman Gessert says hopefully they can eliminate some of the coverages but maybe they should have a committee of this Council make an evaluation on the amount of miles and what it costs and come up with a recommendation.

Mr. Rys then says Mr. Killen had asked what happens to the old police cars when the new ones come in and he believes they go into the car pool correct? He is told yes. Unless the Council makes a decision that a specific department head should really get a replacement otherwise they go into the car pool and pull out the worst car and give them a better car, and then auction them off

to the State of CT. He is told this is right. Mr. Rys then says it is fine what Chairman Gessert suggested on keeping a report and making evaluations but it seems like the cars change quicker than you can turn the page on the reports. What has to be made is the validity of why certain departments need a car. In the case of the 1981 Ford Fairmont with liability of \$592, \$146 Collision and comprehensive, maybe we as a council should start paying the .20½¢ a mile to the department and we can save ourselves some money in the long run. We have enough cars here to supply New Haven.

Mr. Holmes agrees with Chairman Gessert on chopping some of these tonight. The department heads could make evaluations on what to be keeping, and what not to have coverage on. They know what kind of money has been put into these vehicles. However, he does not feel comfortable about slashing them tonight.

Mr. Polanski agrees with Steve and says they shouldn't go knocking out coverage until they know what the status is of that car and the only one that knows is the person using that car. We might say that any car under \$2,000, we suggest that we drop those coverages. Unless they have a good reason why not to, we will make a policy statement of under \$2,000 and let the department head say yes or no.

Chairman Gessert says that is great but if you set up a policy statement, then you have to have someone follow up and then that means another session and he would just assume knock off the unnecessary ones tonight. In looking at the Police alone he can see where one vehicle they don't have and another is probably retired with 90,000 miles. It was a police cruiser. If it was retired with 90,000 miles 4 years ago it is not worth \$1,000. It probably wasn't worth \$2,000 when it came off the road as a cruiser. So you knock off the collision and you can do that with a lot of them.

Charlotte Collins then suggests they put money aside to repair non-insured cars. Chairman Gessert then says we have an account called Reserved for Emergency. It is not used up yet.

Mr. Killen then comments that the only problem is that when the hurricane came up that was an emergency and we never touched the funds. It is used for everything but emergencies.

Mrs. Papale then asks if Chairman Gessert feels that at budget time they could sit with all the department heads and see just what they are using and what they need. This is the only time they see everyone and maybe they could get a little information.

Chairman Gessert then says they could certainly take a look at doing that.

Charlotte Collins then adds that with the previous insurance companies, if they cancelled coverage mid-term, they were lucky if they got back 20% never mind 50%. Mr. McGuire reassures her that if they cancel mid-year, they will get back 50% coverage.

Mr. Rys then asks what it means in the report where it says every vehicle is garaged in Wallingford. Mr. McGuire says that is a rating term to determine the particular charge, premium, for that vehicle. Every town has a particular rating base. Wallingford happens to be territory 21 which is a fairly favorable rating town. Meriden and Cheshire are the same. North Haven, Hamden and New Haven are not the same. They are higher. If you had a vehicle that was being actually, technically garaged by an employee of the Town of Wallingford, and he was living in New Haven, actually it should be given a higher rate than it is currently taking. Mr. Rys then says there is a vehicle they have listed as garaged in Wallingford and the individual takes it back and forth to Trumbull.

Mr. McGuire then says given the list of vehicles, most are garaged here in Wallingford. This is not the type of thing that would effect coverage. He is also concerned if there were a bunch of vehicles housed in North Haven and you think they are housed in Wallingford and you are not getting enough premium and you are getting all the exposure and taking losses, eventually that is what will kill an account. On this account, it wouldn't matter. 10% wouldn't matter.

Mr. Gouveia then says in glancing at the list, he can see they have in excess of 200 cars. How many cars does Wallingford need to function comfortably. Let's start from that. Some cars are so

old, maybe we could just auction them off. 250 cars is a lot to maintain. After that, if the collision is \$1,000 deductible, he would save that. However, anything valued at less than \$2,500 just get rid of it. Mr. Gouveia again asks if the 250 cars are needed. 61

Mr. Mascia then asks what the comprehensive loss is annually? Can the town effectively self-insure this. Workmen's Comp. is now self-insured and can we do that with all our comprehensive. Mr. McGuire says they have those figures for last year but his own feeling is that certainly this is another consideration of the Council. This is one of the few areas of insurance that you know exactly what your outside loss is on every vehicle.

Mr. McGuire also says if you are looking at a \$10,000 dump truck you can lose \$10,000. The buildings worth millions of dollars you don't want to self insure you would take a large deductible. He has seen contractors who do that but a contractor is not the strength of a municipality. You can go from one extreme to another and you may be right or wrong. However, figures can be given on the last year's comprehension.

Chairman Gessert then says for the new Mack's they purchased for \$77,000, they would be on the hook if one of those rolled over and we had to replace it. He then says there is no doubt in his mind that a vehicle worth \$2,000 or \$2,500 with a deductible of \$1,000 doesn't need collision.

Mr. Diana then asks if we went through these pages could we pick and chose and just leave liability and self insure the other coverages.

Mr. McGuire says not all the other coverages because some of them are tied in with the liability. The comprehensive and collision you could. The uninsured motorist protection is mandatory in the State of CT. Again, Comp. & Collision are the ones you could set any type of guidelines that you felt comfortable with. On self-insuring or willing to absorb the first \$5,000 or not insuring cars of \$2,000 or less, why not. A \$2,000 loss would be nothing.

Mr. Diana then asks if there is a correlation between the market value and the year of the car and is told of course by Mr. McGuire. Mr. McGuire says like Chairman Gessert noted for the police cruisers, on the surface it may look like a 1980 car and he may say that car looks fine and he might insure it. You might know something about it and that it has 100,000 miles.

Mr. Diana then says maybe what we ought to consider is that any vehicle over 3 years old automatically goes into our self insurance. We will insure it through an agency of liability but forget comp. and collision. Just use a set figure.

Mr. McGuire says you have 3 areas in the policy. The fleet of private passenger cars can be reviewed in one area. Then you would go back to the pickup trucks. These can be handled like the passenger cars. Then the light to medium dump trucks and then your heavy dump trucks. You have some vehicles worth \$50,000 on the road.

Mr. Diana says his comments were directed at passenger vehicles. Mr. McGuire says a Mack dump truck that is 15 years old might still have a value of \$25,000 to \$30,000. Mr. Diana says this may give us an opportunity to get into self-insurance. Liability, there is no reason to give us that exposure but on the comp. & collision, maybe we should attempt it. Mr. McGuire then says the Town has to think about deductibles and alternatives. Even if the market was like it was before, the Town should be looking for higher deductibles. A risk manager would be doing the same type of thing. You have to use good judgement and say I think we can assume a risk here. Even if we just use the \$2,000 deductible and look at it over the next couple of years, these are what have to be tested. He says he has had contractors say the premium is killing them and they take off a dump trailer and that one rolls two days later. You have to be prepared to come back in.

Mr. Holmes then asks what is the status on the consultant.

Charlotte Collins says the RFP's have gone out and the due date to come back is February 3rd.

Chairman Gessert then says he feels they don't need a consultant. The consultant takes credit for saving the Town a lot of money and the Council can do it themselves.

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Mr. McGuire says he feels the Council should be making decisions right now. The marketplace we are dealing in is still not a buyers market. He can make recommendations, but the marketplace is still holding us in. The company will tell us what they will be able to write. Mr. Holmes then says he feels we will be facing these high costs until there is legislative reform.

Mr. Rys comments again that he feels they should evaluate the needs of the particular vehicles also. He then says by the sheets Steve Deak had given him, a vehicle that goes 560 miles a year and gets 6.8 miles per gallon and costs \$600 to maintain in parts, does this particular department head need a vehicle by the town or do we just pay him .25¢ per mile and eliminate everything. Mr. Diana says those are budget considerations. Mr. Rys says that is true. This would eliminate some of the costs involved in insurance.

Mr. McGuire says some of the disadvantages of taking a vehicle from owned by the municipality back to the individual, would be you could buy the insurance cheaper from the individual than you could from the municipality. This is a commercial automobile policy, it assumes it is used for business purposes, therefore if you took this vehicle, lets say an 1980 Plymouth, you put it in your personal name, he could give you insurance for it for less than he could for a municipality. However, now he runs into a couple of problems. If you have had a couple motor vehicle violations or a couple of accidents now the vehicle is going to be individually rated and this is going to bring the cost up. The municipality is not individually rated.

Mr. Rys again says that is his point. If they pay him .25¢ per mile and he pays his own insurance, if he has violations that is his problem.

Mayor Dickinson then asks if he has his own vehicle and then uses that vehicle for back and forth to work and for business use, is that how it is insured? Chairman Gessert says he is a salesman and uses his vehicle for business purposes and his insurance is put under business use.

Mr. McGuire says if the man is employed in Wallingford and most of his time is spent inspecting work in Wallingford, he wouldn't come under the business use. He isn't spending a lot of time on the road. He says for the most part they come under the under 3 miles category. he would hate to have to look at every car and see if they are using that car all day on the road. It is only when you get into the obvious situation where the individual is in a sales capacity. 15,000 miles or more a year.

Mr. Rys says in the records given to him by Steve Deak, some of these vehicles they are only talking 500-600 miles per year per use of that vehicle. In other words, we are going to add 500-600 miles to another vehicle and take the car away. That doesn't seem to be such a bad thing.

Mayor Dickinson says some could have 40 miles in one day from someone in recreation. You talk 40 miles a day x whatever number of weeks and you are getting up there in mileage. If this person has an accident, the insurance company may give him a problem on either self claim settlement or renewal of coverage. Mr. McGuire says the insurance company is always going to pay its claim. That is what the policy is there for. What they have the option of doing, if they found the reading of that policy was incorrect, obviously not in your favor, they would have the option of not renewing that policy at the end of the year. Another idea, for the winter time when you have a layup of vehicles, if you are running 20 vehicles and in the winter you aren't doing the work that would be done in summer, if you are only going to be running 10 of those at a time, a way to save some money would be to take those vehicles off your policy. If they aren't running on the road, why should we insure them for liability. There is no reason for it. If you can take them off 3 months, they would have no exposure. The only type of coverage you might want to keep is comprehensive, fire and theft.

Chairman Gessert then comments that some of the Mack's may be used for just the winter for plowing and theoretically they could cancel the coverage and just leave comprehensive until October.

Mr. McGuire says it is good to leave the comprehensive because you can have fires. Again, this would take close communications. You have to call the insurance company and say take these off and then get back to add the vehicles.

It is then decided to go to the policy provided by Ferguson and McGuire and go through page by page and eliminate some of the coverage. 63

On Page 1 there is a question about Vehicle No. 1. It is said to be in the garage being repaired. Mr. McGuire says he may have that one on an endorsement.

Chairman Gessert then moves on to Vehicle No. 2 and Vehicle No. 3 and says to knock off the Comprehensive and Collision on these vehicles. On Page 2 the 1981 Ford Fairmont, No. 6, knock off Comprehensive and Collision. The next one is on page 6, 1978 Chevy Suburban, which was purchased new for \$7,600, knock off the comprehensive and collision. On the next page, there are 2 1979 Chrysler's in a row that they knock off the comprehensive and collision. Next is a 1977 Dodge Van, Dog Warden, knock that one off for comprehension and collision. Mr. Killen then says is this going to be a motion and Chairman Gessert says he would like to go through the list and then make a motion and if anyone disagrees along the way they can speak up. Chairman Gessert then explains to Mrs. Papale he is going by the age of the vehicle and what he knows about that vehicle. The next one is page 8, No. 7, 1980 Plymouth Volare, knock off the comprehensive and collision. Mr. Killen then asks what the PPT means and is told that stands for private passenger transportation.

The next one Chairman Gessert says is on page 8, 1982 Chevette, this has an NADA value of \$2,200, lets knock out comprehensive and collision.

Mr. Killen then questions on Page 8, the 1983 Ford Van, No. 8, why is the liability so much higher than the norm. Mr. McGuire explains that this has a different class than the regular passenger vehicles because it is being used in a different way. He feels it is in a different category because of the size of the vehicle. He then says he will check it out but he feels it is the size of the vehicle. Pickup trucks, vans, light medium and heavy trucks are in another class.

Chairman Gessert then moves on to Page 9, 1981 Plymouth, No. 3, to knock off comprehension and collision. The next page, page 10, No 8, 1979 Chevy Van, NADA book value is \$3,150, knock that one off. He then says anything with \$3,000 value or less he is knocking off. Next, on Page 11, 1981 Ford Fairmont....

Mrs. Papale then questions the 1981 Chevy Van and Chairman Gessert says the NADA book value on this is \$4,200. This is newer.

Chairman Gessert then goes to the 1981 Ford Fairmont again, that is not even running anymore and they knock off the whole thing. The next one is a 1974 Ford Dump Truck, Page 12, No 17. Mr. McGuire then says don't take the cost new on here to be gospel. That doesn't mean that is what they paid for new. He would rather have them look at the NADA book and if the department head is here have them comment.

Charlotte Collins then comments that on Page 11, No. 14, 1975 Ford Line Truck, that is going to be replaced. Also, on Page 12 the 1974 Ford Dump Truck is going to be traded. They have bought a new one but they are using this until the new one they bought is properly outfitted and this will be traded. It is then decided that on No. 17, Page 12, 1974 Ford Dump Truck, the comprehensive and collision should come off.

Chairman Gessert then says in answer to Mr. Diana's question on should we get into trucks or passenger vehicles or whatever, generally speaking large value trucks at today's value we should leave alone. If they are 20 years old and they are just a pick up truck, we could knock them off. The next one is on page 13, No 20, 1982 Chevy Chevette and below that No. 21, 1981 Chevette, that was deleted on August 24th so they knock out No. 20 for comprehensive and collision. On page 14, 1977 Chevy Pickup has been replaced by a 1985 Chevy Pickup, Also, No. 24, 1979 Dodge Pickup has been replaced. Charlotte Collins then recommends that all the pole carriers should come off. Chairman Gessert then says Item No. 26, Page 14, pole carrier that cost \$1,200 new, they knock this off. Item No. 27 & 28 on Page 15 are pole carriers and they come off. Items 29, 30, 31 on page 15 and Item No. 32 on Page 16 all come off. Item 36, Homemade trailer, page 16 should also come off. On the next page, page 18; a question is raised as to Item No. 1 why the \$100 deductible and Mr. McGuire explains this was probably a misprint. The next three items on page 18, NO. 1, 2 & 3 are knocked off. On page 19, all 4 are knocked off. On page 20,

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Items No. 8, 9, & 10 are knocked off. No 10 is noted to be a 1976. Next, the 1981 Plymouth for the Board of Ed, Charlotte Collins notes that is being traded in and that will come off. On page 21, The No. 3, 1981 Plymouth, Charlotte Collins says this will be traded in, the next one, -1979 Plymouth has been deleted. The No. 2, comprehension & collision taken off. No. 5 is a Van. This van is used by the audio visual department. They decide to leave it on this one. No. 6. page 22, is used by Maintenance. Chairman Gessert then notes that the liability coverage is pretty high because it has use as a school bus but since it is used by Maintenance, wouldn't the liability go down? Mr. McGuire says he will check that out and if he can he will change that code. No 7, Page 22, is also used by maintenance. Mr. McGuire will also check this one. Chairman Gessert then suggests the next one, No. 8, 77 Chevy Pickup with dump but is told by Mr. Rys that that is worth about \$4,500 and they leave that alone. The next one, No. 9, 77 Dodge power wagon is gone, that was traded in in December of 1985. Page 23, No. 10, 80 Ford Wagon is used by Food service. They keep the comp & collision on this but Mr. McGuire will also check into this one as it has use as school bus. The next 3 items, No. 11, 12, & 13 are then knocked off of page 23. Page 25, No. 14, 70 Ford Dump, they drop comprehensive & collision. No. 15 has been traded in on December of 1985, so this is off. No. 16, 77 Dodge Monaco is off. The next page, Page 25, No. 18, 77 Ford Cargovan is off and No. 20, 72 Travel trailer is off. Charlotte Collins then notes on Page 26, No. 25, 85 Ford Van has been sold to Double A. Also, on Page 27, No. 26 has been sold to Double A. On Page 27, No. 1, 79 Chevy, Mr. Deak wants the comprehensive left on so just the collision is taken off. Next, No. 2 74 Chevy Van, both are taken off. On Page 28, all 4 cars are taken off both comprehensive and collision. On Page 29, No 8, 1965 Dodge Panel has been auctioned off and they now have a 1986 Ford Ranger. Then No. 7, No. 9 and No. 10 on Page 29 are taken off. On Page 30, No. 11, 1971 GMC is taken off and also No. 13, Comprehensive is left, collision is taken off. No. 12, 80 Stake is left alone. On Page 31, all four on that page are taken off. Mr. Deak then asks if the comprehensive could be left on No. 15, Intern. Dump and this is then left on for the comprehensive. On Page 32, No. 19, 77 Chevy Stake Body, both are taken off. The next item is No. 34, Page 35, is the 1968 Diamon Reo they take off the collision. On Page 36, No. 35 1968 Diamon Reo has been auctioned off. That is gone. No 37, 1969 Diamon Reo, collision is taken off. Chairman Gessert then questions what No. 42, Page 37 is? The next one is No. 45, Page 38, 64 Diamon Reo, collision is taken off. No. 47, Page 38, 1979 Fruehauf has collision taken off of that. On page 39, No. 48, 69 Hill trailer is left alone. No. 4, Page 39, 70 Chevy Dump is gone. That is off. Charlotte Collins then says there have been two 1986 Macks Dump trucks added. On page 40, No. 1, 1980 Plymouth is dropped for collision and comprehension as that is considered for trade next year. No. 3, 80 Van is also dropped for comprehension and collision. It is then noted that above on Item No. 4, Page 39, that belongs to the Water Department and the comp. & collision are taken off, the rest left on. Back on page 40, No. 5, 78 Chevy Van has been traded. On Page 41, No. 6, 75 Chevy Compressor has been traded. Next is page 42.

No. 10, 70 Chevy Pickup, was traded in so that is taken off. No. 12, 1980 Chevette, comprehensive and collision are dropped. No. 13, 80 Datsun Pickup is left alone. On page 43, No. 14, the homemade trailer is taken off. Next they come to the Sewer Division. Before they start this Mr. Mascia questions No. 18, Page 44 where they have the compressor. This has now been bolted on to a truck. Will that be covered under the truck now. Mr. McGuire then tells Mr. Mascia to call him and give him a value of the truck with the compressor and he will then drop coverage on the compressor alone. Mr. McGuire explains this is why they have the Cost new of the vehicle. This shows what was actually done with the vehicle. In this case he would add the cost of the compressor with the cost of the truck as one. Both values should be added. If the truck is worth \$5,000 and the compressor is worth \$8,000 he would show the value of the truck at \$13,000. They will associate them as one. Next Item is No. 1, 78 Plymouth Station Wagon, Page 44, comprehensive and collision are taken off. On page 45, Item No.3, 79 AMC Jeep was traded in in December per Charlotte Collins. Page 45, No. 4, 79 Ford Van, Comprehensive and Collision are dropped. On Page 46, No. 8, 75 Rodder trailer, that is dropped.

Mr. Polanski then moved to accept the above changes; seconded by Mr. Rvs.

Vote: Unanimous ayes; motion duly carried.

Mr. Deak questions that he has 8 or 9 trailers and is told they are not on this policy. They may be covered under the inland marine.

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Mr. McGuire then commends the Council on their action. Last year they were at the point do they have a package to do anything with and now they do and that is exactly what they are doing. They are moving in the right direction. The next one to go over is the equipment. It is not as big as this policy. However, some values should be set on the equipment floater. Even if they have someone come in such as George Cooke and have him look at it and tell us what the value of the equipment is. Mr. McGuire has a list of this and he will get copies out. This area we need some professional help to tell us what this equipment is worth.

Chairman Gessert then asks Charlotte Collins to get a list of those and have George Cooke or Tyler Equipment take a look at the list and give us the estimated values for insurance purposes we should have on this.

Mr. McGuire says the next list would be the list with the Police Station cameras, and everything else on it. We need to go over the lists and go over the items.

Mr. Killen then says maybe we should ask the Department heads to come forward with suggestions without this body asking them to do so. This would help us tremendously. It makes money there for things that are much more worth while.

Chairman Gessert then says obviously we are paying large premiums on buldings. What type of deductible do we have?

Mr. McGuire says \$5,000. Chairman Gessert then says what impact would it have if the deductibles were changed to \$25,000, \$50,000 or \$100,000. Mr. McGuire says he did check into this and there is not a lot of impact. He would like to come back to them before we put everything together and make that same presentation to them. You are going to find that there will not be that much of a savings. He then says they do have a \$25,000 deductible on the Electric Division. He then says we are insuring a lot of little things floating around which have to be identified just like we have tonight. He would like to come back in the future and sit down with them and catch the other two areas which would be the contractors equipment floater and the property and all the schedules. He will make the list up and present them to Charlotte and get them out to the Council.

Chairman Gessert then thanks everyone for coming tonight and he feels they did get a lot accomplished

Mr. Killen then says he would like to have the auditors come before us with the audit. This was not done last year. You can learn a lot by going through an audit. At the same meeting, he would like Mr. Myers to go over the A Revenue Budget side for the first 6 months of the year because we always slide right by that.

A motion to adjourn was then duly made, seconded and carried and the meeting adjourned at 10:23 p.m.

Lisa M. Bousquet  
Council Secretary

Approved: David A. Gessert  
David A. Gessert, Council Chairman

2-11-86  
Date

Rosemary A. Rascati  
Rosemary A. Rascati, Town Clerk

2-13-86  
Date