

TOWN COUNCIL MEETING

DECEMBER 11, 2001

6:30 P.M.

AGENDA

Blessing - Reverend Sydney Parker (Retired)

1. Pledge of Allegiance and Roll Call
2. Correspondence
3. Consent Agenda
  - a. Consider and Approve Tax Refunds (#583-591) Totaling \$6,823.60 – Tax Collector
  - b. Consider and Approve Setting a Public Hearing for January 8, 2002 at 7:45 P.M. to Consider and Act Upon an Ordinance Amending an Ordinance Appropriating \$2,200,000 for the Planning and Design of Town-Wide School System Renovations and Authorizing the Issuance of \$2,200,000 Bonds of the Town to Meet Said Appropriation and Pending the Issuance Thereof the Making of Temporary Borrowings for Such Purpose (The purpose of the amendment is to increase the appropriation and bond authorization therein by \$1,410,000 from \$2,200,000 to \$3,610,000 and to ratify, confirm and adopt all prior authorizations and ordinances in connection therewith.)
  - c. Approve and Accept the Minutes of the November 13, 2001 Town Council Meeting
  - d. Consider and Approve an Appropriation of Funds in the Amount of \$558 to State Grant Revenues Acct. and Program Expenditures Acct. in the Sister Schools Interdistrict Grant Fund – Board of Education Business Manager

- e. Consider and Approve a Transfer of Funds in the Amount of \$5,000 from Contingency – Gen. Purposes Acct. #001-7060-800-3190-00 to Purchased Services Wetland Mapping Acct. #001-5010-901-9060-00 for the Purpose Of Hiring Soil Science and Environmental Services, Inc. to Perform the Flagging of Wetlands on Town-Owned Property as Requested by Councilor Thomas Zappala and Chairman Robert Parisi
  - f. Consider and Approve a Transfer of Funds in the Amount of \$6,000 from Regular Salaries & Wages Acct. #001-5010-101-1000 to Professional Services Consultant Acct. #001-5010-901-9040 – Engineering
  - g. Consider and Approve a Transfer of Funds in the Amount of \$3,000 from Salary Acct. #001-7011-101-1000 to Professional Services – Environmental Acct. #001-7011-901-9001 – Inland Wetlands Commission
  - h. Consider and Approve an Appropriation of Funds in the Amount of \$5,400 to Federal Grants Acct. #200-1050-050-5000 and \$600 to State Grant Acct. #200-1040-050-5000 for a Total of \$6,000 to Booking Area Renovation Acct. #200-2005-999-9939-00 –Dept. of Police Services
  - i. Consider and Approve an Appropriation of Funds in the Amount of \$150,000 to Non-Operating Revenue Overpayment of Taxes Acct. #001-1090-090-9040 and to dept. of Finance Refund of Overpayments Acct. #001-1401-800-8910 - Comptroller
  - j. Consider and Approve an Agreement between the Town of Wallingford and the Wallingford Community Day Care Center for a Counseling Program – State & Federal Program Administrator
  - k. Consider and Approve an Agreement between the Town of Wallingford and the Community Action Agency of New Haven for Funding the Meals on Wheels Program – State & Federal Program Administrator
4. Items Removed from the Consent Agenda
5. PUBLIC QUESTION AND ANSWER PERIOD

6. Consider and Approve the Appointment of Michael Votto to the School Building Renovation Committee to Fill a Vacancy Resulting from the Resignation of Wm. Fritz from Said Committee as Requested by Councilor Mike Brodinsky
7. Presentation by the Wallingford Little League Regarding Playing Fields as Requested by Chairman Robert F. Parisi
8. Consider and Approve Waiving the Bidding Procedure and Authorize the Mayor to Enter Into Negotiations with SNET for Telephone Services – Mayor
9. Discussion and Possible Action on:
  - 1) State Grants Available to Wallingford; and
  - 2) Wallingford's Procedure for Deciding Whether to Apply for These Grants

As Requested by Councilor Mike Brodinsky

10. Report Out on the Status of Power Supply Options as Requested by Raymond F. Smith, Director of Public Utilities
11. Discussion on a Report Out by PPL Wallingford Energy, LLC on the Possibility of Entering Into an Assessment Fixing Agreement, as Permitted by Legislation Adopted in Last Year's Legislative Session as Requested by Chairman Robert F. Parisi
12. Report Out on the Status of the Town-Owned Former Wooding/Caplan Property as Requested by Chairman Robert F. Parisi
13. Report Out by the Mayor on Appointing a Town Health Director as Requested by Councilor Gerald E. Farrell, Jr.
14. Executive Session Pursuant to Section 1-200(6)(D) of the CT. General Statutes For the Purpose of Discussing the Purchase, Sale and/or Leasing of Real Property as Requested by Councilor Mike Brodinsky

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SUMMARY

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14. Withdrawn	

TOWN COUNCIL MEETING

DECEMBER 11, 2001

6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, December 11, 2001 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Robert F. Parisi at 6:36 P.M. Answering present to the Roll called by Town Clerk Rosemary A. Rascati were Councilors Brodinsky, Centner, Farrell, Knight, Papale, Parisi, Rys, and Zappala. Councilor Vumbaco arrived at 7:00 P.M. due to traffic delays. Mayor William W. Dickinson, Jr., Corporation Counselor Adam Mantzaris and Comptroller Thomas A. Myers were also present at the meeting.

Rev. Sydney Parker (Retired) bestowed a Blessing upon the Council.

ITEM #2 Correspondence

ITEM #3 Consent Agenda

ITEM #3a Consider and Approve Tax Refunds (#583-591) Totaling \$6,823.60 – Tax Collector

ITEM #3b Consider and Approve Setting a Public Hearing for January 8, 2002 at 7:45 P.M. to Consider and Act Upon an Ordinance Amending an Ordinance Appropriating \$2,200,000 for the Planning and Design of Town-Wide School System Renovations and Authorizing the Issuance of \$2,200,000 Bonds of the Town to Meet Said Appropriation and Pending the Issuance Thereof the Making of Temporary Borrowings for Such Purpose (The purpose of the amendment is to increase the appropriation and bond authorization therein by \$1,410,000 from \$2,200,000 to \$3,610,000 and to ratify, confirm and adopt all prior authorizations and ordinances in connection therewith.)

ITEM #3c Approve and Accept the Minutes of the November 13, 2001 Town Council Meeting

ITEM #3d Consider and Approve an Appropriation of Funds in the Amount of \$558 to State Grant Revenues Acct. and Program Expenditures Acct. in the Sister Schools Interdistrict Grant Fund – Board of Education Business Manager

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ITEM #3f Consider and Approve a Transfer of Funds in the Amount of \$6,000 from Regular Salaries & Wages Acct. #001-5010-101-1000 to Professional Services Consultant Acct. #001-5010-901-9040 – Engineering

ITEM #3g Consider and Approve a Transfer of Funds in the Amount of \$3,000 from Salary Acct. #001-7011-101-1000 to Professional Services – Environmental Acct. #001-7011-901-9001 – Inland Wetlands Commission

ITEM #3h Consider and Approve an Appropriation of Funds in the Amount of \$5,400 to Federal Grants Acct. #200-1050-050-5000 and \$600 to State Grant Acct. #200-1040-050-5000 for a Total of \$6,000 to Booking Area Renovation Acct. #200-2005-999-9939-00 –Dept. of Police Services

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ITEM #3j Consider and Approve an Agreement between the Town of Wallingford and the Wallingford Community Day Care Center for a Counseling Program – State & Federal Program Administrator

ITEM #3k Consider and Approve an Agreement between the Town of Wallingford and the Community Action Agency of New Haven for Funding the Meals on Wheels Program – State & Federal Program Administrator

Motion was made by Mr. Rys to Accept the Consent Agenda as Presented, Items #3a-k, seconded by Mr. Farrell.

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

ITEM #4 Withdrawn

At this time Chairman Parisi stated, at this time we send our congratulations out to our former Councilman and colleague, Peter Gouveia, who was selected as Teacher of the Year in Trumbull, CT.; it is certainly an honor.

#### PUBLIC QUESTION AND ANSWER PERIOD

Frank Wasilewski, 57 N. Orchard Street stated, I am taking your advice when you (Mr. Chairman) say, “don’t believe everything you read in the paper.” Last week I was at the P.U.C. (Public Utilities Meeting) and I asked them a question to which I wanted a yes or no answer.

The question was about the computers and I wanted to know, according to the (news)paper, we have overspent the computer project by \$800,000. Is that true or not?

Chairman Parisi deferred the question to the Mayor.

Mr. Wasilewski stated, before the Mayor says anything, I asked these questions of the P.U.C. and they did not give me any answers. They said, "go to the Council meeting and the Council and Mayor should be able to give me the answers." That is why I am here.

Mayor Dickinson stated, to my knowledge, we have not overspent any item regarding the computer project. We are within the money that has been appropriated.

Mr. Wasilewski asked, then you (Mayor) are saying it isn't true then?

Mayor Dickinson answered, I am not sure what article you are referring to.

Mr. Wasilewski stated, it was in the paper about two or three weeks ago.

Mayor Dickinson answered, I didn't see anything in the paper, personally, that indicated that we overspent.

Mr. Wasilewski interrupted to say, additional money that was spent on the computer.

Mayor Dickinson continued, additional money was appropriated but we are not beyond what we appropriated to spend on the project. We have spent more than what I would have liked to have spent but we are not spending more than what we have appropriated.

Mr. Wasilewski asked, what did we appropriate for that computer system?

Mayor Dickinson answered, somewhere around \$600,000 for the software. It should come in somewhere around that total price. We have spent money on the consultant and each year we have appropriated money and that is being spent. I don't know how much that is, it may be like \$1.5 million.

Mr. Wasilewski stated, we have spent \$1.5 million on that system so far.

Mayor Dickinson answered, right, for the consultant. For the hardware portion of it, I don't remember what that figure was but, that again, was within what we appropriated.

Mr. Wasilewski stated, this system, we have been working on it for two years now and they haven't reached the final stage where it is working 100%, correct?

Mayor Dickinson answered, correct.

Mr. Wasilewski asked, what is the problem?

Mayor Dickinson answered, there are a variety of problems associated with the software itself. It has been unable to produce the result of the reports, the information that we require and that requires software re-programming and that is what the vendor has to accomplish.

Mr. Wasilewski asked, when this system is working, what department runs the computer system in Wallingford?

Mayor Dickinson answered, the network is under the Pyramid Committee which is made up of the departments heads, all of whose departments are part of it. Each individual department will be in charge of what ever equipment is within each of the departments but the overall network will be overseen by the committee made up of each of the departments.

Mr. Wasilewski asked, there is no one department that is in charge of this system?

Mayor Dickinson answered, there is no one department in charge of the whole system, no.

Mr. Wasilewski asked, with the old system, who was in charge, the Electric Division?

Mayor Dickinson answered, that is where the system was located, however, the Electric Division provided information to the Assessor and for the Registrar of Voters and, at one time, provided information for the Police Department. It was kind of a joint exercise there as well although mainly the expenses were found in the Electric Division. We have changed that so that general government is contributing money; each of the departments that use it contribute money in an amount respective to their use of the system.

Mr. Wasilewski asked, what if the tax bills have to go out and the Tax Collector has his bills made on the computer. He is not charged for that, is he?

Mayor Dickinson answered, I believe there is a contribution from general government for the running of the system for tax purposes as there is for the Assessor; as there will be for Finance and financial management; payroll, etc.

Mr. Wasilewski asked, how much more overrun on this project have we gone? If the bid was \$600,000 and we are up to \$1.5 million, that is a big overrun, isn't it?

Mayor Dickinson answered, the \$1.5 million is for the consultant and that has been budgeted annually. The bid items were for the software and hardware. They are not exceeding the costs that were originally contracted for.

Mr. Wasilewski asked, who hired the consultant?

Mayor Dickinson answered, the Town.

Mr. Wasilewski asked, did the Electric Division at one time hire a couple of consultants on this for their part of it?

Mayor Dickinson answered, I think again, it is a contribution from the utilities as well as general government for financing the consultant. There is a sharing of costs.

Mr. Wasilewski stated, with all the problems we have with computers in Wallingford, including the Police Department, we are spending an awful lot of money on computers that aren't working and all this money is coming from the taxpayers of Wallingford and I think somewhere along the line we have to pull in the reins on this...we are not getting our money's worth out of this whole project. Is the Town considering suing these people or trying to get some of the money back?

Mayor Dickinson answered, we are at a point where we need to have the product that we contracted to get and at one point the vendor was looking for more money than what was in the contract. We are in discussions and hopefully we will reach an agreement that we will not pay more but we will get the product that we entered into a contract to receive.

Mr. Wasilewski stated, this has been going on for two years now, Mayor. Before you know it the warranty, if you have one, is going to be out the window. What will we have a piece of junk that is not working properly that we have spent all this money on and not getting our money's worth? I think someone ought to look into it and see if we can get some of our money back.

Gary Linsley, 520 Ward Street, Extension stated, I believe you gentlemen have a letter that I sent to you this week. It is in reference to the P.U.C. (Public Utilities Commission) not being fair to individuals, since they have sent precedent at their November 8<sup>th</sup> meeting that, even though the (electric) meters are correct, the P.U.C. determined amongst themselves that they should just go ahead and give a deduction. In my case, they won't hear any such thing so, it is a question of fairness and I think that you should look into it. The situation is that an assistant principal here, in Wallingford, walks in, sits down at a table and five minutes later he got a \$252 deduction. I walk in, and I have been doing this for months; a year now; trying to get them to sit down with me and go over it with me and talk to me about it; no, that is not how it works. It seems that there are a privileged few in town who get certain results and other people have to fight tooth and nail. I am a little agitated about the whole situation. Since you people know about what is going on over there, I think it is due (diligence) on your part to look into it. I am asking for fairness; no more; no less. I want the same situation that this gentleman

received, I want myself. Sit down with those people at a table and in fifteen minutes resolve the whole situation.

Chairman Parisi stated, I have your letter and I was going to call on them tomorrow. Within the next couple of days I am going to call down there and just ask about it. I will be happy to call you back and tell you what I found.

Mr. Linsley stated, that is what I want to know; why we have an ongoing situation of where they can pick and choose who they are going to give certain deductions to.

Chairman Parisi replied, I am not going to say that they are doing that, sir.

Mr. Linsley replied, read the minutes of the meeting.

Chairman Parisi replied, I have taken your letter under advisement and I will look into it; others might also. I am not going to discuss it tonight because I have not heard their side. I acknowledge receipt of your letter and I will be happy to take your letter and pursue it.

Mr. Linsley asked, when you say pursue it, would you set up a meeting so that I can have...

Chairman Parisi answered, no. I am going to pursue it first for my own enlightenment and see what I find. Based on that, I will tell you what I find and then we will see where we are. I am not going to plan any course right here this minute, no. I can't do that.

Mr. Linsley asked, shouldn't the same fairness be given to every individual who comes before any commission in Town?

Chairman Parisi answered, I am going to tell you that I expect all of the Town Departments and Commissions to be fair with the public and that is a very general statement. Yes, I am sure everyone here believes that also. I am not going to get into specifics because I have only heard your side of it.

Mr. Linsley stated, if you see a situation where fairness has not been given, is it something that you will act on?

Chairman Parisi replied, I will if I find it unfair, yes.

Mr. Linsley stated, if you read the minutes of the meeting, sir, I will be happy to go over it with you and explain to you exactly where the situation arises.

Chairman Parisi stated, I want to start, if I can, I will pursue it my way first and then we will go to whatever else...

Mr. Linsley asked, where are we leaving it? You are going to contact me?

Chairman Parisi answered, I said I would talk to someone down there; whoever I can get a hold of and then I will talk to you. I will do that, yes; personally, I will do that.

Mr. Linsley asked, will that be by phone or mail?

Chairman Parisi answered, I don't know. I am not going to tell you. If I have a stroke, it might be by phone. I don't know that I am going to come to your house. It all depends on what I find, I suppose.

Mr. Linsley answered, I don't expect that. All I am asking is that you look into it and then you tell me you will get back to me by mail or by phone, it is very simple.

Chairman Parisi answered, I am telling you that I will get back to you as quickly as I can.

Mr. Linsley stated, I just don't want to be put off again. Is it a week; two weeks; after the holidays? You tell me.

Chairman Parisi stated, I am telling you that I will attempt to do it in the next couple of days. How is that? I plan to make the calls tomorrow. If I get anything; if I have to wait, obviously, I will call and tell you that I have to wait if I have to wait, how's that?

Mr. Linsley stated, I appreciate that. Thank you.

Robert Sheehan, 11 Cooper Avenue asked, have we made arrangements for a place for public ice skating for those people who enjoy that sport in the wintertime? There used to be a place in Doolittle Park. Is it going to be there again, is there an alternative place or is it not going to be available at all?

Mayor Dickinson answered, I am not aware of an outdoor facility. I am aware that tickets are available for use of Choate for skating throughout the winter. That is available regardless if the weather is cold enough or not. In the past we have only had maybe a week that was cold enough that you could skate outside whereas the tickets are available through Recreation Department to skate at Choate and it has worked out pretty well. I am pretty sure they are doing that again this year.

Mr. Sheehan stated, I think some people like natural ice; they like the camaraderie; build a little fire; sing a little song; what ever. We don't provide that. Durham has a facility off of Route 68 and I think we should try and do the same thing somewhere in Town.

Philip Wright, Sr., 160 Cedar Street stated, I appreciate the effort all of you have put in this past year. I know it is not always pleasant to sit up there and listen to us on the back bench express ourselves. Occasionally you look like you are interested but sometimes I know it must get boring but we will keep on going and I do appreciate the effort you put into it.

Chairman Parisi stated, thank you for your comment.

Mr. Wright stated, with regards to the computer problem; people have suggested that we really ought to do is go back to the abacus and smoke signals or the rotary dial phone because it just seems that we cannot get beyond the abc's of modern technology and do it properly. It is very discouraging. I cannot believe that there isn't a way for us to find a light at the end of the tunnel. My suggestion many years ago was to hire a computer czar and had we done that, maybe we wouldn't be mired in the mud like we are. Thank you.

asquale Melillo, 15 Haller Place, Yalesville asked if the Town was taking advantage of Microsoft's school system computer donation program?

Chairman Parisi suggested that the inquiry be addressed to the Board of Education. He stated, my colleagues inform me that the Attorney General may not accept the computers.

Jack Agosta, 505 Church Street, Yalesville asked the Mayor, do you recall saying that a municipal golf course must pay for itself?

Mayor Dickinson replied, yes. I indicated that the golf course must pay for itself.

Mr. Agosta asked, is that taking into consideration the bonding costs each year?

Mayor Dickinson answered, the operating costs; debt costs; bond and interest payment and that includes any capital improvement costs.

Mr. Agosta asked, that also means the infrastructure work such as plumbing, sewer work, etc.

Mayor Dickinson answered, all parts of construction and, in addition, be able to put money aside so that as replacements must occur there will be money to do that. The only thing that would not be in there would be the cost of the land, otherwise it must pay for itself. The study we requested of the National Golf Foundation includes, on the financial side, the cost to reflect the indebtedness, the operating costs and any capital requirements.

Mr. Wright stated, I had to replace the top of my deck on my house this year and also had to re-roof one side so I came into the Town Hall to obtain building permits. It bothered me to pay \$18 for a building permit for a \$900 roofing job that took a guy in the Building Department ten minutes to do the job for me. When I was on Planning & Zoning and probably Jim Vumbaco

remembers this, I don't know which side of the issue he was on, at the time I opposed raising our fees just to meet everyone else's; Cheshire, North Haven, etc. I don't believe we ought to be subsidizing the tax roll by hitting the homeowner with exorbitant fees for such things as building permits. I disagreed with doing it then and I disagree now. I think it is wrong. It costs maybe \$5 out of pocket and that is what we ought to be charging people, not \$18 or \$20. I can see if it were a contractor with a big job; that is a different story. The average homeowner is getting fleeced just because the other towns around here have done the same thing.

Mr. Melillo asked if the computer companies hired by the Town have violated their contracts in any way?

Mayor Dickinson answered, they have not provided to us what was expected under the contract and we are in the midst of working that out. I can't say that they have violated the contract as of yet. If they refuse to do what we expect under the contract then, in my opinion, they will have violated the contract.

Mr. Melillo was of the opinion that the computer company has not provided good service and should give monies back to those Town departments who have contributed to the cost of the new system.

Mayor Dickinson answered, we are not giving them money for no service. They are providing a service; we are not satisfied with it. We are able to run payroll; we do send utility and tax bills out. There are features that do work but we are not satisfied with the total product. It is not as if nothing works, we do receive service but we are not satisfied with the level of service. As yet we haven't completely paid on the contract and we are working out the details of what other work we are owed prior to us paying for the whole contract.

Public Question and Answer Period was declared closed at this time.

ITEM #6 Consider and Approve the Appointment of Michael Votto to the School Building Renovation Committee to Fill a Vacancy Resulting from the Resignation of Wm. Fritz from Said Committee as Requested by Councilor Mike Brodinsky

Mr. Brodinsky stated, there is a vacancy on the School Building Renovation Committee and I move to Appoint Michael Votto to fill that vacancy. Mike lives with his family on 377 N. Elm Street and has been a resident of Wallingford for twenty-nine years. He is a graduate of Southern Connecticut State University with a Masters Degree in Education. He has been an educator for thirty years and has been on the Board of Education since 1999; he was appointed to fill a vacancy and then was elected for a two year term to serve on the Board of Education. He is presently on the Building Committee as the Board of Education's representative so he has a very good knowledge and background with respect to what is happening with the project. Everyone who knows Mike Votto, either professionally or socially, I believe are impressed with

his objectiveness and thoroughness. He is a man of moderation and he is very collaborative in his approach. I think Mike Votto would be an excellent addition to the School Renovation Committee and I would urge my colleagues to support his appointment.

Ms. Papale stated, I would like to second the appointment of Michael Votto. I think he is probably the best person to put on at this time. I could certainly repeat everything that Mr. Brodinsky said but I won't; but I agree. I am hoping that we will have the vote for Mr. Votto this evening.

Chairman Parisi asked, was Mr. Votto nominated by your Town Committee?

Mr. Brodinsky answered, I made the motion that he be appointed, yes.

OTE: Vumbaco was absent; all others, aye; motion duly carried.

(Applause)

The Town Clerk performed the Swearing-In Ceremony at this time.

(Applause)

Mr. Votto thanked the Council for their vote of confidence.

Chairman Parisi stated, we know you will do a good job.

ITEM #7 Withdrawn

ITEM #8 Consider and Approve Waiving the Bidding Procedure and Authorize the Mayor to Enter Into Negotiations with SNET for Telephone Services – Mayor

Mr. Rys read correspondence into the record from Mayor Dickinson to the Council (Appendix n).

Motion was made by Mr. Rys, seconded by Mr. Centner.

Mayor Dickinson added, obviously, the phone system is very important for our ability to provide services. It includes the emergency services as well as every other department. We really cannot afford to risk our phone system go down because of use of a less dependable provider. SNET has provided that service. We are not aware of another entity that has that capability at this point and I think, in the interest of being able to provide service to the community, we stay with SNET at this point. That can change over a period of time but for

right now, we have not been able to identify another provider that we would be able to feel comfortable with.

Mr. Vumbaco asked, what length of time are you looking at, another five years?

Mayor Dickinson answered, we would probably be looking for another five year contract.

Program Planner, Don Roe answered, based on our last five year period, what we have learned in that process was that the longer the term, the more favorable the rates. I expect that we will have some option for either a longer term but, again, what we will come back to the Council with, I don't know. Until we start the process and meet with them and review things with them, I don't know.

Mr. Vumbaco suggested that if the Town goes forward with SNET, with all the change in technology, we should try and negotiate for the Town if something better comes down the line in two years we are locked because you know how rates are vacillating all over the place.

Mr. Roe answered, we achieve that last contract; we had an out.

Mr. Farrell stated, I would hope that we would at least consider adding voice mail as an option for certain offices. When we re-bid this, I don't think we should go another five years without having at least some departments covered by voice mail. I know you have your philosophical objections to that (Mayor) but perhaps some judicious use of voice mail is merited at this point.

Mayor Dickinson replied, my objection to voice mail is, I do not want the public calling departments and then having not getting anyone answering the phone and just recording messages. I think that is not the way for government to go. I get so frustrated when I call and all I can do is reach a machine. I don't want that for the public in Wallingford. If there is a lesser use that is possible in some circumstances, fine. But what it becomes is an excuse for people not to answer the phone because they know the machine will get it. People are there, they don't answer the phone and the public is left frustrated because they are just leaving messages and then someone doesn't get back and it just turns into more anger than is necessary. We employ people to answer the phones and respond to the calls from the public and I want that to continue.

Mr. Farrell stated, I see the flip side of the coin; if I am out in my car during non-business hours and I see a situation that, while it is in front of me, I want to be able to call a Town department and at least leave a message that someone can respond to. By the time I get home, it may have gone off of my mind and that is probably true of other people. There are instances where it is better to try and get the business done, even if you can't necessarily reach a person.

Mayor Dickinson stated, if it is an emergency item, we have two departments that are staffed twenty-four hours a day; fire and police. Anything of an emergency, where it could be a public safety issue, should be reported to the dispatch and it can be dealt with. Dispatch then informs Public Works or any other department that should be involved. If it is a lesser item then to have twenty-four hour access leaving messages on machines, and wondering whether or not anyone heard the message, I think people are far better off calling the next day if it is not an emergency item and let the department know. If it is an emergency item, absolutely. We have twenty-four hour a day service and...

(tape player experienced a brief malfunction at this time.)

Mr. Farrell stated, I don't think the Police Department wants to be called every hour.

Mayor Dickinson replied, if it is a public safety issue, that is why they are there.

Mr. Farrell answered, if its not a public safety issue.

Mr. Brodinsky stated, I share the same concern as Councilor Farrell for the reasons he stated and for some additional reasons that he may also agree with. Voice mail today is the way companies do business. Multi-million dollar, multi-national businesses have voice mail and it is my opinion that they have found that voice mail is a matter of customer convenience, that the public wants voice mail. I think they want it and are used to it. They are adjusted to it for this reason; a customer calls a business or government and they should get a voice; someone should answer the phone. Under the office procedures that I am familiar with, whoever answers the phone would say, if the individual is not there or not available, "would you like to leave a message on voice mail?" and the caller at that point has an option; they can say, "no, I am going to call back" or they can say, "no, it is an emergency", or they can say, "yes, I would like to very much." It is the choice given to the customer when they call to leave a message on voice mail or not to leave it on voice mail. I think that many businesses have found that customers like voice mail because a detailed message can be left on a recording. More detail can be left on a recording than can be given to the individual who answers the phone. That is also a convenience to the person who is going to return the call because they have more of an indication as to why the caller is calling or their name or number. The Mayor has indicated that there is a perception that calls don't get returned. That is not the problem of voice mail. If calls are not being returned, that is a management problem. With proper supervision, proper training and proper sensitivity to customer service, calls will be returned. And if they are not returned, we should not blame voice mail, whoever should be returning those calls but is not should be held accountable. I think voice mail is the way business is going; it is technology of the 21<sup>st</sup> century and I think it would improve government rather than hinder it to have it so I think we should have it. Thank you.

Chairman Parisi stated, I don't know that I can agree, in total, with voice mail, especially with the last two days that I have had to deal with it. I like the one that counts down from ten minutes to eight minutes to six minutes and it tells you, that is how long you are going to wait to talk to someone and then they play music that you don't even like. Then when you get to the person that you are supposedly going to talk to, they didn't know the answer and so they refer you to someone, you are disconnected and you start the routine all over again. I am sure that is a little bit exaggerated but I am going to have to agree with the Mayor this time, I believe, in government, just like I have, on occasion commented that departments should be open at noon time. There is no reason for any department for this Town to have a door that is locked between the hours of 9:00 a.m. & 5:00 p.m. and I believe the phone should be almost as available as it possibly can be made. There is nothing more frustrating than calling and getting a recording. At least I still find it that way. I haven't found many that I can honestly say I enjoy. If I am cut different than the average person, so be it, but I have had voice mail when I worked in the private sector and I agree with the Mayor. It is supposed to store messages and you have to get them at the end of the day and probably go through fifteen or twenty; what ever has accumulated. I prefer to have someone answer the phone in person, take a message and respond to whatever the inquiry was. If they can't, they guarantee you that there will be a response and there is nothing better than talking to a real person. That is my two cents.

Jack Agosta, 505 Church Street, Yalesville stated, we are not talking about being put on hold and waiting for a person to get a call. When I call the Town Council Office and the secretary is not there a message on the answering machine instructs the caller to leave a message so that she can get back to whomever is calling, that's it. You don't have to leave a message for everything, just for the person to call you back.

Chairman Parisi stated, the item is not about voice mail, it is about waiving the bid so that the Town can enter into negotiations with SNET. We have gotten off the track.

Sharon Sanders, 37 Academy Street stated, I work for SNET. I have to agree with you and the Mayor because I go through this every day how they hate voice mail. They yell at us; most people do not like it, they get cut off and have to call back; they are re-charged or put on hold for fifteen or twenty minutes; we get complaints every single day. I would say that the majority of the public that calls the phone company does not like voice mail.

Mr. Wright stated, the Mayor has spoken and there will be no voice mail. The Mayor has spoken numerous times about incidents, provisions in the computer system. That is why we are where we are. This is ridiculous. As was said, most industries, small businesses, everybody has voice mail. Why can't we come in to this century? Why must we go back to rotary dial and the rest of it? How much is this contract for? How many dollars?

Mayor Dickinson answered, we don't know, it hasn't been negotiated yet.

Mr. Wright asked, what other phone companies did you contact?

Mayor Dickinson answered, we have looked at who else is providing service to municipalities. I don't believe there are any other companies providing service to municipalities.

Mr. Roe stated, I am not aware, other than perhaps one other community, that does not use SNET for local dial tone services. As you are aware as a consumer of telephone services, you can have an alternate long distance provider but in terms of your local dial tone service, that all goes through SNET.

Mr. Wright asked, this other municipality that you are talking about...

Mr. Roe responded, I couldn't get a confirmation of that. I was told that there was one other community in Connecticut.

Mr. Wright asked, if we tried a little harder to find out who this is; is this necessary that we do this now?

Mr. Roe answered, yes, it is necessary. Their contract expires the end of June. We are headed into a budget season. It would be helpful for budgetary purposes to be able to...

Mr. Wright stated, helpful is not the word I am looking for. I don't care if it is necessary or not, can we do it? Just because it is not helpful doesn't bother me at all. Let's get out and do something about it. We have been stuck with SNET for absolutely too long, we don't go out. Bob you, yourself, say that you don't like waiving bids but there you are, the first man Jack to approve waiving the bid.

Chairman Parisi answered, that's right, sometimes we have to.

Mr. Wright answered, sometimes? It is entirely too many times.

Mr. Melillo stated, I am against waiving the bidding procedures. There are lots of perspective competitors out there who are capable and skilled enough to put in bids in the same ball park as SNET. There is no reason why we can't send this out to bid, provide competition which is very much needed. Without competition there is no way to get the best price from any company.

Mr. Vumbaco stated, if we are going to waive this bid this evening to allow for negotiations, come back to the Council with the various options that might be available for systems. This way the Council will be able to see what is available out there and the prices associated. I am willing to bet you that the voice mail is probably tossed in for free. I know there is a feeling against it (voice mail) but I am sure there are other services available through SNET or any

other phone service that you use that you should be able to come back with a list of options and what the pricing is. Just don't go out and bid on the phone service, itself. I, personally, would like to see what the other options are that are available. There might be something that is just a short term or off hour network ability that is available out there. Unfortunately, I don't believe in waiving this bid either because I believe there are other, and I think AT&T might be one that provides local services also now through deregulation about two years ago.

VOTE: Brodinsky & Vumbaco, no; all others, aye; motion duly carried.

ITEM #9 Discussion and Possible Action on:

- 1) State Grants Available to Wallingford; and
- 2) Wallingford's Procedure for Deciding Whether to Apply for these Grants

As Requested by Councilor Mike Brodinsky

Mr. Brodinsky stated, state grants are important to every town; they are certainly important to Wallingford. My vision for Wallingford is to be on the cutting edge of getting state money when it is available. My idea is that we should be the most informed, the quickest, the most-aggressive, the nimblest when we hear about state money and when grant money is available we should be in front of the pack. Some things have happened this summer and fall that indicate that we have our work to do in that area. One of the things that occurred; there was some confusion about a \$500,000 one time grant; I am not going to discuss that tonight but it also illustrates the point. I do want to describe briefly something that happened recently that suggests that we are not on the cutting edge; not as nimble or knowledgeable about state grants as we should be and that had to do with a purchase of the Williams Property. The Council voted very recently to buy that and during discussions on the property, it was suggested that the property might be used for ball fields. Many of us believed that statement at our peril, apparently. Then when we read in the paper that ball fields were not going to be possible because the Mayor applied for a grant which prohibited our getting the money if we were going to develop the property and put the ball fields on it. In the course of discussing that situation which was at the very last Council meeting, the November 13, 2001 Council Meeting, this issue was brought up and there was some frustration on the part of some members of the Council that the property could not be used for ball fields and it was a done deal; a fete accompli and the application had already been applied for. I had mentioned to the Mayor during the debate which is in the minutes of the November 13<sup>th</sup> Council meeting that there was more than one

kind of grant that we can apply for. We can apply for a grant which can prohibit any sort of ball fields on land or there is another kind of a grant that we can apply for which would permit the building of ball fields. The Mayor indicated that he was not familiar with grants, other than open space grants which are very restrictive. That was very troubling to me because, again, it didn't seem to me that our standard of performance was as good as it should be in applying for these grants and the purpose of my comments and my inviting Representative Mushinsky here today is to try and raise our awareness; raise our level of performance so that if this situation should happen again, we are better informed and can do a better job for the residents and taxpayers of Wallingford. Someone much smarter than me said, those who forget history are doomed to repeat it. This situation may happen again and unless we are impressed with more information that we had last month about the variety of grants that are available, we can make the same mistake or there can be further miscommunication or some sort of misunderstanding. The other situation that occurred... indicated that Wallingford has its work to do to be on the cutting edge in applying for these grants. It had to do with that one time grant of \$500,000 and months had gone by and we didn't, as a town, have an understanding as to how to apply, what it was for, whether we would be entitled to this \$500,000 and it took Representative Mushinsky to talk to the Mayor and get that squared away. There were two things that had occurred. I invited Rep. Mushinsky here today to clear up the obvious confusion that happened November 13 where I indicated that there were two kinds of grants; the Mayor said no, there wasn't, and I thought we would go right to the source, Rep. Mushinsky, who is very familiar with this to fill us in.

At this time Rep. Mushinsky displayed a Power Point presentation on state grants to those present (Appendix II).

Rep. Mushinsky stated, they say that if you have to be credible you have to be a speaker who is at least 50 miles away and has a Power Point presentation. This was done 27 miles away but we do have a Power Point presentation so I hope we will be mostly credible here. I will distribute the printed version while we try and get the system re-booted. It is a brief presentation but it addresses that specific question of using state funds for pristine versus developed land and when you use which fund. We will review the definition of open space; the opportunities in the two directions prior to 1998 and the opportunities since we re-wrote the law in 1998. That may be the year when the confusion came in. We will also look at an overview of your current choices and examples where other towns have used the development funds for ball fields. Finally, we will look at how to proceed.

Rep. Mushinsky explained:

Open Space Definition (according to State Statute): Undeveloped land with some protection against development (like a conservation easement), the preservation of which maintains or enhances the conservation of natural resources, protects streams or water supplies; promotes conservation of soils, wetlands, beaches or marshes; enhances value of abutting preserves and

public recreation. There is further language which tells what is excluded from that. Preserves historic sites and promotes orderly development.

In the 1998 law, the new Protected Open Space and Watershed Land Acquisition Program rules set eligibility and use restrictions for municipalities and for the first time, for non-profit, land holding organizations such as Land Trust, Quinnipiac River Linear Trail Advisory Committee or even water companies that participate in the program. Prior to 1998 it was just municipals. After 1998 there was an expansion. The land must not be used for commercial or recreational purposes requiring intensive development and that would be a sports field, in particular. That is probably the change you remember and explains how the misconception arose that there wasn't money for ball fields but, in fact, there is; it is just in a different place.

Prior to 1998 we had two routes: for pristine lands that were to be kept in their natural state we used the Recreation and Natural Heritage Trust Program. For developed lands we used, the CT. Outdoor Recreation Fund. D.E.P. used to rank the projects and make sure there was some from each area of the state; make sure it was fairly allocated.

Since the law was re-written in 1998, the pristine lands have two programs they go through. Either the state acquires a large parcel say, for a new state park or historic area, or the municipality, a land-holding organization or a water company can acquire. For developed lands such as the ball fields, there are two ways to go; there is the Municipal Grant in Aid, or the Urban Act. The reason we have always had a developed lands route is because some municipalities don't have pristine land anymore. Places like New Haven or Waterbury may not have any pristine land left so they have always had a need for a second route which is the developed land. There are two ways to go on that.

Urban Acts: Wallingford did not fit in to Urban Acts until this year, but we always did fit into the Grant in Aid program.

Rep. Mushinsky continued: These are the two basic funding categories for the pristine lands; the Recreation and Natural Trust Program, which D.E.P. sets the rules for, and the Protected Open Space and Watershed Land Acquisition Grant Program and that is a matching grant. The Town puts up something and the state puts up something and it is ranked, based on criteria. I know that you have just filed a big application to use that fund for land on East Center Street. For the other types of lands, this would be for baseball fields; golf course; developed areas; you would use Grant in Aid or Urban Act. The Grants in Aid go through D.E.P. for municipal use and we have already gotten two through that route for the Linear Trail; one of them in 1998, \$250,000 and a second one in the year 2000 that was \$250,000 also. The Urban Act, which we are now eligible for, for a short while the Urban Act covered the big towns and the small towns so the five or so that were in the middle got left out. We have changed that and we now qualify for the Urban Act as well. Bond funds are sent through the Office of Policy and Management which is the Governor's Budget Office for municipal use and there are many different

categories there, Public Safety is one, Economic Development and Recreation, also Historic is another category under that. Pretty much everything but education can fit under Urban Act.

This is your basic differential; if you have a pristine area that the Town would like to buy and use some state money, you would apply to CT. D.E.P., the Open Space and Watershed Land Acquisition Grant Program. If you are seeking help for developed land or land that will be developed for intensive sports use, you should apply to the Office of Policy and Management with a copy to D.E.P. because D.E.P. will be in on the decision-making process although the Office of Policy and Management will actually release the funds. As you know, they do the monthly bonding agenda and they turn the handle on the faucet and let certain funds flow for certain grants. They are the key agency for the developed lands.

Rep. Mushinsky displayed a summary of applications granted funding through the Grants in Aid or Urban Act for ball fields and similar types of fields in the last two years; nine were approved through the Urban Act, and thirteen Grants in Aid. Bristol was the recipient of \$150,000 in funding for their Little League Baseball Eastern Regional Center; Shelton re-did a Nike Recreational Complex and received \$100,000 in funding for the project. Torrington received \$400,000 for the Fusinage Park Baseball Field and Waterbury received \$105,000 in funding for a little league field. North Branford picked up \$400,000 through the Grants in Aid program for a Municipal Little League field and Wolcott received funds for lighting three baseball fields. These types of projects will, in fact, qualify for either of those two categories.

Rep. Mushinsky closed by saying, the best projects are a team effort and the legislative delegation wants to work with you; we would like to assist you in any way if we need to meet with O.P.M. or D.E.P. to make sure all the paperwork is properly done. What we need to do to assist you we are happy to do. Thanks for letting us come here tonight. The most recent language for Grants in Aid is in Special Act 01-2 of the June Special Session, in Section IX,B.1. The most recent language for the Urban Act is in Public Act 01-7, June Special Session in Section 1. The language is buried in a big budget bill, but they are in there and you will be able to access them. I will be happy to come back and update you whenever this changes. Are there any questions?

Mr. Knight stated, these are not bottomless pits of money. For instance, in the last budget, what is available in the Urban Act? What is available in Grants in Aid? What is available in the fund for pristine lands? They are not bottomless and it seems as though you have to run a gauntlet, especially through O.P.M. into the Bonding Commission.

Rep. Mushinsky answered, as of about two weeks ago there was \$165 million in the Urban Act. It is statewide and you are in competition with other towns. Your process is somewhat political, based on how well-coordinated you are and whose strings you pull. You have to contact the Governor's Office, make sure your paperwork is all accurate. It has to be a united front. If O.P.M. finds out that one group in town is for the project and another group really hates the

project, that is the kind of thing that will hold it up. They like to see that everyone is on the same page. They like to make sure there is a willing seller and the evaluations of the land has been done; all the items that show that the deal is ready to go and everyone is happy with it and everyone wants it to happen. You have a deadline problem where Cytex wants the Little League off their fields by a certain date so I think that helps your project for when we go up to O.P.M. and make our case, we can say that the League has to get off the fields within a year. I would think that would bump you up.

Mr. Knight stated, every instance that I have ever seen that this Bonding Commission is a crap shoot every time you apply. It can be postponed for month after month after month and sometimes you get about one-third of what you think you are going to get. It is very foggy, to me.

Rep. Mushinsky stated, you have to be very persistent. You remember that Garden Road got put off at least four or five Bond Commission agendas which was driving me crazy and Senator McDermott crazy because we would think it was going to be on the list and then some other town had a greater need and something that was more timely and they would bump us out of the way and put the other town up. They don't release all the money in one month, obviously; they dribble it out. The towns that have a high need will get dribbled out first. The more noise we make and the more unified we appear, the easier it will be to get our funds released. If the Little League goes up and makes a case that they are really desperate and are about to lose our fields; the Council makes the case; the Mayor makes the case; the delegation makes the case and we have a willing seller and we aren't putting something in a wetland or inappropriate area that the D.E.P. is going to flag, we should be...

Mr. Knight stated, East Center Street has plenty of wetlands. I wonder if that wouldn't have been a roadblock?

Rep. Mushinsky answered, I guess it depends on where you put it on the site. That is the kind of thing you have to do before you go in; make sure all your ducks are lined up. Then you apply pressure consistently.

Mr. Knight stated, it would seem that the Urban Act especially is tilted, and justifiably so, toward those urban areas. You said it yourself, up until this year we weren't even eligible because of what ever demographic factors kept us out. I would think that even now, it is still fairly tilted toward the Waterbury, Bridgeport, New Haven, Hartford, etc., areas, no? I saw the list, I am just trying to get a picture of the whole \$165 million and when it is all sorted out...

Rep. Mushinsky stated, there are some suburbs here, too. If you look at the list, Newtown got some money; they are fairly well-off. North Haven got money, they are fairly comfortable. Rocky Hill; fairly comfortable. Trumbull is fairly comfortable and Woodbury is certainly not a poor town. There is a mix. They have to try and spread the money around statewide. You just

have to get in there and be organized. We all have to look like we are unified on this application and I think the kids in the Little League have to make the case that they are really running out of time.

Mr. Knight asked, who leads this march to Hartford? Does our delegation?

Rep. Mushinsky answered, our Chief Executive would be good to go up there but we should all get together, plan our attack and just go up there and hammer; everyone should lean on the O.P.M. and the D.E.P. The D.E.P. is the technical side to make sure that everything has been done properly. O.P.M. is the political end to release the money.

Mr. Knight asked, are there any statistics on the number of projects that are presented and the number that are actually accepted and funded? There must be, I would think that every town could have projects that they would like to have pay for out of either one of these Grants in Aid or Urban Act.

Rep. Mushinsky answered, some of them are not ripe yet. I was trying to find out why Garden Road took so long and one of the things that was holding it up was that there was some disagreement over whether that course of action was the right one and there was still some people in O.P.M. that were looking at a dike for that section. As long as people still have unresolved questions, the thing will be pushed off on the back burner for a while. At times it is hard to find out what the unresolved question is. I am just saying that you have actually gotten money from Grants in Aid twice already for recreation. That fund is open. The Urban Act you are now eligible for so you have two places to go. The Urban Act, you can get up to \$500,000 per town, that is the cut off. You can do a considerable amount of ball field for \$500,000. I am just encouraging you to go in and ask for it. Actually, the longer we delay, the harder it is going to be with the budget suffering a setback since last summer and we have had to cut some money out of the budget already. We are likely to have to do it again in February. I am just saying that, you don't know if you don't apply. You should apply sooner, rather than later. Other categories of funding similar to the one you are looking for little league have already been approved. The main thing is the unified approach; make sure there are no glitches that are going to catch the application such as putting a ball field right in the middle of a sensitive wetland...make sure it is all lined up.

Mr. Knight stated, we have been very successful in getting grants for open space on the pristine side. Is it because more money is available there? Is it a simpler process? We have excellent candidates? What is the reason we have been so successful at attracting these kind of grants?

Rep. Mushinsky answered, all of those things factor in. I know Don Roe is very attentive to the preferred categories; he watches for ridgeline. When we changed the law we put in ridgeline, rivers, corridor, watershed protection; certain phrases that Don knows about and he targets those

and goes after those. I know he has landed a couple of ridgeline pieces and some watershed buffer zones. He understands the pristine one pretty well, I would say.

Mr. Knight asked, is that money more available; is it less sought after? Is it fought over, if you will, than the Urban Act and the Grant in Aid money? It seems that there is more competition.

Rep. Mushinsky answered, I will be blunt with you that there is more sticking to criteria on the pristine funds and the other one is a little more "squishy"; the Urban Act is. The other one is really tied to preserving natural features and the process is a lot more rigid.

Mr. Knight stated, on the other hand there seems to be less competition for that money. If we are so successful and virtually every application we have made we have succeeded in getting funding.

Rep. Mushinsky replied, yes, and we have some good remaining pieces of land that other towns would kill to have. Some of the land that is remaining in our town is really beautiful and other towns have completely exhausted their pristine lands. Even if they wanted to buy, there is nothing for them to get.

Mr. Knight stated, so there is less competition for that money than for the urban money. What I am driving at is, I don't want to set people up with the expectation that we will receive, if all we need do is ask, we will receive, just as we have for the pristine land.

Rep. Mushinsky replied, for the last several elections that I have been through, I have heard this come up, "how come the state doesn't have a fund for developed land for ball fields?" and it does; it does and that keeps getting lost. As long as I have been in office there has been a fund for developed ball field lands. It is just that sometimes it moves around. That is why if we just keep talking to each other, we can tell you where it has moved to in the statutes like it used to be in the Soccer Recreation line item and now it is under the Grants in Aid and Urban Act. If we keep talking to each other, we can tell you where it got moved to, but it is always there for the simple reason that some of the towns are urban and they can't use the other fund. There always has to be some money for the developed areas.

Mr. Knight stated, there is a lot of competition; I am not dissuaded from applying, don't get me wrong; but I just want to get a realistic expectation of what to expect if all our ducks are in a row and everyone is pulling in the same direction, there still is a limit to the amount that is available and it is way over-subscribed, if you will, in terms of applications.

Rep. Mushinsky answered, you have to apply; the stuff has to be correct; there has to be a lot of pressure put on O.P.M. and the Governor's Office to release the money once it has been signed off on and we all have to do that together. It is going to be harder this coming year than it would have been this past summer. I'll be honest with you, we are cutting back but, right now,

as of two weeks ago, there was still \$165 million so we should go in and try and get our fair share.

Mayor Dickinson stated, there seems to be references to apply. We have applied, there is an application for \$500,000 from Urban Act and that is at the state along with the application for the funds for the Williams Property. We have two applications at the state; one is to build ball fields and the other is to acquire the Williams farm. We are in the process. It sounds almost as if we haven't applied yet. We have applied.

Rep. Mushinsky stated, I did ask the Mayor to apply before I met with you (Council) for the same reason; I am looking down the road; I am on the Finance Committee; and I am seeing budget cuts. I did meet with the Mayor and ask him to apply for the money while it is there and don't wait because the longer we go without applying for it, the harder it is going to be. My quick message is, go for it.

Mayor Dickinson replied, that application was up there at the beginning of November. Our application is up there for quite a bit of money under two programs.

Rep. Mushinsky stated, we have to make sure everything is correct and we also have to lobby for it. That is what we have to do next.

Mr. Rys asked, are there two separate pots of money?

Rep. Mushinsky answered, yes.

Mr. Rys asked, are there stipulations with regards to the funds, as to when you apply for those funds, how the land can be used even if it is for ball fields?

Rep. Mushinsky answered, the Urban Act has more categories than recreation. The Urban Act includes other departments other than D.E.P. You can have Public Safety, Historic, Economic Development. I sent you a letter about this in September with a list of categories. Everything on there except Education because they have their own bonding, which is pretty large. The other one, Grants in Aid is D.E.P.-type projects such as water mains, recreation lands.

Mr. Rys asked, is we apply and are granted funds, is the land the Town of Wallingford's?

Rep. Mushinsky answered, yes, you are familiar with the recent Supreme Court case that opens up recreation lands to other folks. You can check with your attorney but I am assuming that is still the case for these lands as well; that applies to all of these lands.

Mr. Rys stated, I was thinking about the soccer fields on East Center Street, they are not specifically for our soccer league but any soccer league from out of town can use them also because there was state monies involved in that, correct?

Rep. Mushinsky answered, I would have to check on that. The Supreme Court decision just came down and people are trying to figure out what it means but it does seem to mean that you share your resources, certainly for beaches, that is what it means. If you want, I will check that question.

Mr. Rys stated, I would prefer to have ball fields owned by the Town of Wallingford and if we were going to have a complex, have that complex be specifically for the use of the people in Wallingford. I am getting the sense that if we apply for certain funds and they come in and, even though you want to make a complex your complex, it still becomes the owners of the State of Connecticut, not the Town of Wallingford.

Rep. Mushinsky stated, let me check that question for you. The other little leagues in other towns such as Bristol are taking these grants so they must not feel it is a problem but that specific legal question, I will find out for you.

Mr. Rys stated, it is something that I think we really should look into.

Mr. Vumbaco stated, I think this has been a very good presentation. At least now it has been cleared up for my mind that there are other pools of money that are available for open space purchases that, if we want to use them for other than keeping them pristine, we have always been led to believe that there is only one single pot that we can apply for. It also seems that some of this discussion coming from this table is that there is reluctance to even apply for the dollars. Those dollars are available and we should look at every source possible and not try to dissuade it because the decision in the past has been just to go after one pool of money and try to justify that reason. That is what I seem to be hearing tonight from a few of the Councilors. But assuming that what you are saying, that it is harder to get the money as Mr. Knight tried to get out of you, I am assuming that it's going to be harder for all three pools of money with the potential State budget, not just for the Urban Act. It is also going to hurt the pristine land funds as well.

Rep. Mushinsky replied, right, any line item in the budget is more difficult now.

Mr. Vumbaco stated, we are informed by Representative Mary Fritz, in July, that this \$500,000 was available for the Town but we did not apply until November 1<sup>st</sup>. Do you have any idea where we stand on that? How are our chances of getting that money? Are we put on the bottom of the list because we were late coming into the ball game? Where do we stand? Do you have any idea?

Rep. Mushinsky answered, you can "jump" ahead of people on the list if there is a higher priority. We were "jumped" ourselves. Garden Road was jumped four or five times by something more pressing. That factors in if there is a time crunch. When I sent you the letter in September and Rep. Fritz sent you the letter in July, things were rosier than they are today. We had to cut some money out of the budget in November and will have to do so again in February. We are entering at tighter fiscal period right now so it is harder and we are going to have to work harder than we would have had to work in July.

Mr. Vumbaco asked, the \$500,000 that we applied for the ball fields, not the Williams property, still has to go through the same scenario; through O.P.M. and all that, right? It is still the process that we have to go through that some members of this Council seem to be reluctant to go through.

Rep. Mushinsky stated, no one can tell you, other than Governor Rowland, "yes, you are going to get that." It is just that you have to try and we all have to go in and lean and press on the agency and make sure; we don't want to get up there and have a meeting with them and have them say that we forgot a step in the process and it sets us back.

Mr. Vumbaco stated, we won't know unless we try.

Rep. Mushinsky stated, we have to try and it also helps to have the Little League come with us. That will make a good impression.

Jeff Borne, 20 Sylvan Avenue, Chairman of the Conservation Commission stated, one thing was not crystal clear to me because I sat in on an earlier November meeting where this item came up. Can you clarify for me, Rep. Mushinsky, do the Grants In Aid dollars or the Urban Act dollars, are they exclusively for the acquisition of land resources? The part of your list that I could read looks like a lot of it was improvements to land that you already have to have the land.

Rep. Mushinsky stated, for example, you can get water main assistance. You can replace a water main.

Mr. Borne asked, could you go and buy ten acres for ball fields and apply for Grants in Aids for the ten acres on which to put the ball fields?

Rep. Mushinsky replied, you can either do Capital Improvement; acquire the land for the ball fields or do a restoration of something on an existing land.

Mr. Borne stated, I saw the opportunities to improve lands for recreation, but it was unclear to me if these funds actually went towards acquiring the land, itself.

Rep. Mushinsky answered, you can acquire the land with it or you can, in some of these cases that I showed you on the overhead, the towns already owned the land but there wasn't a bleacher or something there that they added.

Mr. Borne stated, the meeting I sat in on, where it was cloudy was, can you use these dollars to buy privately-owned land to put it into municipal hands in order to develop it recreationally. I just wanted to clarify that point because it still wasn't clear to me until now. So you say, yes we can use those funds to buy land?

Rep. Mushinsky answered, right. Again, of the two developed land choices, the squishier one is the Urban Act; that is pretty loose. The one that is more closely tied to what D.E.P. does is the Grants in Aid.

Chairman Parisi thanked Rep. Mushinsky and her assistant (son) for a fine job.

No action taken.

ITEM #10 Report Out on the Status of Power Supply Options as Requested by Raymond F. Smith, Director of Public Utilities (Appendix III)

Mr. Smith took some time to talk about the year 2005 and beyond, the next power supply program and what the implications are. Tonight we will talk about the background considerations; our goals for the future; the important issues; the types of resources; analysis of Wallingford, by itself; and buying power in the changed environment. You are all aware of deregulation and many things that have happened in the past half dozen years. Our contract was a three-party arrangement with Wallingford, CL&P and CMEEC (CT. Municipal Electric Energy Cooperative). It is hard to believe that we were here talking about that in 1994 but, here in 2001, soon to be 2002, we need to be thinking about what is going to happen in 2005 and beyond to at least 2009. My recommendation would be to at least look at a five year contract. Our current contract does end December 31, 2004. We point out to you that our current contract is one of the biggest reasons we are able to provide retail rates to our customers that are significantly below what CL&P and U.I. (United Illuminating); in the range of between 25 to 35% for most users. What should our goals be? A goal that I would like to see achieved is to maintain our current retail rates to Wallingford customers for an additional five, maybe ten years. I think, in today's market, five might be achievable. Take our current rate structure and maintain them, at least to 2008 or 2009. One of the things we have to do is maintain flexibility to respond to changing load and market conditions. Changing load conditions if customers change. In five years we have had a significant evolution of customers. We have grown in certain customers and lost some customers; certain customers have lost load. Market conditions; the market is much more volatile than it was in the middle 90s when we were looking at our ten year plan. I think our ten year plan achieved its goal and that was to stabilize rates and get us through the transition from a wholly-regulated electric system to a deregulated

electric system. In order to achieve what I have suggested earlier is to have firm or stable rates to 2009, we have to start looking now at what type of resources we need to acquire in order to achieve that goal. There are three types of resources that are traditionally used in the electric business; base resources which provide your loads that are there day and night, twenty-four hours a day, seven days a week to meet industrial loads; commercial loads that are all in the evenings. Your intermediate resources for on-peak usage, especially during the week where you have businesses that operate 8:00 a.m. to 5:00 p.m. and shuts down Saturdays and Sundays. And peaking resources; those times of the year for a short duration you have high loads that don't appear there regularly. A load duration curve depicts the number of hours a year that your loads are sort of level. For example, one hour out of 8,760 hours for the year we plotted 111 megawatts, which shows that you only need to satisfy a peak load for one hour, a lesser load for the next couple of hours and so forth, until you get down to a base load of about 41-21 megawatts which is day in, day out, year round. A lot of it is commercial or industrial businesses that operate 24 hours a day. It is streetlights; your refrigerator; accumulation of low electricity that never shuts down. We need base load resources that will be available for year round and that is typically like a nuclear plant or a combined cycle plant, a plant that is running day in and day out, twenty four hours a day or a contract that will satisfy that requirement. They are typically, fairly, low-priced, if the market is right, compared to peaking resource which is there for a short time and respond to higher prices. The intermediate block, the middle block, is where your intermediate resources would cover you. That is the load that starts up at 8:00 a.m. and will go to 6:00 p.m. or 8:00 p.m. and traditionally will shut down, especially at 11:00 p.m. when the news comes on. That is a different resource that you need for that, it is slightly more expensive. For peaking resources we would need 28 megawatts which really are only used about 600 or 700 hours per year. Our base load is 8,760 hours a year and the intermediate is a combination of those. Those three blocks together constitute our maximum system usage of 111 megawatts for this example.

David Gessert, Public Utilities Commission member explained how higher temperatures and humidity during the summer will naturally affect a demand block very heavily; the same holds true in winter months during extreme cold spells.

Mr. Smith continued, the resource commitments should be balanced against our load obligations. In all likelihood large, industrial customers are out looking for alternative electric arrangements. We have had a number of customers come to us and say that they have been approached by other providers who have failed to beat what we offer them. Our customers are sticking with us. We have some long term contracts in place; CT. Steel is probably the best example where the customer has gone out and bought some resources through us and at that point they can buy and sell, be a player in the market. They bought some long term resources for the peak loads for the next two years already. Getting back to our needs, our long term commitments; we really need to look at covering residential small commercial loads because they essentially, are not going to go out and look for other options. Our intermediate short-term arrangements should cover large customer loads. That assumes that you can match the

contractor in an intermediate load with the type of customer you are dealing with, again, the customer may be CT. Steel. We are not deregulated in Wallingford. We are still locally controlled and owned. We have avoided some of the pitfalls that have occurred within the state. We have avoided some of the charges that the state imposed to get through the transition period. If you have been reading the paper lately, there have been proposal, first by CL&P and, now the state DPUC is looking into raising rates in order to encourage competition because, thus far, deregulation has not fostered any competition within the state; prices are not attractive enough for some suppliers to come in and offer alternatives. There was a mass rush into California when the prices went up but that has subsided now that the charges are down so that competition is in its keen right now in California.

Mr. Smith continued, to meet customer loads, resources can be made up of long-term contracts, being more than 4+ years; mid-term contracts, 1-4 years; short-term contracts and spot market. On occasion, spot markets may be your best deal. Right now, spot markets are very attractive. Each class of resources have been broken out into what type of contracts we may be able to accumulate. You build a portfolio of all the different resources at different levels; different lengths of contracts. In a base load case portfolio for example, you are looking at buying enough base load energy to supply 365,000 megawatt hours. The base load represents about 61% of our annual requirements for energy in Wallingford; intermediate load represents about 30%; and peaking, a little less than 10%. You may actually sell some energy back for short periods of time; on a very chilly night, say July 3<sup>rd</sup>, for example, when everything is shut down. Our actual load may even fall below 40 megawatts so we may sell energy back into the marketplace. That would happen a lot more in our intermediate period. When you buy a resource for most of the week, you would be buying under that resource, weekends or off-hours; you may be selling back that resource into the pool. The same thing can happen with the peaking element or you must just buy the peaking need; very short term. It may sound simple; buying and selling, but we don't do that ourselves. Right now CMEEC does that for us. They have the wherewithal to be in the market; trade; be out of the market; make the deals, etc. That is what they are doing with our "portfolio" that we have developed ten years ago. If we opt not to continue a relationship with CMEEC we have two options; find someone else to do that for us, or we will have to hire staff, internally, to do that. I am not recommending that we do that. My recommendation is that we continue our present arrangement. In order to meet the goal of stable rates to 2009, we have looked ahead and believe the average rate for buying power has to be about \$34.25 per megawatt hour; equivalent to \$3.425 a kilowatt hour. The current long-term energy prices is slightly above that right now. It has dropped considerably since last February and somewhat tracks the natural gas market. Right now is an opportunity for us, if we were to get into the market to lock in a portion of our (energy) supply. Prices change from day to day. The most significant item that we now have to contend with is credit issues. The largest energy trader in the world, so they claim themselves to be, six months ago is now in a bankruptcy status somewhere. The deals that you make are traditionally not with people who own power plants; they may own some power plants but they may depend on other contracts. There is no security. There are only a couple of energy suppliers in the State of CT. that own

power plants; a lot of them are traders. They may own plants elsewhere but it is not like the old days. The credit issue is a very significant item. Credit approvals and contracts take a lot of time to put into place; securities. The ability to hedge fuel volatility; we don't have that. People go out and buy oil or gas futures to protect themselves against run-ups and those types of prices; that was not in the cards in years past. CMEEEC buys and sells power on a daily basis, as I mentioned before. When do you get in? It is almost like buying stocks; buy low and sell high. You really like to just make sure you can buy and you need some flexibility in order to do that. In summary, the contract does expire 2004; there is a window of opportunity, here. The other municipal utilities that belong to CMEEEC have committed to filling their long term portfolio needs via CMEEEC. We are not a member of CMEEEC. We are a participant only. Our relationship can therefore expire as of 2004 but, via the rates we have in place, we have options that we can buy some resources through CMEEEC and, if we continue to work with them, it will continue to utilize them and maximize the benefits that they can get. Or, if we decided to terminate our relationship with CMEEEC in 2004 or 2005, then we will be responsible for taking any long-term commitments or acquisitions that we make with us. In other words, if we say to CMEEEC, "go out and acquire resources for the next five years starting in the year 2004-2008 or whatever the period is. That is our resource, in a sense. When CMEEEC gets that resource, they blend those and mix those in with all the other resources of all the other systems. Their goal, as a non-profit agency, is to maximize the use of those resources in providing the lowest prices they can.

As Director of Public Utilities, the question I have is, how do we proceed procedurally? One way to do this is to draw up specifications, go out to bid and wait for a bidder to come back and say, "on this day, here's your price." The problem is, as I mentioned earlier, prices vary day to day and if you don't hit the market right, you may not find such favorable pricing. Secondly, we can continue our relationship with CMEEEC and allow CMEEEC to begin acquiring resources. Those resources, again, are something that we would make the final decision on. They would bring the resources to us... and we would make the decision and the power purchased would become our responsibility from there on. It would be a portion of a package that they would put together. I hope I am stimulating some interest in this so that I can get some sense or direction from the Council as to which way to go so we can start preparing ourselves for 2002 for acquisitions for the remainder of the decade. Hopefully, together we can make the right choice for the Town.

Mr. Brodinsky stated, I think what you want is to authorize CMEEEC to buy power at a certain price, every time the price hits that target price; you want them to have blanket authority to do that, is that true?

Mr. Smith answered, in general, yes. We would look at what that resource is. We need to fill "x" amount of base load, "x" amount of peaking; you are on target, though.

Mr. Brodinsky responded, I am in favor of that approach and I understand that you need some sort of a resolution in the nature of the bid waiver to allow them to go out and buy every time it hits a market price so that they don't have to keep coming back every time the market price changes.

Mr. Smith stated, I think that is a bid waiver...

Mr. Brodinsky replied, what ever we call it, it would be an authorization that would satisfy the legal department and I think that makes a lot of sense. Under this arrangement the seller of the power would not be an individual generator, it would be sort of an organization that compiles like a mutual fund of power contracts and then would commit to you for a certain amount of power at a certain price; is that it?

Mr. Smith answered, it could be either/or. It could be someone who owns power plants or it could be the broker of that mutual fund.

Mr. Brodinsky asked, if you buy power to be delivered five years from now because you like the price but the credit rating of the seller changes between now and then so that you no longer are comfortable with what would happen if they don't deliver as promised and they may not be able to back up a penalty. How do you envision that working? If their credit rating drops, is there an escape clause that allows us to seek alternative; is that standard language that has been worked out in all these power contracts?

Mr. Smith answered, it varies from supplier to supplier. Sometimes it is a bank that guarantees it. We would have security from a bank that says, if they don't deliver, we step in. Then again, the viability of the bank is at issue, too. No disrespect to the local banks; it is going to be a major player.

Mr. Brodinsky stated, in general, I like the idea of giving you guys the flexibility to buy it as soon as it hits the price that you like. It should be noted for all the ratepayers in Wallingford, that if we buy power at a certain price to be delivered, say, five years from now, our rates may be stable but our rates may also be above what others are paying because we may have bought power at above market, if the price of power drops.

Mr. Smith answered, if it drops considerably, but that is why you set your target to the point where you know that it is literally impossible for someone to beat that. Yes, if we buy it at \$34 kwh and someone gets it for \$32 kwh.

Mr. Brodinsky stated, if we buy it at \$34 kwh for delivery in the year 2005 but at that time the going rate is \$30 kwh, we would be paying more than others would be paying.

Mr. Smith answered, again, you are buying little segments of it. That is why you don't buy a whole piece. You buy a small component at a price that you find attractive today and you wait for the next piece to see where the trend is going. If it is going down, say \$30 kwh, you buy another little piece at the lower price. That way you blend the price to \$32 kwh. If the spot market comes in at \$28 kwh, you blend that in. It is that flexibility and fluidity that allows you to keep up with your competition.

Chairman Parisi stated, in the future, try and pass out the literature on the topic ahead of time so that we can read it. It is a lot to digest.

Mr. Smith stated, I just wanted to get the ball rolling. I don't need an answer tonight. I would hope that some time during January we can get together again, once you have had a chance to think about it, digest it, react to it. In between time, if you have any questions please call me.

Chairman Parisi asked, are you saying that you don't want to use the same course that we have used in the past; setting up a long-term contract with CMEEEC?

Mr. Smith answered, CMEEEC has re-constituted itself because they see the future and they see the need to be flexible. They actually have changed their way of doing business. They have divested themselves of a lot of their resources but each of the systems have to get involved in the decision-making process. We may buy resources that are different than Groton, for instance. In the past, CMEEEC made that decision as an organization and offered it to everyone and you had to fit within the window. We should still maintain our relationship with CMEEEC.

Chairman Parisi asked, we are free to do our own purchasing?

Mr. Smith answered, they would do the purchasing but they would go out and solicit the marketplace...and go around to each of the systems and divvy it out to meet the needs of the systems. If it is more than a four year contract, those systems have to commit to accepting it. If it is less than four years, with the way the rates are now, CMEEEC can go out and get it without approval from the systems because they look at it as being good for the organization. They don't want to make any long term contracts beyond four years anymore without the individual utility being part of that decision. They won't buy any nuclear plants in the future.

Chairman Parisi asked, supposing that they had something for sale and three of the other systems wanted it but we didn't, what would happen?

Mr. Smith answered, in that case we would say that we don't want that piece; it doesn't look like it works for us.

Chairman Parisi asked, could we go out and get something on our own?

Mr. Smith answered, we could. We use CMEEC as that vehicle to acquire those resources. If you recall, back in 1997 we came back to this Council and asked you to approve a process; they went out and catalogued all of the properties of all of the systems in the state for municipalities. They said, "with all of these locations, who is interested in building a power plant?" and CMEEC was that vehicle who got us to PP&L who now has established a power plant in Wallingford. We now have a new taxpayer who are paying lease charges and they have done a very nice job of beautifying that area. This is somewhat the same mechanism. They presented to us, we can make those decisions and that is exactly what happened with the power plant. They got us the interested parties, we interviewed them, and we said that we liked A over B over C.

Mr. Gessert stated, it gives us maximum flexibility and somebody who is watching the market on a daily basis. We have given them a range of price in which to shop.

Mr. Zappala asked, how many credible companies are in existence right now that you feel are worth dealing with, like CMEEC?

Mr. Smith answered, there is no one who is quite like CMEEC that has an organization that is geared toward promoting public power; public power being least priced energy. If your question is, how many companies does CMEEC go to, there are probably dozens.

Mr. Zappala asked, how many have you dealt with?

Mr. Smith answered, CMEEC has dealt with probably twenty. I deal with the companies through CMEEC and I am aware of some of the companies they do business with. PP&L is a credible company; there is also NRG. Up until a month ago I would have said ENRON was a viable company but they change and that is the risk that is involved in the new marketplace.

Mr. Zappala asked, is PP&L a company you can deal with or do they have to do through CMEEC?

Mr. Smith answered, they have to go through CMEEC. Right now we have our contract with CL&P and they are dealing with dozens of companies today on a day to day basis. They may be buying from multiple companies or may have a long term contract with one or two companies; long term being one or two years.

Mr. Zappala stated, after 2004 we are free to deal with anyone we want.

Mr. Smith answered, we are free, but we don't have the staffing and we don't have the expertise that is necessary to play the game. Every time you get a contract, I don't want to have to take back to the Law Department and ask them to check the creditworthiness of this group before we

sign on the dotted line? They may have a dozen things to do and take two weeks to get back to us and by that time the deal may be off the table; that happens these days.

Mr. Zappala stated, we did that when we purchased from CMEEEC six years ago; we did hire someone.

Mr. Smith answered, yes, we hired someone to get a contract from 1995 to 2004 and that has been very successful.

Mr. Zappala stated, we have come to a point where we have to do this in order for the Town of Wallingford to be comfortable with what we will have to deal with.

Mr. Smith answered, that is the reason for initiating this discussion; to get a sense from the Council as to whether or not you are going to feel comfortable that this is going to be a good direction in which to go. If it isn't, we can take a while and write a specification and try to cover; we would have to bring in experts, including lawyers to help us develop a specification which will take months and months to get through. There is a lot at risk. Because of the Enron's and because of other people who have misused the market already, there is a lot of risk out there and we want to minimize that risk as much as possible. By banding together with CMEEEC it gives us a vehicle to use them to be our eye on the market place.

Mr. Zappala stated, as a taxpayer, I would feel more comfortable knowing that we have dealt with other companies to know that we are getting the right price and the right purchase. I would think that would be the thing that this Council and the taxpayer would like to know; that you are dealing with other companies equal to CMEEEC to get a good deal for the Town. That is my feeling at this point.

Mr. Gessert stated, it is similar to when the Town of Wallingford goes out to bid to look for pricing for insurance; they go to an agent. The agent then goes out to the market and gets prices from Aetna, Hartford Insurance, Travelers'; all the different prices. He then comes back to us with the best prices and we buy the insurance through him and make a payment to the agent. CMEEEC is very much in that same role. To some degree, you have a "bidding process" or a lot of other companies involved in putting their price forward, not just CMEEEC. CMEEEC is acting as the agent in soliciting them. There is only one CMEEEC in the State of CT, created by State law and have kind of a unique association in dealing with people like us.

Mayor Dickinson added, as I understand it, we are indicating what prices we are; what is our goal for the given areas; base load, etc. CMEEEC has some marching orders from us as to what price we are looking for. That is kind of our protection. Our indication is that we want to see certain prices as certain levels and they are obtaining them as this evolves through the market place. It is not as though we are totally without knowledge or direction as far as what we want to see.

Mr. Zappala asked, have you been happy with CMEEC and what they have done so far?

Mr. Gessert answered, yes.

Mr. Knight stated, CMEEC, when they go out into the market place, they are representing several municipal systems, ours being one of them; they are an aggregator.

Mr. Gessert stated, they can put our needs together with Norwich, Norwalk, and Groton and come up with 200 megawatts of base load and get a better price for it and then spread that discount to all of us, yes.

Mr. Knight continued, in a similar fashion, Wallingford Electric Division is an aggregator as opposed to a resident being in the market place. We have aggregated a load of, at times, 111 megawatts and going to the market place, through CMEEC, and they represent us to those asset-based and other companies...that previously bought futures contracts on electrical power at a certain rate.

Mr. Smith answered, you are correct. Again, not all of the people who trade have resources. They may buy a piece of a power plant; 100 megawatts of the old Bridgeport Harbor station. They then go out and re-market that; package it to different people. They will offer a 25 megawatt block here and there. Again, by aggregating with CMEEC, they can do a little more; they can go out and get those blocks that are large enough to make people interested. An aggregated load can go over 350 megawatts. That is where they get their strength, by being a good marketer.

Mr. Knight stated, they have a staff of people who essentially watch the market and buy electrical power at a given moment anticipating whether other conditions that are going to require all these CMEEC parameters.

Mr. Smith answered, and/or sell. They buy a strip or block of power, say 50 megawatts, for seven days a week, 24 hours a day and don't use it. Now they go back out into the market and re-sell it when the times are right, maximizing its benefit. If you don't need it, re-package it and sell it. They have the capability and the staffing.

Mr. Knight stated, it is hard to get across that we have come from the old generator generation where you see an actual plant running, and now we are talking about something that is merely a contractual obligation. It is abstract now.

Mr. Smith replied, it is no longer the old iron and copper that is on the ground. It is pieces of paper. It is a commodity like anything-else that you have in the market place.

Mr. Knight stated, I need to get a better understanding of, having gone through the previous one, the change in the nature of what we are going to be doing from 2005 on as opposed to what we are in the middle of; what we are doing and what we did when we signed this contract before. That seemed like a fairly straight forward operation compared to what you are envisioning is going to be our future, in terms of the amount of trading and the volatility of the market.

Mr. Smith commented, when we started off in 1995, when this contract went into effect, CMEEC had enough resources to cover all the loads twenty-four hours a day, seven days a week. They have, over the course of the last couple of years, gotten rid of some of those resources. Some were contracts, some were agreements with certain power plants. They divested themselves because they also saw the need to be flexible. I am involved in that decision process. CMEEC provides that vehicle to do that. Times have changed. What we were most concerned about in 1995 was making sure that we could transition from what we did know to the unknown. There was a lot of concepts and it was going to be mass confusion. What has happened in the State of CT., I don't think there is a handful of people who have changed suppliers, even in the CL&P and U.I. territories. There just hasn't been a market place that has developed. The retail customer has been shielded because of the way the state law is structured, there is a transition period through 2003 that protects all ratepayers in the state. There has been no impotence to start getting people interested in saying that they want to choose a different supplier because there just hasn't been a market place there. CMEEC has been preparing for the next step when 2004 occurs and our contract ends with CL&P. There's 110-112 megawatts that are CL&P/CMEEC contract that will expire as of 2004 that will have to be replaced. There is no power supply in place to give us energy for the year 2005.

Mr. Gessert stated, as abstract as things may be, somewhere down the line there had better be a turbine; gas; atomic; water; there had better be hardware somewhere backing up all of these contracts.

Mr. Knight stated, I don't envision the ratepayers of Wallingford being interested in going out and gunning for the lowest possible marginal rate on any given day. I think what you are trying to say is, we are going to try and offset the risk with some intelligent organization working through CMEEC to protect us from that kind of volatility that we saw in California earlier this year.

Mr. Smith stated, that's right. My recommendation early on was to stay away from deregulation until it settles out. Fortunately, we were behind the California curve; mass confusion. That has all settled down now that the price has come up enough; there is plenty of power and there have been no blackouts.

Mr. Farrell stated, I generally am in favor of continuing with CMEEC. I look at my electric bill and, generally, I have a pretty favorable response to where it is at. I look at other electric

utility's bills and, obviously, the picture isn't quite as rosy. I also look out at the three of you and, having had a chance to measure all of you over many years, I have a general confidence level in the three of you that you know the level of detail; the issues that are involved; to some degree I can rely upon your judgment, in part, that you are giving us very good advice and that has generally held up. However, given the decision that you are asking us to make, I would offer a couple of criticisms; I am not sure we or whoever has done enough to get a good track record on paper, besides just my good feelings, about my personal electric bill of what the CMEEC track record has been. I would think that the director would put together some type of executive summary that may have looked at the period of the current contract and made some points about what CMEEC's performance has been over time. I think the conjectural anecdotal evidence certainly is good but, it wouldn't hurt to have a little more hard substance to it. Maybe that is something that you can get to us. I guess in the future, I would hope that they might be a little less anonymous than they have been. We don't generally know the people at CMEEC on a personal basis. I couldn't say to you the name of a single person at CMEEC and I think the general trend these days is to have at least some familiarity with who you are dealing with and maybe that is something that CMEEC could do to make Councilors; some of us who come aboard since the last contract, even myself; the previous contract was entered into before I came on board. I am looking that in the future, perhaps they show up from time to time so that we have a better idea who it is we are dealing with. On paper, my electric bill may look pretty good but, it couldn't hurt to meet the people in person and get a better feel for who they are and how they conduct their business.

Mr. Smith replied, we can have them come to make a presentation. Dave Gessert and I are members of the Board of Directors. We are in there helping them to make those decisions and watch the daily operations; monitor their activities and remind them what their ultimate goal is; to get us the best power prices that they can. They are a not-for-profit. Their goal is not to make profits but to work for us.

Mr. Farrell stated, sometimes I think that when you have a good deal, you don't always go out and sell its merits quite as well as you could because it seems so obvious.

Mr. Smith answered, they do come to some of our meetings. If you would like a presentation we could make that available.

Chairman Parisi stated, at the appropriate time, we have done that in the past. Their role is not one to be here constantly.

Mr. Farrell added, maybe just so that we could get a general familiarity with whom some of the people are.

Chairman Parisi stated, some of the Councilors may want to attend a Board meeting.

Mr. Vumbaco stated, I certainly support the process you want to go through; it makes all the sense in the world. It also makes me very happy that I am no longer in the business but in a more stable environment. How are you determining what the price that you like is?

Mr. Smith answered, they will provide the analysis and they have already done some preliminary numbers. If we said our total target price as \$34, they are going to go out and buy some base load that may be \$30; other pieces such as a peaking price that may be \$40. They do have the expertise and will put together the pieces of the puzzle to meet that goal.

Mr. Vumbaco asked, is \$34 the current price?

Mr. Smith answered, it is a little lower than the current. Our current price we are paying is in the low 40s right now, on average. We looked in the future and asked ourselves, "what price do we need from CMEEEC in order to achieve?" When I'm talking about the retail rates being payable, I am looking at all the other costs changing; assuming that insurance costs will change and labor costs will change. I am looking at the whole picture. Our power supply costs typically represent about 70% of our total energy costs.

Mr. Vumbaco asked, they will do the analysis for you when they come in with the different load levels? They will work with you on how the blended price is going to work?

Mr. Smith answered, yes.

Mr. Vumbaco asked, what happens if you lose a major customer? Is that going to affect your...

Mr. Smith answered, that is why you don't buy too much of the load. That is why I talked about the different pieces; one being a four year contract so you can unload some of that if it happens. Some of our larger customers have changed their usage. Cytex, who used to be our largest user, has dropped back a considerable amount. Our total system load is still increasing so there are people who are coming in to replace it; some is residential and some is non-residential. A lot of it is non-residential.

Mr. Vumbaco stated, I was concerned about the deregulation aspect, even though I know that Wallingford, as a municipality, is not in deregulation. There will be a time when some company will challenge that in court. If they can buy on a national level and we end up losing someone that is one of our big companies; none of our small companies will go out and do that but we do have a potential of losing some very large customers that could.

Mr. Smith answered, we have faced that. Our number one goal is to be as competitive as possible and tell people, if they can do better, it is important to us that you go ahead and do that; we will assist you in doing that. CT. Steel is a great case to start with. They have certain load characteristics that no one else has but we have said to them, "if you had this flexibility and

want to be in the market place and shop and make some decisions on your own, you can probably do a little better” and they have made some choices. We have assisted them and they are very pleased with the arrangements that we made.

Mr. Gessert stated, the other option is, if someone is big enough and wants to produce their own generation, they have that option. We have to stay competitive so they stay on our network and not build their own.

Geno Zandri, 1072 S. Colony Road asked, are we not planning to go out to bid for a new contract?

Mr. Smith answered, that is what I am trying to get an understanding. If it is the wishes of the majority of the Council to go with a sealed bid proposal, that is what we would have to start working toward.

Mr. Zandri stated, the whole purpose of deregulation was to allow communities like Wallingford to go out to bid. It allows a large customer like Wallingford to go out in the market place and present to power producers a block of power that they are interested in purchasing in three different stages, like Mr. Smith pointed out, to see which would give us the best deal. CMEEC can be part of that bidding process. I think we are missing the boat by not doing it. It is the purpose of deregulation; it is the reason why it was put forward and if we don't take advantage of it, we are foolish.

Philip Wright, Sr., 160 Cedar Street referred to page 4 entitled, “Goals for Wallingford Portfolio” and stated, I would much prefer that the first one to be “seek the lowest possible rate” instead of saying “maintain the current rates” for an additional five to ten years. Why are we satisfied just to maintain the current rates?

Mr. Smith answered, in order to maintain the current rates, the rates that we have to buy or lock in will have to be, in fact, better than what we are currently buying at because our other costs are going up. Our operating costs have to be reduced.

Mr. Wright asked, how many other brokers are there out there other than CMEEC? I remember back in 1995, we had a very good presentation by Duke Light and Power who offered a very good program and we chose not to go with them. We chose to be in this quasi-membership with CMEEC. Is Duke still available?

Mr. Smith answered, the people we were dealing with were Lewis Dreyfess, they are no longer supplying power.

Mr. Wright asked, who took over what they were doing?

Mr. Smith answered, a portion of their power was bought out by Duke and they, in turn, sold that off to someone else. I have not followed their track. The people we were dealing with, Dreyfess, evaporated.

Mr. Wright asked, have we considered being a full partner in CMEEC now?

Mr. Smith answered, I have considered it but don't recommend it. CMEEC still has some outstanding debt on the books and I don't think it would be in our best interest to lock into that because the membership is still; they probably have twenty years left to it. I would still like to see us retain some flexibility and that is why my recommendation is about a five year contract.

Mr. Wright stated, we are looking for flexibility but we don't seem to be going out to find anything else. We are just satisfied with the same old, same old.

Chairman Parisi replied, I don't think that is true. I think what they are talking about is flexibility for the future. They are talking about going out and having the ability to look around and take the best deal.

Mr. Wright stated, we are saying that we want to tie into CMEEC and therefore we don't have any flexibility any longer and that we are going to be doing what CMEEC provides for us. We are not going out to bid? Are we or are we not?

George Cooke, Chairman of the Public Utilities Commission responded, we have the best rate for electricity in New England and that is what we are trying to keep, that is why we are staying where we are.

Mr. Wright stated, we have spent a lot of money down there and have done a good job; that is why our rates are where they are. I think we ought to be looking at someone else who can provide the same service as CMEEC and make a choice. It is like waiving the bid all of the time; everyone is against waiving the bid but every time the issue comes up we waive the bid again. We should not be committing ourselves to CMEEC without going out and looking at other suppliers for the same service.

Pasquale Melillo, 15 Haller Place, Yalesville stated that we should have as much competition as possible for this service. Regarding the electric energy crises in California, many people tried to blame it on deregulation. The culprit was that there were only two suppliers in the entire state. The minimum amount of competition existed; two suppliers; which created the problem. Only one company has 25% of the energy trading market where they trade contracts as Mr. Smith was describing before; again, lack of competition. When these energy trading companies put their bids in for contracts, they don't put their bids in on solid facts relative to the specific price that is available, they put in their own figure. That is one of the reasons why a couple of companies control this.

Chairman Parisi suggested that Mr. Melillo attend the P.U.C. meetings and share his information with the commission.

Frank Wasilewski, 57 N. Orchard Street asked, five years ago when CMEEC came before the Council they were in debt then. Are they further in debt?

Mr. Smith answered, no, they have less debt. They have paid down their debt; divested themselves of a number of facilities but they do still have long term debt and are paying that down.

Mr. Wasilewski asked, is Wallingford just a participant and not an active member?

Mr. Smith answered, we are active, but not a member. We can vote on the Board of Directors. That was a part of our original contract.

Mr. Wasilewski asked, supposing you do negotiate with CMEEC for another contract. Are you going to have anything in that contract that says, if we can get a better deal elsewhere that we can drop out of it?

Mr. Smith answered, yes.

Chairman Parisi stated, with all due respect, we covered that about an hour ago.

Mr. Smith stated, I thought I said early on, if we.....long term contracts, they're ours. If we decide to leave CMEEC in 2007, those commitments belong to us.

Mr. Wasilewski asked, how do you re-package electricity?

Mr. Smith answered, you put together contracts that provide for base load power, intermediate or peaking power, that's all.

Mr. Wasilewski stated, CT. Steel has an arrangement that when they have more power than they could use, they re-sell it at a higher price than they pay for it.

Mr. Smith explained, they have bought some of their power, not much, like 2 megawatts, at a fixed price. They have to pay that price regardless of what happens in the market but, when they shut down, for example last July, when the price went up to \$1,000., they re-sold it back into the market and they actually received monies from that sale.

Mr. Wasilewski asked, can Wallingford do the same thing?

Mr. Smith answered, CMEEC does that for us on a day to day basis, yes.

The presentation concluded at this time with Mr. Gessert wishing everyone a happy holiday season and expressing thanks to both Councilors Rich Centner and Thomas Zappala for their continued support throughout their term on the Council.

Mr. Smith echoed Mr. Gessert's sentiments.

No action taken.

ITEM #11 Discussion on a Report Out by PPL Wallingford Energy, LLC on the Possibility of Entering Into an Assessment Fixing Agreement, as Permitted by Legislation Adopted in Last Year's Legislative Session as Requested by Chairman Robert F. Parisi

arry Golden, Attorney with the Law Firm of Pullen and Comley, Hartford, CT. was present to represent PP&L. Atty. Golden explained that he represented PP&L in the permitting process with regards to the power plant and has spoken to the Council on two previous occasions. He introduced his partner, Marge Wilder, who specializes in property tax matters and Florence Devermen, Project Manager for the power plant during the recent construction period.

Atty. Golden explained that, on behalf of his client, he would like the Council to authorize the Town to begin discussions with PP&L about the possibility of an assessment fixing agreement. He took a few moments to explain why his client has come to this position, in terms of the statutory change that was passed by the Legislature this year and what the benefits might be to PP&L and also the Town.

Atty. Golden stated, the only electric generation facilities that can enter into assessment-fixing or tax-fixing agreements were those that were located within enterprise zones or corridors. Some of the new power plants in CT. are located in the zones or corridors, and some are not. PP&L power plant is not located in that area. Because of that disparity, this past year a number of generators, including PP&L and a number of municipalities which site or will site power plants, worked together to change the statute. The Legislature passed a bill this June which treats all electric generating facilities for this purpose as if they were in an enterprise zone so that they can enter into agreements with towns, subject to approval by the legislative body of the town, by the Council, for real and personal property of a power plant for any length of time provided that over the life of the agreement, the Town is not harmed in any way. In other words, the taxes you receive over the life of any agreement has to be what you would have gotten had there been no agreement, on a present value basis. The statute has built in it, that protection. Right now, PP&L has recently filed its tax declaration. The October 1, 2001 Grand List will be the first Grant List on which PP&L is taxed. We recently filed our declaration with the Assessor. The advantages of an agreement of this type are; the primary advantage for PP&L and the Town...is that tax revenues, over the term of the agreement, would be stable and

certain. You could know in every year of the agreement, what the tax revenues would be. The way this benefits PP&L, in the early years of the agreement, the amount of taxes we paid would be less than what we would normally pay if we were a taxpayer without an agreement. However, in the later years... our tax payments to you would be greater. That is because the power plant is comprised mostly of personal property and you know what happens with personal property; it depreciates over time. In year one its value is going to be higher and over time it is going to go down. In year 20, it is going to be much, much lower. From our point of view, we would like that kind of stable tax obligation. Most businesses want certainty and we would like to know what it is going to be year after year. We would also, obviously, like less taxes than we would normally pay in the early years because that is when our expenses are highest; our start-up costs. For example, this year we are not going to generate power for the full year, we are just coming on line. We would like that kind of relief but when I say relief, understand that I am not talking about an abatement, I am talking about a situation where, over time, you will receive exactly the revenues that you would have received. Again, this is subject to your approval. All we are asking for is the ability to begin discussions. If the discussions don't work, they don't work. But, we can't know if they are going to work or not work without starting the process. Just for your information, you may know that there are five or six new power plants that either have been constructed since deregulation or are in the process of construction. Many of those municipalities have entered into assessment-fixing agreements; Killingly, which has its power plant in an enterprise zone, long ago entered into an agreement. Recently, you probably read that Meriden has signed an agreement with that power plant. The Town of Oxford has signed an agreement with that power plant. Just before deregulation, the City of Bridgeport entered into an agreement with a power plant down there. A number of the other municipalities have felt that it has been beneficial to them. Again, that doesn't mean that it is for you; that is for you to decide, but we would like to present this to you for your consideration. Another advantage in addition to stability and certainty is, obviously, if you reach an agreement, both sides are going to avoid litigation and the expenses that are associated with that if there are disagreements. The whole point of an agreement is to remove that uncertainty and doubt so that both sides can save on the transaction costs. That is where we stand; that is what we would like to present to you. I am here to answer any questions you may have.

Chairman Parisi asked, if the assessment on the power plant changes or goes up, is that affected by this agreement?

Atty. Golden replied, that would be something that would be negotiated. I think both sides would try to take a picture of value, which includes depreciation; a picture of mill rates going forward using some factor, and try and reach the best deal they could. I would imagine that all of those issues would be considered in any agreement. I cannot give you an answer because that is a product of the agreement which would be subject to your approval.

Mr. Farrell stated, I have yet to be convinced that it is in the Town's best interest and I think part of the reason is that we don't have any hard data to work with, to try and assess whether this is a pro or a con. Perhaps that is the value in entering into some discussions; that by getting some data from you on how the power plant works, what its value is now that it is actually built, even if, at the end of the day we say, this really is not necessarily in the Town's interest to enter into this type of agreement, we've still, to some degree, learned a decent amount about your operation to ascertain a little bit better what its taxability is. I know that is not necessarily a benefit to you but it is a benefit to us. I guess, in general, while I don't necessarily endorse the concept of doing this agreement, I am in favor of at least going through the discussions and see where it comes out. Until I have Mr. Myers and Mr. Jackson look at these things, it is semantics to me. I have no idea, truly, whether it is in the Town's best interest without a lot of feedback from them. I guess at this point I would be willing to study it.

Mr. Centner stated, I have a number of questions regarding this and, unfortunately, I won't be serving when they are answered but I will throw them out there for the next Council to consider. With this type of equipment, once they are fully depreciated, what is the residual percentage that it is typically assessed at?

Ms. Deverman replied, it is typically 30% but this is the first time this property will be assessed in Wallingford so I don't want to second-guess the Assessor but, typically, it is 30%.

Mr. Centner stated, to the best of your knowledge, what is the useful life of the turbines and the certain personal property that goes with that operation? Do you have a rough idea of the useful life?

Ms. Deverman answered, for this project we basically have a twenty-four and one-half year lease with the Town. Typically, with this type of equipment you can see useful life that exceeds thirty and forty years.

Mr. Centner stated, then I would throw the numbers around that, typically, equipment of this sort would have a 30% residual at that point. Then I don't know if you use any of those accelerated depreciation programs in the industry anyway. Then the concern I would have would be super-imposing that over a ten year revaluation. What we go through in reval, the buildings and everything else, to say that we would enter into a contract further out than even ten years, when we are doing all sorts of revaluation of properties around and coming up with the different mill rates subsequently, what we determine to offset any appropriate increase between commercial and residential, that could mean, depending on the contract we enter into, could mean quite a bit of loss of revenue for the Town general fund.

Ms. Wilder answered, the purpose of our not coming here and imposing figures on you is because, if we can enter into these discussions we can talk about different terms of the contract, ten years, fifteen years, eight years, twenty years, depending on the interests of both parties.

And we can talk about ways to try to predict how assessments and tax mill rates would be in the future and how we could protect the Town and PP&L in such an agreement if we worked one out.

Mr. Centner stated, it may need to be a combination of both assessment and taxes through the mill rate because assessment only; I don't know if it is going to fly if you cross through a reval period, then the mill rate goes either up or down in that area of impact. It probably would need to be a combination. Is that what you are looking for? Did I just catch one side of it?

Atty. Golden replied, that would be the subject of negotiation and we are not prepared to get into the details nor I imagine are you at this particular time.

Mr. Centner stated, it is just that I am looking at, in ordinary business and personal equipment that is taxed here, in town, because I receive one of those every year and I hate going through it. Some of my equipment is 30% residual; some computers are at 20% and you get a manufacturing discount for manufacturing equipment and all that. It is pretty complicated and there is also a period of 30-40 year life on the equipment and, after you fully depreciate it, the Town would have received a 30% assessment left outside of the contract. It would be those dollars that I would look to give a present value today, then do a future value of a proposal. The numbers that you don't want to give are the numbers that I love to hear.

Ms. Wilder replied, we do want to provide numbers, it is just that there are various combinations that we could provide and we want to provide what you want to see. In addition, your own staff, your own Assessor, will want to have time to evaluate the figures that, in the declaration for the personal property that we just filed and also the real property that is much smaller in amounts.

Chairman Parisi stated, if we decide to go forward with this, they will present what ever information is necessary. If we don't go forward with it, there is no reason for them to have to...

Mr. Centner stated, I am looking at the whole proposal...it was food for thought for the future Council because I really did not know if you were looking at a 20% or 30% up front change in the full impact of the assessment and carry it out over a period of years, then I would compare that to the normal process of the 30% residual and see the difference and apply a present value to it. The feds lowered rates again and the long term bond went up. When it comes to the value of money, it is fluid.

Mr. Zappala stated, it still puzzles me as to what the advantage would be to the Town to do this with you which I don't think we do this with anyone else. Do we do this with anyone else in town?

Comptroller Thomas Myers answered, no.

Mr. Zappala stated, I didn't think so. I don't see what the advantage is for the Town to do this with you. What happens if, ten years from now you want to pull out of town? I don't think it would be to our advantage at this point; I hope it never happens and you stay another one hundred years but, I don't see what the Town will gain by doing this for you.

Atty. Golden answered, if the Council does not believe there is a benefit, then there is no point in pursuing this. What we think the benefit is, and we cannot speak for you, is a stable tax stream with certainty coming in. If you are worried about security, those are issues that can be negotiated.

Mr. Zappala stated, I think you understand my position because, it can happen to any company today; after a very successful four, five or ten years, they can pull out and leave only scrap behind. I don't see the advantage to the Town to give you a break now and stretch it out for twenty years.

Atty. Golden stated, timing is an important issue. There are statutory deadlines that we have to be aware of and some of them can be extended by you if you so choose. Generally, the Assessor certifies the grand list at the end of January. That can be extended a month but if the grand list is certified at the end of January, then taxpayers must go to the Board of Assessment Appeals by February 20<sup>th</sup>. Again, if it is extended out a month, that extends the Board of Assessment Appeals period for another month. There is also any taxpayer who is not satisfied with what happened to the Board of Assessment Appeals, then has a time limit to go to court. I think we would like to have, if there is going to be an agreement, we would like it sooner rather than later so that some of these steps can be avoided. I think, from your point of view, you would want this no later than, I think it would have to be before you adopted your budget; at the very least, working back from that which is probably in May some time, working back from that. When we start up is very important because it is going to require some effort.

Mr. Brodinsky asked, have you provided our Assessor with everything that our Assessor has requested, in the way of cost information and correspondence, not just the declaration?

Ms. Wilder replied, we have provided the Assessor, I believe at this point, with all the information he has requested. I have talked to him a couple of times and he has had an opportunity to tour the facility. The declaration is something that we worked hard at putting together as accurately as we could. It is not easy since the invoices, etc., are still pouring into the plant. If the Assessor wants any additional information, we have offered to provide what ever detail he needs. At this point in time we have provided him everything that he has requested to date.

Ms. Deverman answered, we provided everything that he has requested and we would like to sit down with him in a meeting very soon and go over the material we presented and determine if there is any additional information that he would require.

Mr. Brodinsky asked, why do you want to initiate this now before our Assessor has told us what your taxes are going to be?

Atty. Golden answered, the negotiating process is undoubtedly going to take some time and I would imagine that you would be getting feedback from the Assessor during the course of that negotiations, before they are concluded, as far as his view as to what the taxes would be. It is a process. We are coming to you now and this is a report out. It is not going to happen tonight but a process that has to get started. Given the time limit on the back end, that is that it be done in time for your budget, that's what is driving the timing.

Mr. Brodinsky asked, If I was interested in a dialogue, the place that I would start would be the amount of taxes that we are going to get according to our Assessor. Until I had that, I don't mean to be disrespectful, but I am not that concerned with what your proposal may be; I need to start with what your tax is going to be. I don't see how there could be any meaningful discussion, at least from my perspective, before January 31 when I see what you are expected to pay. After I see what you are expected to pay, subject to appeals and all that stuff and I must say that our town is doing quite well in property tax appeals and I know that PP&L is no stranger to property tax court either, but it seems, how can we start talking about it until we know what you owe us? Then after that, if you wanted to make some sort of an offer, go ahead but, I am very bothered by the timing of this. You want to start exploring negotiations and the starting point, logically, should be, "tell us what our Assessor is going to tell us what you owe us, then we will see." The stability of the tax payments seems to me to be of more value to you than to the Town. We do quite well with taxes going up; taxes going down; yearly assessments; an occasional tax appeal; I don't see anything in our future; I am only speaking for myself; that would require or even warrant any sort of a stable tax payment. We can live with some variations. In speaking for myself, if you are interested in a stable tax payment, I would think that you would have to factor in a premium that you would pay. I would like to address the timing. How can we consider anything until you know what you owe us?

Atty. Golden answered, I don't think you would make a final decision until you had some information from the Assessor but I assume that there is a process here; I don't know how you would handle negotiations. Perhaps you would appoint a committee. I assume there is a process that takes a little time to get started.

Chairman Parisi stated, I would hope that we would have a motion to have the Mayor and Town Departments study what ever proposal they want to make and make a report back to us.

Mr. Brodinsky stated, they can study the proposal but they can't study the value of the proposal. The proposal is completely irrelevant until we know what our taxes are. In the meantime, if they have to take a tax appeal, they can do it. The timing is just inappropriate.

Ms. Wilder stated, please understand that we don't know what the taxes are either and, of course, no taxpayer in this town will know until you set your budget. It is a reval year; a mill rate will be a little more difficult to predict. All those factors have to be taken into account by counsel and by us. As you know, the legislation was just adopted this summer. It only applies to electric utility companies. There are other statutes that do permit abatement to tax-fixing agreements for other kinds of manufacturing companies but this is the statute that was just passed that applies to electric utility companies. Timing-wise, we wish it could have been even earlier that we began the process but now is the time that we have been able to come to you because we have filed the figures for the Assessor's and staff review.

Chairman Parisi stated, Meriden has signed on to this and they don't even have a power plant. They signed on to something that has no value at all, yet they agreed to this proposal. I don't think that is quite the way we do things.

Atty. Golden stated, I appreciate all of your comments. It is not our job to tell you what is in your best interest, it is yours. If this doesn't seem like a deal for you, then you are not going to pursue it.

Mr. Knight stated, I share the skepticism of my colleagues, however, I don't see that we have, by suggesting that we sit down with people from PP&L that we are committing ourselves to anything except to keep our ears open and listen. It would appear to me that we are in the driver's seat. If we don't like what we hear, we stand up and walk out of the room and it is over. They have the case to be made, we don't. I would like to see that we listened to them. Up until the very present moment, this organization has been very square with us all the way through from the beginning at the time of the first meeting. I think, at the very least, we can sit down and talk to them. They may never be able to overcome our skepticism...I would like to give them the opportunity to try.

Ms. Papale stated, the more I listen the more I believe that it would not be an advantage to the Town of Wallingford. The question was asked, "has it been done before?" and Mr. Myers answered, "no". So why are we doing it know. I feel that if the people involved want to sit down with you, that's o.k. In my mind I doubt there will be an agreement. I feel that it would not benefit us at all. I feel that I am the fairest person up here and I have no problem with Mr. Myers and the Mayor and whoever else, sitting down but...I cannot see the advantage to the town.

Chairman Parisi asked that a motion be put forward that would allow the Town to at least discuss the topic.

Mr. Brodinsky reminded Chairman Parisi that the Council would have to Waive Rule V of the Town Council Meeting Procedures.

Mr. Vumbaco added, this is only a report out.

Chairman Parisi stated, I appreciate it, but I am not finished. I don't see a problem either in sitting down and discussing it. Mayor, can we fit into that time schedule?

Mayor Dickinson answered, my guess is that it would have to be a pretty good understanding one way or another before the end of January in order to have anything fly. We are not going to hold up the grand list, it has to be out the end of January and that is critical to our being able to put a budget together. The end of January is the outside limit. It would have to occur in there which means there would have to be some effort put into reviewing the proposed language; questions asked, etc. We are really reduced to less than a month when you consider the holiday period coming up.

Chairman Parisi asked, can we make an effort?

Mayor Dickinson answered, we'll make the best effort we can, if there is interest in doing it.

Mr. Farrell made a motion to Waive Rule V of the Town Council Meeting Procedures for the purpose of entertaining a motion on this matter, seconded by Mr. Knight.

VOTE TO WAIVE RULE V: Brodinsky, Vumbaco, Papale and Zappala, no; all others, aye; motion duly carried.

Motion was made by Mr. Farrell to Authorize the Mayor to Enter into Discussions with PP&L and Report back to the Council with a Recommendation within the Time Frame that he has specified, seconded by Mr. Knight.

Mr. Brodinsky asked, we are expected to approve an agreement before we know what taxes are do which is exactly what they want; they don't want us to know what the taxes are? They would have to negotiate a tax agreement without knowing what the certified grand list is. How can we do that?

Mayor Dickinson answered, we would have to know in order to discuss this meaningfully, what the figures are that the Assessor has regarding the plan that may not be published as the grand list but we will, internally, have to have those figures.

Mr. Brodinsky stated, we say now that we have to have the figures and I am skeptical that we will ever see hard numbers certified with the imprimatur and the official authority of the

Assessor on it and I think the timing of this proposal is to avoid ever seeing what a tax bill might be. That is very disturbing to me because, the place to start is to find out what they owe us. Why is time of the essence this year? You can wait another cycle. We don't have to do it in a month. We don't have to crunch these negotiations within a thirty day period or less. We don't have to do that and it is not in Wallingford's best interest to go into a panic mode because they have a deadline. If we want to use due deliberation and do this properly and by the numbers, there is no reason in the world why we have to have an agreement this year. We can take our time; we can see what the Assessor has in the way of a certified grand list; we can find out what their tax bill is and, if they want to make us an offer and negotiations proceed, it can be effective next year. We should not have to be driven into a panic situation.

Chairman Parisi replied, hold on, no one is being driven into a panic situation. My next question is going to be, does it have to be done this year or can it be done next year?

Golden replied, we would like it done this year but it can be done, if it is a benefit to both parties, it can be done at any time, however, I will be very frank with you; there is no denying that the first year is the most important year for PP&L. That is not to say that it couldn't be done. I am not going to deny that PP&L would benefit from an agreement. Obviously it would, otherwise there would be no agreement. The question is whether the Town would benefit from the agreement and that is something that you have to decide. It would be better for us and we think it would facilitate an overall agreement if it were to include the first year because if it did not, there's much less benefit to PP&L. That being said, I have left options open and we hope that it would be the first year.

Chairman Parisi stated, therefore an effort can be made. There is no reason why anyone has to accept it. It can be put off until next year if we don't feel we have the information that we need.

Mr. Brodinsky stated, one piece of information that I hope we all agree we need is, what are the taxes due the Town of Wallingford so I would like to make a motion to Amend the motion to the effect that discussions begin after we get the certified grand list and we know what their tax bill is, then we have a basis to negotiate and discuss.

Chairman Parisi stated, what if the Assessor goes out and does an assessment before and we have the information?

Mr. Brodinsky answered, it is not a certified grand list. What do we have? We have a letter that may not be official.

Chairman Parisi stated, if he (the Assessor) is the guy that does it, it will be as official as it could be.

Mr. Brodinsky stated, the comment was, the first year would be more important to PP&L, it is not that important to us. It is more important to them that they get a deal the first year, right?

Chairman Parisi replied, I understand what you are saying.

Mr. Brodinsky stated, I made a motion to amend.

Ms. Wilder stated, you won't know what PP&L's taxes are and we won't either until you set your mill rate and, secondly, every taxpayer in town has to get notice of the revaluation and the value of their property and that has to be done to your taxpayers before the grand list is officially certified. You have informal meetings right now with you Vision Appraisal company and they are beginning to give informal notices and then more formal notices and it would have to be before January 31<sup>st</sup>; before the final grand list is certified. The Assessor determines that and then certifies the full list.

Chairman Parisi replied, the point being that we don't have to go forward if we don't have enough information, that's the point I am trying to make. We can agree to sit down and talk 'til God makes green cheese, it's not a problem. The point is if we, at any time, feel we don't have the information then we can just say, "no deal."

Mr. Farrell reiterated that he was not sure if he was for or against the issue but he did want to go through the educational process to find out if there was something out there that was a good deal for the Town. He did not want to take the position that the Council distrusts themselves so much that they prefer to remain ignorant; it is an illogical position.

Mr. Centner stated, outside of Mr. Brodinsky's statement of not really knowing what the tax impact is now and then knowing we are going to go into any kind of negotiation, my biggest concern is precedent. What if the other top ten, twenty, thirty biggest taxpayers come forward and want their due every time they install new cranes from hauling steel at Spectra Metal or Allegheny Ludlum. They may feel there is preferential treatment to one of our customers here. What do we do about precedent? Can we say yes to you and no to them? I don't know.

Atty. Golden stated, right now, or until this legislation was passed this summer, you can say yes to them and no to us. There were many taxpayers who were allowed agreements and abatements and so on, and you have done so in this town, but you could not do it with electric generating facilities and now you can. In terms of precedent, this statute just applies to electric generating facilities. There is only one in the town right now and it has to be a new facility, built after 1998. What this statute does is evens out the playing field a little bit. I appreciate your concern about precedent but the statute is very narrow; it really only applies right now to one taxpayer in town.

Mr. Centner stated, I might have misunderstood Mr. Myers' statement that he hadn't done one of these for anyone in town before. Is that correct or not correct? Have we done one of these with anyone?

Mr. Myers answered, not to my knowledge. Bristol Myers had an agreement under the Economic Development statutes with the State of Connecticut and the facility's construction costs had to meet a certain threshold in order to be eligible for that. That was, again, a statute that was on the books prior to Bristol Myers developing their property here, in Wallingford. To my knowledge Bristol Myers was the only tax abatement or agreement that was ever enacted in Wallingford, I know of no others.

Mr. Centner stated, in my personal opinion, I would prefer to wait until the mill rate was set and we closed the grand list this year and move any kind of a meeting or contractual agreements to some time around May when the mill rate is normally set. I would encourage my colleagues to consider that.

Mr. Myers stated, I believe Bristol Myers was on land/buildings. On depreciable personal property, it was full taxation from day one and the extent of the agreement was statutory reference for seven years. After seven years the land and buildings went to full taxation.

Ms. Wilder stated, we are not asking for a tax abatement. The statute dealing with tax abatements do not apply to these kinds of electric generating facilities. We are not asking for a tax abatement.

Mr. Brodinsky stated that Mr. Farrell alleged that I prefer to remain ignorant and I need to clarify that. I believe very strongly in negotiating in strength. To get a strong negotiating position, you need information and facts. If you don't have the facts, you negotiate from weakness. Contrary to what Mr. Farrell said, I prefer to be informed before I negotiate and therein lies the difference in our approach.

Chairman Parisi stated, for a point of information, we are not negotiating anything.

Mr. Brodinsky replied, that is your opinion, not a statement of fact.

Chairman Parisi stated, negotiation means that you have already agreed and are looking for a middle ground and we have not agreed to anything.

Mr. Brodinsky stated, I appreciate your comments but your statement that we are not negotiating if we start this, that is your opinion and I think that once we enter into these discussions, they very quickly turn into negotiations and that is my opinion and I know we disagree on that.

Mr. Vumbaco stated, I am very concerned that if we try and start to put this together in the next two months and, like the Mayor said, with the holidays approaching us, we are also in the process of trying to finalize our own tax situation and we need Shelby Jackson (Assessor) to be involved in these negotiations, but I think we need them even more to be actively involved in finalizing our revaluation that we are going through now and I don't think there is time left to give a proper thought or look at this. That is the reason why I seconded this motion to push it back another year. We can always get into it next year when there is some additional time but, right now, we have two months to go; less with holidays thrown in there. To take vital time away from our Tax Assessor, Mr. Myers and the Mayor at a critical time during a tax revaluation project, I am definitely not in favor of it and I would hope that this Council would not be in favor of it.

Chairman Parisi asked, do we or don't we have the time?

Mayor Dickinson answered, it depends upon how much has to be done. If there is proposed language that can be looked at, that is one thing. If it is development of language from square one that is probably impossible to do in the time frame. I don't know if there is a pre-existing agreement that you are prepared to say will work; someone has to develop language. At this point, I don't think it would be the Town of Wallingford. Some of it depends upon how much has to be created from nothing and how much is already in place and just gets reviewed.

Atty. Golden replied, I am sure we can take the initiative in developing the language. There are some other agreements in Connecticut that we could look at and perhaps borrow from. From that point of view, I think we can take the initiative. You are going to have to review it and make sure you are comfortable with it. The number issue is what is going to take a lot of effort from both sides.

Mayor Dickinson stated, I am somewhat confused on the number issue. Clearly, we will be, if we haven't already informed you of the number. I don't think commercial/industrial has been done and we may have figures within the next two weeks. You will be informed on that and then you would have your normal way of speaking to the appraisers just like everyone else. At that point the figure will be there and we go from there. There is a lot to be accomplished in a short time.

Chairman Parisi stated, I think we have to have direct answers. Mr. Myers, will this over-involve the Assessor? Is this something that he can't deal with now? There is no sense going through the motions if this thing doesn't stand a fair chance.

Mr. Myers replied, realistically, today is December 11<sup>th</sup>. I have the Assessor doing two things; completing a revalued grand list for Wallingford and also completing an unvalued grand list for Wallingford. The reason I have asked him to do both tasks is, because I wanted an absolute measurement on what happens during the revaluation. He really is doing double the work this

year. I believe that double the work is going to be worth the effort because we are going to be able to make a completely valid comparison; what happened to value, residential, commercial and industrial when the revaluation occurred. The only way to make that determination in an absolute manner is to do both grand lists, unvalued and revalued. Further, by doing an unvalued grand list, we will be able to come up with a growth factor; the new things that happened in Wallingford that year.

Chairman Parisi asked, with all due respect, what we all need to know is, will the Assessor have the time to deal with this in the time span of about a month or so. With the workload that he has, we have to ask you to judge that.

Mr. Myers answered, I am going to say that it would be very difficult, off the top of my head. He is flat out right now.

Chairman Parisi stated, that is what we are looking for. If it doesn't fit, there is no reason to try and fit a round peg into a square hole. I would rather tell you up front that it isn't going to work. Why waste your time and ours, too.

Mr. Myers added, there is one other important factor.....

(a loss of recorded conversation occurred while changing audiotapes)

Mr. Farrell withdrew his motion and Mr. Brodinsky withdrew his amendment to the motion.

ITEM #12 Report Out on the Status of the Town-Owned Former Wooding/Caplan Property as Requested by Chairman Robert F. Parisi

Mayor Dickinson stated, there is no new status at this point. The plans have not been completed as far as I know and it has not been a high priority so there is no new status.

ITEM #13 Report Out by the Mayor on Appointing a Town Health Director as Requested by Councilor Gerald E. Farrell, Jr.

Mr. Farrell stated that this topic was discussed at the September meeting and at that time the Mayor reported that he was interviewing and moving in on appointing a candidate. What is the status of the issue?

Mayor Dickinson replied, it is in the final stages of being able to announce a candidate but I can't at this point since everything isn't completed. I would expect in the next two weeks to appoint a candidate to the position.

ITEM #14 Executive Session Pursuant to Section 1-200(6)(D) of the CT. General Statutes

For the Purpose of Discussing the Purchase, Sale and/or Leasing of Real Property as Requested by Councilor Mike Brodinsky

Motion was made by Mr. Knight to Enter Into Executive Session Pursuant to Section 1-200(6)(D) of the CT. General Statutes pertaining to the Purchase, Sale and/or Leasing of Real Property, seconded by Mr. Farrell.

VOTE: All ayes; motion duly carried.

The Council entered executive session at 10:35 P.M.

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

VOTE: All ayes; motion duly carried.

The Council exited executive session at 11:07 P.M.

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

VOTE: All ayes; motion duly carried.

The Council performed a salty rendition of "We wish you a merry Christmas".

There being no further business the meeting adjourned at 11:09 P.M.

Meeting recorded by Rosemary A. Rascati, Town Clerk

Meeting transcribed by:

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

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

1-22-02  
Date

*Rosemary A. Rascati*  
Rosemary A. Rascati, Town Clerk

1-22-02  
Date



OFFICE OF THE MAYOR  
TOWN OF WALLINGFORD  
CONNECTICUT

WILLIAM W. DICKINSON, JR.  
MAYOR

November 28, 2001

Wallingford Town Council  
45 South Main Street  
Wallingford, Connecticut 06492

ATTN: Robert F. Parisi, Chairman

Dear Council Members:

On June 30, 2002 the Town's five-year agreements with SNET for telephone services will expire. These agreements covered General Government, Public Safety and Public Utilities. As you may recall, the multi-year arrangement, along with several other changes was to provide for more economical telephone services. Indeed, the savings projected were implemented.

Town officials have been reviewing options for consideration at this time. This included contact with other communities and other vendors. While five years ago there was anticipated the development of competitors to SNET for local dial tone services, this has not developed. Indeed, five years ago it was thought that within that five-year time frame both local and long distance telephone service would be biddable.

At this time, it is requested that the Council waive the bid procedure and authorize the Mayor to enter into negotiations with SNET for telephone service. Board of Education administrative officials have also indicated an interest in participating since they are currently on a year-by-year arrangement for local dial tone services. Any agreement for Town government would require the approval of the Town Council.

Town staff from Purchasing or Program Planning can be contacted should you have any questions prior to your meeting.

Sincerely,

William W. Dickinson, Jr.  
Mayor

# OPEN SPACE FUNDING

Using State Funds for Pristine vs.  
Developed Land

December 11, 2001

Rep. Mary Mushinsky

# Open Space Funding in State Budget

- Definition of open space
- Opportunities prior to 1998
- Opportunities since 1998
- Overview of current choices
- Examples of successful municipalities
- How to proceed

# Definition of Open Space

- Connecticut definition since 1998 (PA 98-227): undeveloped land with some protection against development, the preservation of which (1) maintains/enhances conservation of natural resources;(2) protects streams/water supply; (3) promotes conservation of soils/wetlands/beaches/marshes; (4) enhances value of abutting preserves; (5) enhances public recreation; (6) preserves historic sites; (7) promotes orderly development.

## PA 98-157, The Protected Open Space and Watershed Land Acquisition Program

- Sets eligibility and future use restrictions for municipalities, non-profit landholding organizations, and water companies that participate in the program
- Land must not be used for commercial or recreational purposes requiring intensive development (example: ball fields)

# Comparison of Funding Opportunities

- Before 1998
  - Pristine lands: Recreation and Natural Heritage Trust Program (1986)
  - Developed lands: CT Outdoor Recreation Fund (DEP ranked municipal projects)
- Since 1998
  - Pristine lands (2 programs):
    - State acquisition
    - Municipal, land organization, or water company
  - Developed lands (2 funds):
    - Grant-in-aid
    - Urban Act

# Funding for Pristine (Natural State) Lands

- State acquisition:  
Recreational and Natural Heritage Trust Program (DEP)
- Municipal, land organization, or water company (matching grants): Protected Open Space and Watershed Land Acquisition Grant Program (DEP ranks)



# Funding for Developed Lands



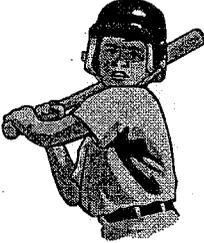
## Grant-in-aid:

- Bond funds allocated through DEP for municipal use (ex. ball fields, water mains, linear trail)

## Urban Act:

- Bond funds allocated through OPM for municipal use (ex. ball fields, economic development)

# How To Proceed

<u>Type of Land</u>	<u>Process</u>
pristine 	Apply to: CT DEP Open Space & Watershed Land Acquisition Grant Program (860) 424-3016
developed 	Apply to: Office of Policy & Management (OPM) with copy to DEP (860) 418-6500

# Examples of Successful Municipalities





OFFICE OF FISCAL ANALYSIS

PHONE: (860) 240-0200  
FAX: (860) 240-0052  
E-MAIL: ofa@po.state.ct.us

LEGISLATIVE OFFICE BUILDING  
ROOM 5200  
HARTFORD, CONNECTICUT 06106-1591

November 30, 2001

TO: Representative Mary Mushinsky  
House Chairman, Select Committee on Children

FROM: Linda Miller

SUBJECT: Use of Bond Funds to Fund Development of Town Athletic Fields

The State Bond Commission provides grants-in-aid to towns for athletic field development from two sources: (1) OPM's Urban Act funds, and (2) DEP's grant-in-aid program that includes the development of public parks and recreational improvements.

In response to your request for examples of such allocations, I am enclosing 9 Urban Act agenda items (summarized in Table 1) and 13 DEP agenda items (summarized in Table 2.)

I hope that this information proves useful. If I can be of further assistance, please contact me.

**Table 1: Urban Act Allocations to Towns for Athletic Fields**

Town	Date	Allocation	Description
Ansonia	7/20/01	\$168,000.00	Grant-in-aid to the Town of Ansonia for soccer field and basketball court improvements at Colony Park
Bristol	10/29/99	\$150,000.00	Grant to the City of Bristol on behalf of the Little League Baseball Eastern Regional Center
Naugatuck	6/27/97	\$50,000.00	Grant-in-aid to the Borough of Naugatuck for an irrigation system at the City Hill School athletic fields
Naugatuck	4/27/01	\$300,000.00	Grant-in-aid to the Borough of Naugatuck for development of a recreational facility including soccer and softball fields and a picnic area
Naugatuck	7/20/01	\$1,000,000.00	Grant-in-aid to the Borough of Naugatuck for land acquisition and recreational improvements at six municipal parks
Shelton	2/27/98	\$100,000.00	Grant-in-aid to the Town of Shelton for renovation and upgrading of the Nike Recreational Complex

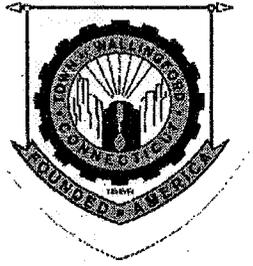
**Table 1: Urban Act Allocations to Towns for Athletic Fields**

<u>Town</u>	<u>Date</u>	<u>Allocation</u>	<u>Description</u>
Torrington	2/27/98	\$400,000.00	Grant-in-aid to the City of Torrington for renovations to the Fuessenich Park baseball facility
Waterbury	6/27/97	\$125,000.00	Grant-in-aid to the City of Waterbury for the installation of lighting for the Crosby High School football field.
Waterbury	4/27/01	\$105,000.00	Grant-in-aid to the City of Waterbury for the replacement of lighting for the Municipal Stadium South Field for Little League use.

**Table 2: DEP Grants-in-Aid for Athletic fields**

<u>Town</u>	<u>Date</u>	<u>Allocation</u>	<u>Description</u>
Berlin	4/27/01	\$250,000.00	Grant to the Town of Berlin for reconstruction of several recreational fields used for baseball, softball, soccer and T-ball
Branford	9/24/99	\$75,000.00	Grant to the Town of Branford to rehabilitate the soccer field at Flax Mill Road.
East Haven	4/27/01	\$25,000.00	Grant to the Town of East Haven for fencing and other renovations at the Gillis Soccer Field
Newtown	4/27/01	\$50,000.00	Grant-in-aid to the Town of Newtown for drainage improvements to athletic fields at Treadwell Park
North Branford	12/15/00	\$400,00.00	Grant-in-aid to North Branford for relocation and reconstruction of Wall Field (municipal little league field)
North Haven	7/20/01	\$250,000.00	Grant-in-aid to North Haven to install athletic field lighting at Montowese Baseball Field Complex
Rocky Hill	9/24/99	\$125,000.00	Grant-in-aid to Rocky Hill for a project at Maxwell Park
Seymour	4/27/01	\$200,000.00	Grant-in-aid to Seymour to purchase and install lighting at the Seymour High School football/soccer field and track
Stratford	4/30/99	\$100,000.00	Grant-in-aid to Stratford for lighting at Frank DeLuca Hall of Fame Field
Trumbull	4/30/99	\$215,000.00	Grant-in-aid to Trumbull to purchase and install lighting at the athletic fields located at Trumbull High School.
Wolcott	12/15/00	\$150,000.00	Grant-in-aid to the Town of Wolcott to install field lighting at three baseball fields located at the Baseball Association of Wolcott Complex
Wolcott	4/27/01	\$350,000.00	Grant to the Town of Wolcott for the design and construction of a midget football field
Woodbury	4/27/01	\$250,000.00	Grant-in-aid to the Town of Woodbury for construction of a field hockey field and upgrades to a running track

Wallingford Electric Division



# Power Supply Strategies for Wallingford

# Overview

- ◆ Background considerations
- ◆ Goals in developing Wallingford's Portfolio
- ◆ Important issues – type of resource & term
- ◆ Analysis for Wallingford
- ◆ Buying power in a changed environment

November 15, 2001



# Background Considerations

- ◆ Current Wallingford contract originally designed to provide stable prices over a 10 year period
- ◆ Current contract ends in 2004
- ◆ Wallingford customers pay retail rates that are significantly below CL&P and UI customers



# Goals for Wallingford Portfolio

- ◆ Maintain current retail rates for an additional 5 – 10 years
- ◆ Maintain flexibility to respond to changing load and market conditions

November 15, 2001

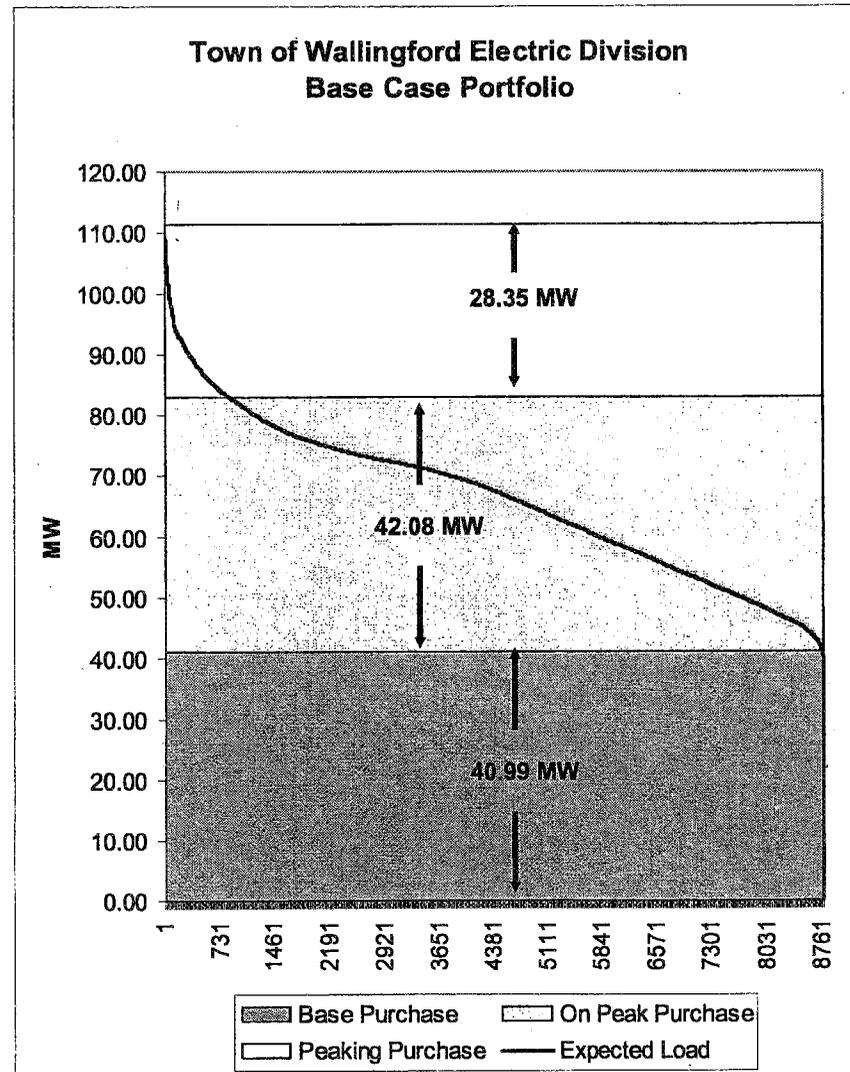


# What Types of Resources are needed?

- ◆ Base Resources – provide energy to cover most of load in all hours (40.99 MW)
- ◆ Intermediate Resources – provide energy to meet on-peak needs and provide load following (42.08 MW)
- ◆ Peaking Resources – provide a hedge against extreme prices and cover 1-2% of peak load hours (28.35 MW)



# Resource Breakdown – Wallingford



November 15, 2001



# How long a commitment should be made?

- ◆ Resource commitments should be balanced against load obligations
  - Large industrial customers are most likely to look for alternative electric arrangements
  - Long term commitments should cover residential and small commercial loads
  - Intermediate and short term arrangements should cover large customer loads (unless a long term contract is in place with the customer)



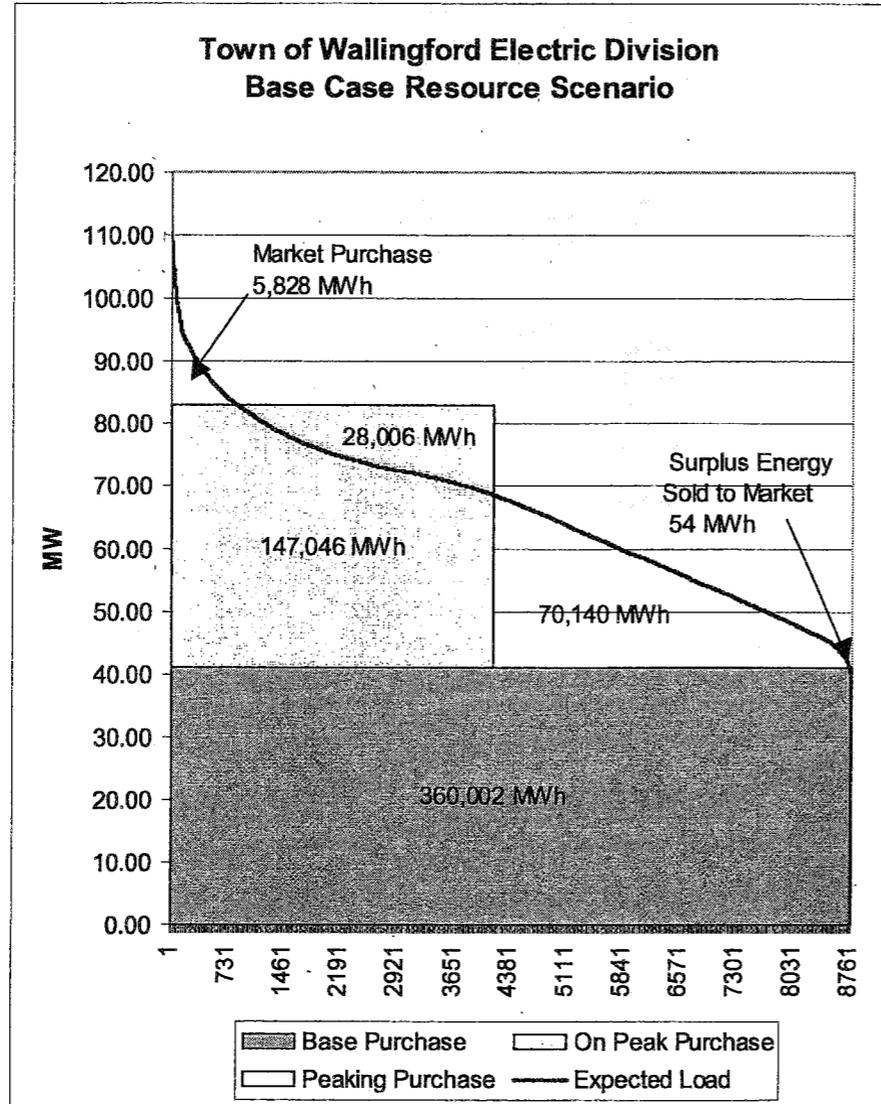
# Breakdown of Wallingford Portfolio

	Long Term > 4 yrs	Mid-Term 1 yr – 4 yrs	Short Term 1 mo – 1 yr	Spot < 1 mo	Total
<b>Base Resources</b>	15.54 MW	11.70 MW	11.70 MW	2.05 MW	40.99 MW
<b>Intermediate Resources</b>	15.96 MW	12.01 MW	12.01 MW	2.10 MW	42.08 MW
<b>Peaking Resources</b>	10.75 MW	8.09 MW	8.09 MW	1.42 MW	28.35 MW
<b>Total</b>	42.25 MW	31.80 MW	31.80 MW	5.57 MW	111.42 MW

November 15, 2001



# Wallingford Base Case Portfolio



November 15, 2001



# What is a reasonable price for power?

- ◆ Average energy price to Wallingford to maintain current rates after 2004 is \$34.25/MWh
- ◆ Current long term energy price is slightly above required targets (but moving in the right direction)

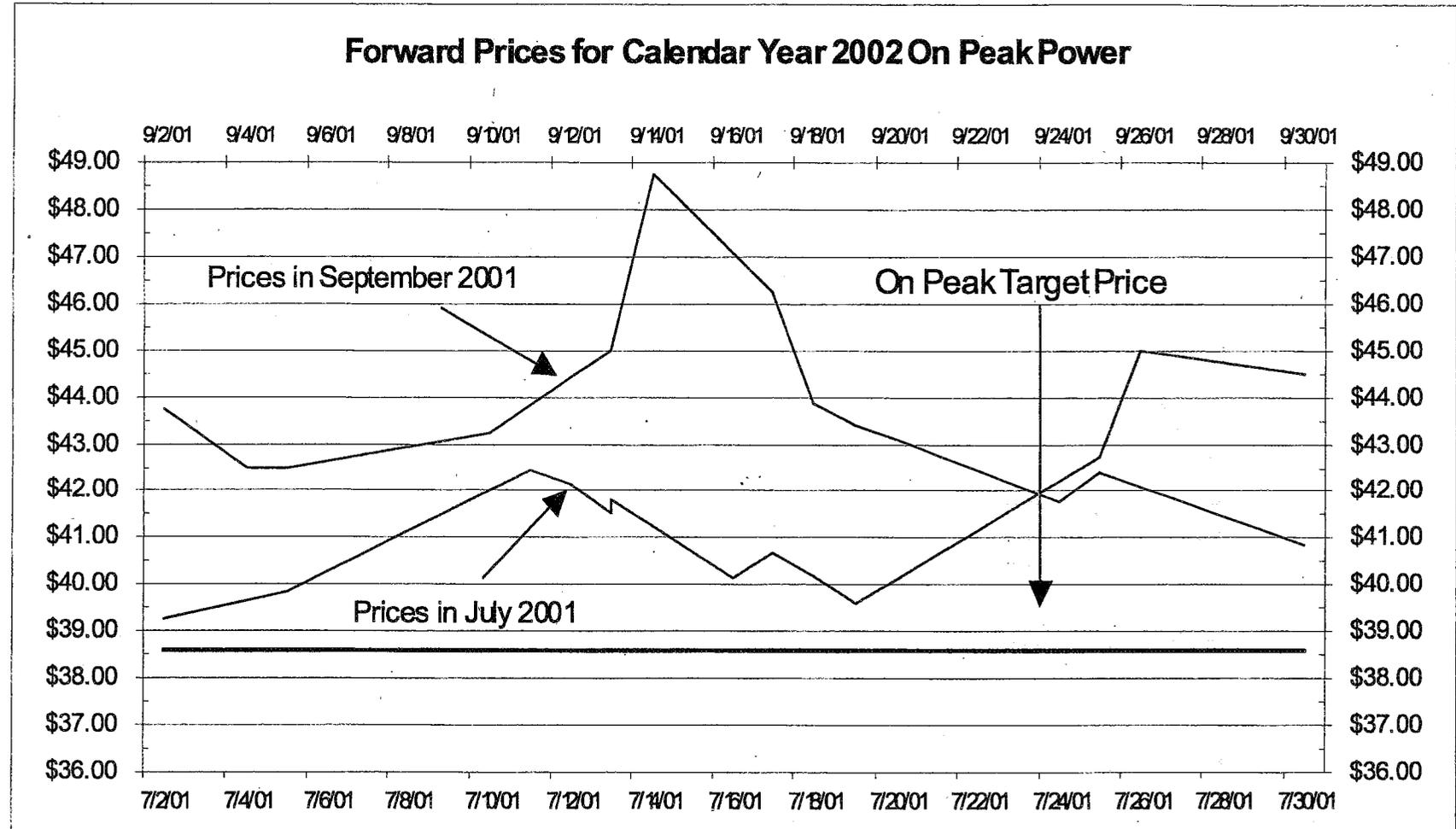


# Price Volatility

- ◆ Prices change from day to day
- ◆ Credit issues are critical
- ◆ Credit approvals and standard contracts require time
- ◆ Ability to hedge fuel volatility
- ◆ CMEEC buys and sells power on a daily basis



# Price Movement in Forward Market



November 15, 2001



# Current Issues

- ◆ Current contract expires in 2004
- ◆ “Window of Opportunity” in electric markets
  - Reduction in commodity prices (gas & oil)
  - Projected surplus in New England market
- ◆ Other municipal utilities committing to fill long-term portfolio needs

