

TOWN COUNCIL MEETING

JUNE 14, 1994

6:30 P.M.

AGENDA

1. Roll Call & Pledge of Allegiance
2. SET A PUBLIC HEARING for June 28, 1994 at 7:45 P.M. on a Proposed Vending Ordinance
3. SET A PUBLIC HEARING for June 28, 1994 at 8:15 P.M. to Approve a List of Municipal Projects to be Submitted to the State of Connecticut Under the Neighborhood Assistance Program
4. Note for the Record Anniversary Increases Approved to Date by the Mayor
5. Note for the Record Mayoral Transfers Approved to Date
6. Consider and Approve Tax Refunds (#308-319) in the Amount of \$18,800.62 - Tax Collector
7. Consider and Approve a Transfer of Funds in the Amount of \$159,518.10 from the Grand List to the Suspense Tax Book to Comply with State Statute #12-165 - Tax Collector
8. Consider and Approve a Transfer of Funds in the Amount of \$349 from State Meeting Acct. #001-1420-600-6550; \$147 from Maintenance of Alarms Acct. #001-1420-500-5210 and \$214 from Advertising Acct. #001-1420-400-4100 for a Total of \$710 to Professional Services - Data Entry Acct. #001-1420-900-9010 - Tax Collector
9. Consider and Approve a Transfer of Funds in the Amount of \$630 from College Training Acct. #2035-500-5710 to Office Supplies Acct. #2035-400-4000 - Fire Marshal
10. Consider and Approve a Transfer of Funds in the Amount of \$300 from Printing Acct. #001-7010-400-4180 to Advertising Acct. #001-7010-400-4100 - Town Planner
11. Consider and Approve a Transfer of Funds in the Amount of \$517 from Advertising Acct. #001-1110-400-4100 and \$68 from Office Supplies Acct. #001-1110-400-4000 for a Total of \$585.00 to Inkjet Printer Acct. #001-1110-999-9902 - Town Council Office

(OVER)

- 12a. Consider and Approve Waiving the Bidding Process for the Purpose of Allowing the Public Works Department to Purchase a New Street Sweeper at a Cost of \$27,000 Along with a Trade-In of a 1991 Athey Mobil Street Sweeper
- b. Consider and Approve a Transfer of Funds Totalling \$27,500 from Various Accounts Within the Public Works Department to Sweeper (Replacement) Acct. #001-5040-999-9911 - Dept. of Public Works
13. Consider and Approve a Transfer of Funds in the Amount of \$8,801. from Part-Time Video Technician Acct. #001-1303-100-1350 and \$1,199 from Portable VCR Acct. #001-1303-999-9903 for a Total of \$10,000.00 of which \$6,700 is being Transferred to Meeting Coverage Cameras Acct. #001-1303-999-9911, \$3,000 is transferred to Relocation Acct. #001-1303-999-9905 and \$300 is transferred to Cablecast VCR Acct. #001-1303-999-9902 - Government Access TV
14. Consider and Approve a Transfer of Funds in the Amount of \$295 from Tire & Tubes Acct. #2031-400-4520, \$200 from Paramedic School Mileage Acct. #2031-500-5700 and \$153 from Seminars & Dues Acct. #2031-700-7990 for a Total of \$648 to Maintenance of Vehicles Acct. #2031-500-5000 - Dept. of Fire Services
15. Consider and Approve a Transfer of Funds in the Amount of \$400 from Seminars & Dues Acct. #2031-700-7990, \$500 from Rubbish Removal Acct. #2032-500-5120, \$1,525 from Fire Surgeon Expenses Acct. #2033-600-6010 and \$675 from Small Equipment Acct. #2038-400-4850 for a Total of \$3,100 to Telephone Acct. #2032-200-2000 - Dept. of Fire Services
16. PUBLIC QUESTION AND ANSWER PERIOD - 7:30 P.M.
17. Consider and Approve a Transfer of Funds in the Amount of \$600 from Clothing Allowance Acct. #2032-400-4800, \$100 from Seminars & Dues Acct. #2036-700-7990 and \$200 from Seminars & Dues Acct. #2038-700-7990 for a Total of \$900 to Laundry Acct. #2032-400-4280 - Dept. of Fire Services
18. Consider and Approve a Transfer of Funds in the Amount of \$225 from Safety Clothing & Equip. Acct. #2031-400-4820, \$256 from Fire Training Supplies Acct. #2032-400-4300, \$40 from Recognition & Awards Acct. #2032-600-6060 and \$179 from Seminars & Dues Acct. #2032-700-7990 for a Total of \$700 to Maintenance of Equipment Acct. #2032-500-5200 - Dept. of Fire Services
19. Consider and Approve a Transfer of Funds in the Amount of \$1,600 from Physical Exams Acct. #2033-500-5760 to Telephone - 911 Acct. #2034-200-2020 - Dept. of Fire Services

20. Consider and Approve a Transfer of Funds in the Amount of \$230 from Maintenance of Electronic Equipment Acct. #2031-500-5310, \$54 from Publications Fire Education Supplies Acct. #2036-400-4290, \$159 from Tires & Tubes Acct. #2036-400-4290, \$140 from Small Equipment Acct. #2036-400-4850, \$39 from Rubbish Removal Acct. #2036-500-5120 and \$21 from Seminars & Dues Acct. #2036-700-7990 for a Total of \$643 to Utilities Acct. #2036-200-2010 - Dept. of Fire Services
21. Consider and Approve a Transfer of Funds in the Amount of \$100 from Physical Exams Acct. #2033-500-5760 and \$200 from Small Equipment Acct. #2039-400-4850 for a Total of \$300 to Maintenance of Equipment Acct. #2039-500-5200 - Dept. of Fire Services
22. Consider and Approve a Transfer of Funds in the Amount of \$13,600 from General Wage Acct. #2032-100-1320 to the following accounts, \$100 to Acting Officers Pay Acct. #2032-100-1360, \$2,000 to Overtime Acct. #2032-100-1400, \$4,000 to Vacation Replacement Acct. #2032-100-1500, \$500 to Training Replacement Acct. #2032-100-1550, \$5,000 to Sick Replacement Acct. #2032-100-1600, \$2,000 to Worker's Compensation Acct. #2032-100-1630 - Dept. of Fire Services
23. Consider and Approve a Transfer of Funds in the Amount of \$230,000 from Purchased Power Acct. #555 to Employee Pensions and Benefits Acct. #926 - Electric Division
24. Consider and Approve a Budget Amendment in the Amount of \$49,200 Increasing the Prior Retained Earnings Account and Decreasing the Net Income Account - Sewer Division
25. Consider and Approve a Budget Amendment in the Amount of \$49,200 Increasing the Employees Pension & Benefits Acct. #926-000 and Decreasing the Net Income Account - Sewer Division
26. Consider and Approve a Transfer of Funds in the Amount of \$3,100 from Pumping Labor & Expenses Acct. #624-000, \$8,100 from Operation Labor & Expenses Acct. #642-000, \$7,000 from Labor for Maintenance of Lines Acct. #673-001, \$1,600 from Meter Reading Expense Acct. #902-000 and \$1,000 from Customer Records and Collection Expense Acct. #903-000 for a Total of \$20,800 to Employees Pension & Benefits Acct. #926-000 - Sewer Division
27. Consider and Approve a Budget Amendment in the Amount of \$38,925. Decreasing Net Income by \$38,925. and Increasing the Deferred Cost on Refinancing Account by \$10,175. and Increasing the Deferred Loss on Refinancing Account by \$28,750. - Sewer Division
28. Consider and Approve a Budget Amendment in the Amount of \$38,925 Increasing the Interest on Long Term Debt Account #427-039 and Decreasing the Net Income Account - Sewer Division

(OVER)

TOWN COUNCIL MEETING

JUNE 14, 1994

6:30 P.M.

SUMMARY

<u>Agenda Item</u>	<u>Page No.</u>
2. SET A PUBLIC HEARING for June 28, 1994 at 7:45 P.M. on a Proposed Vending Ordinance	1
3. SET A PUBLIC HEARING for June 28, 1994 at 8:15 P.M. to Approve a List of Municipal Projects to be Submitted to the State of Connecticut Under the Neighborhoods Assistance Program	1
4. Note for the Record Anniversary Increases Approved to Date by the Mayor	1
5. Note for the Record Mayoral Transfers Approved to Date	1
6. Approve Tax Refunds (#208-319) in the Amount of \$18,800.62 - Tax Collector	1
7. Approve a Transfer of \$159,518.10 from the Grand List to the Suspense Tax Book to Comply with State Statute #12-165 - Tax Collector	1-2
8. Approve a Transfer Totalling \$710 to Professional Services - Data Entry Acct. - Tax Collector	2
9. Withdrawn	
10. Approve a Transfer of \$300 to Advertising Acct. - Town Planner	2
11. Approve a Transfer Totalling \$585 to Inkjet Printer Acct. - Town Council	2
12a. Approve a Waiver of Bid for the Purpose of Allowing the Public Works Department to Purchase a New Street Sweeper at a Cost of \$27,000 Along with a Trade-In of a 1991 Athey Mobil Street Sweeper	2-3
12b. Approve a Transfer Totalling \$27,500 to Sweeper (Replacement) Acct. - Dept. of Public Works	4
13. Approve a Transfer Totalling \$10,000 of Which \$6,700 is Transferred to Meeting Coverage Cameras Acct. and \$3,000 is Transferred to Relocation Acct. - Government Access Television	4

<u>Agenda Item</u>	<u>Page No.</u>
14. Approve a Transfer Totalling \$648 to Maintenance of Vehicles Acct. - Dept of Fire Services	4
15. Approve a Transfer Totalling \$3,100 to Telephone Acct. - Dept. of Fire Services	4-5
16. PUBLIC QUESTION AND ANSWER PERIOD - Middle School Expansion Project; Public Recommendation to Change Order of Agenda; Memorial Day Flag Raising Issue; Electric Division Employee Benefits; Private Property Damage Complaint	14-15
17. Approve a Transfer Totalling \$900 to Laundry Acct. - Dept. of Fire Services	5-6
18. Approve a Transfer Totalling \$700 to Maintenance of Equipment - Dept. of Fire Services	6
19. Approve a Transfer of \$1,600 to Telephone - 911 Acct. - Dept. of Fire Services	6
20. Approve a Transfer Totalling \$643 to Utilities Acct. - Dept. of Fire Services	6
21. Approve a Transfer Totalling \$300 to Maintenance of Equipment Acct. - Dept. of Fire Services	6
22. Approve a Transfer of \$13,600 to Various Accounts Within the Fire Department	6-7
23. Approve a Transfer of \$230,000 to Employee Pensions and Benefits Acct. - Electric Division	7-14
24. Withdrawn	
25. Withdrawn	
26. Withdrawn	
27. Approve a Budget Amendment in the Amount of \$38,925 - Sewer Division	21
28. Approve a Budget Amendment in the Amount of \$38,925 - Sewer Division	21
29. Approve a Transfer of \$4,500 to Administrative & General Expenses	21-22
30. Approve a Budget Amendment in the Amount of \$5,714 Decreasing Net Income - Water Division	22
31. Approve a Budget Amendment in the Amount of \$5,714 - Water Division	22

<u>Agenda Item</u>	<u>Page No.</u>
32. Approve a Transfer of \$100,000 from Various Accounts Within the Water Division to Employees Pension & Benefits Acct. #926-000 - Water Division	22
33. Approve a Waiver of Bid for the Water & Sewer Divisions to Contract with MDC for Sludge Removal for Fiscal Year 1994-95	22
34. Approve and Accept the Minutes of the May 24, 1994 Town Council Meeting	25
36. Report Out From the Town Attorney on Progress Associated with Problems at 59 Wooding Road	25-27
37. Discussion on the Rate Setting Process of the Electric Division	27-29
38. Fail to Authorize a Loan of \$140,000 to the Wallingford Community Day Care Center	15-20
39. Approve the Bid Waiver List for Blanket (Open) Purchases and Special Bid Waiver Lists for Various Departments of the Town for F.Y. 1994-95	29-34
40. Approve a Resolution Requiring All Town of Wallingford Vehicles to Display Town of Wallingford Signage	34-36
41. Executive Session 1-18a(e)(2) - Approve the Settlement Concerning the PCB Violations with the Electric Division and EPA	38

WAIVER OF RULE V

To Allow Wlfd. Day Care Center to Enter Into an Agreement with Dime Savings Bank for a Mortgage in the Amount of \$140,000	20-21
Fail To Reverse PUC Action Taken at Their June 6, 1994 Meeting Regarding Allegheny Ludlum Steel	22-25
Fail to Waive Rule V for the Purpose of Approving a Transfer of \$700 to Overtime for the Fire Marshal	37-38

TOWN COUNCIL MEETING

JUNE 14, 1994

6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, June 14, 1994 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Thomas D. Solinsky at 6:37 P.M. All Councilors answered present to the Roll called by Town Clerk Kathryn J. Wall. Mayor William W. Dickinson, Jr. arrived at 6:46 P.M., Town Attorney Janis M. Small arrived at 7:02 P.M., left the meeting at 7:10 P.M. and re-entered the meeting at 8:00 P.M. Comptroller Thomas A. Myers was also present.

The Pledge of Allegiance was given to the Flag.

ITEM #2 SET A PUBLIC HEARING for June 28, 1994 at 7:45 P.M. on a Proposed Vending Ordinance

Motion was made by Mrs. Duryea, seconded by Ms. Papale.

VOTE: All ayes; motion duly carried.

ITEM #3 SET A PUBLIC HEARING for June 28, 1994 at 8:15 P.M. to Approve a List of Municipal Projects to be Submitted to the State of Connecticut Under the Neighborhood Assistance Program

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: All ayes; motion duly carried.

ITEM #4 Note for the Record Anniversary Increases Approved to Date by the Mayor

Motion was made by Mrs. Duryea, seconded by Mr. Gouveia.

VOTE: All ayes; motion duly carried.

ITEM #5 Note for the Record Mayoral Transfers Approved to Date

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #6 Consider and Approve Tax Refunds (#308-319) in the Amount of \$18,800.62 - Tax Collector

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: All ayes; motion duly carried.

ITEM #7 Consider and Approve a Transfer of Funds in the Amount of \$159,518.10 from the Grand List to the Suspense Tax Book to Comply with State Statute #12-165 - Tax Collector

June 14, 1994

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: All ayes; motion duly carried.

ITEM #8 Consider and Approve a Transfer of Funds in the Amount of \$349 from State Meeting Acct. #001-1420-600-6550; \$147 from Maintenance of Alarms Acct. #001-1420-500-5210 and \$214 from Advertising Acct. #001-1420-400-4100 for a Total of \$710 to Professional Services - Data Entry Acct. #001-1420-900-9010 - Tax Collector

Motion was made by Mrs. Duryea, seconded by Mr. Zappala.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #9 Consider and Approve a Transfer of Funds in the Amount of \$630 from College Training Acct. #2035-500-5710 to Office Supplies Acct. #2035-400-4000 - Fire Marshal

This item was held in abeyance until Mike Lamy, Fire Marshal, arrived. Mr. Lamy was unable to attend the meeting therefore the Council did not address his request.

ITEM #10 Consider and Approve a Transfer of Funds in the Amount of \$300 from Printing Acct. #001-7010-400-4180 to Advertising Acct. #001-7010-400-4100 - Town Planner

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #11 Consider and Approve a Transfer of Funds in the Amount of \$517 from Advertising Acct. #001-1110-400-4100 and \$68 from Office Supplies Acct. #001-1110-400-4000 for a Total of \$585 to Inkjet Printer Acct. #001-1110-999-9902 - Town Council Office

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #12a Consider and Approve Waiving the Bidding Process for the Purpose of Allowing the Public Works Department to Purchase a New Street Sweeper at a Cost of \$27,000 Along with a Trade-In of a 1991 Athey Mobil Street Sweeper

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mayor Dickinson felt that a waiver of bid was not necessary regarding this item due to the fact that it pertains to a defective piece of equipment that is the nature of a claim filed by the Town. It stems from a failure on the part of the manufacturer to repair the 1991 sweeper so as to render it consistently operable. As a result the manufacturer has come forward to replace the apparatus with a new one. The sweeper generally runs in the neighborhood of \$124,000 for a new vehicle. They are providing a new sweeper for the cost of \$27,000 and the trade-in of the existing sweeper that has been the subject of the

June 14, 1994

defects.

Mr. Solinsky understood the facts but still felt that the bidding process should be waived. We have purchased one sweeper and are now expending additional funds for another, basically.

Mayor Dickinson was concerned that the Town was sending a message to the public that we are in the market for buying a new sweeper. We are looking to have one repaired properly that never worked consistently to our satisfaction. The manufacturer has come forward and is looking to make good on one that has had consistent problems. A bid waiver carries with it the image or connotation that we were purchasing a new sweeper which is not the case here.

Mr. Gouveia stated, when the manufacturer proposed to make good on its "lemon" it is still going to cost the Town \$27,000. It is very clear that we are not purchasing a new one. He asked if all parties involved feel comfortable with the \$27,500 settlement of this case?

Henry McCully, Director of Public Works, explained that the sweeper has been in service for two years and has consistently had problems with the engine overheating. The manufacturer even went so far as to cut a hole in the hood to vent some of the heat from the sweeper. The proper repair of the vehicle has aggressively been pursued for two years. It is still under warranty and we are concerned that if we don't accept this offer to make good on the equipment, what are we going to be faced with when the warranty expires? He discussed the issue with Adam Mantzaris, Corporation Counselor who is in agreement with the settlement. Mr. McCully noted that contained in the \$27,500 cost is an \$11,000 price increase on the model from 1991. In reality the net cost is \$16,500.

Mr. Gouveia pointed out that aside from all the aggravation the Town has paid, in essence, \$11,000 for the use of the vehicle for two years.

Mr. McCully agreed.

Mr. Gouveia did not have any problem with the settlement but was in agreement with Mr. Solinsky that a bid waiver should be authorized.

Mr. Killen felt that the Council should vote on waiving the bid.

Mr. Knight asked, when is the new sweeper due to be delivered?

Roger Palermo, newly appointed Garage Foreman responded, September.

Mr. Knight asked, are you going to try to limp along with the current equipment?

Mr. Palermo responded, the manufacturer will keep the current vehicle under warranty and the sweeper will continue to be used until the new one arrives.

VOTE: All ayes; motion duly carried.

June 14, 1994

ITEM #12b Consider and Approve a Transfer of Funds Totalling \$27,500 from Various Accounts Within the Public Works Department to Sweeper (Replacement) Acct. #001-5040-999-9911 - Dept. of Public Works

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

Mrs. Duryea asked Mr. McCully, when will the street sweeping process be complete and at what point in that process is the department?

Mr. McCully responded, the west side of town, Chapel Street in Yalesville, is currently being swept. Tomorrow most of the west side of town will be complete and then the crew will proceed to the east side. The department has been alternating between both sides of town to try to keep the residents happy. The program will be complete in approximately 2 1/2 - 3 weeks.

Mr. Zappala asked, how many sweepers are there?

Mr. McCully responded, we have four sweepers.

Mr. Zappala was amazed that it is taking as long as it is to sweep the town. He suggested taking the FM radios out of the sweepers.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #13 Consider and Approve a Transfer of Funds in the Amount of \$8,801 from Part-Time Video Technician Acct. #001-1310-100-1350 and \$1,199 from Portable VCR Acct. #001-1310-999-9903 for a Total of \$10,000 of Which \$6,700 is being Transferred to Meeting Coverage Cameras Acct. #001-1303-999-9911, \$3,000 is Transferred to Relocation Acct. #001-1303-999-9905 and \$300 is Transferred to Cablecast VCR Acct. #001-1303-999-9902 - Government Access TV

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #14 Consider and Approve a Transfer of Funds in the Amount of \$295 from Tires & Tubes Acct. #2031-400-4520, \$199 from Paramedic School Mileage Acct. #2031-500-5700 and \$153 from Seminars & Dues Acct. #2031-700-7990 for a Total of \$647 to Maintenance of Vehicles Acct. #2031-500-5000 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #15 Consider and Approve a Transfer of Funds in the Amount of \$400 from Seminars & Dues Acct. #2031-700-7990, \$500 from Rubbish Removal Acct. #2032-500-5120, \$1,525 from Fire Surgeon Expenses Acct. #2033-600-6010 and \$675 from Small Equipment Acct. #2038-400-4850 for a Total of \$3,100 to Telephone Acct. #2032-200-2000 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Zappala.

June 14, 1994

Mr. Zappala asked if there is any other company that can service us besides AT&T?

Chief William Harrington responded, at the present time we unaware of any. We are looking into trying to modernizing our own phone systems at Central Fire Headquarters. At that point AT&T, SNET and a few other companies are being asked to submit proposals for upgrading the system. Close to the beginning of the budget year SNET sold out all of its hardware. SNET has not been able to provide the department with any documentation which reflects the reason why they should be allowed to raise their rates. Due to that fact SNET has come down a little on their rates since the inception of the increase. A portion of the increase is due to the addition of phone lines along with a one-time labor charge. Particular lines were also dedicated to each of the volunteer companies for modems to allow them to do their training reports to eliminate the hand-delivery of reports. There have also been several upgrades of the equipment during the year. Due to all of these factors the department fell short in this account.

Mr. Zappala stated that it seems odd that they can simply double their charges without the State regulating them.

Chief Harrington agreed and responded that the internal auditor has been trying to get a reduction and has succeeded in getting some.

Mr. Killen asked if the rates are subject to the DPUC (Department of Public Utilities Commission)? He suggested that someone from the Fire Department call Hartford on that matter.

Chief Harrington took the suggestion into consideration. The equipment is part of a lease arrangement, however, neither one of the parties involved has been able to produce any lease documents supporting that fact.

Mr. Zandri asked if it is a monthly fee?

Chief Harrington responded, yes, because it is their equipment.

Mr. Zandri asked if the department has looked into the cost of purchasing the equipment outright?

Chief Harrington stated, that is why the department is currently considering all options surrounding the upgrading of the 911 system, purchasing the equipment is one of those options available. He has been in contact with AT&T, SNET and a Motorola distributor who has some telephone experience. They are all scheduled to review an upgrade of the system with the department. The present equipment under lease is so out of date that replacement parts cannot be obtained for the system.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #17 Consider and Approve a Transfer of Funds in the Amount of \$600 from Clothing Allowance Acct. #2032-400-4800, \$100 from Seminars

June 14, 1994

& Dues Acct. #2036-700-7990 and \$200 from Seminars & Dues Acct. #2038-700-7990 for a Total of \$900 to Laundry Acct. #2032-400-4280 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen, Zandri and Zappala, no; all others, aye; motion duly carried.

ITEM #18 Consider and Approve a Transfer of Funds in the Amount of \$225 from Safety Clothing & Equipment Acct. #2031-400-4820, \$256 from Fire Training Supplies Acct. #2032-400-4300, \$40 from Recognition & Awards Acct. #2032-600-6060 and \$179 from Seminars & Dues Acct. #2032-700-7990 for a Total of \$700 to Maintenance of Equipment Acct. #2032-500-5200 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #19 Consider and Approve a Transfer of Funds in the Amount of \$1,600 from Physical Exams Acct. #2033-500-5760 to Telephone - 911 Acct. #2034-200-2020 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #20 Consider and Approve a Transfer of Funds in the Amount of \$230 from Maintenance of Electronic Equipment Acct. #2031-500-5310, \$54 from Publications Fire Education Supplies Acct. #2036-400-4290, \$159 from Tires & Tubes Acct. #2036-400-4520, \$140 from Small Equipment Acct. #2036-500-5120 and \$21 from Seminars & Dues Acct. #2036-700-7990 for a Total of \$643 to Utilities Acct. #2036-200-2010 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen, Zandri & Zappala, no; all others, aye; motion duly carried.

ITEM #21 Consider and Approve a Transfer of Funds in the Amount of \$100 from Physical Exams Acct. #2033-500-5760 and \$200 from Small Equipment Acct. #2039-400-4850 for a Total of \$300 to Maintenance of Equipment Acct. #2039-500-5200 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #22 Consider and Approve a Transfer of Funds in the Amount of \$13,600 from General Wage Acct. #2032-100-1320 to the Following Accounts, \$100 to Acting Officers Pay Acct. #2032-100-1360, \$2,000 to Overtime Acct. #2032-100-1400, \$4,000 to Vacation Replacement Acct. #2032-100-1500, \$500 to Training Replacement Acct. #2032-100-1550,

June 14, 1994

\$5,000 to Sick Replacement Acct. #2032-100-1600, \$2,000 to Workers Compensation Acct. #2032-100-1630 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Ms. Papale asked why there were excess funds in so many of the wage accounts?

Chief Harrington explained that the department experienced a loss of one of their firefighters earlier this year and due to the time constraints imposed upon the department by the testing procedure the position has not yet been filled. That has also created part of the shortfall in the overtime account. Two people are currently out of work on heart and hypertension disability and coupled with the loss of the above-mentioned firefighter, the manpower of the department has been diminished. Under the department's minimum manpower act those positions have to be filled by the rest of the force, thus affecting the overtime account.

Ms. Papale was concerned about the fact that many people have applied for the positions and it has not yet been filled.

Chief Harrington explained that the testing procedure is still taking place. Tomorrow is the last day for the oral exams. It was anticipated that a certain number of applicants were expected to take the oral exams, however, the actual number of applicants that did exceeded the expectations. We had to wait until the same examiners were available for all the oral exams. The physical agility test needs to be scheduled with the Personnel Department. Hopefully in July the position will be filled. Captain Neal Johnson has recently notified the department of his plans to retire as of July, Chief Harrington informed the Council, and thanked him for his many years of service to the department.

Frank Wasilewski, 57 North Orchard Street stated that it has been eight months since the firefighter position has been vacant, why would it take so long to fill?

Chief Harrington responded that the Personnel Department has not provided the department with a list of candidates who are capable of filling the position. Upon receipt of list the position will be filled within one month.

Mr. Wasilewski was opposed to transferring salary funds into other accounts. It should remain in a salary account or put back into the treasury.

VOTE: Killen, Zandri & Zappala, no; all others, aye; motion duly carried.

ITEM #23 Consider and Approve a Transfer of Funds in the Amount of \$230,000 from Purchased Power Acct. #555 to Employee Pensions and Benefits Acct. #926 - Electric Division

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

June 14, 1994

William Cominos, General Manager of the Electric Division explained that the arbitration award arrived at after years of negotiating reflected the following changes; increase in the multiplier from 2% to 2.15%; increase in maximum possible pension from 70% to 75%; change to straight five year vesting; ability to buy-back military wartime service, up to two years and it is retroactive to January 4, 1990. This means that the electric division has to reflect an outstanding liability of an additional thirty-three employees with their sick time. The dollar value of that sick time amounted to \$230,000. The division must accrue these anticipated costs.

Mr. Killen was of the opinion that it is not necessary to place the entire amount into the pension at this point in time. We are notorious for over-funding the pension account. What would happen if the division did not have the money to fund this?

Mr. Cominos responded that the Town would, one way or another, have to come up with the money.

Mr. Zandri asked, what recourse does the Town have for arguing its position on this particular contract?

Mayor Dickinson responded, we submitted the last, best offer to the union and arbitration provided this award. At this point there is no recourse. This award (Case No. 9091-MBA-104, May 6, 1994, Consolidated Pension Plan, Town of Wallingford and IBEW Local 457) puts the units in line with everyone else. It is not a departure from what other employees units, other than hazardous, have enjoyed. This award does not break any new ground.

Mr. Zandri stated, unfortunately for the taxpayer, the award is never in favor of them, but rather the unions. The arbitration award does not give the town any flexibility to refuse to fund these awards.

Mayor Dickinson did not disagree with Mr. Zandri. This is the process available to us as we all know. The collective bargaining eliminates the right to strike and, as a result, arbitrators determine which elements of the last, best offer submitted by the competing parties are awarded.

Mr. Zandri stated that there are a lot of concessions being sought of the unions in private industry to help stabilize business that are suffering from these economic times. Unless the Town decides to take a hard stand on these awards, and it is a tough stand to have to take not funding the awards, we will continue to see the benefit packages increase as well as the salary packages. We must take a hard stand on this issue.

Alexander Kovacs, Chairman of the Public Utilities Commission agreed with Mr. Zandri that the Town needs to take a hard stand in the future.

Mayor Dickinson responded, this item, however, is a liability of the Town with regard to the pension plan and the right of the employees to benefits under that plan. A failure to fund it only increases

June 14, 1994

liabilities thereafter in the future. The right does not go away, it just means that the account is not funded which creates question marks regarding our overall fiscal situation. If we have the ability to provide the funding we should do so.

Mr. Zandri clarified his meaning of a hard line stand. There are two ways to fund the award, you can continue to fund it without the make up of funds by laying off positions to make up the difference. The unions have to understand that the Town means business and if they continue to seek these awards they must understand that someone is going to have to be laid off to make up the difference for the Town to fund the awards.

Mayor Dickinson responded, a pension plan is different than a wage plan. Laying off employees, those remaining are still entitled to the benefits as afforded under the plan with the amendments approved by the arbitrator. On direct wages you can reduce what you need to fund by laying off. It is not as clear a picture with a pension plan.

Mr. Zandri stated, you can make up the difference by totalling up the dollars.

Mr. Knight shared Mr. Zandri's frustration with the system. The Council is left as the last line of defense to protect the taxpayers. The State writes the rules and we have no say. This is not our only opportunity to change the system. There is no doubt in his mind that a lot of the blame lies in Hartford and a lot of changes need to take place before we get stuck and try to circle the wagons to protect the taxpayers and lay off employees as a last resort.

Mr. Gouveia asked Tom Sharkey, Acting Personnel Director, to explain the circumstances surrounding the award.

Mr. Sharkey explained that it took approximately seven (7) years to settle this award. The original pension plan expired in 1987. It was pushed to the back burner many times due to the negotiating of the three utilities' contracts on two separate occasions. When the arbitration law was changed, any contract that was or should have been in arbitration in May of 1992, would be covered by the old law. Under that law the Town had to accept the arbitration award like it or not. The only recourse the Town had was to go to court and try to vacate the award. Obviously, that was not the course taken by the Town. It was a stipulated award where both parties continued to narrow the issues until an agreement was reached and the arbitrator simply gives his o.k. to it.

Mr. Gouveia clarified that a stipulated award is one in which both parties negotiate until they reach an agreement and the arbitrator simply makes it official by giving his o.k. on it. We should not cast stones at the State if both parties negotiated the agreement.

Mr. Knight commented that the entire process took place under the guise of State rules. When we negotiate these contracts we have to consider the worst case scenario with regards to what the arbitrator will award. The system has been "stacked" against the towns in the

June 14, 1994

State of Connecticut. That is where the changes need to take place and they have yet to be substantially modified in our favor.

Mr. Sharkey explained that this was the last pension plan under the old law. Any new pension plan for this or any other group will have to come before the Council whether it is an arbitrated award or not. At that time the Council will have a chance to vote on it.

Mr. Gouveia stated that his comments were made solely to correct a misunderstanding.

Philip Wright, Sr., 160 Cedar Street asked, what would happen if we just said no?

Mayor Dickinson responded that it would represent a failure to meet a liability this year that would be compounded with each passing year. We have an obligation that we are now aware of in the amount of \$230,000 pursuant to a contractual relationship with employees for pension benefits. To bring that current it would require \$230,000. Failure to pay that would mean that amount, plus an additional amount would have to be paid in the future. All that does is increase the amount of money that is a liability of the Town. That liability would be reflected on all financial documents and analysis of the Town. Ultimately the Comptroller would have to answer questions as to why the Town is not meeting its obligations with regards to this contractual liability.

Mr. Wright asked, who signed on the dotted line for this agreement?

Mr. Sharkey responded, our chief negotiator.

Mr. Wright asked, how much money does this cost the town each year for the award?

Mr. Sharkey answered that the actuarial factors involved in this came out to be approximately 1.9% of payroll for the electric and water division, non-hazardous employee group. He was not prepared to calculate out an approximate figure for Mr. Wright.

Mr. Wright was of the opinion that the taxpayer is being committed to shoulder the burden of the award and should be aware of the amount of money that they are being committed to. Those figures should have been prepared so the public could be informed of them this evening. He is dismayed that the Council, who is the watchdog of the taxpayers, had no say in whether or not this award is agreeable to the them. He is tired of hearing the excuse, "we are not going to break any new ground" and asked, when are we going to finally break new ground and say no to something around here? It has to happen. No one ever does anything to curb the salaries in this town. He asked the Council if they were happy that they had no say in this decision?

Mr. Killen responded, he was not. He is tired of the scene where the Council is presented with an agreement and told that if they don't fund it everyone looks down their noses at them and they are supposed to come up with the dollars for these agreements.

June 14, 1994

Mr. Wright asked, why don't we just say no to the arbitration case?

Mr. Killen responded, you are asking the wrong people that question?

Mayor Dickinson interjected that the town is presented with the fact that there will be an award. If the town claims that they will say no to everything requested, the arbitrator will ultimately be faced with what the union requested and that we rejected everything. Given patterns of decision-making over the past, given benefits now held by other employees as indicated by Mr. Sharkey, the chances are better than not that the arbitrator would have sided with the unions. At that point it would be a much higher award and, in fact, it may have gone into areas of heavier costs such as the cost of living. At that point there would have been a rightful question of, "why did the negotiating open the town up to an even heavier liability and not look to settle it within the bounds of what other employees already enjoyed?" The second course of action was taken, limiting our liabilities. I have to believe that is the appropriate course to take.

Mr. Wright commented, Mr. Sharkey admitted that the union's position in this matter was to give in on a few issues in order to get what they wanted and that they would come back in a few years to get what they gave up in the first place. They are so sure that they will get it too. We just keep giving and giving and giving. It has to come to an end as far as the taxpayers are concerned.

Mr. Sharkey explained that pension negotiations are different than contract negotiations. One of the main factors in this one and upcoming contracts the Council will be voting on is the excellent financial status of our pension fund. We are 97% funded, \$70,000,000 is currently in the plan and we certainly cannot cry poverty as to how well we are doing with that. We are ahead in the funding of the plan. Unlike contract negotiations, where you can talk about the taxpayer paying more and more and raising taxes, they can look at the pension plan and say that we have a tremendous amount of money and there is no reason why we cannot afford the benefits without reducing your overall level of funding.

Mr. Wright responded, we are too fat and happy. Our pot is too big. Everyone who comes along wants to grab what they can get. How can we ever plead that the town cannot afford anything with the surpluses we have?

Mr. Killen echoed Mr. Wright's comments. He felt that he had more say on an issue like this one as a member of the public than as a Councilor. Suppose this award was of a nature that none of the divisions could afford to fund it? Would the town suddenly collapse or would we let it go? Do we have enough funds to cover this if we didn't approve the transfer this evening?, he asked Mr. Sharkey.

Mr. Sharkey responded, whether we need to be fully funded, in a sense, for all the people that we are liable for on July 1st, I really don't know. That would be something that the Comptroller or Mayor could tell us.

June 14, 1994

Mr. Killen reminded Mr. Sharkey that Mr. Valenti, Pension Commission member, has stated on more than one occasion that he is unclear as to why the figure that is given the commission by the actuaries that the actual amounts put in the pension fund later on are much higher than what was requested by the actuary.

Mr. Sharkey pointed out that the percentage arrived at for determining the amount to be contributed by the town into the pension fund is always one year out of line. If the actuary determines the rate of contribution at 11%, it is not until the next year that the formula is applied. In that future year we may not need 11%, we may only need 10%. Another factor to consider is the overtime. This year we had an enormous increase in overtime due to the many snowstorms we experienced. That was something that the actuary could not have foreseen and therefore was not accounted for. These factors influence why more may be paid out than what is recommended. The third factor is that by the time we apply it we are a year down the road and wages have increased somewhat.

Mr. Killen asked, how many years do we have left under the original plan to become fully funded?

Mr. Sharkey responded, fifteen (15).

Mr. Killen asked, how far along is the fund?

Mr. Sharkey answered, we are 97% funded.

Mr. Killen pointed out that is the kind of information that should be given to the Council when the agreement is presented so that they can make the decision as to whether or not the plan should be funded this year or not funded. Soon the plan will be funded 110% and everyone will have a field day with it while the people who funded it will take a licking.

Mr. Gouveia explained that if every single employee retired tomorrow we would be able to meet 97% of that obligation. How realistic is that?

Mr. Sharkey stated that it is impossible to know exactly who will or will not be retiring from one month to the next.

Mr. Gouveia commented, because of this agreement thirty-three (33) individuals can now accrue sick time if they retire. How many people retire after five (5) years of service?

Mr. Sharkey responded, none.

Mr. Gouveia pointed out, yet, you are asking right now to fund the \$230,000 for these same individuals who will not retire after five years of service. He asked, what is the minimum amount of service that an employee can have before he can retire and immediately draw on the pension?

Mr. Sharkey answered, normal retirement is fifteen (15) years at age sixty-two (62), or thirty (30) years and at any age.

June 14, 1994

Mr. Gouveia was not opposed to the two year wartime service buy back. He was of the opinion that those employees eligible are entitled to it.

Mayor Dickinson asked, how was the \$230,000 arrived at?

Mr. Cominos explained that the \$230,000 is the actual number of sick days translated to dollars that the division would have as a liability tomorrow if everyone were to retire.

Mayor Dickinson stated, if we did not use standards and we guessed at what we should finance then he could understand concerns. We use standards. If you know there is an obligation and we fail to meet it knowing that it is there, what is the message we are sending to the public? Are we telling them we don't have the obligation? We do have it but we don't have to worry about it? This is money that the town potentially owes whether it is today or sometime in the future.

Mr. Killen pointed out that when the town goes out to bid for a fifteen year period, to the best of his knowledge we budget for that year's principle and interest. We don't put the entire fifteen years in.

Mayor Dickinson responded, we have the ability to fund this today, we may not have the ability in five years. On what basis do we say we are not going to fund an obligation that we know of today, just because we don't want to?, just because we are frustrated with the system? I get frustrated with it too.

Mr. Killen asked if we have all our money put aside for our bond issues?

Mayor Dickinson answered, no. The bond issues fall under different standards then pension plans.

Mr. Killen pointed out that they are also an obligation pure and simple.

Mayor Dickinson commented, as long as we obey a professional standard then we have an objective measure. At the point that we depart from that, if we don't fund this, why not not fund this year, not fund the year after that? When do you fund once you depart from a professional standard. At that point there is no objective standard, no professional measure to use. He reminded everyone that at the point the plan is 100% funded, you must still make an annual contribution.

Mr. Killen asked, why?

Mayor Dickinson explained that each year there is a new liability associated with the plan.

Mr. Killen responded, if your money is bringing in more than you anticipated why must we put in more on this end? If you investments earn you more money than planned then you don't need to budget for the pension plan that year.

June 14, 1994

Mr. Gouveia stated that no one takes exception to the fact that everyone realizes that we need to meet our obligations. The standards don't seem to be realistic. If every town employee were to retire tomorrow we would be able to meet that obligation 97%. What is the likelihood that that would happen?

Mayor Dickinson answered, what is lost sight of here is that there is an obligation, yes. It is an ongoing obligation. We don't want the town to end tomorrow but the external professionals who analyze and review the town utilize professional standards. You are not happy and are criticizing actuarial standards used. What standard do you want to replace it with?...what anyone feels like financing it for that year? What new standard gets placed there once you depart from the professional standard? Right now we are using a standard that is recognized by reporting agencies, IRS, anyone who wants to analyze from an objective basis the position of the town.

Mr. Gouveia responded, too often we adopt the standards of the people whose heart and souls are in Wall Street and not in the streets of Wallingford. Just like the previous item in which most of us felt that we were letting the State dictate to us, we are letting other people who, perhaps, have never been to Wallingford dictate to us what the standards should be regarding our pension plan.

VOTE: Gouveia, Killen, Zandri & Zappala, no; all others, aye; motion duly carried.

PUBLIC QUESTION AND ANSWER PERIOD

Tim Cronin, 47 S. Ridgeland Road stated, at this present time there is no need to expand the middle schools. We have another four or five years before we have to consider a solution during which time we could experience an important change to the school system with the Scheff v. O'Neil case before the courts. He urged the Council to wait three to four years on the issue of expanding the middle schools. He distributed a prepared statement of his opinions on this matter to the Council for their perusal.

Philip Wright, Sr., 160 Cedar Street stated that the meeting has been in session approximately two hours and up until this time all that has been discussed are transfers or budget amendments. There are a lot of people in town who don't care about the transfers. He recommended reversing the order of the agenda. Have the Council review the issues of importance to public at the beginning of the meetings and holding off the transfers until afterwards. He is of the opinion that the department heads have mismanaged their budgets and therefore have to request transfers, therefore let them wait until after the issues of interest to the public are discussed.

Mr. Solinsky stated, it is possible to change the order of the agenda but he does not recommend it nor was he in favor of doing so.

Bernadette Rhenda, 753 North Main Street Ext. stated that she was extremely upset with the recent dispute between the janitors and Board

of Education surrounding the raising of flags at the public schools on Memorial Day. She offered to raise flags, herself, in the future on such an occasion should the need arise.

Frank Wasilewski, 57 North Orchard Street informed the Council that the Mayor budgeted \$1,819,420 for employee benefits for the electric division of which there are eighty (80) employees. That translates to \$22,742.00 per employee for benefits. He urged the Council and Mayor to clamp down on the salaries and benefits offered by the town. We will go bankrupt at this rate.

Diana Hotchkiss felt it was pitiful that the Council fights for a budget and then everyone transfers in and out of it. She explained that she filed a claim with the Town Clerk for a broken windshield caused by a rock thrown from the sander of a town-owned Public Works truck during a snowstorm. She has been told that the claim is not valid due to the fact that she failed to get the truck number at the time of the alleged incident and that she was on Town Farms Road which someone in the Town informed Ms. Hotchkiss is not a public street. She would like some answers on this issue.

Town Attorney Janis Small will look into this claim and will try and obtain answers for Ms. Hotchkiss.

ITEMS 24, 25 & 26 Withdrawn

Motion was made by Mrs. Duryea to Move Agenda Item #35 Up to the Next Order of Business, seconded by Mr. Knight.

VOTE: All ayes; motion duly carried.

ITEM #35 Consider and Approve a Request by Wallingford Center, Inc. to Make Use of the Parking Lot of 88 South Main Street for Celebrate Wallingford Festivities.

Motion was made by Mrs. Duryea, seconded by Ms. Papale.

VOTE: All ayes; motion duly carried.

ITEM #38 Motion was made by Mrs. Duryea to Move Agenda Item #38 Up to the Next Order of Business, seconded by Mr. Rys.

VOTE: All ayes; motion duly carried.

Discussion and Possible Action on Authorizing a Loan of \$140,000 to the Wallingford Community Day Care Center. Said Load to be Evidenced by a Note of 5% and Secured by a Mortgage Placed on #2 Washington Street, Wallingford - Wlfd. Community Day Care Center

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Solinsky noted that there was no back up information on the actual loan.

Mayor Dickinson responded that due to time constraints the paperwork

June 14, 1994

had not yet been developed.

The Wallingford Community Day Care Center found themselves faced with an immediate cash flow problem with regards to the construction of a new day care center. The center had received approval for a \$140,000 loan with Dime Savings Bank which was to have been closed on next week when it was discovered that any agreement with the bank must include the Town's approval since the Town owns the land. The center is requesting that the Town allow them to enter an agreement with Dime Savings Bank for a mortgage in the amount of \$140,000 with the understanding that the Town's liability in this matter will be limited to the potential risk that the property may be encumbered should the day care center default on said loan.

Mayor Dickinson felt that the request should be handled quite the same as the Housing Authority was handled which is to loan the money with a pay back of principle and interest of 5% per year over the term of the lease, ten years. A note evidencing said loan will have to be developed, placing a mortgage against 2 Washington Street, the current location of the Wallingford Day Care Center. Upon the sale of the property at 2 Washington Street all proceeds will be placed against the note with the Town.

Kathleen Queen, Executive Director of the Wlfd. Day Care Center explained that, up until this point, the construction project has been funded largely by the \$668,000 that has been secured through State bond funds. The project was contingent upon the sale of the existing facility at 2 Washington Street which carries no mortgage at this time. Due to the depressed real estate market the property has not moved as quickly as everyone had hoped it would. Last week's reappraisal of the property reduced the value of it from nearly \$200,000 to \$119,000.

She went on to say that in the midst of this crises they are also facing serious problems with their general contractor, Interior Technology, Inc. of Torrington. Over the past several months complaints from subcontractors claiming that they had not been paid led the staff of the day care center to consult with Atty. Gerry Farrell. On his advice, beginning with the March requisition for payment, the center began issuing joint checks to subcontractors. This action has caused delays in the project. Currently they are six months behind schedule. In recent weeks it seems that some subcontractors have been fired for refusing to work until paid and new subcontractors have been hired. The center's issuing of joint checks has resulted in even more "buck-passing". This is a bonded job and the center needs to secure the balance of funds necessary before they attempt to call the bond.

The center's low income families have raised nearly \$50,000 for this project over the last few years. That money has paid for miscellaneous fees, unanticipated costs, architectural and engineering costs and the like. A bridge loan or mortgage will allow the center to finish the building and occupy it as quickly as possible.

Mr. Solinsky asked Ms. Queen if she feels that the problems will be

June 14, 1994

resolved with the contractor?

Ms. Queen responded, I would like to think so. We are going to finish the building and finish it very quickly, whether the problems with the contractor are resolved or not. The building is 95% done. She has assurances from all the subcontractors that they will work with the center.

Mayor Dickinson asked that the record reflect that new construction is occurring on Town land on Wharton Brook Drive. The current site of the day care center is owned by the center.

Mr. Gouveia asked, the mortgage constitutes a lien for both the land and the building?

Mayor Dickinson answered, the mortgage will be against the land as well as the building. The building becomes Town property at the point that the lease is terminated.

Mr. Gouveia stated, there are two options, one is to sign off on the loan from Dime Savings Bank or the Town can loan the center the money.

Mayor Dickinson commented, rather than pay a higher interest rate with a commercial bank, it would make more sense for the Town to loan the money out of our cash flow and receive the payment back rather than have an obligation reflecting a higher cost through the commercial bank process.

Mr. Gouveia was of the opinion that the Town would be giving the impression that it does not have any faith in the day care center to repay their loans by foregoing the signing of the mortgage and lending the center the money ourselves. He asked Ms. Queen if she anticipated any problems with paying a mortgage to Dime Savings Bank?

Ms. Queen responded, no. The center has applied for additional bond money and has done everything possible to make sure that the project is paid for as quickly and easily as possible. She does not anticipate any difficulty at all with paying back the loans.

Mr. Gouveia stated that the Town should not go into the business of lending money. He preferred to sign off on the Dime Savings Bank mortgage rather than have the Town engage in the business of loaning money.

Mayor Dickinson responded that the Housing Authority has set precedent in the past. The Town has loaned money to the Housing Authority and they are paying it back. The Housing Authority is a quasi-State agency. The day care center is not, however, the day care program is one that the Town sponsors. We receive grant money from the State for day care.

Mrs. Duryea stated that she would feel more comfortable with the lien on the property vs. loaning the \$140,000. She explained that she supports the day care program, however, she did vote against lending the Housing Authority their funds also.

June 14, 1994

Ms. Queen explained how the loan from the Town would benefit her organization by giving them the opportunity to pay less of an interest rate, therefore resulting in a quicker payoff of the loan. This way the center would not have to place an additional financial burden on the clients by charging higher rates for day care service to help the center pay off a commercial loan. She reminded the Council that the center services low income families, some of which have difficulty paying for the service as it currently stands.

Mr. Zandri commented, even if the center were to take out the longer term loan with Dime Savings Bank the odds are that the loan would be paid off in a very short time when the property on Washington Street was sold. He was against the Town loaning the Housing Authority their money and he is against loaning the money to the day care center as well. He would much rather see the Town sign off on the property for the bank.

Mr. Knight asked, what parallel is there between the Town loaning the day care center \$140,000 and because they are going to have a facility that they operate that they have to pay off on Town property and the original scheme to finance a hockey rink in the same way; a private operator or corporation would establish a facility on Town-owned property where enough revenue is supposed to be generated to pay off that loan? There seems to be a great parallel to Mr. Knight.

Mayor Dickinson responded, there are differences. One is that this is an existing service involving financing from the State of Connecticut. In addition, the proposal on the hockey rink reflects a representation that it will pay for itself and that is what everyone would like some more proof of. Everyone will agree that day care is a higher priority in terms of its place in the types of services needed by citizens in order to allow them to function productively. If everyone is nervous about the loaning of money the Town can authorize a lien but overall, that takes us in a new direction that has not been taken before.

Mr. Killen concurred with those Councilors who would rather place a lien on the property vs. the Town loaning money. He was very upset with the fact that there is an item on the agenda (authorizing a loan to the day care center by the Town) when, in fact, the last paragraph of Ms. Queen's letter specifically requests the Town's authorization to enter into an agreement with Dime Savings Bank for a mortgage in the amount of \$140,000. There was no request by the center to have the Town loan the funds.

Ms. Queen pointed out that the center was not aware that the bank required the signature of the Town until the day before the closing. In conversation with the Mayor the suggestion was that it would be better for the Town to grant the loan directly, therefore that is why it appears on the agenda the way it does.

Mr. Killen was perturbed due to the fact that the Council is the body which has the authority to take, hold, lease, purchase property and negotiations were held without anyone from the Council present for discussion.

June 14, 1994

Mayor Dickinson replied, that is the reason we are present this evening. It is his responsibility to the Town to make recommendationsit is an appropriate place for day care and other services to seek guidance.

Mr. Zappala was not opposed to either option available for the day care center.

Mr. Solinsky asked, what would the day care center do if a mortgage was placed on the 2 Washington Street property and the new center was finished and ready for occupying and there were no potential buyers in sight for the former center building?

Ms. Queen was hoping that they would not have to face such a scenario. At this point arrangements have been made to have it insured. The realtor has assured the center that the property will sell fairly soon. The property will not be left vacant. If push comes to shove the property will be leased to avoid vacancy.

Ms. Papale did not have any problem with either option offered.

Mr. Gouveia lauded Ms. Queen and the board of the Wallingford Community Day Care Center for their efforts that they have made in trying to come up with the new day care center. He especially lauded those individuals who came up with the \$50,000 (applause) to help in the construction of the center. His concern, however, is that there are many other organizations that provide much needed service to the Town such as the Boys Club, Emergency Shelter, Visiting Nurses, etc. He did not want to start a precedent. He supported the original request. He recommends a motion that would grant the authorization to have the Town sign for a lien.

Tim Cronin, 47 S. Ridgeland Road urged the Council not to vote in favor of the loan. The property is not worth that much. He asked, what would happen if the State cut their funding back by as much as 50%?

Ms. Queen responded, we would have to cut back services and we would not be able to serve as many companies as we now do.

Mr. Cronin felt that due to the economic climate of the state a lot of the social programs are going to feel the axe. He felt that it was not a good procedure to follow, loaning the funds.

Mark Youngblood, 8 Hayledge Court disagreed strongly with Mr. Cronin. He felt that the Council was losing sight of some important issues. He reminded the Council who the day care center serves. He felt that the Mayor was wise in proposing the Town save the center 4% interest thereby insuring that there is no talk of foreclosure.

Philip Wright, Sr., 160 Cedar Street believes that the Town should properly enter into such arrangements. He was not the least bit concerned about setting a precedent. He felt that as long as there are good people sitting on the Council and good people involved in organizations such as this (day care center) that the Town should not

really hesitate to provide them with the funds. They (day care center) do provide a good service to the Town. You should not be concerned about entering into this arrangement (applause).

Jodi Snead, Board of Director member, urged the Council to consider the entire scope of this issue with regards to the effect the day care center has on the many lives of parents and children who utilize the service and how valuable it is to sustaining financial security to many families in town (applause).

Ada _____, 49 Ward Street informed the Council that her son Adam attends the day care center. She was pleased to know that he is in a safe environment now and she has witnessed a wonderful transformation in his personality because of it. She offered to help in any way possible so that the day care center could obtain the loan (applause).

Tina Merehoff(?), stated that her son attends the day care center. If he did not she would be unable to work. She cannot afford other day care. She pleaded with the Council to help the center (applause).

Mrs. Duryea clarified that there is no opposition on the part of the Council to the day care's operation of the center. There is only opposition regarding the route to take so that the center could be completed.

Ms. Queen stated that either option is fine with her, whether it be the loan or the signing for a lien, urgency is the key issue right now. It is a fact, however, that a lower interest rate will assist the center in paying off the loan quicker.

Mr. Zappala made a motion to Approve the Loan from the Town of Wallingford to the Wallingford Community Day Care Center and Direct the Mayor to Follow Through on Filing the Necessary Paperwork to Facilitate the Loan, seconded by Ms. Papale.

VOTE: Papale, Zappala and Solinsky, aye; all others, no; motion failed.

WAIVER OF RULE V Motion was made by Mr. Gouveia to Waive Rule V of the Town Council Meeting Procedures for the Purpose of Allowing Wallingford Day Care Community Center to Enter Into an Agreement with Dime Savings Bank for a Mortgage in the Amount of \$140,000., seconded by Mr. Killen.

VOTE ON WAIVING RULE V: All ayes; motion duly carried.

Mr. Solinsky asked if there is going to be language added to secure their existing building with the transaction?

Atty. Small pointed out that there was no reference to a lien and that the Council may want to specify in documents that the proceeds from the sale of the old property have to be applied to that loan.

Ms. Queen stated that the language appears in the documents.

Mr. Gouveia withdrew his motion.

Mayor Dickinson drafted a motion which Authorizes Wallingford Day Care, Inc. to Encumber the Wharton Brook Drive Property with a Mortgage Securing a Loan of \$140,000 to Dime Savings Bank. Moved by Mr. Gouveia, seconded by Mr. Killen.

VOTE: Papale, Zappala and Solinsky, ayes; all others, aye; motion duly carried.

ITEM #27 Consider and Approve a Budget Amendment in the Amount of \$38,925 Decreasing Net Income by \$38,925 and Increasing the Deferred Cost on Refinancing Account by \$10,175 and Increasing the Deferred Loss on Refinancing Account by \$28,750 - Sewer Division

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Killen stated that the minutes of the last Public Utilities Commission Meeting were not available to the Council to review/verify any action of the commission nor are the financial reports for the month of May available. The Council is acting blindly.

Ray Dennison, Officer Manager, Water & Sewer Division responded that the financial reports for the month of April were submitted to the P.U.C. and they have not yet seen the month of May. Mr. Dennison received his copy of the May figures today. They have been forwarded to the P.U.C. for their meeting next Tuesday.

Mr. Killen stated, if the Council is expected to take action on items for the utilities then the financial reports and minutes have to be available for the information.

Mr. Dennison responded, the division complies with the schedule given to them regarding their minutes and financial reports. He reminded Mr. Killen that the division requested the same transaction be approved during the budget workshop and the Council complied at that time.

VOTE: Killen & Zandri, no; all others, aye; motion duly carried.

ITEM #28 Consider and Approve a Budget Amendment in the Amount of \$38,925 Increasing the Interest on Long Term Debt Account #427-039 and Decreasing the Net Income Account - Sewer Division

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #29 Consider and Approve a Transfer of Funds in the Amount of \$4,500 from Operation Labor & Expense Account #642-000 to Administrative and General Expense Account #920-000 - Sewer Division

Roger Dann, General Manager of the Water & Sewer Divisions commented, in reviewing the proposed transfer earlier today, we recognized that

June 14, 1994

the record that was utilized in preparing this had an error in it. The amount that is being requested is needed but inadequate for the remainder of the year. At a later time we will be coming back again before the Council requesting an additional amount of funding.

VOTE: Killen & Zandri, no; all others, aye; motion duly carried.

ITEM #30 Consider and Approve a Budget Amendment in the Amount of \$5,714 Increasing the Interest on Long Term Debt Acct. #427-000 and Decreasing Net Income - Water Division

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #31 Consider and Approve a Budget Amendment in the Amount of \$5,714 Decreasing Net Income by \$5,714 and Increasing the Deferred Cost - Refinancing Account by \$1,520 and Increasing the Deferred Loss - Refinancing Account by \$4,194 - Water Division

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #32 Consider and Approve a Transfer of Funds in the Amount of \$100,000 from Various Accounts Within the Water Division to Employees Pension & Benefits Account #926-000 - Water Division

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #33 Consider and Approve a Waiver of Bid for the Water and Sewer Divisions to Contract with MDC Sludge Removal for Fiscal Year 1994-95 - Water & Sewer Divisions

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Killen asked Mr. Dann to provide him with the other cost proposals received for sludge removal.

Mr. Dann agreed to forward said information to Mr. Killen.

WAIVER OF RULE V Motion was made by Mr. Rys to Waive Rule V of the Town Council Meeting Procedures for the Purpose of Reversing PUC Action Taken at their June 6, 1994 Meeting Regarding Allegheny Ludlum Steel, seconded by Mr. Zappala.

VOTE ON WAIVING RULE V: All ayes; motion duly carried.

Mr. Rys stated that he was present at the PUC meeting of June 6th and upon leaving he began reviewing what happened. The PUC had allowed Allegheny Ludlum a credit rider based on their 1993 average consumption because they did not meet their peak demand due to a labor dispute. He could understand why the PUC extended the benefit.

June 14, 1994

however. it was not because of an act of God but rather a labor dispute between employees and management.

Motion was made by Mr. Rys for Discussion and Possible Action Concerning an Override of Action Taken by the PUC on Item #8 at its Meeting of June 6, 1994. seconded by Mr. Gouveia.

Mr. Gouveia asked for additional information on this item such as the amount of money that was credited since there were no minutes available for review. According to Chapter XIV, Section 9 of the Charter of the Town of Wallingford, the minutes of the PUC meetings must be filed with the Town Clerk within five (5) days after each of its meetings.

Alexander Kovacs.. Chairman of the Public Utilities Commission could not explain why the minutes were not available.

Dave Gessert. PUC Commissioner stated that there was a problem with the minutes and in speaking with staff was told that they would be available within the next forty-eight hours. The problem with having the minutes ready was that the PUC secretary went overboard on her dedication to Holy Trinity Church last week and spent a great deal of time working at their bazaar instead of typing minutes for us and consequently they are a little bit late. To his recollection the credit was approximately \$7,800 and indications are that for a number of years in the past when the utilities have asked Allegheny Ludlum to curtail power they have complied. Our bill is based on what our highest usage is during that year and once we cross that plateau that becomes our base for the following year. When we get close to that amount and realize that the demand is shooting up on a 100^o day we go to our largest customers for they have the most influence on the demand. By asking the larger customers to shut down certain production lines or back off on their demand it has a significant impact on our revenues and costs as well as everyone's cost by keeping below that peak. By complying they have saved all the ratepayers in Wallingford significant amounts of money. Because they were not running at peak during the labor dispute they asked if the utilities could cut them slack and give them credit for electricity not used. They have made the same requests at other locations around the country and those utilities responded in a favorable manner in those other locations. The entire electric labor industry is getting much more competitive than in the past and part of building loyalty with your customers is to help them when you can as long as it does not hurt everyone else when you do it.

Mr. Rys stated that he thought this would automatically be a Council agenda item and therefore he did not inform the PUC that he was planning to challenge the action. When he found out today that it was not on the agenda he decided to Waive Rule V since the Council has only fifteen days in which to override PUC action. He pointed out that it would be beneficial to the large customers to cut back on demand when asked to because it ultimately benefits them in lower costs to the utility. He stood by his belief that the credit should not be given to Allegheny based on their labor dispute situation. If the plant had suffered a loss of productivity due to a lightning

June 14, 1994

strike or other act of God, that is understandable.

Mr. Knight spoke in support of the PUC's action regarding Allegheny Ludlum. The decision to allow the \$7,800 forgiveness came very, very recently and he felt that it did not enter into, nor did it strengthen the company's position vis-a-vis their labor negotiators. First, the amount was not enough nor was this concession presented to the company in a manner as such that it could be assumed that it would enter into the negotiations. secondly, Allegheny has conceded to the Town's requests instantly without an argument and without seeking any kind of compensation for the potential loss that they may have suffered and thirdly, this State is so hostile to any manufacturing organization that we are driving anyone that wants to succeed in this area of endeavor out of the State of Connecticut. Contrary to injuring the position of the workers at Allegheny Ludlum, he felt this gesture strengthens Wallingford's commitment to be a good partner with its most important and impressive employers. This is a meaningful way to convey the idea that this Town, an island of sanity in a state of insanity, are heading in the right direction with regards to treatment of our largest employers. He supported the action of the PUC.

Mr. Kovacs stated, the more that we can do to show our local industries we are seriously interested and want to keep them, the better off we are.

Mr. Gouveia agreed that the minutes are an issue but it is not the main issue here, tonight. The issue becomes the \$7,800 forgiveness credit to Allegheny Ludlum. No one disagrees that they are one of the best corporations in town. He, along with his colleagues, worked at the factory during the summer months that they were out of high school. They provided many a summer job for the young population of the Town which they did not have to do. They have complied when asked to lower their demand on the system by shutting down production lines and distributing the labor force within the factory, rather than sending people home without pay. When the Town had problems with large trucks using East or West Streets, the company was willing to work with the Town and drivers to resolve the problem. In this case, however, there is a strike. Both parties, however, anticipate consequences when considering a strike. This \$7,800 is a minute consequence of that strike. According to Allegheny their employees lost in excess of \$5,000. Are we willing to help those employees out with their electric rates also? It is a matter of fairness. This sounds too much like a sweetheart deal to go along with it.

Mr. Zandri commented that what concerns him in this matter is favoritism. We are dealing with a labor dispute and we are only going to help one side out when they are running into financial difficulties. We have just as many employees at the time who are on strike that do not have any pay coming in that still have to pay their electric bills. If we are going to help out one side in a labor dispute then we must consider helping out the other as well in order to be fair. When you start something like this when you are in business, you are looking for trouble. We should leave well enough alone.

June 14, 1994

Mr. Zappala agreed with Mr. Zandri. He is in favor of helping industry in town, however, this is a different situation. We should not be involved in a dispute between an employer and its employees.

Mrs. Duryea supported the action by the PUC due to the information provided by Mr. Gessert of how cooperative Allegheny Ludlum has been during peak demand hours.

Phil Wright, Sr., 150 Cedar Street stated, Allegheny Ludlum is a fine company as are other companies in town. He did not believe that we should start subsidizing the stockholders of Allegheny Ludlum, nor should we subsidizing those who choose to go out on strike. This is one issue we should stay away from and not set precedents.

Frank Wasilewski, 57 N. Orchard Street asked the Council to remember, as good as Allegheny Ludlum is, Wallingford is pretty good, too. All these years they have been receiving a low rate on their electricity and now are also receiving a credit rider. How much more can Wallingford do to keep Allegheny in town, seems to be the motive. We have been more than fair, especially the electric division, with the company. He did not support extending additional credit to the company. Wallingford has always been good to many of the businesses, Bristol Myers, for one. They enjoyed a seven year tax abatement. Sooner or later we have to stop this. We cannot continue contributing to these companies. He stated that Ray Smith, Director of Public Utilities, should be the one presenting the reasoning behind this credit to the Council this evening. If there is any further discussion it should come from him.

Town Clerk, Kathryn J. Wall, reminded the Council that seven votes are required to override the PUC's action.

VOTE: Gouveia, Zandri, Rys and Zappala, aye; all others, no; motion failed.

ITEM #34 Approve and Accept the Minutes of the May 24, 1994 Town Council Meeting

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Killen abstained, all others, aye; motion duly carried.

ITEM #36 Report Out on the Town Attorney on Progress Associated with Problems at 59 Wooding Road as Requested by Councilor Geno J. Zandri, Jr.

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Nancy and Paul Krentzlin, 59 Wooding Road, were unable to attend the meeting tonight on this subject due to a previous business commitment.

Atty. Small stated that Corporation Counselor Adam Mantzaris has been working on this issue and at this point in time the property owners have some interest in conveying that portion of property to the Town. She is not sure whether the Town has interest in it or not. She

June 14, 1994

suggested Mr. Zandri, Atty. Mantzaris and Town Engineer John Costello visit the site together and discuss this matter further.

Mr. Zandri was concerned with the problem that has developed and has been ongoing for the past several months. The same run-around is taking place that seems to take place with everything else in town, that we don't seem to want to solve any problems that develop. The problem is on their property but was caused by Town property.

Atty. Small responded, not according to the Town Engineer.

Mr. Zandri commented, I was out there twice myself, and once with the Mayor. It is very obvious the problem is being caused by the runoff from the Junior High School property and causing the erosion on their property.

Atty. Small stated that Mr. Costello issued a report in May outlining his professional position on this matter. There is some interest in conveying that portion of their property to the Town.

Mr. Zandri felt that was a complicated way of solving the problem because it involves their mortgage company, the Town accepting the particular parcel of land and it will still not solve the problem. They are willing to convey the property to wash their hands of any liability. The water must be channeled properly so that the erosion will stop.

Again, Atty. Small stated that Atty. Mantzaris and Town Engineer John Costello will be visiting the site and she invited Mr. Zandri to accompany them.

Mr. Zandri was concerned with how long it will take to get this matter resolved. It has been ongoing for months. He has been in contact with Gerald Powers, Supervisor of Building and Grounds, for months on this issue. The neighbor has a video of torrential rains travelling across the ball field, running over the bank, causing the erosion. Perhaps we should view the video.

Mayor Dickinson stated, the Town Engineer is addressing the issue of whether or not the Town has a liability. The people are willing to convey the land and if so, then the issue becomes, how do we protect the property that the Town owns from being eroded?

Atty. Small provided Mr. Zandri with a copy of Mr. Costello's report dated May, 1994.

Mr. Zandri, in reading the letter, stated that the second paragraph reports "the hole appears to have been created by a vertical collapse of the ravine slope. The cause of this collapse is not obvious and remains somewhat of a mystery." Maybe it does to Mr. Costello, but it doesn't to me, commented Mr. Zandri.

Mayor Dickinson responded, the letter does not address what, if any, remedial action should be taken. It merely describes what the conditions are. The report should not be used as evidence of a

June 14, 1994

position by the Town as to what should or should not be done there. It appears as though Mr. Costello is simply describing the overall conditions out there, not determining what action should be taken, if any. At the point that he was describing it he was most likely unaware that they were interested in conveying the property.

Mr. Zandri responded, conveying the property does not solve the problem.

Mayor Dickinson commented, the only thing it does solve is that there has not been a necessity to get an easement across someone else's property in order to put in drains if that is the solution to it. That would mean that the Town would own all the property and the easement would not be necessary and we would resolve the drainage issue as engineering would dictate. There is nothing in the letter addressing the issue of how to stabilize the bank and that still needs to be done (recommendation of how to stabilize the bank).

Mr. Powers was supposed to look into whether or not this problem could be resolved on existing school property, stated Mr. Zandri. But this issue has been juggled back and forth between the school, Mr. Powers, the Town Engineer, the Law Department, etc. That is where the problem was.

Mayor Dickinson was first made aware of the problem in May. A lot of time has not lapsed. The Superintendent of Schools has indicated that he will have temporary fencing installed to prevent someone from using the ball field rounding the corner of the chain link fence and falling into the hole. The activities of the Law Department and Engineering Department will have to further outline what should be done.

Mr. Zandri asked, what is the next step?

Mayor Dickinson responded, the Engineering Department must indicate the corrective issue and part of that process is whether or not we should be accepting the conveyance of the westerly bank of the stream to facilitate stabilizing it. That will all be addressed in the recommendation from Engineering.

Mr. Zandri asked if Mr. Costello has been delegated this task?

Atty. Small responded, they are visiting the site again. She is not sure if he is aware that he must make a recommendation.

Mr. Zandri felt that Mr. Costello should be notified of what he should be looking at to achieve a resolution of this issue.

Atty. Small will notify Mr. Costello. She will also notify Mr. Zandri of the next scheduled visit to the site by Mr. Costello.

No action taken.

ITEM #37 Discussion on the Rate Setting Process of the Electric Division as Requested by Councilor Albert E. Killen.

June 14, 1994

Motion was made by Mrs. Duryea, seconded by Mr. Zandri.

Mr. Killen explained that he dictated a letter to Raymond F. Smith, Director of Public Utilities requesting his presence at the meeting this evening to discuss the procedure followed by the utility for establishing rates. Mr. Smith responded with correspondence stating that he was unable to attend due to a prior commitment. He informed Mr. Killen that Mr. Cominos, General Manager of the Electric Division, will be in attendance, however, he will be unable to respond to the questions concerning electric rates. The other individual who was knowledgeable in this area is now retired former Officer Manager, Walter O. Lee. Mr. Smith offered to provide the information to Mr. Killen over the next few weeks should he desire so.

Mr. Killen was at a loss as to why only two gentlemen, one of which is retired, are the only ones who know who sets the rates and what the rates are that have been set. He asked Mr. Cominos why they are the only ones with such knowledge?

Mr. Cominos responded, he reviewed Mr. Killen's question many times but was not sure what Mr. Killen was looking for. If he is asking, how were the electric rates established over the past ten years?, the only document that he can refer to is the course of service document that was prepared in 1986 by GDS. Those are the rates that are in effect today. He reviewed the document which seems to be in order. He discussed it with Mr. Smith who informed him that all State statutes, rules and regulations were followed to enact the new rates when they were proposed. They were brought before the Town Council who were fully aware and cognizant of how the rates were established by GDS and what the outcome was supposed to be.

Mr. Killen felt that the people who adopted the rates, those being the commissioners, should be knowledgeable of the rates. He is trying to ascertain whether or not the division is producing the 5-8% gain that we are supposed to. This simple request began with a letter to the Town Attorney from Mr. Killen on May 4, 1993 and we have gotten to this point with nothing but page after page of verbiage from some lawyers who have, in Mr. Killen's opinion, gone all around the issue. We have been trying to come with an answer as to whether or not the division has to come up with 5-8% every year. The attorneys came up with the opinion that you do not have to attain that goal every year but rather over a three to five year term. If that is true, is the division realizing a 5-8% gain over the three to five years? If so, it should have been readily apparent and someone should have been able to pull out the rate book immediately on request and show where that is documented. Can anyone show me that?, he asked.

Mr. Cominos responded, I don't see why not. If you want to know what the rate of return has been over the last three years, I believe I can obtain that information for you and forward to you, Mr. Killen.

Atty. Small stated that she is in receipt of additional information from Mr. Smith which was forwarded to her office today. She will copy Mr. Killen and Mr. Zandri on it. She is not sure that it answers the questions she posed to Mr. Smith which are; 1) How does the electric

division presently define cost of the investment in the plant in setting the rate, and 2) what is the five year plan and what year are you in? She will review the correspondence from Mr. Smith thoroughly.

Mr. Killen was agreeable to Atty. Small's suggestions.

No action taken.

ITEM #39 Consider and Approve the Bid Waiver List for Blanket (Open) Purchases for F.Y. 1994-95 - Purchasing Department

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

Robert Pedersen, Purchasing Agent explained that the Purchasing Advisory Committee was formed a few years ago and one of the goals of that committee was to review the requests for bid waivers from the various departments and compile a list to bring forth this evening. The committee has been extremely helpful to the Purchasing and Finance departments as well as improving the communication between the many departments and Purchasing. The public bid requirements are applied by department or division and not by totalling purchases. Any purchase over \$2,000 must be put out to bid. The totalling of purchase orders from a single vendor is only appropriate on a continuing order. A continuing order is an order which covers services or commodities which foreseeably may require that kind of expenditure over the course of a year. The explanation for the need for these waivers is set forth in the information that the Council has. The vendor list, itself, though the firms are on that list we continue to evaluate and monitor those on the town-wide as well as departmental lists to determine whether or not a particular vendor may be appropriate for bidding. This year we have a slight increase in the list. We did have more requests than we are presenting and we deleted a number of those requests.

Mr. Solinsky asked, how do you go about deleting those requests?

Mr. Pedersen responded, the committee examines the requests to determine whether or not they can be bid. Some requests we recognized as being on State contract and we found we were able to make use of that contract. With regards to the Water & Sewer Divisions, four of the increase in requests were items that we did put out to bid several times and we just did not receive a response. Sometimes the reason is that the item is proprietary and the company that we are dealing with determines that they don't have to bid because they basically run the only game in town and they are the only ones we can deal with.

Mr. Zandri asked, is there any way that the departments pick one vendor over another when there are several in the same line of work, for instance, auto parts?

Mr. Pedersen answered, as far as those particular firms go, they have been continued on the list that was existing. I have just become aware of a new parts store that has opened up within the borders of the town and there had been no request filed to place them on the bid

waiver list.

Mr. Zandri was concerned with that very issue. He felt that when one vendor is continuously utilized by departments and a new vendor comes into town and is not added, we have crossed the line of being fair. The only fair way to compile a list is to have people who are in the same line of work all be offered the opportunity to have their names placed on the list.

Thomas Myers, Comptroller, informed Mr. Zandri that any new vendor could petition to be put on the list. That would automatically put them on it. It is the department themselves who become familiar with which vendor carries which supplies. It is his impression that not any one department deals exclusively with any one auto parts supplier. If there is a new vendor in Wallingford who supplies such parts, all they have to do is inform the Purchasing Office that they are open for business and available and the Purchasing Office can send out a notice to all departments.

Mr. Zandri felt that if there are five auto part dealers in town then all should be on the list, thereby giving us more of an opportunity to shop around.

Ron Canning, R & R Auto Parts, Inc., 892 North Colony Road spoke on behalf of himself and his partner, Rich Kostuk requesting that their firm be placed on the bid waiver list for fiscal year 1994-95. R & R Auto Parts sells retail and wholesale automotive parts, tools, accessories and related equipment. This business is in the former York Hardware location at York Center.

Mr. Zandri wanted to hold off on the list since he feels that there are many businesses who are not aware that they can come forward and make the same request.

Mayor Dickinson did not see any reason to hold up this item. A firm can be added to the list in the future.

Mr. Gouveia agreed with Mr. Zandri's comments. He would like to see the list expanded. There is a lot of money involved here. Over \$25,000 is spent with one particular vendor, not counting the business that the Board of Education and Public Works does with that vendor. Where is the ceiling? How far do we go before we put the brakes on? It seems we are circumventing the bidding process, especially when we get into that amount of money.

Mayor Dickinson responded, the difficulty with this subject has been the vast array of the materials purchased and how to bid all of those items. As a result we have placed all of the auto repair businesses on a bid waiver list. We had, at one point, talked about having a parts list and placing it out to bid and he seemed to recall there were problems with that.

Mr. Pedersen explained that auto parts and hardware are very difficult to place out to bid. There are so many different items that each carries. A bid could be arranged if you can establish certain parts

that are commonly used and have a higher volume perhaps.

Mr. Gouveia was simply concerned that the door could be left open for potential abuse of the system. It may appear that way when one vendor receives over \$25,000 worth of business from the town, not including the business conducted with the Board of Education and Public Works Department. It could be well in excess of \$50,000 between all the departments which is an awful lot of money to be spending without bidding. He is not quite sure how to resolve the problem.

Mr. Myers reminded Mr. Gouveia that there are no warehouses in our facilities where we can turn around and bid for fifty water pumps. The system adopted many years ago is to use all of the local vendors as the Town's inventory. There are purchases made all day long at the automotive stores. The procedure is to buy what you need to fix the vehicle that you are working on, not to stock any parts. It could be bid if we wanted to adopt a warehouse system.

Mr. Gouveia answered, he trusts that the reason this policy is followed is because it has been determined that it is the most cost-effective. He wondered if the Purchasing Advisory Committee has ever contemplated placing a ceiling on the amount spent with one vendor.

Mr. Myers responded, no they have not. They have, however, had numerous lengthy discussions over whether they feel any of the items are worth bidding. Short of looking at a central supply house where we would stock and inventory the equipment, staffed with a manager, there does not seem to be any feasibility to the issue. We have to trust our managers whose responsibility it is to keep our fleets on the road. He reminded the Council that this list boasted a membership of over forty vendors three years ago. That has been reduced to approximately twelve.

Mr. Zandri felt that we should know how our departments are purchasing the items and they should be instructed as to what the Council expects from them as far as soliciting, prices, etc. We should not just leave it up to them to do what they feel like doing.

Mr. Pedersen stated, we are making an effort in this area. For public works, presently we have developed a specification to go out to bid for Mack truck parts and we have a contractor for John Deere Parts. It is easier to do with particular brand names than for auto parts.

Mr. Zandri was not saying that certain department heads are not following normal practice to solicit prices on an item that they can buy in several places. That is good if the department head is doing that on his own, however, we should not leave it up to the department heads to do it on their own. It should be instructed from the Purchasing Department exactly what is expected from all departments.

Mr. Pedersen responded that it is emphasized to the departments that we would like to have at least three quotes for items that are purchased that are below the bid limit. There gets to be a point of diminishing returns, however. If we spend a considerable amount of time

June 14, 1994

shopping around and save 10% on a \$200 item, what are we really saving? The staff time has eaten up the savings that may have occurred. We try to put our effort where the dollars are.

Chief Bill Harrington, Fire Department, stated that they have a contract mechanic that performs most of the small parts ordering. Anything of any significance has three quotes obtained on it. Most of their equipment is specialty items and has to be purchased from specific vendors. They do use Fazzino Auto Parts and Fair Auto Parts, both of whom are on the open list, he was unaware of R & R Auto Parts and will be sure it is added to their list and their mechanic is made aware of it as well. He would much prefer an open order at many different places. In the past the department purchased its oil in five gallon containers from Fazzino or Fair Auto parts and has since taken advantage of the Town's bidding system and purchases the oil in fifty-five gallon drums which saved the department a considerable amount of money this year.

Roger Dann, General Manager, Water & Sewer Divisions assured Mr. Zandri that the efficiency of the operation is part of the equation that the managers have to account for day to day. For relatively small purchases, oil filter, brake pads, etc., things that are not of a high dollar value, the cost of over-shopping or travelling further to pick up the items, the savings may be fully lost in the man hours expended getting quotations and the time expended going to and from the further locations. When you get into the higher dollar value the intent is there, as well as the practice, to shop around for the best prices. That has been dictated as a regular procedure from the committee and Purchasing Department.

Mr. Zandri commented that the mechanics should not be calling around for the best prices, but rather the clerks. The mechanics should be performing mechanical work. It also depends on how you utilize your staff. He is glad to see that anyone can get on the list if they so desire. He is only concerned with fairness to the businesses in town and that the Town can get the best price for whatever they need.

Mr. Gouveia pointed out that two automotive vendors appear on Mr. Dann's open purchase order list. One is within approximately 1/2 mile from the other. In the past four years \$6,000 has been expended at one of the auto supplies store and over \$57,000 at the other. Are there any compelling reasons why such a discrepancy exists?

Mr. Dann responded that as far as he knows it is probably due to the availability of items that are commonly used by the department. It could also be attributed to the fact that the pricing may be more favorable at one particular location or it may even be the distances involved. The extra 1/2 mile may be a matter of inconvenience at times.

Mr. Gouveia was pleased with the response if the reasons are as stated. Everything being equal they should at least try to accommodate each vendor.

Motion was made by Mrs. Duryea to Approve and Accept the Bid Waiver

June 14, 1994

List for Blanket (Open) Purchases with the Addition of R & R Auto Parts to the List, seconded by Mr. Knight.

VOTE: Solinsky abstained; all others, aye; motion duly carried.

The next item up was to approve the Special Request Bid Waiver Lists for each department.

Chief Harrington requested that G.C Moore Company be added to the list since the department purchases several specialty items from the company.

Motion was made by Mr. Knight to Accept the Special Request Bid Waiver List for the Department of Fire Services with G.C. Moore added to the list. seconded by Mr. Rys.

Mr. Zappala asked, who performs the uniform cleaning service?

Chief Harrington explained that the men are responsible for cleaning their own uniforms with the exception of when they have been exposed to hazardous material then the uniforms are sent to the laundry.

VOTE: All ayes; motion duly carried.

Motion was made by Mr. Rys to Accept the Special Request Bid Waiver List for the Public Works Department with F.S. Payne Co., seconded by Mr. Knight.

VOTE: Rys abstained, all others, aye, motion duly carried.

Motion was made by Mrs. Duryea to Accept the Special Request Bid Waiver List for the Electric Division with American Public Power Assoc., APTUS Environmental, CL&P/Northeast Utilities, Northeast Public Power Assoc., Radix Corporation, UNYSIS and the State of Connecticut Bureau of Purchases, seconded by Mr. Gouveia.

VOTE: Zandri abstained; all others, aye; motion duly carried.

Motion was made by Mrs. Duryea to Accept the Special Request Bid Waiver List of the Water Division with EML, IBM, Joseph Pollard/Pollard Underground, E.J. Prescott, Systems Development, TI Sales, Superior Products, Fisher & Porter, Wiscor Assoc. and M.S.A., seconded by Mr. Rys.

VOTE: All ayes; motion duly carried.

Motion was made by Mrs. Duryea to Accept the Special Request Bid Waiver List of the Board of Education with Sullivan, Lettick & Schoen, Siegel, O'Connor, Schiff, Meriden Yellow Cab, Professional Wheelchair, Hunter's Ambulance, Monitor Controls, Hewlitt-Packard, Carter-Pertaine and WilTel Communications, seconded by Mr. Knight.

VOTE: All ayes; motion duly carried.

Motion was made by Mrs. Duryea to Accept the Special Request Bid

June 14, 1994

Waiver List of the Finance Department with IBM, R. Walsh Assoc., and Cole Layer. seconded by Mr. Rys.

VOTE: All ayes; motion duly carried.

ITEM #40 Consider and Approve a Resolution Requiring All Town of Wallingford Vehicles to Display Town of Wallingford Signage on the Front Doors of Both Driver and Passenger Sides of Said Vehicles as Requested by Councilor Tom Zappala.

Motion was made by Mrs. Duryea to Approve the Resolution and Append a Copy of it to the Town Council Minutes, seconded by Mr. Knight.

Mr. Zappala stated that the taxpayers of the Town of Wallingford pay for the vehicles used by the Town and they should be aware of where the cars are at all times. When you witness a child in the car, unless it is warranted as part of the service provided by the department to which the car is assigned, there should be no children in the car. The cars should also not be seen parked in malls or shopping centers unless sent specifically for departmental use which must be accounted for. There is nothing wrong with having all the cars clearly marked.

Mrs. Duryea read the resolution, in its entirety, into the record.

The resolution states, should compliance with this resolution impede or compromise the duties or functions of any Town employee or department, they shall not be required to comply with the mandate of the resolution.

Mayor Dickinson stated that this is clearly an administrative matter. He does not have major objections to it and feels that it will not prevent a vehicle from being seen on the way home stopping at a supermarket. If vehicles are not being used properly they should be reported to the Mayor's office and proper action taken. The primary label of the vehicle is the license plate. All municipal vehicles have them. As a general rule, all employees who are not using the vehicles properly, those who are supervised by the Mayor's Office report to the Mayor's Office and that is the way that it has to be.

Mr. Gouveia commented that the last time this issue was discussed he received a call stating that there are at least four or five department heads who use a municipal vehicle without a municipal plate. Is that so?

Mayor Dickinson responded, he did not think that was to be true.

Mr. Gouveia informed the Mayor that the Chief of Police is one; fire marshal, two....

Mayor Dickinson interjected that a leased vehicle would not exhibit a municipal plate as well as some police vehicles.

Mr. Gouveia asked, which departments have leased vehicles?