TOWN OF WALLINGFORD, CONNECTICUT

TOWN COUNCIL MEETING

November 23, 2004

6:30 P.M.

MINUTES

The following are the minutes of a regular meeting Wallingford Town Council held at the Robert Earley Auditorium of the Wallingford Town Hall on Tuesday, November 23, 2004. Town Council Chairman James M. Vumbaco called the meeting to Order at 6:36 P.M. Responding present to the Roll Call given by Town Clerk, Kathryn Zandri, were Councilors Vincenzo DiNatale, Lois Doherty, Gerald E. Farrell, Jr., Stephen W. Knight, Iris Papale, Robert F. Parisi, Michael Spiteri, Vincent F. Testa and James M. Vumbaco. Gerald E. Farrell, Sr., Assistant Town Attorney and James M. Bowes, Comptroller, were also present. Mayor Dickinson arrived at 7:24P.M., following another function.

Item #1
The blessing was given by Rev. Dean Warburton, followed by the Pledge of Allegiance.

Item 2 was withdrawn.

Item 3. Consent Agenda

Ms. Papale **moved to approve the Consent Agenda** as read and Mr. Farrell **seconded.** The **motion passed** with all Councilors saying aye.

Item #4. Withdrawn

Item #5.

Lucille Trzcinski read a series of questions addressing concerns regarding the bus shelters. She did not ask for responses to the questions at this meeting but handed out the list (attached to the minutes) of her questions asking the Council to speak to them at another time. Her questions were about budgeting, research, authorization and temporary location of the shelters.

Pasquale Melillo, 15 Haller Place, Yalesville asked about Simpson School, Wooding-Caplan and the American Legion Building.

Chairman Vumbaco responded that the Simpson School developer and the Wooding-Caplan Study Committee would be coming before the Council in the near future and that the issue of the American Legion building is up in Hartford with the Attorney General.

Phil Wright, Sr., 160 Cedar Street asked about the condition and repair of the Carriage House to which Mr. Vumbaco said he would followup with his request for the cost of this project and let Mr. Wright know.

Chairman Vumbaco: Before you sit down, Phil, the nine members of this Council would love to wish you a Happy 85th Birthday.

(applause)

Phil Wright, Sr: I consider myself very fortunate and blessed to have my children all close and my grandchildren also pretty close, all seven are within spittin' distance as they used to say. I am very fortunate and I thank you all very much.

John Letourneau, 3 Beecham Court requested that since the Holiday shopping season is here and the Wallingford Holiday celebration on December, he and other downtown merchants would like to see the streets cleaned and that the Town's trash receptacle holders be completely cleaned, something that is not happening now.

Chairman Vumbaco said that he would send a formal request to Henry McCully.

Mr. LeTourneau asked that the streets by cleaned every two months and that the last time it was done was before all the leaves were off the trees. He also mentioned the sidewalks need attention.

Item #6.

Ms. Papale: Item #6 is to Consider and Approve a Transfer in the Amount of $15,000 to Unemployment Compensation Account-8290 from Health Insurance Account as presented by Personnel. There was a memo to Mayor Dickinson from Terry Sullivan. *(The memo from Mr. Sullivan was read.)*

Mr. Sullivan: I think the letter speaks for itself. I will say that and I think that you know, we contest all of the unemployment filings that we have to. Employees can't just walk off jobs for no reason. This individual chose to quit a job due to no reason of the town and he moved out of state. Apparently he took a job in Massachusetts, lost that job and under this reciprocity agreement, the State of Massachusetts back bills the State of Connecticut. The State has paid the State of Massachusetts already, and now they are looking for the money from us. Under normal circumstances, we could appeal. We'd get a liability form and you have a certain number of days to protest it. That form never came and our bills grew and the interest was accruing. I contacted the State on 2 or 3 occasions inquiring why I couldn't have my day in court so to speak. It's pretty clear now, after reviewing this, that we have to pay. I've talked the State into waiving the interest charges but we do owe the $10, 478 and to do that I need the transfer.

Ms. Doherty: Do we have this reciprocal agreement with any other state?

Mr. Sullivan: I really don't know and I was unaware of the statute until the State pointed it out. It just says that the State can have reciprocity agreements with other states so it May be that there are 48 other agreements out there that I don't know about. I can find out but it seems pretty clear that the State can do this.

Ms. Papale: We have no right to appeal as the order came down from the State because if this act. Now this act that we have with Massachusetts. It could work the other way?

Mr. Sullivan: Yes. My understanding is that the same event can happen in Massachusetts because of this agreement. One thing, if it's any consolation, every year we have a shot at talking with our area legislators about legislation that we'd like to see and generally every year I raise something with unemployment. This is on the burner to talk to our local people about because it's a case where you do everything that you are supposed to do. I don't think that it's right to not have an appeal right. I think someone should say something about it and we going to bring it up with our state senators and representatives.

Ms. Papale: And we don't have the appeal right because of this act that we're in with Massachusetts.

Mr. Sullivan: Right. There's statute that specifically spells out that this can be done the way it's being done.

Ms. Papale: And how long have we been with this sort of agreement? A long time with Massachusetts?

Mr. Sullivan: I'm not trained in the law but the statutes were apparently written in 1949 and amended several times in the 1970s but I don't know when this provision came in but it's been in a while.

Ms. Papale: The reason I'm asking is that this is the first time that I can remember something like this coming before us. I never know there was such a thing.

Mr. Sullivan: I've been in local government for almost 20 years and this is the first time I have seen it.

Mr. Testa: I'm curious as to why the transfer for $15,000 when you only owe $10,478.

Mr. Sullivan: We have a current bill of $2,708 so with the $10,478, that comes to $13, 186 and there will be another $2,000 bill coming in a month or two. I will definitely be back likely in February to transfer more money. The problem is with these claims, you never know when they are going to die on the vine, and these people are entitled for compensation and can collect for 26 weeks. Some go the full 26 weeks at the highest rate possible depending upon their salary that they were earning at their time here. Then they can go get a job, and we won't end up paying, so it can end abruptly, or go for 26 weeks. I have no way of knowing once they get on, how long they are actually going to go. I'll probably be back in a couple of months looking for more money.

Mr. Testa: How much was in the budget this year?

Mr. Sullivan: We budgeted $15,000 because we on average is what we spent over a several year period but it peaks from $6,400 to a high. In a good year, it's less than $15,000. It's hard to predict.

Chairman Vumbaco: Does this mean that you have already gone through the original $15,000 in the budget?

Mr. Sullivan: We're about to with this.

Chairman Vumbaco: You're looking to replenish the budget.

Mr. Sullivan: Right. It's short-term fix.

Chairman Vumbaco: You said, several significant claims. I don't remember laying anybody off so are these people that are quitting and then claiming unemployment anyway.

Mr. Sullivan: As you know there are reasons why people can collect. If the employer causes someone to leave because we change a working condition for example, we had one employee who had a medical condition who after extended leave could not return to work and she was terminated. She rightfully filed and then collected unemployment. We had a Town Clerk who left in January and at her rate of pay has been collecting. We are what is called a reimbursing employer. We pay dollar for dollar for all claims. We don't pay a tax. We're pay as you go based on actual claims. We don't pay a payroll tax so in that regard we do save in good years.

Chairman Vumbaco: So there is no payroll tax deducted from the employees pay.

Mr. Sullivan: The Town does not pay on a tax basis. We pay on a reimbursement basis.

James Bowes: At my former employer we had a similar situation, similar state for over twice the amount. We did the same thing and we ended up accruing a tremendous amount of interest while we were, I'll say, fighting the case although there is no way to fight it. We ended up reaching a deal. They waived the interest and we paid something like $25,000 to the State of Connecticut.

Chairman Vumbaco: If there are no other questions, we have a motion and a second. All in favor? Opposed? So moved. Item #7

Item #7

Ms. Papale: Item #7 is the Town of Wallingford consolidated Pension Plan Actuarial Report presentation by Hooker and Holcombe, Inc.

Mr. Sullivan: If I may Mr. chairman, to my right is Steve Lemanski, who is an actuary with the firm of Hooker and Holcombe. We went to bid for actuarial services and Hooker and Holcombe was the successful bidder and he's here tonight to give you an overview of the latest actuarial report, which I believe you have a copy of.

Mr. Lemanski: Mr. Chairman and members of the Council, I'd like to thank you for having me here tonight to talk about the report. First, I want to make sure that you all have a copy. The report is of July 1, 2004 and as you are probably aware it determines the recommended contribution that the Town needs to make to the plan for the upcoming fiscal year so we are talking about the 2005-2006 fiscal year. I'd like to focus on a few exhibits in the report. In the overview section on page 3, the plan is well funded even with the losses that it has experienced prior to last year and what this page shows is the funded status of the plan both with respect to liabilities and assets. The liability has grown over the past four years from about $110,000,000 in 2000 to $133,000,000 as of 07/01/04. During the same time the assets of the plan that we use to determine contributions in the funded status has stayed relatively flat. They've been in the neighborhood of $125,000,000 to $132,000,000. There are a couple of reasons for that. The plan uses what's called a smooth asset value that is when we develop the contributions to the plan, we sort of smooth out the ups and downs of the market. When the market goes up quickly as it did in the 1990s, the Town doesn't take credit for it all at once. It's phased in over time and conversely, the asset losses that the plan experienced in the early 2000s, prior to last year (2003), the Town doesn't absorb those all at once. It's phased in so because of that the asset value has stayed relatively stable because we are phasing in those gains and losses. The effect of that is because the asset level has stayed pretty level but the liabilities continue to grow is the funded ratio of the plan, that's the ratio of the assets to the liabilities so a higher number is better, has come down. (bottom of page 3). As of July 1, 2000 and that May have been the peak in recent years, the funded ration was about 114%. The plan had more assets that it needed to cover it so it accrued liabilities. As of the most recent evaluation, July 1, 2004, the plan is only slightly under funded but only slightly at 99.2%. Most public plans would envy you. I'd say the typical public plan that we see these days has a funded ratio in the low eighty percentile. You plan is so well above the average certainly compared both in Connecticut and across the country. So in rough terms, the assets equal the liabilities. On page 2, I would like to talk about investment return so I will focus on the bottom chart, value. The blue line shows the return on market so this is the return on the assets actually in the trust. The red line shows the return on that smooth asset value so you can see how the redline doesn't move around as much, and that's because we are smoothing the asset gains and losses. The important think here to recognize is even though the plan had a gain here last year, in other words the plan earned about 11.5 %, which is above our assumption, you can see the prior year losses in the blue line so that red line continues to be below 8%. What that means is basically the over-funding of the plan that did exist prior to this year has continued to be eroded and that has increased the cost of the plan. Are there any questions on this page? Page 2.

Mr. Testa: You mentioned that the 99.2% is pretty good compared to other towns but is the drop from being at 115% down to 99% over four years. How does that relate compared to other towns?

Mr. Lemanski: On a relative basis, I've seen declines that are larger than that. That's roughly a 15% decline over the last five years. I've seen situations where the funded ration has come down 20% to 25% over the last 2 to 3 years in other cities and towns so I think on a relative basis the phase in of that reduction has been more gradual for the Town of Wallingford than other towns and cities that I work on.

Mr. Testa: When you see those kinds of larger drops are they due primarily to the results of investments or are they also a combination of results of investments or are towns and cities not putting money in?

Mr. Lemanski: I think those are a couple of the reasons. Usually the investment results are the biggest reason. Certainly if a town or city is not putting in what the actuaries recommend, it's going to contribute even more to that. Other factors would include things like benefit improvements. If there had been benefit improvements during that period that's going to increase the liabilities and costs of the plan, all else being equal and, of course, on the liability side it depends on what's happening with your employees. If you're giving bigger salary increases, if you're hiring more people, that's going to add to your cost as well so there are a number of factors that contribute to that. Certainly the investment losses that most plans have experienced over the past 3 to 4 years are biggest reason.

Mr. Testa: Is that fairly common?

Mr. Lemanski: Yes. Page 4 shows the recommended contributions into the plan. This is expressed two ways. We're showing this over the last five years. The top chart shows in dollars and you can see for the first two fiscal years, 2002 and 2003, the town had what's called a contribution holiday. That is the town did not have to make a contribution to the plan and that is the case from FY 1998 to FY 2003. Prior to that time in the old reports, in the mid-90s the town was making contributions in the neighborhood of $2.5 to $3.5 million. A percentage of payroll, I understand, prior to that time, it was over 20% of payroll. Basically what happened in the 90s when the market was going gangbusters that over-funding reduced the cost of the plan down to zero. Well, we all remember what happened from 2000 to 2003 in the stock market and that over-funding got used up so now those costs are coming home to roost again. I believe that your prior actuary had given you some advance notice of the increase that we saw this year going from $700,000 to $1,700,000. Basically that's a reflection of those prior years asset losses again in that smooth asset value, and it's bringing that contribution back up to the levels that you saw in the 1990s. Long term cost of the plan if you look down at the bottom where it expresses 5 of payroll for the current year it's about 5.4%. About 5% of that roughly 5 to 5.1% of that is the cost of the benefits that your active employees are earning. The remainder of about .3% or .4 % is paying for that slight amount of under-funding and I think from the Town's perspective you should think of the long-term cost of this plan is being about 5% of payroll. That's assuming the assets and liabilities are in balance, that is that you are 100% funded. The cost of those benefits your active employees earn is about 5% at the current benefit structure. Where do we see the plan going from here? I've done some projections for the following year FY 2007, I see that contribution going up to the neighborhood of about $2.1 to $2.4 million as those losses continue to be reflected. That's assuming that the plan earns between 4% and 12% in a market basis. I see the unfounded liability moving up as well from about $1 million under-funded as of 07/01/04 to somewhere in the neighborhood of $3.5 to $5.5 under-funded as of 07/01/05. From an actuarial perspective, I'm not concerned about the funded status of the plan even though it has declined about 15% over the last four years, you are still very well funded. I think you're in the situation now where the Town's contribution into the plan is basically paying for the benefits of the active employee's earning. You're not getting that credit anymore for the over-funding, and I think, you're in the same situation that most other towns and cities unfortunately are in over the last few years and certainly with the corporate plans they've seen increases that are even larger than this so I think that the results here, although they may not be pleasant to the Town, are certainly consistent with what we are seeing with other towns and cities. That basically concludes my presentation, Mr. Chairman, I'd be glad to take any questions.

Chairman Vumbaco: Thank you. Are there any questions from the Council?

Ms. Doherty: What's the percentage of contribution from our employees that's negotiated in the contract?

Mr. Sullivan: We have six pension plans covering roughly 11 bargaining units, non teachers and non-school professionals and the contributions range from 5% for the Publics Works clerical group and school secretaries and custodians to a high of 7.5% for electric linemen, electricians. Most pay 7% to make it simple.

Mr. Lemanski: Those contribution amounts are actually summarized on pages 24 and 27.

Ms. Doherty: Yes, I saw that.

Mr. Sullivan: When we develop our contribution rate for the town, we've netted out those contributions the employees are making. In other words, the 5% that I talked about long term, that's net over the contributions employees are making into the plan. For example, if everyone had contributed 7% into the plan, the cost of the plan is really 12% but employees are contributing 7% so the net town contribution is 5%.

Mr. Spiteri: Regarding the portfolio, I imagine it drives this. Is there any way that we can see a breakdown of that and see how that's put together? What percentages in each sector that investments are made in.

Mr. Lemanski: Do you mean how the portfolio is constructed?

Mr. Spiteri: Yes.

Mr. Lemanski: As the actuary, I don't get involved in the actual portfolio construction. We basically get the asset reports from the town and investment managers, so we don't actually construct that portfolio.

Mr. Sullivan: The town utilizes two investment managers, and they report quarterly in those public meetings that the Pension Commission holds, the comptroller, treasurer, three citizens and myself are on that Commission. Those documents are available in the Finance Office if you'd like to take a look.

Chairman Vumbaco: Spreading out the losses from 2000 to 2003, how much longer is that going to be affecting this plan. Is there a set stage?

Mr. Lemanski: It's like an amortization and I think that the bottom line answer to that is going to depend exactly what assets are going to go forward. There is about a $10,000,000 spread right now between market value and actuarial value, actually it's more like eleven. Market value is about $121,000,000 July 1, 2004. Actuarial is $132,000,000, so there is an $11,000,000 spread. If the market goes gangbusters that market value can come up quickly and really close the gap itself based on that increase. It's hard to tell. I can't really give you a set time. The short answer would be five years because we're smoothing at 20% but if the market bounces around it could be shorter or longer.

Chairman Vumbaco: So you take it based on market value also. It wasn't a number that was pegged at the end of 2003 and that number is amortized. It also comes into play with the market value of the entire portfolio.

Mr. Lemanski: Right.

Chairman Vumbaco: Have you changed the perimeters in your actuarial analysis from the prior actuaries?

Mr. Lemanski: We have not. I did review the assumptions when I started working on the evaluation. I notice they changed the number of the assumptions last year and I think in general the assumptions are reasonable. As a general rule you don't want to change the assumptions every year. You probably want to look at them every four to five years is the general rule to make sure they are still in line with expectations. If you were to make a material change in the asset allocation of the plan, if you were to go heavily into bonds, we probably would not wait the five years to look at the assumptions. We'd say, OK, based on the current portfolio, assuming that's a long-term change, we may consider changing that assumption.

Chairman Vumbaco: How are the assumptions as far as the aggressiveness concerned? On a scale of one to ten with one being conservative?

Mr. Lemanski: I'd say they are 4 to 5, pretty much middle of the road. The key assumption there is the investment return assumption. And at 8 that's pretty much the median return based on the type of equity, equity fixed income mix that this plan has.

Chairman Vumbaco: What was the reason why – or maybe Terri has to answer it – the assumptions were changed last year?

Mr. Sullivan: If I can recall correctly, I think what we did was looked at the salary assumptions. We had for a long time had 5% and when you look at actual payroll, actual collective bargaining unit agreements, overtime, I think what we used this time was 9% over the first 3 years and then 4% annually, which the actuary at the time and the Mayor and the Comptroller felt that to be more appropriate.

Chairman Vumbaco: The non-funding that was done 1998 through 2001, was that because the market was driving the investments so high that we just...what I'm trying to get at is if we had funded then, would that have made this assumption or this ultimate result change?

Mr. Lemanski: I think, it's 20-20 hindsight. Based on appropriate actuarial assumptions and methods at the time, the plan was so over funded that that over funding was more than paying for the benefits the active employees were earning at that time. It really didn't make any sense from the Town's perspective or the taxpayer's perspective to money into the plan at that time.

Chairman Vumbaco: OK because that has been raised in the past, and I wanted to get it out onto the table.

Mr. Lemanski: I think it's important to note that the three year decline that we had on the equity market in 2000, 2001, 2002, that's a rare event where you have 3 consecutive years like that. The last time that happened was 1939 to 1941 so it's probably once in a lifetime or close to it that that is going to happen. We've seen some pretty dramatic changes in the markets on the asset side that have cause some dramatic increases and costs as well.

Mr. Testa: On page 19, can you explain what constitutes accrued expenses under liabilities?

Mr. Lemanski: I don't have the details on those particular expenses. We take the summary of the assets as reported to us by the investment, I believe it's held with Bank of America. It was Fleet Bank. So I don't have the details as to what is in that number.

Mr. Testa: Those are actual expenses as reported and paid to the investment managers? Without asking for a breakdown, isn't that who it's going to?

Mr. Lemanski: It very well could be. I don't know.

Phil Wright, Sr., 160 Cedar Street, Wallingford: I've attended Council meetings for a good number of years and I recall there were a number of us voices crying in the wilderness trying to keep the administration from continuing to over-fund this plan. I'm glad we've finally made a dent, and I would hope that is the reason why it was over-funded for many years and there were taxpayers who were over-taxed for a number of years. Some of them died without restitution and some left town and didn't. I hope that we never, never do this again, and I am concerned that we are going to take a big jump of $1,000,000 last year and the coming year. I would caution you , the Council, that you see if you can temper that a little bit and not go overboard and over fund again. There are other things in here that concern me and some that say to me that we've got to start to look at how to reduce this kind of commitment. I believe that we should certainly be committed to our employees all of them, hourly, salary and the rest but it says to me that we have to start looking where we can reduce the number of employees in the town and come from efficiency so that the taxpayers are not just working for the employees which I think is the biggest part of what we do. I think that municipal government exists primarily today for the good of the municipal employees, and I think we've got to slow that down. Thank you.

Pasquale Million, 15 Haller Place, Yalesville: What type of bonds and what type of stocks are we currently invested in?

Chairman Vumbaco: Pat, this is an actuary report. This is not a discussion of the funding of or the actual portfolio itself. That you have to take to the Pension Committee meeting which we've suggested to you before. The is purely a report from the actuary service on the status of the plan. He's not going to answer on the portfolio.

Pasquale Mellilo: May I then ask the Comptroller to comment on this report.

James Bowes: With regard to the gentleman's question for the asset allocation of the fund- it's approximately 60% equities and 40% fixed income – aka 60% stocks and 40% bonds.

Pasquale Mellilo: Let's say we have a huge drop a big depression comes along and causes the stock market to go out of sight like it did one time. If that should ever happen, have we got any kind of insurance to back up?

James Bowes: No, there's no insurance. Those are all the risks that we take.

Chairman Vumbaco thanked Mr. Lemanski and Mr. Sullivan for coming. Item #8.

Item #8

Ms. Papale: Item #8 is Acceptance of Grant funds $10,703.90 for two Federal/State Highway Safety Grants entitled "2004 Expanded DUI Enforcement Program" and the other "2004 DUI Enforcement Equipment Program. So moved Mr. Chairman.

Mr. Farrell: Second.

Deputy Chief of Police Thomas Curran: The first aspect of the grant is equipment oriented and what that provided for us was 80% reimbursement for two in car video systems which are extremely critical in our day-to-day operations of DUI enforcement. What these cameras allow us to do is when we arrive on scene or when we stop a car, the film footage begins to roll, and the dialogue is audio and visual so the dialogue with the operator is recorded and his or her actions including the field sobriety tests are recorded on tape and this has been invaluable to the prosecutor and to be certain the arrests we made are upheld in court. As you know there are some fine lawyers that represent defendants in these matters so it's important that we put together a good case. The in car video has also been very beneficial to myself in particular on receipt of a citizen complaint, for example, because often times the motoring public are not aware that things are being recorded so often times when we receive a complaint and we evaluate it thoroughly, that becomes part of an evidentary item and often times when you present the evidence the complaint evaporates very quickly because they realize that exactly what was said did not occur as such. As far as DUI enforcement, it's extremely valuable piece of equipment yet it's very costly. Each piece of equipment is worth $4,500 so this bring us up to a total of eight. The other facet of the grant has to do with expanded DUI enforcement. This allows us to do some additional enforcement action during our off hours or off days as opposed to the holidays, which we target on a regular basis, such as Christmas, Memorial Day, Fourth of July. The expanded DUI grant allows us to take a look at other times when we suspect that there's quite a bit of alcohol being consumed. We have targeted such days as St. Patrick's Day and also the NFL football playoffs, there's often times quite a few parties and often quite a bit of alcohol consumed. The same holds true for major sporting events like the super bowl. We're out there on Super Bowl Sunday. It's been very successful because the total number of arrests are expanded DUI enforcement program for 2004, we've put in a total of 172 man hours and during the program we made 148 motor vehicle stops and 16 were DUI arrests, and we had a variety of motor vehicle offenses that were netted as well. I want to say that the expanded DUI enforcement program, the grant is authored by our traffic division commander, Lt. Alan Jacrezewsky, and I would be remiss if I didn't publicly praise his efforts as a division commander because our traffic division which is now comprised of three officers. Thus far in our traffic division alone, three officers have made 82 DUI arrests since January of 2004. I think those numbers are outstanding and again with a little humility, I certainly don't want to take credit for that. I think the workforce knows that the Chief and I are very serious about this but it's a testament to the quality of the workforce. I have one officer, Officer Evans, who is awarded Officer of the Year, and that's going back to the late 90s, and he was on-fire at that time, and his energy and enthusiasm remains the same. He leads the department with 48 DUI arrests since January and this is outstanding. Another officer who was transferred into the traffic division in the mid summer, and he's made a total of 30 DUI arrests. He's done an extraordinary job. Our Patrol Division has made 184 DUI arrests. Many of these officers and new and are following mentors like Officer Evans. There was a fatality of Durham Road recently and although the investigation is not complete, alcohol was a factor. Alcohol continues to be a problem and is certainly one where we are making a good faith effort to address. We are proud of our workforce.

Chairman Vumbaco: Thank, Tom. The Council commends you and the efforts of your force and do it with professionalism in the care of the community.

Mr. Spiteri: I have a question about the numbers in the squad cars that are out there now. You mentioned that with these two additional units that we will be up to eight. How many cars do we have on the road per shift? And how far away are we from being totally equipped?

Deputy Chief: We are still far away from being totally equipped but we have anywhere from 6 to 8 cars on the road during the evening and 5 to 6 cars during the day and our minimum staffing on the midnight shift is 4 cars. We could have 5 or 6. We try to put all of our employees into a car that's equipped with a cruiser, the in-car video.

Mr. Spiteri: What about percent of cars that are equipped with the videos?

Deputy Chief: For marked cruisers we're under 50%. We have front line and second line vehicles.

Mr. Spiteri: Are these units interchangeable from car to car?

Deputy Chief: Yes, they can be. It needs to be done by a mechanic. If a cruiser is in an accident the first thing retrieved is the video camera because it is a valuable piece of equipment and invaluable to our work. We are very fortunate to have some of the equipment here in the town of Wallingford. I consider myself to be very fortunate to be part of such an organization that receives the support of the public and the local government to enable us to do our job.

Chairman Vumbaco: Is this an ongoing grant that we apply for year after year?

Deputy Chief: It is.

Chairman Vumbaco: Is it standard? About the same amount that's granted?

Deputy Chief: Yes, it's about the same amount, although the expanded DUI is something that is relatively new. It's been very effective because as I said the off-peak hours and some of the odd weekends where there is a lot of alcohol consumed but traditionally there weren't targeted on an organized basis and when we send our DUI controls out there under the grant, it's very, very well organized by our Traffic Division Commander, and he deserves a lot of credit for his skills in that area. I'd like to wish everybody a happy and healthy holiday.

Chairman Vumbaco: We have a motion and a second on the floor to accept the grant money. All in favor? Opposed? So moved. Thank you, Tom.

Item #9

Ms. Papale: Item #9 is to Consider and Approve an Appropriation of Funds in the Amount of $30,000 to Sheehan High School Synthetic Football/Soccer Field Acct and from Contingency Acct.

Mr. Farrell: Second.

Chairman Vumbaco called for the letter to be read and Ms. Papale read the letter from Mayor Dickinson. *(the letter is part of the agenda packet)*

No questions came forth from the Council or the public and Mayor Dickinson.

Chairman Vumbaco: We have a motion and a second. All in favor? Opposed? So moved.

Item #10

Ms. Papale: Item #10 is to Consider and Approve the Release of Two Portions of an Electric Easement over Property Known as 519 Main Street. So moved.

Mr. Farrell: Second.

Ms. Papale: Mr. Chairman, I'd like to mention that when I first saw this I was confused until I looked at it more thoroughly, and this is Yalesville, 519 Main Street, Yalesville.

(Ms. Papale read the letter from the Assistant Town Attorney. This letter is part of the agenda packet)

Gerald E. Farrell, Sr.: I'm told by Raymond Smith that this is a continuation of the releasing of easements that we've released further down the line and people haven't been charged for them. The Public Utilities Commission is not looking to be reimbursed for releasing this.

Mayor Dickinson: It's part of the same easement that we have not received money on as jerry said but I think it's important to have it on the record because it may not always be that the Town will release easements without looking for payment depending on the background circumstances. The background circumstance here is that the Town never paid for the easement. Usually the release of an easement on a piece of property is accompanied by some form of payment because it does clear the land, it clears the title allowing other things to occur within the easement area. In this case we've adopted a policy on this easement running through the North Plains area and over to Meriden that, given that the Town never purchase that from C L & P, we would be releasing it with out seeking remuneration.

Chairman Vumbaco: Thank you. Any members of the public have any questions? For the record, Mr. DiNatale is abstaining from the vote. He has a business connection. We have a motion and a second. All in favor? Opposed? So moved. Eight to zero.

Item #11

Ms. Papale: Item #11 is a discussion of fuel prices as asked for by the Mayor.

Mayor Dickinson: I thought that it was important for everyone to understand the experience we've had with fuel prices. What you see on this overhead *(also handed out to the Councilors and is attached to the minutes).* is the 04-05 budget estimate. What we budgeted was \$.90 for #2 fuel oil without interruptible gas and \$.90 for #2 fuel oil with interruptible gas; diesel fuel \$.92; and gasoline \$.93. It went out to bid in October and the prices came in significantly higher. We waited and bid again and these are the amounts that we have received as of last week. As you can see instead of \$.90, it's a \$1.37 for #2 fuel oil without interruptible gas; instead of \$.90, it's \$1.37 for #2 fuel oil with interruptible gas; instead of \$.92 for diesel fuel, it's \$1.39; and for gasoline instead of \$.93, it's \$1.40. The differential is in the far column. We were off \$.47, \$.47, \$.47 and \$.47 per unit of measure. It's a significant amount of money. I can show you on the second sheet that the impact is on each of the budgets and obviously these are estimates based upon what's expected for the year. *(The Mayor then read the numbers from the exhibit)* It's serious compared to the budget and as you know our contingency is down to about \$200,000 and we haven't entered the winter plowing season. Last year we used an additional \$180,000 over what we had budgeted to handle to snow removal. We have real reason to be cutting back on expenditures. If all of the departments were part of the bid opening...the superintendent and the board are looking into cutting back on discretionary spending, conferences, etc., using either gas or the oil, whatever is cheaper, not filling vacancies wherever possible, etc. I've asked that of all of the general government departments as well. Fire and Police Departments is much more difficult but for Public Works, we will not be purchasing the snow plow truck of \$136,000. Utilities are introducing their own measures, and we're looking at things as simple as –no idling time. Unless there is equipment running off that vehicle, the vehicle should not be running. We're looking for every dollar that we can save because an effect this year and a ripple effect into a future year. The sobering impact is obviously we've just heard the actuaries and the pension plan and that certainly is a significant new demand and this as well is a potential problem. Hopefully we'll have a mild winter but even at the low, we're looking at almost \$300,000 that we would like to keep instead of spending on fuel.

Mr. Knight: Mayor, could you explain this interruptible gas.

Mayor Dickinson: As I understand it that would be where we switch, going from oil to gas depending on price and sometimes we get a different price where you are not guarantying you'll use a given amount of gallonage, you're going to another fuel.

Mr. Bowes: The schools have the capability of using wither oil or gas. You can see on this chart that natural gas would cost us $60,000 more than if we use the low bid oil price. I think that we're in some new territory with this.

Mr. Farrell: I have a question for the Comptroller that these seem to represent bided prices, is that correct?

Mr. Bowes: That's correct.

Mr. Farrell: When the Purchasing department awarded those bids, what investigation do they do if whether the number, the price, is backed up by so-called wet barrels. Will we ever be in a situation where, yes, we may have a bid of x dollars but the supplier doesn't have the barrels to back that up, and basically renege, and there we are on the open market in the middle of winter buying at a much inflated price.

Mr. Bowes: Most of these folks purchase futures contracts, so I believe that they don't even store the gas or fuel oil on their premises. I'm sure they have some but they are basically turning around and buying futures contracts from their wholesalers so I believe that we don't get into that situation.

Mr. Farrell: And we make sure that they actually have those futures contracts?

Mr. Bowes: That's correct and we check references as well for past performance. Frankly, there are about 5 bidders. We do know them pretty well.

Mr. Farrell: That's good to hear.

Mayor Dickinson: Just to clarify, Councilman Farrell asked do we check on whether they have these contracts. Do we ask to see some proof that they have these contracts?

Mr. Bowes: No, they sign a like a bid bond, if you will that says that they are going to perform. A performance bond

Mayor Dickinson: And that's valid throughout

Mr. Bowes: That's correct. It's standard industry procedure.

Mayor Dickinson: So there's a performance bond on it?

Mr. Farrell: Good, that protects us.

Mr. Spiteri: Next logical step would be to try and conserve and to get the notice out to Department Heads to remind everybody to turn off lights, tweaking boilers to top efficiency. How far away are we from getting a bid?

Mayor Dickinson: These are the bids.

Mr. Spiteri: What are we paying per gallon for #2 fuel oil?

Mayor Dickinson: These are the bids right up here. #2 fuel would be $1.36. Actually the bid is $1.38 but with our paying within 20 days, it becomes $1.36 with the discount.

Chairman Vumbaco: Are we locked in for the remainder of the year?

Mayor Dickinson: Yes. We took the fixed price through the end of this year.

Mr. Bowes: And these prices, believe it or not, are $.20 to $.25 better than they were a month and one half ago when we bid it the first time.

Mayor Dickinson: The earlier bid was $1.61 for the fuel oil and now it's$1.36.

Chairman Vumbaco: On the second sheet that you presented with the high low and average, is that sheet stating that usage at the high end with these bid prices we could experience a $531,000 budget shortfall and low end usage with these bid prices, we could experience $236,000 shortfall, or a blended average could be $415,000.

Mr. Bowes: That's correct.

Chairman Vumbaco: Basically what you are telling us is that minimally we are going to expect a $237,000 hit to the budget for fuel.

Mr. Bowes: That's correct.

Phil Wright, Sr., 160 Cedar Street: We should take a good look at the use of public vehicles and cut back as much as possible.

Mayor Dickinson: That's correct.

Phil Wright, Sr.: I'm referring at the Town cars that the Town's employees are using. Can we take a look at that?

Mayor Dickinson: We will try to reduce that; however, if a person is obligated to perform duties during the day and must be away from the office, we do provide a vehicle for that purpose, and we will continue to do that.

Phil Wright, Sr.: How about the ones that are being taken home by employees?

Mayor Dickinson: The ones that are being taken home, there are relatively few in number and that is part of an employment agreement, employment rights, of that individual so we would not be able to take those vehicles back. Over the years we have reduced the number. It is only those people who have response obligations over a 24 hour period. There are few exceptions to that. We are always being vigilant as to how money is being expended. There are efforts to control it now.

Pasquale Mellilo, 15 Haller Place: Asked about the gas situation to which Mayor Dickinson responded.

Item #12
Ms. Papale: I'd like to make a motion to Consider and Approve the Cancellation of the December 28, 2004 Town Council Meeting.

Mr. Farrell: Second.

Chairman Vumbaco: The only reason I left this on the agenda is that I just want everybody to be aware that if something comes up down the line, obviously we're going to have to call a Special Meeting. I don't foresee any issues that are going to be that drastic to require us to hold a meeting. We have a motion and a second. All in favor? Opposed? So moved. Item #14. I got a call this morning from Adam Mantzaris, he is tied up and does not want to present Item #14 this evening.

Ms. Papale: I make a motion to go into Executive Session pursuant to Section 1-200 (6) (D) of the Connecticut General Statutes with respect to the purchase, sale and/or leasing of property.

Mr. Farrell: Second.

Chairman Vumbaco: We have a motion and a second to go into Executive Session. All in favor? Opposed? So moved. The Council is now in Executive Session.

MOTION was made by Ms. Papale to Exit from Executive Session. Mr. Farrell seconded.

MOTION was made by Mr. Farrell to Adjourn. Ms. Papale seconded.

The meeting adjourned at 7:12 P.M.

Meeting recorded and transcribed by Sandra R. Weekes

Respectfully submitted,

Sandra R. Weekes
Town Council Secretary

Approved by: James Vumbaco
James M. Vumbaco, Chairman

Date: 1-11-2005

Kathryn F. Zandri
Kathryn F. Zandri, Town Clerk

Date: 1-11-2005