

1992-93 ANNUAL BUDGET

PUBLIC HEARING

APRIL 20, 1992

7:00 P.M.

A Public Hearing on the 1992-93 Annual Budget of the Town of Wallingford was held by the Town Council in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order at 7:10 P.M. by Chairperson [redacted] F. Papale. All Councilors answered present to the Roll called by [redacted] Clerk Kathryn J. Wall with the exception of Mr. Holmes who arrived at 7:54 P.M. Mayor William W. Dickinson, Jr., Town Attorney Janis M. Small and Comptroller Thomas A. Myers were also present.

The Pledge of Allegiance was given to the Flag.

Ms. Papale thanked the public for attending the meeting. She explained the format that will be followed for tonight's hearing. The budget will be reviewed, by department, and comments, suggestions or questions will be taken from the public.

Mayor Dickinson addressed the public with a presentation on his proposed budget.

'Dear Residents:

We are all aware of the economic recession which is causing hardships throughout our community and state. Real estate loses value, businesses fail, and people lose employment. Government services are also confronted with reduced revenues at a time when the public needs stable and adequate services.

Our policy has been to prepare budgets which provide for a multi-year fiscal plan. The reason for this policy is to avoid radical financial impacts on the community which result in the interruption and even cessation of necessary services.

The 1992-1993 recommended budget must be discussed in terms of expenditures and revenues. On the expenditure side, it maintains services at their current level while authorizing a 1.9% increase in spending over the 1991-1992 budget. We have not approved large increases in operating and maintenance accounts and have funded our labor contractual obligations. Budget requests from departments would have required a \$4,159,625 spending increase. General government departments requested an increase of \$503,683 and education requested an increase of \$3,685,942. We approved new spending of \$1,439,423. Education will receive an increase of 4.4% or \$1,767,215. General government will receive a 1% decrease from the current year spending amounting to \$327,792. We believe that this appropriation will adequately fund these services at current levels.

With regard to revenues, we are confronted by a net loss in funds provided from state sources. That net loss is caused by reductions of \$589,209 and \$249,436 in the education cost sharing and welfare reimbursement grants respectively. In addition, due to low interest rates, we expect to earn \$515,000 less in interest income. The Town's Grand List has grown only 1.3% or \$670,000 at the current mill rate.

In order to be able to provide adequate services, it is necessary that we use a portion of our financial reserves. Our plan involves allocating reserves over two years to gradually adapt to revaluation, higher costs, and lost revenues. This budget uses \$589,209 from our credit reserve and covers the anticipated reduction in the education cost sharing grant. We also recommend using 2/3 or \$2,259,900 of our revaluation reserve. These reserves were planned and created to enable Wallingford to adapt to difficult economic times and continue to provide services necessary to maintain the community's quality of life. As the economy recovers, it will be necessary for us to plan to replenish the reserve for our AA credit rating.

As a result of using reserves, the 1992-1993 recommended budget anticipates the need for \$1,633,675 less in taxes. This budget requests \$46,526,365 in taxes as compared to \$48,160,040 contained in the 1991-1992 budget. The combination of controls on spending (a 1.9% increase) and the use of reserves means less new money is requested from the taxpayer.

The recommended budget has a mill rate of 24.2 as compared to the current 42.3 mill rate. Revaluation causes the mill rate reduction. Every taxpayer will be affected differently depending upon the amount of appreciation or depreciation in the value of his or her real estate. A property with the average assessment of \$101,500 may have reached that amount by more than doubling the old assessment or by less than doubling the old assessment. The tax impact on the property is determined by the amount the assessment rose in value. Two properties with the same revalued assessment would pay the same tax, but one might pay less in taxes and one might pay more in taxes than under the current assessment and current mill rate. Assuming the assessment appreciated from a \$49,700 value to a \$101,500, the increase in taxes would be \$219 per year.

We recommend that the Town not implement a phase in of revaluation as permitted by state law. This recommendation is made after careful analysis of information which outlines the impact of revaluations as follows: a full implementation, a 5 year phase in, a 4 year phase in, a 3 year phase in and a 2 year phase in. This is based upon the following points:

- (1) The mill rate of 24.2 is far better than the lowest phase in mill rate of 31.9

- (2) The best first year savings for the "average" residential property is \$64 with other property classifications including motor vehicles picking up that reduction

A phase in will cause some residential property and business property to be taxed more than its reassessed value

- (4) Using the most favorable phase in mill rate, the impact on residential property when compared to full implementation of revaluation on a town wide basis is \$28
- (5) A phase in of revaluation will cause business personal property taxes to increase \$1,255,662 over what would be owed under full revaluation
- (6) Any phase in causes the tax liability to inequitably ignore the accepted real value of the property taxed
- (7) The Town created a revaluation reserve to prepare for a tax impact. We are using 2/3 of that reserve with 1/3 available for next year.

For these reasons we do not recommend that a phase in of revaluation be adopted.

Utility budgets exhibit sensitivity to the plight of the community and efforts to contain costs. The Electric Division budget assumes the 5%-7% rate reduction through December. That rate reduction represents for calendar year 1992 a \$3,000,000 per cost to the community. The budget contains no new labor positions. It is formulated based upon current operating conditions. A budget amendment may be necessary if Northeast Utilities files a rate increase in July, or if a new contract is negotiated with EEC or Northeast Utilities or if the Town embarks on the electric generation project. Reserves of \$9,400,000 are held for that purpose.

The Water Division budget reflects the good news that an expected 7% rate increase has been reduced to a -.5% to 4% rate increase. Even though the Division is in the midst of a \$20,000,000 water treatment plant construction project with the need to increase the budget to cover costs, higher water consumption and sales, the use of reserves, and increases in other revenue have resulted in funds sufficient to reduce the water rate which was projected several years ago. The budget does contain additional labor positions necessary for operation of the plant in 1993.

The Sewer Division budget includes funding for the completed construction of the wastewater treatment plant and the need to upgrade existing facilities such as the South Elm Street trunk sewer. The budget assumes the approved rate increase of 6.8%. No new labor positions have been authorized. Our utilities are among our most significant services and are vital to the community's well being. Efforts have been made to keep our rates as low as possible and still provide environmentally safe and reliable service.

We recommend this budget for adoption. Wallingford will continue to be attractive and offer a good quality of life only in direct proportion to our willingness to carefully plan and invest in her future. We realize that any tax increase may create hardship. With that in mind, I have asked that the Committee for Elderly Tax Relief again consider the need for a program to benefit our elderly residents.

With this budget, we continue our efforts to prepare for multi-year challenges. Next year will confront us with similar dilemmas as we implement a second year of adapting to revaluation. Thank you."

With the help of an overhead projector the Mayor displayed several graphs which explained the reasoning behind his opinion that a phase-in program for revaluation is not in the best interest of the town.

At this time the public was invited to come forward to ask any questions that pertained to the budget.

Board of Education

Mr. Phil Wright, Sr., 160 Cedar Street felt that the Council should not pass the Mayor's budget.

Mr. Frank Wasilewski, 57 N. Orchard Street was of the opinion that the benefits paid on behalf of the employees are excessive and the employees should contribute towards their benefits.

The field trip and mileage accounts were topics of discussion by members of the public as was class size and the need to build additional classrooms. The Council was urged to continue funding the after school care program. Laura Cook Marra, Debra Kaye DiNatale and another individual spoke on these matters.

Tim Cronin of 47 S. Ridgeland Road supported the Mayor's budget.

Electric Division

Edward Bradley of 2 Hampton Trail questioned why the 1991-92 appropriations do not match the budget book of 1991-92. The explanation offered was that transfers occur during the year that are not anticipated and cannot appear in the budget book prior to occurring.

Mr. Cronin objected to the use of the Retained Earnings funds.

Sewer Division

The topic centered around the salaries of the General Manager.

Town Council

Mr. Philip Wright, Sr. would like to see funds allocated for the publishing of the Town Council agenda in the Meriden Record Journal.

Comptroller

Mr. Wright felt that salaries, overall, were excessive and should be trimmed back.

Mr. Cronin felt that the Comptroller is paid what he is worth to the Town.

Mr. Wasilewski agreed with Mr. Cronin.

Overtime - General

Mr. Edward Bradley urged the Council to look at the overtime dollars being expended in this budget. Cut it back.

Youth Service Bureau

Mr. Cronin was extremely upset with this department and their "intervention into the private lives of the families in town" with their many programs that are too personal and informative to the youth.

Social Services Contributions

Carol Garlik, Senior Vice President of Development, Veteran's Memorial Medical Center, urged the Council to reinstate \$15,000 of funding that the Mayor cut from the budget.

Community Pool

Jon Walworth, Chairman of the Community Pool Building Committee requested the Council to reinstate funds to paint the remaining portion of the pool.

Council Contingency

Tim Cronin was opposed to the Council placing funds in a contingency account.

Capital and Non-Recurring

Mr. Wasilewski was against the Town purchasing the Wooding/Caplan Properties.

Mr. Bradley would like to see more contribution to the Town from the Electric Division.

Revenues

Mr. Bradley asked the Council to pay particular attention to the funds set aside by the Town to guarantee our Aa Bond rating.

The Council thanked the public for their input and agreed to consider all suggestions/comments made this evening when they proceed into their workshops.

There being no further business the meeting adjourned at 10:07 P.M.

Meeting recorded and transcribed by:

Kathryn F. Milano

Kathryn F. Milano, Town Council Secretary

RECEIVED FOR RECORD MAY 4 1992
AT 4:40 M. P. AND RECORDED BY
Kathryn J. Wall TOWN CLERK