

Summary of Special Town Council Minutes

July 1, 1985

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Adopted Resolution Authorizing a special appropriation in the amount of \$275,000 for payment of Fiscal 85-86 Insurance premiums for the Town of Wallingford and authorizing the Issuance of Notes or other obligations to defray said appropriation in accordance with Chapter XV, Section 10 of the Town Charter. 8 - 11

Resolved to amend the 1985-86 General Fund Revenue Budget- Non-Operating Revenue A/C 901 Notes and Other Obligations \$275,000 and amend the 1985-86 General Fund Expenditure Budget Insurances A/C 804-825 Town Insurance of \$188,000 and A/C 804-826 Education Insurances in the amount of \$87,000. 8 & 11

Approved Budget Amendment request from Water Division as follows: \$37,000 from Net Income to:

\$ 5,000 Property Insurance A/C 924-000

\$32,000 Liability Insurance A/C 925-000. 12

Approved Budget Amendment request from Sewer Division as follows: \$19,266 from Net Income and

\$ 3,374 from Power Purchased for Pumping A/C 623-000 to

\$ 500 to Property Insurance A/C 924-000

\$22,500 to Liability Insurance A/C 925-000. 12

Waived Bidding on Automobile, General Liability, Contractors Equipment, Fire and Umbrella. 13

Authorized Ferguson McGuire as Insurance Agents of the Town of Wallingford through The Hartford. 13

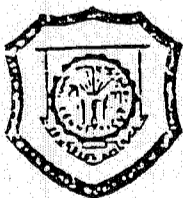
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TOWN COUNCIL

Town of Wallingford, Connecticut

MUNICIPAL BUILDING WALLINGFORD, CONNECTICUT 06492

DAVID A. GESSERT
 MARIE B. BERGAMINI
 EDWARD L. DIANA
 STEVEN B. HOLMES
 ALBERT E. KILLEN
 JAMES A. G. KRUPP
 IRIS F. PAPALE
 EDWARD G. POLANSKI
 RAYMOND J. RYS, SR.
 TELEPHONE (203) 265-8021

June 25, 1985

SPECIAL TOWN COUNCIL MEETING

There will be a special Town Council Meeting on Monday, July 1, 1985 at 8:00 p.m. for the purpose of:

- (1) Discussing the authorization of Insurance for the Town of Wallingford.

- (2) Discuss and Authorize Negotiation for 1500 GPM Pumper for Fire Department.

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NOTE: The meeting will be held at the Electric Division Office on John Street.

cc: Mayor William W. Dickinson, Jr. (3)
Rosemary A. Rascati, Town Clerk (2)
Wallingford Town Council Members
Meriden Record-Journal
New Haven Register
Wallingford Post
Hartford Courant
Charlotte Collins, Town Treasurer
Vincent T. McManus, Town Attorney
Thomas A. Myers, Comptroller
John Horvath, Wallingford Independent Board of Insurance Agents

Special Town Council Meeting

July 1, 1985

8:00 p.m.

A special Town Council Meeting was held on Monday, July 1, 1985 for discussion of the following items:

- (1) Discussion of authorization of Insurance of the Town of Wallingford.
- (2) Discuss and Authorize Negotiation for 1500 GPM Pumper for the Fire Department.

The meeting was held at the Electric Division Office on John Street. Vice Chairwoman Marie B. Bergamini called the meeting to order at 8:07 p.m. Answering present to the roll called by Town Clerk Rascati, were Council Members Bergamini, Diana, Holmes, Killen, Papale, Polanski, and Rys. Chairman Gessert and Mr. Krupp were not present for this meeting. Also present were Mayor William W. Dickinson, Jr., Town Attorney Vincent T. McManus, Jr., and Thomas A. Myers, Comptroller.

Mrs. Bergamini explained that the Council Chambers had been advertised by Planning and Zoning for a special meeting. Therefore, it was felt that they should have their meeting and not change it in view of this fact. She then thanked everyone for coming to the meeting and hopes no one was inconvenienced.

Mr. Killen then moved to discuss the authorization of Insurance for the Town of Wallingford, seconded by Mrs. Papale.

Charlotte Collins then went on to explain that they each had a packet for the 1985-86 Insurance Budget. These are the prices as they have them today. Before she went into this, she went on to explain that an Insurance Board such as they have been operating with, is, in the Attorney General's opinion, against the anti-trust laws of the State of Connecticut. She then went on to say that the Independent Board of Insurance Agents has been most helpful to the Town of Wallingford. Not only have they been helpful to her but also to the Town at-large. Because of this decision and the fact that the coverages that have been cancelled, also because the Ferguson-McGuire Agency has been instrumental in getting them coverage through The Hartford, Ferguson-McGuire will be handling the General Liability, Automobile, Contractors Equipment, and Fire Insurance. They have worked very hard to get this and also the Wallingford Board has

done a great effort and will continue for this year to serve us on those policies that were not cancelled. She then states that she would like Jack McGuire to join her as he is the one who got the quotations and all the information necessary. Charlotte Collins then stated that she would like everyone to know that concerning the Umbrella Coverage, last year and in previous years they had \$20 million coverage, this year they have \$1 million. The Budget packets are made a part of these minutes as Exhibits I and II. Jack McGuire then went on to explain that he had gotten a final figure from The Hartford as to what position they would be on in the Umbrella. They have a capacity for \$5 million on the umbrella. This would be if the Town would want this. They have given him cost on this in increments of \$1 million. For \$1 million the price would be \$92,000. For an additional \$2 million, the additional cost would be \$65,000. For an additional \$1 million to bring us up to \$3 million, the additional cost would be \$26,000. If we brought this up to \$5 million, we would probably be in the area of around \$200,000. It depends on what the Town wants to do. The \$5 million is available, however, it will be around \$200,000 for the total cost.

Mr. Killen then asks what the coverage would be for the \$44,000.

Mrs. Collins explains that the \$44,650 is just for the Town. This is only for \$1 million overall.

Mr. McGuire then explains that this is in additional to the General Liability. He states that in this day and age this really isn't a great amount of coverage since it went from \$20 million umbrella to \$1 million.

Mrs. Bergamini asks what the coverage was on the umbrella before.

Again, Mr. McGuire states \$20 million before and now we are down to \$1 million.

Mayor Dickinson then notes that just to be sure everyone is talking about the same items, what does the Cost Page under the General Liability section, where it shows \$614,200, what does this mean.

Mrs. Collins then states that this figure does not include the umbrella policy which just came in today, it does not include the property coverage for the electric division which is going to be \$30,175 with a \$25,000 deductible. This is just for the umbrella-----as \$1 million.

Mr. McGuire then states if they went with \$5 million umbrella coverage it would be another \$200,000.

Mrs. Bergamini then asks if this would be an additional \$200,000 or a total of \$200,000.

Mr. McGuire then states that if they went with a total of \$5 million umbrella, the total cost would be \$200,000. This would be the total for that one line.

Mr. Polanski then questions Charlotte as to whether the rest of the policies not in question are still being covered by the Board of Independent Agents.

Charlotte Collins then explains that yes these are still being handled by the Independent Board as these are still in place.

Mr. Holmes then states that one figure that jumps right out at him is the automobile coverage. What is the cause for such a jump in the rates?

Mr. McGuire then goes on to explain that municipalities are not a risk that insurance companies are willing to write as evidence by the fact that the Board of Insurance Agents for Wallingford put the Town out to bid and we only ended up with one company that would be willing to submit a bid for the Town of Wallingford package. That was after The Hartford refused to bid on this 3 times. Finally,

ey said they would provide us with a quote. There was a rate increase automobile and this would have something to do with it. It is a combination of things. The rate increase, the general business climate municipalities and the general business climate of the insurance industry which is definitely on an upward spiral. They have lost money the past and are now raising their rates across the board on all commercial lines. This has happened very rapidly. Since January 1st the market has totally reversed itself.

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. Killen then notes when they were first told they were turned down, the landfill was the explanation given as to why. However, he doesn't see where the landfill is included in these items at all.

. McGuire explains that some companies are taking that position. They don't want to be involved in the municipalities that are running a landfill. They fear they are sometime going to be drawn into a lawsuit. What happened 1 year ago was that policies that were enforced that were excluding the pollution being caused by landfills, this was explicitly worded in the policies yet the courts ruled that the insurance companies were liable. This is why they want no part. Some companies pulled out entirely. Other companies said they would write municipalities without any policy for pollution exposure.

. Killen feels that this attitude is ridiculous.

. McGuire agrees. He says that they talked with members in Wallingford and said that something should have been done in the State of Connecticut with the Commissioner of Insurance. They could have gotten the current carriers to stay on for 1 more year. Nothing was ever done however.

. Killen feels that if the insurance companies had made their case known, the different municipalities could have gotten together and worked out something on their own.

. McGuire feels that this is something that will happen next year. This year is a year for keeping the house in order. He states that he and Charlotte were at a meeting where this topic has come up. With this kind of money of course people are going to be saying that the premiums are excessive. There is a lot of area to write a municipality and still make money. Look at what was paid last year compared to what is being paid this year. Also, claims were not that excessive. Mr. McGuire then states that he has an article in the Town of Avon who has a population of 12,000-15,000. This is an affluent suburban town outside Hartford. Last year they paid a premium of \$7,500. This year their premium is \$60,000. There was an 800% increase in insurance costs.

. Diana then states that he would like to believe that the Insurance Commissioner get involved in something like this. There must be something illegal going on here. Also, did we lose any coverage on the Automobile Coverage? It went from \$46,000 to \$141,000.

Is this identical coverage?

. McGuire states that this is identical coverage. They had \$1 million liability and \$1,000 deductible before and this is the same now.

. Diana then questions if they have looked into raising the deductible.

. McGuire states that they have looked into this. He doesn't have those figures now. The company is looking to raise the deductible to \$5,000. These sheets were not ready for tonight's meeting. These will be ready tomorrow. The Hartford is in a position where they are really backlogged. As soon as he gets those figures, he will sit it down with Charlotte and go over them and see what will be done.

. Diana feels that The Hartford is just taking advantage of this situation. They are going from a \$20 million umbrella to a \$1 million umbrella and the costs are going from \$46,000 to \$141,000.

Charlotte then states that The Hartford is not the only one to blame. Their premium was \$92,000 where another company gave a bid of \$95,000. Therefore, they are all doing this.

. Diana states that the only long range solution would be to self insure with other communities. There are 168 towns in Connecticut. If they got together and put \$500,000 into a pool each year, we would have a considerable amount of money floating around Connecticut. He was also under the assumption that the landfill had something to

do with this. However, the landfill has nothing to do with it. There is no reason why the Town of Wallingford cannot insure itself against automobile problems. As far as liability goes, he understands that we are in the time of lawsuits, but this is ridiculous. This is an injustice to the taxpayers of this Town. It is too much money and it is not worth it.

Mr. Rys comments that he had talked to the State Insurance Commissioner's office during the week and he wants it known that they are in effect at the mercy of The Hartford. They are the only ones that will accept Wallingford. They had lost their insurance and they are willing to come forward and insure them. The fact is that The Hartford is not the only insurance company insuring municipalities in the State of Connecticut. Municipalities who are insured by other companies have not been dropped and will be able to maintain their insurance. However, The Hartford is the only one that will accept Wallingford.

Mrs. Papale asks if Aetna has dropped all the municipalities they covered.

Mrs. Collins states that it is her understanding that they did. They did drop us at the end of the policy year. Some they dropped in the middle of the year. Also, some municipalities are not insured at all at this time. Also, Mrs. Collins states that The Hartford will not insure the Electric Division right now for the General Liability.

Mr. McGuire states that Aetna has been kind enough to stay on this for another month. They asked The Hartford to do this but they stated they just didn't have the time to give them a quote on the Electric Division. This is a separate entity and is a little different.

They wanted to get all the municipality work done and then would go back into special market department and give them a quote on the Electric Division. However, they do have the additional month's coverage and then The Hartford may be able to write the policy for Liability Coverage. The automobiles, the property is covered. It is just the General Liability. The only other item that they do not have coverage on is Parker Farms School. This is a vacant school valued at \$2 million. The Hartford did not want to insure a building of that size and value which was vacant. They are going to ask Aetna Life & Casualty which is currently writing the fire insurance, to stay on that to the expiration of that policy which would be August 1st. Hopefully, by that time, the excess lines market and the fair plan will be explored and see if they can provide for the coverage on Parker Farms School.

Mr. Polanski notes that they are really stuck right now. He hopes that Charlotte and The Independent Board of Insurance Agents will keep on looking and get some reasonable prices. These prices The Hartford is giving are ridiculous. They don't lose any money. They cry to the Commissioner but they don't actually lose a penny. Also, he feels they are the worse payers when it comes time for a claim. He hopes they keep looking so they can get out from under The Hartford as they are stuck right now.

Mayor Dickinson then states that at this point we really don't have a choice. It is a great deal of money, but it does cover them for a great deal of exposures. He states that the reason for the higher rates may be the interest rates. The premiums that are now collected are now invested and receive a much lower rate of return. Now that they have found out loses go along with the business, they don't want to write anything. This means no investments off the premiums. As tempting as it may be to go without exposure, he doesn't feel this would be the way to go. He does feel that they should continue to look into this and certainly over a period of time he would expect the market to change. The bottom line is what is in the interest in the Town of Wallingford. You won't change the insurance industry. The insurance company doesn't care if we don't have coverage. However, if a loss does come up, we have to come up with the money.

Mr. Killen notes that they are all aware of this. The thing that seems to be throwing everyone for a loop is the automobile coverage. It seems these figures have tripled. They were under the understanding that the dump had something to do with this and it doesn't. If you can triple the costs and only one company is willing to insure you, something is definitely wrong here.

Mrs. Collins notes that one thing as the Wallingford Board new would be increased in this fiscal year was the auto.

Mr. Killen then notes that the request tripled. Our problem is that they experience rate us and we are not allowed to experience rate them.

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Terry Shortelle then noted that as it stands now, the Attorney General's office says that our organization can't go in violation with the anti-trust laws. As it now stands, Jack McGuire is representing the McGuire Agency. He is not representing the Wallingford Board of Independent Agents. They cannot as it appears now, search as a group for the Town of Wallingford. He feels this is a travesty and a big mistake they are making. The best they could do is bid individually. They cannot share commissions in any way and sit down together and come up with a best solution for the Town of Wallingford.

Mrs. Bergamini feels that there was a case like this at some time in Shelton and they just went by the Board and kept the Agents on.

Mr. Shortelle explains that the Board was a nonexclusive agent. They said that they wanted the Board to handle the business but they never committed themselves so they could get into trouble with the State. This has gone on and on and because some towns do this on a regular basis, everyone has to suffer. It is illegal for agents to get together and share a commission as far as the State is concerned.

Mr. Holmes then personally thanked Charlotte Collins for all her hard work, Mr. Myers for all his attention in this matter and the Independent Board of Insurance Agents. What this all boils down to, is about a mil in the tax rate. He agrees with Ed Diana and feels they should get together and finance a pool themselves. They cannot tolerate these rates. Once is enough.

Mr. Diana feels that they are going to be losing some expertise by losing the Independent Board. They can't have this board?

Charlotte Collins notes that the board can still act as an advisor. These are well-respected citizens in Town. They will be handling some of the policies but in light of the Attorney General's ruling, many places are not operating the way that they are operating. If The Hartford is going to insure them, then the Ferguson-McGuire Agency that is the agent for The Hartford will manage them.

Mr. Diana states that if that be the case, they are limiting their expertise in the sense that they don't have the benefit of the Board. Plus they are limiting the cost advantage because they don't have the wealth of companies being represented.

Charlotte Collins doesn't know about the cost advantage. However, the Policies that they continue to carry are not under the seclusion premiums. The Board decided to continue as a Board for this coming year. After that time, they would certainly be in violation of the Attorney General's ruling.

Mr. Diana asks what guarantees they have that someone will solicit self insurance. He feels that possibly they should set up an Insurance Commission to stay on top of this. Also, they may want to have monthly updates to see what is happening on this issue. They don't want this to go on until next year's budget comes up.

Charlotte Collins feels that this will not happen. She thinks the Council will be approached in another month or so with another option of some kind. They in no way intend to get into this situation again. The problem with self insurance is that they can't get any excess. This is OK for Worker's Comp. because these payments are over a long period of time. General Liability claims have to be up front.

Mr. Diana asks if we are not a member of an organization of the different Towns. Mayor Dickinson replies that this is South Central Council and Government. He does hold a position on this but this is not anything that would have an impact on the insurance item. However, he does note that he does have discussion with other Towns through this organization. What the Town now needs is an inquiry to what the Town needs and what is required.

Mrs. Bergamini then asks Charlotte Collins if we are going into self insurance for one year and she replies yes. Also are these made on monthly payments?

Charlotte Collins states that for automobile they have paid 20% down and the rest in 11 equal installment. General Liability in 12 equal installments. Equipment is 1 lump payment and fire is 25% down and 11 equal installments.

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Mr. Killen notes that Parker Farms and Electric Divison are not included at this point. What will happen next?

Mr. McGuire will have the answers in 1 month. They will then have to come back to the Council.

Mr. Myers states that they will also be asked to enact a budget amendment for the Water, Sewer and Electric Enterprise Funds because the coverage is due to expire on August 1st. The position tonight is to amend all our funds necessary. The Board of Education is in with the \$275,000.

Ms. Diana asks that these premiums are for 1 year. Can they do this for 6 months.

Mayor Dickinson states that the policy is for a year. However, the premiums are paid by the month. This will in no way limit them to soliciting any other bids.

Charlotte Collins would urge that they not solicit in 6 months. This is a short time from now and things may change in that time.

Mayor Dickinson states that if they cancelled the policy, they would still have to pay top dollar for whatever coverage they received.

Mr. McGuire says that the market will not change around in 6 months. Possibly over a period of the next year, an association of municipalities will get together and get one company to provide the best coverage with the best price. However, it would be wishful thinking to expect something to happen sooner.

Ms. Diana then notes that Parker Farms is a \$2 million building and she cannot believe that nobody will insure this. The fact that it is vacant doesn't mean anything.

Mr. McGuire states that he suggested this. Will that kind of money on a building they should be able to take a risk. He even suggested that for the Electric Divison to have a \$25,000 deductible on the property, he suggested that Parker Farms go with a \$50,000 deductible.

They even suggested a \$100,000 deductible and The Hartford came back and stated absolutely not. They are not looking to take any chances with a vacant building. These are susceptible to problems. They then suggested that maybe they would consider a \$100,000 deductible if they had a watchmen 24 hours a day. This then seemed ridiculous because they would then be spending an enormous amount of money. The Hartford also admitted to the chance of loss being only slight.

Roberta Shaw wanted to share the fact that the Connecticut Association of Boards of Education decided 5 years ago to provide a group insurance program and they now have 30 towns which participate. Their rates for next year went up 30-40%. They write a policy per each Town. It seems to her that the percentage of increase they are facing, this one was recommendable.

Mayor Dickinson wanted to note that all the discussion on Parker Farms should not let anyone leave this room thinking that Parker Farms will not be covered. It is insured and that policy expires August 1st.

Mr. Myers thinks that Mrs. Bergamini should read the resolution into the minutes and she then does so.

Mr. Killen then moved the resolution read by Mrs. Bergamini; seconded by Mr. Rys. This resolution is on Pages 9 and 10 of these minutes.

Mayor Dickinson then states that as far as the resolution reads, they do hope that they will not have to borrow at any time, the money. Even if they do not borrow, He feels that everyone should be aware that this will impact the budget by reducing interest income, because when they pick up \$275,000 in transit, this money is not invested and they don't make money on it. Therefore, it is very possible they can do this without borrowing but it will have an impact on the budget by reducing interest income.

Mrs. Bergamini then notes that they need 7 votes for this item to pass. Also, two councilmen are missing.

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VOTE: Unanimous ayes with the exceptions of Chairman Gessert and Mr. Krupp who were not present for the vote; motion duly carried.

Mr. Myers then notes that the 2nd part would be to amend the 1985-86 General Fund Budget.

Mrs. Bergamini then reads the amendment.

Mr. Rys then moved to amend the 1985-86 General Fund Revenue Budget; seconded by Mrs. Papale.

VOTE: Unanimous ayes with the exceptions of Chairman Gessert and Mr. Krupp who were not present for the vote; motion duly carried.

This amendment is considered Page 11 of these minutes.

A RESOLUTION AUTHORIZING A SPECIAL APPROPRIATION IN THE AMOUNT OF TWO HUNDRED SEVENTY-FIVE THOUSAND (\$275,000) DOLLARS FOR PAYMENT OF FISCAL 1985-1986 INSURANCE PREMIUMS FOR THE TOWN OF WALLINGFORD AND AUTHORIZING THE ISSUANCE OF NOTES OR OTHER OBLIGATIONS TO DEFRAY SAID APPROPRIATION IN ACCORDANCE WITH CHAPTER XV, SECTION 10 OF THE TOWN CHARTER.

Be it Resolved by the Town Council in Session:

I.

A special appropriation in the amount of Two Hundred Seventy-five Thousand (\$275,000) Dollars, is hereby appropriated for the purpose of payment of insurance premiums over and above that originally budgeted for the 1985-1986 fiscal year.

II.

To meet said appropriation, not more than Two Hundred Seventy-five Thousand (\$275,000) Dollars of notes or other obligations of the Town of Wallingford are authorized to be issued pursuant to Chapter XV, Section 10 of the Town Charter, as amended and CONN. GEN. STAT. §7-369, Revision of 1958, as amended.

III.

The Mayor, the Comptroller and the Treasurer, or any two of them, are hereby authorized to issue notes or such other obligations in accordance with Chapter XV, Section 10 of the Charter of the Town of Wallingford to defray said appropriation. Such notes shall become due and the principal amount and interest on such notes shall be paid in full no later than the last day of the fiscal year of 1986-1987. A sufficient amount shall be included in the budget for the fiscal year 1986-1987 to pay the principal amount of such notes and the interest due on such notes. The full faith and credit of the Town of Wallingford shall be pledged for payment of such notes. Nothing herein shall obligate the Town to issue such notes or other obligations if other sources are available to pay this appropriation. Nothing herein shall prohibit the Town from paying such notes or other obligations, if issued, from revenue other than tax revenues, if such other revenues are available. Notwithstanding the foregoing the full faith and credit of the Town shall be pledged to the purchasers of such notes or other obligations for payment thereof.

A RESOLUTION AUTHORIZING A SPECIAL APPROPRIATION IN THE AMOUNT OF TWO HUNDRED SEVENTY-FIVE THOUSAND (\$275,000) DOLLARS FOR PAYMENT OF FISCAL 1985-1986 INSURANCE PREMIUMS FOR THE TOWN OF WALLINGFORD AND AUTHORIZING THE ISSUANCE OF NOTES OR OTHER OBLIGATIONS TO DEFRAY SAID APPROPRIATION IN ACCORDANCE WITH CHAPTER XV, SECTION 10 OF THE TOWN CHARTER.

IV.

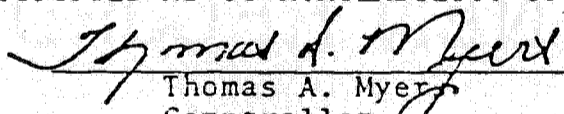
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Within the limits set forth in the foregoing Section III, The Mayor, the Comptroller and the Treasurer, or any two of them, are hereby authorized to sell such notes or other obligations, either all at one time, or from time to time, in series, at public sale or negotiated sale, either as a separate issue or combined with other authorized but unissued notes or other obligations of the Town of Wallingford, at not less than par and accrued interest. They shall determine the rate of interest of such obligations, and shall determine the amount of each issue, their form, their date, the dates of principal and interest payments, the manner of issuing such obligations, and by whom and how such obligations shall be signed or countersigned, and all other particulars thereof. The Town Treasurer shall deliver the notes or other obligations and receive the proceeds thereof. The Connecticut Bank and Trust Company, N.A., of Hartford, Connecticut, shall be the certifying and paying agent. Adinolfi, O'Brien & Hayes, P.C., Attorneys-at-Law, of Hartford, Connecticut, shall render an opinion approving the legality of such particular issue.

Be it enacted by the Town Council in session:

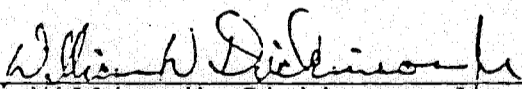
RESOLVED: Amend the 1985-86 General Fund Revenue Budget
Non-Operating Revenue
Account 901
Notes and Other Obligations \$275,000

Amend the 1985-86 General Fund Expenditure Budget
Insurances
Account 804-825 Town Insurances \$188,000
804-826 Education Insurances 87,000

CERTIFIED AS TO AVAILABILITY OF FUNDS


Thomas A. Myers
Comptroller

APPROVED, SUBJECT TO VOTE OF TOWN COUNCIL


William W. Dickinson, Jr.
Mayor

The next item up would be the Budget Amendment for the Water Division.

Mr. Rys moved to approve the budget amendment for the Water Division as follows: \$37,000 from Net Income to:

\$ 5,000 Property Insurance A/C 924-000

\$32,000 Liability Insurance A/C 925-000.

A total amount of \$37,000. This was seconded by Mr. Polanski.

Mr. Killen then asks if this is done in faith. We are just starting the new year.

Mr. Myers explains he really feels that the Water Department will have an appropriate amount of net income. It is faith but the whole budget is faith. We had budgeted and anticipated \$19,000 for the Sewer Net Income. The Sewer operates on an extremely tight revenue stream. The rate is extremely lenient as to what the expenditures are and should be. With this transfer, he would like everyone to be aware that the Sewer Division net income will be adjusted to "0". He doesn't foresee this to be a problem. 388

VOTE: Unanimous ayes with the exceptions of Chairman Gessert and Mr. Krupp who were not present for the vote; motion duly carried.

Mr. Polanski then moved to approve the budget amendment for the Sewer Division as follows: \$19,266 from Net Income and \$ 3,734 from Power purchased for pumping A/C 623-000 to:

\$ 500 to Property Insurance A/C 924-000
\$22,500 to Liability Insurance A/C925-000.

A total of \$23,000. This was seconded by Mr. Rys.

Mr. Killen states that they are playing games by taking this from a line account.

Mr. Myers explains that this year, power purchased for pumping, did not use the amount of power they had anticipated. This is why the transfer came from there. They will keep an eye on this but at this particular point they had to come up with something.

VOTE: Unanimous ayes with the exceptions of Chairman Gessert and Mr. Krupp who were not present for the vote; motion duly carried.

These two Budget Amendment's are made a part of these minutes as Exhibits III and IV.

Mr. McGuire then explains to the Council that the Umbrella coverage is a policy that sits on top of the General Liability Coverage and the Automobile. This is the \$1 million policy. For a homeowner, they would sell a \$1 million umbrella which would cost approximately \$75. This is highly recommended. On commercial accounts, they recommend at least a \$1 million umbrella. The prices have just accelerated so high on this that many of towns have come down on their umbrella policies. His recommendation is to take the \$5 million umbrella. The \$1 million umbrella is about \$92,000. To go another \$4 million would cost approximately \$125,000 on top of this and to him, this is a good buy. Four times the coverage for a little over double the cost.

Mayor Dickinson notes that they have \$2 million coverages on the combined coverage per occurrence.

Jack McGuire also explains that the umbrella will not pick up any additional exposures. It will go up in price, but not pick any other exposures up. They are paying more for less.

Mr. Killen states that the only way to win with insurance is that you have to die or have an accident. They are in the business to take a chance, yet they are telling us they don't want to take a chance.

Mr. Diana was then told that the vote was on the \$1 million umbrella. This is how it will stand.

Mayor Dickinson then notes that the Council has to waive bidding and let the Town purchase the Insurance through Ferguson-McGuire.

Another question was brought up about the Attorney General's ruling. Mr. McGuire explains that about 2 years ago they started investigating some of the Towns because of a complaint by an agent who was not part of the Board of Independent Agents. Some towns were blatant in the way they were operating. Our Town was using the Expertise of this Board and they have done a very good job. However, the Attorney General has said that Insurance Boards that bring competing people together to share commissions is in violation of the anti-trust laws. This also entails very large penalties and fines. Most of these Boards have disbanded. A report was sent out to everybody to let them know of the positions.

Mr. Killen moved to waive bidding on Automobile, General Liability, Contractors Equipment, Fire and Umbrella; seconded by Mr. Rys.

VOTE: Council Members Bergamini, Holmes, Killen, Papale, Polanski and Rys voted aye; Mr. Diana voted no; Chairman Gessert and Mr. Krupp were not present for the vote; motion duly carried.

Mr. Holmes then moved to authorize Ferguson-McGuire as Insurance Agent for the Town of Wallingford for the five items mentioned above; seconded by Mr. Killen.

VOTE: Unanimous ayes with the exceptions of Chairman Gessert and Mr. Krupp who were not present for the vote; motion duly carried.

Mr. Holmes notes that next year they should be very careful when it comes to Contingency accounts and accounts of that nature. These are for unforeseen events such as this. We are playing with fire and in the future we should be more prepared.

Mr. Killen states that there is no place for the charter of contingency accounts. Not that unforeseen items do not arise, just that they can't be pulled out of the air.

Mayor Dickinson then states that Joe Fazzi and Tom Myers have put a great deal of work and effort into this. They should be commended for their efforts.

Mrs. Bergamini then states that the last item on the agenda is to discuss and authorize negotiation for the 1500 GPM Pumper for the Fire Department.

Chief McElfish then states that he got everyone a listing of the items on this pumper. The price total is \$141,855.00. However, adding on the miscellaneous items that he felt were necessary, the Total Cost comes to \$144,855.00. The difference between this one and the other is that this one has a larger engine, this also has a top mount pump controller. The generator will be a 4000 watt generator. This also includes rust proofing by Ziebart. The other pumper was sold on the Tuesday night that they voted on this. This is a 1250 gallon pumper in lieu of the 1500 gallon pumper. Basically, it is the same and very well equipped. It will be available September 15, 1985. It has 2 shows to go to and then will go back to the factory for all the equipment checks and can be delivered on September 15th.

Mr. Killen wonders why the other company withdrew his offer.

Chief McElfish states that he talked with the salesman in Hyannis on Thursday and they have 6-7 regional salesmen and they sold it to Columbus, Ohio in a fleet of 5 they were selling. They asked the Chief if he wanted a hold on this and he felt he had no authority to do so. However, he does feel that this pumper is well equipped and is a good deal.

Mr. Diana questions if there are other companies around that maybe we should have called to get bids from.

Chief McElfish states that there are the other bidders but they will all really come in at the same price with the same features. A few of the features may differ, but they are all basically the same and we would not be losing anything.

Mrs. Bergamini questions that the other pumper had a Cummings Engine. Is the Detroit just as good.

Chief McElfish states that there are a few engines that are good. Cummings is one of them but Detroit is also high on the list. He goes on to state that they are also buying an extended warranty on this and this is something that he feels is well worth the money.

Mr. Rys then questions the Chief on an engine that they had many problems with.

Chief McElfish again states that that engine was caught in a flood in 1976 and the engine and all were submerged in water. This was the cause of all the problems.

Mayor Dickinson states that one thing that is important to remember is that this went out to bid and we rejected the bids. Initially, we chose a demonstrator from the low bidder and they sold it out from under us. Now we are going to the next bidder on the list and we are going with their demonstrator. It is important to know that we are following the bid pattern. If someone were to comment on this, we would still be following the bid pattern. We are giving due regard to each bidder in mind.

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Mr. Holmes questions the September 15 delivery date.

Chief McElfish explains that they do have two more shows to go to. The pumper will then be completely serviced and a full guarantee accepted. This will then be totally ready for service.

Mr. Diana questions the warranty.

Chief McElfish explains that the normal warranty would be 2 years on the parts and 1 year on labor. Also, 1 year on the transmission. They have bought the extended warranty. This would be 5 years on the engine, 3 years on transmission and 2 years on the entire vehicle from the time they take delivery on the pumper.

Mr. Myers asks Mr. McElfish who does the miscellaneous equipment.

Chief McElfish then explains that this is something they already have to have. These have gone out to bid and these will be done locally by their own people. This is all hardware.

Mr. Polanski moved to waive bidding and purchase the Pierce Arrow 1250 GPM Pumper; seconded by Mrs. Papale.

Chief McElfish explains that this will go to Engine 1 and Engine 1 will go to Engine 8 and Engine 8 will be the reserve unit.

VOTE: Unanimous ayes with the exceptions of Chairman Gessert and Mr. Krupp who were not present for the vote; motion duly carried.

A motion to adjourn was duly made, seconded and carried and the meeting adjourned at 9:50 p.m.

Lisa M. Bousquet
Council Secretary

Approved

David A. Gessert, Council Chairman

Date

July 11, 1985

Rosemary A. Rascati, Town Clerk

Date

7-12-85

1985-86 INSURANCE BUDGET

Exhibit I
Page 1 of 5

MAYOR'S DIVISION

verage	84-85 Actual	85-86 Request	85-86 Quotations
to	\$ 34,716.00	46,000.00	141,136.00
re Dept. Auto	24,849.00	30,000.00	27,717.00
neral Liability	72,962.00	105,000.00	155,481.00
re Dept. Gen'l Liability	7,186.00	8,000.00	7,905.00
ontractors' Equipment	18,560.00	20,000.00	14,790.00
re Dept. Equipment	2,480.00	3,000.00	2,728.00

Vol. Firemen's Accident	1,979.00	2,000.00	1,979.00
Boiler & Machinery	1,824.00	2,500.00	2,544.00
Fire	7,657.00	9,000.00	20,109.00
Bonds	670.00	1,300.00	1,300.00
Money & Securities	511.00	600.00	600.00
Umbrella	15,796.00	25,000.00	44,650.00
Police Professional Liab.	15,071.00	15,100.00	15,100.00
Firemen's E&O	5,422.00	5,800.00	5,422.00
Public Officials E&O	1,637.00	2,000.00	1,637.00
Town Clerk E&O	758.00	1,000.00	750.00
	<u>\$212,078.00</u>	<u>\$276,300.00</u>	<u>\$443,848.00</u>

+ Parker Farms School

1985-86 INSURANCE BUDGET

Exhibit I
Page 2 of 5

BOARD OF EDUCATION

Coverage	84-85 Actual	85-86 Request	85-86 Quotations
Auto	\$ 7,730.	\$ 10,000.	\$ 30,981.
General Liability	19,958.	23,000.	34,130.
Contractors' Equipment	576.	1,000.	733.
Vo-Ag Tools/Equipment	960.	1,500	960.
Boiler & Machinery	3,142.	3,800.	3,414.
Fire	30,829.	35,000.	80,434.
Bonds	956.	1,000.	1,000.
Money & Securities	635.	800.	800.
Umbrella	4,269.	7,000.	12,350.
School Board Errors & Cm.	1,676.	1,700.	1,700.
Public Official E & O	<u>1,637.</u>	<u>1,800.</u>	<u>1,637.</u>
	\$ 72,368.	\$ 86,600	\$ 168,139.

1985-86 INSURANCE BUDGET

Exhibit I
Page 3 of 5

ELECTRIC DIVISION

Coverage	84-85 Actual	85-86 Request	85-86 Quotations
Auto	12,989.	16,500.	50,762.
General Liability	61,956.	58,000	?
Contractors' Equipment	868.	1,000.	733

Boiler & Machinery	20,472.	24,000.	22,240.
Fire	6,362.	7,500.	30,175.
Bonds	107.	125.	125.
Money & Securities	326.	350.	350.
Credit Insurance	13,600.	14,000.	14,000.
Umbrella	9,477	15,000.	26,600.
Public Officials E & O	<u>2,945.</u>	<u>3,500.</u>	<u>2,945.</u>
	\$129,102.	\$139,975.	\$147,930

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+General Liability

1985-86 INSURANCE BUDGET

WATER DIVISION

Exhibit I
Page 4 of 5

Coverage	84-85 Actual	85-86 Request	85-86 Quotations
	\$ 5,886.	\$ 8,000.	\$ 24,588.
General Liability	11,612.	15,000.	22,200.
Contractors Equipment	1,072.	1,500.	1,116.
Boiler & Machinery	2,786.	3,000.	3,026.
	1,172.	1,500.	3,493
Bonds	59.	100.	100.
Money & Securities	69.	150.	69.
Umbrella	2,521.	4,000.	7,600.
Public Officials E & O	<u>196.</u>	<u>250.</u>	<u>196.</u>
	\$25,373	\$33,500.	\$62,388.

1985-86 INSURANCE BUDGET

SEWER DIVISION

Exhibit I
Page 5 of 5

Coverage	84-85 Actual	85-86 Request	85-86 Quotations
Auto	\$ 3,864.	\$ 5,500.	\$16,921.
General Liability	8,649.	10,000	14,725.
Contractors Equipment	-0-	100.	69.
Boiler & Machinery	1,862.	2,400.	2,022.
Fire	692.	800.	1,799.
Bonds	46.	35	35.
Money & Securities	68.	-0-	68.

Umbrella	1,445.	2,500.	393	3,800.
Public Officials E & O	<u>131.</u>	<u>150.</u>		<u>131.</u>
	\$16,757.	\$21,485.		\$39,570.

Exhibit II
Page 1 of 6

GENERAL LIABILITY SECTION

As previously advised, the following will be excluded from Liability Coverage:

\$1,000,000 Combined Single Limit

- A. Complete exclusion of pollution.
- B. EMP's
- C. Dams
- D. Electric Utilities Division
- E. Trampolines
- F. Personal Injury, direct bodily injury and professional liability for the Police Department and personnel .
- G. Athletic participants
- H. Immediate first aid to students.
- I. Teachers Liability including corporal punishment (not requested)

Advocate 21 Broad Form CGL Coverages Estimated annual premium- \$226,536.

Our quotation is subject to favorable loss control inspection of town properties.

We are under no circumstances obligated to provide coverage for the Electric Utilities Division.

Exhibit II
Page 2 of 6

PROPERTY SECTION

We will not provide coverage for nor does our quotation include, coverage for the Parker's Farms School. This is a vacant school valued at \$2,002,320.

Our Property quotation does not include any coverage for building or contents of the Electric Utilities Division.

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Property Based On:

\$67,224,229 Blanket Building and Contents Value
\$5,000 deductible

Perils of fire, Extended Coverages, Vandalism & Malicious Mischief and All Other Perils.

Replacement Cost
90% co-insurance

Property Estimated Annual Premium: \$104,591

The above is subject to a new, updated signed statement of values.

Exhibit II
Page 3 of 6

AUTOMOBILE COVERAGE

\$1,000,000 Combined Single Limit Liability
\$1,000,000 Uninsured Motorists
No Fault Coverage
Medical Payments
1,000 Comprehensive Deductible
1,000 Collision Deductible

ANNUAL PREMIUM: \$264,388.

Exhibit II
Page 4 of 6

CONTRACTOR'S EQUIPMENT FLOATER

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Total Schedule: \$1,743,236

\$500.00 deductible

Annual Premium: \$17,441

Exhibit II
Page 5 of 6

INLAND MARINE COVERAGE

Computer Equipment Floater Locations 50 and 100 for \$486,000 and \$130,680 respectively.

\$616,680 total values

\$500.00 deductible

Annual Premium: \$1,244

Exhibit II
Page 6 of 6

COST PAGE

GENERAL LIABILITY-	\$226,536.
PROPERTY-	\$104,591.
AUTOMOBILE	\$264,388.
CONTRACTOR'S EQUIPMENT FLOATER-	\$ 17,441.
INLAND MARINE COVERAGE-	\$ 1,244.
	<u>\$ 614,200.</u> TOTAL

TOWN OF WALLINGFORD, CONNECTICUT

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Exhibit III

Honorable William W. Dickinson, Jr.
Mayor
Town of Wallingford, Connecticut

Date: 7-1-85

I. Request for: transfer of funds
~~XXXXXX BUDGET AMENDMENT~~ Budget Amendment

Fund: ELECTRIC operating capital project
X WATER operating X operating capital project
SEWER operating capital project

Amount:	\$	FROM:	Title	Net Income	Acct. No.	N/A
\$ 37,000.00	*		Title	Property Insurance	Acct. No.	924-000
\$ 5,000.00	*	TO:	Title	Liability Insurance	Acct. No.	925-000
\$ 32,000.00	*	TO:	Title		Acct. No.	
\$		TO:	Title		Acct. No.	
\$		TO:	Title		Acct. No.	
\$		TO:	Title		Acct. No.	
\$		TO:	Title		Acct. No.	

Explanation: PER ATTACHED LETTER AS REQUIRED

Submitted by: Raymond G. Reardon
Department / Division Head

Certified as to the availability of funds:
Raymond G. Reardon 7-1-85
~~XXXXXX~~ Accounting Office Date
Water

Approved by vote of the Public Utilities Commission subject to approval of the Mayor and the Town Council:

Chairman, Public Utilities Commission Meeting Date

Certified as to the availability of funds:
Thomas A. Muehl 7-1-85
Comptroller Date

Approved - subject to vote of the Town Council:
W. Dickinson 7-1-85
Mayor Date

II. Certification of Financial Transaction:

budget amendment
The ~~transfer~~ appropriation of \$ 37,000.00 as detailed and authorized above and as approved by a vote of the Town Council in session is hereby certified.

I hereby certify that this is the motion approved by the Town Council at its meeting of _____, 19____.

TOWN OF WALLINGFORD, CONNECTICUT

Exhibit IV

Honorable William W. Dickinson, Jr.
Mayor
Town of Wallingford, Connecticut

Date: July 1, 1985

1. Request for: transfer of funds
X ~~appropriation~~ Budget Amendment

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Fund: ELECTRIC operating capital project
 WATER operating capital project
 X SEWER X operating capital project

Amount: \$ 19,266.00* FROM: Title Net Income Acct. No. N/A
\$ 3,734.00* FROM: Title Power purchased for Acct. No. 623-000
\$ TO: Title pumping Acct. No.
\$ TO: Title Acct. No.
\$ 500.00* TO: Title Property Insurance Acct. No. 924-000
\$ 22,500.00* TO: Title Liability Insurance Acct. No. 925-000
\$ TO: Title Acct. No.
\$ TO: Title Acct. No.

Explanation: PER ATTACHED LETTER AS REQUIRED

Submitted by: *Raymond G. Deniso*
Department / Division Head

Certified as to the availability of funds:
Raymond G. Deniso 7-1-85
~~XXXXXXXX~~ Accounting Office Date
Sewer

Approved by vote of the Public Utilities Commission subject to approval of the Mayor and the Town Council:

 Chairman, Public Utilities Commission Meeting Date

Certified as to the availability of funds:
Thomas A. Merri 7-1-85
Comptroller Date

Approved - subject to vote of the Town Council:
W. Dickinson 7-1-85
Mayor Date

II. Certification of Financial Transaction:

The budget amendment ~~transfer~~ appropriation of \$ 23,000.00 as detailed and authorized above and as approved by a vote of the Town Council in session is hereby certified.

I hereby certify that this is the motion approved by the Town Council at its meeting of , 19 .

 Town Clerk