

TOWN OF WALLINGFORD, CONNECTICUT
SPECIAL TOWN COUNCIL MEETING

**HELD REMOTELY
at GoToMeeting.com**

THURSDAY
April 15, 2021
6:30 P.M.
FY 2021-2022 BUDGET

RECORD OF VOTES & MINUTES

The Special Town Council Meeting on Thursday, April 15, 2021 was called to order at 6:30 p.m. There was a moment of silence and the Pledge of Allegiance was said. Councilors in attendance were Craig C. Fishbein, Christopher K. Shortell, Christina Tatta, Vincent F. Testa, Jason Zandri and Chairman Vincent Cervoni. Councilors Laffin, Marrone and Morgenstein were absent. Mayor William W. Dickinson, Jr., and Comptroller James Bowes were also present.
(BY TELECONFERENCE).

AGENDA

1. Moment of Silence
2. Pledge of Allegiance and Roll Call
3. **PUBLIC UTILITIES COMMISSION**

In Attendance: Bob Beaumont, Chairman, PUC

Mr. Beaumont indicated the same Budget.

There were no questions.

ELECTRIC DIVISION

*In Attendance: Richard Hendershot, Director, PUC
Tony Buccheri, General Manager, Electric Division
Brian Naples, Business Office Manager, Water-Sewer Division
Walter Szymanski, Energy Efficiency Specialist*

The Electric Division indicated in the operations and maintenance accounts there is a slight decrease (1.32%) from last year and on the capital side the entire post capital budget is 2.97% less than last year's budget.

Chairman Cervoni asked if the results of the rate review will have an impact on the budget presented. Mr. Hendershot stated it won't change expenditures. He went on to state if charges go up it may increase revenue and if charges go down it may decrease revenue.

Councilor Tattta inquired about operating income. She indicated all three Divisions have a net loss and asked if that is typical. She didn't think there was a net loss in previous years. It was explained that is due to a reduction in health insurance and as far as the negative number on the bottom of page 70 that is the result of the Division actually budgeting for the remainder of the CMEEC arbitration award refund.

Councilor Tatta wanted to confirm we are expecting a net loss just for this one year because of the CMEEC settlement. It was confirmed that is correct.

Councilor Fishbein thanked Mr. Buccheri. He mentioned an incident where the street light was out and it was a safety issue and Mr. Buccheri was very accommodating.

Councilor Fishbein inquired about the Conservation line (line 909). He went over the history indicating last year it was \$1million, this year is \$1million again but next year the budget is over \$2 million. He asked for an explanation.

Electric Division - Over the past couple of years they did not receive RGGI funds as expected from the State of Connecticut but this year's those funds will make it to us and that's a \$400,00 swing in the budget.

Councilor Fishbein asked if you are getting \$400,000 more this year have you added programs to assure that \$400,000 is going to get expended in the next year.

Electric Division - We have not added anymore programs and will try harder with the ones we have to get more done. COVID has had an impact.

Mr. Szymanski explained his perspective is they submit a three year plan to the state and said his successor will review that to see if we are offering the right incentives and rebates to customers. Councilor Fishbein stated if there is money left over it may be helpful in using this money.

Chairman Cervoni indicated Adelheid Koepfer, Whiffle Tree Lane, sent an email regarding PUC meetings availability on the town website in a timely manner. She noted an instance a couple years back where her questions were not represented correctly in the minutes. She feels audio recordings would be helpful. She indicated the visual of any recording could be added to make a video like file.

Ms. Koepfer - Does anybody speaking for the PUC or does the Division administration have any idea of the budgetary impact of a video like file? The Electric Division responded no.

Ms. Koepfer thanks the Electric Division for reliable service especially during the pandemic. She referred to Operating Revenues Page 67. She wants an explanation of expected decrease in sales. The Electric Division explained that kilowatt hours are not changing, sales/dollars are changing.

Ms. Koepfer - How does WED reconcile efficiency efforts with potential loss of revenue?

Mr. Szymanski refers to the discussion that just took place regarding RGGI funds.

Ms. Koepfer - Regarding Operating Expenses – Page. 68 F is there any energy efficiency plan for town buildings?

Ms. Koepfer - When was the last energy audit for town buildings and what measure savings have been achieved with the new Energy Efficiency Specialist hired in the Electric Division?

Ms. Koepfer - Will the town get a new energy audit to help potential savings?

Mr. Szymanski – There currently is not an energy efficient plan for all municipal buildings. This is done on a department case by case basis. There was a town wide audit of municipal buildings completed in 2012.

Ms. Koepfer - Transmission Expense – Please explain the increase.

Electric Division - On an annual basis we look at the way labor is distributed amongst these accounts and reforecast labor to more accurately reflect where it's been sent.

Ms. Koepfer - 584 Underground Lines – What caused the increase?

Electric Division - In anticipation we are looking at and replacing gaging transformers which are the green boxes throughout the town and neighborhood where there is underground residential distribution.

Ms. Koepfer - 909 Conservation – Is that the program for residential and commercial industrial customers? Are these funded through the Conservation and load management fund?

Electric Division – That is correct.

Ms. Koepfer - What share of Connecticut's RGGI auction proceeds come through to WED and where in the proposed budget might that be found.

Electric Division - When we have RGGI fund auctions DEEP skims off the top of the first 7 ½% of that auction for their use and therefore of the remaining balance Wallingford Electric receives 1.68% of the remaining balance after DEEP takes their portion. This can be found in an account ending in 05392 where the RGGI funds are budgeted and tracked.

Ms. Koepfer - Taxes - Is it correct to assume that these are not local taxes as WED delivers a transfer to GF instead of town taxes.

Electric Division – That is correct.

Ms. Koepfer - Non-Operating Revenue Expense – Pg. 70 - Please clarify the gains from and loss on disposition of plant for 11-8, 15,000 and 411-7, 60,000 respectively.

Electric Division - When we have a capital asset those assets have a certain expected usable life and when the asset fails prior to the end of that usable life whatever remains is a loss. In the event

there is scrap value on that asset that scrap value exceeds the loss it becomes a gain otherwise it's recorded as a loss.

Ms. Koepfer - Working Capital Transmission Plant Increased Costs in 2020 Adjusted Appropriation 131-21 -Please explain same for distribution plant.

Electric Division - The increase on Page 70 for Transmission Plant is due to projects in coordination with Eversource Energy. We had to do this three times this year because we needed appropriation to cover the cost.

Electric Division – Distribution for upcoming fiscal year – We estimated an amount to replace 11 15KV breakers at our East Street substation that are in need of replacement.

Ms. Koepfer – Please mention what miscellaneous equipment 398 the Mayor has added in.

Electric Division – That is what Mr. Bowes explained at the beginning of the meeting. It is for the change of insurance after the budget was submitted. This is the capital portion of that insurance adjustment.

Councilor Tatta thanked the Electric Division for all they do. She said we are the envy of everyone in the state and reliability is fantastic.

WATER DIVISION

In Attendance: Neil Amwake, General Manager, Water and Sewer Division

Mr. Amwake pointed out some highlights on the Water Division Budget for Fiscal Year 2021-2022.

No wage or salary increases other than step or merit increases.

No change in the consumption rate per 100 cubic feet.

There is a project coming up in Account 923. The Division will be conducting a leak detection survey for calendar year 2022 for the approximate cost of 26,000.

In Operating Account 403 there is a decrease in depreciation expenses for fiscal year 2022.

There is a decrease in investment income in Account 419 due to the current interest rates.

Capital side – Account 343 – A water main replacement and repair project.

Account 346 – Capital Account – Meter Replacement – Projecting project will be suspended to January 1, 2022.

Mr. Naples referenced last year's budget as far as operating loss of water. He stated even though we projected a net loss in the budget, historically it hasn't come to be by the end of the fiscal year.

Ms. Koepfer thanked the Division for their reliable service and diligent efforts in keeping our public water supply safe.

SEWER DIVISION

Mr. Amwake pointed out some highlights on the Sewer Division Budget for fiscal year 2021-2022.

There are no wage or salary increases other than step or merit increases.

There will be an increase of sewer rates effective July 1, 2021 and these rates were adopted by the PUC Commission on July 21, 2020.

Budgeted for an additional Maintenance Repair Technician.

There is a continued focus on preventative maintenance – approximately \$200,000 in operating expenses budgeted for fiscal year 2022.

Capital side under Account 321 – Budgeted \$1.4 million for replacement of the I91 pump station.

Ms. Koepfer appreciates the Division's diligent water oversight and the detailed package that came with the budget.

Councilor Tatta questioned the net loss. Mr. Naples explained depreciation expense increase and interest expense are two factors resulting in net loss.

FINANCE DEPARTMENT

In Attendance: James Bowes, Comptroller

Mr. Bowes mentioned the Divisions being Accounting, Purchasing, Property Assessment and Revenue Collection.

Board of Assessment Appeals - Explain the \$6,000 reduction in the board member stipends.

Mr. Bowes explained the Board members budgeted stipends to themselves for the same amount as this year – revaluation year. The Mayor brought the stipend back down to the non-revaluation year.

Councilor Tatta asked how much money have we used from contingency in the past three fiscal years? Mr. Bowes replied:

Fiscal Year ending 2018 - \$317,488
Fiscal Year ending 2019 - \$329,711
Fiscal Year ending 2020 - \$214,151

So far this fiscal year - \$191,231

Councilor Tatta asked does the town provide any monetary support to organizations and is there a record of this?

The Mayor explained Coalition for a Better Wallingford pays for their store front and they rent the property there. That's not town owned property and he gave some examples including SCOW and STEM Academy where there is \$1.00 rent or some sort of agreement put in place.

Councilor Tatta said she heard a rumor and wanted to make one hundred percent sure.

Did the balance in the General Fund increase or decrease in the last fiscal year?

Mr. Bowes stated at the end of June 30, 2020 it was \$16,274,000 and in the fiscal year ending 2019 it was \$16,785,000. The free reserves declined by about half a million dollars over the last fiscal year.

What would the mill rate of the Mayor's proposed budget have been had revaluation not occurred?
Mr. Bowes will review this with his deputy.

Ms. Koepfer – Please clarify revaluation costs in 2021-2022.

Mr. Bowes indicated we budget something every year in the Comptrollers budget for revaluation because the process of revaluation is very expensive. Interim revaluation runs anywhere from \$400,000 to \$500,000 and the inspection revaluation can run as high as \$700,000.

CAPITAL APPROPRIATIONS

Ms. Koepfer - Will the administration please include high performance energy standards in any planning efforts and bids going forward.

The Mayor stated we would make every effort to make any project as low energy usage as possible.

RESERVES

Please clarify the Consulting Engineer for EDC.

The Mayor explained the money is there for Engineering Consultants on some properties in the Research Parkway industrial area. He stated we are looking to continue to move the appropriation forward.

DEBT SERVICES

Chairman Cervoni asked Mr. Bowes what is our total outstanding indebtedness right now.

Mr. Bowes stated at the end of this fiscal year we will have a little more than \$32 million in principle outstanding, however we're going to be bonding between now and then.

Councilor Shortell wants to clarify we have \$5.7 million in this budget for debt service. Mr. Bowes responded yes that is correct.

Councilor Shortell asked, on a budgetary basis, year to year do we have a ratio of debt that's in our comfort zone.

Mr. Bowes said some towns have provisions that their debt service can't exceed a certain percentage of the budget. We don't have such a provision in Wallingford. He went on to say we have a lower debt ratio than many communities and it's what a community is willing to accept or a community's comfort level.

Susan Huizenga, Surrey Drive - Do we have a buy local or buy USA policy and what part of town government needs to be registered for international purchases?

The Mayor stated he is not aware of any policy that indicates buy USA.

Chairman Cervoni noted he remembers in one of his first terms some 11 years ago the Ordinance Committee discussed some attempt to give a local business an edge up in the bidding process but it never grew wings.

The Mayor stated there is no policy for making international purchases and we do not make any international purchases that he is aware of.

Ms. Huizenga said we are registered since 2019. Mr. Bowes will check with Purchasing.

Chairman Cervoni adjourned the meeting at 7:54 p.m.

Lisa Moss
Council Staff
Meeting digitally recorded

RECEIVED FOR RECORD 4-21-21
AT 4:15 AND RECEIVED BY
Deborah McKiernan TOWN CLERK



Vincent Cervoni, Chairman

13 May 2021

Date



Deborah McKiernan, Town Clerk

May 13, 2021

Date