

APPROVED

8/17/22

PUBLIC UTILITIES COMMISSION

WALLINGFORD TOWN HALL

ROOM 315

45 SOUTHMAIN STREET

WALLINGFORD, CT 06492

Tuesday, August 2, 2022

6:30 P.M.

MINUTES

PRESENT: Chairman Robert Beaumont; Commissioners Patrick Birney and Joel Rinebold; Director Richard Hendershot; Electric Division General Manager Tony Buccheri; Electric Division Business Office Manager Marianne Dill; Water and Sewer Divisions General Manager Neil Amwake; and Recording Secretary Bernadette Sorbo

Absent – None

Members of the public – None

Mr. Beaumont called the Meeting to order at 6:30 P.M., and the pledge of Allegiance was recited.

1. Pledge of Allegiance

2. Consent Agenda

- a. Consider and approve meeting Minutes of July 19, 2022

Motion to Approve the Consent Agenda

Made by: Mr. Birney

Seconded by: Mr. Rinebold

Votes: 3 ayes

3. Items Removed from Consent Agenda - None

42 **4. Discussion and Action: Resolution – Salvatore Criscio**

43
44 Mr. Beaumont stated that Mr. Criscio will be retiring after 32 years of service with the Town of
45 Wallingford, 15 years with the Electric Division and 17 years with the Department of Public
46 Works.

47
48 Mr. Buccheri stated that Mr. Criscio will be missed. Mr. Criscio is a perfectionist who pursues
49 flawless work and sets extremely high standards.

50
51 Mr. Hendershot stated that he was a good addition when he came over from the Department of
52 Public Works. This was a loss for the Department of Public Works and a gain for the
53 Wallingford Electric Division.

54
55 **Motion to Approve the Resolution of Salvatore Criscio**

56
57 **Made by: Mr. Birney**

58 **Seconded by: Mr. Rinebold**

59 **Votes: 3 ayes**

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62
63 **5. Discussion and Possible Action: Budget Amendment – FY 2022/2023 – Electric**
64 **Division – Pensions**

65
66 Mr. Beaumont referenced the memorandum from Mr. Hendershot dated July 27, 2022 regarding
67 the Department of Public Utilities employer pension obligations for the Electric Division that
68 conceptually applies to the Water and Sewer Divisions and a memorandum from Ric Livingston
69 dated December 28, 2018. Based on the memo from Ric Livingston, the three Divisions of the
70 Department of Public Utilities began tracking new hires (December 2018 and later) on the cash
71 balance plan separately and applying the applicable 5% or 5.5% employer pension contribution.

72
73 A recent financial audit showed that there was a significant amount of employer pension
74 contributions remaining in the Town's budget. At a meeting on April 27, 2022 in the Mayor's
75 Conference Room, the Department of Public Utilities was informed that the annual percentage in
76 the memo should have been applied to all employees, regardless of which pension plan they are a
77 part of because both the defined benefit pension plan and the cash balance pension plan are
78 funded from the same pension fund.

79
80 Specifically, for FY 21-22 the payroll system was to deduct 24.1% of payroll for all Town
81 department and utility employees for the employer pension contributions, regardless of whether
82 an employee was in the defined benefit pension plan or in the cash balance pension plan. It is
83 noted that the employer pension contribution value of 24.1% put forth by the Town's actuaries
84 accounts for the blended (weighted) employer pension obligation based on the number of
85 employees in the defined benefit pension plan, the number of employees in the cash balance
86 pension plan, and projected work duration and lifespan.

87

88 Mr. Birney questioned, if the 24.1% covers every employee whether they are in the defined
89 benefit pension plan or in the cash balance pension plan?
90

91 Mr. Hendershot stated that is what he understands as a result of the April 27, 2022 meeting.
92

93 Mr. Birney stated the amendments that are being proposed only cover the FY 22-23 and the
94 memo is dated 2018. Shouldn't this cover FY 21-22 as well?
95

96 Mr. Hendershot stated that he had a brief conversation with the Comptroller. The Comptroller
97 explained that there were sufficient funds in all three Divisions budgets for the FY 21-22 as a
98 result of vacancies and a slightly lower population of employees in the cash balance plan than
99 anticipated in FY 22-23. Therefore, there were sufficient funds remaining in the budget to
100 address the three division's employer pension contributions.
101

102 Mr. Birney questioned, why is the shortfall being allocated amongst these accounts?
103

104 Mr. Hendershot stated that in Utility Accounting, labor dollars that are in the various operating
105 and capital accounts bring all of their appendages with them. When labor is expended on an
106 Electric Division capital activity, not only is the labor capitalized but the benefits associated with
107 that labor are capitalized as a cost of the asset. This includes pension and healthcare.
108

109 Mr. Amwake stated that for the Water Division, the labor and associated benefits get assigned to
110 both operating and capital accounts. For the Sewer Division there are only operating accounts as
111 there are no capital expenditures.
112

113 **Motion to Approve the Budget Amendment – FY 2022/2023 – Electric Division – Pensions**
114

115 **Made by: Mr. Birney**

116 **Seconded by: Mr. Rinebold**

117 **Votes: 3 ayes**
118
119
120

121 **6. Discussion and Possible Action: Budget Amendment – FY 2022/2023 – Water**
122 **Division – Pensions**
123

124 **Motion to Approve the Budget Amendment – FY 2022/2023 – Water Division – Pensions**
125

126 **Made by: Mr. Birney**

127 **Seconded by: Mr. Rinebold**

128 **Votes: 3 ayes**
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132 **7. Discussion and Possible Action: Budget Amendment – FY 2022/2023 – Sewer**
133 **Division – Pensions**

134
135 **Motion to Approve the Budget Amendment – FY 2022/2023 – Sewer Division – Pensions**

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137 **Made by: Mr. Birney**
138 **Seconded by: Mr. Rinebold**
139 **Votes: 3 ayes**

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141
142
143 **Correspondence**

144
145 Mr. Hendershot stated that the Town Council's Meeting will fall on the same date as the next
146 scheduled PUC meeting, August 16, 2022. Mr. Hendershot inquired with the PUC on moving
147 the date for the PUC's meeting from August 16, 2022 to August 17, 2022. Mr. Hendershot will
148 send out emails to all parties to confirm that this date will work and will reschedule accordingly.

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150
151
152 **Public Question and Answer Period**

153
154 No members of the public present

155
156 **Public Question and Answer Period Closed**

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158
159
160 **ADJOURNMENT**

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162 **Motion to adjourn**
163 **Made by: Mr. Birney**
164 **Seconded by: Mr. Rinebold**
165 **Votes: 3 ayes**

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167 The meeting was adjourned at approximately 6:47 p.m.

168
169 Respectfully submitted,

170
171 *Michelle Bracale for*

172
173 Bernadette Sorbo

174
175 Recording Secretary

Respectfully submitted,

Joel Rinebold/mb

Joel Rinebold

Secretary