

TOWN COUNCIL MEETING

FEBRUARY 22, 2000

6:30 P.M.

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TOWN COUNCIL MEETING

FEBRUARY 22, 2000

6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, February 22, 2000 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Robert F. Parisi at 6:32 P.M. Councilors Brodinsky, Farrell, Knight, Papale, Parisi, Rys, Vumbaco and Zappala answered present to the Roll called by Town Clerk Rosemary A. Rascati. Councilor Centner was vacationing out of the state. Mayor William W. Dickinson, Jr. arrived at 6:40 P.M., Assistant Town Attorney Gerald E. Farrell, Sr. arrived at 6:35 P.M., Comptroller Thomas A. Myers was also present.

The Pledge of Allegiance was given to the Flag.

A moment of silence was observed for Timothy Cummings, Golf Course Committee Member and for Attorney Richard Gee recovering from a serious illness.

ITEM #2 Correspondence – No items of correspondence were presented.

ITEM #3 Consent Agenda

ITEM #3a Consider and Approve Tax Refunds (#369-374) Totaling \$4,866.33 - Tax Collector

ITEM #3b Consider and Approve Merit Increases (2) Approved by the Mayor

ITEM #3c Note for the Record Anniversary Increases Approved by the Mayor

ITEM #3d Note for the Record Mayoral Transfers Approved to Date

ITEM #3e Consider and Approve Authorizing the Mayor to Sign an Agreement with the Community Action Agency of New Haven, Inc., Operator of the Meals on Wheels Program for a Term of One Year Beginning 10/1/99 to 9/30/2000 - Program Planner

ITEM #3f Consider and Approve a Transfer of Funds in the Amount of \$700 from Paving Acct. #001-2020-999-9908 to Painting Acct. #001-2020-999-9909 – Animal Control Officer

ITEM #3g Consider and Approve Authorizing the Mayor to Enter Into a Workforce Investment Area Agreement Among the Towns of Bethany, Branford, Clinton, East Haven, Guilford, Hamden, Madison, New Haven, North Branford, North Haven, Orange, West Haven & Woodbridge to become Effective April 1, 2000

ITEM #3h . Consider and Approve a Transfer of Funds in the Amount of \$450 from Self- Insurance Claims Acct. #001-8030-800-8280 to Telephone Acct. #001-1320-201-2000 – Town Attorney

ITEM#3i Consider and Approve a Transfer of Funds in the Amount of \$5,000 from Health Insurance Acct. #001-8035-800-8300 to Unemployment Compensation Acct. #001-8035-600-8290 – Personnel

ITEM #3j Consider and Approve a Transfer of Funds in the Amount of \$500 from Maintenance of Equipment Acct. #001-6030-570-5200 to Overtime Acct. #001-6030-101-1400 – Town Clerk

ITEM #3k Approve and Accept the Minutes of the January 11, 2000 Special Town Council Meeting

ITEM #3l Approve and Accept the Minutes of the January 18, 2000 5:30 P.M. Special Town Council Meeting

ITEM #3m Approve and Accept the Minutes of the January 18, 2000 6:30 P.M. Special Town Council Meeting

Motion was made by Mr. Rys to Approve the Consent Agenda as Presented, seconded by Mr. Farrell.

VOTE: Centner was absent; all others, aye; motion duly carried.

PUBLIC QUESTION AND ANSWER PERIOD

Frank Wasilewski, 57 N. Orchard Street commented how the south side of the roof on 88 S. Main Street is in horrendous condition.

It was pointed out to Mr. Wasilewski that the roof was being replaced today; the workers were on-site today, whether they finished the job or not, was unclear.

Jason Zandri, Circle Drive asked, who decides to enact a parking ban during snowstorms?

Mr. Parisi answered, the Police Department.

Jason Zandri commented how the parking ban was not invoked in a timely manner during the last snowstorm, Friday. At least eight hours passed during the snowstorm before the parking ban was invoked. He was unhappy with the fact that the parking ban was not enforced once it was put into effect. He presented over thirty photographs he took on Sunday, two days after the storm, of vehicles parked on Ward Street, Church Street, North and South Orchard, North and South Whittlesey Ave., North and South Cherry Street that had been plowed in and over because they were left on the street when the plows came through. One photograph was of snow left on Circle Drive in front of his home because a truck had parked there during the storm and the plows went around the parked vehicle. This resulted in a car's width of snow being left on the street in front of his driveway because of the plow's action. It is now four days later and the pile of snow is still in the street in front of his house; frozen twice because of nighttime temperatures. He asked, is there a way to enforce the ordinance?

Mr. Parisi stated, the custom in the past has been for the police to drive ahead of the plows and announce over their speakers that the parking ban was in effect and that they had to move their cars off of the streets.

Mayor Dickinson stated, the Public Works Department requests assistance from the Police Department when they find themselves faced with a problem. The police make an attempt to alert residents but ultimately the car gets towed. I have to assume that the Public Works driver did not complain or ask for assistance from the Police Department.

Jason Zandri stated that he would leave the photos for anyone who wanted to view them. He thought the town would be concerned, from a liability standpoint, about snow remaining on those roads that do not have sidewalks, such as Circle Drive. If the ordinance exists on the books, it should be enforced. It was put into effect approximately eight years ago to help the Public Works Department perform their job.

Mr. Parisi asked the Mayor to look into what the town is doing about the parking ban. He asked that the sidewalk ordinance be looked at also because there were so many that went unshoveled during the past few storms.

Mayor Dickinson stated, the very cold weather, at one point, made it very difficult for some to clear their sidewalks, however people are still supposed to put down sand and salt in order to make it as passable as possible. We can look into the moving of vehicles.

Philip Wright, Sr., 160 Cedar Street commented that he enjoyed the article on Councilor Knight today, as well as Mr. Brodinsky's editorial.

Jack Agosta, 505 Church Street, Yalesville asked, when will the report on the Goldfeder Property be deciphered by the Mayor's Office so that we have an idea of what is in the ground there?

Mayor Dickinson answered, we don't have a report. We will be looking to hire a firm to do a phase II analysis to determine what is the condition of the property. At this point there is no report from D.E.P. as to the status of the property.

Mr. Agosta stated that he was given a stack of papers by the Mayor's secretary last week and was told that he could read them and if there was anything he wanted a copy of, to let her know.

Mayor Dickinson explained, the papers were not a report but a series of documents that were copied from the D.E.P. file and sent to the Town. There is no way to understand what is being expressed in most of the papers. There are no conclusions; just a series of interim communications between various parties associated with D.E.P. and E.P.A. That is why we are going to have a hire a firm to do a phase II analysis on the property.

Mr. Agosta asked the Mayor if he was going to appear at the public hearing on Mary Mushinsky's proposed Martin Luther King bill on Friday?

Mayor Dickinson answered, I don't have plans to do so now; that could change but, for now, I don't have any plans to attend.

Mr. Agosta encouraged the mayor to attend the hearing. He urged the Mayor to do what was right and not to worry about a few bucks.

At this time Mr. Agosta asked if he could ask Councilor Knight a question through the Chair pertaining to a newspaper quote attributed to Councilor Knight on February 6th.

Mr. Parisi would not allow the question pertaining to the newspaper quote to be asked. He suggested that Mr. Agosta call Mr. Knight at home on the subject matter.

Pasquale Melillo, 15 Haller Place, Yalesville wanted to speak to a consent agenda item.

Mr. Parisi stated that the consent agenda has been passed, there will be no discussion on those items.

Mr. Melillo stated that he was concerned over the fact that there remains approximately five bridges throughout the town that have been designated by the state as in bad need of repair yet, have gone unaddressed. The five bridges are located on Pond Hill Road, Wall Street, Scard Road, Tyler Mill and West Dayton Hill Road.

Mayor Dickinson explained, we are in the midst of re-design or trying to meet questions and concerns of bounding property owners, depending on the bridge. For the most part consultants have been hired, engineering firms are working on them and, in the Pond Hill Road bridge case, we have already been out to bid. The prices came in too high so it is being re-bid. There have been questions and concerns from the Army Corps. Of Engineers; it is a long list of complications. It is not that we aren't doing anything, it is just that it takes a great deal of time and effort in order to bring the projects to completion.

Mr. Melillo stated that the bridge conditions have been brought to the attention of the town two or more years ago which has been plenty of time to get the matter taken care of. He is concerned about the safety of the motoring public crossing the bridges.

On a separate matter, Mr. Melillo stated that it has been reported that Wallingford is the most polluted municipality in the state. Polluters are discharging the greatest amounts of toxic chemicals into Connecticut waters.

Wes Lube, 15 Montowese Trail noted that William Austin, who has served as Chairman of the Planning & Zoning Commission for a number of years, was recently re-appointed to the position of Alternate on said commission by the Town Council. He felt, in the position of Chairman, Mr. Austin did a terrific job and had a calming effect on tumultuous public hearing sessions. The alternate position is not recognized as an official, according to the Town Charter. In effect, Mr. Austin was taken off of the Planning & Zoning Commission which he (Mr. Lube) thought was strange. He asked why this had happened and who made the decision?

Mr. Parisi stated that the Republican Town Committee had endorsed Mr. Whitney as their representative to the commission and recommended that he be considered by the Council for said position. This is commonly done for either political appointment; the requests of both town committees are honored.

Mr. Lube asked if anyone on the Council asked the Town Committee why they did not endorse Mr. Austin?

Mr. Parisi stated that the topic was discussed at the Town Committee meeting.

With regards to the sale of the Town-owned Durham property, Mr. Lubee asked, how are the proceeds from the sale of the property being applied towards the Cooke property?

Mayor Dickinson replied, it is being applied to the Cooke Property purchase.

Mr. Lubee asked once again, how? Are we retiring bonds?

Comptroller Thomas Myers explained, we never issued the bonds by the amount of the purchase price of the proceeds from Durham.

Mr. Lubee asked, now when the bonds are issued, they will be for a lesser amount?

Mr. Myers answered that is correct.

Mr. Lubee added, minus the proceeds from the Durham Property?

Mr. Myers answered, that is correct.

Mr. Lubee asked when the American Legion property will be a topic of discussion?

Mr. Parisi pointed out how, due to a communication problem, the item did not appear on the agenda. Mr. Pizzo is in attendance tonight and the topic will be discussed under Waiver of Rule V.

Bill Comerford, 5 Broadview Drive stated, two years ago almost to the day, he appeared before the Council to discuss the tree situation in Manfreda Park (green at the Railroad Station). At that time he presented a list of questions that were never actually addressed or followed up on. Back then Henry McCully (Director of Public Works) stated that he would address the sidewalk condition; the pavers (bricks) were elevated and it was more of a hazard as opposed to the root systems of the trees that were causing a problem resulting in the removal of the trees. The pavers have not been addressed; the irrigation for the trees vs. the lawns wasn't addressed; the tree grates that should have been installed to properly push the root system down for the trees was never addressed. I recently read an article on Bertini Park which I also addressed two years ago. I brought up a plan from the foresters that was supposed to be implemented back in 1982. It was never implemented. The tree pruning program, the care of the trees, etc. in the park have not been implemented. I contacted Tom Dooley (Director of Parks & Recreation) who gave me the impression, out

of sight, out of mind. He sent me a letter telling me the money was geared more towards athletic fields that were being put into use. He stated that he was spending tens of thousands of dollars on irrigation systems for the upcoming parks and he was full of himself with the fact that his program was working. I asked him about over-seeding programs and who was supposed to be designing these things. He referred me back to Henry McCully whose job doesn't have any requirements with regards to an arborist's determination as to what were healthy trees and what trees are deemed unhealthy; what lawns should be over-seeded pertaining to athletic fields, etc. Two years have gone by and nothing has changed.

Mr. Parisi stated, a state arborist had come in, we met with him in the Mayor's office.

Mayor Dickinson stated, someone was hired subsequently but that was for the downtown area; the ornamental trees that have been planted downtown. The action taken by the Council two years ago wasn't necessarily to have someone look at the parks. We have a forest management program for the recreational property such as Bertini Park or Tyler Mill, but it has been put on hold because the tree-cutting ends up being a concern to those who are using the areas for hiking and other activity. Mr. McCully did speak with someone who gave us a plan for the ornamental trees in the downtown area. The plan indicated that every five years there is a pruning that should take place.

Mr. Comerford stated that it was his impression that Mr. Zandri made a motion, which was approved unanimously by the Council, that the Town hire a licensed arborist. It appears as though a "bait and switch" has occurred. The Council agreed that they would hire a licensed arborist. There was a woman here two years ago in tears who stated that she spent a lot of energy and time over many years to build up the downtown area and... the trees.....since two years ago, nothing that was recommended has been followed through on. When someone makes a motion to hire a state-licensed arborist, that says to me that they are hiring an arborist, whether it be full-time...and that is what the Council agreed upon. That arborist would go around the town and see what needed to be addressed as far as the conditions and health and vigor of all the plants. It never was. Asplundh was hired as a tree cutting crew and it just so happens that they had a licensed arborist on board....I would like to have a copy of what the licensed arborist has found throughout the town, the ornamental trees....

Mayor Dickinson stated, the issue of the arborist was related to the downtown and the care for the trees. There was consultation with someone who advised public works, our tree warden, Mr. McCully would have that information.

Mr. Comerford reiterated, it has been two years and nothing has been done. He stated, it is the same as the Goldfeder issue, the Council voted to put a fence around the property and that hasn't been done either.

Mr. Parisi explained, the actions taken by the Council are, for the most part, recommendations. He offered to take the list of items Mr. Comerford had and would do his best to get answers for him on the matters.

Mr. Comerford stated, in reading about the code violations at the Bertini Park caretaker's home, I obtained a copy of the building department's inspection of the property to find that it did not pass inspection. He asked if that bothers the Council at all?

Mr. Parisi answered, I am not involved in that at this point, so I can't answer to that.

Mayor Dickinson stated, the Housing Code Enforcement Officer took a look at the structure. There were changes in use of some of the rooms that had not been envisioned initially and as a result of the changes in those uses, it caused a difference in the way the code applied. Response was made but the issue is being handled by the Law Department.

Public Question and Answer Period was closed at this time.

Motion was made by Mr. Rys to Move Addendum Item #16 Up to the Next Order of Business, seconded by Mr. Knight.

VOTE: Centner was absent; all others, aye; motion duly carried.

ADDENDUM ITEM #16 Consider and Approve Appointment/Re-Appointment of Four (4) Constables for a Term of Two (2) Years to Expire 1/25/2002

Motion was made by Mr. Rys to Appoint Michael Mangini, Robert Jacques, William Choti and Roland Chapo to the Positions, seconded by Mr. Farrell.

VOTE: Centner was absent; all others, aye; motion duly carried.

WAIVER OF RULE V Motion was made by Mr. Rys to Waive Rule V of the Town Council Meeting Procedures for the Purpose of Appointing a Member of the Board of Assessment Appeals, seconded by Mr. Knight.

VOTE TO WAIVE RULE V: Centner was absent; all others, aye; motion duly carried.

Motion was made by Mr. Rys to Appoint William Pello to the Board of Assessment Appeals, seconded by Mr. Farrell.

VOTE: Centner was absent; all others, aye; motion duly carried.

Town Clerk, Rosemary A. Rascati, performed the Swearing-In Ceremony for Mr. Jacques, Mr. Choti and Mr. Chapo, Constables, and Mr. Pello for the Board of Assessment Appeals. Mr. Mangini did not attend the meeting.

(Applause)

Mr. Parisi announced at this time that Item #10 was withdrawn from the agenda.

WAIVER OF RULE V Motion was made by Mr. Rys to Waive Rule V of the Town Council Meeting Procedures for the Purpose of Discussing the American Legion Building, seconded by Ms. Papale.

VOTE: Centner was absent; all others, aye; motion duly carried.

Paul Pizzo, Architect introduced himself to all present. He currently occupies an office on Center Street and is a former resident, now residing in Middlefield. He responded to a request for proposal (R.F.P.) advertised in the newspaper recently, seeking individuals interested in occupying the former American Legion Building now owned by the Town. In his response to the R.F.P. he submitted a value of work that was to be done to the building in return for a \$1.00 per year lease agreement with the town for the use of the building. Being an architect, he has family and acquaintances in the construction business. A lot of the work that is being contemplated was going to be done at reduced costs to Mr. Pizzo, through family members or in-kind service. He is a mason by training and has a lot of carpentry skills, as does a lot of his staff. A great deal of the work was going to be done by him and his staff. He presented the Council with a print out of the value of work that he is proposing to do over the next few years (Appendix I). His first intention is to get in the building; focusing on the main and lower levels. Phase I work is worth approximately \$104,000. The values were obtained by having an independent contractor inspect the building.

Mr. Parisi stated that Councilor Brodinsky and himself met with Mr. Pizzo. He (Mr. Parisi) had realized that, while Mr. Pizzo was bidding on the building, he was not being fair to himself because of the description of all the work that he was going to do certainly would have a value. He encouraged Mr. Pizzo to place a value on the work and to meet with the Council.

Mr. Farrell commented that he, too, is in the process of renovating a building of similar vintage and size. The figures (value) Mr. Pizzo has attached to the proposed work is very realistic.

Mr. Brodinsky stated, In January, he sent a memo to Don Harwood, asking him not to forget the American Legion Building when looking for a place to house the Board of Education offices. He is not suggesting that that is a realistic alternative; actually, it is out of the Council's jurisdiction and up to the School Building Renovation Committee. He has not heard back from Mr. Harwood as of yet, and may not but he did want the Council to keep the use in mind. He asked the Mayor for a brief review of the Town's efforts to put the property on the market, either with a Realtor or advertising. What have our efforts been and what success have we had?

Mayor Dickinson answered, we put out an R.F.P. and received one response which was Mr. Pizzo; that was maybe a year or two ago.

Mr. Pizzo stated that his initial response was back in 1995. He negotiated with the Town's attorney and the Council seated at that time did not think it was in the best interest of the town to lease the building and it has sat vacant for three years. It is almost one year ago that the second R.F.P. came out.

Mayor Dickinson explained that Mr. Pizzo was the only one to respond to the second R.F.P.

Mr. Brodinsky asked, how was the R.F.P. distributed?

Don Roe, Program Planner stated, it went out through Purchasing and also went out through the CT. Preservation Trust via publication in their monthly document which features older facilities that are available. It was also made known to commercial brokers.

Mr. Brodinsky stated that the Town can keep a few balls in the air at the same time. He is interested in seeing what Mr. Pizzo can do for the building, it is a good first start. The amount of \$158,000 is a substantial improvement over numbers that we have heard about before. It seems to suggest a substantial improvement in the property. However, he would not like to foreclose all business opportunities. It would not take a great effort on behalf of the Administration to see if there is a market now and keep all of the Town's options open. That may mean real estate brokers, multiple listing, etc. We should bring some closure to the building committee; are they or are they not interested, then Mr. Pizzo will know where he will stand on that.

Mayor Dickinson stated, I don't want to have the Town spending money to fix up the building for another place for us to maintain for the building committee. We did not buy that property to fix up the structure or keep it for an office building. It just becomes another cost center for the community; another phone system, another fax machine, another everything. I really don't want to see building committees or anyone else of the Town's personnel located in that building.

Mr. Brodinsky asked, that is ruled out then?

Mayor Dickinson answered, as far as I am concerned, it is.

Mr. Brodinsky said that he would not like to keep all of his eggs in one basket. He did not want to discourage Mr. Pizzo but it may not be the only alternative. He asked Mr. Pizzo, what would be his next step? Would he come back before the Council with plans or more detailed specifications so the Council would get an idea of what the building would look like once the renovations are completed?

Mr. Pizzo answered that he does not think it is up to him to come back to the Council with a full-blown set of drawings and renderings of what he is doing with the building. What was asked of him was, what kind of investment would he make in the building? He would not do anything to the outside of the building because it is on the parade grounds. The exterior will remain as is but he is planning to put a new roof on the building and painting the exterior. He stated that he is a preservationist architect so he will take care of the inside of the building, which is where his office will be. He would not like to be put in the position of coming back and try to re-sell his proposal to the Town a third time.

Mr. Brodinsky stated, it wasn't that; if the Town is going to lease the building to you for \$1.00 per year, the Town may be interested in knowing exactly how it is going to turn out. That is what I was trying to address.

Mr. Pizzo agreed that he would ultimately have to give the Town a set of drawings that he could pull a permit from. Those drawings will be on file and the Building Inspector will have to make sure the work is done in accordance to the building codes. That will happen in the normal process. It will take some time to get the work completed since much of it will be in-kind services. The work will probably be completed and the building ready for occupancy by October, 2000.

Although impressed with Mr. Pizzo's proposed work, Mr. Zappala asked Mr. Pizzo what kind of lease arrangement would he be looking for?

Mr. Pizzo answered, the way it was set up was that I would be taking care of the upkeep of the building; improvements over the next ten years, and we would, in turn, get a ten year lease from the Town for \$1.00 per year. My commitment is to put in a value of \$100,000 into the building.

Mr. Zappala did not see what the Town was gaining by collecting \$10.00 over a ten year period from Mr. Pizzo. The original intent behind purchasing the building was to gain parking space for the Town Hall.

Mr. Parisi stated that he thought there was a dollar figure for ten years.

Mr. Pizzo replied, the deal, the way it was proposed, was that there would be a rent paid but the rent would be a nominal fee of \$1.00 per year and that Mr. Pizzo would maintain and improve the building. At the end of the ten years the Town could do what it wants with the building; take it over, tear it down, connect it to the Town Hall. In the meantime the building would not be deteriorating on Main Street.

Mr. Zappala stated, you have to improve the building anyway to bring it to a suitable condition in which to work.

Mr. Pizzo pointed out that he can also rent from someone who has to make the improvements. The Town has an option; it can make the improvements itself and collect rent but the Town is not going to be able to make the improvements for the money that he can because he is a private individual and does not have the Town's regulations. The Town can do that; it is a matter of whether or not it wants to.

Mr. Zappala stated, the Town is only going to get \$1.00 per year and Mr. Pizzo is only going to make those renovations necessary to make it comfortable for him to work out of. We have no control over what Mr. Pizzo is going to do to the building. He did not see what the advantage was to the Town in that scenario vs. doing nothing at all. We might as well leave it the way it is rather than lease it for \$1.00 per year.

Ms. Papale stated, what the Town would have if Mr. Pizzo leased the building for \$1.00 per year is a non-deteriorating building. The Town would be better off with the building occupied. To have it fixed up for over \$100,000 a year for just a dollar a year is worth it. We bought the property at the time because we were looking to the future. We bought it for parking potential but that was before we bought the Lacey Property (Prince Street). Who will the parking facility belong to if Mr. Pizzo does occupy the building?

Mayor Dickinson explained that a number of parking spaces would have to be supplied to the firm leasing the building.

Mr. Pizzo stated that his firm would need approximately ten (10) spaces during the course of the day for his employees. Of course, the firm will also have street parking, the same as anyone.

Ms. Papale stated that she has never heard a word from any Board of Education member regarding the potential use of the building. The Council is right back to where it was in 1995. The building is located on Wallingford's parade grounds and the more we leave it alone, the more it will deteriorate. We are better off with the building occupied. Options can be left open for a little while longer, but not too long. Mr. Pizzo would be a suitable tenant.

Mr. Rys recalled when and why the property was purchased. At that time he wanted the building demolished and the property used as an intended parade ground. He doubted this Council was willing to raze the building. For the building to stand there and deteriorate further would be a disgrace. If improvements are figured into the mix, the benefit to the Town is approximately \$16,000 a year. It will improve the appearance of the building. He is not totally in favor of this option, but it is the only option right now.

Mr. Farrell concurred with Ms. Papale. He stated that the R.F.P. was advertised in a real estate publication that is circulated to several thousand architects, contractors and preservationists. He heard a lot of comment about the R.F.P. but the only one who showed up at the Town's doorstep was Mr. Pizzo. He urged the Council to look beyond the potential economic opportunities the building may present, but to date hasn't. This scenario attracts only a selected type of person who is willing to put up with what it takes to renovate an old building. We should not pass this opportunity by.

Mr. Zappala asked, who will pay for exterior siding should it be needed in the future?

Mr. Pizzo replied, if painted on a regular basis, the siding should be fine. He asked if he could pick the color of the paint?

A few of the Councilors stated that they prefer that he not.

Mr. Vumbaco asked, what year was the building purchased and for how much?

Mr. Parisi answered, 1994; \$189,000.

Mr. Vumbaco asked what the purpose of the purchase was?

Mayor Dickinson explained, when the opportunity arose to square off the Town Hall property by purchasing the Lacey Property and American Legion Building, the Town did so. In the future there would be land enough to handle the foreseeable expansion problems or issues associated with the Town Hall location.

Mr. Vumbaco asked, we don't see any need to expand the Town Hall over the next ten years?

Mayor Dickinson answered, that is correct; I am not aware of any immediate need.

Mr. Vumbaco stated that there will be some liability the Town will have to incur if we are leasing the building. Who is going to be paying the insurance? There is no cost for lead abatement; if any asbestos work is required it would need to be completed prior to commencement of this renovation and who will pay for it? How much are we talking about just to get this building prepared for Mr. Pizzo to start his renovations?

Mr. Pizzo answered, I have a sample of some tile that was taken off the second floor. I don't know if it is asbestos or not. There are encapsulating means we can take to leave the tile in place if it is found. With regards to lead paint, under state statutes, as long as it is not a residential unit, I can encapsulate that. As an office environment, that won't be an issue. I don't believe there is a lot of lead paint, if any, but I have not had the opportunity to have it tested yet. Unless something crazy happens with the asbestos, we probably would incur what ever the cost of that removal.

Mr. Vumbaco stated, this is specific. It needs to be done before you even begin to work. Will you pay for the encapsulation if it is necessary?

Mr. Pizzo replied, I will pay for the encapsulation of the lead paint. As far as the asbestos goes, we will have to discuss that, I don't know what the value of that is.

Mr. Vumbaco asked if there is any liability on the part of the Town? Do we have to pick up any insurances or special insurances to cover ourselves in this building or is that going to be part of the additional cost to the lease?

Mayor Dickinson answered, the earlier lease required the lessee to cover insurance.

Mr. Pizzo added that he would be covering insurance on all of his belongings he had in the building. I don't know that it would be that big of an issue to carry insurance on the building.

Mayor Dickinson stated, that would be something that would have to be negotiated between the parties.

Mr. Knight stated that when the building was purchased, the Council fully intended to tear down the building and square off the parking lot. It was Mr. Farrell who brought up the idea that if we didn't have an immediate use for the building, that maybe it could be put to better use. It was an idea worthy of consideration. He voted against the original agreement...but has come around to the idea that this is probably as good as the Town is going to get on the property. The building is shot inside, he noted. Mr. Pizzo brings with him skill sets which make him uniquely qualified to take advantage of a building that is in the condition that this one is in. He will vote in favor of any motion that is made to consider an arrangement between the Town and Mr. Pizzo.

Robert Sheehan, 11 Cooper Avenue stated that he was in favor of leasing the building to Mr. Pizzo five years ago but at that time the arrangement was different; it was on a monthly basis. Mr. Pizzo was going to renovate it and lease it just as he is proposing today, but the Town had a thirty day grace period in which to notify Mr. Pizzo if they needed the building and Mr. Pizzo also had a thirty day period in which to notify the Town if he planned to vacate the property. The lease payments totaled approximately \$2,000 per year in the first proposition. At that time some Councilors who are presently seated on the Council said that was not enough money back then. How can the same proposal be good enough to accept now with the Town getting \$10 over ten years?

Wes Lube, 15 Montowese Trail asked if the Waiver of Rule V was for discussion purposes only?

Ms. Papale answered, yes.

Mr. Lube asked, is there any action contemplated being taken tonight?

Ms. Papale answered, no.

Mr. Lube stated that he had a great deal of questions and material on this subject that he did not bring tonight because he did not know the Council was going to waive Rule V on the matter. What is significant is the value of the work, not necessarily whether the work

will be done by sweat equity or not. He asked if the specific work proposal submitted to the Council by Mr. Pizzo tonight would be included in the lease?

Mr. Parisi felt that it most definitely should be.

Mr. Lubee asked if exterior maintenance of the building is addressed in Mr. Pizzo's most recent proposal?

Mr. Parisi answered, yes.

Mr. Lubee asked, how many parking spaces did the Engineer's plans for this property create in the way of parking spaces? After having spent \$190,000 on the property, the Council should know what kind of impact Mr. Pizzo's business will have on the parking lot that will be located behind the building.

Mayor Dickinson has seen the plan but could not recall the number of parking spaces it would provide.

Mr. Lubee suggested that the Town consider a five year lease which can be renewed but also allows for either side to exercise the option to cancel the contract after five years. What if Mr. Pizzo's plans change after three or four years and he decides to give the Town the six or seven dollars for the remainder of the contract and then walks? What assurances does the Town have that the work will be completed in a manner and fashion to which Mr. Pizzo says it will in the lease?

Mr. Parisi was confident that the Law Department would adequately protect the Town in the lease document.

Mayor Dickinson reminded everyone that Mr. Pizzo will be operating his architectural business out of the location and would want to make an impression on clients.

Mr. Lubee stated that he has visited many architect's offices who enjoy living "in process".

Frank Wasilewski, 57 N. Orchard Street stated that Mr. Vumbaco asked a lot of questions that should be considered. When the American Legion painted the building, just prior to closing, it cost them \$10,000. He was surprised the Mr. Pizzo wasn't looking for a fifteen year lease.

Pasquale Melillo, 15 Haller Place, Yalesville asked Mr. Pizzo is he would like the option to buy the property at the end of the lease term included in the contract?

Mr. Parisi stated that the Town was not interested in selling the property.

Mr. Melillo asked, how long of a life will the building have?

Mr. Pizzo was not sure what the useful life of the building is once \$158,000 is put into it. Typically one would try to restore a building to last fifteen to twenty years. If the air conditioning system gets put in... there is a twenty year life for the mechanical system which may fail at fifteen years. The useful life should be between fifteen and twenty years.

Mr. Melillo stated that he wanted all the information organized and presented at the next meeting on this issue.

Philip Wright, Sr., 160 Cedar Street asked Mr. Pizzo if he wanted to buy the building?

Mr. Pizzo answered, for the right price. It has never been part of the discussion and I am not prepared to offer a price.

Mr. Wright suggested that the Council consider selling the American Legion building. It has been dormant for six years and the lease proposal is not the best situation for the Town. Put it on the market and sell it. Don't rush into leasing it.

Mr. Zappala asked Mr. Pizzo why he would be using two different heating systems?

Mr. Pizzo explained, it is a very old building and it is not easy to find shafts within the building to run ductwork vertically. If one unit is put in the basement and one in the attic, as is there now, you would have to find spaces within the lower levels to get from the attic down to the first floor. We would have to go through the second floor rooms. Rather than do that, it is easier for him to put one in the basement, feed up to the first floor and put one in the attic and feed down to the second floor.

Mr. Parisi asked, what is the next step?

Mayor Dickinson stated that the Town Council can direct the Law Department to draw up a lease with Mr. Pizzo. The document should be reviewed by the Council for approval.

Mr. Parisi called for such a motion.

Mr. Farrell moved to Waive Rule V for the Purpose of Discussing an Action Concerning the American Legion Property, seconded by Mr. Knight.

VOTE TO WAIVE RULE V: Centner was absent; Brodinsky, Vumbaco and Zappala, no; all others, aye; motion duly carried.

Motion was made by Mr. Farrell to Direct the Law department to Draft a Proposed Lease for the American Legion Property for the Consideration of the Council, seconded by Mr. Knight.

Mr. Brodinsky felt the motion was premature. The issue was sprung upon the Council tonight. A measure of this level of seriousness deserves a little more consideration for the Councilors to think about it. This could be addressed adequately at the next Council meeting which is only asking for two more weeks. He was interested in getting some feedback from constituents following tonight's meeting. This does not have to be done on an emergency basis which is what is happening tonight. He has lingering concerns. He would like to see an appraisal of the building. He would like to have a second opinion. He is not willing, in three minutes when this was popped, to get rid of those ideas right now. He felt rushed into the issue and felt it should not be decided tonight.

Mr. Vumbaco concurred with Mr. Brodinsky. He was not opposed to leasing the building but was opposed to having an issue dropped on the Council's lap just prior to the meeting, being told it was for discussion only and now the Council is being asked to make a decision on the matter. He was totally against such action.

Mr. Farrell stated, nothing is being intentionally slid by anyone. He, also, did not know it was going to be on the agenda tonight. So often the Council is criticized for dragging their feet. The intent of the motion is to ask the Law Department to give the Council a proposed lease which the Council could either accept or reject. This will keep Mr. Pizzo interested.

Mr. Zappala did not believe the Town should be leasing its property for \$1.00 per year. He did not see how the town could control what is going to be spent on the building.

Mr. Rys stated that he, too, did not expect to discuss this item tonight. The action that the Council is taking tonight is to make an initiative to move on. There will be adequate time, once the documents are drawn up, for the Council to add to, subtract from, or discuss the lease.

Mr. Knight stated that two different R.F.P.s have been put out by the Town over the past five years; Mr. Pizzo has been only respondent in both cases. The Council is not without information on this issue. One of the things that has put his mind to ease is the detail with which Mr. Pizzo outlined what he intends to do with the building. It gives him a lot more confidence that what might be done might very well be all that can be done. We are directing the Law Department to draw up an agreement, we are not handing the keys over to Mr. Pizzo.

Mr. Parisi commended Mr. Pizzo on his patience. Mr. Pizzo has been persistent, thorough, a gentleman and a man of his word, said Mr. Parisi. There is no doubt that Mr. Pizzo will do what he says he will do. The list of work to be performed that has been submitted is extremely specific and the Town will have no problem tracking what will be done and when it will be done. This issue has taken far too long. He wanted to see an end to it.

Ms. Papale stated that the Town is better to have the building occupied than to have it empty. If the Council does not like the proposed lease, it will be discussed and maybe voted down. It could also be approved. Until the lease is written up, the Council is getting nowhere. She is in favor of the Law Department drafting a lease. It will start the ball rolling.

Motion was amended by Mr. Brodinsky to include: a Provision that Simultaneously with the Preparation of the Proposed Lease that the Town Obtain an Appraisal of the Fair Rental Value of the Property as it would be after the Proposed Renovations are Done so as to Have a Double Check on the Wisdom of the Council's Decision and also an Independent Evaluation of the Value of the Work that is going to be done.

Seconded by Mr. Zappala.

Mr. Brodinsky stated, if the above information is reported back to the Council simultaneously, the concerns that he would have would be addressed.

Mr. Vumbaco stated that he had no problem with moving forward on the matter because he felt the Council has done its homework but he is objecting to the process the Council is going through tonight to take action.

Mr. Parisi stated that there was a communication problem; the item did not get on the agenda the way it normally would have. He shared in the responsibility for it happening, but did not accept all of it.

Mr. Lubee was in favor of Mr. Brodinsky's amendment. The Council should be concerned with the "net gain" to the Town. It does not necessarily add \$156,000 to the value of the building if \$156,000 worth of work is done to it. He is not adding square footage to the building and the renovations will not influence value that much. He will improve value but not in direct proportion to the dollars expended. The amendment is a very worthwhile addition.

Pasquale Melillo urged the Council to vote in favor of the amendment and to also list the property for sale.

VOTE ON AMENDMENT: Centner was absent; Brodinsky, Papale, Vumbaco and Zappala, aye; all others, no; motion failed.

VOTE ON ORIGINAL MOTION: Centner was absent; Brodinsky, Vumbaco & Zappala, no; all others, aye; motion duly carried.

ITEM #6 Consider and Approve a Transfer of Funds in the Amount of \$1,337 from Continuing Education and Training Acct. #001-2035-501-5700 to Wage Differential Acct. #001-2035-101-1450 – Fire Prevention Bureau

Motion was made by Mr. Knight, seconded by Mr. Farrell.

The funds are being requested to cover the stand by pay required for the Deputy Fire Marshal and the Fire Inspector providing coverage for Fire Marshal Joseph Micalizzi, Jr. who was injured in the line of duty at the Choate fire investigation on August 20, 1999. Mr. Micalizzi has been under medical treatment since the incident and is scheduled for a knee arthroscopy on March 10th. A four to eight week recovery period is anticipated by Mr. Micalizzi's physician.

Ms. Papale asked if any of the Councilors were aware that the Fire Marshal had been injured and out of work?

The Councilors were not informed of the situation.

Ms. Papale stated to the Mayor that the Council should have been made aware of the situation since it is an appointment of the Council, the Council is Mr. Micalizzi's department head.

VOTE: Centner and Parisi were absent; all others, aye; motion duly carried.

ITEM #7 Consider and Approve a Transfer of Funds in the Amount of \$2,000 from Purchased Services – Consultant Acct. #001-7030-901-9032 to Meetings, Seminars & Dues Acct. #001- 7030-701-7990 – Program Planner

Motion was made by Mr. Knight, seconded by Mr. Farrell.

The transfer is being requested to enable the Economic Development Commission (E.D.C.) the opportunity to participate in the downtown development conference of the National Main Street Program to be held in Boston.

Mr. Farrell asked who will be attending the conference?

Don Roe, Program Planner replied, one member of the EDC and Doreen from our (Program Planner's) staff.

Mr. Farrell asked, does this mean that we are going to see more action from the EDC in regards to downtown business recruitment?

Mr. Roe stated, for some time the EDC has allocated one day per week during this time to support WCI and the marketing efforts. A marketing program was put together with WCI for vacant properties.

Mr. Farrell asked if the Town will be applying to the next round of CT. Main Street grants?

Mr. Roe answered, there haven't been any. There continues to be legislation each year put forth that would have the state adopting and funding a main street program. CL&P has been actively in support of the Main Street program but because the Town has its own electric company, we are not a direct beneficiary.

Mr. Farrell stated, there has been a separate 501C3 created for that which solves the roadblock that we have had to try and overcome before.

Mr. Vumbaco asked, is the participation mentioned in the correspondence, the actual fee to attend the seminar? Are we participating?

Mr. Roe answered, we are sending people there to observe. There is a cost to get in the front door....

Mr. Vumbaco asked, it is the cost to get into the front door, room and board over a two or three day period?

Mr. Roe answered, it is a three day event but I think we will have people there two nights.

Mr. Brodinsky asked, is this the kind of event where you would be getting ideas as to how to develop the downtown area? Is that the point of this trip?

Mr. Roe answered, yes. It becomes a market place where they will showplace a variety of successful programs. It has that benefit.

Mr. Brodinsky asked, would you be willing to come back at a time that is convenient to you and report out to the Council on some of the better ideas that were found that Wallingford may adopt?

Mr. Roe answered, yes.

Richard Nunn, Chairman of the Economic Development Commission answered, both a staff member and a member of the EDC will be in attendance and will generate a report which can be submitted to the Council.

VOTE: Centner and Parisi were absent; Zappala passed; all others, aye; motion duly carried.

ITEM #8 Consider and Approve Accepting the Following Roads which have been accepted by the Planning & Zoning Commission

- Stoneybrook Road – connecting E. Center to Williams
- Amie Lane – cul-de-sac off of Stoneybrook
- Atwater Place – off of Old Colony Rd. in Tracy
- Barker Drive – cul-de-sac off of Atwater

Motion was made by Mr. Knight, seconded by Mr. Farrell.

Mr. Farrell asked for the name of the developer who is building on Atwater Place and Barker Drive.

Linda Bush, Town Planner replied, Circle M.

Mr. Farrell stated, that developer deserves some credit as someone who came forward and tried to adhere to the Council's list (of street names); other developers have not. This developer deserves some commendation for doing that.

VOTE: Centner and Parisi were absent; all others, aye; motion duly carried.

ITEM #9 Consider and Approve Renewal of the Personal Property Tax Incentive Program for a Two-Year Period Beginning February 22, 2000 to March 1, 2002 - Economic Development Commission

Motion was made by Mr. Knight, seconded by Mr. Farrell.

Mr. Knight asked what the track record of the program has been?

Richard Nunn, Chairman of the Economic Development Commission replied, there has only been one business that has taken advantage of the program.

Mr. Knight asked if that business moved into a new building or existing one?

Mr. Roe answered, new.

Mr. Brodinsky wanted it made clear for the record that personal property referred to in this program is everything other than land. It is equipment, manufacturing stuff, inventory, etc.

Mr. Melillo asked, who does this program benefit?

Mr. Roe answered, new manufacturers or businesses and old, alike. The personal property has to be new to the Town and they have to meet the thresholds that are established by the state statute.

Mr. Melillo was opposed to businesses getting a tax break and not the homeowners.

Mr. Rys explained, the reason for the program is to keep businesses in the town and attract new ones to it as well. Businesses pay a majority of the taxes in town. If all of our businesses were to leave town our taxes would go up.

Mr. Lube asked, what is the incentive?

Mr. Roe explained, the incentive is a reduction in the assessment of personal property.

Mr. Lube asked, how much of a reduction?

Mr. Roe answered, it depends on the amount of new personal property being added to the Town's grand list.

Mr. Lube asked, is it by percentage?

Mr. Roe answered, there is a chart that was statutorily-driven. The Town had the ability to change the percentage of reduction for new versus existing vacant space. If you look at the chart you will notice that there was an interest in giving higher percentage to existing vacant space. The statute has some specificity to it in terms of values and the time periods and percentages.

Mr. Lube asked, the program is "pre-designed" by the state and it is a matter of whether or not we want to use it?

Mr. Roe answered, right, in the statute there are some parameters. When the program was framed five or six years ago, the Town looked to frame it in a way to give a higher percentage reduction to vacant, existing buildings versus new construction.

Mr. Nunn added, it is geared to the State's manufacturer's assistance program.

Jack Agosta, 505 Church Street, Yalesville stated, if you are giving industry a tax incentive program, the Town should think about giving a tax break to senior citizens.

VOTE: Centner was absent; all others, aye; motion duly carried.

ITEM #10 Withdrawn

ITEM #11 Discussion and Possible Action Pursuant to Chapter XIV, Section 13 of the Charter of the Town of Wallingford, Regarding Electric Rates Approved by the Board of Public Utilities Commission as Requested by Councilor Mike Brodinsky

Mr. Brodinsky stated, the Public Utilities Commission (PUC) approved a rate reduction recently, as many of you know from the newspaper. Residential customers will receive a 6% reduction while commercial and industrial customers will receive approximately 7%. He felt the action was significant enough to bring before the Council which has oversight responsibility by Charter.

Mr. Brodinsky made it very clear that he did not want to be misconstrued or misunderstood...he is not proposing that the homeowners not get their 6% rate reductions in their electric rates. He is in favor of the rate reduction of 6% that would be going to the residential customers of the Electric Division. Why is he in favor of that rate reduction for homeowners? It is their money and if the PUC or the Electric Division feels that there is an extra \$10 million in cash hanging around the account then he has no objection to the homeowners getting a 6% reduction; it is their money; they own the Electric Division. He stated that he will repeat three or four times during the course of his comments that he is in favor of a reduction of 6% for the homeowners because he did not want the public to misunderstand it; he did not want any public officials to misunderstand that; he did not want the press to misunderstand that; he did not want the headline writers who write the local newspapers to misconstrue that. He wanted it made very clear; he is in favor of a 6% rate reduction for homeowners but there are other aspects of the PUC's actions which was troubling enough and raised enough issues that he thought it was worth at least a discussion.

On the surface of it, a 7% rate reduction for commercial accounts seems like a very simple idea to Mr. Brodinsky however, after peeling back the veneer of the logic, he found some problems that he wanted to bring to the attention of the PUC, Council and Mayor. The troubling aspects are the potential adverse property tax impact on residential homeowners. There is also a possibility of a violation of state statute. He stated that the timing of the rate reduction with respect to the commercial and industrial accounts may be somewhat questionable. The Electric Division already has a 20-25% price advantage over its competitors. This may not be the time to give a rate reduction. The reduction may better come at a later time. He did not want to see the Electric Division's nest egg squandered at this time when the Electric Division or Town is going to need the money later on. Finally, he wanted to bring this before the Council because of a philosophy which seems to have driven the decision. That philosophy, as expressed at a recent PUC meeting on February 15th was that the Electric Division was run, is run or should be run for the benefit of ratepayers rather than taxpayers. He felt that was a controversial enough position to warrant discussion by the Council and PUC.

Mr. Brodinsky stated, what is being proposed is approximately \$10.6 million of retained earnings or cash reserves which is going to be used to fund this rate reduction. Two-thirds of that is attributable to the commercial and industrial accounts because, as he understands it, two-thirds of the revenues come from the commercial and industrial accounts and one-third from the residences. He understands the proposal to be that the Electric Division will not be getting an extra \$10 million they could get if rates stay the same. Instead, they are opting to forego that \$10 million. He has no quarrel with one-third of that going back to the residential owners...but he would like to discuss the roughly \$7 million that the

Electric Division and Town therefore will not see because of this. An example of the consequences of the rate reduction, as proposed, is the following: (he stated that his information was obtained by reviewing a study given to him as well as the other Councilors by the Electric Division entitled, "Unbundled Cost of Service and Electric Rate Study by Black & Veatch)

- at the end of the year 2003 (according to the B&V study) if rates stay the same the Electric Division would have \$23.7 million in total available cash (table 3.4) but if we have a rate reduction, as proposed, that \$23.7 million goes down to \$16 million.

That is a drop of roughly \$7.7 million which was enough money to want to bring this up for discussion with the Council and draw everyone's attention to the consequences, stated Mr. Brodinsky. "This is not chump change but a lot of money worth talking about."

He continued, the rate reduction, commercial and residential, as he recalled was proposed shortly before the mayoral and council election in September of 1999. At that time the final printed version of Black & Veatch's study was not yet published. It supposedly was published and available in January, 2000. Black & Veatch is an independent consulting firm that was hired by the Electric Division to help it analyze its costs to help address implications of deregulation and to help give the Town some advice on electric rates. On February 15th there was a PUC hearing chaired by David Gessert. Many people spoke their minds freely, there was a free flowing of ideas; some hard questions were asked and excellent answers were given. He commended Chairman Gessert on how the meeting was run.

Mr. Brodinsky stated, the purpose for his wanting to get the matter on the agenda tonight was not to interfere in the doings of the Electric Division nor to attempt to meddle in what they are doing. I am trying to exercise my obligation as a Councilman under the Charter. The Charter gives the Council oversight responsibility of the PUC; that is the law of Wallingford. He takes his responsibilities as a Councilman seriously enough, especially when there is a very significant move by the PUC such as this rate reduction, to exercise or attempt to exercise his oversight responsibilities. His oversight responsibilities are to raise concerns, to give credit, to ask for accountability, and just to explore, in general, the decisions made by the PUC. It is his personal view that if the Council does not exercise its authority given to it by the Charter, the Council will eventually lose that authority.

David Gessert, Chairman of the Public Utilities Commission (PUC) stated that the commission understands the oversight responsibility and has no objection to appear before the Council to answer any questions the Council or public has on this matter.

Mr. Brodinsky continued, in his earlier comments he mentioned that there were some serious concerns that he had, not about the 6% rate reduction for homeowners but the 7% for the commercial and industrial accounts. His concern is the potential for an adverse property tax impact on the residential homeowners in Wallingford. Black & Veatch's study seems to recognize a connection between an electric rate reduction and potential impacts. On page 3.1 of their study, Black & Veatch says that "revenues in excess of revenue requirements represent net revenues available to the Wallingford Electric Division to contribute to the general fund of the Town of Wallingford and to provide a reserve for contingencies and future needs." B&V sees that connection. In simple language: the more revenues the Electric Division has or is able to get, the greater the possibility that the Electric Division could contribute to the general fund. If the Electric Division depresses its revenues, the ability of the Electric Division to respond also goes down. More specifically, there is a municipal ordinance #61 which provides, in very general terms, that 4.5% of the gross electric sales are to be transferred to the Town and becomes part of the revenues of the Town. If the gross electric sales are reduced because there is a rate reduction, the amount of money that is being transferred to the Town from the Electric Division will also be reduced. He would consider that to be a shortfall which makes him concerned that the shortfall has to be made up and one would have to concede that the possibility is that property taxes are going to make up that shortfall. He referred to last year's budget which shows that the Mayor and/or his staff calculated 4.5% of the gross electric sales for 1998 which determined that almost \$2 million should be transferred from the Electric Division to the Town under that revenue ordinance. Obviously, if the gross sales of the Electric Division goes down, the 4.5% of a smaller number means that less revenues will be coming to the Town from the Electric Division. Again, he becomes worried about a shortfall that must be made up by taxes. In reviewing Black & Veatch's Table 3-2 & 3-5 (Appendix I) of their study which projects the Electric Division's contribution to the Town under the proposed rate reduction, Black & Veatch say that the revenues to the Town, because of depressed sales through the year 2003, will create about a \$300,000 shortfall. Again, he is worried that it will have to be made up in property taxes. He is not concerned about \$100,000 of that shortfall which is attributable to residential sales. He is concerned about the \$200,000 reduction in revenue going from the Electric Division to the Town because of that revenue ordinance and rate reduction benefiting the commercial ratepayers. It is only logical that if \$200,000 of revenue through the year 2003 goes away, it has to be made up in some fashion, especially in view of the fact that this past year the Town ran an operating deficit of over \$16,000. It is his personal view that property taxes should not go up one penny merely because the Electric Division and the PUC want to give a rate reduction to commercial and industrial customers. He did not think it was right.

He felt the tax pressure on the residents of Wallingford is unnecessary and avoidable. Black & Veatch, in their study, gave no consideration to property tax impacts; the PUC did

not give any consideration to property tax impacts. The reason he knows this to be a fact is that he asked the PUC at their meeting if they gave the property tax impact consideration. They did not.

Mr. Brodinsky had one other concern; the potential for violation of a state statute. Statute 7-222 of the CT. General Statutes says that the rates for electricity must be set at such a level so that the municipality can realize at least a 5% profit return on net plant and no more than 8%. Black & Veatch, in its study, referred to that statute so it noticed it and was aware of it. The PUC is aware of it also. Black & Veatch, in its study, said that the target range for return on that plant is 5-8% as referred to in Section 7-222 of Chapter 101 of the General Statutes. Black & Veatch used the phrase "target range". He used the phrase "phooey" because it is not a target range, it is mandatory. Section 7-222 does not make it an option, we don't have a choice, we have to comply with the law, it is mandatory language, as he interprets the statute. The printed portion of the statute reads, "Such price...", meaning such price for electricity, "...shall be fixed on a basis of not less than a profit of 5% per year..." and goes on to say, "...the price shall not be greater than to allow a net profit of 8% to the municipality."

Mr. Brodinsky stated, when Black & Veatch directs me to a statute; Mr. Raymond Smith also tipped me off to the statute; and they call it a "target range" and then I read the statute and it is not a target at all but mandatory, my antennas go up that perhaps the Black & Veatch study was not intended to be objective but intended to be a work of advocacy for the position of the PUC. Black & Veatch did a study for us and ran the numbers that the statute called for. Black & Veatch computed for us all...they ran a calculation as to what the return on net plant would be under existing rates. Under existing rates, with a small exception for the year 2003, the return on that plan is right in line; it is between the minimum of 5% and maximum of 8%. Black & Veatch, when they started discussing the revenue impacts of the rate reduction, suddenly decided not to discuss the impact of Section 7-222, of the general statutes. That "target range", which I call a requirement, was never discussed by Black & Veatch, but yet, when they ran their numbers in their study, instead of computing out return on that plan between 5% & 8%, it appears to me that the numbers fell well below. The numbers you should be hearing as I read off of Table 3-4 (Appendix I) should be between 5 and 8%, that is exactly why they did this chart. For the year 2000, instead of hearing something between 5 and 8%, we hear 3.18% for the next year; 1.45% for the next year; .89% and for the final year .25%; again, you should be hearing numbers between 5% and 8%. I am very concerned about a statutory violation which will be caused in large part by the 7% rate reduction for the commercial accounts. If we are talking about using up retained earnings of the Electric Division to the tune of about \$10 million, I would expect to hear a clear and compelling reason to have that kind of money go flying out the window and out of the control of the Town. Two-thirds of that

I am concerned with; one-third is going back to the residential ratepayers. I have no quarrel with that. The \$10 million really becomes \$7 million and again, if \$7 million is going out the doors of the Electric Division and out of the control of the Town, again, we should see a clear and compelling reason for that. At the PUC meeting of February 15, 2000, I tried to make an inventory of the reasons for the rate reduction. The first reason, which came from Mr. Gessert, was that the Electric Division was operated for the benefit of the ratepayers as distinguished from Wallingford taxpayers. My question is not rhetorical but with serious intent and that is, what is so objectionable about operating the Electric Division in a business-like fashion... setting competitive prices... and also at the same time as running the Electric Division in a business-like fashion at competitive rates, giving top notch service, but at the same time doing all of that for the benefit of Wallingford rather than for the benefit of ratepayers? I am not sure what is so objectionable about that. That question was asked by members of the public at the PUC meeting and I don't remember what the answer was. Another reason, some people think; although not the PUC and Electric Division; some people believe that the rate reduction was required by statute. That is not true; you (PUC) have never said that, this is purely a voluntary rate reduction. Is that correct?

Mr. Gessert answered, that is correct.

Mr. Brodinsky continued, if anyone in the public or on the Council believes this is a rate reduction required by statute, that is not so. It is a voluntary rate reduction. Another reason given at the meeting and in the press was that the rate reduction of 7% was needed, necessary, to keep the Wallingford Electric Division rates competitive. Yet, at the PUC meeting it came out that the commercial and industrial ratepayers are already paying about 20-25% below market. The point being that we are already competitive in my opinion and another 7% added on to that, seems to be extra icing on the cake, thrown on just for good measure. We are already competitive and another 7%... there really was no justification that I could recall at the PUC meeting for adding on another 7% when we are already 20-25% below market. Yet another reason given at the PUC meeting for needing the 7% reduction was, while it creates jobs, brings in businesses and I got the impression that there are some businesses out there not located in Wallingford just waiting to hear about our 7% rate reduction and they will come flooding into Wallingford growing our Grand List.

Mr. Gessert stated, leave us not be cynical here.

Mr. Brodinsky admitted Mr. Gessert's point was well-taken. He was glad that Mr. Gessert agreed with him; it certainly was an unlikely scenario.

Mr. Brodinsky continued, in my opinion, the idea that business decisions are and will be made because of a 7% rate reduction when our utility rates are already 20-25% below market, in my personal opinion, is a theory without data to back it up. I am under the understanding that Wallingford has a monopoly? As things presently stand people cannot go outside of Wallingford to buy electricity?

Mr. Gessert answered, that is correct.

Mr. Brodinsky stated, for the time being we have a captive audience, but things may change. The next problem I have is with the timing of the rate reduction. We are apparently giving a 7% reduction now when we are already so competitive but when deregulation begins to click in and Wallingford's electric rates perhaps become less competitive or the Electric Division is really threatened by rate reductions by other electric utility providers, our nest egg will no longer be there because we gave a rate reduction costing about \$10 million when the timing wasn't right. Why not hold onto the money and when deregulation really threatens the competitive position of the Electric Division, we can use that \$10 million or a portion thereof to make our rates more competitive. The money that is funding this rate reduction, the \$10 million, is the Town's money. If there is a burning desire on the part of the Electric Division to get rid of \$10 million and to do so by giving it away to customers rather than the owners, I find it somewhat unjust that the taxpayers of Wallingford may be faced with a property tax increase. I am not saying that was definite, but I did hear the Mayor's comments at the State of the Town Address. He referred to financial challenges and I am speaking for myself, if the Town is facing financial challenges it would be unjust, in my opinion, if the Town sometime between now and the year 2003 was faced with a property tax increase at the same time commercial and industrial accounts were getting a rebate in their electric bills. That is why we have this system of checks and balances in the Charter. If the PUC can run the Electric Division for the benefit of the ratepayers but they are accountable to the Council who has an obligation to see the bigger picture, that is what I am attempting to do by raising some of these concerns. There was a comment made at the PUC hearing along the lines of, "the Electric Division would rather give away \$10 million to ratepayers rather than see \$1 come to the Town of Wallingford's general fund over and above the 4.5% ordinance". The argument was, \$10 million to the ratepayers but, by golly, if we gave \$1 extra to the Town to help defer a tax increase, that would be the beginning of the end of the Electric Division. I find that, personally, an emotional argument and not a logical argument. That would not happen as long as this Council sits. For all the reasons I have stated and for the purposes of getting other people involved in this, because I am expecting a heavy backlash from many people here, I want to make the following motion:

Motion was made by Mr. Brodinsky that the electric rates for residential customers be reduced by the 6% that was approved by the PUC but that the other rate reductions approved by the PUC on February 15th be disapproved.

(applause)

Seconded by Mr. Vumbaco.

Mayor Dickinson stated, I don't believe, legally, without cost of service justification you could choose one group of customers and award them a rate decrease and the others not receive something. I don't think that's...basic legal premise to your comments. I don't believe you can really do that legally.

Mr. Brodinsky replied, I think that the authority of the Electric Division and the PUC is to separate, within their discretion, and they can set various classes, and I find that that is the basis for it. If that is the basis for your objection, it is a complicated enough question that you probably have a legal opinion on that.

Mayor Dickinson answered, If you become totally arbitrary in the rates you are charging...

Mr. Brodinsky replied, it is not arbitrary. The classifications are very rational. Homeowners who own the Electric Division....

Mr. Parisi interrupted to state that two speakers should not be speaking at the same time.

Mayor Dickinson continued, the issue is, the cost of a product to whomever is receiving the product. To say that one customer deserves a rate decrease but another one is actually paying more than that customer should pay, it becomes highly arbitrary and discriminatory and I don't think it would withstand a legal attack. There is no justification for it. If we do not have a rate decrease, in effect, we are saying that everyone should pay higher rates than are necessary. The opposite side of this becomes very troublesome. If we are going to deal with a rate decrease, then you have to deal with some decrease across all customer classifications unless we are saying that the cost of services analysis shows that a given class actually is costing us more or in some way isn't justified in any decrease. We know that to be untrue. I don't think legally, we could justify choosing one class for a rate decrease and then telling the others they will pay more than what they should under our study.

Mr. Brodinsky stated, that Electric Division has already set its classes and they are selecting different rate reductions for different categories so their selection of rate

reductions was, in fact, arbitrary because they disregarded the cost of service study, the data that was in the Black & Veatch study. They gave Black & Veatch a policy decision that is in the study that basically says or means, reading between the lines, we really don't like how your numbers came out, come back and do it the way we want which is the 6% for homeowners and 7% for commercial. It is not arbitrary because the homeowners own the Electric Division and the commercial ratepayers don't.

Mayor Dickinson stated, we use homeowners as if the homeowner is someone who is a resident in Wallingford. The homeowner may not be a resident of Wallingford which would mean that the homeowner would not be an owner of the Electric Division. That is one premise that is flawed. Secondly, if everyone is getting and sharing in some way a rate decrease then there is a balance to it. Everyone who pays rates is sharing in a decrease. But if we are saying only some customers deserve a rate decrease, others do not, then it crosses the line to become highly discriminatory.

Mr. Brodinsky asked the Mayor to point to that language either in the statutes, regulations or anything else. Where does that line exist, other than in your personal opinion?, he asked.

Mayor Dickinson replied, I refer to legal counsel here and I am informed that that would not be something that could withstand legal attempt.

Mr. Brodinsky asked to hear from Assistant Town Attorney, Gerald E. Farrell, Sr. He asked Atty. Farrell to point to the line that is being referred to or is it logic only? Is there a regulation, a statute, something in the Charter? Is there something in the PUC rules that prevents the PUC from adjusting rates from one class to another?

Atty. Farrell, Sr. answered, the PUC has the authority to set rates. We are supposed to follow some form of logic and background in doing that. The same type of thing applies in rate reductions which is really another way of setting rates. The Mayor is arguing that it would be unfair to reduce the rates of one portion based upon an excess and not take into account that that excess was created by the payment of rates from another class.

Mr. Brodinsky replied, fairness is in the eye of the beholder.

Mr. Gessert added, it is in the pocketbook of the payer.

Mr. Brodinsky continued, fairness is in the eye of the beholder. What the Mayor was saying is that there is a legal reason, a barrier; a legal barrier; a legal line that could be

pointed to that would be crossed if we reduce rates for homeowners and not for commercial accounts. I am looking for that line that the Mayor says was crossed.

Atty. Farrell, Sr. stated, the Mayor was raising question of, when you are, in fact, implicitly rebating by reducing rates, is it unfair and possibly illegal to ignore the fact that that amount of money in excess was created by a class of ratepayers and ignore those people in reducing rates.

Mr. Brodinsky asked Atty. Farrell, Sr., are you or are you not able to point to that legal line the Mayor was referring to that prevents absolutely, legally, the PUC from giving rate reductions to homeowners and not to the commercial customers?

Atty. Farrell, Sr. replied, I don't think the Mayor or myself are saying it is absolutely illegal. We are raising the question of that possibility.

Councilor Farrell stated, we are debating if what the PUC is doing is legal or not; if you refer to Section 13 of the Charter and you go back to Mr. Brodinsky's motion where he asks us, in part, to veto the actions of the PUC and, in part, to change the actions of the PUC, I don't see how you reconcile that with Section 13 that basically says that we may veto any action of the Board, it doesn't say that we can change it. I don't know where we are going with this, if indeed it is a proper motion.

Mr. Brodinsky stated, if that is the only objection, if you agree with my major premise, we can fix what ever procedural problem that you have.

Mr. Gessert stated that he wanted to clarify one issue; I do not remember anyone at the PUC saying that we don't believe \$1 of additional revenue should go to the Town to help the taxpayers of the Town of Wallingford. I don't remember that. The age old question that we have been hearing about for ten years now is, "who is a ratepayer; who is a customer; who is a taxpayer? We have taxpayers that are customers and not residents. We have residents that are not taxpayers. When you try to put one description on one group of people, they can wear a number of different hats. I am a customer and a taxpayer and a ratepayer. But if I were a renter, I would not be a taxpayer but I would still be a customer and a ratepayer. You can live in Wallingford and wear different hats. When you look at the percentage of profit, and I guess it depends on what time span you look at it over, you may get more profits at one period of time and then a lower amount of profits during another period of time and when you add them all up over a period of ten years, if it falls within that 5% to 8% category, I would assume that you are on target. One of the points brought up earlier was residents versus large industrial customers. If we look at a pure cost of service basis, it costs us a lot more money to provide electric service to your house

as a percentage, way out in East Wallingford, than it does proportionately to supply power to Bob Parisi who lives closer or Steve Knight who lives closer yet or American Cyanamid which is right down the street. We can send someone in to read the meter for American Cyanamid and they can read \$300,000. You have to read a whole lot of houses before you add up \$300,000 worth of electricity and now you have to mail out hundreds and hundreds of bills to add up to that amount of electricity. Your cost of service to provide the power to a residential customer is a much larger share of the bill than it is to one large customer. If you look at the cost of service study, there are a number of different percentages that came back. We could have sat there and said that the numbers look good so let's adopt them. Everyone in this room is aware and you have seen what has happened with deregulation on the state level and the state came back with a guideline or just about an "order" to the private utilities, the investor-owned utilities, to cut their rates by about 6% across the board. When we look at the study done in Wallingford, the recommendation was to reduce the residential rates by 2.9%; small general service (small businesses) rates by 1.9%; medium general service (larger businesses) 7.3% and our largest customers, according to the cost of service; the cost to provide the service, the recommendation was a 14% cut. Here you would have the large industrial customer getting a decrease that is four to five times the rate decrease of the residential customer. We did not think that was fair or appropriate. We thought the fair thing to do was to stay as close to the state guideline and make sure the residential and smaller customers got at least the 6% that the state was recommending and the larger customers get slightly more than that. We ended up with figures with a range of 6.0% to 7.6%. It was suggested by Councilor Brodinsky that we are already very competitive in our business rates. If that is the basis for cutting rates then if you use that logic, we are even more competitive in residential rates because they are 30-50% lower compared to CL&P or U.I. If we use that logic, we should give the residential customers even less. We did not believe in that. We felt that if we were in a situation where we could benefit our ratepayers, who are taxpayers and our customers, then we would try to benefit everyone as close and fairly as possible. That is what we did in adjusting these rates. How much does the Town get or lose? I have to agree with you; if you look at going by a percentage of gross revenues and the gross revenues are lower, then the payment is going to be lower; no question. The Town is going to miss out on some revenue in that area. However, if you look at what effect these rates have on what the Town pays for electricity, the loss of revenue due to rate reductions, if you look at the percentage, the 4.5%, it comes out to \$108,860. which is less money to the Town. When you look at the schools and this building...and the Water & Sewer Treatment Plants, Public Works Dept., Recreation Department and you add in those electric bills, the new rates will reduce those electric bills by \$165,000. Your out of pocket costs drop \$165,000 but your revenue drops \$108,000. You are coming out \$56,000 ahead when you prepare your budget for next year. The taxpayer is really coming out ahead with this because he is paying less for schools, lighting in all our municipal buildings. The taxpayer is not

forgotten. When you look at the total, Wallingford charges, as a municipal rate, zero profit to all our municipal entities. Some towns, the municipalities paid business rates and they paid substantially. If you look at our rates, that is about \$500,000 savings annually. By paying cost only for electric, for all of our departments, that saves our taxpayers about \$500,000 on top of that \$1.4 million. We also contribute \$200,000 a year to town services; Comptroller's Office, Legal Department, Personnel, to reimburse the Town for services that we call on. We also rent space in Town Hall from the Town and pay roughly \$35,000 a year for that. We are trying to pay the taxpayer his due wherever possible. I look at this proposal and it is fair to the both the taxpayer and ratepayer. If you look at the question that Mayor Dickinson and Attorney Farrell were discussing before, I think that there would probably be some very sharp attorney out there that would be glad to engage Alleghany Ludlum or Cytex or someone else and take the Town to court because they did a cost of service study which showed that the residential customer should get a 2.9% reduction and they are giving them 6%, and the commercial and industrial customers should get a 14% reduction and they are giving us nothing. They would have the capital to do that and if they were ignored and treated unkindly, there might be one of them that would do that. When you run a business, the smartest thing you can do is be fair to all of your customers but you certainly ought to be fair to your best customers. If you turn around and give your smallest customers all the benefits and you rip off your largest customers, in the long run, your business is going to suffer from it. The Electric Division and the PUC is wise to treat all its customers fairly and make sure that our large customers get a reduction as well as the smaller customers.

Mr. Farrell reiterated that the motion is improper. He asked the Chair to rule on whether it is improper under Section 13. The Council could be holding debate on an issue that becomes superfluous.

Mr. Parisi asked Atty. Farrell, Sr. if he had a ruling on whether or not the motion is improper?

Atty. Farrell, Sr. replied, it is up to the Chair to actually rule on the point of order raised by Councilor Farrell. I think the point he is trying to make is that, under the Charter, your sole discretion is actually to veto and override the action of the PUC. You can't simply modify and amend it which is as I understand it to be Councilor Brodinsky's motion. I think you should be guided by the Town Charter, itself, and Atty. Councilor Farrell, Jr. has pointed out what he believes to be the appropriate Charter language. I think that the point is well-taken by Councilor Farrell.

Mr. Brodinsky stated, on that point of order the Charter provides "that the Council shall

exercise oversight of the actions of the Board and may veto any action of the PUC", not necessarily all actions of the PUC, but any action of the PUC. I have selected one action of the PUC.

Mr. Parisi stated, but you have also made a recommendation within your motion, too.

Atty. Farrell, Sr. stated, the point that Councilor Farrell was trying to make is that the rate reduction as voted by the PUC was, in fact, one action. Councilor Brodinsky is trying to say that it had two parts to it so we could overrule one part and move toward one action. But unless I am wrong, the PUC did it all in one action. I don't think you can piece meal attack it.

Mr. Parisi noted that there was also a recommendation included in the motion which made it a dual-purpose motion. He stated that seven votes are required to override an action of the PUC, that is another thing we will have to deal with.

Mr. Brodinsky stated, I can count the partisan votes as well as anyone and probably the ruling of the Chair will be sustained. I will then make another motion that the entire action of the PUC be vetoed with a strong suggestion that they just come back with a residential rate reduction of 6%. Rather than hide behind a procedural gimmick, why don't we just address it on the merits which is what the motion deserves and the issue deserves.

Mr. Parisi stated that he ruled the motion out of order.

Mr. Brodinsky appealed the ruling of the Chair which requires a vote of the entire Council, there is no debate, just an immediate vote.

VOTE ON THE RULING OF THE CHAIR: Centner was absent; Brodinsky and Vumbaco voted against the ruling of the Chair; all others, voted in favor of the ruling of the Chair. Motion ruled out of order.

Motion was made by Mr. Brodinsky that the Proceedings of the PUC on February 15, 2000 Reducing Rates be Vetoed.

Mr. Brodinsky stated that he understands the tactical move made by Councilman Farrell but he wanted to remind everyone here that Mr. Brodinsky's intention right from the start was to agree to and approve a rate reduction for the homeowners. That is the intent of what is going on. Because of a procedural question and a ruling of the Chair, that intent is being frustrated and I don't want to have the public, the press, the Council or any public official misconstrue my intent.

Mr. Parisi stated, I don't believe that you should cast dispersions at any other votes that may be cast by other people by insinuating that they are going to be party line votes or anything else because as passionately as you feel for your view on this item, others may feel the same way for their view. Whether or not it agrees with yours is going to be a matter of votes, not a matter of party. That is not where we want to go.

There was no second offered to the motion.

The motion fell to the floor.

Mr. Vumbaco stated, the reason he supported the original motion was because he firmly believed that there should be equal reductions. We should either reduce the residential customer's rates by 7.5% or drop the industrial and commercial rates by 6%. The idea that we are going to lose any businesses because we don't give them 7.5% we give them 6% is not even an issue to discuss. Reducing it to 6% and not 7.5%...by reducing it down to 6%, I don't think it is going to effect someone's decision whether they come to town or not. In the future, if you have another rate reduction, we should have equal rate reductions.

Mr. Knight stated, that he, too, spent several hours reviewing the Black & Veatch study. It lays out very clearly the justification for the rate decrease. A great deal of time outlining exactly who pays the big bills and who costs the big money in running this (Electric) Division. What I have heard for the last hour is a classic defense of riding the back of every business in every community in an attempt to hold down taxes for the people that vote. We are talking about voters and we are responsible to the voters but a lot of these voters are ratepayers, that has been made clear as well. This state has the most hostile business environment in the U.S. The idea that we can beat and beat and beat on business has been proven so wrong in the last thirty years that I am surprised that it is even brought up and in the face of what will be a dramatic change in the industry in which this (Electric) Division operates. Because of our inability to face up to the facts of electrical deregulation we allow ourselves to try and seduce the voters into believing that they can have their cake and eat it too. That is not going to happen in a deregulated electric environment. Just a few years ago our largest electric user came very close to building their own generation facility. Fortunately, because the Electric Division was on top of their game, we signed them to a contract that is beneficial to them and to us; it was a partnership. We are in partnership with these businesses. They are not in town to make our lives easy, they are here to employ people, pay taxes and make money. Making money in this country is allowed. The age old argument is that we should use electric revenues to pay for schools, roads, bridges, etc., because we own the Electric Division. When I pay my tax bill, I know

I am getting schools. The ten of us (Town Council and Mayor) are responsible for setting this rate and we will answer to the voters for what they have to pay on their tax bill. When I pay my electric bill, I have purchased electric service for this. I don't think it is proper to get stuck for building schools with my electric bill because we lack political courage to make us pay as we go with the tax bill. This argument that the Wallingford Electric Division was established in 1899 as a business to benefit the taxpayers of Wallingford; I would bet that if we were able to talk to the people who were wise enough to establish the Wallingford Electric Division that we would find that what they intended is what we have now; an electrical co-op. When it was established, we generated our own power. That is no longer feasible because of the size of the community. We band together, 20,000 of us, and purchase power. There are some members of the co-op that are very large and pay the bills. There are many more of us that are very small and we don't pay the bills. When the rate reduction is taken into account, when you weigh the cost of service in 2001 against the revenue generated by the new rate, the residential ratepayers fall short by \$570,000. That is made up by the guys with the big bills; they pay the difference. We are an electrical co-op and without our best customers, we have a problem. If you lose the 27 large industrial customers; you lose the 400 medium sized customers, you lose a great deal of the demand for electrical service in this town. We have been over this before and will be over it again. I am pleased that the voters of Wallingford see through this; that they understand the connection between the success of the Wallingford Electric Division and the success of this community. I would vote down any attempt to do it any other way.

Mr. Paris stated, this item is done. There is no vote.

Members of the public asked to speak to the issue.

Mr. Parisi stated, the item is done, there is no vote. It has gone away.

The public continued to express feelings of frustration that they were not given a chance to speak to the item.

ITEM #12 Executive Session Pursuant to Section 1-200(6)(E) of the CT. General Statutes Pertaining to the Strategy and Negotiations with Respect to Collective Bargaining as Requested by Councilors Brodinsky, Papale, Vumbaco and Zappala.

ITEM #14 Executive Session Pursuant to Section 1-200(6)(D) of the CT. General Statutes Pertaining to the Purchase, Sale and/or Leasing of Real Estate – Mayor

Motion was made by Mr. Rys to Enter Into Both Executive Sessions.

Mayor Dickinson stated, before you vote on entering executive session, I don't know that there is any reason for executive session on the collective bargaining. Unless I understand more clearly why we have an executive session....

Mr. Rys stated, it was requested.

Mayor Dickinson stated, we are not going to discuss any strategy regarding MLK.

Mr. Parisi stated, fine, then we don't go into... there are three or four other items, too.

Mayor Dickinson stated, as long as everyone understands that.

Mr. Rys asked, who requested the executive session?

Mr. Parisi stated, it went into executive session because we expected it to require executive session.

Mayor Dickinson stated, it is not clear to me why that would require anything because... from my standpoint I don't see why it would require executive session to be discussing the issue over MLK Day. If that is the focus for it, I don't see why it would require an executive session.

Mr. Brodinsky stated, it was Councilors Papale, Vumbaco, Zappala and myself who asked that it be on the agenda. What we contemplated was a review of where we are going, where we plan to go with respect to collective bargaining agreements presently being negotiated or in the future with a focus on Martin Luther King. I understand your comments that even in executive session you don't want to talk about it so there is no point in going into executive session, do I read you right?

Mayor Dickinson stated, primarily because I don't know where the state legislation is going. Until I have a clearer picture of what is happening I am not going to try and describe what we would like to do other than that we would certainly like to arrive at a conclusion on it. There are too many variables.

Mr. Brodinsky seconded Mr. Rys' motion to enter into executive session.

Mr. Brodinsky stated, all we (Councilors) are looking for is a brief update, and we thought it was appropriate to go into executive session because it effects future and ongoing negotiations.

VOTE TO ENTER INTO EXECUTIVE SESSION : Centner was absent; all others, aye.
Motion duly carried.

The vote occurred at 10:06 P.M.

Approximately 5-7 minutes passed before the Council tried to convene its executive session.

In protest of not being allowed an opportunity to speak on Item #11, several members of the public refused to exit the auditorium. The Council could not engage in executive session with members of the public present, therefore, the Council had to take a vote to exit the executive session.

Motion was made by Mr. Rys to Exit the Executive Session, seconded by Mr. Farrell.

VOTE: Centner was absent; all others, aye; motion duly carried.

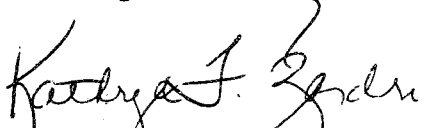
The Council exited executive session at 10:17 P.M.

Motion was made by Mr. Rys to Adjourn the Meeting, seconded by Mr. Farrell.

VOTE: Centner was absent; Brodinsky, Papale & Vumbaco, no; all others, aye; motion duly carried.

There being no further business the meeting adjourned at 10:18 P.M.

Meeting recorded and transcribed by:

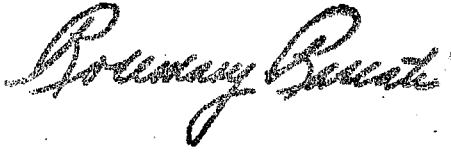

Kathryn F. Zandri
Town Council Secretary

Approved:


Robert F. Parisi, Chairman

3-16-2000

Date



Rosemary A. Rascati, Town Clerk

MAR 15 2000

Date

Table 3-2
Town of Wallingford
Electric Division
Historical and Projected Revenues and Revenue Requirements Under Existing Rates
Cash Basis

Line No.	Description	Historical		Projected			
		1998	1999	2000	2001	2002	2003
		\$	\$	\$	\$	\$	\$
1	<u>Operating Revenue</u>						
2	Gross Electric Sales:						
3	Residential	13,899,525	14,338,600	14,448,400	14,526,800	14,605,500	14,684,500
4	Commercial	12,865,439	12,853,400	12,801,000	12,882,100	12,972,400	13,063,300
5	Industrial	12,376,661	11,627,700	11,247,300	11,329,500	11,405,500	11,482,400
6	Public Street & Hwy Lighting	321,825	331,800	335,100	338,400	341,800	345,200
7	Other Sales to Public Authorities	1,227,503	1,207,900	1,221,900	1,229,000	1,236,100	1,243,200
8	Subtotal Electric Sales	40,690,953	40,359,400	40,053,700	40,305,800	40,561,300	40,818,600
9	Power Adjustment	1,725,356	(752,200)	510,600	1,961,200	2,518,300	3,295,600
10	Total Electric Sales	42,416,309	39,607,200	40,564,300	42,267,000	43,079,600	44,114,200
11	Other Operating Revenue	440,223	400,000	400,000	400,000	400,000	400,000
12	Interest Earned	784,353	804,300	632,300	637,900	738,800	913,300
13	Other Non-Operating Revenue	122,381	150,000	150,000	150,000	150,000	150,000
14	Total Revenue	43,763,246	40,961,500	41,746,600	43,454,900	44,368,400	45,577,500
15	<u>Revenue Requirements</u>						
16	Electricity Purchased	30,642,774	27,134,900	27,758,200	29,370,300	30,133,000	31,105,100
17	Production O & M	688,035	708,600	729,800	751,500	774,000	797,200
18	Transmission	15,167	15,800	16,100	16,600	17,100	17,600
19	Distribution O & M	1,712,910	1,764,200	1,817,200	1,871,700	1,927,900	1,985,700
20	Administrative & General Expense	1,597,967	1,699,200	2,000,000	1,845,800	1,918,200	1,993,800
21	Provision for Bad Debts	36,473	100,000	100,000	100,000	100,000	100,000
22	Other Expenses	844,060	859,300	1,000,000	950,000	978,500	1,007,700
23	Total Operating Expenses	35,537,386	32,281,800	33,421,300	34,905,900	35,848,700	37,007,100
24	Net Income	8,225,860	8,679,700	8,325,300	8,549,000	8,519,700	8,570,400
25	Plant Extension and Replacements	5,595,000	8,975,000	4,966,000	3,358,000	1,761,000	2,502,000
26	Annual Net Revenue Available	2,630,860	(295,300)	3,359,300	5,191,000	6,758,700	6,068,400
27	Taxes	1,305,469	1,230,200	1,258,700	1,309,400	1,333,600	1,364,400
28	Principal on Debt	120,000	0	0	0	0	0
29	Non-Operating Expenses	114,335	111,400	110,000	110,000	110,000	110,000
30	Net Income Before Transfers Out	1,091,056	(1,636,900)	1,990,600	3,771,600	5,815,100	4,594,000
31	Operating Transfers In (Out):						
32	Transfers Out to General Fund	(1,790,642)	(1,833,700)	(1,908,700)	(1,782,300)	(1,825,400)	(1,902,000)
33	Other Financing Sources	560,261	30,000	30,000	30,000	0	0
34	Total Operating Transfers	(1,230,381)	(1,803,700)	(1,878,700)	(1,752,300)	(1,825,400)	(1,902,000)
35	Annual Balance	(139,325)	(3,440,600)	111,900	2,019,300	3,489,700	2,692,000
36	<u>Ending Cash Balance</u>						
37	Cash Balance at Year End	16,086,012	12,645,400	12,757,300	14,776,600	18,266,300	20,958,300
38	Affiliated Benefits Fund	2,732,181	2,732,200	2,732,200	2,732,200	2,732,200	2,732,200
39	Total Available Cash	18,818,193	15,377,600	15,489,500	17,508,800	20,998,500	23,690,500

Table 3-4
Town of Wallingford
Electric Division
Historical and Projected Revenues and Revenue Requirements Under Recommended Rates
Return on Net Plant Basis

Line No.	Description	Historical					Projected				
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
1.	<u>Operating Revenue</u>										
2.	Gross Electric Sales:										
3.	Residential	14,100,419	13,625,439	14,325,076	13,798,553	13,899,525	14,338,600	14,015,000	13,655,200	13,729,200	
4.	Commerical	12,358,508	12,749,792	13,133,093	12,673,006	12,865,439	12,853,400	12,417,000	12,109,100	12,194,000	
5.	Industrial	13,610,493	13,999,799	12,531,438	12,115,550	12,376,661	11,627,700	10,909,900	10,649,800	10,721,200	
6.	Public Street & Hwy Lighting	404,354	446,261	366,993	314,502	321,825	331,800	325,000	318,100	321,300	
7.	Other Sales to Public Authorities	1,305,824	1,300,398	1,235,153	1,178,432	1,227,503	1,207,900	1,185,300	1,155,200	1,161,900	
8.	Subtotal Electric Sales	41,779,598	42,121,689	41,591,753	40,080,043	40,690,953	40,359,400	38,852,200	37,887,400	38,127,600	
9.	Power Adjustment	(1,426,916)	(2,242,844)	(1,799,708)	669,354	1,725,356	(752,200)	(367,700)	0	0	
10.	Total Electric Sales	40,352,682	39,878,845	39,792,045	40,749,397	42,416,309	39,607,200	38,484,500	37,887,400	38,127,600	
11.	Other Operating Revenue	399,832	441,210	426,179	395,625	440,223	400,000	400,000	400,000	400,000	
12.	Total Operating Revenue	40,752,514	40,320,055	40,218,224	41,145,022	42,856,532	40,007,200	38,884,500	38,287,400	38,527,600	
13.	<u>Revenue Requirements</u>										
14.	Electricity Purchased	30,958,940	29,451,962	25,002,392	28,892,203	30,642,774	27,134,898	26,585,063	26,824,968	27,057,246	
15.	Production O & M	626,512	678,610	479,241	617,748	688,035	708,600	729,800	751,500	774,000	
16.	Transmission	14,507	6,543	14,333	3,948	15,167	15,600	16,100	16,600	17,100	
17.	Distribution O & M	1,871,053	2,189,766	1,616,396	1,596,135	1,712,910	1,764,200	1,817,200	1,871,700	1,927,900	
18.	Administrative & General Expense	3,615,887	3,501,044	3,274,262	1,971,778	1,597,967	1,699,200	2,000,000	1,845,800	1,918,200	
19.	Provision for Bad Debts	118,604	105,019	54,401	89,920	36,473	100,000	100,000	100,000	100,000	
20.	Other Expenses	792,871	810,467	890,710	977,232	844,060	859,300	1,000,000	950,000	978,500	
21.	Total Operating Expenses	37,998,374	36,743,411	31,331,735	34,150,964	35,537,386	32,281,798	32,248,163	32,360,568	32,772,946	
22.	Net Operating Income	2,754,140	3,576,644	8,886,489	6,994,058	7,319,146	7,725,402	6,636,337	5,926,832	5,754,654	
23.	Depreciation Expense	1,312,620	1,417,732	1,506,681	1,641,447	1,737,947	2,144,200	2,319,100	2,373,900	2,431,900	
24.	Interest Expense on Cust. Deposits	37,350	51,848	68,503	71,182	75,915	75,000	75,000	75,000	75,000	
25.	Taxes	1,908,448	1,727,325	1,605,415	1,387,034	1,305,469	1,230,200	1,196,700	1,178,900	1,186,100	
26.	Net Income Before Transfers Out	(504,178)	379,739	5,705,890	3,894,395	4,199,815	4,276,002	3,045,537	2,299,032	2,061,654	
27.	Operating Transfers In (Out):										
28.	Transfers Out to General Fund	(1,500,000)	(1,575,000)	(1,653,750)	(1,794,548)	(1,790,642)	(1,833,700)	(1,908,700)	(1,782,300)	(1,731,800)	
29.	Other Financing Sources	0	0	1,473,177	582,537	560,261	30,000	30,000	30,000	0	
30.	Total Operating Transfers	(1,500,000)	(1,575,000)	(180,573)	(1,212,011)	(1,230,381)	(1,803,700)	(1,878,700)	(1,752,300)	(1,731,800)	
31.	Return on Net Plant	(2,004,178)	(1,195,261)	5,525,317	2,682,384	2,969,434	2,472,302	1,166,837	546,732	329,854	
32.	Plant Investment										
33.	Plant at Original Cost					58,563,612	67,538,300	72,504,000	75,862,000	77,623,000	
34.	Less: Accumulated Depreciation					31,337,149	33,481,300	35,800,400	38,174,300	40,606,300	
35.	Net Plant Investment					27,226,463	34,057,000	36,703,600	37,687,700	37,016,700	
36.	Return Under Proposed Rates					10.91%	7.26%	3.18%	1.45%	0.89%	
37.	Return at 5 percent					1,361,323	1,702,900	1,835,200	1,884,400	1,850,800	
38.	Rate Adjustment					(1,608,111)	(769,402)	668,363	1,337,668	1,520,946	
39.	Base Rate Adjustment - %					-3.95%	-1.91%	1.72%	3.53%	3.99%	

Table 3-5
Town of Wallingford
Electric Division
Historical and Projected Revenues and Revenue Requirements Under Recommended Rates
Cash Basis

Line No.	Description	Historical	Projected				
		1998	1999	2000	2001	2002	2003
		\$	\$	\$	\$	\$	\$
1	<u>Operating Revenue</u>						
2	Gross Electric Sales:						
3	Residential	13,899,525	14,338,600	14,015,000	13,655,200	13,729,200	13,803,400
4	Commerical	12,865,439	12,853,400	12,417,000	12,109,100	12,194,000	12,279,500
5	Industrial	12,376,661	11,627,700	10,909,900	10,649,800	10,721,200	10,793,400
6	Public Street & Hwy Lighting	321,825	331,800	325,000	318,100	321,300	324,500
7	Other Sales to Public Authorities	1,227,503	1,207,900	1,185,300	1,155,200	1,161,900	1,168,600
8	Subtotal Electric Sales	40,690,953	40,359,400	38,852,200	37,887,400	38,127,600	38,369,400
9	Power Adjustment	1,725,356	(752,200)	(367,700)	0	0	0
10	Total Electric Sales	42,416,309	39,607,200	38,484,500	37,887,400	38,127,600	38,369,400
11	Other Operating Revenue	440,223	400,000	400,000	400,000	400,000	400,000
12	Interest Earned	784,353	804,300	632,300	595,600	609,300	695,500
13	Other Non-Operating Revenue	122,361	150,000	150,000	150,000	150,000	150,000
14	Total Revenue	43,763,246	40,961,500	39,666,800	39,033,000	39,286,900	39,614,900
15	<u>Revenue Requirements</u>						
16	Electricity Purchased	30,642,774	27,134,898	26,585,063	26,824,968	27,057,246	27,291,461
17	Production O & M	688,035	708,600	729,800	751,500	774,000	797,200
18	Transmission	15,167	15,600	16,100	16,600	17,100	17,600
19	Distribution O & M	1,712,910	1,764,200	1,817,200	1,871,700	1,927,900	1,985,700
20	Administrative & General Expense	1,597,967	1,699,200	2,000,000	1,845,800	1,918,200	1,993,800
21	Provision for Bad Debts	36,473	100,000	100,000	100,000	100,000	100,000
22	Other Expenses	844,060	859,300	1,000,000	950,000	978,500	1,007,700
23	Total Operating Expenses	35,537,386	32,281,798	32,248,163	32,360,568	32,772,946	33,193,461
24	Net Income	8,225,860	8,679,702	7,418,637	6,672,432	6,513,954	6,421,439
25	Plant Extension and Replacements	5,595,000	8,975,000	4,966,000	3,358,000	1,761,000	2,502,000
26	Annual Net Revenue Available	2,630,860	(295,298)	2,452,637	3,314,432	4,752,954	3,919,439
27	Taxes	1,305,469	1,230,200	1,196,700	1,178,900	1,186,100	1,193,300
28	Principal on Debt	120,000	0	0	0	0	0
29	Non-Operating Expenses	114,335	111,400	110,000	110,000	110,000	110,000
30	Net Income Before Transfers Out	1,091,056	(1,636,898)	1,145,937	2,025,532	3,456,854	2,616,139
31	Operating Transfers In (Out):						
32	Transfers Out to General Fund	(1,790,642)	(1,833,700)	(1,908,700)	(1,782,300)	(1,731,800)	(1,704,900)
33	Other Financing Sources	560,261	30,000	30,000	30,000	0	0
34	Total Operating Transfers	(1,230,381)	(1,803,700)	(1,878,700)	(1,752,300)	(1,731,800)	(1,704,900)
35	Annual Balance	(139,325)	(3,440,598)	(732,763)	273,232	1,725,054	911,239
36	<u>Ending Cash Balance</u>						
37	Cash Balance at Year End	16,086,012	12,645,400	11,912,637	12,185,869	13,910,923	14,822,162
38	Affiliated Benefits Fund	2,732,181	2,732,200	2,732,200	2,659,300	2,203,900	1,117,300
39	Total Available Cash	18,818,193	15,377,600	14,644,837	14,845,169	16,114,823	15,939,462