

SPECIAL TOWN COUNCIL MEETING

JULY 27, 1999

7:00 P.M.

A special meeting of the Wallingford Town Council was held on Tuesday, July 27, 1999 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Vice Chairman Raymond J. Rys, Sr. at 7:00 P.M. Councilors Centner, Farrell, Knight, Renda, Rys and Zandri answered present to the Roll called by Assistant Town Clerk Patricia Sgambati. Councilors Papale, Parisi and Zappala were on vacation. Town Clerk Rosemary A. Rascati was absent due to an illness in the family. Mayor William W. Dickinson, Jr. arrived at 7:07 P.M. Comptroller Thomas A. Myers was also present.

The Pledge of Allegiance was given to the Flag.

ITEM #2 Consent Agenda

ITEM #2a Consider and Approve a Request made by the First Congregational Church of Wallingford to Use the Parade Grounds (#9 & #23 S. Main St.) on Sunday, September 12, 1999 from 8:00 A.M. to Approximately 12:00 Noon

ITEM #2b Consider and Approve a Transfer of Funds in the Amount of \$182 from Regular Wages Acct. #001-2020-101-1000 to Telephone/Page Net Acct. #001-2020-201-2000 - Animal Control Officer

ITEM #2c Consider and Approve a Transfer of Funds in the Amount of \$42,000 from Employee Pension & Benefits Acct. #926 to CT. Gross Revenue Tax Acct. #408-1 for the Payment of the State Gross Earnings Tax for June 1999 - Electric Division

ITEM #2d SET A PUBLIC HEARING for August 17, 1999 at 7:45 P.M. on an Ordinance Amending Ordinance #454 Entitled, "Nuisance Cat Ordinance" as Requested by Councilor Stephen W. Knight, Chairman of the Ordinance Committee

ITEM #2e SET A PUBLIC HEARING for August 17, 1999 at 8:00 P.M. to Review and Possibly Adopt a Draft Ordinance Entitled, "Center Street Cemetery-Perimeter Excavation Ordinance" as Requested by Councilor Stephen W. Knight, Chairman of the Ordinance Committee

Mr. Zandri asked again, what puzzles me is the electric and water. My understanding is, the logic behind this (the town not contributing to the pension fund) is to save tax dollars. So by still funding the pension fund from those two divisions it will, in the long run, help us as far as tax dollars are concerned.

Mr. Myers answered, when the actuary looks at the Town, he looks at the town as a whole. Just because we account for the electric, water and sewer separately as we account for the education department separately, they are still Town of Wallingford departments we report nationally as one consolidated entity. All the employees belong to the same pension plan. All of the departments that I have mentioned have contributed at the same rate that the town has contributed; they are the town, it is one unit.

Mr. Zandri asked, are the employees still contributing?

Mr. Myers answered, yes.

Mr. Zandri stated, again, my only concern is, I feel that the electric division and the water division should also continue to contribute towards that fund.

Mr. Myers stated, in my opinion, it becomes a matter of equity. Why would we want to treat any of our business operations differently than the others?

Mr. Zandri answered, because those two are separate stand-alone entities of business and in essence, what we are doing is saving our Water customers and Electric customers in the long haul where they could be contributing towards the pension fund.

Mayor Dickinson reiterated, the actuarial report indicated no contribution which included the utilities. We would not be following the recommendation of the actuary.

Mr. Zandri asked, Mayor, do you agree with me that it would not hurt to put the dollars in there?

Mayor Dickinson answered, I think it would hurt given the public discussions that say we are over-funded. The actuary is saying we should not be making those contributions. If we continued to make them, whether it is ratepayers or taxpayers, it still comes down to the public paying for something that the expert is saying we shouldn't do. I would not agree with that.

Mr. Zandri pointed out, we do have customers in Northford and not all residents of Wallingford are water customers either. It is something we will have to look into in the future.

Reginald Knight, 21 Audette Drive stated that he has heard on many occasion that the pension fund is over funded by a large amount of money. He has also heard on many occasion, suggestions with regards to the excess. Added to that he has also heard on just as many occasions that the fund cannot be touched. Now we have a request to take money from the fund.

Mayor Dickinson explained, the money in question here is money budgeted for not for pension but for other employee benefits. The name of the account is Pension and other Benefits but I don't believe this year any money was budgeted for pension because the actuary indicated that we would not be making a contribution. None of the funds in this account were there for a pension contribution. If it had been budgeted for a pension contribution, the money would move from that account to payment into our pension fund. This is not the pension fund, it is an operating account in the budget and would reflect monies to be spent for purposes outlined by the account. This is the second year that we have not contributed to the pension fund.

Reginald Knight asked, the money that you are taking now is the money that you would have put into the pension fund.....

Mayor Dickinson answered, no. The account name, Pension and Employee Benefits, that covers that type of expenditure but as I indicated for the past two years we have not budgeted any funds for pension contribution so none of the funds in the Pension and Employee Benefits account, none of those funds are for pension purposes. That is just the name of the account. There are other purposes for the account, such as health insurance and other employee benefits that are funded in that account.

Mr. Renda asked for further explanation of the accounting system with regards to the pension fund.

Mayor Dickinson explained, the account here, "Pension and Employee Benefits" is a budget account. Pension funds are not in the budget. Pension funds are an entirely separate area of accounting and of fiduciary responsibility. The pension funds are held in a pension portfolio overseen completely separately. We are talking here about what funds were budgeted in a given fiscal year for a specific purpose. As I have indicated, none of the funds in this account were budgeted for pension contribution. All of the funds in this account were budgeted for health insurances or other employee benefit issues.

VOTE: Papale, Parisi and Zappala were absent; all ayes; motion duly carried.

ITEM #4 Consider and Approve the Following Budget Amendments Associated with the Water Unit Interest Arbitration Award 9798-MBA-82 Dated 6/29/99 Discussed by the Town Council at its meeting of July 20, 1999

ITEM #4a Consider and Approve an Appropriation of Funds in the Amount of \$54,045 Increasing Various Accounts Within the Water Division's F.Y. 1998-99 Budget from the Use of Funds Section, Appropriation to Cash - Water Division

ITEM #4b Consider and Approve an Appropriation of Funds in the Amount of \$63,236 Increasing Various Accounts Within the Water Division's F.Y. 1999-2000 Budget from the Use of Funds Section, Appropriation to Cash - Water Division

ITEM #4c Consider and Approve an Appropriation of Funds in the Amount of \$2,072 Increasing Labor for Meter Reading Acct. #902-001 in the Sewer Division's F.Y. 1999-2000 Budget from the Use of Funds Section, Appropriation to Cash - Sewer Division

Motion was made by Mr. Knight to Approve Items #4a-c, seconded by Mr. Farrell.

Mr. Rys stated, if anyone has a problem with voting on these items as a block they can be taken up individually.

Mr. Centner asked, why is this on a special meeting agenda? Why wasn't this placed on a regular agenda?

Roger Dann, General Manager of the Water and Sewer Division replied, to my knowledge a special meeting was being considered and this was an item that was requested to be on the next available agenda. There are time frames associated with the arbitration award, itself, and I believe had you waited for the meeting of August 17th, we would have probably been outside of the window in which we are obligated to implement the contract terms. We did not specifically request a special meeting solely for this item. There were other items that led to that.

Mayor Dickinson stated, the primary reason for the meeting was to deal with the item for the gross revenue tax payment. That had to be made by the end of July to the State.

Robert Sheehan, 11 Cooper Avenue asked, the total amount of the three appropriations, \$120,000 (approx.), is that the whole award that we received?

Mr. Dann answered, the contract was structured with percentage increases that were applicable as of each of the dates specified in the contract. The first increase which was 2.85% is retro-active to a date of September 1, 1997. A second increase of 2.9% is retro-active to the date of September 1, 1998; a third increase will take place September 1, 1999 and then the contract also has an increase schedule for September 1, 2000.

Mr. Sheehan asked, does Item 4a deal with last year's budget?

Mr. Dann answered, yes.

Mr. Sheehan asked, is that a shortfall or a way of balancing your books at the end of the year?

Mr. Dann answered, it is a necessity so that we can pay the portion or the costs to our employees associated with the increases which should have been effected given those retro-active dates to their wages earned during the previous fiscal year. Accounting-wise we go back and charge against the appropriate fiscal year since those funds were not budgeted within the individual labor accounts for that purpose. We then do have to go back and make transfers to move funds into the appropriate labor accounts to make the payments. That is what all of this money is to be used for.

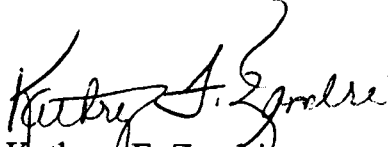
VOTE: Papale, Parisi and Zappala were absent; all ayes; motion duly carried.

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

VOTE: Papale, Parisi and Zappala were absent; all ayes; motion duly carried.

There being no further business the meeting adjourned at 7:24 P.M.

Meeting recorded and transcribed by:


Kathryn F. Zandri
Town Council Secretary

Approved: _____

Raymond J. Rys, Sr., Vice Chairman

Date

Patricia A. Sgambati, Asst.

Patricia Sgambati, Assistant Town Clerk

9-14-99

Date

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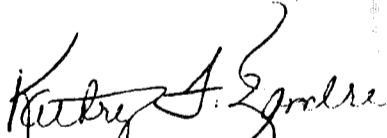
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NOTE: Papale, Parisi and Zappala were absent; all ayes; motion duly carried.

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Kathryn F. Zandri
Town Council Secretary

Approved: _____

Raymond J. Rys, Sr., Vice Chairman

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Patricia G. Sgambati, Asst.
Patricia Sgambati, Assistant Town Clerk

9-14-99
Date