

TOWN COUNCIL MEETING

NOVEMBER 26, 1991

7:00 P.M.

AGENDA

1. Roll Call & Pledge of Allegiance
2. Recognition of the Young Professional Award to Tom Dooley, Superintendent of Programs, Parks & Recreation Department
3. Consider and Approve Merit Increases Approved by the Merit Review Committee on November 19, 1991 - Personnel Dept.
4. PUBLIC QUESTION AND ANSWER PERIOD - 7:30 P.M.
5. Consider and Approve Road Acceptances (4) Approved by the Planning & Zoning Commission at its November 13, 1991 Meeting - Town Planner
6. Report Out From the Public Works Department on the Work Being Performed on the Town Hall Heating/Ventilation/Air Conditioning System as requested by Councilwoman Duryea
7. Consider and Approve Incorporating Property Located at 205 Main Street, Yalesville into the Farmland Lease Program - Program Planner's Office
8. Follow-up Report on Questions Raised at Special Meeting with Camp Dresser & McKee on Their Presentation of the Electric Division Study - Vice Chairman Bradley
9. Consider and Approve a Re-Appropriation of Funds in the Amount of \$30,000 to the Board of Education's 1991-92 Operating Budget
10. Consider and Approve the First Quarter Wallingford Electric Division Budget Amendment for 1991-92
11. Consider and Approve Waiving the Bid for Construction at Whispering Pines Subdivision and to Allow for the Contractor to Immediately Begin All Necessary Work to Allow for the Acceptance of Whispering Pines Drive Into the Town Road System - Town Planner's Office

Addendum

Consider and Approve a Resolution Authorizing a Ten Year Loan of \$900,000 from the Water Division to the Sewer Division

TOWN COUNCIL MEETING

NOVEMBER 26, 1991

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TOWN COUNCIL MEETING

NOVEMBER 26, 1991

7:00 P.M.

A meeting of the Wallingford Town Council was held on Tuesday, November 26, 1991 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Albert E. Killen at 7:15 P.M. All Council Members answered present to the Roll called by Town Council Secretary Kathryn F. Milano with the exception of Mr. Parisi who arrived at 7:20 P.M. upon returning from an out of town meeting. Mayor William W. Dickinson, Jr. arrived at 7:25 P.M., Town Attorney Janis M. Small and Comptroller Thomas A. Myers were also present.

The Pledge of Allegiance was given to the Flag.
Mr. Bradley made a motion to place the following items on the Consent Agenda to be voted upon by one unanimous vote of the Council:

ITEM #5 Consider and Approve Road Acceptances (4) Approved by the Planning and Zoning Commission at its November 13, 1991 Meeting - Town Planner

- Whiffle Tree Road - from Parker Farms Road to Harnish
- Harnish Lane - from Whiffle Tree to cul-de-sac
- Twin Oak Farm - Section 5
- Country Way - Section 5

Seconded by Ms. Papale.

Ms. Papale asked if anyone had questions on Agenda Item #3, if not she asked that it be added to the Consent Agenda, seconded by Mr. Holmes.

ITEM #3 Consider and Approve Merit Increases Approved by the Merit Review Committee on November 19, 1991 - Personnel Department

VOTE: All ayes; motion duly carried.

ITEM #11 - Withdrawn

ITEM #2 Recognition of the Young Professional Award to Tom Dooley, Superintendent of Programs, Parks & Recreation Department

Motion was made by Mr. Bradley, seconded by Mr. Holmes.

Mr. Killen explained that this item was placed on the agenda at the request of Councilwoman Susan S. Duryea.

Mr. Bradley read a Resolution into the record recognizing Mr. Dooley for his accomplishments (see attached Resolution).

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The Young Professional Award is awarded only once during the year by the Connecticut Parks and Recreation Association to an individual chosen from statewide nominations for excellence in the field of recreation.

The award is a positive reflection of the excellent programs developed under the leadership of Thomas Dooley and sponsored by the Town of Wallingford Department of Parks and Recreation.

Mrs. Duryea asked that it be noted for the record that Mr. Dooley was the recipient of the 1990 Young Man of the Year Award given by the Wallingford Jaycees.

VOTE: Parisi, passed; all others, aye; motion duly carried.

The Council, and all others present, applauded Mr. Dooley for his hard work and dedication.

ITEM #6 Report Out From the Public Works Department on the Work Being Performed on the Town Hall Heating/Ventilation/Air Conditioning System as Requested by Councilwoman Duryea

Motion was made by Mr. Bradley, seconded by Mr. Holmes.

Mr. Steven Deak, Director of Public Works Department distributed correspondence from Mechanical Maintenance Company detailing the company's first routine maintenance inspection at the Town Hall dated November 14, 1991.

The correspondence updated the Council as to the status of the work presently being done on the system and outlined recommendations on changes that should be made to help fine tune the system.

R.C. Marra Company is currently working on the Rooftop Ventilation System #6 which services the south side of the second and third floors. They are having difficulty obtaining the necessary parts to complete the work. Investigation of the Ground level unit which serves the first floor revealed that the evaporator fan motor was frozen and burnt and one of the induced draft fan assemblies was inoperative. The unit was repaired and placed into operation.

The Rooftop Ventilation System #8 was operational, however, during the inspection one technician reported a possible bearing problem. The unit began undue vibration and has since been repaired on an emergency basis.

With regards to the Enerstat Control System, it was discovered that ventilation systems #1, 2, 4, 6 & 8 exhibited incorrect programming with regards to the differential operation switches. All switches and timeclocks on the systems were reset.

The contractor concluded that the rooftop equipment is in relatively bad shape for four year old units and probably reflects that the design of the equipment is less than first quality that one expects for commercial and industrial equipment of this size.

The control panels appear to be well engineered for this style of control which admittedly has limitations generally in overall performance. The quality of the dampers which the panel controls is poor. The local zone thermostats are also of dubious quality. (The manufacturer pulled them from the market after two years)

Mr. Killen requested that Mr. Deak provide the Council with figures for the work that is necessary to make the system operable.

Mr. Deak will do so at the next Town Council meeting.

Mr. Zandri asked why the janitorial staff on the day shift cannot monitor the heating system to assure that it is on?

Mr. Deak stated that there is a janitor on staff during the day. No assignment of duty was made at this time.

Mrs. Duryea asked that a memo be circulated to let the employees know that the Council is continuing to work at solving the problems with the system. She has received calls from the Electric Division stating that the duct system has had to be covered to keep the cold air from blowing on the heads of many of the workers.

Mayor Dickinson attributed the imbalance in the system to the change of weather. We may experience a unseasonably warm day today and a seasonably cold one the next day. The system experiences a "lag" in its adjustment to the exterior weather patterns. It may continue to call for air conditioning the day after it was required. The same holds true for heat.

Mr. Killen was perturbed over the fact that correcting the system is taking an unnecessary amount of time. He wants prices brought before the Council to get this job done and done right.

Mr. Solinsky recommended staying with the same firm that has identified the problems, they are educated with the system.

Mr. Holmes requested that a copy of the maintenance list/agreement be submitted to the Town Council to keep them informed as to precisely what aspects of the system are/should be maintained on a regular basis.

Mr. Duane Braithwaite of 26 Kingsland Avenue asked if a warranty existed on the system?

Mr. Deak responded that the warranty had expired.

Mr. Killen reiterated that he wanted the aforementioned information from Mr. Deak at the next Town Council Meeting.

No action was taken.

PUBLIC QUESTION AND ANSWER PERIOD

Edward Bradley, 2 Hampton Trail asked the Mayor if the fire truck at North Farms Volunteer Company remains to be only half funded by \$112,000?

Mayor Dickinson responded that the \$112,000 does not represent half of a truck but what funds were put towards the purchase of a truck.

Mr. Bradley asked if any additional funds have been added to the funding?

Mayor Dickinson answered, no.

Mr. Bradley then asked why did the Town go out to bid on the item if it is not funded and probably will not be considered for funding until next fiscal year?

Mayor Dickinson responded, there was not an indication as to what exactly the truck would cost. It was originally expected to cost approximately \$225,000. The prices can range anywhere from \$120,000 on up through \$247,000. There is a wide range of vehicles available depending on what specifications are required. The money we had was put forward recognizing that it takes time to bid an item and once bid and prices obtained we can determine whether or not we have the money to go ahead with the purchase or wait until a later date. All of the questions have not been answered yet on the truck that we have quotes on.

Mr. Bradley asked if the vendors were willing to hold the quotes until next fiscal year?

Mayor Dickinson stated, no, they hold the prices for sixty days. We have to make a determining ^{now} within that time whether we will purchase the truck now or not.

Mr. Bradley then asked, where will the funding come from?

Mayor Dickinson answered, that would have to be looked at, depending on how much it is and the need for the vehicle.

ITEM #7 Consider and Approve Incorporating Property Located at 205 Main Street, Yalesville into the Farmland Lease Program - Program Planner's Office

Motion was made by Mr. Bradley, seconded by Mr. Parisi.

The property in question is known as the Dapkus/Budleski property, located at 205 Main Street, Yalesville, and the Town-owned property that abuts Moran Middle School, located in back of the Yalesville Fire Station. In the past both of these parcels have been used for agricultural purposes and would seem suitable for production of hay. Competitive bids will be sought for all parcels that are part of the program.

Mr. Killen asked if there will be guidelines for the individual utilizing the property since the information before the Council this evening is vague with respect to the property lines?

Mayor Dickinson explained that at the point that it goes out to bid there will be a description of the area. The area associated with the firehouse is pretty well delineated.

VOTE: All ayes; motion duly carried.

ITEM #8 Follow-up Report on Questions Raised at Special Meeting with Camp Dresser & McKee on Their Presentation of the Electric Division Study - Vice Chairman Bradley

Motion was made by Mr. Bradley to Discuss the Report, seconded by Mr. Parisi.

Mr. Bradley's intent was to place it on the agenda in case there were any questions or follow-up to the responses from CDM and to also mark this as the conclusion of the study. He went on to say that the issue that raised his curiosity is the rate structure and how it could be applied on a cost basis to the customers in North Branford and other towns that use the services of the utility. He requested a further opinion from the Town Attorney following Mr. Gouveia's request back in April of 1991 with regards to this issue. The opinion was made available this evening by the Town Attorney to the Council. His intent is to keep the study going and in the minds of people so that those individuals on the Council next year have the opportunity to pursue the issue. He recommended that if this issue is reviewed at some time in the future that the appropriate people and officials be included in the process so that everyone understands exactly where Wallingford is coming from. It is not the intent of this town to arbitrarily raise rates. It must be based on certain criteria which can be met.

Ms. Papale voiced her concern for the ratepayers in Northford. She recalled that a few years back there were a few people in Northford that tried to give up the franchise with the Electric Division and thought they would be better off with United Illuminating. Her concern is with what type of contract Wallingford has with Northford, where does this town stand if it comes to the point that Northford chooses to take its business elsewhere? Could that happen if the rates are raised?

Mr. Zandri responded that if those residents choose to go with U.I. their rates will be doubled. U.I. has the highest rates in the State of Connecticut. Northford does not have any other choice because of where they are situated, they are bordered with U.I. and Wallingford. We are only looking to be compensated for the town taking on the responsibility of running this division and having the customers in Northford benefiting by having the lowest rates in the State. All we want is a little bit more charged to them to compensate us for the responsibility plus the taxes for the equipment we have in their town.

Ms. Papale suggested that perhaps something could be done to offset the taxes with their rates.

Mr. Gouveia stated that he sees 53,000 reasons why the town should surcharge on the electric rates to the Town of Northford. We currently pay them \$53,000 in taxes for the privilege of giving them good service and good rates. The report from CDM states that we could possibly receive from them in excess of \$200,000 and they still would get a rate of perhaps seven to eight percent lower than Northeast Utilities and a lot lower than United Illuminating. It was not Mr. Gouveia's intention to collect that amount of money when he first raised this issue months ago, but to simply get back the taxes we were paying them. He felt that should be pursued. As a member of the Finance Committee he was very satisfied with the professionalism exhibited by the consultants from CDM.

No action taken.

ITEM #9 Consider and Approve a Re-Appropriation of Funds in the Amount of \$30,000 to the Board of Education's 1991-92 Operating Budget

Mr. Bradley read correspondence from Dr. Cirasuolo, Superintendent of Schools, into the record.

The Board of Education has collected \$30,000 from Meriden as tuition for the Program for the Severely Physically Handicapped and is requesting that the funds be re-appropriated to the Board's '91-92 Operating Budget. The funds will be used to help offset teacher and paraprofessional salary expenses. The Board is anticipating collecting an additional \$20,000.

The budget amendment increases Acct. #001-1065-060-6140, Education Tuition Severely Handicapped and Acct. #001-8600-860-1110, Certified Salaries by \$30,000 each.

Motion was made by Mr. Bradley, seconded by Mr. Parisi.

Mr. Gouveia had questions surrounding the collection of tuition, for instance, how many participants were in the program and why weren't the funds collected in advance as is usually the norm?

No one was available from the Board of Education to answer the questions.

Edward Musso, 56 Dibble Edge Road spoke in opposition to the program.

VOTE: All ayes; motion duly carried.

ITEM #10 Consider and Approve the First Quarter Wallingford Electric Division Budget Amendment for 1991-92

The first budget amendment is for the Interest and Dividend Income Acct. #419 which is increased \$30,000 recognizing three months

actual experience as a result of initial year leading sales and electric revenue (plus 4%).

Motion was made by Mr. Bradley, seconded by Mr. Holmes.

VOTE: Holmes, Papale, Parisi & Solinsky, aye; all others, no; motion failed.

The second item is an increase to Interest Income - Rate Settlement Acct. #419-1 by \$400,000 projecting current activity through this fiscal year.

Motion was made by Mr. Bradley, seconded by Mr. Holmes.

Mr. Gouveia asked that the record show that the previous items were adjusted during the Council Budget deliberations by approximately the same amount that they are presenting this evening.

VOTE: Holmes, Papale, Parisi & Solinsky, aye; all others, no; motion failed.

Motion was made by Mr. Bradley to Transfer \$10,000 from Account #924, Property Insurance, to Account #925, Liability Insurance, due to actual premium invoices received from the insurance carrier and Risk Manager's Office July 12, 1991, seconded by Mr. Holmes.

Mr. Gouveia asked how the division plans to meet its insurance payments when the expenditure for last year was \$41,000+ for the property insurance?

Mr. Michael Holmes responded that these transfers are to align the division's property and liability insurances to what has actually been invoiced to them from the Risk Manager's Office. Original estimates were based on estimates by the Risk Manager and property insurance did, indeed, go down this year.

Mr. Gouveia stated that the division has experienced a good safety record for the year and asked why the liability insurance has increased?

Mr. Michael Holmes did not have that information but stated that the invoice is \$10,000 more this year than last.

Mr. Killen asked Mr. Holmes to check into why the insurance has increased, is it happening nationally, locally, etc.

VOTE: Holmes, Papale, Parisi and Solinsky, aye; all others, no; motion failed.

Mr. Gessert, Public Utilities Commissioner asked the Council if the commission should assume that the Council will have no objection if they overexpend that particular line item?

Mr. Killen responded that that would be a dangerous assumption.

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The Commission requested guidance from the Council on this matter since it is vital that the invoice be paid.

Mr. Killen did not have any recommendations at this time.

Mr. Gessert asked all the other Council members if they had any suggestions/recommendations on what to do with this?

Mr. Gouveia suggested the adoption of a less fictitious budget.

Mr. Gessert pointed out that an insurance invoice has to be paid regardless and again, solicited recommendations from anyone on the Council.

Mr. Gouveia asked, again, why did the insurance rate go up?

Mr. Gessert will address it with the Risk Manager.

Mayor Dickinson informed the Council that this is not a workers compensation insurance where the safety of the employees may have some bearing. This is liability insurance and suggested that the bill be paid otherwise we will not have liability coverage.

The next item was a request to increase Account #408, Property Taxes North Branford, in the amount of \$18,000 to fully fund the Town's accrual for property tax payments as assessed by the Town of North Branford during 1991-92.

Motion was made by Mr. Bradley, seconded by Mr. Holmes.

VOTE: Duryea, Gouveia, Zandri & Killen, no; all others, aye; motion duly carried.

The next item is a request to reduce Account #391, Office Furniture and Equipment by \$50,000 and increase Retained Earnings by an equal amount; an additional appropriation of \$50,000 from Retained Earnings to Account 426, Community Service. These transactions are necessary to permit donation of \$50,000 to the Wallingford Police Department towards purchase of their new computer system.

Motion was made by Mr. Bradley, seconded by Ms. Papale.

Mr. Killen asked why the Office Furniture and Equipment Account was earmarked for this particular item?

Mr. Michael Holmes explained that the capital funds are budgeted into this account to purchase additional disk space for the computer. The need for that was based on the Assessor's needs as well as the Police Department. Given the fact that the Police Department will be leaving the system there will no longer be a need to purchase that additional disk space. Hence the \$50,000 is available and could be transferred to the Police Department to help offset their expense for the equipment.

VOTE: Holmes, Papale, Parisi & Solinsky, aye; all others, no; motion failed.

Mr. Bradley made a motion to Change One Computer Operator A position from Grade 11/4 to 11/min at \$21,392 and the Clerk-Typist Position be Grade 7/RC (Red Circled) at \$26,286 within the Administrative and General Personnel Detail Pages, seconded by Mr. Parisi.

These changes are necessary due to personnel and job function changes in these positions, as approved by the Personnel Director within the confines of the IBEW clerical unit contract.

Mr. Bradley asked for an explanation.

Mr. Michael Holmes explained that basically, they are lowering the classification of one position and increasing, or red circling, which means a red circled rate of pay will not increase, the other position. He did not wish to get into deep detail with this. He felt that personnel matters should be discussed in executive session. He read correspondence from Stan Seadale, Director of Personnel into the record as follows. "Just a note to let you know I fully support the changes you are proposing. You know I was involved in the discussions leading up to these changes and realize they are fully justified. Basically we had a situation where the management of the Division had a situation where it necessitated us for the best interest of the Division, the Town and the people involved to reassign the person and re-shuffle some duties." We utilized positions that are approved under the budget, basically moved a person from one slot to another slot, another function, under the confines and guidelines of the Personnel rules and the contracts. We are basically downgrading a Computer Operator A from maximum rate of pay down to a minimum rate to fill that position. We are changing the Clerk-Typist to a specific rate which is a bit higher than its classification. This is something that the Division and Personnel Director thought was necessary and done in accordance with all the contracts and rules and regulations.

Mr. Parisi asked if the entire Council was aware of this situation or just a few? He asked if he missed something or is it that not all Councilors were privy to the situation?

Mr. Killen responded that it is very possible that everyone has a fragment of the information.

Mr. Parisi felt that he could not vote on this without a full explanation.

Mr. Bradley wondered if the Council was overstepping its bounds and that a motion to proceed into executive session was called for?

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Mr. Kovacs recommended executive session.

Mr. Killen asked if the P.U.C. discussed this in executive session?

Mr. Kovacs responded, no, we have not.

Mr. Killen asked how they could obtain information that the Council could not? I read your minutes and I don't see anything on this subject.

Mr. Gouveia pointed out that there are no names involved. One position was decreased by \$4,894.00 and then another position was increased by \$8,405.00. Although it is a reassignment of people the position of Clerk-Typist will be making more money than that of the Computer Operator A. He was confused.

Mr. Michael Holmes admitted it was an unusual situation and the rate is red circled or locked in.

Ms. Papale suggested an executive session.

Mr. Bradley was concerned with the Statute since the employee may require that discussion be held in open session. He requested guidance from the Town Attorney.

Since the Town Attorney had temporarily left the chambers, the Chairman declared a five minute recess.

Ms. Papale made a motion to Enter Into Executive Session to Discuss Personnel in the Electric Division pursuant to section 1-18a(e)(1) of the General Statutes, seconded by Mr. Solinsky.

Mr. Bradley amended the motion to Also Discuss Changes in the Personnel Pages Affecting the Computer Operator A and Clerk Typist Positions, seconded by Mr. Holmes.

VOTE: All ayes; motion duly carried.

Motion was made by Mr. Bradley to Exit the Executive Session, seconded by Mr. Parisi.

VOTE: All ayes; motion duly carried.

Motion was made by Mr. Bradley to Table the Computer Operator A to Clerk Typist Position and Associated Changes on the Personnel Pages to the Next Regularly Scheduled Town Council Meeting of December 10, 1991 at which time Mr. Seadale, Director of Personnel, Trudy Brady, Data Processing Manager and Mr. Raymond F. Smith, Director of Public Utilities be Present and that the Town Attorney will Check Into Whether or Not the Employee Should Be Notified, seconded by Mr. Parisi.

Mayor Dickinson asked the Council to reconsider the matter of the Liability Insurance payment for the Electric Division. He pointed out that the \$315,000 premium represents a large amount of the Town's coverage.

ITEM #10 Mrs. Duryea made a motion to Reconsider Her Vote on the Transfer of Funds From Account #924 in the Amount of \$10,000 to Account #925 in the Amount of \$10,000, seconded by Mr. Parisi.

VOTE: Bradley, Gouveia, Zandri & Killen, no; all others, aye; motion duly carried.

ADDENDUM Approval of a Resolution Authorizing a Ten Year Loan of \$900,000 from the Water Division to the Sewer Division

Mr. Bradley read an excerpt from a letter dated November 25, 1991 to the P.U.C. from Roger Dann, General Manager of the Water and Sewer Division.

It read as follows:

"Gentlemen: Based upon the various decisions of the Court relative to the Braithwaite vs. Town of Wallingford, et al. ("Westview Hills") case, the final amount of the judgement has now been established and accordingly, it is now necessary to proceed expeditiously with funding of the necessary amounts in order to minimize the amount of post judgment interest payable. In order to accomplish this, the Sewer Division in conjunction with the Comptroller, Mayor and Director of Public Utilities, have investigated the availability of funds within the Sewer Division and additionally investigated the impact of various borrowing scenarios to the sewer user charges in order to minimize the impact of this judgment to the ratepayer. Based on this investigation, it is recommended that the approximately \$2,886,720 in required funds be provided through the use of \$1,986,720 in available funds of the Sewer Division with the remainder in the amount of \$900,000 to be provided through a loan from the Water Division to be repaid over a ten-year period. This will require a number of budget amendments/transfers in both the Water and Sewer Divisions in addition to a resolution authorizing the loan of funds from the Water Division as described below."

Motion was made by Mr. Bradley For Approval of a Resolution Authorizing a Ten Year Loan of \$900,000 from the Water Division to the Sewer Division (no anticipated impact on water rates), seconded by Mr. Parisi.

Mr. Bradley read the resolution into the record.

Mr. Bradley referred to his comments that were stated in the Meriden Record Journal on this date regarding this issue on the agenda. He felt that they did not serve the situation before the Council this evening and explained to everyone present the situation under which those comments were made. He hoped that everyone would understand it was a "knee-jerk" reaction. He did state that he had been irritated at the planning process and what the Council is put

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through on such an important decision on short notice. He pointed out that the Memorandum of Decision on the plaintiff's motion for entitlement to prejudgment and postjudgment interest was rendered on October 30, 1991. Almost one month prior to this evening. He found it hard to understand why, at the last minute, the Council is expected to make an important decision on this issue when it had only received the information not more than twenty-four hours previous to this hour? He has not had a chance to look at the information yet. He could not understand why it was so difficult to bring this about in a timely manner. The Town General Fund and the three funds down at the utilities were available for consideration. He asked how the Council could have been given better notice to have been afforded more time to study this important matter?

Mr. Dave Gessert, P.U.C. Commissioner admitted that he has echoed Mr. Bradley's sentiments a few times from the same location. He also did not have much time to review this material, however, the staff of the Water & Sewer Division, along with Mr. Myers and the Mayor have spent an extraordinary amount of time working on this, developing different scenarios using computer runs, etc., to put this together. It was given to the Council last minute for one reason; dollars. If the Council would prefer this could have been scheduled a month from now. The only difference is that the cost would be \$23,000 more to the Town. The meter is running at approximately \$5,000 per week.

Mr. Bradley appreciated Mr. Gessert's opinion. He found it hard to believe, however, that it took the Town a month to come up with the numbers.

Mayor Dickinson responded that any action taken on this has an impact no matter where the funding comes from. It takes time to evaluate what is the best approach. It was pertinent to obtain advice from the Bond Counselor to determine if this was part of the Sewer Treatment Plant bonding. It is not a simple issue of coming up with \$2.8 million that is not budgeted somewhere. The impacts have to be evaluated. We have done so and this is the recommendation.

Mr. Gouveia pointed out that the Council also needs time to evaluate the resolution to the problem. He will vote against this not because he is not in favor of paying the judgment, but you cannot correct one wrong by creating another one. He thought it was wrong to take money from the Water Division. He felt it was not only wrong but irresponsible and immoral. In 1989 water rates increased 28%, in 1990, 30%; in 1991, 26%. The P.U.C. has already approved an increase to take effect in June of 1992 of 23%. The increase from 1983 to 1988, 80%. He asked, how can we continue to ask the people to pay more for their water services and then turn around and lend close to \$1 million at close to 6% interest and not expect any return on the principle until 1 1/2 years from now? If we have all this money available in the Water Division what we should do then is roll back the rate increases that have already been approved to take effect in June of 1992. It is totally irresponsible. It is based on that that he will vote against this issue. We were told

that we needed to have those rate increases to pay for the major construction project in progress now. He went on to say, I don't see that the Electric Division is having a major construction project now. Yet, they are sitting on \$18 million, can't you borrow \$900,000 from them? I wonder why? Borrowing from the Water Division is like borrowing from Peter to pay Paul. In this case the Water Division is not at fault. They have absolutely nothing to do with what went wrong. To borrow money from them and perhaps place them in jeopardy, I think is irresponsible.

Mayor Dickinson responded, initially the money is available in the Water Division because these are the funds that it was suggested earlier would be used to pay down debt. That was not approved by the Council so the money has been sitting and drawing interest. As to impact on the Water Division, we don't anticipate any impact on the water rates.

Mr. Dann stated that one of the concerns was not to result in any kind of an impact to the Water Division side. That is why this plan was very carefully structured in the form that is similar to a bond which requires very specific payback of both principle and interest payments to the extent that the Sewer Division is paying the interest payments, the Water Division does not lose on the investment income that they would otherwise have on that money if it were sitting in an investment strategy someplace else. Also to the extent that it is paid back over time, our feeling is that it then becomes available once again to be utilized for projects of the Water Division. Our feeling is that it does not impact on the customer of the Water Division.

Mr. Gouveia stated that the Division took in more money than expected or projected. The Council's recommendation was, since you have taken a lot more money in than you anticipated, then why not use that money to offset the very same reason why you got that increase, in other words to roll back the rates, to apply it to the rates. That would have a very favorable impact on the rates. To say that this action would not have an impact on the rates is wrong. It may not have a negative impact but, again, if that kind of money is available then you should apply it to the rates and it would then have a favorable impact on the rates. That is what we should do. This is Water Division money and we are paying a lot more than we should be paying for the water bill.

Mr. Dann responded that there is a misconception. The Division has looked at the water rates relative to surrounding communities, those immediately surrounding us. With the present rate currently in effect, we still remain competitive on the low side. For the long period we have had rates that were substantially below the going rate. The reason, we did not have to construct major facilities. Now that we have to provide service on the same par as the rest of the utilities around us, yes, we are going to see a rate structure that becomes closer to those of surrounding communities.

Mr. Gouveia asked, are we going to come up with another increase next year so we have more money available to lend out at 6% interest

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for ten years? Personally I don't think it is such a great investment, tying up money for ten years at 6%. Again, I find it irresponsible to continue to charge people that kind of money for rates and then take money that was never anticipated to be used for that purpose.

Mr. Killen pointed out that suggestions flow from that side of the table to this one and we are supposed to act upon them. When we (the Council) make suggestions from this side they hit a stone wall. We have been looking to get the electric rates lowered or the mill rate lowered, and we have suggested the water rates be lowered and nothing has been done. All of a sudden something that happened (rights in deeds) that should not have happened all of a sudden we (the Town) can come up with \$2.8 million. I don't take any pride in saying that. We (the Town) are doing one lousy job. I will not support something along this line. We are ending up on the short end of the stick and I find no way to help the lowly taxpayer out there.

Mr. Bradley stated that it would make sense that with the retained earnings account in the Electric Division with an overall balance of \$31.8 million balance as of 10/31/91, an account that over the four month period ending 10/31/91 has earned \$319,000 in interest, it would make more sense to look at funding from this account vs. another.

Mr. Dann responded that, assuming that the borrowing is made on the same basis, ten (10) years, six (6) percent, relative to an analysis of the impact to the sewer rates, it makes absolutely no difference where it comes from.

Mr. Bradley then asked, did anyone look at the other side, the Retained Earnings? Did that come up in conversation or discussion?

Mr. Dann answered, the funds in the Electric Division as well as the Town funds. Certainly you look to all potential sources. Everyone concurred that the Water Division was going to be the most appropriate and straight forward way of accomplishing the loan.

Mr. Killen pointed out Mr. Dann's remarks "the money appears to be in the Water Division". It may appear now but will it be there in ten years? Many departments come before the Council for transfers because the funds that "appeared" to be sufficient, in fact, were not.

Mr. Dann felt that it was important to note that the Division is looking to make an additional \$2 million available in the recommendations to make from the funds of the Sewer Division. The majority of this is, in fact, coming directly out of the Sewer Division. The funds that they are proposing to utilize for that purpose involve both prior year's reserves and funds that were set aside in the current year's budget for a bond sale if that took place to finalize the cost on the Sewage Treatment Plant. They are bonding strictly the construction cost, not the judgement cost.

Mr. Parisi responded to Mr. Bradley's remarks regarding the Record-Journal article and stated that additional comments of his (Mr. Parisi's) were omitted from the article. Those comments were that the Council can choose to act on this issue this evening or it can avoid acting on it and pay the price for the privilege of waiting, meaning the interest cost.

Ms. Papale stated that she was a bit dismayed that this was given to the Council at the last minute so he placed a call to the Mayor who gave her an overview of what was going on. She went on to say that everyone knew that mistakes were made from the beginning, however should could not sit here this evening and vote to make more mistakes. We have to look to the future and what is good for the entire Town. She was glad to see that these funds will be taken from bonding and not from the General Fund. She felt that the only way this would pass this evening is if the money came from the Electric Division and nowhere else. She advised against making the motion to table this item unless people would look at this very closely and not just have it set in their minds that they want to take it from the Electric Division. The mistake was made it has to be dealt with and settled.

Mr. Gouveia stated that his previous remark was not intended to mean that the funds were to be taken from the Electric Division. There are many other options. He repeated his statement that he would not vote in the affirmative if it means taking money from the Water Division. He feels that it will impact the water rates, positively.

Mr. Zandri asked, if this passes this evening are we in control of the interest that the Town has to pay out on these judgements?

Mr. Gessert responded that his understanding is that as soon as the P.U.C. takes action and makes the appropriation and turn it over to the attorney, at that point it is up to the attorney to disperse it and go through his process. Once that happens the meter stops running on the interest.

Attorney Small stated that was her understanding. Once the money is paid over, it is up to the court to approve each individual request for payment.

Mr. Zandri still was not clear. He asked, is it when the money is made available by the Town to make the payments, the interest automatically stops?

Attorney Small answered, yes.

Mayor Dickinson explained that the money would be paid to the plaintiff's attorney. He would hold that money, at the point the payment is made the interest stops accruing.

Duane Braithwaite, 26 Kingsland Ave. informed the Council that the Town petitioned the court to have an Administrator appointed in their legal department to forego the cost of administrating these fines by his attorney. It was stated that the Town did not want to pay \$40,000, \$50,000 or \$60,000 for the administration of these funds by an attorney. His group agreed to that stipulation in court. He called his attorney today and he knows nothing about the turning over of funds to him. The Town petitioned the court and now they want to turn the funds over to the Westview Hills resident's attorney for him to administer the funds.

Mayor Dickinson interjected that it is not a matter of who will administer, the Town might still do so, it is a question of reaching a point whereas the interest no longer accrues on a judgement. Whether it is paid to an escrow account or the plaintiff's attorney there is a mechanism to stop interest from accruing on a judgement. The actual administration of claims can take up to six months for people to file.

Attorney Small assured everyone that this issue will be addressed with the judge tomorrow.

Mr. Braithwaite stated that, according to his attorney, if the plaintiffs do not file their claim for six months they continue to earn ten percent interest. He asked the Council if anyone has calculated out how much it will cost the taxpayers to pay the money back over the next ten years? What is the final cost?

Mr. Gouveia responded, \$324,000.

Mr. Braithwaite then asked, what is the cost of waiting until the Town has all its eggs in one basket? \$23,000. He asked the Council to waive the \$23,000 against the \$324,000 of acting tonight without being in control. The judge did not rule on the issue of placing the money in the account so the Town does not have to pay an extra month of interest. Attorney Wu does not want to be the administrator.

Mayor Dickinson added that, to his knowledge there has never been a case where the interest has continued to run once the funds has been put up.

Ron Donath, 43 Carr Street did not understand how the Council could consider voting at this time when there are so many grey areas on both sides. He reminded the Council that, in the past the P.U.C. "thought" they knew what they were doing with regards to this issue. He urged the Council to wait until the case goes to court tomorrow and they know for certain what is going on.

Mayor Dickinson recommended that the Council vote this evening. Once the money has been put up it will stop the accruing of interest on the judgement.

Don Harwood, 5 Chestnut Lane asked that this issue be put to bed correctly. He asked the Council to avoid hastily moving forward.

VOTE: Bradley, Duryea, Gouveia and Killen, no; all others, aye; motion duly carried.

Motion was made by Mr. Bradley to Amend the Water Division budget by increasing Account #145-039 by \$900,000 and increasing Account #216-000, Prior Retained Earnings by \$900,000, seconded by Mr. Parisi.

Mr. Parisi amended the motion to move Items #2C & 2D through and including Item #3K on the addendum (attached), seconded by Ms. Papale.

Mr. Gouveia pointed out a discrepancy in the correspondence dated November 25, 1991 where it states, "...it is recommended that the approximately \$2,886,720 in required funds to be provided through the use of...available funds of the Sewer Division..." and on page 2, the last paragraph reads, "The ultimate impact of all of the above actions is to set aside an amount of \$2,855,220....". There is a difference of \$31,500, why is that?

Mr. Dann explained that it is due to the fact that the \$31,500 is going to pay interest on the loan to the Water Division and therefore is not available towards the judgement. It is reflected as a cost but is not going towards the judgement.

VOTE: Bradley, Duryea, Gouveia & Killen, no; all others, aye; motion duly carried.

Motion was made by Mr. Bradley to Amend the Sewer Division Budget by Increasing Acct. #461-001, Sewer Usage Customer Refunds by \$19,000 and reduce Net Income by \$19,000 and Fund Acct. #431-039, Interest on Westview Hills Overpayment by \$1,200 and reduce Net Income by \$1,200, and increase Acct. Titled, Net Income Hills Overpayments by \$20,200, seconded by Mr. Holmes.

Mr. Bradley read correspondence into the record from Roger Dann, General Manager of the Water Division.

VOTE: Bradley, Duryea, Gouveia & Killen, no; all others, aye; motion duly carried.

Motion was made by Mr. Parisi to Adjourn the Meeting, seconded by Mr. Holmes.

VOTE: All ayes; motion duly carried.

There being no further business, the meeting adjourned at 11:39 P.M.

Meeting recorded and transcribed by

Kathryn F. Milano

Kathryn F. Milano, Town Council Secretary

Approved by:

Albert E. Killen, Chairman

Date

Kathryn J. Wall, Town Clerk

Date

Discussion and approval of funding for the Westview Hills judgement as follows:

1. Approval of a Resolution authorizing a 10 year loan of \$900,000 from the Water Division to the Sewer Division (no anticipated impact on water rates).
2. Amend the Water Division budget by:
 - a) Funding Account 145-039 by \$900,000
 - b) Funding Account 216-000 Prior Retained Earnings by \$900,000
 - c) Reducing Account 419-000 Interest on Investments by \$31,500
 - d) Funding Account 419-039 Interest on loan to Sewer Division by \$31,500
3. Amend the Sewer Division budget as follows:
 - a) Fund Account 223-039 Notes Payable Water Division by \$900,000
 - b) Fund Account 118-245 Westview Hills Settlement by \$900,000
 - c) Fund Account 430-039 Interest on loan from the Water Division by \$31,500
 - d) Reduce Account 301-030 Uncommitted Bond Interest by \$31,500
 - e) Fund Account 301-030 Retained Earnings Interest on STP III by \$962,282
 - f) Fund Account 301-035 Reserve for Self-Financed Debt-STP III by \$431,000
 - g) Increase Account 118-245 Westview Hills Settlement by \$1,393,282
 - h) Reduce Account 301-030 Sewer Enterprise Contribution to STP III by \$235,938
 - i) Reduce Account 301-030 Uncommitted Bond Principal by \$150,000
 - j) Reduce Account 301-030 Uncommitted Bond Interest by \$176,000
 - k) Increase Account 118-245 Westview Hills Settlement by \$561,938
4. Amend Sewer Division Budget as follows:
 - a) Increase Account 461-001 Sewer Usage Customer Refunds by \$19,000 and reduce net income by \$19,000
 - b) Fund Account 431-039 Interest on Westview Hills Overpayment by \$1,200 and reduce net income by \$1,200

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AT 3 H 00 M P M AND RECORDED BY
Kathryn J. Wall TOWN CLERK

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