

TOWN COUNCIL MEETING

JANUARY 22, 2002

6:30 P.M.

AGENDA

Blessing

1. Pledge of Allegiance and Roll Call
2. Correspondence
3. Consider and Approve Accepting a Painting Donated by Local Artist John Neff to Town of Wallingford
4. Consent Agenda
 - a. Consider and Approve Tax Refunds (#634-649) Totaling \$4,658.26 – Tax Collector
 - b. Approve and Accept the Financial Reports of the Wallingford Public Library, Visiting Nurse Association, Wallingford Senior Center
 - c. Consider and Approve a Transfer of Funds in the Amount of \$3,200 from Contingency – General Purpose Acct. #001-7060-800-3190-00 to Purchased Services Wetlands Mapping Acct. #001-5010-901-9070-00 – Engineering
 - d. Consider and Approve Accepting a Donation of \$500 to the Animal Shelter to offset Veterinary Costs and a Corresponding Appropriation of Funds in the Amount of \$500 to Misc. Revenue Acct. #001-1075-070-7040 and to Veterinary Acct. #001-2020-901-9015 – Animal Control Officer
 - e. Consider and Approve Accepting a Grant Entitled, “Accelerated Academic Learning Interdistrict Grant – Moran” and a Corresponding Appropriation of Funds in the Amount of \$2,600 from State Grant Revenues to Program Expenditures in the Accelerated Academic Learning Interdistrict Grant – Moran Fund

Town Council Meeting Agenda - 1/22/02

- f. Consider and Approve Accepting a Grant Entitled, "Accelerated Academic Learning Interdistrict Grant - Lyman Hall" and a Corresponding Appropriation of Funds in the Amount of \$2,500 from State Grant Revenues to Program Expenditures in the Accelerated Academic Learning Interdistrict Grant - Lyman Hall Fund
- g. Consider and Approve Accepting a Grant Entitled, "Accelerated Academic Learning Interdistrict Grant - Yalesville" and a Corresponding Appropriation of Funds in the Amount of \$4,772 from State Grant Revenues to Program Expenditures in the Accelerated Academic Learning Interdistrict Grant - Yalesville Fund
- h. Approve and Accept the Minutes of the December 11, 2001 Town Council Meeting
- i. Approve and Accept the Minutes of the January 7, 2002 Special Town Council Meeting
5. Items Removed from the Consent Agenda
6. Consider and Approve One (1) Appointment to the Position of Commissioner on the Zoning Board of Appeals for a Term of Five (5) Years to Expire 1/8/2007
7. Consider and Approve One (1) Appointment/Re-Appointment to the Position of Commissioner on the Zoning Board of Appeals for a Term of Three (3) Years to Expire 1/8/2005
8. Consider and Approve One (1) Appointment/Re-appointment to the Position of Commissioner on the Planning & Zoning Commission for a Term of Five (5) Years to Expire 1/8/2007
9. Consider and Approve One (1) Appointment/Re-Appointment to the Position of Alternate on the Planning & Zoning Commission for a Term of Three (3) Years to Expire 1/8/2005
10. Consider and Approve Four (4) Appointments to the Position of Constables for a Two (2) Year Term to Expire 1/25/2004
11. Consider and Approve One (1) Appointment/Re-Appointment to the Board of Assessment Appeals for a Term of Three (3) Years to Expire 1/8/2005

12. Discussion and Possible Action Regarding Wallingford Board of Education and AFSCME Co. 4, Local 1303-062 Arbitration Award Case No. 9900-MBA-50 - Personnel
13. PUBLIC QUESTION AND ANSWER PERIOD
14. Consider and Approve Authorizing the Mayor to Execute a Release of Easement Involving Property Owned by Balsam Ridge LLC Located at Cook Hill Road – Town Attorney
15. Discussion and Possible Action Regarding Authorizing the Mayor to Execute Documents Accomplishing the Sale of Anthem/Blue Cross Stocks – Mayor
16. Executive Session pursuant to Section 1-200(6)(D) of the CT. General Statutes With Respect to the Purchase, Sale and/or Leasing of Property – Town Attorney
17. Consider and Approve Authorizing the Mayor to Execute a Warranty Deed to Convey Property as Discussed in Executive Session – Town Attorney

TOWN COUNCIL MEETING

JANUARY 22, 2002

6:30 P.M.

SUMMARY

| <u>Agenda Item</u> | <u>Page No.</u> |
|---|-----------------|
| 2. Correspondence – No items presented | |
| 3. Accept a Water Color Painting Donated by Local Artist John Neff | 1-2 |
| 4. Consent Agenda – Items #4a-I | 2-3 |
| 5. Withdrawn | |
| 6. Approve the Appointment of Brian Leslie as Commissioner on the ZBA – Term to Expire 1/8/2007 | 3 |
| 7. Approve the Appointment of Robert Tremblay as Commissioner on the ZBA To Fill a Vacancy Created by Resignation of Steve Hacku – Term to Expire 1/8/2003 | 3-4 |
| 8. Approve the Appointment of Wm. Austin as Commissioner on the Planning And Zoning Commission – Term to Expire 1/8/2007 | 4 |
| 9. Approve the Re-Appointment of Steve Holmes as Alternate on the Planning And Zoning Commission – Term to Expire 1/8/2005 | 5 |
| 10. Approve Re-Appointing Wm. Choti, Robert Jacques, John Letourneau and Roland Chapo to the Position of Constables – Term Expires 1/25/2004 | 5 |
| 11. Approve Re-Appointing Gerald Labriola to the Bd. of Assessment Appeals - Term to Expire 1/8/2005 | 5 |
| 12. No Action Taken on Wlfd. Bd. of Ed and AFSCME Co. 4, Local 1303-062 Arbitration Award Case No. 9900-MBA-50 | 6 |

| <u>Agenda Item</u> | <u>Page No.</u> |
|---|-----------------|
| 13. PUBLIC QUESTION AND ANSWER PERIOD – Comments re: Town's reluctance to be part of statewide data base for voter registration and become a member of CCM (CT. Conf. of Municipalities); inquiry re: number of appeals filed re: revaluation information; status of Cooke property; American Legion; Wooding/Caplan; computer problems; school renovation project. | 6-8 |
| 14. Approve Authorizing the Mayor to Release an Easement Involving Property Owned by Balsam Ridge LLC Located on Cook Hill Rd. | 8-9 |
| 15. Approve Authorizing the Mayor to Execute Documents Accomplishing the Sale of Anthem Blue Cross Stock | 9-16 |
| 16. Executive Session – 1-200 (6)(D) – Purchase, Sale/Leasing of Property | 16 |

TOWN COUNCIL MEETING

JANUARY 22, 2002

6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, January 22, 2002 in the Robert Earley Auditorium of the Wallingford Town Hall and was called to Order by Chairman Robert F. Parisi at 6:32 P.M. Answering present to the Roll called by Town Clerk Rosemary A. Rascati were Councilors Brodinsky, Farrell, Knight, Papale, Parisi, Toman, Rys and Vumbaco. Councilor Doherty arrived at 7:48 P.M. due to her attendance at a Sheehan High School Function as Representative to the Council; Mayor William W. Dickinson, Jr. arrived at 7:50 P.M. due to his attendance at the same Sheehan High School function. Town Attorney Janis M. Small and Comptroller Thomas A. Myers were also present.

A blessing was bestowed upon the Council by Rev. Mark Angerosa of the White Oak Baptist Church of Wallingford.

The Pledge of Allegiance was given to the Flag.

At this time Chairman Parisi acknowledged Armend "Frenchy" Menard's retirement from the Planning & Zoning Commission. On behalf of the Council, Chairman Parisi extended thanks to Mr. Menard for a very fine representation on the commission for the people of Wallingford. The Council's wish is for Mr. Menard to enjoy his retirement.

ITEM #2 Correspondence – No items were presented.

ITEM #3 Consider and Approve a Painting Donated by Local Artist John Neff to the Town of Wallingford

Motion was made by Mr. Knight to Accept the Painting, seconded by Mr. Farrell.

Lawrence Takoris, 11 Jones Road, Arts Commissioner for the Town of Wallingford introduced John Neff, local artist.

John Neff explained that he produced a water color painting some time ago that has been exhibited in town. Since some of the members of the Council were the inspiration for the painting, he wanted to donate it to the Town's art collection.

The painting depicts four Council members, out of six individuals standing on the steps of the Johnson Museum, South Main Street, outfitted in period clothing indicative of the late nineteenth/early twentieth century.

Chairman Parisi stated, in the absence of the Mayor, on behalf of the Town, we appreciate what you have done and thank you for your generosity. It will be a valuable addition to the remembrances of our Town and of you.

(Applause)

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

ITEM #4a Consider and Approve Tax Refunds (#634-649) Totaling \$4,658.26 – Tax Collector

ITEM #4b Approve and Accept the Financial Reports of the Wallingford Public Library, Visiting Nurse Association, Wallingford Senior Center

ITEM #4c Consider and Approve a Transfer of Funds in the Amount of \$3,200 from Contingency – General Purpose Acct. #001-7060-800-3190-00 to Purchased Services Wetlands Mapping Acct. #001-5010-901-9070-00 – Engineering

ITEM #4d Consider and Approve Accepting a Donation of \$500 to the Animal Shelter to offset Veterinary Costs and a Corresponding Appropriation of Funds in the Amount of \$500 to Misc. Revenue Acct. #001-1075-070-7040 and to Veterinary Acct. #001-2020-901-9015 – Animal Control Officer

ITEM #4e Consider and Approve Accepting a Grant Entitled, “Accelerated Academic Learning Interdistrict Grant – Moran” and a Corresponding Appropriation of Funds in the Amount of \$2,600 from State Grant Revenues to Program Expenditures in the Accelerated Academic Learning Interdistrict Grant – Moran Fund

ITEM #4f Consider and Approve Accepting a Grant Entitled, “Accelerated Academic Learning Interdistrict Grant – Lyman Hall” and a Corresponding Appropriation of Funds in the Amount of \$2,500 from State Grant Revenues to Program Expenditures in the Accelerated Academic Learning Interdistrict Grant – Lyman Hall Fund

ITEM #4g Consider and Approve Accepting a Grant Entitled, “Accelerated Academic Learning Interdistrict Grant – Yalesville” and a Corresponding Appropriation of Funds in the Amount of \$4,772 from State Grant Revenues to Program Expenditures in the Accelerated Academic Learning Interdistrict Grant – Yalesville Fund

ITEM #4h Approve and Accept the Minutes of the December 11, 2001 Town Council Meeting

ITEM #4i Approve and Accept the Minutes of the January 7, 2002 Special Town Council Meeting

ITEM #5 Items Removed from the Consent Agenda -- Withdrawn

Motion was made by Mr. Knight to Approve the Consent Agenda as Presented, Items #4a-I, seconded by Mr. Farrell.

VOTE: Doherty was absent; all ayes; motion duly carried.

ITEM #6 Consider and Approve One (1) Appointment to the Position of Commissioner on the Zoning Board of Appeals for a Term of Five (5) Years to Expire 1/8/2007

Correspondence from Karen Hlavac, Chairperson of the Republican Town Committee states, in part, "Brian Leslie, 68 N. Elm Street, was endorsed for another term as a commissioner on the Zoning Board of Appeals. Mr. Leslie currently serves as the Chairman of this body. He possesses the skills and experience necessary to continue to serve the town in this capacity."

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

Mr. Farrell abstained due to the fact that Mr. Leslie is a relative by marriage.

Chairman Parisi stated, I believe that Mr. Leslie has done an outstanding job as Chairman and, quite frankly, has brought that commission to a new level. I look forward to that quality of work for the next two years.

VOTE: Doherty was absent; Farrell abstained; all others, aye; motion duly carried.

Mr. Leslie was sworn in by the Town Clerk at 6:42 P.M.

(Applause)

ITEM #7 Consider and Approve One (1) Appointment/Re-Appointment to the Position of Alternate on the Zoning Board of Appeals for a Term of Three (3) Years to Expire 1/8/2005

This agenda item is corrected to read,

Consider and Approve One (1) Appointment/Re-Appointment to the Position of Commissioner on the Zoning Board of Appeals to Fill a Vacancy in a Term Which Expires 1/8/2003 Created by the Resignation of Steve Hacku.

Motion was made by Ms. Papale to Appoint Robert Tremblay, seconded by Mr. Vumbaco.

Ms. Papale stated, Mr. Tremblay has been an alternate on the commission and I am sure that he will do an excellent job on the commission. She stated, we are all very sorry with the resignation of Steve Hacku and we all wish him well.

Mr. Vumbaco stated, on behalf of the Town of Wallingford, we appreciate the distinction and the service that Steve Hacku did perform for the Town. He was a long-term member of the Zoning Board of Appeals Commission and he was one of those individuals that brought that commission to a greater ability.

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

Mr. Tremblay was sworn in by the Town Clerk at 6:43 P.M.

(Applause)

ITEM #8 Consider and Approve One (1) Appointment/Re-appointment to the Position of Commissioner on the Planning & Zoning Commission for a Term of Five (5) Years to Expire 1/8/2007

Motion was made by Mr. Farrell to Appoint William Austin to the Position, seconded by Mr. Toman.

Mr. Farrell stated, not only is there a letter from Karen Hlavac, Chairperson of the Republican Town Committee but, Mr. Austin has served quite a number of years on the planning & Zoning Commission, both as an alternate and commissioner. He has also served in a prior capacity as Chairman of the Conservation Commission. He brings wonderful environmental credentials to the commission and we are very blessed to have him.

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

Mr. Austin was sworn in by the Town Clerk at 6:45 P.M.

(Applause)

ITEM #9 Consider and Approve One (1) Appointment/Re-Appointment to the Position of

Alternate on the Planning & Zoning Commission for a Term of Three (3) Years to Expire 1/8/2005

Motion was made by Mr. Parisi to Re-Appoint Steve Holmes to the Position, seconded by Mr. Farrell.

Chairman Parisi stated, it is my privilege to nominate Mr. Steven Holmes for another term as alternate on the Planning & Zoning Commission. As we all know, and maybe some of us don't know, Mr. Holmes served the Town as a member of the Town Council, as a selectman and has served distinguishably on the Planning & Zoning Commission as an alternate. He has the know how and dedication necessary to continue to serve the Town.

VOTE: Doherty was absent; all ayes; motion duly carried.

Mr. Holmes was sworn in by the Town Clerk at 6:48 P.M.

(Applause)

ITEM #10 Consider and Approve Four (4) Appointments to the Position of Constables for a Two (2) Year Term to Expire 1/25/2004

Motion was made by Mr. Knight to Appoint Mr. Wm. Choti, Mr. Robert Jacques, Sr., Mr. John Letourneau and Mr. Roland Chapo to the Position of Constables, seconded by Mr. Rys.

VOTE: Doherty was absent; all ayes; motion duly carried.

Mr. Choti, Mr. Jacques, Mr. Letourneau and Mr. Chapo were sworn in collectively by the Town Clerk at 6:50 P.M.

(Applause)

ITEM #11 Consider and Approve One (1) Appointment/Re-Appointment to the Board of Assessment Appeals for a Term of Three (3) Years to Expire 1/8/2005

Motion was made by Mr. Knight to Re-Appoint Mr. Gerald Labriola to the position, seconded by Mr. Farrell.

Ms. Hlavac's correspondence reads, "Mr. Labriola currently serves as the Chairman of this body; and his knowledge and expertise in this area will continue to be an asset to the town."

VOTE: Doherty was absent; all ayes; motion duly carried.

Mr. Labriola was sworn in by the Town Clerk at 6:51 P.M.

(Applause)

ITEM #12 Discussion and Possible Action Regarding Wallingford Board of Education and AFSCME Co. 4, Local 1303-062 Arbitration Award Case No. 9900-MBA-50 – Personnel (Appendix I – Summary of Award)

Correspondence from Terence Sullivan, Personnel Director states that little about the award is problematic. The pay rates are comparable to rates paid in other Town contracts and area municipalities. The contract mirrors the tentative agreement reached by the parties some time ago. The only exception to that tentative agreement is the award of funeral leave for part-time employees.

Correspondence from Dale Wilson, Assistant Superintendent of Schools, Personnel Matters, states that if the Council chooses to reject the award, it would require a 2/3 majority vote otherwise the Council does not have to approve the contract due to the fact that it is an arbitrated award.

No action taken.

PUBLIC QUESTION AND ANSWER PERIOD

Philip Wright, Sr., 160 Cedar Street stated that he read an article in the newspaper that reported how the Town did not want to be part of a statewide data base on registered voters.

Wallingford is one of twenty-two towns in the whole state that are not part of that system. Not long ago there was an article in the paper that was quite lengthy concerning the fact that we are also not a member of the CT. Conference of Municipalities (CCM) and the other towns that were non-members were so-called "one horse towns" in the state. He asked, who makes these decisions that says we will stay out of this sort of thing?

Chairman Parisi replied, the Town Council votes on the CCM membership.

Mr. Wright asked when it was voted on?

Chairman Parisi answered, during budget workshops last year or the year before.

Mr. Wright asked, if it is voted down once, that means that it's dead forever?

Chairman Parisi answered, no, it has been voted down several times in the past.

Mr. Wright asked, what stirred the pot that instigated this long article?

Chairman Parisi replied, I don't have the slightest idea.

Mr. Wright asked, did the issue come up again recently because we had the opportunity to sign on and didn't?

Chairman Parisi replied, you can join that almost anytime you choose to. I don't think there is any special season.

Mr. Wright asked, can you recall why the Council voted not to join it the last time?

Chairman Parisi answered, I believe the greater majority of the Councilors felt that it was too expensive to be a member.

Mr. Wright asked what it cost?

Chairman Parisi replied, it is based on population. I don't remember the exact cost. My colleagues tell me it was \$17,500.

Mr. Wright stated, we like to be looked upon as one of the movers and shakers and all the rest, yet, we are not in the swim of things. It further concerns me that, he we are, one of twenty-two that does not want to join a database of registered voters in the state and I am just wondering if we are setting ourselves up for another Martin Luther King Day deal where the legislature is going to tell us we have to. Voter rights is a big issue in this country as we all know. It disturbs me that we are all not with it.

Chairman Parisi replied, fine.

Mr. Wright answered, I guess I remain disturbed.

Chairman Parisi answered, I respect your opinion.

Comptroller Thomas Myers pointed out how the Town is a member of the South Central Regional Planning Authority and the dues are approximately \$1,000 per year.

Mr. Wright asked Mr. Myers if, in his opinion, the Town was getting its money's worth out of that membership?

Chairman Parisi answered, it is my own personal opinion that we do.

Mr. Wright stated, it sounds like, if its cheap, we take it; if it is going to cost us a little bit, we decide to go on our own.

Chairman Parisi stated, it is majority vote. Frankly, that is what it is and the day the majority feels that it is worth it, I guess that is the day that we will join.

Jack Agosta, 505 Church Street, Yalesville asked if the new Grand List is done?

Mr. Myers answered that the Assessor's Office is still working on compiling the Grand List. It is expected to be ready for January 31st.

Mr. Agosta asked, do you know how many appeals have been filed?

Mr. Myers did not have that information; it is still be accumulated.

Pasquale Melillo, 15 Haller Place, Yalesville asked where the Town stood with regards to getting their computer system straightened out?

Mr. Myers suggested that Mr. Melillo direct his questions regarding the computer to the Mayor at another time.

Mr. Melillo next inquired as to the status of; the Cooke Property; American Legion Building; Wooding/Caplan property; school renovation project?

Chairman Parisi replied, there is no new information on any of the above-mentioned subject matters. He reminded Mr. Melillo that the agenda for the school renovation committee meetings are posted in the Town Clerk's office and suggested that he review them so that he could attend the next upcoming meeting to get more specific information.

Mr. Melillo asked, by not participating in CCM is the Town missing out on constructive and practical information that could prove beneficial to us?

Chairman Parisi replied that, at this point, the majority (of people who voted on that issue) does not feel the Town is losing anything.

Public Question and Answer Period was declared closed at this time.

ITEM #14 Consider and Approve Authorizing the Mayor to Execute a Release of Easement Involving Property Owned by Balsam Ridge LLC Located at Cook Hill Road – Town Attorney

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

Correspondence from Asst. Town Attorney Gerald E. Farrell, Sr. explains that the easement being released called for a 56-foot width. It was necessary for the easement to be 58 feet in width and accordingly, a second easement was approved and recorded, now thereby requiring

the original easement to be released. The Public Utilities Commission voted to approve the release of the easement at its December 18, 2001 meeting.

VOTE: Doherty was absent; all ayes; motion duly carried.

ITEM #15 Discussion and Possible Action Regarding Authorizing the Mayor to Execute Documents Accomplishing the Sale of Anthem/Blue Cross Stocks – Mayor

Correspondence from Town Attorney Janis M. Small states that, according to the Finance Department, the Anthem stock becomes a part of the General Fund upon receipt by the Town. Connecticut General Statutes Sec. 7-400 specifies the investments which may be made by a municipality with the General Fund and holding common stock is not a permitted investment. Therefore, it is my opinion that the Town cannot retain ownership of the stock. The stock must be sold.

Mr. Knight moved the Item, seconded by Mr. Farrell.

Chairman Parisi stated, I want to make it clear that we are here to vote on the selling of the stock. That is the item that we are discussing. I know that my colleagues have strong feelings on how it will be distributed and it should be done fairly and that should be discussed under a separate item at a later date. Am I right counselor? Do you see anything wrong with that statement?

Atty. Small answered, I don't find anything wrong; that is your choice.

Pasquale Melillo asked from the audience, does that mean that the public won't have the chance to speak on it?

Chairman Parisi answered, it means exactly what I said; we are voting on Item #15 as it is listed. It is to execute the documents that accomplish the sale of the Anthem Blue Cross stocks.

Mr. Vumbaco asked Comptroller Myers, what did you base your premise on?

Mr. Myers answered, it is an extraordinary asset of the community that cannot be identified to any of our special resources or other accounting operations...special fund grant funds; enterprise funds. In that instance it would become General Fund money which is still subject to the appropriation process. That does not in any way remove it from the appropriation or budgetary process at a future date.

Mr. Vumbaco asked Mr. Myers to briefly describe how we got the stock and why we have it.

Mr. Myers answered, the Board of Directors of Anthem, which owns Blue Cross/Blue Shield operations in five or six states in the country did a study...to demutualize; to take the company from a privately-held organization to a publicly-traded company which issues stock and trades on the New York Stock Exchange or NASDAQ. With that action, the company had to meet certain regulatory requirements and Security and Exchange Commission (SEC) requirements, including disclosures and identification of statutory members; members who, at the time the company goes public, would be deemed to be in an ownership position. An ownership position meaning a position where they would receive an amount of stock based on their participation or contractual relationships with Anthem over a period of years. The longer you were a participating or contract holder with Anthem, the more shares you would receive. It is a very complex, very long, delineated formula whereby they determined the number of shares that these statutory members would receive. There are, on file, a series of demutualization disclosure statements. At the time Anthem was beginning the process, they disclosed, according to the SEC and the statutory members received information regarding the demutualization and they received voting proxies. The members could vote for management or against management and you could select whether you wanted to receive cash or stocks. In the payout of cash, Anthem started with the smallest shareholders first, then the largest shareholders would either receive some cash or no cash. We requested to receive cash but because of the number of shares, we received all stock. Atty. Small is correct, I believe the statutes do not prohibit us from investing in stocks. We have the opportunity now to divest ourselves of this stock through the sale. The sale would be without fees, Anthem has arranged that through contractual relationship with Equiserve. It is a complex business transaction in that I don't believe that we would receive all of our money on any one given day. They have a cap as to how many shares Equiserve can put back in the market. When the Initial Public Offering (IPO) came out, Anthem was trading at \$36/share so the people who selected cash were paid off at that figure. The last time I checked which was Wednesday or Thursday of last week, it was trading at \$50.10/share.

Mr. Vumbaco asked, the reason we got the stock is because of our contractual arrangements with Anthem, in a nutshell?

Mr. Myers answered, correct. We have been with the "blues" in excess of thirty years; Blue Cross, Blue Shield. Anthem purchased CT. Blue Cross and Blue Shield. Our contractual relationship with the blues...goes back at least thirty years.

Mr. Brodinsky asked Atty. Small, why does it take a vote of the Council to sell this stock?

Atty. Small answered, it is such an odd transaction. It is truthfully property of the Town. You can make an argument that it is not necessary but I just thought, on the side of caution, the more prudent thing to do ; it is just an odd transaction. We kind of tossed it around the office and figured that you are not really disposing of an asset, you are cashing it in and you have to do it because you can't hold the stock but I thought it was best that it come here.

Chairman Parisi asked, doesn't the Council, as the financial body, have to vote on this/

Atty. Small answered, it is Town property but you are not really doing anything to it other than converting it to another form. That is why it is here; it is town property.

Robert Sheehan, 11 Cooper Avenue asked, the contribution (of monies) to the plan has not come entirely from the Town, it has been from employees as well who must own a part of what ever the amount of shares are. What happens if an employee says that they don't want to sell their shares?

Atty. Small answered, the stock belongs to the Town of Wallingford. It does not belong to individual employees. The determination of who owns the stock is made by Blue Cross Anthem and I asked the representative at Blue Cross how it was that some employees at some companies got a check instead of the employer and he explained, the difference is, if you were a member of Blue Cross Ct. prior to its merger with Anthem, under Blue Cross's charter, they define who is the owner and that is why the town of Wallingford is the owner. Under Anthem, if you came on board when they merged with Anthem, Anthem's charter, which I think they are out in Indiana, defines it differently and that is why some individuals receive checks for stock instead. That is the explanation that Blue Cross gave me when I asked that question. They are defining who the owner of that stock is, under their charter. That is how it is done.

Mr. Sheehan asked, it was determined before Anthem bought Blue Cross.

Atty. Small answered, what they explained to me was, if the Town or the company or the State of CT., for example is another example, if they became a customer or member of Blue Cross while it was Blue Cross CT., you fell under their charter and they define us as the owner. They made the determination that, in fact, we are the party that gets the stock. But Anthem, is a different charter; different determination as to who, in fact, the owner would be. That is how they explained it to me.

Mr. Sheehan asked, do we fall under Anthem's charter?

Atty. Small answered, no, because we have been, as Tom (Myers) said, we have been a member of Blue Cross for about thirty years. The merger occurred in either 1997 or 1998. If you were a new company that came on board after, I think it was 1998, I am not sure, it could have been done differently.

Mr. Farrell stated, in reference to the questions that Mr. Sheehan asked, and I certainly appreciate what Atty. Small says, that it is probably in the end going to be something that may even be decided by the courts of what the distribution from the Town may be. I know that there are already (law)suits brought by state employees against the State of CT. in a similar situation

to ours. Mr. Parisi had eluded to, there are strong feelings up where about what the distribution is going to be and I think that that is something that really needs to sift itself out and we will see what case law may be out there and where some of these other actions will go. But it is a debate for another day and that is why it was clear to limit the discussion tonight to just selling the stock, getting it sold and, at a later date when we have more information, we can debate the merits of what should be distributed to the funds we get.

Chairman Parisi stated, I want to stay on the sale of the stock now, o.k.?

Wes Lube, 15 Montowese Trail replied, that sounds ominous the way you put that. In regards to selling the stock, today it was \$51/share and it has been as high as \$52.25/share. It is very close to its high. I want to ask if we have the stock certificate in our possession?

Mr. Myers answered, it is book entry stock, electronic. There are no certificates. It is registered with the depository trust.

Mr. Lube stated, there are certificates, however...

Mr. Myers continued, electronic certificates.

Mr. Lube continued, that was an option of the policyowners, that you could elect to have the stock issued. You explained the only means to your knowledge that we could use to sell the stock. Through the auspices of the Anthem Blue Cross and that is not necessarily the case. Without flooding the market, a block of stock of that size would be of some interest to institutional investors and institutional investors would not be interested in driving up the price of the stock by continuously buying. They buy a block from a block that wants to sell, such as your own. Those trades are done all the time between mutual funds and other similar institutions with large blocks of shares. In order to do that, you have to have the certificate. That is why I asked. You have already opted to go that particular route, but it is not the only route available.

Mr. Myers replied, there are conditions in the demutualization as to how large stockholders can sell the stock and that is to protect Anthem. That was disclosed. I believe it is within the regulations. We could sell the stock to our own broker and pay a fee. Anthem has arranged with Equiserve; now I can only assume that Anthem is paying Equiserve the fee to allow large stockholders and others to sell the stock without a fee. If we wanted to sell the stock and incur a fee, we could select our own broker but then we are going to pay to do that and we would still have to comply, I believe, with the rules of large stockholders under Anthem's demutualization plan.

Mr. Lube answered, no doubt, but the fee that you are speaking of, on a per share basis, for a large block of stock is inconsequential and would not affect an investment decision.

Mr. Myers answered, I don't know that I could make that statement without studying the issue because I don't know that a possible purchaser of the stock would necessarily want to go through all of the checks and balances that internal controls in purchasing a large number of shares without knowing whether those shares were on the market in accordance with the demutualization plan and disclosure documents. It is a two-way sword; Anthem is protected and the investor is protected. If a private broker, outside of the firm appointed by Anthem was commissioned to sell the stock, they would have to be sure to meet all of the conditions that Anthem has set forth in their demutualization disclosure agreement. It is not just like selling stock that has been out there a long period of time.

Mr. Lubee answered, I understand that and I agree with everything that you are saying but, this is being done every day and it would enable you to sell one block, not having to parcel it out as you were illustrating earlier. You had indicated that there were some very strong feelings on the Council as to how these funds would be dispersed...

Chairman Parisi interrupted to say, I am not going into the distribution. I made that statement very clearly, o.k.? We are voting and we are discussing the sale of the stock. Now that is the agenda item and that is what we will discuss.

Mr. Lubee stated, when I made that statement, there was a comma, not a period and I don't appreciate your interrupting me, Bob.

Chairman Parisi answered, well, that's o.k., my job is to run the meeting, go ahead.

Mr. Lubee stated, I want to address...

Chairman Parisi interrupted again; alright that's it; just please...

Mr. Lubee answered, I am not going to discuss the disbursement. I am talking about your ruling, if I may. During the question and answer period, Mr. Melillo attempted to discuss this. You sat him down and said that that item is on the agenda to be discussed later and now all of a sudden you are announcing the ruling after the fact.

Chairman Parisi replied, alright, let's just; please, let's just discuss the item.

Mr. Lubee stated, that is not being a good Chairman.

Chairman Parisi answered, just discuss the item, sir, you are just wasting time.

Mr. Lubee replied, I am not wasting time.

Chairman Parisi stated, yes you are.

Mr. Lubee answered, I am challenging the Chair.

Chairman Parisi stated, you can just go on with your questioning.

Mr. Lubee continued, you indicated that we will have an opportunity to discuss this at a later date. Are you promising to put this on the agenda? Is that what you are saying?

Chairman Parisi answered, I am sure it will be on the agenda; I am not going to say that I will put it on, personally. I have to believe it will be on the agenda.

Mr. Lubee asked, if someone else does not put it on, will you put it on?

Chairman Parisi answered, if it requires that, I guess I could say that I would.

Geno Zandri, 1072 S. Colony Road asked, if you decide to sell the stock tonight, what will happen to the money?

Chairman Parisi answered, it goes into the General Fund, according to the letter.

Mr. Zandri asked, because it is not clear yet exactly how the distribution might go, depending on court cases like Jerry (Mr. Farrell) mentioned, wouldn't you think that it would be a good idea to isolate the sale of this money until that was resolved?

Mr. Myers answered, whether we sell the stock or retain it; if we retain it, it would show in the General Fund as an asset on the balance sheet; investment in stock. If we sell the stock, it would show up on the balance sheet as cash. Ultimately it would be invested and it would be reflected in the General Fund, designated by the type of investment it is. Through the accounting formula, it would eventually, if it is not appropriated by June 30, 2002, it would end up in the Fund Balance and it would then be specifically in the undesignated, unappropriated fund balance. There is could be earmarked or designated by management for whatever use.

Mr. Zandri stated, my only recommendation is, until this gets resolved, I would recommend that somehow it is isolated in whatever line you want to put it on, so at least it can identified as to what the dollar amount was when it was sold; it is isolated out and until it gets resolved it stays there. Once it is resolved then, wherever it goes, it goes. It is just a suggestion.

Pasquale Melillo, 15 Haller Place, Yalesville complained that his First Amendment Rights to free speech on this subject was being limited. He asked, when and how is this going to stop and when are our rights going to be respected the way they should be?

Chairman Parisi asked, what is your statement on this issue? Are there any other speakers?

Mr. Melillo continued to speak loudly, claiming his right to free speech.

Chairman Parisi recognized Philip Wright, Sr.

Councilor Doherty arrived at 6:34 P.M.

Mayor Dickinson arrived at 6:45 P.M.

Chairman Parisi ruled Mr. Melillo out of order and asked that he please be seated.

Mr. Melillo would not respond to Chairman Parisi's request and continued to speak loudly.

Chairman Parisi requested several times that Mr. Melillo please seat himself. Since Mr. Melillo would not respond to the request, Chairman Parisi called for a motion to recess for a five minute period to allow Mr. Melillo time to calm down.

Motion was made by Mr. Farrell to Recess for Five Minutes, seconded by Mr. Toman.

VOTE: All ayes; motion duly carried.

Philip Wright, Sr., 160 Cedar Street stated, maybe it would be smart to put the money into a separate account to have it drawing interest until this matter is resolved.

Mr. Myers explained, should the stock be sold, it would become part of the General Fund; an investment. The interest would be a revenue of the General Fund. There is no way in the General Fund to segregate a sum of money and the interest earned on it. The interest would be a separate revenue item of the General Fund. Would the value of the sold stock increase by interest earned on it? No, unless it was appropriated that way and it would have to be done that way annually. The interest could not be segregated out and added to the principal; that is not the accounting model.

Mr. Wright stated, that seems grossly unfair.

Mr. Melillo asked, if the Council approves the sale of the stock what could be discussed at a future meeting? What are we going to be able to discuss?

Chairman Parisi answered, I don't know the answer to that right now. What will be discussed, I don't know.

Mr. Melillo asked, was Anthem's opinion as to who owns the stock double-checked or triple-checked? He was not disputing anyone's legal ability but reminded everyone that when it comes to anything legal, nothing is concrete because justices and judges disagree with each

other. He did not think that Blue Cross has the right to decide that the Town is the owner of the stock and not the employees.

Mr. Melillo asked how the sales price would be determined?

Mr. Myers answered, all shares would be sold at market price on the day of the sale. The demutualization disclosures has a limit as to the number of shares that can go onto the market each day.

Mr. Melillo stated that the item should be tabled until more information is obtained. He felt that the unions and union members should have a legal right to their share of the money.

Frank Wasilewski, 57 N. Orchard Street stated, since the Town of Wallingford is the recipient of this windfall, that means that every one of us that pays taxes, our taxes went to pay the premiums.

Motion was made by Mr. Knight that the Town Council Authorize the Mayor to Execute Documents Accomplishing the Sale of Anthem Blue Cross Stocks, seconded by Mr. Farrell.

VOTE: All ayes; motion duly carried.

ITEM #16 Executive Session pursuant to Section 1-200(6)(D) of the CT. General Statutes With Respect to the Purchase, Sale and/or Leasing of Property – Town Attorney

Motion was made by Mr. Knight to Enter Into Executive Session, seconded by Mr. Farrell.

VOTE: All ayes; motion duly carried.

The Council entered executive session at 7:55 P.M.

Present in executive session were all Councilors, Mayor Dickinson and Atty. Small.

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

VOTE: All ayes; motion duly carried.

The Council exited executive session at 8:15 P.M.

ITEM #17 Not addressed

Motion was made by Mr. Knight to Adjourn the Meeting, seconded by Mr. Toman.

VOTE: All ayes; motion duly carried.

There being no further business the meeting adjourned at 8:16 P.M.

Meeting recorded and transcribed by:

Kathryn F. Zandri
Kathryn F. Zandri
Town Council Secretary

Approved by:

Robert F. Parisi (RR)
Robert F. Parisi, Chairman

2-13-02

Date

Rosemary A. Rascati
Rosemary A. Rascati, Town Clerk

2-13-02

Date

REMOVED FOR RECORD

1-24-02

4 50 P

TOWN CLERK

Rosemary Rascati

TOWN CLERK

WALLINGFORD PUBLIC SCHOOLS

142 HOPE HILL ROAD
WALLINGFORD, CT 06492
TELEPHONE (203) 949-6510
FAX# (203) 949-6551

SUPERINTENDENT
Joseph J. Cirasuolo, Ed.D.
Ext. 509

ASSISTANT SUPERINTENDENTS
Dale A. Wilson – Personnel
Ext. 508
LeRoy E. Hay, Ph.D. – Instruction
Ext. 506

January 15, 2002

Mr. Robert Parisi, Chairperson
Wallingford Town Council
45 South Main Street
Wallingford, CT 06492

Dear Mr. Parisi:

The Board of Education approved the arbitration award we recently received regarding the cafeteria union. I would like you to place it on the January 22, 2002 Town Council agenda. The Council does not have to approve the contract due to the fact that it is an arbitrated award. If the Council chooses to reject it, it would require a 2/3 majority vote. I would appreciate it if you would place it early on the agenda.

I have summarized the issues and findings for you and have attached the award.

- | | | |
|------|--|---|
| I. | <u>Probation, Seniority:</u> | Awarded to Board of Education (current language) |
| II. | <u>Holidays:</u> | Awarded to Board of Education (current language) |
| III. | <u>Withdrawn by Union</u> | |
| IV. | <u>Sick Leave Accrual:</u> | Awarded to Board of Education (current language) |
| V. | <u>Part-time Bereavement Leave:</u> | Awarded to the union – In the event of a death in the immediate family, part-timers will now receive (3) consecutive days off with pay. |
| VI. | <u>Wages:</u> | 9/1/99 – Awarded to Board of Education – 3%; part-time general workers - \$.30 per hour |

- VII. Wages: 9/1/00 – Awarded to Board of Education – 3%; part-time general workers - \$.30 per hour
- VIII. Wages: 9/1/01 – Awarded to Board of Education – 3%; part-time general workers - \$.30 per hour
- IX. Wages: 9/1/02 – Awarded to Board of Education – 3%; part-time general workers - \$.30 per hour
- X. Wages: 9/1/03 – Awarded to Board of Education – 3%; part-time general workers - \$.30 per hour

We agreed upon the following changes prior to arbitration:

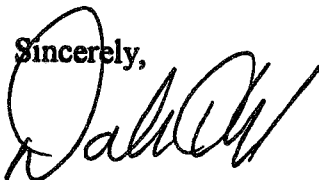
- I. All employees will receive \$200.00 clothing allowance per year. Presently full-time employees receive \$175.00 and part-time employees receive \$150.00.
- II. Full-time employees may elect Anthem Century Preferred or PHS plan for medical insurance. (This will be a savings to the Board of Education.)

I will be present at the January 22nd meeting to review the award.

If you have any questions, please do not hesitate to contact me.

Thank you.

Sincerely,



Dale Wilson
Assistant Superintendent for Personnel

DW:jk

Attachment

xc: W. Dickinson, Jr., Mayor
Town Council Members
T. Sullivan, Town Personnel Director
R. Rascati, Town Clerk
A. Bravo, Chairperson, Board of Education
J. Cirasuolo, Superintendent
File