

TOWN COUNCIL MEETING

MAY 24, 1994

6:30 P.M.

AGENDA

1. Roll Call & Pledge of Allegiance
2. Consider and Approve Tax Refunds (#295-307) in the Amount of \$2,336.21 - Tax Collector
3. Consider and Approve a Transfer of Funds in the Amount of \$432. from Small Equipment Acct. #2036-400-4850 and \$184. from Tires & Tubes Acct. #2033-400-4520 for a Total of \$616. to Portable Radio Acct. #2036-999-9941 - Dept. of Fire Services
4. Consider and Approve a Transfer of Funds in the Amount of \$800. from Clothing Allowance Acct. #2032-400-4800 to Maintenance of Equipment Acct. #2032-500-5200 - Dept. of Fire Services
5. Consider and Approve a Transfer of Funds in the Amount of \$400 from Clothing Allowance Acct. #2032-400-4800 to Maintenance of Building Acct. #2032-500-5100 - Dept. of Fire Services
6. Consider and Approve a Transfer of Funds in the Amount of \$8,931. from Personnel Director's Salary Acct. #1590-100-1200 to Delinquent Taxes - Wlfd. Emergency Shelter, Inc. Acct. #3070-600-6884 - Mayor's office
7. Consider and Approve a Transfer of Funds in the Amount of \$4,700. from Police Cruiser Acct. #001-2002-999-9903 and \$1,300 from Temporary Help Acct. #001-2003-100-1360 for a Total of \$6,000 to Maintenance of Vehicles Acct. #001-2001-500-5010 - Dept. of Police Services
8. Consider and Approve a Transfer of Funds in the Amount of \$16,000 from Sworn Officers Wages Acct. #001-2002-100-1310 of Which \$15,000 is Transferred to Contract - Crossing Guards Acct. #001-2001-600-6521 and \$1,000 is Transferred to Maintenance of Computers Acct. #001-2001-500-5220 - Dept. of Police Services
9. Consider and Approve a Transfer of Funds in the Amount of \$1,200 from Dry Cleaning Acct. #001-2001-400-4280 to Natural Gas Acct. #001-2001-200-2020 - Dept. of Police Services
10. Consider and Approve a Transfer of Funds in the Amount of \$200 from College Training Acct. #2035-500-5710 to Maintenance of Equipment Acct. #2035-500-5200 - Fire Marshal

(OVER)

11. Consider and Approve a Transfer of Funds in the Amount of \$600. from Dog Warden - Dog Survey Allowance Acct. #2002-600-6060 and \$1,000 from Dog Warden - Temporary Help Acct. #2020-100-1360 for a Total of \$1,600 to Dog Warden -Dog Survey and Bonus Fees Acct. #2020-100-1500 (new account) - Animal Control Officer
12. Consider and Approve a Transfer of Funds in the Amount of \$3,190 from Copier Rental and Supplies Acct. #001-1460-600-6120 and \$1,000 from Clerks Wages Acct. #001-1460-100-1300 of Which \$3,000 is Transferred to Postage Acct. #001-1460-400-4080 and \$190 is Transferred to Maintenance of Equipment Acct. #001-1460-500-5200 and \$1,000 is Transferred to Part Time Wages Acct. #001-1450-100-1350 - Purchasing Department
13. Approve and Accept the Minutes of the April 26, 1994 and May 10, 1994 Town Council Meetings
14. Approve and Accept the Minutes of the May 16, 1994 Special Town Council Meeting
15. PUBLIC QUESTION AND ANSWER PERIOD - 7:30 P.M.
16. PUBLIC HEARING on an Ordinance Amending Ordinance #272, As Amended by Ordinance #325 Entitled, "Purchasing Ordinance of the Town of Wallingford" - 7:45 P.M.
17. Consider and Approve an Award to Other Than the Low Bidder in Accordance with Provisions of Municipal Ordinance #272, Section 12, Subsection H - Recreation Center/Ice Rink Committee
18. Consider and Approve a Transfer of Funds in the Amount of \$4,960. from Contingency Reserve for Emergency Acct. #001-8050-800-3190 to Professional Services Feasibility Study Phase I Acct. #001-1119-900-9001 - Recreation Center/Ice Rink Committee
19. Report Out by the Community Lake Study Committee on the Status of Restoring Community Lake as Requested by Councilor Albert E. Killen
20. Discussion and Possible Action Regarding a Proposal from the American Legion Post 187 and Cir-Tek Inc. to Acquire Town Property on Washington and Grand Streets
21. Remove from the Table for Discussion Regarding the Federal Government's Recent Ruling on Incinerator Ash Labeled as Hazardous Waste as Requested by Councilor Geno J. Zandri, Jr.
22. Discussion and Possible Action Concerning the F.Y. 1994-95 Budget of the Town of Wallingford as Requested by Councilor Geno J. Zandri, Jr.

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23. Discussion and Possible Action on Approving a Request to Waive Public Bid for Entering Into a Contract for Purchase Power Supply for the Town of Wallingford. The Bid Waiver is to Include the Firms Described During the Executive Session Held on March 31, 1994 Regarding Said Purchase Supply Contract Negotiations - Requested by Raymond F. Smith, Director of Public Utilities
24. Presentation of a \$5,000,000 Bond Issuance by Comptroller Thomas A. Myers

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6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, May 24, 1994 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Thomas D. Solinsky at 6:38 P.M. All Councilors answered present to the Roll called by Town Clerk Kathryn J. Wall. Mayor William W. Dickinson, Jr. was also present; Town Attorney Janis M. Small arrived at 6:42 P.M. and Comptroller Thomas A. Myers arrived at 7:35 P.M.

The Pledge of Allegiance was given to the Flag.

ITEM #2 Consider and Approve Tax Refunds (#295-307) in the Amount of \$2,336.21 - Tax Collector

Motion was made by Mrs. Duryea, seconded by Mr. Zandri.

VOTE: All ayes; motion duly carried.

ITEM #3 Consider and Approve a Transfer of Funds in the Amount of \$432 from Small Equipment Acct. #2036-400-4850 and \$184 from Tires & Tubes Acct. #2033-400-4520 for a Total of \$616 to Portable Radio Acct. #2036-999-9941 - Dept. of Fire Services

Motion was made by Mrs. Duryea to Establish a New Account Titled, "Portable Radio Acct." and Approve the Transfer Into Said Account, seconded by Mr. Knight.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #4 Consider and Approve a Transfer of Funds in the Amount of \$800 from Clothing Allowance Acct. #2032-400-4800 to Maintenance of Equipment Acct. #2032-500-5200 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #5 Consider and Approve a Transfer of Funds in the Amount of \$400 from Clothing Allowance Acct. #2032-400-4800 to Maintenance of Building Acct. #2032-500-5100 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #6 Consider and Approve a Transfer of Funds in the Amount of \$8,931 from Personnel Director's Salary Acct. #1590-100-1200 to Delinquent Taxes - Wlfd. Emergency Shelter, Inc. Acct. #3070-600-6884 - Mayor's Office

Motion was made by Mrs. Duryea to Create a New Account Titled,

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"Delinquent Taxes - Wlfd. Emergency Shelter, Inc." and Approve a Transfer of \$8,931 Into Said Account, seconded by Mr. Zappala.

Mr. Zappala asked if this transaction was legitimate to perform? In essence the Town is paying itself for the taxes.

Atty. Small responded that Corporation Counselor Adam Mantzaris had researched the item and found nothing wrong with the transfer.

Mr. Zandri asked, how will this transfer clear the books at audit time?

Since the Comptroller had not yet arrived at the meeting to answer questions on this issue, a tabling motion was made so that the item could be brought back before the Council when Mr. Myers arrived.

Motion was made by Mr. Zappala to Table This Item Until the Comptroller Arrived to Answer Questions, seconded by Mr. Gouveia.

VOTE: All ayes; motion duly carried.

ITEM #7 Consider and Approve a Transfer of Funds in the Amount of \$4,700 from Police Cruiser Acct. #001-2002-999-9903 and \$1,300 from Temporary Help Acct. #001-2003-100-1360 for a Total of \$6,000 to Maintenance of Vehicles Acct. #001-2001-500-5010 - Dept. of Police Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Knight asked if there was a pattern of maintenance requirements that had created the shortfall in the account?

Deputy Chief Daryl York responded that fourteen vehicles were purchased two years ago which have accumulated much mileage and require a great deal of maintenance. A two year old police vehicle is considered very old from the perspective of condition of the vehicle. The cars run constantly on their shift and sometimes are used on multiple shifts. The department operates a total of thirty-two vehicles of which the fourteen are used for patrol.

Frank Wasilewski, 57 N. Orchard Street stated that over \$50,000 has been expended on maintenance of vehicles within the past year. If our own Public Works Department is performing most of the work on these vehicles we are saving what we would normally be paying in private mechanic's fees. So, in essence, the maintenance of these vehicles are actually costing much more than the \$50,000. Something is not right for us to be spending so much to maintain our equipment.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #8 Consider and Approve a Transfer of Funds in the Amount of \$16,000 from Sworn Officers Wages Acct. #001-2002-100-1310 of Which \$15,000 is Transferred to Contract - Crossing Guards Acct. #001-2001-600-6521 and \$1,000 is Transferred to Maintenance of Computers Acct. #001-2001-500-5220 - Dept. of Police Services

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Motion was made by Mrs. Duryea, seconded by Mr. Zappala.

Mr. Rys asked, if one of the crossing guards do not show up at their post and a police officer is assigned, do we have recourse to collect money back from the agency?

Deputy Chief York responded, we have not experienced that with this present firm. The previous agency, with which we had a great deal of problems, did have the money deducted from their invoice. We do not pay them for any post that is not covered by their guards. They are not charged the going rate for the police officer and all the benefits, just the cost to supply a guard at the post.

Mr. Killen asked, how long has the new agency been supplying crossing guards?

Chief York answered, since January 8, 1994.

Mr. Killen asked if this present agency was much higher in their bidding figures than the previous agency?

Chief York responded that the previous agency submitted a cost of \$613.80 per day while the present agency's bid was for the amount of \$787.69 per day.

Mr. Killen stated that, to date \$86,334.00 has been expended over the past ten months. That calculates out to \$8,633.00 per month. The department requires \$17,000.00 to carry them through the remainder of the year. The account reflects an encumbered balance of \$18,000 and there is a request before the Council tonight to approve a transfer of \$16,000 more into the account.

Chief York explained that the difference between the previous agency bid through 1/8/94 of \$60,222.00 and the current agency's bid pro-rated by the day is \$75,357.56 is \$14,735.24. The department feels that the transfer will get them through the rest of the year.

Mr. Killen asked, why is the \$18,000 encumbered?

Chief York stated, it could be the balance of the original contract.

Mr. Killen felt that the figures did not make sense and wanted further explanation at another time.

Chief York extended an invitation to Mr. Killen to stop in at his office and he would be glad to review the figures with him.

VOTE: Killen, Knight and Zandri, no; all others, aye; motion duly carried.

ITEM #9 Consider and Approve a Transfer of Funds in the Amount of \$1,200 from Dry Cleaning Acct. #001-2001-400-4280 to Natural Gas Acct. #001-2001-200-2020 - Dept. of Police Services

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Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #10 Consider and Approve a Transfer of Funds in the Amount of \$200 from College Training Acct. #2035-500-5710 to Maintenance of Equipment Acct. #2035-500-5200 - Fire Marshal

Motion was made by Mrs. Duryea, seconded by Mr. Zappala.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #11 Consider and Approve a Transfer of Funds in the Amount of \$600 from Dog Warden - Dog Survey Allowance Acct. #2020-600-6060 and \$1,000 from Dog Warden - Temporary Help Acct. #2020-100-1360 for a Total of \$1,600 to Dog Warden - Dog Survey and Bonus Fees Acct. #2020-100-1500 (new account) - Animal Control Officer

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

It was brought to the attention of the Council by Mr. Rys that the Dog Warden - Dog Survey Allowance Acct. reflects a balance of only \$560.00, it cannot support a transfer of \$600.00 from the account.

Since the Comptroller had not yet arrived, it was decided to table the item until he did.

Motion was made by Mr. Rys to Table This Item Until the Comptroller Arrived to Answer Questions on This Transfer, seconded by Mr. Killen.

VOTE: Zandri, no; all others, aye; motion duly carried.

ITEM #12 Consider and Approve a Transfer of Funds in the Amount of \$3,190 from Copier Rental and Supplies Acct. #001-1460-600-6120 and \$1,000 from Clerks Wages Acct. #001-1460-100-1300 of Which \$3,000 is Transferred to Postage Acct. #001-1460-400-4080 and \$190 is Transferred to Maintenance of Equipment Acct. #001-1460-500-5200 and \$1,000 is Transferred to Part Time Wages Acct. #001-1450-100-1350 - Purchasing Department

Motion was made by Mrs. Duryea, seconded by Mr. Zappala.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #13 Approve and Accept the Minutes of the April 26, 1994 and May 10, 1994 Town Council Meetings

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Killen abstained; all others, aye; motion duly carried.

ITEM #14 Approve and Accept the Minutes of the May 16, 1994 Special Town Council Meeting

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

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VOTE: Killen and Zandri abstained; all others, aye; motion duly carried.

ITEM #17 Consider and Approve an Award to Other Than the Low Bidder in Accordance with Provisions of Municipal Ordinance #272, Section 12, Subsection h - Recreation Center/Ice Rink Committee

Motion was made by Mrs. Duryea, seconded by Ms. Papale.

Tom Wall, Chairman of the Recreation Center/Ice Rink Committee, along with Robert Carmody reminded the Council that the lowest bidder did not meet the qualifications and was disqualified, the second lowest bidder performed work for Mr. Migliaro's private ice rink feasibility study, therefore the committee wants to award the bid to the third lowest bidder, Inland/Hixon Associates, Inc. to complete Phase I of the feasibility study in the amount of \$4,960. The total dollar amount to complete the entire study is \$18,450.

Mr. Carmody explained that the specifications singled out the bidding for each phase.

Mr. Zandri recommended that phase I be conducted first and if it was proven that the ice rink was feasible then we could continue on with phase II. If proven otherwise we would not continue on with phase II.

Mayor Dickinson stated that the waiver of bid this evening will allow for entering into a contractual agreement with Inland/Hixon strictly for phase I of the study in the amount of \$4,960. Should the Town wish to continue on with phase II of the study this waiver would apply to that portion of the study also and the Council would have to vote to approve the funding for the remainder of the study.

Mrs. Duryea read the letter of recommendation from the Purchasing Agent into the record (appendix I). The entire file containing all bidding information was in the possession of the Town Council Secretary for review by the Council this evening should they so desire.

Mr. Knight asked if the committee had made any contact with the City of Bristol since they are currently undertaking a project to build an ice rink.

Mr. Wall responded, no.

Mr. Knight asked, what is Inland/Hixon's principal business?

Mr. Carmody responded, landscape, architecture and urban planning. They have recently completed a study for the City of Norwich for a municipal rink and for the City of Simsbury for their new ice rink. It is the committee's understanding that Inland/Hixon ended up as part owner of the Simsbury project as well.

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Mr. Knight stated, statistics are easy to manipulate and objectivity is the main concern. He is leery of a company that has an investment in an ice rink for they seem to have less of an objective viewpoint on the matter.

Mr. Carmody agreed, however, that is not the nature of their business. In fact, if they ended up as part owner of the Simsbury facility it may be to their interest not to see many other rinks in the immediate vicinity built that may draw business away from theirs. He does not view anything in their proposal which leads Mr. Carmody to believe that they would be swayed either way.

Mr. Knight asked, what area is Inland/Hixon from?

Mr. Carmody responded, Simsbury.

Mr. Knight then asked, what do you see as a radius of miles that would encompass our market area?

Mr. Wall answered, to the best of our knowledge we will take a thirty mile radius into consideration. Norwich used a thirty mile radius as well.

Mr. Knight asked Mr. Wall if he has spoken to the people in Hamden who operate a rink in that city?

Mr. Wall answered, yes, many times. They did not commit themselves but did state that there was a dire need for another rink.

Mr. Knight reminded Mr. Wall that Cheshire's ice rink project failed a few years ago.

Mr. Wall corrected Mr. Knight and stated that it did not fail, the private owners of the rink lost interest in it because their children had aged and were no longer interested in the sport. The facility was then offered to the Town who chose not to buy it.

Mr. Knight felt that it would have been germane to find out what similar rinks in recent years have faired financially prior to spending \$5,000 on this study.

Mr. Wall stated that he, personally, has received calls from people in Clinton inquiring whether or not they would be eligible for ice time in Wallingford.

Mr. Zappala appreciated the committee's efforts for the youth of the town. He is concerned that this study will gather dust on a shelf along with other studies performed for the town. He stated that he will vote no because he feels that nothing will come out of this project and that \$18,000 is too much to spend on something that will not be accomplished. We have had the Golf Committee, Community Lake Study Committee, etc., and nothing happens. Unless he sees that something will come of this study he must vote no.

Mr. Wall commented that a great deal of money will be spent on

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education and feels that just as much can be learned through competitive sports as is learned in the classrooms. There are a number of young people in this Town who would have been drop-outs in high school if not for the sports programs and today some of those individuals are leading citizens of this town. It is a viable asset to the town.

Mr. Zappala did not disagree with Mr. Wall, he felt that the Town does not put enough emphasis nor money into this project which we should. The only way to keep the youth out of trouble is to keep them involved in different activities. We have not been able to accomplish anything worthwhile on the part of recreation in this town, that is a matter of history. He does not want to see the committee work so diligently to pursue something so worthwhile all for nothing.

Mr. Wall felt that this was a good time to change things.

Mr. Killen felt that if the offer were made to Cheshire in recent times and not twelve years ago there may have been a different outcome.

Ms. Papale felt that it was important to vote in favor of the transfer tonight. This phase of the study is the most important for it determines whether or not we proceed on.

Mayor Dickinson's concern is that the committee's more important task is the recreation center. To the extent that this aspect of their duties (the ice rink) would interfere with a recreation center then he has to put the higher priority on the recreation center. If the Council is supportive of having the study done then he will sign the transfer, however, there is a danger that we will have a study and not be able to move forward on it, in part perhaps because of the need for a new recreation center.

Ms. Papale stated that she would like to see both an ice rink and recreation center. She hoped that the committee would want to stay on and continue with the recreation center project should it be determined that the ice rink project is not feasible.

Edward Bradley, 2 Hampton Trail felt that the project will be held hostage by the ice rink. He asked the Mayor if he supported a new recreation center and will he fund it?

Mayor Dickinson responded, obviously timing is of critical importance. If we are able to obtain the kind of sight and financial deal that was discussed earlier regarding Fairfield Blvd., the Town would have to move as quickly as possible. He would be supportive of that and hoped that everyone would be. If we are talking about major new construction and acquisition of sight and significant outlay of dollars in order to accomplish it, that would be another factor that would have to be considered. Right now we don't have a sight designated and he repeated that the recreation center issue and the need to move from Simpson School is a higher priority than what could be a very fine ice skating rink.

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Mr. Bradley asked the Mayor, are you on board with this project and are you committed to developing a new recreation center for the Town of Wallingford.

Mayor Dickinson responded, I am committed to developing a new recreation center, yes. He has concerns about the ice rink because it is somewhat a tangential aspect of recreational opportunities. We do not now have a rink in town. It would be a new venture and opportunity and there the fiscal analysis becomes more important. If the two can be combined and the ice skating rink pay for itself, that would be a wonderful project.

Mr. Bradley stated, after hearing the Mayor's comments he feels that we will need a lot of justification for the ice rink in order for the Mayor to buy into the project, and rightfully so.

Mr. Zandri reminded everyone of his statement at the last meeting which was that he would only support the ice rink if it were a stand alone project, financially support itself. That is the reason we must spend these dollars tonight to prove whether it will or will not stand alone.

Lester Slie, 18 Green Street urged the Council and Mayor to allow the committee to have phase I conducted of the study. He reminded everyone that the golf course feasibility study exhibited that it was a self-supporting project but ended up on the shelf anyway. He asked the Mayor and Council to make a list of priorities so that something can be done and not to forget the sports programs of the town.

Fred Valenti, Recreation Center/Ice Rink Committee stated that no recreation center was requested until the ice rink came forward. He asked, if the ice rink was constructed in conjunction with the school project perhaps it would be eligible for 57% by the State? He urged the Council to look into the possibility.

Mr. Killen is of the impression that the Mayor will not fund the project no matter how good it seems.

Philip Wright, Sr., 160 Cedar Street was mystified how we built all the baseball fields, soccer fields, in this Town, how we intend to build a recreation center in this Town, all of which, in some way will be supported. If everything else we have in the way of recreational facilities in this Town have been put to the same test as the ice rink is being put through now, where would we be? Why are those children who wish to play hockey treated any differently than those who want to play baseball, softball or soccer?

Chris Migliaro, 870 Clintonville Road stated that approximately 1 1/2 years ago a meeting was held at which an attorney representing State Street Bank & Trust from Boston, Ma. offered to provide the financing for this project with the first payment due ten months after the first requisition of funds were released. The project is a four to six month project from start to finish. The bank is willing to finance not only the land and the construction and wait ten months for the first payment as well as provide a reserve equal to one year's debt service which

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means that the twenty year note comes with twenty-one year's of money. The Town can either choose to turn that money back in and pay off the note at the nineteenth year or use the funds as a reserve for the first year. That is why this project can have a positive cash flow from day one. You are taking money in before the rink is even open. You are pre-selling ice before you open and continue to do so from the first day of operation. He was confused with the Mayor's position at this point in time. Two weeks ago at the Town Council Meeting of May 10, 1994 the Mayor stated that he would be in favor of the project if it would fund itself and not cause any debt to the Town. Last meeting the issue was just the rink, tonight it is just the recreation center, when Mr. Migliaro brought the proposal before the Council it was a joint recreation center/ice rink. He does not understand why the Mayor is vacillating. If he wants just the ice rink then Mr. Migliaro will guarantee any shortfall for the first five years. When the proposal was before the Council for the recreation center/ice rink the shortfall was only in the first five years. Without the extra debt service of the recreation center, there is no shortfall. The revenues have not changed with or without the recreation center. No revenues were being provided by the recreation center to this project. Is this a smoke screen or what? We need to get on with a project in this town, especially one that is self-sufficient.

Mayor Dickinson responded, the issue is that it would represent, if not covered by revenues, there would be a debt payment that would have to be incorporated into a town budget. If revenues came in to cover that debt payment then it is a wash. To the extent that the revenues did not come in then it would be the taxpayers covering any negative cash flow. He did not change his view at all, he has consistently maintained that the recreation center has to be the highest priority. We have an existing facility that is inadequate and it is time to move out of it (Simpson School). The ice rink would be a new venture for the Town of Wallingford. If one can be totally self-sustaining without any risk to the taxpayer over any part of its life, that is one scenario that the committee is recommending we determine the viability of it through a study. His statement tonight is simply that "if that study is not clear with regard to that guarantee of no risk to the taxpayer, it could end up being another study that does not move forward, particularly since the higher priority is a recreation center." Ultimately what ever bonds or financing instrument is sold the taxpayers in the Town of Wallingford will be the ones who are looked to to pay off that debt. If the revenue is not maintained over a period of time then the taxpayer will have to come up with the dollars. Given other projects, we cannot be under the mistaken view that the ice rink is a higher priority than the schools or recreation center or other projects. That has been his position and it has not changed.

Mr. Migliaro asked. is the recreation center going to be put through this test to see if it funds itself?

Mayor Dickinson responded, the ice rink is a high maintenance cost facility which does not have a clear track record statewide as far as financial success. It has a narrow enough window to require public financing to make it work. That should raise a flag. Private

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developers are not constructing rinks themselves. It requires public financing at lower interest rates in order to make it financially successful. That is a troubling note which should require careful analysis to undertake that type of risk in the public sector.

Mr. Migliaro asked the Council and Mayor to fund the study and find a project that this town can move forward on. It will pay for itself. the feasibility study will show that.

Mr. Killen pointed out that even if it is proven the rink will pay for itself and even reward the town with a bonanza, we will always have to play second fiddle to the recreation center and we have no knowledge of how much we plan on putting forth on the recreation center. We could be here forever. We have not had a progress report on how well we are doing in pursuing a recreation building and I have no idea what the plateau is that the Mayor is willing to spend on putting one together. The Council's hand are tied and the irony is that the committee has to come before the Council to ask that we give permission to go forward to the next step. We can get you right to the edge of the precipice and leave you right there for then the choice is up to the committee to continue forward or have quit two steps ago.

Mr. Gouveia felt, on the larger scheme of things, the recreation center does take higher priority over the rink. However, he also feels that if we fail to act on this now it will be viewed, and should be viewed as a lost opportunity to harness the enthusiasm that is being demonstrated here. We have debated this long enough, we have to do what we think is right and let the Mayor do what he thinks is right.

Mr. Gouveia made a motion to move the question, seconded by Mr. Rys.

VOTE ON MOVING THE QUESTION: Zappala, no; all others, aye; motion duly carried.

VOTE ON APPROVING THE WAIVER OF BID: Zappala, no; all others, aye; motion duly carried.

ITEM #16 PUBLIC HEARING on an Ordinance Amending Ordinance #272 as Amended by Ordinance #325 Entitled, "Purchasing Ordinance of the Town of Wallingford" - 7:45 P.M.

Motion was made by Mrs. Duryea to Open the Public Hearing, seconded by Mr. Killen.

Robert Ronstrom, Internal Auditor and Robert Pedersen, Purchasing Agent spoke on behalf of the Purchasing Advisory Committee. The members of the committee are as follows:

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Thomas A. Myers, Comptroller
Robert Pedersen, Purchasing Agent
Robert Ronstrom, Internal Auditor
Douglas Dortenzio, Chief of Police Services
Roger Dann, General Manager, Water & Sewer Divisions
Henry McCully, Director of Public Works
William Cominos, General Manager, Electric Division
Wayne Lefebvre, Fire Chief
John Quinn, Business Manager, Education Department
Gerald Powers, Supervisor, Buildings and Grounds, Education Dept.

Mr. Ronstrom and Mr. Pedersen gave a brief presentation of the committee's findings to the Council at this time.

The Charter of the Town of Wallingford, Chapter VII, Section 4 requires the purchase of supplies or services over \$2,000 be procured by competitive sealed public bid. This bid limit has been in effect since adoption of the Charter in 1961. Economics and the value of money has changed dramatically since that time. Inflation has increased the cost of supplies and materials necessary to provide public services. What could be purchased in 1961 with \$2,000 equates to \$8,957 in 1991. In other words, you would need to spend \$8,957 in 1991 to purchase the same amount of goods that \$2,000 could purchase in 1961.

The committee, as part of their study, decided to survey selected communities and municipal utilities in order to determine current bid limits, date of last change to the bid limit, contemplated changes as well as other comments and data. The communities were selected on the basis of size, financial position and government structure.

A list of respondents is appended to these minutes for reference (appendix II).

The bid limit for the majority of the respondents is \$5,000. Twenty-three respondents (95.8%) have a higher bid limit than Wallingford. The nation Institute of Governmental Purchasing conducted a survey in 1987 which concludes the majority of cities have a bid limit of at least \$5,000.

Section 7-148v of the CT. General Statutes permits a municipality to establish by municipal ordinance a bid limit not to exceed \$7,500, notwithstanding the provision of the Charter.

It is noted that the report was presented to the Charter Revision Commission, which accepted the conclusion and included it in their recommendations. The Town Council also approved the \$5,000 limit for inclusion in the revised charter. The results of the last election proved that the voters of the Town of Wallingford did not want their Charter revised.

The Purchasing Advisory Committee unanimously recommends the bid limit be revised from the current \$2,000 to \$5,000. The Department has prepared a draft ordinance should the Council vote in favor of revising the bid limit.

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Frank Wasilewski, 57 N. Orchard Street did not agree with raising the bid limit. He felt that it could create problems. By raising the threshold firms could charge us more for services that were previously provided to us for less. Wallingford has been doing quite well and we don't need to model ourselves after any other town in CT. We have an electric division, a brand new water treatment plant, a brand new sewer treatment plant, we are getting more fire equipment, we purchase seven or eight new cruisers each year for the police department, some of the towns should be modeled after Wallingford. There is not one town in CT. who will try to spend \$30 million on their schools.

Edward Bradley, 2 Hampton Trail stated that the presentation has a lot of merit, however we must not forget the Charter. This proposal, along with several others, went out to the voters for approval. That item, along with other items, was rejected by the voters of Wallingford. How many bids over \$2,000 go out on an annual basis?

Mr. Pedersen responded, 249 public bids of which 18.5% were for less than the proposed bid limit were handled last year. The prior year exhibited a total of 259 bids of which 21.6% were awarded below \$5,000. In 1991/1992 a total of 326 bids were processed and 21.2% were below the \$5,000. Fifty-six bids were between the amount of \$2,000 and \$5,000. Of the total of all bids below \$5,000, 13% were below the bid limit that we ended up bidding anyway.

Mr. Bradley asked, what does that equate to as far as a savings of dollars realized for not having to perform the work involved in the preparing a bid?

Mr. Pedersen responded, in general, it probably costs the Purchasing Department alone on the order of \$150 and up to preparing one bid. That includes advertising, copying, reproduction mailing costs, etc., the cost ranges due to the complexity of the bid.

Mr. Bradley asked if this ordinance was reviewed by the Ordinance Committee?

Mr. Gouveia, Chairman of the Ordinance Committee responded, no. It does not have to go before the committee but it would have been nice.

Mr. Solinsky reminded Mr. Bradley that the Council scheduled the public hearing on the ordinance.

Mr. Bradley felt that there was a contradiction between what the "home rule" statute says and Section 7-148v. As much as he would like to see business move on to save dollars but he takes exception to State Statute when it tries to erode Town Charters and strips away the sovereignty of the people who maintain the Charter via the voting process. He asked the Council to consider that statement carefully.

Mr. Gouveia stated that the Charter is a plan or frame of work for local government. The rules and regulations should be in sync with the plan of work. If we adopt this today we will be violating and circumventing the will of the people.

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Mr. Zandri stated that the voters had the opportunity to change the Charter and they voted it down. He will be voting in the negative on this issue for that reason.

Mr. Killen asked the committee, whether you are rebuffed or not, to take another issue further which is regarding R.F.P.s. The committee was formed a long time ago because the Council is adopting R.F.P.s (request for proposals). We are violating the sanctity of our own Charter.

Ms. Papale stated that she is in support of raising the bid limit. At one time \$2,000 was a lot of money and it was necessary to go out to bid.

Bill Cominos, General Manager of the Electric Division, Purchasing Advisory Committee Member stated, in order to function prudently as managers the Town needs the bid limit raised. It can easily cost \$5,000 to purchase a motor for the power plant. A set of bid specifications must be written, which is an arduous process, for a motor that could have been purchased back in 1953 without having to go out to bid for it. He felt that using the Charter as an excuse for not voting in favor of this item does not wash.

VOTE: Papale, aye; all others, no; motion failed.

The Chairman declared a five minute recess at this point in time.

ITEM #18 Consider and Approve a Transfer of Funds in the Amount of \$4,960 from Contingency Reserve for Emergency Acct. #001-8050-800-3190 to Professional Services Feasibility Study Phase I Acct. #001-1119-900-9001 - Recreation Center/Ice Rink Committee

Motion was made by Mrs. Duryea to Create a New Account Titled, "Professional Services Feasibility Study Phase I" and Approve Funding It in the Amount of \$4,960., seconded by Ms. Papale.

Mr. Killen challenged the Chairman on the issue of whether or not the transfer was before the Council this evening in its proper form? The Charter clearly states that the Mayor must approve or disapprove the transfer and forward it to the Council. Since the transfer is not signed the Council is not aware of whether the transfer is approved or disapproved.

Since the Mayor was absent from the room, Mr. Solinsky responded that the Mayor indicated that he would sign the transfer if the Council was willing to go ahead with the transfer.

Mr. Killen argued that the Mayor does not have that option. He must either approve the transfer or disapprove it and forward it to the Council.

Mayor Dickinson stood by his statement that he would sign the transfer if the Council wants to proceed with Phase I of the study.

Mr. Killen reiterated the language clearly set forth in the Charter on

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the Mayor's duties regarding transfers. He was of the opinion that the Mayor cannot arbitrarily ignore the Charter when he so chooses.

Ms. Papale recommended that the Mayor sign the transfer.

Mayor Dickinson stated that he does not agree with Mr. Killen and the transfer does not reflect the Mayor's intent to pursue this subject if it runs into other problems. By signing the transfer he stated that he is in no way committing to moving ahead with this should there not be a result or direction that can effectively be coordinated with other projects.

Ms. Papale stated, her understanding is that by signing the transfer the Mayor is only committing \$4,960 from Contingency to Phase I of the Study. That is all, it is understood.

Mayor Dickinson stated that he wants it made very clear that he is only signing the transfer. He does not want the action to be interpreted in any other manner.

VOTE: Killen, Knight and Zappala, no; all others, aye; motion duly carried.

PUBLIC QUESTION AND ANSWER PERIOD

Bill Shilling, 73 Grove Street reminded the Council that he spoke on the issue of the Grove Street repaving/drainage project at the May 10, 1994 Town Council Meeting. He wanted to state for the record once again that the petition put before the Council that evening asked that Grove Street be paved and that the drainage problems, such as they exist, be resolved and that no sidewalks be included in the project. Nothing has changed from the resident's viewpoint since that time. The petition represented thirty of the forty households that front Grove Street. At that meeting two to three more representatives of other households on the street spoke in favor of the petition. He stated that there seemed to be a power struggle that evening between the Engineering and Public Works Departments, not to mention the residents of Grove Street on how this road had to be rebuilt. He reminded everyone that a new road is not being built. This is an old farm to market road as Mr. McCully referred to it at that time. Why does it have to meet the standards of a new road? He was confused as to where this issue is going. The petition is still before the Council and nothing has changed as far as the resident's position on this matter.

Steve Marcus, 28 Southwind Drive, member of the New Haven Railroad Historical Society, wanted to bring to the Council's attention the fact that the railroad is rebuilding their line that runs from North Haven to Middletown on the east side of Town. They are planning to increase the speed of their trains from 10 m.p.h. to 20 m.p.h. There are a couple of railroad crossings which do not have any lights at them. The Williams Road and Harrison Road crossings are two such crossings. They are also planning to increase freight traffic by fifty percent for the remainder of the year. He is concerned that this is going to create a potential problem. Governor Weicker has

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funded approximately \$3-4 million for Province & Worcester Railroad to rebuild that line. Some of the intersections are being rebuilt as well. Mr. Marcus felt that the Mayor may want to approach the State of CT. and point out that we have potentially dangerous crossings in Town and request that warning signals and lights be installed during the project at a cost to the State vs. Wallingford taxpayers.

Mr. Solinsky suggested that the Public Safety Committee investigate the matter.

Mr. Marcus submitted a Sovereignty Proposal to the Council for review (appendix III).

He explained that Sovereignty is a nonpartisan, not for profit organization founded with two purposes: (1) to reduce the high and escalating taxes, both income and property, and (2) to fund to a greater degree the necessary and legitimate needs of our communities and nation. The needs referred to are bridges, roads, water/sewer/waste disposal systems, environmental projects, education, housing and health care.

Sovereignty wants tax-supported bodies to be able to borrow money interest-free directly from the U.S. Treasury for capital projects and for paying off existing debt. It is a loan, not a grant, and is to be used to build capital projects, not to pay day-to-day expenses. As the loans are repaid to the U.S. Treasury, the money is extinguished out of the money supply. The Treasury would get the money not from the federal budget, but rather, Congress would create the money (as authorized in the U.S. Constitution, Article 1, Section 8, Clause 5) just like banks and the Federal Reserve do every day.

There are a total of 1,800 cities and towns, including the entire State of Michigan legislature that would like to have towns, cities and states borrow money from the U.S. Treasury, interest-free.

Dave Canto, 4 Meadows Edge Drive asked the Mayor, how often do the federal auctions come up where the Town can purchase land at a discount? Is it realistic to expect any more of those opportunities?

Mayor Dickinson responded that he did not have any knowledge regarding how frequent they are. If economic times become much better then the chance to have another auction would be far less.

Mr. Canto then asked, if no other auctions do arise is the next alternative to seek out an existing building?

Mayor Dickinson responded, we are currently reviewing sites.

Mr. Canto stated that he attended the school expansion project meeting held last week at which time the revised numbers for the project were solicited by the architect. He reminded everyone that the price range estimated early on was between \$25 million and \$30 million. Many people on the committee at that time assured everyone that it would not be as expensive as the highest end of the scale.

Mr. Canto informed everyone that the revised figure is \$29 million. \$11.7 million is allocated for Yalesville; \$8.4 million for Dag Hammarskjold; \$8.8 million for Moran for a total of \$28,966,900. He felt that the figures were all too high and that Yalesville School costs could be reduced to \$10.5 million. He was of the opinion that the middle schools project costs are out of control. He hoped that the Mayor and Council cut down the middle school portion of the project to reasonable numbers.

Philip Wright, Sr., 160 Cedar Street asked the Town Attorney, what criteria is used to base the decision on whether or not a particular subject is to be discussed at a public hearing?

Atty. Small responded, ordinances, or anything that is required by Charter or State Statute is the subject of a public hearing.

Mr. Wright stated that Item #23 on the agenda has been discussed in public session in the past many times. Everyone was kept informed of our connections with CMEEC on numerous occasions. He questioned why an executive session has been held regarding the purchase of power in this instance?

Atty. Small responded, it is due to the fact that negotiations have been taking place. The Director of Public Utilities is requesting that the bidding process be waived for the purpose of continuing negotiations. She felt that the wording of the item on the agenda was incorrect.

(It is noted that the wording for this agenda item was forwarded by the Mayor's Office to the Town Council to be included on the agenda in the exact form it was submitted.)

Mayor Dickinson stated that the wording should not reflect entering into a contract, but rather reflect the continuation of negotiations, ultimately to be in a stage of a written contract, that then would have public disclosure. This would allow us to continue negotiations with multiple parties hopefully to arrive at a written contract. It is not to enter into a contract for there is no contract at this point to enter into.

Mr. Wright asked, will the public have the opportunity to listen to a presentation on the contract like we did with CMEEC and whether or not we should keep the Pierce Plant?

Mayor Dickinson answered, the negotiation process will result in its final aspect as a proposed written agreement contract. Then it will be an issue whether or not we enter into that agreement or not. At the point that this issue comes before the Council again we will have different language so that it is clearer that we are not entering into a contract.

Mr. Zandri stated that he received a letter today from a Nancy and Paul Krentzlin asking that the letter be read into the record (appendix IV).

Mr. & Mrs. Krentzlin's complaint is in regards to the collapse of the rear of their property at 59 Wooding Road in Yalesville. The site of the collapse is on the far side of the ravine in the vicinity of the area where the Town of Wallingford previously did the work to repair the collapsing LeMay driveway (60 Wooding Road). This latest collapsed area has now also spread to the front of the LeMay property and is adjacent to the corner of the Moran School soccer field.

ITEM #6 Motion was made by Mrs. Duryea to Remove Agenda Item #6 From the Table, seconded by Mr. Zandri.

VOTE: All ayes: motion duly carried.

ITEM #6 Consider and Approve a Transfer of Funds in the Amount of \$8,931 from Personnel Director's Salary Acct. #1590-100-1200 to Delinquent Taxes - Wallingford Emergency Shelter, Inc. Acct. #3070-600-6884 - Mayor's Office

Mr. Solinsky asked how the funds will flow through the budget?

Thomas Myers, Comptroller responded, a line item will be created in the budget and the check will be drawn to the property tax revenue account. In effect, we will be paying ourselves. It will show up as an expenditure, will be collected like property taxes and wipe the two existing bills off the property tax books. It is a method of accounting for it.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #11 Motion was made by Mrs. Duryea to Remove Item #11 From the Table, seconded by Mr. Killen.

VOTE: All ayes; motion duly carried.

ITEM #11 Consider and Approve a Transfer of Funds in the Amount of \$560 from Dog Warden - Dog Survey Allowance Acct. #2020-600-6060 and \$1,000 from Dog Warden - Temporary Help Acct. #2020-100-2360 for a Total of \$1,560 to Dog Warden - Dog Survey and Bonus Fees Acct. #2020-100-1500 (new account) - Animal Control Officer

Note - The figures have been revised to reflect a transfer from the Dog Warden Dog Survey Allowance Acct. in the Amount of \$560.

Motion was made by Mrs. Duryea to Create a New Account Titled, "Dog Survey and Bonus Fees Acct." and Approve a Transfer of \$1,560 Into It, seconded by Mr. Rys.

Mr. Zandri asked for an explanation on how the new account is being utilized?

Mr. Myers responded, State Statute authorized the dog warden to be paid \$1.00 for each dog licensed or for each dog she finds unlicensed. In the past those funds were paid as an expense item and were not subject to payroll taxes. Under the latest rulings we are not treating it as part of the salary and subject to full taxation.

Mr. Knight asked, are we going to run into a problem when it comes to the wages applying to pensions?

Mr. Myers responded, we could. This is no different that an employee who works overtime. It is all calculated into the pension.

VOTE: Killen, Zandri and Zappala, no; all others, aye; motion duly carried.

WAIVER OF RULE FIVE Motion was made by Mrs. Duryea to Waive Rule V of the Town Council Meeting Procedures for the Purpose of Considering a Transfer of Funds for the Risk Manager, seconded by Mr. Rys.

VOTE: Killen, no; all others, aye; motion duly carried.

Motion was made by Mrs. Duryea to Consider and Approve a Transfer of Funds in the Amount of \$4,800 from Police Heart and Hypertension Acct. #001-8040-800-8400 to Fire Heart and Hypertension Acct. #001-8040-800-8410, seconded by Mr. Rys.

VOTE: Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #19 Report Out by the Community Lake Study Committee on the Status of Restoring Community Lake as Requested by Councilor Albert E. Killen.

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

Mr. Killen stated that he is trying to find out whether or not the committee is still interested in serving. He noticed an article in the paper recently that the State had given \$3 million for the area along the Quinnipiac River. If we don't put our hand out now for some of those funds we will surely be bypassed. A few days ago there was an article in the paper regarding the Quinnipiac River and how people are monitoring it, etc. It offers all kinds of recreation. We have a beautiful path on the other side of the lake if we ever want to do anything with it. He would hate to see this committee and their effort go by the wayside. He has always promised to do the best he could to restore Community Lake and he feels as though he has hit a stone wall. The last report published by the State on Community Lake stated that everything was given the green light to go ahead so long as we had the dollars in place. Those dollars were nominal at that point in time and they were still not put in place. He asked the committee is anything has changed since that point in time.

Philip Wright, Jr., Salvatore Rascati and Lawrence Zabrowski appeared before the Council to report out on the status of the committee.

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Mr. Rascati distributed a report on the Chronological History of Community Lake (appendix V) beginning when the lake was deeded to the Town by International Silver Co. on June 24, 1963.

Mr. Wright stated that the last meeting of the committee took place before the Council at the February 11, 1992 Town Council Meeting to report out three options available to the Town to restore the lake. These options were identified by Fuss & O'Neil, the firm hired to study the lake. One option was to restore the lake to historic levels, one was to restore it in a smaller size and the last was to dig out in the area where Community Lake was and have an impoundment that did not include a dam as the first two options would have. The final recommendation by the firm was to restore the lake to historic levels, one which D.E.P. concurred with. By following that recommendation it would restore fifty-five acres of wetlands for waterfowl breeding which would be the densest in the State of Connecticut.

At the conclusion of that presentation in 1992 the committee felt that they had fulfilled their charge for the only remaining issue that needed addressing at that point was the funding.

Mr. Wright stated at that time that the project could be achieved and that there may be a few problems with the permitting process that were not viewed as insurmountable. As it stands now, the committee is interested in proceeding providing there is equal interest on the Town's part to finance the project.

Mr. Killen wanted to basically re-activate the committee so that they could take advantage of the funds available from the State. He would like to meet with the committee on a periodic basis as a follow-up.

Mayor Dickinson stated that several weeks ago, Mr. Morrisey of the Department of Environmental Protection contacted the Mayor's Office to express some desire to take up the subject again. It was left off that Mr. Morrisey would be in touch with the Mayor to arrange a meeting. The Mayor will inform the Council of such meeting. He reminded the Council that a significant issue with D.E.P. was the level of oxygen in the lake and the need for a mechanical aerator under any of the options presented by Fuss & O'Neil. The State was not supportive of that mechanical aerator and there was a potential for fish kills and other aquatic disturbances with the low level of oxygen in the lake. It is not merely a matter of funding to move forward on construction.

Mr. Gouveia asked Mr. Wright if the Town has received from Superior Court relief from the requirements to abide by the deed restrictions?

Mr. Wright responded, there were two different legal opinions rendered by two different Town attorneys.

Mr. Gouveia asked if there was an opinion from the Attorney General of the State of Connecticut?

Mr. Wright recalled that the Attorney General issued an opinion that did say that we should not have to comply with the restrictions to the

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best of his recollection.

Mr. Gouveia stated that he had in his possession a copy of the opinion rendered by then Attorney General Joseph Lieberman, dated May 1, 1987 (appendix VI) which, in essence, states that the Town has an obligation to maintain the Community Lake as it was deeded to Wallingford. If the Town can determine, however, that it is impossible, impractical or illegal to do so, the Town may seek relief from Superior Court and only the Superior Court. The Town cannot unilaterally decide that it will, on its own, no longer abide by the restrictions of the deed.

Mr. Wright responded that he has heard that opinion cited to stand for the proposition that the Town of Wallingford was under the obligation and it was not something that was up to the discretion of the Town, but it was indeed under the obligation to restore Community Lake.

Mr. Gouveia asked Mr. Wright to pursue this issue further with the present Attorney General of the State of Connecticut, if need be. We should not simply disregard what people have entrusted us with.

Frank Wasilewski, 57 N. Orchard Street suggested that the committee check with D.E.P. before going much further. There now exists two bodies of water at the lake, the stream and the pond. One or the other is contaminated and the Town would have difficulty opening up the lake and having both bodies of water come together. He recalled the scenic retreat Community Lake once was on a Saturday morning where one could watch the Choate rowing team race and in the afternoon the tranquil and relaxing benefits derived from a refreshing swim. Most residents today don't have any idea of what a beautiful spot it was because they have only known the lake in its present condition. He felt that any further work of the committee will be in vain for it can never be the swimming hole it once was due to the pollution that is carried downstream to it. Although the Quinnipiac River is being cleaned he did not feel it could be free from enough pollutants to allow swimming again. He reminded everyone that pollution also existed when he and many others swam in the lake way back when and it didn't harm them. Had the dam been fixed when it first broke we could have had our lake back and we could have cleaned up the channel but the ball was dropped it forgotten. Now our interests are turned to skating rinks, swimming pools, a new high school, middle school, etc., and the lake is forgotten. We had one of the scenic sights in Wallingford, Community Lake and River Street (presently Merit Parkway).

Mr. Zappala has been very interested in restoring Community Lake for some time. It is a worthwhile cause to the Town to restore it. He vowed to do all that he can, whether it be volunteer his services, to help in any way.

Mr. Gouveia stated that two independent opinions were issued by Attorney Robert Ciulla four years after the Attorney General's opinion. Those opinions fall pretty much in line with the Attorney General's.

No action taken.

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ITEM #20 Discussion and Possible Action Regarding a Proposal From the American Legion Post 187 and Cir-Tek Inc. to Acquire Town Property on Washington and Grand Streets

Motion was made by Mrs. Duryea to Hear Discussion, seconded by Mr. Knight.

Attorney Ed Loughlin, George Lane and Angelo Verdini were present for discussion on this item. Mr. Lane has been authorized by American Legion Post 187 to speak and answer questions on behalf of the Legion and Mr. Verdini is the owner and president of Cir-Tek Inc.

Atty. Loughlin explained that Cir-Tek, Inc., a local industry located on South Cherry Street is seeking to expand its facilities. In order to satisfy parking requirements for its industrial site on South Cherry Street, Cir-Tek owns property on the northerly side of Ward Street adjacent to American Legion Post 187 that suffices to fulfill zoning requirements for parking. Given the distance from the Cir-Tek operation, the parking facility is a fiction, for it is unused by Cir-Tek.

Abutting the Cir-Tek property at the corner of Washington Street and Grand Street is a parcel owned by the Town. It is to one degree or another dedicated to park usage and, in fact, used in a large part for parking by neighbors according to Atty. Loughlin. The objective is to make it possible for the Legion to acquire the Cir-Tek property on Ward Street and for Cir-Tek to acquire the Town property on Washington and Grand Streets to facilitate a 10,000 sq. ft. expansion.

Atty. Loughlin is proposing, on behalf of his clients, that the American Legion acquire the parcel from the Town for a reasonable price and subsequently enter into a tax-free exchange with Cir-Tek in order to minimize tax impact. This transaction would result in a benefit to both the American Legion and Cir-Tek, Inc.

He assured the Council that prior to any expansion by Cir-Tek or disposal of land by the Town, his clients must appear before the Planning & Zoning Commission. Once all of the requirements have been met with the necessary boards and commissions Atty. Loughlin and his clients will return before the Council. The purpose of this visit to the Council is not to seek approval or disapproval but to advise this Council of the purpose of the proposal and to solicit support of this idea.

Mr. Knight asked Mr. Verdini to describe the type of expansion that he intends to facilitate.

Mr. Verdini explained that his plans are to open up more manufacturing area and to consolidate the incoming and delivery entrances into one so that a great deal of traffic generated from the Grand Street entrance can be eliminated to the benefit of some of the neighbors.

Mr. Knight asked, how much is left for parking once the 10,000 sq. ft. expansion is constructed and you have relinquished the parking area on Ward Street?

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Mr. Verdini was not sure how much parking would be required for Cir-Tek to maintain its compliance with zoning regulations. It is possible that some of the property off of Ward Street could be kept as an expansion for parking. The American Legion has agreed to allow that if it became necessary.

Mr. Killen wanted additional information regarding the size of the expansion and zoning requirements associated with that expansion.

Mr. Zandri felt that a major stumbling block for this proposal was the fact that we would be losing a park utilized by children. Granted it is not a park that is heavily used it is available to the public and the minute it is taken away the public will come out in force claiming that it is heavily used. It may be an easier "sell" to develop some of the property on Ward Street into a park so that we do not lose playground space in the area.

Mayor Dickinson reminded the Council that the issue of the park did come up back in 1990 at which time the residents in the area were surveyed and were very adamant about keeping the park. That interest may not exist today or perhaps if the park were relocated the neighbors may be receptive to that idea, but it wasn't too long ago that they were defending their right to the park.

Mr. Gouveia felt that land located next to AmTrak is not conducive to development for a park, however, government and business could work together and do something for the children who will be displaced. The children have already lost the gym at Washington Street.

Atty. Loughlin was of the opinion that a good public relations campaign citing benefits such as jobs, taxes, continuation of the use of a good building, etc. could help this proposal be acceptable to all. He reminded everyone that the Boys Club is located nearby as well as Wallace Park and West Side Field. We are not short of recreational areas within the general vicinity.

Ms. Papale asked if the deliveries received on South Cherry Street will be ceased?

Mr. Verdini was not sure if they would be, it is a possibility. The number of trucks most certainly would be reduced.

Ms. Papale stated that she passes the park area at Washington and Grand Streets many times during the course of the day and never witnesses anyone utilizing the area. She asked Mr. Verdini if he has taken notice of how many children use the park?

Mr. Verdini responded that it is seldom used, he doesn't recall seeing anyone using it except for the twenty or so vehicles that are parked there around 7:00 a.m. daily.

Mr. Knight agreed that voluntary improvements to Wallace Park which is located only one block away would offer a better recreational facility than what is offered now on Grand Street. He supports the growth of local industry and hopes that an agreement can be reached.

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Atty. Small stated that she resides in the area of Washington and Grand Streets and witnesses children in the park on a regular basis. She informed the Council that the Town did extend a tax break to Cir-Tek, Inc.

Atty. Loughlin suggested, if we make improvements and have a really good park within a block that, perhaps, would be better than having two parks that are in desolate condition. He felt that the input from the Council was very helpful this evening.

ITEM #21 Remove From the Table for Discussion Regarding the Federal Government's Recent Ruling on Incinerator Ash Labeled as Hazardous Waste as Requested by Councilor Geno J. Zandri, Jr.

Motion was made by Mrs. Duryea to Remove the Item From the Table, seconded by Mr. Zandri.

VOTE: All ayes; motion duly carried.

Mr. Zandri explained that the recent news article on the ruling regarding ash that potentially could be hazardous material spurred him to place the item on the agenda for discussion this evening.

He is concerned with what potential for liability exists if, in fact, the ash that is being deposited in the landfill owned by the Town proves to be hazardous.

Mayor Dickinson responded, the law department will research the contract with CRRA for the landfill but his understanding is that what ever has been placed in the landfill as a result of the project, that liability is the project's, essentially the five towns involved. What ever is placed in the landfill by the Town of Wallingford is the Town's responsibility. All of the ash is the project's responsibility so the Town would have its proportionate responsibility with the other towns on that deposited ash.

Mr. Gouveia asked the Mayor if Fuss & O'Neil is still involved in testing the leaching from the ash site? The latest report from Fuss & O'Neil is dated 12/31/90 which concerns groundwater assessment monitoring program, annual summary.

Mayor Dickinson responded, yes, there is a quarterly review of the material placed in the landfill. Whether that is Fuss & O'Neil performing the review or not, he was not sure. They are monitoring wells also.

Mr. Gouveia asked if it is possible to obtain at least one copy of the quarterly report for the Council?

Mayor Dickinson will check with Phil Hamel, Resource Recovery Project Coordinator.

Edward Bradley, 2 Hampton Trail asked, did the Supreme Court or any federal agency offer any guideline as to what is hazardous?

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Atty. Small responded, that is not their role. I believe that they are just looking to see whether or not ash was specifically exempted under the law. They had found an ambiguity and ruled that it was not exempted in terms of being treated as hazardous waste. They leave it up to the E.P.A. to establish guidelines.

Mr. Bradley asked, how did they base their decision?

Atty. Small answered, they looked at the law and said that there were exemptions for household waste and the argument was that it included ash from a municipal facility. The Supreme Court did not see where that exemption existed. They did not find it as hazardous but that is wasn't exempted out so they are going to include it.

Mr. Bradley asked if there are federal guidelines and if there are, should we not be measuring our landfill against that guideline?

Mayor Dickinson stated, to his knowledge there is a guideline and the ash is sampled quarterly. Neither the Town nor CRRA has ever been notified that the ash has exceeded the limits established by E.P.A. for heavy metals, the characteristic that would most likely make it fall into the hazardous waste category.

Philip Wright, Sr., 160 Cedar Street was of the opinion that this was a very important issue and is very surprised that Phil Hamel, Resource Recovery Project Coordinator and possibly a representative from CRRA is not on hand to answer any questions that may arise. He acknowledged that Mayor Dickinson is one of the five representatives that sits on the Board at the CRRA meetings, but there are technical questions that should be addressed.

Mayor Dickinson responded that Mr. Hamel did submit a letter to the Council and if additional questions are raised they can be answered at a subsequent time.

Mr. Knight read the letter from Mr. Hamel to the Mayor into the record (appendix VII). He explained in his first paragraph that "The U.S. Supreme Court did not rule that waste-to-energy plant ash residue is hazardous. It (Supreme Court) simply reversed a federal Environmental Protection Agency determination based on federal law that such ash is exempt from hazardous waste regulations. What the ruling means is that ash must be managed for disposal like any other waste material."

The letter went on to say, "According to CRRA environmental staff, concentrations of heavy metals of concern in the groundwater under the landfill are at or near drinking water levels and there has been no increase in the concentrations over time."

CRRA believes at this time that the court decision will not have a significant effect on the project nor that ash management poses an environmental problem.

Mr. Gouveia informed the Council that he has a letter from Phil Hamel dated March 18, 1991 that indicates, under contract, the company is required to take ash samples daily. On this letter dated May 10, 1994

it now states that the ash samples are taken quarterly. He read excerpts from CRRA's annual report into the record regarding the levels of heavy metals tested for in the groundwater. "The TDS concentration downgradient of the ash cell are extremely elevated. The increased TDS concentrations indicate the ash cell has significantly impacted the groundwater quality." "The recent increase in trends and the TDS chloride and potassium at several wells located downgradient of the ash cell indicates the impact from the ash cell is becoming more significant." He felt that the letter contradicts the facts and therefore raises more questions. He agreed with Mr. Wright that Mr. Hamel should have been present to answer the questions.

Mayor Dickinson urged those Councilors with questions to call Mr. Hamel.

Mr. Gouveia asked that the Council secretary direct a letter to Mr. Hamel requesting that copies of the annual report from CRRA on this issue be submitted to the Council for review.

ITEM #22 Discussion and Possible Action Concerning the F.Y. 1994-95 Budget of the Town of Wallingford as Requested by Councilor Geno J. Zandri, Jr.

Motion was made by Mrs. Duryea, seconded by Mr. Zandri.

Mr. Killen referred to Mayor Dickinson's letter to the Town Council dated May 20, 1994 exercising his power to line item veto the budget (appendix VIII). Page two of that letter references Chapter III, Section 7 of the Charter of the Town of Wallingford which gives the Mayor such authority. Mr. Killen questions where the authority lies to veto the revenue side of the budget.

Atty. Small stated that she would not provide a legal opinion on such short notice. She would have to study the Charter first and will get back to Mr. Killen with an answer.

Mr. Zandri made a motion to override the Mayor's veto of the budget, seconded by Mr. Gouveia.

Mr. Zandri commented on the Mayor's philosophy regarding the use of profits generated by our electric business. We have a legal opinion from our Town Attorney that states, "surplus dollars or profits generated from our electric business belongs to the Town of Wallingford." So profits from our electric business belong to the residents of Wallingford. This Council, during the budget process, chose to use some of our money to help keep taxes down during the upcoming budget year. We chose to do this and still put certain projects back into the upcoming budget year that we felt were important for this town. The Mayor's philosophy is not to spend our profits from our electric division business because he feels that in doing so it will hurt its operation. My philosophy is, our business can afford to pay us a bigger dividend. For example, ten months into the current budget year's Electric Division budget, even after giving everyone a break on their electric bills with a credit rider, our electric business is \$2.8 million over budget. That means they have

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\$2.8 million more than they expected to have at this point in time in this budget. I feel we can afford to use the approximately \$700,000 the Council planned to use in the upcoming budget year. It is for this reason I will vote in favor of overriding the Mayor's veto.

Mayor Dickinson responded, I appreciate Mr. Zandri's attempt to describe the philosophy used but it may be more accurate if I read what the letter states (at this point in time the Mayor read his letter, in its entirety, into the record - see appendix VIII).

Mayor Dickinson's philosophy is, when we seek to pay for the operation of government, tax bills, not electric bills, should be the mechanism of financing.

Mrs. Duryea commented that she was glad the Mayor used the line item veto option, however, she did not receive his letter of explanation until the following day. Referring to the sentence in the letter which states "...money received from residents paying electric bills will be used to pay Police, Fire, Education and Public Works Departments' salaries and expenses." Everyone, whether they be a ratepayer or taxpayer uses these departments for they are beneficial to everyone. She referred to the next sentence which reads, "At the point that electric bills pay for operating expenses of government departments, we have authorized an indirect or hidden tax." She pointed out what she deemed to be hidden taxes, for example, 1991 there was a surplus of over \$7 million in the budget; 1992, \$5,900,000.; 1993 the undesignated balance was \$5,000,000+. She certainly considered that to be overtaxation of the taxpayer of the Town of Wallingford. She hopes that in the future the Council and Mayor can reach an agreement that will be palatable to all. She was voting in favor of overriding the veto.

Mr. Zappala views the Electric Division as a company that the people of Wallingford own, which is well-run and producing a profit. He did not see anything wrong with taking a little more of those profits. Why not pay a little extra to the taxpayers because the Town is faced with a lot of expenditures. He will vote in favor of the override.

Ms. Papale stated, in the past three years I have voted along with my democratic colleagues to override the Mayor's veto. This year I will not vote in favor or an override. We have sat through many tedious hours on the budget and she wondered if the Council was going through all of that for the intention of trying to find a way to take money from the electric division or to produce a budget that is good for the entire town. With the Mayor line-item vetoing the budget, it seems to me that.....this is why I am going to vote this way. I did not vote yes to take the \$700,000 out of the electric division to begin with. For the last three years I never voted to take the money from their budget but when it came to either the Mayor vetoing the budget or go along with it, I always tried to balance everyone and everything in the Town of Wallingford and I always put the electric division second and I voted in a manner that I thought would be good for the taxpayers. I don't have the same philosophy that the Mayor has, I don't feel that if I voted differently this year that I would hurt the operation of the division, but I am afraid that if we do it one year

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and another then it will eventually hurt the operation of the division. She was hoping that someone would have made a motion at the end of the workshops to take that \$700,000 and put it into a capital project. That would have made a big difference. No one should be surprised that the Mayor is vetoing the budget. It has been his philosophy all these years. I wonder if the \$700,000 taken this yearit looks as though some people on the Council are looking for the Mayor to veto the budget. If we go through with the \$700,000 and we do it like the Mayor did, line item veto, am I correct that the mill rate will stay the same as the Council's budget? We have lowered the mill rate a little more than the Mayor did. I feel that is why we are up here, to keep the mill rate as low as we can and not to have to go through this every time with the electric division. If it were a one-time deal it would be o.k. She will not vote in favor of overriding the Mayor's budget.

Mr. Gouveia responded, yes, we have lowered the mill rate. the Council's action was responsible for that and the Mayor's veto did not return the mill rate to the level that was originally proposed by him which is good. What is bad, however, is a loss of opportunity because he eliminated \$150,433 for the parking lot for the Police Department. You can rest assured that the parking lot will be built and that money has to come from someplace and maybe it will cost a lot more than that. He also reduced debt service for school projects from \$821,250 to \$526,683, roughly \$300,000. You can rest assured that we are going to spend that money, if not this year, then next year if not the following year. Yes, the mill rate will stay the same but this is a lost opportunity to fund some projects that are needed. It seems to me that in a perfect and logical world we would not be debating this tonight. The Mayor presented this Council with his budget. Eight out of nine Council members up here voted for a new budget in its entirety. I have to assume that the reason the Council voted for a new budget was because we must have felt that this was an improved budget over the Mayor's. I think a vote to override the veto is a reaffirmation of that belief that our budget was an improvement over the Mayor's budget or we wouldn't have voted eight to one to amend this budget. I know political realities dictate that that will not take place. I was not going to saying anything about the veto today, but I have said many times before, as long as people intentionally or unintentionally attempt to distort the truth, then I am going to make statements to correct the record. A statement was made in the Record Journal that if the \$700,000 was somehow not eliminated, that was proposed to be taken from the electric division, the electric rates would rise. There is no basis in fact for that statement. I have the facts to prove it. From the last five years that the Mayor vetoed the budget the electric division budgeted \$2,398,039. as Net Income. They have to budget for a profit and they did exactly that. The actual Net Income was \$10,781,000 which means that even if the Council had doubled the compensation to the Town, as it is suggested in the \$54,000 electric division study performed a few years ago, the electric division would still have earned \$4,538,000 Net Income which is precisely twice as much as they budgeted for. They have those dollars due to the reason that I have stated before, they carefully plan a scheme. They grossly overestimate their expenditures and grossly underestimate their revenues knowing fully well that their

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budget will not be touched. I have another fact for you. The requested operation expenditures of the electric division for the past five years were \$206,809,258. The Mayor approved \$206,570,108. a difference of only \$239,000. That is only 1/10th of 1%. If people are truly concerned about the electric rates you would scrutinize that expenditure budget. That is what you do. The Town of Wallingford, as the report indicates, deserves more from the electric division. Taking \$700,000 from the electric division is not going to jeopardize the operations of the division. The facts speak for themselves. Because of that I will, again, vote to override the veto.

Mr. Knight stated, I am one of those Councilors who voted for the Town Council budget but will not vote to override the veto and the reasons are several. One of the principle reasons is that I believe that the Town Council worked very hard in the workshops and the Council deserves to see the budget presented to the Mayor. Nevertheless, we do get back to the \$700,000. As Mrs. Duryea said, I hope that I am one of the Councilors who will work toward a solution to this problem of having a difference of philosophies. I believe that if we are going to be upfront with the people of Wallingford, if we want a project whether it be Community Lake, Community Pool, a recreation center, ice rink, schools, what ever, we must go to the people of Wallingford and take the money from them, not from their left pocket but from the taxes that we levy on them. I don't think it is right to tell them that they are not going to pay because when it is all said and done, there is no free lunch. You will pay. You people in Wallingford will pay and we should be upfront enough with you to say that we are going to tax you. That is a word that raises everyone's eyebrows but when we say, o.k., we are just going to raise your electric rates just a little bit and then sneak it out the back door in the form of a payment that the electric division makes to general government. I don't think we are being straight with you. I do believe there is room for discussion with regard to how we are to determine what is an equitable return from the electric division. Whether it be a payment in lieu of taxes, whether it be payment of a dividend because we are the owners of a utility, one way or another there is a number that can be achieved and I believe that we can work toward achieving that number before we use arbitrary figures to determine whether or not the contribution is equitable.

Mr. Killen commented, I was a little disturbed by comments that Ms. Papale made, nothing personal, but one of the things that you said two or three times was that you went along with democratic constituents and I think that was a poor choice of words, I don't think you meant it that way for I, myself, don't go along with anybody, I don't care who they are, I arrive at my own decisions, I do my homework, I listen to what other people say and if it calls for a rebuttal I offer one. When we get through with it all, I make my decisions based on what I have seen, heard, what I know. The other thing that disturbed me was the fact that you said you didn't go along with the \$700,000 as though we were committing rape by taking that money. People lose track of the fact that the Mayor put \$1,575,000. in this year's budget in the Capital and Non-recurring Fund. He picked that number out of nowhere. He could have increased that amount by \$700,000 or \$1,700,000 and it would have been the Mayor's budget and if no one had raised any

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objection on this side of the table. it would have passed. home free and no one would have raised the issue of the Mayor taking another \$700,000. The issue comes alive when this Council. in its so-called wisdom. seeks to do something that the Mayor disagrees with. Let's listen to some logic here. Two sentences stand right out in the letter. One, "When we seek to pay for the operation of government tax bills. not electric bills, should be the mechanism of financing. Aside from the philosophical and accounting principles which dictate this policy. from a taxpayer's viewpoint, only local taxes are deductible for federal income tax purposes." The last part escapes me. There are \$1,575,000 in this year's budget that is not coming from taxes but the electric division. Why is that \$1,575,000 different from the other dollars we are talking about? That is virgin territory, apparently. I don't understand that logic. We can, according to State statute, raise/levy a tax of up to two mills to put in there. We didn't have to put it in this way, we could have raised it by two mills and the Mayor would have been right saying that we were doing it by taxation, but he is doing both. He is saying, watch my slight of hand, I am doing both but I am telling you that I am only doing it one way, the right way and the Council is doing it the wrong way. Even further. "The budget adopted by the Town Council appropriates \$700,000. from the electric division and uses the revenue to fund general government operating expenses. This means, for example, that the money received from residents paying electric bills will be used to pay police, fire, education. public works departments salaries and expenses." Now that should come as a shock to everyone that that is being done!

He read from the State statutes the following: "All receipts from the sale of gas or electricity shall be paid over to the Treasurer of such municipality. The gross expenses of running such plant and conducting such business of supplying gas or electricity, including interest on such bonds and requirements of the sinking fund if such a fund has been provided for the payment of such bonds. shall be included in the appropriations made annually or from time to time by such municipality and shall be paid out of the treasury thereof." Those dollars are flowing into the treasury the same as the dollars from the taxes, interest we get anywhere along the line, those are all flowing into the treasury. This is a play on words. There is no reason here whatsoever other than the Mayor disagrees with what we did with his budget. He did very little with the budget, he cut some \$200,000 out of it when the overall picture is done. In fact, he put \$420,000 that was not requested into the budget and then cut part of it out with this veto. The Council is supposed to meet night after night on the budget and try to do our best and listen to this kind of a reason for vetoing the budget? What are we, a bunch of clowns?

Mayor Dickinson responded. the question was asked, how do you differentiate between the \$1,575,000. and the additional \$700,000., I think that the opinion does set out that difference. The \$1,575,000. is appropriated for Capital and Non-recurring and is for capital projects. The \$700,000 was utilized for operating costs. There is a significant difference. If you want to drop \$700,000 worth of capital projects in a subsequent year, you can do so. In order to drop \$700,000 out of operating costs you will have to raise taxes to

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replace that money, hence the statement in the opinion that even the policy of funding capital can be criticized but it has the virtue of not encouraging growth of government without the willingness to raise taxes. Growth of government is a significant issue at local, state and federal levels and where we allow government to grow without being willing to raise taxes to support that growth, we create a vulnerability. That money may not be there and at that point the services are interrupted and the public is rightfully upset. Another point I wanted to make is, in terms of tax equivalent. The amount from the electric divisions has been set at what is needed for the capital and non-recurring. Initially that was \$900,000. Ultimately we eliminated even the contribution from taxes which used to be \$500,000. Now the capital and non-recurring fund is funded totally with money from the electric division, \$1,575,000. How does that compare to what the electric division would pay in taxes? The tax bill on the value of the electric division, property taxes, would range anywhere from \$400,000 to \$800,000, depending upon what is placed as the total value. Speaking with the Assessor, it would come in closer to \$400,000, under our current mill rate. The division is paying \$1,575,000 to the Town of Wallingford so they are more than covering a tax liability that a private, commercial electric company would be responsible for. Thirdly, there is a view that money is appreciating hand over fist in the electric division. In fact, the cash in retained earnings have dropped from some \$22,000,000 to the range of \$16,000,000 over the past years. The significant amount of that remains as settlement figure on the Northeast/CL&P lawsuit. If it weren't for that we probably would not be discussing this ever. But because of the settlement money there seems to be a big pile of cash. That pile of cash is not growing year after year. By now, having been \$22,000,000 it should have been \$30,000,000 or more but it is not, it has been reducing in size. That again, should be a cause for caution in becoming dependent upon those resources.

Mr. Killen responded, I get the impression that \$1,575,000 is still virgin territory. You stated, Mayor, that the Council is the one dodging the tax issue. You did not have to put \$1,575,000 in from the electric division, you could have taken two mills on the tax bill. If that is your philosophy, then follow it and tax us to the utmost. Don't use it afterwards. You put \$1,575,000 in there that would have had to be raised by taxes if you didn't put it in that way. When we sought to put dollars there you said, no, you cannot do that. You can't have it both ways.

Mayor Dickinson responded, I suppose, in a sense, that is a compromise on what I think is a major principle that is why I put it in the opinion here that that can be criticized as a policy, funding the capital and non-recurring out of the electric division. But to the extent that that has been historical practice long before I became Mayor. I am willing to say that, to that extent, we can continue to utilize the resources of the electric division as a payment in lieu of taxes. But to expand that dependency to the operating cost of government is a serious departure from what is the ideal policy which is that we would not rely on the electric division at all.

Mr. Killen commented, we have an ordinance on the book right now that was enacted due to an attempt to put 100% of the funding into the capital & non-recurring. A compromise was arrived at, hence the

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ordinance reads 55/45%. The electric division report as well as State statute bears it out that those are all tax dollars and they are all available for appropriation, all to hold taxes down. The electric division is not doing us a favor. We are doing them a favor. We have created a franchise for them. Northeast Utilities would love to have us do a favor like that for them. There is nothing sacred about 55/45%, 0%, 100%, it is what the earnings are after the division gets through paying their bills and setting aside the depreciation reserve, all those dollars are available. You (Mayor) mention that the reserves have gone down. They should have gone down for the last three years for we have been giving \$3 million back through the electric division, they should go down. Those dollars could have been used to offset tax dollars and they would have gone into the same pockets only in a different ratio than what they did.

Mr. Zandri rebutted Mr. Knight's comments stating that we want to raise the rates. That is definitely a false statement. Over the years we have been attempting to analyze the division's budget and it has been proven time and time again that the profits are there and you do not have to raise the rates at all to take some dollars to use on the Town side of the budget. It is not our intention to raise the rates at all.

In rebutting the Mayor's comments regarding the \$1,575,000 payment by the electric division in comparison to the \$800,000 that a private utility would pay in taxes, Mr. Zandri rebutted that the part of the equation that is missing is, as owners of a business, we have a right to a dividend just like stockholders of Northeast Utilities. Not only does NU pay taxes to all the towns that they own property in, they also pay their stockholders a dividend on top of that. That is the part of the equation that I have been striving for. Not only should the electric division be paying tax dollars it owes us but also a dividend on the amount of money that we have invested in that facility. As far as the retained earnings going in the negative direction, well it should be due to the fact that for the past 2 1/2 years we have returned \$7.5 million and in this upcoming budget there is another \$3 million for a total of \$10.5 million over a four year period that has been given back to the ratepayers. That is why the retained earnings are dwindling. If we didn't give it back we would have \$10 million more in retained earnings than we have today.

Mr. Gouveia stated, I will coin a phrase made by another famous republican by saying Mayor, "There you go, again." You stated that one of the reasons you vetoed the budget was because \$700,000 was put on the operational side of the budget rather than the capital and non-recurring. But in the past every time the payment from the electric division has been increased by the Council all those funds have been put in the capital and non-recurring fund and the result was Mayor Dickinson's veto. The State of Connecticut, in those five years received \$10 million from the electric division. What did they do with that money? The Town of Wallingford only received \$6 million from the division in those five years. Don't we deserve any better than the State? Can't we increase the contribution to the Town at least by a little more? A PILOT payment is not just a Payment In Lieu of Taxes, there is also return on investment and also liabilities

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to the Town of Wallingford. A typical funding ordinance for the electric division reads as follows: "The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with as such note is within every debt and under limit prescribed by law and that the full faith and credit of the Town are pledged to the payment to the principle thereof and the interest thereon." If there is an act of God and if there is a PCB or hazardous waste-related lawsuit, who is going to foot the bill? The ratepayers in Northford? No. The Town of Wallingford, the taxpayers, owners and operators of the electric division would have to foot the bill. Simple as that.

Mayor Dickinson responded, with regards to return on investment, if I own stock in Northeast Utilities or any other commercial/private generating company. I can live in California and I may never buy a dime's worth of electricity from that company but I get a return on the money I spent to buy their stock. Now if I live in the Town of Wallingford. I am the same guy who pays the taxes as well as his electric bill. I am receiving electricity for the electric bill that I pay. If my rates lower money stays in my pocket that would otherwise would have been paid out. That, certainly, is a return on having your own electric division, you have a lower rate. In addition, the rates I'm paying are returning over twice the amount of taxes that the business would normally be paying. So what I am already paying out of my pocket for electricity funds \$1.5 million for capital projects in the Town. It is coming out of my pocket as a taxpayer but I am paying it to the electric division and they return it back to the Town. I think that a return on investment is more than sufficient as things are. Again, if as residents we were not just paying electric bills but were also buying stock and we wanted a return on our stock purchase investment, that would be a different question. We are users and we pay our rate bill and that is where we should get our return on investment, on a lower rate.

Mr. Zandri commented, not all ratepayers are owners of the electric division. The residents of Wallingford, hear me out, residents of Wallingford make up the Town of Wallingford. The Town of Wallingford owns that business, not all ratepayers, including the ratepayers in this town who are residents. Businesses in this town are not residents in this town but they pay rates. Ratepayers in Northford do not belong to the Town of Wallingford. So understand, that it is the residents who own this business because it is the residents who make up the Town of Wallingford. There is a difference. The residents in this town deserve a return on their investment in this business.

Mr. Gouveia stated, if there is an item that should, perhaps, be vetoed, it is an item on fund balance on the revenue side of the budget. We are appropriating \$2,867,000. of the current year's budget into next year's budget. In other words, we are budgeting for a surplus. Every year Wallingford has a surplus and it feels good to say that every year we have a surplus and it looks good as well. But what really happens is that most of this surplus is being rotated, circulated, it is the same money. To me, this is not a realistic budget when you are taking monies that you don't know for sure whether or not we will have.....I venture to say, yes, we will have those

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surpluses and if we don't then heads should roll because we budget for that surplus but, when we take monies six months before the end of the fiscal year and we are taking monies from the present fiscal year to offset next year's budget to the tune of \$2,867,000, then to me that does not constitute a realistic budget. If there is one item that should be addressed and it hasn't been addressed in a long, long time, it is that one item.

Edward Bradley, 2 Hampton Trail stated, as a taxpayer, Mayor, I do appreciate you exercising the line item veto. On the other hand, I do appreciate Mr. Zandri's attempt to get an additional \$700,000 into the general government side of the budget. The Council has worked hard on the budget and should be commended for it. There are differences of philosophies on it. He wanted to comment on the statement regarding the possible rise in electric rates if funds are taken from the division. This is a very empty statement. It even borders on scare tactics. I have heard it for the past seven years. If, indeed, the numbers that we have heard, whether it be \$1 million in excess or \$9 million in excess on the revenue side over budget are that high and I know that they have been, then maybe the electric rates are too high even though we are getting a good rate compared to other utilities. The Mayor's comparisons to the division to Northeast Utility, that is a legitimate comparison in that sense, but this is our business. We expect a return on it. Seven years of debate, one study, we have to come up with a comprehensive plan that everyone can agree with. Both Mrs. Duryea and Mr. Knight commented that they are willing to work on such a plan. Hopefully the Mayor would be interested in developing a plan also so that we can put this issue to bed. We need a plan that is fair to the electric division as well as the taxpayers and owners of the division.

Philip Wright, Sr., 160 Cedar Street stated that this is a sad night again. The taxpayers of this town are wasting a lot of money; the nine people up there (Council) are an absolute waste of money to the taxpayers of this Town. You have accomplished nothing for the taxpayers other than to entertain us. You go through this charade year after year and what do we get? Absolutely nothing! You give us a budget, ask us to study it, ask us to come and participate and we do what little we can in the short period of time that we have. No one pays any attention to us. You work hard through many nights and when you are finished it is an absolute waste of your time. One day, it may not be soon, but the worm is going to turn and bite the fish. It is not always going to be this way in this town. Someday we will take the extreme. We are going to go to referendums and take measures that I would not approve of but only because nothing is accomplished. You people (Council) have fiscal responsibilities which are snatched away from you after all the work that you have done by the Mayor sticking to what he submitted as a budget to begin with. So you are wasting your time. One day the public, it is really sad to see the number of people present tonight, because no one is doing anything about the problems that we have in this town. The Mayor says that he does not want to see the growth of government without the willingness to raise taxes. Well, he let's government and salaries grow every year. Never once has he put a cap on the salaries, never once has he not approved what ever was put forth for salaries. And if you don't think that is

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what raises taxes then you better start thinking. It is a sad night!

Romeo Dorsey, 122 S. Orchard Street explained how the electric division came to be. In 1899 we had a Court of Burgess in the borough of the town of which found \$50,000 to invest in starting the utility. The utility never gave a cent to the town until 1962 when they gave \$50,000. Now it is \$1.5 million+. The utility has given enough money to the town. They have a lot of money in reserve because there is a big contract coming up. He suggested that we don't kill the goose that laid the golden egg. To take money for the purpose of lowering the taxes, I am against that. If it was used as a capital project like it was used before, to pay for a school outright, I would agree. You should be questioning the P.U.C. commissioners when they come before the Council for confirmation of re-appointment on what their position is on the electric division funds. Mr. Killen is right about the funds going into the treasury. How you get it out of there is another thing. You should work with the commissioners maybe they could help you.

Mr. Gouveia reiterated his comments regarding the rates. He recited Net Income figures budgeted for by the division taken directly from the budget books for the previous five years. In the past five years that the budget was vetoed, they budgeted \$2.3 million+ for Net Income when actually they ended up with \$10 million. If during every single one of those years we had doubled the compensation to the town, the PILOT payment for every single one of those years, they still would end up with \$4,533,000., twice as much as what they budgeted for. Does that require a rate increase to sustain that income? Regarding Mr. Wright's comments regarding the fact that the Council ends up every year with the budget that the Mayor submits, this year something new happened. In fact, three of the six items that he vetoed were his own items. The Council did not touch those items. He presented his budget to the public at the Public Hearing and the public left that hearing thinking that the Mayor was supportive of those items. The Council did not touch those items. The residents had every reason to believe, especially those residents on Long Hill Road, after the budget workshop that those funds would be there for their road. After all, the Mayor put them in the budget. There was a public hearing on it, the Council had a workshop on it and no one touched it. The Mayor vetoed those funds and now they are deleted from the budget. Something new happened this year! This is not the kind of government that Jefferson intended it to be, I really don't! It is coming as close to a one man rule as you can see.

Regarding Mr. Bradley's comments on trying to make an honest attempt to reach a compromise. Mr. Gouveia stated that last Thursday, May 19th the Ordinance Committee held a meeting. One of the items on that agenda was to seek public opinion, not to have input from the committee, to gather information on the ordinance referring to the electric division's PILOT payment to the town. As we know we are in violation of that ordinance and have been for a long time. We are violating our own rules and regulations. I wanted to start the ball rolling by getting the ball rolling. Letters were sent to the electric division informing them of the meeting, giving them the opportunity to come and present their case to the committee to see if

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we can somehow compromise. One of the ideas suggested by Mr. Gouveia was that if the State of Connecticut receives 5% of gross earnings from the utility every single year, a number that is very predictable for the State since they know approximately how much to count on every year and very predictable to the electric division for they will know how much to budget for, perhaps we can arrive at a percentage that everyone can concentrate and depend on. No one from the electric division attended the meeting, nor commissioners.

Mr. Wright stated that the only way this is going to change is to stir the populous. We must get more people interested. Next time get yourself placards or graphs. Do something that will get their eye.

Mr. Gouveia responded, I did, I was thirty-two (votes) shy.

Mr. Wright encouraged the Council to use whatever means available to fight this stalemate.

Mr. Gouveia replied, the only reason I use these numbers is because I feel there is a deliberate attempt out there to shape the public opinion with scare tactics. There is no reason to increase the rates.

Mr. Killen stated that the figures quoted by Mr. Gouveia were quite astounding but it is amazing how little attention they attract from the public. Yet, the \$65,000 taken out of the pool got attention. It wasn't the dollar figure but the pool that got their attention. We cannot make the public aware of all the things that affect them the same as that pool does one way or another. Things are not being done. Some of the things removed from the budget by the Mayor with this veto were requested by department heads and approved by the Mayor who both agreed they should be in the budget. Yet, for no other reason other than to get back at the Council I feel, he has taken them out now. The people sit home and think we are home free because the pool will be opened this summer.

Mayor Dickinson responded, I do not look to get back at anyone and as I expressed in the message there was a compromise and there were projects that I felt should go ahead and I did take them out of the budget because I felt that the money was not there to support them. With regards to the increase in the electric rates, I hear Mr. Gouveia stating that he has a sincere belief that it would not occur, I have an equally sincere belief that it will most definitely occur. The CDM report on the electric division that is much discussed and is touted on occasion contains representation that within three or four years of increasing the contribution by \$1 million there would be an increase in electric rates. Ray Smith is in the back, we have discussed that on occasion, am I correct?

Mr. Smith responded off tape, that is correct.

Mayor Dickinson stated, for those who would like to see it in the report we will be happy to sit down with you and show you exactly where it is in the report.

Mr. Zandri rebutted, that report also make conclusions that the cost

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of the electricity being supplied to us was going to go up. that was the driving factor behind the rates going up. I think things have changed since that report (dated 1991) and he believed that it is no longer a factor.

Mayor Dickinson replied, how can we tell the public that we can take more money out of an organization, the rates will not go up, that organization as we know it....the division is facing some \$15 million worth of capital projects.....where is all this money being generated? The rates are not going up and \$7 million worth of retained earnings, the lump sum of the settlement is reducing.....

Mr. Zandri: The reason it is reducing is because you are giving it out!

Mayor Dickinson: It should be replaced. If the money is coming in hand over fist that it should be replaced every year but it is reducing so at some point you have to have a rate increase don't you?

Mr. Zandri: No. The only reason the credit rider was put in was to slow down the amount of money the electric division was making.

Mayor Dickinson answered, we are not slowing it down, we are reducing the amount we have in retained earnings.

Mr. Zandri responded, you are reducing it because you are not collecting the amount of revenues that you should be.

Mayor Dickinson: Because the rate is not higher.

Mr. Zandri: No, because you gave a credit rider that you had no business giving out because our rates were already lower in this town than any other town in Connecticut. All this is is the old scare tactics that the rates will go up. It is a lot of baloney, that is all it is!

Mr. Killen: You make it appear, Mayor, as if the money was being used to keep the rates low. They were already low and made lower. The rates would not have to go up if that money had not been given back to them. The money could still be there gaining interest and used for a project and the rates would not have changed one way or another. Common sense tells you that.

Mr. Gouveia: Mayor, when the electric division begins to budget accurately and when you begin to scrutinize their budget like you do other departments, then I may agree with you. Until such a time, I will not. I have been sitting on this Council, on and off, since 1986. Back in 1986 no one knew about the workings of the electric division; retained earnings, how much they had, no one knew. The answer was, "They are under a different method of accounting and it is difficult to determine." Today at least we know that much, we know how much is there. Since 1986 we have been saying that if we take money from the electric division the rates will go up. Guess what? The rates have come down and they still continue to build surpluses.

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Mayor Dickinson responded, if you look at the last ten years you will see that it is a very inaccurate picture of the operation of the division for it has operated for a far longer period of time. If you start including the 1960's and 1970's the electric division did not always pay money into the town. There were years that no money came into the town so if you want to analyze exactly what has happened from a truly historical perspective, you have to include those years. Those years could return. We don't know that the retail wheeling and all this other information coming in will change the picture of the sales of electricity. Should these things become reality the revenue picture will not be the same. It was not the same in the 1970's. So when you develop a policy you have to use a complete historical perspective.

Mr. Killen responded, I was around in the 1960's and 1970's and the electric division was not the best managed business and people were not paying attention to where their dollars went, one way or another. That same thing can happen tomorrow and you won't have any money coming back to the town. You cannot make a blanket statement that because monies did not come into the town we weren't capable of getting them. They were there and they were plundered. Only when the division was scared that they may be sold then all of a sudden they came to life and started to make contributions to the town. We are constantly being told it is a sacred cow. For what that golden goose produces I would just assume kill it now and have it for supper for at least I will have supper tonight, I don't know what I will have the next night.

Mr. Solinsky commented that he was pleased that the Mayor chose to use a line item veto this year and felt that it was a step in the right direction and along with some other comments that were made about bringing this to a resolution. I hope that after we handle the purchase power agreement we can come to some kind of terms or gauge or amount of money that we can agree on so that we can put an end to this argument. I don't think that this argument has gotten anyone anywhere.

Mr. Killen asked the Councilors, what has changed since that night where we voted 8 to 1 to adopt the Council's budget up until now with the Mayor's veto?

Mr. Solinsky responded, you never changed the Mayor's mind and the Mayor never changed your mind. We both agree strongly on the subject.

Mr. Killen asked Mr. Solinsky, what changed you between the night that you voted for the Council's budget and now?

Mr. Solinsky commented, I don't think that the vote we took on May 10th was necessary. This Council acted during session in the two and three weeks. If we did not take the vote on May 10th we would have budgets to present to the Town Clerk. Those are my feelings. We had a budget on May 10th to present to the Town Clerk whether or not we took that 8 to 1 vote.

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Mr. Killen asked, what changed your mind from May 10th until now?

Mr. Solinsky responded, I did not change, I stated before that I think that the town could survive with either budget this year.

Mr. Killen asked, then why not survive with ours (Council's)? You, as Council Chairman, should say, we are a body unto ourselves and we should have some status here. You are unwilling to do that.

VOTE: Duryea, Gouveia, Killen, Zandri and Zappala, aye; all others, no; motion failed.

Mr. Zandri commented, I made a pledge last year and I will renew one this year and that is that I promise that I will vote negatively on any transfers that come forward in the upcoming budget year from the electric division.

ITEM #23 Discussion and Possible Action on Approving a Request to Waive Public Bid for Entering Into a Contract for Purchase Power Supply for the Town of Wallingford. The bid waiver is to include the firms described during the executive session held on March 31st regarding said purchase supply contract negotiations - Requested by Raymond Smith, Director of Public Utilities

Motion was made by Mrs. Duryea for Discussion and Possible Action on Approving a Request to Waive Public Bid for Continuing Negotiations with Multiple Parties that Might Arrive at Entering Into a Contract for Purchase Power Supply for the Town of Wallingford. The bid waiver is to include the firms described during the executive session held on March 31, 1994 regarding said purchase supply contract negotiations, seconded by Mr. Knight.

Mrs. Duryea asked, why do we have to waive the bid?

Mr. Smith responded, as he mentioned on March 31st, a couple of people have approached him with offers that we have never gone out to solicit. Whether we recognize those as potential legitimate suppliers I want to make sure that the Council agrees that we should deal with those entities. It is an endorsement from the Council to continue negotiations.

Mr. Gessert, PUC Commissioner explained that there are severe changes occurring in the industry. There are a lot more players entering in the picture every day. Some are nation-wide. We have narrowed it down to four potential suppliers of different types that can meet our needs. They are legitimate players in the game and we are moving fairly quickly towards the culmination of an agreement. It will cover us for the long term power supply for the next ten years and probably be worth several hundreds of millions of dollars. It behooves us to get the Council's endorsement that we continue to negotiate with the legitimate potential suppliers.

VOTE: Killen, no; all others, aye; motion duly carried.

ITEM #24 Presentation of a \$5,000,000 Bond Issuance by Comptroller

Thomas A. Myers.

Motion was made by Mrs. Duryea, seconded by Mr. Killen.

Mr. Myers gave a brief presentation stating that on June 16, 1994 at competitive public sale, \$5,000,000 of Wallingford bonds will be offered. The purpose for this presentation is to not only inform the Council that this issue consists of schools, capital and non-recurring projects. \$1 million on our water treatment plant and \$2,150,000. for the South Elm Street parallel relief sewer but also as a matter of public service for there may be citizens or taxpayers looking to invest in Wallingford bonds. Those individuals would have to contact their brokers.

No action taken.

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

VOTE: All ayes; motion duly carried.

There being no further business, the meeting adjourned at 11:55 P.M.

Meeting recorded and transcribed by:

Kathryn F. Milano

Kathryn F. Milano, Town Council Secretary

Approved:

Thomas D. Solinsky
Thomas D. Solinsky, Chairman

June 14, 1994
Date

Kathryn J. Wall
Kathryn J. Wall, Town Clerk

June 14, 1994
Date



Town of Wallingford, Connecticut

ROBERT N. PEDERSEN, JR.
PURCHASING AGENT

DEPARTMENT OF FINANCE
BUREAU OF PURCHASES
TOWN HALL
45 SOUTH MAIN STREET
WALLINGFORD, CONNECTICUT 06492
TELEPHONE (203) 294-2115

May 19, 1994

TO: Mr. Thomas J. Wall, Committee Chairman

FROM: Robert Pedersen, ^{RP}Purchasing Agent

SUBJECT: Feasibility Study for New Ice Skating Rink, Public Bid No. 93-169

I have reviewed the bid documents and agree with the committee. An award of bid to Inland/Hixon Associates, Inc. rather than Landauer Associates, Inc. would constitute an award "to other than the lowest bidder meeting the stated specifications". I have no objections to this course of action.

Therefore, the Town Council must consider and approve such action in accordance with the Purchasing Ordinance #272 Section 12 (h).

cc: Mr. R. Carmody

DEPARTMENT OF FINANCE
BID LIMIT SURVEY

<u>ENTITY</u>	<u>SHD CT. STATUTES</u>	<u>PRESENT BID LIMIT</u>	<u>DATE OF LAST CHANGE</u>	<u>IS BOE INCLUDED</u>	<u>EXCLUSIONS FROM BID PROCESS</u>	<u>CONTEMPLATED CHANGE IN BID REQUIREMENTS</u>	<u>COMMENTS</u>
METROPOLITAN DISTRI	YES	\$10,000.00	1/91	N/A	COMMISSION DECLARED EMERGENCIES	NO	PREVIOUS LIMIT-\$5,000.00 *MDC BILL
REGIONAL WATER AUTHORITY	NO	\$5,000.00	1980	-	SOLE SOURCE SPECIFIC PROFESSIONAL SERVICES	NO	RWA ORGANIZED IN 1980 THIS ORIGINAL LIMIT.
NORTH BRANFORD	YES	\$7,500.00	4/92	YES	PROFESSIONAL OR OTHER CONTRACTUAL SERVICES UNIQUE IN NATURE.	NO	FOUR LEVELS OF GUIDELINES SEE ATTACHMENT "A"
GLASTONBURY	NO	\$4,000.00	1980	YES	LEGAL SERVICES, UTILITIES	NO	CO-OP BUYING, STATE AND FEDERAL BID PIGGYBACKING.
MIDDLETOWN	NO	\$5,000.00	1982	NO	PROFESSIONAL SERVICE	NO	
WINDSOR	NO	\$36,192.00 1/10 OF 1% OF TAX LEVY	ANNUALLY	YES	PROFESSIONAL SERVICE	NO	QUOTES REQUIRED ADMINISTRATIVLY;
MANCHESTER	NO	\$6,000.00	8/89	YES	PROFESSIONAL SERVICE	NO	
HARTFORD	YES	\$7,500.00	11/89	YES	PROFESSIONAL SERVICES BUT CERTAIN CASES MAY REQUIRE COMPETITIVE	NO	PRIOR LIMIT \$2500.00
EAST HARTFORD	YES	\$5,000.00	3/87	NO	UTILITIES LEGAL SERVICES	NO	
NEW HAVEN	YES	\$5,000.00	1980	YES	PROFESSIONAL SERVICE EXCEPT LEGAL WHICH MUST BE HAVE APPROVAL OF ALDERMAN	YES**	*PRIOR LIMIT \$1500.00 **ATTEMPT THIS YEAR TO RAISE LIMIT TO \$7500.00. ESTIMATES SAVINGS AT 10%.

DANBURY	NO	\$5,000.00	1991	NO	SOLE SOURCE, EMERGENCY ITEMS, SERVICES ALL ORDINANCE, AND USE OF STATE BIDS.	NO	
NEW LONDON	NO	\$8,000.00	7/90	YES	SOLE SOURCE PROFESSIONAL SERVICES EMERGENCIES	NO	
NORWICH	NO	\$3,000.00	1977	YES	PROFESSIONAL SERVICE INSURANCE EDUCATIONAL	NO	CHARTER REVISION COMMITTEE HAS PROPOSAL TO RAISE LIMIT TO \$5000.00. SHOULD SEE SAVINGS.
NORWICH DPU	NO	\$3,000.00	1977	N/A	PROFESSIONAL SERVICE	NO	
NORTH HAVEN	NO	\$1,000.00	1982	YES	FEDERAL, STATE BIDS, SOLE SOURCE EMERGENCIES	N/R	
GREENWICH	NO	\$5,000.00	1987	YES	SOLE SOURCE BEST INTERESTS OF THE COMMUNITY.	NO	PRIOR LIMIT \$3000.00. DEPARTMENTS CAN GET QUOTES AND BUY IF UNDER \$500.00.
TRUMBULL	NO	\$5,000.00	1981	YES	SOLE SOURCE BID WAIVER BY FIRST SELECTMAN.	NO	
BRISTOL	NO	\$5,000.00		YES	UTILITIES, EDUCATION	NO	
FAIRFIELD	NO	\$4,000.00	10 YEARS AGO	YES	PROFESSIONAL SERVICES	YES	CHARTER REVISION NOW BEFORE RTM.
MILFORD	NO	\$2,500.00	1972	NO	STATE BIDS. WAIVER BY LEGISLATIVE BOARD	?	POSSIBILITY
WEST HARTFORD	NO	\$5,000.00	1989	NO	UTILITIES	NO	
BLOOMFIELD	NO	\$5,000.00	1965	NO	NONE	?	WANTS \$7500.00. COMMENT IS NEGATIVE A CHARTER ATTEMPT.

CONN WATER CO.	STOCK CO.	\$5,000.00	1991	N/A	SOLE SOURCE	NO	PROCEDURES UNDER REVIEW.
		CONSTRUCTION					
		\$3,000.00					
		OFFICE EQPT,					
		SUPPLIES &					
		SERVICES.					

SO. NORWALK ELEC.	YES	\$5,000.00	1986	N/A	NONE	NO	
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TOTAL RESPONDENTS = 24

Sovereignty

A not for profit organization of taxpayers and future taxpayers

1154 West Logan Street
Freeport, Illinois 61032
Phone: (815) 232-8737
FAX: (815) 232-5313

SOVEREIGNTY PROPOSAL

Per T. Council mtg 5/24/94
Public Q & A

Sovereignty is a nonpartisan, not for profit organization founded with two purposes: (1) to reduce the high and escalating taxes, both income and property, and (2) to fund to a greater degree the necessary and legitimate needs of our communities and nation. The needs we refer to are bridges, roads, water/sewer/waste disposal systems, environmental projects, education, housing, and health care. In summary, we want less taxes and greater funding.

Sovereignty has correctly identified a massive amount of waste in the form of interest payments that we make on federal, state, and local government debt. The cost per person for just interest on the federal debt is \$1,200 per year. When one multiplies this amount times the population of one's city or county, it is evident that the waste is massive. It is waste because no borrower gets any value from interest payments.

Sovereignty wants tax-supported bodies to be able to borrow money interest-free directly from the U. S. Treasury for capital projects and for paying off existing debt. It is a loan, not a grant, and is to be used to build capital projects, not to pay day-to-day expenses. As the loans are repaid to the U.S. Treasury, the money is extinguished out of the money supply. The Treasury would get the money not from the federal budget, but rather Congress would create the money (as authorized in the U. S. Constitution Article 1, Section 8, Clause 5) just like banks and the Federal Reserve do every day.

Creating additional money for such loans increases the money supply. We would fully expect the economy to grow in proportion to the increase in the money supply. If it didn't the Federal Reserve can adjust the reserve requirement of the banks by the fraction needed. This action along with other safeguards of the plan to prevent "too much money" from being created and thus no inflation is possible.

Tax bodies would be able to borrow for a second reason and that would be to pay off their existing debts. The savings in doing so would free up future interest payments that otherwise would have had to be made. The savings thus generated must be used to reduce taxes and/or build additional capital projects. The interest-free loans cannot be used for day to day expenses.

Obvious benefits would be:

- . A reduction in taxes.
- . The ability to get at more necessary projects.
- . Pay one-half to one-third the price for projects built or repaired.
- . Massive increase in employment specifically in good paying jobs in construction and manufacturing.
- . Greater revenues for all treasuries due to greater employment.
- . Less money paid out for unemployment and welfare.
- . Less crime and social problems as hope replaces hopelessness.
- . No increase in federal debt or federal taxation.
- . No pork barrel as these are loans not grants.

The privilege of creating and issuing money is not only the supreme prerogative of Government, but is the Government's greatest crea

There is ample evidence showing the precedence for the federal government creating money in our country's history. The amount of money Sovereignty proposes is limited but meaningful and allows every state and local government to borrow an amount based on a formula featuring their respective populations or school district enrollment. These loans would be made over a four year period and the action closely reviewed before Congress would vote to continue the process.

"Are public capital expenditures productive?" was a question asked in a study completed in 1990 by David Alan Aschauer, senior economist for the federal Reserve Bank of Chicago. His conclusions were:

- (A) Public investment induces an increase in the rate of return to private capital and stimulates private investment expenditures.
- (B) Public investment brings fourth private-sector output that is seven times as large as the public-sector outlays.
- (C) Given a sufficiently high marginal productivity of government capital spending, a surge in public capital expenditures can bring about a multiple expansion of output, even in an economy with fully utilized resources.

The Sovereignty proposal has already generated a grass roots support to date of 1,803 cities, counties, school districts and townships that have endorsed this proposal, plus the U.S. Conference of Mayors, Michigan State Legislature and the Community Bankers Association of Illinois.

Thirteen economists, three bankers and other professional people make up the Sovereignty Advisory Committee.

TAX BODIES SUPPORTING THE SOVEREIGNTY PROPOSAL
CITIES AND THEIR POPULATIONS

Freeport, Illinois	26,000	Dixon, Illinois	16,000
Sterling, Illinois	16,000	Rockton, Illinois	2,500
Elyria, Ohio	65,000	Lena, Illinois	2,900
Monroe, Wisconsin	10,000	Roscoe, Illinois	1,500
South Beloit, Illinois	4,100	Oregon, Illinois	3,500
Eaton Rapids, Michigan	5,000	DeKalb, Illinois	33,000
Traverse City, Michigan	15,500	Wadsworth, Ohio	15,200
LaPorte, Indiana	21,800	Fairmont, Virginia	22,800
Seymour, Texas	3,550	Freeport, Pennsylvania	2,381
Michigan City, Indiana	37,000	Westmont, Illinois	16,700
North Chicago, Illinois	38,774	Bellwood, Illinois	19,800
Sanford, New York	2,635	Deposit, New York	2,000
Lansing, Michigan	127,321	Fort Myers, Florida	45,200
Waterloo, Iowa	66,000	San Marcos, California	23,600
Weston, West Virginia	4,800	Marsing, Idaho	1,700
Royalton, Illinois	1,300	Clinton, Ohio	1,277
St. Louis, Missouri	394,000	Lyons, Illinois	10,000
Streamwood, Illinois	30,000	Donaldsonville, Louisiana	7,900
Ely, Minnesota	4,820	Gonzales, Louisiana	7,500
Sorrento, Louisiana	1,200	Addis, Louisiana	1,525
Chehalis, Washington	6,000	White Castle, Louisiana	2,180
Cleveland, Ohio	500,000	Opelousas, Louisiana	18,151
Plaquemine, Louisiana	8,000	Brusly, Louisiana	1,900
Port Allen, Louisiana	6,000	Patterson, Louisiana	4,700
Wamego, Kansas	3,720	New Albany, Ohio	3,700
Lutcher, Louisiana	5,000	Edgewater, Florida	6,726
Buffalo, New York	327,200	Port Arthur, Texas	61,195
Franklin, Louisiana	9,584	Berwyn, Illinois	45,426
Gaston, Oregon	1,560	Independence, Missouri	115,000
Brownfield, Maine	1,000	Niagara Falls, New York	61,840
Turbotville, Pennsylvania	1,689	Woodville, Texas	2,636
Harrisburg, Pennsylvania	52,376	Joplin, Missouri	40,961
Calumet City, Illinois	37,840	Walker, Louisiana	3,550
Livingston, Louisiana	1,057	Denham Springs, Louisiana	8,381
Priest River, Idaho	1,560	Hammond, Indiana	84,236
Center Lane, Michigan	9,026	Yamhill, Oregon	820
Carlton, Oregon	1,289	Gunter, Texas	898
Pasco, Washington	20,840	Kennewick, Washington	40,490
Kenosha, Wisconsin	80,352	West Richland, Washington	4,060
Hunnewell, Kansas	100	Rohnert Park, California	36,326
San Anselma, California	11,743	Burlington, Wisconsin	8,855
Cotati, California	5,714	Vista, California	71,872
Chattanooga, Tennessee	152,466	Clarksburg, West Virginia	18,059
Washington, Louisiana	1,253	Napoleonville, Louisiana	835
Edgewood, Texas	1,413	Gramercy, Louisiana	3,000
Goldthwaite, Texas	1,693	Hemet, California	36,094

ST. LOUIS COUNTY MUNICIPAL LEAGUE - 80 CITIES TOTAL POPULATION OF 543,915.

U.S. CONFERENCE OF MAYORS - 1,050 CITIES, TOTAL POPULATION OF 80 MILLION.

SOUTHWEST (CHICAGO) CONFERENCE OF LOCAL GOVERNMENTS-20 CITIES
TOTAL POPULATION OF 269,859.

NORTHERN ILLINOIS MAYORS' ASSOCIATION - 50 CITIES TOTAL POPULATION
OF 454,880

BANKS

COMMUNITY BANKERS ASSOCIATION OF ILLINOIS
515 BANKS

OVER FOR COUNTIES, TOWNSHIPS AND SCHOOL DISTRICTS

COUNTIES AND THEIR POPULATION

Lorain, Ohio	275,000	St. Landry, Louisiana	80,331
Marion, West Virginia	66,000	Whiteside, Illinois	67,000
LaPorte, Indiana	110,000	Assumption, Louisiana	22,500
Darke, Ohio	55,000	Vinton, Ohio	11,600
Green, Wisconsin	30,000	Guernsey, Ohio	46,000
Lawrence, Ohio	63,900	Grand Taverse, Michigan	55,000
Baylor, Texas	4,355	Richland, South Carolina	270,000
Columbia, Florida	35,400	Lee, Florida	205,266
Columbiana, Ohio	113,600	Berks, Pennsylvania	336,000
Ascension, Louisiana	50,068	Iberville, Louisiana	32,159
Ellsworth, Kansas	6,600	Cumberland, Pennsylvania	170,621
Cuyahoga, Ohio	1,500,000	St. Louis, Minnesota	220,000
Buncombe, N. Carolina	173,200	Dauphin, Pennsylvania	245,000
Lebanon, Pennsylvania	113,744	Tyler, Texas	16,464
Jasper, Missouri	90,465	St. James, Louisiana	20,879
York, Pennsylvania	339,574	Lewis, West Virginia	17,223
Livingston, Louisiana	70,526	Nelson, Virginia	12,778
Perry, Pennsylvania	41,117	Bonner, Idaho	26,622
Franklin, Washington	39,200	Suwannee, Florida	26,780
W. Baton Rouge, Louisiana	20,000		

MONTANA ASSOCIATION OF COUNTIES - 56 COUNTIES, TOTAL POPULATION - 803,655

TOWNSHIPS AND THEIR POPULATION

Freeport, Illinois	4,800	Jackson, New Jersey	34,000
Wadsworth, Ohio	4,400	Lakeville, Massachusetts	7,600
Munson, Ohio	50,000	Hampden, Pennsylvania	20,386
Howell, New Jersey	40,000	Springfield, Ohio	40,000
Riverton, New Jersey	2,800	Watsonstown, Pennsylvania	2,310
DuBoistown, Pennsylvania	1,201	Silver Spring, Pennsylvania	8,300
E. Pennsboro, Pennsylvania	16,750		

OHIO TOWNSHIP ASSOCIATION - 1,317 TOWNSHIPS, TOTAL POPULATION - 10.9 MILLION

SCHOOL DISTRICTS AND THEIR ENROLLMENT

Freeport, Illinois	4,800	Orangeville, Illinois	500
Dakota, Illinois	875	LaFourche Parish, Louisiana	16,000
Stockton, Illinois	770	Marion County, W. Virginia	9,576
Byron, Illinois	1,172	Winnebago, Illinois	1,162
Balsz, Arizona	13,000	Collier County, Florida	20,566
Ascension, Louisiana	13,000	Montrose County, Colorado	4,295
Schaumburg, Illinois	16,000	Deposit Central, New York	803
Jackson, New Jersey	5,435	E. Pennsboro, Pennsylvania	2,300
Eastland, Illinois	725	Forest Grove, Oregon	4,300
St. Marys, Louisiana	12,000	Woodville Independent, Texas	1,794
Howell, New Jersey	5,501	St. Louis, Missouri	42,000
Rockford, Illinois	28,500	Ravallie County, Montana	5,202
Ness City, Kansas	364	Independence, Missouri	10,000
Lee County, Florida	45,056	Pasco, Washington	7,149
Richland, Washington	7,997	Kennewick, Washington	12,600
Belvidere, Illinois	4,800	Burlington, Wisconsin	3,401
Lewis, New Jersey	5,435	Orrville City Schools, Ohio	2,027
Maple Lake, Minnesota	770	Windsor Central, New York	2,150
Gaston District, Oregon	770	Peguawket Valley, Maine	1,280
Assumption, Louisiana	4,900	Valder Area, Wisconsin	1,050
St. Helena, Louisiana	1,800	Gunter Independent, Texas	405
		Port Jefferson Station, New York	3,200
		Hononegah Community, Illinois	1,082

SOUTHWEST MISSOURI ASSOCIATION OF SCHOOL ADMINISTRATORS -- 90 SCHOOL DISTRICTS, 171,000

STATES AND THEIR POPULATION
MICHIGAN STATE LEGISLATURE 9.3 MILLION

RESOLUTION

WHEREAS, the City Council of the City of Wallingford must from time to time issue bonds to finance capital projects that are necessary to ensure the health and welfare of the citizens of the City of Wallingford; and

WHEREAS, the City Council of the City of Wallingford recognizes the fact that the cost of interest for bonds issued to fund capital projects is a great burden on the taxpayers of the City of Wallingford.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WALLINGFORD, CONNECTICUT, that it does hereby express its support for this advisory resolution which requests that the United States Congress create money and instruct the United States Treasury to issue interest-free loans to tax-supported bodies for the purpose of funding capital projects and for paying off existing debts.

RESOLVED this _____ day of _____, 1994.

Mayor

ATTEST:

City Clerk

A BILL

To create U.S. Government Credit funds and direct the U. S. Treasury to issue such funds as interest free loans to state and local governments.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as INTEREST FREE LOANS OF
5 U.S. GOVERNMENT CREDIT FOR STATE AND LOCAL GOVERNMENTS.

6 SECTION 2. Under the authority of Article 1, Section 8, Clause 5
7 of the U. S. Constitution, the U. S. Government has the
8 authority to create credit funds to be used for states,
9 counties, cities and towns, school districts and townships.
10 The amount of U.S. Government Credit funds created is based
11 on the 1990 United States census multiplied times \$1,400--
12 approximately \$352 Billion. Each tax body is eligible for such
13 interest free loans based on its official 1990 population, multiplied
14 times the following amounts respectively; states-\$200; counties-\$100;
15 cities/towns-\$600; school districts (enrollment)-\$2,400;
16 townships-\$100. The Secretary of the Treasury is hereby directed
17 to issue such funds to such tax bodies as interest free loans for
18 the building of capital projects and for paying off existing debts.
19 Any savings achieved through such conversion to non-interest bearing
20 debt must be used to build additional capital projects or to reduce
21 taxes, or both. Such capital projects to include, but not limited
22 to, school buildings, roads, bridges, water and sewer projects,
23 waste disposal projects, public housing, public buildings and
24 environmental projects.

25 SECTION 3. Such loans be dispensed over a period of at least
26 48 months to allow for a phasing in period and for proper and
27 prudent planning by the tax bodies. Such loans shall be repaid in
28 a reasonable length of time as determined by the Secretary of
29 Treasury. State and local government statutes will determine the
30 total borrowing limits of the tax bodies. All loan repayments
31 shall be extinguished by the U. S. Treasury thus reducing the
32 nation's M1 money supply by the same amount initially created for
33 such loans.

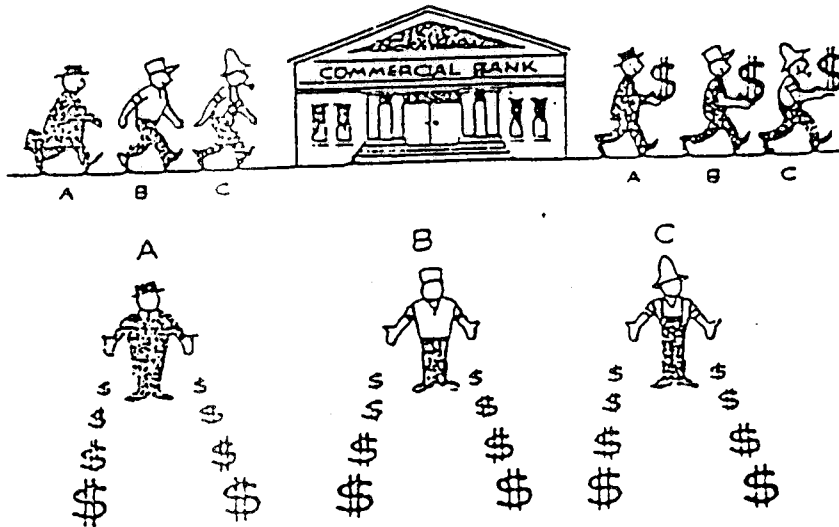
34 SECTION 4. Any administrative costs will be borne by the tax
35 bodies in the form of a small fee.

INSTITUTIONS SUCH AS THE FEDERAL RESERVE AND COMMERCIAL BANKS CREATE MONEY EVERY DAY

Do commercial banks create the money that they lend?

Yes.

ONE INSTITUTION--THE COMMERCIAL BANK--CREATES NEW MONEY--CHECKBOOK MONEY--WHEN IT LENDS. PRODUCERS AND WORKERS BORROWING FROM COMMERCIAL BANKS PUT THIS NEW MONEY INTO CIRCULATION.

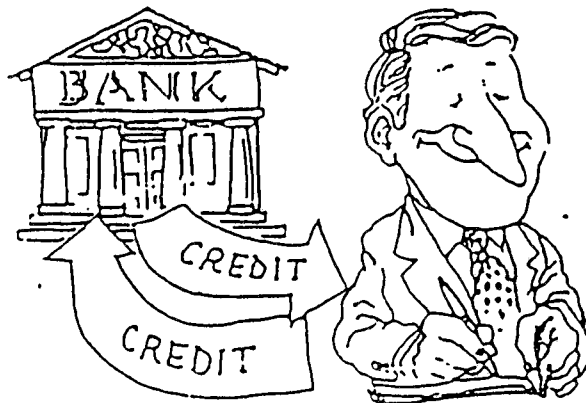


(The Story of Money, Federal Reserve Bank of New York, page 4.)

Do banks extinguish the money paid to them when borrowers repay their debts?

Yes. The money paid to commercial banks goes out of existence and is extinguished out of the money supply.

But bank credit isn't a one-way street. It adds to our money supply, to be sure, but our money supply declines as bank credit is repaid. Banks, then, can "destroy" or "extinguish" money as well as "create" it.



(Money: master or servant?, Federal Reserve Bank of New York, page 14.)

SOVEREIGNTY ADVISORY COMMITTEE

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PROFESSOR OF ECONOMICS
UNIVERSITY OF WATERLOO
WATERLOO, ONTARIO, CANADA

MARGARET THOREN
AUTHOR, FIGURING OUT THE FED
CHAGRIN FALLS, OHIO

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CHAIRMAN/CEO/RELIANCE ENTERPRISES
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CO-AUTHOR, ECONOMICS
UXBRIDGE, ONTARIO, CANADA

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MICHIGAN STATE UNIVERSITY
EAST LANSING, MICHIGAN

BASIL J. MOORE
PROFESSOR OF ECONOMICS
WESLEYAN UNIVERSITY
MIDDLETOWN, CONNECTICUT

RAY STODDARD
BANKER
VICTOR, MONTANA

DAVID SEREDA
PRESIDENT
GREEN & BLUE CORPORATION
BEVERLY HILLS, CALIFORNIA

THE GUERNSEY EXPERIMENT

The following is a summary of the scene and the action taken in the state of Guernsey in the year 1816. Guernsey is an island state located among the British Channel Islands about 75 miles south of Great Britain. Careful and complete documentation of the following is found in the publication listed on the reverse side. One may secure the booklet containing these facts through Monetary Science Publishing at their address listed on the other side of this page.

The scene in Guernsey in 1816 showed their sea walls crumbling, and the roads only 4 1/2 feet wide and all muddy. Their marketplace was almost nonexistent. Their debt was 19,000 pounds. Their annual income was 3,000 pounds of which 2,400 had to be used to pay interest on their debt. It is no wonder that their people were leaving, as there was no employment.

They created and loaned new state notes of 6,000 pounds interest-free. This was in addition to the present monetary system. In 1816, 4,000 of this 6,000 pounds was used to start the repairs of the sea walls. In 1820, another 4,500 pounds was issued again interest-free. In 1821, another 10,000; 1824—5,000; 1826—20,000. By 1837, 50,000 pounds had been issued interest-free for the primary use of infrastructure projects like sea walls, roads, the marketplace, churches, and colleges. This amount of 55,000 pounds more than doubled their money supply during this thirteen year period, but THERE WAS NO INFLATION. In the year 1914, the British monetary system restricted the expansion of their own money supply due to World War I. The people of Guernsey felt they had no restriction on their issue of money. They commenced to issue another 142,000 pounds during the next four years and never looked back. By 1958, over 542,000 pounds had been issued. All of this, as documented, caused no inflation.

The booklet that is referred to on the reverse side was written in approximately 1958. In a conversation with Robert Brown, current treasurer of the state of Guernsey in early November 1990, he indicated that there is \$13 million of this state's issue now in circulation. All of it has been created and issued interest-free.

A visitor to Guernsey in October, 1990, for the purpose of obtaining information for his book, The Debt Virus, writes this:

"I returned from Guernsey last weekend. It is a fascinating little island. There are about 60,000 permanent residents on the island. The average family owns 3.3 cars, their unemployment rate is -0-, and their standard of living is very high. There is no public debt. There is a surplus of public funds which earn interest. The Guernsey Treasury increased the M1 of the island by 40 percent in the last three-year period, and this increase did not do anything to inflation. The price for a gallon of gasoline in England translates to about \$5 U.S., whereas, the price in Guernsey is about \$2 U.S. Contrary to the teachings of current economics in all higher institutions, inflation is not related to the volume of money but rather to the size of the commercial debt."

Mr. Brown added that Guernsey has a low income tax, a flat 20 percent, and a stable government has been enjoyed. These are the benefits that Sovereignty seeks for the citizens of the United States. Their "experiment" has been going on for 176 years and is proof positive that these benefits can be obtained and that the creating of a country's own money and putting it into existence interest-free is the key.

For more information, please write Sovereignty, Post Office Box 782, Freeport, IL 61032.

Mr. Edward Mrkvicka, Jr. of Marengo, Illinois, is the former president and chief executive officer of a national bank in Illinois and is currently a registered investment advisor. Mr. Mrkvicka has authored six books on banking and financing and has received the American Biographical Institute's Distinguished Leadership Award for Extraordinary Achievement in Banking and Finance.

Below are statements made by Mr. Mrkvicka in the video, Sovereignty - An Economic Solution.

"It is important to the understanding of Sovereignty that it can change the destiny of our country. It can create jobs, revive our decaying cities, modernize mass transit, offer new business opportunities to minorities, rebuild educational facilities, lessen factors that exacerbate crime statistics, and strengthen the family unit.

Some of the highlights of the Sovereignty proposal are:

- It is constitutionally correct.
- It will increase tax revenues.
- It will strengthen and help stabilize the economy, long-term.
- It will not adversely impact any financial markets, banks, etc.
- It, if phased in correctly, is not inflationary any more than any added dollar to the money supply is inflationary.
- It has the potential to lower taxes at all levels.
- It will work.

Its simplicity, which may put off those that believe something has to be complicated to be worthwhile, is perhaps its most commanding feature - it can solve, almost immediately, what decades of economic abuse has visited on our nation. Allow for a phasing-in period to lessen any possible impact on inflation, and Sovereignty has no downside.

Lastly, the bottom line is this: What we are now doing isn't working. Why would we want to continue the present policy? Why wouldn't it be better, for example, if a bridge could be built for cost instead of cost plus thirty years worth of interest? Sovereignty is nothing more than going back to the future, as it was never intended that taxpayers pay interest on money Congress has the right to coin."

SOVEREIGNTY - AN ECONOMIC SOLUTION

Economics isn't a science. Sadly, it is an art form. Everyone can interpret as he or she wants. Chemistry is a science and economics should be, but isn't. Five economists will give you six answers to a problem.

So which plan should be followed? Which economists believed? It's easy. The plan that has the most COMMON SENSE.

The Sovereignty Plan asks, Is it COMMON SENSE:

- . to agree that the present system doesn't work?
- . to use loans, not grants (except for special emergencies)?
- . to build capital projects, not for day-to-day expenses?
- . to pay for the projects once instead of three times?
- . to not add to the federal debt?
- . to have the proposal generate much needed jobs, in the good paying fields of manufacturing and construction?
- . to not have any "pork barrel" in the plan?
- . to do this once, check the results before repeating the program again?
- . to have safeguards that prevent inflation?
- . to use the best player on the team (government authority to create money) instead of letting him remain on the bench while it's late in the game and we are losing?
- . to increase federal tax revenues (due to more people working) without increasing tax rates?
- . to reduce money going out the back door in unemployment and welfare benefits?
- . to have local government, the government that generally governs best, implement the plan, set the high standards of excellence so that the federal government could duplicate that for federal project standards?

Are more reasons needed?

Appendix IV

P.O. Box 4313
Yalesville, CT 06492

May 24, 1994

Councilman Geno Zandri
Wallingford Town Council
45 South Main Street
Wallingford, CT 06492

c: Honorable William Dickinson, Mayor
Douglas Dortenzio, Chief of Police
Gerald Powers, Supervisor
Board of Education

Dear Mr. Zandri,

Thank you for your timely response to our call concerning the collapse of the rear of our property at 59 Wooding Road in Yalesville. The site of the collapse is on the far side of the ravine in the vicinity of the area where the Town of Wallingford previously did the work to repair the collapsing LeMay driveway (60 Wooding Road, Yalesville). This latest collapsed area has now also spread to the front of the LeMay property and is adjacent to the corner of the Moran School soccer field.

Due to the depth and width of the collapsed area as well as the ravine itself we are deeply concerned since the soccer field is only fenced in on one side which obviously leaves this collapsed area completely exposed. We would appreciate your prompt attention to remedy this current hazardous and potentially dangerous situation swiftly to avoid and/or prevent the unnecessary risk of accidents or liabilities to all of us concerned. Again, thank you.

Respectfully,

Nancy Krentzlin *Paul Krentzlin*

Nancy and Paul Krentzlin

CHRONOLOGICAL HISTORY OF COMMUNITY LAKE
WALLINGFORD, CT.

Received
5/24/94
@9:30
R. J. W. S.

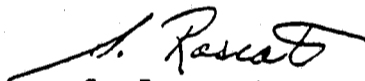
- June 24, 1963: Community Lake deeded to Town of Wallingford by International Silver Co. with proviso that:
- a) property shall be used as recreational area primarily for inhabitants of Wallingford, and/or for a wild life sanctuaty
 - b) maintain present height of dam to provide adequate water for hunting and fishing and maintain channel 4 ft. deep, 3900 ft. long and 100 ft. wide for use by Choate Rowing Crews, from March 1st to May 30th and Sept. 10th to Nov. 10th.
- 1965: Choate dredged channel because of siltration.
- Jan. 25, 1979: Dam at Hall Ave. impounding Quinnipiac River and Community Lake was breached by severe rainfall.
- June, 1979: King's Mark Environmental Review Team conducted a field survey-concluded dam should be replaced.
- March 21, 1980: Approval by Dept. of Environmental Protection for Wallingford's plan to dredge two ponds, 4.5 acres and 5.2 acres respectively, and remove approximately 425,000 cubic yards of sand and gravel for landfill cover use.
- March 25, 1980: Community Lake Study Committee appointed by Wlfd. Town Council. Jeffrey Borne appointed Chairman.
- July 10, 1981: Community Lake Study Committee submitted its recommendations to restore dam. Estimated cost - \$490,000. No action taken by Council.
- 1986: Town dredging of ponds discontinued. Fuss & O'Neill's Bathemetric Survey shows an estimated 200,000 cubic yards of water impoundments were created by dredging. 3 ponds.
- June, 1987: Second Community Lake Study Committee was formed. Phil Wright, Jr., Chairman.
- June, 1989: Contract awarded to Fuss & O'Neill Consulting Engineers by State of Connecticut DEP for Dam Reconstruction Feasibility and Impact Evaluation, Community Lake, Quinnipiac River, Wallingford, Ct. (Cost approximately \$65,000. by State bonding)

July 25, 1990: Report issued by Fuss & O'Neill recommending four options:

- Option I) Construct Dam restoring Lake to its Historical level (52.5 acres)
Estimated cost \$2.5 million
- " II) Lower Dam (21.9 acres) \$1.44 million
- " III) Dredging alone (17.3 acres) Rip-Rap \$832,000.
- " IV) Recontouring and revegitation

No further action was taken by Committee or by Town Council.

May 23, 1994



S. Rascati,
Member of 1980 & 1987 Community
Lake Study Committee

FUTURE ?

Fifteen years has lapsed since dam was breached in 1979. Two study committees and a state funded feasibility evaluation report has recommended restoration of the dam.

The Town of Wallingford has the unique opportunity to create a beautiful scenic and wildlife area which will benefit all the peoples of the Town and provide future generations with an everlasting haven for recreation.

Let's not wait another fifteen years before something is done; we owe it to our children and their children.

State of Connecticut

JOSEPH I. LIEBERMAN
ATTORNEY GENERAL



Office of The Attorney General
30 TRINITY STREET
HARTFORD 06106

Tel: (203) 566-2026

May 1, 1987

Peter Gouveia
Town Council Member
39 Lincoln Dr. Ext.
Wallingford, CT 06492

RE: Community Lake

Dear Mr. Gouveia:

This is in response to your recent inquiry of this office regarding Community Lake in the town of Wallingford.

As you may know, the Attorney General has the duty to represent the public interest in the protection of gifts and devises intended for charitable or public purposes. We have examined the deed of June 28, 1963, whereby International Silver Company quit-claimed to the town of Wallingford its interest in what is called Community Lake. That deed, recorded at Volume 307, Page 618 of the Wallingford Land Records, specifically states that in consideration for the deed:

1. That said Donee does herewith accept ownership of the dam holding back the waters of Community Lake on the line established herein, and said body of water and the land beneath it known as Community Lake.
2. That said property shall be used by said Donee as a recreational area primarily for the inhabitants of Wallingford and or for a wild life sanctuary.
3. That said Donee shall maintain the present height of said dam to provide adequate water for hunting and fishing, having a channel at least but not limited to four feet in depth extending in a straight line a distance of

Peter Gouveia
May 1, 1987
Page 2

3,900 feet and to a width of 100 feet throughout.

4. That said Donee shall maintain said channel and permit the use of said channel by the rowing crews and sculls of Choate School during the rowing season, viz: From March 1st through May 30th and from September 10th through November 10th; said use to be free from interference by other boats, aircraft or other sources which might interfere directly or indirectly during employment of the channel by Choate rowing crews and scull; but this provision shall not be construed to mean that said Town shall provide water from any other source than the natural flow of the Quinnipiac River and its tributaries.

In our opinion, the above quoted provisions create a charitable and public use restriction on the property known as Community Lake. Accordingly, the Town of Wallingford, pursuant to Sections 45-79 and 47-2 of the Connecticut General Statutes, has the obligation to maintain the conditions of the deed and to use the property in accordance with the intent of the grantor. A photocopy of the relevant statutory provisions are attached for your reference.

Under the law, the holder of property subject to a charitable use restriction may obtain relief from the requirement to abide by the restriction if the holder can establish that it is now impossible, impracticable, or illegal to do so. Such a determination, however, may not be made unilaterally by the owner of the property. The established law of this State grants to the Superior Court the exclusive authority to release or modify a charitable use restriction.

Therefore, it is our view that the Town of Wallingford should take those steps necessary to enable it to continue to abide by the conditions of the deed from International Silver Company. If the town believes that present circumstances make it no longer possible, practicable, or legal to adhere to those conditions, then the town should apply to the Superior Court for appropriate equitable relief.

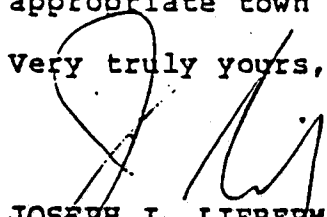
Sec. 45-79. Charitable trusts. Any charitable trust or use created in writing or by deed by any resident of the state, or any public and charitable trust or use for aiding and assisting any person or persons to be selected by the trustees of such trust or use to acquire education, shall forever remain to the uses and purposes to which it has been granted according to the true intent and meaning of the grantor and to no other use.

Sec. 47-2. Charitable uses. All estates granted for the maintenance of the ministry of the gospel, or of schools of learning, or for the relief of the poor, or for the preservation, care and maintenance of any cemetery, cemetery lot or monuments thereon, or for any other public and charitable use, shall forever remain to the uses to which they were granted, according to the true intent and meaning of the grantor, and to no other use whatever.

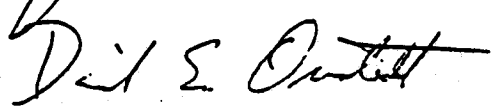
Peter Gouveia
May 1, 1987
Page 3

We would be happy to discuss this with you and any other appropriate town official.

Very truly yours,



JOSEPH I. LIEBERMAN
Attorney General



David E. Ormstedt
Assistant Attorney General

JIL:DEO:pas
Attachment

c: Albert E. Killen, Jr.

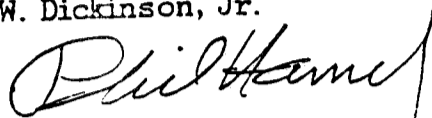
TOWN OF WALLINGFORD
45 South Main St.
Wallingford, CT 06492

Philip J. Hamel, Jr.
Resource Recovery Project Coordinator
(203) 294-2061

May 10, 1994

To: Mayor William W. Dickinson, Jr.

From: Phil Hamel



Subject: Supreme Court decision on ash residue

The U. S. Supreme Court did not rule that waste-to-energy plant ash residue is hazardous. It simply reversed a federal Environmental Protection Agency determination based on federal law that such ash is exempt from hazardous waste regulations. What the ruling means is that ash must be managed for disposal like any other waste material.

The ash from the Wallingford plant and other Connecticut facilities is sampled quarterly by DEP staff and sent to an independent laboratory for testing. Neither the Town nor CRRA has ever been notified that the ash has exceeded the limits established by EPA for heavy metals, the characteristic that would most likely make it fall into the hazardous waste category. To the knowledge of CRRA staff, the ash has never exceeded the EPA established TCLP test limits.

In addition to the ash testing, groundwater at the Wallingford landfill is sampled quarterly by an independent consultant and tested by an independent laboratory. Groundwater monitoring tests have been conducted since the Town operated the landfill.

According to CRRA environmental staff, concentrations of heavy metals of concern in the groundwater under the landfill are at or near drinking water levels and there has been no increase in the concentrations over time.

CRRA is evaluating the court decision and its impact on the Wallingford project. It does not appear at this time that the ruling will have a significant effect on the project nor that ash management poses an environmental problem.

High court rules that incinerator ash is hazardous waste

By Linda Greenhouse
N.Y. Times News Service

WASHINGTON — In a decision that could substantially increase the cost of waste disposal, the Supreme Court ruled Monday that any toxic residue created by burning household and industrial waste in municipal incinerators must be treated as hazardous waste and not dumped in ordinary landfills.

The 7-to-2 decision interpreted a federal law, the Resource Conservation and Recovery Act of 1976, governing hazardous waste, which for years has been the subject of administrative and judicial confusion over its application to the ash left by the new generation of municipal incinerators that burn trash and produce energy.

Because hazardous waste requires storage in specially constructed leak-proof sites and other handling that can be several times more expensive, a large coalition of municipal, county and state governments had urged the court to interpret the law as exempting the ash from regulation as hazardous waste.

But Justice Antonin Scalia, writing for the majority, said Congress had not created an exemption for the ash. He noted that while Congress explicitly exempted municipal incinerators from federal regulation under a variety of circumstances, the law did not mention ash and "simply cannot be read" to support the cities' argu-

ment.

The decision was a victory for the Environmental Defense Fund, a Washington group that had sued seeking treatment of the ash as a hazardous waste.

The Environmental Protection Agency has changed its mind several times on the meaning of the law. In its latest policy, adopted in 1992 in the closing months of the Bush administration, the agency concluded that municipal incinerator ash was exempt from regulation.

The Clinton administration told the justices that while the statute was "ambiguous," the agency's latest interpretation was reasonable and should be accepted by the court.

Reflecting the widespread confusion over the law, the Environmental Defense Fund had received opposing and nearly simultaneous rulings on the issue from two federal appeals courts. That judicial conflict set the stage for the court's ruling Monday.

This case was an appeal by Chicago from a 1993 ruling by the 7th U.S. Circuit Court of Appeals, which held that the ash generated by the city's Northwest Waste-to-Energy Facility had to be tested for toxicity and handled as hazardous waste if it exceeded federal standards for elements like cadmium and lead.

In a case that the Supreme Court did not review, the Environmental Defense Fund lost a virtually identical suit against the operator of a Westchester County incinerator in

Peekskill, N.Y., when the 2nd U.S. Circuit Court of Appeals in New York City ruled that the Resource Conservation and Recovery Act's requirements did not apply to incinerator ash.

The New York metropolitan area has a high concentration of energy-converting incinerators. In Connecticut, six incinerators that burn 6,000 tons of trash a day account for 62 percent of the state's trash, by far the highest proportion in the country.

The Chicago incinerator handles 14 percent of the city's solid waste, while producing steam that Chicago sells for \$1.5 million a year. Nationwide, there are some 150 of these incinerators, with 40 more being planned.

In its Supreme Court appeal, Chicago warned that it would cost more than 10 times as much to dispose of its incinerator ash in a special hazardous waste landfill, which would charge \$453 a ton while an ordinary landfill charges \$42 a ton.

Calculating the actual impact is somewhat more complex. A recent Environmental Protection Agency study said the cost of hazardous waste landfills was not 10 times greater but somewhat more than three times greater than ordinary landfills.

Further, the Monday ruling does not mean that all the ash will automatically be considered hazardous waste. It is now up to the municipalities to test the ash for compliance with federal standards.

Karen Florini, a lawyer for the Environmental Defense Fund, said in an interview Monday that municipalities could take steps to lower the toxicity of the residue.

Ms. Florini said the main source of the dangerous chemicals in municipal trash was discarded batteries and electronic equipment, which can be separated from the trash before incineration.

She also said that the ash that remains at the bottom of the incinerator is usually much lower in toxins than the ash that rises to the top. Although most municipalities automatically combine two types of ash, that step can be avoided, she said.

"This is not brain surgery," Ms. Florini said. "This decision gives municipalities pollution-prevention incentives that are realistically available."

The source of confusion in the law is Section 3001(i), which exempts municipal incinerators from federal hazardous waste regulation in a complex series of provisions that arguably apply to the incinerator residue as well as the incinerator itself.

But finding that Congress failed to mention the residue, Scalia concluded, "The provision quite clearly does not contain any exclusion for the ash itself." Under Scalia's approach to interpreting statutes, that "plain meaning," rather than the law's history or the agency's view, determined the outcome.

Chief Justice William H. Rehnquist

and Justices Harry A. Blackmun, Anthony M. Kennedy, David H. Souter, Clarence Thomas and Ruth Bader Ginsburg joined the opinion, Chicago vs. Environmental Defense Fund, No. 92-1639.

Justice John Paul Stevens dissented in an opinion that Justice Sandra Day O'Connor joined. They said that given the ambiguity in the law, the court should have deferred to the EPA's view.



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Where the Two Continents Meet.

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12:00-5:00 PM
272-3584

Dine Out With Mom On



OFFICE OF THE MAYOR
TOWN OF WALLINGFORD
CONNECTICUT

WILLIAM W. DICKINSON, JR.
MAYOR

May 20, 1994

Wallingford Town Council
Wallingford, CT 06492

Dear Council Members:

Once again elected officials have dedicated many hours to construction of a budget for the Town of Wallingford. The Town Council budget and the Mayor's proposed budget are again separated by the policy differences which have caused previous veto messages. This policy difference is not a new issue, having been discussed continuously over the last five years.

The budget adopted by the Town Council appropriates \$700,000 from the Electric Division and uses the revenue to fund general government operating expenses. This means, for example, that money received from residents paying electric bills will be used to pay Police, Fire, Education and Public Works Departments' salaries and expenses. At the point that electric bills pay for operating expenses of government departments, we have authorized an indirect or hidden tax. Currently, the contribution in lieu of taxes from the Electric Division is used to finance capital projects. Even that can be criticized as a policy, but it has the virtue of not encouraging the growth of government without the willingness to raise taxes. When we seek to pay for the operation of government, tax bills, not electric bills, should be the mechanism of financing. Aside from the philosophical and accounting principles which dictate this policy, from a taxpayer's viewpoint, only local taxes are deductible for federal income tax purposes.

The Council budget indicates an unwillingness to raise taxes in the amount of \$700,000. In the spirit of compromise, though I do not agree with all other Town Council actions on the budget, I will restrict rejection of the budget to expenditures totalling approximately \$700,000.

Wallingford Town Council

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May 20, 1994

Pursuant to Chapter III, Section 7 of the Charter of the Town of Wallingford, the following lines in the 1994-1995 Budget are hereby reduced or disapproved:

General Fund

Revenues

Line 1300 Tax Equivalent Electric Division
from \$2,275,000 to \$1,575,000 (\$700,000)

Expenditures

Police Administration

Line 9908 Improvements to Parking Lot
from \$150,433 to 0 (\$150,433)

Fire Marshal

Line 9904 Department Vehicles
from \$30,000 to \$17,000 (\$13,000)

Recreation

Line 9901 Irrigation Systems
from \$22,000 to 0 (\$22,000)

Engineering

Line 0024 Sidewalk Installation
from \$200,000 to \$150,000 (\$50,000)

Public Works Highway

Line 9960 Long Hill Road Reconstruction
from \$170,000 to 0 (\$170,000)

Debt Service

Line 8582 School Project Financing Self/Bonds
from \$821,250 to \$526,683 (\$294,567)

TOTAL (\$700,000)

RECEIVED ON FILE

MAY 20 1994

AT 12:10 P.M.

ATTEST

jms

Respectfully submitted,

William W. Dickinson, Jr.

William W. Dickinson, Jr.
Mayor