

2003 - 2004 ANNUAL BUDGET

PUBLIC HEARING

APRIL 15, 2003

6:30 P.M.

A Public Hearing on the 2003-2004 Annual Budget of the Town of Wallingford was held by the Town Council in the Robert Earley Auditorium of the Wallingford Town Hall and Called to Order by Chairman Robert F. Parisi at 6:38 P.M. Answering present to the Roll called by Town Clerk Rosemary A. Rascati were Councilors Brodinsky, Farrell, Knight, Papale, Rys & Vumbaco. Chairman Parisi arrived at 7:12 p.m. due to a previous commitment that detained him; Councilors Doherty & Toman were out of state. Mayor William W. Dickinson, Jr. and Deputy Comptroller, Eva Lamothe were also in attendance.

A blessing was bestowed upon the Council by Eugene Riotte, Deacon, Most Holy Trinity Church.

The Pledge of Allegiance was given to the Flag.

Mr. Knight welcomed everyone stating that the purpose of the hearing is to afford members of the public the opportunity to ask questions and make comment on this proposed 2003-04 budget in a public setting. The questions are for the Mayor and the directors of the specific departments and will be addressed to the appropriate person through the Chair.

The Mayor will first deliver his budget message after which the Chair will call for questions and comments on the proposed Board of Education budget. Various Public Utilities budgets will be discussed next followed by discussion on other Town department budgets.

If anyone has multiple questions on various topics concerning a given department, it is requested that one question be asked at a time, affording other members of the public the opportunity to ask their questions also. The question period will continue until everyone has had the opportunity to ask their questions.

Mayor Dickinson: The proposed '04 budget represents and responds to several challenges; one is the effect of revaluation that we see in this year, '03 budget and it continues into '04. We also have less revenue other than local tax dollars and we have the increase in the cost of services. All of those are challenges that must be addressed in the budget. We always have attempted to budget for multi-year horizons, not presenting a budget that is just good for one year, but presenting a budget that prepares the Town financially for Subsequent years that continue to hold challenges for us. Let me begin by giving this

presentation regarding the availability of reserves. The source of this (information) is the Comprehensive Annual Financial Report (C.A.F.R.), the Audit, of June 30, 2002. The General Fund Balance found on page 111 of that document is \$25,580,061. Now, Reserved within that amount is \$5,208,478. That amount is reserved to cover the cost of goods not received in education but expected to be received and also capital costs in general government that are carried over to another year. If you subtract the \$5,208,478 from the \$25,580,061, it gives us a total of \$20,371,583 in the General Fund Balance. Out of that \$20,371,583 an amount was designated for the 2003 budget, the current budget, the budget we are now in. This figure, \$8,416,921 is found on page 111 of the C.A.F.R., the Audit, as well as page 9 of the 2003 budget, it's the Revenue page. That reflects \$8,416,000 coming into the 2003 budget to balance the budget. You have to subtract that from the \$20 million because that money is being used. That gives us a total of \$11,954,662., approximately \$12 million. The double check on this is, if you ask the Finance Department, is this \$8,416,000 available for the 2004 budget, the budget we are discussing tonight, the Finance Department will tell you, no, it is not. They will not certify that money as available which means, effectively, we do not have \$20 million, we have \$12 million. I will explain how that plays out as we deal with the rest of the budget. Page 111 of the audit deals with the reserves available for the budget; the available fund balance; available for the budget for appropriation and page 10 of that same audit explaining the \$12 million. Out of that we are recommending reserving for the AA credit, \$5.4 million. That is a message to credit rating agencies that the Town will continue with our practice of maintaining a healthy fiscal position. That's \$5.4 million; 5%. If you subtract that from the \$12 million, which leaves \$6,600,000. Now we also had a reserve for the Anthem Blue Cross money. The money received as a result of the sale of stocks that the Town owned in Anthem Blue Cross. That is now \$2.4 million. It was \$2.9 million but \$500,000 was used in the current 2003 budget. If you subtract that as well, that leaves us an available balance of \$4.2 million for use in this budget. We are also, out of the reserve on Anthem, recommending \$500,000 to be used. That money is used to reduce the rate increase on the health insurance for employees from 10.85% to 6.19%. That \$500,000 is used to reduce that rate increase which ultimately leaves an Anthem Blue Cross reserve of \$1.9 million. Out of the \$12 million, we have \$4.2 million as if we are going to reserve for credit rating and reserve the Anthem Blue Cross funds, we are left with \$4.2 million available to use against a tax increase for the community. This budget (2004) increases expenditures 3.4%; the budget is going up 3.4%, \$3,632,401. That is the equivalent of 1.2 mills. In that total, Education increases 4.4%, \$2,816,209. and General Government increases 1.9%, \$816,192. Add those together and it's the total \$3,632,401., 1.2 mills. If that were the only affect in the current budget, our mill rate increase would be 1.2 mills, but it is not. As I mentioned there are other things at work. One is reduced state revenues and revenues other than local property tax. We are seeing a decrease of some \$1.5 million which is a .5 mill decrease in those revenues. That becomes a cost in the budget. We can't depend upon those revenues anymore, that has to be picked up by local property taxes. We get to the effect of revaluation and the effect of the reserves. The 2003 budget uses \$7.4 million and that was reserved in order to offset the impact of revaluation. We just experienced that, it was a shifting of the tax burden from commercial/industrial property to

residential property. We had \$7.4 million to offset that. To the extent of that money, the tax increase a result of revaluation was delayed, that portion. About 1/3 of the affect of revaluation was delayed. This year, 2004, we have \$4.2 million as I indicated earlier. It is no longer \$7.4 million, it is \$4.2 million. If we subtract those figures, we have \$3.2 million that has to be picked up in local property taxes. It is no longer subsidized by reserves. It is the additional affect of revaluation, feeling its effect in the property tax. That has the affect of 1.1 mills; \$3.2 million; 1.1 mills. If we add up the budget increase, 1.2 mills, reduce state revenues .5 mills, revaluation impact 1.1 mill – revaluation or lack of returning reserves, gives us a 2.8 mill impact. The budget is not calling for 2.8 mills, it calls for 2.4 mill impact because the Grand List increased. The Grand List accounts for a .4 or 4/10 of a mill increase in revenues. That is subtracted from the 2.8 mills giving us a 2.4 mill increase in the local taxes. Again, we are affected by, not just the increase in services which is 3.4%, we are impacted by reduced revenues from state and sources other than taxes and the lack of the reserves that we had in the current budget. In the process of putting the budget together, certainly we are all very conscious of tax impacts and we like to reduce that as much as possible, the budget requests from General Government and Education were reduced by \$4.9 million; almost \$5 million was reduced from requests. General Government, for instance, the operating maintenance costs of General Government are decreasing by \$147,860. The capital expenses are decreasing by \$631,242. In the money that is being budgeted, \$420,000 increase in debt, primarily for the school project is in General Government. In addition, we are absorbing the new necessity of re-budgeting for pension contribution; another \$400,000. meeting an obligation that we have, due to the stock market and the reduction in the values of securities, we need to make contributions to the pension fund, again. That is \$800,000 - \$900,000 right there. The budget also involves the utilities, Water, Sewer and Electric. There are no rate increases in the utilities. The Electric Division will be undertaking a capital project and putting street lighting on Research Parkway, Laser Lane and Technology Drive, I believe. Water Department will be doing water main replacement. There are no rate increases expected in the utilities. We have a history, I believe, in town of using sound principals and building budgets in a consistent manner. This budget continues that practice. I think it is essential that we do that. I do not think conditions in our society and government are going to improve overnight. We need to continue to use sound principals. I believe we have in the past and we should continue to do so. I would be happy to answer any questions as the budgets progress.

Chairman Knight stated that he would take questions at this time pertaining to the Board of Education's budget.

Robert Sheehan stated that he had questions of the Mayor's presentation and would like to ask them at this time.

Chairman Knight replied, not right now, Mr. Sheehan. We've got a fairly extensive evening with these people. We've got a format that we've proceeded with for several years. I would like to continue with it. You will have ample opportunity to talk with; every question having to do with the budget during the evening. If I may, I would like to proceed with questions regarding the Board of Education budget.

Mr. Sheehan stated, I am not going to sit here until 12:00 a.m. or 1:00 a.m.

Chairman Knight stated, I am sorry. I would really like to give everyone in this room an opportunity to speak but I am going to ask you to stick to the format which we have got for this meeting.

Mr. Sheehan stated, I always thought it was a free and open format, I guess not.

Chairman Knight asked, are there questions regarding the Board of Education budget?

BOARD OF EDUCATION

No questions were forthcoming.

BOARD OF EDUCATION, SPECIAL FUNDS

The following individuals were present to represent the Board of Education's budget:

Kenneth Henrici	Superintendent of Schools
Linda Winters	Business Mgr., Wlfd. School District
Andy Bravo, Chrmn.	Board of Education

Jim Krupp, 2 Jonathan Road stated, in looking at some of the accounts, particularly historical actuals, for instance, "Adult Education Tuition", the revenue exceeded expenditures in F.Y. 2002-03. Thus far, YTD also shows the same, yet when one looks at the request and budgeted amount, one finds that the expenditures and revenues balance. Is this a freak or are these accounts that money is transferred out of to cover other areas later on in the budget year? For example, on page 6, the fifth item down, "Adult Ed Tuition" and down a little further is another, "IDEA Part B".

Board of Education Business Manager, Linda Winters explained, tuitions sometimes come in higher than what we expend and we are allowed to carry the balance over for the Adult Education program.

Mr. Krupp stated, in 2003, you are also running revenue higher than expenditure. Would it therefore not be reasonable to presume that the trend having established itself for a full

fiscal year and half of another fiscal year, one would see the same impact as one prepared for the forward budget? There are other similar accounts as well.

Jean Mantzaris, Director, Wallingford Adult Ed explained, if we ever do "make money" we pour it back into the mandated programs. I am not certain that answers that question.

Mr. Krupp replied, I am not picking on Adult Ed because yours is not the only account that this exists in. As I said, you have "IDEA Part B" which had the same effect, "Preschool Handicapped" which had the same effect; "Outside Services" the same effect. If you go through this you will see a number of areas, "Insurance Contracts" where the revenue exceeded the expenditures yet the budget calls for the two to balance as you go forward. How does this evolve and what is done with the balance of the money? Is it simply transferred into another account?

Ms. Mantzaris answered, ours always remains in "Adult Ed" to carry out programs in future years. That is all I really know.

Mr. Krupp asked, how does that follow through the revenue and expenditure stream when the budget is prepared?

Ms. Winters answered, the special funds are managed in a separate fund and all of the programs are accounted for separately. If we have a balance because the revenues came in higher than the expenditures, we are allowed to carry that over for that specific program. Can you tell me which line item you are looking at where you said that expenditures came in higher than revenues?

Mr. Krupp replied, the point is, revenues were higher than expenditures, what I am referring to.

Ms. Winters replied, that simply means that we have a fund balance and we are allowed to carry that over. In addition, a lot of grants are set up as two year grants so we are allowed to carry the funds over to the second twelve months of that grant.

Mr. Krupp asked, Adult Ed Tuition is not a grant, is it? Isn't it an ongoing program?

Ms. Winters replied, the tuition is a self-funded program. The Wallingford school district charges tuition for courses that we offer. IF the expenditures come in less than the tuition, we are allowed to carry those funds over and, as Ms. Mantzaris indicated, that's used towards the mandated programs.

Robert Sheehan, 11 Cooper Avenue stated, what the previous speaker was trying to get at was, if your revenues are more than your expenditures, how much did you roll over into the new budget? How much did you have left over at the end of this budget?

Linda Winters answered, for state and federal grants we are required to return that money if, at the end of the one or two year grant period, the amount of the grant exceeds what was expended. For other self-funded programs, like Adult Ed or the Cafeteria program, we carry those funds over for that specific program.

Mr. Sheehan asked, do you have a specific figure for each account that you do (have funds left over in) like Adult Education? If you don't use all the money in a one year grant you have to return that money to the state or whomever gives you that grant?

Ms. Winters replied, state or federal government, that's correct.

Mr. Sheehan asked if there was an accounting of the grant funds that have been turned back to the source from which they came?

Ms. Winters answered, we have it broken down and I can certainly get back to you on that. We are required to report that as part of our annual audit. For the grants, it is a very, very small balance. For the most part we spend just about every penny of all state and federal grants we receive. It is a very small balance for Adult Education.

This concluded questions pertaining to the Board of Education's budget.

PUBLIC UTILITIES, P. 62

Raymond F. Smith, Director of Public Utilities and David Gessert, Vice Chairman of the Public Utilities Commission were present to answer any questions that came forward pertaining to utility accounts.

No questions were forthcoming regarding the Public Utilities' Commission's budget.

ELECTRIC DIVISION

Jim Krupp, 2 Jonathan Road stated, the Electric Division has been funding itself by operating out of reserves because its operating budget has been running at a loss. When does the well run dry and when do we have to pay the piper as far as rate increases go?

Mr. Gessert responded, we have a contract that carries us through 2004 for our power supply and when we signed that contract about eight years ago, we anticipated in the early years that the rates would be lower than we were charging and toward the end of the contract the rates would be going up, the rate that we paid. During the early years of that contract, we built up a reserve so we could stabilize rates and we have a rate stabilization fund that we have been utilizing the last several years to keep the rates down and keep them steady through the year 2004. After 2004, we will need new power supply contracts

and we are in the process of looking for sources of power for that time frame when this contract expires. We have a rate stabilization fund which will be used somewhat this year and somewhat next year. As far as any particular rate increases, there are none planned.

Mr. Krupp asked, does that mean there isn't going to be one or you just don't want to estimate how much it is going to be?

Mr. Gessert answered, there is none planned in this budget and I doubt if there will be one planned for next year. Beyond that, I am not sure. My crystal ball and the electric market are both too cloudy right now to give me a real good answer but we do have reserves to cover us this year and next year and maybe a little bit into the next contract if need be.

Robert Sheehan, 11 Cooper Avenue asked, what's the balance in the Retained Earnings account?

Thomas Sullivan, Business Manager of the Electric Division replied, our Retained Earnings balance is about \$64.5 million at the current time, about \$20 million of which is carried in cash and investments. It's just over \$20 million at this time, as of March 31st.

Mr. Sheehan asked, most of that \$20 million is set aside or earmarked for a project here and there?

Mr. Sullivan answered, whether it would be next year's operations, the budget to maintain the rates. There are also capital projects planned.

Mr. Sheehan asked, to maintain the current rates for next year's budget, how much of the retained earnings are you going to need to use?

Mr. Smith answered, it is approximately \$2.58 million just for next year.

Pasquale Melillo, 15 Haller Place, Yalesville asked, is there any possibility that we could end up with monies from our suppliers?

Mr. Smith answered, no. I think what we can hope for to protect our contract as it is and not raise any additional costs. The dispute we have right now is with the new changes in the I.S.O. (independent system operations) in New England that there are congestion costs and losses that weren't contemplated in that contract. I think we are coming to closure with that dispute sooner than we expected.

Mr. Melillo asked if the Town will realize a benefit from the class action lawsuits currently filed around the country?

Mr. Smith answered, most of those are in California. We are not entitled.

Mr. Krupp stated, you indicated that \$2.58 million was coming out?

Mr. Smith answered, I misspoke. It is \$2.65 million.

Mr. Krupp asked, wouldn't the amount that you would have to withdraw to cover the operating loss for the planned fiscal year?

Mr. Smith answered, no, if you look on page 71, it is the appropriation from retained earnings and that is the number that I misquoted.

Mr. Krupp asked again, in looking at the Electric Division budget, would it not be fair to presume that what has to be withdrawn is to cover the operating loss, is that correct?

Mr. Smith answered, no. There is a depreciation expense which is higher than our capital needs next year so that source of funds combined with the appropriation for retained earnings will cover our needs.

Mr. Krupp asked, you may withdraw money from your retained earnings to cover a paper depreciation number?

Mr. Smith answered, to balance what our fund needs are for the year, yes.

Robin Hettrick, 4 Blossom Lane asked, will the anticipated transmission line that is being talked about by both CL&P and UI with a portion of it running through the Wallingford area impact your budgets at all? Is there any work that you are going to have to incur in order for that to run through our area?

Mr. Smith answered, no, absolutely not. That would be an NU or UI obligation. They would not connect into Wallingford Electric, just go by it.

Mr. Melillo asked if PP&L's tax assessment appeal will affect the Electric Division's budget in any way?

Mr. Smith answered, in my opinion, no. That will not affect our agreement with them as far as the lease payments. You would have to discuss the other with the Assessor or Tax Collector. I can't tell you about the tax portion of that.

WATER DIVISION, Page 73-76

Bill Phalen, Office Manger, Water & Sewer Division joined Mr. Smith and Mr. Gessert to answer questions pertaining to this department.

Robert Sheehan, 11 Cooper Avenue asked, what is the balance in the Retained Earnings account?

Mr. Phelan answered, the balance in the Water Division's Retained Earnings Account is approximately \$25 million of which \$7 million is in cash and temporary investments.

Mr. Sheehan asked, are you forecasting any increase in the rates for this upcoming budget?

Mr. Smith answered, no.

Pasquale Melillo, 15 Haller Place, Yalesville raised questions pertaining to the frequency of testing for contamination and whether or not the Town has received funds for anti-terrorism planning with regards to the water supply?

Mr. Gessert stated that the Water Division has its own lab on site and water testing is done almost continuously. No anti-terrorist funds have been received by the utility. Improvements have been made to the system to try and protect our water supply and sewage treatment facility. We are aware there are dangers out there and we have spent and invested money to try and make things a little more difficult for people to attack.

SEWER DIVISION, Page 79-81

Robert Sheehan, 11 Cooper Avenue wanted to know what the balance is in the Division's Retained Earnings account?

Mr. Phelan answered, the balance in the Retained Earnings Account is a negative (\$5,790,00.) of which we do have a reserve of cash of approximately \$7 million. The negative balance is a result of a depreciation expense that is incurred by the division with the construction of the new wastewater treatment plant.

Pasquale Melillo, 15 Haller Place asked if there were any delinquent companies who, for years, have not paid their water and sewer bills?

Mr. Gessert answered, we had some of those a few years ago and we implemented a plan to get everyone's attention who had gotten behind and we did get their attention. We have liens on all of the properties that haven't paid but we reduced our receivables significantly over the last several years. I don't know of any major companies right now that owe us. There was a question recently about CRRA and I understand that that bill has been brought current to date. The rest of them are all current or close to current. All customers are treated equally with regards to the handling of delinquent accounts, no matter what classification of customer they fall into.

GENERAL GOVERNMENT, Page 15

Kate Wall, 34 Leigus Road asked if she could make a comment at this time about the budget, in general, or was there going to be a specific time set aside later for such comments?

Chairman Parisi asked how long her comments were going to be?

Ms. Wall stated, there are a couple of good things about the budget that is being presented this evening. I have worked in other municipalities and I think the detail that is provided in Wallingford's budget is phenomenal. Items are listed, salaries are given; it's great. I would ask though, is when the Council looks at the budget, look at capital. As the Mayor has said, it is a very tough year. There is a huge problem across the state, every town is reacting to this. The only thing that you may be able to cut are capital items. I work in municipal government and no one is putting forth something they don't need. But if it can wait until next year when, hopefully, things will be a little bit easier, I think it might be a better idea. Things are very tight this year and everyone has to buckle down. I am not asking the Council to cut anything else because I think that most of the departments here do a wonderful job as far as how they manage their money and are probably not given enough credit for that.

Chairman Parisi replied, I wouldn't say that.

Ms. Wall stated, this is not directed to the Council.

Chairman Parisi stated, I think we appreciate what they do.

Ms. Wall continued, I am asking that the Council, as a whole, look at the budget and please remember there are a lot of people right now who are laid off. I know myself, even though I have a job and I am very happy with my job, I have a hard time sometimes making ends meet and any type of tax increase hurts.

Pasquale Melillo, 15 Haller Place, Yalesville asked questions pertaining to the Mayor's presentation on the budget when Chairman Parisi called for comments on the Mayor's departmental budget (office budget).

Chairman Parisi stated that unless Mr. Melillo had comments or questions specifically pertaining to the Mayor's Office budget, he was going to move on to the next page.

As Mr. Melillo continued to try and comment on or question the presentation, Chairman Parisi stated that Mr. Melillo was out of order and he was not going to recognize him.

DEPARTMENT OF POLICE SERVICES, Page 32

Pasquale Melillo, 15 Haller Place, Yalesville stated that he feels the Police Department should get the new motorcycle.

Ms. Hettrick, Blossom Lane asked, are we retiring any old vehicles that we may be able to recoup some value for when purchasing the new vehicles? Or are these new purchases in addition to the present fleet?

Douglas Dortenzio, Chief of Police Services stated that the purchases do not expand the size of the fleet. The vehicles that the department acquires are used on the front line. Other vehicles that are still serviceable are rolled into secondary vehicles within the department's fleet. When the department is through with them, they are used by other Town departments so that they will not need to buy new cars. When those departments are through with them, the cars are then traded in for what ever value they may have towards purchases.

Mayor Dickinson asked, the front line vehicles; are they being operated 24 hours a day?

Chief Dortenzio answered, yes it does.

Mayor Dickinson added, the department has 24 hour service over three shifts. Those vehicles are always being operated. That is why every year we try to replace a number of them in order to stay as current as possible.

Chief Dortenzio stated, the front line vehicles accumulate tens of thousands of miles per year running 24 hours a day.

Robert Sheehan asked, how many vacancies are there in the department as of now?

Chief Dortenzio answered, I have one dispatcher vacancy at the moment that we are in the process of waiting for the prospective employee to finish passing the final stages of employment. We have three vacant sworn positions and I would expect that within this week we will probably fill two of those three positions. We already have spots reserved for them in the first week of May for training.

Mr. Sheehan asked, how much of last year's budget did you roll over in this year's budget or did you return it to the Town?

Chief Dortenzio answered, it is all returned back to the Town and we start from scratch each fiscal year. We don't roll any of it over.

Mr. Sheehan asked, what was the amount last year?

Chief Dortenzio answered, we spent just under \$5.7 million last year and I don't remember what the budgeted amount was.

Mr. Sheehan stated, you had more vacancies last year than now.

Chief Dortenzio answered, we accumulate wage monies not just through vacancies. We had several employees last year that were overseas in conjunction with military call-up so we stopped payment on their salary. They actually make more in the military. I have two overseas right now. I have another employee who, unfortunately, has a medical problem and hasn't worked in a year. We do accumulate money but if those people were to return tomorrow unexpectedly, I have to have the capital on hand in order to pay their salaries.

Mr. Sheehan asked, and you budget for your vacancies anyway in the event you are going to fill them? The three vacancies you have now, you are budgeting...

Chief Dortenzio interrupted to say, those positions are budgeted. We expect to have three out of those four filled within...two of them by the end of this week, the third one probably within the next ten days.

Mr. Sheehan stated, I know you have had problems filling vacancies before with people leaving. Has that changed in your opinion? Are things getting better in that area?

Chief Dortenzio answered, it has been better for us in the last twelve months. It is still a national problem; it is still a problem elsewhere in the state. The state made some changes that stopped what was commonly referred to as a predatory hiring practice where a lot of municipalities were hiring and training people and losing them before they actually began work to other municipalities who were paying more in terms of their salary. It was such a problem throughout the state that there were actually some regulatory changes that were imposed in the last twelve months that have stabilized the situation some and the general assembly is looking at the issue this year comparing the situation in Connecticut to some legislation already enacted in other states designed to minimize the same problem. For us, it has stabilized in the last twelve months but I don't think the situation is close to being resolved on a national basis. It is going to persist for some time.

Pasquale Melillo, 15 Haller Place, Yalesville asked if there is enough money for communications at the department?

Chief Dortenzio answered, the Town made an investment in communications for the department of over \$1 million approximately 5 years ago in preparation of the combining of the dispatching center which is now done through the police department, both routine calls and the 9-1-1 calls. The equipment is state-of-the-art and remains so. We are going to start to see some costs this year in terms of scheduled maintenance on that equipment for the very first time. The system works very well and we are very pleased with it. I have no complaints.

Mr. Melillo inquired about service maintenance contracts.

Kate Wall, 34 Leigus Road stated, it is sad that there our military leave employees are making more than their salary with the Town.

Chief Dortenzio stated, it is not their base salary. The folks that I have on military service do some pretty unique tasks and they actually get a variety of different additions to their base salary because of the task they do, because of their rank, because of the fact that they are overseas. They do some pretty unique things and we are very proud of them.

Ms. Wall asked, do you have any idea when contract negotiations will settle?

Chief Dortenzio answered, it is in binding arbitration and we are expecting an award some time this summer. I don't know a specific timeline beyond that.

Ms. Wall asked, does that money come out of contingency?

Chairman Parisi answered, yes.

Mr. Melillo asked for a brief description of a few of the line items such as "specialty weapons" and "bullet containment system".

ANIMAL CONTROL (Dog Pound), Page 34

Jim Krupp, 2 Jonathan Road stated, it looks to me as though the head count in the Dog Pound has remained constant, yet you are projecting a salary request one-third less than appropriated this fiscal year.

Mayor Dickinson explained, one full-time position is not being funded that was in the previous budget. There should only be one hourly bargaining position.

Robert Sheehan, 11 Cooper Avenue asked, has all the work been done at the Dog Pound? Has it all been completed?

Mayor Dickinson replied, I believe so, yes.

DEPARTMENT OF FIRE & EMERGENCY SERVICES. Page 36

Pasquale Melillo, 15 Haller Place, Yalesville felt that the department should get the fire truck it needs.

HEALTH DEPARTMENT, Page 44

Jim Krupp, 2 Jonathan Road asked, the head count has not changed over the past two years yet we are looking at a department request and approval that's 25% higher than it was two years ago. Please explain the rationale.

Eloise Hudd, Director of Health replied, one of our part time individuals was previously on contract for a grant who is no longer a grant person. He is strictly a Town part-time employee. All of his funding is from the Town which may account for the difference in the salaries.

Mayor Dickinson stated, the actual for 6/30/02 shows \$15,500 in Prof. Services Consultant account. That expense shows up in the salary line, given that it was believed that we didn't meet the IRS test for a private consultant, they become an employee.

Mr. Krupp asked, that accounts for \$15,000 of the \$57,000 increase.

Mayor Dickinson stated, that would be part of it. Isn't there a grant that came in for the hiring of someone for the barber shop...

Ms. Hudd answered, correct. We are asking for another \$1,800 for that. We have a grant from the state government for \$7,200 that we didn't have previously.

Mr. Krupp asked, and it's going into the salary account?

Ms. Hudd answered, no, it is under professional services.

Mr. Krupp stated, I am only looking at line item #1000, Salaries. It increased from \$211,000 in fiscal year 2002 to \$268,000 in fiscal year 2004.

Ms. Hudd explained, during the fiscal year of 2002, my position was vacant for five or six months. The previous director left in the middle of the fiscal year so that money was not used.

REGISTRAR OF VOTERS, Page 55

Jim Krupp, 2 Jonathan Road asked, in fiscal year 2002 the head count was 340. The department request for 2004; 269, yet salaries increased from \$59,000 to \$99,000.

Mayor Dickinson answered, the Registrars are not here but I know that part of that increase is a result of a classification or salary study that was done at the request of the Registrars and they went from \$12,000 a year to \$18,000 a year.

Mr. Krupp stated, that explains \$12,000 of the \$41,000.

Chairman Parisi added, plus they were without a Registrar for quite a while.

Mayor Dickinson stated, there was only one Registrar for a period of time and, in addition, this budget has increases for the other positions that they pay. There are increases for the people who work at the polls for primaries and elections. I believe there are increases for all of them as well.

Mr. Krupp asked, don't you have 1/3 fewer people than you did in 2002?

Mayor Dickinson answered, there are fewer polling places. There are nine polling places versus fourteen. Without seeing all of the detail in front of me, I believe those are the reasons for the increase in the salaries.

Mr. Krupp stated, you will have to pardon me, it just doesn't tie out. If you look at the head count that goes from 340 to 269 while salaries increased by \$41,000., almost 65-70% just doesn't make sense to me.

Mayor Dickinson stated, part of the reason is that there was a budgeted primary that was paid as well. I think it was a presidential primary. There are salaries paid for that that are not always paid. That would show up.

Mr. Krupp asked, presidential primary in what year?

Mayor Dickinson asked, didn't we have a presidential primary in the last presidential election?

Mr. Krupp answered, that would be in 2000, not 2002.

Mr. Knight stated, didn't the democrats have a gubernatorial primary?

Mayor Dickinson stated, maybe that's what I'm thinking about, the gubernatorial primary.

Mr. Krupp answered, they didn't because Curry and Jepson settled before that time.

Mayor Dickinson answered, without the Registrars here, I am not sure.

Chairman Parisi asked, aren't you still budgeting for it whether there is a primary or not?

Mayor Dickinson answered, we are budgeting for an election and a primary.

Chairman Parisi stated, if there isn't a primary, the money comes back even though it was in the budget. The actual shows that it was never paid out.

Kate Wall, 34 Leigus Road stated, there probably will be a presidential preference primary in March because more than likely the Republicans will re-endorse Bush and there will be a primary for the democrats.

GENERAL FUND, REVENUES, Page 8

Kate Wall, 34 Leigus Road asked if the revenues that will be generated from the new conveyance tax fees are accounted for in the new budget?

Mayor Dickinson answered, we were aware of that. The problem is that there is no way of knowing how many instruments we are going to receive. It is economy sensitive and to depend upon doubling the amount of money becomes a very dangerous thing. If you don't receive the money, you have an automatic deficit.

Ms. Wall responded, I wouldn't necessarily double it but the money received now on conveyance forms will be doubled for at least the next year. It is supposedly a one-shot deal. If you take a history and go back through and find out an average of what the Town has received in conveyances, it should give you an idea. You can take 60 or 75% of it. You will be receiving more money in the Town for that. Is that correct?

Mayor Dickinson answered, depending upon the number of instruments. There is no guarantee that you will receive more money in the end. It depends upon how many instruments are recorded.

Ms. Wall asked Town Clerk Rosemary Rascati, have you received more money in conveyances since March 15th to April 15th?

Town Clerk Rosemary Rascati answered, yes we have received more but we are still tracking. We don't know in a fiscal year how many we are going to receive and how many we are not. Last year the January instruments number declined. The months of January & February started slow and then it picked right up after that. It is very difficult to estimate whether or not we are going to get 12,000 instruments this year and we are going to double the revenue.

Ms. Wall stated, it is not on instruments, it is only on conveyance taxes. It doesn't matter how many instruments you receive, it is the amount of conveyance tax.

Ms. Rascati answered, and right now there are more refinancing than there are conveyances.

Ms. Wall stated, you should still be able to do some tracking. It is the one thing the state gave us...there should be a way to increase the revenues a little bit.

Mayor Dickinson answered, perhaps but it is such a little bit it will have no impact on the mill rate. We are talking about such a small revenue stream compared to the money that we lose.

Jim Krupp, 2 Jonathan Road referred to the revenue line item, "Payment in Lieu of Taxes Gaylord, Acct. #1065" and asked, why is there a projected reduction in the budget?

Mayor Dickinson replied, that is the indication from the state the information we have is that they are reducing that as a pilot payment.

GENERAL COMMENTS

Jim Krupp stated, the taxpayers of Wallingford are facing some serious challenges. For those of us who are in the workforce, if we received any increase at all, it was likely that we got 3% or less this year. We are facing an increase in the State income tax compounded by retro-active assessment. We have seen onerous increases as has the Town in medical insurance premiums and co-pays. We have seen, as has the Town, poor interest rates providing almost no return on investments. The only thing I would ask this Council to do is, as you go through the budget, ask yourselves, in looking at this budget, is it reasonable to ask Wallingford taxpayers to pay 10.6% more in property taxes? If that were a goal, to try and avoid cutting services, what will taxpayers, particularly those on fixed incomes, have to give up to pay the tax increase? Just as we taxpayers in Wallingford will have to make choices, so I believe, should government. Thank you.

Robert Sheehan, 11 Cooper Avenue stated, I listened to the Mayor's presentation at the beginning and I am just going to use his figures. I will not get into the \$8 million that he says we can't touch because come July 1st that \$8 million will wind up back in the bank account probably with another million making it \$21 million. In using his figures, \$12 million we have in reserve; the Electric Division has \$4.5 million in cash; the Water Division has a little over \$7 million in cash and the Sewer Division has a little over \$2 million in cash. That \$13 million. Added to the \$12 million, is \$25 million and for the life of me I cannot see how a 2.8 mill increase is justified; no way, no how. I may have to give up my weekly trash collection or not going to the Town-funded golf course anymore, because those are the services I am going to lose which I don't have now, with an increase.

Pasquale Melillo, 15 Haller Place, Yalesville stated that the Mayor made a statement that the burden of paying taxes has shifted from industry and business to residential homeowners. He asked for an explanation why? He remarked how investment returns are meager and with inflation at approximately 4%, elderly citizen homeowners are going to be hit very hard. He feels that society is greedy and there are too many big businesses making much more money than they should be due to their getting huge breaks on their property taxes, thereby shifting the burden to the working class homeowners and elderly homeowners. People are dying more and more because they can't afford their

medications. The burden of paying taxes should be shifted more towards big industry paying the cost they way they should. Is the Anthem Blue Cross decision going to be appealed by the union or anyone else?

Chairman Parisi did not offer an answer to Mr. Melillo's question but thanked him for his comments.

CAPITAL AND NON-RECURRING, Page 83

Jim Krupp, 2 Jonathan Road asked, out of curiosity, why are we projecting less income from the Electric Division than we realized in 2002 and have budgeted for in 2003?

Mayor Dickinson answered, that amount is based upon a percentage of their gross sales.

Mr. Krupp asked, are you expecting them to use less electricity than in the past?

Mayor Dickinson answered, there was a decline and that is reflected in the amount they pay the Town. There is a formula that is applied. They are projecting a lesser amount. The amount that we are receiving is not based upon the current year, it is based upon the past year, what the sales were as compared to the prior year.

Mr. Krupp responded, then I am totally lost because through January 31st of this year, with seven months of the fiscal year gone, it already contributed \$1,808,000.?

Mayor Dickinson answered, that is the full amount for the whole year. They have contributed their full payment. What they pay is based upon the prior year's experience, not the current year. We won't receive any more payments from them this year.

Vincent Testa, 30 Pieper Drive referred back to Page 83, "Fiscal 2002 Actual" and "Current Year to Date Actual" there is a fund balance deduction. Can you explain what that is? Why are the revenues being offset to such an extent and why they are not in the current budget? What that Fund Balance hole is, \$903,000 and \$2 million? What fund are we talking about?

Deputy Comptroller, Eva Lamothe answered, it is just an offset so that the revenues and expenditures equal. We need to have a balanced budget. That is from the Capital and Non-Reserve Fund and not from anywhere else.

Mr. Testa asked, so the bottom line revenues match the expenditures?

Ms. Lamothe answered, that's right, they have to.

Mr. Testa asked, where did the money go? Is it just an accounting thing?

Ms. Lamothe answered, it is just a book entry, there is no cash. It is book entry to make the revenues and expenditures equal. It is non-cash.

Mr. Testa asked, so only \$223,785 has been expended year to date, correct?

Ms. Lamothe answered, so far, right.

Mr. Testa asked, will the appropriation be met with what's remaining in the year?

Ms. Lamothe answered, no, it will be. We have not made our bond payment yet. If you see the \$910,000 and then we also haven't made a payment for the New Debt Financing so it will equal by the end of the year.

Mr. Testa asked, and it never did in 2002 which was why the adjustment was made there? I am curious, if we brought in \$2,282,356 in 2002 and only expended \$1,3795,233., I understand the reason for making the paper adjustment but, didn't that \$903,000 actually come in and if it did, where did it go?

Ms. Lamothe answered, I would have to look in the CAFR (Comprehensive Annual Financial Report), I am not sure right now, I couldn't tell you.

Mr. Testa stated, it seems as though we brought \$1.87 million from Electric Division, never spent it, where did the \$903,000 go?

Ms. Lamothe answered, we did spend it. We spent it on the capital projects which don't show on this particular statement. If you look at a monthly expenditure report for Capital and Non-Recurring, you would see the expenditures. This does not show the expenditures to the projects.

Mr. Testa asked, because they weren't made under these particular line items?

Ms. Lamothe answered, that's right.

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

VOTE: Doherty and Toman were absent; all ayes; motion duly carried.

There being no further business, the meeting adjourned at 8:29 P.M.

Meeting recorded and transcribed by:

Kathryn F. Zandri
Kathryn F. Zandri
Town Council Secretary

Approved by:

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

7-15-03

Date

Rosemary A. Rascati
Rosemary A. Rascati, Town Clerk

7-15-03

Date

RECEIVED FOR RECORD 6-25-03
AT 2:20 M P M AND RECORDED BY
Rosemary A. Rascati TOWN CLERK

Appendix I



Town of Wallingford, Connecticut

April 15, 2003

SHELBY P. JACKSON III, CCMA
ASSESSOR

DEPARTMENT OF FINANCE
ASSESSING DIVISION
45 SOUTH MAIN STREET
WALLINGFORD, CONNECTICUT 06492

TELEPHONE (203) 294-2001
FAX (203) 294-2003

The Honorable William W. Dickinson, Jr.
Mayor, Town of Wallingford
45 South Main Street
Wallingford, CT 06492

Re: Request for bid waiver and transfer of funds

Dear Mayor Dickinson:

The Department of Finance, Assessing Division submits a request for:

1. Waiver of the competitive bidding process
2. Transfer of funds

Our request is due to:

1. The activation of a property appraiser to active duty military status effective January 10, 2003.
2. The need to conduct residential fieldwork (inspections) as building permits and certificates of occupancy are issued.
3. The need to enter updated property information into our computerized appraisal system for the timely maintenance of the real estate grand list.

On January 10, 2003, property appraiser Stuart Topliff was activated to full-time military duty in the U.S. Army. His current orders extend his military duty until January of 2004. Mr. Topliff is a productive member of our staff, and his prolonged absence is hindering our ability to complete assessment functions in a timely manner.

Existing staff continues to absorb the general office duties normally performed by Stuart, however, we will need assistance with fieldwork (inspections) in the upcoming weeks and months. Some of these functions require that we perform inspections and issue resulting tax bills within a specified (compressed) period.

There are several types of field inspections we conduct on a regular basis. Mr. Topliff's primary concentration is for residential real estate, so we are requesting authorization to contract for appraisal services to supplement our efforts in this area during his absence.

The cost for services during his one-year absence we estimate at \$25,000. We are seeking an initial transfer to fund service for building permits issued through June 30, 2003. Later in the year we would return and request a second transfer once we know the actual number of permits that will need to be processed.

Vision Appraisal Technology, Inc. is a certified revaluation company. We currently use computer-assisted-appraisal software provided by Vision Appraisal. Vision Appraisal assisted the Town of Wallingford with our 2001 revaluation, so they are experienced with the Town and with our standards for maintaining these assessment records.

Competitive bidding would not be in the best interest of the Town because there is no assurance that the lowest responsible bidder would have staff who are:

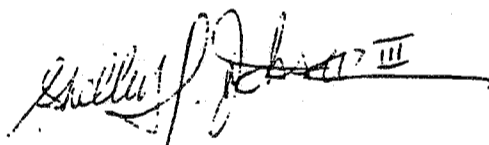
- Trained in the proper operation of our computerized appraisal system
- Trained for Wallingford standards of collecting appraisal information.

We respectfully request a waiver of the competitive bidding process with authorization to contract Vision Appraisal Technology, Inc. to perform the work mentioned above.

We also request a transfer of funds from the Salaries account (001-1401-101-1000) to the Purchased Services – Property Appraisals account (001-1401-901-9010) in the amount of \$15,000 to cover costs incurred through June 30, 2003.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shelby P. Jackson III', with a horizontal line extending to the right.

Shelby P. Jackson III, CCMA II

Assessor

Appendix II



Town of Wallingford, Connecticut

TOWN ATTORNEY
JANIS M. SMALL
ASSISTANT TOWN ATTORNEY
GERALD E. FARRELL, SR.
CORPORATION COUNSEL
ADAM MANTZARIS
DEPARTMENT OF LAW
WALLINGFORD TOWN HALL
45 SOUTH MAIN STREET
WALLINGFORD, CT 06492
TELEPHONE (203) 294-2140
FAX (203) 294-2112

MEMORANDUM

TO: William W. Dickinson, Jr., Mayor
FROM: Adam Mantzaris, Corporation Counsel
RE: **Sonia Zapp, 42 Wall Street – Subordination Agreement**
DATE: April 15, 2003

The State of Connecticut, by pending agreement with Ms. Zapp, has obtained an easement over part of her property in order to reconstruct the bridge over Wharton Brook. The agreed-upon price for the easement is \$26,000.00.

Mrs. Zapp is indebted to the Town by way of real estate tax arrearage in the amount of \$33,471.58 as of April 30, 2003. In order for the State to proceed to a closing on the easement, it requires a subordination of the Town's tax liens to the State's easement.

In consideration of the Town agreeing to so subordinate its tax liens, the State, with the agreement of Mrs. Zapp, will pay the \$26,000.00 to the Town on account of the tax arrearage against 42 Wall Street. Enclosed is a copy of the proposed subordination agreement and a copy of the map showing the easement area.

This memorandum is to request that you make the execution of the subordination agreement by your office an agenda item for the April 22, 2003 meeting of the Town Council. I would urge its approval since the payment very substantially decreases the tax arrearage and there is more than sufficient equity in the remaining real estate to secure the balance and any additional tax arrearage.


ADAM MANTZARIS
Corporation Counsel

AM/bjc

Enclosures



Town of Wallingford, Connecticut

TOWN ATTORNEY:
JANIS M. SMALL
ASSISTANT TOWN ATTORNEY
GERALD E. FARRELL, SR.
CORPORATION COUNSEL
ADAM MANTZARIS
DEPARTMENT OF LAW
WALLINGFORD TOWN HALL
45 SOUTH MAIN STREET
WALLINGFORD, CT 06492
TELEPHONE (203) 294-2140
FAX (203) 294-2112

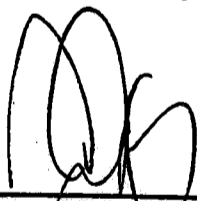
MEMORANDUM

TO: William W. Dickinson, Jr., Mayor
FROM: Adam Mantzaris, Corporation Counsel
RE: **Sonia Zapp, 42 Wall Street – Subordination Agreement**
DATE: April 17, 2003

The closing in escrow took place on Thursday, April 17, 2003. The proceeds from the State for the easement amounted to \$26,500.00, not the \$26,000.00 reported in my memorandum of April 15, 2003.

The Assessor's records show the assessed value of the 42 Wall Street property to be \$94,300.00 and the market value to be \$134,800.00. Under our law, liens for unpaid real estate taxes are ahead of any other encumbrances, including a first mortgage, so there is more than sufficient security for the balance plus of any taxes.

Anyway, I'm holding the check and the State is holding the deed of easement pending Town Council action.



ADAM MANTZARIS
Corporation Counsel

AM/bjc

SUBORDINATION AGREEMENT

Town of Wallingford, a municipal corporation having its territorial limits in the County of New Haven and State of Connecticut, acting herein by _____, hereunto duly authorized, does hereby understand and agree that certain tax liens in favor of the Town of Wallingford, dated May 1, 1995 and recorded in Volume 11 at Page 354; dated May 1, 1996 and recorded in Volume 12 at Page 158; dated May 1, 1997 and recorded in Volume 13 at Page 62; dated May 1, 1998 and recorded in Volume 13 at Page 952; dated May 3, 1999; dated June 30, 2000 in Volume 15 at Page 88; dated May 11, 2001 and recorded in Volume 15 at Page 750; dated May 1, 2002 and recorded in Volume 16 at Page 284, covering certain premises now owned by Sonia Zapp, shall be subordinated only to the following easement, acquired by the State of Connecticut under Project 148-169-002 and for a more particularly description of the above-described easement, reference is made to a map to be filed in the Wallingford Town Clerk's Office entitled: "TOWN OF WALLINGFORD MAP SHOWING EASEMENT ACQUIRED FROM SONIA ZAPP BY THE STATE OF CONNECTICUT DEPARTMENT OF TRANSPORTATION FOR THE RECONSTRUCTION OF WALL STREET BRIDGE OVER WHARTON BROOK SCALE 1:250 (1cm = 2.5m) Jan. 2002 JAMES F. BYRNES, JR. P.E. TRANSPORTATION CHIEF ENGINEER - BUREAU OF ENGINEERING AND HIGHWAY OPERATIONS". Town No. 148, Project No. 148-169, Serial No. 2, Sheet 1 of 1, Revised 4-2-02.

The subordination of said tax liens shall not adversely affect any fee simple interest in said premises on which the above easement is located; and said tax liens shall remain in full force and effect as to the fee simple interest.

IN WITNESS WHEREOF, said corporation has caused its name to be signed by its said officer and its corporate seal to be hereto affixed, this _____ day of _____, in the year of our Lord two thousand and three.

Signed, Sealed and Delivered
in the presence of

Town of Wallingford

By _____ (L.S.)
Hereunto Duly Authorized

Witness

Witness

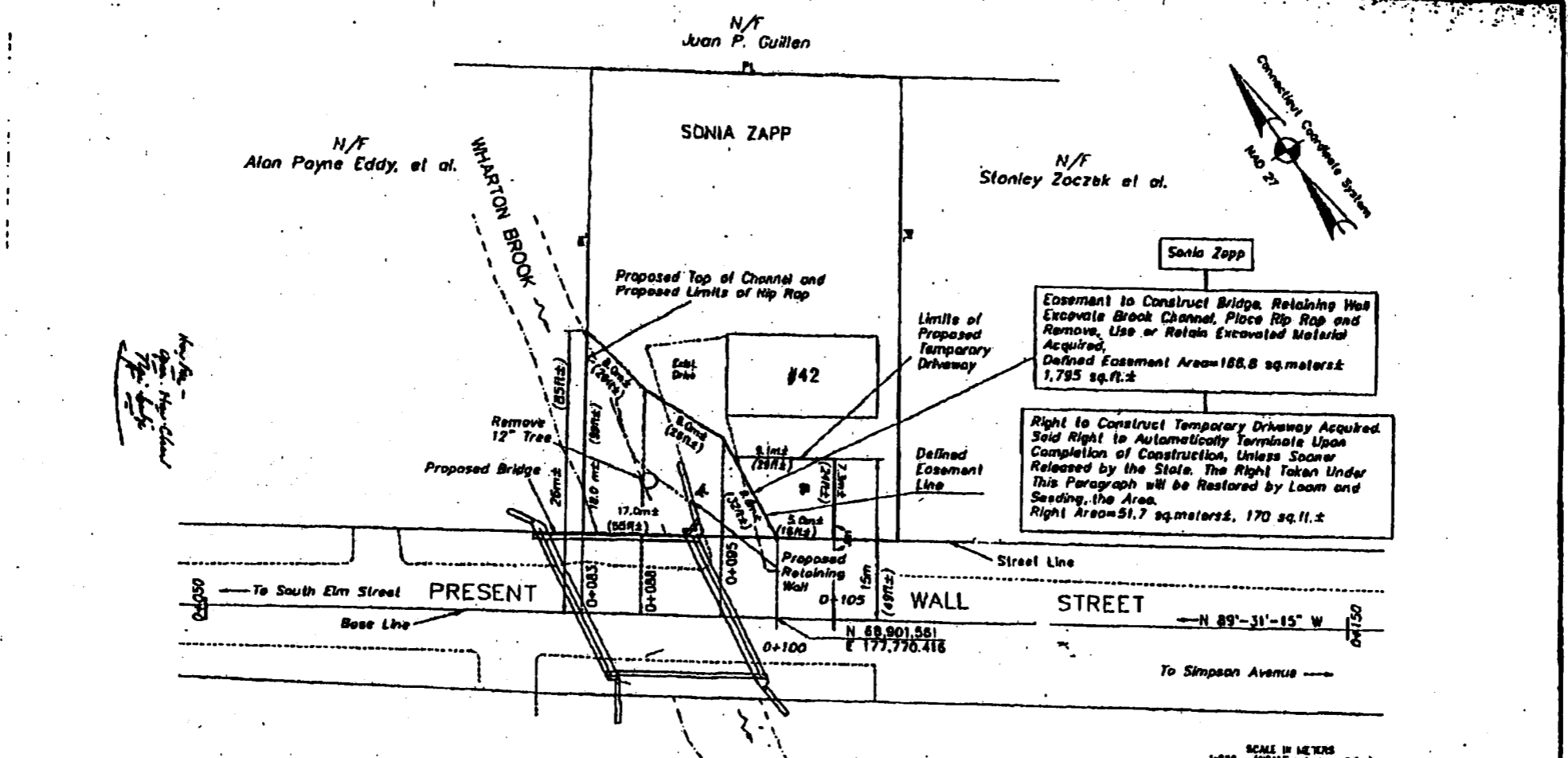
STATE OF CONNECTICUT)
) ss:
COUNTY OF NEW HAVEN)

The foregoing Instrument was acknowledged before me this _____ day of _____, 2003, by _____, of Town of Wallingford, on behalf of the corporation.

My Commission Expires

Notary Public

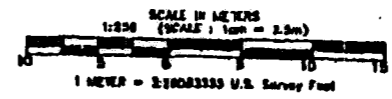
Return to:
State of Connecticut Department of Transportation
Office of Rights of Way-Unit 403
2800 Berlin Turnpike
P.O. Box 317546
Newington, CT 06131-7546



Handwritten note:
 See Map Sheet
 10-100

Easement to Construct Bridge, Retaining Wall, Excavate Brook Channel, Place Rip Rap and Remove, Use or Retain Excavated Material Acquired, Defined Easement Area=188.8 sq.meters±, 1,795 sq.ft.±

Right to Construct Temporary Driveway Acquired, Said Right to Automatically Terminate Upon Completion of Construction, Unless Sooner Released by the State. The Right Taken Under This Paragraph will be Restored by Loam and Seeding, the Area. Right Area=51.7 sq.meters±, 170 sq.ft.±



Notes
 1. Survey has been prepared in accordance with Sections 35-36B-1 and 35-36B-20 of the Regulations of Connecticut State Agencies and the Statutes of Connecticut as amended by the Connecticut Association of Land Surveyors, Inc. on 11.26.1988.
 2. A Right of Way Survey intended to depict the limits of a proposed easement for bridge reconstruction and maintenance.
 3. Boundary Determination Category.
 4. Property lines depicted herein have been computed from record surveys, other maps and field data measurements, and are not to be viewed as being the result of a field survey. No property boundary lines are hereby represented.
 5. Vertical Accuracy Class: A-2 (see also note 4).
 6. Absolute Accuracy Class: B (see also note 4).

C. "Map Showing Plot 'B', The Property of Anthony J. Erdos, Jr. to be Conveyed to Robert E. & Jane B. Erdos, Wallingford, Connecticut, State 11-30, March 18, 1957." Prepared by R. M. Johnson L.S. Map #443 W.L.R.
 D. "Property of Stanley Zoczek, 64 Wall Street, Wallingford, Connecticut, State 11-30, July 23, 1977." Prepared by Russell Gayle L.S. Map # 2456 W.L.R.

TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS MAP IS SUBSTANTIALLY CORRECT AS NOTED HEREON

DATE	REVISION	REV. BY
8-2-02	Adding Owner Name George	SLB

TOWN NO. 148
 PROJECT NO. 148-100
 SERIAL NO. 3
 SHEET 1 of 1

Surveyor
 Ronald C. Pease L.S. 17417
 Maintenance Land Services
 812 Elm Street
 Wallingford, CT 06495

F.A.P. No. 092 - 0148(2) RIGHT OF WAY SURVEY

TOWN OF WALLINGFORD
 MAP SHOWING EASEMENT ACQUIRED FROM
SONIA ZAPP
 BY
 THE STATE OF CONNECTICUT
 DEPARTMENT OF TRANSPORTATION
**FOR THE RECONSTRUCTION OF WALL STREET BRIDGE
 OVER WHARTON BROOK**

SCALE 1:250 (1cm = 2.5m) Jan. 2002

JAMES F. BYRNES, JR., P.E.
 TRANSPORTATION CHIEF ENGINEER-BUREAU OF ENGINEERING AND HIGHWAY OPERATIONS