

The fifth budget workshop was held on Thursday, April 30, 1987 called to order by Chairman David A. Gessert at 7:08 p.m. Council Members Adams, Bergamini, Gouveia, Holmes, Killen, Papale, Polanski, Rys and Gessert were present, along with Mayor William W. Dickinson, Jr. and Comptroller Thomas A. Myers.

ELECTRIC DIVISION, page 140 to the top of 141, Operating Budget

A motion was made by Mr. Rys to move page 140 to the top of 141 for discussion, seconded by Mrs. Bergamini.

Mr. Gessert commented that somewhere over in the Revenue side, it has payment to the Town. Mr. Gessert asked what that is anticipated to be and Mr. Beaumont explained that it is over on page 8, middle of the page, Cont. to Town.

Mr. Rys commented that accounts 440 - Residential and 442 - Commercial, are running over-budget. Mr. Beaumont explained that as of 1/31/87, in the case of 442 - Commercial, you are running at approx. 2/3, which is part of the month ahead.

Mr. Rys stated that he wondered how the figures were arrived at and the Mayor approved. He asked if any consideration is taken as to the anticipation of what the development's going to be and Mr. Walters explained that they have been in negotiations with power suppliers and it looks as though our costs may stabilize, and we are not anticipating any kind of rate increase or decrease in the coming fiscal year.

Mr. Beaumont explained that there was a projected increase in terms of unit sales of 5%, however, because of the anticipated settlements we expected our unit cost to be less than what we originally anticipated. As a result of that, we will probably see some benefits.

Mrs. Bergamini commented that she does not understand how Residential can be almost the same, and added that she has never understood their budget.

Mr. Gessert commented that you have a decrease in residential sales, and houses are being built all over the place, you have Bristol-Myers that is going to be using more electricity this year (industrial) and more industry coming in, and that is down.

Mr. Walters explained that one of the things that you have to go back to, is to look at the 1986-1987 appropriation, which was based on a 13% rate increase, which did not occur, so that was over-stated. The actual increase was closer to 11%.

Mr. Killen stated that the biggest problem he has is that they don't have a report beyond February.

Mr. Beaumont explained that the Director's Report for the month of March was approved at their second meeting in the month of April at which time they are sent to Tom Myers (Comptroller) at the same time they go to Ray Smith and then once it is approved, it goes up to the Mayor, then everything is distributed to the Town Council.

Mr. Walters added that April, May and June are very slack months as far as income, that is why the net income generally drops off. The bulk of sales occur in July, August and into September and then again in December, January and February.

Mrs. Bergamini pointed out that according to their own report, they are already over-budget in Residential by \$143,000 as of February. Why should the request be lower in Residential?

Mr. Gessert explained that the last 3 months are going to tail off.

Mr. Walters added that in the rate revision that occurred in November, some of the fuel adjustment got rolled up into the rates. Instead of showing up as a \$850,000 credit, in the appropriation it showed -0-, that has actually been rolled into the rates based on a 4 mill credit in the rates themselves.

Mr. Beaumont commented that looking out at the total sales after adjustments, we are projecting at this point a \$900,000 increase. The monies that we have saved from NYPA, instead of PASNY, the bulk of it is rolled up into our rate.

Mr. Gessert commented that looking at Production Operation, he sees such things as Boiler Labor, \$13,000 to the end of last year, \$11,000 budgeted this year, \$2,000 spent in the first 7 months, \$26,000 budgeted for next year, and that is a 160% increase on that one. I see Water going from \$3,900 to \$16,000 and I see Misc Station Labor budgeted this year for \$18,000 and \$755.00 spent in 7 months and next year it is budgeted for \$55,000. These figures are substantial increases. 344

Referring to line item 450, Late Payment Charges, Mr. Killen asked to have this explained. Mr. Lee explained that at the end of March, they are at \$285,000. The late payment charges run hand in glove with the bills because they are a percentage of the bills and as the bills drop, so do the late charges.

A motion was made by Mr. Killen to increase line item 450, Late Payment Charges from \$290,000 to \$315,000, seconded by Mr. Rys.

VOTE: Unanimous ayes with the exception of Mr. Holmes who was not present for the vote; motion duly carried.

Mr. Killen pointed out that the interest figure looks high and Mr. Lee explained that the interest figure was projected on a settlement coming back from CL&P, in the form of cash, at a given time. If it does not come back at the projected time, that figure will drop because, we will not have the money to invest.

Mr. Gessert asked to have Production Operation explained and Mr. Walters explained that they are all tied together. Just this Monday, we were fortunate to hire 4 new personnel into the power plant after having been short there for 6 months. What this whole portion of the budget, and even somewhat into the Maintenance area, is based on, is having people available beyond the minimal manning of the plant. Electric Labor is part of the turbine labor and part of that there, is giving them training in that area. When we operate the boilers, we will use more water and the Misc Station Labor, is to cover their training time and just having them on hand.

Mr. Gessert asked Mr. Walters if he budgeted to have these positions unfilled last year and Mr. Walters replied no and added that he had expected them to be available but, we had figured at that time, have them at entry level and so much time has gone by without anyone there, that we have lost the people that could have trained them, so we had to go out and get people with more background and a higher rate of pay had to be allocated for it.

Mr. Beaumont added that they are probably going to have to pay the experienced operators 25% to 30% higher than what they had originally anticipated. There are 2 Chief of Shift positions. We have one Chief of Shift that retired last and another one was going to retire, but agreed to stay on for a period of time in order to be able to train some people, and to lend some of his expertise.

Mr. Gessert asked how many people they have working at the Energy Plant and Mr. Walters answered, 7 people as of Monday (4/27), 3 experienced people and 4 new people. This allows some overtime for the experienced people to work with the inexperienced people.

Mr. Killen asked how long they have been without people for these and Mr. Walters explained that they had one Chief of Shift retire last July, another one retired in September and the most recent one retired in February. Mr. Killen noticed that they had a full year in 1985/86 and Mr. Walters explained that last year all they were figuring on were the 4 people that were there then and the Misc Station Labor only provided for 2 additional people for a part of the year at minimal wages. We now have 3 people with experience who have been working 75 hours a week, to cover the shifts and we have now brought 4 people on. There is going to be a heavy expenditure for a while to get these people trained and until they are trained we can't slack off on the amount of time that the experienced people are spending. Mr. Killen added that he is not making comparisons between 1986/87 and 1987/88, he is going back to 1985/86 and explained that at that point, when you were supposed to have most of your team on board, line 500 was \$10,000, which was in line for what you asked for this year, and now you are going up to \$20,000. Mr. Walters explained that that entire difference in the supervision and engineering is that it provided requesting, with your consideration, a superintendent. The increase in 500 and 510 is a half a year's salary for a superintendent which is the increase that you see in the top line of each group there.

The worth in the Power Plant is now having it operate every day or even many days. It's being there, and being able to operate when we are called upon by CL&P. That plant has a big part in our overall capacity requirement. It covers approx. 1/4 of our capacity needs. If we did not have that, we would have to buy it from CL&P at a much higher cost. Mr. Killen added that the numbers don't come out the way they should come out. We should be producing a lot more income than what we are producing. 34

Mr. Walters added that this saves us approx. \$6 million dollars and we have to maintain it and have people who can run it to have the benefit of that \$6 million dollars.

Mr. Gessert commented that he understands Mr. Killen's frustration because for the past 14 years, he has not been able to understand this and added that some of the other budgets have a tendency to make sense and follow some type of format. However, with this budget if you look at Furnaces & Boilers, spent through 1986, \$29,000, requested for 1986/87 \$314,000 and in the first 7 months spent \$27,000 and next year, \$342,000. The logic of a pattern goes right out the window. Mr. Beaumont explained that with the \$314,000, they were looking to redo one of the boilers, and it has started as of 4/6/87. You will start seeing that account coming down very rapidly. Back in 1985/86, we had figured to do one of the boilers that year and it was put off. In order to have that plant worth \$6 million dollars to us, in order to reduce our demand, it has to be capable of running.

Referring to the Production Operation, Mr. Polanski commented that they are going up 33% in the operation budget and 50% in the personnel. He asked why they are uping the production operation 1/3 which has nothing to do with the maintenance, why are we increasing that operation by 1/3 in expenses? Mr. Walters explained that the operation is primarily labor.

Mr. Beaumont explained that what you have here is all of the energy that comes into town, the bulk of it comes into East Street Sub-Station which is adjacent to the Power Plant and all of the controls for the various circuits are at the Pierce Plant. The energy that is coming in from the North Wallingford Sub-Station is also controlled, in terms of what circuits are being utilized by a remote control system known as SCATA and the control center for that is at the Pierce Plant. That takes 3 bodies to man that all day, 24 hours a day.

Mr. Gessert asked if it was necessary to pay a supervisor \$40,000 to watch over a plant that is hardly ever used and Mr. Walters replied that you have to be sure that it will run when you want it to.

Mr. Beaumont added that if the plant does not run over an extended period of time, you would then lose that portion of it that does not produce.

Mr. Gessert commented that he does not agree with paying the Superintendent \$40,000 and asked what the Chief of Shift does. Mr. Walters explained that up until the present Chief of Shift decided to stay on for a year, he was completely involved in being there for 8 hours, with no one else around him, to do anything. He has done more in the past few months getting ready for the new people, than has been done in the last 3 years. Mr. Gessert asked how many people are down there at any one time and Mr. Walters explained that much of the time, there has been only one. When there were just 4 people, they were just relieving each other. There was never more than 1 person there at a time unless they were on overtime. You have to have 2 people capable of running that plant in case one is ill or on vacation.

Mr. Walters explained that during the day construction and so forth, is the supervisory personnel. If a minor problem happens right now, the phone call would go into the power plant and this person under Electric Labor, would answer the phone, analyze the problem, call a couple of linemen, get them in there, tell them where to go and look after that.

Mr. Polanski commented that he knows someone whose meter was broken and he was charged, and asked why. Mr. Walters explained that they don't have anything in the budget for fixing broken meters. Mr. Polanski asked where the money goes for a charge such as this and Mr. Beaumont explained that it goes into line 421, Misc Non-Operating Income.

Mr. Beaumont commented that a lot of this is looking towards the future. We have to be able to maintain that plant. Perhaps at some point in our sourcing power for the town, we will be looking at the possibility of doing something with that plant in terms of refurbishing it. Some of the skills that are needed today would still be needed then assuming, as an example, we were to go with a combined cycle type of operation, we would still need people who could handle some of the existing equipment that was there.

Mr. Gessert commented that he remembers hearing years ago, that \$1.2 million dollars was going to put the plant back in good shape. Mr. Beaumont explained that the \$1.2 million dollars, outside of converting it, did take care of bringing one boiler up to par.

Referring to line item 506, Mr. Rys asked where the newly trained people will be going and Mr. Walters explained that in another year they would be in the Electric Labor, doing some of the Production Maintenance and in the Boiler Labor.

Mr. Gouveia asked if the \$30 million dollar rebate for customers, will affect us and Mr. Beaumont explained that this is within the State of Connecticut, that goes to their retail customers and does not affect the wholesale customers, ourselves being one of many.

Mr. Gouveia commented that this budget was not touched last year and they were making a profit and this year you are making a profit and did not touch the budget again. If you look at the entire project, we have saved about \$30,000 and restored \$80,000. It seems like, this budget was picked apart but, when it came to the Electric Division, all blank all the way down.

Mr. Killen added that this has an effect on the mill rate and we are closing our eyes to it. I spent all afternoon going line by line using November's budget, January's, February's, etc... On this page alone, for 1985/86 (a full year), the amount that was requested and appropriated was \$682,300, the amount expended was \$450,310, a difference of \$232,000 (page 140). On the following page (141), that is on the plus side, and they over-expended by \$386,000 and when you come to the final column, it was so close it would scare you. (within \$100,000)

Mr. Gessert agreed with Mr. Killen's comments.

Mrs. Bergamini commented that she does not agree with having a plant supervisor paid \$40,000 a year because you have a Chief of Shift and that should do it.

Mr. Beaumont explained that there was one manager in the plant 10 years ago. The total number of management people is no different than it was 10 years ago.

Mrs. Bergamini added that this is not a fair comparison.

Mr. Beaumont explained that what he would like to see, which is included in one of the 900 accounts, is money for a management audit. I would like to see a management audit done to see if we need the people that we have, do we need more people?

Mrs. Bergamini stated that a management audit to get rid of people will never work and added that regarding the additional person at

\$41,190, you are going to add \$11,770 in fringe benefits and that is a lot of taxpayers' money.

A motion was made by Mr. Killen to accept page 140 to the top of 141, as amended, seconded by Mrs. Bergamini.

VOTE: Unanimous ayes with the exception of Mr. Killen who voted no; motion duly carried. (Mr. Holmes was not present for vote)

ELECTRIC DIVISION, page 141 - Distribution Expense- Operation

A motion was made to move page 141 by Mr. Polanski, seconded by Mr. Rys.

Mr. Polanski asked what line 903, Customer Records & Collection was and Mr. Lee explained that this is the Data Processing and Business Office. It is about 75% salaries and the rest, office supplies, the

North Main Street operation. There is considerable increase for the maintenance for the computer, which is one of the larger items. Postage has increased, paper goods, and under normal salaries, there are no new salaries in there. The computer maintenance is about \$35,000 a year.

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Mr. Rys asked what line item 588A, Mapping Contingency consisted of and Mr. Walters explained that this has to do with Mr. Costello's (Engineering) program for the computerized mapping that would be the Electric Division's share.

Mr. Rys asked to have line item 593, Overhead Lines Exp explained and Mr. Michael Holmes explained this entails approx. 55% of all production linemen, and for actual repairs of lines when they break during storms, etc... Included in here is vacations, sick, holiday time. The labor in the Distribution Department is spread throughout every account that you are looking at and by past experience, approx. 60% of you totals fall under O & M. This year's allocation of \$558,060, we are submitting to the PUC next week, a transfer of \$85,000 from this account and we are also supplementing that with \$25,000 that we are reverse encumbering off a P.O. to gain more money. We are projecting something on the order of an additional \$110,000, which will be needed this year.

A motion was made by Mr. Rys to eliminate line 588A, Mapping Contingency bringing the total to -0-, seconded by Mrs. Bergamini.

VOTE: Unanimous ayes with the exception of Mr. Holmes who was not present for the vote; motion duly carried.

Referring to line 594, Overhead Lines Exp, Mr. Killen asked Mr. Holmes if he was going to be asking for another \$110,000 and Mr. Holmes explained that as of today, that account is spent. We will need another \$110,000 for the balance of this year. If you look at the present today O & M budget, bottom line, total distribution operation of maintenance, of our most current budget statement, you will see that that is within 1% of our budget. These figures are largely labor in your O & M accounts and more material in your Capital accounts. If we find that we have unusual or increased expenses in one area, we have to cut back in others. I am sacrificing a particular project in this transfer that is coming up in the next couple of weeks, out of 583, so I am doing without something. There is priority and there is nothing that I can do.

A motion was made by Mr. Rys to accept page 141 as amended, seconded by Mrs. Bergamini.

VOTE: Unanimous ayes with the exception of Mr. Killen who voted no and Mr. Holmes who was not present for the vote; motion duly carried.

ELECTRIC DIVISION - Operating Budget, page 142

A motion was made by Mrs. Bergamini to move page 142, Operating Budget, for discussion, seconded by Mrs. Papale.

Referring to line 926, Employee Pensions & Benefits, Mr. Gessert asked why the amount has increased so much and Mr. Lee explained that some of the retirement benefits are paid from that along with the pension benefits which is \$500,000 alone, Blue Cross, Conn. General and the pension benefits are 22% of salary.

Mr. Gessert asked to have line 930-1 explained (Moving Contingency) and Mr. Lee explained that these are the funds set aside for the Robert Earley move.

Mrs. Papale asked how many people have retired in the past few months and Mr. Lee replied 9. Mrs. Papale then asked if the people that he will be bringing on will be starting lower and Mr. Lee explained that they start higher, in most cases.

Mr. Beaumont explained that most of these are not reflected in here because we were not anticipating when these people would be going. This budget was prepared by the end of January. We have had several Chief Linemen retire and we have had a General Line Foreman retire. The replacements are not initially going to go to the top of the scale on that particular level.

Mr. Gessert commented that the Council was told that when someone leaves, it is back-filled from the bottom. Mr. Smith added that if it is a union position, he will go right to the wage scale that is appropriate for that title. 348

Mr. Gessert asked to have line item 923-3, Outside Services - Counsel explained and Mr. Beaumont explained that they still have some for the rate case in there, which takes care of the engineering firm, GES and there is money going into a Management Audit.

VOTE: Unanimous ayes with the exception of Mr. Gouveia who passed and Mr. Killen who voted no; motion duly carried.

ELECTRIC DIVISION - Capital Budget, page 142-143

A motion was made by Mrs. Bergamini to move page 142-143 for discussion, seconded by Mrs. Papale.

Referring to line item 392, Transportation Equipment, Mr. Gessert commented that nothing has been spent in the last 7 months. Mr. Lee explained that as of today, account 392 has a balance of \$16.97 available, and \$183,000 has been encumbered, and added that the Charter calls for a carry forward of Capital Budget items for 3 years so some has been carried forward to do this. Mr. Beaumont added that the total appropriation for this fiscal year, with your \$137,000 grossed \$214,585 with the carry forward from last year.

Mr. Rys asked what they planned to do with line item 311, Structures & Improvements and Mr. Walters explained that he would like to put a fence around the Power Station and rear of the switch area, because we have a dangerous situation with youngsters being in that area. Mr. Rys then asked about line 314, Turbo-Generator Units and Mr. Walters explained that they are planning a lube-oil purification system and vibration monitoring equipment on the tower and condensor cleaning equipment.

Mr. Rys asked to have line 362, Station Equipment explained and Mr. Walters explained that this is construction work in progress at the North Wallingford Substation. Mr. Holmes added that during the current year, there were a number of items budgeted under this account that total \$110,000 for installation of supervisor control equipment for several substations this year. Three months back, we found that we were in serious difficulty in another account, 364, Poles, Towers & Fixtures. Due to the unbelievable amount of expansion in new services, we were forced to dump the project and we transferred out of this account towards 364. This year, we re-budgeted the project and toned it down a bit.

Mr. Holmes pointed out that last year, they requested monies to re-tube the boilers and asked if that work has ever been performed. Mr. Beaumont explained that that work started on 4/6, with anticipated completion sometime in June.

Mr. Holmes added that there has been significant dollar loss over the past years for inventory and if a man can be put down there to stop the bleeding, that would give us one giant step towards using the thousands of dollars that are being lost every year.

Mr. Adams commented that line items 391 and 391-A, Office Furniture and Equipment, were high and he did not have a breakdown of these items. Mr. Beaumont explained that line 391-A was for the Robert Earley move and added that a lot of the monies were going for Data Processing equipment. (a copy of the listing for Contingency was passed out)

Mr. Killen asked what the last un-encumbered balance was for this year for Capital and Mr. Lee replied \$574,000 (in round figures), and \$1,013,000 expended.

Mr. Gessert asked why it costs \$20,000 for air-conditioning and Mr. Beaumont explained that this is because of the computer equipment. The warmer the room becomes, the more dangerous it becomes for the equipment. Mr. Lee added that this will not be in the contract for Robert Earley.

Mr. Adams asked why they have to have static-free carpeting and Mr. Lee explained that without this, you run the risk of destroying a Drive or any portion of the computer equipment.

VOTE: Unanimous ayes with the exception of Mr. Killen who voted no; motion duly carried.

ELECTRIC DIVISION - Personnel Detail and Salary Calculations, page 180-
to the top of 181 (Administrative & General)

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A motion was made by Mrs. Bergamini to accept pages 180-(top of) 181, seconded by Mr. Holmes.

VOTE: Unanimous ayes with the exception of Mr. Rys who passed; motion duly carried.

ELECTRIC DIVISION - Personnel Detail and Salary Calculations, pages
181-184, (Distribution)

A motion was made by Mr. Holmes to move pages 181-184 for discussion, seconded by Mrs. Papale.

Referring to the Meterman Helper and the Meter Reader (new), Mr. Walters explained that when presenting the budget, I did not make it clear that the change that we were asking for last year and presently, last year we had a Meterman (Chief), Meterman "A" and 3 Metermen "B". When a Meterman "B" terminated, that is a second or third level position, we did in fact, post for and move internally a Meter Reader to a Meterman Helper job, which is the lowest apprentice type position in the Meter Department. When preparing my information to the Mayor and Comptroller, it was clear that I was looking to down grade a Meterman "B" to a Meterman Helper. We have filled the position at a Meterman Helper level.

Mr. Gessert asked if a Meterman "B" is disappearing out of this or is he still there too and Mr. Walters explained that they have reduced the Meterman "B" and replaced it with a Meterman Helper, so the total number of people is still the same.

A motion was made by Mr. Holmes to restore \$15,725. to Meterman Helper (page 184), seconded by Mrs. Bergamini.

VOTE: Unanimous ayes with the exception of Adams who passed, motion duly carried.

Mr. Gessert stated that he cannot believe that they cannot figure out a way to have a Meter Reading Department that has a book for the Water Department and Electric Division. He then asked if it would ever be possible to have a man read 2 meters while at the door.

Mr. Mascia commented that the Water Department is implementing a gadget which will read the meter from a distance and will be hooked up to a computer.

Mr. Beaumont commented that with regard to the Electric Division, there was money in this year's budget which has been expended to the Radix Corporation for some hand held computers which our electric meter readers will be utilizing to go out and record their readings on their hand held computer.

Mrs. Bergamini pointed out that this should save time and asked why they would need an additional Meter Reader and Mr. Beaumont explained that that would save time in the entry of the information. Where you will save on the Meter Reader in this operation, is the re-reads. With this hand held computer, there will be a record of the normal usage and if an outrageous amount is put into the computer, the computer will spit it out, then it has to be re-checked.

Mr. Beaumont added that this will start to be utilized before the end of this current fiscal year.

Mr. Gessert commented that under Distribution, (Electric Division Book) he noticed overtime at \$307,000 and Mr. Walters explained that this is why they have been asking for a new Lineman and Apprentice Lineman. Mr. Gessert then asked, because they have been approved, why doesn't this reduce the overtime and Mr. Walters stated that they are not on board yet. Mr. Michael Holmes added that they are a growing utility and they need additional people to provide the level of service that we are expected to. Under today's conditions, in the last year, the amount of activity in construction in this town, we have been forced to put in this amount of overtime, or a large portion of the overtime, to keep up with them. We are projecting the same level next year in activity.

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Mr. Gessert suggested that if you increase the staffing, we should be able to get more done during normal hours, so we don't have to put in as much time after hours or weekends. Mr. Beaumont added, that they have had a lot of retirements among experienced staff. What we are having to do, because we are unable to get experience Linemen, we have to replace them with apprentices. The apprentices can't do everything that a first class lineman would be able to do. The experience level of the personnel that we have, is dropping. Mr. Smith added that an apprentice is not able to do this much because he has work restrictions built into his job. A lot of times, he has to be working with a first class lineman. So, even though you get a body, you get a body that can do less.

Mr. Holmes asked what a Stock Manager would do that Stock Supervisor would not do and Mr. Walters explained that he would oversee what is going on and some of the things that are not happening to get them done. The Supervisor is actually the Sr. Stock Man.

A motion was made by Mr. Holmes to restore the Stock Manager's position, there was no second.

A motion was made by Mr. Rys to approve pages 181-184, Distribution, as amended, seconded by Mrs. Bergamini.

Mr. Holmes asked if they had any data that reports loss of revenue for bills that are not accurate and Mr. Lee explained that they do not estimate at all unless there is an emergency (Gloria). The policy is, to read every month. Our problem, is trying to render a 30 day bill to our customers.

VOTE: Unanimous ayes with the exception of Mr. Holmes who voted no, motion duly carried

ELECTRIC DIVISION - Production - Personnel Detail and Salary Calculations, pages 184-185

A motion was made by Mr. Holmes to move pages 184-185 for discussion, seconded by Mr. Rys. (see next motion)

Mr. Rys asked to have the positions of Switchboard Operators explained and Mr. Walters explained that at the time this budget was put together, we had 3 Switchboard Operators with numbered years of experience and 1 Chief of Shift. I came before the Council in March and you approved my request to convert 1 Chief of Shift down to a Utility Operator and 1 Switchboard Operator to a Utility Operator and I am down to 4 Utility Operators as of this month.

Mr. Beaumont handed out an addendum that was sent up to the Mayor's Office and did not make the printing of this book, (attached) for Production.

Mr. Walters explained to Mr. Rys that as of last Monday, he has 4 Utility Operators, 2 Switchboard Operators and 1 Chief of Shift.

Mrs. Bergamini pointed out that the addendum (Production) did not match the budget book and this is going to make it very hard to vote.

Mr. Beaumont explained that the additions, over and above those individuals that are on board currently, would be 1 Utility Operator which is the last item on page 33 (attached).

Mayor Dickinson commented that there is no overtime listed in the first submission and there is \$49,100 in overtime listed in this one. Mayor Dickinson added that he does not have an explanation why Mr. Myers book did not include that so, it was not included in the budget, but it was included in the book that I have.

Mr. Gessert asked Mayor Dickinson what the figures were that he had and Mayor Dickinson replied, \$49,100 - vacation, \$9,500 - sick replacement and longevity - \$5,575. (requested)

Mr. Walters pointed that Switchboard Operator (2), should not have a 1 next to it, and we are reducing the number of Switchboard Operators to 2 rather than the current 3.

Mr. Gessert asked the Council Members if they would like to go with the Power Plant Superintendent. An informal vote was taken and all Council Members voted no, with the exception of Mr. Adams who passed. The new total is \$255,826.

A motion was made to accept Production in the amount of \$255,826., seconded by Mrs. Papale.

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VOTE: Holmes, Papale, Polanski and Gessert voted yes.
Bergamini, Killen and Rys voted no.
Adams and Gouveia passed.
motion did not carry.

WATER DIVISION, page 144

A motion was made by Mr. Rys to move page 144 for discussion, seconded by Mr.

Mr. Denison stated that back in 1985, the PUC established a rate to fund the operation (both divisions) for 4 years. We feel that we have presented a budget here which is representative of our needs for the divisions to operate, maintain, capital requisitions and debt reductions. We have submitted to you, a 48 page original submission which contains numerous items, graphs, charts, etc.. that we hope are hopeful to you, with regards to a couple of refinements that we have made this year, in the Water and Sewer Division. First of

TOWN OF HALLINGFORD
PERSONNEL DETAIL AND SALARY CALCULATIONS
DEPARTMENT OF PUBLIC UTILITIES - ELECTRIC DIVISION

Position/Title/Name	Number	Hours Worked	Range Step	Date Last Step	Appropriated 1986-87	Request 1987-88
SECTION						
Plant Superintendent (NEW)	1	40	16-1	(1/2 yr)		19,712
of Shift	1	40	MAX		29,848	29,848
General 9/1/86						CONT
General 9/1/87						CONT
of Shift						
(Filled by Utility Operator)						
Dashboard Operator	1	40	MAX		25,979	25,979
General 9/1/86						CONT
General 9/1/87						CONT
Dashboard Operator	1	40	MAX		25,979	25,979
General 9/1/86						CONT
General 9/1/87						CONT
Dashboard Operator (2)	1	40	MAX		25,979	0
(Filled by Utility Operator)						
ity Operator	1	40	MIN		19,053	21,820
General 9/1/86						CONT
General 9/1/87						CONT
Merit 1/1/88						571
ity Operator	1	40	2		0	24,156
General 9/1/86						CONT
General 9/1/87						CONT
Merit 10/87						983
ity Operator	1	40	2		0	24,156
General 9/1/86						CONT
General 9/1/87						CONT
Merit 10/87						983
ity Operator	1	40	2		0	24,156
General 9/1/86						CONT
General 9/1/87						CONT
Merit 10/87						983
ity Operator (NEW)	1	40	MIN			21,820
General 9/1/86						CONT
General 9/1/87						CONT
Merit 1/1/88						571

- TOWN OF WALLINGFORD
PERSONNEL DETAIL AND SALARY CALCULATIONS
DEPARTMENT OF PUBLIC UTILITIES - ELECTRIC DIVISION

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Position/Title/Name	Number	Hours Worked	Range Step	Date Last Step	Appropriated 1986-87	Request 1987-88
ACTION - Continued						
Time					23,000	49,100
Position & Sick Replacement					7,350	9,500
Availability (All Employees)					<u>5,750</u>	<u>5,575</u>
	10				\$ 162,938	\$ 285,892

all, with regard to the allocation of wages, there were several individuals or positions that we felt were more accurately charged to another area. An example of that would be the laboratory chemist which serves both divisions. The Laboratory Chemist in the past, has not been in either of the unions, it was charged to the Administrative salaries. We feel that that position is more accurately charged to water treatment and waste water treatment expense because, that is what that individual does. Also, each year as we normally do, we assess the activities of our line crews in the areas that we are putting our efforts in and as a result, the allocation base for these people changes from year to year. In this particular year, we have had changes again, to properly allocate the labor and efforts of our line crew to service hydrants, etc. Also, this year we have done something a little bit different with regard to overtime. We did quite an indepth analysis of the overtime in both divisions to determine exactly where it should be budgeted. We looked at our total overtime as a percentage and allocated it accordingly based on labor dollars. What was done this year was, look at each segment of the operations with regard to not only overtime, but we have a lot of standby time, weekend time, holiday time and call-out time in the Filter Plants and Power Plant. We have adjusted our line items upward or downward as we felt necessary. They have gone both ways in order to anticipate the needs of the operation. For the Water Division, in addition to the items I mentioned above, there are a couple of new positions which we hope will help us to go forth, for example, with the meter change out program. Also, a Maintainer 2, which will help us beef up our Water Shed crew and get some activities performed that we are in need of taking care of. Some of the things that are going to effect labor, you will recall last year, at this budget meeting, we had many items that you put into contingency for us. There was a re-organization plan proposed which did not happen because everything was put into contingency and we subsequently took most of them out for 9 months. However, those positions that have been funded, have to be funded, funded for 12 months next year so, that is going to show as a slight increase in labor. Also, the contract increases that we normally have to deal with. There are also situations where a position would be filled at a lesser rate, whereby some of the people at a higher classification are leaving, we are filling them now. As you well know, we have a lot of open positions and are filling them with minimum salary people, or minimum pay scale. On the other hand, there have been upgrades during the year as well. One of the new items that you are going to see in our Operating Expenses, is a drop in Contingency. This is contingent money that we set aside for the drought purpose. We will have to come back to this Council to get it appropriated when the need arises but, in the last several years, we have had a drought condition every year that we had to contend with. There are a couple of other things we would like to discuss with and they are the reinstatement of a couple of items. One of them is a Water Main Differential that was re-classified for \$100,000. We would like to discuss that and see if we can come to an agreement on re-instating that. Also, we have a Water Shed Caretaker that we would like to discuss. for the first time, in a budgetary fashion, we are going to address what we call a Ground Water Supply Program and a Surface Water Program and we know it as a new Water Treatment Plant and we have numbers in this budget that I have showed you earlier that don't appear in the official Town Budget, but they were informational items that you will find in here.

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Mr. Holmes asked how many homes are without meters, at the present time, and Mr. Denison replied, about 200-250, and added that they have been making every attempt to get that rectified to the extent that we have men working on Saturdays now. The method that we found that was helpful was to have a man go around on Saturday with meters under his arm, and he has been averaging 5 to 7 meters a day. So, we have brought it down from 300 to about 250.

Mr. Holmes asked what is done to protect the revenue that is lost and Mr. Smith explained that these people get billed.

Mr. Gouveia asked about commercial and industrial and Mr. Smith explained that they have done a better job with keeping up on the metering, and we only have a few customers without meters. No industrial customers are going with meters at this point.

Mr. Denison explained that they are constantly updating their records to look for any account that has anything of ours out there that is not being billed. That is a continuing operation and has been for 1½ years, at least and there are accounts out there. Our people are out there looking for them and when we find them, we don't retro-bill but, we do start billing for them right at that particular time.

Mr. Mascia added that they are trying to update old accounts that were billed a certain way and maybe it was done in error when it was originally set up. Someone overlooked a fire hydrant, for example, and we are going back and counting all of the fire hydrants on the sites and making sure they are billed properly. So, we are cleaning up the old accounts and going over all of the new ones.

Mr. Denison added that when they developed this new rate, last Spring, they developed some extensive computer programs with the Data-Processing Department. Now, we generate lists and the lists can be checked to see who is on there and who is not. If they are not on there, they are put on.

Mr. Gouveia asked how much water is lost when it comes out of the Water Treatment Plant and Mr. Mascia replied, on average it is about 10%.

Mr. Denison explained that last year, (6/20/86) Bonds were sold for the MacKenzie Dam repair and also the Sewer Treatment Plant. At that point, the interest had to be accrued against the Bonds that were sold in the upcoming fiscal year. The budget had already been passed and we went into a new year and had no place to charge any money for this because none was appropriated. Very early in the year, we did amend the budget to set up the interest on the MacKenzie Dam Bonds and we did it by increasing the interest on investments. We set up the expense that did not exist and in order to fund it, we set up additional revenue in that area.

Referring to line 461-000, Metered Sales, Mr. Rys pointed out that they are showing that they are under-budget by \$15,000 as of Feb. and asked if they had any idea what that figure was going to be in June and Mr. Denison explained that indications right now indicate that we are not going to make the projection. Historically, our lowest consumption billing is March and it did go lower than our estimates. However, we have noticed a sharp increase in consumptions across the board starting in January. We are anticipating, in our June billing to just pick up the industrial billing, then we would have an increase to make up any shortage that we lost, in March.

Mr. Killen asked what the amount of the shortage was and Mr. Denison replied \$90,000.

Mr. Holmes asked if there was a target date for the 250 homes without meters and Mr. Mascia explained that whatever gain they make in the backlog, we get hit with the same amount of new installations. One of the things that we proposed to try to take care of that problem, is in the meter department. We are asking for another meter personnel, one man in that department, whose function would be devoted to meter installations. We are projecting a 10 year change out program, where by, we hope to change out, roughly, 1 thousand meters a year so, in order to get that under way, we have to get past this backlog and get caught up on the new installations so you can start going back pulling out the old meters and installing the new meter. The priority is to take care of the backlog.

VOTE: Unanimous ayes; motion duly carried.

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WATER DIVISION, page 145, Operating Budget

A motion to move page 145 was made by Mrs. Bergamini, seconded by Mrs. Papale.

Mr. Holmes asked if line 926-000, Employees Pension & Benefit, was a firm figure and Mr. Casella explained that it is with the factors for pension of 22%, Blue Cross Blue Shield, etc.

Mr. Holmes asked if the money budgeted for last year (line 926-000) was spent and Mr. Denison explained that the fact that they did not have a lot of people, the benefits were not used. Mr. Mascia added that if they get up to full staff, then that is the number that we are going to hit.

A motion was made by Mr. Holmes to cut line 926-000, Employees Pension & Benefit from \$262,000 to \$250,000., seconded by Mr. Rys.

VOTE: Holmes and Rys voted yes.
Adams, Bergamini, Gouveia, Killen, Papale, Polanski and Gessert voted no.
motion did not carry.

VOTE: Unanimous ayes; motion duly carried (acceptance of page 145)

WATER DIVISION, page 146 - Capital Budget

A motion was made by Mr. Holmes to move page 146, seconded by Mrs. Bergamini. (see next motion)

Referring to line 397-088, Communication Equipment, Mrs. Bergamini asked if these were car phones and Mr. Mascia explained that these are their regular FM business radios, not car phones.

A motion was made by Mr. Holmes to delete line 343-088, Town Mapping Water Share (5/8) from \$25,000 to -0-, seconded by Mr. Killen.

VOTE: Unanimous ayes; motion duly carried.

Referring to line 343-088, Contractor Reimbursements est, Mr. Smith explained that this refers to reimbursements to contractors or developers where they will put in a water line and we pay them for additional footage or additional sizing. In the past year, there has been a number of dollars that has not been spent. Right now, I have a list in front of me that totals \$126,400 that we owe contractors. North Airline Road Subdivision's bill totals \$30,300 which will be paid next week, Strathmore Farms \$44,000, Townline Shopping Plaza, \$14,000, and the Caldor's interconnection was \$19,000. There are a number of these that are outstanding. Right now, there is not even enough money allocated to cover what we are obligated to pay. Mr. Mascia added that they are going to have to carry over a substantial portion of what is outstanding currently, into the next fiscal year and that was what the anticipation of that \$100,000 was, was to cover approx. \$51,000 of carry-over from this year and then give us about \$48,000 to work with for what is currently is being put in the ground today, that we think is going to come due and payable in the next fiscal year.

Mayor Dickinson commented that he is still not convinced. I have a sheet showing 84/85 New Distribution Lines, total expended in that year, \$20,198, 85/86 total expended \$16,187, 86/87 total expended \$5,524. leaving a total of \$104,498 sitting in New Distribution Lines and a request for another \$183,000. What they are saying is they are going to spend over \$126,000 this year, in order to use up the \$104,000+ plus an additional amount in one year when in no prior year have we gone over \$21,000 spent in that year. Now, with \$83,000 on top of the \$104,000, it gives a total of \$187,748. in New Distribution Lines, with what is granted here. The \$100,000 we did take out and put it over for the Water Treatment Plant, but it leaves a balance in there of \$187,000, and I can't believe that we are going to spend all of that in one year.

Mr. Mascia explained that right now, the estimated portion of that total, \$126,400, roughly, \$13,000 of that is an estimate. The remainder is actual bills from contractors. It is an outstanding

obligation that we have to pay. From that account, we also have to pay for our own labor and our own activity installing water mains. These are all projects that have been accumulating over the last 3 years, and they have all come to a point where they are completed.

Mayor Dickinson added that if all of that is paid, and if you end up with a deficit, it can be transferred out of the reserve for the Water Treatment Plant. The historical record does not support spending those kinds of dollars in one year. If it happens, we can look for a transfer.

A motion was made by Mrs. Papale to accept page 146, as amended, seconded by Mrs. Bergamini.

VOTE: Unanimous ayes; motion duly carried.

Mr. Mascia referred to page 11 and explained that the first section is called Well Improvements and Development and it is a ground water development program, and that is trying to correct existing problems for existing wells. We have 3 production wells on line and I would say we have a problem associated with the operation of each one of them, basically in terms of water quality. The first one is well #3 and that is probably the most dominant problem we have today in terms of customer complaints. It is the least health related, but it causes the biggest complaint because it causes staining. We have tried chemical treatment and it has not worked. The only way that we can treat it is to build a treatment plant especially for that well, at great operating expense or attempt to replace it with another well to try to capture that capacity and then abandon well #3. The cheaper alternative, is to find a replacement at this point and there is every indication that we can get a replacement well in the same field, which is on Oak Street, in Yalesville. There is an existing well along side of it, well #2, and it's problem is that it has trace organics in it. There are a number of potential sources for that contamination and most of them are to the north of us. We have the Meriden Landfill, the Meriden Sewage Treatment Plant; industrial plants, etc., a number of different sites. We don't know where it is coming from, it could be coming from all of those sources. We meet state guide lines and EPA standards for the water as it exists today but, if EPA standards change or we pick up a new component that we haven't seen before, that could change overnight and we could be non-compliance. In anticipation of that, if we put another well into that field and invest some money there, I would like to incorporate treatment for trace organics which basically is an air stripping tower. The air stripping tower will solve the problem of trace organics and if we pick up new ones, it will solve those. It is an insurance policy, at this point. We are showing a figure of \$312,900 in order to accomplish that, and that would give us a new well to replace well #3. We haven't really allocated, in a budget form, any monies for an actual new reservoir because it is a major expenditure. We are looking at about \$8 million dollars to \$10 million dollars to develop that reservoir. We have to balance that against what we have currently and what we can get by cheaper sources. The cheapest water we can obtain is, if we can get a well supply, because it usually does not require a high degree of chemicals and operating involvement. If we can develop our wells first, and get as much as we can get from them, then I think that is where the money is best spent at this point.

Mr. Polanski asked how deep the wells are and Mr. Mascia explained that they vary depending on where they are located. Well #3 is 80 feet deep, and the one along side of it, well #2 is 140 feet deep. If we go to the deeper elevation, we will not be drawing from the Quinnipiac River and we should avoid the manganese.

Mr. Mascia added that they have identified some potentials in the Muddy River Basin. Historically, we never looked out there because we didn't think that we could get the yield, there is not the sand and gravel deposits but we found some shallow sand and gravel deposits, that if we develop it as a field, a series of very shallow low yield wells and manifold them all together, we can make a suitable yield out of an area. One of those areas is right down stream from the

MacKenzie Reservoir. We have projected that as 2 clusters of wells, the first one we are estimating at \$625,900. and the cluster #2 at \$485,500. That has the potential for providing possibly, 2 million gallons a day of water from the 2 clusters. We put the wells first

in hopes that these pan out. It may turn out that these are not feasible either because the state won't allow permits for diversions or the water isn't there or the water quality doesn't pan out. If those turn out to be the case, our next option is to look at our reservoir supply and see what we can do to bolster that. 356

Mr. Smith pointed out that some of these projects, especially the Water Treatment Plant, is not fully funded in present rate structure.

Mr. Myers added that the projects that you are going to be funding from the water, the utilities are going to ask for the Water Treatment Plant to be partially funded out of the property tax rate and you should take that fact into consideration, when you are looking at other projects for funding in the Water and Sewer Division.

Mr. Mascia added that one thing that should be noted right away, is that one of the numbers that went into that \$18 million dollar figure at the bottom of the page, is approximately \$9 million dollars for a Water Treatment Plant and I think it should be pointed out, the manager of the Water Division projected a much lower figure. We have gone through the pilot study proposed by him to try and validate that number, and as it turns out, it can't be done for that kind of money. One of the problems with this project is, we are not just talking about a treatment facility, there are a lot of other pieces of the puzzle that have to be put together to make this thing work right and to maximize the reservoir supply. We can't keep going from year to year in a drought contingency. We have enough water to get by on paper, if we had some of these problems worked out. Increasing demand is going to throw all of those numbers out the window. We have to solve our immediate problem, which is, to get adequate treatment on all of the supplies which doesn't exist today and to put in the other pieces to get back the supply we need to meet today's demands and project it into the future. We don't know where future demand is going, we can project it but we don't know for certain.

WATER DIVISION, pages 185-188, Personnel Detail and Salary Calculations

A motion was made by Mr. Polanski to move pages 185-188, seconded by Mrs. Papale. (see next motion)

Mr. Polanski pointed out that some increases in pay were very high and asked to have this explained. Mr. Denison explained that there were some positions that were upgraded for a partial year and now we are talking about funding a full year, at a new level. Therefore, the impact is going to be not from similar levels for both years, but from one level to another level and also for different periods of time.

Mr. Smith commented that there are a couple of recommendations that he would like the Council to consider them. As part of the overall re-organization plan last year, it was my belief that the superintendents in the Operating Division should be in at grade 14. That grade will not make any difference in monies this year, it will just allow them to progress in the prior year. I would like the Council to reconsider the recommendations that I have made for the Water Operations Superintendent on page 187, the Accounting Supervisor on page 185, and we would like to have the Watershed Caretaker increased, page 188.

Mayor Dickinson commented that he does not have a problem with increasing the Watershed Caretaker, but with the others, Mr. Seadale has not reviewed an additional upgrade. I cannot approve them until the Personnel Department supplies its recommendations.

A motion was made by Mr. Holmes to upgrade the Watershed Caretaker from \$19,136 to \$21,136, seconded by Mrs. Papale.

Mr. Mascia explained that the Watershed Caretaker is the lead man on the watershed crew. He is responsible for clearing of trees, planting, chemical treatment in the reservoirs, patrol work, clean up and they are the people that take care of the reservoirs.

VOTE: Unanimous ayes with the exception of Mr. Killen who voted no; motion duly carried. (Mr. Gessert was not present for vote)

A motion was made by Mr. Holmes to accept pages 185-188 as amended, seconded by Mr. Polanski.

VOTE: Unanimous ayes with the exception of Mr. Killen who voted no; motion duly carried. (Mr. Gessert was not present for vote)

A motion was made by Mr. Holmes to move pages 147-149, seconded by Mrs. Papale. (see next motion)

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A motion was made by Mr. Polanski to delete line item 124-088, Town Mapping, seconded by Mr. Killen.

VOTE: Unanimous ayes; motion duly carried.
(Mr. Gessert was not present for the vote)

Mr. Killen asked where the money would be coming from for West View Hills and Mr. Smith explained that there is nothing budgeted and if it comes up in this year's budget, it will have to be amended to the budget.

Mr. Gouveia asked if they were planning on coming to the Council with progress reports on the Sewage Treatment Plant and Mr. Smith explained that there are some problems and the project is delayed and running behind schedule.

Mr. Kirkland suggested that the Council Members come down to the Sewage Treatment Plant, and he would be happy to take them on a tour.

A motion was made to accept pages 147-149 as amended by Mrs. Papale, seconded by Mr. Killen.

VOTE: Unanimous ayes; motion duly carried.
(Mr. Gessert was not present for the vote)

SEWER DIVISION, pages 189-193 - Personnel Detail and Salary Calculations

A motion was made by Mr. Rys to accept pages 189-193 as presented, seconded by Mr. Polanski

VOTE: Unanimous ayes; motion duly carried.
(Mr. Gessert and Mr. Holmes were not present for the vote)

PUBLIC UTILITIES COMMISSION, page 127 A/C 8070

A motion was made by Mr. Polanski to accept page 127 as presented, seconded by Mr. Rys.

Mr. Polanski asked if the Secretarial Services is a once a year billing and Mr. Beaumont explained that they have a regular secretary for the Commission. The Outside Secretarial Services is when we had two secretaries covering the work. Since that time, our regular secretary has covered all of our meetings so, we don't divide our coverage between two secretaries. We have over-expended this year for our secretary and had under-expended for the Outside secretary. She receives \$8.00 an hour.

VOTE: Unanimous ayes; motion duly carried.
(Mr. Gessert and Mr. Holmes were not present for the vote)

PUBLIC UTILITIES COMMISSION, page 179 - Personnel Detail and Salary Calculations :

A motion was made by Mr. Rys to accept page 179 as presented, seconded by Mrs. Papale.

Mr. Killen asked what system is followed regarding the increase in the Director's salary and Mr. Beaumont explained that the Director is responsible to the PUC, rather than being a town employee. We get input from the Personnel Department and use the town average on pay increase. (5.9%)

VOTE: Unanimous ayes; motion duly carried.
Gouveia and Killen voted no.
(Mr. Gessert and Mr. Holmes were not present for the vote)

A motion to adjourn was duly made, seconded and carried and the Fifth Budget Workshop adjourned at 11:28 p.m.

Meeting recorded by:
Susan M. Baron

Meeting transcribed by:
Susan M. Baron, Council Secretary