

MINUTES OF  
THE ANNUAL MEETING  
OF THE  
EAST NORWALK ELECTRICAL DEPARTMENT  
OF THE  
CITY OF NORWALK

HELD ON  
WEDNESDAY, MARCH 5, 2014  
AT 7:00 P.M.  
AT THE MARVIN  
60 GREGORY BOULEVARD  
EAST NORWALK, CONNECTICUT

**ANNUAL MEETING OF THE ELECTORS OF THE THIRD TAXING DISTRICT OF THE CITY OF NORWALK, WEDNESDAY, MARCH 5, 2014, AT 7:00 P.M. AT THE MARVIN, 60 GREGORY BOULEVARD, EAST NORWALK, CONNECTICUT.**

**1. WELCOME AND CALL TO ORDER**

The meeting was called to order at 7:05 p.m. by Chairman Yost.

**2. INTRODUCTIONS**

Chairman Yost introduced Mr. James Smith, General Manager of the Third Taxing District Electric Company, Commissioners David Brown and Debora Goldstein, Dr. Michael Intrieri, Treasurer; John Bove, Esq., District Counsel, Matt Allred, CPA, and himself, Charlie Yost, Chairman.

**3. READING AND ACCEPTANCE OF THE CALL**

Motion was made by Craig Cuttner, seconded by Diane Cece to waive the reading of the call as well as the reading of the Chairman's Report. The motion passed by a unanimous vote.

**4. ELECTION OF A CHAIRMAN**

Motion was made by Vicki Bove, seconded by Craig Cuttner, to nominate Liz Lyons as Chairman. The motion passed by a unanimous vote. Ms. Lyons took over as Chairman.

**5. ELECTION OF A SECRETARY**

Motion was made by Commissioner Brown, seconded by Diane Cece, to nominate Susan Lane as Secretary. The motion passed by a unanimous vote.

**6. REPORT OF DISTRICT CHAIRMAN**

Acting Chairman Lyons noted that the reading of the Chairman's report was waived when the motion to dispense with the reading of the Call was made. The Chairman's report is in the meeting packet.

**7. FINANCIAL REPORT OF THE OPERATION OF THE ELECTRIC DEPARTMENT FOR THE FISCAL YEAR JULY 1, 2012 THROUGH JUNE 30, 2013**

Mr. James Smith, General Manager, went through a PowerPoint presentation and noted, on the Electrical Department Balance Sheet, the Total Assets are up a couple of hundred thousand dollars due to the addition of the Fitch Street and Cervalis substations that were built, and that the Liabilities under Liabilities and Capital went down fairly significantly.

Mr. Allred said the decrease in liabilities is mainly due to the withdrawal of funds from the rate stabilization fund at CEMAC, which was deferred revenue and decreased the liability account from \$7.3M to \$5.8M. Total Operating Revenues remain fairly constant at about \$9.9M, Purchased Power Costs remain fairly constant at about \$6.7M, Operating Expenses remain fairly even and Net Operating Income less expenses remains fairly constant. Other Income is the \$2M that was withdrawn from the rate stabilization fund, which was the funding for the Cervalis Data Center as well as the new substation.

Mr. Smith highlighted several things the Electric Department has done over the last fiscal year, which include building the facilities to service Cervalis at Norden Industrial Park and construction of the Fitch Street Substation. There were a couple of transitional outages with the Fitch Street Substation due to equipment failure, and a couple of weeks later a squirrel got inside one of the equipment boxes which caused some problems. They have made some internal corrections to try to make sure it doesn't happen again.

The Electrical Department celebrated its 100<sup>th</sup> Anniversary in July at Calf Pasture Beach with several presentations and demonstrations. The TTD has gone through a rebranding with a new logo and new look, and they have improved their website. All of their equipment has been changed over metric. They are reviewing potential locations for construction of a charging station from the State for EV electric vehicles, and they have a new phone system to be able to communicate out to customers.

When he took over at the Electric Department a lot of equipment was old and needed repair, and he presented a new capital plan to the Commission, which was subsequently approved, outlining a series of steps over five years for improvements to the system. They are going to a Radio Read system where customer premises will be retrofitted with devices to allow for readings to be done without getting out of the vehicle, which will speed up the meter reading process and result in more accurate bills for the customers.

They recently purchased property adjacent to the Rowan Street substation, which will be demolished and a storage facility built to consolidate materials from several locations to allow crews and staff to pick up materials much more efficiently.

CL&P is getting ready to put through several rate increases over the next six to twelve months to recover some of their Storm Sandy costs. TTD's rates are at or below CL&P, and they can anticipate they are going to be that way for a long time.

**7. FINANCIAL REPORT OF THE EAST NORWALK IMPROVEMENT ASSOCIATION FOR THE OPERATION OF THE EAST NORWALK IMPROVEMENT ASSOCIATION LIBRARY FOR THE FISCAL YEAR JULY 1, 2012 THROUGH JUNE 30, 2013 AND BUDGET FOR THE FISCAL YEAR JULY 1, 2014 THROUGH JUNE 30, 2015**

Mr. Stan Siegel, Executive Director of the East Norwalk Association Library, said a copy of

their budget is in the packet. He introduced the officers of the Board of the East Norwalk Association. Last year they went through both a name and physical graphic change. They are now the East Norwalk Association and the library is now the East Norwalk Association Library. The library was founded by a group of women in 1915 and has been in existence since then. More than half the residents of East Norwalk own an East Norwalk Library card. In an average month the estimated value of the use they provide residents is \$16,601. In addition, they enable their adults to use their public computers at a value of approximately \$4,168 every month. They also rent space in their building to church groups, private parties, weddings, baby showers, etc. They have extension services where they bring their library services out to the community, and they provide a host of other services which have been increasing every year. The library staff, which is a very professional staff, consists of a full-time librarian and a library assistant. They are not asking for anything new this year.

**9. FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR  
JULY 1, 2012 THROUGH JUNE 30, 2013 AND BUDGET FOR THE  
DISTRICT FOR THE FISCAL YEAR 2014-2015**

Commissioner Brown said their new phone system allows them to communicate out to customers, and it is important that they have the ratepayers' cell phone numbers so they can call them when the power goes out. Because the energy assistance programs were no longer available to people who really need help in paying their electric bill, they gave \$20,000 to Person-to-Person, which is an entity that people can go to for assistance.

He briefly went through the line items of the 2014-2015 Third Taxing District Budget, and explained that the \$3,000 difference in Parks is because they had to take over a little park previously handled by the Carver Center. In addition, the concert series went from five concerts to seven concerts this year. They are looking at having an additional ratepayers' meeting in October at an estimated cost of \$4,000. They had two different proposals for the firehouse, one for about \$10,000 and another refurbishing proposal for about \$20,000, but since they were never presented with a contract or bids, they put zeros in the budget. The \$25,000 contingency will never be expended, but they need to put that in there in case they have to repair something or something comes up.

Chairman Yost said the largest component of the budget is the East Norwalk Library which has served their community for the past 100 years. They believe that in order to be a good steward of the library they should provide a focus and a study of its history versus its potential of what it can be, so they are planning on doing a master plan for the East Norwalk Library, which is a process that determines the goals and aspirations of the library and a plan to fund it and implement the findings. In doing this, they must also look at fundraising opportunities, community benefactors, Friends of the East Norwalk Library, state and federal grants, fees for services, etc., and they need to look into how they can attract new cardholders to the library. Once they have completed the master plan, they can then assemble a budget to implement the plan. A qualified library consultant firm will be contracted to do the master plan, and they will look into having a steering committee to

guide the process.

They are recommending funding the library capital budget with \$83,561 as opposed to the historical \$167,121, which will fund about six months of operations beginning on July 1<sup>st</sup>, 2014. After the master plan is accepted and the new budget is determined, they will fund the library operations as called for by the master plan. This will require a vote at a Special Electors Meeting, which they would like to schedule for Wednesday, October 15<sup>th</sup>.

## **10. QUESTION AND ANSWER**

Art Scialabba, 12 Acacia Street, said he has never heard of a budget being cut in half and scheduling a second meeting to vote on the remaining part of the year. They are there to put together a budget for the year and he would recommend that they continue the same process that they have had.

Dawn Mele, 33 Gregory Boulevard, asked what is the cost of the consultation committee they are proposing to use for the study.

Chairman Yost said bids have not gone out yet, so they don't know what the cost will be.

Sara Mann, 23 Pequot Drive, said she thinks it is a very good idea to have a third party company look at the library, but it is highly unusual to have a master plan for a library this size. They are looking at a cost of between \$7,500 and possibly \$25,000. It is not an easy process and she doubts it can be done in six months, so she would suggest that they pass the budget for a year and wait and see what the consultants come back with.

Kathy Craig said it is not practical to cut the budget in half, because their invoices are sometimes paid annually, so some expenses are incurred at the beginning of the year.

Mary DeKlyn, 1 Island Drive, said she is confused whether they are voting on the budget for a full year or a half year.

Acting Chairman Lyons said the motion is to approve the District Budget and transfer funds from the Electric Department to the District account to cover the budget requirements for the fiscal year July 1, 2014 through June 30, 2015.

Commissioner Yost noted that master plans for libraries are very common. At this point they don't know what the second half of the fiscal year budget should be, which will be based on their findings in the master plan and what they want to implement. The master plan would be presented at the October meeting and can be voted up or down.

Mr. Scialabba said it seems like they are forcing a second meeting without knowing the details. If the master plan comes back and it is so great, call a Special Elector's Meeting then to vote to approve it, otherwise they have doubled the expenses of the meetings for

nothing.

Commissioner Goldstein said the Commissioners were concerned that if they voted in a budget beginning July 1, they would not have sufficient time to get input from the stakeholders involved in the library and collect information in order to produce a plan that they could recommend to the rate holders and they would be constrained by a budget that they are locked into.

Mr. Scialabba said he never heard of a city department or a city agency trying to do something like this, and it doesn't make sense to force a second meeting to complete a budget process. It seems like they are forcing something down the Electors' throats saying they have to come back for a second meeting to vote for half a budget and to vote on a master plan.

Diane Cece, Olmstead Place, said the process to do an RFP in July for qualified bidders to do a master plan and to present a master plan to the Electors that has been vetted through the community takes several months, so you are already into 2015 and close to the March meeting, so she doesn't think that forcing the budget in half with another vote in October is the right way to go. If they do commit to a master plan and they come up with extraordinary things that the library and everybody agrees should be done right away, they can always call a Special Meeting.

She said she thought the numbers in the library budget were a bit high for professional services of \$10,000, and asked what that breakdown was. Mr. Siegel said their accountant charges \$5,500 a year and the balance of \$4,500 is for their in-house bookkeeper, who comes in once a week to keep the books and manage their accounts.

Mr. Peter Thor said, as a parliamentary procedure matter, they are discussing a budget which has been presented to them but there is no motion on the floor. It would be more sensible if there was a motion on the floor to accept the budget as presented, and he will make that motion at this time. The motion was seconded by Linda Langston.

Acting Chairman Lyons said the motion is to approve the District Budget as presented and transfer the funds from the Electric Department to the District account to cover the budget requirements for the fiscal year July 1, 2014 through June 30, 2015. The total appropriation is \$227,140, which means that the ENA library appropriation is \$83,561. She asked if there was any discussion on that motion.

Mr. Scialabba made a friendly amendment to the motion to authorize \$167,121 for the East Norwalk Improvement Association. The amendment was seconded by Mr. Cuttner.

Acting Chairman Lyons said the amendment is discussed first, and then the overall motion, and asked if there is any discussion on increasing the library appropriation to \$167,121.

Jim Anderson, 2 Old Well Court, said, just as clarification, if this amendment gets passed, there is no mention reflecting the total cost of the additional \$83,561, so the total appropriation should be \$310,701.

Acting Chairman Lyons said they have an amendment on the floor and they have to take care of that one first before they can have another amendment. Mr. Cuttner noted that Mr. Anderson was asking for a clarification, because now the budget is out of balance.

Acting Chairman Lyons asked does anybody from the District want to talk about the budget being out of balance and how that would be reconciled?

(Whereupon a brief recess was taken.)

Commissioner Goldstein said if the appropriation for the East Norwalk Association budget is corrected to \$167,121, the mathematical correction to the other line of the budget, which is the total district expenditures, goes to \$310,701.

Acting Chairman Lyons asked if there were any further questions on the amendment.

Ms. Cece asked if the amendment is to increase it to that amount, is there any funding in the budget for the master plan. Acting Chairman Lyons said there is nothing in this particular budget that we have in front of us.

Ms. Cece asked Mr. Siegel what are the current assets of the ENA. Mr. Siegel said cash and cash equivalent is \$2,863, and about \$12,000 in their savings account.

Ms. Cece asked to amend the amendment that the funds get increased, but contingent on the East Norwalk Library funding a master plan. Acting Chairman Lyons said they have to take the amendment to the motion first. She asked if there were any further questions on the amendment to increase the appropriation of the East Norwalk Library to \$167,121. Seeing none, she called for a vote, and the amendment to the motion passed.

Acting Chairman Lyons said they will now go to the main motion, which is to approve the District budget and transfer funds from the Electric Department to the District Account to cover the budget requirements for the fiscal year July 1, 2014 through June 30, 2015, and the new total is \$310,701.

Ms. Cece moved to amend the motion to approve the full funding contingent upon the requirement of a master plan being developed and funded through the East Norwalk Association Library, which amendment was seconded by Ed Halloway.

Ms. Mann said the library doesn't have enough money in their savings account to do that, and you can't zero out the few resources they have.

Ms. Cece said she thinks that a master plan is important and needs to be funded, but what

they are about to vote on doesn't fund it. With the funds the library already has or could potentially raise, the library itself could fund it and not have it be part of the ratepayer funding.

Commissioner Yost said their intent is for the Electric Department to fund the master plan so there's no need for that amendment.

Commissioner Goldstein said the budget that is put forth is for the District and District services. It was their intent not to put the burden of the master plan on the East Norwalk Library but in fact to fund it out of the Electric Department, so it does not need to be included in the District budget.

Ms. Cece said you can only spend in the District what is funded and approved by the ratepayers, and she doesn't see anywhere identified in the budget funding of a master plan,

Commissioner Goldstein requested a two minute recess.

(Whereupon a recess was taken.)

Acting Chairman Lyons said at this point they have an amendment on the floor to have the master plan of the library be developed and paid for by the East Norwalk Association budget. As a point of clarification, she is going to ask Matt Allred to do an explanation first, and then they will take any questions.

Mr. Allred said the proposed transfer from the Electric Department from available funds was \$215,781 for 14/15, which left the library with \$83,561. Their expenses were \$227,140, so they were left with a net fund balance of \$84,320. So when they say they are going to take the East Norwalk Improvement Association up to \$83,561, they are going to bring it up to the \$167,121 level, so their expenses go from \$227,140 up to \$310,701. They are bringing it up by the \$83,561, and they are going to be left with a fund balance of zero. If they are going to have some type of cushion, the transfer from the Electric Department of \$215,781 has to be increased by that to keep us at the same profit surplus level of the \$84,320.

Attorney Bove asked if he had a specific recommendation. Mr. Allred said in his opinion, if they are going to take the funding for the master plan from the library, the transfer from the Electric Department has to be increased as well by the full number.

Acting Chairman Lyons said there is an amendment on the floor to do a master plan and have the money come out of the East Norwalk Library budget, which was seconded. She asked if there was further discussion of that amendment.

Mr. Scialabba asked to call the question.

Acting Chairman Lyons called for a vote, whereupon the amendment failed.

Acting Chairman Lyons asked if there was any further discussion on the main motion, which was authorization to approve the District Budget and transfer funds from the Electric Department to the District account to cover the budget requirements for the fiscal year July 1, 2014 through June 30, 2015.

Ms. Cece moved to amend to increase the District Budget fund balance to cover the cost of a master plan not to exceed \$5,000. There being no second, the amendment failed.

Acting Chairman Lyons said, her apologies, but when someone asked to call the question before, she made an error. You have to vote on calling the question, so all in favor of calling the question on the amendment, signify by saying aye. The motion passed.

Acting Chairman Lyons said procedurally they have to go back to the amendment, which was Ms. Cece's amendment to have the cost of the master plan come out of the library budget. A vote was called and the amendment failed.

Acting Chairman Lyons called for discussion on the motion for authorization to approve the District Budget and transfer funds from the Electric Department to the District account to cover the budget requirements for the fiscal year July 1, 2014 through June 30, 2015.

Commissioner Goldstein said she would offer an amendment to decrease the fund balance by an amount of no more than \$25,000 to fund a line item for the master plan for the library, so they are reducing line 36 by \$25,000. The amendment was seconded by Commissioner Brown.

Mary DeKlyn asked for a clarification of the amendment.

Commissioner Goldstein said the amendment that they are proposing included an increase to the East Norwalk Association Library operation budget from \$83,561 to \$167,121, which necessitated moving that line up to \$299,341, and they are now proposing to reduce the fund balance and increase that appropriation so that the master plan may be funded out of the District Budget and not the library budget.

(Whereupon a short recess was taken.)

Commissioner Goldstein said their accountant has pointed out that they made an accountancy error, so they are going to withdraw the amendment.

Mr. Scialabba asked to call the question. Acting Chairman Lyons asked for a vote on calling the question. Acting Chairman Lyons said the vote is close, so it is up to the chair, and the question is not called.

Commissioner Yost made an amendment to take the \$25,000 out of the fund balance at year end and put it into the expenditure column as a line item for the master plan. There being no

second, the amendment failed.

Commissioner Yost withdrew the motion.

Mr. Allred said they are going to take the \$83,561 and increase it to \$167,121. They are adding the difference of \$83,561 to line 10, Transfer from the Electric Department.. In doing that they are left with a fund balance on line 36 of \$84,320. If they want to reduce that fund balance by \$25,000 they are not going to do anything other than add one line item called Budget Master Plan for \$25,000. It then falls into place where the \$84,320 will be reduced by the \$25,000.

Mr. Cuttner moved to increase the transfer from the Electrical Department by the \$83,561 and then add a new line item called Master Plan for the East Norwalk Library, for an amount not to exceed \$25,000 which will then take the fund balance of \$84,320 and reduce it by \$25,000. Mr. Kendall Toussaint seconded.

Acting Chairman Lyons asked if there was any discussion on that amendment.

Ms. Cece asked what is the \$25,000 based on. She thinks \$25,000 is a little excessive.

John Vissi asked if the \$25,000 was for the study itself or for items that the study might recommend.

Commissioner Yost said, based on some preliminary information he received from a library consultant company, the number came up at around \$20,000, which didn't include fundraising, so he is suggesting \$25,000 for the master plan development for the library, which would be for a study of the operation as it is now and recommendations on what they can do. It certainly doesn't include anything like a handicap access ramp.

Ms. Cece asked Mr. Cuttner if he would consider a friendly amendment to bring the \$25,000 number down to a sum not to exceed \$10,000 and if it does need additional funding, then they can consider funding from some other source at that time. Mr. Cuttner said based on the perimeters of the RFP process, he would not accept that amendment.

Ms. Mann said she has a copy of an RFP from the University of Hartford for their Master Plan as well as copies of some of the iterations of another town, and \$25,000 is not a lot of money when it comes to a master plan and all the work that is involved.

Ms. Cece said she has been involved with a number of master plans in Norwalk, and the sum of \$25,000 for the potential scope of work for this library is a bit exorbitant.

Commissioner Goldstein asked Mr. Cuttner if he would accept a friendly amendment to bring the amount down to \$20,000 so that they don't have to come back for additional funding at another meeting. Mr. Cuttner agreed.

Acting Chairman Lyons said there is an amendment to increase line item 10, transfer from Electric Department by \$83,561 and then to add under use of District funds a line item for a master plan for the East Norwalk Library for \$20,000, and that will reduce line 36, Fund Balance at Year End, by \$20,000 and take it down to \$64,320, and to reduce the meeting expense by \$4,000 since they don't have to have another meeting. She asked if there were any questions on that amendment. Hearing none, she called for a vote, and the motion passed.

**11. AUTHORIZATION TO APPROVE THE DISTRICT BUDGET AND TRANSFER FUNDS FROM THE ELECTRIC DEPARTMENT TO THE DISTRICT ACCOUNT TO COVER THE BUDGET REQUIREMENTS FOR THE FISCAL YEAR JULY 1, 2014 THROUGH JUNE 30, 2015**

Acting Chairman Lyons noted that the budget was just amended to increase the amount to transfer on line item 10 by \$83,561 and to decrease line item 36 by \$20,000, and Line 22, the Annual Elector's Meeting, has been decreased by \$4,000. She asked if there were any questions or comments on that motion.

Commissioner Goldstein said line item 35 is now \$326,701.

Ms. Cece said in order to avoid confusion next year, she would suggest that they post the budget in advance so that the public has an opportunity to review it beforehand. She would also suggest that if they intend to vote on something as important as a master plan, that it be included as an appropriate line item or identified as an expense so that the ratepayers are aware of it being considered and have an opportunity to do their due diligence. She also thinks that the legal notice by the TTD should inform the public where they can get access to the documents so that it complies with FOI.

Acting Chairman Lyons called for a vote on the actual motion. The motion passed unanimously.

**12. ADJOURN**

Upon motion by Mr. Cuttner, seconded by Mr. Scialabba, the meeting was adjourned at 9:58 p.m.

Respectfully submitted, ✓

  
Karen Pacchiana