Third Taxing District
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Third Taxing District of the City of Norwalk

Commission Meeting

Monday, June 20, 2016 at 7:00p.m.

At the Third Taxing District Office, 2 Second Street, East Norwalk, CT

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting – June 6, 2016 – A/R (Pgs. 1-7)
3. Review and Approval of 2016-17 Operating Budget and 5-Year Capital Budget Forecast (Special Binder Provided)
4. Adjourn

*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, www.ttd.gov and will be available at the meeting.
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District Commissioners

David L. Brown	203-866-8099	Chairman	**James Smith**	203-866-9271	General Manager
Charles L. Yost	203-853-0837	Commissioner	**Ron Scofield**	203-866-9271	Assistant General Manager
Debora Goldstein	203-252-7214	Commissioner	**Michael Intrieri**	203-866-3001	Treasurer

DRAFT

THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
June 6, 2016

ATTENDANCE: Commissioners: David Brown, Chair; Charles Yost
Dr. Michael Intrieri, Treasurer

STAFF: Jim Smith, General Manager; Ron Scofield, Assistant General Manager

OTHERS: Atty. Chris Hodgson, Will Redden (CMEEC), Marie Jablonski (Jumar)

PUBLIC: Jackie Lightfield (Norwalk 2.0) – arrived at 7:15 p.m.

CALL TO ORDER

Commissioner Brown called the meeting to order at 7:00 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance at this time.

EXECUTIVE SESSION

- Collective Bargaining

**** COMMISSIONER BROWN MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS COLLECTIVE BARGAINING.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

Commissioners Brown and Yost, Treasurer Michael Intrieri, Mr. Smith, Mr. Scofield and Atty. Hodgson entered into Executive Session at 7:02 p.m.

**** COMMISSIONER YOST MOVED TO EXIT EXECUTIVE SESSION AND RETURN TO PUBLIC SESSION.**
**** COMMISSIONER BROWN SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

Commissioners Brown and Yost, Treasurer Michael Intrieri, Mr. Smith, Mr. Scofield and Atty. Hodgson returned to public session at 7:21 p.m.

**** COMMISSIONER BROWN MOVED TO VOTE TO RATIFY THE TENTATIVE COLLECTIVE BARGAINING AGREEMENT THAT WAS NEGOTIATED BY THE UNION AND THE DISTRICT BEGINNING JUNE 1, 2016 THROUGH MAY 31, 2019.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER BROWN MOVED TO GO BACK INTO PUBLIC SESSION.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

PUBLIC SESSION

Jackie Lightfield from Norwalk 2.0 was in attendance to request the use of Constitution Park for their project. Norwalk 2.0 is an economic development and arts association which has been in existence for approximately six years. They currently are housed at 90 Water Street, but will soon be losing their residency due to the Walk Bridge project. The purpose of the project is to connect with the community and draw people to Norwalk as part of the Catalyzing Placemaking efforts. Norwalk 2.0 has been a grant awardee by the State of Connecticut for the past three years, and this project represents the programming end of their mobile arts center grant.

Ms. Lightfield asked the Commission for the use of Constitution Park for the two enclosures which would be used to house program daytime and special event exhibits that reflect the cultural heritage of Norwalk and introduce emerging artists to a broader community. In addition, they would be hosting evening activities including art exhibits and events. The enclosures would reside in the park from June 2016 to the Spring of 2017. Norwalk 2.0 carries both general liability and property insurance and would indemnify Third Taxing District. They would also carry a bond for any damages that would be incurred.

**** COMMISSIONER BROWN MOVED TO SUSPEND THE RULES AND AD A NEW AGENDA ITEM CALLED NORWALK 2.0 PUBLIC ART ENCLOSURE PROJECT.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER BROWN MOVED TO APPROVE NORWALK 2.0'S REQUEST FOR THE USE OF CONSTITUTION PARK WITH ANY RESULTING COST TO BE BORNE BY NORWALK 2.0, AS WELL AS PROVIDING ALL LIABILITY INSURANCE AND PERMITS.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

The Commission will need to execute an agreement which has been provided by Norwalk 2.0.

**** COMMISSIONER BROWN MOVED TO AUTHORIZE JIM SMITH, GENERAL MANAGER, TO EXECUTE THE AGREEMENT ON BEHALF OF THIRD TAXING DISTRICT.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

CMEEC PRESENTATION

Norden Generators

Mr. Will Redden (CMEEC) presented an overview of the Norden Generators and a projection of revenues, expenses and net benefit through 2020. CMEEC is seeing a steady rise in revenues through 2018 and is projecting the 2016 summer annual revenue to be approximately $360,000, with cumulative revenue through 2020 to be approximately $3 million. Cumulative expenses through 2020 are projected to be between $500,000 and $600,000. The cumulative net benefit through 2020 is expected to be approximately $2.4 million.

Summer Market Conditions

Currently the CMEEC Rate 9 is hedged at 82% at a price of $44.00/MWh for July and August 2016. The balance will be filled in during the next few months leading up to the summer based on updated market and weather conditions, with the overarching objective to maximize regional competitiveness. To fill the balance of the portfolio need at current pricing would bring the WACOE (Weighted Average Cost of Energy) to $42.00/MWh.

MINUTES OF MEETING

May 2, 2016

Commissioner Yost made a correction to page 4, Alex Knopp/Alex Cohen Contact. It should read as follows:

"Commissioner Brown confirmed with Commissioner Yost if Commissioner Yost had reached out to Mr. Knopp to give him contact information on Alex Cohen and gave permission for Mr. Knopp to contact Mr. Cohen with regard to the Library Master Plan. Commissioner Yost confirmed that he had done so."

**** COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF MAY 2, 2016 AS CORRECTED.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

Dr. Intrieri asked that the Minutes reflect that he is withdrawing himself from introducing Tim Currie's band on June 26th. He prefers not to be part of the concert series and would like to remain as a spectator only.

May 18, 2016

**** COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF MAY 18, 2016.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

JUMAR QUARTERLY PRESENTATION

Ms. Marie Jablonski from Jumar Marketing presented the Marketing Review for the past quarter, which included Communications Campaign, Public Relations, Website Management and Community Outreach. She gave examples of the completed work within the different categories and answered any of the questions the Commission asked. The next Content Calendar for the Commission will be coming out at the end of June and Ms. Jablonski asked the Commission to feel free to send any additional content that they would like to see included.

Ms. Jablonski then presented the Q3 Initiatives to the Commission and explained what the plans are for the next quarter. Considerable discussion took place around the various categories, with emphasis on Public Relations, Summer Concert Series and Increased Community Outreach/Involvement with the Marvin Elementary School.

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE

Mr. Smith said we are now ten months into the fiscal year and Total Income is approximately 6% over last year due to the fuel adjustment being set at 2.7 cents for the entire ten month period. Total Expenses are 2% less than last year. Net Income before Rate Stabilization is at $155,255 compared to last year's ($274,922). The Rate Stabilization Fund contribution has doubled compared to last year. As a result, Net Income is at $898,985 compared to last year's $57,854.

Operating accounts are in good shape. The outstanding principal balance with CMEEC continues to go down. Power costs are down about 4% over last year.

KPI's: Operating Ratio continues to come down, as well as the Bad Debt Ratio. The Electric Customers per Employee will go up due to the upcoming retirement of an employee. Energy Loss is on target. System Load Factor continues to go up as Cervalis' load is starting to go up.

The PCA is now in over-collection and Mr. Smith will be coming back to the Commission to give an update on the over/under-collection of the fuel adjustment going forward.

DISCUSSION OF DOT COMMUNICATIONS

**** COMMISSIONER BROWN MOVED TO TABLE THIS DISCUSSION TO THE JULY COMMISSION MEETING.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

GENERAL MANAGER'S REPORT

3rd Quarter Budget to Actual Results

Mr. Smith presented the 3rd Quarter Budget to Actual results. We are now at a 75% benchmark. On the Operating side, all accounts are in line for the most part. Some key items to note: Depreciation Expense was under-budgeted due underestimating the Fitch Street depreciation; Generation Expense (Norden maintenance) is under budget due to the units not running as often; Underground Lines Expense was up quite a bit due to the purchase of additional stock; and Legal Fees is over-budget due to the litigation with Maplewood and Schiatiano. Overall, total expenses are just below the benchmark at 70.5%.

The Capital Budget approved amount was $1,551,000 and to date have spent $927,067. It is currently at 60%, which indicates that overall we have under-spent to date, but are currently on track for the year.

CMEEC Member Dividend Discussion

Mr. Smith was following up on an email exchange he had with Commissioner Goldstein a few weeks back about the yearly member dividend we receive from CMEEC. A vote was taken and the majority voted to have the monies put back into CMEEC to increase their cash position. He explained that the reason is two-fold: 1) The more cash they have on hand, the better the bond rating will be for CMEEC; and 2) CMEEC periodically issues debt in order to finance power purchases related to Rate 10 customers.

Discussion of Transmission Cost Reduction

Due to the continued efforts of tracking all costs associated with the Fitch Street Substation, we were able to receive a payment from the NE-ISO in the amount of $1.1 million, which will result in a lower monthly transmission cost from CMEEC. This is the largest reduction in transmission costs to date.

PROJECT SUMMARY

Economic Development Initiatives – GGP Properties has asked TTD to move forward with concept drawings for being a back-up power supplier to the new mall being built in S. Norwalk. Mr. Smith recently met with the General Manager of SNEW and he is receptive to TTD being a back-up power provider to the project. The cost for this project could be between $1 and $2 million. Mr. Smith is hoping that when the new Walk Bridge is being constructed, TTD would be able to piggyback on running the line needed for the mall. As a secondary power provider, we would receive a standby rate, which is yet to be determined.

Dr. Intrieri – At this time, Dr. Intrieri asked that the following be put in the Minutes.

"The Chairman asked what was my reason why I didn't want to be involved with the concerts. To be specific, I did not feel comfortable with the process this year. We followed the same process as we did in the last 2-3 years and everything was okay. But this year, it was not. I felt very uncomfortable with that. So, I would like that in the minutes and I'd also like in the minutes, that I made a statement at the beginning of this meeting, because I had left early for various reasons, my frustration, I did not feel happy about the timing of changing Chairmanship. I thought at least the past Chairman should have been allowed to finish his term. I did not think it was fair and reasonable, and to me this type of behavior does not seem like we are a true team which I really thought we were. I was told, I heard from Commissioners that this is one of the best teams we have, conscientious, this and that, all this positive stuff, but when these two things happened, it leaves me frustrated. I just want that in the minutes, because that's how I feel and I hope someday I'll change, but what I've been seeing lately is not good. That's the way I feel."

ADJOURNMENT

**** COMMISSIONER BROWN MOVED TO ADJOURN.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:21 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.