

THIRD TAXING DISTRICT
of the City of Norwalk
July 1, 2013

ATTENDANCE: Commissioners: Charles Yost, Acting Chair; David Brown.

STAFF: James Smith, General Manager; Ron Scofield, Assist. General Mgr.

OTHER: Attorney John Bove, District Counsel

MEMBERS OF THE PUBLIC: Debra Goldstein, Taber Hamilton

CALL TO ORDER

Mr. Yost called the meeting to order at 7:00 p.m.

PUBLIC COMMENT

There were no comments made at this point on the agenda. Mr. Brown noted that comments from members of the public would be accepted on agenda items during the meeting. Mr. Brown requested that names of those in attendance be listed above under "other".

MINUTES OF MEETING: June 3, 2013

- ** MR. BROWN MOVED TO APPROVE THE MINUTES FROM THE MEETING OF JUNE 3, 2013 AS SUBMITTED.
- ** MR. YOST SECONDED THE MOTION.
- ** MOTION PASSED UNANIMOUSLY.

MINUTES OF MEETING: June 11, 2013 Special Meeting

- ** MR. BROWN MOVED TO APPROVE THE MINUTES FROM THE MEETING OF JUNE 11, 2013 SPECIAL MEETING AS SUBMITTED.
- ** MR. YOST SECONDED THE MOTION.
- ** MOTION PASSED UNANIMOUSLY.

General Manager's Report

Update on Fitch St. / Cervalis Projects

Mr. Smith stated that the Cervalis construction is 80% complete for permanent service and temporary service will be energized next week. He noted that there are minor issues on the construction site but those have been straightened out.

Mr. Smith stated that with Fitch Street, there are two issues, the ground-breaking and the construction update. He provided a copy of the flier outlining the Substation Groundbreaking program as follows:

Mr. Yost asked if the neighbors were invited and noted that they should be invited. Mr. Smith stated that press will be in attendance, and that it is a brief ceremony with a recap on the project followed by refreshments.

Mr. Smith then reported that relative to the project update, construction begins on Monday, July 8 with the steel forms for the tower being installed in the back.

Mr. Brown commented on the ground-breaking program that he would appreciate having the opportunity to give input in advance next time. Mr. Smith responded to Mr. Brown that he is welcome to speak and he could be added to the program, and Mr. Brown replied that he does not care to, but he wants to be involved prior to issuing a program next time.

Review of Patriot Bank Loan Documents

Mr. Smith then asked Attorney Bove to give an overview of the loan documents as provided in the agenda packet. Attorney Bove stated that the document represents the agreement as negotiated and the consent form is to be signed by Mr. Smith and the Commissioners. He added that he did not know the procedure based upon past practice with loan documents, and Mr. Scofield noted that this was the first loan and there was no established formal procedure.

Mr. Smith added that this loan is to be treated as an insurance policy and the intent was that he wanted to have this available if funds were needed, and the loan acts as a line of credit to cover the construction period of the two major projects. There was discussion on the terms and \$1.5 million minimum balance required and the pre-payment penalty.

Ms. Goldstein asked if this would constitute default of the loan, if the balance was not maintained. Mr. Scofield clarified that the balance was an average balance of deposits in all accounts. Atty. Bove agreed to provide the details of the default provision to the Commissioners by e-mail.

Later in the meeting Atty. Bove stated that the penalty is $\frac{3}{4}$ of a percent, over the 3.75 rate, which is a very small penalty. Mr. Yost noted that this would represent a 20% penalty if the rate goes from 3.75% to 4.50%.

- ** MR. YOST MOVED TO APPROVE THE PATRIOT BANK LOAN DOCUMENT AGREEMENT SUBJECT TO REVIEW AND ACCEPTANCE (BY E-MAIL CONSENSUS) OF THE DEFAULT PROVISION AND PRE-PAYMENT PENALTY SCHEDULE.**
- ** MR. BROWN SECONDED THE MOTION.**
- ** MOTION PASSED UNANIMOUSLY.**

Update on Website/Marketing/Branding Project

Mr. Smith reported that the consultant team has provided a first draft recommendation on the website design based on the feedback sessions with the Commissioners. He added that part of this is the logo redesign, which will be unveiled at the Anniversary Celebration on July 27th.

Mr. Smith gave an update on the 100th Anniversary that is scheduled for July 27 with a rain date of July 28. He stated that all is coming along and that there are weekly meetings on Wednesday mornings to review the status. He added that they continue to look for vendors to sponsor booths, and they do not have many sponsorship commitments.

There was a discussion about the placement and timing for the banners. Mr. Brown questioned the timing for the banners and Mr. Yost replied that they could not be put up until after the new logo is revealed at the Ground-Breaking Ceremony. Mr. Smith noted that the installation could be done with the hardware first, followed by putting up the actual banners. Ms. Goldstein asked if there would be double charges if it was done in two steps, and Mr. Smith indicated that he did not see this as an added labor cost. Further discussion ensued over the height for the banners and it was agreed to have Mr. Smith contact Mike Green with the City's Zoning Department to determine the regulations on the height restrictions for the banners.

There was mention of the building signs that need to be changed as it still has the lightening bolt design. It was noted that this could be discussed at the next Jumar meeting.

There was discussion on the logo and Mr. Brown indicated that he had asked Jumar to make the TTD larger and flush right. Mr. Yost provided samples of the zip code 06855 magnet for input as to the background and font style. It was suggested that this, along with the details of sponsorships, advertising, publicity, give-aways (shirts/hats and magnets, etc.) be covered at the next weekly meeting with the Jumar consultants.

Update on Rate Study

Mr. Smith reported that he will have a draft for review in two weeks and that the vendor has been found based on the APPA conference in Florida which was attended by the General Manager Mr. Smith and Commissioner Yost. He added that they will provide a thorough analysis of rates, and this is much needed information. He further explained that this information is in conjunction with the analysis of the rates for the Waste Water Treatment Plant, which is the largest customer. He added that an updated rate analysis has not been done since 1985, and this is important information that will serve as a basis for future rate guidelines.

Discussion/Analysis of Financial Statements

Mr. Smith referred to the summary report and reviewed the financial highlights for the month of March. He referred to the detailed comparisons versus prior year, Profit & Loss Statement, and reviewed the explanations of major variances.

Mr. Smith then referred to the analysis of the Substation and Data Center projects and provided a summary of the project spending to date.

Mr. Smith pointed out that 46% of the project has been spent to date, and \$4.4 million remains. He explained that there are no concerns from Joe Cristino or Matt, the accountant; and all is tracking on budget and on the time schedule for completion. He summarized that both of the projects are wise business decisions, that there is a ten-year payback and then District will be in a profitable situation.

Mr. Brown asked to suspend the rules to add a billing question item for discussion under financial. He suggested that consideration be given to, including a check off box on the bill for customers to add a \$1 to go towards helping customers in need of paying their bill. Mr. Scofield mentioned that this was done as "Operation Fuel", but it was done by the state. There was discussion on how other states have more avenues for assistance programs, but that Connecticut has limited resources for this. It was mentioned that NEON has assistance for low income households and there are other agencies that have programs available. Mr. Yost suggested that at more information be gathered and for this to be added as an item on the next meeting agenda for discussion.

Follow up on Rowan St. Property

Mr. Smith stated that he received the appraisal just prior to the meeting and he will forward this to the Commissioners after he reviews it. Mr. Brown asked for the details, and Atty. Bove mentioned that the since the property is adjacent to the substation it can be used for storage purposes, based on verbal direction from Planning & Zoning.

FINAL

Adjournment

**** MR. YOST MOVED TO ADJOURN.**
**** MR. BROWN SECONDED.**
**** MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 8:55 p.m.

Respectfully submitted,
Marilyn Knox, Telesco Secretarial Services