

FINAL

**THIRD TAXING DISTRICT**  
of the City of Norwalk  
Commission Meeting  
September 12, 2016

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

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

**OTHERS:** Dawn Lund, Utility Financial Solutions<sup>1</sup>

**PUBLIC:** Sarah Mann (E. Norwalk Library Association)  
Robin & Vincent Penna

**CALL TO ORDER**

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

**PUBLIC COMMENT**

Ms. Mann informed the Commission that the Library Association was looking into installing a bike rack at the library and would like the permission of the TTD Commission to do so. She was not requesting any funds, as a grant will be written for this. She also asked the Commission for suggestions as to where it could be placed on the property, but didn't need an answer until January/February. The Commission felt a bike rack was a good idea.

Ms. Mann also said she was aware that TTD was currently doing a Strategic Plan and asked if any information with regard to library could be shared with the Library Association. Commissioner Goldstein explained to Ms. Mann that the library was being discussed as a non-performing asset/real estate under the Strategic Plan. Commissioner Brown told Ms. Mann that the Commission will keep the Library Association informed during the Strategic Planning process of any items having to do with the library.

Mr. Penna thanked the TTD and the Commission for their support to save their business at the rally held on September 7, 2016 at Liberty Square. He informed the Commission what he has been doing, who he has been contacting and what his plans are moving forward to save their business.

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<sup>1</sup> Dawn Lund participated by telephone, and confirmed that she could hear and be heard.

**UFS FINANCIAL PROJECTION/COST OF SERVICE UPDATE PRESENTATION**

Mr. Smith told the Commission that Utility Financial Services updated the initial Rate Study/Financial Projection prepared in 2014 for TTD and that Dawn will be reviewing the report with the Commission. The purpose of the Rate Study/Financial Projection is to determine TTD's revenue requirements for the fiscal years 2016 through 2020 and addresses recommended rate adjustments necessary to work towards targeted revenue requirements.

Ms. Lund (via phone) reviewed the recent report provided to the Commission. She reviewed and explained each of the three key targets: 1) Debt Coverage Ratio; 2) Minimum Cash Reserves Target; and 3) Optimal Net Income. The three key targets work together to help determine whether the utility needs a rate increase or any type of rate change in the future.

The three key financial targets are met throughout the projection period with a projected inflationary increase in 2020. The rate track should be monitored with the yearly budget process and the Commission should be prepared to adjust the rate track as necessary to ensure continued financial health.

**MINUTES OF MEETING**

August 1, 2016

- \*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF AUGUST 1, 2016 REGULAR MEETING.**
- \*\* COMMISSIONER YOST SECONDED.**
- \*\* THE MOTION PASSED UNANIMOUSLY.**

August 16, 2016

- \*\* COMMISSIONER YOST MOVED TO APPROVE THE MINUTES OF AUGUST 16, 2016 REGULAR MEETING.**
- \*\* COMMISSIONER GOLDSTEIN SECONDED.**
- \*\* THE MOTION PASSED UNANIMOUSLY.**

- \*\* COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES TO AD AN AGENDA ITEM.**
- \*\* COMMISSIONER BROWN SECONDED.**
- \*\* THE MOTION PASSED UNANIMOUSLY.**

FINAL

**\*\* COMMISSIONER GOLDSTEIN MOVED TO AD AN AGENDA ITEM #4, DISCUSSION OF POSITION ON RENEWABLES.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**\*\* COMMISSIONER BROWN TABLED THE AGENDA ITEM #4 DISCUSSION OF POSITION ON RENEWABLES TO THE OCTOBER 3, 2016 MEETING.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE**

Mr. Smith reviewed the July financials, the first month of a new fiscal year. Total Income vs. July of last year remained about the same, as well as Total Expense. Net Ordinary Income was up 16%, but Other Income was down. Mr. Smith said the reason was that in July 2015 a lot of scrap was sold, which increased Other Income. Contribution to the Rate Stabilization Fund increased by 70% over 2015. Overall, Cash Net Income is up about 25%, \$379,933 vs. \$302,753 in 2015.

Cash account balances are consistent. There was not a lot of spending in capital additions during the month of July. CMEEC debt dropped by \$222,839 over last month. Overall, July was a good month.

Expenses are down approximately 9% over last year due to a little less payroll and a concerted effort to keep expenses down overall.

KPI's - Mr. Smith said he will add two new KPI's per the discussion with Dawn Lund. Power Supply Expense is on target and Bad Debt Ratio is down due to the shut-off season. Actual Rate of Return will be updated once the audit is complete.

PCA – Currently in an over-collected position of \$192,923. This number will need to be watched so as to not get too high. The PCA may need to be adjusted in the future.

### **DISCUSSION OF TTD PURCHASING POLICY**

The internal Purchasing Policy of September 4, 2015 was discussed in great detail. The main reason for the revisit of the policy was around the current office renovation at the 2 Second Street location. Commissioner Brown stated that per the policy in place that the Commission should have approved the RFPs prior to the start of any work in the office. The funds were approved for the project during the Capital Budget process, but not the actual work to be performed. Mr. Smith's position was that it was approved when the Commission approved the Capital Budget at the June 20, 2016 meeting.

FINAL

Discussion continued about the current office renovation and how it was or was not approved per the current Purchasing Policy vs. the Capital Budget that was approved in June 2016.

Mr. Smith asked for direction from the Commission as to how they would like to proceed moving forward. The Commission would like the current Purchasing Policy followed until the policy can be amended at a future meeting.

Commissioner Brown made a point that this should be for District only projects, not the Electric Department.

Commissioner Yost asked that an addition of item #4.5 be added to the current Purchasing Policy, which reads: Projects of \$100,000 or more should be approved by the Commission after a bid analysis.

The Commission will review the policy over the next couple of weeks and be prepared to amend it at the October 3, 2016 Commission meeting.

### **GENERAL MANAGER'S REPORT**

#### **Update on Seawall Repair**

Mr. Scofield gave an update to the Commission about the seawall project. Back in the spring of 2016, it was brought to the attention of TTD that the seawall in the back of the property was in need of repair and needed to be replaced on an emergency basis. Mr. Scofield has been working with the State and DEEP to get the proper permits to begin the work. In addition, the project was put out to bid and Giunta Bolduc won the bid. Mr. Bolduc was not only the low bidder, but also recommended by others in the area as being highly qualified.

The work began on September 6, 2016 and is expected to be completed within 3 weeks of its start. Mr. Scofield believes the work could be completed prior to that based on the progress they are making. The total cost of the project is \$33,111.30 and TTD was able to put this through the insurance as a claim. The insurance portion was \$24,250, which left a balance of \$8,861.30 for TTD to pay on the project.

#### **Recap of Summer Concerts**

Mr. Scofield gave a recap of the summer concert series. A total of 8 concerts were scheduled for the season and 2 were cancelled due to weather conditions. Attendance was good, with an average 400/concert. Record attendance was 850 for Tim Currie's Motown Band.

Mr. Smith suggested to the Commission that they consider hosting an indoor winter concert and this appeared to be well-received by all.

FINAL

Commissioner Brown suggested the local bands, i.e., The Fairfield Counts and Tim Currie's Motown Band should be grandfathered into the selection. Other suggestions included hosting concerts on Tuesday night during the season as well as Sundays, i.e., 5 on Sunday and 3 on Tuesday.

Mr. Scofield will prepare his list of questions for the Commission and send it out to them over the next week or so in order for the Commission to respond at the October 17, 2016 meeting and make decisions for the 2017 concert series.

#### Update on CMEEC Fuel Cell Projects

Mr. Smith informed the Commission that vendors of fuel cells have been aggressively contacting the CMEEC municipalities about fuel cell projects in each of their areas. Fuel cell projects will take an entity completely off the grid. They are considered self-serving 24/7/365.

At a recent Board meeting at CMEEC, a vote was taken as to whether or not the members wanted to participate in the upcoming spa project in Norwich. TTD's participation would equate to 6% of the cost. TTD initially declined, but Mr. Smith was then approached and was told that he could participate with only 1%. Commissioner Brown and Mr. Smith discussed this and decided to participate at the 1% level.

### **PROJECT SUMMARY**

Economic Development – With regard to the upcoming mall project, Mr. Smith informed the Commission that the mall developers are now interested in having TTD for a full back-up supplier.

Frontier Poles – Mr. Smith has been in contact with Frontier to see if they would be willing to sell their poles to TTD. Bottom line is that Frontier wants to keep control and is not willing to sell the poles at this time. Next step would be to draft a Pole Attachment Fee Agreement for Frontier, similar to the one currently in place with Cablevision.

DOT Communications – Commissioner Goldstein asked if any research had been conducted on the cost of an electronic sign per a past discussion. She was informed that research had been conducted and the cost of an electronic sign was quite expensive (\$18,000+).

### **EXECUTIVE SESSION**

**\*\* COMMISSIONER BROWN MOVED TO TABLE THE EXECUTIVE SESSION TO A SPECIAL MEETING TO BE HELD ON TUESDAY, SEPTEMBER 27, 2016 AT 7:00 P.M.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

FINAL

**ADJOURNMENT**

**\*\* COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:35 p.m.

Respectfully submitted,

Cynthia Tenney  
Executive Assistant  
Third Taxing District