

THIRD TAXING DISTRICT
Of the City of Norwalk
May 7, 2012

ATTENDANCE: Commissioners: Paul Kokias, Chair; David Brown,
Charles Yost; Connie DiScalia, Treasurer

STAFF: George Leary, General Manager; Ron Scofield,
Assistant
General Mgr.; Attorney John Bove, Counsel

CALL TO ORDER

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

PUBLIC COMMENT

None

MINUTES OF MEETINGS

- ** **MR. BROWN MOTIONED TO APPROVE THE MINUTES FROM THE MEETINGS OF APRIL 2 AND APRIL 17, 2012 AS SUBMITTED.**
- ** **MR. YOST SECONDED.**
- ** **MOTION PASSED UNANIMOUSLY.**

Firehouse Renovations

Fire Chief Denis McCarthy presented a survey and proposed plans and stated that while they had originally proposed an architect it did not seem a justified expense, since Capt. Hines is a certified estimator and could bid out the job. Chief McCarthy presented an outline of the proposed expenses and explained that the total is approximately \$100,000 of which the Fire Department has \$50,000 in their budget. He added that the largest item is the heating and air conditioning, which

will be only for the second floor of the building. Capt. Hines explained that after the scope of the job is outlined this project will follow the City's three-bid RFP process for actual bids, and that time, there may be significant reductions.

Chief McCarthy stated that they are requesting the District to cover costs for the HVAC of approximately \$20,000. A discussion ensued on where the money would come from and Mr. Leary stated that there is a contingency of \$10,000 along with a carryover that could cover the expense.

- ** MR. YOST MOTIONED TO APPROVE THE DISTRICT'S FUNDING OF AN AMOUNT NOT TO EXCEED \$19,800 FOR HEATING AND AIR CONDITIONING FOR THE FIRE HOUSE SECOND FLOOR RENOVATIONS.**
- ** MR. BROWN SECONDED.**
- ** MOTION PASSED UNANIMOUSLY.**

Mr. Brown noted that there is lumber that is there and asked that it be used. Chief McCarthy replied that he will be sure that it is safely stored and used.

General Manager's Report

Mr. Leary stated that the report as included in the packet was self explanatory and everything seems to be on track with the Financial Statements.

Mr. Yost asked about the purchased power adjustment and the percentage lower rate on less commodity and Mr. Leary replied that that as he pointed out last month, the reduction of sales is out of balance with the cost of product bought, and that sales are down as an offset with cost of power being down.

Mr. Brown asked why we have not refilled, and Mr. Leary explained that there was no need other than for power, and the fuel adjustment is the way of accounting for this.

Mr. Yost said he had other questions about the Energy Conservation Fund Income and Mr. Leary replied that this is the net of funds collected less expenses. Mr. Yost asked about the large amount in Miscellaneous Income for 2011, and Mr. Leary replied that this was the FEMA reimbursement. Mr. Brown asked about the reimbursement for this year, and Mr. Scofield replied that there was very little damage from the storm of October 2011, and there was a minimum of expenditures before a reimbursement claim could be submitted.

Mr. Brown asked about the narrative on Other Income/Expense and the comment on investments show large changes due to nature of available investment vehicles. Mr. Leary replied that it depends on how money is invested, for example, the ability to buy bonds or others that have attractive returns on the investments.

Mr. Leary stated that he has been asked to present an item for consideration from the East Norwalk Library to replace the boiler/water heater with a conversion to gas unit. A discussion ensued on the reasons, and Mr. Leary explained that it was part of a cost savings for utilities, and as the landlord, it is the responsibility of the District to pay for the new unit. Mr. Yost asked why this could not be treated as a capital expense rather than funded from the operating budget and Mr. Leary replied that it could not be amortized as there was a need for cash to purchase the unit. Mr. Kokias asked about the size of the tank and the condition and repairs needed for the existing boiler, and Mr. Leary replied that it is running and did not need to be replaced, and this was only part of a proposal to reduce expenses for utilities due to the price of oil. Mr. Yost suggested that the size of tank be confirmed and cost estimates from Yankee Gas be evaluated in order to make a more informed decision. It was agreed to table the item until further information was received.

Mr. Leary stated that he has received bills for reimbursement for the first candidate's travel expenses in the amount of \$869 covering rental car, gas and hotel expenses. Mr. Leary stated that the District will receive an award from the Exchange Club for flying the flag here and at several other park locations. He asked if anyone could attend the meeting next week on May 16 at the Norwalk Inn. Mr. Brown noted that he would attend.

Mr. Leary noted that Mr. Bonenfant had come in about the photographs, and he was very helpful and will bring in proofs.

Tim Plunkett Resolution

Mr. Leary presented the resolution as follows:



Third Taxing District

2 Second Street
East Norwalk, CT 06855

Tel: (203) 866-9271
Fax: (203) 866-9856

*Resolution of the Commission of the
Third Taxing District of the City of Norwalk Connecticut*

Whereas, Timothy S. Plunkett was elected to service on the Commission of the Third Taxing District of the City of Norwalk in November of 2005, and

Whereas, Timothy S. Plunkett meritoriously served the people of East Norwalk as a Third Taxing District Commissioner for six years, and

Whereas, Timothy S. Plunkett served with distinction as Third Taxing District Commission Chairman for four years, and

Whereas, Timothy S. Plunkett provided leadership, vision, expertise and business acumen in an even handed manner and with a sense of humor that earned him the respect of his fellow commissioners and the electors of the Third Taxing District.

Now therefore, be it resolved, that Timothy S. Plunkett be commended, recognized and thanked for his dedicated and distinguished service to the people of the Third Taxing District of the City of Norwalk Connecticut.

Signed and sealed this Seventh day of May Two Thousand Twelve by:

Paul G. Kokias, Chairman

Charles Y. Yost, Commissioner

David L. Brown, Commissioner

George E. Leary, General Manager

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**MR. BROWN MOTIONED TO ADOPT THE RESOLUTION
TO ACKNOWLEDGE FORMER COMMISSIONER TIM**

**PLUNKETT, AS PREPARED AND PRINTED FOR
SIGNATURE.**

**** MR. YOST SECONDED.**

**** MOTION PASSED UNANIMOUSLY.**

2012-13 Capital Budget

Mr. Leary distributed the following and gave an overview of the budget.

**THIRD TAXING DISTRICT - ELECTRIC DEPARTMENT
CAPITAL BUDGET Rev. 4/27/12**

| Capital Budget Fiscal 12-13 | Capital Budget Fiscal 13-14 | Capital Budget Fiscal 14-15 | Capital Budget Fiscal 15-16 |
|---|---|--|--|
| Transmission plant | Transmission plant | Transmission plant | Transmission plant |
| Structures and improvements 2,000 | Structures and improvements 2,000 | Structures and improvements 2,000 | Structures and improvements 2,000 |
| Note 1 115 KV Interconnection phase 4 4,500,000 | Note 1 115 KV Interconnection phase 5 543,000 | | |
| Note 2 Cervalis Data Center 1,400,000 | | | |
| Distribution Plant | Distribution Plant | Distribution Plant | Distribution Plant |
| Structures and improvements 3,000 | Structures and improvements 3,000 | Structures and improvements 3,000 | Structures and improvements 3,000 |
| Substation equipment 10,000 | Substation equipment 10,000 | Substation equipment 10,000 | Substation equipment 10,000 |
| Remote Dialer at Rowan St SS 10,000 | Note 5 T-4 5 KV Cable Replacement 35,000 | Note 6 Transformer Circuit Switchers 100,000 | Note 6 Transformer Circuit Switchers 100,000 |
| Overhead lines 30,000 | Overhead lines 30,000 | Overhead lines 30,000 | East Ave SS Battery Replacement 30,000 |
| Underground lines 14,000 | Underground lines 14,000 | Underground lines 14,000 | Underground lines 14,000 |
| Transformers 18,500 | Transformers 18,500 | Transformers 20,000 | Transformers 22,000 |
| Meters 5,000 | Meters 5,000 | Meters 5,000 | Meters 6,000 |
| Street lights 2,500 | Street lights 2,500 | Street lights 2,500 | Street lights 2,500 |
| Computer Equipment & software 10,000 | Computer software 5,000 | Computer software 8,000 | Computer software 9,000 |
| General Plant | General Plant | General Plant | General Plant |
| Structures and improvements 7,000 | Structures and improvements 7,000 | Structures and improvements 7,000 | Structures and improvements 7,000 |
| Office furniture and equipment 4,000 | Office furniture and equipment 4,000 | Office furniture and equipment 4,000 | Office furniture and equipment 4,000 |
| Note 3 Pickup Truck 38,000 | Note 4 Big Bucket Truck 225,000 | | |
| Stores equipment 1,000 | Stores equipment 1,000 | Stores equipment 1,000 | Stores equipment 1,000 |
| Tools, shop and yard equipment 1,500 | Tools, shop and yard equipment 1,500 | Tools, shop and yard equipment 1,500 | Tools, shop and yard equipment 1,500 |
| Laboratory equipment 300 | Laboratory equipment 300 | Laboratory equipment 300 | Laboratory equipment 300 |
| Communications equipment 1,400 | Communications equipment 1,400 | Communications equipment 1,400 | Communications equipment 1,400 |
| Miscellaneous equipment 4,000 | Miscellaneous equipment 4,000 | Miscellaneous equipment 4,000 | Miscellaneous equipment 4,000 |
| <u>6,062,200</u> | <u>912,200</u> | <u>213,700</u> | <u>247,700</u> |
| Routine Items 162,200 | Routine Items 369,200 | | |

1. New 115 KV interconnection to replace local facilities charges
2. Facilities to serve Data center at Norden

4. Replace Material handling bucket truck
5. Existing cables do not have needed capacity

6. Needed for improved transformer protection

**** MR. KOKIAS MOTIONED TO APPROVE THE DISTRICT'S FOUR YEAR CAPITAL BUDGET FOR 2012-13 THROUGH 2015-16 AS PRESENTED. ****
**** MR. YOST SECONDED. ****

**** MOTION PASSED UNANIMOUSLY.**

Office Window Replacement

Mr. Leary presented copies of the bids and asked which one was preferred. It was decided to go with the type without the exterior minions.

**** MR. BROWN MOTIONED TO APPROVE THE PROPOSAL AND AWARD A CONTRACT FOR REPLACEMENT OF EIGHT WINDOWS IN THE OFFICE BUILDING TO SUNTECH AS THE LOW BIDDER AT A COST NOT TO EXCEED OF \$6,008.77 AS CONTAINED ON PAGE 24.**

**** MR. YOST SECONDED.**

**** MOTION PASSED UNANIMOUSLY.**

2012 Audit

Mr. Leary referred to the proposal as contained in the packet and there was a discussion on retaining the same firm that they have had for the past six years. He explained that as long as the manager was being changed, he would prefer to keep the same firm in view of having a new general manager.

**** MR. YOST MOTIONED TO APPROVE THE DISTRICT TO ENGAGE THE SERVICES OF HOPE AND HENANDEZ, P.C. TO PERFORM THE TTD FY 2012 AUDIT FOR A PRICE OF \$19,355 IN ACCORDANCE WITH THEIR PROPOSAL OF MARCH 30, 212.**

**** MR. BROWN SECONDED.**

**** MOTION PASSED UNANIMOUSLY.**

Substation Development - Interconnection Studies, Site Council Proceedings, Financing

Mr. Leary Presented his presentation that covered the objectives and implementation highlighted the proposed budget and financing structure. He provided a net income illustration and asked the Commissioners to digest this as it converts loan repayment into savings.

He added that this is complicated and somewhat unorthodox approach and nothing was set in stone, but it was one way to amortize this structure that reduces the operating expenses. Mr. Yost asked if CEMAC will approve this and Mr. Leary replied that he has presented this to CEMAC and they have not found anything inconsistent with the approach.

He asked the Commissioners to think about this and in the meantime he would present it to the auditors for review, and further discussion will take place next month.

Mr. Leary stated that Chris Perone has written a letter to the Siting Council supporting the program and suggested that the legislators and Common Council representatives representing the district be contacted to solicit support of the Substation. It was agreed that Mr. Brown would contact Senator Bob Duff and Mr. Bondi and Mr. Yost would contact Representative Larry Cafero, Mr. Kydes and Ms. Romano and provide them with a draft of a letter that the district would like them to write on behalf of the substation development. It was agreed that Mr. Leary would contact neighbors of the Fitch Street location to inform them of the project and to solicit their support. Mr. Yost suggested that a better rendering of the plan be done to provide a visual that is more to scale and to include a photo of the train station to replicate the proposed look with the surroundings.

General Manager Search

Mr. Kokias asked what the status of the contract was and Attorney Bove replied that Attorney Chris Hodgson is doing the contracts and will email to all for comments. He added that he will touch base with Carl Mycoff when the contracts are finalized for signature.

Adjournment

- ** **MR. BROWN MOTIONED TO ADJOURN.**
- ** **MR. KOKIAS SECONDED**
- ** **MOTION PASSED UNANIMOUSLY.**

FINAL

The meeting was adjourned at 9:15 p.m.
Respectfully submitted, Marilyn Knox, Telesco Secretarial Services