

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
September 11, 2017

ATTENDANCE: Commissioners: David Brown, Chair; Charles Yost, Debora Goldstein

STAFF: Ron Scofield, Interim General Manager

OTHERS: Stuart Herskowitz and Arthur Meizner (Hooker & Holcombe)
Chris Hodgson (Berchem, Moses & Devlin PC)
Sylvia Archibald (E. Norwalk Library)
Matt Allred (Bliss Allred & Co.)

CALL TO ORDER

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

PUBLIC COMMENT

Ms. Sylvia Archibald spoke on behalf of the East Norwalk Library and informed the Commission that many changes have recently taken place at the library, including the reconfiguration of the first floor. The website has been updated, as well as new fall and winter programs being introduced. They include adult programs, a Halloween event and a Holiday party.

PENSION PLAN PROPOSAL

Mr. Hodgson stated that Hooker & Holcombe would be presenting a Pension Plan to the Commission and that it was decided that it would be the Commission who would approve a Resolution if the Commission were to approve Hooker & Holcombe as the Pension Fund Managers. The Pension Plan provides for a Pension Committee which has been dormant. It currently consists of Ron Scofield, Tricia Dennison and the former General Manager. The Pension Committee never meets because the Plan administrator handled it and therefore there was nothing for the Pension Committee to handle.

Commissioner Goldstein asked if this is the same Pension Committee that is referenced in the yearly audit. She has asked every year that the Committee meet at least once a year, but has failed to do so. Discussion took place about the Pension Committee vs. the Investment Committee.

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Mr. Hodgson agreed with the discussion and informed the Commission that was the main reason he was in attendance. He has been working closely with Atty. David Zeid, who specializes in ERISA and Pension Law. Atty. Zeid's recommendation was for the Pension Committee to meet semi-annually and as needed. He also recommended that it not be anyone from the Commission, as it is a Committee that reports to the Commission. The two functions for the Pension Committee moving forward would be: 1) approve retirements; and 2) provide an investment report twice a year from Hooker & Holcombe that the Pension Committee would review and approve. Then, it would be brought to the Commission for their review, approval and discussion. Atty. Zeid can put together a Charter to make the responsibilities of the Pension Committee clear.

Commissioner Goldstein informed Mr. Hodgson that if a primary attorney wants to retain a secondary attorney, it must come before the Commission for approval.

Mr. Hodgson believes that the Commission can make the decision to retain Hooker & Holcombe as the new Pension Fund Managers. Going forward, the Pension Committee would then be formed and meet with a purpose. The Commission can approve Hooker & Holcombe by Resolution if they so choose. Mr. Hodgson's recommendation for the Pension Committee is a member of the staff who is also a union member (Tricia Dennison), Mr. Scofield and the General Manager.

**** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES AND ADD AN AGENDA ITEM, AUTHORIZATION TO RETAIN ATTY. DAVID ZEID.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER GOLDSTEIN MOVED TO AUTHORIZE CHRIS HODGSON OR ANOTHER MEMBER OF HIS FIRM TO RETAIN ATTY. DAVID ZEID IN CONNECTION WITH THE DRAFTING OF THE CHARTER AND OTHER LEGAL REQUIREMENTS FOR THE PENSION PLAN COMMITTEE**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Stuart Herskowitz introduced himself and his colleague, Mr. Arthur Meizner, both of Hooker & Holcombe located in West Hartford. The company has been in business for 60 years and is the largest regional pension firm in the State for municipalities. They are a privately held firm and are a fee-based professional service.

Mr. Herskowitz told the Commission that they are not looking to change the structure of the plan. All benefits to the employees will remain the same. What Hooker and Holcombe can do is to assist with the staff's day-to-day administrative tasks associated with pensions. Currently, there are multiple players dealing with the Pension Fund. Hooker & Holcombe can eliminate this and be a turnkey organization for the Third Taxing District.

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Mr. Herskowitz continued to inform the Commission about all of the activities they could add to TTD's current plan. By doing so, he indicated that the overall program could yield a bottom line savings of approximately \$5,000 per year for TTD. The savings mainly come from the Custodian Fee which is much less than what TTD is currently paying through Reliance and Fairfield County Bank. The new Custodian would be Charles Schwab. The funds would be transferred over "in kind" and no changes would be made to any of the significant investments.

Mr. Meizner spoke to the Commission about the investments. He has reviewed what is currently in place and what he proposes in the future. He would like to introduce some new funds into the program, but does not plan to change the investments too much.

Mr. Scofield referenced a Motion from August 10, 2009 where the Commission approved Investment Instructions for the Pension Plan, which would be turned over to any new Pension Plan Managers. He also confirmed to the Commission that he and Mr. Allred would continue to provide information to the actuarial, Hooker & Holcombe.

Commissioner Goldstein asked if there were any legacy issues that would possibly crop up in the future or are the current employees the only people that would be involved. Mr. Scofield said there are a handful of people who have retired that are still in the Plan, but that this should not affect them. The only difference is that someone else would now be making the electronic transfers to the current retirees.

**** COMMISSIONER GOLDSTEIN MOVED THAT THE THIRD TAXING DISTRICT, CITY OF NORWALK PENSION PLAN ADMINISTRATION BE MOVED TO HOOKER & HOLCOMBE TO INCLUDE THE TRANSFER OF INVESTMENTS TO SCHWAB TRUST PURSUANT TO A SIGNED CONTRACT AND FOR THE FORMATION OF A PENSION ADVISORY COMMITTEE CHARTER WITH AN INVESTMENT POLICY IN PLACE.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

MINUTES OF MEETING

August 29, 2017 Special Meeting

Commissioner Goldstein asked for an amendment on page 2, 1st paragraph. She would like to see Mr. Adams' "history" have more clarification, i.e., fiscal year dates and number of breakers for each year.

**** COMMISSIONER GOLDSTEIN MOVED TO TABLE THE SPECIAL MINUTES OF AUGUST 29, 2017 TO THE NEXT COMMISSION MEETING OF OCTOBER 2, 2017.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE

Mr. Allred began by going through the Footnotes for the P&L Previous Year Comparison. He then reviewed the Financial Highlights with the Commission. Net Income was \$1,097,698, an increase of 8.1% over last year. Net Income Before Rate Stabilization was \$318,776, an increase of 29% or \$72,376 over the previous year, which was \$246,400.

Cash Balances - Capital Improvements Fund is at \$826,500 (rough estimate) and Savings is at \$976,779. Current Fiscal Year Capital Additions to Date is at \$1,182.

The outstanding principal balance with CMEEC continues to go down.

KPIs – Mr. Allred reviewed the KPIs with the Commission. The Operating Ratio is down approximately 3%. Power Supply Expense Ratio is up 1%, but remains within the Industry Average. The outstanding Receivables is slightly lower compared to July 2016.

PCA Review – The PCA still remains in over-collection. This should soon be revisited. In the meantime, Mr. Allred is keeping a watch on it.

Mr. Allred verified with the Commission that they were all set with the answer received back from Mr. Ed Pryor at CMEEC with regard to the questions about the two large withdrawals of funds. The Commission was satisfied with the answer they received.

LIBRARY ENERGY AUDIT RESULTS

Mr. Scofield stated that the Commission had requested Mr. Michael Cassella, in conjunction with Lantern Energy, to do a study on the air conditioning at the East Norwalk Library. Mr. Cassella prepared an options page for the Commission listing four options to consider. Mr. Cassella discussed the options with Mr. Scofield and believes that Option #3 would be the best way to handle the air conditioning situation at the library.

Commissioner Goldstein requested to see the energy audit for the library that should have been provided by Lantern Energy. Her concern was the fact that Mr. Cassella stated in his recommendation that the A/C units are relatively new, energy star rated and in good operating condition. She stated that she has been in the library when the units are running and one of them is quite noisy and one is spitting out water. Ms. Archibald confirmed this fact. Commissioner Goldstein is also looking for an estimate of savings for these options.

The reason the report has not been generated is that Lantern Energy has not finished conducting their audit of the building. They still need to do a blower test.

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**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE OPTION #3 OF MR. CASSELLA'S REPORT, THAT THE LIBRARY BE AIR SEALED AT A COST OF APPROXIMATELY \$2,000.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES AND ADD AN AGENDA ITEM, ENBA SPEAKER.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ENBA SPEAKER

Commissioners Brown and Goldstein explained to Mr. Scofield that Mr. Rick Tavella (ENBA) approached the two of them at a recent public event with regard to a speaker obligation contingent on TTD's membership to ENBA. Mr. Tavella apparently had a conversation with former General Manager, Mr. Smith about this. Mr. Smith apparently told Mr. Tavella TTD would only join ENBA if they would guarantee that he (TTD) could speak at a monthly meeting. The Commission was totally unaware of this.

The Commission discussed the situation. Mr. Scofield will contact Mr. Tavella to see if he could cancel TTD's obligation of speaking at one of their meetings. Mr. Scofield will report back to the Commission on this subject.

ADJOURNMENT

**** COMMISSIONER BROWN MOVED TO ADJOURN.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:50 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

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