

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
Telephonic Commission Meeting
April 27, 2020

ATTENDANCE: Commissioners: Johnnie Mae Weldon, Chair; Pam Parkington;
Michele Sweeney

STAFF: Kevin Barber, General Manager
Ron Scofield, District Clerk & Assistant General Manager

The Commission Meeting of April 27, 2020 was held telephonically. All participants could hear and be heard.

CALL TO ORDER

Commissioner Weldon called the meeting to order at 6:30 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

NORWALK/FAIRFIELD CANINE UNIT DONATION REQUEST

Mr. Barber informed the Commission that the Norwalk/Fairfield Police K9 Unit is once again asking for a donation from Third Taxing District in the amount of \$1,000. The donation includes 4 tickets to the fundraiser dinner and a full-page ad in the program. It was pointed out to the Commission that due to the current COVID-19 pandemic, the dinner for the fundraiser will be rescheduled for a future date.

After discussion, the Commission approved the request.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE NORWALK VETERINARY HOSPITAL 2020 FUNDRAISER FOR \$1,000. IN THE EVENT THE FUNDRAISER DINNER IS NOT HELD, THE DONATION WILL GO DIRECTLY TO BENEFIT THE NORWALK AND FAIRFIELD CANINE UNITS.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

MINUTES OF MEETING

February 24, 2020 Regular Meeting

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF FEBRUARY 24, 2020 REGULAR MEETING.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Barber reviewed the Financial Highlights with the Commission for March 2020. Total Income is \$7,073,494 versus \$7,661,299 for last year, a difference of (7.67%). Total Expense is \$7,048,184 versus \$7,251,290 for last year, a difference of (2.80%). Year-to-Date Net Income is (\$39,286) versus \$995,536 for last year, a difference of (104%).

Total cash balance on hand is \$6,011,319. Of this, the Capital Improvement Fund is down approximately 10% (or approximately \$240,000) due to the drop in the financial markets because of the COVID-19 pandemic. Current outstanding principal balance with CMEEC is \$3,332,517. Current Fiscal Year Capital Additions to date is \$764,571.

Mr. Barber reviewed the P&L for the Operating account. Revenues are down which is associated with the mild winter the area experienced and probably will remain down due to the pandemic. Mr. Barber's discussion with CMEEC indicated that ISO New England has seen a 4-6% drop in energy usage. Expenses for the month are in good shape for the month and for the year.

The P&L for the District account is on or below budget.

KPI's: Mr. Barber reviewed the KPI's with the Commission and they remain consistent. He did point out that there could be an increase in Outstanding Receivables in the next few months due to the result of the pandemic.

PCA: The current balance of the RSF (Rate Stabilization Fund) is \$3,815,803. TTD is forecasting to use a little bit of the funds through the end of the current fiscal year and will expect the balance to drop to approximately \$3.7 million. But over the next three years there is still an upward trend.

Commissioner Parkington mentioned that they were going to review and work on the RSF, but during these times believes the Commission should hold off on this until the Fall to see how everything pans out.

PENSION COMMITTEE REPORT

The Third Taxing District Pension Committee met on February 28, 2020, to perform the Bi-Annual review of the Pension Fund with Hooker & Holcombe, TTD's Pension Fund Managers.

During the meeting, a discussion was held on the names that appear on the Charles Schwab pension accounts. Currently the names of previous Commissioners Brown and Goldstein are on the account. After discussion with Hooker & Holcombe, Chris Hodgson, TTD's labor attorney and a review of the Trust Agreement, it was determined that the District Commission was appointed as the Trustee of the Pension Trust. This means the Commission, as a group, should be listed on the Charles Schwab pension account as Trustee.

Staff is looking to get approval from the Commission to change the names to the District Commission, which may require some information and signatures from each Commissioner to complete the name changes.

**** COMMISSIONER SWEENEY MOVED TO REMOVE DAVID BROWN AND DEBORA GOLDSTEIN AS SIGNATORIES FROM THE PENSION PLAN AND APPOINT THE CURRENT THIRD TAXING DISTRICT COMMISSION BE LISTED ON THE HOOKER & HOLCOMBE PENSION ACCOUNT AS THE TRUSTEE.
** COMMISSIONER PARKINGTON SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

BANKING

Signatory Changes

Mr. Barber told the Commission that following the November elections, changes to the signatories with the accounts at Patriot Bank are needed, specifically adding Commissioner Sweeney as a signatory.

Mr. Barber asked about possibly adding the Treasurer as a signer to the accounts. Mr. Scofield stated that since 1995 (his time of hire), the Treasurer was never a signer on any of the accounts. Per the Charter, the Treasurer would only sign for bonds within the District.

Mr. Barber spoke to the Commission about the practice of having to have a Commissioner sign the checks in addition to the General Manager or Assistant General Manager. Due to the restrictions of the current COVID-19 pandemic, Messrs. Barber and Scofield have been signing the checks and Mr. Barber then emails the check registers to the Commission. Mr. Barber would like to continue the practice of having both a Commissioner and staff sign checks but would like to have the option that if a Commissioner cannot come in and sign, that the General Manager and Assistant General Manager can sign the checks. This will allow some flexibility in order to get the checks out in a timely fashion.

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Commissioner Parkington asked if any accounting or financial policy indicates that a Commissioner must sign a check. Mr. Scofield does not believe there is anything in writing to that effect. Because this is not in any written policy, it gives staff and the Commission flexibility for signing checks.

**** COMMISSIONER PARKINGTON MOVED THAT THE FOLLOWING POSITIONS BE DESIGNATED AS SIGNATORIES ON THE DISTRICT AND THE ELECTRIC DEPARTMENT'S OPERATING BANK ACCOUNTS: THIRD TAXING DISTRICT COMMISSIONERS, GENERAL MANAGER AND ASSISTANT GENERAL MANAGER.
** COMMISSIONER SWEENEY SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

Investments

Mr. Barber told the Commission that a few months ago he and Mr. Scofield started talking about the banking accounts and the rate of return that TTD was receiving on them. Over the last few years, the interest rates on a lot of the accounts was either at zero or very close to zero. Messrs. Barber and Scofield began investigating options in order to get a better rate of return on the operating funds.

Part of the review process was to identify various options that would earn a higher rate of return on the funds held, while still providing the flexibility required in the cash management to cover District/Electric operations. Options included investment in Certificates of Deposits (CDs) with various financial institutions and transferring a larger amount into the investment account.

The funds currently held at Patriot Bank are fully collateralized by the bank as per an agreement between the District and the bank dating back to when the accounts were opened with Patriot Bank.

It was determined the best approach was to work with Patriot Bank and utilize two programs available to their customers. The programs are CDARS and ICS (Insured Cash Sweep). Both programs are reciprocal deposit placement services which provide access to multi-million dollar FDIC (Federal Deposit Insurance Corporation) insurance through a single bank relationship.

After discussion with the Commission, it is the recommendation of the staff to utilize the CDARS program with the funds held in the Electric Department's Security Deposit account. The security deposit account is an account that holds the security deposits paid by customers when they establish an electric account and the funds are required to be segregated from the operating funds of the electric department.

Staff is also recommending utilizing ICS accounts for the District and the Electric Department's operating accounts. TTD has been quoted a rate equal to the Fed rate plus .25%, guaranteed through June 30, 2020. After June 2020, a floating interest rate will be utilized with a floor rate of 1.0%.

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**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE STAFF'S RECOMMENDATION TO UTILIZE THE CDARS PROGRAM WITH THE FUNDS BEING HELD FOR THE ELECTRIC DEPARTMENT'S SECURITY DEPOSITS AND TO UTILIZE THE OTHER PROGRAM OFFERED BY PATRIOT BANK, THE ICS (INSURED CASH SWEEP) ACCOUNT FOR THE OPERATING ACCOUNT.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

SUMMER CONCERT SERIES

As a follow-up to the Annual Meeting, Mr. Barber wanted to review the results from the meeting with regard to a motion made from the floor to modify the budget for the Summer Concert Series and increase it back to the same amount as last year (\$33,000). The motion was approved by the electors.

Mr. Barber pointed out that at no time was the motion made to change the number of concerts. The discussion was that this would be up to the Commission if they wanted to increase the number of concerts to be held. The first motion included eight concerts but was withdrawn and then a new motion that just increased the funding back to the prior year's amount of \$33,000.

Since the Annual Meeting, staff has been working on planning for the summer concerts and currently have six concerts in place, with the first concert scheduled for July 12, 2020. Mr. Scofield has been in touch with Parks and Recreation and was informed that events/activities had been cancelled for June, but so far had not cancelled anything in July, but would keep him informed.

CONSTITUTION PARK

Mr. Barber informed the Commission that TTD had been notified by the State DOT (Department of Transportation) of a proposed property acquisition for 185 Liberty Square (Constitution Park) as part of the Walk Bridge project. The proposed acquisition is for the purpose of access to two sections of the property for compensatory wetland mitigation. In discussions with the State of CT DOT, access is required to mitigate invasive species along the water line.

Access to these two areas would be provided by two access paths. One path is from the parking lot on the north end of the property and the second is the paved walkway that runs down the middle of the park.

Mr. Barber met with Stephen Miller, a CT Certified General Appraiser, at the park to review the proposed property acquisition and to discuss any options or alternatives that may be available. Mr. Miller explained the contractor for the Walk Bridge project will be required to mitigate the invasive species for a period of ten years after the project is completed.

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Mr. Barber reviewed the deed of Constitution Park with the Commission and stated that there is a restriction on the deed that requires the property to be maintained as open space in perpetuity for the general public. Within the deed one of the conditions imposed is: “The Planning and Zoning Commissions shall review site plans before any proposed construction begins...” which means TTD would need to go to the City if there were plans to make any changes/construction in the park.

Mr. Barber believes the State DOT will be back in touch with TTD over the next couple of months to present the next step in the process which could be a dollar value for the two easements.

During the discussion, the subject of the pink trailers owned by Norwalk 2.0 came up. Their lease is due to expire at the end of July and will be brought to the attention of the Commission at the next meeting.

GENERAL MANAGER’S REPORT

COVID-19 TTD Response Update

Mr. Barber reviewed with the Commission all steps that have taken place in response to the COVID-19 pandemic.

- The Electric Department has closed its doors to the general public and customers are utilizing either electronic payments, the night drop box, paying by phone or U.S. mail.
- The outcome of the Special Commission meeting held on April 24, 2020, the State was notified that TTD had elected that they would participate in one or both of the programs offered, Deferment Program and Low Interest Rate Plan Program.
- TTD is also following suit with PURA’s (Public Utility Regulatory Authorities) request and the Executive Order of the Governor to not terminate accounts.
- Internally, the company was split into two teams (Team A and Team B). The staff has been working in split shifts with the logic that if any one employee gets ill, they will not potentially infect the entire staff.

The Commission discussed options for possible incentives that could be provided to the ratepayers in order to assist them during this difficult time. Further discussion will be held at the next Commission meeting.

FY2019-20 Auditors

Mr. Barber recently discovered that the Commission had requested that TTD go out and obtain bids for auditors for the current year, not necessarily with the intention of changing auditors, but to be true to the process of competitive bidding. With the current situation of the pandemic, getting bids from auditors will be very chaotic. Mr. Barber is requesting that we continue using

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Hope & Hernandez for the upcoming audit and defer getting bids until next year. The Commission was in agreement with this.

Cost of Service Study Update

Mr. Barber has been in communication with Utility Financial Services (UFS) with regard to a Rate Study. He has been informed that TTD's rates are in a good spot at this time. Staff is working with UFS on a review of the rate structures which will be brought before the Commission at a future meeting.

Discussion on Future Meetings

Mr. Barber discussed the options with the Commission about future meetings while the restrictions are still in place due to the COVID-19 pandemic. He offered to continue to hold the meetings telephonically or asked if everyone had the ability to have a video conference via Zoom. The Commission responded that they all have the ability to have a video conference. Mr. Barber is going to look into options for the office staff with regard to video ability.

Electric Budget

The staff is currently working on the budget for FY20-21 and is planning on presenting it to the Commission at the May meeting, or possibly at the June meeting if need be.

PROJECT SUMMARY

Mr. Barber stated that the topics of interest were discussed during the meeting, but if the Commission had any questions, he would be happy to answer them. There were no questions at this time from the Commission.

ADJOURNMENT

- ** COMMISSIONER PARKINGTON MOVED TO ADJOURN.**
- ** COMMISSIONER SWEENEY SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:32 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

Third Taxing District
of the City of Norwalk
April 27, 2020