

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
ZOOM/Telephonic Commission Meeting
January 25, 2021

ATTENDANCE: Commissioners: Johnnie Mae Weldon, Chair; Pamela Parkington; Michele Sweeney; Read Auerbach, Treasurer

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

OTHERS: Peter Johnson, CMEEC Ratepayer Representative

The Commission Meeting of January 25, 2021 was held via ZOOM and telephonically. All participants could hear and be heard.

CALL TO ORDER

Commissioner Weldon called the meeting to order at 6:42 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

MINUTES OF MEETING

November 23, 2020 Regular Meeting

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF NOVEMBER 23, 2020 REGULAR MEETING.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

LIBRARY BUDGET PRESENTATION

Mr. Barber presented the Library Budget that was received from the Library Board. He made one comment about the budget which was listed for last year (Budget July 2020-June 2021). The library's budget document incorrectly listed last year's budget request as \$165,000. Mr. Barber reminded the Commission that during last year's review, that figure was the original request, but when the Library Board came to the Commission meeting of January 2020, they advised the Commission there was an error in their budget. Last year's budget request was approved at \$170,000.

The request for July 1, 2021 to June 30, 2022 is \$170,000. The Commission discussed the budget and believed it to be complete and appropriate.

DISTRICT BUDGET PRESENTATION

Mr. Barber presented the upcoming District Budget to the Commission. He noted that there were only a few changes from last year's budget and highlighted them.

Revenues: The rent from the Firehouse is up 3% per the terms of their lease.

Expenses:

- Parks – Groundskeeping & Maintenance Increase of \$3,900
- East Norwalk Historical Cemetery Maintenance Increase of \$6,200
- Capital Expenditures: Park Improvements Increase of \$5,000

Total Funding Required:	\$324,990	Increase of \$13,739
Transfer from Electric:	\$280,000	Increase of \$15,000

**** COMMISSIONER SWEENEY MOVED TO APPROVE THE DISTRICT BUDGET PRESENTED AT THE JANUARY 25, 2021 COMMISSION MEETING AS WELL AS THE TRANSFER OF \$280,000 FROM ELECTRIC TO BE PRESENTED AT THE RATEPAYERS MEETING.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ANNUAL MEETING DISCUSSION

Mr. Barber stated that the upcoming Annual Meeting is scheduled for Wednesday, March 3, 2021. Normally, the meeting is held at The Marvin. Due to the current pandemic, The Marvin is not allowing the use of their facility. The question remains as to how to handle the Annual Meeting.

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Mr. Barber told the Commission that on March 21, 2020, Governor Lamont issued an emergency Executive Order 7I which was a mandatory suspension of all in-person budget adoption requirements for municipalities. This would allow the Commission to approve the budget as opposed to having the ratepayers approving it. Executive Order 7I was only for the FY20/21 which was the budget that was approved last year. The current budget is for FY21/22.

Mr. Barber has been in contact with District Counsel to discuss this matter. It is their belief that the Governor is seeking to extend the public health emergency which currently is scheduled to expire on February 9, 2021. Should the health emergency be extended, it is also expected that he will start extending the Executive Orders and that could include another Executive Order to deal with the annual budget process. If so, the expectation would be that the Commission could approve the District Budget as opposed to having the ratepayers approve it. At this time, it is not known whether or not this Executive Order will be instituted.

Third Taxing District staff has been discussing how to run the upcoming Annual Meeting. It appears the best way would be to have a ZOOM meeting. The ratepayers would be able to join the meeting, conduct the meeting as usual, present the budget and then have a vote.

The biggest problem that could arise with a ZOOM meeting is how to properly register and vote. Staff is working on how to handle it if it comes to the point where the ratepayers are going to be approving the budget.

In the meantime, Mr. Barber is waiting to hear about the Governor's Executive Orders and Third Taxing District's Counsel to assist in advising us with what we are or are not allowed to do.

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Barber reviewed the Financial Highlights with the Commission for the month of December 2020. Total Income is \$2,288,004 versus \$4,567,752 for last year, a difference of (6.12%) which is a reflection of the PCA being lowered to zero. Total Expense is \$4,543,167 versus \$4,713,686 for last year, a difference of (75%). Net Income before Rate Stabilization is \$186,766 versus \$124,296 from last year or a difference of 50%. Net Income after Rate Stabilization is \$38,168 versus \$163,194 for last year, a difference of (77%).

Total cash balance on hand is \$7,187,916. Of this, the Capital Improvement Fund is \$2,609,798. Current outstanding principal balance with CMEEC is \$3,193,043. Current Fiscal Year Capital additions to date is \$98,928.

Mr. Barber reviewed the P&L for the Electric Department. There has not been much change from month to month. Residential sales for the current month are down a little, but for residential year-to-date it is about 5% over budget. Small and large commercials are a little under budget. Overall on the revenue for the current month, it is under budget by \$104,539, but

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\$64,000 is a reflection of the PCA being at \$0.00. The Cost of Power is approximately 2% under budget for the current month and the same 2% for the year.

Under Expenses, the year-to-date for Customer Accounts and Service is over-budget by \$68,013. This is directly related to the Cogsdale Cloud project.

The P&L for the District is in very good shape. Expenses for the cemetery are over-budget due to the clean-up from storm damage, as well as the down payment for replacing the damaged fence.

KPI's: Mr. Barber reviewed the KPI's with the Commission and they remain consistent with the industry average.

Accounts Receivable Analysis: The company continues to do fairly well. The total open A/R for accounts 90 days or less is \$635,126 of which approximately \$200,000 is the City of Norwalk accounts. Accounts greater than 90 days is \$60,709, which is 8.7% of the open A/R. Staff continues to assist customers who need help in making payment arrangements.

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$4,032,992. The forecast over the next five years projects the RSF balance to go in an upward trend. This is based on the work CMEEC has done with the Purchased Power Costs.

PENSION COMMITTEE REPORT

The Pension Committee met on January 21, 2021 with Hooker and Holcombe to review the pension accounts. The accounts are in very good shape. They have more than recovered from the losses that took place last year.

The next meeting is scheduled for July 14, 2021.

GENERAL MANAGER'S REPORT

Power Cost Adjustment (PCA) Update and Discussion

Mr. Barber reminded the Commission that last year the PCA was reduced from 1.3 cents per kilowatt hour down to zero in order to provide customers relief on their electric bills. It began in June 2020 and ran for three months. The Commission then voted to keep the PCA at zero for an additional six months with an end date of February 28, 2021.

Mr. Barber told the Commission a decision will need to be made on what to do with the PCA going forward. The savings over these past months to the customers is approximately \$430,000 which is an average of \$60,000-61,000 per month. There has been positive feedback from the customers thanking Third Taxing District for providing the relief.

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Mr. Barber asked the Commission if there was anything they would like to staff to do in terms of bringing back further information to them in order to make a decision about the PCA. Some options include:

- Continue with the PCA and the billable rate exactly where it is.
- Return the PCA back to its original rate of 1.3 cents and the billable rate back to \$80/megawatt.
- Try something different in between.

After discussing the situation, the Commission agreed to continue to keep the current rates where they are through the end of the fiscal year.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE CONTINUATION OF THE POWER COST ADJUSTMENT RATE OF \$0.00 PER KILOWATT HOUR THROUGH THE END OF THE FISCAL YEAR, JUNE 30, 2021 AND TO CONTINUE WITH THE CMEEC BILLABLE RATE OF \$67.50 PER MEGAWATT HOUR FOR THE SAME PERIOD.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

FY2019-2020 Audit

Mr. Barber informed the Commission that the audit has been completed and Third Taxing District received a “clean” report. He did note that the audit was originally due for December 31, 2020, but an extension was filed with the Connecticut Office of Policy and Management, as the library was late in getting their audit completed due to having new auditors and the departure of the Library Treasurer.

Commercial and Property Insurance Renewal Update

Mr. Barber said the renewals were received for the business insurance and the increase for the year was only less than 1%, an equivalent of less than \$3,500 over last year.

COVID Update

Mr. Barber told the Commission that the company is doing fine. He did inform the Commission that one employee came down with COVID. It was over the holiday season and therefore no one else was impacted. The employee has made a full recovery and is doing fine. The office continues to take precautions.

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ADJOURNMENT

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

The meeting adjourned at 7:46 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District