

FINAL

THIRD TAXING DISTRICT

of the City of Norwalk

Commission Meeting

December 20, 2022

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
Assistant Chief Mark Conte, Norwalk Fire Department

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.

MINUTES OF MEETING

November 28, 2022 Regular Meeting

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF NOVEMBER 28, 2022 REGULAR MEETING.**

****COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

FIREHOUSE BUDGET REQUEST

Mr. Barber informed the Commission that on November 30, 2022, he received a budget request from the City of Norwalk Fire Department for the East Norwalk Firehouse located on Van Zant Street. The budget request was for a capital project to replace the apparatus floor in advance of the scheduled replacement of the current apparatus. The budget request is for \$402,000.

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Mr. Barber reviewed the executed lease from 2010 between the City of Norwalk and the Third Taxing District. The lease stipulates the City desires to operate the building as a municipal firehouse. The initial term of the lease was five years with automatic renewals of up to nine additional five-year terms. Effectively the full term of the lease is up to 50 years and the City pays an annual lease payment with escalators calculated on a yearly basis.

Mr. Barber sent the lease over to the District's attorney, Steve Studer, for his determination. Atty. Studer replied:

Paragraph 4A of the lease clearly states that the Tenant is "... responsible for the condition of the Premises and for performing *all improvement, repairs and other work* that may be necessary or desirable in order for the [Tenant] to use and operate the Premises as a public firehouse." Paragraph 4B provides that the Landlord is generally responsible for capital improvements, repairs and replacements involving the building's structure, its exterior envelope, and general mechanical systems such as heating, air-conditioning, plumbing and electricity which are "... not specifically and solely related to its use as a public firehouse." Similarly, Article 6B clearly provides that the Landlord is responsible for "... capital repairs and all capital improvements *to the extent not related specifically and solely to the use of the building as a firehouse.*"

Mr. Barber introduced Assistant Chief Mark Conte to the Commission. Asst. Chief Conte has been assigned to take the lead on the project. He explained the history of the work that had been performed over the prior years to the apparatus floor, specifically the work performed in 2019 which he referred to as Phase I. The project he is requesting funds for is labeled as Phase II. The current apparatus floor, which has a layer of original wood flooring in the center, will need to be replaced and as there are safety concerns with the current floor.

After a lengthy discussion of what needs to be done and why, the Commission was in favor of approving the request of \$402,000. Mr. Barber reminded the Commission the budget request could be included in next year's District Budget and the entire budget would be recommended to the electors for approval at the annual meeting on March 1, 2023.

Mr. Barber also recommended this item be placed on the January Commission meeting agenda. This would provide staff time to determine the impact this budget request would have on the District's financial position and if there would be any impact to customers' electric rates. The Commission agreed to Mr. Barber's recommendation.

Commissioner Parkington asked Asst. Chief Conte if there were any other concerns with the building that needed to be addressed. He replied that there were some repairs that needed to be made to the building's structure, i.e., repointing of the bricks in the basement and the outside of the building. Commissioner Parkington suggested that the Firehouse obtain quotes and submit to the Commission by mid-January in order to be included in the upcoming District Budget.

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DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Barber reviewed the Financial Highlights with the Commission for November 2022. Total Income is \$4,567,695 versus \$3,997,520 for last year, a difference of 14.26%. Total Expense is \$5,198,346 versus \$4,158,032 for last year, a difference of 25.02%. Net Income before Rate Stabilization is (\$609,510) versus (\$112,450) from last year or a difference of (442%). Net Income after Rate Stabilization is (\$223,560) versus \$18,419 for last year, a difference of (1,314%).

Total cash balance on hand is \$8,442,190. Of this, the Capital Improvement Fund is \$2,417,222. Current outstanding principal balance with CMEEC is \$3,291,612 (as of October 2022). Current Fiscal Year Capital additions to date is \$211,093.

Mr. Barber reviewed the P&L for the Electric Department. Income for the month of November 2022 is \$741,585.12. Purchased Power (555-00) for the month of November 2022 is \$477,294.06 and Purchased Power for Cervalis is \$57,421.06. Operating Expenses for the month is \$377,331.07.

The P&L for the District continues to be in good shape. Christmas Tree Lighting is showing over budget, but the overage is due to a timing issue.

KPI's: They remain in good shape.

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$4,171,182. Mr. Barber reviewed the 5-Year Forecast with the Commission.

Accounts Receivable: Overall, TTD is doing very well. The greater than 90 days open balance is \$38,543 which is 16.3% of the overall balance. As a result of the receivables going down, the percentage for the greater than 90 days went up, but overall is holding steady in terms of dollars and cents.

GENERAL MANAGER'S EPORT

Audit – Mr. Barber informed the Commission that the audit is complete and issued a copy of the final audit along with the Management Letter to each Commissioner and Treasurer. Third Taxing District has been given a “clean bill of health” – no issues.

Annual Meeting – The upcoming Annual Meeting is scheduled for Wednesday, March 1, 2023. Staff has been looking into a venue to hold the meeting. They have been in touch with The Marvin and have been told that they will need to check back in mid-January, as The Marvin wants to wait and see what the upcoming weeks bring in terms of sickness and whether or not they will rent out their space.

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A discussion took place on holding the meeting at a location outside of the Third Taxing District. Unfortunately, due to the uncertainty of COVID and facilities being willing to host the meeting, and very few facilities that would meet the District's needs, the Commission agreed the Norwalk Inn would be the best location. St. Ann's was also mentioned as a possible location to investigate. In the meantime, staff is prepared to book the Norwalk Inn for the meeting if needed.

213 East Avenue – Mr. Barber informed the Commission that Third Taxing District has received the check from the State of CT for the defined easement. The easement has been filed on the land records.

Christmas Party Wrap-Up – Everyone had a great time at the Christmas party held at The Shore & Country Club. It was suggested that staff look into booking it again for Christmas 2023.

Commissioner Weldon thanked the Commission for all their hard work and support over the year and wished everyone a very Happy Holiday.

**** COMMISSIONER PARKINGTON MOVED TO ADJOURN.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:38 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District