

FINAL

**THIRD TAXING DISTRICT**  
of the City of Norwalk  
Commission Meeting  
September 25, 2023

**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  
Mike Adams, General Line Foreman

**OTHERS:** Peter Johnson, CMEEC Ratepayer Representative  
Atty. Steve Studer, Berchem Moses (via phone)  
Patsy Brescia, Representative of the City of Norwalk, Charter  
Revision Committee

**CALL TO ORDER**

Commissioner Weldon called the meeting to order at 6:34 p.m. A quorum was present.

**PUBLIC COMMENT**

No one from the public was in attendance to comment.

**CITY OF NORWALK CHARTER CHANGES DISCUSSION**

Mr. Barber informed the Commission that on June 28, 2023, Third Taxing District received an email from the Office of the Mayor and City Clerk, regarding proposed Article XII: Taxing Districts of the Norwalk Charter. The email included a memo from Patsy Brescia, Chair of the Charter Revision Committee (which is now defunct) and the redline version of Article XII: Taxing Districts. Ms. Brescia reached out to Third Taxing District and asked if she could please attend a Commission meeting in order to discuss the changes proposed for the Charter.

Mr. Barber introduced Ms. Brescia to the Commission to give her presentation about the Charter revisions that were passed by City Council in August 2023. Ms. Brescia gave a little history of the Charter and explained the types of changes that were made. Most of the changes were to bring the archaic language up-to-date and make it gender neutral. She reassured the Commission that none of these changes affected the District Charters. Ms. Brescia was reminded that the City of Norwalk is not allowed to make changes to the Third Taxing District Charter.

FINAL

Atty. Studer, who has read the changes proposed, agrees that the City of Norwalk does not have the right to make any changes to the Third Taxing District, but is accepting of the minor changes of language which does not affect the workings of the Charter. Atty. Studer left the final decision up to the Commission.

Ms. Brescia also said that the City of Norwalk is hoping to review the Charter again in two years and every five years after that. She thanked the Commission for their time and asked for their support in getting the word out to the public about the Charter changes.

### **MINUTES OF MEETING**

August 28, 2023 Regular Meeting

**\*\* COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF AUGUST 28, 2023 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 the month of August 2023. Total Income is \$1,464,268 versus \$1,643,737 for last year, a difference of (10.92%). Total Expense is \$2,045,687 versus \$2,303,042 for last year, a difference of (11.17%). Net Income before Rate Stabilization is (\$749,200) versus (\$628,348) from last year or a difference of (19%). Net Income after Rate Stabilization is (\$701,587) versus (\$407,563) for last year, a difference of (72%).

The total local cash balance on hand is \$8,658,451. Of this, the Capital Improvement Fund is \$2,476,300. The current outstanding principal balance with CMEEC is \$2,609,617. Current Fiscal Year Capital additions to date is \$111,361.

Funds held at CMEEC include:

- Rate Stabilization Fund (RSF)	\$3,726,804
- Municipal Competitive Trust	\$2,162,836
- Economic Development Fund	\$ 158,791
- Conservation & Load Management	\$ 471,649
- Regional Greenhouse Gas Initiative	\$ 197,833
- Renewable Resource Investment Fund	\$ 32,625

Mr. Barber reviewed the P&L for the Electric Department. Income for the month of August 2023 is \$1,120,736.07. Purchased Power (555-00) for the month of August 2023 is \$514,957.50

FINAL

and Purchased Power for Cervalis is \$55,869.83. Operating Expenses for the month is \$375,555.76

The P&L for the District continues to be in good shape. The account for the Firehouse rent is under budget as staff is waiting to receive the rent payment which should be forthcoming shortly.

KPI's: They remain in good shape.

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$3,726,804 and continues to be above target. Staff continues to monitor the account.

Accounts Receivable: Overall, TTD is doing very well. The greater than 90 days open balance is \$47,051 which is 10.8% of the overall balance.

### **FY2023-2024 ELECTRICAL CAPITAL BUDGET MODIFICATION REQUEST**

Mr. Barber stated the plan for the replacement of the T4 transformer located at the Rowan Street substation was originally included in the budget for FY2024-2025. Due to the extended lead times, Third Taxing District would not be able to order the transformer until July 2024, at the earliest, and would not receive the transformer until the second half of 2026.

The cost of the transformer has also increased dramatically over the last few years. The current cost estimate for the T4 Rowan Street Substation Transformer is \$991,218, almost a 200% increase in a 5-year span.

In order for Third Taxing District to place the order as soon as possible, it is necessary to modify the current year's Capital Budget to move the T4 Transformer Replacement project into the FY2023-2024 budget. In addition to requesting the project be moved forward one year, staff is also seeking an increase in the project allocation to \$1,250,000. This increase is necessary due to the cost increases of the transformer.

The impacts of this budget modification to the current year's budget are as follows:

- The Capital Appropriation for FY2023-2024 will increase from \$1,418,000 to \$2,668,000.
- The Estimated Ending Cash Balance at the end of FY2023-2024 will decrease from \$12,757,705 to \$11,501,705.

Mr. Barber is recommending the Commission approve the budget modification that will add the Rowan Street Substation Transformer (T4) Replacement project to the current FY2023-2024 Capital Budget.

FINAL

**\*\* COMMISSIONER PARKINGTON MOVED TO APPROVE THE MODIFICATION OF THE FISCAL YEAR 2023-2024 CAPITAL BUDGET TO ADD THE ROWAN STREET SUBSTATION TRANSFORMER (T4) REPLACEMENT PROJECT, IN THE AMOUNT OF \$1,250,000, TO THE APPROVED CAPITAL PROJECT LIST, AS RECOMMENDED BY GENERAL MANAGER KEVIN BARBER AND TTD STAFF.**

**\*\* COMMISSIONER SWEENEY SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**REVIEW & APPROVAL OF REQUEST TO PURCHASE ROWAN STREET  
SUBSTATION TRANSFORMER**

Mr. Barber stated with the approval of the modification of the FY2023-2024 Capital Budget to include the Rowan Street Substation T4 Transformer, Mr. Barber and staff are requesting the purchase of the new equipment.

Mike Adams, General Line Foreman, with the assistance of TTD's Electrical Engineer, Joe Cristino, developed bid specifications for the new transformer and sent them to six transformer manufacturers. Three bids were received. The quotes received ranged from \$991,218 to \$1,395,052. All the quotes received have a price escalator component due to the volatility in the raw material market, shipping costs and other related factors.

After careful review, it is staff's recommendation to proceed with the procurement of the 10 MVA substation transformer from Niagara Power Transformer Corporation in the amount of \$991,218, per their quote. The price includes the manufacturing, shipping and placement of the new transformer on the transformer pad at the Rowan Street Substation. Due to the price escalation factor, staff would like to include a 10% escalation factor in the amount of \$91,000, increasing the total amount of the transformer to \$1,082,218.

As required by the Purchasing Policy, "all purchases with any single item to be purchased or leased exceeding \$100,000 must be brought before the Commission for approval at a Regular or Special meeting." Because the cost exceeds the \$100,000 threshold, staff is asking for Commission approval to move forward with the purchase of the Rowan Street T4 transformer.

**\*\* COMMISSIONER SWEENEY MOVED TO APPROVE THE PURCHASE OF A NEW 10 MVA LIQUID-IMMERSED, CLASS I, POWER TRANSFORMER IN THE AMOUNT OF \$991,218, PLUS A PRICE ESCALATOR OF \$91,000, FOR A TOTAL OF \$1,082,218 FROM NIAGARA POWER TRANSFORMER CORPORATION, AS RECOMMENDED BY GENERAL MANAGER KEVIN BARBER.**

**\*\* COMMISSIONER PARKINGTON SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

FINAL

**TCM BANK AUTHORIZED TTD REPRESENTATIVE**

Mr. Barber informed the Commission that in August 2023, Third Taxing District's bank, Patriot Bank, changed the company that provided cardholder services for TTD's corporate credit cards to TCM Bank. With this change, TTD is required to designate an authorized representative to manage the accounts with the new credit card processor.

Mr. Barber is recommending Mr. Ron Scofield, Assistant General Manager, be the authorized representative for TTD in order to manage the credit card account with TCM bank.

**\*\* COMMISSIONER PARKINGTON MOVED TO APPOINT ASSISTANT GENERAL MANAGER RONALD SCOFIELD AS THE AUTHORIZED REPRESENTATIVE FOR THE THIRD TAXING DISTRICT TO MANAGE OUR CREDIT CARD ACCOUNT WITH TCM BANK.**

**\*\* COMMISSIONER SWEENEY SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**2024 COMMISSION SCHEDULE**

Mr. Scofield presented the proposed 2024 Commission Schedule to the Commission. He noted that only one meeting date, May 2024, was moved due to the Memorial Day holiday. The meeting was moved to Tuesday, May 28, 2024.

**\*\* COMMISSIONER SWEENEY MOVED TO APPROVE THE 2024 COMMISSION SCHEDULE AS PRESENTED.**

**\*\* COMMISSIONER PARKINGTON SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**GENERAL MANAGER'S REPORT**

Firehouse Project – Mr. Barber informed the Commission that both parties involved have come to a resolution to the Agreement between Third Taxing District and the City of Norwalk. The City is proceeding with the approval process with the Common Council.

Ludlow Park – Due to timing issues, the work that was going to begin this Fall, has been moved to the Spring of 2024.

Constitution Park Easement Request – The CT DOT has put a request into Third Taxing District for an easement in Constitution Park. It consists of a 71 sq. ft. parcel of land to install a temporary guide wire anchor. Mr. Barber will have further information at the October 2023 meeting.

FINAL

**ADJOURNMENT**

- \*\* 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