

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
May 28, 2024

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

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

April 22, 2024 Regular Meeting

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF
APRIL 22, 2024 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 April 2024. Total Income is \$9,221,799 versus \$9,482,476 for last year, a difference of (2.75%). Total Expense is \$9,393,096 versus \$10,251,483 for last year, a difference of (8.37%). Net Income before Rate Stabilization is (\$753,656) versus (\$105,717) from last year or a difference of (613%). Net Income after Rate Stabilization is (\$886,210) versus (\$381,983) for last year, a difference of (132%).

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The total local cash balance on hand is \$8,178,637. Of this, the Capital Improvement Fund is \$2,589,325. The current outstanding principal balance with CMEEC is \$2,513,571. Current Fiscal Year Capital additions to date is \$314,084.

Funds held at CMEEC include:

- Rate Stabilization Fund (RSF)	\$3,714,664
- Municipal Competitive Trust	\$2,195,886
- Economic Development Fund	\$ 160,697
- Conservation & Load Management	\$ 523,371
- Regional Greenhouse Gas Initiative	\$ 259,953
- Renewable Resource Investment Fund	\$ 35,573

Mr. Barber reviewed the P&L for the Electric Department. Income for the month of April 2024 is \$870,925.11. Purchased Power (555-00) for the month of April 2024 is \$370,206.82 and Purchased Power for Cervalis is \$74,957.74. Operating Expenses for the month is \$418,323.62.

The P&L for the District continues to be in good shape. The Christmas Tree Lighting is over budget due to the cost of renting a stage and lighting for the event as the Showmobile is no longer available for off-site rentals.

KPI's: They remain in good shape.

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$3,714,664 which is still above target. The five-year projection is still slightly higher than the target balance.

Accounts Receivable: Overall, TTD is doing very well. The greater than 90 days open balance is \$44,871 which is 17.9% of the overall balance. Mr. Barber informed the Commission that the greater than 90 days does include liens that Third Taxing District has on some properties. Two of the larger liens is due to the customer not paying their monthly invoice and having a Life-Threatening Medical Letter on file. Under the law, TTD is not allowed to terminate their electric for this reason.

The Commission asked staff to take a closer look at the outstanding A/R and see if there are any small amounts that can be written off. Staff will look into the matter and bring the results to the Commission for their approval before any write-offs are done.

CHARTER DISCUSSION

Mr. Barber and Commissioner Parkington attended a special meeting of the City's Common Council on May 13, 2024 to discuss possible Charter revisions for the City of Norwalk. All Districts were in attendance.

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Attendees were informed by a member of the Council that the City of Norwalk is planning to make changes to the City’s Charter (including Districts). The attorney for the District Charter Revisions project spoke to attendees about the project. In turn, members from the Districts informed the attorney that the City of Norwalk is not allowed to make changes to the Districts’ charters. Those changes would have to be voted on by the ratepayers of each District.

Third Taxing District will be reaching out to their attorney about the matter. Mr. Barber will keep the Commission up-to-date as information comes forth.

2024-2025 ANNUAL OPERATING & CAPITAL BUDGETS

Mr. Barber presented the Operating and Capital Budgets to the Commission. He indicated that the format is the same as in the past few years. Mr. Barber prefaced his presentation by informing the Commission that the Cost of Service Study (which has not been finalized) played a part in developing the budget. The new budget includes a 3% increase in rates except for the Data Center. Operating Revenue is budgeted for \$12,743,549 and Operating Expenses of \$12,541,416.

Mr. Barber continued by reviewing the Summary of Operating Budget in detail.

Estimated Opening Cash Balance	\$14,153,904
Current Year’s Net Income	60,975
RSF Projected Additions/Subtractions (+/-)	66,919
Capital Appropriations	(688,000)
Previous Year’s Capital Appropriations to be Spent	(2,201,000)
Add Back – Depreciation Expense	<u>900,000</u>
Estimated Ending Cash Balance	\$12,292,798

In addition, Mr. Barber informed the Commission that TTD is expecting Income Revenue from CMEEC over the next year from the Solar Gardens and PTF Funds.

A new page titled Labor Analysis was added to the budget this year. Mr. Barber added an additional \$100,000 in labor expense for the possible addition of one full-time employee (FTE). No determination has been made if the additional FTE will be added in FY2024-25 or at a later date. Budgeting the additional labor provides flexibility if the FTE is determined to be necessary. If it is determined that an additional FTE will be required, it will be brought back to the Commission for their approval.

Mr. Barber reviewed the capital projects, most of which are standard from year to year, i.e., poles, transformers, meters, furniture/equipment, etc. He highlighted the larger projects:

Replacement of the Ford F-750 Rack Body	\$100,000
Distribution Improvements (State CT DOT Projects)	\$ 50,000
Overhead Conductor Replacement	\$187,500

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Mr. Barber asked the Commission if they had any questions about the budgets. Being none, the following motion was made.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE OPERATING AND CAPITAL BUDGETS AS PRESENTED TO THE COMMISSION FOR THE FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2025.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

GENERAL MANAGER'S EPORT

Ludlow Park Update – Mr. Barber informed the Commission that the Bid Notice was placed in The Hour earlier in the month. Six contractors have shown interest in the project. The bids are due at the Third Taxing District office by Wednesday, May 29, 2024 at 4:00 p.m. Mr. Barber will keep the Commission updated on the project.

ADJOURNMENT

**** COMMISSIONER SWEENEY MOVED TO ADJOURN.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:36 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District