

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
June 24, 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
Matt Allred, Bliss Allred

OTHERS: Peter Johnson, CMEEC Ratepayer Representative
Allan Broadbent, Broadbent Design Studio
Chris Lund, Utility Financial Solutions (via Zoom)

PUBLIC: Konstantin Stoyanov

Note: Cost of Service Study Presentation was conducted via Zoom with Mr. Lund of Utility Financial Solutions (UFS).

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 had any comments.

MINUTES OF MEETING

May 28, 2024 Regular Meeting

**** COMMISSIONER SWEENEY MOVED TO APPROVE THE MINUTES OF MAY 28, 2024 REGULAR MEETING.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

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LUDLOW PARK PROJECT BID SELECTION

Mr. Barber introduced Mr. Allan Broadbent of Broadbent Design Studio, who has been retained by Third Taxing District (TTD) to oversee the project for Ludlow Park. Mr. Barber reminded the Commission that Mr. Broadbent developed the project plans and a “Notice to Bid” which was placed in the Norwalk Hour for seven days. TTD received initial interest from six companies and a bid package was sent to each company. Only two companies submitted bids for the project and were opened on May 29, 2024 at the TTD office.

Rock Shelter Landscape Design and Construction	\$261,692.12
VAZ Quality Works LLC	\$447,400.00

Mr. Broadbent was given the bids to review. Mr. Broadbent discovered that Rock Shelter was missing some items and went back to them to get a revised bid which is reflected in the above project cost.

Mr. Broadbent spoke to the Commission and reviewed the same information that had been provided to them by Mr. Barber. The Commission asked how long the project will take and was told by Mr. Broadbent that they believe the timeline to be three months.

It is the recommendation of TTD staff and Mr. Broadbent to award the bid to Rock Shelter.

**** COMMISSIONER PARKINGTON MOVED TO AWARD ROCK SHELTER LANDSCAPE DESIGN AND CONSTRUCTION AS THE SUCCESSFUL BIDDER TO PERFORM THE ROGER LUDLOW PARK IMPROVEMENT PROJECT, AS RECOMMENDED BY GENERAL MANAGER KEVIN BARBER AND STAFF.
** COMMISSIONER SWEENEY SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

NORWALK TREE ALLIANCE

Commissioner Parkington noted that there was no amount filled in on the Norwalk Tree Alliance’s donation request form. She did note that the suggested motion indicated \$3,000 which was the amount of the donation given to them the previous year. After much discussion about the current cost of trees, the Commission believed the donation amount should be increased.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE NORWALK TREE ALLIANCE DONATION REQUEST IN THE AMOUNT OF \$4,500 TO BE FUNDED OUT OF OTHER DISTRICT SERVICES IN THE DISTRICT BUDGET WHICH WILL BE AWARDED AFTER JULY 1, 2024.
** 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 May 2024. Total Income is \$10,063,130 versus \$10,229,843 for last year, a difference of (1.63%). Total Expense is \$10,272,094 versus \$11,069,197 for last year, a difference of (7.20%). Net Income before Rate Stabilization is (\$712,381) versus (\$178,409) from last year or a difference of (299%). Net Income after Rate Stabilization is (\$837,164) versus (\$394,080) for last year, a difference of (112%).

The total local cash balance on hand is \$8,189,257. Of this, the Capital Improvement Fund is \$2,634,027. The current outstanding principal balance with CMEEC is \$2,501,440. Current Fiscal Year Capital additions to date is \$319,812.

Funds held at CMEEC include:

- Rate Stabilization Fund (RSF)	\$3,745,877
- Municipal Competitive Trust	\$2,202,465
- Economic Development Fund	\$ 160,966
- Conservation & Load Management	\$ 534,112
- Regional Greenhouse Gas Initiative	\$ 257,385
- Renewable Resource Investment Fund	\$ 35,658

Mr. Barber said that the Net Income has been decreasing over the past few years, yet TTD remains cash healthy.

Mr. Barber reviewed the P&L for the Electric Department. Income for the month of May 2024 is \$81,331.05. Purchased Power (555-00) for the month of May 2024 is \$321,635.30 and Purchased Power for Cervalis is \$51,048.51. Operating Expenses for the month is \$378,412.58.

The P&L for the District continues to be in good shape. The Christmas Tree Lighting remains over budget due to the cost of renting a stage and lighting for the event.

KPI's: They remain in good shape.

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$3,745,877 which is still above target. The five-year projection continues to climb above the target balance.

Accounts Receivable: Overall, TTD is doing very well. The greater than 90 days open balance is \$45,684 which is 13.4% of the overall balance. Mr. Barber said he would go into more detail about this under the next agenda item.

ACCOUNTS RECEIVABLE WRITE-OFFS

As a follow-up to the May Commission meeting, Messrs. Barber and Scofield started the process to develop a Write-Off Policy for the Commission to review and approve. While the policy is still in the development stage, Mr. Barber created a list of accounts that he is seeking approval to write-off.

Final billed accounts with open balances fell into one of the following categories:

- Accounts that were final billed longer than six (6) years ago.
- Accounts with a balance due of less than \$50.

The Statute of Limitations will not permit TTD to collect any balances greater than six years old. Therefore, Mr. Barber is recommending that these accounts be written off. The only accounts that would have an exception to the Statute are accounts that TTD is actively pursuing, i.e., an active lien on the land record of the property owner.

Messrs. Barber and Scofield also determined that it would not be cost effective to try and collect any outstanding bills less than \$50. Mr. Barber is also recommending that these be written off as well.

There are a total of 64 accounts totaling \$6,846.78 that fall into these categories. Mr. Barber is recommending to the Commission that they be written off.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE WRITE-OFFS OF THE 64 FINAL BILLED ACCOUNTS, TOTALING \$6,846.78, AS PRESENTED TO THE COMMISSION.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

COST OF SERVICE STUDY PRESENTATION

Mr. Barber reminded the Commission that in January 2024, TTD engaged the services of Utility Financial Solutions (UFS) for the purpose of performing a detailed cost of service study and a rate redesign. After months of discussions and meetings between UFS and TTD staff, Mr. Barber, in conjunction with Mr. Chris Lund (UFS), presented the results of the cost of service study.

Since the presentation was being conducted via Zoom with Mr. Lund, it was confirmed that Mr. Barber could hear Mr. Lund and Mr. Lund could hear Mr. Barber.

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Mr. Barber introduced Mr. Lund to the Commission. Mr. Lund gave a brief explanation of who Utility Financial Solutions (UFS) is and how many years he has been conducting this type of business.

Mr. Lund went through his slide presentation with the Commission explaining in detail how the process works and how they arrived at their projection summary indicating a 2.8% annual rate increase for the next five years. Mr. Lund answered any questions that the Commission had about the presentation.

TTD staff is not seeking approval at this time for any changes to the rates or rate structure. They are looking for feedback on the approach. Based on any feedback, UFS and TTD will develop revised rates and rate structures that will be presented to the Commission at a future meeting.

The Commission was very receptive to the summary and the 5-year approach that was presented.

GENERAL MANAGER'S REPORT

Mr. Barber had nothing to report under the General Manager's report.

ADJOURNMENT

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

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:56 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District