

**SECOND TAXING DISTRICT COMMISSIONERS**

Regular Meeting Minutes

January 17, 2017

Present:	David Westmoreland	Chairperson
	Maria Borges-Lopez	Vice Chairperson
	Harold Bonnet	
	Mary Geake	
	Mary Mann	
	Sandra Stokes	
	Martha Wooten-Dumas (arrived at 7:15 p.m.)	
Absent:	None	
Also Present:	Paul Yatcko	General Manager
	Kevin Barber	Director of Finance & Services
	Lisa Roland	District Clerk
	Frank Murphy, Esq.	Tierney, Zullo, Flaherty & Murphy
	Kara Murphy, Esq.	Tierney, Zullo, Flaherty & Murphy
Public Present:	None	

---

*The meeting was recorded in its entirety.*

**Call To Order:**

Commissioner Westmoreland called the Regular Meeting of The Second Taxing District to order at 7:00 p.m. on Tuesday, January 17, 2017. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

1. Acceptance of the Minutes:
  - 1.1 Regular Meeting Minutes of December 20, 2016

**Commissioner Mann moved to approve the Minutes. Commissioner Stokes seconded. Minutes were approved, with Commissioner Borges-Lopez abstaining. (17-01-17-1.1)**

*Public Participation*

No Public was present.

**CONSENT AGENDA**

2. Electric Write-Offs – October 1, 2016 thru December 31, 2016

**Commissioner Geake moved to accept. Commissioner Borges-Lopez seconded. Write-Offs were accepted unanimously. (17-01-17-2)**

### **REGULAR AGENDA**

The Regular Agenda was postponed and the Executive Session moved up in the schedule to accommodate the attorneys.

### **EXECUTIVE AGENDA (taken out of order of original Agenda)**

7. Wilton Tax Appeal  
South Norwalk Community Center  
SNEW Property Appraisal

Commissioner Mann moved to enter Executive Session. Commissioner Borges-Lopez seconded. The motion carried and Executive Session was entered at 7:03 pm to discuss legal strategies pertaining to Wilton Tax Appeal, South Norwalk Community Center, and SNEW Property Appraisal.

All the Commissioners (Commissioner Wooten-Dumas arrived and joined the discussions at 7:15 p.m.), as well as Attorney Kara Murphy and Attorney Frank Murphy, Lisa Roland and Paul Yatcko were present.

Executive Session discussions ended at 8:40 p.m.  
(Attorneys Kara Murphy and Frank Murphy left the meeting at approximately 8:41 p.m.)

**Commissioner Geake moved to approve the settlement amount of \$10,000 per acre as put forth by Judge Avery in regards to the Wilton Tax Appeal. Commissioner Borges-Lopez seconded. The settlement was accepted unanimously.**

No action was taken regarding the South Norwalk Community Center building. The Commissioners directed Paul Yatcko to continue discussions with the City

No action was taken regarding the SNEW Property Appraisal.

The meeting returned to the Regular Agenda items.

### **REGULAR AGENDA**

3. Quarterly Financial Statements – 2<sup>nd</sup> Quarter – FY 2016 – 2017

Kevin Barber presented financial summaries for the District, Water Operations, and Electric Operations. The numbers presented were for the periods ending December 30, 2016, and presented 3 side-by-side revenue and expense columns for the month-to-date period of December 2016, the quarter-to-date period of October through December, 2016, and the fiscal year-to-date period of July through December, 2016.

The District's only income stream is from interest. Because December's interest was unknown at the time of compilation, the month-to-date (i.e. December 2016) was \$46 under budget (negative variance), and the year-to-date (i.e. July through December, 2016) was \$134 under budget (negative variance).

The District's actual Total (December 2016) Operating Expenses were \$12,919 versus the budgeted \$30,271, resulting in \$17,352 under budget (positive variance). This number is artificially high because the Street Lighting expense had not yet been reconciled from the Electric Operations' books, and is being shown as zero in the monthly, quarterly and year-to-date line item on the District's books. Year-to-date, the actual Total Operating Expenses were \$108,481 versus the budgeted \$223,627, resulting in \$115,146 under budget (positive variance). Taking Street Lighting into consideration, the actual figure would be about \$30,000 under budget (positive variance).

On the Water Operations side, Total Sales for December 2016 were \$1,000 less than budgeted (negative variance). The actual sales were \$676,000 versus the budgeted \$677,000. Including Miscellaneous Revenue, which was over budget by \$8,000 (positive variance), the Total Operating Revenue was \$701,000 versus the budgeted \$694,000. The resulting variance was a positive \$7,000.

An error was discovered in reporting Operating Expenses, and the summary sheet handed out to the Commissioners summarizing the Operating Expenses for Water Operations contained some incorrect figures. Kevin Barber explained the error and verbally presented the corrected numbers. The error was made in the Administrative and General expense line item. This item includes property taxes. Property taxes are budgeted at \$39,000 for the month, but were entered as **negative** \$39,000. The incorrect sign decreased monthly budgeted expenses by \$78,000. Thus the Total Operating Expenses for December 2016 should have shown a budgeted \$810,000 instead of the \$732,000 shown on the handout. For the month of December 2016, the Total Operating Expenses were \$182,000 under budget (positive variance). Operating Income (over expenses) were \$72,000, or \$188,000 over budget (positive variance).

Looking across the handout at the year-to-date figures, Total Operating Revenue came in at \$4.81 million. The budgeted amount for the 6 months was \$4.841 million, resulting in a short fall or negative variance of \$31,000.

Carrying the \$78,000 per month error (increase) in expenses through to the year-to-date figures for the Administrative and General expense line, the Total Operating Expenses for 6 months on the Water Operations side were budgeted at \$4.849 million (not the \$4.383 million shown on the handout). Actual Total Operating Expenses came in at \$4.339 million, resulting in \$510,000 under budget (positive variance).

On the Electric Operations side, for the month of December 2016, Total Sales Electricity were \$1.319 million versus the budgeted \$1.443 million, resulting in

\$124,000 under budget (negative variance). Including Miscellaneous Revenue, the Total Operating Revenue for December 2016 was \$1.326 million versus the budgeted \$1.452 million, resulting in a short fall or negative variance of \$127,000. Actual Total Operating Expenses were \$1.205 million versus the budgeted \$1.417 million, resulting in \$212,000 under budget (positive variance).

Looking over to the 6 month figures, Total Operating Revenue came in at \$7.991 million versus the budgeted \$8.002 million, resulting in a short fall or negative variance of \$11,000. Total Operating Expenses for the 6 months was \$7.453 million versus the budgeted \$8.256 million, for a positive variance of \$803,000.

(Kevin Barber left the meeting at approximately 8:51 p.m.)

4. Annual Budget Approval Schedule – Review

This item was merely for the Commission's information. The Charter requires the budget to be finalized at the Electors' Annual Budget Meeting, which this year is scheduled for March 21<sup>st</sup>, 2017. The handout lists interim deadlines that need to be met in order to achieve the final deadline of March 21<sup>st</sup>.

5. Norwalk Housing Authority Scholarship Fund Donation Request

Harry Carey, Scholarship Committee Chair, requested a \$5000 donation in support of the Norwalk Housing Authority Scholarship Program. The Program assists Norwalk public housing students with funds and resources in support of attaining higher education.

Commissioner Borges-Lopez had no objection to fulfilling the \$5000 request so long as other donations made by the Second Taxing District were reduced so that the District's total dollars donated per year would remain about the same. She wanted the Commission to reconsider the amount donated to the Summer Youth Employment Program, possibly reducing the donation to \$10,000.

Currently, the Second Taxing District donates \$15,000 in July/August to the City of Norwalk for the Summer Youth Employment Program, \$2500 to the Thanksgiving Dinner, and another \$1500 for ad-hoc requests.

Commissioner Mann opposed a reduction to the Summer Youth Employment Program. According to Commissioner Mann, the Commission has an agreement with the City that their donation strictly support South Norwalk residents. Norwalk Housing Authority Scholarships go to students throughout Norwalk.

Commissioner Borges-Lopez questioned the distribution of the District's donation to the Summer Youth Employment Program being exclusively restricted to South Norwalk residents.

Commissioner Wooten-Dumas confirmed that the original intent of the District's

donation to the Summer Youth Employment Program was to support South Norwalk youth. She stated that although the Program does currently accept city wide youth, the majority of the jobs go to South Norwalk youth. Commissioner Wooten-Dumas believes it is very important for the District to continue supporting this program at the current level of \$15,000.

Commissioner Geake voiced that although she would like to support the Norwalk Housing Authority Scholarship Program, she doesn't feel the District can afford to do so nor does she find it in the best interest of the District's constituents to support residents outside South Norwalk.

The keeping with the District's interest in supporting South Norwalk residents exclusively, Commissioner Westmoreland proposed requesting statistics from both the City of Norwalk Summer Youth Employment Program and the Norwalk Housing Authority Scholarship Program regarding the number of participants and the proportion of South Norwalk youth/students receiving aid before making a final decision regarding the donation amounts.

Commissioner Stokes wanted to know how the \$5000 would be used. Were the funds strictly for education?

The decision was tabled until additional information could be obtained.

## 6. Management Update

Paul Yatcko provided updates.

### *Water Supply Status:*

The water supply situation has improved with recent precipitation. As of the morning of January 17<sup>th</sup>, the reservoir system stands at 43.6% of capacity, representing about 104 days of supply at current usage levels and assuming no more rainfall. While this is (historically) low for this time of year, it is an increase of about 20% from the level in mid-December. The normal reservoir capacity at this time of year is 80%.

The options (purchases of water from other sources, the diversion of raw water overflow from First District, and flood skimming of the Silvermine River) previously discussed at the December 20<sup>th</sup>, 2016 meeting are all still under consideration, but cannot be implemented without an emergency drought declaration being issued by the DPH. The DPH has not, and will not, issue the declaration without being presented with a joint Regional Plan from the Second Taxing District, the First Taxing District, and Aquarion. A meeting to initiate discussions on what a Regional Plan might consist of is scheduled for tomorrow (January 18<sup>th</sup>). However, under the current conditions of rising reservoir levels, it is not likely the DPH would issue an emergency declaration. Thus while discussions with the other water providers will go forth to provide a backup plan, Paul Yatcko is hopeful the declaration will not be

necessary, and that a level of 50% might be met by next week. Paul Yatcko would be comfortable if 100% capacity were to be reached by May 2017.

The only options the District could probably move ahead on without the DPH's declaration or regulatory approval are opening the interconnections with Aquarion and First Taxing District. These would be considered should water levels not increase sufficiently by March 2017.

*Search for Director of Electric Operations:*

Paul Yatcko has engaged the firm of Mycoff, Fry and Prouse to initiate a search next week, and develop a screened candidate list by end of February 2017.

*Organizational Review:*

Paul Yatcko has developed a scope of work, discussed with Commissioner Westmoreland, and shared with Drew Rankin of CMEEC who will be performing the organization review. Paul Yatcko will be in contact with Mr. Rankin to discuss the schedule. Mr. Yatcko expects to be well under way with the review by the next District Commission Meeting.

**Adjournment**

Commissioner Stokes motioned to adjourn. Commissioner Borges-Lopez seconded.

*The meeting adjourned at 9:15 p.m.*

Attest:

Lisa G. Roland  
District Clerk