

SECOND TAXING DISTRICT COMMISSIONERS

Special Meeting

March 30, 2012

Present:	Mary Burgess Al Ayme Maria Borges-Lopez Mary Geake Sherelle Harris Mary Mann César Ramirez	Chairman Vice Chair
Public Present:	Sherwood Taylor Daisy Franklin Thursa Merritt Ernest Dumas Martha Wooten-Dumas	Elizabeth Ashley Carvin Hilliard Darlene Young Corrine Weston Elizabeth Ashley
Also Present:	John M. Hiscock Gwendolyn Gonzalez Frank Zullo, Esq.	General Manager Assistant District Clerk

Call To Order:

Commissioner Burgess called the Special Meeting of The Second Taxing District Commissioners to order at 5:05 p.m. on Friday, March 30, 2012. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Legal Call:

Commissioner Burgess: "I will call the Special Meeting of the Second Taxing District, the City of Norwalk called to order March, 30, 2012 at 5:05 p.m. And, how would you like to do this Mr. Hiscock? Would you like to hear from Attorney Zullo first?"

Approve and Recommend to the Electors a Modified 2012-2013 District Budget

Mr. Hiscock: "Well, let me just leave it where we are and I assume you all brought your packet

from the other night in which the modifications that Kevin and I worked on, after the Electors Meeting and based on some previous discussions, are presented to you and it's in your book as Draft #3. Ok. And I only wanted to indicate that we started a discussion regarding Draft #3 the other night and got into a discussion in which members of the Commission wished to get clarification from Attorney Zullo who wrote the opinion with respect to Community Service funds and similar expenditures by the District. So, we set the meeting for tonight, we invited Attorney Zullo and we are all here. I guess we should proceed."

Attorney Zullo: "Well. Ok. I did send an opinion regarding the manner in which the District funds could or could not be expended and it is dated February 22, 2012. I thought it was reasonably clear but I would be happy to answer any questions, but just let me reiterate what I said at the Electors' Meeting and what I said in the letter. The Special Acts of 1870 and of 1913 and in the Charter of 1913 related to the Second District make it unequivocally clear that all of the revenues that are generated by the Second District should primarily be used for the delivery of quality water and good electricity. So, the Charter and the Special Acts don't give us much flexibility of using funds from the District for any other purpose. However, we are a municipality and while the Charter doesn't give us the authority, I indicated on the last page of my opinion that as a Municipality it appears the Statute gives us some degree of flexibility and not much, we should be very conservative because we shouldn't do so much there as to have a adverse impact on our primary mission to the delivery of quality water and quality electricity. But in the Statutes of the State of Connecticut it says a Municipality may make appropriations to military organizations, hospitals, healthcare facilities, public health, nursing organizations, non-profit museums, libraries; organizations providing drug abuse and dependency programs and any other private organization performing a public function. So, we indicated that you have some flexibility with private organizations or organization performing a public function but you should be very conservative relative there to it and you shouldn't appropriate so much as to endanger the primary mission which is the delivery of quality water and quality electricity. And that is sort of where I am right now. I don't know any difference that I can say in reaction to that. I would be happy to try and answer any questions anyone might have. But very simply the Charter says no and the Statutes say you can do it but you must be careful not to endanger the primary mission of the Second District."

Commissioner Burgess: "Anyone have any questions? Yes?"

Commissioner Harris: "I will be the brave one to ask the naive question. Where does the Summer Youth Program fall?"

Attorney Zullo: "I think that the City would qualify as an organization that served as a public function. The question is how much do you want to give that? You can give some, but it is up to the Commissioners as to how much you want to give and I am saying we have to be careful not to give so much as to endanger our primary mission."

Commissioner Harris: "Ok."

Commissioner Ayme: "Through the Chair. If I may, are there any specifications in terms as to how much money that we provide to organizations is to be utilized? What I mean is do they have to be utilized for the benefit of the people in South Norwalk, in particular?"

Attorney Zullo: "Well, the General Statute deals with Municipalities in general. This definition deals with the Second District as a Municipality. And so, all of us might understand and some of us might not. This used to be the City of South Norwalk before 1913. And where the green is was the City of Norwalk and where Calf Pasture Beach is I will say the City of East Norwalk, but really it was called the Fire District, but let's call it East Norwalk and of course Rowayton is Rowayton. In 1913 this old City of Norwalk and the old City of South Norwalk and East Norwalk joined the City of Norwalk and it became part of the City but they did retain certain functions and they did retain certain proprietary interests and so one of the things they did was to say, ok we will join the City but we are going to keep certain functions to ourselves and keep certain assets to ourselves. So, the First District kept the green, so if the City wants to have an affair on the green, the City has to ask the First District. The City doesn't own the green the First District does. Of course they owned the library too at some point but we gave that up the First District did a few years ago and we kept the water company. The Second District kept the water company and the electrical company. East Norwalk kept an electrical company. Rowayton joined the City in 1921. They had no revenue producing resources but had a lot of valuable recreational resources, the biggest of which was Bailey Beach. Well, our forefathers were not so dumb; they kept the revenue producing resources, namely the First District water, the Second District water and electric and the Third District electric because they knew that if those functions generated revenues it would keep the taxes of that District down. Do you follow me, because you had a revenue producing resource that was making money and of course being candid and what have you, they knew back then that the propensity to keep taxes down went up your electability went up and, if you didn't make money and the rates had to go up high it was going to be more difficult. You know taxes go up your propensity to get re-elected goes down and vice-a-versa. So they were very wise keeping these revenue producing resources for the benefit of the Districts and so when you see a tax bill you will see, like let's say the Second, the First District, you see a First District tax, you will see a Fifth District tax, everybody in the City pays the Fifth District, then if you have a sewer you will see a Fourth District tax because the sewer is the service District. Well, like in the First District there is no First District tax because the water company takes care of it and I believe the same is true in the Second District, there is no Second District tax because the water company takes care of those taxes for this District. But if you went to Rowayton without any revenue producing resources I guess their rates are 4 or 5 mils more than anyone else in the City because they have no revenue producing resources. So, the Second District has an electrical company and a water company that generates money and the Charter says that money is meant to deliver electricity and quality water to the District and administer the needs of the District as it relates to street lights and what have you. It doesn't say you can make contribution such as the community service and things of this nature. But the State Statutes says if

you are a municipality you can make some and I submitted we are a municipality. We joined the City of Norwalk as a municipality. The Commissioners sit as selectman and so as a municipality we can make some but, because the Charter is so clear that all of the money we make should be used for District water and electricity, but you can use some of it under the Statutes for these functions provided you don't endanger the major thrust of the District which is clean water and good electricity. So we are a municipality, so when you say should it be limited to the Second? I guess you could limit it to the Second District if you folks so inclined. I think as to the youth program, there was testimony it's almost, the highest percentage is from the Second District anyway and that is my recollection from the testimony given."

Commissioner Ayme: "My question is if we make contributions to the organizations, including the City of Norwalk, are we required to, I don't want to say demand, but send the money in with the caveat that these monies has to be reinvested for the benefit of the people of South Norwalk?"

Attorney Zullo: "Well I don't know what category you are talking about. If you are talking about the youth corp; I guess what you are saying is that the money be used to hire youngsters from this District."

Commissioner Ayme: "Correct."

Attorney Zullo: "Yeah you can put that in as a strong request without an absolute caveat if you like. The Commissioners can do that if they like. I believe again the testimony at the meeting was that most of them are or 70 to 80% already are from the Second District."

Commissioner Ayme: "Right."

Unidentified Participant: "100% according to. I'm sorry."

Attorney Zullo: "Pardon me? Well whatever. I mean it is a caveat you can put in."

Commissioner Ayme: "Right."

Attorney Zullo: "I would think they would move to try to address that. I would think. I don't know what they would do but I would think that is a caveat you can put in."

Commissioner Ayme: "Thank you."

Commissioner Burgess: "Yes, any questions?"

Commissioner Ramirez: "Yes I have a question for John first then it goes to the Attorney and if you don't mind I have another question. On page 3 of this booklet, the \$38,470 that does not include

the \$25,000 in electrical assistance, is that correct or it does?"

Mr. Hiscock: "No you will find the..."

Commissioner Ramirez: "Yeah I know what it is but?"

Mr. Hiscock: "Page 12."

Commissioner Ramirez: "The total between, so this number that you have here on the budget 2012/2013 and that is specific to Community Service Projects there is only \$38,470. Is that correct?"

Mr. Hiscock: "\$38,470 for the entire Community Service Budget. Yes, that is correct."

Commissioner Ramirez: "Then we go on to page 4, that is where the \$25,000? The \$25,000 is included in the?"

Mr. Hiscock: "Page 12."

Commissioner Ramirez: "The \$25,000 is included on page 12."

Mr. Hiscock: "Page 12 in the Electric Operating Budget."

Commissioner Ramirez: "Right, that is my mistake."

Mr. Hiscock: "Because it is strictly an electric function and it is strictly for the benefit of electric customers so we placed it in the electric budget."

Commissioner Ramirez: "Yes, that is right. So, if we add \$38,470 plus \$25,000 that adds to \$63,470, is that correct?"

Mr. Hiscock: "If you did your math correct, yes."

Commissioner Ramirez: "Ok. If you recall in our General Budget it is approximately \$23 million, right?"

Mr. Hiscock: "Correct."

Commissioner Ramirez: "With \$63,470, approximately what fraction do you think that will be out of the entire budget?"

Mr. Hiscock: "A very small one."

Commissioner Ramirez: "If I recall correct it was a fraction of 40.43 or .4 or something like that? It was a fraction."

Mr. Hiscock: "It was well less than 1% it was more like less than half a percent."

Commissioner Ramirez: "Ok. The last question for you and if you don't mind Chair, both \$60 and I am sorry if I am going to put you on the spot or not my apologies with that one."

Mr. Hiscock: "It's alright."

Commissioner Ramirez: "Would this \$63,470 would that create any damage or create any kind of endanger fashion or perhaps will be critical for our budget?"

Mr. Hiscock: "Generally, the budget returns at the end of the fiscal year after audit is significantly more than \$63,000. And I think that is the best way to answer your question. Generally there is enough in the budget to cover \$63,000 in additional expenditures and as to the damage it does, it just has to do with the revenue. If you spend \$63,000 you need \$63,000 in revenue. It's a rounding error is the best way to put it in the budget."

Commissioner Ramirez: "It would be fair to say that we are not in any danger or would do any extremely damage to our budget. Would that say yes or no?"

Mr. Hiscock: "If there was \$63,470 put into the budget we would not change our operation in any way."

Commissioner Ramirez: "Thank you sir. With that in mind, and I am sorry I have to clarify this, with that in mind, Attorney Zullo, and I just wanted to make a statement here compared to what we asked as a Commissioner. I have very serious worry about not to fulfill our responsibilities to our community. Most of this money, if I recall correctly is coming back to us, to our organization. I do distinguish between being a social agency and being entrepreneur agency. Yes, we have a responsibility to run this organization as an entrepreneur at the same time we have, we do have an obligation to our recipients, to our customers, to our customer's children therefore..."

Commissioner Burgess: "I think we all understand that."

Commissioner Ramirez: "Ok that is clear. Sir, will \$63,470 would that be reasonable within the Connecticut Statute that will allow the municipality, forget about the Charter, the municipality, that allows a fraction of this \$23 million to give it back to our community which in fact in some shape or form is going to come back to us? Would that, and I mean to be clear, is that in any shape or form

and I am not suggesting that we do anything that is not within the umbrella of the law, I precisely want to be right within the parameters of what the law can cover in our District and everyone of us and cover as well our community. Would that be unreasonable?"

Attorney Zullo: "No. It doesn't appear to be unreasonable to me but what we have to protect against is not what I think. If there is someone in the District that feels that the money shouldn't be used for this and thinks that it is too much under that Statute they could challenge us and say that we shouldn't be using that much money for that. It seems reasonable to me. I know for example when the thought was years ago that the Second District turn the library over to the City, the Commission wanted to do it but one lawyer said if you do it I will bring you to court because I don't think that you can and so the Commission didn't do it and it was delayed for many years until it was done and the lawyer withdrew that threat. So, I don't know what someone else would say. I don't know if there would be an appeal; to me it seems reasonable Mr. Commissioner."

Commissioner Ramirez: "Thank you."

Attorney Zullo: "And of course when Mr. Hiscock says the money will be there I believe it is because it is budgeted, the money is budgeted so it will be there. The question is what would it be if you didn't budget it."

Commissioner Ramirez: "Right. For this minute, I thank you sir, I have one simple question I do believe that for the past few years we have provided a budget for assistance in what, if I recall correct, three other Commissioners also have requested to fulfill the same or similar statement for the youth completely, to fulfill the \$25,000 completely and as well as the community services. I do believe that we do have Darlene Young who runs the youth program, we have other folks with good knowledge as to how the \$25,000 gets distributed into the community and how the protocol covers in preciously what you have mentioned before, the agencies and what it is supposed to be for. Therefore, if there is any question pertaining to any doubt at all, and there should not be any doubt, on how the money has been spent and perhaps will be spent, Darlene Young, I am pretty sure, if you don't mine, if the Commissioners allow, she will answer it as well as somebody else."

Commissioner Burgess: "Just wait, wait a minute. Maria Borges-Lopez has something to say."

Commissioner Borges-Lopez: "I would just like to clarify something because after asking questions to the General Manager as to what the percentage is between the \$63,000 and the gross receivables for this agency is not factual and it is unrealistic. The gross income, does not really determine what this agency is making. It is actually the net profit and Mr. Hiscock did we run a deficit last year?"

Mr. Hiscock: "Yes we've run a deficit in both electric and water for the last several years."

Commissioner Borges-Lopez: "Ok. So if there is a deficit that means that the income that is coming in is not enough for the \$63,000. This agency has been taking monies out of the Reserve Fund. Mr. Hiscock, can you mentions how much has been taking out of the reserve fund?"

Mr. Hiscock: "We just went through an electric rate report and in order to keep the electric rates close to or better than CL&P we took \$750,000 out of District cash and we took \$1 million out of the Competitive Municipal Trust portion of the Rate Stabilization Fund at CMEEC. So, we did subsidize the electric rate going forward to the tune of \$1.75 million."

Commissioner Borges-Lopez: "Ok. So because of the \$63,000 being on the budget, it doesn't necessarily mean that the funds that are coming in and with expenditures, there really isn't any profit in order for us to continue to make donations. Although we are not saying we are not willing to make donations to these organization but we are just trying to say we need to be conservative while doing it and that our responsibility, actually is to provide a service for the water and electrical as Mr. Zullo pointed out. That is our primary obligation under the Charter. So, I would like to point that out as well. So, running a deficit is not really making an income and the \$63,000 is on the Budget because the Commissioners voted to have it on the Budget, but it doesn't mean it is coming out of the income its coming from the water rate and the electrical rate. I just wanted to make it clear."

Attorney Zullo: "And that is why I asked Mr. Hiscock, if this was going to be implemented whatever you people agree on would rates be adjusted accordingly to raise the money that was required in the Budget?"

Mr. Hiscock: "From a budget perspective, no."

Attorney Zullo: "No."

Mr. Hiscock: "In reality, obviously, whatever is spent comes out of the utility rates."

Attorney Zullo: "That is my point."

Mr. Hiscock: "Ok. It clearly comes out as it is our only source of revenue, but clearly whatever is spent for anything comes out of the water or electric rates."

Commissioner Ramirez: "Through the Chair?"

Commissioner Burgess: "Alright."

Commissioner Ramirez: "If I recall, I do recall, correct me if I am wrong John as I might be wrong on this one, the original budget that was presented before, I do believe that they are very similar and

perhaps more money was supposed to be allocated, unless the other Commissioners decided not to cover the outside expenditures, outside the District expenditures, which cover Heritage Park and the other park next to I95, originally that was placed within the Budget?"

Mr. Hiscock: "Yes. Are you asking me how much those were or...?"

Commissioner Ramirez: "No, no, I just to clarify."

Commissioner Burgess: "Are there any other questions?"

Commissioner Ayme: "Yes. I think we can safely say that the \$63,000 that we are talking about it only helps to increase the deficit. My point is that the deficit is increasing, they are not diminishing and that is the point I want to make. Every year the deficit increases and they are not going down, they are going up, the deficit. So, I am not saying that the money should not be made available to the community to an extent, conservatively as Commissioner Borges-Lopez mentioned before and I agree to that statement. Thank you."

Attorney Zullo: "Just one more thing. The indication was made that since we have done this before and we have done this before for many years and I have never been asked for my opinion before but I did look up some case law because this came up at the public meeting and there is a case in Connecticut Appellate Court – Palermo who decided in 2006 dealt with, I believe it was West Hartford, but anyway the Court said neither do the municipal legislative body nor the mayor, now this is a regular municipality, may disregard Charter mandates or procedures at any time nor do past variations and looseness be they be occasional or frequent, lend an error of respectability or legality to any other mode of practice. So what they are saying just because it has been a practice in the past, if it turns out the practice was not correct, you can't by that practice that was incorrect add a speck of respectability to what you want to do now. I think what you want to do now, depending on the Commission, if you want to give a little bit and of course your point of half of a percent of \$23 million and you're asking me if that was reasonable, it appears reasonable. I think what the other Commissioner points out shouldn't be comparing it to the total budget but to the deficit then \$63,000 becomes more affected and now you begin to look at the reasonableness a little differently but the fact that we did it before does not mean that we have the authority to do it in the future. I am simply saying that we can do it now if that would be the Commissions interest but we should be very careful and conservative."

Commissioner Burgess: "Yes."

Commissioner Harris: "Through the Chair. I want to ask you the point that Commissioner Al Ayme brought up. Since you budgeted for this would that then increase the deficit if we decide to give it up?"

Mr. Hiscock: "If you spend the money, yes the net income will be less by that amount. I do want to clarify something I spoke very specifically about the electric utility. As you all know we raised rates in the water utility last year, very, very significantly. This budget and obviously last year's Budget since we raised rates a portion of the year, there will be no deficit in the water utility at all. We will be running a significant net operating positive income in the water utility. That rate increase was to turn things around and provide cash. Nonetheless, whatever we spend obviously comes out of the Reserve one way or another. If we don't spend it, it adds to the Reserve, if we spend it, it subtracts from the Reserve. It is cash."

Commissioner Burgess: "Are there any other questions?"

Commissioner Ramirez: "I have a question. In my opinion, I would recommend, I believe in a very positive attitude that next year would be better financially, economically. I believe that we should be providing this Budget or approving this Budget as it has been recommended to fill in the youth program as it is \$15,500, add community services, escrow the \$25,000 for electrical assistance and reduce the other programs which have already been reduced tremendously. I am ok with it. My main three issues are number one the youth program or work summer program, the electrical and the community services. That's my opinion."

Commissioner Burgess: "Commissioner Geake"

Commissioner Geake: "Through the Chair. We started working on this project in August. We didn't just start it two weeks ago or two months ago, we started it in August. That's when we went and had our first meeting and because of the electricity we didn't have, we got cancelled. But we have been meeting with Attorney Zullo several different times before even the first of the year so we had to come to some conclusions because we were in a deficit. The fact that we found out we could eliminate some of the parks because they were not in our District is what we did and what we decided. The fact that me and Maria together gave our recommendation. It was our recommendation and so that was what was put into the Budget in a certain category. The Electors decided that wasn't going to be but that was what we decided and it was what we had to go with. You don't decide something than at the last minute decide you have to change your mind. When you decide something after a long of a period of time you have to stick by it. You as the Electors don't agree but I am trying to hold down your electric rates as much as possible. That is the only reason why these things happen was because we were trying to hold your electric rate down as much as possible, so that is the way I feel about it. Thank you."

Commissioner Burgess: "Thank you."

Commissioner Harris: "Through the Chair. This question is for John. If we do give out the money as you budgeted it will that raise rates?"

Mr. Hiscock: "From a practical perspective no. From a theoretical perspective it's a small amount of money. So to answer your question theoretically yes it would but from a practical perspective it is not. We do many, many other things that have effect on rates."

Commissioner Harris: "Can you explain?"

Mr. Hiscock: "I would not consider \$63,000 significant considering our Budget. That is all I can say."

Commissioner Harris: "Ok"

Commissioner Burgess: "Anyone else have any questions? Ok. I have a suggestion. I really don't want to spend a lot of money but I really have to listen to what the Electors say and I would suggest as a compromise that we put the money back into the youth services program, put the energy assistance money back and put the miscellaneous money back only at \$2,500 which allows us probably two small grants that we then get to look at and approve. I am just offering that hoping that I would get a motion through to go along with that as I think we have to listen to the Electors otherwise they are never going to pass the budget and we will be here forever."

Commissioner Ramirez: "You are talking about..."

Attorney Zullo: "Commissioner you raised a question when you indicated that, I lost my train of thought here, go ahead it will come back to me."

Commissioner Ramirez: "Through the Chair. I just and this is nothing personal, this is strictly business. What does \$5,000 means? It is only \$5,000 and that difference which can help the project."

Commissioner Burgess: "Because we get many, many requests."

Commissioner Ramirez: "Right."

Commissioner Burgess: "And this allows us to deal with two small requests. That is my problem, is we have people from all over coming in."

Commissioner Ramirez: "That's great but it's up to individual, every one of us to say yes or no. We don't have to entertain those that don't require it and if we need the money we don't need this. This is only \$5,000 we are talking about. Come on now."

Attorney Zullo: [Inaudible] "So you just don't give the money out, you have a right to say I want a report back and you should get a report, these are public funds."

Commissioner Ramirez: "And, I do believe that you do get a report back, John correct me if I am wrong?"

Commissioner Borges-Lopez: "No."

John Hiscock: "No we get a report back on the electric assistance program because that's very, very carefully audited and it comes back, as I had mentioned before to our customers. We have a list of all that, we know how it works, it goes on to our accounts receivables for customers with specific list given to us by the Community Action Agency who administers the program for us. The Summer Youth Employment Program we issue a check directly to the City of Norwalk for that purpose and we don't ask for information back, we simply issue the check to them for that amount with the presumption that it is going to be spent on the Summer Youth Program and the Miscellaneous Community Service Projects they are approved one at a time by the Commission and depending on what the Commission does and what they approve, we make a determination as to who to write the check at that point and time. We don't audit the Summer Youth Program; we don't audit the Community Service Projects to the extent we look at receipts and disbursements."

Commissioner Burgess: "Yes."

Commissioner Ayme: "As a reminder to Commissioner Ramirez I just want to say that the cuts that were proposed and again I just want to say that we can make some allowances, it doesn't have to be the whole amount. Having said that, I just want to say that this is only the beginning, this is only the beginning of cuts because we are looking at budget and we are looking at expenses very closely. So, this is only the beginning of the work that will take over a period of months throughout the end of this year. This is only a portion of the cuts that we have been discussing in regard to the budget and later on expenses and I just wanted to mention that. The other question, before if I may, I would like to ask Mr. Hiscock. Mr. Hiscock are we facing electric rate increases, yes or no?"

Mr. Hiscock: "About a month and a half ago you approved a new electric rate structure. It included about a 6% increase for residential customers, leaving them about 8 ½% below CL&P. You approved a rate decrease for commercial customers of either 2% or 3%, I believe, I don't have the documents here in order to keep them at and equal to CL&P's rates. So that's what you have just completed."

Commissioner Ayme: "Ok, my comment is this. What we are doing here, it will affect the users; it will affect the community. If we take some monies away, the community and the services to which we make contributions will be affected. There is no doubt about that. Even if it is not the whole amount, I mean to some extent. If we don't make the cuts that we have to make, users will be affected because the money has to come from somewhere. As Mr. Hiscock just explained, we increased the water rates and now we have to increase the electric rates. So the money has to

come from somewhere and remember, as a reminder of what was said before, that monies, yes that is included in the budget, it is cash, but the monies we are talking about affect the deficit and that is the bottom line.”

Commissioner Borges-Lopez: “I also wanted to mention that not only we have a deficit where we also incurred an additional expense that we had to add onto our Budget which is the \$220,000, was it \$220,000 Mr. Hiscock for the lighting in South Norwalk as well?”

Mr. Hiscock: “That is what the lighting costs I believe in this Budget. Hold on one second I have to go back to where I was. Ok, Street Lighting in this budget is \$206,000. We added \$20,000 for installing new street lighting in the current Budget, the one we are operating in now, we also for the new budget 2012/2013 added \$20,000 for new street lighting. We added \$40,000 over the two years for street lighting, the current year and the year we are working on to be approved and the purchased electricity operations and maintenance of street lighting we are estimating at \$206,000.”

Commissioner Borges-Lopez: “So those are additional expenses that we have also that we have to add onto the Budget.”

Commissioner Burgess: “You had a question?”

Commissioner Harris: “Oh I am sorry. I just kind of...I need to clarify so just bear with me. I am assuming, because we have a Budget, all of this has been thought out, the money for the street lighting, the money that you put back in to give out to the Summer Youth Employment, to the electric and to the Miscellaneous Fund. Now we have this whether we give the money. There is the theoretical and there is the practical of whether the rates increase and the practical, I believe, the percentage was very small and we have already raised the electrical rates and you said that the water, that we are fine with the water. So, I guess my question is that if we do not give the money, where will the money go? What will it save? I mean this is a 1% amount that we are asking to give out. Our Chair has already suggested that we give out the majority of what we asked for. So, I am just wondering.”

Mr. Hiscock: “I walked out of the room before to get the actual calculation and it is .3%”

Commissioner Ramirez: “What, .3%?”

Mr. Hiscock: “What will happen is that if you don’t spend the money, you will have an additional \$63,000 in the combined Reserve. That is all.”

Commissioner Ramirez: “Right.”

Commissioner Borges-Lopez: “Or it will make the deficit a little less?”

Mr. Hiscock: "Well, since the deficit rolls to the Reserve one way or the other, the numbers all roll against the cash."

Commissioner Borges-Lopez: "Right. By sending it to the reserve it might appear that we have the extra cash when we don't because it is really a deficit, so I'd like to use the word deficit in accounting so that people understand that the deficit is in red. So it's just like a home budget. You can have a budget of \$250,000 and if your income is only \$200,000 the other \$50,000 has to come from somewhere. From savings or other sources so that is exactly the same way that it works here with the agency except that the monies are going to have to come from the pockets of all the Second Taxing District residents."

Commissioner Ramirez: "Through the Chair?"

Attorney Zullo: "She had to step out and put drops in her eyes or something."

Commissioner Ramirez: "Ok, through the Vice Chair. John, please correct me if I am wrong. Stop me at any time."

Mr. Hiscock: "Ok"

Commissioner Ramirez: "The percentage, the affect will not be any affect at all towards the raise of electricity and water from this year. Everything has already been budgeted and approved and raised, whatever the case is we did it loud and clear as Mr. Hiscock already stated. The \$20,000 that was added to the \$206,000 that makes it \$226,000 has already been approved by you folks, by us, ok, the Electors. If I recall correct by the Chair, which is very noble, to suggest the final amount is only a difference of \$5,000. To me \$5,000 it does not absolutely nothing to this Budget but it will represent a lot to the people of our community, folks. And you heard what Mr. Hiscock said, if we do not spend this money it is going to go back, and I do understand, believe me, where you are coming from because this is what you do, I believe, ok, you deal with numbers a lot, is that correct?"

Commissioner Borges-Lopez: "Yeah."

Commissioner Ramirez: "So, yes, theoretically it is a percentage but it will make a difference. It will provide the \$63,000 to the community, a huge difference folks. Do you realize how many kids we can save?"

Commissioner Ayme: "I think we know that already Commissioner Ramirez. We are well aware of that."

Commissioner Ramirez: "Ok"

Commissioner Harris: "Ok, I think our Chair made a reasonable compromise. We all can't get what we want so I think she made a reasonable compromise. I will make a motion that we give \$15,500 to the Summer Youth Employment Program, \$2,500 to Miscellaneous Community Projects and \$25,000 to the Electrical Assistance Program."

Commissioner Burgess: "Second."

Mr. Hiscock: "Just procedural please and approve the rest of the Budget, as presented."

Commissioner Harris: "Oh and approve the rest of the Budget, as presented."

Commissioner Mann: "As presented."

Commissioner Harris: "As presented. Are you still seconding?"

Commissioner Burgess: "Pardon me?"

Commissioner Harris: "I added to approve the Budget."

Commissioner Burgess: "Yes. Fine. Does anyone have any discussion last?"

Commissioner Ramirez: "I think I might be a little hard on this one but I do believe and I still believe that a \$5,000 will make a difference to some individuals in our community and therefore, I will vote no. My vote will be no and lastly as it was presented before, it is here, \$5,000 folks. It doesn't make much, I mean it means nothing at all in our budget but it will reflect something positive for the few people in our community."

Commissioner Borges-Lopez: "Are you making an amendment to the...?"

Commissioner Ramirez: "Well if you want to call it an amendment. My vote is absolutely not."

Commissioner Borges-Lopez: "But we are not voting yet."

Commissioner Ramirez: "Well, just in case you seconded it and I guess, no I am just suggesting it that is the way I am going to go."

Commissioner Ayme: "Why don't you make an amendment?"

Commissioner Ramirez: "That's ok."

Attorney Zullo: "Well there is a motion on the floor, it has been made and seconded. Now someone can move for an amendment to that motion and see if that carries."

Commissioner Ramirez: "That would be the amendment..."

Attorney Zullo: "Or someone who has their hands up here."

Commissioner Mann: "That's ok."

Commissioner Harris: "So your amendment [to Commissioner Ramirez] is to add the \$5,000?"

Commissioner Ramirez: "Yes."

Commissioner Mann: "I wanted to speak on the motion. As Commissioners we have a fiduciary responsibility not only to monitor and to make sure that the monies that are coming to SNEW are being adequately spent. We also have a responsibility to the community, we did hear the community loud and clear that you are choosing to give back. I just want to thank Mayor Zullo for, Mayor Zullo ok...[Laughter] for all that he has done. I am sure everybody at this table knows that my community is very important. I am willing to support the motion that is on the table because we have to come to some sort of compromise in getting these issues solved. As Commissioners we just have to be diligent and very careful in the community service projects that we chose to support. We are all very much aware right now that the Charter reads as well as the State Statutes that we need to look at everything that we do a little more closely in that we just need to continue to move forward."

Commissioner Burgess: "Thank you, anyone else?"

Commissioner Ayme: "Nope."

Commissioner Ramirez: "Through the Chair."

Commissioner Harris: "There is an amendment."

Attorney Zullo: "Well, nobody moved for an amendment."

Mr. Hiscock: "There is no amendment."

Commissioner Burgess: "Ok."

Attorney Zullo: "Well her motion stands [Commissioner Harris] and you seconded it [Commissioner

Burgess].”

Commissioner Ramirez: “I just, if that is what you call an amendment I believe I was very loudly stated what my amendment would be. Ok.”

Attorney Zullo: “Well, you are moving to an amendment, right?”

Commissioner Ramirez: “That is correct.”

Attorney Zullo: “And what is your amendment?”

Commissioner Ramirez: “The amendment will be...”

Attorney Zullo: “Your amendment is for the \$2,500 to become \$7,500, right?”

Commissioner Ramirez: “That is correct.”

Attorney Zullo: “Now you need a second for that amendment...”

Commissioner Ramirez: “I guess I will need that. That is correct.”

Attorney Zullo: “To put on the table, is there a second to that amendment?”

Commissioner Burgess: “No.”

Attorney Zullo: “The second to the amendment fails and the main motion is now on the table.”

Commissioner Ramirez: “That is correct.”

Commissioner Burgess: “Ok, are we ready to vote?”

Commissioner Borges-Lopez: “I just have one comment before the vote process. I feel that Mary [Mary Geake] and myself put a lot into this as an ad-hoc committee that was formed. I also would like to point out that in the future if the Commissioners are not going to adhere to the advice of their attorney or what we presented as an ad-hoc committee to the entire Commission, than we should not even have an ad-hoc committee to look into these things. You should just discuss it while we are having a regular meeting and based on the opinion of the attorney and based upon my knowledge of the financials and the deficit that we are running and the extra expenditures that we are running and looking even at the fact that we may have to go over the insurance issue with the employees and I think we should be conservative in what we are doing. So, I really don’t agree with the motion made and I just wanted to make it clear.”

Commissioner Burgess: "Thank you."

Commissioner Ramirez: "One last remark if you don't mind?"

Commissioner Burgess: "Yes that is alright."

Commissioner Ramirez: "Mr. Mayor or former mayor, attorney Zullo, I personally want to thank you very much and I highly respect your opinion. I heard it very loud and clear and I do believe..."

Attorney Zullo: "That's the law."

Commissioner Ramirez: "No, no, it is your opinion according to the law."

Commissioner Zullo: "It is my legal opinion here."

Commissioner Ramirez: "Right and I do believe it was reasonable number to provide assistance to our community that wants this organization and depends on it and for this reason for and with that in mind, I just want to say thank you to everybody and believe it or not, to both the Commissioners who were hired to do the work. Yes, I indeed I highly respect you. Your dedication of your time, your effort and believe it or not, this is not, what did somebody say the other day, a political statement, this has nothing to do with a political statement folks. This is what I truly believe that it must be done for the community and this is exactly why, I believe, that you put your time and dedication. I highly respect your work and at the same time this is me, I look out for what can we do as a body to help the community. That is the only thing I have to say. Thank you."

Commissioner Burgess: "Are we ready to vote? Yes? Now, all in favor of the motion to restore the Youth Program and the Energy Assistance and \$2,500 for various Community Projects. Right? All in favor?"

Commissioner Ramirez: "Let me clarify, you put the motion for the whole process or just for the two?"

Commissioner Burgess: "And the budget."

Commissioner Harris: "And the budget."

Commissioner Ramirez: "Ok."

Commissioner Burgess: "All in favor?"

Commissioner Ayme: "Aye."

Commissioner Burgess: "Well, we better raise our hands."

Mr. Hiscock: "Yes, you better raise your hands so we can calculate. One, two, three, four. Ok. Gwen you have the names correct?"

Commissioner Burgess: "All opposed?"

Commissioner Ramirez: "I reject the Budget, I am sorry, I mean the vote. I say opposed?"

Attorney Zullo: "It is four to three so the motion carries."

Commissioner Burgess: "I thank the Electors for their input. I thank Attorney Zullo for taking care of us all again."

Commissioner Harris: "Again, yes."

Attorney Zullo: "We have to go back to the Elector now for amending the Budget."

Commissioner Burgess: "I know that and I would like thank Mary and Maria since that was a lot of work."

Commissioner Harris: "Yes."

Commissioner Ramirez: "Yes, my one last remark if you don't mind."

Attorney Zullo: "Excuse me, but they did do a lot of work and spent a lot of time looking at the statutes and the Charter and the responsibilities as Commissioners."

Commissioner Ramirez: "I do have one more remark for the record. John [John Hiscock] I personally want to thank you. I know we put you through all this process and you have a job to do but this was a headache."

Mr. Hiscock: "No problem."

Commissioner Borges-Lopez: "Chair, please take charge of the meeting please. Take charge of the meeting?"

Commissioner Burgess: "Yes."

Commissioner Harris: "I just want to give a personal thanks to our Chair because originally she was opposed to the Budget but she did listen to the Electors so I think a lot needs to be said for that."

Commissioner Ayme: "I agree."

Commissioner Burgess: "Thank you."

Commissioner Ayme: "Meeting adjourned."

Mr. Hiscock: "Hold on."

Commissioner Ayme: "No wait, public participation. I am sorry"

Darlene Young: "I personally just want to say thank you. Do I have to give my name and address?"

Mr. Hiscock: "Yes."

Commissioner Geake: "Yes."

Darlene Young: "Darlene Young, 100 San Vincenzo Place and there was something that came up about not getting a report. Here is something that I want you all to take a look at and in future reference whenever you needed something you can always ask. I do believe at some point I did present something. What is highlighted in the yellow are all of the young people that come from the 06854 area and please pass that along. I don't know if I have enough. And so when you look at that document and that is from last year; that is what you helped us fund. Just about half of those kids on the list come from the 06854 area and the rest of those represent all the other districts. You can just take a look at that, I just wanted you all to see that and in the past I know I specified in the letter to you how many young people would be supported by the funding but again I thank you for all your work and for supporting the program because it is all about the community and I know it is not an easy thing to do but we appreciate your all restoring it to the full amount."

Attorney Zullo: "Clearly there are fifteen youngsters there that are from this District."

Darlene Young: "Yes all together, yes 15."

Commissioner Harris: "All of them."

Attorney Zullo: "I understand but clearly there are fifteen youngsters there from this District and that is what we are funding is fifteen youngsters that is all I am saying."

Darlene Young: "Absolutely."

Attorney Zullo: "That is what this Commissioner was concerned about."

Commissioner Mann: "Darlene, may I just request that at the end of the Summer Youth Program this year that you automatically send a report to Mr. Hiscock's office so that it is on the record. I know some of this, you guys is confidential information. If you will please just forward that report at the end of the summer so that we will know how many youth from this District were served."

Commissioner Harris: "Do you want this report back Darlene?"

Commissioner Geake: "We probably should."

Darlene Young: "I will take them back."

Commissioner Harris: "Those are only two, there is one more."

Darlene Young: "So clearly there are more than enough..."

Commissioner Mann: "Thank you."

Commissioner Harris: "Thank you Darlene."

Commissioner Harris: "Mr. Dumas?"

Ernie Dumas: My name is Ernie Dumas, 162 South Main Street. I would just like to say that I don't know what happened or why you didn't get any report because as soon as the event is over we send a report to Mr. Shockley and Mr. Shockley forwards those reports back to Mr. Hiscock and whatever happened to them, we don't know. I don't know, you understand? Lady Chair, you also know that I send reports back in, all receipts and where I bought my products and everything."

Commissioner Burgess: "Yes I do know that."

Ernie Dumas: "Ok, thank you I just wanted you to know this is all taken care of and all of my reports are in."

Mr. Hiscock: "No, We leave it to Mr. Shockley to deal with that and he just sends us a statement at the end of the event indicating that, in his opinion, the funds were spent on that event. He doesn't audit it; he just gives us a statement."

Ernie Dumas: "Ok. Yes."

Commissioner Burgess: "Ok. Anyone else from the public? Can I get a motion to adjourn?"

Commissioner Ayme: "Motion to adjourn."

Commissioner Ramirez: "Second that."

Mr. Hiscock: "Can I make one comment to everybody, originally..."

Commissioner Geake: "On or off the record?"

Mr. Hiscock: "It really doesn't matter; it is sort of an announcement more than anything else. We now have to do an Electors' meeting as you know because this has been modified and it has to go back to the Electors. It's going to be sometime around the third week in April. I originally had planned on the 11th but we can't do the 11th because we need a 10-day notice requirement and we won't be able to get a notice in until Tuesday in the paper. So, it will be the following week sometime so keep an eye out. Ok?"

Commissioner Harris: "Thank you."

Commissioner Mann: "Thank you."

Adjournment:

The meeting adjourned at 6:05 p.m.

Attest:

Gwendolyn Gonzalez
Assistant District Clerk

Transcribed by: Lisa Roland