

**SECOND TAXING DISTRICT ELECTORS  
ANNUAL BUDGET MEETING**

March 19, 2013

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Electors Present:	Mary E. Burgess	Mary Geake
	David Westmoreland	Maria Borges-Lopez
	Cèsar Ramirez	Sherelle Harris
	Robert Burgess	James Clark
	Ian Soltes	Thomas Soltes
	Sonya Merrill	Sharon Stewart
	Joe Newell	Darlene Young
	Dawn Delgreco	James Delgreco

Also Present:	John M. Hiscock	General Manager
	Kevin Barber	Dir. of Admin. & Customer Service
	Frank Zullo, Esq.	Tierney, Zullo, Flaherty & Murphy
	Lisa Roland	District Clerk
	Gwendolyn Gonzalez	

Call to Order:

Mary E. Burgess called the Second Taxing District Electors' Meeting to order at 8:30 p.m. on Tuesday, March 19, 2013. The meeting was held at SNEW, One State Street, South Norwalk, Connecticut.

Legal Call:

Mary Burgess: "I will call the Electors Annual Budget Meeting to order of the Taxing District, City of Norwalk on Tuesday, March 19, 2013 at 8:30 p.m. and ask the Clerk to read the notice of the meeting [directed to the District Clerk]."

The District Clerk read the following legal notice for the record:

*Lisa Roland: Legal Notice, Notice and Warning to the Electors of the Second Taxing District of the City of Norwalk.*

*The legal voters of the Second Taxing District of the City of Norwalk are hereby notified and warned that the Annual Budget Meeting of the Electors of the Second Taxing District will be held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut on Tuesday, March 19, 2013 at 8:00 p.m. for the following purpose:*

- 1. To Approve the Proposed 2013-2014 Budget of the Second Taxing District, City of Norwalk as approved and recommended by the District Commissioners.*
- 2. To Elect Electors to the Ethics Commission*

3. *To Receive and Ratify the Choice of Auditors of the District Commissioners for a firm to perform Auditing Services for the Second Taxing District, City of Norwalk for the Fiscal Year Ending June 30, 2013.*

*In accordance with Section 1-81 of the District Charter, you are hereby notified that copies of the entire District Budget of the Second Taxing District of the City of Norwalk will be available for inspection by the public effective March 12, 2013. A copy may be obtained from the District Clerk at the office of the Second Taxing District, One State Street, Norwalk, Connecticut.*

*Dated this 15th day of March, 2013*

*Attest:*

*Lisa Roland  
District Clerk*

Attorney Zullo: "Can we have a motion to accept the Legal Call, please?"

Mary Burgess: "Thank you."

Robert Burgess: "So moved."

Cèsar Ramirez: "I second."

Mary Burgess: "All in favor?"

Electors Unanimously: "Aye."

Mary Burgess: "Now, I need a motion to place the proposed budget item on the floor."

Cèsar Ramirez: "I will place a motion on the floor."

Robert Burgess: "Second."

Attorney Zullo: "John Hiscock, the General Manager will present the Budget proposal."

John Hiscock: "You all have a copy of the Proposed Budget for 2013/2014 and I know everybody in the room and I think everybody knows me. I am going to start off and we are going to do just a brief presentation of the Budget. If you move to page 2, this is the Proposed Budget for the General Fund, the Water Department, the Electric Department and the total District. Just to give you a quick recap, the Total Operating Revenue for the Water Department for the upcoming year is proposed and estimated to be \$8.198 million, the Electric Department \$15.566 million for a total District Revenue for the upcoming Fiscal Year of \$23,764,500. In addition to the Operating Revenue, we have other revenues to add. The General Fund revenue of \$3,650, we added \$183,000 to the Water, we added \$328,500 to the Electric and the end result of all of that is \$24,279,650. We move to the expenses and as you carry over to the summaries on page 3, you will see

that the Total Operating Expenses for the District is \$374,270, for the Water Department \$5,682,799, for the Electric Utility \$14,969,747 for a Total for the Operating Expenses for the District at \$21,026,816. We have other expenses in the Water utility and the Electric utility and adding it all together, we end up with a Total Expenses for the District of \$21,798,383. I am going to move from here to the individual columns so we can go through it quickly and we are going to move down to the debt section of the Budget and in the second column over, which is the Water utility section of the Budget, you can see the principal on the debt for the filtration plant project of \$1.1 million with an interest of \$390,000 and that is the debt service for the Water utility. If you move onto the next column you will see that there is no debt service for the Electric utility. There is no debt currently in the Electric utility that may change with the new substation project but currently that is the status. In addition to that, we have some Capital Appropriations in the District itself, \$20,000, and we will see the detail in a minute. For the Water utility, \$526,000, the Electric utility \$442,000 and for the Total Capital Appropriations for the entire District of \$988,100. In addition we have two Preliminary Survey Investigations. Those are projects that we are making a determination if they should go forward. If they go forward they become part of the Capital Budget and if they don't, they do get written off and expensed in a future year. And the total of those two amounts of \$87,500 for the Water utility and \$12,500 for the Electric utility for a total of \$100,000. The next bold line down is Change in Cash Position. That is when you add everything up until we get to this point as we move through the Budget and the Change in Cash Position for the District is a negative \$390,620, and I will explain how that gets made up in a minute. The Opening Balance, what we are projecting at the beginning as of July 1, 2013, the Opening Balance of the General Reserve Fund, the actual District government form, is \$1,069,152. There are no previous cancelled projects and then we move down to the Transfer section of the Budget and you can see in the District that we transfer \$100,000 from the Electric Fund, \$100,000 from the Water, the same for Operations of the District, and we transfer from the Electric Fund for the Street Lighting. Street Lighting is the District's responsibility \$193,000 to cover the operating costs. So we transfer into the District \$393,000 and if you look up at the Change in Cash Position of \$393,620, we then end up with a closing balance in the Reserve Fund almost exactly where we started and that is how we always operate the District. We always transfer money in for many, many years now from the utilities so that the Opening and the Ending Balance in the District is almost the same amount. We are going to move over to the Water utility now and if you look at Change in Cash Position for the Water utility, we are increasing by \$108,000 for the Electric utility, \$183,000 increase but when you look at the District and add it all together; the Change in Cash Position for the entire District is \$98,551 negative. Two other issues that you need to look at. The Adjusted Opening Balance for the Water Fund is \$312,396, which is a positive and is a big improvement over the last several years and the Adjusted Opening Balance Reserve for the Electric Fund is \$8,767,668. And as you can see, the Electric Fund has a significant amount of cash. So the Total Opening Balance for the District-wide reserves all in, is \$10,149,215. When we go down to the transfers you will see two line items. And it is Transfer to OPEB Reserve Fund. OPEB is Other Post Employment Benefits and a significant number of our employees, based on the time that they were employed by the District in either the Electric utility or the Water utility by contract and the Employee Manual, are entitled to Retirement Health Benefits. The District, in accordance with GASBY 45, has not funded our OPEB Obligation over the last 5 years and has accumulated into a significant liability

on our books, estimated to be as of June 30th of this year to be \$1.8 million. This is the first step in taking down that liability, so that we are transferring out of the utilities, out of the Water utility \$293,000, out of the Electric utility \$507,000 for a total of \$800,000 against that liability. So we are now working it down, we are working it down over the next 5 years, I believe. Yes, I have to check with Kevin Barber to make sure. So that five years from now that liability will be zero on the books. The other two transfers are the ones I mentioned. The \$100,000 out of the Water Fund, the \$100,000 out of the Electric Fund and then the \$193,000 out of the Electric Fund for Street Lighting. And all of the total transfers are listed. In the end, the Closing Balance for the Water utility will be \$27,479. The Closing Balance for the Electric utility will be \$8,151,654 for a total District wide balance of \$9,250,664. So, that is the overall view of how the District finances will change if this Budget is adopted. I am not going to go over the detail other than the General Fund on page 4. There are three columns. The first column is the Proposed Budget, the second column is Current Year's Budget, the one we are in and the third column is the Revised Budget 2011-2012. Expenses/Operations, Commissioner's Salaries set by the Electors of \$22,750 for all seven, the Clerk's Salary of \$2,500 and the Treasurer's Salary of \$3,250, Meetings and Printing \$44,000. What is notable about that is if you look across, you will see that it is up significantly from the prior two years. We have been doing additional meetings and the meetings are longer and we are ending up with higher levels of meeting expenses than in prior years. We have the same number for the Auditor for the proposed year, current year and prior year for \$30,000 and insurance is \$5,000. Most of the insurances are taken up in the two utility budgets. It is a very small portion with respect to the District, almost all of the insurance is in the actual utilities. So, a Total Operations Expense for the District is \$147,500. Community Service Projects, we have \$4,060 for Madison Avenue, West Avenue \$5,960, Miscellaneous Projects \$3,000, Holiday Lights \$1,250, SoNo Arts Celebration \$1,500, the Summer Youth Employment Program \$15,500, Miscellaneous Community Service Projects of \$2,500 and as you can see, those are identical to last year's and we, as most of you probably remember, went through an iteration with last year's Budget and the Commission adopted a revised Budget last year based on input from the Electors and then the Street Lighting Budget \$193,000 including Purchased Electricity of \$107,100, Street Light Operation of \$13,500 and Street Light Maintenance of \$72,400. And the rest of the information is the same information we went over on the prior page so I am not going to go back to it. I just wanted to have you take a look at the District detail so I can assure you that it is the same as the prior year. From this point, I am going to stop here and ask if there are any questions about this section of the Budget?"

Jim Delgreco: "So, how come you are budgeting less for Purchased Electricity for Street Lighting? How did you get that number?"

John Hiscock: "Cost of electricity on the wholesale market has declined."

Jim Delgreco: "Wow."

John Hiscock: "Yes."

Jim Delgreco: "So, when are we going to take advantage of that because I know we have gotten caught in a bind with what we have bought in the past? How many years do we have to go?"

John Hiscock: "Oh, on the gas futures? End of 13."

Jim Delgreco: "This year?"

John Hiscock: "Yes."

Jim Delgreco: "Fantastic."

John Hiscock: "And some of them have rolled off."

Jim Delgreco: "Ok."

John Hiscock: "And we are already starting to decline. The other issue related to that is from the Electors' electric bill perspective; we took a \$1 million dollars out of a cash reserve fund at CMEEC last year to artificially keep the price of electricity a little bit lower. So, the drop in wholesale price is not going to be seen by the Electors. We are just going to remain level because of the \$1 million that was moved from cash to lower the purchase price."

Jim Delgreco: "So could we still possibly see that in 2014, a decline?"

John Hiscock: "Yes, the way things are going we should see a decline and it is very possible that the Electors' electric rate will be able to come down in 2014."

Jim Clark: "Will we be able to see that type of data in a report at some point so we can see how the curves are working?"

John Hiscock: "Yes, we could get you the detail for that. It is obviously, well I won't say obviously because it is obvious to us in the business it may not be obvious to everybody here, it is all related to the price of gas. Completely and absolutely related to the price of gas and it is all as a result of movement to more shale gas. Gas in the open market is now selling right around \$3.00, which is very, very close to the cost of production. The only issue that we have with respect to gas in New England is we don't have transportation. You have probably read about it, we are going to end up with additional pipe lines in all likelihood. An example, at the end of January the cold snap that we had, the cost of gas transportation, which is normally between \$.50 and \$1.00 was \$30.00 during that week. It actually affected our wholesale electric price for the month of January, very significantly."

Jim Delgreco: "And I am sorry, I don't understand that, the transportation, literally on trucks?"

John Hiscock: "No, pipelines."

Jim Delgreco: "And the pipelines are so full?"

John Hiscock: "The issue with the pipeline is, it is sort of a supply and demand issue. And we have firm gas transportation and we have spot gas transportation. So, for those people who have contracted for firm gas, their transportation price doesn't change. Those people who are in the spot drive the non-firm price of gas transportation upward because they are all fighting for the same amount of gas. So that drives the transportation costs for the gas up and those who generally don't have firm gas are the power plants. And we get into the electric heating cycle and that is what causes the problem. All of the firm gas is used for standard heating and for the gas companies. Leaving very little spot market gas and everybody competes. So that is what drives the cost of gas up during cold spells in New England."

Mary Burgess: "Excuse me, would you state your name for the record?"

Jim Delgreco: "Jim Delgreco, 41 Elmwood Avenue."

Mary Burgess: "Thank you. Anybody who spoke could you please state your name?"

Jim Clark: "Jim Clark, 9 Golden Hill Street."

Lisa Roland: "I'm sorry, I didn't hear you."

Jim Clark: "Jim Clark, 9 Golden Hill."

Lisa Roland: "Thank you."

John Hiscock: "So, that is the answer as to why the electric is cheaper."

Jim Delgreco: "And if I may, the Meetings and Printing is that because we can't get anybody to show up to the meetings and you have to have so many meetings, is that why?"

John Hiscock: "That is part of it. It is usually cancelled for lack of quorum meetings and costs about \$700 right there, every time it happens. Minutes have to be transcribed and paperwork has to move through."

Jim Delgreco: "Would you say that part of that \$18,000 difference is because, what percentage would you say is because people don't show up and we have to have more meetings? Is it a small percentage or is it a large one?"

John Hiscock: "I think it is a small percentage of the increase. It is a portion of the increase. The other issue is that we have been having a fair amount of meetings where we are dealing with our arrangements with our cooperative. That has caused additional meetings, it has caused longer meetings. We are dealing with some fairly complex contracts with our cooperative. So that is adding to the amount of time and effort with respect to the meetings and the transcriptions of the meetings."

Ian Soltes: "What is a really long meeting?"

John Hiscock: "An hour or two, three, it happens for Commissioner Meetings."

Darlene Young: "When you say people..."

Ian Soltes: "How much are you paying per meeting?"

John Hiscock: "For what?"

Ian Soltes: "How much are you paying for each of these meetings on average?"

John Hiscock: "It depends on how long the meeting is. The ads are \$300-\$400 because they are in the legal section. Sometimes they are more depending on how much information we have to put in it. It is per column inch or whatever or however the newspaper deals with it."

John Hiscock: "Yes."

Darlene Young: "And when you speak of attendance being an issue and you don't have a quorum are you talking about the Electors?"

John Hiscock: "Correct."

Darlene Young: "Ok, Commissioners."

John Hiscock: "No, not Commissioners. We have not in recent time cancelled a Commission meeting due to lack of quorum at all, it is Electors Meetings. Other questions? And if you look at pages 6 and 7 you have the three year comparison for the Water Operating Budget and if you look down through the columns, I am not going to go over them unless there are questions or I will answer any questions, you will see that they are very, very stable, they don't change very much from year-to-year. Certainly the revenue is very consistent unless you change rates and you can see that between 2011/2012 versus 2012/2013 a significant change and as I think you are all aware, we had a significant rate increase."

Jim Delgreco: "So with the significant rate increase, are we covering our costs now?"

John Hiscock: "Yes, and the negative cash flow position that we were in has improved and we are in a positive cash flow at this point."

Jim Delgreco: "And the positive cash flow will help pay off the money we need to fund the retirement, right?"

John Hiscock: "Yes."

Jim Delgreco: "And that is over five years. Are there any other debt issues that are significant that need to be taken into consideration?"

John Hiscock: "No. That is the only outstanding liability that has to be dealt with. In this current fiscal year we are painting the Price Street tank, which is off of Connecticut Avenue, close to Scribner. It is in very bad condition and we deferred maintenance on that tank for quite a few years because of our negative cash flow. It would surprise most of you but the tank painting of that type is about \$450,000. It is very significant. We moved back the next tank. We were going to put the second tank in the upcoming Budget but we decided not to do that, we decided it was more appropriate to deal with the OPEB obligation. It gets sand blasted, you have to deal with the sand blasting waste, inside and out, essentially down to bare metal on the inside and commercial blast on the outside. It is an extraordinarily expensive process. Dust control, they essentially build a scaffold around the tank and completely enclose it with plastic and just to keep dust from moving all over the neighborhood or they use a robotic vacuum style blast or blast and vacuum simultaneously on a very fancy, expensive piece of equipment."

Jim Delgreco: "And John, the work that is happening up in Golden Hill and over the three bridges, that all for the water, the electric lines and everything is either built into this or someone else is taking care of it?"

John Hiscock: "Yes, there is very little in any of these Budgets for those items. Most of it is being picked up by the State of Connecticut through the construction process. And with respect to whatever happens with the lighting and its sort of in a state of flux because the city seems to be going back and forth with what they are going to fund and what they are not going to fund, so we will react to that if and when and it happens."

Jim Delgreco: "You had talked about redoing the water main on Cedar or Allview?"

John Hiscock: "Allview."

Jim Delgreco: "Is that happening or is that not going to happen?"

John Hiscock: "I have to check but I believe it is in here. It is in a prior year's Budget. Kevin, do you recall? We didn't cut that one out, right? Kevin has a more detailed sheet than I do."

Kevin Barber: "Yes, it is still in there."

John Hiscock: "It is about \$100,000. Yes, the \$100,000...what year was it approved?"

Kevin Barber: "2012."

John Hiscock: "It remains from last year. It was not cut. You don't have that detail there because it is a prior year's project. But, yes it is still going to be done, it is still budgeted."

Jim Delgreco: "And is it going to be done in a timely fashion because the roads going to be repaved and things like that?"

John Hiscock: "It will match up against the State's construction project directly. Yes sir?"

Robert Burgess: "On page 6, the Pumping and Water Treatment Plant that has nothing to do with the city government, it is internal, right?"

John Hiscock: "Yes that's our pumping stations, our water pumping stations."

Robert Burgess: "It has nothing to do with the City?"

John Hiscock: "No, there is one in Wilton that feeds our main system, one at Bartlett and one at Ponus. Other questions? We will move to the electric. Oh and on page 8 is the current year's Capital Budget and you can see it's fairly low-level, other than additional water meters and modules for the radio-read system, I think you are all aware, the entire electric system now is read by radio. We don't read the meters with meter readers anymore and we are phasing the same system into the water utility. Other than that, the other projects are quite small. We move to page 10, we have the Electric Operating Budget and again relatively consistent from year-to-year. It certainly doesn't change much. The one notable change, if you go down to the Operating Expenses under Purchased Electricity, you can see that we did drop slightly over a million dollars in purchased electricity and that has to do with the market costs of electricity declining due to the gas situation. If you look at the very bottom, Total Operating Expenses, you can see that the Operating Expenses have obviously dropped by almost the same amount of money from \$16.4 million down to \$14.9 million. Other than that most everything else is the same. I am not going to go over page 11 because we talked about it previously in the combined budget, if you go to page 12, you will see the Electric Utility Capital Budget. Again, fairly modest. No relatively large projects. Some of these projects are emergency type and if you see the word 'annual' under the expiration, those are for purchases of things that may occur during the year unpredicted and if in fact we don't use that amount, it will roll back into the cash anyway. If you go to page 13 you will see the GASB 45 OPEB Reconciliation for those of you who want to go through the detail, it is here to provide you all of the information and this is all based on the reports by the actuaries and auditors. So, this gives you a...and since this is the first year we actually started funding this liability, we wanted to show you all the detail. I am not going to go over the detail because it is certainly here in your handout. And that is it for the information I am going to give to you. I will answer any further questions at this point and from here on out it is just a master detail which also rolls into the Budget process. It is just how we calculate it and this is for the master and there are like 7 pages that fit under this for each of the various work areas in the Department. Any questions with respect to the Budget at this point? The Budget was approved by the Commissioners on March 5, 2013 at which time they approved the Budget and also approved a recommendation to the Electors that they approve the Budget."

Attorney Zullo: "A motion would be in order to approve the Budget if someone is of that mind."

Robert Burgess: "I will move that the Budget be approved as presented."

Ian Soltes: "I will second."

Attorney Zullo: "Names please."

John Hiscock: "Mr. Burgess and Mr. Soltes."

Attorney Zullo: "Ok, motion made and seconded. Try your minds, all those in favor?"

Commissioner Burgess: "Hold up your cards please."

John Hiscock: "Ok, thank you."

*[In favor 16]*

Attorney Zullo: "All those opposed."

*[None opposed]*

Attorney Zullo: "Motion carries. Before we go onto the next item on the Agenda, I do think it appropriate at this time to welcome our new Commissioner. As all of you know, Al Ayme, who had been very active in this particular District for many years had to resign his Commissionership recently and we are very fortunate to have his slot filled by David Westmoreland who has been a very active member of the Golden Hill Association and also a very active member of various historical efforts in the City of Norwalk. He is currently Chairman of the Commission to try and relocate the Museum of the City of Norwalk and also is Chairman of the Historical Society. So, he has been appointed and sworn-in and he is a new Commissioner. David, why don't you stand so everyone can see who you are?"

*[Applause]*

Attorney Zullo: "Ok, the next item on the Agenda relates to the Electors Ethics Commission."

Ms. Burgess: "We need a motion to place the item on the floor."

Joe Newell: "I will make the motion."

Sonya Merrill: "Second."

Attorney Zullo: "Motion made and seconded. Names please."

Joe Newell: "Joe Newell."

Sonya Merrill: "Sonya Merrill."

Attorney Zullo: "Ok Joe Newell and Sonya Merrill, so there is a motion and a second and presentation, John?"

John Hiscock: "Ok, This is a carryover item from the Annual..."

Attorney Zullo: "Last meeting."

John Hiscock: "Audit Meeting of November. We have made several attempts to get through the issue of electing seven Electors to the Ethics Commission. Several attempts failed due to lack of quorum. One attempt failed because we didn't have three individuals who were non-Democrats. Since the room was full of Democrats we couldn't elect the Ethics Commission. So in frustration, and I don't mind saying this, but in frustration sometime in January or so, we gave up on calling Electors meetings and decided the most appropriate time to do it would be during this meeting, since we were probably able to obtain a quorum, which we barely did this evening. Ok, the Ethics Commission serves the year from November to November. It consists of seven Electors, no more than four of whom shall be members of the same political party. And that is important to note. Two other issues that I am not going to read the language to you but there is language in here that allows individual Electors who are not going to be present at this meeting to indicate to the Clerk in writing that they are willing to serve if nominated and elected. The Clerk has received three communications from Electors who have indicated that they are willing to serve, if nominated and elected. Could the Clerk please list the three individuals?"

Lisa Roland: "Yes, I have Michael Geake, who is not here, Theodore Burttt, who is also not present and Ian Soltes, who is present."

John Hiscock: "Ok, and, I don't mean to put this in terms of which party seems to dominate the meetings, but those three individuals are non-Democrats. And I believe there are other non-Democrats in the room so we have the prerequisite number of Electors so we can get through this, this evening."

*[Laughter]*

John Hiscock: "Both in terms of a quorum and in terms of the political make up of those in the room. Are there any question about the Charter and this portion?"

Darlene Young: "Can you nominate someone? Just explain that process very quickly."

John Hiscock: "Ok, let me go to the election process quickly and then we can find out if there are any more questions. The Chairperson will open the nomination to the floor and seconds are not required, as people nominate individuals I will ask them if they are willing to serve and if they are willing to serve they will go on the list. They will go on the list with their name and their political affiliation. When nominations are done, we will then take the list, go to the copy machine and we will end up copying the list and hand out ballots and everybody will get to check off up to seven individuals. We then take the count of the individuals, we put them in the order of highest to lowest votes, we run down the list from highest to lowest, seating the four highest and once we get to the point where there are four from one party, we cross out everybody else from that party and continue down the list and that is how it is done. So, are there any questions about

that? I can go over it again. We go through this process, every nomination is listed, political affiliation is listed, we take everybody who has been nominated, run it through the copy machine, make 16 ballots, you will check them off and we will come back and count them and again the process is, once we have four from one party, everybody else from that party gets crossed off and then we keep going down the list and we take the seven highest vote getters. Ok.”

Attorney Zullo: “We are waiting for nominations now.”

Cèsar Ramirez: “You are open for nominations?”

Attorney Zullo: “Yes, we are open for nominations.”

Cèsar Ramirez: “I nominate Darlene Young.”

Darlene Young: “For what, the Ethics Committee?”

John Hiscock: “Yes, are you willing to serve?”

Darlene Young: “Yes, I don’t care.”

*[Laughter]*

John Hiscock: “Your political affiliation?”

Darlene Young: “Democrat.”

John Hiscock: “Thank you.”

Attorney Zullo: “Other nominations, yes?”

Cèsar Ramirez: “I would also like to nominate Jim Clark.”

John Hiscock: “Mr. Clark, are you willing to serve?”

Jim Clark: “Before I answer, I need to know, because I have a partner at home who would be very curious about the time needed to do this? So, I am curious as to how much time commitment this would take?”

John Hiscock: “Time commitment is zero since about 2003 or 2004, somewhere in that range. It has been zero.”

Jim Clark: “Oh, that’s not bad.”

*[Laughter]*

John Hiscock: “The Ethics...”

Jim Clark: "In that case John I am willing to serve."

*[Laughter]*

John Hiscock: "I will tell you that if there is an ethics complaint made then there is a time commitment."

Jim Clark: "Ok, fine."

John Hiscock: "Ok or there is a minor time commitment if somebody might inquire of a ruling from the Ethics Commission with respect to an issue. As I said, there has not been an Ethics Commission Meeting since about 2003. Ok, Jim and your party is?"

Jim Clark: "I am a Democrat."

John Hiscock: "Ok, you are a Democrat, thank you."

Maria Borges-Lopez: "I would like to nominate Jim Delgreco."

Jim Delgreco: "And I will serve. An Independent."

John Hiscock: "Thank you."

Darlene Young: "I would like to nominate Sonya Merrill, who is a Commissioner?"

John Hiscock: "Treasurer, she is a public official that doesn't work."

Darlene Young: "No?"

Maria Borges Lopez: "I would like to nominate Dawn Delgreco."

Dawn Delgreco: "But I am married to him."

Maria Borges-Lopez: "That is ok."

Dawn Delgreco: "Can we both be on the Committee?"

Maria Borges-Lopez: "You are investigating us not him."

*[Laughter]*

John Hiscock: "I am going to be quiet because we are on the record."

Dawn Delgreco: "I can do that then, Independent."

Mary Geake: "I would like to nominate Ian Soltes."

John Hiscock: "As you said before you are a..?"

Ian Soltes: "Republican."

John Hiscock: "Thank you."

Darlene Young: "I would like to nominate Sharon Stewart."

John Hiscock: "Are you willing to serve?"

Sharon Stewart: "Yes."

John Hiscock: "You have served before. You are a..?"

Sharon Stewart: "Democrat."

John Hiscock: "Ok. You are getting the name, Sharon Stewart? *[Directed to District Clerk]*

Attorney Zullo: "Sharon Stewart."

Lisa Roland: "Yes."

John Hiscock: "How many do you have at this point?"

Lisa Roland: "Six at this point."

John Hiscock: "Well, we need seven so and we only have six nominations?"

Mary Burgess: "We need one more."

Cèsar Ramirez: "I would like to nominate Mr. Burgess."

Robert Burgess: "I would think it is a conflict. I can't rule against my wife. I have to decline on the basis of my family situation."

*[Laughter]*

John Hiscock: "You decline on the basis of your family situation."

Robert Burgess: "Yes, thank you."

Attorney Zullo: "John, I think we have more than six."

Kevin Barber: "She didn't add in the three."

John Hiscock: "They were not nominated."

Attorney Zullo: "They were not nominated."

Lisa Roland: "They were not nominated, that is what I thought. I thought so."

Kevin Barber: "That is correct."

Jim Clark: "We have the absentees, don't we have enough?"

John Hiscock: "No, those are only willingness to serve. They would actually have to be nominated."

Attorney Zullo: "In other words, if you are not here you submit a list that says you are willing to serve, but you still have to be nominated."

Jim Clark: "Oh, then I want to nominate T.C. We are a little slow. And I would also like to nominate Mike Geake."

Attorney Zullo: "Now we have one too many."

John Hiscock: "That is ok. Hang on now."

Attorney Zullo: "That is ok, we can vote."

John Hiscock: "Mr. Burt is?"

Lisa Roland: "Mr. Burt is Unaffiliated."

John Hiscock: "Unaffiliated, ok."

Ian Soltes: "I would like to nominate Tom?"

Attorney Zullo: "Wait a minute."

John Hiscock: "Hold on we have to keep going."

Lisa Roland: "And Michael Geake is an Independent."

John Hiscock: "And Michael Geake is an Independent, ok, alright. I am sorry?"

Ian Soltes: "I would like to nominate Tom Soltes."

John Hiscock: "And you are a..?"

Tom Soltes: "Republican."

John Hiscock: "Thank you. Ok, we now have..."

Lisa Roland: "Nine."

John Hiscock: "We now have nine."

Joe Newell: "Question, Independent and Unaffiliated, we don't have an Independent party anymore."

John Hiscock: "Yes, excuse me, the Unaffiliated, I used the inappropriate term."

Joe Newell: "But, we used to have Independent but it is Unaffiliated now."

John Hiscock: "Yes, we used to right."

Joe Newell: "Independent is now Unaffiliated."

John Hiscock: "Yes, right, they are Unaffiliated not Independents. Ok, any other nominations?"

Attorney Zullo: "A motion could be made to have the nominations closed at this particular time?"

Cèsar Ramirez: "I make a motion to close the nominations."

Attorney Zullo: "A motion is made by Commissioner and is the motion seconded?"

Ian Soltes: "I will second it."

Attorney Zullo: "Any discussion on the motion here and I will try you minds. All in favor with your cards please?"

*[16 cards in favor]*

Ian Soltes: "Any opposed or abstentions?"

*[Laughter]*

Attorney Zullo: "Any opposed?"

John Hiscock: "We have a new leader here."

*[None Opposed]*

Attorney Zullo: "So we got the total list of nominees, now we have to vote."

John Hiscock: "Ok, it will take us a minute to do this."

Jim Delgreco: "John, while we have a minute, is there any way we can change the terms for the Ethics Commission to longer?"

John Hiscock: "We have discussed that issue. It would take Charter Revision to do it."

Jim Delgreco: "It does."

John Hiscock: "Yes."

Jim Delgreco: "Then how do you revise the Charter?"

John Hiscock: "It takes about 18 months to do it."

Dawn Delgreco: "Don't worry, we will keep renewing."

Jim Clark: "Long-term planning is not a bad thing to do."

Dawn Delgreco: "Your nomination."

John Hiscock: "We did it in 81, 95 or 97, I can't remember which and in 2005."

Jim Delgreco: "Did you have to have a Charter Revision Commission at that point?"

John Hiscock: "Oh yes, we went through the whole Statutory process, we create a Charter Revision Commission, we hold public hearings, we issue a Charter Revision Report, we hold another hearing, they adopt the Report, the Commission then decides what portion of that Report gets put on the ballot, we create a ballot, we go to the Secretary of State, they agree to it and we put it out for election. If we do it as a regular election there is no requirement for the number of votes. If we do at a special election, is it 10% or 15% of the electors?"

Attorney Zullo: "It is a high percentage which we normally don't get."

John Hiscock: "If it is a special election we would need 400 to 600 people would have to vote, so we always do it at the regular election."

Attorney Zullo: "As you can see with a quorum, we had difficulty getting 15 people so you don't have this at a regular election because we normally can't get the people out at a special election that needs the percentage under the statutes. so we do it at a regular election so people are there already. You have no limits then."

*[Lisa Roland and Kevin Barber pass out the ballots]*

Attorney Zullo: "We have the ballots now that are being handed out and if you would vote for seven individuals on each ballot, it would be very helpful."

John Hiscock: "Now remember, you are not restricted to, when you vote the seven, you are not restricted to part the party at all. We are restricted when we go through the wins. You can vote for seven from one party if you want or you can vote for all Unaffiliated if you want. So, just pick your seven and the process works through with respect to who gets seated and who doesn't. Does every Elector have a ballot?"

*[Every Elector has a ballot and is casting their vote]*

John Hiscock: "Ok, does every Elector have a ballot?"

Kevin Barber: "John, do you need the ballot number recorded on those sheets or not?"

John Hiscock: "No."

Jim Delgreco: "Yes or no?"

John Hiscock: "No please don't do that."

Jim Delgreco: "Oh, don't do that."

John Hiscock: "We don't want to know who voted how. Please don't put your number on there. We will ignore it if you put it on. We don't want to know how you vote, it is not right."

*[Ballots are collected by Lisa Roland and Kevin Barber]*

Attorney Zullo: "Do you have them all now Kevin?"

Kevin Barber: "Yes."

Attorney Zullo: "In the interest of efficiency, we are going to suspend this portion of the meeting now momentarily while they go and count the ballots and we will go onto the next item on the Agenda, which is to receive and ratify the choice of auditors for the District Commissioners."

John Hiscock: "Most of you know the process, but I am going to quickly go over it. The District goes out to bid for auditing services once every three years. According to the Charter, the auditor has to be chosen on an annual basis. So before you this evening is...we are not in a year in which we sought proposals from auditors. We are in the middle of that process and it is customary and the way we have normally dealt with this, is the Commission continues with the current auditor unless the Commission wants to make a change or the auditor wishes to decline. We have been using Hope & Hernandez. Hope & Hernandez was the auditor last year, the Commission is fine with continuing with Hope & Hernandez and Hope & Hernandez is fine with continuing with us. So, the choice of the auditor for this year, which is the current year that we are in, which ends June 30, 2013, would be the firm of Hope & Hernandez. I am sure you are familiar with the name. They have been our auditors for a significant time period."

Mary Burgess: "So, we need a motion to ratify the choice of auditors, correct?"

John Hiscock: "Yes, that would be appropriate."

Jim Delgreco: "I make a motion."

Cèsar Ramirez: "I second the motion."

Attorney Zullo: "We don't have a Clerk here now."

John Hiscock: "Ok."

Attorney Zullo: "Mr. Delgreco and Bobby Burgess."

John Hiscock: "Mr. Burgess and...?"

Attorney Zullo: "No, Mr. Delgreco made the motion. Bobby Burgess..."

John Hiscock: "Who seconded?"

Attorney Zullo: "It was either Cèsar or Commissioner. It was Commissioner. Ok discussion relative to the motion, any discussion?"

*[No Discussion]*

Attorney Zullo: "Hearing that, then I will try your minds, all those in favor?"

Electors Unanimously: "Aye"

Attorney Zullo: "All those opposed?"

*[None Opposed]*

Attorney Zullo: "Ok, well that is taken care of."

John Hiscock: "That is done."

Attorney Zullo: "Now we just have to wait for the vote."

John Hiscock: "Ok, I will just be a minute, hopefully."

Attorney Zullo: "Hopefully he will just be a minute."

*[Laughter]*

Attorney Zullo: "They are in your office."

Maria Borges-Lopez: "They are in your office."

John Hiscock: "In my office?"

Maria Borges-Lopez: "Yes."

*[Laughter]*

John Hiscock: "Ok, we will impound all of the ballots; count them again just to make sure. But at this point in time..."

Attorney Zullo: "Did you hear what he said? They are going to count again tomorrow just to make sure and the ballots will be here for your inspection if you deem it appropriate or necessary. Go ahead John, I am sorry."

John Hiscock: "Ok, you have elected Darlene Young, Jim Clark, Jim Delgreco, Dawn Delgreco, Ian Soltes, Sharon Stewart and Theodore Burt. That is three Democrats, three Unaffiliated and one Republican so we meet the cut-off with no problem."

Sherelle Harris: "John, can you repeat that?"

John Hiscock: "Darlene Young, Jim Clark, Jim Delgreco, Dawn Delgreco, Ian Soltes, Sharon Stewart and Theodore Burt. And we will check them again in the morning just to make sure because the numbers are very close."

Ian Soltes: "How close?"

*[Laughter]*

John Hiscock: "14, 13, 13, 11, 11, 12, 13, 9 and 10."

Shawn Delgreco: "So Jim and I had the same number of votes?"

*[Laughter]*

Jim Delgreco: "Why would you ask that?"

John Hiscock: "Oh boy. Let's hope in the next six months that we have to hold an Ethics Commission so we can watch the two of you together."

Mary Geake: "I make a motion that we adjourn."

Maria Borges Lopez: "Second."

Attorney Zullo: "Motion made to adjourn, Mrs. Geake, is there a second, Maria. Second by Maria. Show of cards, all those in favor?"

Electors Unanimously: "Aye"

Attorney Zullo: "All those opposed."

*[None Opposed.]*

**Adjournment:**

*The meeting adjourned at 9:46 p.m.*

Attest:

Lisa Roland  
District Clerk