

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting Minutes
November 12, 2014

Present:	Mary Burgess Maria Borges-Lopez Mary Geake Mary Mann Cèsar Ramirez David Westmoreland Martha Wooten-Dumas	Chairperson Vice Chairperson
Absent:	None	
Also Present:	John M. Hiscock Lisa Roland Michael Sutton	General Manager District Clerk Benefit Planning Services
Public Present:	None	

Call To Order:

Commissioner Burgess called the Regular Meeting of The Second Taxing District Commissioners to order at 7:42 p.m. on Wednesday, November 12, 2014. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Commissioner Burgess: "I will call the Regular Meeting of the Second Taxing District Commissioners to order Wednesday, November 12, 2014 at 7:42 p.m. And I need a motion for acceptances of the minutes."

1. Acceptance of the Minutes

Commissioner Westmoreland: "So moved."

Commissioner Borges-Lopez: "Second."

Commissioner Burgess: "Are there any corrections?"

Commissioner Ramirez: "One abstention, please."

Commissioner Burgess: "Yes. No? Ok, all in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed? Abstentions?"

Commissioner Ramirez: "One."

Commissioner Burgess: "Ok. There is no public participation."

John Hiscock: "No public."

Commissioner Burgess: "So, you are on John."

2. Health Insurance - Discussion

John Hiscock: "Ok, health insurance. This is a continuation of our discussion from last month with respect to a potential employee contributions to the health plan and whether it was warranted or not. At the end of the last meeting the Commission decided they would like to have the agent come in and talk to us and answer our questions and deal with this. I think you all know Mike Sutton. I am not sure Martha if you were present last year. Ok, Martha Dumas a new Commissioner. This is Michael Sutton of Benefit Planning."

Commissioner Wooten-Dumas: "Hello."

John Hiscock: "Benefit Planning has been our agent for a considerable timeframe. I don't know where you want to start, but I know I hesitate sometimes to hand things out because sometimes they are taken as recommendations and they are not intended to be. These are facts and information for discussion please. If you can just hand it down to each Commissioner at this point. With respect to some disclosure about what this document actually is, it is something that we prepared in the office today to give you a feel for the kind of dollars that we were sort of alluding to at the last meeting but nothing was really firm. So what we did is we took the premium for the current year, now this is not the renewal premium because obviously we don't have that information unfortunately yet. I was kind of hoping we would by tonight and Mike will talk about that issue and where he thinks all of that is going. This is the 2014 premium. As you can see for a single person the monthly rate is \$662.88, a parent with a child is \$1,099.72, an employee plus a spouse is \$1,354.93 and a family is \$1,920.36. Just as a way of getting order of magnitude, we took some numbers and put them down and said ok if you charged the employee 2%, the next column shows what it would cost them for the year. The annual cost to the employee."

Commissioner Geake: "Per year?"

John Hiscock: "Per year."

Commissioner Westmoreland: "It is 2% of the monthly rate?"

John Hiscock: "Right, it is 2% of the actual premium. We put monthly down so you can get a feel for that monthly rate, but we did the calculations in annual so that you could see the actual impact for the employee on an annual basis. And we went down through

2% all the way through the four plans. We then did 5%, you can see that number. We then did 10% and you can see that number. We didn't go any higher than that but you can certainly imply anything that you want based on this. You can take, if it was 15%, you take the 5% and multiply it by 3. This is just background information for you. The next group of numbers is the premium plus the HSA deductible. So in other words if you said, its 2% of the total cost to the department, it would be 2% of the monthly premium plus 2% of the HSA bank that you pay per employee. So, the last three columns is simply the additional number. And the reason I did that is if you look at some of the information that I gave you last month about what the city does and the other groups do and I think I explained to you that as an example the First Taxing District, which doesn't have an HSA, they have an HRA, we talked about the differences, they actually in addition to charging the employee 12% of the premium, they charge them 12% of the amount they are covering. In other words they are covering essentially the co-pays and things like that in the HRA so they ask the employee to cover 12% of those co-pays. So, I provided this information to you because we were talking last month and there was, I wouldn't call it confusion, but there were some numbers that went back and forth and I didn't want to be not providing you enough detail to make those kind of decisions so I created this document and I thought it would be something you could refer to in this discussion."

Commissioner Westmoreland: "John, I am sorry, I am still confused at how you are coming up with 2%, 5% and 10% numbers. \$159.10 is 24% of \$662.88."

John Hiscock: "Ok, \$662.00 is the monthly rate and the 2%, if you take \$662.00 multiply it by 12 you come out to about \$7,000 and 2% of that would be about \$160.00 I believe?"

Commissioner Westmoreland: "Ok."

Commissioner Borges-Lopez: "You have the monthly premium and then you have 2% of an annual premium."

John Hiscock: "Right, and I could have put the annual premium in that column, but the annual premium is not something that people think about. Usually when you deal with this you think of the monthly premium. And I had to go through and multiply some of these out myself because they do look funny to me too until I multiply them out. That is a single set of information for you. You can certainly compare these numbers and I couldn't do a comparison for every employee grade and all of that with respect to pay, but I do have a copy of the pay structure here that we can hand out as we get further in the discussion. Mike is here to talk about where he thinks the premium might go this year and the fact that he is soliciting prices and then to answer any questions you may have about how people handle this and what they do or they don't do so that you can make a decision as to where to go."

Michael Sutton: "Can we talk about where we think it is going?"

[Laughter]

Commissioner Geake: “We need to know the percentages and then we can all gasp.”

Michael Sutton: “Ok, well take a deep breath. The renewal came in at the end of last week. Immediately, we requested the updated information, do we send out RFP’s and obtain quotes on your behalf. We have one quote back, one proposal back from CIGNA. Well, let me back up one second. Typically, we go through this process every year and what happens is you have a little bit of a unique situation here because you have some retirees with coverage that are under age 65 and some of the carriers will not offer coverage to that group of the population. So, in the past what we usually get is one or two quotes back even though there might be five carriers out there that we submit RFP’s to. So, with that said, we sent it out and the initial request and let me stress this is an ongoing process, this is a work in process and I will explain further about that but the initial request from Oxford was a 29% increase. The reason that I have gotten and it is not just yours, I have seen this year for renewals we are getting for other clients with Oxford/United Healthcare in your size group has been higher than the other carriers and the explanation I have gotten so far is that you are not being singled out or your employees are not being singled out because of claims just particular to SNEW. You are in a block of business, a small group block of business with them and the explanation I have gotten from them is the block of business did not run well last year, they are losing money on it so that is why they are higher. It’s not to say that is where we are going to end up. I am just saying that I always use the term that is the initial request. Do you have a question? You look like you have a question?”

Commissioner Westmoreland: “Well, just a comment, considering last year they asked for 17%?”

Michael Sutton: “16% and change and we got them down to 7%.”

Commissioner Westmoreland: “And they came back and said oh well ok we really don’t mean it if you are going to switch we will do it for 7%.”

Michael Sutton: “We got it down to 7%.”

Commissioner Westmoreland: “They don’t really have any credibility anyway so I really don’t care what they say.”

Michael Sutton: “Well what happens is all the carriers do this. It’s infuriating because they all do this.”

Commissioner Mann: “It’s a game.”

Michael Sutton: “They send out an initial quote and you know there are some there to begin with that they have in their pocket. But then they also request that you send them any competitive information, so that is why I like to get out there and get quotes because if we get a good one back, I have leverage to work with them. So the CIGNA quote has come back. It is better. It is not what you want to hear. It is 16% and this is based on your current existing plan, the plan that you have now. We are not making any changes

or higher deductibles or anything like that. We will talk about that next. But, CIGNA has come back at 16% so that is a positive step. A step in that I have competitive information that I can go back to them with and I can fight against them some more and I am in the process of doing that. They have offered some alternative plan designs, which would hold you close to even and in some cases about 5%, which we can talk about. Does that make sense, do we make those changes? And basically what we are talking about is going to a somewhat higher deductible on the plan.”

Commissioner Westmoreland: “This is CIGNA?”

Michael Sutton: “This is with Oxford as well. I haven’t even gotten back to CIGNA with alternate quotes yet. Oxford has given us alternate quotes. What we are talking about is instead of a \$2,000 deductible HSA plan it would be a \$3,000 deductible HSA plan, with 100% coverage above that, just like your \$2,000 and that holds us about even or actually a little bit less. So that is where we are in the process right now. Certainly it is a lot more encouraging if they come out with a 10% to 12% requests because I know I will get some competition and we will get it knocked down to the singles. I don’t know if we are going to get it below 10% unless we give something back. Now, there are some new carriers in Connecticut now, Harvard Pilgrim and Healthy Connecticut. With Harvard Pilgrim I have been seeing some very competitive quotes from. They are not a new company, they are new to Connecticut. They have been up in Massachusetts, New Hampshire, Vermont, Maine, and Rhode Island. They just came into Connecticut this year. They are putting together their network of providers. They are building a network. They have just signed Norwalk Hospital as of January 1, Norwalk Hospital will be in, Stamford Hospital the same. They have Greenwich, they have Bridgeport, and they have St. Vincent’s. I think they have every hospital except Lawrence Memorial up in New London, so they are going to have a viable network. Will it be as viable as the one you have now on January 1st? Probably not because the first step is to get the hospitals in and then go out and gather all of the affiliated providers that go to the hospitals and they are in that process. But, again even just from a leverage, if we could get a better quote back from them, it just gives me more leverage to work the carriers, so that is what I am hoping for. I don’t have any others back yet except for the CIGNA. So that is where we are at today. So, the bad news is the starting point, the good news is there are some alternatives that we can...it really...your plan we wrote in January of 2006 I think. It has been around a long time, the deductible level of \$2,000/\$4,000 is by today’s world is considered very rich. And even if you look at what the IRS has brought HSA limits up to, they are up to \$3,300 for a single now, so they have come up much higher. So, that may be a consideration this year. You can talk about making some type of a plan change a little bit regardless of what you decide to do on the pricing.”

Commissioner Westmoreland: “You said that if we stay with Oxford and we do a \$3,000 HSA deductible, it is about the same or actually less?”

Michael Sutton: “It was either a 1% increase...I can tell you right now. I think I have it right here in the file. They gave me two alternatives that I thought were worth considering. One of was about a 1% increase and one was a 5% decrease. One going to a \$3,000 deductible and instead of having a 100% coverage once you hit that deductible, the

members would then be responsible for copays. In other words, if they have a \$30 office copay or a \$45 copay, you would still have a maximum out-of-pocket on the plan of \$5,500 for a single; that is minus 5% below current.”

Commissioner Borges-Lopez: “So its \$3,000 deductible and once you meet the \$3,000 it reverts to copays. Ok, which would be 30/40?”

Michael Sutton: “\$30/\$45, \$30 for a primary and \$45 for a specialist. If you go in the hospital it would be a \$500 copay per admission.”

Commissioner Borges-Lopez: “And the increase on that is?”

Michael Sutton: “It is minus 5%. It is 5% below current.”

Commissioner Westmoreland: “Do they pay copays today under our current plan?”

Michael Sutton: “No. They have 100% coverage, except for prescriptions.”

Commissioner Mann: “They pay nothing, 100%.”

Commissioner Westmoreland: “They don’t pay anything.”

Michael Sutton: “They pay copays on prescriptions.”

Commissioner Westmoreland: “And we fund the HSA with the entire amount of the deductible so the decision if we went with this would be, do we spend another \$55,000 to add \$1,000 each to the HSA?”

Michael Sutton: “Right, or hold the contribution level to where it is. You know that is another decision. A lot of employers that I have that started about the same time this District started the HSA are making contributions as these things have evolved have started to tail back and are either not making the 100% they are making more in line with 50% of a contribution or, if you think about it, most employees probably are generally pretty healthy and haven’t used up a lot of what you have put in over the years for them. They probably have a little bit of a bank built up. There may be some who don’t. Obviously, there are always 10% of us who have a lot of usage, but for the bulk of the population a lot of them have probably accumulated some money over the course of time already and has some money in their accounts I would think.”

Commissioner Geake: “So, basically we have a lot of decisions to make tonight, if we are going to get anywhere, since we have to give them at least two months’ notice?”

John Hiscock: “No, you are only required two months’ notice if it’s not in the plan year.”

Commissioner Geake: “Oh, ok sorry.”

John Hiscock: "We went through this last year. You have up until the 31st of December to make a change to the plan and to notify the employees right then and there. Well, obviously we are not going to go to the 31st of December clearly. Yes, there is time to still make decisions and some decisions are hard and you have additional quotes you are going to need to get because nobody gives us quotes during the timeframe that they used to come, 60 days in advance."

Michael Sutton: "Now it is closer to 45 and it is difficult. I am hoping I should have everything back certainly by early next week. So you are not going to be hanging out there. I am pushing them believe me. It drives me crazy as much as it drives all of you."

Commissioner Borges-Lopez: "So, can we schedule a Special Meeting once Mike has the quotes so that we can go over it?"

John Hiscock: "Absolutely."

Michael Sutton: "I can come back anytime you want. We can do that."

John Hiscock: "You can absolutely schedule a Special Meeting anytime you want, that is not a problem. The Chairman just declares a Special Meeting and we notice it that is all. We need to know two to three days in ...Lisa three days in advance to get it into the paper?"

Lisa Roland: "Yes."

Commissioner Westmoreland: "So if we switch to the alternate Oxford plan with the \$3,000 HSA and we did not fund the additional \$1,000 to employees' HSA and we did not charge them anything for premiums, that would effectively be \$83.00 a month that the employees would have to contribute to make up the \$1,000 in the HSA assuming they wanted to."

Michael Sutton: "Right."

Commissioner Westmoreland: "They don't even have to and that would be the equivalent of a 1% charge at least on the singles and it is much less for parents, spouse and family. That could be a starting point to manage our costs this year and not make it too onerous on the employees. Does that make sense? This is a hypothetical, I am not advocating this."

Commissioner Borges-Lopez: "No, it makes sense. I just need to see the numbers. I need to see the numbers because maybe the \$2,000 we could fund \$2,500 and then let them pick up the copays after the \$3,000 and if the decrease in the premium is 5%. So, I mean without really seeing the numbers, it is really difficult for me."

Michael Sutton: "Here is another thought also on that issue. I have already gone back to them with the CIGNA quote and shared it with them and said look this is what is coming in, you know you guys want to get serious. Let's just say they amend it and bring it

down, I don't know if they are going to come all the way there but whatever they come down, it will come down across the board so that minus 5% will go down as well. So, you may have more to play with."

Commissioner Borges-Lopez: "Right."

Commissioner Westmoreland: "So..."

Michael Sutton: "So, that is a good thing. Even if they only come down 6% or 7% that bring the minus 5% down to 6% or 7% more."

Commissioner Westmoreland: "Can't you just tell them CIGNA quoted 2%?"

[Laughter]

Michael Sutton: "Well, they don't take my word for it. As nice a guy as I am, they don't take my word for it. I do fudge the facts to our favor, but one of the first things they say is send us a quote."

[Laughter]

Commissioner Westmoreland: "I will send you a quote."

Michael Sutton: "I am hoping to get more back in. We got a pretty good quote last year from Anthem I think as well. It was actually the leverage I had last year so I am hoping that maybe they will come in. Anthem has been telling us for a few months now that they are really looking to write some business, so let's see what they do. If that comes back even better than that's is even more fire that we could throw at them."

Commissioner Borges-Lopez: "Like I said, we need to see the whole scope next week and then we will see, but I think if we go with \$3,000 and go with the copay and..."

Commissioner Westmoreland: "The whole point here is to manage our costs, it is not to transfer costs from SNEW to the employee."

Commissioner Borges-Lopez: "I agree with that 100%, I have been advocating on behalf of the employees for the past four years."

Commissioner Mann: "Yes she has."

Commissioner Borges-Lopez: "I have been very outspoken about it."

Commissioner Mann: "Yes she has."

[Laughter]

Commissioner Borges-Lopez: "And they thank me all over town."

[Laughter]

Commissioner Geake: "If we were to have a Special Meeting and since we are already going to be here for the 18th which is our next meeting. We could have a meeting like an hour beforehand where we would have to get here at 6 p.m. in the evening and have some talk prior to the 7 p.m. Does that sound reasonable?"

John Hiscock: "The meeting next week is at 8 p.m."

Commissioner Westmoreland: "8."

Commissioner Geake: "Oh, ok 8."

John Hiscock: "It is an electors' meeting so it is at 8 p.m."

Commissioner Geake: "I am sorry, I didn't realize that when I started talking."

Commissioner Westmoreland: "I guess it would just depend if the quotes were in right? We are kind of at their mercy."

Michael Sutton: "Like I said we pushed them today and it is Wednesday, I should have them back. When is the meeting? Is Wednesday next week the 18th?"

Commissioner Geake: "No that is the 19th."

Michael Sutton: "I will get them back."

Commissioner Ramirez: "It's Tuesday."

Michael Sutton: "I will get them back. I will just get a whip that is all."

John Hiscock: "It is Tuesday night."

Michael Sutton: "And just get them to get off the stick. I will get them back. We will know where we stand. We will probably get a couple of declinations because of the under 65, but we will hopefully have a couple of more in that I can use for leverage. Ok, anything else?"

John Hiscock: "This is going to be obviously a difficult meeting and electors kind of come into this meeting some of them get here 10 or 15 minutes early. So, trying to meet just one hour before the electors meeting probably, unless it is a very brief session to hear what Mike has to say, you are not going to get, in my opinion, you are not going to get to a decision."

Commissioner Borges-Lopez: "I agree we have to look at the numbers. We have to crunch the numbers. It is going to take a lot more than that. So, I think maybe if we meet at 6 p.m. it would be a lot better."

Michael Sutton: "Sure."

Commissioner Geake: "It would be a two hour meeting."

Commissioner Borges-Lopez: "It would be a lot better. What is the feedback about 7 p.m., meeting at 6 p.m.? I mean instead of 7 p.m."

Commissioner Geake: "That gives us two hours to crunch numbers and we have a little more leeway than with what you just said and it makes sense. I come in a half an hour early."

John Hiscock: "Some people come in early, some people we have to wrestle up to show up."

Commissioner Borges-Lopez: "I don't have the date. It is the 18th?"

Commissioner Mann: "It is the 18th."

Commissioner Borges-Lopez: "the 18th."

Commissioner Mann: "Tuesday, the 18th."

John Hiscock: "Tuesday night the 18th."

Commissioner Westmoreland: "It is fine with me."

Commissioner Mann: "I am good."

Commissioner Borges-Lopez: "6 p.m.?"

Commissioner Geake: "I am good."

John Hiscock: "Is there anything else you want? I mean what other information would you like? I don't even know to produce?"

Commissioner Borges-Lopez: "I would like to see the numbers and we don't have it."

John Hiscock: "Yes."

Commissioner Borges-Lopez: "I will wait until the 18th."

Michael Sutton: "I will have a better information then with spreadsheets, the whole thing."

John Hiscock: "Right, the exact spreadsheets, similar to what you did last year and whatever we get we get and we look at it. It is certainly a big number, there is no doubt about that."

Michael Sutton: "Anything else?"

Commissioner Borges-Lopez: "Are we all set?"

Michael Sutton: "I thank you for not throwing anything."

[Laughter]

Commissioner Borges-Lopez: "Thank you Michael."

John Hiscock: "Thank you very much."

Commissioner Westmoreland: "We are saving that for next week when you come with the quotes."

[Laughter]

Commissioner Borges-Lopez: "Are you going to be late for dinner this time?"

Michael Sutton: "No, no, late lunch. Take care."

Commissioner Borges-Lopez: "Good night, thank you."

3. To Receive, Approve and Recommend to the Electors the Audit Report of the Second Taxing District for the Fiscal Year July 1, 2013 – June 30, 2014

John Hiscock: "Ok, item 3. You have the audit in your board book. You may have noticed when you went through it that there were two red circles in it. Those two red circles are two things that the...I am going to start with that so we can get this cleared up quickly. When we had the first draft audit from the auditor, he circled those two sections and asked them to read through them again and review them to make sure that we were all set on them. The one on page 5 when we read through it and checked everything turned out to be totally correct. The red circle on page 8 however, we determined that in fact it was really confusing the way it was written and we struck out the second paragraph, third sentence that said 'electric also experienced a net decrease in non-operating revenue/expense,' because that is the account name, 'of \$1,105,914 in 2014 due to a drawdown of \$1,000 in the CMEEC municipal fund'. The reason that it is confusing is that the drawdown was in the prior year. The prior year showed a negative and because we didn't have a negative in this year, it showed as a variance and it looks very strange to the uninitiated and it is very hard to understand. So, we struck the sentence. It is in the final version. We had the final version delivered to us today, the bound version that you all get a copy of. I have to sign the Letter of Transmittal because I

sign every one of them, but I wanted to point that out to you. Clearly that was the purpose of the red circles. Ok, the reason they are still in this report, was the auditor said to us, I need an answer on those two paragraphs along with everything else by noon and if you give it to me by noon, I can produce the final version of the draft without the red circles. We didn't get that done. Kevin Barber had to drive to the auditor's office after we went through this and made the correction and he provided it to him, at that point it was too late to get to you a draft copy clean without the circles so that you could have your information on Friday. We did not want to wait until Monday to get it to you. So, I just wanted to explain those two things; it's important to explain that to you. It looks strange to give you a document with red circles in it. Ok, so getting back to the actual audit, we can go through it and I can answer any questions you may have about it. As you know, you have been looking at these for a while. Some of you who have been on the Commission probably feel that you have been looking at it for way too long. These are kind of repetitive from year-to-year. The transmittal letter doesn't say much. That is my explanation to you. It hasn't changed much, it updates a few things. It updates the substation, updates the GASB, updates the OPEB Trust, updates the AMI system and gives you the information about how many more things we installed and devices, but it really doesn't affect the finances. It's really, this is what has happened and then finally the power substation, it just an update. It's in service. We are changing the feeders over and last year it was not in service. It's just simply a continuing update. The rest is boilerplate. It is the same year after year. You know as we move through, it has the list of officers, we all know who they are. It has the org chart, which is the same org chart from last year because we made no real changes. It was approved by the Commission on January 17, 2012 and that was the last time we changed it. Then we move into the independent auditor's report and it's basically very similar to the letter that you have always seen from the auditor. He explained what his responsibilities are, what management's responsibilities are. It explains how he goes about doing the audit. What the audit does or doesn't do and simply, you have seen it before. The financial section, management discussion and analysis is where the information really starts and even a lot of that is very similar to prior years. It's just an attempt to explain the audit to those individuals who aren't used to looking at them. And then it goes down through and uses words to explain things in the audit where sometimes, at least I believe it is easier to look at the tables, but this does highlight the issues. The real discussion starts on page 5, which says financial analysis of the District as a whole and it gives you statistics. The District's total net position of \$49,098,608 increased from the prior year by \$150,649. All of this goes on for one sort of paragraph and gives you the explanation in words. I am certainly not going to read through it. You do have the opportunity to look at it. I will answer any questions as we go through. We start with the tables on page 6. This page breaks down the governmental activities. The governmental activities are small, it's just the District and you know what the District is. It's just the general District government things. It is broken down better on another page and it splits it out to business type activities. The only thing that you get out of this page is that the actual government entity net position at the bottom, is tiny in relationship to the business activities, which you see as a perfect example, the net position of the actual government is \$2.778 million and its mostly all cash and the business itself is \$46.321 million and it's not mostly cash, it's other assets. It's interesting from the perspective of somebody doing ratings of the District, looking at the District as a whole, but as you look at the Commission, it's really

not necessarily information that helps you in your day-to-day analysis of what we do. That comes a little further into the report. On page 7 is the rest of the table that deals with general revenues, grant revenues, rental income and again governmental activities is one column, business activities is another. They really don't speak to the real issue of what we do. There's more description on page 8 and 9. There is a section on assets; there is a section on debt. The business activities, you start off at the top of the page. Electric had an increase in operating revenues of \$97,608 to \$15,658,399. The increase is due to an increase in the kilowatt hours sold to customers. It had a decrease in operating expenses of \$1.5 million due to the cost of purchase power. Electric's net position increased by 4%. Water had a decrease in operating revenues by \$260,000 to \$7.9 million. It's just a general description. You can see the numbers are relatively small changes like they are every year. Go to page 10 again, the balance sheet of the government and the balance sheet of the business activities which is electric and water combined. Again, it is combined information. Yes?"

Commissioner Westmoreland: "On page 9 under significant factors, I have a comment. It is kind of bizarre to me that the only thing they comment on is electric. We have a million dollar increase in net position in electric and a million dollar decrease in water and they don't mention anything about the continuing trend in water, on the water side. You know the fact that we have some significant investment to make still on the capital side and declining revenues, I just find it bizarre when I read this document that there is just no mention at all about future forecast on the water side because you know it is pretty gloomy."

John Hiscock: "Yes, that is true. It could use another sentence or two indicating that the..."

Commissioner Westmoreland: "I am certainly not advocating adding negative things. I just think it is bizarre. It doesn't seem really balanced to me."

John Hiscock: "Yeah, I get it."

Commissioner Geake: "Through the Chair. If they were to put that in as a hopeful wouldn't it be though that since they are giving us a fix on where it is now that it would be like wishful thinking or projected versus a reality?"

Commissioner Westmoreland: "Well, it's just that this is significant factors that could affect it, it's speculative by nature anyway."

John Hiscock: "That's all it is."

Commissioner Westmoreland: "And I am just saying there is just as much factor evidence on the water side that does not look positive in the future of it. It just surprises me that they are not commenting on it and I am not advocating that they do. I am just asking the question or making the observation."

John Hiscock: "Yes, I think a comparable comment that could go in there would be that water sales continue to decline at about 1% a year, it is forecast they will continue to decline in volume in addition to other factors, would probably increase water rates. That would sort of be a parallel comment with respect to electric. I think maybe the electric gets commented on more because it is not as stable, it's more volatile. Of course this comment doesn't say much about volatility, it kind of talks about stability. Ok, that is a good point. On page 10, again it just combines information and we have it in a better format for the Commission to look at further in the report. The problem that we have talked about with the auditors over the years and it's an issue that the way GASB deals with government forms, it is really more government related issues and most of them don't have large businesses. The best information is in the financial section starting on page 12 and it breaks it down very specifically. We start off on page 12 with the governmental fund, the general fund, again the small fund with an ending balance of \$1.196 million of which \$1,197,952 is cash. Ok, it continues on. The next page is the expenses. You have the revenues, there is no revenues, its interest income. Then you have the expenditures, the standard expenditures that you look at all of the time of \$344,000, there is one note further in here, we are now reporting street lighting on the general government form as opposed to in the electric utility because that is a general government obligation by Charter. It shows the transfers in and they are detailed further back. The transfers in are from the water utility and the electric utility for general government splitting 50/50 and then \$175,000 for street lighting coming from the electric utility. But, again, the information is here. Page 16 is just the relationship between the budget and the final and again a budget of \$374,000 in expenditures, the actual was \$344,279. A couple of notable things. Meetings, printing and other, its significantly higher, you can see it is \$25,973 higher. Legal and accounting as you can see is down \$28,000 less than budgeted, so in the end the total expenditures were less. Commissioners' salaries varied by \$813.00 because there was one vacancy for a month in between. The treasurer's and the clerk's salaries were consistent because those offices were filled for the entire fiscal year and taxes and insurance were less than budgeted. Page 17 starts the real information that we deal with the difference between electric and water and the division of those two entities. As we have talked about in prior years on page 17, the total current assets of water, relatively low, \$3.6 million. The electric is \$21 million. If you look at the first line of cash and cash equivalents, the water fund is relatively low in cash reserve and the electric fund has a very large cash reserve. We go down to non-current assets which general speaks about plant in service and you see them level rather quickly. The utility plant in service and the water utility is \$63 million minus \$27 million in depreciation. If you look at the electric utility, its \$19 million plant in service minus \$11 million for depreciation. You have some construction work in progress, you see that the electric construction work in progress is \$8.3 million. That is the substation. We move down to the liabilities. Nothing unusual about the current liabilities. Electric has a higher accounts payable. I think a significant portion of that does have to do with the construction of the substation. The other liability customer deposit and advances, you do know that we take customer's money and that is \$2.24 million in customer money and that is very consistent with prior years. It doesn't go up or down much anymore. It slowly inches up each year as the older customers that don't have deposits leave the system and the new ones who come in add to it. So it does inch up a little bit, but not a lot. Bonds payable, for the first time you see something on the

electric side, which is one year of the principle on the 20-year, \$10 million bond issue. And then if you look at water, you have loans payable of \$1.1 million for the water utility. None of that is much of a surprise. You go down into the non-current liabilities and you see the accrued compensated absences, non-current. That's accrued sick time for employees, which is due to the employees either taking it or they get paid for it when they leave. Then we have the net OPEB obligations split down by the two utilities, the actuary does look at that. That is going to decrease in the next audit because the valuation by the way is going for the UAAL, the ultimate liability of the District is actually going to drop for one specific reason, we created the OPEB Trust and we are funding the OPEB Trust and the plan to fund the OPEB Trust going forward, the actuary is able to recognize higher projected returns on the trust than if our money was in a bank. So, that was one thing that the actuary who is working on and we will by the end of December have the re-evaluation done. We redo it every three years. That was an interesting comment that he made. When he realized that we had the trust. So, he had asked to speak to the trustee for the trust for the projected interest rate going forward, so that he could use that number. He has a rule of thumb that he uses, he wants to determine if that rule of thumb is different based on what the financial advisor from the trust has to say. So that is sort of some good news there. And then we have the net position at the end. The next page are the revenues for water and electric. They are nothing different than from what you have seen in the past. They creep up and down a little bit based on consumption. The electric moves up and down depending on the PPA and the amount we bill to customers. It depends on weather, if it's particularly warm in the summer or cold in the winter, the electric goes up. Water, the winter doesn't have any effect on the water but certainly the summer lawn watering although people don't do much of it. It drives it one way or the other. We have little control over the revenues. We do our best to estimate them, but we have no control them. And generally as you see when you get to the comparison to budget you will see that we have been reasonably close. But, the total operating revenue of water is just under \$8 million and the total operating revenue of electric is just over \$15.5 million, for a total between the two utilities of \$23.6 million. We go down to the operating expenses and you can see the numbers. Again, they don't change much from year-to-year. There is one that I am going to point out to you in a minute that is important that you need to know about because you may get questions about it. It's a timing issue that we discussed last year, but still we will talk about it again. And it has to do with transmission and distribution, operations maintenance of \$1 million, which is way higher than budgeted and caused us a budget violation this year on the water budget and I will explain that to you. As you go down through that because the budget to actual is one that you really want to see. That is the one that tells you what we are doing. But again, an operating loss of the water utility of \$683,000. It's not a cash loss as I have explained to you and you all know in prior years if you look up to the depreciation column there is \$2.5 million of depreciation in the water utility, which is a non-cash expenditure. So, the bad news is that by accounting terms there is a net operating loss in the utility and most of it is caused by depreciation. If you move over to the electric side of it and take a look, depreciation is \$646,000 and an operating gain of \$1.2 million. Projecting, going forward I will say to you that once the substation gets in service and that then starts to get depreciated, that is going to have a telling effect on the electric income. It is going to drive it downward, from an accounting standpoint not from a cash standpoint. Other than that you see the transfers out, you see the transfer out of

the water utility is \$100,000 to go to the District for District expenses and the transfer out in the electric is \$275,000, a \$100,000 for the general government and \$175,825 for street lighting. We have asked that in future audits and we will point that out to the new auditor that we would like the street lighting listed separately. It just looks better because you wonder why is the electric company contributing more? Well, it's contributing more because of the street lighting. And you can see that the net position from an accounting position for water has declined by \$1 million and the electric has increased by \$1 million. And if you look over at the combined total, virtually identical. The next page is where the money comes from and where the money goes to. Also, an interesting page to look at and it simply tells you exactly where the cash comes from or where it goes to. And you can read down the list and they don't vary very much from year-to-year other than when you get into a debt situation, there is more money involved in that and the perfect example is, if you go down the electric column on page 19 and you see proceeds from the sale of general obligation bonds, there is a big number, \$10 million suddenly shows up. Well, that is because we issued bonds. And then if you look higher up in that column, you see acquisition and construction of capital assets, \$6.6 million. We are building a substation. And you can certainly go down and look at exactly where it all goes and then you get to the bottom of the page because you can never reconcile this. There is an interesting problem. You have to add back in the non-cash expenses. You have to add in change in position of things like receivables, inventories, prepaid expense, so that you can balance everything out. So, an example is inventory. There is a good example. If you look at the water utility. It shows a negative \$39,000. That means that the inventory decreased by \$39,000 because we took material out of inventory to build things. Now, this is only the reconciliation of that because way more inventory than that went out but inventory came in. Essentially, the value of inventory is \$39,000 lower in water. Move over to electric, \$720,000 difference. We have been taking material out of inventory to do work on the conversion. So, the electric inventory decreases very significantly. Eventually we will put that material back into inventory. This is just a balancing act for all of the money in the reconciliation. But it shows you some pretty interesting information when you go down through it line by line and look at it. It just simply says where does it come from and where is it going to?"

Commissioner Westmoreland: "John?"

John Hiscock: "Yes."

Commissioner Westmoreland: "So, when I just look at the cash position on the water side, it looks like we have a little over \$10 million on the sale of the obligation bonds. We have another \$8 million of that to spend? We are going to get a big bill aren't we that is going to a bunch more of that cash by the end of the year?"

John Hiscock: "We are. I think what you will see is, yes a significant amount of that \$10 million that is sitting here will be spent because we are continuing to pay on the substation. And as you understand, we got the money in advance and we are working

that cash down as we are paying our vendors and we are paying our vendors always in arrears because they do the work, we know the work is done, we know the value of the work but by the time we get billed and then we reconcile the bills, we look at the bills, we argue over the bills and 60 days later they get paid. Sometimes it is more than 60 days.”

Commissioner Westmoreland: “So, I am just trying to estimate what our cash position is exclusive of the funding for the substation. Is that \$7 or \$8 million? Somewhere in that range? Is that correct?”

John Hiscock: “Yes it is around \$8 million give or take. Ok, there is the OPEB Trust on page 20 and 21 that we have talked about a lot. We have put \$800,000 in it in the last fiscal year and as of June 30, 2014 its value was \$831,004. Now, that is a snapshot. We all know that the market goes up and the market goes down and that number varies and I think the last time we had a meeting, it was significantly below \$831,000. So, you get that snapshot every year. Over time it is going to rise slowly and steadily. Sometimes, if the market drops, you are going to see a significant decrease. So, it’s there to represent our financial position at a specific point in time as is the entire audit. This says where we are as of June 30, 2014. We go to the financial section and again it talks about accounting procedures, the statements, and the information, none of this changes from year-to-year. Everything that we talked about every year is virtually the same. The numbers might be slightly different, but it is the same boilerplate. When you get to page 25 and some of the numbers start to change because the cash changes. The bond issue threw a lot of cash in. And as we go down through this, the numbers change but the rest of the information doesn’t change very much. The OPEB investment policy, that is a new section in here because that is about the only thing that we have done different recently. Again, you have the investment in the OPEB Trust and it is a reconciliation. On page 27, 28, 29 and 30 is pretty much the same information that you deal with all of the time. There is explanation of accounts receivable and provision for bad debt, it doesn’t change much. All of the rest of this is simply an explanation.”

Commissioner Geake: “For the record, back on page 28 with the depreciation for water. It really doesn’t talk anywhere about the huge tanks that we keep the water in as far as depreciation, is there any...where as it should or shouldn’t?”

John Hiscock: “There is no detailed depreciation schedule at that point. That’s the entire depreciation schedule for all our assets. Tanks are just one of them. Quickly, there is really no detailed depreciation schedule in here because the depreciation schedule is huge because all of our assets are individually named by a line item. We put a fire hydrant in, the hydrant is listed, the cost. It rolls up into hydrants for the year. The additions, the depreciations, the subtractions, the abandonments it would be thirty or forty pages long. So, you won’t find the detail. You will find a summary on page 34. That is a summary by major categories. That is the most detail you will ever see in an audit report.”

Commissioner Geake: “Ok, thank you.”

John Hiscock: “And this is just a more detailed layout of where your assets are as an example on page 34 and it says again, its business activities in one column. The items

broken down by water and electric if you look at the list, it really doesn't help you that much and it shows you the rates. We know what the rates are. There is a long-term debt on page 36. It's the schedule. It is what it is."

Commissioner Westmoreland: "John, on page 33 governmental activities and capital assets that we are depreciating, it says library and lot, \$1.9 million. What are we depreciating there? The South Norwalk library or something?"

John Hiscock: "We own the library."

Commissioner Westmoreland: "We do, we own the building?"

John Hiscock: "The library, the base library was fully depreciated and then we contributed funds to the expansion. The \$1.9 million that you see in that column is the library and the lot and then the equipment."

Commissioner Westmoreland: "And lot literally meaning the land that it is on?"

John Hiscock: "The land that it sits on. We have owned it since 1913. There is no depreciation on land nor does it list depreciation on the land. This is book value. Everything is based on book value."

Commissioner Westmoreland: "And how much money is in the Rowan Trust?"

John Hiscock: "I saw it when I looked at the audit. It is slightly under \$1,000. I believe it is at \$900 and something. The last time we gave money to the library board we gave them a little too much so the \$1,000 balance that we are supposed to maintain in the Rowan Trust is slightly under the \$1,000. That money was given to us way before my time. It was a small number in 1971. It's a smaller number today. I repeatedly asked legal counsel if we could just give the library board the money. And counsel being meticulous as they are, have said the cost of giving them the money and dissolving the trust far exceeds the money that is in the trust, so you might as well just leave it there and every once in a while give them a balance over a \$1,000."

Commissioner Westmoreland: "At my church here in Norwalk we had a fund very similar to this, I think it had \$10,000 or \$12,000 in it and Judge DePanfilis actually called us and said that this isn't really worth your time, I'll be happy to dissolve it and he just did it and they sent us a check. I mean, maybe we should ask the probate court?"

John Hiscock: "We could. I have always wanted to get rid of it and every time I talked to counsel, and I don't talk to counsel every year about it, they basically say it costs more money to get rid of it. Now, we are paying \$225.00 an hour for legal now, but if the lawyer spends an hour looking at the document..."

Commissioner Westmoreland: "You can just call the judge yourself and say can you fix this?"

John Hiscock: "I don't know if he has the authority for governmental accounting, I really don't know. I can pursue that. It wouldn't take much."

Commissioner Westmoreland: "It's minor. I just wanted to relate that we did this and we didn't spend any money doing it and the judge dissolved it."

John Hiscock: "And you took the money and did something with it."

Commissioner Westmoreland: "It was left to support the music program and we used it for the music program and he did not direct us how to use it. We tried to honor the original request."

John Hiscock: "It certainly wouldn't bother me to give a call."

Commissioner Westmoreland: "It just seems like extra accounting."

John Hiscock: "It is what it is and the cost of writing a check every couple of years is really no big to do and the library board doesn't get mad at us because it is peanuts to them. It's one of those things."

Commissioner Westmoreland: "We have probably spent more time talking about it than we should."

John Hiscock: "Yeah, if I could call DePanfilis and say this is the situation, what do you advise and he says don't worry about, just give us a live report, I would come back to you and say can I give the money to the library board and it would go out of the public record and it would be over and nobody could fault us. What are they going to say?"

Commissioner Westmoreland: "It's a thousand dollars."

John Hiscock: "A thousand dollars is a thousand dollars. The worst thing they could do is make you put the \$1,000 back in the trust. That wouldn't make any sense because you wouldn't end up paying the library that until you accumulated \$1,000 more."

Commissioner Westmoreland: "Well, it can't be earning any interest."

John Hiscock: "No, it is earning nothing. What is it earning? It is in the general fund. It is earning like .2%. So what does it make like \$20 a year. No, wait a minute, it's not even \$20 a year."

Commissioner Geake: "It's \$2.00 a year."

John Hiscock: "You know at one point somebody...when it was given it was probably \$50,000 when it was given for the library and maybe that is an exaggeration, but it certainly had to be \$20,000 in value by today. Our rates are there, there is a long-term debt schedule for the substation, than it's the municipal employees' retirement system, which is out of our control. Basically, it's a year in arrears because they never get their audit done on time for us to use it. And this is the entire MERS Fund B, which is all the

small munis and small districts in the State that are members of this and it goes through the explanation. Some of the good news is, if you look at page 42, the schedule of employer contributions, it's interesting the percentage of the ARC contributed other than 2010/2011 is 100%. And the reason for this is the munis that are members are responsible for this fund, general government is not, so we have to pick up the tab and we get assessments every once in a while to true this up close to 100% in value and if you look at page 41, you can see some of that information and where it is at. Actuarial accrued liability as of 2013 was \$2.2 billion, the actual value of the assets was \$1.9 billion. The State should be so lucky to be that well-funded. The State keeps stealing that money to run the government. But, they can do it because they are legislature and they are dealing with one fund. Here they don't want responsibility for this, so they force the municipals to pay. So, that is the good news anyway on this fund. It's actuarially pretty stable. If you keep going and our OPEB stuff is in here. If you look on page 45 at the top, the annual OPEB costs and net OPEB obligation is increasing all the way through 2013. If you look at the percentage that the AOC contributed, it hovered around 50%. We created the trust, we funded it and all of a sudden in 2014 it was 139%. Consequently, if you look at the net OPEB obligation in this year's audit, it went down and as we said to you repeatedly, it is going to continue to go down because we said we would get it down to zero in 5 years. That is a good thing. Unfortunately, the bad thing is that it costs us money to get it to zero. Look at the bottom of page 45 and that was what I was talking to you about previously. As you can see in 2008 the actuarial accrued liability was \$9.4 million. In 2011 it went to \$11.389 million because we contributed nothing other than the pay as you go. When the 2014 comes out, I think it is going to be better because we created the trust and trust is now going to paying attention to interest rates at a higher level. That number should be a little bit better looking. The valuation will be as of July 1, 2014 but the actuary who working on it now, it will show up in next year's audit. It is always a year behind. There is a supplemental schedule of the employees' retirement fund. Now, here is where we go, supplemental combining individual fund schedules on page 49. Budget, actual and variance for the water utility. The bad news...well let's go to the good news. Well, it's bad news too. The total income we estimated \$8,381,000. It turned out to be \$8,022,000. We were \$358,000 high on our estimate. If it was a hot, hot miserable year, it would have been better. Usually we try to get it at the average year. We didn't. It's unfortunate. Those are the numbers that are really out of our control. And if you see, it's the sales of water that is low, residential \$328,000, commercial \$71,000. Industrial was up a little bit. Sales to public authorities was down \$16,000. Then you go down to the operating expenses and this is the one I pointed out to you earlier that I wanted to indicate very specifically to you. If you look at them in general they are all good except one. The bad news is we violated the budget by \$32,389. The area where the problem occurred was transmission and distribution maintenance. You can see that we estimated \$512,000 and we spent \$1 million. Now, this is the tank issue from last year. By June 30, 2013 the Price Street tank was supposed to have been completely painted. We budgeted it in fiscal year 2013 to paint Price Street. Price Street due to some problems, did not get fully painted until the summer and fall of 2013, which means it appeared in this fiscal year. If you took the amount budgeted in the two years and compared them, you will see that the number for the two years came out close. But, because of the flip flop between the 2013 versus the 2014 fiscal year, these expenses were reported in 2013/2014 as opposed to 2012/2013.

So, that is the issue. If you look at the prior year's budget, you will see that we were way under the budget for transmission and distribution maintenance. So, if is this questioned or picked up by anyone, that is the explanation and I think for the electors' meeting in case somebody looks at this I should come in with that little section of the prior's years audit so they can see the difference. Other than that the rest of it is reasonably good."

Commissioner Westmoreland: "John, the administrative and general expenses, the maintenance was \$43,000 over budget, is that tied to that same issue?"

John Hiscock: "No, that is not related to that issue. Administration and general expense operations includes healthcare and all of that and that is obviously an issue and a problem. That is not the cause. Maintenance, it could have been. I would have to get the detail and the information to get the breakdown, but I certainly could do that. It could have been something as simple as increased costs on software licenses and things like that. That is where they would appear. Let me get the detail for you on that. That is a significant difference. I think in next year's audit one of the things that you will see is under water treatment operations, you will see that we were \$266,000 below budget. I think that you are going to find, is that number is going to be way closer to budget or maybe actually inverted and be negative. We have spent a tremendous amount of money this summer on copper sulfate. Copper sulfate is an expensive chemical. I would estimate that at this point, off the top of my head, we are over \$100,000 into copper sulfate for taste and odor. Treatments are like \$10,000 a clip. That is not an exciting situation and you all know how miserable our taste and odor has been all summer long. We are not the only ones, but that is no excuse. Everything else seems to be pretty much in line. Another one that I want to point out to you under other expense gain or loss on disposition of assets is \$20,510 was not budgeted. We generally don't budget for that. It's when we abandon an asset prior to the asset being fully depreciated. It's not a cash expense. It is a paper expense, but it exists and Wilton property taxes were less than budgeted, certainly not good but less than budgeted. If you move over to page 50, it's just the capital projects. As you go down through that list you will also see there are no negatives, which means we didn't over spend on the capital budget. That's because the capital budget is much easier to control than the operating budget. If you don't have the money you don't buy the asset. It's that simple. I wish everything else was that easy. If you don't have the money, you don't have copper sulfate, well that is not a good thing. Now, we move over to the electric. We estimated a total income of \$15.9 million, it turned out to be \$15.7 negative \$203,000. If the summer of 2013 was warmer or the winter was colder and it was cold, but that number would have been somewhat different. I think that is a reasonable estimate. We estimated \$15.9 million and it was \$15.7 million. That is within reason. Expenses, we were relatively good in the electric utility. We spent \$1.4 million less than anticipated. That sounds great until you look up the column and you see that purchased electricity was where we saved it all. We don't control the cost of purchased electricity. So that looks very nice, but we can't take credit for \$1.4 million because we spent \$1.2 million less on something that we didn't control the price of. Not only didn't we control the price of but we didn't control the volume because of customers using less kilowatt hours. It costs us less for the power we buy. Everything else was reasonable except for administrative and general expenses for operations. We missed that one by \$300,000."

Commissioner Westmoreland: “John?”

John Hiscock: “Yes sir?”

Commissioner Westmoreland: Under income other public authorities. We budgeted \$1.3 million no actual and it looks like we under budgeted residential and commercial pretty dramatically as well. Do you have any comment on that?”

John Hiscock: “It has to do with our new rates. Other public authority disappeared in our rate structure. Remember we unbundled and changed our electric rate structure, this is a skeleton of that. Next year you are going to see a budget line item of that at zero. We changed the rates before this budget was adopted...I mean after the budget was adopted. So if you add it all up and the best place to look is at residential and commercial, you will see \$11.5 million versus \$12.5 million; that \$1 million swing, if you kind of look at that in relationship to the \$1.3 million, it is relatively close. So that is what caused that swing. It is simply a new rate structure. We eliminated other public authority. An example of what other public authority used to be was municipal buildings, schools, office buildings, pumping stations of the city for sewage, so they no longer exist. They are now in our commercial and residential categories. Again, if you look on page 52, the capital budget, you will see that we had no negative variances, so we didn't overspend on anything. Again, it's the same story. You don't spend what you don't have and you are not allowed to spend something you are not authorized to spend because these are things that you can control the timing of. Utility plant in service, it's a depreciation schedule in a different way again in not very good detail. We have it for both water and electric. It is there, but it really doesn't tell you much unless you have the rest of the detailed information. And if you move to page 57 and 58, this is the information you previously looked at, just in more detail, just more information but it doesn't have a comparison to budget. It is simply the actual numbers. And you will see them for both the water utility and the electric utility. There is something I want to call your attention to and I think we have talked around this issue previously. If you look at the bottom of page 58 under we are looking at expenses and you see customer assistance program, zero. We did not disperse a single dollar from that fund because we had no one to disperse it to. Our agreement was with NEON. We don't really have a successor agency at this point that has contacted us. It is being handled I guess by ABC out of Bridgeport. They have a local office. I think that is something as we go into this winter we should explore and go from there. We have allocated \$25,000 a year. The prior year we didn't spend the full amount either. Now, in reality what is going to happen is it is going to drive our uncollectables upward because our uncollectables, our write-offs were lowered by this \$25,000 we would spend each year. It almost looks like it becomes an accounting issue. I think the customers feel a little bit better though because they are not creating a debt that we are writing off by name because we are giving them some money to lower their debt. It really is very close to what the investor-owned companies are required to do. They have an arrearage forgiveness program, as opposed to what we are doing here is giving out light grants.”

Commissioner Ramirez: “Has South Norwalk Community Center, have they approached you?”

John Hiscock: “No, they have not. We made the arrangement with the community action agency because they are the ones who handle the electric heating money that is given out and our program is tied to those dollars. It says that we will give to our customers one-half of the amount approved for heating assistance and we will give them up to the amount for heating assistance if they don’t use electric heat. So, it has to be tied to that. So, it has to be tied to whoever gives out the heating money. That is the only way we can administer this program unless we created an administrative program of our own. If we created an administrative program of our own, we would just divert this cash to staff time and that is really not what this is meant for. It is nice to have somebody else’s staff do this for us for nothing. That is why we did this originally with NEON, whether you like who we gave the money to, every dollar went to customers because we had the reconciliation. We didn’t spend any administrative fees.”

Commissioner Wooten-Dumas: “Person-to-Person?”

John Hiscock: “Person-to-Person does it, but theirs is really grant money. They get contributions I believe, tax deductible contributions and they dole that out. Person-to-Person does give out money in our District. We send people to Person-to-Person who are having trouble. We used to send them to NEON, we can’t now. We do send them to Person-to-Person but consequentially this money doesn’t go out. We would have to revamp our program if we used Person-to-Person because we would have to redefine it. It was defined based on energy assistance.”

Commissioner Mann: “The energy program, you have to be connected to the energy assistance program.”

John Hiscock: “We had an agreement signed with NEON, obviously that agreement doesn’t exist anymore. And we defined the program. We gave NEON the money and NEON gave it to our customers and not directly, they gave it to our customers’ accounts directly back to us. It went around in this circle. However, we were assured that every penny of the \$25,000 went to electric bills. It didn’t go anywhere else, which is why we started the program the way we did. It is the same as writing it off. It is the same as an arrearage forgiveness program. It just lowers the bill for people who can’t pay their bill. So, it would be good to get back into this somehow. I mean, we heard the uproar from the electors two years ago when we cut this number out. So, it has been allocated. It is allocated on an annual basis. So, it has lost money. I think you don’t want us to lose the \$25,000 allocated this year. No matter how you feel about it, it was allocated. In a vacuum last year we couldn’t do anything, this year we don’t have a vacuum, there is a CCA, its ABC of Bridgeport. And I do know they have a local office but I don’t know where it is.”

Commissioner Wooten-Dumas: “At NEON. Upstairs, they are back upstairs.”

John Hiscock: “At that building?”

Commissioner Wooten-Dumas: “The same office as Ms. Ball.”

John Hiscock: "Are they there by...the city just decided to provide the space to them because they own the building?"

Commissioner Wooten-Dumas: "They worked it out somehow."

John Hiscock: "That is ok, I just..."

Commissioner Ramirez: "I don't think the City owns the building."

Commissioner Geake: "Through the Chair?"

John Hiscock: "Well, actually, when the bankruptcy is done, it will probably be the City's building unless they grant it to somebody else."

Commissioner Ramirez: "No."

John Hiscock: "Because the deed is clear. I am not going there."

Commissioner Ramirez: "Neither am I."

John Hiscock: "I am assuming that the City will come to a new arrangement with somebody at some point; that is all I can say. And the community service budget expenditures are on the back page."

Commissioner Borges-Lopez: "A question on the Norwalk Summer Youth Employment Program. Do they still give you the breakdown?"

John Hiscock: "Excuse me?"

Commissioner Borges-Lopez: "Their budget, their budget breakdown?"

John Hiscock: "No, they don't."

Commissioner Borges-Lopez: "You don't get any information at all from them?"

John Hiscock: "They give us information about...they do an analysis of the number of individuals from South Norwalk that are in the program. So, from that we can infer that the money is going...all funds are fungible. I mean it is what it is. The only thing I can say to you is that the last set of numbers I saw, there were more people from South Norwalk than elsewhere. That doesn't give you any information or detail. I can't tell you where that is at. I do know that there are other non-city entities that do contribute and some of them do contribute more than we do, but not a lot. That covers, I think maybe \$11,000 maybe \$12,000 I don't know what the annual amount is they give per student anymore. I haven't tracked it, I don't know. It amounted to somewhere over \$10,000 but not by much."

Commissioner Ramirez: “What I really can tell you is that it is not enough money for all of the young people that actually can be served in the summer time. We wish we had a lot more money. There are a lot more people who are actually seeking out for help.”

John Hiscock: “It’s kind of a funny situation because a good portion of our ratepayers are poor and those poor ratepayers are paying rates to fund a program. At least it is going back into, we think, the community. It sort of just goes around in circles.”

Commissioner Ramirez: “I wouldn’t think that, I am pretty sure it is going back to the community for the assistance of those individuals, who are instead of creating trouble in the community at least they are earning a different experience and hoping it will eventually create more responsibility and the ethics because of work.”

John Hiscock: “Operating revenue and expenses, just historical tables that give you a feel over time. On page 60 is the water utility, customer rates historically. It doesn’t tell you too much. Gallons leaving the filtration plant and then you move to page 63 and there is a comparison of operating revenues and expenses for the electric utility. Just from a historical perspective that you can look at and see where it has all gone over time. And then finally we have pages 66 and 67. A new level of cooperation from the city’s finance department. We needed this information for our bond issue and through the efforts of Tom Hamilton working to get members of his staff to get us information, we now have for the first time in probably 10 years, this information up-to-date in our audit. We didn’t have it again this year. This year it was simply a quick email to Tom, saying Tom we asked for the information, we haven’t gotten it, can you help us out? He got back to him...I think I sent to him on a Thursday or Friday and by Monday or Tuesday I had a note saying that it was almost completed and we should have it shortly. Within two to three days we had the data over to the auditor. So, Tom has been responsive at this point to our requests, not necessarily to our boilerplate letter that we send asking for the information, but he is very responsive to personal contact. So, that is the audit.”

Commissioner Burgess: “The action required is to approve and recommend approval to the electors’ approval of the audit, correct?”

John Hiscock: “Correct and I will not take nearly as much time as I took with you for the electors.”

Commissioner Westmoreland: “You said that last year and then you did.”

John Hiscock: “No, I didn’t.”

[Laughter]

John Hiscock: “You can check with the District Clerk who gets to type the minutes. Even though I said I wouldn’t take as much time, I took a lot of time, but I didn’t take as much as the prior year, hopefully.”

[Laughter]

John Hiscock: "Tomorrow I am going to see the minute number of pages and I will probably be wrong. Somebody is going to say to me, you talked to long."

Commissioner Ramirez: "So what are you asking for, a motion?"

Commissioner Westmoreland: "I will make a motion."

Commissioner Ramirez: "I second the motion."

Commissioner Geake: "There were a few changes that you wanted to have included?"

John Hiscock: "Those were for future reference."

Commissioner Geake: "Ok, never mind. I am sorry."

John Hiscock: "Those are for future reference and they are noted."

Commissioner Burgess: "Any more questions? All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed? Abstentions?"

John Hiscock: "The auditors will be here next Tuesday night along with staff members and hopefully a quorum of electors."

Commissioner Ramirez: "Do you need a motion to adjourn?"

Commissioner Borges-Lopez: "A motion to adjourn?"

Commissioner Ramirez: "I place a motion to adjourn, oh ok I second it then."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Adjournment

The meeting adjourned at 9:25 p.m.

Attest:

Lisa G. Roland
District Clerk