CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
NOVEMBER 12, 2019

ATTENDANCE: Felix R. Serrano, Chairman, Commissioners Lisa Cooper, Tom Devine, William Speirs and David Westmoreland

AGENCY COUNSEL: Marc Grenier, Esq.

STAFF: Tami Strauss, Acting Executive Director; John Slovak, Comptroller

CALL TO ORDER
Chairman Serrano called the Regular Meeting of the Norwalk Redevelopment Agency of November 12, 2019 to order at 5:35 PM in the Carnegie Room of the Norwalk Public Library.

ROLL CALL
Chairman Serrano noted that a quorum was present.

PUBLIC PARTICIPATION
There was no one present from the public who wished to comment.

I-A. APPROVAL OF MINUTES
**** 1. MR. SPEIRS MOVED TO APPROVE THE MINUTES OF THE OCTOBER 8, 2019 REGULAR MEETING.**
**** MS. COOPER SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

**** 2. MR. SPEIRS MOVED TO APPROVE THE MINUTES OF THE OCTOBER 29, 2019 SPECIAL MEETING.**
**** MS. COOPER SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

I-B. APPROVAL OF 2020 MEETING SCHEDULE
1. **MR. SPEIRS MOVED TO APPROVE THE SCHEDULE OF MEETINGS FOR THE REDEVELOPMENT AGENCY FOR 2020 AS PRESENTED.**

I-C FINANCE
1. Approve NRA Quarterly NRA Statement of Revenues and Expenditures and Balance Sheets for all funds for Year-To- Date October 31, 2019.

Mr. Slovak reported on the Quarterly NRA Statements of Revenues and Expenditures and Balance Sheets for all funds for Year-to-Date as follows:

- Operating Fund 100 had revenues of $356,205 versus budgeted revenues of $371,942 with an unfavorable variance of $15,737.
- Actual legal expenses are $53,697 versus a $4,822 budget resulting in a $48,875 unfavorable variance due to Wall Street litigation. Total operating expenditures are

$344,555 versus a budget of $371,942 resulting in a $27,387 favorable operating variance.

- There is an operating surplus of $11,650 versus a budgeted breakeven bottom line resulting in an $11,650 favorable operating variance.
- Operating Fund 100 Balance Sheet has $6,900,144 in cash, accounts receivable, due from other funds and property, and $217,273 in net loans receivable and other assets. There are $2,657,801 in Deferred Revenues which will be earned when expended, and $3,673,427 in Net Assets.
- The Brookfield Properties Operating Fund 115 has revenues of $60,967 and expenditures of $60,967, resulting in a breakeven.
- The Balance Sheet has $543,804 in current assets, and $543,804 in liabilities and net assets.
- CDBG Revolving Loan Fund 200 Statement of Revenues and Expenditures has $7,805 of interest income from notes receivable and expenditures of $1,790, resulting in operating surplus of $6,015. The CDBG Revolving Loan Fund Balance Sheet has $715,553 in cash and due from other funds, $308,760 net loans receivable, $525,894 in liabilities, and $498,420 in net assets.
- DBG Non-Revolving Loan Fund 300 Statement of Revenues and Expenditures has revenues of $1,374 and program expenditures of $120,740, resulting in $119,366 deficit while waiting for the CDBG Entitlement Grant. The Balance Sheet for CDBG (NRLF) Fund 300 has $231,036 in cash and due from other funds, $94,441 in net loans receivable, and $325,477 in liabilities and net assets.
- Norwalk Redevelopment Agency Project and Program Fund 500 Statement of Revenues and Expenditures include Capital Budget Grants from the City of Norwalk, grants from State DECD, and Choice Neighborhoods Federal grants. There was $810,229 in revenue and $894,063 in program expenditures resulting in an $83,834 deficit which will be break even after grant billing. The NRA Project and Program Fund balance sheet has $911,859 in cash, receivables and due to other funds, and $911,859 in liabilities and net assets.

In response to a question by Mr. Westmoreland, Mr. Slovak explained that the Other Liabilities of $525,458 shown on the Balance Sheet for Fund 200 are loans that have paid back, both principal and interest, and are available to be put back out on the street as new loans for the CDBG revolving loan fund.

Mr. Westmoreland noted that the bottom line for the first quarter year to date comparison for Fund 100 is $7.1M, whereas last year it was $8.4M, down by $1.3M, which causes him concern. Chairman Serrano noted that it is because of the lawsuit, and it is a cause for concern as it is outside of the normal of what we would traditionally see or expect to see.

In response to a question by Chairman Serrano, Ms. Strauss said the Trinity loan is booked against deferred revenue. It is earmarked and saved for the $800,000 we will owe in March or April upon completion of the CO of Phase II, and then when we close on Phase III we will be obligated for $650,000 doing a line of credit. Attorney Grenier said that may be coming back to the Commissioners in December because he thinks they are a little confused about the fact that while we did talk about possible repayment from CDBG, that wasn't part of what we approved. We approved the straight interest with available cash flow, but we did talk about coming back to refinance, for which they would have to get Agency approval.

****	MR. WESTMORELAND MOVED TO APPROVE THE NRA STATEMENT OF REVENUES AND EXPENDITURES AND BALANCE SHEETS FOR ALL FUNDS FOR YEAR-TO-DATE OCTOBER 31, 2019.**
****	MS. COOPER SECONDED.**
****	THE MOTION PASSED UNANIMOUSLY.**

2. Review NRA Audited Certified Financial Statements for Fiscal Year Ending June 30, 2019.

Mr. Slovak said to summarize the audited financial statements, the auditor states that in his opinion the financial statements reflect fairly in all material respects the financial position of the Norwalk Redevelopment Agency as of June 30, 2019, including changes in financial position where applicable, and everything is done in accordance with generally accepted accounting principles, so it is a good clean audit opinion.

Page one of the Management Discussion and Analysis for June 30th states the assets of Norwalk Redevelopment Agency exceeded its liabilities at the close of the most recent fiscal year of $4,331,654, which are net assets, and there was a decrease in the net position from last year of $577,201 as of June 30th, 2019 due to $719,000 of legal expenditures for Wall Street litigation for Shipman & Goodwin.

The last page, page 25, the important page, states there is no Schedule of Findings and Questioned Costs – Federal Awards for year ended June 30, 2019; Summary of Auditor's Results, Type of Auditor's Report Issued is Unmodified; no internal control over financial reporting, no material weaknesses identified; no significant deficiencies identified; no non-compliance material to financial statements noted; no Federal Awards, internal control over major programs; and no significant deficiencies identified.

The auditor also looks at compliance for major programs, which is anything over $750,000, and found no audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance. Identification of major programs: HUD, Community Development Block Grant, and the Auditee is qualified as low-risk auditee.

Section II, Financial Statement Findings, no findings or questioned costs reported relating to financial statements audit.

Section III, Federal Award Findings and Questioned Costs, no findings or questioned costs reported relating to federal award program.

So everything is good and all the right boxes are checked. It is a good, clean audit.

The auditor was supposed to get a third party review of our work papers by an independent CPA firm for the FY 6/30/19 audit, and you will have this by the next board meeting, December 10th. It is the peer review by an outside CPA firm and they are going to look at all of Norwalk Redevelopment Agency reports and all the work papers for the Redevelopment Agency that the auditor did. They don't have to have the formal report issued until 6/30, but they are going to be able to report to the Board of Commissioners that there were no significant deficiencies.

II. EXECUTIVE SESSION

A. Discussion of Agency personnel matters

B. Discussion with Agency Personnel Search Committee members regarding Executive Director position

** **MR. SPEIRS MOVED TO GO INTO EXECUTIVE SESSION FOR DISCUSSION OF AGENCY PERSONNEL MATTERS AND DISCUSSION WITH THE AGENCY PERSONNEL SEARCH COMMITTEE MEMBERS REGARDING EXECUTIVE DIRECTOR POSITION AT 5:57 PM.**
** **MS. COOPER SCONDED.**
** **THE MOTON PASSED UNANIMOUSLY.**

** **MS. COOPER MOVED TO COME OUT OF EXECUTIVE SESSION AT 6:46 PM.**
** **MR. SPEIRS SECONDED.**
** **THE MOTON PASSED UNANIMOUSLY.**

II. ACTION ON ITEM 11.B

** **MS. COOPER MOVEDTO APPROVE AND ACCEPT THE REPORT AND RECOMMENDATION OF THE EXECUTIVE DIRECTOR SEARCH COMMITTEE AND FURTHER AUTHORIZE THE AGENCY, ACTING THROUGH ITS CHAIRMAN, TO EXTEND AN EMPLOYMENT OFFER, AS RECOMMENDED BY THE SEARCH COMMITTEE, AS DISCUSSED DURING EXECUTIVE SESSION.**
** **MR. SPEIRS SECONDED.**
** **THE MOTON PASSED UNANIMOUSLY.**

Mr. Westmoreland left the meeting at 6:46 pm

VIII. NEW BUSINESS
(None.)

IX. OLD BUSINESS
(None.)

ADJOURNMENT
Upon motion of Ms. Cooper, the Norwalk Redevelopment Agency regular meeting of November 12, 2019 was adjourned at 6:46 P.M.

Respectfully submitted,
Karen Pacchiana