FINANCE/CLAIMS COMMITTEE MEETING
Thursday June 8, 2017 7:00P.M.

CITY HALL
Room 231
125 East Avenue
Norwalk, Connecticut
AGENDA

1. Public Participation

2. Approve the Minutes of the following Finance Committee Meeting:
   May 11, 2017

3. Claims Committee: receive the monthly Claims report; review and approve claims as required for Claims Report dated:
   June 8, 2017

4. Narrative on Tax Collections dated June 8, 2017- Receive Report and discuss.

5. Monthly Tax Collector's Reports - Receive Reports and discuss:
   May 31, 2017.

6. Local Area Network Switch Refresh: Authorize the Purchasing Agent to issue purchase orders to ePlus Technology (State of CT contract 12PSX0431) for the procurement of Cisco LAN switches for Fire Stations and Public Works Garage for an amount not to exceed $30,727.36, account 09180600-5777-C0375 (budgeted IT capital item; no special appropriation required)

7. 2017/2018 Technology Refresh Program: Authorize the Purchasing Agent to issue purchase orders in accordance with City Procurement Guidelines for the supply of personal computers workstations, laptops, ruggedized data terminals, tablets, and obsolete asset disposal according to City IT department specifications for an amount not to exceed $151,205.00, account 09180600-5777-C0375 (budgeted IT capital item; no special appropriation required)

8. Police Department backup/archive system replacement: Authorize the Purchase Agent to issue purchase orders to GovConnection for the supply, installation, and 36 months of hardware and software support, for a UniTrends Recovery System per quotation 24356360.01-W1 for an amount not to exceed $29,391.10, account 09180600-5777-C0375 (approved IT capital budget item; no special appropriation required)

9. Enhanced Authentication System for Norwalk Police: Authorize the Purchase Agent to issue purchase orders to CDW Government for the supply, installation, and 36 months of hardware and software support, for a RSA Authentication system per quotation HXTJ585, dated 5/22/2017, National Joint Powers Alliance Purchasing Cooperative Contract, for an amount not to exceed $22,000 account 09160600-5777-C0375 (approved IT capital budget item; no special appropriation required)

10. Receive Oak Hills Authority Monthly Financial Statements for April, 2017.

11. Authorize Mayor, Harry W. Rilling to execute General Liability, Automobile Liability, UM/UM, Employee Benefits Liability, Law Enforcement Liability, Public Officials Liability, School Leaders Liability, Umbrella Liability and Automobile Physical Damage insurance placements for the one year period beginning July 1, 2017 with Connecticut Interlocal Risk Management Agency (CIRMA) for an amount not to exceed $TBD for FY 17-18. Account #161343-541N, 165053-541N

12. Authorize Mayor, Harry W. Rilling to execute Commercial Property and Boiler & Machinery insurance placements for the FY 2017-18 with A. J.Gallagher for an amount not to exceed $TBD. Account #161343-541N, 165053-541N.

13. Authorize Mayor, Harry W. Rilling to execute Excess Workers' Compensation insurance placements for the FY 2017-18 with H. D. Segur, Inc.for an amount not to exceed $TBD. Account #161343-541N, 165053-541N

14. Authorize Mayor, Harry W. Rilling to execute Crime Insurance placements for the FY 2017-18 with CIRMA for an amount not to exceed $TBD. Account #161343-541N, 165053-541N.

15. Authorize Mayor, Harry W. Rilling to execute Flood insurance placements for seven (7) separate locations and placements the FY 2017-18 with National Flood Insurance Program - Middlesex Mutual Assurance Co. for a total amount not to exceed $TBD. Account #161343-541N, 165053-541N

16. Authorize Mayor, Harry W. Rilling to execute TULIP insurance placements for the FY 2017-18 with Shoff Darby for a total amount not to exceed $TBD. Account #161343-541N, 165053-541N

17. Discussion of switching from fixed rate to consumption based sewer fees.

CITY OF NORWALK
FINANCE/CLAIMS COMMITTEE
REGULAR MEETING
MAY 11, 2017

ATTENDANCE: Bruce Kimmel, Chair; John Kydes, Shannon O'Toole-Giandurco, Douglas Hempstead, John Igneri, Travis Simms (7:14 p.m.)

ABSENT: Nick Sachinelli

STAFF: Fred Gilden, Comptroller, Robert Barron, Finance Director

OTHERS: Lisa Biagiarelli, Tax Collector; Bruce Chimento, Public Works Director; Kathryn Hebert, DPW; Richard Brescia; Michael Harding; Ralph Kolb, WPCA; Karen DelVecchio, ITS Director; Dave Roth, ITS Department.

CALL TO ORDER

Mr. Kimmel called the meeting to order at 7:05 p.m. A quorum was present.

Mr. Kimmel stated that Mr. Sachinelli was not able to attend the meeting and Mr. Simms was delayed.

PUBLIC PARTICIPATION.

There was no one present who wished to address the Committee at this time.

APPROVE THE MINUTES OF THE FOLLOWING FINANCE COMMITTEE MEETING:

April 13, 2017

**** MR. IGNERI MOVED THE MINUTES OF APRIL 13, 2017.**

The following corrections were noted:

Page 1, under Approve the Minutes of the March 9, 2017, please change the motion from:

> **** MR. KYDES MOVED TO APPROVE THE MARCH 9, 2017 MINUTES AS SUBMITTED.**
> **** THE <u>MOTIOIN</u> PASSED UNANIMOUSLY.**

To:

> **** MR. KYDES MOVED TO APPROVE THE MARCH 9, 2017 MINUTES AS SUBMITTED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Page 2, paragraph 2, line 2: please change the following from: "is still <u>I</u> bankruptcy <u>ad</u> there are" to: " is still <u>in</u> bankruptcy <u>and</u> there are"

Page 2, under Discuss and Approve FY 2017-18 Parking Authority Budget, paragraph 1,line 5, please change: "13% unrestricted <u>fund</u> position." To "13% unrestricted <u>net</u> position."

Page 3, Agenda paragraph header, please change the title from:

"3. DISCUSS AND APPROVE FOI ACT <u>LNDIGENCY</u> POLICY."

to:

"3. DISCUSS AND APPROVE FOI ACT <u>INDIGENCY</u> POLICY."

**** THE MOTION TO APPROVE THE MINUTES OF APRIL 13, 2017 AS CORRECTED PASSED WITH FOUR (4) IN FAVOR (KIMMEL, O'TOOLE-GIANDURCO, IGNERI AND KYDES) AND ONE (1) ABSTENTION (HEMPSTEAD).**

Claims Committee: receive the monthly claims report; review and approve claims as required for Claims Report dated: May 11, 2017

Ms. Biagiarelli indicated that there was one special request for a refund in excess of $10,000. She reviewed the details with the Committee.

**** MR. KIMMEL MOVED TO APPROVE THE SPECIAL REQUEST FOR A TAX REFUND IN EXCESS OF $10,000 AS INDICATED IN THE CLAIMS COMMITTEE MEETING REPORT DATED MAY 11, 2017.**
**** THE MOTION PASSED UNANIMOUSLY.**

Narrative on Tax Collections dated May 11, 2017 -- receive Reports and discuss: April 30, 2017.

Ms. Biagiarelli presented her report.

Mr. Simms joined the meeting at 7:14 p.m.

Receive Oak Hills authority Monthly Financial Statements

. Mr. Barron said that for the nine months their expenses exceeded their revenues by $44,000. He said that the financial picture was worse than last year, but reminded everyone that last year, the weather was very mild during March. He noted that Ms. Williams noted in her narrative that they had a draw down in their account but added there was also construction going on at the course right now. The City would like to have Oak Hills build up their Fund Balance so they would not have to draw on their Credit Line. This is their goal but their current efforts have been towards investments to attract more golfers.

Mr. Kimmel said that he had questions about the impact of the poorer weather conditions. Mr. Barron repeated that the past year the weather had been mild, but that there was also work being done on the course during the winter.

Mr. Hempstead had some details questions about their credit status. Mr. Barron said that he did not know that information specifically but would find out for Mr. Hempstead.

Mr. Igneri said that he had seen a news report about the recent resurgence of golf recently.

Mr. Simms said that last year there was a major investment in new motorized stand up carts. He asked if the revenue had increased. Mr. Barron said that he would ask to see if the new carts had arrived. He said that he knew they were upgrading the carts and would ask for more details on this.

Mr. Kydes asked if they had spent the grant funding. Mr. Barron said that he would check into how much had been completed with the $1.5 million funding and how much was left to do. He said that the major work should have been done over the winter and would generate a status report.

Discuss and approve FY 2017-18 Parking Authority budget as revised.

Mr. Kimmel said that originally the Committee had forwarded this to the full Council because they thought the Board of Estimate and Taxation already had a discussion about this budget. Mr. Gilden later informed Mr. Kimmel that the BET had not yet discussed it and was offered a choice to bring it back to the Committee for discussion or to forward it to the full Council. Since there were changes made in the budget, Mr. Kimmel stated that he had decided to bring it back to the Committee.

Mr. Hempstead asked about the Personnel increase from $176,489 to $2,049,235. Ms. Hebert replied that the Customer Service had expanded and there was an office in the Yankee Doodle garage. This also included extended customer service hours.

Mr. Hempstead asked if the parking authority had considered what would happen when the Walk Bridge project gets underway and the parking will be very restricted in South Norwalk. Mr. Brescia said that they had not put a strategy together at this time, but anticipated it would start in three or four years down the road. Ms. Hebert said that they had attended all the Walk Bridge meetings and were in discussions with the State about this.

Mr. Brescia said that at random times and locations during the week, the enforcement officers would be putting tokens in the meters for those vehicles were the time had run out. The enforcement officers will leave a note on the vehicle windshield letting the owner know what was done. This is to help improve the Parking Authority's image with the public.

Mr. Brescia went on to speak about the Fund Balance concerns. He said that when budgets are done in the future, they might want to have actual costs for various projects. In the past, the Finance Department had told them that they had too many assets and too many projects underway, so that the Fund Balance needed to be built up. That is what the Authority has been busy doing.

Mr. Simms said that he had noticed a number of new employees. Ms. Hebert said that the new office, which will open in July, will have some new employees but there have not been new employees. She also noted that since parking enforcement did not end at 5 p.m. there were different shifts. Mr. Simms said that he had asked some of the new faces and they said they were new employees. Ms. Hebert said that the new hires were simply filling vacant positions created by employees leaving. She said they had not created any new positions.

Mr. Kydes said that he felt that there was not enough being done to lower the amount of violations. People come to Norwalk because of SoNo and with too many tickets being handed out, it hurts the businesses. He said that there had been a 25% increase in violations. There could be more done to lower the amount of violations and it is time to think outside of the box, particularly in South Norwalk.

Mr. Kimmel said that he assumed the Capital funds line items refers to specific projects. Ms. Hebert said that there were several projects planned, such as repaving one of the railroad lots, repair of the stairs at the Haviland parking garage. There are also discussions going on with the State about the parking near the East Norwalk Railroad station and the temporary lot at Van Zant. Mr. Brescia said that there had been some research done about where the SoNo employees were parking.

Mr. Kimmel asked that next year, he would appreciate a list of projects being added to the Capital Projects.

**** MR. KIMMEL MOVED TO APPROVE FY 2017-18 PARKING AUTHORITY BUDGET AS REVISED.**
**** THE MOTION PASSED UNANIMOUSLY.**

Discuss and Approve FY 2017-18 Water Pollution Authority Budget.

Mr. Chimento introduced Mr. Kolb to the Committee members.

Mr. Chimento said that the WPCA was working well. The reserve funds are used for maintenance and replacement. He explained that the Pumping Station at Marvin Beach was not working and that a temporary by pass had been set up. He said that the station was built in 1959 and upgraded in 1977. The station had worked well until recently. Now it is time to replace it.

Mr. Chimento explained that the shellfish bed closures are not due to the WPCA or sewer bypasses but that Bureau of Aquaculture automatically closes the beds if there is more than 1 1/2 inches of rainfall.

Mr. Kimmel asked about the Nitrogen Credits. He said that there were one or two years when the credits were low and other years when it was high. Mr. Kolb gave a brief overview of these credits. The State monitors the amount of nitrogen released. If the municipality is on the plus side, they receive money from the Fund. If the amount is in the negative column, then the municipality pays into the Fund. He added that Norwalk has been doing better than the baseline criteria. The State frequently changes the baseline criteria. Mr. Kimmel noted that this meant that the nitrogen credits did not actually reflect on how well the plant was working but on where it was in relationship to whatever the State baseline was at a given time. Mr. Kolb said that this was so. The cost per credit has gone down, but Norwalk had ranked 8th in the State in receiving credits.

Mr. Kydes asked about the number of employees. Mr. Kolb said that there were three current employees. Mr. Kydes asked if there was someone there 24/7 to monitor the equipment. Mr. Kolb explained that they contract out the operations of the treatment plant to OMI and it is staffed by them 24/7. There are 24 OMI employees involved in shifts.

Mr. Igneri said that he was on the Board of the WPCA. It is not an easy job. Most people do not realize the size of the job.

Mr. Hempstead asked about creating a user system. He said that the average home owner is given a flat rate while the commercial businesses are charged by the gallon. He asked how other municipalities handle this. He also wanted to know if there were any cities that had user fees. Mr. Chimento said he did not know of any municipality that has a usage fee, but there was a major conference coming up about this and he would ask around.

Mr. Kimmel said that this was an issue that had been discussed repeatedly for at least 15 years. There is a conservation issue and an equity issue. He suggested that perhaps that they should start to discuss this because there could be two identical houses side by side, but one could have 13 people living in one and only one or two people in the other.

Mr. Chimento said that the Second Taxing District had provided information on this, but the First District had not. Mr. Hempstead pointed that that the First Taxing District had used the City's bond rating to borrow a significant amount. He felt that the information should be available to the Committee. Mr. Chimento said that he had a meeting scheduled with Mr. DiGangi from the First Taxing District next week and he would check with him about this issue.

**** MR. KIMMEL MOVED TO APPROVE THE FY 2017-18 WATER POLLUTION AUTHORITY BUDGET.**
**** THE MOTION PASSED UNANIMOUSLY.**

Authorize the Mayor, Harry W. Rilling, to execute an agreement with Tyler Technologies to assist the Assessor with real property valuation for a sum not to exceed $680,000.00. (Account 011321-5258)

**** MR. KIMMEL MOVED THE ITEM.**

Mr. Barron came forward and said that the re-evaluation be awarded to Tyler Technologies. Mr. Barron said that this was done every five years. Every other inspection would be a full inspection and the off years would be based on a statistical sampling of the area. Mr. Barron said that he preferred that every property be assessed each time.

In this budget, $1.5 million was allocated, so the rate of $680,000 represents some savings. The last time, when the inspectors encountered "non-entries" where the residents did not answer the door, hang cards were left and repeated visits were made.

Mr. Kydes pointed that it was the outside changes, such as additions, decks, sheds, etc. which is where the money was to be made. Mr. Barron agreed and said that Tyler had a system where an overlay was done and matched with GIS aerial photos. If there are new structures or changes, it will become evident.

Mr. Igneri said that when Vision did the work, they collected data and now Tyler will be collecting data. He asked what is being done with all the information. Mr. Barron said that the information is given to Mr. O'Brien and Mr. Stewart to review. Mr. Stewart sets the final value on the parcels based on the information. It is not just the inspection information but the location and condition of the real estate.

Mr. Hempstead asked if the software was proprietary. Mr. Barron said that Tyler uses Vision and does more than the original creators of the software.

Mr. Hempstead asked how the company intended to prevent the mis-calculations similar to the ones that happened five years ago. Mr. Barron said that he did not think they would be doing anything differently and unfortunately that was the effect of a mass evaluation.

Mr. Barron said that he would asked Mr. O'Brien and Mr. Stewart about this. He went on to list a number of various factors such as vacancy rates, real estate values and other economic indicators that contribute to the situation.

Mr. Barron gave a brief overview of the assessment appeal process and noted that in Norwalk, the number of appeals were well within the parameters for other municipalities. Mr. Hempstead pointed out that multiple appeals like this cost the city due to lawyers and court costs. Mr. Barron said that both Mr. O'Brien and Mr. Stewart said that they would be spending time with the company to make sure that they were accurate.

Mr. Barron went on to speak about the data mailers, which usually generates about a 10% response rate, but Tyler was able to generate almost a 70% response. Thesis because the cards stated that failure to respond would result in a site visit.

Mr. Igneri pointed out that there were a number of homes that were raised because they were in the flood zone. Mr. Barron said that Mr. O'Brien teaches real estate appraisals and he had questioned the company extensively about this. Mr. O'Brien was impressed with the answers Tyler gave.

**** THE MOTION TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE AN AGREEMENT WITH TYLER TECHNOLOGIES TO ASSIST THE ASSESSOR WITH REAL PROPERTY VALUATION FOR A SUM NOT TO EXCEED $680,000.00. (ACCOUNT 011321-5258) PASSED UNANIMOUSLY.**

Resolution making appropriations for various public improvements aggregating $120,718,000 for the 2017-2018 capital budget and authorizing the issuance of $120,080,000 general obligation bonds for the city to meeting certain appropriations in the 2017-2018 capital budget.

**** MR. KIMMEL MOVED THE ITEM.**

There were no questions or discussion on this agenda item.

**** THE MOTION PASSED UNANIMOUSLY.**

Authorize the Mayor, Harry W. Rilling, to sign a Letter of Agreement regarding the agreement of Prime AE Group, Inc., The Capital Region Council of Governments (CRCOG), and the City of Norwalk as one of the members of IT Services Cooperative for an Electronic Document Management System, Commencing June 29, 2017 and ending June 30, 2022 with additional three year options to renew.

Authorize the Purchasing Agent to issue purchase orders to The Capital Region Council of Governments for base Software Licenses, implementation, and hosting services for Phase 1 Electronic Document Management Systems at a cost not to

exceed $19,250.00 and additional customization interfaces and workflows not to exceed $60,000 (total $79,250.00) account (09160600-5777-C0375) Budgeted IT capital project; no special appropriation required.

**** MR. KIMMEL MOVED BOTH OF THE ITEMS.**

Mr. Kimmel asked if there was still money in the budget. Ms. DelVecchio said that they might have more money but would use any surplus would be used for phases of the projects.

Ms. DelVecchio said that up until the 1980's, most of the documents were kept on paper and the older documents, which date back to the 1800's are stored in the basement. If someone has to get an older document, it involves going to the basement and digging through document boxes.

Public Works was willing to partner with IT for digitalizing their documents. Ms. DelVecchio reviewed the details of the proposed program. She said that they were looking for the best bang for the buck and that they were partnering another municipality in order to reduce the costs.

Mr. Hempstead asked what would happen at the end of the five year agreement. He said that he expected that there would be some maintenance fees. Ms. DelVecchio said that the City would own the data. Ms. DelVecchio said that they were careful not to get into a proprietary situation that would lock themselves into something that they might want to change in the future.

Mr. Hempstead asked about the preparation of the documents. Ms. DelVecchio pointed out that there were many variables because some of the maps were quite large, other documents were hand written and had to be indexed. Some of the maps are on onion skin, others on linen and still others are on vellum.

**** THE MOTION TO APPROVE BOTH ITEMS OF THE FOLLOWING ITEMS:**

> **AUTHORIZE THE MAYOR, HARRY W. RILLING, TO SIGN A LETTER OF AGREEMENT REGARDING THE AGREEMENT OF PRIME AE GROUP, INC., THE CAPITAL REGION COUNCIL OF GOVERNMENTS (CRCOG), AND THE CITY OF NORWALK AS ONE OF THE MEMBERS OF IT SERVICES COOPERATIVE FOR AN ELECTRONIC DOCUMENT MANAGEMENT SYSTEM, COMMENCING JUNE 29, 2017 AND ENDING JUNE 30, 2022 WITH ADDITIONAL THREE YEAR OPTIONS TO RENEW.**
>
> **AUTHORIZE THE PURCHASING AGENT TO ISSUE PURCHASE ORDERS TO THE CAPITAL REGION COUNCIL OF GOVERNMENTS**

FOR BASE SOFTWARE LICENSES, IMPLEMENTATION, AND HOSTING SERVICES FOR PHASE 1 ELECTRONIC DOCUMENT MANAGEMENT SYSTEMS AT A COST NOT TO EXCEED $19,250.00 AND ADDITIONAL CUSTOMIZATION INTERFACES AND WORKFLOWS NOT TO EXCEED $60,000 (TOTAL $79,250.00) ACCOUNT (09160600-5777-C0375) BUDGETED IT CAPITAL PROJECT; NO SPECIAL APPROPRIATION REQUIRED.

PASSED UNANIMOUSLY.

Mr. Kydes and Mr. Igneri left the meeting at 8:45 p.m.

Authorize the Mayor, Harry W. Rilling, to execute an agreement with CDR Solutions for email archiving system for an amount not to exceed $34,250.00, account 09150600-5777-C0375 (Budgeted IT capital project; no special appropriation required.)

**** MR. KIMMEL MOVED THE ITEM.**

Ms. DelVecchio gave an overview of the information as stated in her memo dated April 27, 2017. She said that the FOI requests had spiked during the last 24 months. She said that this did not cover the Board of education ITS department.

Ms. DelVecchio introduced Mr. Dave Roth who handles the email along with the FOI requests.

**** THE MOTION TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE AN AGREEMENT WITH CDR SOLUTIONS FOR EMAIL ARCHIVING SYSTEM FOR AN AMOUNT NOT TO EXCEED $34,250.00, ACCOUNT 09150600-5777-C0375 (BUDGETED IT CAPITAL PROJECT; NO SPECIAL APPROPRIATION REQUIRED.) PASSED UNANIMOUSLY.**

ADJOURNMENT

**** MR. SIMMS MOVED TO ADJOURN.**
**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:50 p.m.

Respectfully submitted,

S. L. Soltes
Telesco Secretarial Services

NORWALK
The Sound of Connecticut

CITY OF NORWALK
Department of Information Technology

To: Members of the Finance Committee

From: Karen Del Vecchio, Director IT

Re: Local Area Network Switch Refresh – Fire Stations and DPW Garage

Date: June 1, 2017

A switch is a device used on a computer network to physically connect devices, like computers, telephones, copier/scanners, and printers, together. Switches manage the flow of data across a network by only transmitting a received message to the device for which the message was intended.

Each networked device connected to a switch is identified and authenticated, allowing the switch to regulate the flow of traffic. This maximizes the security and efficiency of the network. A LAN switch is an intelligent device that works on an organization's internal network.

Norwalk utilizes LAN switches in all of its buildings connected to the City network, for a total of over 40 switches. Each LAN switch can support up to 48 device connections. The LAN switches installed Fire Stations 1, 3, 4, 5, apparatus maintenance and the DPW garage were installed in the spring of 2006 and have a bandwidth capacity limitation of 100 megabytes. These LAN switches are starting to show signs of age with port failures and sluggish through-put.

IT has developed a five year capital plan to refresh all the LAN switches on the City network. This refresh plan was introduced in the 2015/2016 IT capital budget submission. To date, IT has refreshed the LAN switches at Police, City Hall, and the Health Department. This current request will refresh each switch at Fire Stations 1,3,4,5 and apparatus maintenance and the 3 switches at the DPW garage for a total of 8 switches.

The ITT Committee unanimously approved this project at its May 31, 2017 meeting. The City will purchase the equipment utilizing the State of Connecticut contract for this type of equipment.

The specific action requested is:

a. *Authorize the Purchasing Agent to issue purchase orders to ePlus Technology (State of CT contract 12PSX0431) for the procurement of Cisco LAN switches for Fire Stations and Public Works Garage for an amount not to exceed $30,727.36, account 09180600-5777-C0375 (budgeted IT capital item; no special appropriation required) and forward onto the Common Council for further action.*

Att: ITT Approval Form

City of Norwalk
Information Technology Department
125 East Ave., Rm203
Norwalk, CT 06850
Phone: 203-854-7714 Fax:203-854-7803

ITT Request Form

CISCO LAN Switch Refresh for Fire Stations and DPW Garage

Request Number: CLANFDDPWG Modification Number : 0 Date of Request: 31-May-17

FUNDED IN CURRENT CAPITAL OR EXPENSE BUDGET: YES **CONSISTENT WITH CITY TECHNOLOGY PLAN:** Yes

BUDGET ACCOUNT: 09180600-5777-C0375

VENDOR DATA

ePlus Technology

quote # 22045742 dated 5/15/2017

State of CT contract # 12PSX0431

ship to: Rodney Garcia, IT Suite 203, City Hall
125 East Ave, Norwalk, CT

PRICING INFORMATION

QTY.	DESCRIPTION	MAKE	MODEL	PRICE/UNIT	EXT PRICE
8	Cisco Catalyst 3650 24 port POE	2X 10G uplink IP base	WS-C3650-24PD-S	$3,531.00	$28,248.00
8	Cisco Catalyst 3650 24 port POE	2X 10Gig uplink card	CON-SNT-WSC365PDS	$309.92	$2,479.36
					$0.00
					$0.00
					$0.00
				Shipping	
				Total Price	$30,727.36

Date Presented: 31-May-17 **Date Approved:** 31-May-17

PROJECT Switches Fire & DPW-G **ITT Signature:** signature on file

NORWALK
The Sound of Connecticut

CITY OF NORWALK
Department of Information Technology

To: Members of the Finance Committee

From: Karen Del Vecchio, Director IT

Re: 2017/2018 Technology Refresh Program

Date: June 1, 2017

City Information Technology maintains an inventory database of personal computer workstations, laptops, and printers in City Hall, Libraries (both staff and public access), Public Works Center and Police Department and Fire Stations, including mobile data terminals in police and fire vehicles.

From this inventory, IT annually assesses the condition of all the workstations relative to: equipment age, reliability, supportability, utilization, and overall performance. Based on this assessment, IT develops an annual Technology Refresh Plan and Schedule.

The 2017/2018 Technology Refresh Plan calls for the replacement of 166 personal computer workstations with new workstations, tablets, or laptops, 8 ruggedized mobile data terminals for public safety, and approximately 33 monitors which are specified to the City IT equipment and software standards.

The public safety mobile data terminal portion of the Refresh plan accounts for $33,600 of the total Plan. The mobile data terminals are now scheduled for refresh on a 3 year cycle as these units are in use 24x7x365 and installed in vehicles that are subject to extremes in temperature and other demanding conditions. This capital year request will refresh 1/3 of the Police mobile data terminals inventory. The total Public Safety investment in the Plan is $72,249

IT, after discussion with the respective department heads, assigns a replacement schedule for each workstation based on its condition and performance. Older PCs that are replaced, but deemed having some useful life, will be "cascaded" to other uses such as training, temporary, loaner/repair, single-use kiosk, or occasional-use systems.

The Technology Refresh continues the electronic asset disposal program started in 2005 which inventories, sanitizes the disk drives (erase to DoD specification), and disposes of obsolete computer equipment in accordance with City Procurement Guidelines and in an environmentally responsible manner.

The 2017 / 2018 Information Technology Capital budget (09180600-5777-C0375) requested and received approval for the funding of **$151,205.00** for the Technology Refresh. No special appropriation is required for this project.

This Technology Refresh Plan was unanimously approved by the ITT Committee at its ???? 2017 meeting.

The specific action I am requesting is as follows:

a. *Authorize the Purchasing Agent to issue purchase orders in accordance with City Procurement Guidelines for the supply of personal computers workstations, laptops, ruggedized data terminals, tablets, and obsolete asset disposal according to City IT department specifications for an amount not to exceed $151,205.00, account 09180600-5777-C0375 (budgeted IT capital item; no special appropriation required) and forward onto the Common Council for further action.*

ATT: ITT Approval Form

City of Norwalk

Information Technology Department
125 East Ave., Rm203
Norwalk, CT 06850
Phone: 203-854-7714 Fax:203-854-7803

ITT Request Form

2016 2017 Desktop Refresh Program - PCs, Rugged Data Terminals, Printers

Request Number: DRF2017/18 Modification Number : 0 Date of Request: 31-May-17

FUNDED IN CURRENT CAPITAL OR EXPENSE BUDGET: YES CONSISTENT WITH CITY TECHNOLOGY PLAN: Yes

BUDGET ACCOUNT: 09180600-5777-C0375

VENDOR DATA

Various Vendors

Separate Reqs to follow over next 12 mont

TO ENCUMBER FUNDS ONLY

PRICING INFORMATION

QTY.	DESCRIPTION	MAKE	MODEL	PRICE/UNIT	EXT PRICE
	Public Safety desktops, laptops	rugged mobile data terminals	various	various	$73,049.20
	Library desktops and laptops for	staff and public use	Dell various	various	$21,556.80
	DPW	staff and public use	Dell various	various	$28,921.00
	City Hall, all others				$27,678.00
				Shipping	
				Total Price	$151,205.00

Date Presented: 31-May-17 **Date Approved:** **31-May-17**

PROJECT **2017 2018 dkstp refresh** **ITT Signature:** **signature on file**

CITY OF NORWALK
Department of Information Technology

To: Members of the Finance Committee

From: Karen Del Vecchio, Director IT

Re: Backup, Archive, and Restore System for Norwalk Police

Date: June 1, 2017

The City of Norwalk's Police business systems are comprised of over a dozen different applications, supporting such areas as the Law Enforcement Administration System, dispatch applications, license plate readers, Communication systems, training programs, various databases and more.

One of the vital maintenance requirements of each of these systems is the ability to effectively and efficiently create backup copies of the terabytes of information contained therein for 1) archival purposes for records retention periods established by the State of Connecticut Librarian and 2) the recovery of information/records deleted or overwritten or as requested under FOI.

Replacement of the Police data center's existing archive and restore system was identified as a need in the 2017/2018 capital budget process. The existing backup and restore system was installed in 2012 and has reached the end of its useful life.

In May, 2017, the City's IT Department solicited quotes for the supply and installation of a specific model UniTrends brand file backup, archive and restore system. Four firms, including the manufacturer, responded to the request. The IT Department reviewed the responses with the ITT Committee and recommended the award be given to the lowest authorized bidder.

This project award was unanimously approved by the ITT Committee at its May 31, 2017 meeting.

The specific action requested is:

Authorize the Purchase Agent to issue purchase orders to GovConnection for the supply, installation, and 36 months of hardware and software support, for a UniTrends Recovery System per quotation 24356360.01-W1 for an amount not to exceed $29,391.10, account 09180600-5777-C0375 (approved IT capital budget item; no special appropriation required) and forward onto the Common Council for further action.

Att: ITT Approval Form

City of Norwalk
Information Technology Department
125 East Ave., Rm203
Norwalk, CT 06850
Phone: 203-854-7714 Fax:203-854-7803

NORWALK The Sound of Connecticut

ITT Request Form

Backup, Archive, Restore System for Norwalk Police

Request Number: UnitrendsPD Modification Number : 0 Date of Request: 31-May-17

FUNDED IN CURRENT CAPITAL OR EXPENSE BUDGET: YES **CONSISTENT WITH CITY TECHNOLOGY PLAN:** Yes

BUDGET ACCOUNT: 09180600-5777-C0375

VENDOR DATA

GovConnection

732 Milford Rd, Merrimack, NH 03054

quote 24356360.01- W1, dated 5/16/2017

Ship to : Gabriel Asare, IT

Norwalk Dept of Police Services,

One Monroe St, Norwalk, CT 06854

PRICING INFORMATION

QTY.	DESCRIPTION	MAKE	MODEL	PRICE/UNIT	EXT PRICE
1	Recovery services 824S 3 year	contract & trade. UniTrends	RS-824SHDW-PR-P	$11,028.21	$11,028.21
1	Pre-premise Sure/Care Install 1	UniTrends	SURECARE-HW	$1,785.72	$1,785.72
1	3 yr Platinum Supprt renewal for	Recovery 824 Appliance UniTren	RS-824SPL-UNT36	$16,577.17	$16,577.17
					$0.00
					$0.00
				Shipping	
				Total Price	$29,391.10

Date Presented: 31-May-17 **Date Approved:** 31-May-17

PROJECT UniTrends PD **ITT Signature:** signature on file

CITY OF NORWALK
Department of Information Technology

To: Members of the Finance Committee

From: Karen Del Vecchio, Director IT
Chief Thomas Kulhawik, Norwalk Police

Re: Enhanced Authentication System for Norwalk Police

Date: June 1, 2017

Standard Authentication refers to something you know, like a password, OR something you have, like a photo id card. Advanced Authentication provides for additional security over Standard by requiring **both** something you know AND something you have, like a PIN and an ATM card. Advanced Authentication is designed to meet the standard of "two-factor authentication".

The FBI Criminal Justice Information Services Division (CJIS) Security Policy requires Advanced Authentication for all law enforcement personnel accessing National Crime Information Center (NCIC) criminal justice information outside of a secure location. Any authorized member accessing criminal justice information outside the police department walls or fixed mounted computer in a police car ARE REQUIRED to use Advanced Authentication. (Applies to ANY type of device).

In January, 2017, Norwalk Police Chiefs and City IT began researching available two-factor authentication for use by Police in both patrol cars and the headquarters building. Chief Kulhawik spoke with several of his peers regarding what technology they had employed and their experiences with it regarding cost, ease of administration, applicability, vendor reputation and support, and other considerations. IT researched the top two-factor authentication providers in the technology/security marketplace. In both cases, the token solutions from RSA Security, as subsidiary of Dell EMC, located in Massachusetts, became the preferred solution.

In May, 2017, the City's IT Department solicited quotes for the supply and installation of a specific model RSA Security token authentication system. The IT Department reviewed the responses with the Police Chiefs and the ITT Committee and recommended the award be given to the lowest authorized bidder.

This project award was unanimously approved by the ITT Committee at its May 31, 2017 meeting.

The specific action requested is:

Authorize the Purchase Agent to issue purchase orders to CDW Government for the supply, installation, and 36 months of hardware and software support, for a RSA Authentication system per quotation HXTJ585, dated 5/22/2017, National Joint Powers Alliance Purchasing Cooperative Contract, for an amount not to exceed $22,000 account 09160600-5777-C0375 (approved IT capital budget item; no special appropriation required) and forward onto the Common Council for further action.

Att: ITT Approval Form

City of Norwalk

Information Technology Department

125 East Ave., Rm203

Norwalk, CT 06850

Phone: 203-854-7714 Fax:203-854-7803

NORWALK The Sound of Connecticut

ITT Request Form

Enhanced Authentication System for Norwalk Police

Request Number: RSA2FA Modification Number : 0 Date of Request: 31-May-17

FUNDED IN CURRENT CAPITAL OR EXPENSE BUDGET: YES **CONSISTENT WITH CITY TECHNOLOGY PLAN:** Yes

BUDGET ACCOUNT: 09160600-5777-C0375

VENDOR DATA

CDW Government

75 Remittance Dr, Suite 1515

Chicago, Il 60675-151 quote HXTJ585, dated 5/22/2017

Ship to : Gabriel Asare, IT

Norwalk Dept of Police Services,

One Monroe St, Norwalk, CT 06854

PRICING INFORMATION

QTY.	DESCRIPTION	MAKE	MODEL	PRICE/UNIT	EXT PRICE
235	RSA Authentication Mgr Base Ed	v8.0 licenses	AUT0000250B8	$40.00	$9,400.00
2820	RSA Enhanced Suppport for Aut	Mgr B	AUT0000250BE1-8	$1.23	$3,468.60
2	RSA Secure ID SID 700 HW	100 PK tokenS w/ 36 mo maint	SID700-6-60-36-100	$3,760.00	$7,520.00
1	RSA Seed Media SW		SEED MEDIA	$0.01	$0.01
3	RSA Secure ID SID 700 HW	10 pk tokens w/ 36 mo mainte	SID700-6-60-36-10	$376.00	$1,128.00
1	RSA Securie ID SID 700 HW	5 Pk tokens w/ 36 mo maint	SID700-6-60-36-5	$193.80	$193.80
				Total Price	$21,710.41

Date Presented: 31-May-17

PROJECT RSA2FA

Date Approved: 31-May-17

ITT Signature: signature on file

April 2017 Financial Commentary

Balance Sheet
Cash is lower than the prior year by $11k; Accounts Payable is lower by $55k. Therefore, the result is a net benefit position of $44k.

April Month vs Prior Year Month
Total Revenue is higher by $28k. Golf Revenue is higher than the prior year month by $23k attributable to good weather conditions, increased golf rates and higher ID card volume. Other income is higher by $5k primarily due to advertising revenue for the golf carts.

Personnel and employee benefits expenses are higher than the prior year month by $24k due to severance payments, increased seasonal personnel and a reversal of $12k for FUTA taxes previously recorded.

Administrative expenses are flat to the prior year month. Other Administrative includes 4 months of sewer tax offset by a reversal of an advertising accrual from the prior month.

Park Maintenance is $9k lower primarily due to lower Ag & Chem purchase and usage.

Cart Expenses are higher by $4k due to the higher lease payments associated with the new golf carts and boards.

Operating Income is higher than the prior year month by $9k mainly due to higher revenue. Favorable Revenue $28k, Unfavorable Expenses $19k.

April YTD vs Prior YTD
Golf Revenue is lower by $98k year over year for the 10 month period. Increased rates should help continue to close this revenue gap.

Personnel and employee benefits expenses are higher by $52k over the prior year. Management salaries increased $11k over the prior year primarily due to severance payments. Operations expenses are up $13k due to the summer intern and additional cashiers and cart employees on the same shifts (prior year only had one per shift). Course and seasonal personnel expenses each increased $13k and $14k respectively over the prior ytd expense due to salary increases and additional work time for course renovations. Benefits are flat compared to the prior year.

Administrative expenses are $33k lower than the prior year due to lower insurance rates, audit adjustment reversals that moved expenses back to the prior year and a prior year expense for a golf course study.

Park Maintenance is lower by $40k compared to the prior ytd primarily due to $28k lower maintenance costs and $10k lower water and fuel expense.

Cart expenses are higher by $16k due to battery/maintenance expenses for the old cart fleet and the April lease payment for the new carts and golf boards.

Operating Income is lower than the prior year by $86k primarily due to lower revenue. Decrease in Revenue $98k, Decrease in Expenses $12k.

Budget Comparison YTD
The YTD Revenue is below budget by $57k, attributable to poor March weather.

Personnel expenses are higher than budget by $25k primarily due to higher Operations personnel expenses and mgmt. severance payments. Benefits are favorable to budget due to favorable health insurance costs.

Administrative expenses are lower than budget by $16k due to lower marketing expenses.

Park Maintenance is under budget by $42k due to lower ag & chem and utility expenses; Park Equipment is under budget by $10k due to lower fuel and equipment costs.

Cart Expenses are higher than budget by $15k due to a lease payment for the new cart and board fleet which was not budgeted until May.

Operating Income is $21k under budget for 10 months. While there was a revenue deficit of $57k, it was offset by $36k favorable expenses. With two months remaining, we are on track to meeting or exceeding the budgeted operating income.

OAK HILLS SALES ANALYSIS APRIL 2017

Description	Apr-17	Apr-16	Inc/(Dec)	YTD FY17	YTD FY16	Inc/(Dec)
Revenue Rounds	3,148	3,073	2.4%	24,096	28,090	-14.2%
Barter Rounds	174	191	-8.9%	1,582	1,643	-3.7%
Sub Total	3,322	3,264	1.8%	25,678	29,733	-13.6%
Comp Rounds	11	31	-64.5%	433	268	61.6%
Total All Rounds	3,333	3,295	1.2%	26,111	30,001	-13.0%
Total Carts	1,562	1,508	3.6%	14,243	16,595	-14.2%
Total Golf ID Cards	408	300	36.0%	1,489	1,439	3.5%
Total Gift Cards	13	10	30.0%	268	214	25.2%
Total $ Revenue Rounds	$91,288	$78,947	15.6%	$681,119	$762,072	-10.6%
Total Carts $	$25,869	$22,484	15.1%	$217,146	$242,369	-10.4%
Total Golf ID Cards $	$33,805	$24,970	35.4%	$110,305	$106,296	3.8%
Total Gift Cards $	$1,120	$634	76.7%	$20,357	$15,335	32.7%
Rain Chks/Gift Cards Redeemed	-$4,399	-$2,900	51.7%	-$17,206	-$16,493	4.3%
	$147,683	**$124,135**	**19.0%**	**$1,011,721**	**$1,109,579**	**-8.8%**
$ Revenue/Revenue Round	**$29.00**	**$25.69**	12.9%	**$28.27**	**$27.13**	4.2%
Carts/Revenue Round	**49.6%**	**49.1%**	1.1%	**59.1%**	**59.1%**	0.1%
Cart $/Revenue Round	**$8.22**	**$7.32**	12.3%	**$9.01**	**$8.63**	4.4%
Cart $/Cart Round	**$16.56**	**$14.91**	11.1%	**$15.25**	**$14.60**	4.4%
ID Card $/Card	**$82.86**	**$83.23**	-0.5%	**$74.08**	**$73.87**	0.3%
Resident Adult 18 Rounds	1,100	1,045	5.3%	6,569	9,184	-28.5%
Resident Senior 18 Rounds	559	503	11.1%	4,864	4,759	2.2%
Junior/Golf Team 18 Rounds	188	89	111.2%	739	849	-13.0%
Golf League 18 Rounds	16	0	0.0%	16	0	0.0%
Empl 18 Rounds	27	59	-54.2%	337	588	-42.7%
Non Resident 18 Rounds	1,068	1,084	-1.5%	8,904	9,601	-7.3%
Total 9 Hole Rounds	190	293	-35.2%	2,667	3,109	-14.2%
Resident Adult 18 Rounds $	$30,936	$27,875	11.0%	$173,809	$240,409	-27.7%
Resident Senior 18 Rounds $	$13,285	$10,354	28.3%	$104,166	$94,278	10.5%
Junior/Golf Team 18 Rounds $	$2,466	$1,233	100.0%	$12,779	$14,183	-9.9%
Golf League 18 Rounds	$346	$0	0.0%	$0	$0	0.0%
Empl 18 Rounds $	$228	$295	-22.7%	$2,238	$3,528	-36.6%
Non Resident 18 Rounds $	$40,026	$33,530	19.4%	$331,325	$345,667	-4.1%
Total 9 Hole Rounds $	$4,001	$5,660	-29.3%	$56,456	$64,007	-11.8%
SR NONRES DISC	13	10	30.0%	115	87	32.2%
NONRES DISCOUNT	48	22	118.2%	139	115	20.9%
FAMILY REG	10	9	11.1%	26	22	18.2%
CITY/OWNER REG	7	4	75.0%	24	24	0.0%
Total	78	45	73.3%	304	248	22.6%
GolfNow Rounds	121	30	303.3%	639	382	67.3%
GolfNow Dollars	$3,304	$1,767	87.0%	$29,927	$22,054	35.7%
Dollars/Round	$27.31	$0.00	0.0%	$46.83	$57.73	-18.9%

OAK HILLS SALES ANALYSIS APRIL 2017 CALENDAR

Description	Apr-17	Apr-16	Inc/(Dec)	YTD 2017	YTD 2016	Inc/(Dec)
Revenue Rounds	3,148	3,073	2.4%	3,898	4,753	-18.0%
Barter Rounds	174	191	-8.9%	219	267	-18.0%
Sub Total	3,322	3,264	1.8%	4,117	5,020	-18.0%
Comp Rounds	11	31	-64.5%	11	40	-72.5%
Total All Rounds	3,333	3,295	1.2%	4,128	5,060	-18.4%
Total Carts	1,562	1,508	3.6%	1,573	1,869	-15.8%
Total Golf ID Cards	408	300	36.0%	1,378	1,332	3.5%
Total Gift Cards	13	10	30.0%	36	20	80.0%
Total $ Revenue Rounds	$91,288	$78,947	15.6%	$107,180	$119,085	-10.0%
Total Carts $	$25,869	$22,484	15.1%	$26,056	$27,520	-5.3%
Total Golf ID Cards $	$33,805	$24,970	35.4%	$101,770	$98,631	3.2%
Total Gift Cards $	$1,120	$634	76.7%	$3,585	$1,394	157.2%
Rain Chks/Gift Cards Redeemed	-$4,399	-$2,900	51.7%	-$4,576	-$3,561	28.5%
	$147,683	**$124,135**	**19.0%**	**$234,014**	**$243,069**	**-3.7%**
$ Revenue/Revenue Round	**$29.00**	**$25.69**	12.9%	**$27.50**	**$25.05**	9.7%
Carts/Revenue Round	**49.6%**	**49.1%**	1.1%	**40.4%**	**39.3%**	2.6%
Cart $/Revenue Round	**$8.22**	**$7.32**	12.3%	**$6.68**	**$5.79**	15.4%
Cart $/Cart Round	**$16.56**	**$14.91**	11.1%	**$16.56**	**$14.72**	12.5%
ID Card $/Card	**$82.86**	**$83.23**	-0.5%	**$73.85**	**$74.05**	-0.3%
Resident Adult 18 Rounds	1,100	1,045	5.3%	1,416	1,813	-21.9%
Resident Senior 18 Rounds	559	503	11.1%	690	719	-4.0%
Junior/Golf Team 18 Rounds	188	89	111.2%	218	137	59.1%
Golf League 18 Rounds	16	0	0.0%	16	0	0.0%
Empl 18 Rounds	27	59	-54.2%	30	92	-67.4%
Non Resident 18 Rounds	1,068	1,084	-1.5%	1,264	1,533	-17.5%
Total 9 Hole Rounds	190	293	-35.2%	264	459	-42.5%
Resident Adult 18 Rounds $	$30,936	$27,875	11.0%	$37,665	$44,049	-14.5%
Resident Senior 18 Rounds $	$13,285	$10,354	28.3%	$15,091	$14,177	6.4%
Junior/Golf Team 18 Rounds $	$2,466	$1,233	100.0%	$2,963	$1,800	64.6%
Empl 18 Rounds $	$228	$295	-22.7%	$243	$460	-47.2%
Non Resident 18 Rounds $	$40,026	$33,530	19.4%	$45,393	$49,783	-8.8%
Total 9 Hole Rounds $	$4,001	$5,660	-29.3%	$5,479	$8,816	-37.9%
SR NONRES DISC	13	10	30.0%	114	86	32.6%
NONRES DISCOUNT	48	22	118.2%	139	114	21.9%
FAMILY REG	10	9	11.1%	24	20	20.0%
CITY/OWNER REG	7	4	75.0%	22	23	-4.3%
Total	78	45	73.3%	299	243	23.0%
GolfNow Rounds	121	30	303.3%	128	30	326.7%
GolfNow Dollars	$3,304	$1,767	87.0%	$3,425	$1,767	93.8%
Dollars/Round	$27.31	$58.90	-53.6%	$26.76	$58.90	-54.6%

OAK HILLS PARK AUTHORITY

BALANCE SHEET 2017

As of April 30, 2017

	TOTAL	
	AS OF APR 30, 2017	AS OF APR 30, 2016 (PY)
ASSETS		
Current Assets		
Bank Accounts		
1000 Cash	0.00	0.00
1010 CAP Account - Wells Fargo	0.00	553.76
1011 Money Market - Wells Fargo (deleted)	0.00	-0.03
1021 NBT Money Market	92,146.39	94,928.38
1022 NBT Payment Account	-30,298.31	-22,233.76
1023 NBT Rent Escrow Sec Apt Right	1,351.00	1,281.00
1050 Petty	400.00	400.00
Total 1000 Cash	**63,599.08**	**74,929.35**
Total Bank Accounts	**$63,599.08**	**$74,929.35**
Accounts Receivable		
1201 Accounts Receivable	2,550.00	600.00
Total Accounts Receivable	**$2,550.00**	**$600.00**
Other Current Assets		
1100 Inventory	100,741.66	111,017.80
1200 Receivables	0.00	0.00
1205 Rents Receivable	0.00	6,000.00
Total 1200 Receivables	**0.00**	**6,000.00**
1300 Prepaid Expenses	34,245.60	25,144.56
Total Other Current Assets	**$134,987.26**	**$142,162.36**
Total Current Assets	**$201,136.34**	**$217,691.71**
Fixed Assets		
1500 Fixed Assets	0.00	0.00
1505 Machinery and Equipment	1,018,735.83	1,031,208.10
1510 Accumulated Depreciation/Amort.	-3,069,653.48	-2,889,469.51
1561 Park Improvements	1,721,835.42	1,692,467.75
1562 Restaurant	2,277,134.66	2,277,134.66
Total 1500 Fixed Assets	**1,948,052.43**	**2,111,341.00**
Total Fixed Assets	**$1,948,052.43**	**$2,111,341.00**
TOTAL ASSETS	**$2,149,188.77**	**$2,329,032.71**
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 *Accounts Payable	18,289.12	73,164.03
Total Accounts Payable	**$18,289.12**	**$73,164.03**
Other Current Liabilities		
2050 Accounts Payable-Tennis Revenue	3,260.00	5,550.00
2100 Accrued Payroll	24,828.99	18,856.96

	TOTAL	
	AS OF APR 30, 2017	AS OF APR 30, 2016 (PY)
2104 Accrued retirement contribution	-429.90	1,034.15
2105 Accrued Vacation Pay	29,080.69	28,895.04
2106 Accrued Sick Leave Pay	28,493.25	24,328.22
2200 Accrued Expenses	91,403.30	27,584.92
2210 Security Deposit-Entrance House		
2212 Security Dep - Apt 2 Right	1,350.00	1,350.00
Total 2210 Security Deposit-Entrance House	**1,350.00**	**1,350.00**
2230 NBT Credit Line	90,000.00	0.00
2250 Deferred Revenue	26,595.37	56,553.37
2251 Tournament Deposits	1,800.00	1,100.00
Total 2250 Deferred Revenue	**28,395.37**	**57,653.37**
2400 Cart Sales Tax Due	1,545.00	996.00
2500 Monies due City of Norwalk	0.00	0.00
2501 Bond Due to City of Norwalk	38,547.53	38,048.37
2503 150k Capital Debt	1,404.74	1,218.79
2504 150k Operating Debt	1,935.10	1,867.22
Total 2500 Monies due City of Norwalk	**41,887.37**	**41,134.38**
Total Other Current Liabilities	**$339,814.07**	**$207,383.04**
Total Current Liabilities	**$358,103.19**	**$280,547.07**
Long-Term Liabilities		
2701 Consolidated City Debt	2,034,195.80	2,111,209.55
2730 Capital Debt (150k)	93,361.74	107,922.89
2731 Operating Expense Debt (150k)	93,364.28	107,925.43
2763 Wells Fargo Toro Utility	18,571.65	45,280.29
2764 NBT Truck Loan	17,270.25	22,556.00
2765 Deere Credit Inc. Hybrid Mower	24,162.65	24,290.40
2766 Wells Fargo Eq Bandit Chipper	13,139.44	16,006.44
2767 Deere Credit, Inc. Sweeper Vac	17,979.46	24,305.00
2768 Deere Credit Inc. Greens Roller	13,752.85	
2769 Deere Credit, Inc. Pro Gator	2,335.27	
2770 Deere Credit, Inc. Sprayer	21,633.64	
2771 Yard Card-Skid Mount	3,474.83	
2772 Wells Fargo 2017 Aera-Vator	5,186.10	
Total Long-Term Liabilities	**$2,358,427.96**	**$2,459,496.00**
Total Liabilities	**$2,716,531.15**	**$2,740,043.07**
Equity		
3000 Fund Balance		
3010 Fund Balance - Beginning	-42,873.28	-42,873.28
Total 3000 Fund Balance	**-42,873.28**	**-42,873.28**
3500 Reserves		
3550 Reserve for Contingencies	405,368.10	405,368.10
Total 3500 Reserves	**405,368.10**	**405,368.10**
3900 Retained Earnings	-627,977.01	-588,752.15
Net Income	-301,860.19	-184,753.03
Total Equity	**$ -567,342.38**	**$ -411,010.36**
TOTAL LIABILITIES AND EQUITY	**$2,149,188.77**	**$2,329,032.71**

OAK HILLS PARK AUTHORITY

P&L - CURRENT MONTH VS. PRIOR YEAR MONTH

April 2017

	TOTAL			
	APR 2017	APR 2016 (PY)	CHANGE	% CHANGE
INCOME				
4000 REVENUES				
4001 Golf Revenue				
4010 Golf Fees	93,657.70	82,375.93	11,281.77	13.70 %
4020 I.D. Cards	35,883.00	24,970.00	10,913.00	43.70 %
4050 Cart Revenue	24,324.00	21,924.00	2,400.00	10.95 %
4060 Golf Revenue - Gift Certif.	1,120.00	634.00	486.00	76.66 %
4070 Gift & Rain Checks Redeemed	-4,399.00	-2,781.00	-1,618.00	-58.18 %
Total 4001 Golf Revenue	**150,585.70**	**127,122.93**	**23,462.77**	**18.46 %**
4200 Rental Income	1,350.00	1,350.00	0.00	0.00 %
4300 Investment Income	4.82	265.49	-260.67	-98.18 %
4400 Misc. Income	1,630.75		1,630.75	
4500 Cash Over/Under		1.77	-1.77	-100.00 %
4600 Restaurant Income	6,000.00	6,000.00	0.00	0.00 %
4700 Advertising Revenue	3,600.00		3,600.00	
Total 4000 REVENUES	**163,171.27**	**134,740.19**	**28,431.08**	**21.10 %**
Total Income	**$163,171.27**	**$134,740.19**	**$28,431.08**	**21.10 %**
GROSS PROFIT	**$163,171.27**	**$134,740.19**	**$28,431.08**	**21.10 %**
EXPENSES				
5000 PERSONNEL EXPENSE				
5010 Management Salary	17,801.83	12,189.98	5,611.85	46.04 %
5030 Operations	12,027.90	12,993.54	-965.64	-7.43 %
5040 Operations O/T	640.40	44.79	595.61	1,329.78 %
5050 Course Personnel	24,210.90	24,189.06	21.84	0.09 %
5060 Course Personnel O/T	32.96	176.42	-143.46	-81.32 %
5070 Seasonal Personnel	17,562.92	10,735.31	6,827.61	63.60 %
5080 Seasonal Personnel O/T		161.47	-161.47	-100.00 %
Total 5000 PERSONNEL EXPENSE	**72,276.91**	**60,490.57**	**11,786.34**	**19.48 %**
5200 EMPLOYEE BENEFITS				
5210 Payroll Taxes	5,133.90	4,884.66	249.24	5.10 %
5230 State Unemployment	14,570.45	4,796.79	9,773.66	203.75 %
5250 Health Insurance	3,608.19	3,044.59	563.60	18.51 %
5260 Workmans Compensation	1,769.20	923.92	845.28	91.49 %
5270 Retirement Plans	502.67	403.53	99.14	24.57 %
Total 5200 EMPLOYEE BENEFITS	**25,584.41**	**14,053.49**	**11,530.92**	**82.05 %**
5400 ADMINISTRATIVE EXPENSES	14.98		14.98	
5420 Telephone	525.47	90.61	434.86	479.92 %
5430 Professional Fees	2,375.00	2,375.00	0.00	0.00 %
5436 Advertising	-1,011.99	792.06	-1,804.05	-227.77 %
5440 Office Expense	1,923.37	1,775.48	147.89	8.33 %
5441 Bank Charges	32.90	3.00	29.90	996.67 %
5442 Credit Card Fees	278.46	1,115.86	-837.40	-75.05 %

	TOTAL			
	APR 2017	APR 2016 (PY)	CHANGE	% CHANGE
5445 Postage		164.50	-164.50	-100.00 %
5450 Training and Dues	57.00		57.00	
5461 Authority Secretarial Services	240.00	310.00	-70.00	-22.58 %
5469 Other Outside Services	186.25	117.70	68.55	58.24 %
5470 Other Administrative	3,315.33	421.60	2,893.73	686.37 %
5480 Utilities	1,619.51	2,000.52	-381.01	-19.05 %
5490 Water		130.86	-130.86	-100.00 %
5500 Liability Insurance	3,617.52	3,832.00	-214.48	-5.60 %
5520 Interest Expense	973.62	527.53	446.09	84.56 %
Total 5400 ADMINISTRATIVE EXPENSES	**14,147.42**	**13,656.72**	**490.70**	**3.59 %**
5700 PARK MAINTENANCE				
5710 Water	1,029.28	787.66	241.62	30.68 %
5720 Heating Fuel	805.56	1,092.86	-287.30	-26.29 %
5730 Grounds Maintenance	2,461.46	296.19	2,165.27	731.04 %
5750 Agriculture and Chemicals				
5751 Agriculture&Chemicals-Purchased	1,070.00	4,236.00	-3,166.00	-74.74 %
5752 Agriculture/Chemicals Utilized	3,693.11	8,498.04	-4,804.93	-56.54 %
Total 5750 Agriculture and Chemicals	**4,763.11**	**12,734.04**	**-7,970.93**	**-62.60 %**
5760 Irrigation Maintenance	1,303.62	2,453.94	-1,150.32	-46.88 %
5770 Consumable Tools	410.49	902.36	-491.87	-54.51 %
5780 Tee and Green Supplies		102.28	-102.28	-100.00 %
5800 Equipment Maintenance	1,795.67	2,085.84	-290.17	-13.91 %
5820 Building Maintenance	1,295.06	2,316.60	-1,021.54	-44.10 %
5860 Gasoline/Diesel Fuel	837.50		837.50	
5880 Employee work clothes		88.50	-88.50	-100.00 %
Total 5700 PARK MAINTENANCE	**14,701.75**	**22,860.27**	**-8,158.52**	**-35.69 %**
6000 CART EXPENSE				
6010 Cart Lease Expense	14,500.00	7,997.00	6,503.00	81.32 %
6020 Electricity	466.08	579.88	-113.80	-19.62 %
6030 Maintenance		2,287.47	-2,287.47	-100.00 %
6050 Cart Insurance	400.00	400.00	0.00	0.00 %
Total 6000 CART EXPENSE	**15,366.08**	**11,264.35**	**4,101.73**	**36.41 %**
Total Expenses	**$142,076.57**	**$122,325.40**	**$19,751.17**	**16.15 %**
NET OPERATING INCOME	**$21,094.70**	**$12,414.79**	**$8,679.91**	**69.92 %**
OTHER EXPENSES				
8000 Depreciation/Amortization	17,957.30	17,957.30	0.00	0.00 %
8002 Bond to City	4,762.29	4,762.29	0.00	0.00 %
8004 Capital Debt to City	174.65	174.65	0.00	0.00 %
8005 Operating Debt to City	193.51	193.51	0.00	0.00 %
Total Other Expenses	**$23,087.75**	**$23,087.75**	**$0.00**	**0.00 %**
NET OTHER INCOME	**$ -23,087.75**	**$ -23,087.75**	**$0.00**	**0.00 %**
NET INCOME	**$ -1,993.05**	**$ -10,672.96**	**$8,679.91**	**81.33 %**

OAK HILLS PARK AUTHORITY

P&L - CURRENT YTD VS. PRIOR YTD

July 2016 - April 2017

	TOTAL			
	JUL 2016 - APR 2017	JUL 2015 - APR 2016 (PY)	CHANGE	% CHANGE
INCOME				
4000 REVENUES				
4001 Golf Revenue				
4010 Golf Fees	629,832.79	705,456.53	-75,623.74	-10.72 %
4020 I.D. Cards	112,828.00	106,332.00	6,496.00	6.11 %
4030 Tournament Fees	48,009.00	60,351.00	-12,342.00	-20.45 %
4050 Cart Revenue	206,151.00	231,882.00	-25,731.00	-11.10 %
4060 Golf Revenue - Gift Certif.	20,146.00	14,947.00	5,199.00	34.78 %
4070 Gift & Rain Checks Redeemed	-17,188.00	-16,386.00	-802.00	-4.89 %
Total 4001 Golf Revenue	**999,778.79**	**1,102,582.53**	**-102,803.74**	**-9.32 %**
4100 Tennis Revenue	27,000.00	24,000.00	3,000.00	12.50 %
4200 Rental Income	13,500.00	13,108.00	392.00	2.99 %
4300 Investment Income	240.71	685.30	-444.59	-64.88 %
4400 Misc. Income	6,435.44	8,658.59	-2,223.15	-25.68 %
4500 Cash Over/Under		1.77	-1.77	-100.00 %
4600 Restaurant Income	60,000.00	60,000.00	0.00	0.00 %
4700 Advertising Revenue	3,600.00		3,600.00	
Total 4000 REVENUES	**1,110,554.94**	**1,209,036.19**	**-98,481.25**	**-8.15 %**
Total Income	**$1,110,554.94**	**$1,209,036.19**	**$ -98,481.25**	**-8.15 %**
GROSS PROFIT	**$1,110,554.94**	**$1,209,036.19**	**$ -98,481.25**	**-8.15 %**
EXPENSES				
5000 PERSONNEL EXPENSE				
5010 Management Salary	132,854.53	121,832.43	11,022.10	9.05 %
5030 Operations	110,117.96	99,099.21	11,018.75	11.12 %
5040 Operations O/T	2,488.54	298.78	2,189.76	732.90 %
5050 Course Personnel	252,021.19	239,371.93	12,649.26	5.28 %
5060 Course Personnel O/T	1,107.15	1,345.02	-237.87	-17.69 %
5070 Seasonal Personnel	93,385.77	78,682.75	14,703.02	18.69 %
5080 Seasonal Personnel O/T	1,049.92	1,397.37	-347.45	-24.86 %
Total 5000 PERSONNEL EXPENSE	**593,025.06**	**542,027.49**	**50,997.57**	**9.41 %**
5200 EMPLOYEE BENEFITS				
5210 Payroll Taxes	45,722.96	47,558.72	-1,835.76	-3.86 %
5230 State Unemployment	19,388.35	21,642.96	-2,254.61	-10.42 %
5250 Health Insurance	43,925.08	39,043.68	4,881.40	12.50 %
5260 Workmans Compensation	10,114.64	12,078.48	-1,963.84	-16.26 %
5270 Retirement Plans	4,171.15	4,282.25	-111.10	-2.59 %
Total 5200 EMPLOYEE BENEFITS	**123,322.18**	**124,606.09**	**-1,283.91**	**-1.03 %**
5400 ADMINISTRATIVE EXPENSES	0.00		0.00	
5420 Telephone	5,251.75	4,384.56	867.19	19.78 %
5430 Professional Fees	23,750.00	47,775.64	-24,025.64	-50.29 %
5436 Advertising	9,083.02	9,659.48	-576.46	-5.97 %
5440 Office Expense	14,517.32	14,339.91	177.41	1.24 %

	TOTAL			
	JUL 2016 - APR 2017	JUL 2015 - APR 2016 (PY)	CHANGE	% CHANGE
5441 Bank Charges	395.70	497.50	-101.80	-20.46 %
5442 Credit Card Fees	20,048.29	21,041.96	-993.67	-4.72 %
5445 Postage	148.90	193.50	-44.60	-23.05 %
5450 Training and Dues	2,926.45	4,045.77	-1,119.32	-27.67 %
5461 Authority Secretarial Services	2,180.00	2,360.00	-180.00	-7.63 %
5469 Other Outside Services	2,485.64	3,078.66	-593.02	-19.26 %
5470 Other Administrative	4,643.42	5,952.76	-1,309.34	-22.00 %
5480 Utilities	27,481.15	27,116.93	364.22	1.34 %
5490 Water	682.88	1,167.71	-484.83	-41.52 %
5500 Liability Insurance	36,735.69	42,214.64	-5,478.95	-12.98 %
5520 Interest Expense	4,424.64	4,013.33	411.31	10.25 %
Total 5400 ADMINISTRATIVE EXPENSES	**154,754.85**	**187,842.35**	**-33,087.50**	**-17.61 %**
5700 PARK MAINTENANCE				
5710 Water	52,231.61	59,924.19	-7,692.58	-12.84 %
5720 Heating Fuel	9,534.43	9,960.79	-426.36	-4.28 %
5730 Grounds Maintenance	14,445.38	24,684.76	-10,239.38	-41.48 %
5740 Tree Maintenance	4,440.00		4,440.00	
5750 Agriculture and Chemicals				
5751 Agriculture&Chemicals-Purchased	71,735.91	87,724.64	-15,988.73	-18.23 %
5752 Agriculture/Chemicals Utilized	-18,764.23	-31,045.88	12,281.65	39.56 %
Total 5750 Agriculture and Chemicals	**52,971.68**	**56,678.76**	**-3,707.08**	**-6.54 %**
5760 Irrigation Maintenance	10,257.97	6,823.32	3,434.65	50.34 %
5770 Consumable Tools	2,186.92	2,327.10	-140.18	-6.02 %
5780 Tee and Green Supplies	555.68	4,642.56	-4,086.88	-88.03 %
5790 Other Supplies		318.60	-318.60	-100.00 %
5795 Janitorial Supplies	814.95	1,405.92	-590.97	-42.03 %
5800 Equipment Maintenance	21,488.28	32,778.97	-11,290.69	-34.44 %
5810 Equipment Rental		188.12	-188.12	-100.00 %
5820 Building Maintenance	18,021.93	24,244.02	-6,222.09	-25.66 %
5840 Small Equipment	598.00	287.42	310.58	108.06 %
5860 Gasoline/Diesel Fuel	7,873.24	11,038.39	-3,165.15	-28.67 %
5880 Employee work clothes		88.50	-88.50	-100.00 %
Total 5700 PARK MAINTENANCE	**195,420.07**	**235,391.42**	**-39,971.35**	**-16.98 %**
6000 CART EXPENSE				
6010 Cart Lease Expense	46,406.44	36,027.73	10,378.71	28.81 %
6020 Electricity	9,211.37	9,225.99	-14.62	-0.16 %
6030 Maintenance	12,464.11	7,242.19	5,221.92	72.10 %
6050 Cart Insurance	4,000.00	4,000.00	0.00	0.00 %
Total 6000 CART EXPENSE	**72,081.92**	**56,495.91**	**15,586.01**	**27.59 %**
Total Expenses	**$1,138,604.08**	**$1,146,363.26**	**$ -7,759.18**	**-0.68 %**
NET OPERATING INCOME	**$ -28,049.14**	**$62,672.93**	**$ -90,722.07**	**-144.75 %**
OTHER EXPENSES				
8000 Depreciation/Amortization	179,573.00	179,573.00	0.00	0.00 %
8001 Capital projects		53,361.11	-53,361.11	-100.00 %
8100 Capital Projects - Cash	10,392.98		10,392.98	
8101 Captial Projects - Financed	32,540.57		32,540.57	
Total 8001 Capital projects	**42,933.55**	**53,361.11**	**-10,427.56**	**-19.54 %**

	TOTAL			
	JUL 2016 - APR 2017	JUL 2015 - APR 2016 (PY)	CHANGE	% CHANGE
8002 Bond to City	47,622.90	54,325.82	-6,702.92	-12.34 %
8004 Capital Debt to City	1,746.50	1,780.46	-33.96	-1.91 %
8005 Operating Debt to City	1,935.10	1,867.22	67.88	3.64 %
8500 Modification of City Debt		-43,481.65	43,481.65	100.00 %
Total Other Expenses	**$273,811.05**	**$247,425.96**	**$26,385.09**	**10.66 %**
NET OTHER INCOME	**$ -273,811.05**	**$ -247,425.96**	**$ -26,385.09**	**-10.66 %**
NET INCOME	**$ -301,860.19**	**$ -184,753.03**	**$ -117,107.16**	**-63.39 %**

Oak Hills Park Authority
2017 Actual vs. Budget

	Apr Act	Apr Bud	Var $	Var %	YTD Act	YTD Bud	Var $	Var %
REVENUE								
4000 · REVENUES								
4001 · Golf Revenue								
4010 · Golf Fees	$93,658	$82,468	$11,189	13.6%	$629,833	$661,940	-$32,107	-4.9%
4020 · I.D. Cards	$35,883	$25,624	$10,259	40.0%	$112,828	$110,672	$2,156	1.9%
4030 · Tournament Fees	$0	$0	$0	0.0%	$48,009	$57,628	-$9,619	-16.7%
4050 · Cart Revenue	$24,324	$22,791	$1,533	6.7%	$206,151	$236,560	-$30,409	-12.9%
4060 · Golf Revenue - Gift Certif.	$1,120	$370	$750	203.1%	$20,146	$9,851	$10,295	104.5%
4070 · Gift & Rain Checks Redeemed	-$4,399	-$1,374	-$3,025	220.1%	-$17,188	-$13,675	-$3,513	25.7%
Total 4001 · Golf Revenue	**$150,586**	**$129,879**	**$20,706**	**15.9%**	**$999,779**	**$1,062,975**	**-$63,196**	**-5.9%**
4100 · Tennis Revenue	$0	$0	$0	0.0%	$27,000	$27,000	$0	0.0%
4200 · Rental Income	$1,350	$1,350	$0	0.0%	$13,500	$13,500	$0	0.0%
4300 · Investment Income	$5	$264	-$259	-98.2%	$241	$701	-$460	-65.6%
4400 · Misc. Income	$1,631	$0	$1,631	0.0%	$6,435	$3,632	$2,803	77.2%
4600 · Restaurant Income	$6,000	$6,000	$0	0.0%	$60,000	$60,000	$0	0.0%
4700 · Advertising Revenue	$3,600	$0	$3,600	0.0%	$3,600	$0	$3,600	0.0%
Total Other Revenue	**$12,586**	**$7,614**	**$4,972**	**65.3%**	**$110,776**	**$104,833**	**$5,943**	**5.7%**
TOTAL REVENUE	**$163,171**	**$137,493**	**$25,678**	**18.7%**	**$1,110,555**	**$1,167,808**	**-$57,253**	**-4.9%**
EXPENSE								
5000 · PERSONNEL EXPENSE								
5010 · Management Salary	$17,802	$11,888	-$5,914	-49.7%	$132,855	$118,883	-$13,972	-11.8%
5030 · Operations	$12,028	$10,605	-$1,422	-13.4%	$110,118	$89,642	-$20,476	-22.8%
5040 · Operations O/T	$640	$0	-$640	0.0%	$2,489	$970	-$1,519	-156.7%
5050 · Course Personnel	$24,211	$26,040	$1,829	7.0%	$252,021	$258,335	$6,314	2.4%
5060 · Course Personnel O/T	$33	$233	$200	85.9%	$1,107	$1,776	$669	37.7%
5070 · Seasonal Personnel	$17,563	$13,496	-$4,067	-30.1%	$93,386	$97,332	$3,946	4.1%
5080 · Seasonal Personnel O/T	$0	$172	$172	100.0%	$1,050	$1,489	$439	29.5%
Total 5000 · PERSONNEL EXPENSE	**$72,277**	**$62,435**	**-$9,842**	-15.8%	**$593,025**	**$568,428**	**-$24,597**	-4.3%
5200 · EMPLOYEE BENEFITS								
5210 · Payroll Taxes	$5,134	$4,390	-$744	-16.9%	$45,723	$43,494	-$2,229	-5.1%
5230 · State Unemployment	$14,570	$2,090	-$12,480	-597.0%	$19,388	$17,803	-$1,586	-8.9%
5250 · Health Insurance	$3,608	$5,433	$1,825	33.6%	$43,925	$53,055	$9,130	17.2%
5260 · Workmans Compensation	$1,769	$1,000	-$769	-76.9%	$10,115	$10,000	-$115	-1.1%
5270 · Retirement Plans	$503	$363	-$139	-38.3%	$4,171	$3,856	-$315	-8.2%
Total 5200 · EMPLOYEE BENEFITS	**$25,584**	**$13,277**	**-$12,307**	-92.7%	**$123,322**	**$128,207**	**$4,885**	3.8%
5400 · ADMINISTRATIVE EXPENSES								
5420 · Telephone	$525	$470	-$55	-11.7%	$5,252	$4,702	-$549	-11.7%
5430 · Professional Fees	$2,375	$2,583	$208	8.1%	$23,750	$25,625	$1,875	7.3%
5436 · Advertising	-$1,012	$1,320	$2,332	176.7%	$9,083	$16,360	$7,277	44.5%
5440 · Office Expense	$1,923	$2,151	$228	10.6%	$14,517	$17,472	$2,955	16.9%
5441 · Bank Charges	$33	$45	$12	26.4%	$396	$836	$441	52.7%
5442 · Credit Card Fees	$278	$1,162	$884	76.0%	$20,048	$21,918	$1,870	8.5%
5445 · Postage		$142	$142	100.0%	$149	$142	-$7	-4.6%
5450 · Training and Dues	$57	$0	-$57	0.0%	$2,926	$3,653	$727	19.9%
5461 · Authority Secretarial Services	$240	$316	$76	24.2%	$2,180	$2,409	$229	9.5%
5469 · Other Outside Services	$186	$124	-$62	-49.6%	$2,486	$3,256	$770	23.7%
5470 · Other Admin	$3,330	$533	-$2,797	-524.4%	$4,643	$5,333	$690	12.9%
5480 · Utilities	$1,620	$1,954	$335	17.1%	$27,481	$26,487	-$994	-3.8%
5490 · Water		$0	$0	0.0%	$683	$1,300	$617	47.5%
Total 5400 · ADMINISTRATIVE EXPENSES	**$9,556**	**$10,803**	**$1,247**	11.5%	**$113,595**	**$129,496**	**$15,901**	12.3%
5500 · DEBT SERVICE AND INSURANCE								
5500 · Liability Insurance	$3,618	$4,482	$864	19.3%	$36,736	$38,179	$1,443	3.8%
5520 · Interest	$974	$542	-$432	-79.7%	$4,425	$5,414	$989	18.3%
Total 5500 · DEBT SERVICE AND INSURANCE	**$4,591**	**$5,023**	**$432**	8.6%	**$41,160**	**$43,593**	**$2,432**	5.6%
5700 · PARK MAINTENANCE								
5710 · Water	$1,029	$776	-$253	-32.7%	$52,232	$58,345	$6,113	10.5%

Oak Hills Park Authority
2017 Actual vs. Budget

	Apr Act	Apr Bud	Var $	Var %	YTD Act	YTD Bud	Var $	Var %
5720 · Heating Fuel	$806	$1,498	$693	46.2%	$9,534	$20,321	$10,787	53.1%
5730 · Grounds Maintenance	$2,461	$319	-$2,142	-671.7%	$14,445	$23,807	$9,362	39.3%
5740 · Tree Maintenance	$0	$0	$0	0.0%	$4,440	$0	-$4,440	0.0%
5751 · Agriculture&Chemicals-Purch	$1,070	$3,805	$2,735	71.9%	$71,736	$78,433	$6,697	8.5%
5752 · Agriculture/Chemicals Utilized	$3,693	$8,444	$4,751	56.3%	-$18,764	-$4,865	$13,899	-285.7%
5760 · Irrigation Maintenance	$1,304	$1,981	$678	34.2%	$10,258	$6,383	-$3,875	-60.7%
5770 · Consumable Tools	$410	$406	-$4	-1.0%	$2,187	$3,177	$991	31.2%
5780 · Tee and Green Supplies	$0	$0	$0	0.0%	$556	$2,644	$2,088	79.0%
5795 · Janitorial Supplies	$0	$0	$0	0.0%	$815	$1,530	$715	46.7%
Total 5700 · PARK MAINTENANCE	**$10,774**	**$17,230**	**$6,456**	37.5%	**$147,439**	**$189,776**	**$42,338**	22.3%
5800 · PARK EQUIPMENT								
5800 · Equipment Maintenance	$1,521	$1,940	$419	21.6%	$21,213	$29,461	$8,247	28.0%
5810 · Equipment Rental	$0	$0	$0	0.0%	$0	$180	$180	100.0%
5820 · Building Maintenance	$1,295	$777	-$518	-66.6%	$18,022	$13,313	-$4,709	-35.4%
5840 · Small Equipment	$0	$0	$0	0.0%	$598	$328	-$270	-82.4%
5860 · Gasoline/Diesel Fuel	$838	$0	-$838	0.0%	$7,873	$13,954	$6,081	43.6%
5880 · Employee work clothes	$0	$62	$62	100.0%	$0	$62	$62	100.0%
Total 5800 · PARK EQUIPMENT	**$3,653**	**$2,779**	**-$874**	-31.4%	**$47,707**	**$57,298**	**$9,591**	16.7%
6000 · CART EXPENSE								
6010 · Cart Lease Expense	$14,500	$0	-$14,500	0.0%	$46,406	$36,028	-$10,379	-28.8%
6020 · Electricity	$466	$395	-$71	-17.9%	$9,211	$8,281	-$931	-11.2%
6030 · Maintenance	$0	$2,410	$2,410	100.0%	$12,464	$8,793	-$3,671	-41.8%
6050 · Cart Insurance	$400	$400	$0	0.0%	$4,000	$4,000	$0	0.0%
6060 · Misc. Cart Expense	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Total 6000 · CART EXPENSE	**$15,366**	**$3,205**	**-$12,161**	-379.4%	**$72,082**	**$57,102**	**-$14,980**	-26.2%
7001 · Uncategorized Expenses								
TOTAL OPERATIONAL EXPENSE	**$141,802**	**$114,753**	**-$27,049**	-23.6%	**$1,138,329**	**$1,173,899**	**$35,570**	3.0%
TOTAL OPERATIONAL NET INCOME	**$21,370**	**$22,740**	**-$1,371**	-6.0%	**-$27,774**	**-$6,091**	**-$21,683**	356.0%
Depreciation/Amortization								
Restructured Debt	$4,762	$10,917	$6,154	56.4%	$47,623	$109,167	$61,544	56.4%
Capital Funding $150k	$175	$1,384	$1,210	87.4%	$1,747	$13,843	$12,097	87.4%
$150K Operating Debt	$194	$1,384	$1,191	86.0%	$1,935	$13,843	$11,908	86.0%
Total Other Expense	**$5,130**	**$13,685**	**$8,555**	62.5%	**$51,305**	**$136,853**	**$85,549**	62.5%
NET INCOME BEFORE CAPITAL EXPENSES	**$16,239**	**$9,055**	**$7,184**	79.3%	**-$79,079**	**-$142,944**	**$63,866**	-44.7%
8000 · OTHER EXPENSE								
8000 · Depreciation/Amortization								
8000 · Depreciation/Amortization Non Cash								
8001 · Capital projects			$0	0.0%			$0	0.0%
8100 - Capital Proj Cash	$0	$4,167	$4,167	100.0%	$10,393	$41,667	$31,274	75.1%
8101 - Capital Proj Financed	$0	$0	$0	0.0%	$32,541	$0	-$32,541	0.0%
Contingency								
Total 8000 · OTHER EXPENSE	$0	$4,167	$4,167	100.0%	$42,934	$41,667	-$1,267	-3.0%
NET INCOME	**$16,239**	**$4,888**	**$11,351**	232.2%	**-$122,012**	**-$184,611**	**$62,599**	-33.9%

City of Norwalk Water Pollution Control Authority
125 East Avenue, Norwalk, CT 06856

FINAL

Sewer Rate Structure Evaluation and Consumption-Based Billing Study

May 2009

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1. Introduction

1.1. Purpose

The purpose of this report is to provide the City of Norwalk Water Pollution Control Authority ("WPCA") with information pertaining to the feasibility and considerations of implementing a consumption-based billing structure. This report presents:

- Potential consumption-based billing alternatives;
- Advantages and disadvantages of consumption-based billing alternatives;
- Potential sewer rate structure alternatives;
- Impact on customer bills;
- Feasibility of implementing consumption-based billing; and
- Legal and regulatory aspects of the existing rate structure and the alternatives presented.

This report represents a joint effort between Malcolm Pirnie, Inc. ("Malcolm Pirnie") and the law firm of Pepe & Hazard, LLP. Pepe & Hazard provided input regarding the legal aspects of the report.

1.2. Reliance on Data Provided by Others

During the course of this project, the Norwalk WPCA, First Taxing District ("First District"), and the South Norwalk Electric and Water ("SNEW") provided Malcolm Pirnie with a variety of technical information, including customer billing, and cost and revenue data. Malcolm Pirnie has reviewed the data for reasonableness and general representation of cost and related activities. Malcolm Pirnie, however, did not independently assess or test the accuracy of such data, historic or projected. We have relied on this data in the formulation of our findings contained in this report. As is often the case, there will be differences between actual and projected data, and these differences may be material. However, we take no responsibility for the accuracy of data or projections provided by or prepared on behalf of the Norwalk WPCA, nor do we have any responsibility for updating this report for events occurring after the date of this report.

1.3. Organization

In addition to this introduction section, this report contains the following sections:

- **Section 2 – Legal and Regulatory Review** – This section provides a legal and regulatory review of the sewer user charge requirements and the existing sewer rate structure. The legal review was provided by Pepe & Hazard, LLP.
- **Section 3 – Consumption-Based Billing Alternatives** – This section provides a summary of potential consumption-based billing alternatives, rate modeling results, and advantages and disadvantages of the alternatives.
- **Section 4 – Customer Billing** – This section describes billing implementation options, cost, and the benefits and challenges of implementing various customer billing and collection options.
- **Section 5 – Conclusions** – This section provides conclusions related to the implementation of a consumption-based billing rate structure approach.

1.4. Existing Rate Structure

The Norwalk WPCA recovers sewer system costs through sewer use rates. Residential customers and commercial and industrial customers that use less than 110,000 gallons of water per year are charged a flat rate by use classification. Commercial and industrial customers that use over 110,000 gallons of water per year are charged a flat rate by use classification, plus a uniform rate for usage over 110,000 gallons per year. Sewer use charges are billed semi-annually and, in most cases are included on the real estate tax bill. A summary of the existing water and sewer rates are provided in Table 1-1.

Table 1-1.
Annual Sewer Rates for July 2008 – June 2009

Use Classification	Rate
Residential:	
Single Family	$225
Two Family	$450
Three Family	$675
Four Family	$900
Apartment Unit/Condominium Unit	$225
Commercial and Mixed Use Properties	
Up to 110,000 gallons	$325
Over 110,000 gallons	$325
plus $5.80 per 1,000 gallons over 110,000 gallons	

2. Legal and Regulatory Review

2.1. USEPA User Charge Regulations

2.1.1. General Requirements

The United States Environmental Protection Agency (USEPA) User Charge Regulations provided in Section 204 of the Clean Water Act provides that after March 1, 1973, Federal grant applicants shall be awarded grants only after the Regional Administrator has determined that the applicant has adopted or will adopt a system of charges to assure that each recipient of waste treatment services will pay its proportionate share of the costs of operation and maintenance, including replacement.[1] The intent of the regulation with respect to user charges is to distribute the cost of operation and maintenance of publicly owned treatment works ("POTWs") among all its users and to promote self-sufficiency with respect to operation and maintenance costs.

The regulating agencies broadly interpret the requirement that each user pay its proportionate share of the costs of operation and maintenance ("O&M") for the system. These interpretations have evolved into at least two basic and acceptable types of user charge systems. The first is to charge each user a share of the wastewater treatment O&M costs based on an estimate of measured proportional contribution to the total wastewater flow and loading. The second system establishes classes for users having similar flows and wastewater characteristics; (i.e., levels of biochemical oxygen demand, suspended solids, etc.). Each class is then assigned its share of the wastewater O&M costs based on the proportional contribution of the class to the total wastewater loading. Assessment of water consumption by user or user class is an acceptable method of measuring or estimating proportional contribution under both of the above basic user charge system types. Under the guidelines, a formula dependent on actual water consumption would be developed and serve as the basis of the user charge. Either of these fee structures can be calculated based on the actual water consumption by each user, basing the charges on a formula dependent upon water consumption data. Each of these options complies with the guidelines.[2]

Several characteristics are required for the user charge system to be approved. These include:

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[1] 40 CFR part 35, subpart E, section 204(b)(1)

[2] Appendix B to Subpart E of Part 35 -- Federal Guidelines -- User Charges for Operation and Maintenance of Publicly Owned Treatment Works, provided as Appendix A to this report.

- The user charge system must result in the distribution of the cost of operation and maintenance of the treatment works within the grantee's jurisdiction to each user (or user class) in proportion to such user's contribution to the total wastewater loadings. Factors such as strength, volume, and delivery flow rate characteristics need to be considered and included as the basis for the user's contribution to ensure a proportional distribution of operation and maintenance costs to each user (or user class).
- For the first year of operation, O&M costs shall be based upon past experience for existing treatment works or some other rational method that can be demonstrated to be applicable.
- The grantee is required to review user charges annually and revise them periodically to reflect actual wastewater treatment O&M costs.
- The user charge system must generate sufficient revenue to offset the cost of all wastewater treatment O&M provided by the grantee.
- The user charge system must be incorporated in one or more municipal legislative enactments or other appropriate authority. If the project is a regional treatment works accepting wastewaters from treatment works owned by others, then the subscribers receiving waste treatment services from the grantee shall have adopted user charge systems in accordance with the guidelines. Such user charge systems also need to be incorporated in the appropriate municipal legislative enactments or other appropriate authority.

2.1.2. Analysis of the Norwalk WPCA's Existing Sewer Rate Structure

As described in Section 1, the Norwalk WPCA recovers sewer system costs from residential customers, and commercial and industrial customers that use less than 110,000 gallons of water per year, based on a flat rate by use classification. Based on a legal review by Pepe & Hazard, LLP, the Norwalk WPCA sewer rate structure meets both state and federal requirements in that it provides sufficient money for operation and maintenance of the wastewater treatment system and allocates the costs proportionally among all classes of users.[3] The use of the word "proportional" is generally accepted to mean proportionate among the classes of users. Moreover, because of the nature and character of industrial and commercial discharges, "proportional" takes into account the heavier burden these users put on the system in terms of both volume and character of the discharge.

A flat rate residential charge is the predominate method of recovering wastewater system costs from residential customers in Connecticut. The Connecticut statute authorizing a WPCA to charge its users provides that a ". . . water pollution control authority may establish and revise fair and reasonable charges for connection with and for the use of

[3] Memorandum from Pepe & Hazard, prepared by Karen Mignone to Robert Maslan, Esq., regarding the authority of the Norwalk WPCA to charge a flat rate residential charge, provided as Appendix B to this report.

a sewerage system."[4] The statute identifies six factors a WPCA may consider in establishing or revising its fee structure for users. These factors are:

(1) the volume of water discharged;
(2) the type or size of the building connected to the system;
(3) the number of plumbing fixtures connected;
(4) the number of persons customarily using the property;
(5) for commercial and industrial properties, the average number of employees and guests using the property; and
(6) the quality and character of the material discharged.

As discussed in the memorandum prepared by Pepe & Hazard, LLP. (Appendix B), the statute specifically authorizes establishment of a "minimum charge for connection with and for the use of a sewerage system."[5] The statute expressly provides for a WPCA to establish minimum charges, which is in essence what the flat rate residential assessment is for the Norwalk WPCA.

The permissible nature of flat rate charges is further supported by the State of Connecticut, Department of Environmental Protection ("DEP") guidance.[6] The DEP guidance on sewer use charges provides information on permitted rate structures and implementation of rate systems. Excerpts from the DEP guidance document are included as Appendix C.

2.2. Hardship Exemptions in Connecticut

The entire purpose of requirements imposed by the USEPA and the state on billing methodologies is to avoid allowing any user (except apparently the federal government, which coincidently was the originator of the requirement) to claim an exemption from sewer use charges based on its status as a tax-exempt entity. There are narrow exceptions to the "all users must pay" structure limited to low income housing and the elderly, but in essence every discharger, regardless of tax status, is responsible for contributing to payment of costs associated with the O&M of a sewage collection and treatment system. This system reflects the importance placed on wastewater treatment facilities having sufficient funds to operate in a manner that protects and preserves the waters of the United States.

There is also a requirement that the funds for O&M of the wastewater treatment facility be segregated from any state or municipal general fund to keep state or local governments

[4] C.G.S. §7-255(a).
[5] Ibid.
[6] "The Costs of Clean Water; A Sewer User Charge Rate Survey and Guidance Manual, State of Connecticut, Department of Environmental Protection; Greci, Dennis (March 1999)

from reallocating the sewer funds for other uses. This was a historic problem with municipalities. The municipalities are then expected to remedy the resulting budget shortfalls for wastewater treatment facilities Clean Water Fund grants; or worse, if such funding was not available, allowing deterioration of the facilities. The segregated funding requirements arose in the 1970s when the USEPA realized that many municipalities had allowed the infrastructure of wastewater treatment plants to deteriorate, with some on the verge of collapse, because money intended for maintenance and capital projects had been diverted for unrelated projects. Thus, the USEPA implemented requirements to ensure that operators of publicly owned treatment works ("POTWs") or the municipalities with oversight responsibility for the POTWs were not rewarded for bad planning and fiscal irresponsibility. Diversion of WPCA funds for an unrelated use may result in the loss of funding.

2.3. Tax Considerations

Neither the USEPA User Charge Regulations or the State of Connecticut, DEP Sewer User Charge Guidance manual allow for exemptions from paying a fair share of the cost of wastewater conveyance and treatment, other than for qualifying low income and elderly customers.[7] Therefore, regardless of the sewer user charge structure selected, each class of customer that may be exempt from property or sales tax, including educational, governmental and religious institutions, is required to pay its fair share of the sewer related costs.

Similarly, since the sewer user charge is a fee for service and not classified as a tax, the state and federal tax codes do not allow for the deduction of sewer user charges regardless of the sewer user charge structure selected, or what term is used for that charge. Sewer use charges are treated the same way private garbage and snow removal are for purposes of the tax code; that is there is no deduction allowed. Specifically, the United States Tax Code does not permit itemized deductions for services including sewer services, even if payment for such services is made to the taxing authority.[8]

The US Tax Code does allow deduction of certain *ad valorem* taxes; however, *ad valorem* is not likely meet the requirements of state and federal regulations as an appropriate fee structure. The Clean Water Act limits *ad valorem* billing to certain specific circumstances which do not apply to Norwalk. Specifically, *ad valorem* is permitted pursuant to the Clean Water Act only when:

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[7] Ibid, p.8. (See Appendix C for excerpt from this document)

[8] 26 U.S.C. §164 limits deductions to real estate taxes. This is limited to real property taxes and *ad valorem* taxes, and specifically excludes fees for services such as water, sewer and trash collection. Local benefits taxes are in general not deductible, unless it is possible to determine what portion of that assessment is attributable to maintenance, repair or interest. If it is not possible to make such a determination, then none of the charge is deductible. *See http://irs.gov/publications/p17/cc22.html "Real Estate Items You Cannot Deduct"*

(a) the system was in place on March 5, 1992 and it works;

(b) industrial and commercial users of greater than 25,000 gallons per day pay actual charges; and

(c) the Commissioner of DEP agrees that the system works.

Connecticut DEP encourages consumption-based billing. Implementation of an *ad valorem* system would require approval of DEP, and as DEP actively encourages the shift from *ad valorem* to other billing structures, it is unlikely that such approval would be granted. Finally, the Clean Water Act specifies that the *ad valorem* system be in place in 1992. The statute and regulations are silent as to whether having an *ad valorem* tax in place in 1992 would permit the reinstitution of such a fee system, but the state and federal statute and regulations do not support such a conclusion.

Even if approval of an *ad valorem* rate structure were to be approved by DEP, that does not make the sewer charges tax deductible. Under the federal tax code, a personal property tax is an *ad valorem* tax only if it satisfies three conditions. First, the tax must be imposed on an annual basis even if collected more frequently or less frequently. Second, the tax must be *ad valorem*, that is, substantially in proportion to the value of the personal property. Third, the tax must be imposed in respect of personal property.[9] The U. S. Tax Code does not include a tax based on criteria other than value as an *ad valorem* tax.[10] Thus, a tax based on the weight or horsepower of an automobile is not an ad valorem tax. Similarly, a tax is based on a service provided and unrelated to the value of the taxed property would not be a true *ad valorem* tax, and thus would not be deductible under the tax code.

Since these tax considerations are not dependent upon the sewer rate structure selected, they should not be part of the consideration for selecting or eliminating a rate structure alternative from consideration.

[9] Reg. Sec. 1.164-3.
[10] Reg. Sec. 1.164-3(c)(1).

3. Consumption-Based Billing Alternatives

3.1. Description of Alternatives

In accordance with the USEPA User Charge Regulations, each user (or class of users) must pay its proportionate share of operation and maintenance (including replacement) costs of the waste treatment services based upon the quantity and character of its discharge.[11] While the regulations permit the establishment of a flat charge for each class of users having similar flows and wastewater characteristics (See Section 2 Legal and Regulatory Review), consideration must be given to these regulations in establishing consumption based billing alternatives.

Since the regulations prescribe that users must pay operation and maintenance (including replacement) costs based on the quantity and characteristics of its wastewater, the consumption based billing structure alternatives must comply with this requirement. The following consumption based billing alternatives have been prepared for the Norwalk WPCA's consideration.

3.1.1. One-Part Structure (Volumetric Charge)

A one-part billing structure is a billing structure that is based entirely on one factor, such as wastewater flow. Under this alternative water consumption is used as a proxy for each customer's wastewater flow. This alternative may be appropriate if the treatment system is primarily flow dependent or if the biological oxygen demand ("BOD"), suspended solids, and other pollutant concentrations are approximately equal.[12] This one part consumption-based billing structure can be represented by the following formula:

$$C_u = C_T / V_T (V_u)$$

Where:

C_u = The user charge

C_T = The total annual operation, maintenance, and replacement cost

V_T = The total annual volume of all users

V_u = The annual volume contribution for a particular user.

[11] 40 CFR 35.929-1 (a)

[12] Appendix B to Subpart E of 40 CFR part 35, User Charges for Operation and Maintenance of Publicly Owned Treatment Works, provided as Appendix A to this report.

This sewer rate structure is completely based on each customer's flow (i.e., water consumption) and assumes that all customers wastewater is uniform in strength.

3.1.2. Two-Part Structure (Fixed and Volumetric Charge)

A two-part billing structure is a billing structure that is based on two factors, such as a volumetric charge based on wastewater flow and a fixed charge. Under this alternative, water consumption is used as a proxy for each customer's wastewater flow similar to the one-part structure described above. However, a fixed charge is added to recover the portion of the costs that do not vary by the volume or strength of wastewater discharged by a customer. Fixed charges commonly take the form of service charges, meter charges, minimum charges, administrative charges, or a combination of these. A service charge is typically applied equally to all customers. A meter charge may be implemented that establishes a fixed fee that increases with water meter size so as to recognize the costs for maintaining different size connections. A minimum charge may be used to recover a portion of the fixed and volume-related costs and improve revenue stability. An administrative charge may be used to recover billing and administrative costs based on frequency of billing or level of customer services. The two-part consumption-based billing structure, with a fixed charge and a volumetric charge, can be represented by the following formula:

$$C_u = C_T / V_T (V_u) + C_F$$

Where:

C_u = The user charge

C_T = The total annual operation, maintenance, and replacement cost

V_T = The total annual volume of all users

V_u = The annual volume contribution for a particular user

C_F = The fixed user charge applied equally to all customers or by meter size, calculated as the capital or fixed revenue requirement divided by the number of customer bills or number of meter equivalents.

3.1.3. Multi-Part Structure

A multi-part billing structure is a billing structure that is based on multiple factors. It is applicable when BOD, suspended solids, or other pollutant concentrations from a user exceed the range of concentration of these pollutants in normal domestic sewage. In this case a surcharge is added to a base volumetric charge. A multi-part consumption-based billing structure, with a base charge and surcharges for wastewater strength, can be represented by the following formula:

$$C_u = C_T / V_T (V_u) + C_s$$

Where Cs is defined as: $Cs = [B_c(B) + S_C(S) + P_cP\ ]\ V_u$

And where:

B_c = The operation and maintenance cost for treatment of a unit of BOD

B = The concentration of BOD from a user above a base level

S_c = The operation and maintenance cost for treatment of a unit of suspended solids

S = The concentration of suspended solids from a user above a base level

P_c = The operation and maintenance cost for treatment of any pollutant

P = The concentration of any pollutant from a user above a base level.

This sewer rate structure assumes that all customers' wastewater strength is not uniform, and recovers the excess strength through surcharges. In addition, a fixed charge is sometimes added to this rate structure to recover a portion of the fixed costs, similar to the two-part structure presented above.

3.2. Projected Sewer Rates Under Consumption-Based Billing

Projected sewer rates for the Norwalk WPCA were developed under the one part, and two-part structures for illustration purposes. The illustration is based on the following assumptions:

- A sewer rate revenue requirement of $10,877,000 corresponding to the budgeted FY09 rate revenues from City customers, plus the annual incremental billing costs shown in Table 3-1.
- A total number of sewer accounts equal to 20,241 as detailed in Appendix D.
- Calculated sewer rates for residential customers were based upon wintertime water consumption. The water consumption data from SNEW was from 2007. The residential water consumption data from First District was from 2005, and the commercial water consumption data from First District was from 2007. First District did not provide updated residential water consumption data for 2007 as requested.
- Total annual billed water consumption of 3,027,005,000 gallons, and total annual billed water consumption, based on wintertime water consumption for residential customers, of 2,893,670,000.

- A service charge (for the two-part structure) that recovers approximately 10 percent of the rate revenue requirement, which is uniform for each class of customer. Note other variations of the service charge assumption are possible.
- A volumetric rate that is the same for each class of customer.

The resulting projected sewer rates based on these assumptions and using the one-part structure described in Section 3.1.1 is shown below:

Volumetric Rate	\$3.76 per 1,000 gallons (\$2.81 per hundred cubic feet)

The projected sewer rates using a two-part structure as described in Section 2.1 is shown below:

Service Charge	\$40 (Annual Amount)
Volumetric Rate	\$3.48 per 1,000 gallons (\$2.60 per hundred cubic feet)

The sewer rate modeling results for these illustrations are provided in Appendix D. A comparison of the above estimates to current rates is provided in the following section of this report. It is important to note, however, that the rates shown above are for illustration purposes only and do not necessarily represent the cost responsibility of various customer classes. For example, these illustrations assume that the wastewater from residential, commercial, and industrial customers is domestic strength in terms of its BOD, TSS, fats, oils, and grease ("FOG") concentration. A detailed cost of service study would be necessary to determine strength-related costs, and to allocate such costs to each class of customer. Since residential, commercial, and industrial customers may discharge wastewater with different concentrations of BOD, TSS, and FOG, a multi-part structure may be most appropriate to equitably allocate costs to customer classes. However, such a cost of service study was beyond the scope of this study.

3.3. Customer Bill Comparison

A customer bill comparison was completed to compare the average (i.e., median) and 25th percentile and 75th percentile sewer bill for single-family residential customers, and average for multi-family residential, commercial, and industrial customers under the existing sanitary sewer use rates to the potential rates under a consumption-based billing structure approach. The results of the comparison are shown in Table 3-1.

The customer bill comparison indicates that the median annual sewer bill for a residential and commercial customer could potentially increase, and the median annual bill for an industrial customer could potentially decrease if a consumption-based billing structure was to be implemented. Furthermore, for the residential customer class, the greater the amount of billed consumption, the higher the annual bill will be under the one-part or two-part structure as compared to the existing rate structure. For both the commercial and industrial customer classes, the greater the amount of annual billed consumption, the lower the annual bill will be under the one-part or two-part structure as compared to the existing rate structure. This is because the existing sewer rate for usage over 110,000 is $5.80 per 1,000 gallons versus the one-part and two-part volumetric rate (estimated based on available water consumption data) of $3.76 and $3.48 per 1,000 gallons, respectively. Also, it is important to note that this comparison assumes that the median residential, commercial, and industrial customer discharge wastewater that is considered "domestic strength". If strength surcharges were implemented and added to the industrial bill, it would increase the bill for an industrial customer that discharges high strength wastewater under the one-part and two-part structures.

Table 3-1.
Customer Bill Comparison

Description	Existing Rate Structure	One-Part Structure	Two-Part Structure
Single-Family Residential			
Annual Residential Bill - 25th %	$225	$169	$197
Annual Residential Bill - 50th %[1]	$225	$267	$287
Annual Residential Bill - 75th %	$225	$399	$409
Multi-Family Residential[2]			
Two Family Unit	$450	$534	$534
Three Family Unit	$675	$801	$781
Four Family Unit	$900	$1,068	$1,028
Annual Commercial Bill[3]	$418	$464	$468
Annual Industrial Bill[4]	$603	$581	$577

[1]25th, 50th, and 75th percentile based on 45,000 gallons, 71,000 gallons, and 106,000 gallons of billed water consumption for residential, respectively.
[2]Assumes 142,000 gallons, 213,000 gallons, and 284,000 gallons of billed water consumption for two-, three- and four- family residential, respectively.
[3]Based on median 126,000 gallons of billed water consumption for commercial.
[4]Based on median 158,000 gallons of billed water consumption for industrial.

3.4. Advantages / Disadvantages of Alternatives

3.4.1. Existing Flat Billing Structure

The WPCA's existing billing structure consists of a flat rate for residential, commercial, and industrial customers that use less than 110,000 gallons of water per year, and a combination of a flat rate and a volumetric rate for commercial and industrial customers that use over 110,000 gallons of water per year. This billing structure satisfies the USEPA User Charge Regulations (as discussed in Section 2), is relatively easy (and inexpensive) to administer as compared to other consumption-based billing structures, does not require the reliance on residential water consumption data from First District and SNEW, and results in a stable revenue source that does not significantly fluctuate by annual residential water consumption and associated variable seasonal factors. One primary disadvantage of a flat rate structure for residential customers is that it may disadvantage low-volume, low-income users who may otherwise reduce water usage to make the sewer bills more affordable. Similarly, the existing billing structure may benefit higher volume residential customers that may discharge more wastewater to the system than the average residential customer.

3.4.2. One-Part Structure (Volumetric Charge)

The primary advantages of a one-part consumption-based billing structure are its relative ease of administration and ease of public understanding as compared to other more complex consumption-based billing structures, and its ability to provide customers with an incentive to conserve water, resulting in a lower sewer bill. However, more frequent billing (e.g., quarterly) would be necessary to allow customers to react, reduce consumption, and lower their sewer bill. The primary disadvantages of this structure are its relative lack of revenue stability due to its direct ties to water consumption and seasonal factors, and its relative lack of recognition of cost of service differentials by customer class, such as differences in wastewater strength from specific customers or customer classes. Under the one-part structure, the Norwalk WPCA would likely need to build a contingency rate stabilization reserve to manage the potential significant fluctuations in revenue that would result from seasonal weather factors under this rate structure. In addition, this alternative will likely be more costly to administer as compared to the existing flat rate structure for residential customers. For these reasons, this structure is not recommended.

3.4.3. Two-Part Structure (Fixed and Volumetric Charge)

The primary advantages of a two-part consumption-based billing structure are its relative ease of administration and ease of public understanding as compared to other more complex consumption-based billing structures, improved revenue stability as a portion of the revenue is only affected by the change in the number of customers and not seasonal fluctuations in water consumption, and its ability to provide customers with a partial incentive to conserve water, resulting in a lower sewer bill. The primary disadvantages of this structure are its relative lack of recognition of cost of service differentials by customer class, such as differences in wastewater strength from specific customers or customer classes, and, to a lesser extent, its relative disadvantage to low-volume, low-income users who might reduce water consumption to make sewer bills more affordable. In addition, this alternative will likely be more costly to administer as compared to the existing flat rate structure for residential customers.

3.4.4. Multi-Part Structure

The primary advantage of a multi-part consumption-based billing structure is its equity. This type of structure provides the most direct cost of service linkage between a customer's or customer classes' service demands and its sewer bill. The primary disadvantages of this structure include its relative complexity of administration and understanding by the public, as compared to other more simple consumption-based billing structures, and in the case of strength surcharges, wastewater sampling is required to characterize a customer's waste stream. In addition, this rate structure adds to the complexity and expense of customer billing and administration.

3.4.5. Summary of Advantages and Disadvantages

A summary of the advantages and disadvantages of the sewer rate structure alternatives is provided in Table 3-2.

Table 3-2.
Summary of Advantages and Disadvantages

Alternative	Advantages	Disadvantages
Existing Flat Billing Structure	- Satisfies the USEPA User Charge Regulations. - Relatively easy (and inexpensive) to administer. - Does not require the reliance on residential water consumption data. - Results in a stable revenue source. - Relatively less costly to administer than other alternatives.	- May disadvantage low-volume, low-income users who may otherwise reduce water usage to make the sewer bills more affordable.
One-Part Billing Structure	- Relative ease of administration and ease of public understanding. - May provide customers with an incentive to conserve, resulting in a lower sewer bill.	- Potential revenue instability. - Potential lack of recognition of cost of service differentials by customer class. - More costly than existing structure to implement.
Two-Part Billing Structure	- Relative ease of administration and ease of public understanding. - Improved revenue stability over One Part Structure. - Can provide customers with a partial incentive to conserve.	- More costly than existing structure to implement - Potential lack of recognition of cost of service differentials by customer class.
Multi-Part Billing Structure	- Recognition of cost of service differentials by customer class.	- Complexity of administration and understanding by the public. - More costly than existing structure to implement.

4. Customer Billing

4.1. Billing Options

The Norwalk WPCA should consider two billing options if they move ahead with a consumption based billing approach for all sewer customers. These include contracting billing services to a third party or continuing to complete all billing services in house. These options are described in more detail below.

Option 1 – Contracting Billing Services to a Third Party

This option would consist of having the First District, SNEW, or another third party provide billing and collection services on behalf of the Norwalk WPCA. Under this option, the Norwalk WPCA would provide billing rates, account information, and annual fees to these entities in exchange for issuing sewer bills and collecting sewer revenues on behalf of the WPCA.

In November 2008, Malcolm Pirnie solicited requests for quotations from First District and SNEW to assess their interest in providing billing services. First District did not respond to the request but stated in a phone conversation that First District is currently using outdated billing software that is difficult to customize and update, and is planning to upgrade its billing system with state-of-the-art billing software beginning sometime in 2009. SNEW responded to the request for quotation by stating that it is not seeking to expand its business to provide billing and collection services, but suggested that SNEW and the Norwalk WPCA further discuss the requested services and whether a scope of services could be developed to provide a cost effective solution that benefits the Norwalk community.

Subsequently, on January 9, 2009 a meeting was held with the SNEW general manager Mr. John Hitchcock, and the Norwalk Director of the Department of Public Works to discuss the requested scope of services. At this meeting SNEW made it clear that SNEW is not necessarily interested in accomplishing billing for the Norwalk WPCA, but would clarify its interest in billing-related tasks it would be willing to take on.

Option 2 – Provide Billing Services In-House

This option would consist of the Norwalk WPCA obtaining water consumption data for all customers served by First District and SNEW, and providing billing services in-house. Under this option, the Norwalk WPCA would need to acquire customer billing data from both First District and SNEW on a routine basis. In addition, if bills were to be issued at a frequency of more than twice per year (note quarterly or monthly sewer consumption-based billing is common under a consumption based structure), the WPCA would have to issue separate sewer bills, instead of including sewer charges on the tax bill. In addition, the WPCA would need to manage billing and the collection of revenues, which may occur on a more frequent basis than the current process.

4.2. Billing Costs

Option 1 – Contracting Billing Services to a Third Party

Budgetary quotes for providing billing services (i.e., issuing bills, receipt and processing of payment, maintenance of customer data, etc.) have been requested from First District and SNEW. However, such quotes have yet to be received from these entities. Based on published surveys and Malcolm Pirnie experience, it is estimated that billing and collection services could cost in the range of \$3.00 to \$5.00 per bill[13] or approximately \$250,000 to \$400,000 annually if consumption based bills were issued on a quarterly basis.

As a point of comparison, Malcolm Pirnie is engaged in providing services to a sewer utility currently in the process of assuming control over its billing and collection processes. That utility currently contracts those functions to their companion water utility. That water authority is in the process of replacing its aging customer information and billing system with a newer commercial product at a cost of nearly \$10 million. The pass-through costs to the sewer authority represent a very significant increase in billing costs per customer, and are clearly higher than what the sewer authority would spend operating its own system. If the Norwalk WPCA contracts this service to an outside third party, it would bear some risk associated with being reliant on the water districts to provide such services, and the cost of these services could potentially increase from the "introductory price" over time.

Option 2 – Provide Billing Services In-House

First District currently provides commercial water consumption data to the Norwalk WPCA for a cost of \$0.53 per account per year. However, First District does not provide residential water consumption data. SNEW currently provides the WPCA with commercial water consumption data at a nominal cost. Under consumption based billing, the WPCA would likely have to continue to pay for water consumption data from SNEW and First District.

If the Norwalk WPCA were to complete the consumption based billing in-house, it would likely require the implementation of a customer information system (CIS). Currently,

[13] Benchmarking Performance Indicators for Water and Wastewater Utilities: Survey Data and Analysis Report, American Waterworks Association, 2005.

the Norwalk WPCA includes the sewer charge on the City's tax bills and integrates the Microsoft Excel-based water consumption data into the City's tax billing database. Due to the number of additional residential customers that would need to be billed on a consumption basis, this approach may not be feasible, and a CIS and separate billing system may be required.

Typical CIS implementation costs for utilities similar in size to the Norwalk WPCA is estimated to be in the range of $250,00 to $300,000, including software and implementation, and a typical CIS implementation project would likely take a minimum of 12 to 18 months to implement. In addition, once implemented, it is estimated that the Norwalk WPCA would need an additional one to two additional staff to provide the billing and collection function under a consumption-based billing approach.

The estimated cost of providing consumption based billing and collections in-house is summarized below:

Table 4-1.
Estimated In-House Billing and Bill Collection Cost

Initial Startup Costs		
Customer Information System Costs	$	100,000
CIS Implementation Cost		150,000
Total Estimated Startup Costs[1]	$	250,000
Annual Costs		
Purchase Water Consumption Data[2]	$	21,000
Additional Billing and Collections Staff[3]		162,800
Software Maintenance Cost[4]		15,000
Total Estimated Annual Cost	$	198,800

[1]Based on implementation of a second tier CIS system. If financed, the annualized cost over 10 years at 5 percent interest would be $32,376 per year.
[2]At $0.53 per account, two sets of data/yr (Current First District cost)
[3]Two additional staff at $55,000 per year, plus benefits.
[4]15 percent of CIS software cost.

The estimated cost of providing billing and bill collection services in house versus by an outside third party may be comparable. However, the actual cost of contracting this service will depend upon the pricing offered by the taxing districts.

4.3. Benefits and Challenges

4.3.1. Benefits

The implementation of a consumption-based billing approach for all customers will add to the complexity and expense of customer billing and administration. However, as discussed in Section 3, it allows residential customers the ability to reduce their sewer bill by conserving water. The benefit of completing billing and collection function in house includes maintaining control over billing and the collection of revenues, as compared to being subject to third party's billing and collection policies and procedures, which may differ from the Norwalk WPCA's policies and procedures. The benefit of contracting the billing and collection function to a third party includes the avoidance of the Norwalk WPCA from having to invest in a new CIS system and could result in lower costs depending upon pricing received from a third party.

4.3.2. Challenges

The challenges associated with contracting billing services to a third party include First District's and SNEW's current disinterest in providing billing and collection services to the Norwalk WPCA. In addition, under this alternative, the Norwalk WPCA would lose some control over the policies and procedures associated with revenue generating function of the sewer fund. In addition, since there are differences between the customer information contained in First District's and SNEW's water billing database and the City's tax records (e.g. customer bill addresses versus parcel or owner addresses), a significant amount of billing record reconciliation would need to be completed between the billing databases. This reconciliation is currently completed by the WPCA for a small number of commercial and industrial accounts that the WPCA bills on a consumption basis. However, this effort will significantly increase for reconciliation of residential account information under a consumption based billing approach.

The challenges associated with in-house consumption billing include obtaining the necessary billing information in order to bill residential customers on a consumption basis, funding the initial investment of a CIS system, gaining budget approval for additional budgeting and collections staff, and completing the reconciliation process that would be needed to reconcile the billing databases between First District and SNEW and the City's billing system. It has been suggested that a questionnaire could be sent to each sewer customer requesting water consumption meter data in lieu of obtaining the consumption data from First District. However, this approach would only be practical if all, or at least the majority, of the sewer customers responded to the questionnaire each time it was issued.

Pepe and Hazard, LLP reviewed the issue that arises from the refusal of the First District to provide individual water consumption data to the WPCA and provides some analysis and approaches to addressing the situation, with a goal of avoiding litigation. This issue is discussed further in the ensuing subsection.

4.4. Water Consumption Data Acquisition

Both the First Taxing District and the Norwalk WPCA are political subdivisions of the greater whole, the City of Norwalk. As such, information relevant to the orderly administration of the business of the City should be readily shared among these subdivisions. This information sharing first became an issue in 1988 when a Freedom of Information request was made to the Second Taxing District to obtain water consumption data for its customers to allow for billing users of sewer services. The record is unclear as to why the Freedom of Information Act was selected as the route to obtain this information, as on its face, this request is not within the universe of informational requests intended to be addressed by the Act.

In the 1988 decision, the Freedom of Information Act Commission ("FOIC") determined that the records of water consumption maintained by the Second Taxing District were not protected by FOIA because the information did not constitute "personnel or medical or similar files."[14] Thus the Second Taxing District provided the requested consumption data. Later, similar information was requested from the First Taxing District, also through a FOIA request. The First Taxing District refused the request and an appeal was filed. Between the 1988 decision and the later appeal to the FOIC, Connecticut enacted C.G.S. §262c(e) which provides:

> No provision of the Freedom of Information Act, as defined in section 1-200, shall be construed to require or permit a municipal utility furnishing electric, gas or water service, a municipality furnishing water or sewer service, a district established by special act or pursuant to chapter 105 and furnishing water or sewer service or a regional authority established by special act to furnish water or sewer service to disclose records under the Freedom of Information Act, as defined in section 1-200 which identify or could lead to identification of the utility usage or billing information of individual customers, to the extent such disclosure would ***constitute an invasion of privacy.***(emphasis added)

The right to privacy has evolved over time, and has been recognized by the Supreme Court as a fundamental right. Although not all states have adopted a right to privacy, the Connecticut Supreme Court has recognized this basic right.[15] In determining that such a right exists, the Connecticut Supreme Court went on to identify the scope of that right to

[14] FOI Advisory Op #70 (1988).
[15] *Goodrich v. Waterbury Republican-American,* 188 Conn 107 (1982).

privacy, finding that it consists of four distinct categories: "(a) an unreasonable intrusion upon the seclusion of another; (b) appropriation of the other's name or likeness; (c) unreasonable publicity given to the other's private life; or (d) publicity that unreasonably places the other in a false light before the public."[16]

In adopting C.G.S. §262c(e) the legislature did not identify the right to privacy it intended to protect, nor is such a right defined by the statute. While this provides a basis to challenge the 2003 FOIC decision, the time to take such action has passed; moreover, it is not in the best interest of the City, the WPCA or the First Taxing District to engage in protracted litigation until all other avenues are exhausted.

The Freedom of Information Act is designed to provide a window into government operations and to allow citizens access to information regarding the operations of its government. Frequently referred to as the "Sunshine Law" it was intended to encourage governments to operate in the open and to discourage back room dealings and clandestine activities by elected officials. During its evolution, it was recognized that certain information should not be subject to open review by the general public: specifically personnel and medical information and similar information that constitutes an invasion of privacy of an individual merited protection from FOI review.

It is difficult to reconstruct the 2003 appeal process or to understand what the FOIC believed it was protecting when it issued its decision. A plain reading of the opinion seems to indicate that the decision was based purely on a rote application of C.G.S. §262c(e) without consideration of its qualifying language.

As the application of C.G.S. §262c(e) is limited to information that would constitute an "invasion of privacy" and the elements of such an invasion as that right has been defined by the Connecticut Supreme Court, are not included in the request for information from the First Taxing District, it would be reasonable to expect that an agreement could be reached. Simply stated, it should not be difficult to ensure that providing of the requested information relating to the residential customers of the First Taxing District in recognition of those elements enumerated by the Connecticut Supreme Court. Furthermore, the information would be used within the same municipality to provide more accurate billing for services for which its customers now pay a flat rate the FOIA is not even implicated/

It is noted that the system of obtaining water consumption data for purposes of billing for sewer use is common throughout the State of Connecticut. It is absurd to believe that in the entire State of Connecticut only one part of Norwalk is in compliance with the elements of C.G.S. §262c(e). The more likely explanation is that the FOIC was not presented with sufficient information to assess the import of C.G.S. §262c(e) and

[16] *Goodrich* at 128.

to determine that the requested information did not rise to an "invasion of privacy" as intended by the statute. Moreover, it is clear that the issue of whether this was even an issue for FOIC consideration was not raised, and thus was not addressed by the Commission.

There is additional analysis that should be considered here. FOIA is designed to give individuals access to government information, and the exceptions to FOIA are intended to protect individuals from invasions of privacy. In this instance, the information is being requested by what is essentially a smaller unit providing services to and part of the same municipal whole. Moreover, the information is being used to provide a benefit to the individual users; that is billing based on consumption (which provides the potential for users to reduce the charges through conservation and other measures). Finally, the information does not come within the elements identified by the Connecticut Supreme Court as protected private information. Thus, there is a legal, defensible basis upon which to re-open negotiations with the First Taxing District. The way to proceed is a strategic decision that should be made when the WPCA makes its determination on rates and billings. The recalcitrance of the Taxing District should not be a driver in making that decision.

5. Conclusions

The conclusions associated with this report are summarized as follows:

- If the WPCA decides to proceed with a consumption-based billing approach, it will likely incur significant additional cost associated with billing and collections. If outsourced, billing and collection services could cost in the range of approximately $250,000 to $400,000 annually. If this function is maintained in-house, it would likely require the implementation of a customer information system and one to two additional staff to manage billing and collections. Therefore, the estimated cost of providing billing and bill collection services in house versus by an outside third party is anticipated to be comparable.
- The Norwalk WPCA sewer rate structure meets both State and Federal requirements in that it provides sufficient money for operation and maintenance of the wastewater treatment system and allocates the costs proportionally among all classes of users.
- A flat rate residential charge is the predominate method of recovering wastewater system costs from residential customers in Connecticut.
- Neither the USEPA User Charge Regulations or the State of Connecticut, DEP Sewer User Charge Guidance manual allow for exemptions from paying a fair share of the cost of wastewater conveyance and treatment, other than for qualifying low income and elderly customers
- A sewer user charge is not considered a tax. Therefore, the State and Federal Tax Code does not allow sewer user charge payment to be deducted for tax purpose regardless of the sewer user charge structure selected.
- Since tax considerations are not dependent upon the sewer rate structure selected, they should not be part of the consideration for selecting or eliminating a rate structure alternative from consideration.
- The benefits of the existing flat rate structure are that it satisfies the USEPA User Charge Regulations, is relatively easy (and inexpensive) to administer, as compared to other consumption-based billing structures, does not require the reliance on residential water consumption data from First District and SNEW, and results in a stable revenue source that does not significantly fluctuate by annual residential water consumption and associated variable seasonal factors. One primary disadvantage of a flat rate structure for residential customers is that it may disadvantage low-volume, low-income users who may otherwise reduce water usage to make the sewer bills more affordable.
- Several acceptable consumption-based sewer billing structures are available to the Norwalk WPCA if it decides to proceed with such a billing approach, including, one-

part, two-part, and multi-part sewer rate structures. However, since residential, commercial, and industrial customers may discharge wastewater with different concentrations of BOD, TSS, and FOG a multi-part structure may be most appropriate. However, a detailed cost of service study would be necessary to determine strength-related costs, to allocate such costs to each class of customer, and to allocate a multi-part consumption-based rate structure. Such a study would be required on a periodic basis, thereby increasing the cost of implementing a multi-part sewer rate structure.

- Contracting billing services to First District or SNEW may prove to be difficult, as both entities have expressed a disinterest in providing billing and collection services to the Norwalk WPCA. Implementing consumption-based billing, while maintaining the billing and collection function in-house, will also be a challenge as First District has been unwilling to provide residential consumption-based billing data. However, without this data, a consumption based billing approach for residential customers can not be implemented.

If the challenges associated with implementing a consumption-based billing approach can be overcome, the implementation of such a billing approach would be feasible, but would likely cost the WPCA significantly more to implement and administer than the current sewer fee structure. The estimated timeframe required to implement such an approach, once the challenges associated with obtaining residential consumption data are overcome and the WPCA adopts such an approach, is estimated to be approximately 12 to 18 months.