FINANCE/CLAIMS COMMITTEE MEETING
Thursday April 9, 2015 7:00P.M.

CITY HALL
Room 101
125 East Avenue
Norwalk, Connecticut
AGENDA

1. Public Participation

2. Approve the Minutes of the following Finance Committee Meeting:
   March 12, 2015

3. Claims Committee: receive the monthly Claims report; review and approve claims as required for Claims Report dated:
   April 9, 2015

4. Narrative on Tax Collections dated April 9, 2015- Receive Report and discuss.

5. Monthly Tax Collector's Reports - Receive Reports and discuss:
   March 31, 2015

6. Receive Oak Hills Authority Monthly Financial Statements for February 28, 2015.

7. Discussion of Oak Hill Authority Financial Obligations to the City.

8. Authorize the Mayor, Harry W. Rilling, to execute a lease agreement with 332 Wilson Avenue LLC, c/o Stanley M. Seligson Properties, to lease approximately 1.9 acres of land with improvements located at 332 Wilson Avenue for purposes of a school bus depot, based upon the terms and conditions outlined in the attached term sheet. Account#: TBD Board of Education account

9. Approve FY 2015-16 Parking Authority Budget.

10. Approve FY2015-16 WPCA Budget.

11. Authorize the Mayor, Harry W. Rilling, to execute a contract with Hooker & Holcombe, Inc. to perform the City's pension and OPEB actuarial valuations for the five-year period beginning July 1, 2015 and ending June 30, 2020 for an amount not to exceed $296,000. Account #: Various Account #Pension Funds and 711342-5258.

12. Authorize the Mayor, Harry W. Rilling, to execute a contract with McGladrey, LLP to perform the City's annual financial statement audit for the five-year period beginning July 1, 2014 and ending June 30, 2019 for an amount not to exceed $475,000. Account #011310-5253.

13. Receive Board of Estimate and Taxation Appropriations dated:
    April 6, 2015

CITY OF NORWALK
FINANCE CLAIMS COMMITTEE
MARCH 12, 2015

ATTENDANCE: Bruce Kimmel, Chair; Douglas Hempstead; John Igneri; Jerry Petrini; Travis Simms (7:08 p.m.)

STAFF: Thomas Hamilton, Finance Director; Robert Barron, Director Management and Budgets; Frederick Gilden, Comptroller

OTHERS: Ernest DesRochers and Clyde Mount, Oak Hills Park Authority

Mr. Kimmel called the meeting to order at 7:02 p.m. A quorum was present.

PUBLIC PARTICIPATION

There were no members of the public present who wished to speak this evening.

** **MR. HEMPSTEAD MOVED TO APPROVE THE MINUTES OF THE FOLLOWING FINANCE COMMITTEE MEETINGS:**

FEBRUARY 12, 2015 & FEBRUARY 19, 201 5

** **MOTION PASSED UNANIMOUSLY**

CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT; REVIEW AND APPROVE CLAIMS AS REQUIRED FOR CLAIMS REPORT DATED:
MARCH 12, 2015

NARRATIVE ON TAX COLLECTIONS DATED MARCH 12, 2015- RECEIVE REPORT AND DISCUSS.

MONTHLY TAX COLLECTOR'S REPORTS - RECEIVE REPORTS AND DISCUSS:
FEBRUARY 28, 2015

Ms. Biagiarelli reviewed her written reports. She reported that they are slightly ahead of last year. Demand notices were sent out on March 6th. When the notices were sent, they heard from residents how said that they had mailed their checks.

Mr. Simms joined the meeting at 7:08 p.m.

Ms. Biagiarelli said that Mr. Foley has tried to meet with the new Post Master to discuss the issue. The Finance Director is aware of this and has heard from other departments having problems with their mail.

There were no special requests this month.

RECEIVE OAK HILLS AUTHORITY MONTHLY FINANCIAL STATEMENTS FOR JANUARY 31, 2015.

Mr. Hamilton noted that the key is that this Committee is getting financial statements. January is a slow month for Oak Hills and there is not a lot of financial activity to report. Their cash position is tight, but they have not yet drawn down on their line of credit.

DISCUSSION OF OAK HILL AUTHORITY FINANCIAL OBLIGATIONS TO THE CITY.

Mr. DesRochers said that the Oak Hills Park Authority wanted to give an update of where they stand. They will have a formal proposal next month. He said that they want to know why it cost over $500.00 per square foot to build the restaurant.

Mr. DesRochers said that the Master Plan Committee got a proposal from the National Golf Foundation; they are the arbiter of data for golf courses. The total cost for a feasibility study is $15,000 and they would like to City to pay for the study to determine how an unbiased third party feels about the proposal for a golf school.

Mr. DesRochers said that they wanted to review the financial statements and they are close to completing that review. They reviewed the appropriate files to get an understanding of the restaurant costs. He said that if they stay on course, he believes their revenues will result in their third or fourth best year. The average rate collected has gone up since 2004 and their overall profitability peaked in 2008. Mr. DesRochers gave a financial snapshot and said that they feel the City should help them to re-capitalize Oak Hills Park.

Mr. Petrini thanked Mr. DesRochers and said that the members of the Oak Hills Park Authority are volunteers and have a herculean job ahead of them. He said that they are spending $232,000 per year on debt service for the restaurant. He said that there should be a way to reduce the debt service. Mr. Petrini noted that the City forgave a lot of debt for The Maritime Aquarium and gave Stepping Stones Museum choice property. He said that if the City could lower their debt, they would be able to get their numbers up.

Mr. Petrini said that having an independent firm do a feasibility study is a good idea. Mr. DesRochers said that they need to figure out how to make the park tremendous. He noted that there are specific requirements to how the park is permitted to be used. He said that he feels so strongly about the feasibility study, that he almost wrote the check himself.

Mr. Kimmel said that it seems that the request for $15,000 should go through the Board of Estimate and Taxation. Mr. Hamilton said that would be an operating request. He said that he asked Mr. Barron to prepare some of the history of debt at Oak Hills Park and how the payment schedule has been modified over the years. He said that the original debt was $2.2 million and the balance is $1.8 million; $136,000 of the debt service is based on the restaurant.

Mr. Hempstead said that the restaurant has been an albatross around their necks and suggested wiping it off the books. Mr. Kimmel said that he wants to do this in a deliberate way and wants to delve into this deeply.

Mr. Barron reviewed the Oak Hills Park restructured debt. He said that a lot of improvements have happened over the last few years. They had two restructures that moved the debt service for the restaurant down to $160,000. In fiscal year 2013/013 the City reduced over $500,000 in payments in a second restructure. They acknowledged that the debt service was too much and they removed over $130,000 per year from the debt service. He said that the current debt service at $160,000 is at a reasonable level. Mr. Barron said that he would rather see their revenues go up and have them work at creating a rainy day fund. He said that he would not make a decision based on their not having an affordable debt service level.

Mr. Hempstead said that they can't go backward and the practical way to look at this is to ask how this would be built today. He said that The Maritime Aquarium went for over 20 years without paying their debt. Mr. Hamilton said that it was a different lease agreement in the case of The Maritime Aquarium; they had to modify their lease agreement just after they opened.

Mr. Igneri said that he was not against looking at restructuring the debt, but the analogy to The Maritime Aquarium is not a good one; they produce revenue in the City.

Mr. Mount said that they used reserves to pay the debt service. They can't pay more and they can't go over 45,000 rounds or it will kill the course. The Oak Hills Park Authority is very passionate about doing the right thing for the City; they want to make this work.

Mr. Petrini said that he did not want to see the golf course drown because of the debt; he feels the driving range is a good idea.

** **MR. HEMPSTEAD MOVED TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO SUBMIT AN APPLICATION TO THE STATE OF CONNECTICUT FOR GRANT FUNDS PROVIDED UNDER THE STATE**

OF CONNECTICUT'S LOCAL CAPITAL IMPROVEMENT FUND FOR 2015 LOCAL CAPITAL IMPROVEMENT PROGRAM ($631 ,512 - 2015 ENTITLEMENT).

Mr. Hamilton explained that this is an annual grant the City receives from the State to help underwrite a portion of the capital budget.

** **MOTION PASSED UNANIMOUSLY**

** **MR. IGNERI MOVED TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE A CONTRACT WITH INDEPENDENT BOND AND INVESTMENT CONSULTANTS, LLC (IBIC) TO PROVIDE FINANCIAL ADVISORY CONSULTING SERVICES FOR THE PERIOD COMMENCING MARCH 1, 2015 AND ENDING FEBRUARY 28, 2020, WITH PRICING FOR SERVICES BASED UPON THE PROPOSAL SUBMITTED BY IBIC TO THE CITY ON DECEMBER 11, 2014. ACCOUNT #09151340-5523.**

Mr. Hamilton explained that this is a financial service relative to the City's issuance of bonds. They assist the City with the entire credit rating process.

Mr. Hamilton said that they received five proposals and interviewed the top three candidates. The current firm is IBIC and they have been very pleased with their services. The selection panel recommended continuing with IBIC. Mr. Hamilton reviewed the pricing structure and they presented the lowest of the proposals. He noted that they can't issue bonds without having a financial advisor.

** **MOTION PASSED UNANIMOUSLY**

** **MR. PETRINI MOVED TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE A RETAINER WITH PULLMAN & COMLEY, LLC TO PROVIDE BOND COUNSEL SERVICES, WITH PRICING FOR SERVICES BASED UPON THE PROPOSAL SUBMITTED BY PULLMAN & COMLEY TO THE CITY ON JANUARY 7, 2015. ACCOUNT #09151340-5523**

Mr. Hamilton explained that this is for the bond counsel service; they are the legal advisors on bond issuance for the City. They render legal opinions on the validity of the offerings. He said that this is a specialized area of the law and reviewed the official statement.

Mr. Hamilton reviewed the RFP process. He said that based on their pricing and strong proposal, he feels this change from Robinson and Cole is warranted.

** **MOTION PASSED UNANIMOUSLY**

JUNE 30, 2014 AUDIT REPORT - PRESENTATION AND DISCUSSION

Mr. Hamilton said that the audit was completed in December and reviewed by the Audit Committee. He reviewed the audit and said that the City had a favorable year. He said that he was satisfied with the fund balance; of all 18 AAA municipalities, Norwalk is the only City.

Mr. Hamilton said that no deficiencies were identified in the audit this year for both the City and the Board of Education.

** **MR. PETRINI MOVED TO ADJOURN**
** **MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 9:25 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services

AGENDA APRIL 09, 2015

CLAIMS COMMITTEE MEETING

REFUNDS PROCESSED CLAIMS COMMITTEE		**APPROVED BY TAX COLLECTOR**		**REPORTED TO CLAIMS COMMITTEE**
BECKE TERRY P		13-MV-304229	($451.65)	ABATEMENT
BETTS CARRIE S		13-MV-304941	($153.72)	OVERPAYMENT
BMW FINANCIAL SERVICES	($4,068.41)	13-MV-SEVERAL SEE BACK UP		PRORATIONS
CAHILL STACY L OR CAHILL DOUGLAS M		13-MV-308496	($92.29)	OVERPAYMENT GARNISHMENT
CHACON EYMY DIANA		13-MV-310559	($70.34)	ABATEMENT
CHASE AUTO FINANCE CORP		13-MV-310919	($463.10)	ABATEMENT
CUTRONE TONI INC		13-MV-314117	($26.94)	PRORATION
DAIMLER TRUST		13-MV-314486	($556.52)	PRORATION
DAIMLER TRUST		13-MV-314331	($668.49)	PRORATION
DAIMLER TRUST		13-MV-314383	($224.63)	PRORATION
	($858.22)	13-MV-314394	($633.59)	PRORATION
ESPINOSA ADRIAN A		13-MV-319463	($126.70)	ABATEMENT
FUSION AUTO FINANCE LLC		13-MV-404763	($52.58)	PRORATION
GANGULI ROHIT		13-MV-323185	($261.97)	OVERPAYMENT
GARCIA MELVIN Y		13-MV-323367	($114.43)	ABATEMENT
HONDA LEASE TRUST		13-MV-329157	($254.54)	ABATEMENT
HONDA LEASE TRUST		13-MV-329346	($273.74)	ABATEMENT
MCCORMICK JOSEPH J		13-MV-408506	($223.55)	PRORATION
NISSAN INFINITI LT		13-MV-345630	($38.64)	PRORATION
NISSAN INFINITI LT		13-MV-409696	($170.83)	PRORATION
NISSAN INFINITI LT		13-MV-345963	($249.63)	PRORATION
PIZARRO ADRIANA		13-MV-350410	($24.26)	PRORATION
PROFUSEK CRAIG G		13-MV-351147	($24.32)	PRORATION
RAMSAY DAVID B		13-MV-410865	($162.83)	ABATEMENT

CLAIMS COMMITTEE MEETING

REFUNDS PROCESSED CLAIMS COMMITTEE		APPROVED BY TAX COLLECTOR		REPORTED TO CLAIMS COMMITTEE
RODRIGUEZ CARLOS M		13-MV-353721	($23.69)	PRORATION
SANDOVAL SERGIO		13-MV-327069	($89.73)	PRORATION
SESLER RACQUEL B		13-MV-357357	($175.99)	OVERPAYMENT
TALLMAN TIFFANY A		13-MV-361034	($380.13)	OVERPAYMENT
TORO MARICELA		13-MV-362530	($77.65)	PRORATION
	($136.90)	13-MV-362529	($59.25)	ABATEMENT
TOYOTA MOTOR CREDIT CORP		13-MV-363378	($127.99)	PRORATION
	($428.96)	13-MV-363398	($300.97)	PRORATION
TOYOTA MOTOR CREDIT CORP	($1,049.67)	13-MV-SEVERAL SEE BACK UP		PRORATIONS
TOYOTA MOTOR CREDIT CORP	($1,574.84)	13-MV-SEVERAL SEE BACK UP		PRORATIONS
TOYOTA LEASE TRUST	($1,593.90)	13-MV-SEVERAL SEE BACK UP		ABATEMENTS & PRORATIONS
USB LEASING LT		13-MV-364481	($368.21)	ABATEMENT
CORELOGIC		13-RE-122289	($4,301.01)	PAID WRONG ACCT
RE: RICCIARDI VINCENT & DAWN				
GARDELLA MARY JANE (50%) &		13-RE-109964	($300.00)	ADJUSTED SEWER USE PER WPCA
GERDHARDT DAVID S CO-TRUSTEE * C/O GARDELLA MARY JAN				
HARVEY INDUSTRIES INC		13-RE-111742	($591.01)	OVERPAYMENT
JRTS LLC		13-RE-113347	($1,605.00)	ADJUSTED SEWER USE FEE PER WPCA
KOTRAN JOSHUA		13-RE-128886	($2,106.08)	OVERPAYMENT/ESCROW
MARCIA & SAUL ASSOCIATES LLC		13-RE-116532	($2,078.00)	ADJUSTED SEWER USE FEE PER WPCA
TD BANK		13-RE-107415	($3,790.79)	DUPLICATE PAYMENT
RE: 8 JENNIFER RD				

SPECIAL REQUEST

GOLDBERG STANLEY M & I BENAY	13-RE-110575	($16,564.00)	ADJ SEWER USE FEE PER WPCA
RE: 3 BEDFORD AVE			

BMW Financial Services

VIN	PLATES	ACCT#	REFUND
5UXZV4C58CL743935	506ZVB	13-305428	$362.53
WBADX1C54BE570127	781WSB	13-321139	$137.17
5UXZW0C50BL660388	506YBV	13-321275	$270.89
WBAKF5C55BE655107	947YGE	13-321199	$412.18
WBAPK5G59BNN24452	513TTW	13-321017	$128.97
WBAPK5C58BA659709	362ROP	13-321266	$429.80
WMWSV3C59DTY29895	677ZLO	13-321081	$423.76
5UXWX5C5XBL709061	302YTR	13-320939	$110.03
WBAKF5C53BE517579	250WHX	11-800386	$736.23
WBAKF5C53BE517579	250WHX	12-800377	$638.62
5UXZV4C56CL749152	321YTR	13-320945	$217.34
WBAUP9C59AVL89294	397XWD	12-404176	$200.89
			$ 4,068.41

Toyota Motor Credit Corp

Veh. Descrip	Plate #	Vin #	Amt Ref.
'10 Toyota Corolla	193YHK	JTDBU4EE5A9105879	227.97
'11 Toyota RAV4	240YLG	2T3BF4DV8BW105842	266.51
'10 Lexus ES350	997YJJ	JTHBK1EG5A2410974	373.63
'11 Toyota RAV4	111YWY	2T3DF4DV4BW132304	181.56
			1049.67

2-492-EP713 - pd 7/25/14 - 248.61
2-492-EU865 pd 7/14/14 355.36
2-492-EU552 7/14/14 498.17
2-492-FB279 pd 7/25/14 435.42

TOYOTA MOTOR CREDIT CORP

BILL	VIN#	PLATE#	AMOUNT
13-363350	2011/LEXUS 2T2BK1BAXBC080992	597YPA	$ 525.23
13-362945	2013/TOYSIE 5TDDK3DC5DS066046	4ADDMS	$ 358.80
13-363367	2011/TOYTCAM 4T1BF3EK3BU757114	674YWG	$ 51.25
13-363430	2013/LEXUS JTHCL5EF7B5011015	956XBS	$ 473.72
13-363446	2010/TOYT COR 2T1BU4EE0AC467760	647ZNJ	$ 165.84
TOTAL			$1,574.84

TOYOTA LEASE TRUST

13-MV-363205	2012/TOYOTACAMRY 4T1BF1FK3CU090050	942YYU	$361.29
13-MV-363280	2011/LEXUSIS250 JTHCF5C24B5050572	136YZD	$185.15
13-MV-363346	2011/LEXS RX350 2T2BK1BAXBC094729	572YMB	$467.11
13-MV-363376	2011/TOYOTPRIUS JTDKN3DU5B0302685	711YVE	$89.32
13-MV-363402	2011/TOYOTHIGHLAND 5TDBK3EH2BS055407	801YMV	$387.35
13-MV-363448	2010/TOYT COROLLA 1NXBU4EE3AZ384936	791ZTY	$103.68
TOTAL			**$1,593.90**

OAK HILLS PARK AUTHORITY
Balance Sheet 14
As of February 28, 2015

	Feb 28, 15	Feb 28, 14
ASSETS		
Current Assets		
Checking/Savings		
1000 · Cash		
1010 · CAP Account - Wells Fargo	818.49	11,152.25
1011 · Money Market - Wells Fargo	1,461.20	26,162.49
1021 · NBT Money Market	8,267.12	0.00
1022 · NBT Payment Account	-21,044.29	0.00
1040 · Escrow Security Dep Apt 2 Right	2,000.26	2,000.26
1050 · Petty	400.00	400.00
Total 1000 · Cash	-8,097.22	39,715.00
Total Checking/Savings	-8,097.22	39,715.00
Other Current Assets		
1100 · Inventory	73,259.28	91,754.20
1200 · Receivables		
1205 · Rents Receivable	3,000.00	23,555.00
Total 1200 · Receivables	3,000.00	23,555.00
1300 · Prepaid Expenses	19,422.00	1,866.72
Total Other Current Assets	95,681.28	117,175.92
Total Current Assets	87,584.06	156,890.92
Fixed Assets		
1500 · Fixed Assets		
1505 · Machinery and Equipment	918,744.60	933,687.91
1510 · Accumulated Depreciation/Amort.	-2,632,015.84	-2,430,971.39
1561 · Park Improvements	1,680,017.75	1,643,767.73
1562 · Restaurant	2,277,134.66	2,277,134.66
Total 1500 · Fixed Assets	2,243,881.17	2,423,618.91
Total Fixed Assets	2,243,881.17	2,423,618.91
Other Assets		
1550 · Other Assets		
1555 · City of Norwalk Escrow Account	120,000.00	80,000.00
Total 1550 · Other Assets	120,000.00	80,000.00
Total Other Assets	120,000.00	80,000.00
TOTAL ASSETS	2,451,465.23	2,660,509.83
LIABILITIES & EQUITY		

OAK HILLS PARK AUTHORITY
Balance Sheet 14
As of February 28, 2015

	Feb 28, 15	Feb 28, 14
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · *Accounts Payable	53,088.53	93,125.16
Total Accounts Payable	53,088.53	93,125.16
Other Current Liabilities		
2050 · Accounts Payable-Tennis Revenue	555.00	985.00
2100 · Accrued Payroll	1,224.24	-363.47
2104 · Accrued retirement contribution	431.63	0.00
2105 · Accrued Vacation Pay	21,922.86	8,782.86
2106 · Accrued Sick Leave Pay	26,447.14	14,993.95
2200 · Accrued Expenses	25,807.64	13,686.64
2210 · Security Deposit-Entrance House		
2212 · Security Dep - Apt 2 Right	2,000.17	2,000.17
Total 2210 · Security Deposit-Entrance House	2,000.17	2,000.17
2230 · NBT Credit Line	19,946.67	0.00
2250 · Deferred Revenue		
2251 · Tournament Deposits	2,800.00	0.00
2250 · Deferred Revenue - Other	5,989.00	0.00
Total 2250 · Deferred Revenue	8,789.00	0.00
2400 · Cart Sales Tax Due	-0.64	586.00
2500 · Monies due City of Norwalk		
2501 · Bond Due to City of Norwalk	90,489.41	90,465.21
2502 · Escrow due to City of Norwalk	26,666.64	26,666.64
2503 · 150k Capital Debt	10,643.06	10,599.48
2504 · 150k Operating Debt	11,074.48	11,786.98
Total 2500 · Monies due City of Norwalk	138,873.59	139,518.31
Total Other Current Liabilities	245,997.30	180,189.46
Total Current Liabilities	299,085.83	273,314.62
Long Term Liabilities		
2700 · Irrigation Debt	248,840.99	254,832.02
2725 · Restaurant debt	1,874,379.32	1,923,786.96
2726 · Paving Debt	92,488.97	95,085.67
2730 · Capital Debt (150k)	122,212.53	136,235.73
2731 · Operating Expense Debt (150k)	122,215.07	136,238.27
2762 · John Deere Loan - 2010	8,037.29	39,246.72
2763 · GE Capital (John Deere) 2012	74,095.43	99,266.84
Total Long Term Liabilities	2,542,269.60	2,684,692.21

OAK HILLS PARK AUTHORITY
Balance Sheet 14
As of February 28, 2015

	Feb 28, 15	Feb 28, 14
Total Liabilities	2,841,355.43	2,958,006.83
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	-519,131.69	-411,459.97
Net Income	-233,253.33	-248,531.85
Total Equity	-389,890.20	-297,497.00
TOTAL LIABILITIES & EQUITY	**2,451,465.23**	**2,660,509.83**

OAK HILLS PARK AUTHORITY
P&L - Current Month Vs. Prior Year Month
February 2015

	Feb 15	Feb 14	$ Change	% Change
Ordinary Income/Expense				
Income				
4000 · REVENUES				
4001 · Golf Revenue				
4010 · Golf Fees	-40.00	0.00	-40.00	-100.0%
4020 · I.D. Cards	4,510.00	23,105.00	-18,595.00	-80.48%
4060 · Golf Revenue - Gift Certif.	390.00	618.00	-228.00	-36.89%
Total 4001 · Golf Revenue	4,860.00	23,723.00	-18,863.00	-79.51%
4200 · Rental Income	1,000.00	1,000.00	0.00	0.0%
4300 · Investment Income	0.82	2.47	-1.65	-66.8%
4400 · Misc. Income	1,500.00	3,228.84	-1,728.84	-53.54%
4600 · Restaurant Income	6,000.00	8,911.00	-2,911.00	-32.67%
Total 4000 · REVENUES	13,360.82	36,865.31	-23,504.49	-63.76%
Total Income	13,360.82	36,865.31	-23,504.49	-63.76%
Gross Profit	13,360.82	36,865.31	-23,504.49	-63.76%
Expense				
5000 · PERSONNEL EXPENSE				
5010 · Management Salary	10,697.18	10,172.24	524.94	5.16%
5030 · Administrative	231.00	531.00	-300.00	-56.5%
5050 · Course Personnel	21,547.09	20,954.47	592.62	2.83%
Total 5000 · PERSONNEL EXPENSE	32,475.27	31,657.71	817.56	2.58%
5200 · EMPLOYEE BENEFITS				
5210 · Payroll Taxes	2,380.99	2,538.55	-157.56	-6.21%
5230 · State Unemployment	1,841.87	2,152.73	-310.86	-14.44%
5250 · Health Insurance	3,960.49	16,272.39	-12,311.90	-75.66%
5260 · Workmans Compensation	1,249.33	1,107.00	142.33	12.86%
5270 · Retirement Plans	287.76	197.37	90.39	45.8%
Total 5200 · EMPLOYEE BENEFITS	9,720.44	22,268.04	-12,547.60	-56.35%
5400 · ADMINISTRATIVE EXPENSES				
5420 · Telephone	479.96	468.79	11.17	2.38%
5430 · Professional Fees	2,250.00	2,083.33	166.67	8.0%
5436 · Advertising	1,200.00	73.30	1,126.70	1,537.11%
5440 · Office Expense	817.93	833.52	-15.59	-1.87%
5441 · Bank Charges	50.54	32.77	17.77	54.23%
5442 · Credit Card Fees	182.39	255.13	-72.74	-28.51%
5461 · Authority Secretarial Services	180.00	187.68	-7.68	-4.09%
5469 · Other Outside Services	156.00	152.00	4.00	2.63%
5470 · Other Administrative	0.00	626.91	-626.91	-100.0%
5480 · Utilities	2,093.60	2,022.91	70.69	3.49%

OAK HILLS PARK AUTHORITY
P&L - Current Month Vs. Prior Year Month
February 2015

	Feb 15	Feb 14	$ Change	% Change
5490 · Water	0.00	23.29	-23.29	-100.0%
5500 · Liability Insurance	3,981.09	3,292.00	689.09	20.93%
5520 · Interest Expense	42.33	340.76	-298.43	-87.58%
5400 · ADMINISTRATIVE EXPENSES - Other	0.00	0.00	0.00	0.0%
Total 5400 · ADMINISTRATIVE EXPENSES	11,433.84	10,392.39	1,041.45	10.02%
5700 · PARK MAINTENANCE				
5710 · Water	312.06	1,533.52	-1,221.46	-79.65%
5720 · Heating Fuel	3,591.77	4,244.61	-652.84	-15.38%
5730 · Grounds Maintenance	-487.61	0.00	-487.61	-100.0%
5750 · Agriculture and Chemicals				
5751 · Agriculture&Chemicals-Purchased	0.00	216.40	-216.40	-100.0%
Total 5750 · Agriculture and Chemicals	0.00	216.40	-216.40	-100.0%
5760 · Irrigation Maintenance	1,259.00	0.00	1,259.00	100.0%
5770 · Consumable Tools	0.00	71.12	-71.12	-100.0%
5780 · Tee and Green Supplies	80.87	0.00	80.87	100.0%
5800 · Equipment Maintenance	887.32	4,617.89	-3,730.57	-80.79%
5820 · Building Maintenance	499.54	1,253.31	-753.77	-60.14%
5840 · Small Equipment	61.98	0.00	61.98	100.0%
5860 · Gasoline/Diesel Fuel	2,393.37	0.00	2,393.37	100.0%
Total 5700 · PARK MAINTENANCE	8,598.30	11,936.85	-3,338.55	-27.97%
6000 · CART EXPENSE				
6020 · Electricity	432.00	394.52	37.48	9.5%
6050 · Cart Insurance	400.00	400.00	0.00	0.0%
Total 6000 · CART EXPENSE	832.00	794.52	37.48	4.72%
Total Expense	63,059.85	77,049.51	-13,989.66	-18.16%
Net Ordinary Income	-49,699.03	-40,184.20	-9,514.83	-23.68%
Other Income/Expense				
Other Expense				
8000 · Depreciation/Amortization	19,048.46	18,929.48	118.98	0.63%
8002 · Bond to City	13,470.60	13,470.58	0.02	0.0%
8003 · Replenish escrow	3,333.33	3,333.33	0.00	0.0%
8004 · Capital Debt to City	1,384.31	1,384.31	0.00	0.0%
8005 · Operating Debt to City	1,384.31	1,384.31	0.00	0.0%
Total Other Expense	38,621.01	38,502.01	119.00	0.31%
Net Other Income	-38,621.01	-38,502.01	-119.00	-0.31%
Net Income	-88,320.04	-78,686.21	-9,633.83	-12.24%

OAK HILLS PARK AUTHORITY
P&L - Current YTD Vs. Prior YTD
July 2014 through February 2015

	Jul '14 - Feb 15	Jul '13 - Feb 14	$ Change	% Change
Ordinary Income/Expense				
Income				
4000 · REVENUES				
4001 · Golf Revenue				
4010 · Golf Fees	527,491.48	516,051.06	11,440.42	2.22%
4020 · I.D. Cards	46,114.00	45,470.00	644.00	1.42%
4030 · Tournament Fees	56,398.00	62,664.00	-6,266.00	-10.0%
4050 · Cart Revenue	178,150.64	169,752.96	8,397.68	4.95%
4060 · Golf Revenue - Gift Certif.	32,986.00	10,582.00	22,404.00	211.72%
4070 · Gift & Rain Checks Redeemed	-8,833.00	-10,631.00	1,798.00	16.91%
4001 · Golf Revenue - Other	0.00	0.00	0.00	0.0%
Total 4001 · Golf Revenue	832,307.12	793,889.02	38,418.10	4.84%
4100 · Tennis Revenue	21,000.00	18,000.00	3,000.00	16.67%
4200 · Rental Income	8,000.00	8,000.00	0.00	0.0%
4300 · Investment Income	76.52	252.88	-176.36	-69.74%
4400 · Misc. Income	15,510.89	13,328.84	2,182.05	16.37%
4500 · Cash Over/Under	193.95	-332.10	526.05	158.4%
4600 · Restaurant Income	48,000.00	71,290.09	-23,290.09	-32.67%
Total 4000 · REVENUES	925,088.48	904,428.73	20,659.75	2.28%
Total Income	925,088.48	904,428.73	20,659.75	2.28%
Gross Profit	925,088.48	904,428.73	20,659.75	2.28%
Expense				
5000 · PERSONNEL EXPENSE				
5010 · Management Salary	93,764.18	67,718.65	26,045.53	38.46%
5030 · Administrative	81,647.56	72,364.60	9,282.96	12.83%
5050 · Course Personnel	201,343.08	150,926.41	50,416.67	33.41%
5060 · Course Personnel O/T	2,194.20	1,795.45	398.75	22.21%
5070 · Seasonal Personnel	31,153.18	50,154.26	-19,001.08	-37.89%
5080 · Seasonal Personnel O/T	1,158.80	1,585.51	-426.71	-26.91%
Total 5000 · PERSONNEL EXPENSE	411,261.00	344,544.88	66,716.12	19.36%
5200 · EMPLOYEE BENEFITS				
5210 · Payroll Taxes	30,948.31	29,520.40	1,427.91	4.84%
5230 · State Unemployment	13,038.43	14,189.89	-1,151.46	-8.12%
5250 · Health Insurance	32,196.10	42,901.47	-10,705.37	-24.95%
5260 · Workmans Compensation	9,995.64	8,856.00	1,139.64	12.87%
5270 · Retirement Plans	2,841.73	1,629.75	1,211.98	74.37%
Total 5200 · EMPLOYEE BENEFITS	89,020.21	97,097.51	-8,077.30	-8.32%
5400 · ADMINISTRATIVE EXPENSES				
5420 · Telephone	4,298.17	3,717.26	580.91	15.63%
5430 · Professional Fees	18,392.00	16,666.69	1,725.31	10.35%
5436 · Advertising	1,800.26	116.80	1,683.46	1,441.32%
5440 · Office Expense	12,544.56	11,744.57	799.99	6.81%
5441 · Bank Charges	853.40	1,035.30	-181.90	-17.57%
5442 · Credit Card Fees	17,820.33	12,729.96	5,090.37	39.99%

OAK HILLS PARK AUTHORITY
P&L - Current YTD Vs. Prior YTD
July 2014 through February 2015

	Jul '14 - Feb 15	Jul '13 - Feb 14	$ Change	% Change
5445 · Postage	166.09	73.69	92.40	125.39%
5450 · Training and Dues	2,165.00	1,700.00	465.00	27.35%
5460 · Outside Services	3,882.14	23,759.57	-19,877.43	-83.66%
5461 · Authority Secretarial Services	1,110.00	1,113.74	-3.74	-0.34%
5469 · Other Outside Services	2,567.85	2,210.25	357.60	16.18%
5470 · Other Administrative	786.51	6,009.21	-5,222.70	-86.91%
5480 · Utilities	20,926.59	20,624.07	302.52	1.47%
5490 · Water	659.61	570.14	89.47	15.69%
5500 · Liability Insurance	31,190.72	26,336.00	4,854.72	18.43%
5520 · Interest Expense	737.76	3,775.85	-3,038.09	-80.46%
5400 · ADMINISTRATIVE EXPENSES - Other	0.00	0.00	0.00	0.0%
Total 5400 · ADMINISTRATIVE EXPENSES	119,900.99	132,183.10	-12,282.11	-9.29%
5700 · PARK MAINTENANCE				
5710 · Water	36,707.35	32,870.38	3,836.97	11.67%
5720 · Heating Fuel	13,406.18	17,795.81	-4,389.63	-24.67%
5730 · Grounds Maintenance	13,012.50	13,545.01	-532.51	-3.93%
5740 · Tree Maintenance	1,950.00	3,340.00	-1,390.00	-41.62%
5750 · Agriculture and Chemicals				
5751 · Agriculture&Chemicals-Purchased	28,308.42	55,588.04	-27,279.62	-49.08%
5752 · Agriculture/Chemicals Utilized	17,544.21	18,066.43	-522.22	-2.89%
Total 5750 · Agriculture and Chemicals	45,852.63	73,654.47	-27,801.84	-37.75%
5760 · Irrigation Maintenance	5,646.35	4,986.05	660.30	13.24%
5770 · Consumable Tools	1,532.33	867.69	664.64	76.6%
5780 · Tee and Green Supplies	2,656.06	889.88	1,766.18	198.47%
5790 · Other Supplies	37.26	0.00	37.26	100.0%
5795 · Janitorial Supplies	1,097.86	1,786.87	-689.01	-38.56%
5800 · Equipment Maintenance	21,636.59	26,959.05	-5,322.46	-19.74%
5810 · Equipment Rental	0.00	29.00	-29.00	-100.0%
5820 · Building Maintenance	11,410.23	15,360.89	-3,950.66	-25.72%
5840 · Small Equipment	227.93	453.96	-226.03	-49.79%
5860 · Gasoline/Diesel Fuel	12,251.14	9,014.83	3,236.31	35.9%
5999 · TEMPORARY	0.00	0.00	0.00	0.0%
Total 5700 · PARK MAINTENANCE	167,424.41	201,553.89	-34,129.48	-16.93%
6000 · CART EXPENSE				
6010 · Cart Lease Expense	28,512.25	27,986.77	525.48	1.88%
6020 · Electricity	6,187.13	6,890.94	-703.81	-10.21%
6030 · Maintenance	3,852.35	1,435.59	2,416.76	168.35%
6050 · Cart Insurance	3,200.00	3,200.00	0.00	0.0%
6060 · Misc. Cart Expense	69.93	0.00	69.93	100.0%
6000 · CART EXPENSE - Other	0.00	10.61	-10.61	-100.0%
Total 6000 · CART EXPENSE	41,821.66	39,523.91	2,297.75	5.81%
Total Expense	829,428.27	814,903.29	14,524.98	1.78%
Net Ordinary Income	95,660.21	89,525.44	6,134.77	6.85%
Other Income/Expense				

OAK HILLS PARK AUTHORITY
P&L - Current YTD Vs. Prior YTD
July 2014 through February 2015

	Jul '14 - Feb 15	Jul '13 - Feb 14	$ Change	% Change
Other Expense				
8000 · Depreciation/Amortization	152,387.68	151,435.84	951.84	0.63%
8001 · Capital projects	19,945.50	29,644.60	-9,699.10	-32.72%
8002 · Bond to City	107,764.76	108,161.25	-396.49	-0.37%
8003 · Replenish escrow	26,666.64	26,666.64	0.00	0.0%
8004 · Capital Debt to City	11,074.48	11,074.48	0.00	0.0%
8005 · Operating Debt to City	11,074.48	11,074.48	0.00	0.0%
Total Other Expense	328,913.54	338,057.29	-9,143.75	-2.71%
Net Other Income	-328,913.54	-338,057.29	9,143.75	2.71%
Net Income	-233,253.33	-248,531.85	15,278.52	6.15%

Oak Hills Park Authority
December 2014 Actual vs. Budget

	Feb Act	Feb Bud	Var	YTD Act	YTD Bud	Var $	Var %
REVENUE							
4000 · REVENUES							
4001 · Golf Revenue							
4010 · Golf Fees	-$40	$0	#DIV/0!	$527,491	$538,566	-$11,075	-2.1%
4020 · I.D. Cards	$4,510	$26,595	-83.0%	$46,114	$52,338	-$6,224	-11.9%
4030 · Tournament Fees	$0	$0	#DIV/0!	$56,398	$68,037	-$11,639	-17.1%
4050 · Cart Revenue	$0	$0	#DIV/0!	$178,151	$183,410	-$5,259	-2.9%
4060 · Golf Revenue - Gift Certif.	$390	$630	-38.1%	$32,986	$10,794	$22,192	205.6%
4001 · Golf Revenue - Other	$0	$0	#DIV/0!	-$8,833	-$8,599	-$234	2.7%
Total 4001 · Golf Revenue	**$4,860**	**$27,225**	**-82.1%**	**$832,307**	**$844,546**	**-$12,239**	**-1.4%**
4100 · Tennis Revenue	$0	$0	#DIV/0!	$21,000	$10,000	$11,000	110.0%
4200 · Rental Income	$1,000	$1,000	0.0%	$8,000	$8,000	$0	0.0%
4300 · Investment Income	$1	$3	-67.4%	$77	$257	-$181	-70.3%
4400 · Misc. Income	$1,500	$0	#DIV/0!	$15,705	$0	$15,705	#DIV/0!
4600 · Restaurant Income	$6,000	$6,000	0.0%	$48,000	$48,000	$0	0.0%
Total Other Revenue	**$8,501**	**$7,003**	**21.4%**	**$92,781**	**$66,257**	**$26,524**	**40.0%**
TOTAL REVENUE	**$13,361**	**$34,228**	**-61.0%**	**$925,088**	**$910,803**	**$14,285**	**1.6%**
EXPENSE							
5000 · PERSONNEL EXPENSE							
5090 · Cart Personnel							
5010 · Management Salary	$10,697	$11,149	4.1%	$93,764	$89,193	-$4,571	-5.1%
5030 · Operations	$231	$483	52.2%	$81,648	$65,805	-$15,843	-24.1%
5050 · Course Personnel	$21,547	$23,978	10.1%	$201,343	$191,827	-$9,516	-5.0%
5060 · Course Personnel O/T	$0	$0	#DIV/0!	$2,194	$1,832	-$363	-19.8%
5070 · Seasonal Personnel	$0	$0	#DIV/0!	$31,153	$47,583	$16,429	34.5%
5080 · Seasonal Personnel O/T	$0	$0	#DIV/0!	$1,159	$1,618	$459	28.4%
Total 5000 · PERSONNEL EXPENSE	**$32,475**	**$35,610**	8.8%	**$411,261**	**$397,857**	**-$13,404**	-3.4%
5200 · EMPLOYEE BENEFITS							
5210 · Payroll Taxes	$2,381	$2,648	10.1%	$30,948	$30,790	-$158	-0.5%
5230 · State Unemployment	$1,842	$1,780	-3.5%	$13,038	$11,735	-$1,303	-11.1%
5250 · Health Insurance	$3,960	$4,150	4.6%	$32,196	$33,200	$1,004	3.0%
5260 · Workmans Compensation	$1,249	$1,129	-10.6%	$9,996	$9,033	-$963	-10.7%
5270 · Retirement Plans	$288	$203	-41.5%	$2,842	$1,679	-$1,162	-69.2%
Total 5200 · EMPLOYEE BENEFITS	**$9,720**	**$9,911**	1.9%	**$89,020**	**$86,438**	**-$2,583**	-3.0%
5400 · ADMINISTRATIVE EXPENSES							
5420 · Telephone	$480	$500	4.1%	$4,298	$4,002	-$296	-7.4%
5430 · Professional Fees	$2,250	$1,875	-20.0%	$18,392	$15,002	-$3,390	-22.6%
5435 · Professional Fees Golf Pro		$0	#DIV/0!		$0	$0	#DIV/0!
5440 · Office Expense	$818	$846	3.3%	$12,545	$11,921	-$624	-5.2%
5441 · Bank Charges	$51	$33	-51.9%	$853	$1,051	$198	18.8%
5442 · Credit Card Fees	$182	$259	29.6%	$17,820	$12,921	-$4,899	-37.9%
5445 · Postage		$0	#DIV/0!	$166	$75	-$91	-120.8%
5450 · Training and Dues		$0	#DIV/0!	$2,165	$1,726	-$439	-25.5%
5460 · Outside Services		$0	#DIV/0!	$3,882	$3,500	-$382	-10.9%
5461 · Authority Secretarial Services	$180	$191	5.5%	$1,110	$1,131	$21	1.8%
5469 · Other Outside Services	$156	$154	-1.1%	$2,568	$2,243	-$324	-14.5%
5470 · Other Admin/Mktng	$1,200	$1,461	17.9%	$2,587	$14,006	$11,419	81.5%
5480 · Utilities	$2,094	$2,053	-2.0%	$20,927	$20,933	$7	0.0%
5490 · Water		$24	100.0%	$660	$579	-$81	-14.0%
Total 5400 · ADMINISTRATIVE EXPENSES	**$7,410**	**$7,397**	-0.2%	**$87,973**	**$89,090**	**$1,118**	1.3%
5500 · DEBT SERVICE AND INSURANCE							

Oak Hills Park Authority
December 2014 Actual vs. Budget

	Feb Act	Feb Bud	Var	YTD Act	YTD Bud	Var $	Var %
5500 · Liability Insurance	$3,981	$3,899	-2.1%	$31,191	$31,192	$2	0.0%
5510 · Security		$0	#DIV/0!		$0	$0	#DIV/0!
5520 · Interest	$42	$346	87.8%	$738	$3,833	$3,095	80.8%
5526 · Commercial debt service		$0	#DIV/0!		$0	$0	#DIV/0!
Total 5500 · DEBT SERVICE AND INSURANCE	**$4,023**	**$4,245**	5.2%	**$31,928**	**$35,025**	**$3,097**	8.8%
5700 · PARK MAINTENANCE							
5710 · Water	$312	$1,720	81.9%	$36,707	$36,878	$170	0.5%
5720 · Heating Fuel	$3,592	$4,329	17.0%	$13,406	$18,152	$4,745	26.1%
5730 · Grounds Maintenance	-$488	$0	#DIV/0!	$13,013	$13,816	$803	5.8%
5740 · Tree Maintenance		$0	#DIV/0!	$1,950	$3,407	$1,457	42.8%
5751 · Agriculture&Chemicals-Purchased		$176	100.0%	$28,308	$45,309	$17,000	37.5%
5752 · Agriculture/Chemicals Utilized		$0	#DIV/0!	$17,544	$18,427	$883	4.8%
5760 · Irrigation Maintenance	$1,259	$0	#DIV/0!	$5,646	$5,086	-$560	-11.0%
5770 · Consumable Tools	$0	$73	100.0%	$1,532	$885	-$647	-73.1%
5780 · Tee and Green Supplies	$81	$0	#DIV/0!	$2,656	$908	-$1,749	-192.7%
5795 · Janitorial Supplies		$0	#DIV/0!	$1,135	$1,823	$688	37.7%
Total 5700 · PARK MAINTENANCE	**$4,756**	**$6,299**	24.5%	**$121,899**	**$144,690**	**$22,791**	15.8%
5800 · PARK EQUIPMENT							
5800 · Equipment Maintenance	$887	$4,710	81.2%	$21,637	$27,499	$5,862	21.3%
5810 · Equipment Rental		$0	#DIV/0!	$0	$30	$30	100.0%
5820 · Building Maintenance	$500	$1,290	61.3%	$11,410	$15,815	$4,405	27.9%
5840 · Small Equipment	$62	$0	#DIV/0!	$228	$463	$235	50.8%
5860 · Gasoline/Diesel Fuel	$2,393	$0	#DIV/0!	$12,251	$9,195	-$3,056	-33.2%
5880 · Employee work clothes		$0	#DIV/0!		$0	$0	#DIV/0!
Total 5800 · PARK EQUIPMENT	**$3,842**	**$6,001**	36.0%	**$45,526**	**$53,002**	**$7,476**	14.1%
6000 · CART EXPENSE							
6010 · Cart Lease Expense		$0	#DIV/0!	$28,512	$27,987	-$525	-1.9%
6020 · Electricity	$432	$402	-7.3%	$6,187	$7,029	$842	12.0%
6030 · Maintenance		$0	#DIV/0!	$3,852	$1,464	-$2,388	-163.1%
6050 · Cart Insurance	$400	$400	0.0%	$3,200	$3,200	$0	0.0%
6060 · Misc. Cart Expense		$0	#DIV/0!	$70	$0	-$70	#DIV/0!
Total 6000 · CART EXPENSE	**$832**	**$802**	-3.7%	**$41,822**	**$39,680**	**-$2,142**	-5.4%
7001 · Uncategorized Expenses							
TOTAL OPERATIONAL EXPENSE	**$63,060**	**$70,265**	10.3%	**$829,428**	**$845,782**	**$16,353**	1.9%
TOTAL OPERATIONAL NET INCOME	**-$49,699**	**-$36,037**	-37.9%	**$95,660**	**$65,021**	**$30,639**	47.1%
Restructured Debt	$13,471	$13,471	0.0%	$107,765	$94,294	-$13,471	-14.3%
Capital Funding $150k	$1,384	$1,384	0.0%	$11,074	$9,690	-$1,384	-14.3%
$150K Operating Debt	$1,384	$1,384	0.0%	$11,074	$9,690	-$1,384	-14.3%
Irrigation Debt Service					$0	$0	
Paving Debt Service					$0	$0	
Restaurant Debt Service					$0	$0	
Escrow Funding	$3,333	$3,333	0.0%	$26,667	$23,333	-$3,333	-14.3%
Commercial Debt Service	$2,700	$2,700	0.0%	$36,099	$36,099	$0	0.0%
Loan Repayment	**$22,272**	**$22,273**	0.0%	**$192,679**	**$173,107**	**-$19,572**	-11.3%
NET INCOME BEFORE CAPITAL EXPENSES	**-$71,971**	**-$58,310**	23.4%	**-$97,019**	**-$108,086**	**$11,067**	10.2%
8000 · OTHER EXPENSE							
8000 · Depreciation/Amortization				$0			
8000 · Depreciation/Amortization Non Cash							
8001 · Capital projects	$0	$4,167	100.0%	$19,946	$33,333	$13,388	40.2%
Contingency							
Total 8000 · OTHER EXPENSE	$0	$4,167	100.0%	$19,946	$33,333	$13,388	40.2%
NET INCOME	-$71,971	-$62,476	15.2%	-$116,965	-$141,419	$24,454	17.3%

OAK HILLS SALES ANALYSIS FEBRUARY 2015

Description	Feb 2014	Feb 2015	Inc/(Dec)	YTD FY14	YTD FY15	Inc/(Dec)
Total Revenue Rounds	0	0	0.0%	20,819	22,349	7.3%
Total Non Revenue Rounds	0	0	0.0%	459	733	59.7%
Total All Rounds	0	0	0.0%	21,278	23,082	8.5%
Total Carts	0	0	0.0%	12,269	12,930	5.4%
Total Golf ID Cards	331	61	-81.6%	638	613	-3.9%
Total Gift Cards	7	4	-42.9%	210	378	80.0%
Total $ Revenue Rounds	$0	$0	0.0%	$582,413	$594,870	2.1%
Total Carts $	$0	$0	0.0%	$182,870	$189,463	3.6%
Total Golf ID Cards $	$23,105	$4,510	-80.5%	$45,460	$46,114	1.4%
Total Gift Cards $	$618	$390	-36.9%	$15,528	$32,986	112.4%
	$23,723	**$4,900**	**-79.3%**	**$826,271**	**$863,433**	**4.5%**
$ Revenue/Revenue Round	**#DIV/0!**	**#DIV/0!**	#DIV/0!	**$27.98**	**$26.62**	-4.9%
Carts/Revenue Round	**#DIV/0!**	**#DIV/0!**	#DIV/0!	**58.9%**	**57.9%**	-1.8%
Cart $/Revenue Round	**#DIV/0!**	**#DIV/0!**	#DIV/0!	**$8.78**	**$8.48**	-3.5%
Cart $/Cart Round	**#DIV/0!**	**#DIV/0!**	#DIV/0!	**$14.91**	**$14.65**	-1.7%
ID Card $/Card	**$69.80**	**$73.93**	5.9%	**$71.25**	**$75.23**	5.6%
Resident Adult 18 Rounds	0	0	0.0%	6,015	6,125	1.8%
Resident Senior 18 Rounds	0	0	0.0%	4,450	4,398	-1.2%
Junior/Golf Team 18 Rounds	0	0	0.0%	433	419	-3.2%
Empl 18 Rounds	0	0	0.0%	596	592	-0.7%
Non Resident 18 Rounds	0	0	0.0%	6,948	6,978	0.4%
Total 9 Hole Rounds	0	0	0.0%	2,443	3,799	55.5%
Resident Adult 18 Rounds $	$0	$0	0.0%	$155,241	$158,161	1.9%
Resident Senior 18 Rounds $	$0	$0	0.0%	$88,983	$84,526	-5.0%
Junior/Golf Team 18 Rounds $	$0	$0	0.0%	$6,786	$6,235	-8.1%
Empl 18 Rounds $	$0	$0	0.0%	$4,520	$3,847	-14.9%
Non Resident 18 Rounds $	$0	$0	0.0%	$284,424	$269,022	-5.4%
Total 9 Hole Rounds $	$0	$0	0.0%	$48,127	$72,560	50.8%
SR NONRES DISC	4	5	25.0%	6	51	750.0%
NONRES DISCOUNT	4	5	25.0%	8	86	975.0%
FAMILY REG	18	0	-100.0%	28	15	-46.4%
CITY/OWNER REG	4	3	-25.0%	6	11	83.3%
Total	30	13	-56.7%	48	163	239.6%
GolfNow Rounds	0	0	0.0%	147	257	74.8%
GolfNow Dollars	$0	$0	0.0%	$8,786	$13,703	56.0%
Dollars/Round	#DIV/0!	#DIV/0!	#DIV/0!	$59.77	$53.32	-10.8%

RENDERING OF NEW WELCOME CENTER AND EXISTING RESTAURANT

THE OAK HILLS PARK AUTHORITY FINANCIAL ANALYSIS

COMMON COUNCIL PRESENTATION

APRIL 9, 2014

TABLE OF CONTENTS

WORDS OF WISDOM

"The number eighteen is symbolically meaningful because it is the numerical equivalent of the Hebrew word chai, which means life." Michael Bamberger

"Golf isn't like other sports where you can take a player out if he's having a bad day. You have to play the whole game." Phil Blackmar

"If you wish to hide your character, do not play golf." Percey Boomer

"Golf is a natural fit for us. It satisfies the spirit. You're out in the grass and the trees. You're out there with nature. You're not really competing with each other; you're competing against the golf course." Derek Burshiem

"When a father takes his son out for his first game of golf, and he says 'Son, when you're on the golf course, I want you to always conduct yourself like a gentleman-I want you to conduct yourself like Ray Floyd,' that's how I'd like to be remembered." Ray Floyd

"One of the most fascinating things about golf is how it reflects the cycle of life. No matter what you shoot - the next day you have to go back to the first tee and begin all over again and make yourself into something." Peter Jacobsen

"The main idea in golf as in life, I suppose is to learn to accept what cannot be altered and to keep on doing one's own reasoned and resolute best whether the prospect be bleak or rosy." Bobby Jones

The Eleven Principles of the Golfer's Character:

1. Honor, will, strength, and courage are essential to life
2. Believe in yourself and be truthful with others
3. Have direction and accessible goals
4. Live and appreciate each moment as if there is no tomorrow
5. Appreciate the goodness in others and never dwell on negative actions
6. Treat your body as a temple of your soul and greatness
7. Develop strategies and execute your sound decisions
8. Always be positive and remain focused on the present
9. Be diligent with your plans and continually strive to be better
10. Exalt others and be mindful to encourage yourself
11. Be a true gentleperson at all times

INTRODUCTION

The Oak Hills Park Authority and the City of Norwalk have had active discussions over the past few months regarding the long term finances of Oak Hills Park. These discussion have occurred at the regularly schedule Finance Committee meetings of the Common Council.

Per request of Chairman Bruce Kimmel, this presentation is a means of finding ways in which resolution to the ongoing financial difficulties at Oak Hills can be resolved.

The OHPA was formed on March 1, 1998 for the purpose of acquiring, constructing, operating, maintaining and managing the Oak Hills Park, including the golf course, tennis courts and related recreational facilities currently located therein and any related project(s) as defined. Other defined uses include a restaurant and a driving range. The Authority was also charged to maximize the recreation and park use of Oak Hills Park. As independent authority, the goal was to operate the park profitably so no annual tax payer support would be needed. It was understood from the beginning that City support would come in the way of the use of its bonding capacity, as is the case with all City of Norwalk Authorities.

Regardless of personal feelings of some members of the community and city officials, Oak Hills Park is a business and should be operated as such in order to maintain its long term financial viability. Unlike local government who has the power of taxation to close deficits, our sources of revenue and our ability to increase them are limited to the revenue streams available to us. If we cannot maximize revenue sources to effectively compete in our market we cannot maximize gross revenue to service the level of debt that was incurred on account of the restaurant.

Over the years the park and its finances have been mired in controversy precisely because elected officials did not do their jobs by not allowing us to operate under our lease as lessee and create the revenue streams of which the city granted us in Section 5.01 of our lease – specifically development of a so-called golf driving range in addition the restaurant.

We are the only golf course in our competitive set that does not have the necessary revenue streams to maximize year round revenue and to it to minimize the seasonality effects common in northeast municipal golf courses. The Common Council, the Mayor's office, the Finance Department, and the BET all have an opportunity to correct the issues that have mired the park in controversy for the past 15 years. This includes fully implementing our Master Plan as proposed and reworking the debt on the restaurant. We have done our part by finally getting a Master Plan and securing state grant money for 1/3 of the work.

OHPA ACTION STEPS

Over the past 24 months the OHPA has taken several action steps to provide new direction to the OHPA and Oak Hills. These include steps to improve the park and its business operations. These are highlighted below:

- Hiring a completely new professional staff to run both our professional golf services and the overall maintenance of the park and its improvements.
    - Since that time the entire golf experience has improved dramatically. Rounds have increased substantially year over year, average playing time has deceased and the overall golf experience has improved.
    - Our Superintendent has physically improved the course to a point where improvements will only come through capital improvements.
- The development and submission of a Strategic Plan to the citizens of Norwalk an outline for a new vision for Oak Hills Park – one that serves the entire community.
- The development, submission and approval by all levels of government as required in our lease a Master Plan of Development for Oak Hills. The centerpiece of the plan is the creation and co-location of three teaching facilities at Oak Hills
    - The Oak Hills Park Golf Learning Center located on vacant land between the sixth green to the east, the second tee to the north, the first fairway to the west, and the current practice area to the north.
    - The Oak Hills Park Nature Learning Center located on land to the east of the 18^{th} fairway and,
    - The Oak Hills Park Tennis and Fitness Center collectively located on vacant open land behind the restaurant and at the existing tennis center located on Fillow Street just east of the 11^{th} Tee.
- In addition to these learning centers we are proposing needed park, course and infrastructure improvements.
- We worked closely with Representative Lawrence Cafero, CT DEEP, and City officials to secure a state grant to fund $1.,5 million of needed park improvements
- We formed an Ad-hoc Nature Advisory Committee made up of concerned citizens and OHPA members to fully review and develop a plan for the Nature Center. That group has been active for over two months. They have recommended through the OHPA that the City add to Oak Hills to parcels of land adjacent to the Park that would increase passive recreational uses by an additional 25 acres of land.

- We have instituted a new marketing program that includes an improved website, new web based marketing residents and non-residents, social media, manager's specials to generate both play and membership, and a new golf reservation and marketing system called EX Links.

- We have conducted a top down review of our audited financial statements for the period FYE 2004 through FYE 2014 and budgeted 2015. This was done specifically to

    - Understand our EBITDA to better gauge our historical capability to service our debt obligations, and

    - Develop Key Performance Indicators or KPIs for Oak Hills to better understand our round play and course utilization, our RevPar or revenue per available round, our revenue per round, our operating expense ratios, all in comparison to information available from our competitive set - which we have defined as Smith Richardson (HSR) and Sterling Farms.

- Our financial review is complete however we needed to file an FOI request to both Fairfield and Stamford for missing data that needed to complete our KPI analysis for the Oak Hills. Thought we have data through 2013, it is important that up to date information be used.

- As of April 1, 2015 that information has not yet been obtained. We expect to have our KPI analysis completed next month after the data is received and analyzed. IN the interim, we will provide you with generalized information from the data that we do have available.

- In addition to the financial review we also researched the history of the restaurant, the decisions made, and the costs to construct in order to get the thorough understanding of why this facility is so controversial in so many ways.

- We have also recommended to the Finance Committee of the Common Council finance a Golf School feasibility study in order to establish a means of discussing that in detail.

DEBT HISTORY

DEBT HISTORY

As of June 31, 2014 the OHPA had total outstanding indebtedness of $2.63 million consisting of approximately $2.55 million in city debt related to the restaurant, capital improvements, irrigation, and working capital. The restaurant debt outstanding was approximately $1.9 million. The remaining debt of $117,000 is commercial debt associated with equipment, etc.

The original terms and conditions are in the table below.

Original Debt	OPA	Rate	Period Debt Service	Annual Debt Service	Maturity
Restaurant	$2,200,000	4.50%	$93,272	$186,544	07/01/25
Irrigation	$990,000	5.00%	$78,158	$78,158	01/01/14
Paving		4.50%	$12,031	$12,031	07/01/20
Capital Improvements	$150,000	1.90%	$16,612	$16,612	09/01/22
				$293,345	

The issue facing the OHOPA is the bonded debt associated with the construction the restaurant. In January 2005 the OHPA Authority executed a loan and promissory note in the amount of$2,200,000 with the City of Norwalk, with interest at 4.5%. The agreement required semi-annual payments of principal and interest of $93,272 ($186,544 per annum) with a final payment due in July 2025. The agreement with the City required the Authority to fund a debt reserve account in the amount of $200,000 as security for the repayment of the Restaurant Debt. The loan was interest only for three years and then amortized on the terms described above.

The agreement with the City of Norwalk for the restaurant debt and the capital improvements debt also is secured by an assignment of the rental income received by the OHPA from the rental of the restaurant and the net rental income generated from the rental of carts and equipment at the Park.

The actual debt service on the restaurant described above was $186,000 per annum vs. $102,975 in rental income that was actually collected in FYE 2013. A general rule of thumb in commercial restaurant real estate lending is that rental income should provide for debt service coverage of at least 1.35% of actual debt payments. The lack of supportable income was overcome by pledging all net cart revenue to the bond holders, a little known fact to most City residents and public officials. The current net cart revenue is in excess of $200,000 per annum. That is cart revenue is the second largest revenue generator for the OHPA.

The financial issues at Oak Hills in 2011 and 2012 required multiple restructurings of its bonded debt. In August 2012 the Authority and the City amended the agreement for a third time which modified the payment terms of the second amended agreement. The third amended agreement required payment of interest of $178,346 by September 2012 and, thereafter, requires annual payments of principal and interest in the amount of $161,647 commencing September 1, 2013 with the final payment due in September 2036. Of this amount, approximately $135,000 is related to the restaurant debt.

Because of the ongoing financial issues with the restaurant our collected rent is currently $72,000 per annum which adds continuing stress on the finances of Oak Hills.

GRANT

The City of Norwalk received a grant this summer from the State of Connecticut for use at Oak Hills Park. It is a grant made under the Connecticut Urban Action Grant program and as such does not have to be paid back.

The grant is our equity for our restoration of Oak Hills. The term of the grant is for 5 years - so we have 5 years from the date of approval to spend the money. The grant is specific in that the money has to be spent on the three schools that were highlighted in our Master Plan and general park improvements – which are golf course and building infrastructure improvements. As of the writing of this report the monies will be spent in the following manner:

Phase I	
Renovation Cost	
Continuous Cart Paths and Cart Path Renovation	$310,000
Wash/Mix Maintenance Facility	$37,000
Bunkers, Tees, and Drainage	$645,000
Capital Improvments - Buildings	$75,500
Welcome Center	$225,000
ls Park Tennis and Fitness Center with Great Lawn	$80,000
Oak Hills Park Nature Center	$50,000
Range House and Bathrooms	$82,000
Subtotal	$1,422,500
Contingency	$71,125
TOTAL COST PHASE I	$1,500,000

HISTORICAL INCOME AND PROFITABILITY REVIEW

REVENUE:
Attached in the Addendum is a 12-year analysis covering the period FYE 2004 through FYE 2014. In addition, there is a budget for FYE 2015. Revenues for the period ranged from a low of $1,266,000 in 2004 to a high of $1,769,000 in FYE 2008. Revenues trended downward after that hitting a ten year low of $1,420,000 in FYE 2013. They rebounded to $1,529,000 in FYE 2014. Revenues are projected to increase to $1,644,000 for 2015. Achieving 2015 budget will likely be difficult given the bad weather encountered in the region during Q1 2015

The projected 2015 revenue is similar to FYE 2007 levels. The decrease in revenue was a result of the issues:

- the Great Recession that began in 2009,
- the condition of the golf course where little in capital improvements had been made in ten years,
- Bad customer service.

The hiring of a new golf professional and new golf course superintendent in FY 2013 set the stage for the comeback we are currently experiencing. The overall playing conditions of the course, especially the greens, are vastly improved but the course is in needed of capital improvements that will be made through the implementation of our State Grant.

PROFITABILITY:
Our measure of profitability is EBITDA. That peaked at $457,000 in FYE 2008 and has ranged from $230,000 to $240,000 for the past 4 years. Average EBITDA for the 11 year period was $288,000 ranging from a low of $70,000 in 2004 to the 2008 high. Projected EBITDA for 2015 is $360,000.

CASH FLOW:
Cash flow for the period ranged from a low of -$230,000 in 2012 to a high of $143,291 in FYE 2009. Average cash flow for the 11 year period is a negative $14,000. The only major new revenue stream added during the period was the rent for the restaurant at approximately $100,000 per annum - that has since been reduced to $72,000 because of business conditions at that facility.

The leading reason for the negative cash flow was the debt service associated with the restaurant and irrigation debt that averaged some $282,000 per annum. As part of our lease agreement with the city we are required to maintain a reserve for debt service of $250,000. That account is being refurbished as part of our loan modification with the City. That account has a cash balance of $420,000 in 2004. In the lean years of 2010-2012 where the OHPA ran some $450,000 in deficits that account was used to pay debt service and depleted.

KEY PERFORMANCE INDICATORS

A golf course is a hospitality business and thus there are Key Performance Indicators that measure the vitality of a property in comparison to its competitive set. Like a hotel performance measures include Gross Revenue per Round Played (Average Daily Rate), Revenue per Available Tee Time (RevPar), course utilization rate (occupancy), and rounds played. Similar to a hotel with available room nights in a calendar year total available tee times reflects the industry average of 66,000 rounds per year.

We were able to obtain Income and Expense data from both H. Smith Richardson (HSR) in Fairfield and Sterling Farms in Stamford for the period 2008-2013, and round data from Smith Richardson for the period 2004-2013. This data, along with our own data were used to develop Key Performance Indicators which we will use a risk management tool. As indicated earlier, we are in the process of obtaining more recent information in order to have the best possible data available to us.

Oak Hills Park annual gross income has increased at an average annual rate of 1.9% since 2004 and total expenses before debt have increases at .74%. Revenue per round was $29.48 in 2004, $38.72 in 2008, and $43.75 in 2014. Per available tee time the rate was $19.50 in 2004, $26.82 in 2008, and $21.52 in 2013. The range was $21.50 in 2003 to $$26.82 in 2008. In fact RevPar dropped 5% each of the next 2 years indicating difficult times were ahead. Rounds were 45,715 in 2008 and dropped to 32,030 in FYE 2013. Despite an increase in rack golf rates, total RevPar decreased as course utilization went from 69.2% to 48.6% in 2013. 60% utilization is the industry average for a healthy and profitable golf course. Over the 11 year period 2004-2014 the average utilization rate of Pak Hills was 61%.

These same statistics were developed for the competitive set. HSR was very similar to Oak Hills ranging for $23.50 in 2008 to $25.52 in 2012. Their range added approximately $2.00 in RevPar annually and their utilization rate ranged from 62 to 68%. Sterling Farms was more than 2 as better than HSR and Oak Hills at RevPar ranging from $44 to $52. $12 to $14 per available tee time is on account of their range. They reportedly do 50,000 to 54,000 rounds per year though we are told it was over 60,000 rounds at its peak.

Oak Hills has averaged approximately 40,000 rounds per year since 2004 ranging from a high of 45,715 rounds in 2008 and a low of 32,073 in 2013. HSR has a range of 46,743 in 2006 and a low of 40,749 in 2013. Their average is 43,907 rounds for the same period. Average resident play is 66% for Oak Hills and 68% for HSR. Oak Hills currently has 62% resident play and it is 73% for HSR. The average utilization rate for Oak Hills is 61% for the reporting period and 66.5% for HSR. The current utilization rate for Oak Hills is almost 53% indicating we still have a way to go to achieve industry norms.

The Revenue Stream for Oak Hills consists of 71% from golf, 18% from carts, and 8% each from rentals and golf permits. For HSR, 74% is from golf, 16% from carts, 13% from permits, and 8% from range revenue. Sterling Farms derives 53% of its revenue from golf, 3% from permits, 13% from carts, and 25% from their driving range. In fact their entire net profit of approximately $775,000 of $11.74 per available tee time is from their range.

The Operating Expense ratio for all three golf courses is on average 80-85% of gross revenues. Oak Hills has generally run a leaner operation largely because of our required debt service. For example we spend 15 to 17% on maintenance or $4-$5 per available tee time. Sterling Farms generally spends $5-$6 per available tee time.

RESTAURANT AND DRIVING RANGE HISTORY

It is obvious that the restaurant and driving range have been a source of contention since it was proposed in 1999. Suffice to say the same folks that lead the effort against the range then are still involved today. One central figure then not mentioned today is Alex Knopp. It was his decision to abandon the range that sowed the seeds for the financial distress facing Oak Hills today.

We were able to research old Norwalk Hour articles and letters to the editor regarding the OHPA. Two Op-Ed pieces in the October 5, 2002 edition of the Norwalk Hour give great perspective to the debate at the time.
(https://news.google.com/newspapers?nid=1916&dat=20021005&id=RA8hAAAAIBAJ&sjid=73QFAAAAIBAJ&pg=4737,674553&hl=en)

In addition, we reviewed general ledger information and cost budgets for the restaurant, and our lease. These included a review of city files that were made available to The OHPA. Ernie DesRochers met with Alan Lo on March 13, 2015 to review the files.

A BRIEF HISTORY:

Section 5.01 of our lease with the city specifically states "The CITY has agreed to issue bonds and bond anticipation notes totaling two and one-half million dollars ($2,500,000.00) for the development of a driving range, restaurant and associated facilities at the PARK. The AUTHORITY shall have an obligation to raise all other funding necessary to cover expenses for all other capital improvements for the PARK."

The lease was approved by the Common Council and signed by the Mayor. The Council's original authorization for bond financing at Oak Hills expressly required the construction of both a practice range and a restaurant. That paragraph was never modified in any subsequent lease amendment. Not allowing the range construction initially was a violation of our lease.

As part of our agreement we were required to develop a Master Plan which a draft was completed. It was taken through public hearing. The original proposed master plan cost over $35,000. The traffic study cost over $11,000. As required, The Authority held public hearings and their own regular meetings gathering input from golfers, neighbors, concerned citizens, and well-respected professionals. After this unprecedented level of input, several alternative plans were developed incorporating the public comment. The Authority finally reached a consensus plan that called for a smaller restaurant with an outdoor terrace to accommodate golfers, and a practice range. This plan was endorsed by a large majority of residents including the West Norwalk Association, and the OHPA.

The driving range was a major campaign issue in 2001. Candidate Knopp after his election promised a report that that would decide in his view the fate of the range once and for all. In the fall of 2002 Mayor Knopp issued a report on Oak Hills, where justified his decision for a commercial banquet hall and no practice range. He would lead the effort to increase the interior size of the facility from 60-80 seats to over 144 to allow for commercial banquets. He concluded that practice range would lose money but the banquet hall will make money. Every study that had been done by the Authority up to that point showed that the practice range would make money and a restaurant was a breakeven proposition at best. That is true today. Thus a restaurant only project was conceived.

It was pointed out to Mayor Knopp at that time that banquet facilities are extremely expensive to build and risky to operate profitably. This risk increases at a seasonal facility, which by agreement with the neighbors must close early, and have no sit-down bar. The facility that was built was precisely the commercial banquet hall that West Norwalk opposed. Such an expansion in scope would certainly increase the cost of the facility to a point that it would require a subsidy from the city - mostly likely taxpayers as it could never generate enough rent to pay for itself.

The original Master Plan, though paid for was not submitted for approval by any city land use agency. In fact a Master Plan was only approved earlier this year.

The total cost of the catering hall was supposed to be $1.5 million as highlighted in the article we were able to review. We can only speculate why the budget increased by almost 50% from when it was sold to the public. Political reasons include a location for the restaurant at the exact spot where the range was going to be constructed and where excessive site work was needed, or a desire to spend all of the money so it was impossible for any practice area ever to be built with city money, a desire to punish past supporters of the range.

Other questions are why the Mayor and the Common Council agreed to a much large cost figure and how additional costs could be expended without economic justification by anyone in City Hall. Especially since the entire project was subject to the approval by the city.

Whatever the case, the $2.2 million restaurant was approved by Common Council Vote on August 13, 2004. Construction was started immediately thereafter.

The subsidy came with the pledging of the of the cart revenue as additional security for the bond holders. The rating agencies rightly figured that in order to meet tax exempt financing status the rent would not cover the debt so some other means of paying for the restaurant was needed thus the cart revenue was pledged. Even then that is not enough and additional funding from the city is required. The maximum amount of rent that the previous operator was willing to pay was approximately $100,000 per annum. The actual debt service on the restaurant was $186,000 per annum leaving the OHPA approximately $90,000 in the hole before the first round of golf is played for the season.

CONSTRUCTION:
Alan Lo was very helpful in providing the necessary construction information. In fact he was forth coming and honest as I find that true with all city line employees.

We were told that the Oak Hills Park Authority led the project through the design phases and the construction phase. During the construction phase, the Authority retained the services of a project coordinator/Owner's Representative to represent the Authority on the implementation of the construction. We presume there were OHPA members involved in a building committee. Construction started in 2004.

In addition to the original load agreement of $2,200,000, Oak Hills Park Authority requested another $75,000 to fit up the kitchen which was to be repaid by the Restaurateur (Rolling Green at the time) on top of the $300,000 invested by Rolling Hills. The total project budget was $2,275,000.00. The City's responsibility for this project was to track/confirm requisitions and payments from Oak Hills Park Authority on behalf of the City and to attend various construction meetings as a third-party City representative.

Encon was the contractor hired to complete the restaurant. They had difficulties in completing the punch list and the City solicited the involvement of Oak Hills' and the City's legal counsels and Encon's bonding company to resolve the issue. In the end, the OHPA executed a change order to reduce the final payment to Encon in the amount of $55,190 and the money was used to hire our contractors to complete the work. The total cost of change orders (excluding the final reduced change order) was probably about $185,000, of which a large portion was spent on rock excavation and approximately $75,000 was spent on restaurant fit-up to be reimbursed by the restaurant.

In the budget summary, the project contingency was listed at $285,997 of which about $185,000 was expended for construction change orders as noted previously. Other expenditures included, but not limited to, increased architectural services (approximately $43,000), increased Owner's representative services (approximately $24,000), additional electrical work, site work, landscaping work, etc.

All of the payments/expenditures were accounted for and that the payments were related to the Oak Hills Restaurant and approved by Oak Hill Park and the City. The project was publicly bid and the project was completed within the budget of $2,275,000. Thus a very expensive catering hall was delivered.

PROFORMA ANALYSIS

GOLF LEARNING CENTER:

In the past we have provided to the Finance Committee our analysis of the estimated cash flows associated the development of the Golf Learning Center. That information was reviewed by the Finance Department and we literally have a difference of opinion.

We have recommended that the City fund a feasibility study to be prepared by National Golf Foundation to settle the debate. A copy of that proposal is attached in the Addendum.

RESTAURANT:

We constructed two analyses for you to consider in our request to improve the financial position of Oak Hills. It forms the basis of our proposal for a debt restructure. The actual projections are included in the Addendum.

The first assumes the restaurant was built not at its current location and cost but at the cost and location chosen by the Authority in 2001. That location was in area down the hill from the restaurant in between the practice green and the cart path that leads to the first hold.

The total projected cost of that building was $1 million. For comparison purposes the facility would be leased at $44,000 per annum which is the same ratio to cost as the final facility. It is assumed that the bonds would be payable at the same 4.5% rate on the 20 year amortization schedule, irrigation debt of $990,000 payable at 5% per annum over 15 years, and the OHPA would fund 2% of debt working capital reserve of $39,800 per annum. The total debt service should have been approximately $77,000 and $95,000 for the irrigation. The latter would burn off this year so in essence we would be left with only the restaurant debt. More importantly the working capital loan and the capital improvement loan would have never been advanced as sufficient funds would have been available to the OHPA.

Instead of actual cash flow averaging $-28,000 per annum cash flow if this option were done (2005-2014), cash flow would have averaged $52,000 per annum **RESULTING IN A NET GAIN OF $66,000.** Those funds could have been used for much needed course improvements which will ultimately be funded by the State of CT grant.

The second analysis is a Proforma that was developed based on our needs.

- Total projected gross revenue for FYE 2015 is $1,622,600.
- Total expenses $1,284,900 leaving $337,700 in EBITDA.
- Capital needs include $40,000 in the debt service reserve,
- $100,000 in working capital on account of our seasonality,
- $80,000 in capital projects, $33,200 in principal and interest on account of our capital improvement loan and working capital loan, and $7,500 in commercial interest.

Those expenses total $260,700 leaving available for debt service approximately $77,000.

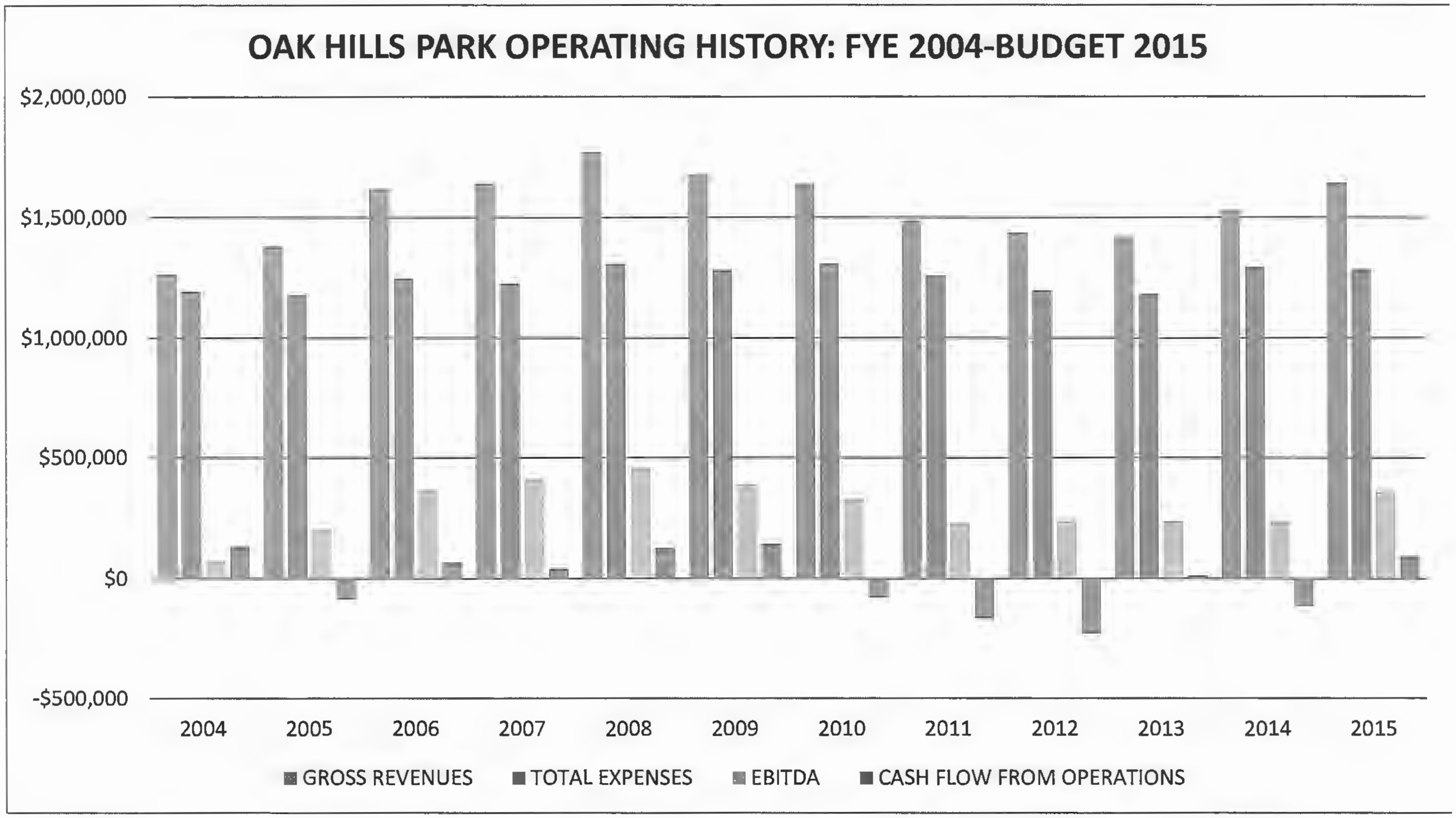
The financial issues facing Oak Hills are serious and must be addressed immediately. The winter of 2015 was one of the worst experienced in years and that has caused us to use a greater part of our bank credit line than expected as we have not been able to generate round revenue due to snow conditions. Our ability to make our September debt service payment and leave sufficient working capital for next year (other than tapping our line of credit), is the best outcome that we can expect. That is no way to run a business.

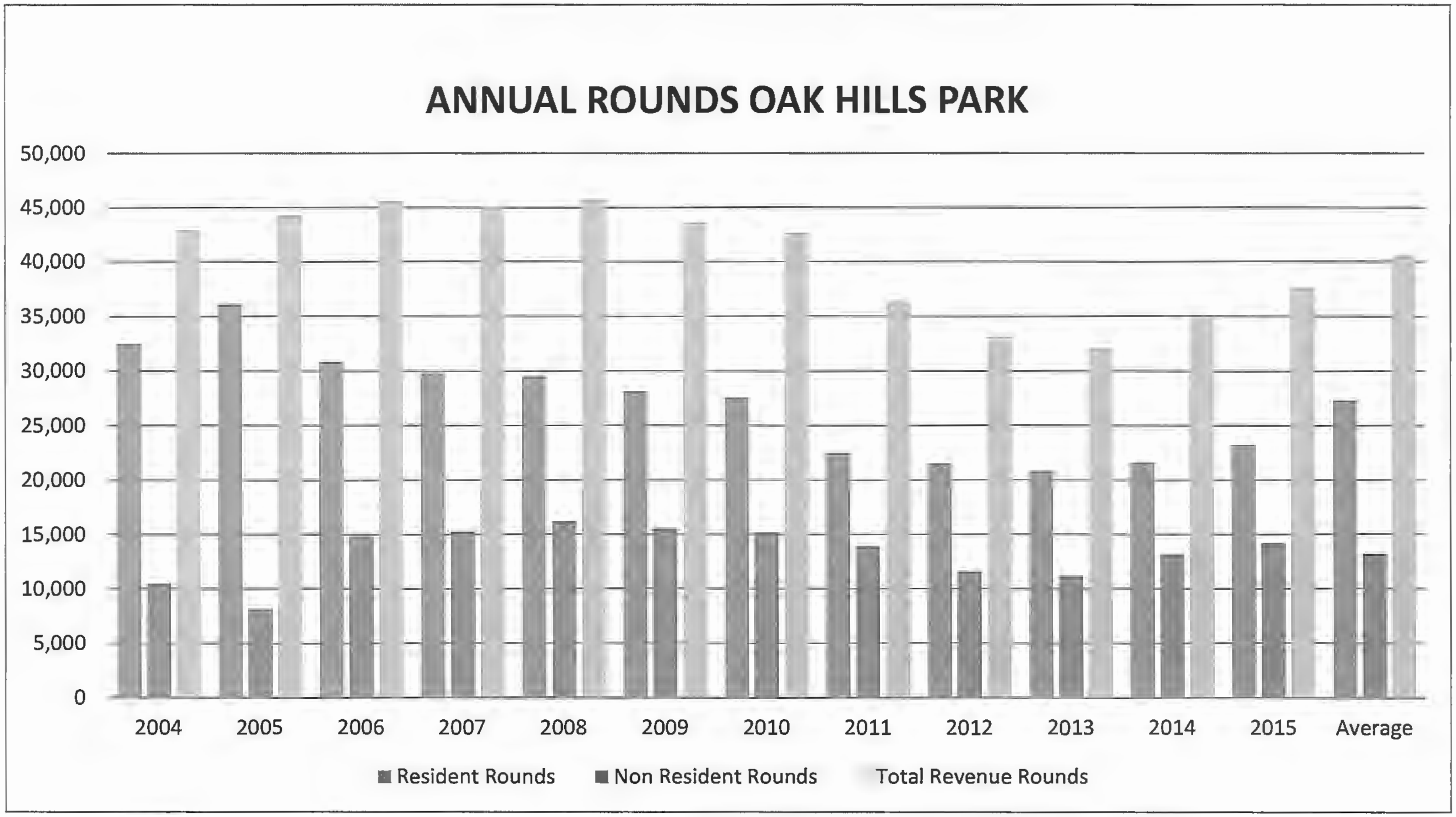
ADDENDUM

INCOME AND EXPENSE HISTORY: FYE 2004-FYB 2015

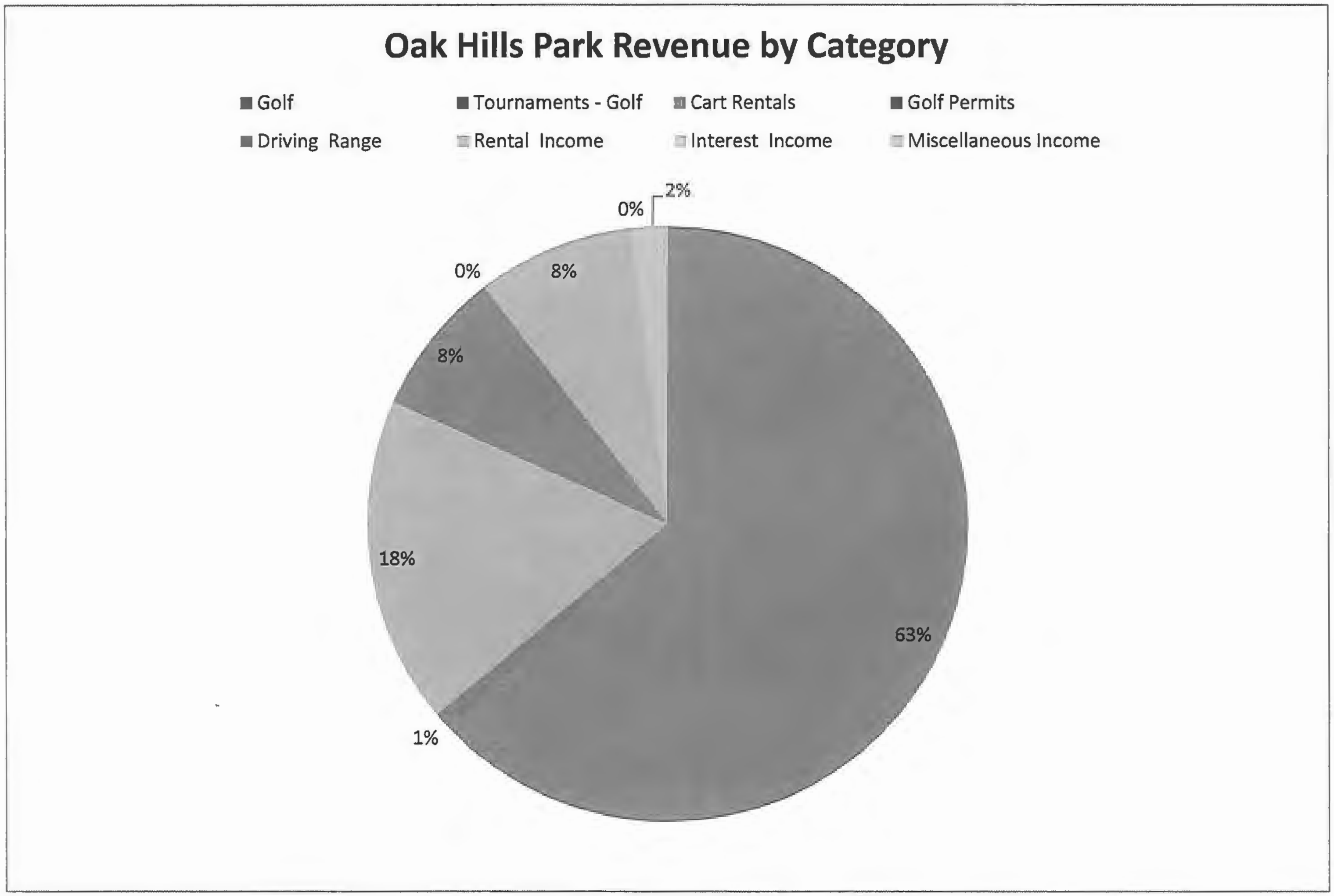
Oak Hills Park Authority
Audited Income and Expenses
2004-2014 Actual
Budgeted 2015

	FYB 2015	FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009	FYE 2008	FYE 2007	FYE 2006	FYE 2005	FYE 2004	Avg Annual Cha nge
GROSS REVENUES	$1,644,606	$1,529,094	$1,420,519	$1,436,436	$1,488,867	$1,640,138	$1,676,841	$1,769,960	$1,640,406	$1,618,589	$1,381,650	$1,266,023	1.89%
Golf Revenue													
Golf Revenue	$1,520,449	$1,377,342	$1,253,486	$1,307,536	$1,324,532	$1,484,972	$1,507,248	$1,589,996	$1,510,028	$1,490,875	$1,299,144	$1,207,055	1.28%
Total Non-Golf Revenue	$124,157	$151,752	$167,033	$128,900	$164,335	$155,166	$169,593	$179,964	$130,378	$127,714	$82,506	$58,968	14.30%
DEPARTMENTAL EXPENSES													
TOTAL PAYROLL, BENEFITS, ADMIN	$850,491	$860,173	$737,136	$788,764	$866,495	$923,706	$890,623	$826,463	$820,149	$821,780	$767,131	$772,746	1.03%
PARK MAINTENANCE	$202,579	$215,119	$253,227	$261,420	$259,459	$272,807	$273,315	$319,383	$282,497	$252,597	$216,364	$244,501	-1.09%
UTILITIES EXPENSE	$115,329	$109,485	$86,291	$82,571	$70,644	$65,316	$74,048	$110,727	$52,537	$77,693	$64,863	$54,199	9.27%
CART EXPENSE	$70,060	$69,799	$72,484	$33,581	$35,076	$16,125	$13,284	$17,351	$17,009	$31,325	$61,681	$64,032	0.82%
UNDISTRIBUTED EXPENSES	$46,440	$39,210	$34,336	$31,845	$27,657	$32,630	$33,223	$38,122	$54,836	$66,087	$68,914	$60,484	-3.20%
TOTAL EXPENSES	$1,284,899	$1,293,786	$1,183,473	$1,198,181	$1,259,331	$1,310,584	$1,284,493	$1,312,046	$1,227,028	$1,249,482	$1,178,953	$1,195,962	0.74%
EBITDA	$359,707	$235,308	$237,046	$238,255	$229,536	$329,554	$392,348	$457,914	$413,378	$369,107	$202,697	$70,061	21.44%
OTHER INCOME/ EXPENSES	$493,825	$576,165	$443,280	$686,768	$641,483	$689,619	$526,133	$631,657	$656,864	$568,938	$417,240	$365,072	2.38%
8000 · Depreciation/Amortization	$226,393	$226,393	$220,243	$218,238	$242,882	$281,676	$277,076	$298,908	$286,365	$264,290	$129,210	$124,540	
8001 · Capital projects	$25,000	$25,000	$0	$78,757	$0	$0	$0	$0	$0	$0	$0	$0	
5520 · Interest Expense	$7,561	$7,449	$9,573	$8,038	$11,180	$6,597	$15,172	$23,781	$10,037	$8,805	$49,635	$5,279	
ADS · Irrigation and Restaruant	$161,647	$246,237	$158,932	$339,365	$387,421	$401,346	$233,885	$308,968	$360,462	$219,803	$168,812	$120,983	
8003 · Replenish escrow	$40,000	$40,000	$33,333	$0	$0	$0	$0	$0	$0	$76,040	$69,583	$114,270	
8004 · Capital Debt to City	$16,612	$16,612	$13,843	$0	$0	$0	$0	$0	$0	$0	$0	$0	
8005 · Operating Debt Debt to City	$16,612	$14,474	$7,356	$0	$0	$0	$0	$0	$0	$0	$0	$0	
NET INCOME (LOSS)	-$134,118	-$340,857	-$206,234	-$448,513	-$411,947	-$360,065	-$133,785	-$173,743	-$243,486	-$199,831	-$214,543	8,309	
CASH FLOW FROM OPERATIONS	$92,275	-$114,464	$14,009	-$230,275	-$169,065	-$78,389	$143,291	$125,165	$42,879	$64,459	-$85,333	$132,849	


OAK HILLS PARK OPERATING HISTORY: FYE 2004-BUDGET 2015
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
-$500,000
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
GROSS REVENUES
TOTAL EXPENSES
EBITDA
CASH FLOW FROM OPERATIONS



ANNUAL ROUNDS OAK HILLS PARK
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Average
Resident Rounds
Non Resident Rounds
Total Revenue Rounds


Oak Hills Park Revenue by Category
Golf
Tournaments - Golf
Cart Rentals
Golf Permits
Driving Range
Rental Income
Interest Income
Miscellaneous Income
2%
0%
0%
8%
8%
18%
63%
1%

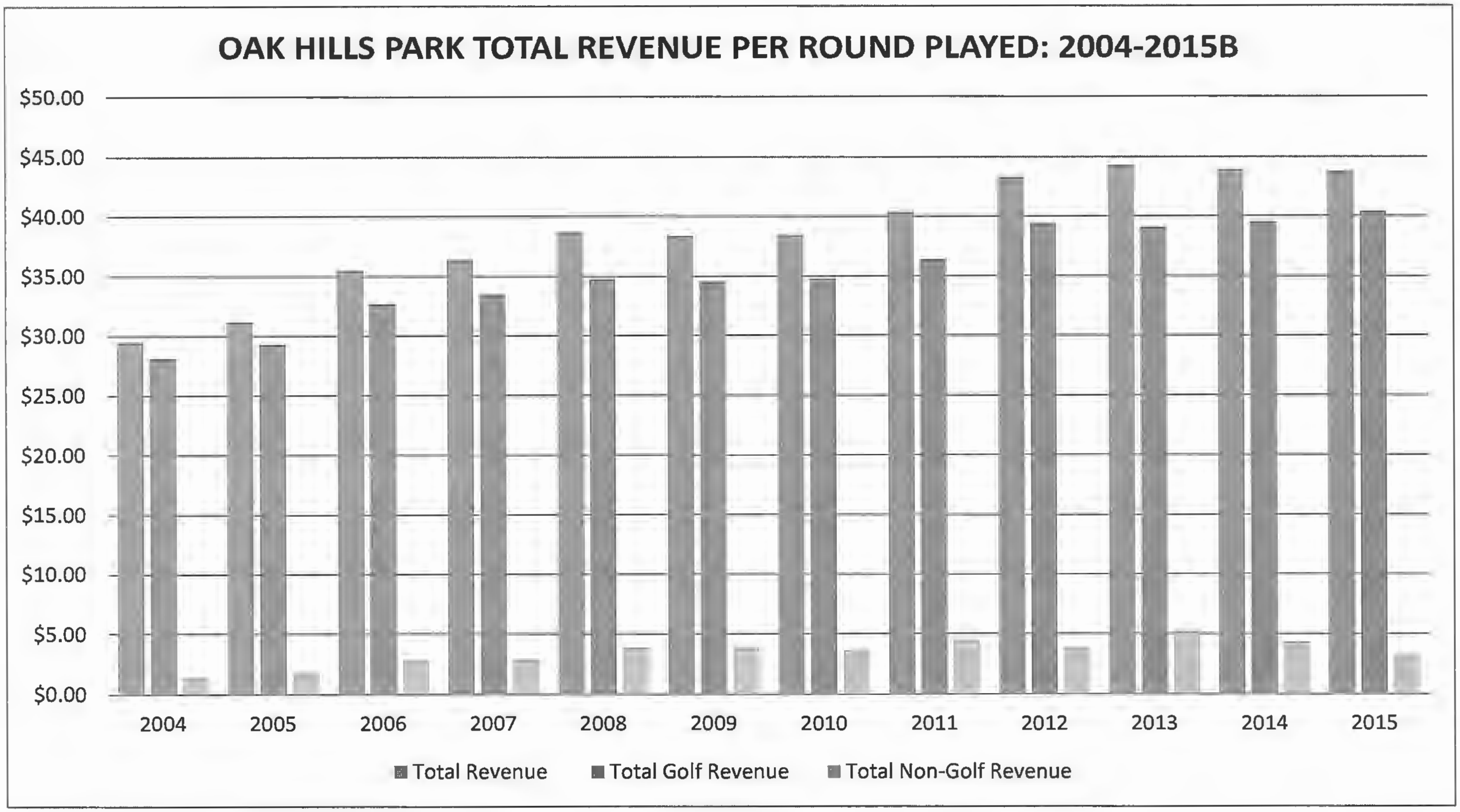
KPIs

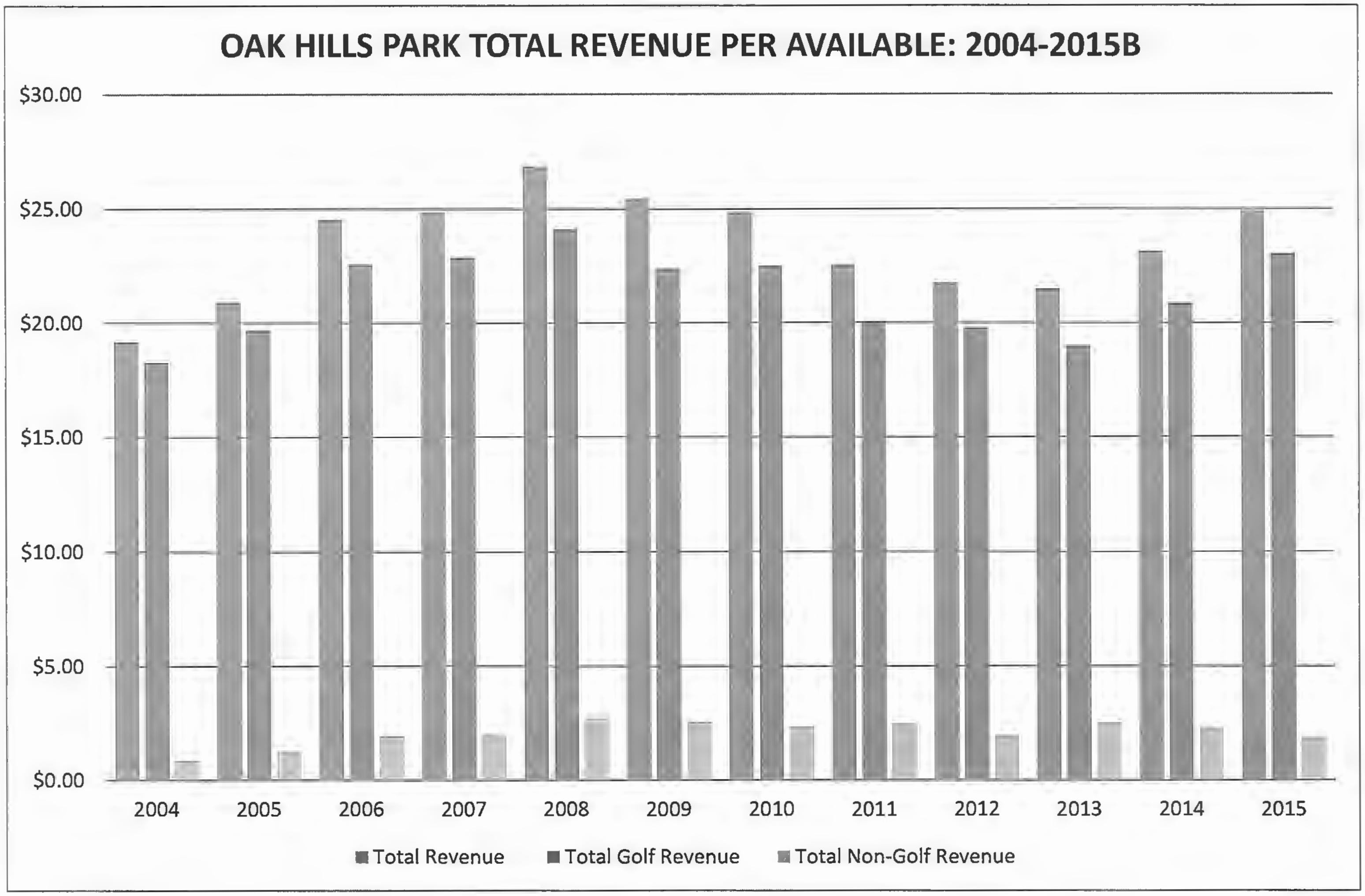
Oak Hills Park Authority
Revenue KPI
Per Available Tee Time and Per Available Round Played
2004-2014 Actual
Budgeted 2015

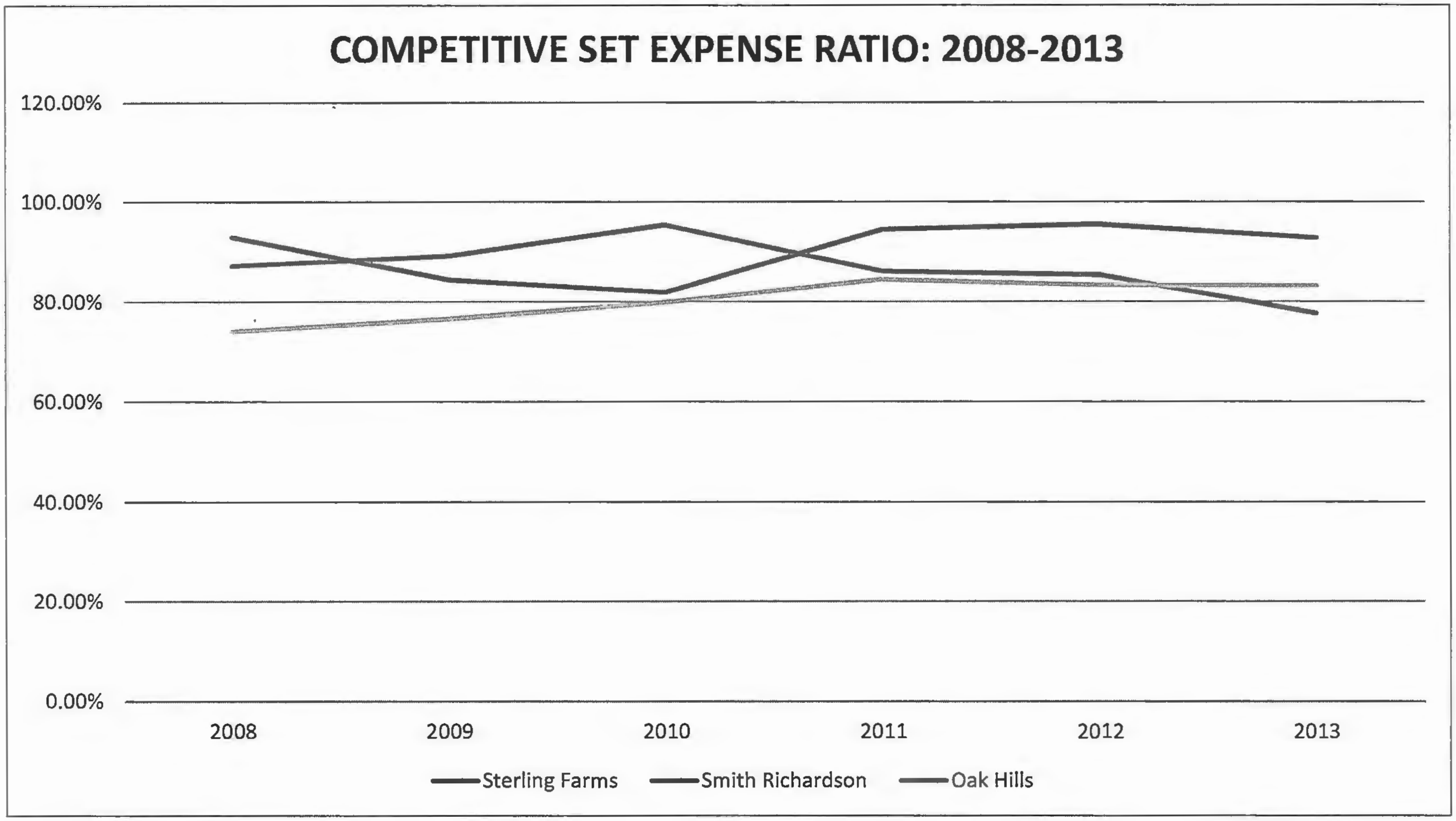
CATEGORY	FYB 2015		FYE 2014		FYE 2013		FYE 2012		FYE 2011		FYE 2010		FYE 2009		FYE 2008		FYE 2007		FYE 2006		FYE 2005		FYE 2004		Avg Annual Change: 2004-2014
	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	REV PER ATT	REV PER RP	
GROSS REVENUES	$24.92	$43.75	$23.17	$43.93	$21.52	$44.29	$21.76	$43.31	$22.56	$40.92	$24.85	$38.43	$25.41	$38.42	$26.82	$38.72	$24.85	$36.39	$24.52	$35.49	$20.93	$31.21	$19.18	$29.48	1.89%
Golf Revenue																									
Golf Fees	$14.48	$25.42	$13.17	$24.98	$12.27	$25.25	$13.45	$26.77	$14.43	$26.18	$16.50	$25.53	$16.49	$24.95	$17.29	$24.97	$15.68	$22.96	$15.96	$23.10	$14.00	$20.87	$13.12	$20.17	0.04%
I.D. Cards	$2.64	$4.63	$2.29	$4.35	$2.17	$4.47	$2.03	$4.05	$1.64	$2.98	$1.53	$2.37	$1.79	$2.70	$1.84	$2.65	$1.84	$2.70	$1.51	$2.19	$1.57	$2.34	$1.28	$1.97	7.17%
Tournament Fees	$1.50	$2.64	$1.38	$2.62	$0.67	$1.38	$0.18	$0.37	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	9.09%
Cart Revenue	$4.41	$7.75	$4.09	$7.75	$3.89	$8.01	$3.87	$7.69	$3.99	$7.24	$4.46	$6.90	$4.55	$6.89	$4.96	$7.16	$5.35	$7.84	$5.11	$7.40	$4.11	$6.13	$3.89	$5.97	0.47%
Golf Revenue - Gift Certif.	$0.26	$0.45	$0.25	$0.48	$0.26	$0.53	$0.27	$0.54	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	9.09%
Golf Rev Adj-Gift Certs,Rain cks	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%
Golf Revenue-Advertising	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%
Golf Revenue - Other	-$0.26	-$0.45	-$0.32	-$0.60	-$0.27	-$0.56	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	-9.09%
Golf Revenue	$23.04	$40.44	$20.87	$39.57	$18.99	$39.08	$19.81	$39.42	$20.07	$36.40	$22.50	$34.80	$22.84	$34.54	$24.09	$34.78	$22.88	$33.50	$22.59	$32.69	$19.68	$29.34	$18.29	$28.11	1.28%
Tennis Revenue	$0.61	$1.06	$0.48	$0.92	$0.44	$0.90	$0.41	$0.81	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	9.09%
Rental Income	$0.18	$0.32	$0.18	$0.34	$0.27	$0.55	$0.05	$0.10	$2.02	$3.66	$1.86	$2.88	$1.91	$2.90	$1.87	$2.69	$1.77	$2.59	$1.37	$1.98	$0.83	$1.23	$0.52	$0.79	-5.88%
Investment Income	$0.00	$0.00	$0.00	$0.00	$0.01	$0.02	$0.00	$0.01	$0.06	$0.10	$0.09	$0.14	$0.15	$0.22	$0.00	$0.00	$0.17	$0.25	$0.11	$0.16	$0.04	$0.06	$0.02	$0.03	-8.04%
Misc. Income	$0.00	$0.00	$0.32	$0.60	$0.26	$0.53	$0.00	$0.00	$0.42	$0.75	$0.40	$0.62	$0.51	$0.77	$0.45	$0.66	$0.04	$0.06	$0.45	$0.66	$0.38	$0.57	$0.36	$0.55	-1.07%
Cash Over/Under	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.41	$0.59	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%
Restaurant Income	$1.09	$1.92	$1.31	$2.49	$1.56	$3.21	$1.49	$2.97	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	9.09%
Total Non-Golf Revenue	$1.88	$3.30	$2.30	$4.36	$2.53	$5.21	$1.95	$3.89	$2.49	$4.52	$2.35	$3.64	$2.57	$3.89	$2.73	$3.94	$1.98	$2.89	$1.94	$2.80	$1.25	$1.86	$0.89	$1.37	14.30%

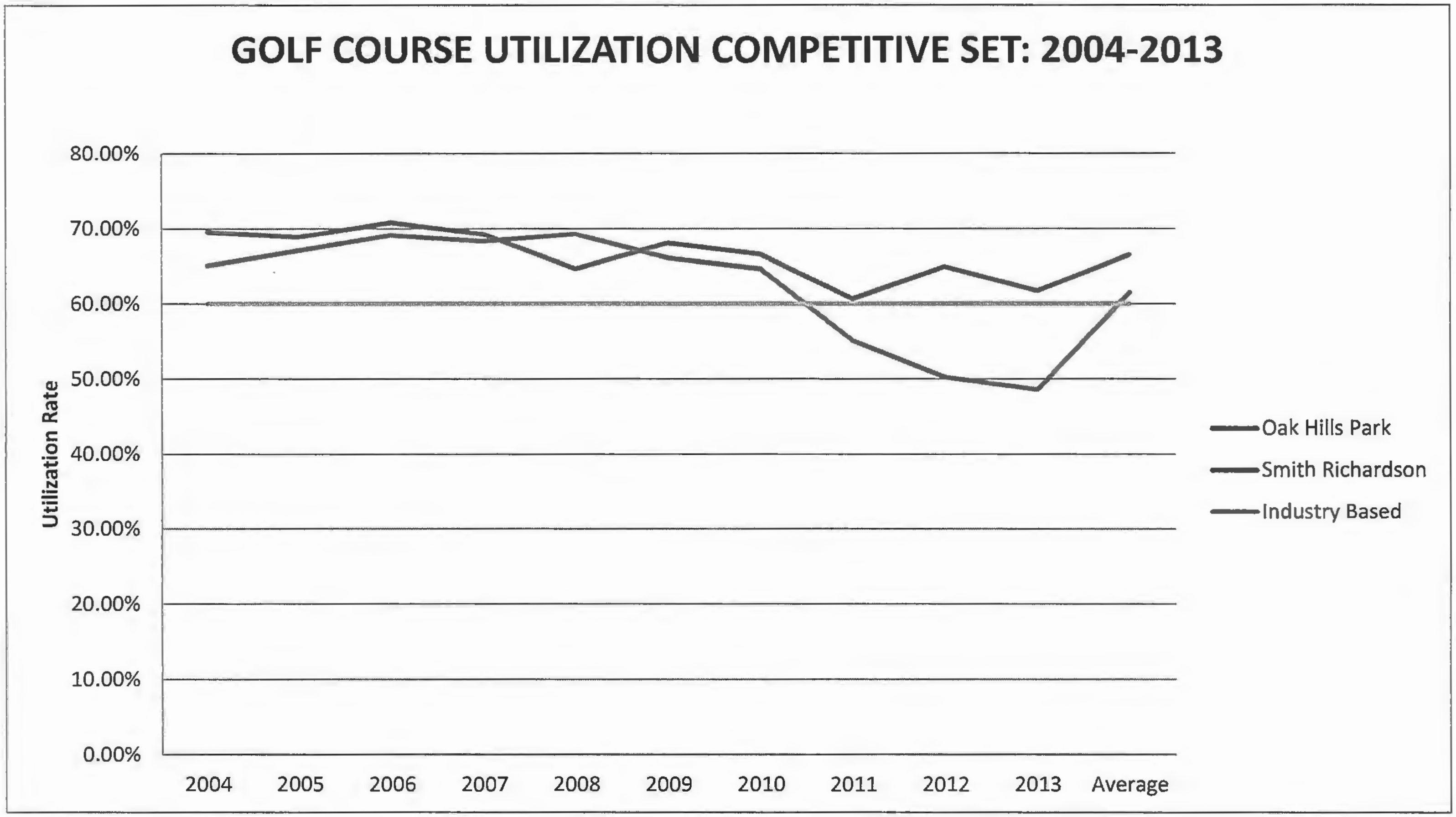
Oak Hills Park Authority
Expense KPI: Percent of Gross Income and Pe
2004-2014 Actual
Budgeted 2015-

CATEGORY	FYB 2015		FYE 2014		FYE 2013		FYE 2012		FYE 2011		FYE 2010		FYE 2009		FYE 2008		FYE 2007		FYE 2006		FYE 2005		FYE 2004		Avg Annual Change: 2004-2014
	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	Perc GI	Per RP	
DEPARTMENTAL EXPENSES																									
TOTAL PAYROLL, BENEFITS, ADMIN	51.71%	$22.62	56.25%	$24.71	51.89%	$22.98	54.91%	$23.78	58.20%	$23.81	56.32%	$21.65	53.11%	$20.41	46.69%	$18.08	50.00%	$18.19	50.77%	$18.02	55.52%	$17.33	61.04%	$18.00	1.03%
PERSONNEL EXPENSE	36.86%	$16.13	38.35%	$16.85	34.01%	$15.06	39.21%	$16.98	42.97%	$17.58	40.57%	$15.59	38.91%	$14.95	34.61%	$13.40	36.27%	$13.20	36.91%	$13.10	41.81%	$13.05	46.33%	$13.66	0.00%
EMPLOYEE BENEFITS	8.15%	$3.56	9.51%	$4.18	7.65%	$3.39	9.01%	$3.90	9.27%	$3.79	9.27%	$3.56	8.34%	$3.20	6.59%	$2.55	7.01%	$2.55	7.60%	$2.70	8.26%	$2.58	9.80%	$2.89	1.56%
ADMINISTRATIVE EXPENSES	6.70%	$2.93	8.39%	$3.69	10.23%	$4.53	6.69%	$2.90	5.95%	$2.44	6.47%	$2.49	5.86%	$2.25	5.50%	$2.13	6.71%	$2.44	6.26%	$2.22	5.45%	$1.70	4.91%	$1.45	9.70%
PARK MAINTENANCE	12.32%	$5.39	14.07%	$6.18	17.83%	$7.90	18.20%	$7.88	17.43%	$7.13	16.63%	$6.39	16.30%	$6.26	18.04%	$6.99	17.22%	$6.27	15.61%	$5.54	15.66%	$4.89	19.31%	$5.69	-1.09%
UTILITIES EXPENSE	7.01%	$3.07	7.16%	$3.15	6.07%	$2.69	5.75%	$2.49	4.74%	$1.94	3.98%	$1.53	4.42%	$1.70	6.26%	$2.42	3.20%	$1.17	4.80%	$1.70	4.69%	$1.47	4.28%	$1.26	9.27%
CART EXPENSE	4.26%	$2.11	4.56%	$2.10	5.10%	$2.19	2.34%	$1.01	2.36%	$1.06	0.98%	$0.49	0.79%	$0.40	0.98%	$0.52	1.04%	$0.51	1.94%	$0.94	4.46%	$1.86	5.06%	$1.93	0.82%
UNDISTRIBUTED EXPENSES	2.82%	$1.40	2.56%	$1.18	2.42%	$1.04	2.22%	$0.96	1.86%	$0.83	1.99%	$0.98	1.98%	$1.00	2.15%	$1.15	3.34%	$1.65	4.08%	$1.99	4.99%	$2.08	4.78%	$1.82	-3.20%
TOTAL EXPENSES	78.13%	$34.18	84.61%	$37.17	83.31%	$36.90	83.41%	$36.13	84.58%	$34.61	79.91%	$30.71	76.60%	$29.43	74.13%	$28.70	74.80%	$27.22	77.20%	$27.40	85.33%	$26.63	94.47%	$27.85	0.74%
EBITDA	21.87%	$9.57	15.39%	$6.76	16.69%	$7.39	16.59%	$7.18	15.42%	$6.31	20.09%	$7.72	23.40%	$8.99	25.87%	$10.02	25.20%	$9.17	22.80%	$8.09	14.67%	$4.58	5.53%	$1.63	21.44%


OAK HILLS PARK TOTAL REVENUE PER ROUND PLAYED: 2004-2015B
$50.00
$45.00
$40.00
$35.00
$30.00
$25.00
$20.00
$15.00
$10.00
$5.00
$0.00
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Total Revenue
Total Golf Revenue
Total Non-Golf Revenue

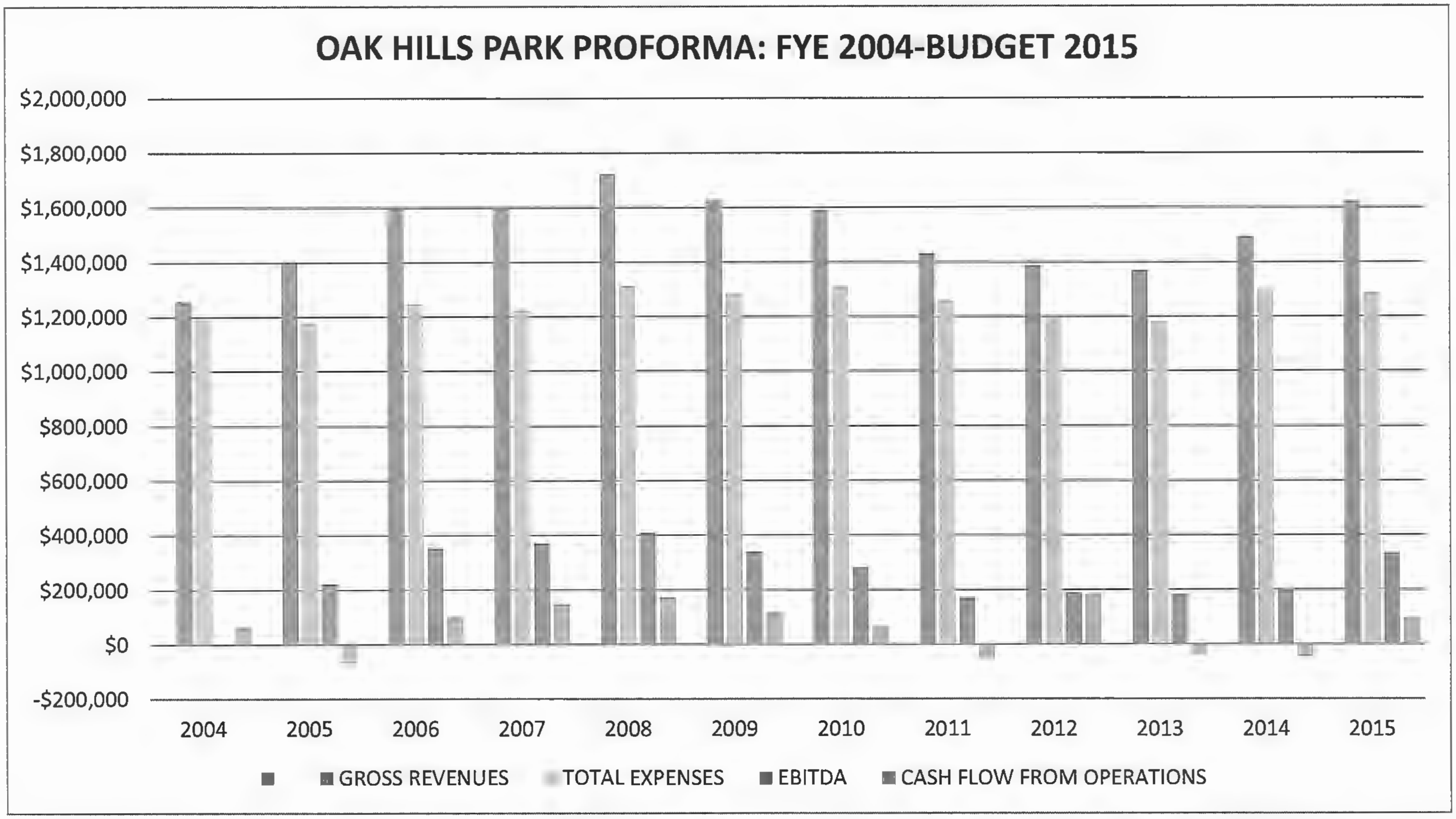

OAK HILLS PARK TOTAL REVENUE PER AVAILABLE: 2004-2015B
$30.00
$25.00
$20.00
$15.00
$10.00
$5.00
$0.00
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Total Revenue
Total Golf Revenue
Total Non-Golf Revenue


COMPETITIVE SET EXPENSE RATIO: 2008-2013
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
2008
2009
2010
2011
2012
2013
Sterling Farms
Smith Richardson
Oak Hills


GOLF COURSE UTILIZATION COMPETITIVE SET: 2004-2013
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Utilization Rate
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Average
Oak Hills Park
Smith Richardson
Industry Based

Oak Hills Park Authority
Proforma Income and Expenses
2004-2014 Actual
Budgeted 2015

	FYB 2015	FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009	FYE 2008	FYE 2007	FYE 2006	FYE 2005	FYE 2004	Avg Annual Cha nge
GROSS REVENUES	$1,616,606	$1,486,359	$1,361,544	$1,381,961	$1,424,800	$1,586,430	$1,619,478	$1,715,852	$1,592,698	$1,597,259	$1,395,975	$1,257,023	1.66%
Golf Revenue													
Golf Revenue	$1,520,449	$1,377,342	$1,253,486	$1,307,536	$1,324,532	$1,484,972	$1,507,248	$1,589,996	$1,510,028	$1,490,875	$1,299,144	$1,207,055	1.28%
Total Non-Golf Revenue	$96,157	$109,017	$108,058	$74,425	$100,268	$101,458	$112,230	$125,856	$82,670	$106,384	$96,831	$49,968	10.74%
DEPARTMENTAL EXPENSES													
TOTAL PAYROLL, BENEFITS, ADMIN	$850,491	$860,173	$737,136	$788,764	$866,495	$923,706	$890,623	$826,463	$820,149	$821,780	$767,131	$772,746	1.03%
PARK MAINTENANCE	$202,579	$215,119	$253,227	$261,420	$259,459	$272,807	$273,315	$319,383	$282,497	$252,597	$216,364	$244,501	-1.09%
UTILITIES EXPENSE	$115,329	$109,485	$86,291	$82,571	$70,644	$65,316	$74,048	$110,727	$52,537	$77,693	$64,863	$54,199	9.27%
CART EXPENSE	$70,060	$69,799	$72,484	$33,581	$35,076	$16,125	$13,284	$17,351	$17,009	$31,325	$61,681	$64,032	0.82%
UNDISTRIBUTED EXPENSES	$46,440	$39,210	$34,336	$31,845	$27,657	$32,630	$33,223	$38,122	$54,836	$66,087	$68,914	$60,484	-3.20%
TOTAL EXPENSES	$1,284,899	$1,293,786	$1,183,473	$1,198,181	$1,259,331	$1,310,584	$1,284,493	$1,312,046	$1,227,028	$1,249,482	$1,178,953	$1,195,962	0.74%
EBITDA	$331,707	$192,573	$178,071	$183,780	$165,469	$275,846	$334,985	$403,806	$365,670	$347,777	$217,022	$61,061	19.58%
OTHER INCOME/ EXPENSES	$471,009	$470,897	$441,871	$220,093	$466,117	$500,328	$504,303	$534,744	$508,457	$521,390	$420,683	$416,344	0.68%
8000 · Depreciation/Amortization	$226,393	$226,393	$220,243	$218,238	$242,882	$281,676	$277,076	$298,908	$286,365	$264,290	$129,210	$124,540	
8001 · Capital projects	$25,000	$25,000	$0	$78,757	$0	$0	$0	$0	$0	$0	$0	$0	
5520 · Interest Expense	$7,561	$7,449	$9,573	$8,038	$11,180	$6,597	$15,172	$23,781	$10,037	$8,805	$49,635	$5,279	
ADS - Irrigation and Restaruant	$172,255	$172,255	$172,255	$172,255	$172,255	$172,255	$172,255	$172,255	$172,255	$172,255	$172,255	$172,255	
8002 · Bond to City - Interest													
8002- Debt Service Principal to City													
8003 · Replenish WC escrow	$39,800	$39,800	$39,800	$39,800	$39,800	$39,800	$39,800	$39,800	$39,800	$76,040	$69,583	$114,270	
8004 · Capital Debt to City	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
8005 · Operating Debt Debt to City	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
NET INCOME (LOSS)	-$139,302	-$278,324	-$263,800	-$36,313	-$300,648	-$224,482	-$169,318	-$130,938	-$142,787	-$173,613	-$203,661	-60,139	
CASH FLOW FROM OPERATIONS	$87,091	-$51,931	-$43,557	$181,925	-$57,766	$57,194	$107,758	$167,970	$143,578	$90,677	-$74,451	$64,401	


OAK HILLS PARK PROFORMA: FYE 2004-BUDGET 2015
$2,000,000
$1,800,000
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
-$200,000
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
GROSS REVENUES
TOTAL EXPENSES
EBITDA
CASH FLOW FROM OPERATIONS

INCOME AND EXPENSE PROFORMA: FYE 2004-FYB 2015

NGF FEASIBILITY STUDY PROPOSAL

NGF CONSULTING
NATIONAL GOLF FOUNDATION

Tel: (516) 551-2275
Email: edesrochers@northmarq.com

January 14, 2015

Ernest F. DesRochers
Senior Vice President / Managing Director
Northmarq Capital
One Penn Plaza, Suite 1421
New York, NY 10119

NGF Consulting Proposal #215004

Re: Oak Hills Golf Learning Center Feasibility Study

Dear Ernie:

It has been nice to speak with you these last few days regarding the situation with the Oak Hills Park Authority ("Authority") Master Plan and the possible addition of a new golf learning center to the existing Oak Hills Golf Course ("Oak Hills") in Norwalk, CT. The Authority is now considering the possibility of National Golf Foundation Consulting, Inc. ("NGF") being retained to prepare an independent feasibility study to assist the Oak Hills Park Authority in understanding the market and economic potential of adding the new Oak Hills Golf Learning Center to the existing 18-hole golf facility in Norwalk, CT. The NGF proposes to conduct this assignment in phases, providing you and the Authority a review of the most appropriate mix of amenities to support golf operations at Oak Hills, the potential market this facility can serve and an estimate of the projected economic performance of the expanded Oak Hills GC, complete with a new state-of-the-art golf learning center.

SCOPE OF SERVICES

Market and Financial Analysis

NGF will visit Norwalk, CT to participate in kick-off meetings, do an on-site inspection of Oak Hills Golf Course, conduct interviews with key staff, and collect documentation on the recent historical performance of the facility. During this time the consultant(s) will meet with Authority and other officials to review the scope of work set forth in this proposal and establish deliverables and final scheduling. The kick-off meeting will include an initial presentation by NGF that will outline the scope of services and project approach. This process will be repeated as needed throughout the project in order to discuss any necessary refinements, additions, or deletions to the scope of work.

The review of existing golf operations at Oak Hills and subsequent learning center feasibility analysis will give NGF the necessary background to make recommendations for appropriate practice amenities and existing golfer support for the concept. The operations review will be the basis for the subsequent market and financial analysis of expanding Oak Hills with new golf practice amenities and a formal golf learning center. The NGF review will cover the following key elements:

- **Review of Oak Hills GC** – This phase of the study, which will include meetings with key golf course operations and maintenance staff such as the Director of Golf, Head Golf Professional, and Superintendent, will provide us with the necessary background on the existing Oak Hills golf operation and how the proposed new golf learning center will fit in to the overall operation. The NGF is prepared to review:
  - Financial and activity records (P&L statements, rounds played, etc.)
  - Fee history / market positioning
  - Marketing activities and strategies
  - Revenue center performance
  - Clubhouse operations (F&B, merchandise, golf staffing, etc.)
  - Programs in place (customer service, lessons, tournaments, etc.)
  - Opportunities for potential rounds and/or revenue growth
- **Analysis of Proposed Oak Hills Golf Learning Center** - The NGF will review the upgrade / alteration program being proposed by the Oak Hills Park Authority. NGF will review the proposed learning center addition, with complete detail of all new amenities and potential revenue centers to be included. This will include review of both the physical layout of all new amenities and the proposed operational structure expected to be in place upon opening.
- **Market Analysis** - NGF Consulting will develop an analysis to gain a thorough understanding of the supply/demand dynamic that is driving the competitive public access golf market in the Norwalk, CT area, with special focus on the market supply/demand dynamic for driving ranges and practice facilities. We will document relevant local competition in terms of relative quality, as well as trends with respect to fees and activity levels, so that we can identify the appropriate price value proposition for the new Oak Hills Golf Learning Center. We will also identify demographic and economic trends that may impact the performance of both the Oak Hills Golf Course and the proposed new golf learning center.
- **Stakeholder Input** – The NGF consultant will meet with relevant stakeholders (for example, and to the extent relevant, Men's Association, Women's Association, etc.) of Oak Hills to gauge their opinions about the golf course operation and proposed learning center addition.
- **Business Plan Recommendations** – The NGF will prepare a full schedule of actionable recommendations to the Authority designed to help ensure the golf program's continued viability, in light of proposed new additions. Recommendations are expected to include operational, management, technology, physical, amenity mix, capital and marketing ideas that can help improve the economic performance of Oak Hills GC for the near and longer term future.
- **Preliminary Use Projections** - Based on the findings of our facility, site and market analyses, the NGF will prepare a schedule of use projections for the Oak Hills GC and proposed new golf learning center. This will include projections of use from range activity, lessons, golf schools, ancillary spending and any potential impact on Oak Hills' golf rounds.
- **Financial Analysis** – The NGF will craft a 10-year pro forma projection for future economic performance of the Oak Hills Golf Course and proposed golf learning center under the "status quo" operating structure, along with other NGF recommendations.

PROJECT DELIVERABLES

NGF Consulting anticipates frequent communication with the client and/or appropriate Authority staff during this engagement. Deliverables to the client for this project include:

- Consultant activities on-site in Norwalk, CT and at Oak Hills, including meetings and presentations with Authority and golf staff, golf course operations staff, and key stakeholder groups.
- A written report that will contain key findings, recommendations, and documentation of the site, market and financial feasibility of the proposed new Oak Hills Golf Learning Center. A draft version of the document will be made available to the client for review and comments. Upon authorization, eight bound copies and an electronic version of the final report will be delivered.
- At client request, the lead NGF consultant will be available to make a formal presentation of findings to Oak Hills Park Authority officials, and be available to answer any questions from other groups the client may deem appropriate.

PROFESSIONAL FEES, TIMING AND STAFF

To complete this engagement, the NGF team proposes a professional fee of **$12,000**, plus reimbursement for direct project expenses (e.g., lodging, coach airfare, rental car) associated with the initial field visit to Norwalk and additional visit for presentation. These expenses will be billed at cost and will not exceed **$3,500**, assuming two (2) trips to Norwalk, without the client's permission.

The timing of the draft report delivery is contingent on the commencement date of the study and the timing of the field visit, but NGF anticipates delivery of draft report within six to eight weeks of the completion of the field visit. Assuming a start date of January 26, 2015, the NGF anticipates the delivery of a draft report to the client by the second week in March 2015. The NGF Consulting effort will be managed by Richard Singer, Director of Consulting, one of the most experienced public sector golf consultants in the U.S. Mr. Singer will personally coordinate all NGF Consulting efforts on this project, serve as the primary point of contact between NGF and the client, and complete any required meetings with Authority officials and the public (if applicable). Other NGF staff expected to be involved in the review include Ed Getherall, Senior Director of Operations, John Wait, Senior Associate Consultant and Jodi Reilly, Consulting Administrator.

ACCEPTANCE

Acceptance of this proposal may be indicated by signing one copy and returning it to NGF Consulting's Jupiter office. **A retainer equivalent to 33% of Phase 1 professional fees - $4,000** - will be required for the project to commence. A second billing of 33% ($4,000), plus travel expenses will be made upon completion of the field visit and initial presentation of findings to the client. Upon delivery of the final report, the remaining $4,000 plus additional travel expenses will be billed.

Ernie, thank you for the opportunity to submit this proposal and I look forward to working with you on this most interesting project. The NGF is the leading provider of golf market research and consulting in the U.S., and the NGF provides proprietary research services to the leading companies and organizations in golf. We would gladly provide references and invite you to contact our current and recent clients regarding the quality and timeliness of our work. I look forward to discussing the best ways that we can be a resource and an invaluable contributor to your success. Please call if there are any questions or if we can be of further assistance.

Sincerely,

Richard B. Singer
Director of Consulting Services

rsinger@ngf.org

By:______________________________ Date:__________________

Acceptance: Ernest DesRochers

NATIONAL GOLF FOUNDATION QUALIFICATIONS

National Golf Foundation Qualifications

The NGF's work is supported by a base of approximately 3,500 members representing every facet of the industry: public and private golf facilities; golf course architects; developers and builders; companies offering specialized services to the golf industry; national, regional, state, and local golf associations; instructors; schools, and individuals. The NGF's board of directors includes senior executives from the leading companies in each major segment in the golf industry including officers from The First Tee, Callaway Golf Company, Billy Casper Golf, Myrtle Beach Golf Holiday, GOLF Magazine/Sports Illustrated, TaylorMade-Adidas Golf, Toro Golf Company, and the United States Golf Association.

There is no greater authority than the NGF on the economics of supply and demand in the business of golf. The NGF's exclusive Golf Demand Model provides best-in-class data on every U.S. market and is utilized by many clients to improve both forecasting and customer targeting. The NGF's database of U.S. golf facilities is the industry's gold standard and is licensed by the USGA, PGA of America, Club Managers Association of America and the Golf Course Superintendents Association of America, as well as private enterprise such as Weather.com and NAVTEQ.

Our most important research is published and distributed to NGF members and non-members and is widely quoted in local, national, and international press and are used by numerous other golf-oriented consulting and information firms. NGF publications include: *Golf Participation in the U.S.,* annual editions; *Golf Facilities in the U.S.*, annual editions; *NGF Dashboard* newsletter, published monthly; *The Future of Public Golf in America,* 2010; *Golf Industry Overview* 2009; *Golfer Technology Profile*, 2009; *Golf Consumer Buying Profiles*, 2009; *Golf Travel in the U.S.*, 2009; *The Future of Private Golf Clubs in America,* 2008; *National Golf Rounds Played Report* quarterly with annual summaries; *A Strategic Perspective on the Future of Golf,* 2007; *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.*, 2010.

The NGF's Consulting Division was established in 1987 and has conducted more than 950 assignments throughout North America, plus Europe, Asia, the Caribbean, and South America. These engagements cover a broad spectrum of services, although assistance to U.S. municipalities operating golf facilities has become the landmark service for which the NGF consultants are most well-known. Since the National Golf Foundation is not involved in the design, construction, or operation of golf facilities, we are able to provide our clients with completely independent advice, and our staff will not hesitate to identify operational deficiencies that affect the performance of an existing facility or to advise clients against proceeding with a golf project.

All consulting work is conducted under the direction of **Richard B. Singer**, Director of Consulting Services at the National Golf Foundation. Other staff members work as part of the study team in providing professional insight, gathering additional data, applying participation models, conducting financial analyses, and reviewing the written report. Resumes of key professional staff appear on the following pages.

Richard B. Singer, Director of Consulting Services

Richard B. Singer has been the Director of Consulting Services for the National Golf Foundation (NGF) since 1997, and now has a total of 25 years of golf facility consulting experience. Mr. Singer first joined the NGF consulting staff in 1989 as a project analyst after completing his Real Estate Finance MBA at the University of Florida. Mr. Singer has successfully managed the NGF's well-known golf consulting practice with an industry-respected track record of success and a reputation for delivering projects on time and on budget.

Experience

Mr. Singer's background includes hands-on experience in the following functional areas:

-Golf Facility Feasibility Analysis	-Financial Analysis	-Golf Business Valuation
-Golf Operations Consulting	-Business Plan Preparation	-Golf Market Analysis
-Economic Impact Analysis	-Clubhouse Programming	-Staffing/HR
-Real Estate Master Planning	-Public Presentations	-Proposal Writing
-Expert Witness	-Golf Course Brokerage	-Portfolio Analysis

National Golf Foundation Consulting Experience – During his tenure with NGF Consulting, Mr. Singer has been responsible for preparing over 350 research studies for specific projects related to golf facilities. Mr. Singer is a widely recognized expert and frequent speaker, host and expert witness on subjects related to golf facility development, operation, management, finance, and transactions. In his 25 years as a golf consultant, Mr. Singer has visited and/or profiled more than 2,800 public and private golf facility operations in the United States and internationally. Mr. Singer also has extensive experience as an expert witness in matters related to golf facility operation, providing litigation assistance to golf course owners for estimating economic damages and in helping to defend golf facility owners in civil litigation.

Golf Facility Operations Consulting – Mr. Singer's golf facility operations consulting assignments comprise all aspects of golf facility operations, including golf courses, driving ranges, clubhouses, merchandise and food and beverage operations. Many golf facility operational consulting engagements require public presentations and Mr. Singer has demonstrated considerable poise in defending controversial golf facility proposals.

Golf Facility Development/Acquisition Consulting – In his 25 years with NGF Consulting, Richard Singer has become one of the most experienced golf facility development and acquisition consultants available today. His extensive experience includes feasibility studies, acquisition due diligence, appraisal and brokerage support, golf master plan development, and golf facility business plan preparation. Through the last three decades, Mr. Singer has completed several consulting engagements involving the conversion of "sensitive" sites into golf facilities (i.e. landfills).

Alternative Golf Facility Consulting – Mr. Singer's consulting services for alternative golf facilities have included both new development and operational reviews for driving ranges, putting courses, miniature golf courses, golf learning centers, executive/par-3 courses, and various combinations with other facilities. He co-authored the NGF publication *How to Plan, Build and Operate a Successful Golf Range.*

Regional Market and Economic Impact Analyses – During his tenure with NGF Consulting Mr. Singer has completed several statewide or regional golf market and economic impact studies. These studies typically involve preparing estimates of golf supply and demand in large geographies, as well as estimating the hard dollar impact of golf facilities on a local economy.

Key Accounts Managed (2009-2014)
Representative public sector clients in 2009-2014 include: Fairfax County (VA) Park Authority (operations review – 7 courses); City of Edina, MN (3-facility review of operations); State of Georgia (7-course review of operations and outsource assistance); City of Portland, OR (5-course operations review); City of Phoenix, AZ (6-course operations review); City of Aurora, CO (7-course operations review); City of Alameda, CA (golf facility operations review and master plan preparation); City of Burbank, CA (golf facility operations review and lease preparation); City of Auburn, WA (clubhouse review); City of Casselberry, FL (Private club acquisition); City of Thornton, CO (operations review); Borough of Sea Bright, NJ (beach/pool club development); City of Coronado, CA (GC performance benchmarking); the City of Dunedin, FL (golf facility review of operations and lease preparation); City of Portland, ME (6-course operations review); City of Lincoln, NE (5-course operations / sustainability review); the State of Utah (6-course operations review). These public sector projects include extensive participation in public meetings and a defense of project work.

Representative private sector clients in 2009-2014 include: The Trump Organization (private club lease analysis); The Pointe Lake and Golf Club (strategic plan); Waterlefe CDD (strategic plan); Heritage Isles CDD (clubhouse program plan); Verdict Ridge CC (member-acquisition analysis); Fleming Island CDD (rate study); Nicklaus Golf Companies (business plan review); Evergreen Investments (golf property portfolio analysis); The Moorings Club (market positioning analysis); Palmer Investments (new facility feasibility study); Walt Disney Imagineering (strategic plan for golf); Bonita Bay Properties (strategic plan for golf); Dartmouth College / Hanover CC (sustainability analysis); US Naval Academy Golf Club (review of operations); and Mahogany Run GC (St. Thomas, USVI – acquisition analysis).

Representative alternative facility clients in 2005-2014 include: Greens of Las Vegas, Inc. (new facility feasibility); Golden Bear International (new facility feasibility); City of Lake Oswego, OR (par-3 course reconfiguration and range expansion); Palm Beach County, Florida; City of Ft. Lauderdale, FL (new facility on landfill feasibility); City of Plantation, FL (litigation support); Gambrell & Stoltz (Macon, GA – expert testimony); and Development Consulting Co. (three ranges in CA & FL).

Representative regional market and economic impact clients in 1999-2014 include: the State of West Virginia (Statewide 'Golf Trail' study); State of Oklahoma (Statewide Economic Impact Study); Bonita Bay Properties; *Golf 20/20* – Raleigh-Durham MSA Study; GATX Capital Golf Group; C. Cabot Incorporated; Gunster, Yoakley, Valdes-Fauli & Stewart, P.A.; Public Finance Consultants Inc.; and Morgan Stanley – Dean Witter.

International Experience
Mr. Singer's professional resume includes golf facility consulting on projects located in the countries of Canada, Sweden, Korea, Egypt, United Arab Emirates, Dominican Republic, Anguilla (BWI), US Virgin Islands, St. Marten, Brazil, Bahamas, and Chile.

Background/Education
Mr. Singer is a long-time resident of Palm Beach County, Florida and grew up around the North Palm Beach Country Club. He earned his Bachelor's degree in marketing and Insurance from the University of Florida in 1985, and worked as a financial consultant for Northwestern Mutual Life and Baird Securities before earning an MBA in Real Estate Finance from the University of Florida in 1989. Mr. Singer is a Licensed Real Estate Broker in Florida (Lic. #BK3077126).

Edward Getherall, Senior Director of Operations

Ed Getherall joined the NGF Consulting staff as Project Analyst in 2000 after several years of subcontracting consulting services to the NGF. Mr. Getherall, who was promoted to Senior Project Director in 2001 and Senior Director of Operations in 2013, has been instrumental in cementing NGF Consulting's status as the leader in municipal golf facility consulting, with a particular focus on improving municipal golf course marketing and making smooth transitions to alternative operating structures for their golf systems.

Mr. Getherall has also directed NGF's effort to be the leading industry resource for accurate golf market information pertaining to facility activity levels, revenue center performance, and green fee levels and trends. Since joining NGF Consulting, Mr. Getherall has become a respected industry authority on food & beverage operations, clubhouse renovation / replacement, municipal golf management alternatives, outsourcing assistance (RFP preparation / analysis of responses / contract negotiations), and other areas of expertise.

NGF Consulting Projects Experience

Mr. Getherall's extensive business and marketing background has enhanced NGF Consulting's ability to provide expertise to the facility segment of the golf industry. In 12 years in NGF's Consulting division, Ed has been the lead project director for more than 80 consulting assignments, covering a broad range of services, including public and private golf course feasibility studies, acquisition studies, operations reviews, golf-related real estate absorption analyses, pricing / market positioning analyses, and clubhouse renovation / replacement studies.

Public Sector Clients (partial list)

City of Houston, TX	City of Palm Springs, CA	Mecklenburg County, NC
City of Melbourne, FL	Bergen County, NJ	City of Greeley, CO
City of Alameda, CA	Town of Wallingford, CT	City of Concord, NC
City of Omaha, NE	City of Yonkers, NY	City of White Plains, NY
City of Yuma, AZ	City of Farmington, NM	Woodbridge Township, NJ
City of Gainesville, FL	City of Gallup, NM	Village of Royal Palm Beach, FL
City of Clayton, OH	City of Redmond, OR	Town of Brookline, MA
City of Antioch, CA	City of West Palm Beach, FL	Village of Wellington, FL
Miami-Dade County, FL	City of Henderson, NV	Palm Beach County, FL
City of Concord, CA	City of Gilbert, AZ	City of Reno, NV
City of Lake Havasu, AZ	City of Tempe, AZ	City of Oakland Park, FL
City of San Antonio, TX	Town of Farmington, CT	City of Naples, FL
Kealakehe Ahupua'a 2020, HI	City of Palm Coast, FL	City of Tarpon Springs, FL
City of Victorville, CA	City of Apple Valley, MN	City of Kentwood, MI
City of San Diego, CA	Borough of Dunmore, PA	City of Soldotna, AK
Municipality of Anchorage, AK	City of Gresham, OR	City of Portland, OR
City of Oviedo, FL	City of San Francisco, CA	City of New York, NY
City of Livermore, CA	El Dorado Hills, CA (CSD)	Ft. Belvoir GC (U.S. Army), VA

John S. Wait, Senior Associate Consultant

John is a leading consultant to municipal golf facilities, with specialty in golf facility operations, marketing and site planning. Mr. Wait has had "hands on" experience in golf, having managed four different golf facilities. In addition, his work as a consultant has allowed him to become intimately familiar with the operations of more than a hundred facilities, with exposure to many hundred more. He has worked with facilities managed by the top management companies in the industry as well as very successful independently operated facilities. As a result, he has learned what strategies work and when, and which ones do not. As of this writing, John has conducted more than 50 feasibility studies, over 20 operational evaluations, and has worked with numerous golf courses on improving their marketing and/or operating efficiency.

John has established himself as a leader in the golf course consulting industry. He has had numerous presentation at industry shows, including "How to Improve Profitability by Increasing Participation Among Women and Minorities" at the Golf Inc. show in Dallas, October 2012.

Background and Education

- John has an undergraduate and Master's Degree from the University of Kansas in Lawrence, Kansas, graduating with Honors and a double major. After several years in various industries, including golf, John founded Sirius Golf Advisors. Sirius performed market feasibility studies for golf courses and accompanying real estate development as well as marketing and business consulting to existing operations. In addition to his work with Sirius, John has managed four golf courses - two public and two private. He has worked as a subcontractor for several other consulting companies, including Signet Golf Associates, American ClubServ, and the National Golf Foundation (NGF).

- In 2004, John formed Sirius Real Estate, LLC, a real estate firm that works exclusively as a golf course brokerage. In 2008, John moved to the Dallas area to open a second location for Sirius in addition to the one in Jacksonville, Florida.

Municipal Golf Consulting

- Burleson, Texas
- Carrollton, Texas
- Union, Oregon
- Concord, North Carolina
- Georgia State Parks
- Duluth, Minnesota
- Forsythe County, Georgia
- Garland, Texas
- Giant's Ridge, Biwabik, Minnesota
- Lincoln, Nebraska
- Mesquite, Texas
- Nassau County, New York
- Plano, Texas
- Sarasota, Florida
- Westworth, Texas
- Sheppard AFB, Texas
- Tampa, Florida
- Arlington, Texas
- Prince William County, Virginia
- Cary, North Carolina
- Cleveland Metroparks, Ohio
- Cook County, Minnesota
- Dearborn, Michigan
- Edmond, Oklahoma
- Fredericksburg, Texas
- Glen Ellyn, Illinois
- Kitchener, Ontario, Canada
- Tinker AFB, Oklahoma
- Mountain Home, Idaho
- New Braunfels, Texas
- Westlake, Ohio
- Santa Rosa, California
- State of West Virginia
- Sundown, Texas

NORWALK on the move!

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

MEMORANDUM

Date: April 1, 2015

To: Bruce Kimmel, Finance Committee Chairman

From: Thomas Hamilton, Director of Finance

Re: Lease of Property for School Bus Depot

The Board of Education recently put its school transportation services out to competitive bid for a contract period beginning July 1, 2015. One of the issues that can hinder the ability of vendors to bid for this service is the acquisition of a bus depot site for the fleet of school buses. The bus depot must be large enough to store the fleet of school buses, and it must be equipped with fuel pumps, a maintenance garage, and a dispatch office. Suitable property for this purpose is limited in Norwalk.

Rich Rudl and I have engaged in discussions over the last couple of months of whether it would be financially advantageous for the City/Board of Education to directly lease a site for the school bus depot, rather than relying upon the school bus vendor to lease a site. The advantage of the City leasing a site is that we can lease a site for a longer term than the bus vendor, because we know that we will need a bus depot site regardless of which school bus vendor has the contract. A longer term lease with a Aaa-rated City is more attractive to a lessor than a short-term lease with a bus company, so we can negotiate a lower monthly rental. Ultimately, the cost of the bus depot lease is passed on to the City/Board of Education.

The Board of Education issued their school bus bid with two pricing options: One option requested that the school bus vendor arrange for its own bus depot; and the second option was based on the assumption that the City/Board of Education would independently lease or acquire a bus depot for the selected vendor's use. At the same time, we looked for potential bus depot sites and negotiated potential lease terms with the owner of the present bus depot located at 332-334 Wilson Avenue.

Based on the responses received to the RFP, the Board of Education can save approximately $100,000 per year by leasing the current school bus depot site directly, rather than continuing to have the bus company lease the property. The proposed lease would be for a fifteen (15) year term with other terms as outlined on the attached term sheet. Since the lease exceeds five (5) years, Common Council authorization is required and the City would be the signatory to the lease. However, the payment of the lease would continue to be paid by the Board of Education through their budget, since these costs are presently paid by the Board through their existing bus contract.

Action Requested: Authorize the Mayor, Harry W. Rilling, to execute a lease agreement with 332 Wilson Avenue LLC, c/o Stanley M. Seligson Properties, to lease approximately 1.9 acres of land with improvements located at 332 Wilson Avenue for purposes of a school bus depot, based upon the terms and conditions outlined in the attached term sheet. Account#: TBD Board of Education account

cc: Harry Rilling, Mayor
Dr. James Connelly, Superintendent of Schools
Richard Rudl, Chief Financial Officer, Board of Education

SUMMARY OF KEY BUSINESS TERMS

Premises:	1.96 acres of land, with 5,222sf single-story building
Location:	332-334 Wilson Avenue, Norwalk, Connecticut
Purpose / Use:	School Bus Transportation Facility
Tenant:	City of Norwalk
Landlord:	332 Wilson Avenue LLC, an entity affiliated with Stanley M. Seligson Properties
Lease Term:	Fifteen (15) Years; plus two renewal options of five (5) years
Commencement Date:	July 1, 2015
Base Rent:	Year 1: $328,500 (NNN); *Landlord shall provide Tenant with base rental abatement in the amount of $10,000, which results in a Year 1 effective Base Rent amount of $318,500 (NNN)*
	Year 2-15: Rent escalations of 2.25% per annum [e.g. Year 2 = $335,891.25 (i.e. $328,500*2.25%)]
NNN Operating Expenses:	Tenant shall be responsible for 100% of all costs and charges associated with maintaining and operating the Premises, including costs of all maintenance and repairs, insurance, real estate taxes, and all other expenses associated with the Premises.
Landlord Obligations:	Landlord shall be responsible for all structural repairs (e.g. roof, foundation, bearing walls, and comprehensive replacement of HVAC systems and underground fuel storage tanks) throughout the term of the Lease.

RENT SCHEDULE

City of Norwalk
School Bus Transportation Facility

PROPERTY: 332-334 Wilson Avenue, Norwalk
BUILDING RSF: 5,222
LAND RSF: 85,378
TENANT % SHARE: 100.00%

SCHEDULE OF BASE RENT								
Lease Year #	**Monthly Base Rent**		**Annual Base Rent**		**Annual Escalations**	**Lease Year Period Start**	**Lease Year Period End**
1	$	27,375.00	$	328,500.00	2.25%	7/1/2015	6/30/2016
1-A	$	(833.33)	$	(10,000.00)		7/1/2015	6/30/2016
2	$	27,990.94	$	335,891.25	2.25%	7/1/2016	6/30/2017
3	$	28,620.73	$	343,448.80	2.25%	7/1/2017	6/30/2018
4	$	29,264.70	$	351,176.40	2.25%	7/1/2018	6/30/2019
5	$	29,923.16	$	359,077.87	2.25%	7/1/2019	6/30/2020
6	$	30,596.43	$	367,157.12	2.25%	7/1/2020	6/30/2021
7	$	31,284.85	$	375,418.16	2.25%	7/1/2021	6/30/2022
8	$	31,988.76	$	383,865.07	2.25%	7/1/2022	6/30/2023
9	$	32,708.50	$	392,502.03	2.25%	7/1/2023	6/30/2024
10	$	33,444.44	$	401,333.33	2.25%	7/1/2024	6/30/2025
11	$	34,196.94	$	410,363.33	2.25%	7/1/2025	6/30/2026
12	$	34,966.38	$	419,596.50	2.25%	7/1/2026	6/30/2027
13	$	35,753.12	$	429,037.42	2.25%	7/1/2027	6/30/2028
14	$	36,557.56	$	438,690.76	2.25%	7/1/2028	6/30/2029
15	$	37,380.11	$	448,561.31	2.25%	7/1/2029	6/30/2030

MEMORANDUM

April 1, 2015

To: Members of the Board of Estimate and Taxation

Re: **Parking Authority Operating Budget FY 15-16**

The Parking Authority approved the FY 2015-2016 Operating Budget of $5,800,123 at the meeting on February 25, 2015. The FY 2016 Operating Budget represents an increase of .98% ($56,536) in expenses compared to forecast and 5.76% ($316,032) compared to the approved budget for fiscal year 2015. The approved operating budget reflects program and technology changes made during fiscal year 2015 as well as parking activity changes.

Expense Highlights:

- $135,000 expense for capital reserve and replacement.
- $40,500 increase for smartparking technology
- $53,998 additional funding for software and equipment maintenance.
- A decrease of debt service by 9.65% ($107,828).

Revenue Highlights:

- Permit revenues show an increase of 3% ($75,254) representing consistent permit sales and trends.
- Transient revenues show an increase of 9% ($199,738) compared to budget due to an increase in transient parking activity systemwide as well as longer transaction times and higher compliance.
- Meter revenue shows an increase of 29.69% ($70,526) which represents a higher on street parking activity.

- Parking violation revenue shows an increase of 2.46% ($17,629) and continues to represent only 12% of the overall revenue pool.

11 North Water Street, Norwalk, Ct. 06854 * 203-831-9063 * info@norwalkpark.org * www.norwalkpark.org *

Description of Services/Mission Statement:

The Norwalk Parking Authority are volunteer Norwalk residents appointed by the Mayor and approved by the Common Council. They are responsible for the management, operation and maintenance of over 4,000 on and off street parking spaces including the railroad stations. They are committed to making Norwalk a great place for all by providing an exceptional parking experience. The Parking Authority strives for perfection and takes pride in their efforts to be responsive to the public through excellence in service, communications, smartparking technologies and community collaboration. The Norwalk Parking Authority is a financially self-sustaining agency of the City of Norwalk, established in 2002 by Ordinance. The Authority provides a clean and safe environment, a positive, friendly experience and easy to find and pay for parking. Supports and collaborates on citywide Redevelopment Projects.

Highlights for 2014-2015:

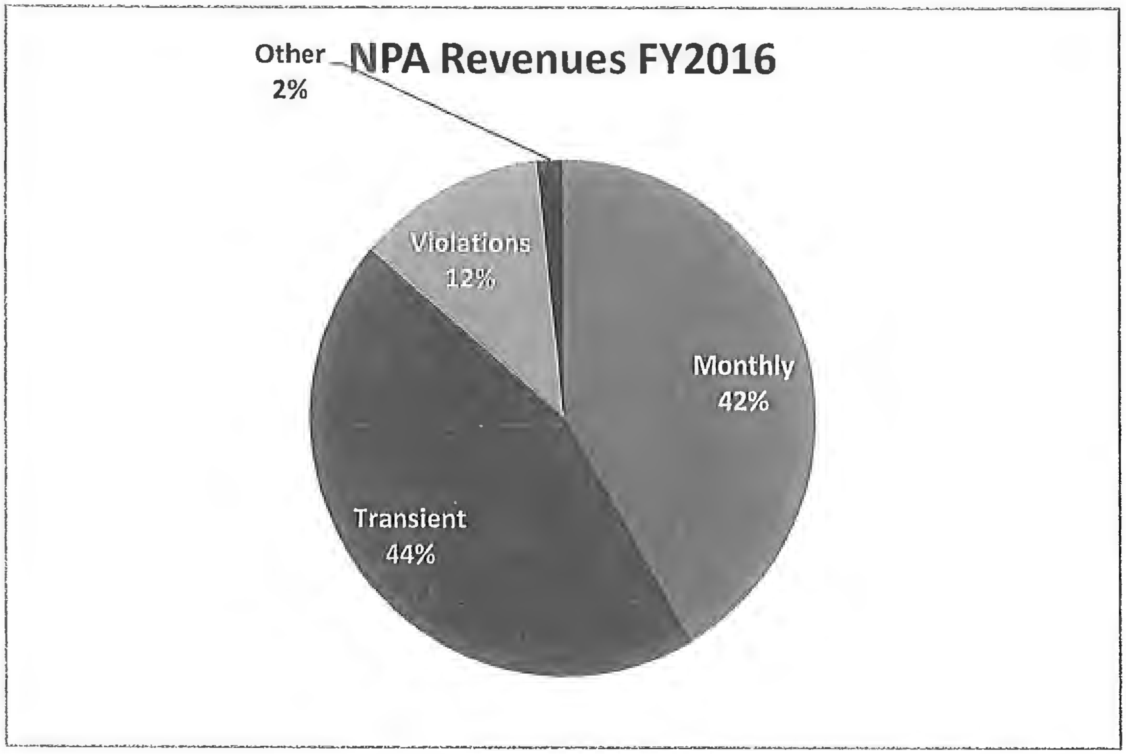
- Opportunities to the community *by leveraging city parking assets* using best practice and providing excellent service while ensuring financial stability; expand the *Art in Parking Places* program to include performing arts; partnered with private developer projects and business programs to capture parking consistency and economies of scale; collaborated with annual community events.
- Customer Service –provided superior communication through interactive, user friendly, functional website, mobilized smartphone applications, social media alerts; continued to offer valet and enhanced parking services at the Maritime Garage and at the South Norwalk Railroad Station and expanded services at the N. Water Parking Lot.
- Financial Stability – continued to operate with a balanced financial portfolio and diversified revenue stream through long term facility and parking leases and increased compliance;
- Maintenance and Security – implemented facility maintenance improvements recommended in the condition assessment to extend facility useful life and enhance operational efficiencies.
- Technology and Communication – Implemented the first phase of the smartparking/technology plan to capture utilization data, wayfinding customer opportunities and operational efficiency efforts through on street sensor and facility counter technology to enhance, improved easy wayfinding and payment, and increased compliance and parking capacity decisions; Expanded marketing campaign, *'we have a spot for you'* marketing the whole City of Norwalk.
- Environmental sustainability and energy management - continued systemwide efforts;

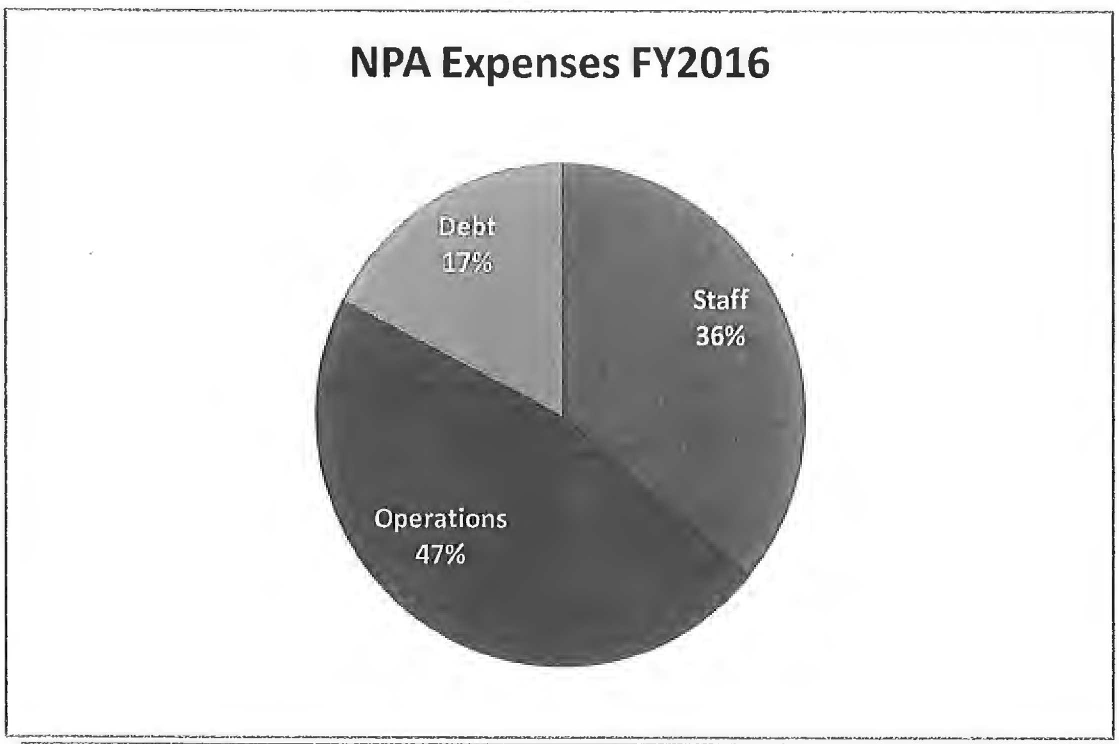
Goals for 2015-2016:

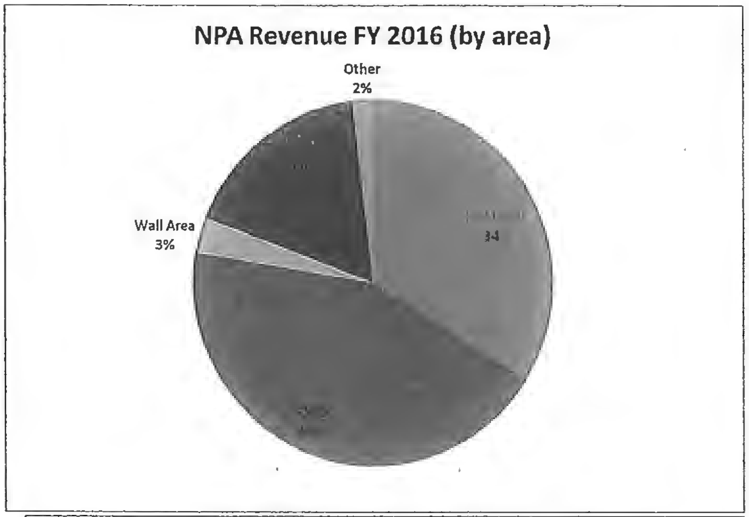
- Opportunities to the community *by leveraging city parking assets* using best practice and providing excellent service while ensuring financial stability; expand the *Art in Parking Places* program to include performing arts; partner with private developer projects and business programs to capture parking consistency and economies of scale; collaborate with community events.
- Customer Service –provide superior communication through interactive, user friendly, functional website, mobilized smartphone applications, social media alerts; explore a shared car program at the South Norwalk Railroad Station; expand bike racks at various facilities and explore a bike share program, collaborate with Parks and Recreation; continue to offer valet and enhanced parking services at the Maritime Garage and at the South Norwalk Railroad Station and expand services at the N. Water Parking Lot; upgrade railroad station concession offerings. Collaborate with the Transit District to offer a commuter shuttle.
- Financial Stability – continue to operate with a balanced financial portfolio and diversified revenue stream through long term facility and parking leases and increased compliance;
- Maintenance and Security – implement facility maintenance improvements recommended in the condition assessment to extend facility useful life and enhance operational efficiencies.
- Technology and Communication – Implement the phase II of the smartparking/technology plan to capture utilization data, wayfinding customer opportunities and operational efficiency efforts through on street sensor and facility counter technology to enhance, improve easy wayfinding and payment, and increase compliance and parking capacity decisions; Continue to expand marketing campaign, *'we have a spot for you'* marketing the whole City of Norwalk.
- Environmental sustainability and energy management efforts - develop and implement a facility lighting plan replacing fluorescents lighting to LED through SNEW grant program.
- Redevelopment Projects –collaboration with the Redevelopment Agency on citywide projects.

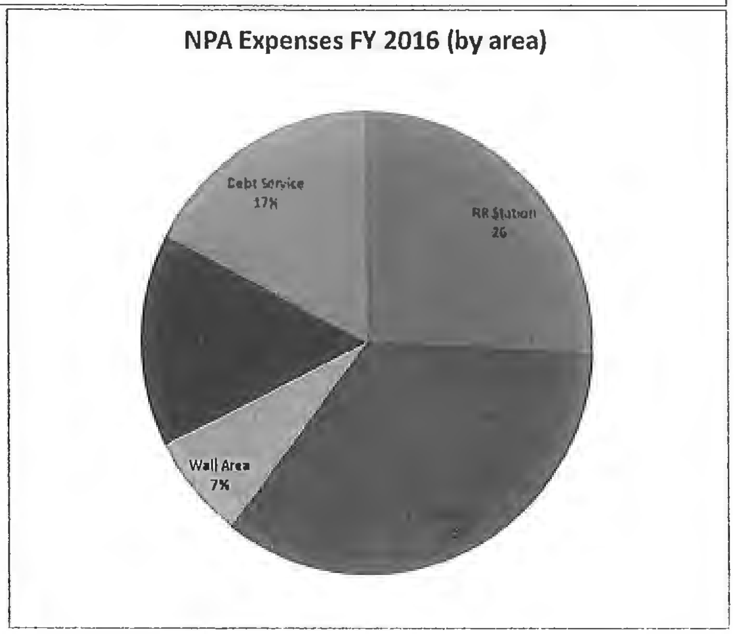
Norwalk Parking Authority
PROPOSED BUDGET (Detail)
FY 2016

	Budget 2015	Forecast FY 2015	PROPOSED Budget FY 2016	Variance $ to Budget FY 2015	Variance % to Budget FY 2015	Variance $ to Forecast FY 2015	Variance % to Forecast FY 2015
PARKING REVENUE							
Monthly	2,470,531	2,473,084	2,545,785	75,254	3.05%	72,701	2.94%
Transient	2,218,234	2,412,900	2,417,973	199,738	9.00%	5,073	0.21%
Validations	0	0	0	0	0	0	0
Meter Revenue (Sono)	237,570	276,570	308,096	70,526	29.69%	31,526	11.40%
Parking Violation Revenue	716,133	773,864	733,762	17,629	2.46%	(40,102)	-5.18%
Less: Refunds	0	(119)	0	0	0	119	-100.00%
Less Sales Tax	(165,696)	(176,220)	(176,114)	(10,418)	6.29%	106	-0.06%
TOTAL PARKING REVENUE	**5,476,772**	**5,760,078**	**5,829,501**	**352,729**	**6.44%**	**69,423**	**1.21%**
OTHER REVENUE							
Art Program - MG	0	0	0	0	0	0	0
Advertising	7,200	7,200	1,000	(6,200)	-86.11%	(6,200)	-86.11%
Lease Income - SNRR	12,000	12,000	12,000	0	0.00%	0	0.00%
Lease Income - Webster	34,200	34,200	0	(34,200)	-100.00%	(34,200)	-100.00%
Lease Income - YDG	9,600	9,600	9,600	0	0.00%	0	0.00%
Easements	0	0	0	0	0	0	0
SNRR/ENRR Concessions	52,530	52,530	50,000	(2,530)	-4.82%	(2,530)	-4.82%
Investment Income	6,000	6,000	6,000	0	0.00%	0	0.00%
Enhanced Parking Svcs.	2,400	2,400	0	(2,400)	-100.00%	(2,400)	-100.00%
Storm Reimbursement (FEMA)	0	0	0	0	0	0	0
ATM Machines	24,000	24,000	24,000	0	0.00%	0	0.00%
TOTAL OTHER REVENUE	**147,930**	**147,930**	**102,600**	**(45,330)**	**-30.64%**	**(45,330)**	**-30.64%**
TOTAL SYSTEM REVENUE	**5,624,702**	**5,908,008**	**5,932,101**	**307,399**	**5.47%**	**24,093**	**0.41%**
EXPENSES							
Personnel/Benefits (FTE 29.9)	1,642,260	1,652,795	1,719,543	77,283	4.71%	66,748	4.04%
Security Services	114,999	163,947	115,000	1	0.00%	(48,947)	-29.86%
Equipment Expense	75,000	75,000	115,500	40,500	54.00%	40,500	54.00%
Vehicle Expense	39,000	59,308	45,000	6,000	15.38%	(14,308)	-24.13%
Building Repair & Maintenance	519,489	549,489	545,989	26,500	5.10%	(3,500)	-0.64%
Sanitation Expense	17,520	16,965	17,520	0	0.00%	555	3.27%
Sweeper Lease	0	0	0	0	0	0	0
Operating Expense	60,001	87,677	65,000	4,999	8.33%	(22,677)	-25.86%
Elevator Repair & Maintenance	27,600	11,213	27,600	0	0.00%	16,387	146.14%
Snow Removal	206,472	250,000	206,472	0	0.00%	(43,528)	-17.41%
Signage	63,000	63,000	63,000	0	0.00%	0	0.00%
Tickets	30,001	30,001	30,000	(1)	0.00%	(1)	0.00%
Water	0	0	3,024	3,024	0	3,024	0
Liability Insurance	143,677	147,814	143,586	(91)	-0.06%	(4,228)	-2.86%
Maritime Garage Condo Fees.	15,600	15,600	15,912	312	2.00%	312	2.00%
Uniforms	14,999	14,999	15,000	1	0.01%	1	0.01%
Licenses/Permit	2,100	2,100	2,100	0	0.00%	0	0.00%
Utilities	63,344	63,344	64,566	1,222	1.93%	1,222	1.93%
Management Fees	100,000	100,000	100,000	0	0.00%	0	0.00%
Printing	1,201	1,364	0	(1,201)	-100.00%	(1,364)	-100.00%
Office Expense	12,000	8,245	16,700	4,700	39.17%	8,455	102.55%
Service Contracts	11,001	6,349	108,000	96,999	881.73%	101,651	1600.98%
Postage	3,500	4,615	0	(3,500)	-100.00%	(4,615)	-100.00%
Telephone	59,000	58,929	60,000	1,000	1.69%	1,071	1.82%
Credit Card Fees	159,040	164,693	153,176	(5,864)	-3.69%	(11,517)	-6.99%
Comm. Equip/Serv. Contracts	43,001	98,731	0	(43,001)	-100.00%	(98,731)	-100.00%
LPR Administration	36,001	29,665	0	(36,001)	-100.00%	(29,665)	-100.00%
Permit/Violation Management	69,999	107,675	172,600	102,601	146.57%	64,925	60.30%
Violation Collection	21,999	18,404	0	(21,999)	-100.00%	(18,404)	-100.00%
Marketing & Communictaions	45,001	53,910	55,000	9,999	22.22%	1,090	2.02%
Parking Lot Lease	5,000	5,469	10,000	5,000	100.00%	4,531	82.86%
Capital Reserve & Replacement	0	0	135,000	135,000	0	135,000	0
Contingency Fund	54,000	54,000	54,000	0	0.00%	0	0.00%
TOTAL OPERATING EXPENSES	**3,655,805**	**3,915,301**	**4,059,289**	**403,484**	**11.04%**	**143,988**	**3.68%**
CITY ADMINISTERED EXPENSES							
Personnel/Benefits (city alloc.)	353,008	353,008	366,633	13,625	3.86%	13,625	3.86%
Electric	285,200	285,200	291,924	6,724	2.36%	6,724	2.36%
Business Exp.	4,473	4,473	4,500	27	0.61%	27	0.61%
Sewer (wpca)	8,500	8,500	8,500	0	0.00%	0	0.00%
Professional Service	30,000	30,000	30,000	0	0.00%	0	0.00%
Legal Service	30,000	30,000	30,000	0	0.00%	0	0.00%
TOTAL CITY ADMINISTERED	**711,181**	**711,181**	**731,557**	**20,377**	**2.87%**	**20,376**	**2.87%**
SUB-TOTAL OPERATING EXP.	**4,366,986**	**4,626,482**	**4,790,846**	**423,860**	**9.71%**	**164,364**	**3.55%**
Debt Service Interest	366,001	366,001	348,081	(17,920)	-4.90%	(17,920)	-4.90%
Debt Service Principal	751,104	751,104	661,196	(89,908)	-11.97%	(89,908)	-11.97%
SUB-TOTAL DEBT SERVICE	**1,117,105**	**1,117,105**	**1,009,277**	**(107,828)**	**-9.65%**	**(107,828)**	**-9.65%**
TOTAL EXPENSES	**5,484,091**	**5,743,587**	**5,800,123**	**316,032**	**5.76%**	**56,536**	**0.98%**
Fund Balance	**140,612**	**164,422**	**131,978**	**(8,633)**	**-6.14%**	**(32,444)**	**-19.73%**


NPA Revenues FY2016
Other
2%
Violations
12%
Monthly
42%
Transient
44%


NPA Expenses FY2016
Debt
17%
Staff
36%
Operations
47%


NPA Revenue FY 2016 (by area)
Other
2%
Wall Area
3%


NPA Expenses FY 2016 (by area)
Debt Service
17%
RR Station
Wall Area
7%

Norwalk Water
Pollution Control
Authority
www.wpcanorwalk.org

MEMORANDUM

To: Board of Estimate and Taxation

From: Lisa Burns, PE – Operations Manager

Re: Water Pollution Control Authority Approved Budget FY15-16

Date: March 30, 2015

Enclosed is the Water Pollution Control Authority's FY2015-16 operating budget as approved at the Board meeting on March 16, 2015. This budget includes a $15 rate increase for a single family residence. The overall operating budget has increased by 2.25% over the previous fiscal year.

15 South Smith Street, Second Floor, Norwalk, CT 06855 Phone: (203) 854-7791 Fax: (203) 854-3224

City of Norwalk
WATER POLLUTION CONTROL AUTHORITY
Final FY 2015-16 Operating Budget Summary

REVENUES (224062)

ACCOUNT	DESCRIPTION		APPROVED FY 14-15		PROJECTED ACTUAL FY 14-15		PROPOSED FY 15-16
	Sewer Use Charges	$	**14,390,711**	$	**14,292,966**	$	**14,970,320**
4513	*Norwalk Customers* [1]	$	*13,862,961*	$	*13,752,686*	$	*14,440,320*
4521	*Wilton Interlocal Agreement* [2]	$	*475,000*	$	*480,015*	$	*475,000*
4522	*Other Contract Customers*	$	*52,750*	$	*60,265*	$	*55,000*
	Other Revenues	$	**1,025,481**	$	**976,869**	$	**814,269**
452C	*Industrial Pretreatment Surcharge* [3]	$	*220,000*	$	*258,400*	$	*220,000*
452D	*Sewer Connection Fees*	$	*100,000*	$	*65,000*	$	*100,000*
4453	*Septage Haulers Licenses*	$	*1,500*	$	*100*	$	*1,500*
4516	*Septage Disposal Fees*	$	*525,000*	$	*475,000*	$	*375,000*
4121	*Nitrogen Credits* [4]	$	*65,900*	$	*65,525*	$	*(47,231)*
4901	*Investment Income* [5]	$	*43,081*	$	*47,844*	$	*100,000*
4051	*Interest on Delinquent Accounts* [6]	$	*65,000*	$	*65,000*	$	*65,000*
452B	*Reimbursement for Stormwater O&M* [7]	$	*5,000*	$	-	$	-
XXXX	*Reimbursement for Indirect Expenses* [8]	$	-	$	-	$	*277,442*
XXXX	**Transfer from Fund Balance - Replacement Reserve** [9]	$	**850,000**	$	-	$	**850,000**
XXXX	**Transfer from Fund Balance - Capital Projects** [10]	$	**2,950,000**	$	-	$	-
4513	**Allowance for Uncollectibles** [11]	$	**(250,000)**	$	-	$	**(260,000)**
4513	**Adjustments**	$	**(100,000)**	$	**(140,000)**	$	**(100,000)**
	TOTAL	$	**18,866,192**	$	**15,129,835**	$	**16,274,589**

1 Rate increase $15 residential; $25 commercial; $0.40/1000 gallons commercial consumption per WPCA Financial Model.
2 Billed on actual metered wastewater flow. Varies based on audited expenditures.
3 Assumes no change in IPP rates although WPCA Financial Model recommends increase to meet future debt service requirements.
4 Nitrogen credits must be purchased refer to Expenditures.
5 Per Comptroller.
6 Per Comptroller.
7 Included as a revenue with the indirect expenses paid by the City of Norwalk.
8 Salaries, benefits and other direct costs for WPCA support services, IPP/FOG billing and stormwater O&M.
9 Nets out in replacement reserve on expenditures sheet and is only an administrative exercise.
10 Nets out in capital projects on expenditures sheet.
11 Assumes 98.2% collection rate per Tax Collector's Office. May decrease based upon economic conditions.

City of Norwalk
WATER POLLUTION CONTROL AUTHORITY
Final FY 2015-16 Operating Budget Summary

EXPENDITURES (224062)

ACCOUNT	DESCRIPTION	APPROVED FY 14-15	PROJECTED ACTUAL FY 14-15	PROPOSED FY 15-16
	Personnel/Benefits	**$ 539,106**	**$ 562,976**	**$ 579,328**
5110	*Salaries*[1]	*$ 332,310*	*$ 362,346*	*$ 367,533*
5428	*Benefits*	*$ 190,896*	*$ 193,130*	*$ 195,895*
5120	*Overtime*	*$ 15,000*	*$ 7,500*	*$ 15,000*
5150	*Longevity*	*$ 900*	*$ 900*	*$ 900*
5258	**Operations & Maintenance Fees**[2]	**$ 5,470,211**	**$ 5,416,287**	**$ 5,524,613**
Various	**Indirect Expenses**[3]	**$ 267,301**	**$ 288,632**	**$ 431,348**
5241	**Electricity**[4]	**$ 1,487,160**	**$ 1,378,000**	**$ 1,378,000**
	Professional Services	**$ 200,000**	**$ 200,000**	**$ 200,000**
5298	*Contract Monitoring*	*$ 125,000*	*$ 125,000*	*$ 125,000*
5298	*Engineering Consulting*	*$ 75,000*	*$ 75,000*	*$ 75,000*
5298	*Geographic Information System/IT Services*	*$ -*	*$ -*	*$ -*
5252	**Legal Services**	**$ 80,000**	**$ 80,000**	**$ 80,000**
	Administration	**$ 64,000**	**$ 64,000**	**$ 64,000**
5286	*General Office*	*$ 12,000*	*$ 12,000*	*$ 12,000*
5286	*Billing Costs*	*$ 8,000*	*$ 8,000*	*$ 8,000*
5245	*Telephone*	*$ 24,000*	*$ 24,000*	*$ 24,000*
5741	*IT Hardware*	*$ 20,000*	*$ 20,000*	*$ 20,000*
5235	**Professional Dues/Memberships**	**$ 10,000**	**$ 10,000**	**$ 10,000**
5295	**Training/Conferences**	**$ 6,000**	**$ 6,000**	**$ 6,000**
5418	**Property Insurance/Liability Premium Worker's Compensation**[5]	**$ 155,708**	**$ 123,454**	**$ 223,622**
5789	**Replacement Reserve - Wilton's portion per agreement**	**$ -**	**$ -**	**$ -**
5789	**Replacement Reserve - Norwalk**[6]	**$ 1,967,284**	**$ -**	**$ 2,114,932**
5521	**Debt Service**	**$ 5,669,422**	**$ 5,669,422**	**$ 5,615,515**
5777	**Capital Projects**[7]	**$ 2,950,000**	**$ 589,508**	**$ -**
XXXX	**Nitrogen Credits**[8]	**$ -**	**$ -**	**$ 47,231**
	TOTAL	**$ 18,866,192**	**$ 14,388,279**	**$ 16,274,589**

[1] Includes step and COL increases.
[2] Assumes CPI increase of 2.0%.
[3] Salaries, benefits and other direct costs for City support services including Finance Department (Tax Collector, Tax Assessor, Comptroller, IT, and Management & Budgets). Also includes allocation for DPW management. Based on D. Castracane calculations.
[4] Assumes a reduction from approved FY14/15 budget due to rate decrease for WWTP by TTD.
[5] Per Finance Department.
[6] Includes $850K transfer from fund balance (shown on revenue sheet). Replacement reserve funded at $1,264,932. Funds to be used for rate stabilization in future years related to multiple collection system projects and Phase III biosolids handling facility project and included in WPCA Financial Model. Uses conservative 2009 water consumption to establish revenue.
[7] Transfer from fund balance to be used for FY14/15 capital improvement projects.
[8] CTDEEP published credit price for FY15-16.

City of Norwalk
WATER POLLUTION CONTROL AUTHORITY
Final FY 2015-16 Capital Budget Summary

CAPITAL BUDGET

Project	Approved FY 2014-15	Projected FY 2015-16	Projected FY 2016-17	Projected FY 2017-18	Projected FY 2018-19	Projected FY 2019-20
Pump Station Upgrade/Replacement	$ 250,000					
WWTP Main Lift Pump Replacment		$ 5,000,000				
Keeler Brook Pump Station Upgrade					$ 2,000,000	
Ely Avenue & Bouton Street Hydraulic Repair		$ 1,000,000	$ 2,000,000			
Collection System Rehabilitation	$ 1,000,000			$ 1,000,000	$ 1,000,000	$ 1,000,000
Supplemental Treatment Upgrade	$ 500,000		$ 2,000,000			
Solids Handling Facility	$ 200,000		$ 3,000,000	$ 2,000,000		
	$ 1,950,000	$ 6,000,000	$ 7,000,000	$ 3,000,000	$ 3,000,000	$ 1,000,000

NORWALK on the move!

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

MEMORANDUM

Date: April 1, 2015

To: Bruce Kimmel, Finance Committee Chairman

From: Thomas Hamilton, Director of Finance

Re: Auditor Contract – FY 2014-15 to FY 2018-19

The City recently issued a Request for Proposals (RFP) soliciting proposals from qualified audit firms to perform the City's annual financial statement audit for the five-year period beginning July 1, 2014 and ending June 30, 2019. The City is required by State law to have an independent financial statement audit completed each year by an outside auditor.

A review committee consisting of the City's Ad Hoc Audit Committee and City staff reviewed all proposals and interviewed three finalists. Ultimately, the committee recommended renewing the audit contract with McGladrey LLP for an additional five years. The City has been very satisfied with the services rendered by McGladrey, and has been consistently impressed with the audit team assigned to the City. McGladrey is the auditor for a number of Connecticut towns and cities comparable to Norwalk, including the cities of Hartford, New Haven, and Danbury along with the towns of Greenwich and Westport. The firm is very familiar with governmental auditing standards and municipal government in the State of Connecticut.

The firm knows Norwalk well because of their prior service to the City. McGladrey has indicated that they will periodically rotate the audit staff as requested by the City to ensure that the audit team maintains its independence and professional skepticism. However, based on experience, we know that switching audit firms will impose a significant additional work load on City finance staff, as the new auditors familiarize themselves with the City and its financial policies and procedures. Compared to its competitors, McGladrey has projected the highest number of audit hours dedicated to the engagement, which despite the fixed-fee nature of the contract, we view as a positive consideration. And finally, the final, fixed price submitted by McGladrey at $95,000 per year for each of the five years, was the lowest overall cost of the three finalists. In short, the review committee could find no compelling reason to switch auditors at this time, and recommends that the successor contract be award to McGladrey LLP.

Action Requested: Authorize the Mayor, Harry W. Rilling, to execute a contract with McGladrey, LLP to perform the City's annual financial statement audit for the five-year period beginning July 1, 2014 and ending June 30, 2019 for an amount not to exceed $475,000. Account #01-1310-5253.

cc: Harry Rilling, Mayor

NORWALK on the move!

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

MEMORANDUM

Date: April 1, 2015

To: Jim Clark, Chairman, Board of Estimate and Taxation

From: Thomas Hamilton, Director of Finance

Re: Auditor Appointment for Fiscal Year 2014-15

The Connecticut General Statutes (C.G.S. Sections 7-396 and 4-232) require the appointing authority of any municipality, audited agency or non-profit agency to file with the Secretary of the Connecticut Office of Policy and Management (OPM) the name of the independent auditor designated to conduct the audit. The notification must be made at least thirty days before the end of the fiscal period of the entity for which the audit is required.

With your approval, I will submit the attached form to the State to comply with the above statute for fiscal year 2014-15. As you know, the City recently issued a Request for Proposals (RFP) soliciting proposals from qualified audit firms to perform the City's financial statement audit for the five year period beginning July 1, 2014 and ending June 30, 2019. The review committee (of which you were a participant) reviewed all proposals and interviewed three finalists. Ultimately, the committee recommended renewing the audit contract with McGladrey LLP for an additional five years. The City has been very satisfied with the services rendered by McGladrey, and has been consistently impressed with the audit team assigned to the City. McGladrey is the auditor for a number of Connecticut towns and cities comparable to Norwalk, including the cities of Hartford, New Haven, and Danbury along with the towns of Greenwich and Westport. The firm is very familiar with governmental auditing standards and municipal government in the State of Connecticut. The firm knows Norwalk well because of their prior service to the City. McGladrey has indicated that they will periodically rotate the audit staff as requested by the City to ensure that the audit team maintains its independence and professional skepticism. However, based on experience, we know that switching audit firms will impose a significant additional work load on City finance staff, as the new auditors familiarize themselves with the City and its financial policies and procedures. Compared to the competitors, McGladrey has projected the highest number of audit hours dedicated to the engagement which despite the fixed-fee nature of the contract, we view as a positive consideration. And finally, the final, fixed price submitted by McGladrey at $95,000 per year for each of the five years, was the lowest overall cost of the three finalists. In short, the review committee could find no compelling reason to switch auditors at this time, and recommends that the successor contract be award to McGladrey LLP.

cc: Harry Rilling, Mayor

APPOINTMENT OF AUDITOR NOTIFICATION

TO: Office of Policy and Management
Intergovernmental Policy Division
Municipal Finance Services
450 Capitol Avenue - MS-54MFS
Hartford, Connecticut 06106-1379
Tel. (860) 418-6400 *Fax (860) 418-6493* ***E-Mail*** *lori.stevenson@ct.gov*

FROM:

Entity Name	**The City of Norwalk, Connecticut**
Entity Address	**125 East Avenue, Norwalk, CT 06856-5125**
Federal Employer Identification Number (FEIN)	**06-6011881**
Chief Fiscal Officer (Municipal)	**Thomas Hamilton**
Telephone (with area code)	**(203) 854-7870 Fax: (203) 854-7848**
Internet E-Mail Address	**thamilton@norwalkct.org**
Contact Person	**Frederic J. Gilden, Comptroller**
Telephone (with area code)	**(203) 854-7711** **Fax** **(203) 854-7710**

The following information is furnished in compliance with CT General Statutes 7-396 and/or 4-232:

1. Independent Accountant or Accounting Firm Performing the Audit:

Name	**McGladrey, LLP**
Address	**One Church Street, New Haven, CT 06510**
State of CT Board of Accountancy CPA Firm Permit Number	**2844**
Audit Firm Federal Employer Identification Number (FEIN)	**42-0714325**
Telephone (with area code)	**(203) 773-1909** Fax **(203) 773-0591**
Internet E-mail address	scott.bassett@rsmi.com

2. Fiscal Period(s) of Audit — From **07/01/2014** To **06/30/2015**

3. Appointment Date of Auditor — **04/06/2015**

4. Name/Title of Appointing Authority: City of Norwalk Board of Estimate and Taxation

Note: C.G.S. 7-396 and 4-232 requires this form to be submitted no later than 30 days prior to the fiscal year end of the entity to be audited. This form will not be accepted without a complete and accurate federal employer identification number of the entity and its auditor.

http://www.opm.state.ct.us/igp/services/Audits.htm 12-09

NORWALK on the move!

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

MEMORANDUM

Date: April 1, 2015

To: Bruce Kimmel, Finance Committee Chairman

From: Thomas Hamilton, Director of Finance

Re: Pension and OPEB Actuary Contract – FY 2015-16 to FY 2019-20

The City recently issued a Request for Proposals (RFP) soliciting proposals from qualified actuarial firms to perform the City's annual pension plan and biennial Other Post Employment Benefits (OPEB) program valuations. The City is required by generally accepted accounting principles and the City Charter to have periodic valuations of these plans performed by an independent actuary.

The actuary conducts valuations of the pension and OPEB plans in order to calculate the Actuarially Determined Contribution (ADC) that must be contributed to these plans in order to keeps the plans on an actuarially sound financial footing. In addition, the actuary prepares required financial disclosures concerning the Fiduciary Net Position and Net Pension Liability that must be reported in the City's audited financial statements. In addition, during contract negotiations over pensions, the actuary assists the City in developing management's proposals relative to pensions and OPEB, and costs out any proposed changes to the City's pension and OPEB plans.

A review committee consisting of Finance and Personnel staff and Pension Board representatives reviewed all proposals and interviewed four finalists. The committee recommends entering into a contract with Hooker & Holcombe, Inc. of West Hartford, CT to serve as the City's actuary for the next five years. Hooker & Holcombe is the actuary for many Connecticut towns and cities comparable to Norwalk, including the cities of Stamford, Hartford, New Haven, Waterbury, Milford, Middletown, Meriden, and Danbury, along with the towns of Fairfield and New Canaan. The firm is very familiar with actuarial practice in the governmental sector and municipal government in the State of Connecticut.

While this recommendation represents a change in providers (the incumbent has been our actuary for the past twelve years), we are confident that Hooker and Holcombe will provide excellent service, and they submitted a very attractive price for their services. The five-year cost of the Hooker & Holcombe contract (excluding potential work related to labor negotiations which cannot be accurately estimated at this time) is $296,000. While we certainly were satisfied with our incumbent actuary's services, they submitted a five-year price proposal at substantially greater expense to the City. Given the cost savings, we recommend entering into a contract with Hooker & Holcombe for the next five-year period.

Action Requested: Authorize the Mayor, Harry W. Rilling, to execute a contract with Hooker & Holcombe, Inc. to perform the City's pension and OPEB actuarial valuations for the five-year period beginning July 1, 2015 and ending June 30, 2020 for an amount not to exceed $296,000. Account #: Various

cc: Harry Rilling, Mayor

MORE THAN 40% OF CONNECTICUT MUNICIPALITIES WITH PENSION PLANS CHOOSE HOOKER & HOLCOMBE TO ADMINISTER THOSE PLANS.

Pension and OPEB		Pension Only	OPEB Only
	Connecticut		
Bloomfield	New Haven	Ansonia Housing Authority *	Andover
Branford	Norwich	Berlin	Bethany
Brookfield	Plainfield	Canton	Easton
Brooklyn	Plainville	Colchester	East Lyme
Clinton	Putnam	Coventry	Capital Reg. Edu. Council
Cromwell	RSD #5 (Amity)	Enfield *	Columbia
Danbury	RSD #13	Fenwick	Hebron
Derby	RSD #15 (Pomperaug)	Groton (Town)	Lebanon School District
Durham	Somers	Hartford	Lisbon School District
Essex	Stafford	New Hartford	Lisbon School District
Fairfield	Stamford	N. Haven Housing Authority	Mansfield
Groton (City)	Suffield	New London	Marlborough
Killingly	Third Taxing District (Norwalk)	Simsbury *	Newtown
Killingworth	Thompson	Stonington	Preston Board of Education
Litchfield	Wallingford		Redding
Meriden	Waterbury		RSD #8 (RHAM)
Middletown	Waterford		Ridgefield
Milford	Wilton		Second Taxing District (Norwalk)
Monroe	Winchester		Southington
Naugatuck	Windham		Sprague Board of Education
New Canaan			Torrington
			Windsor Locks
		* Special Non-Recurring Project	Woodbridge
	Outside Connecticut		
Westerly, RI		Charles County Board of Education, MD	Water Authority of Western Nassau County, NY
		Nashua Public Works, NH	Fall River, MA
			Greenfield, MA

SECTION A

RESOLVED **SPECIAL APPROPRIATIONS – APRIL 6, 2015**
BOARD OF ESTIMATE AND TAXATION

ADVERTISED ITEM:

FISCAL YEAR 2014-15:

1. RESOLVED, that a sum not to exceed $9,501 be and the same is hereby transferred from Increased Revenues to the Recreation and Parks Department to cover field repairs related to damages done from the last Oyster Festival. (Account No. 01-6031-5321).

2. RESOLVED, that a sum not to exceed $789,117 be and the same is hereby transferred to the Police Department to cover contract wage settlements, of which $308,645 is from Assigned Fund Balance and $480,472 is from Contingency. (Account No. Various).

3. RESOLVED, that a sum not to exceed $550,233 from Contingency to the Police Department to cover drop and severance payments and anticipated overtime wage settlement. (Account No. Various).

4. RESOLVED, that a sum not to exceed $99,408 be and the same is hereby transferred from Contingency to the Public Works Department to cover various anticipated year-end Wage deficits. (Account No. Various)

NORWALK *on the move!*

DEPARTMENT OF FINANCE

OFFICE OF MANAGEMENT & BUDGETS

MEMORANDUM

DATE: April 6, 2015

TO: Members of the Board of Estimate and Taxation

FROM: Robert Barron, Director of Management & Budgets

RE: Special Appropriation

ADVERTISED ITEMS: - FY 2014-15:

Item 1:
$9,501 from Increased Revenues to the Recreation and Parks Department to cover field repairs related to damages from the last Oyster Festival.

This appropriation is to cover the cost of field repairs to Veteran's Park as a result of the 2014 Oyster Festival. The Parks Department completed repairs shortly after the 2014 Festival, and initially covered the costs through their existing operating budget. The Seaport Association has now paid for the damages, and a check was received on March 16. The Department is requesting that these funds be placed in the departmental budget.

Finance recommends approval.

Item 2:
$789,117 to the Police Department to cover contract wage settlements, of which $308,645 is from Assigned Fund Balance and $480,472 is from Contingency.

This appropriation is to cover the cost of the recently settled Police contract. Of the $789,117 being requested, $313,164 is due to retro wage payments for FY 2013-14 and is mostly covered through money reserved at the end of last fiscal year. The remaining $475,953 is for the contractual 2% increase in FY 2014-15.

The attached wage projection sheet shows a further breakdown of these amounts by object code. It should be noted that the anticipated deficit in premium pay is included due to the fact that it is a result of a contractual expansion of the premium rate. This appropriation in conjunction with the next item will cover the entire Police anticipated wage deficit for the current year.

Finance recommends approval.

Item3:
$550,233 from Contingency to the Police Department to cover drop and severance payments and anticipated overtime wage settlement.

This appropriation is to cover the anticipated deficit in Police wages due to severance payments and operations. As in past years, the Police Department has made yearly severance payments to employees on the DROP. This year those payments total $33,684. In addition, there have been three unanticipated retirements, which have added another $105,590 to the severance total. There is $125,000 in Contingency, budgeted for Police DROP payments, which covers just about all of the DROP as well as additional severance payments made this year.

The remaining deficit of $410,959 is due to increased overtime utilization. As outlined in the Chief's memo, the increase in overtime hours is driven by not only position vacancies, but also other employee absences, including sick and worker's compensation. Due to the fact that there are so many absences, back-filling is required. In past years, the savings generated by these vacancies has been enough to cover at least part of the deficit, but with the increase in wages due to the contract settlement and the additional severance payments there is no surplus to help cover the overage. There is also a small portion of the deficit due to part-time wages.

As the chart below summarizes, of the grand total Police wage appropriation of $1,339,350 all but $269,913 is covered through assigned fund balance and budgeted contingency.

Item	Request	Available	Remaining
Assigned Fund Balance	$313,164	$308,645	($4,519)
CY Contract	475,953	635,792	159,839
CY DROP/Severance	139,274	125,000	(14,274)
CY Operations	410,959	0	(410,959)
CY Unallocated Cont.	**$1,339,350**	**$1,069,437**	**($269,913)**

Finance recommends approval.

Item 4:
$99,408 from Contingency to the Public Works Department to cover various anticipated year-end deficits.

This appropriation is to cover a projected overall wage deficit in the Public Works Department. As detailed in the attached memo from Public Works, this deficit is driven by severance payments for retiring employees ($281,545); snow removal overtime ($207,070); program enhancement ($31,000) and contractual premium pay not budgeted for ($9,193). This is offset by regular wage surpluses in operations due to vacancies, leaving a total overall deficit of $238,408. Public Works was able to find $139,000 in internal transfers (see Section B) due to anticipated surpluses in their tree contract, disposal services, temporary wages and Fleet Services accounts. This leaves an amount to be appropriated from Contingency of $99,408.

Finance recommends approval.

Castracane, Donna

From: Mocciae, Mike
Sent: Wednesday, March 18, 2015 11:15 AM
To: Castracane, Donna
Subject: Special appropriation

Donna, as was discussed the Seaport Association owed the Department $9,500.85 for field repairs last years Oyster Festival. The Department already had paid for the materials Since they did not pay on time. Please place this as an agenda item for the Board of Estimate as increased revenue. The account that needs to be reimbursed is 016031-5321 Agricultural supplies. Thanks.

Memo

2015-19

To: Board of Estimate and Taxation
From: Chief Thomas E. Kulhawik
Date: March 27, 2015
Subject: **Special Appropriation**

The request for a special appropriation is the result of several factors. The large surplus we should have experienced in our payroll account, which would have been used to cover the majority of the overtime deficit, was absorbed by the payments due to the contract settlement in raises and retro. This, as well as severance payments paid this fiscal year leaves a deficit in the payroll account. These factors combined with the necessary overtime expense due to a number of open positions, combined with a large retro overtime payment due to the contract settlement, leaves a significant deficit in the overtime account.

TEK:mr
Cc: Tom Hamilton, Director of Finance
Bob Barron, Director of Management & Budgets
Donna Catracane, Assistant Director of Management & Budgets

Police Department Regular Wages for 2014-15 - By Division

	Actual	Projected	Original Budget	Revised Budget	Variance Revised/Proj.	
10	$319,685	$477,804	$432,037	$432,037	($45,767)	
22*	5,675,779	7,884,328	7,822,032	7,822,032	(62,296)	
23	119,756	166,620	216,551	216,551	49,931	Division transfer, vacancy
24	235,166	328,227	302,804	302,804	(25,423)	
26	390,187	541,620	499,199	499,199	(42,421)	Division transfer
30	1,093,544	1,504,124	1,392,953	1,392,953	(111,171)	
35	458,813	660,659	597,207	597,207	(63,452)	Division transfer
36	367,418	510,783	486,049	486,049	(24,734)	
37	175,296	245,476	237,969	237,969	(7,507)	
38	351,165	498,293	431,750	431,750	(66,543)	Division transfer
40	70,494	98,227	94,413	94,413	(3,814)	
42	107,863	150,294	144,488	144,488	(5,806)	
48	70,487	98,227	94,413	94,413	(3,814)	
49	113,527	141,603	175,761	175,761	34,158	
50	146,954	184,586	199,972	199,972	15,386	
53	71,060	99,027	95,213	95,213	(3,814)	
55	40,602	58,111	56,360	56,360	(1,751)	Employee receives out of class pay
57	53,590	75,097	72,194	72,194	(2,903)	
59	120,527	176,576	189,984	189,984	13,408	
5A	124,688	173,957	167,057	167,057	(6,900)	
5B	63,936	89,208	85,672	85,672	(3,536)	
5C	54,133	75,553	72,644	72,644	(2,909)	
60	68,831	97,636	97,636	97,636	0	
61	39,679	56,284	56,284	56,284	0	
62	35,977	51,061	51,061	51,061	0	
63	39,679	56,284	56,284	56,284	0	
64	71,994	102,122	102,122	102,122	0	
65	71,994	102,122	102,122	102,122	0	
66	43,749	62,057	62,057	62,057	0	
	$10,596,576	$14,765,966	$14,394,288	$14,394,288	($371,678)	

*Budget includes salary adjustment for 2 vacant Officers

DROP Participants	$	30,066
Other Severance Payments	$	109,207
Total DROP and Serverance included in Projection	$	**139,274**

Police Department Overtime for 2014-15 - By Division

	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	Projected Total	Original Budget	Revised Budget	Variance
10	$ -	$ -	$ 13	$ -	$ -	$ -	$ -	$ -	$ 13	$ 13	$ 13	$ 13	$65	$0	$0	($65)
22	113,922	183,385	134,208	181,512	121,509	126,290	230,145	81,757	80,545	100,000	140,599	193,584	1,687,458	1,076,788	1,076,788	(610,670)
23	1,645	1,227	1,380	2,232	1,967	1,594	406	-	-	486	972	5,233	17,141	15,750	15,750	(1,391)
24	224	-	-	-	-	1,533	71	-	-	448	-	-	2,276	2,500	2,500	224
25	-	4,761	3,771	-	-	-	709	-	-	-	1,086	-	10,327	15,750	15,750	5,423
26	-	1,829	-	166	221	3,009	672	-	-	-	166	443	6,507	2,000	2,000	(4,507)
30	5,436	13,382	10,945	21,118	3,389	19,620	10,656	4,917	8,030	12,000	15,000	10,000	134,492	181,000	181,000	46,508
35	14,097	22,264	(6,444)	30,768	14,731	17,160	24,185	14,692	24,619	12,000	12,000	12,000	192,073	108,591	236,000	43,927
36	1,311	2,783	2,063	3,529	1,685	1,695	6,228	833	631	1,224	4,710	1,418	28,111	24,000	24,000	(4,111)
37	-	-	441	220	294	294	50	-	-	-	304	420	2,023	5,000	5,000	2,977
38	-	252	-	138	426	919	1,365	-	375	52	323	406	4,257	4,000	4,000	(257)
40	400	182	-	2,968	804	-	176	-	969	1,789	-	-	7,289	4,200	4,200	(3,089)
42	10,350	5,605	9,488	20,471	46,161	22,957	35,555	13,028	28,244	42,794	58,158	46,917	339,726	360,000	360,000	20,274
48	-	-	-	-	-	-	1,845	-	-	-	-	655	2,500	3,500	3,500	1,000
49	96	-	-	802	-	1,911	129	-	-	-	-	659	3,597	2,500	2,500	(1,097)
50	-	-	83	22	-	-	154	-	-	-	-	-	259	500	500	241
53	-	246	-	991	257	73	980	916	458	294	294	-	4,508	500	500	(4,008)
55	101	314	81	51	223	152	324	2,197	1,366	238	179	250	5,475	1,200	1,200	(4,275)
57	1,806	3,324	2,160	2,050	1,163	1,357	2,728	1,153	1,729	1,330	3,601	5,479	27,880	10,000	10,000	(17,880)
59	1,206	2,008	1,467	2,019	1,313	1,321	1,244	1,130	1,575	1,128	2,251	3,067	19,729	9,000	9,000	(10,729)
5A	-	3,196	446	1,312	184	-	208	-	275	1,341	2,569	1,597	11,128	2,500	2,500	(8,628)
5B	-	-	252	782	700	921	369	374	437	336	1,243	112	5,526	500	500	(5,026)
5C	-	-	-	-	-	-	-	-	-	1,052	414	414	1,880	500	500	(1,380)
61	-	539	345	173	-	-	-	-	-	-	63	85	1,205	250	250	(955)
62	1,180	919	1,330	1,947	1,154	1,105	352	548	949	623	1,496	2,970	14,574	4,000	4,000	(10,574)
63	-	-	-	-	-	-	-	-	-	-	-	-	0	250	250	250
64	70	78	137	117	59	29	333	890	20	48	115	209	2,106	6,000	6,000	3,894
65	376	235	186	245	59	284	39	20	20	64	356	300	2,181	2,500	2,500	319
66	442	1,260	1,141	737	452	2,485	1,034	868	404	70	58	233	9,185	5,000	5,000	(4,185)
													$ 2,543,477	**$ 1,848,279**	**$ 1,975,688**	**(567,789)**

Projected deficit in regular wages and overtime accounts	$	(939,467)
Projected deficit in premium pay accounts	$	(78,126)
Projected deficit in part-time wage account	$	(8,593)
Retro Payments (past year)	$	(313,164)
Total Projected deficit in all wage accounts	$	**(1,339,350)**

Appropriation Request Breakdown:	**5175-RETRO**	**5110-REG**	**5120-OT**	**5121-PREM**	**TOTAL**	**CONTRACT**	**DROP / OPERATIONS**
Settled Contract - Past Year Retro Pay	$ 313,164				$ 313,164	$ 313,164	
Settled Contract - Current Year		$ 297,970	$ 99,857	$ 78,126	$ 475,953	$ 475,953	
DROP/Severance		$ 139,274			$ 139,274		$ 139,274
Operational Utilization			$ 410,959		$ 410,959		$ 410,959
Total Needed From Contingency	**$ 313,164**	**$ 437,244**	**$ 510,816**	**$ 78,126**	**$ 1,339,350**	**$ 789,117**	**$ 550,233**

CONTINGENCY	**REQUEST**	**AVAILABLE**	**REMAINING**
CARRY-FWD	$ 313,164	$ 308,645	$ (4,519)
CY CONTRACT	$ 475,953	$ 635,792	$ 159,839
CY DROP	$ 139,274	$ 125,000	$ (14,274)
CY OPERATIONS	$ 410,959		$ (410,959)
CY UNALL CONT	**$ 1,339,350**	**$ 1,069,437**	**$ (269,913)**

Police Department Overtime for 2013-14 - By Division

	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	Projected Total	Original Budget	Revised Budget	Variance
10	$ -	$ -		$ -	$ -	$ 13	$ 13	$ 13	$ 13	$ 51	$ 103	$ 64	$ 269.91	$0	$270	$0
22	87,006	149,126	108,942	110,606	84,893	85,621	100,447	65,351	76,707	69,203	140,599	193,584	$ 1,272,084.28	1,034,788	1,272,084	0
23	3,299	1,973	1,840	2,954	1,014	-	1,014	750	840	486	972	5,233	$ 20,374.43	15,750	20,374	0
24	-	-	-	-	-	-	-	112	-	448	-	-	$ 559.53	3,000	560	0
25	-	683	-	-	-	443	146	-	-	-	1,086	-	$ 2,357.42	15,750	2,357	0
26	-	-	-	443	-	668	396	-	319	-	166	443	$ 2,435.88	2,000	2,436	0
2A	5,636	6,401	6,874	2,824	866	-	-	-	-	-	-	-	$ 22,600.48	42,000	22,600	0
30	8,901	15,858	4,946	8,813	7,547	13,204	6,219	11,403	8,498	14,310	24,745	12,705	$ 137,148.97	181,000	137,149	0
35	5,432	10,039	15,250	12,699	7,408	18,007	9,255	9,574	9,823	15,315	20,821	18,190	$ 151,812.63	105,000	151,813	0
36	456	2,495	5,295	4,048	587	1,152	6,528	4,376	2,388	1,224	4,710	1,418	$ 34,678.70	24,000	34,679	0
37	248	564	-	-	294	144	-	-	294	-	304	420	$ 2,267.79	5,000	2,268	0
38	49	-	356	1,897	331	414	383	1,155	848	52	323	406	$ 6,214.62	4,000	6,215	0
40	1,474	1,546	1,140	1,351	-	-	-	2,908	434	1,789	-	-	$ 10,641.32	4,200	10,641	0
42	7,733	41,503	21,594	57,567	30,535	41,835	10,101	19,997	40,053	17,944	40,358	29,117	$ 358,337.65	360,000	358,338	0
48	-	-	509	1,454	3,240	364	-	-	1,042	-	-	655	$ 7,263.75	3,500	7,264	0
49	-	-	-	-	-	-	-	-	-	-	-	659	$ 659.07	2,500	659	0
50	-	-	-	-	776	81	-	-	-	-	-	-	$ 856.66	500	857	0
53	-	-	466	1,193	294	833	1,274	773	864	294	294	-	$ 6,283.20	0	6,283	0
55	40	50	40	50	69	933	774	1,240	943	238	179	250	$ 4,804.61	1,200	4,805	0
57	443	1,328	885	664	443	609	1,330	443	1,780	1,330	3,601	5,479	$ 18,333.23	10,000	18,333	0
59	592	655	1,273	3,238	(615)	1,043	1,489	779	1,171	1,128	2,251	3,067	$ 16,072.56	9,000	16,073	0
5A	-	2,213	654	2,335	3,029	1,656	1,079	710	277	1,341	2,569	1,597	$ 17,460.75	2,500	17,461	0
5B	-	-	-	-	-	-	-	364	112	336	1,243	112	$ 2,167.39		2,167	0
5C	-	-	-	-	-	-	-	1,220	414	1,052	414	414	$ 3,514.23		3,514	0
61	11	-	11	-	85	-	-	11	-	-	63	85	$ 264.27	500	264	0
62	762	1,007	1,323	1,697	1,151	1,237	681	489	326	623	1,496	2,970	$ 13,763.69	4,000	13,764	0
63	-	-	-	-	-	-	-	-	-	-	-	-	$ -	0	0	0
64	-	-	307	269	307	403	19	29	192	48	115	209	$ 1,897.25	6,000	1,897	0
65	37	55	690	497	871	1,061	203	164	347	64	356	300	$ 4,644.19	2,500	4,644	0
66	321	478	793	594	373	1,131	2,028	3,578	1,037	70	58	233	$ 10,693.81	5,000	10,694	0
													$ 2,130,462	$ 1,843,688	$ 2,130,462	0

NORWALK on the move!

DEPARTMENT OF PUBLIC WORKS

MEMORANDUM

TO: Board of Estimate and Taxation

FROM: Harold F. Alvord, P.E., Director of Public Works

DATE: March 26, 2015

SUBJECT: Special Appropriation Request

With very few exceptions, the Department of Public Works (DPW) has closed out each fiscal year within its operating budget. The very few exceptions have been driven by natural disasters such as hurricanes or exceptionally harsh winters. During FY 2014 – 2015, however, several factors have combined to cause the Department to exceed its operating budget by a projected 1.5% as summarized below:

	FY 14-15 Budget	Projected Variance
Regular Wages	$6,136,194	$309,170
Retirement Severances	$0	($281,545)
Overtime	$283,841	($257,470)
Premium Wages	$27,600	($8,563)
Transfers from Other Accounts	$0	$139,000
Total	***$6,420,035***	***($99,408)***

The key factors driving the operating budget to be exceeded are outlined below, with the main being severances paid for retirements. The department is proposing to transfer $139,000 from other accounts within its current budget to reduce the overage.

1. Retirements. Changes in the AFSCME Local 2405 contract that requires those who retire after December 31, 2014 to contribute to the cost of retiree health care motivated a significant number of fairly senior, long-term personnel to retire on or before that date. Additionally, several senior, long-term personnel represented by the Norwalk Assistants and Supervisors Association (NASA) also elected to retire in the current fiscal year. Whether anticipated or not, severances are not budgeted. Unbudgeted severances for the FY total $281,545. There may yet be another retirement before the end of the fiscal year.

2. Snow removal operations. Budgets are developed over a year in advance of associated winter seasons and weather forecasts that far out are not something on which one confidently builds a budget. Thus costs budgeted for snow removal

operations are rough averages. In some years the average is close to reality; in some years the budget is not totally consumed; and, in yet others the budget is exceeded. The City experienced a particularly harsh winter this FY and the majority of snow operations were required after hours and on weekends. In addition, staff from other DPW units covered vacancies in snow plow routes by not backfilling snow plow operator positions created by retirements. Unbudgeted snow overtime totaled $191,836. This would typically be covered by a budget transfer between regular wages and overtime; however, with the addition of retirement severances, this was not possible this year.

3. Additional quality of life services. A bulky item collection program has been initiated, as well as a commercial area sweeping program. The bulky item collection program has a positive impact on neighborhood aesthetics and reduces illegal dumping. The commercial area sweeping program improves the cleanliness and appearance of those commercial areas of the City that rely on attracting visitors. The cost of these added services in the current FY is $31,000.

We have worked closely with The Finance Department to (1) estimate as accurately as possible the costs associated with work that must be accomplished over the next three months and, (2) find available funds within the existing budget that can be used to minimize the amount of this special appropriation request.

Approval of this request is essential to allow us to begin filling the seven (7) long-term key vacancies in the Operations Division and to implement a plan to minimize the impact of several key losses about to occur in the Engineering and Construction Management Division.

125 East Avenue ○ P.O. Box 5125, NORWALK, CT 06856-5125 ○ TELEPHONE 203-854-7791 ○ FAX 203-857-0143

Regular Wages for 2014-15 - Public Works

		Actual Pay	Severance (5110)	Projected	Original Budget	Revised Budget	Variance Revised/Proj.
Administration	4010	$313,509	$0	$445,538	$445,992	$445,992	$454
Street Maintenance	4021	1,527,907	173,431	2,406,788	3,034,836	3,034,836	628,048
Signs & Markings	4023	99,840	0	163,628	90,217	90,217	(73,411)
Signalization	4024	128,411	43,501	209,352	246,256	246,256	36,904
Snow/Ice Removal	4025	312,349	0	320,264	128,428	128,428	(191,836)
Strom Drainage	4027	267,044	0	381,771	134,441	134,441	(247,330)
Solid Waste	4028	56,887	0	80,693	80,693	80,693	0
Tree Maintenance	4029	109,724	0	196,195	150,008	150,008	(46,187)
Engineering	4030	1,067,532	64,613	1,511,208	1,441,317	1,441,317	(69,891)
Disposal	4042	97,423	0	153,278	143,878	143,878	(9,400)
Building Management	4071	37,789	0	53,603	53,603	53,603	0
Customer Service	4080	130,615	0	186,251	186,525	186,525	274
		$4,149,031	$281,545	$6,108,569	$6,136,194	$6,136,194	$27,625

Overtime for 2014-15 - Public Works

		July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	Projected Total	Original Budget	Revised Budget	Variance
Administration	10	$ 1,448	$ 1,417	$ 1,301	$ 1,788	$ 176	$ 76	$ 1,415	$ 183	$ 191	$ 200	$ 200	$ 294	$ 8,691.13	$5,661	$5,661	($3,030)
Street Maintenance	21	5,941	6,003	6,387	14,393	18,949	7,191	5,238	4,678	3,604	12,131	23,924	22,955	$ 131,393.84	129,196	129,196	(2,198)
Signs & Markings	23	-	-	-	359	85	309	85	-	-	662	37	-	$ 1,536.53	377	377	(1,160)
Signalization	24	643	298	714	536	476	253	179	-	-	1,528	1,097	1,918	$ 7,641.29	5,000	5,000	(2,641)
Snow/Ice Removal	25	-	-	-	283	1,238	-	14,050	171,946	102,356	16,208	-	-	$ 306,081.66	99,012	99,012	(207,070)
Strom Drainage	27	760	1,207	3,553	2,980	656	533	398	493	406	639	337	846	$ 12,808.82	4,689	4,689	(8,120)
Solid Waste	28	-	15	757	331	-	-	-	-	-	84	44	42	$ 1,274.80	500	500	(775)
Tree Maintenance	29	1,974	992	2,653	1,713	1,374	1,228	52	375	155	124	1,260	1,040	$ 12,938.54	2,356	2,356	(10,583)
Engineering	30	1,262	3,387	1,933	8,041	7,358	2,163	2,616	1,226	1,071	4,145	2,683	5,770	$ 41,654.65	30,000	30,000	(11,655)
Disposal	42	-	-	-	413	426	775	362	2,455	1,576	1,967	4,245	983	$ 13,202.67	6,000	6,000	(7,203)
Building Management	71	148	41	175	246	472	298	-	123	133	247	257	207	$ 2,347.51	300	300	(2,048)
Concert Hall	77	(117)	(135)	(116)	(117)	-	-	-	485	-	-	-	-	$ -	750	750	750
Customer Service	80	14	57	-	71	28	28	-	1,365	-	-	75	100	$ 1,739.61	0	0	(1,740)
														$ 541,311	$ 283,841	$ 283,841	(257,470)

Premium for 2014-15 - Public Works

		Actual	Projected	Original Budget	Revised Budget	Variance Revised/Proj.
Street Maintenance	4021	$12,673	$19,373	$17,550	$17,550	($1,823)
Signs & Markings	4023	103	103	0	0	(103)
Signalization	4024	1,860	2,610	4,800	4,800	2,190
Snow/Ice Removal	4025	16	16	0	0	(16)
Strom Drainage	4027	3,064	3,964	1,350	1,350	(2,614)
Tree Maintenance	4029	4,897	5,947	1,350	1,350	(4,597)
Engineering	4030	3,060	4,110	2,550	2,550	(1,560)
Disposal	4042	40	40	0	0	(40)
		$25,713	$36,163	$27,600	$27,600	($8,563)

Deficit in regular wages, overtime & premium:	**$ (238,408)**
Transfer From Temporary Wages	$ 10,000
Transfer From Disposal Services	$ 64,000
Transfer From Tree Contract	$ 25,000
Transfer From Fleet Services	$ 40,000
Total Appropriation required	**$ (99,408)**

Notes:

$10,333 was added to 014021-5120 each month for April, May and June. This is the total of the estimates for bulky waste ($16,000) and street sweeping ($15,000) divided by three.

3/31/2015