



**Minutes of the
Connecticut Port Authority
Finance Committee
Special Meeting
Monday, September 23, 2019 (9:00 A.M.)**

**Department of Economic & Community Development (DECD)
4th Floor South Meeting Room A**

Present: David Kooris; Linda Savitsky; Jeff Beckham; John Johnson; Parker Wise

Absent: None

CPA Staff: Andrew Lavigne; Casandra Berthiaume

Guests: Paula Clarke; Bob Dakers

1. Call to Order

Mr. Kooris called the meeting to order at 9:10 a.m.

2. Approval of June 18, 2019 Meeting Minutes: A motion by Mr. Johnson to accept the minutes was seconded by Mr. Wise. Mr. Beckham, Ms. Savitsky and Mr. Kooris abstained. Motion passes.

3. Public Participation relating to Agenda Items: None

4. Nomination/Election of Finance Chair: Mr. Kooris opened floor to nominations. Ms. Savitsky was nominated through a motion by Mr. Beckham and seconded by Mr. Johnson and so voted unanimously. Ms. Savitsky took over as chair beginning with the new agenda item.

5. Finance Update: Ms. Berthiaume reviewed the prior fiscal year financials and discussed past shortcomings of CPA's QuickBooks system and updated the committee on CPA's engagement with a Certified Public Accountant/QuickBooks certified trainer.

Mr. Dakers noted a time commitment for the QuickBooks trainer remains TBD. Additionally, Mr. Dakers noted that Office of Policy and Management (OPM) and Department of Administrative Services (DAS) resources are available to assist CPA; specifically, Ann Harter, former Director of Finance for the Town of Newington, is likely to be available two days per week to assist getting CPA to a baseline operational level. An established baseline operational level will provide foundation for upcoming FY19 Blum Shapiro audit. Committee further discussed the CPA/QuickBooks trainer and his potential scope of work/time commitment.

Ms. Berthiaume discussed finance process to-date utilizing Excel spreadsheets and explained that bill, vendor list and receipts are now all organized. Ms. Savitsky asked if the spreadsheets reconcile with the bank statements and Ms. Berthiaume confirmed they are reconciled through August.

Ms. Berthiaume highlighted that the \$2.5 million potential future payment tied to Harbor Development Agreement execution was likely to be divided into two payments of 1.25 million to cover CPA's operations during the construction period.

Ms. Berthiaume discussed the continued high costs of CPA's legal services. The committee discussed the importance of reducing CPA's reliance on legal services. Mr. Dakers highlighted that the current legal contract ends November 30th. He suggested future counsel contract should contemplate 10-15 hours per week with additional expertise specific guidance as necessary. The finance committee agreed they need to think through how to structure legal services going forward. The committee discussed various legal options, including the possibility of getting onto an existing state contract. The committee agreed to compare counsel structures and resources of the three agencies around the table (DECD, OPM, and Treasurer).

Ms. Berthiaume discussed financials for the month of August. She discussed the first quarterly Minimum Annual Guarantee (MAG) payment of \$125,000 received from Gateway - this was the first MAG payment from Gateway following their start of operations at State Pier on May 1st. CPA has also begun receiving monthly dockage and wharfage payments from Gateway. A minor adjustment was required to Gateway's initial MAG payment, due to accidental inclusion of dockage and wharfage into the calculation. The Concession Agreement stipulates that the fees should be paid separately. The issue was quickly resolved and the outstanding balance was corrected and received by CPA.

Ms. Berthiaume asked for guidance from the committee regarding recording of the reimbursement of the unwound artwork (\$3250) transaction. A reimbursement check was received in July 2019, but the original transaction occurred in 2017. Ms. Savitsky and Mr. Dakers recommended waiting until Ms. Harter comes onboard to resolve.

The committee discussed GAAP compliance and Ms. Savitsky noted that June will not be closed. CPA will wait for year-end adjustments.

Ms. Berthiaume asked for the committee to identify where the expenses for Bob Dakers, Ann Harter and the additional outside firms were to be recorded. Mr. Dakers noted Anne's contract would be "up to \$20,000". Mr. Dakers said the outside firm remained TBD.

Additionally, Ms. Berthiaume asked for guidance on source of funding for Paul Whitescarver's consulting contract. Mr. Whitescarver has not yet invoiced for his services. That invoice will be expected in the near term. Ms. Berthiaume said she hasn't seen a copy of the contract yet. Mr. Kooris confirmed it was executed in August. Mr. Kooris explained there was a delay in the execution of the contract resulting from CPA's insurance requirements. CPA's insurance requirements are set through a DOT/CPA MOU largely geared towards contracting work taking place on-site at the State Pier facility. The requirements are cumbersome when applied to more traditional consultants like Mr. Whitescarver. Ms. Savitsky volunteered to investigate how to update CPA's insurance requirements to better suit traditional consulting agreements.

Ms. Berthiaume noted that CPA continues to comply with auditor requests relevant to the ongoing state audit.

Ms. Savitsky turned the conversation to Short-Term Investment Fund (STIF) accounts. The committee discussed moving CPA's funds (bond and operational) into STIF accounts. It was agreed that progress with STIF would remain on hold until QuickBooks upgrade and state audit is complete. It was noted that a monthly draw would need to be calculated for relevant expenditures. Ms. Berthiaume noted that the \$400,000 appropriated from the state remains in CORE dedicated to payroll. Mr. Beckham noted that OPM is reviewing this and past years appropriations to confirm they remained in CORE. Ms. Savitsky asked how often payroll is reconciled. Ms. Berthiaume responded that payroll was not reconciled prior to the start of her employment.

Ms. Berthiaume requested the committee's guidance on funding source for CPA's vehicle daily use and maintenance (gas, oil changes, etc.). The committee agreed to discuss further in a future meeting and determine if CPA vehicle is necessary.

- 6. Operations Update:** Ms. Berthiaume noted that as the CPA's newly appointed Ethics Liaison, she has been in contact with State Ethics. She will report back with any action items. Mr. Beckham noted that the two core annual responsibilities of the Ethics Liaison involve reminding relevant parties to file Statements of Financial Interests (SFIs) due May 1st each year and coordinating a Board/Staff Ethics Training. He noted that with SFIs due last May and training conducted at the last board meeting, CPA Ethics Liaison requirements should be satisfied for the year.

As Mr. Whitescarver was unable to attend, Mr. Lavigne gave a brief update on his behalf. Mr. Whitescarver hopes to have an updated purchasing policy for the committee to review at the next meeting. Mr. Whitescarver is tracking additional quasi agency policies and procedures that maybe relevant by adoption to CPA. Mr. Dakers recommended Mr. Whitescarver share his findings with the outside firm to avoid duplicating efforts. Ms. Savitsky recommended convening the consultants (Anne, Bob, Paul, others TBD) to review their work to avoid such duplication. Mr. Whitescarver has noted that several other quasi finance committees also include operations. Mr. Lavigne noted that Mr. Whitescarver would like to gauge the committee's interests/bandwidth for also overseeing more general operations-related policies. Ms. Savitsky recommended keeping policies and procedures germane to finance committee business noting she doesn't want to overload committee members.

- 7. OPM Update:** Mr. Dakers continues to work with the authority and looks to have Ann Harter onboard and in the office shortly.
- 8. Review of Annual Report:** The committee reviewed the annual report. CPA to confirm the report filing deadline (believed to be prior to Jan 1). Financials included in the report are subject to review of Ann Harter and following QuickBooks updates.
- 9. Review of Quarterly Financial Report:** Discussed in Finance Updates.
- 10. Review of Gender and Racial Composition Biennial Report:** Ms. Berthiaume asked who is responsible for filling out this survey. Ms. Savitsky confirmed it is to be sent to each board member and each member will complete independently.
- 11. Adjournment:** With business concluded, Mr. Kooris motioned to adjourn and Mr. Johnson seconded at 10:42 a.m.

The next meeting of the Finance Committee will be:

Date: Tuesday, October 15th

Time: 2 p.m.

Location: CT Port Authority Office, 455 Boston Post Rd, Old Saybrook