**Connecticut Port Authority**

***Finance Advisory Committee***

***Meeting Minutes***

January 26, 2017, 12:00-2:30 pm

Department of Community and Economic Development| Hartford, CT

**Attendance:**

* Board Member: John Johnson, Sarah Sanders, Bonnie Reemsnyder
* Guests: none in attendance
* CPA Staff: Executive Director Evan Matthews, Program Manager Joe Salvatore

**Public Comment:** None

**Minutes:**

1. Call to Order; 1st John Johnson and 2nd by Bonnie Reemsnyder at 12:01 p.m.
2. Election of Chairman:

John Johnson nominated Bonnie Reemsnyder, 2nd Sarah Sanders.

Vote: all-in-favor

Bonnie Reemsnyder – Chairman of the FAC.

1. Review of Budget:

Floor turned to Executive Director Matthews to start discussion.

It was decided to hold the FAC meetings one hour prior to the CPA Board meetings. A list of published meetings will be submitted to the Secretary of the State’s Office.

The FAC is a second layer of review for the CPA relative to the budget, operating expenses and review of the revenue statements.

Budget period from July 1st to June 30th.

The CPA revenue is tied to the State Pier operation. Revenue is derived from Logistecs operation of the port facility.

FY 2017 Budget reviewed by each line description. Budget was established prior to July 1, 2016 transfer from Department of Transportation. There were a lot of assumptions made at that time. It is understood that there may need to be re-allocation to other line items to cover expense shortfalls.

1. Review of Operating Expense and Revenue Statements:

Review of the expenditures (purchase orders) per category as of December 31, 2016.

A re-allocation of funds from line items may be needed to cover shortfalls in other items. For example the legal service item may need more funds to continue. Only $25,000 was budgeted.

The FAC will establish Expense Reporting Detail and Procedures for the CPA board to approve.

Current procedures are tied to DECD Finance Unit, “G-1” expense invoicing. It was suggested that CPA retain all copies (binder) for tracking purposes and audits.

Logistec Annual Report reviewed – Proprietary and Confidential

CPA receives Operating Fees in the amount of 6.75% from the total assessable revenues. The total revenue paid the CPA was in the amount of $323,532.71. An increase of 24% from last year.

Each year Logistec submits an independent audit report per the lease agreement. It was discussed whether the CPA should conduct their own audit. It was agreed that any irregularities such as the November and December revenues shown in Logistec’s report should be discussed directly by Executive Director Matthews first. Then if needed CPA will retain a firm to conduct an audit.

Robinson + Cole researched the Amended and Restated Operation and Management Agreement relative to Dockage and Wharfage. Dockage is the charge assessed against a vessel for use of dock space. Wharfage is a charge assessed against the vessel for using the wharfs for loading and discharge cargo. Logistec has been charging Dockage and Wharfage to vessels that access the piers. The lease is silent on those specific charges. Those charges are traditional under maritime law that benefit the pier owner. Discussions will continue between Logistec and CPA Executive Director.

Resolution discussed regarding the establishment of financial systems for the CPA. The Executive Director will have authorization to; designate a bank(s) for depository, sign checks, drafts and other orders against any funds of the authority, establish procedures for approval of expenditures made by authority staff, employ staff to carry out bookkeeping, accounting, and related functions, enter into leases and purchase agreements.

This resolution shall cover the Operating Account funds and not the General Obligation Bond Funds.

Draft Operating Procedures will be ready for the March CPA board meeting.

1. Discussion and Planning for Independent CPA Financial and Accounting Systems

A receiving and dispensing funds process will be established. One individual should not be in control of both. A term expressed, “*not the same hand*”.

A separation of authority – duties or checks and balances will be established using an audit firm.

**Executive Session:**

**Meeting Adjourned:** 2:30 p.m. (1st John Johnson, 2nd Sarah Sanders)

**Next Meeting:** March 1st, location to be announced.

Submitted By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Evan Matthews

 Executive Director