



MEETING MINUTES OF THE
CONNECTICUT PORT AUTHORITY
FINANCE COMMITTEE

TUESDAY, MAY 21, 2019 (1:00 P.M.) OLD LYME TOWN HALL

Present: Chairman Bonnie Reemsnyder; Scott Bates; David Pohorylo;

Absent: Parker Wise; John Johnson

CPA staff: Gerri Lewis; Evan Matthews; Sandy Berthiaume

Call to Order

Chairman Reemsnyder called the meeting to order at 1:05 p.m.

Minutes: A motion was made by Mr. Bates, seconded by Ms. Reemsnyder to accept the April minutes. Discussion: Mr. Pohorylo noted that there was not enough detail in the minutes. Motion passed 2-1-0.

Public Participation relating to Agenda Items – None

State Audit Update:

Mr. Matthews reported that he met with the state auditor to review the report. The audit was published on May 17, 2019. Mr. Bates noted that the State Audit is more procedural.

Chairman Reemsnyder thanked Mr. Matthews.

Finance Report:

Chairman Reemsnyder called upon Ms. Berthiaume to talk about the finance report. Ms. Berthiaume asked if anyone had any questions.

Chairman Reemsnyder led the discussion of the Finance Report. Chairman Reemsnyder noted that the ongoing challenge is “legal.” She noted the March expenditure alone was \$22,619.60. The YTD expenditure is \$246,258.69. It was noted that the Robinson & Cole contract will end in November and legal will then go out to bid. Mr. Pohorylo noted that “Studies/RFP Process” should come off of the list of expenditures. He also noted that some of the accounts should be grouped together. The committee agreed.

New Business:

Chairman Reemsnyder inquired about BlumShapiro and their audit of the fiscal year July, 2017 – June, 2018. Ms. Lewis reported that the audit is complete and is now in review at BlumShapiro. Chairman Reemsnyder noted that the Finance Committee will review the audit before sending to the board.

Ms. Lewis will notify Chairman Reemsnyder when the BlumShapiro audit is received.

Old Business:

Budget discussion:

With regard to the salary expenditures, Mr. Pohorylo expressed his concern that the Personnel “fringe” was excessive. Mr. Pohorylo noted that the personnel fringe costs should be 30-35% of the Personnel “direct” costs, not 90-95% as stated in the figures provided. Chairman Reemsnyder agreed. Chairman Reemsnyder and Mr. Pohorylo agreed that the Connecticut Port Authority could get the same benefits elsewhere and payroll vendors could prepare the payroll very inexpensively for 4 people. Mr. Pohorylo volunteered to check payroll and benefits vendors for the CT Port

Authority. Mr. Bates suggested contacting Connecticut Innovations on this. He noted that there may be legal constraints.

At this time, while discussing legal, Mr. Bates suggested a “legal committee” be formed and thought perhaps it would be a good idea for a member of the finance committee to join the legal committee.

The “Gateway Development Period Payment” of \$166,667.00 was discussed. Director Matthews noted that Gateway paid an annual fee of \$500,000 for May 2019 to April 2020. As construction at the pier would likely begin in January of 2020, they would be reimbursed for the 4 months that they are unable to utilize the pier for activity.

TO NOTE: The calculation is: $\$500,000 \text{ divided by } 12 = 41,666.667 \times 4 \text{ (Jan. 1}^{\text{st}} \text{ – April 30}^{\text{th}} \text{ 2020)} = \$166,667.00 \text{ (Gateway Development Period Payment)}$.

After further discussion, Mr. Pohorylo asked why we don’t have processes in place. Director Matthews answered, “because monies were being controlled by DECD.”

There was a discussion about the Success fees for Seabury as part of their contract, which are for the successful signed Concession Agreement on the State Pier (w/Gateway), and there would be additional fees for a successful agreement with Bay State Wind.

At this time, the following motion was made:

A motion by Mr. Bates to approve the budget with the understanding and explanation from the chairman that the finance committee will work to find more savings, was seconded by Chairman Reemsnyder. Motion passed with 2 votes in favor: Chairman Reemsnyder and Mr. Bates. Mr. Pohorylo opposed.

Purchasing Policies and Procedures DRAFT:

Mr. Pohorylo volunteered to do a common sense re-write of this draft. Chairman Reemsnyder asked Ms. Lewis to contact a board member, Linda Savitsky in the Treasurer's Office to assist with the re-write of the policies. She noted that perhaps there were state policies she could take a look at and ask for Ms. Savitsky's input.

At this time, 2:07 p.m. Mr. Bates left the meeting.

Executive Session pursuant to C.G.S. 1-200(6)(D) relating to site selection or the lease, sale, or purchase of real property None

Adjournment:

A motion to adjourn at 2:08 p.m. was made by Mr. Pohorylo, seconded by Ms. Reemsnyder and was so voted unanimously.