



CONNECTICUT PORT AUTHORITY
2019 ANNUAL REPORT
(CGS § 15-31a(k))

The Connecticut Port Authority (“CPA”) is a quasi-public agency, pursuant to Section 1-120(1) of the General Statutes of Connecticut (“CGS”), a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut (“State” or “Connecticut”) that is responsible for coordinating the development of the State’s ports and harbors and maritime economy. *See generally* CGS § 15-31b(a). The creation of the CPA represents a major commitment by the State to invest in its port infrastructure to create jobs and attract private investment to the State.

Pursuant to CGS § 15-31a(k)¹, “[o]n or before December fifteenth of each year, the board shall report, in accordance with the provisions of section 11-4a, to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to transportation, commerce and the environment, summarizing the authority’s activities, disclosing operating and financial statements and recommending legislation to promote the authority’s purposes.”

¹ *See also* Public Act 15-5 § 1(k) (“On or before December fifteenth of each year, the board shall report, in accordance with the provisions of section 11-4a of the general statutes, to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to transportation, commerce and the environment, summarizing the authority’s activities, disclosing operating and financial statements and recommending legislation to promote the authority’s purposes.”)

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I. Background

The maritime industry has deep roots in Connecticut, having long played a central role in the state and national economy. Connecticut's three deepwater ports (Bridgeport, New Haven, and New London), as well as our coastal harbors and rivers, all make important contributions to the State's jobs, economic activity and tax revenue.

The Connecticut Port Authority is reestablishing maritime commerce as an essential cornerstone of our state's economy by making necessary improvements to the infrastructure at our ports and small harbors and strategically investing in high-potential growth areas.

About the Connecticut Port Authority

The Connecticut Port Authority is a quasi-public agency created in 2014 that is responsible for coordinating the development of the state's ports and maritime economy. The creation of the Connecticut Port Authority represents a major commitment to invest in the state's port infrastructure to create jobs and attract private investment to the state.

Vision Statement

We envision a future where a thriving maritime economy is driving steady economic growth and creating new jobs across Connecticut.

Mission Statement

It is the mission of the Connecticut Port Authority to grow Connecticut's economy and create jobs by strategically investing in the state's three deep water ports and small harbors to enable each to maximize its own economic potential.

Impacts of the Connecticut Maritime Industry

For over three centuries, Connecticut's maritime industry has been an essential driver of the state's economy. To quantify the maritime industry's impact, the Connecticut Port Authority (CPA) commissioned an economic impact analysis from the Connecticut Economic Resource Center Inc (CERC) titled *Impacts of the Connecticut Maritime Industry*. The study provides a snapshot in time of the economic impact the maritime industry has across the state, providing a data-driven baseline from which we can measure future economic growth and job creation.

The CERC study found that the maritime industry in Connecticut generates an estimated \$11.2 billion dollars annually and supports an estimated 59,800 jobs across the state.

Breakdown of the Maritime Industry's Economic Impact:

- 67% from Businesses and Nonprofits (nearly \$7.5 billion)
- 25% from Government (over \$2.8 billion)
- 8% from Recreation and Tourism (\$896 million)

Breakdown of the Maritime Industry’s Impact on Jobs:

- 63% from Businesses and Nonprofits (est. 37,652 jobs)
- 24% from Government (est. 14,371 jobs)
- 13% from Recreation and Tourism (est. 7,726 jobs)

The study examines five categories of maritime activities around Connecticut. Due to the overlap across categories, the totals presented in each chapter will differ from the totals presented for the full maritime industry.

1. Commodities at the Deepwater Ports and Stamford Harbor (Ch.2)

The commodities that move through Connecticut’s three deepwater ports and Stamford Harbor had a combined economic impact on output of \$7.1 billion and supported more than 40,600 jobs across the state.

2. Maritime Activities in the Deepwater Port Districts (Ch.3)

The maritime activities in Connecticut’s three deepwater port districts (Bridgeport, New Haven and New London) generate an economic impact of \$1.7 billion annually.

3. Maritime Activities of Federal, State and Local Governments (Ch.4)

The maritime activities of federal, state, and local governments generate \$3.7 billion in economic impact and support over 18,760 jobs.

4. Maritime Activities of For-Profit Businesses and Nonprofit rofit Businesses and Nonprofit Organizations Organizations (Ch.5)

The maritime-related activities of for-profit businesses and nonprofit organizations generate \$9.7 billion and generate an estimated 49,000 jobs for Connecticut residents.

5. Maritime-Related Recreation and Tourism(Ch.6)

Maritime recreational activities and tourism generate \$1.2 billion and support more than 10,000 jobs across Connecticut.

The full report can be found on the CPA’s website at <https://ctportauthority.com/reports/>

II. The Responsibilities of the Connecticut Port Authority

Pursuant to CGS 15-31b(a), among other duties, the CPA shall:

- Coordinate port development, focusing on private and public investments;
- Pursue State and federal funds for dredging and other infrastructure;
- improvements to increase cargo movement through the ports and maintain navigability of all ports and harbors;
- Market the economic development of such ports and harbors;
- Work with the Department of Economic and Community Development (“DECD”) and State, local, and private entities to maximize the ports’ and harbors’ economic potential;
- Support and enhance the overall development of maritime commerce industries;
- Coordinate the planning and funding of capital projects promoting the development of the ports and harbors;
- Develop strategic entrepreneurial initiatives available to the State; and
- Coordinate the State’s maritime policy activities and serve as the Governor’s principal maritime policy advisor.

III. Connecticut Port Authority Board of Directors

The CPA's governing body is the Board of Directors ("Board") which is composed of fifteen (15) voting members, including State officials, community leaders, port authority professionals, and individuals with knowledge related to trade, marine transportation, economic development and finance.

Pursuant to CGS 15-31a(m), primary responsibilities of the Board include to:

- Develop and recommend a State-wide maritime policy for the Governor and the Connecticut General Assembly Transportation Committee;
- Advise the Governor and Transportation Committee concerning the State's maritime policies and operations;
- Support the development of the State's maritime commerce and industries, including its ports and harbors;
- Recommend investments and actions, including dredging, required in order to preserve and enhance maritime commerce and industries; and
- Conduct studies and present recommendations concerning maritime issues.

Connecticut Port Authority Board of Directors, Terms and Appointing Authorities

| | Board Members | Term Length ^a | Term Expiration | Appointing Official/Authority |
|---------------------------|---|--------------------------|---|---|
| 1 | Vacant | 4-year term | June 30, 2021 | Senate Majority Leader ¹ |
| 2 | David E. Pohorylo | 4-year term | June 30, 2021 | House Minority Leader ² |
| 3 | Vacant | 4-year term | June 30, 2021 | House Majority Leader ³ |
| 4 | John Johnson | 4-year term | June 30, 2021 | Governor Dannel P. Malloy ⁴ |
| 5 | Pamela K. Elkow (Secretary) | 4-year term | June 30, 2021 <i>February 6, 2020 – as Secretary</i> | Governor Dannel P. Malloy ⁵ |
| 6 | Grant W. Westerson (apptd. Feb. 8, 2018) | 4-year term | June 30, 2019 ⁶ | Senate Minority Leader ⁶ |
| 7 | Judi Sheiffele (apptd. Oct. 31, 2019) | 4-year term | June 30, 2023 | Senate President Pro Tempore ⁷ |
| 8 | Donald B. Frost | 4-year term | June 30, 2020 | Speaker of the House ⁸ |
| 9 | Parker S. Wise | 4-year term | December 17, 2019 | Governor Dannel P. Malloy ⁹ |
| 10 | Nancy J. DiNardo | 4-year term | December 17, 2019 | Governor Dannel P. Malloy ¹⁰ |
| Ex-Officio Members | | | | |
| 11 | David Kooris, as Designee for David Lehman, DECD Commissioner (Vice-Chairperson) ^{**} | Ex officio | June 30, 2020 – as Vice-Chairperson July 24, 2019 - Acting Chair | C.G.S. 15-31a(b)(1) ¹¹ |
| 12 | Daniel Krupnick, as Designee for Shawn Wooden, State Treasurer | Ex officio | N/A | C.G.S. 15-31a(b)(1) ¹² |
| 13 | Jeffrey Beckham, as Designee for Melissa McCaw, Secretary of OPM | Ex officio | N/A | C.G.S. 15-31a(b)(1) ¹³ |
| 14 | Philip T. Scarozzo, as Designee for Joe Giuliatti, DOT Commissioner Or Mark D. Rolfe, as Designee for Joe Giuliatti, DOT Commissioner | Ex officio | N/A | C.G.S. 15-31a(b)(1) ¹⁴ |
| 15 | Brian Thompson, as Designee for Katie Dykes, DEEP Commissioner | Ex officio | N/A | C.G.S. 15-31a(b)(1) ¹⁵ |

^a Article II, Section 2(c) of the CPA By-Laws provides that all appointed Board members shall be entitled to hold office beyond the expiration of his or her term and until a successor has been appointed and qualified under Section 4-7 of the CGS. Section 4-7 of the CGS provides the process of election by the General Assembly. Section 4-1a of the CGS also allows for the term to continue until a successor is appointed.

^{**} Pursuant to the By-Laws, Article II § 13, the Vice-Chairperson shall annually be elected by the Board to serve a one (1) year term or until a replacement is duly elected; the Vice-Chairperson may serve more than one term. Note Vice-Chairperson Kooris was elected to serve a 1-year term, which expires on June 30, 2020 (absent re-election).

¹ 2016 Senate Joint Resolution No. 26; see also 2018 Senate Joint Resolution No. 30.

² 2016 House Joint Resolution No. 3; see also 2018 House Joint Resolution No. 26.

³ 2016 House Joint Resolution No. 29; see also 2018 House Joint Resolution No. 27.

⁴ 2016 Senate Joint Resolution No. 30; see also 2018 House Joint Resolution No. 2.

⁵ 2016 House Joint Resolution No. 23; see also 2018 Senate Joint Resolution No. 5.

⁶ 2016 Senate Joint Resolution No. 31; see also 2018 Senate Joint Resolution No. 29 & <https://cea.ct.gov/2018/agn/2018AGN00209-R01-AGN.htm>

⁷ 2016 Senate Joint Resolution No. 24

⁸ 2016 House Joint Resolution No. 169

⁹ 2016 House Joint Resolution No. 24

¹⁰ 2016 House Joint Resolution No. 22

¹¹ (b)(1)...the Commissioner of Economic and Community Development, or the commissioner's designee...

¹² (b)(1)...The State Treasurer, or the Treasurer's designee ...

¹³ (b)(1)...the Secretary of the Office of Policy and Management, or the secretary's designee ...

¹⁴ (b)(1)...the Commissioner of Transportation, or the commissioner's designee ...

¹⁵ (b)(1)...the Commissioner of Energy and Environmental Protection, or the commissioner's designee ...

IV. Schedule of Positions and Total Staffing Levels

| <u>Position</u> | <u>Staffing Level</u> | <u>Signature Authority</u> | <u>Job Description</u> |
|---|-----------------------|--|--|
| Executive Director | 1 | The Executive Director shall be the custodian of, and may give certificates under, the official seal of the Authority (if any) and is authorized to certify, when required, the records, proceedings, documents or resolutions of the Authority and affix the seal of the Authority to all contracts, documents and instruments to be executed by the Authority and such other signatory authority, as specifically provided, in any applicable resolution of the Board. | Serve as Chief Administrative Officer of the CPA; direct and supervise the administrative affairs and technical activities, in accordance with the directives of the Board; and perform such other functions described in C.G.S. § 15-31a(d), set forth by CPA By-Laws, Operating Procedures, written policies and procedures, or provided by resolution of the Board. |
| Program Manager ¹ | 1 | The Program Manager is authorized to sign contracts, documents and instruments to be executed by the Authority, following, and as specifically provided in, any applicable resolution of the Board. | N/A |
| Business Development & Special Projects Manager | 1 | N/A ² | Directing business development and special projects initiatives domestically and internationally; implementing marketing and sales strategies to promote the CPA, Connecticut's ports |

¹ Joseph R. Salvatore serves as the Program Manager for the Connecticut Port Authority ("CPA"). He is employed by the State's Department of Transportation ("DOT"), temporarily assigned to work exclusively for the CPA, and compensated, as a State employee, with benefits that come from DOT's budget. Currently, there are no plans to transfer his employment to the CPA.

² Signature Authority is as authorized by resolution of the Board of Directors or as specifically described in the Purchasing and Accounts Payable Policies and Procedures, approved by the Finance Committee and adopted by the Board, as amended from time to time.

| | | | |
|---------------------------------|-----------|------------------|---|
| | | | and small harbors, and Connecticut's maritime sector; directs staff and/or contractors providing services, products and activities relating to business development, marketing, research, communications, and strategic initiatives, as further described in the description attached hereto as <u>Exhibit A</u> . |
| Fiscal/Administrative Assistant | 1 | N/A ² | Performing a combination of basic paraprofessional work, and complex clerical work in fiscal administrative functions, as further described in the description attached hereto as <u>Exhibit B</u> . |
| Intern(s) | ≤ 5 | N/A | Assist CPA staff and officers in the development and execution of various aspects of the State's maritime strategy and support the CPA as it may be necessary or desirable to carry out its purposes set forth in C.G.S. § 15-31b. [Based on the functions interns perform, they are to be paid as employees NOT as consultants.] |
| Temporary Employee(s) | As needed | N/A ³ | Serves in a temporary/interim capacity (1) in the event of an extended absence of any staff member, and/or (2) to fill the temporary employment needs of the Authority. [Based on the functions temporary employees perform, they are to be paid as employees NOT as consultants.] |

³ Signature Authority is as authorized by resolution of the Board of Directors or as specifically described in the Purchasing and Accounts Payable Policies and Procedures, approved by the Finance Committee and adopted by the Board, as amended from time to time.

V. Summary of Activities of the Connecticut Port Authority

January – March 2019

In January, the Board considered and approved resolutions authorizing the Executive Director (ED) to file the annual and quarterly reports required by the General Statutes of CT; to enter into a Concession Agreement with the Authority's preferred bidder for the development, operation and maintenance of the New London State Pier; to enter into that certain State Pier Impact Fee Agreement with the City of New London for, among other things the payment of an Impact Fee and Revenue Share Payment by the Authority to the City of New London and related side letter agreement with Gateway New London LLC.

In February, the Board considered and approved resolutions authorizing the Executive Director to enter into a MOU with the Office of the State Comptroller related to financial disclosures; to enter into a Second Amendment to Consulting Services Agreement with Seabury PFRA LLC and certain other parties thereto to extend the term of such agreement to April 30, 2019; the Pilot Commission with the support of the Authority move forward to seek revisions to the CT General Statutes as set forth the December 20, 2018 letter to the Authority, and the Executive Director is hereby authorized to take such actions as are in the best interests of the Authority and any and all other reasonable and necessary; the election of Vice-Chairman to Bonnie Reemsnyder and election of Secretary to Pamela Elkow.

In March, the Board considered and approved resolutions authorizing the Executive Director to enter into a Consulting Services Agreement with GZA GeoEnvironmental Inc for professional services related to engineering design solutions for repairs and modifications of Pier 7 located within Ft Trumbull State Park (Pier 7); to enter into a MOU with Connecticut Innovations related to human resources support; to request applications from municipalities in the State of CT pursuant to the Small Harbor Improvement Projects Program (SHIPP); to post the Notice of Intent to adopt the Small Harbor Improvement Projects Program (SHIPP) Policies and Procedures in the CT Law Journal; the adoption of the Small Harbor Improvement Projects Program (SHIPP) Policies and Procedures.

April – June 2019

In April, the Board considered and approved resolution authorizing the undertaking of, and the expenditure of up to \$26 million in State funds for, the New Haven Harbor Deepening Project, and authorizing the ED to submit to CTDEEP an application for a permit in connection therewith.

In May, the Board considered and approved resolutions authorizing the Executive Director to negotiate and enter into a Harbor Development Agreement MOU with respect to the New London State Pier; to prepare and submit all necessary permit applications to CTDEEP and USACE in connection with harbor development at the New London State Pier.

In June, the Board considered and approved resolutions authorizing the adoption of the FY2019-

2020 Annual Operating Budget and Plan of Operations of the CPA; the request of the Town of Old Lyme to designate \$71,337.50 in unexpended State bond funds from previously completed projects toward Phase 1 of the planning and design of a pier walkway for the Lieutenant River Access Project and authorizing the ED to deliver any and all reasonable and necessary documents in furtherance thereof; the Executive Director to enter into an agreement for communications and marketing services with respect to RFP No. CPA0000-1804; the election of Chairperson of the Board to Bonnie Reemsnyder and Election of Vice-Chairperson of the Board to David Kooris.

July – September 2019

In July, the Board considered and approved resolutions authorizing the Executive Director to enter into an agreement for Phase II environmental subsurface soil investigations for the East Shore Properties; to ratify and confirm all past actions of Chairman and officers of the CPA with respect to personnel matters; the Vice-Chair of the Board, on behalf of the CPA to enter into a consulting agreement.

In August, the Board considered and approved resolutions authorizing the authorized signatories for CPA bank account; David Kooris to negotiate, execute and deliver agreements and documents previously authorized by the Board.

In September, the Board considered and approved resolutions authorizing John Johnson, Linda Savitsky, Jeffrey Beckham, Parker Wise, and David Kooris are each hereby elected to serve as members of the Finance Committee of the Authority; each of the Executive Director and David Kooris to negotiate, execute and deliver a Memorandum of Understanding by and between the Authority and the Office of Policy and Management; Appointment of (1) an ethics compliance officer pursuant to Section 1-101rr(a) of the General Statutes of Connecticut (“CGS”), and (2) a liaison to the Office of State Ethics pursuant to Section 1-101rr(b) of the CGS; the adoption of an Ethics Policy; Discussion of draft Purchasing Policy & potential establishment of a Small Purchasing Policy; the Acting Chair of the Board to negotiate, execute, and deliver a Temporary Service Agreement Extension; Executive Session pursuant to Sections 1-225(f) and 1-200(6)(A) of the General Statutes of Connecticut, for the purpose of discussing the performance and evaluation of Authority personnel; David Kooris to negotiate and enter into a Confidential Separation Agreement and General Release by and between the Authority and Evan H. Matthews.

October – December 2019

In October, the Board considered and approved resolutions authorizing each of the Chairperson, Vice Chairperson and Executive Director to negotiate, execute and deliver a Memorandum of Understanding by and between the Authority and the Connecticut Department of Administrative Services; each of the Chairperson, Vice Chairperson and Executive Director to negotiate and enter into an Amended and Restated Consulting Services Agreement with Quinn

& Hary Marketing for marketing and communications services; an amendment to a resolution adopted by the Authority on January 3, 2018, authorizing the Executive Director on behalf of the Authority to enter into various grant Assistance Agreements in connection with Small Harbor Improvements Projects Program (SHIPP); each of the Chairperson, Vice Chairperson and Executive Director to publish notice of, issue, and seek big solicitations for construction management services with respect to the New London State Pier.

In November, the Board considered and approved resolutions authorizing the Acting Chairperson to negotiate and enter into a Consulting Services Agreement with one of the following executive search firms: Shey-Harding Associates, Inc; Industrial Search Partners, LLC; Flagship Management LLC; or Core Group Resources; the Acting Chairperson to negotiate and enter into an agreement for additional services with AECOM with respect to the Engineering Review Services for the State Pier Infrastructure Improvements; the Acting Chairperson to negotiate and enter into an agreement/amendment for additional services with AECOM with respect to the Environmental Permitting Activities for the State Pier; the Acting Chairperson to negotiate and enter into a Consulting Services Agreement with Strategic Rail Finance for rail development advisory services.

In December, the Board will be considering for approval, resolutions authorizing the Acting Chair to negotiate and enter into an amended agreement with the Town of Madison regarding an amendment to its Round 1 Small Harbor Improvement Projects Program (SHIPP) agreement; the Acting Chair to submit to OPM a legislative revision recommended by the Connecticut Pilot Commission; the Acting Chair to negotiate and enter into an agreement with the National Oceanic and Atmospheric Administration (NOAA), specifically, a five-year renewal of the Physical Oceanographic Real Time System (P.O.R.T.S); a resolution to adopt a Schedule of Positions and Total Staffing Levels as outlined in Section V of the CPA's Operating Procedures; the staff of the CT Port Authority to submit annual reports responsive to each of Connecticut General Statutes (CGS) Sections: 15-31a(k), 1-123(a) and 15-31a(o); and to adopt the 2020 CT Port Authority Board Meeting Schedule.

VI. October 18, 2019 Letter to the Transportation Committee

In late-July 2019 Governor Lamont appointed David Kooris as Acting Chair of the Board, installed Retired Navy Captain Paul Whitescarver to ensure the leadership was in place to run day-to-day operations, and directed his Office of Policy and Management (OPM) to bring additional financial oversight to ensure proper stewardship of public funds. Grouped in categories below you will find the actions completed and initiated - measured against the conditions inherited in late July 2019 (the letter is attached as Appendix A):

Finance and Audit

- Memorandum of Understanding (MOU) with the State Office of Policy and Management (OPM). The financial staff at CPA was limited and the accounting practices did not meet appropriate standards. At its September meeting, the CPA Board approved an MOU with OPM that provided for OPM to engage such consultants and resources as needed to oversee and evaluate the CPA's fiscal, organizational and administrative practices and activities and to recommend and assist in the implementation of needed improvements in the CPA's organizational and business practices.
- Accounting Systems and Software. There was no software being utilized to monitor financial status. As part of its MOU with the Port Authority, OPM contracted with a former municipal finance director who is working with staff to make improvements with the Authority's accounting systems and software. A Certified Public Accountant from a local accounting firm who has expertise and certification as a trainer in QuickBooks assisted in the effort. The Authority continues to use CORE-CT to manage all state appropriated funds and state bond funds.
- Annual Independent Audit. The Authority has entered into an engagement letter for its outside independent auditor to audit the CPA's FY2019 financial statements. As part of this effort, the Acting Chair has identified for them areas of concern or risk for closer evaluation and auditing ensuring that they delve deeper into issues not typically assessed.
- Auditors of Public Accounts (APA) Draft Audit Report. Prior audits by the APA identified several necessary corrective actions. Authority staff responded to all requests from the APA conducting an audit in response to a whistle-blower complaint. The APA audit was completed on 31 October, 2019.
- Debit/Credit Card. Utilization of the debit/credit card was a source of spending outside of the appropriate parameters for a government entity. The Acting Chair discontinued the use of the CPA's debit/credit card.
- Travel and Entertainment Expenses. Travel and entertainment expenses were not monitored and occurred outside of the appropriate parameters for a government entity. The Acting Chair of the Board issued a directive that no travel or entertainment expenses are to be incurred without his prior approval and that such approvals would generally be limited to those expenses critical to the mission and purpose of the Authority. Further, any such expenses shall be reasonable, with limits similar to those applying to State employees. A directive was also issued

establishing the terms for payment of mileage for the use of personal vehicles for official CPA business which did not previously exist.

- Review of Contracts. Several contracts existed for services that were not critical to the mission and purpose of the Authority. Contracts were reviewed and those that did not meet critical needs were terminated or reduced in scope.
- Management of Legal Expenses. Legal expenses were excessive due to an over-reliance on legal support for activities that should have been conducted by staff. The Acting Chair of the Board issued a directive regarding the use of outside legal counsel and the process to be followed in order to better manage these costs. The CPA Board approved moving forward seeking respondents to a new Request for Proposal for future legal services.
- Comptroller's Open Checkbook. The information provided to the Comptroller's office to publicly share CPA transactions was incomplete. The Authority submitted to the comptroller's office an update that included all authority expenditures.

Board and Governance

- Code of Ethics Training. Ethics training had not occurred since 2016. At the September 2019 board meeting, the CPA Board and staff received training regarding the State Code of Ethics from the State Ethics Office. Training of Board and staff will occur annually.
- Freedom of Information ACT (FOIA) Training. FOIA training had not occurred previously. At the September 2019 board meeting, the CPA Board and staff received training with respect to FOIA requirements. Training of Board and staff will occur annually.
- Finance Committee. The Finance Committee of the Board did not have a full complement of members. At its September meeting, the CPA Board reconstituted its Finance Committee with new members including ex-officio representation by both OPM and the Treasurer's Office.

Personnel and Operations

- Executive Director Position. The Executive Director had been placed on leave by the Board Chair on July 12, 2019. The former Executive Director resigned as of October 1, 2019. At its October meeting, the CPA Board established an ad hoc personnel committee to develop an approach to refill this position that will be presented to the Board at its next meeting.
- Code of Ethics Policy and Appointment of Ethics Compliance Officer. The CPA did not have an Ethics Policy and its Ethics Compliance Officer was separated from the authority on July 9, 2019. At its September meeting, the CPA Board approved a Code of Ethics Policy and appointed an ethics compliance officer.
- OPM's Independent Assessment of Policies and Procedures. The Board was behind in the finalization and adoption of the full complement of policies and procedures necessary to govern CPA actions. The consultant engaged by OPM to evaluate the sufficiency of CPA's business and organizational practices and structures is scheduled to complete its report of findings and recommendations in early December. Revised policies and procedures resulting from the consultant's report and other efforts underway at CPA will be brought forward for CPA Board consideration beginning at its December Board meeting.

- Procurement of Goods and Services. There existed ambiguity and gaps in the CPA's procurement policy. The Acting Chair of the Board issued a memorandum providing guidance with respect to the CPA procurement policy. The memo involves emphasizing the use of competitive processes, even for smaller procurements, while identifying limitations on and processes related to use of sole source purchases.
- Technical Support and Capacity. CPA lacked the necessary capacity to execute and implement the Harbor Development Agreement with Eversource/Ørsted. Through its MOU with the CPA, OPM legal have substantially vetted the proposed Harbor Development Agreement and negotiations to strengthen the agreement are ongoing. At its October meeting, the CPA Board authorized an MOU with DAS to mobilize project management support to ensure efficient and effective project delivery.

Transparency and Freedom of Information

- Documents to Transportation Committee. There was concern that the reporting and information sharing requirements of the CPA were not being met and necessary information was not getting to the legislature and the public. CPA has provided the Transportation Committee (via Philip Mainiero) with copies of:
 - CPA's quarterly financial reports from January 2018 through June 2019.
 - Annual Report [CGS § 15-31a(k)] 2016
 - Annual Report [CGS § 15-31a(k)] 2017
 - Annual Report [CGS § 15-31a(k)] 2018
 - Annual Report [CGS § 1-123(a)] FY July 1, 2017 - June 30, 2018
 - Annual Report [CGS § 15-31a(o)] Calendar Year 2019
 - Timeline of State Pier care, custody and control transition from CTDOT to CPA
 - Final CPA-Gateway New London LLC Concession Agreement
 - Final CPA-New London Impact Fee Agreement
 - State Pier Terminal Operator Request for Proposals (RFP) Responses
 - Gateway Terminal RFP response
 - Logistec RFP response
 - Worldwide Terminals RFP response
 - Infralinx RFP response
 - Converge/SIA RFP response
 - Red Hook Terminals RFP response
- FOIA Response. There was a significant backlog of FOIA requests. Since August 20, 2019 CPA staff has reduced the backlog of unanswered FOIA requests to two despite having received an additional 15 requests since mid-July.
- Public Information Meeting on State Pier. No public meeting had been held on the proposal for State Pier facility. On September 17, 2019 at the Holiday Inn in New London, CPA and its private partners hosted a public information meeting concerning the proposed redevelopment of the State Pier facility. With over 250 people in attendance, there was robust opportunity for

information sharing and input. The project enjoyed a largely positive response and all comments received are currently being taken into consideration.

VII. Small Harbor Improvement Projects Program (SHIPP)

The mission of the CPA is to coordinate the development of Connecticut's ports and harbors, while working with other State and local entities to maximize the economic potential of the State's maritime commerce and industries. In the pursuit of the mission, the CPA has created the SHIPP, a grant program, as a central part of its strategy to support economic development throughout Connecticut's waterfront.

Funding for the grant program is authorized under Public Act 15-1, Section 13(h)(1).

On November 29, 2017, the State Bond Commission approved funding for the first round of CPA's SHIPP program - approving 18 projects totaling over \$4 million. These projects covered a range of improvements including: marina repair, dredging, boat ramp facilities improvement, harbor management plans and feasibility studies. Details of each project are in the attached document.

On April 24, 2019 the CPA issued a Request for Applications (RFA) for its second round of SHIPP project funding. Under SHIPP, Connecticut municipalities and other properties, in or adjacent to waters of the state, may apply for matching funds to conduct a project that improves the infrastructure or management of their local waterway. The selection of this second round of grant recipients will take place after the CPA rates and selects the applications based on developed criteria, presents to the CPA Board of Directors for approval before forwarding the list of finalists to the State Bond Commission for final funding approval and appropriation.

VIII. Connecticut Pilot Commission (CPC)

The Connecticut Pilot Commission (the “CPC” or “Commission”) is tasked to advise the CT PORT AUTHORITY on issues on matters relating to the licensure of pilots, the safe conduct of vessels and the protection of the ports and waters of the state, including the waters of Connecticut, including the waters of Long Island Sound. The commission consists of nine members, representing a broad spectrum of business, maritime, and environmental interests, including appointees of the Governor and various legislative leaders, the CPA’s Executive Director, and a pilot representative. (*See generally* CGS § 15-13c). The Commission includes members who have experience as Merchant Marine, Navy, and U.S. Coast Guard officers and currently includes members with expertise in admiralty and environmental law, shipping, stevedoring and port operations. Further information regarding the Commission, including a monthly meeting schedule, agenda and minutes of its meetings, are available at <http://ctportauthority.com/>.

Background

Long Island Sound ports (consisting of deep water terminals at New London, New Haven and Bridgeport as well as petroleum terminals on Long Island’s north shore) are vital to the regional economy. In addition to petroleum products, Connecticut’s deep draft ports handle lumber, rolled steel, scrap metal, salt and chemical cargoes.

Foreign flag and U.S. merchant vessels under register, arriving at Long Island Sound ports, are required by law to take aboard a local State-licensed pilot, who has up-to-date knowledge about hazards to navigation, tides and current, communications and vessel traffic. (*See* CGS § 15-15). As advisors to the ship’s master, state-licensed pilots direct the vessel’s movement in restricted waters, including docking and undocking.

Pursuant to the Federal Boundary Waters Act, 46 U.S.C. § 8501(b) and CGS § 15-15d, Connecticut and New York share authority to regulate pilotage on Long Island Sound. The Federal Boundary Waters Act entitles New York-licensed pilots to pilot ships to all Connecticut ports and Connecticut-licensed pilots to pilot ships on the New York waters of Long Island Sound. The two states are party to a 1999 Memorandum of Agreement (“NY/CT MOA”), implemented by regulation, under which Connecticut-licensed pilots and New York-licensed pilots participate in a joint rotation to provide pilotage service for all ports on the Long Island Sound (*See* CPA Navigable Waters—Marine Pilots Procedures, formerly §15-15a-17 of the Regulations of Connecticut State Agencies). The rotation is administered by a Joint Rotation Administrator (“JRA”), designated by mutual agreement between Connecticut and New York. The JRA establishes work rules, dispatches pilots to assignments, collects pilotage fees, pays expenses and distributes earnings. During calendar year 2016, the JRA dispatched pilots to 482 assignments, which has decreased from 506 assignments in 2015.

Under a Memorandum of [Understanding] with DOT, in accordance with P.A. 15-5, CPA retains authority to regulate the licensing, conduct, and duties of Connecticut-licensed pilots as necessary

to ensure public safety and protection of the environment (*See* CGS § 15-15a). The CPC and CPA worked closely with the Board of Commissioners of Pilots of the State of New York (“NY Board”) to coordinate the regulation of pilotage on Long Island Sound. The CPC and CPA also maintained an active working relationship with the U.S. Coast Guard, which regulates many aspects of merchant vessel operations.

Certain U.S. flag vessels in domestic trades (enrolled vessels) and naval or government-operated vessels (public vessels) are exempt from compulsory state pilotage. Pilotage of these vessels is regulated by the U.S. Coast Guard, which issues federal pilotage endorsements. Connecticut-licensed pilots may pilot enrolled or public vessels on the authority of their federal pilotage endorsements outside of the joint rotation.

Pilotage Rates

Pursuant to CGS § 15-14, the CPA is obligated to set pilotage rates. The CPC is charged with advising CPA on “the establishment of fair and reasonable rates of pilotage . . . including establishment of a hearing process for the setting of fair and reasonable rates of pilotage.” (*See* CGS § 15-13c (f)(1)). In analyzing pilotage rates, the CPC seeks to balance a desire to keep Connecticut ports competitive with a rate structure that should: fairly compensate pilots, justify the substantial capital investment required to acquire, maintain and operate pilot boats and provide for the costs of training and safety equipment. The NY/CT MOA entitles Connecticut and New York to separately set pilotage rates for those pilots operating under their respective authority, but recognizes that it is highly desirable for the two states to maintain identical rate structures. Thus, the CPC and the NY Board, which is required to seek legislative approval of certain components of pilotage rates, have sought to coordinate any change in rates. Following the passage of P.A. 15-5, the approval of rate changes is now under the authority of the CPA’s Board of Directors.

Joint Rotation Operation

Pursuant to the NY/CT MOA and implementing regulation, participation in the joint rotation is mandatory for both Connecticut-licensed pilots and New York-licensed pilots. As above-mentioned, the JRA dispatches pilots, collects fees, pays expenses (including pilot boat costs) and distributes revenues among the pilots. The joint rotation is administered by Sound Pilots, Inc. (d/b/a Block Island Pilots), selected by agreement between CT and NY. The operation of the joint rotation and the JRA is overseen by a Rotation System Executive Board (“RSEB”), consisting of three pilots from the Connecticut side and three pilots from the New York side of the rotation. Pilots participating in the joint rotation are not compelled to belong to a single business entity. Initially, there had been five separate pilot organizations (the Northeast Marine Pilots; Sandy Hook Pilots of New York and New Jersey; Interport; Long Island Sound State Pilots; and Connecticut State Marine Pilots) and non-affiliated individual pilots operating within the joint rotation. In November 2008, the CPC was notified that the Connecticut-licensed pilots, working

on the Connecticut side of the joint rotation, had agreed in principle to work together as the Connecticut State Pilots (“CSP”) through a registered entity d/b/a as Interport Pilots Agency, Inc. Three organizations currently provide pilot boat services; Interport, Long Island Sound State Pilots and Northeast Marine Pilots.

As of January 2018, Connecticut licensed 8 marine pilots, 2 of which worked on the New York side of the rotation. As a condition of maintaining their Connecticut licenses, these pilots must also possess federal licenses endorsed for first-class pilotage. The pilots licensed by Connecticut, who participated on the Connecticut side of the joint rotation, were to be allocated 70% of vessel movements subject to the joint rotation pursuant to the terms of the NY/CT MOA. Pilots licensed by New York (including the 2 pilots who are licensed by both Connecticut and New York) participated on the New York side of the joint rotation and were to be allocated 30% of vessel movements.

Recommended Legislation

Recommendation for Legislative Revisions (2020 Session) to CGS Chapter 263, Section 15-13. Pilots; qualifications, extension of route. Permits Connecticut-licensed Pilots to utilize experience obtained while piloting under the authority of a federal pilotage endorsement to qualify for an extension-of-route. Current law requires pilots to serve as an observing pilot under the supervision of a Connecticut-licensed pilot to obtain an extension-of-route, even though this experience is not required for initial licensure.

Amended the Rates of Pilotage

No Request for 2019

Licensing Updates

The Connecticut-license Pilots consists of seven for the year ending 2019. The following are licensed pilots:

- Captain Charles Jonas
- Captain William R. Mulligan
- Captain Michael A. Peszke
- Captain Theodore S. Sanford
- Captain Adam M. Richardson
- Captain Sean M. Meade
- Captain Donald J. Toby

CPC Commissioners

As noted above, the CPC consists of nine members. During 2019, the following were CPC commissioners:

- **Christopher P. Clark**; appointed, November 26, 2016, by Speaker of the House Sharkey for a term ending on June 30, 2020, to represent non-recreational maritime industry interests.

- **K. Wynne Bohannon**; appointed, on July 3, 2013, by Governor Malloy for a term ending June 30, 2021, as a representative of a maritime-related industry.
- **Michael Eisele**, reappointed on September 26, 2016, by House Minority Leader Klarides for a term ending June 30, 2020, as a member with expertise in admiralty law.
- **William C. Gash, Jr.**; appointed as Chairman by Governor Malloy on August 27, 2012, and reappointed, on September 20, 2016, by Senate President Pro Tempore, Looney for a term ending on June 30, 2020, as a member with an interest in the environment who does not have an economic interest in the subject matters of the commission.
- **Ralph Gogliettino**; appointed, on August 9, 2013, by Senate Majority Leader Looney for a term ending June 30, 2021, to represent public environmental interests.
- **David E. Pohorylo**; reappointed, on June 28, 2019, by Matthew Ritter, House Majority Leader for a term ending on June 30, 2023, as a member with expertise in/or to represent a maritime-related industry from a shipping agent perspective.
- **Captain Charles C. Beck, USCG (Ret.)**; appointed, on June 1, 2015, by Senate Minority Leader Fasano for a term ending on June 30, 2022, as a retired ship's Captain.
- **Captain Michael Peszke**; an active pilot elected by a majority of the Connecticut-licensed pilots, effective January 1, 2016, for an indefinite term.
- **VACANT**; Executive Director of the Connecticut Port Authority, effective July 1, 2016, for an indefinite term, in accordance with P.A. 15-5.
 - **Joseph Salvatore**; Program Manager for the Connecticut Port Authority, serves as Staff and the Executive Director's designee to the Commission.

State Bond Commission Authorizations to the Authority – FY19:

| | | | | |
|-------------------|---------------|-------------------|-------------|---|
| Public Act 13-239 | Section 32(f) | July 25, 2018 | \$1,501,000 | Grants-in-Aid to ports, harbors and marinas to finance port projects. |
| Public Act 13-239 | Section 32(f) | December 11, 2018 | \$3,750,000 | Supplemental Financing for State Pier Infrastructure Improvements. |
| Public Act 15-1 | Section 32(m) | December 11, 2018 | \$1,750,000 | Supplemental Financing for State Pier Infrastructure Improvements. |

IX. Future Port Infrastructure-Dredging Projects

Projects for FY20:

State Bond Commission Authorizations to the Authority – FY20:

| | |
|------------|--|
| New London | State Pier Infrastructure Improvements – Master Plan Maximum Build-Out |
| New London | Pier 7 Fort Trumbull State Park – Infrastructure Improvements |
| New Haven | Federal Navigation Channel Deepening – Dredging Cost Share |

Ports, Harbors and Marinas Capital Program – FY20

| | |
|------------|---|
| Statewide | Small Harbor Improvement Project Program (SHIPP Rounds 2 and 3) |
| New Haven | Federal Navigation Project – Deepening Dredging |
| Bridgeport | Federal Navigation Project – Dredging of Black Rock Harbor & BPT. Harbors |
| Branford | Federal Navigation Project – Stoney Creek Dredging |
| Southport | Federal Navigation Project – Southport Harbor Dredging |
| New London | State Pier Dredging Program |
| New London | Pier 7 Fort Trumbull – Infrastructure Improvements |
| Statewide | Deepwater Ports Capital Equipment Program |
| Statewide | Port Terminals Statewide – Inland Intermodal |
| Statewide | Property Acquisition(s) and Upgrades Deepwater Ports |
| Statewide | Port Studies |

X. Operating and Financial Statements

Attached hereto as Appendix B is a copy of CPA's budget. Operating and financial statements will be attached upon receipt.

XI. Recommended Legislation

As noted in Section VIII above, the CPA recommends legislative revisions (2020 Session) to CGS Chapter 263, Section 15-13 (Attached as Appendix C):

Pilots; qualifications, extension of route. Permits Connecticut-licensed Pilots to utilize experience obtained while piloting under the authority of a federal pilotage endorsement to qualify for an extension-of-route. Current law requires pilots to serve as an observing pilot under the supervision of a Connecticut-licensed pilot to obtain an extension-of-route, even though this experience is not required for initial licensure.

Appendix A



The Honorable Carlo Leone
Co-Chairman Senator
Legislative Office Building
Room 3500
Hartford, CT 06106-1591

The Honorable Roland Lemar
State Representative
Legislative Office Building
Room 2103
Hartford, CT 06106-1591

The Honorable Henri Martin
State Senator
Legislative Office Building
Room 3400
Hartford, CT 06106-1591

The Honorable Laura Devlin
State Representative
Legislative Office Building
Room 4200
Hartford, CT 06106-1591

October 18, 2019

Dear Co-Chairs and Ranking Members of the Transportation Committee,

As you will all recall, prior to your public hearing on August 20, 2019, the Governor took swift and decisive action in late July to intervene in the Connecticut Port Authority (CPA) to 'right the ship.' The Governor appointed me as Acting Chair of the Board, installed Retired Captain Paul Whitescarver to ensure the leadership was in place to run day-to-day operations, and directed his Office of Policy and Management (OPM) to bring additional financial oversight to ensure proper stewardship of public funds. I am confident that you will recognize from this update that this approach is working; and the resources mobilized by the Governor are having a significant and speedy impact on the efficacy of the CPA.

I am certain that you will agree that the Board and staff have worked diligently and without rest to put in place controls that will substantially mitigate the future risk of issue and rebuild public confidence in this important authority so that it can continue its mission to revitalize the state's working waterfront.

Grouped in categories below that largely parallel my testimony to you in late August, you will find the actions completed and initiated - measured against the conditions we inherited this past summer:

Finance and Audit

- Memorandum of Understanding (MOU) with the State Office of Policy and Management (OPM). The financial staff at CPA was limited and the accounting practices did not meet appropriate standards. At its September meeting, the CPA Board approved an MOU with OPM that provided for OPM to engage such consultants and resources as needed to

oversee and evaluate the CPA's fiscal, organizational and administrative practices and activities and to recommend and assist in the implementation of needed improvements in the CPA's organizational and business practices.

- Accounting Systems and Software. There was no software being utilized to monitor financial status. As part of its MOU with the Port Authority, OPM has contracted with a former municipal finance director who is working with staff to make improvements with the CPA's accounting systems and software. Assisting in this effort is a CPA from a local accounting firm who has expertise and certification as a trainer in QuickBooks, CPA's financial management software. CPA continues to use CORE-CT to manage all state appropriated funds and state bond funds.
- Annual Independent Audit. The CPA had not initiated its FY2019 audit. The CPA has now entered into an engagement letter for its outside independent auditor to audit the CPA's FY2019 financial statements. As part of this effort, the Acting Chair has identified for them areas of concern or risk for closer evaluation and auditing ensuring that they delve deeper into issues not typically assessed.
- Auditors of Public Accounts (APA) Draft Audit Report. Prior audits by the APA identified several necessary corrective actions. CPA staff have been responding in a timely manner to all requests from the APA as they complete their audit in response to a whistle-blower complaint. On October 15, 2019, CPA received the APA's draft audit report and request for responses to audit findings and CPA will meet its deadline of October 23, 2019 to complete its response.
- Debit/Credit Card. Utilization of the debit/credit card was a source of spending outside of the appropriate parameters for a government entity. The Acting Chair has discontinued the use of the CPA's debit/credit card.
- Travel and Entertainment Expenses. Travel and entertainment expenses were not monitored and occurred outside of the appropriate parameters for a government entity. The Acting Chair of the Board issued a directive that no travel or entertainment expenses are to be incurred without his prior approval and that such approvals would generally be limited to those expenses critical to the mission and purpose of the CPA. Further, any such expenses shall be reasonable, with limits similar to those applying to State employees. A directive was also issued establishing the terms for payment of mileage for the use of personal vehicles for official CPA business which did not previously exist.
- Review of Contracts. Several contracts existed for services that were not critical to the mission and purpose of the CPA. Contracts are being reviewed to determine if they meet critical needs and are cost effective. Terminations or reductions have occurred in certain contracts to limit recurring expenses.
- Management of Legal Expenses. Legal expenses were excessive due to an over-reliance on legal support for activities that should have been conducted by staff. The Acting Chair of the Board issued a directive regarding the use of outside legal counsel and the process to be followed in order to better manage these costs. The CPA Board's Finance Committee is examining the best method of obtaining these services going forward.
- Comptroller's Open Checkbook. The information provided to the Comptroller's office to publicly share CPA transactions was incomplete. CPA is working with the Comptroller's office to update the publicly available information with a complete accounting of authority expenditures.

Board and Governance

- Code of Ethics Training. Ethics training had not occurred since 2016. At the September 2019 board meeting, the CPA Board and staff received training regarding the State Code of Ethics from the State Ethics Office. Training of Board and staff will occur annually.
- Freedom of Information ACT (FOIA) Training. FOIA training had not occurred previously. At the September 2019 board meeting, the CPA Board and staff received training with respect to FOIA requirements. Training of Board and staff will occur annually.
- Finance Committee. The Finance Committee of the Board did not have a full complement of members. At its September meeting, the CPA Board reconstituted its Finance Committee with new members including ex-officio representation by both OPM and the Treasurer's Office.

Personnel and Operations

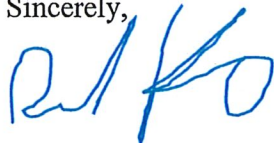
- Executive Director Position. The Executive Director had been placed on leave by the Board Chair on July 12, 2019. The former Executive Director resigned as of October 1, 2019. At its October meeting, the CPA Board established an ad hoc personnel committee to develop an approach to refill this position that will be presented to the Board at its next meeting.
- Code of Ethics Policy and Appointment of Ethics Compliance Officer. The CPA did not have an Ethics Policy and its Ethics Compliance Officer was separated from the authority on July 9, 2019. At its September meeting, the CPA Board approved a Code of Ethics Policy and appointed an ethics compliance officer.
- OPM's Independent Assessment of Policies and Procedures. The Board was behind in the finalization and adoption of the full complement of policies and procedures necessary to govern CPA actions. The consultant engaged by OPM to evaluate the sufficiency of CPA's business and organizational practices and structures is scheduled to complete its report of findings and recommendations in early December. Revised policies and procedures resulting from the consultant's report and other efforts underway at CPA will be brought forward for CPA Board consideration beginning at its December Board meeting.
- Procurement of Goods and Services. There existed ambiguity and gaps in the CPA's procurement policy. The Acting Chair of the Board issued a memorandum providing guidance with respect to the CPA procurement policy. The memo involves emphasizing the use of competitive processes, even for smaller procurements, while identifying limitations on and processes related to use of sole source purchases.
- Technical Support and Capacity. CPA lacked the necessary capacity to execute and implement the Harbor Development Agreement with Eversource/Ørsted. Through its MOU with the CPA, OPM legal have substantially vetted the proposed Harbor Development Agreement and negotiations to strengthen the agreement are ongoing. At its October meeting, the CPA Board authorized an MOU with DAS to mobilize project management support to ensure efficient and effective project delivery.

Transparency and Freedom of Information

- Documents to Transportation Committee. There was concern that the reporting and information sharing requirements of the CPA were not being met and necessary information was not getting to the legislature and the public. CPA has provided the Transportation Committee (via Philip Mainiero) with copies of:
 - CPA's quarterly financial reports from January 2018 through June 2019.
 - Annual Report [CGS § 15-31a(k)] 2016
 - Annual Report [CGS § 15-31a(k)] 2017
 - Annual Report [CGS § 15-31a(k)] 2018
 - Annual Report [CGS § 1-123(a)] FY July 1, 2017 - June 30, 2018
 - Annual Report [CGS § 15-31a(o)] Calendar Year 2019
 - Timeline of State Pier care, custody and control transition from CTDOT to CPA
 - Final CPA-Gateway New London LLC Concession Agreement
 - Final CPA-New London Impact Fee Agreement
 - State Pier Terminal Operator Request for Proposals (RFP) Responses
 - Gateway Terminal RFP response
 - Logistec RFP response
 - Worldwide Terminals RFP response
 - Infralinx RFP response
 - Converge/SIA RFP response
 - Red Hook Terminals RFP response
- FOIA Response. There was a significant backlog of FOIA requests. Since August 20, 2019 CPA staff has reduced the backlog of unanswered FOIA requests to two despite having received an additional 15 requests since mid-July.
- Public Information Meeting on State Pier. No public meeting had been held on the proposal for State Pier facility. On September 17, 2019 at the Holiday Inn in New London, CPA and its private partners hosted a public information meeting concerning the proposed redevelopment of the State Pier facility. With over 250 people in attendance, there was robust opportunity for information sharing and input. The project enjoyed a largely positive response and all comments received are currently being taken into consideration.

Thank you for the opportunity to provide this update and do not hesitate to reach out for any clarifications or additional information.

Sincerely,



David Kooris

Acting Chair

Appendix B

B

BUDGET YEAR 2019-2020

AVERAGE YR INCREASE 3%

CPA BUDGET PLAN

BOARD APPROVED - 6/19/19

| | (7/1/18-6/30/19) FY19 Budget | (7/1/18-6/30/19) FY19 Anticipated/Actual/Forecast | (7/1/19-6/30/20) FY20 Budget |
|--|------------------------------------|---|------------------------------------|
| Revenues: | | | |
| Annual appropriation from State | \$ 400,000.00 | \$ 400,000.00 | \$ 400,000.00 |
| 7% of Assessable revenue (Minimum Annual Guaranty) | \$ 570,667.20 | \$ 430,251.00 | \$ 250,000.00 |
| State Pier lease, base rent | \$ 192,000.00 | \$ 667,467.00 | \$ 2,500,000.00 |
| Gateway reimbursement of N.L. Impact Fee | \$ - | \$ - | \$ 75,000.00 |
| Marine Pilotage | \$ 64,000.00 | \$ 66,814.00 | \$ 66,000.00 |
| Dockage & Wharfage | \$ 200.00 | \$ 1,400.00 | TBD |
| Interest Income | \$ - | \$ 522.00 | \$ 550.00 |
| Total revenues | \$ 1,226,867.20 | \$ 1,566,454.00 | \$ 3,291,550.00 |
| Carryover | \$ 459,657.95 | \$ 459,657.96 | \$ - |
| | \$ 1,686,525.15 | \$ 2,026,111.96 | \$ 3,291,550.00 |
| Expenditures: | | | |
| Salary expenditures | | | |
| Personnel (direct) | \$ 405,000.00 | \$ 329,243.02 | \$ 378,901.00 |
| Personnel (fringe) | \$ 324,000.00 | \$ 291,571.54 | \$ 354,126.00 |
| Total salary expenditures | \$ 729,000.00 | \$ 620,814.56 | \$ 733,027.00 |
| Fixed expenditures | | | |
| City of New London Impact Fee | \$ - | \$ - | \$ 75,000.00 |
| % Revenue to City of New London (MAG) | \$ - | \$ - | \$ 50,000.00 |
| Phone/Internet | \$ 20,000.00 | \$ 21,471.00 | \$ 4,600.00 |
| Insurance | \$ 60,000.00 | \$ 59,861.00 | \$ 65,000.00 |
| Audit | \$ 20,000.00 | \$ 19,000.00 | \$ 19,570.00 |
| Rent | \$ 28,000.00 | \$ 26,104.00 | \$ 26,900.00 |
| Miscellaneous | \$ 20,000.00 | \$ - | \$ - |
| Dues and memberships | \$ 15,000.00 | \$ 10,721.00 | \$ 11,100.00 |
| Total fixed expenditures | \$ 163,000.00 | \$ 137,157.00 | \$ 252,170.00 |
| Variable expenditures | | | |
| General Operations | \$ - | \$ - | \$ 9,300.00 |
| Office Supplies (FY18/19 INCL'S VEHICLE, OFFICE FURNITURE) | \$ 20,000.00 | \$ 79,258.00 | \$ 9,300.00 |
| Legal | \$ 200,000.00 | \$ 290,998.00 | \$ 206,000.00 |
| Marketing & business development | \$ 200,000.00 | \$ 73,805.00 | \$ 76,000.00 |
| Communications & outreach/Sponsorship | \$ 200,000.00 | \$ 167,775.00 | \$ 173,000.00 |
| Studies/RFP Process | \$ 30,000.00 | \$ - | \$ - |
| Additional Staff/Outside Vendors | \$ 50,000.00 | \$ 43,436.00 | \$ - |
| Operations/Capital Maintenance Reserves | \$ 75,000.00 | \$ - | \$ - |
| Contractual Services | \$ - | \$ 114,875.00 | \$ 246,325.00 |
| Seabury State Pier Success Fee \$114,875 (FY19) | | | |
| Seabury BSW Success Fee \$213,325 (FY20) | | | |
| Gateway Development Period Payment | \$ - | \$ - | \$ 166,667.00 |
| Total variable expenditures | \$ 775,000.00 | \$ 770,147.00 | \$ 886,592.00 |
| Total Revenue | \$ 1,686,525.15 | \$ 2,026,111.96 | \$ 3,291,550.00 |
| Total Expenditures | \$ 1,667,000.00 | \$ 1,528,118.56 | \$ 1,871,789.00 |
| Operating reserves / (deficit) | \$ 19,525.15 | \$ 497,993.40 | \$ 1,419,761.00 |

| | |
|-------------------|-----------------|
| FY 18/19 Surplus: | \$ 497,993.40 |
| FY 19/20 Surplus: | \$ 1,419,761.00 |
| | \$ 1,917,754.40 |

FY20



Agency Legislative Proposal - 2020 Session

Document Name: Recommendation for Legislative Revisions to Conn. Gen. Stat. Ch. 263, sec. 15-13. Pilots; qualifications; extension of route, license fee; bond; suspension or revocation of license; inactive status; limited licenses; written procedures

State Agency: **Connecticut Port Authority**

Liaison: Joseph Salvatore

Phone: (860)577-5174

E-mail: joseph.salvatore@ct.gov

Lead agency division requesting this proposal: Connecticut Port Authority

Agency Analyst/Drafter of Proposal: Joseph Salvatore

Title of Proposal: Connecticut-licensed Pilots Extension-of-Route Qualification Change

Statutory Reference: Chapter 263, Sec 15-13

Proposal Summary: Permits Connecticut-licensed Pilots to utilize experience obtained while piloting under the authority of a federal pilotage endorsement to qualify for an extension-of-route. Current law requires pilots to serve as an observing pilot under the supervision of a Connecticut-licensed pilot to obtain an extension-of-route, even though this experience is not required for initial licensure.

Click here to enter text.

PROPOSAL BACKGROUND

◇ Reason for Proposal

Please consider the following, if applicable:

- (1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary?
- (2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)? Are other states considering something similar this year?
- (3) Have certain constituencies called for this action?
- (4) What would happen if this was not enacted in law this session?

Click here to enter text.

◇ **Origin of Proposal**

New Proposal

Resubmission



If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
- (4) What was the last action taken during the past legislative session?

Click here to enter text.

PROPOSAL IMPACT

◇ **AGENCIES AFFECTED** (please list for each affected agency)

Agency Name: Connecticut Port Authority

Agency Contact (name, title, phone): Joseph Salvatore, Program Manager, (860)577-5174

Date Contacted: Click here to enter text.

Approve of Proposal **YES** **NO** **Talks Ongoing**

Summary of Affected Agency's Comments

The Connecticut Pilot Commission made a detailed recommendation to the Connecticut Port Authority on December 20, 2018 seeking this change. The Connecticut Port Authority concurs with the Connecticut Pilot Commission in recommending the change in legislation.

Will there need to be further negotiation? **YES** **NO**

◇ **FISCAL IMPACT** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

None

State

None

Federal

None

Additional notes on fiscal impact



None

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

Due to reduced vessel traffic in the western Long Island Sound and Bridgeport Harbor, Connecticut-licensed pilots seeking an extension-of-route have found it difficult or impossible to comply with the current requirement that they make six round trips as observing pilot under the supervision of a Connecticut-licensed pilot within a thirty-six month period. This legislation would permit pilots to utilize experience obtained when piloting vessels under the authority of a federal pilotage endorsement to qualify for an extension-of-route, but would retain the requirement that a pilot complete six round trips within a thirty-six month period to qualify for an extension-of-route. Experience piloting under a federal pilotage endorsement is permitted to qualify a pilot for initial licensure under the statutes and this change would have no policy or programmatic impact.

◇ **EVIDENCE BASE**

What data will be used to track the impact of this proposal over time, and what measurable outcome do you anticipate? Is that data currently available or must it be developed? Please provide information on the measurement and evaluation plan. Where possible, those plans should include process and outcome components. Pew MacArthur Results First [evidence definitions](#) can help you to establish the evidence-base for your program and their [Clearinghouse](#) allows for easy access to information about the evidence base for a variety of programs.

The Connecticut Port Authority and the Connecticut Pilot Commission closely track pilot experience and qualifications and anticipate that this change will permit the licensure of an adequate number of pilots to provide pilotage services in areas of the western Long Island Sound and Bridgeport Harbor, and the Thames River north of the I-95 bridge, which currently do not experience sufficient marine traffic to permit new pilots to obtain an extension-of-route under the existing statute.

Insert fully drafted bill here

Sec. 15-13. Pilots; qualifications; extension of route, license fee; bond; suspension or revocation of license; inactive status; limited licenses; written procedures

(a) The Connecticut Port Authority shall license as many residents of this state and any other state as said authority deems necessary and finds qualified to act as pilots for one year in any of the ports and waters of this state including the Connecticut waters of Long Island



Sound. A license shall be denied to any person holding a license or authority under the laws of any other state which does not issue a license or authority to pilots licensed by the authority. Except as provided in this section, no person shall be so licensed unless he possesses a federal masters license and has procured a federal first class pilot's license of unlimited tonnage issued by the United States Coast Guard covering the sections of the waters of this state for which application is being made to said authority. Each applicant for a license to act as a pilot for any port or waterway of the state including the Connecticut waters of Long Island Sound shall document that he has made the following passages on ocean-going vessels of not less than four thousand gross tons, through the port or waterway for which application is being made during the thirty-six months immediately preceding his application: (1) Twelve round trips on American vessels under enrollment as pilot of record, on which the applicant is not a crew member; or (2) twenty-four round trips as observing pilot on foreign or registered vessels during which the applicant does the piloting work under the supervision and authority of a pilot licensed by this state, provided the applicant possesses a first class pilot's license issued by the United States Coast Guard for the port or waterway; or (3) any combination of the above requirements for trips, substituting two observer trips for each trip as pilot of record.

(b) An extension of route for waters of this state including the Connecticut waters of Long Island Sound for which application is being made by a pilot currently licensed by the authority for eastern Long Island Sound and at least one of the ports of New London, New Haven or Bridgeport, shall be granted provided the applicant (1) has procured a federal first class pilot's license of unlimited tonnage issued by the United States Coast Guard covering the sections of the waters of this state including the Connecticut waters of Long Island Sound for which application for an extension of route is being made, and (2) can document that within the thirty-six months immediately preceding such application, the applicant has made six round trips through the port or waterway for which application is being made **as either pilot of record on American vessels under enrollment, on which the applicant is not a crew member; or as observing pilot** on vessels under enrollment or vessels under register subject to compulsory pilotage under sections 15-15 and 15-15c during which the applicant does the piloting work under the supervision and authority of a pilot licensed by this state.