



REGULAR MEETING OF THE
CONNECTICUT PORT AUTHORITY
BOARD OF DIRECTORS

TUESDAY FEBRUARY 18, 2020 (10:00 A.M.)

Location:
Margaret Morton Government Center
999 Broad St.
Bridgeport, CT 06604
First Floor, Conference Rooms A&B

Board Attendance

- In-Person: Chairperson David Kooris; John Johnson; Parker Wise; Don Frost; Judi Sheiffele, David Pohorylo, Nancy DiNardo, Grant Westerson
- By phone: Dan Krupnick, Jeff Beckham, Binu Chandy, Phil Scorozzo, Brian Thompson

CPA Staff: Casandra Berthiaume, Andrew Lavigne, Joseph Salvatore

Absent

- None

Minutes

1. Call to Order

Meeting called to order at 10:02am.

2. Approval of Minutes of January 21, 2020

Motion Grant seconded by Nancy. Brian Thompson asked that the minutes for Item #20 indicate that Mr. Thompson recused himself. So voted unanimously. Mr. Krupnick abstained.

3. Public Participation Relating to Agenda Items

Mr. Tucker Braddock, Chair of the Harbor Commission of the City of Norwich, distributed a packet of information regarding the City of Norwich's application for the second round of CPA's Small Harbor Improvement Projects Program (SHIPP). The City Council has supported the SHIPP application and is now awaiting action by the CPA to advance the SHIPP program to the next phase.

No other public participation.

4. Authority Update and Comments from the Chairman

Chairman Kooris publicly acknowledged the time and attention that Board members have volunteered to the CPA's efforts. There has been a lot of press around quasis recently. He added

that many of the controls that the legislature has been raising as necessary for quasias going forward are exactly the same ones that CPA has been advancing these last several months.

5. CT Pilot Commission Report

No report as there was no meeting in January.

6. United States Coast Guard Report

In attendance, but no report.

7. Municipal Port Authority Updates

(a) Bridgeport

Martha Klimas gave a brief update and background of Foreign Trade Zones (FTZ) in CT.

There are 297 FTZs in the US, four of which are in Connecticut (Bridgeport, New Haven, New London and Windsor Locks). For the first time ever, in FY17, CT cracked the top-25 states for FTZ export activity (ranked #23) and was ranked 16th for FTZ production (manufacturing). In FY18, CT was ranked #18 for FTZ export activity and #13 for FTZ production. We are moving in the right direction.

In FY17 FTZ #76 (Bridgeport) was the only active FTZ in CT. In FY18, Windsor Locks began to have some activity. There has been activity in New Haven, following recent tariffs.

A FTZ works with US Customs and its intention is to “collect users, not real estate. FTZ sites cannot be used for speculative real estate purposes. FTZs have to be operated as a public utility. They are not intended to be profit centers. FTZs are cash management tools for companies that import a lot of product and materials. When goods come into a FTZ, that duty is not paid until the material enters the domestic market. If it does not hit the domestic market, the duty is not paid. An example was provided using a shipyard in a FTZ: they would bid on repair contract for foreign-flagged vessels that required foreign components. They could import German engines duty-free, do the repair work, and reship the final product duty-free. The goal was that the work kept people employed here in CT. It doesn't exempt companies from paying state or local taxes, just the US Customs duty, which is the revenue of the United States. It is a cash management tool for companies.

The FTZs are not confined to the cities that manage them. They are meant to be regional. Bridgeport's FTZ extends sixty miles from the local port of entry. US Customs defines the radius.

CT's regional FTZ managers do not compete with each another - they work together.

(b) New Haven

In attendance, but no report.

Chairman Kooris stated that the next CPA board meeting will be in New Haven. The Governor's proposed bond bill sent to the legislature includes both the necessary state contribution for the New London State Pier infrastructure improvements and the money for the state match for the New Haven dredge

(c) New London

No report.

8. State Pier Terminal Operator Update

Currently unloading a salt vessel. Skanska remains on-site at State Pier using it as a storage/load out facility to our barges for the Electric Boat South Yard Assembly Building Project. Copper and upright steel coil are moving off the terminal.

9. Finance Committee Report

(a) Budget Revision

The Finance Committee has proposed a budget amendment which was adopted by the Committee. The revised budget will be circulated to the Board in the coming weeks for consideration at the March meeting.

(b) Financial Policies and Procedures Update

- Accounting Manual

10. Office of Policy and Management Update

(a) Proposed Bylaw Revisions

(b) Proposed Revisions to Operating Procedures re: the Annual Budget and Procurement Procedures

11. Consideration and approval of a resolution approving and authorizing posting to the Connecticut Law Review Journal the Connecticut Port Authority policies and procedures relating to each of:

~~(a) Budget Revision~~

(b) Accounting Policy and Procedure Manual

(c) Bylaw Revisions

(d) Revisions to Operating Procedures re: the Annual Budget and Procurement Procedures

We are striking the Budget Revision from Item #11, as we will not be acting on that today.

RESOLVED, that the Authority is hereby authorized to submit to the Connecticut Law Review Journal the Connecticut Port Authority policies and procedures relating to each of: ~~(a) FY20 Budget Revision~~; (a) Accounting Policy and Procedure Manual; (b) Bylaw Revisions; and (c) Revisions to Operating Procedures re: the Annual Budget and Procurement Procedures in the form attached hereto as the Exhibit to Agenda Item #11.

A motion by Grant Westerson and seconded by Don Frost.

Chairman Kooris thanked Ann and Casandra for their hard work developing the Accounting Policy and Procedure Manual. This document puts in one place all of the various policies and procedures related to our accounting. It goes into a great level of detail. He noted that the controls and checks and balances in the document expect the staffing levels reflected in the CPA's past staffing model. When a new Executive Director is brought on, it will be his/her responsibility to identify appropriate staffing for the CPA. There may need to be amendments to the policy to adjust it to reflect future staffing. It will be a living document, to be updated annually.

Mr. Dakers from Office of Policy and Management had previously circulated to the Board at the January meeting the proposed revisions to the Bylaws and Operating Procedures. Both documents were then sent to the Finance Committee which has recommended they be considered by the full board for submission to CT Law Journal for public comment. Final consideration/adoption would take place following the 30-day notice period - either the March or April meeting, depending on timing of the notice period.

Most substantive change to the Bylaws is the establishment of three new committees: Finance – which we have already, but expanding it to include Operations; Audit, Compliance and Governance; and Human Resources.

The Operating Procedures changes codify the process the Finance Committee is following to revise the budget as necessary in the third or fourth quarter of the year, to ensure no items are running a deficit.

So voted unanimously.

Chairman Kooris stated that with that action – all policies and procedures we have embarked on updating are well underway.

12. Executive Director Search Update

Mr. Frost stated that the ad hoc search committee has received from the search firm resumes for three individuals and the search firm has interviewed another twenty or more. The credentials of the group are great, but the firm is working to further hone in on key skillsets as they continue to screen candidates and determine if there is interest from those parties. There is a list of sixty that meet the basic criteria. They have four that they have identified that look the best and they have interviewed. They want to add a few more people to that interview list. The search committee is very confident in the response thus far.

13. Legal Services Request for Proposals (RFP) Update

Mr. Salvatore stated that there were eight responses to the RFP. Those responses have been scored by the ad hoc review panel; he is just waiting on one member of the panel to submit their scores. The goal is to target interviews with the short list for early next month.

14. New Business

Chairman Kooris stated that on the first day of the legislative session in February, the Governor proposed legislation pertaining to the CPA. One proposal that was related to the CPA Board would add a 16th board member, ex officio, for the mayor of New London. It also included a provision that the Governor shall select the chairperson from among the members of the board. There were additional actions around CPA policies and procedures, which do not go beyond those actions the CPA has taken up on its own.

Ms. Sheffele asked whether there had been any legislative consideration of prior requests she and others have made to have a representative from each of the three deepwater ports/municipalities have advisory memberships? Chairman Kooris said he did not know, as he was not involved in this

bill. He added that the last time a bill was proposed to add the New London mayor, part of the issue raised at committee was the potential imbalance of representation for the other ports. We have talked internally about the challenges that will arise if any of the cities, but New London in particular, is a board member given our ethics policy. We will share the bill with the board and can discuss further, but we won't know what the bill looks like until it goes through the legislative process.

Mr. Pohorylo discussed the CT Pilot Commission's concerns of remaining within the CPA. They are an advisory commission, but in a sense, it is regulatory and requires enforcement. It requires the CPA, a quasi, to sign off on state licenses. CPA does not appear to be the proper place for the Pilot Commission. CTDEEP might be a better fit. This may be an issue for us to discuss further going into the legislative session, as the upcoming CPA legislation may be the best vehicle.

15. Call to the Public

Ms. Klimas clarified that Bridgeport Port Authority, as the grantee, doesn't operate any FTZ sites. All of their active FTZ sites in Danbury, Bethel, Newtown and Wilton. It doesn't have to be attached to a port, it's just a US Customs port of entry.

Ms. Klimas asked if the CPA had entered into an agreement with the Connecticut Airport Authority (CAA) to provide additional support. Chairman Kooris confirmed that CPA and CAA have finalized an Memorandum of Understanding which allows CAA to step into the role that OPM has playing as support.

Mr. Braddock asked if there was clarity on the potential timing of Round 2 SHIPP grants. Mr. Kooris explained that CPA's ability to distribute Small Harbor Improvement Projects (SHIPP) grants has been delayed. Having taken action on operational issues, CPA does still need to update it's SHIPP Policies and Procedures. Additionally, the next round of SHIPP grants will be dependent on capital resources available around the bond bill for the current biennium. The CPA Board can take action regarding the endorsement of projects, but if it requires Bond Commission action, the timeline is unknown at this time. Chairman Kooris stated that CPA should advance the selection of Round 2 projects at the March Regular Meeting. Chairman Kooris added that we will need to be clear with our municipal partners that the selection is not a guarantee of near-term funding, but rather a teeing up of projects for when funds are available.

No additional public participation.

16. Adjournment

Motion to adjourn by John Johnson, seconded by Nancy DiNardo. Meeting adjourned at 11:03am.