

Paid Family and Medical Leave Insurance Authority

Finance Committee Meeting

DRAFT MINUTES

June 11, 2020

Via Teams

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Conference ID: 731 659 727#

1:00 - 2:30

Present Committee Members: John Scott, Mike Soltis, Daryle Dudzinski, Paul Potamianos, Adrienne Cochrane

Absent Committee Member: Alex Marcellino

Also present: Andrea Barton Reeves, Erin Choquette, Kim Nardone (from CohnReznick)

1. Welcome; call to order

The meeting was called to order at 1:05. John Scott noted that at that time, there was not a quorum and that the committee would not vote on any matter until a quorum was achieved. A quorum was achieved at 1:07.

2. Hiring updates

CEO Andrea Barton Reeves reported that the Authority hired an IT Subject Matter Expert in May, as well as an IT Director who will start in mid-June. She reported that she is also in the process of reviewing applications and will be conducting interviews for a controller and a chief of staff.

3. Discussion of proposed revised budget

CEO Barton Reeves reported that she had extended the contract with CohnReznick to help the Authority to get its entire financial process set up and running until the Authority hires a controller and thanked Kim Nardone her work, including her work on revising the budget and assisting with the controller hiring process.

CEO Barton Reeves and Ms. Nardone shared the revised budget document (attached) and summarized the proposed changes to the legal, marketing and

COO roles and salaries. In particular, CEO Barton Reeves reported that due to Kris Floyd's integral role in the Employee Contribution build, she plans to bring a resolution to the Board to extend Ms. Floyd's contract until December, 2020 at a flat rate, with the goal of filling the Chief Operating Officer position in late fall.

CEO Barton Reeves also reported that she has used some of the budgeted funds to retain Miranda Creative as the marketing consultant for \$7500/month through December 2020. Ms. Miranda has recommended that the Authority increase the funds budgeted for marketing and outreach, particularly in order to have a statewide impact and to have sufficient funds to cover translation costs.

Ms. Nardone reported that the budget projects a small surplus for FY 20, which will be used for operating reserves for FY 21.

Paul Potamianos asked how the budget revisions will be documented. CEO Barton Reeves reported that she and Ms. Nardone are developing a document that will show the changes in a separate column. Mr. Potamianos also asked for a report on actual spend. CEO Barton Reeves reported that Tracie Knapsack from DAS is developing a document that will show the Authority's FY 20 spend, which will be shared with the Board.

CEO Barton Reeves reported that the Authority must determine the frequency of the employee contributions, which will impact the projected FY 21 revenues.

In response to a question from Mike Soltis, CEO Barton Reeves reported that she will be revising the job descriptions as necessary to reflect the adjustments. Mr. Soltis also asked if the Office of the Attorney General will represent the Authority. CEO Barton Reeves reported that the Attorney General's Office is not authorized to represent quasi-public authorities.

The members also discussed the Authority's obligation to repay the State for both the seed money, which must be repaid by October 2022, and the bond funds, for which the repayment deadline is less defined.

Mr. Scott stated that he would entertain a motion for the Finance Committee to approve the changes to the budget and recommend the revised budget to the Board. Ms. Cochrane so moved and Mr. Dudzinski seconded the motion. There was no further discussion. The motion passed unanimously.

4. Update on Employee Contribution IT Build

CEO Barton Reeves shared a PowerPoint slide presentation detailing the status of the Employee Contribution IT build.

5. Review of Financial Policies

CEO Barton Reeves stated that she wanted to be sure that the Finance Committee had an opportunity to review the Financial Policies again and identify whether any revisions were needed before they were brought before the Board for final approval. None of the committee members suggested any revisions to the policies. Mr. Potomianos stated that he believes the Authority should develop a policy about reserve funds and offered to look for sample language.

Mr. Scott stated that he would entertain a motion to approve the existing Financial Policies without any changes. Mr. Soltis so moved and Ms. Cochrane seconded the motion. The motion passed unanimously.

6. Old Business

CEO Barton Reeves reported that she has contacted the firm that had done the initial actuarial study to do an updated analysis in light of COVID-19.

7. New Business

There was no new business.

8. Adjournment

The meeting was adjourned at 1:58 p.m.