

**TO BE APPROVED AT THE NEXT REGULARLY SCHEDULED
MEETING**

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 329

June 16, 2020

9:30 A.M.

The Three Hundred Twenty-Ninth meeting of the State Insurance and Risk Management Board was held on Tuesday, June, 16 2020. Due to the COVID-19 pandemic, the meeting was a teleconference meeting.

Chairperson Donatelli presided.

The following members were in attendance:

State Insurance & Risk Management Board

Ms. Susan M. Donatelli, Chairperson
Mr. Seth T. Mahler, Vice Chairperson
Mr. Richard Boccaccio
Mr. George A. Dagon
Mr. Stephen Fontana
Mr. Scott Kuhnly
Ms. Marjorie F.B. Lemmon
Mr. Patrick Mahon
Mr. Michael T. McCormack
Mr. Chris T. Poulos
Ms. Martha Carlson, Deputy Comptroller

Department of Administrative Services/Insurance and Risk Management Board

Ms. Eileen G. McNeil
Mr. Jerry Lynn
Ms. Aleksandra Scott
Mr. Jonathan Anicama

Office of the Agent of Record

Mr. Fred Tanguay, Senior Vice President
Ms. Doreen Lessard

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1. Call to Order

The meeting was called to order at 9:31 A.M.

2. Approval of Minutes of Meeting No. 328 held on February 19, 2020 (Exhibit 2)

Mr. McCormack asked that the February 19, 2020 minutes be amended to reflect the conversation at the last Board meeting with CSS regarding their attendance at the monthly CT Transit claims meetings. CSS reported that they take it over the settlement of claims with an exposure of \$50,000 or higher.

A motion was made by Ms. Lemmon, seconded by Ms. Carlson and

VOTED: To approve the minutes of Meeting No. 328 held on February 19, 2020 with the above amendment.

Ms. Carlson, Mr. Kuhnly and Ms. Lemmon abstained from voting.

3. SIRMB Budget - Review and Discussion (Exhibit 3)

a) FY2019-2020 Budget Update as of May 2020

Ms. Donatelli explained that the Board received a Financial Advisory Committee (FAC) transfer of \$2.4 million its General Fund budget to pay for several large claims that settled.

Mr. Tanguay thanked Mr. Lynn and his colleagues from the DAS, Business Office, as well as OPM for its work with the FAC in getting this money transferred to the Board's General Fund account. Ms. Carlson, who serves on the FAC noted that DAS did a great job explaining why the transfer of funds was needed. The FAC had no questions and the vote was unanimous. Ms. Carlson explained that there will be no budget adjustments to the FY20/21 budget. If the Board is deficient in FY20/21, it will may need to have a deficiency hearing. Mr. Lynn stressed that DAS does not have the extra funds in its FY20/21 budget to cover another shortfall in the Board's budget.

b) FY2019-2020 Expenditures for February 2020 - May 2020

After a review of the expenditures from February through May 2020, Mr. McCormack noted that he does not accept the payments of the CT Transit claims. After his review of the contract between DOT and First Transit, he stated that he does not feel that it is the Board's responsibility to pay these claims.

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3. b) FY2019-2020 Expenditures for February 2020 - May 2020 (Cont.)

A motion was made by Mr. Mahon, seconded by Mr. Kuhnly to approve the expenditures from February through May 2020.

Some of the Board members agreed with Mr. McCormack and do not accept the CT Transit claim payments. Ms. McNeil took a tally of the members and the motion passed with a vote of 7-4 in favor of approval of the payments.

4. Updates (Informational & Discussion)

 a) Risk Manager Recruitment

Ms. Donatelli informed the Board that the Risk Manager position has been approved to be filled, however, it will take several months to get the position filled. She will be working with DAS to complete the job specifications.

Mr. Boccaccio asked if there will be a subcommittee of the Board to oversee the hiring process. It was the consensus of the Board that a subcommittee is not necessary. Ms. Donatelli will share the updated job specifications with the Board prior to the position being posted.

5. Report from the Chair

Ms. Donatelli reminded the members that their Statement of Financial Interest needs to be completed and sent back to the Office of State Ethics by July 1, 2020.

Ms. Donatelli advised that last week Mr. McCormack requested that the agenda be revised to include discussion on the CT Transit/First Transit contract. Ms. Donatelli advised that agenda items need to be sent to her well in advance of the agenda being posted. She stated that no changes will be made to the agenda once it is posted on the Board's website unless it is an emergency. Ms. Carlson advised that an urgent item can be added to the agenda prior to the start of the meeting as long as it is approved by a 2/3 majority.

Ms. Donatelli stated that this topic was on the agendas of three Risk Management Committee meetings and four Board meetings. She advised that this contract is the responsibility of DOT and that the contract language does not clearly represent the intention of the two parties. She noted that the Board suggested to DOT that the language be amended in the next agreement. Mr. McCormack advised the Board that he reviewed the 100 page contract and submitted a five page memo outlining his interpretation of the contract and that he disagreed that the State is responsible for the payment of the CT Transit claims.

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5. Report from the Chair (Cont.)

Mr. Fontana expressed his appreciation to Mr. McCormack for taking the time to interpret the the contract, however, Mr. Fontana also stressed that the Board does not statutory authority to negotiate contracts. DAS, DOT, Office of the Attorney General etc. have attorneys that have the power to change contracts. Mr. Fontana suggested that the Board invite DOT, OPM and the Office of the Attorney General to a future meeting so that they can give their opinion so that this subject can be put to bed.

In the meantime, Mr. McCormack asked Ms. Donatelli if his memo could be distributed to the members. Ms. Donatelli asked Ms. McNeil to distribute the memo to the Board members.

6. Insurance Renewals (Discussion & Approval)

a) CTrail Liability Renewal - Confirming (Exhibit 6a)

Mr. Tanguay advised the Board that this policy covers the high-speed Springfield to New Haven rail line. Amtrak owns the rail line and DOT is contractually required to purchase \$320 million excess rail liability limits. Mr. Tanguay explained that the premium increased due to the market increases.

A motion was by Mr. Mahon, seconded by Mr. Fontana and unanimously

VOTED: To confirm coverage be placed coverage as outlined in Exhibit 6a at an annual premium of \$1,836,350.

Mr. Mahler abstained from voting.

Mr. McCormack suggested scheduling a meeting prior to such a large renewal so that the members have a chance to discuss the renewal. Mr. Poulos agreed with Mr. McCormack and asked that renewal exhibits be emailed prior to a large renewal and have a conference call if necessary.

7. Committee Reports

a) Claims Committee Report (Patrick Mahon)

Mr. Mahon stated that the Claims Committee met on May 5, 2020 to review 15-17 large claims. Most of the claims were deferred to FY2021 primarily due to courts being closed due to the COVID-19 pandemic.

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8. Any Other Matters to Properly Come Before the Board

Mr. Boccaccio asked if the Governor's Office was aware of Mr. Friedman's resignation. Ms. McNeil advised that Mr. Paul Mounds, Governor Lamont's Chief of Staff, was copied in on the resignation letter. Mr. Boccaccio requested that a list of Board members' affiliations be provided at the next Board meeting.

9. Date and Location of Next Meeting

The next Board meeting will be held on September 15, 2020. At this point in time, it is unsure whether or not the meeting will be a conference call meeting.

10. Motion to Adjourn

It was moved by Mr. Mahon, seconded by Mr. Mahler and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 11:00 A.M.