

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Minutes of the  
Audit-Finance/Human Resources Committee Meeting

April 18, 2018

The Human Resources Committee and the Audit-Finance Committee of the Board of Directors of the State of Connecticut Health and Educational Facilities Authority met in joint session on Wednesday, April 18, 2018 at 12:30 p.m.

The meeting was called to order by Mr. Mark Varholak, Committee Chair, Audit-Finance Committee at 12:34 p.m. and, upon roll call, those present were as follows:

PRESENT: Michael Angelini  
John M. Biancamano, Chair<sup>1</sup>, Human Resources Committee  
Robert Dakers, (Designee for Benjamin B. Barnes, OPM Secretary)  
Dr. Peter W. Lisi, Board Chair  
Mark Varholak, Chair, Audit-Finance Committee  
Barbara Rubin  
Elizabeth Hammer<sup>2</sup>

ABSENT: Sheree Mailhot, (Designee for Denise Nappier, Treasurer)

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<sup>1</sup> Mr. Biancamano attended the meeting via conference telephone that permitted all parties to hear each other.

<sup>2</sup> Ms. Hammer joined the meeting at 1:10 p.m.

ALSO PRESENT: Jeanette Weldon, Executive Director  
 Denise Aguilera, General Counsel  
 JoAnne Mackewicz, Controller  
 Michael Morris, Managing Director  
 Cynthia Peoples, Managing Director  
 Debra Pinney, Manager, Administrative Services  
 Kathy Owens, Administrative Assistant  
 of the Connecticut Health and Educational Facilities Authority

### **APPROVAL OF MINUTES – COMBINED COMMITTEE MEETING OF APRIL 19, 2017**

Mr. Varholak requested a motion to approve the minutes of the April 19, 2017 Combined Committee meeting of the Audit-Finance/Human Resources Committee. Mr. Dakers moved to approve the minutes. Dr. Lisi seconded the motion.

Upon roll call, the “Ayes”, “Nays” and “Abstentions” were as follows:

#### **AYES**

John M. Biancamano  
 Robert Dakers  
 Dr. Peter W. Lisi  
 Mark Varholak

#### **NAYS**

None

#### **ABSTENTIONS**

Michael Angelini<sup>3</sup>  
 Barbara Rubin<sup>4</sup>

### **REVIEW OF FY 2019 PROPOSED HUMAN RESOURCES BUDGET**

Ms. Peoples provided an overview of the FY 2019 Proposed Human Resources budget. She pointed out that CHEFA’s proposed merit increase scale includes the designations of positives and negatives on performance evaluations. She stated that Management

<sup>3</sup> Mr. Angelini was not a member of the Combined Committee at the time of the meeting.

<sup>4</sup> Ms. Rubin was not a member of the Combined Committee at the time of the meeting.

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had agreed to remove these designations, but currently sees the benefit of including them in fiscal year 2019 because it would allow managers to better differentiate performance variances.

Ms. Peoples reported that the maximum merit increase percentage that Officers can earn is 4%, but this year, similar to the last two years, Management is proposing that the Officers get 50% of that scale, so the maximum merit increase would be 2%. Staff merit increases for the last two years were also at 50%. Management is proposing it be raised to 55% for FY 2019. The Staff maximum merit increase would be 2.75% for FY 2019. A discussion ensued.

Ms. Peoples stated that the FY 2019 compensation budget is 1.91% over the FY 2018 budget amount, an increase of approximately \$42,000. The projected average merit increase is 2.2% for budget purposes. She stated there are no labor grade adjustments nor one-time monetary awards budgeted for FY 2019. However, Management has requested to maintain the discretion to award a maximum of \$5,000 to one individual and no more than \$15,000 in total during the year for extraordinary efforts by an employee. A discussion ensued.

Ms. Peoples reported that in 2014, FTE's totaled 21, and currently the Authority is fully staffed at 19 employees. She stated that the projected actual compensation for FY 2018 is at 85% of budget partially due to disability claims. Ms. Peoples pointed out that disability insurance pays 60% of an employee's salary and CHEFA pays 20% in

instances of short term disability. In addition, one employee resigned in July and the resulting vacancy was not filled until November. A discussion ensued.

Ms. Peoples reviewed a few internal Human Resource metrics compiled from FY 2014 through December 31, 2018, which included labor cost as a percent of revenues and per employee and volume of outstanding issues and per employee. She concluded by highlighting the employee insurance premium budget drivers and historical benefits as a percentage of compensation. Ms. Peoples acknowledged Ms. Mackewicz for the detailed effort she puts into compiling the data for each Human Resources budget. She added that the medical insurance is a high deductible plan in which staff is paying rates specific to their age and age of their dependents. Indicating that the anticipated 15% increase in medical premiums does not result in an across the board 15% increase. Ms. Mackewicz's assumptions are based on actual coverage by each individual employee for each line of the Human Resource budget.

A discussion ensued that addressed details of the Authority's short-term and long-term disability benefits. Ms. Peoples provided an overview of the Authority's life and health insurance benefits. CHEFA employees are not on the State benefit package.

Mr. Varholak requested a motion to approve the proposed FY 2019 Human Resources budget. Ms. Rubin moved to approve the proposed FY 2019 Human Resources Budget. Dr. Lisi seconded the motion.

Upon roll call, the “Ayes”, “Nays” and “Abstentions” were as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Michael Angelini John M. Biancamano Robert Dakers Dr. Peter W. Lisi Mark Varholak	None	None

## **BUDGET MODIFICATION REQUEST**

Ms. Peoples reported that in FY 2016, CHEFA’s Network and Data Architect resigned and a replacement was hired. Because of the transition, an architectural upgrade was postponed and planned to be incorporated in the budget for FY 2019. However, this year, the Authority encountered some serious challenges. Management is currently working with a consultant for the design and build of the architecture to address these challenges. Ms. Peoples stated these challenges include insufficient storage, hardware and software resources that are at end of life and the associated challenges of upgrading software versions in these circumstances (incompatibilities and dependencies).

Ms. Peoples stated that the consultant's recommendations will resolve the current platform architecture and storage concerns as well as update the end of life backup process allowing for more efficient disaster recovery and testing processes. This plan also repurposes some existing hardware for the Authority and subsidiary websites that we host. Ms. Peoples concluded that in FY 2019, the Authority will address its colocation architecture and its virtual website environment. A discussion ensued.

Mr. Varholak requested a motion to approve the budget modification requests to the FY 2018 Operating Expense and Capital budget. Ms. Rubin moved to approve the budget modification request for FY 2018. Dr. Lisi seconded the motion.

Upon roll call, the "Ayes", "Nays" and "Abstentions" were as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Michael Angelini John M. Biancamano Robert Dakers Dr. Peter W. Lisi Barbara Rubin Mark Varholak	None	None

The meeting adjourned at 1:35 p.m.

Respectfully submitted:

Jeanette W. Weldon  
Executive Director