

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Minutes of Audit-Finance/Human Resources Committee Meeting

April 19, 2023

The Audit-Finance and Human Resources Committees of the State of Connecticut Health and Educational Facilities Authority held a meeting via videoconference and in-person on Wednesday, April 19, 2023.

The hybrid meeting was called to order at 12:01 p.m. by Mr. Michael Angelini, Committee Chair of the Human Resource Committee. Upon roll call, those present and absent were as follows:

PRESENT: Michael Angelini, Human Resources Committee Chair
Lawrence Davis
Peter W. Lisi, Board of Directors Chair
Susan Martin, Audit-Finance Committee Chair
Sarah Sanders (*Designee for CT State Treasurer Erick Russell*)¹
Mark Varholak²

ABSENT: Kimberly Kennison (*Designee for Jeffrey Beckham, OPM Secretary*)

ALSO, PRESENT: Jeanette W. Weldon, Executive Director
Denise Aguilera, General Counsel
Rob Blake, Manager of Information Technologies & Cybersecurity³
Rebecca Hrdlicka, Administrative Services Assistant
JoAnne N. Mackewicz, Controller
Michael F. Morris, Managing Director, Client Services
Kara Stuart, Manager, Administrative Services
of Connecticut Health and Educational Facilities Authority

APPROVAL OF MINUTES

Mr. Lisi requested a motion to approve the combined committee meeting minutes of April 20, 2022.

Ms. Martin moved to approve the minutes and Mr. Lisi seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

Michael Angelini

NAYS

None

ABSTENTIONS

Mark Varholak⁴

¹ Sarah Sanders participated in the meeting via teleconference that permitted all parties to hear each other.

² Mark Varholak participated in the meeting via teleconference that permitted all parties to hear each other.

³ Rob Blake participated in the meeting via teleconference that permitted all parties to hear each other.

⁴ Mr. Varholak abstained from voting as he did not attend the Audit-Finance and Human Resources Committee Meeting held on April 20, 2022.

Lawrence Davis
Peter Lisi
Susan Martin

Sarah Sanders⁵

REVIEW OF THE FY 2024 PROPOSED HUMAN RESOURCES BUDGET

Mr. Angelini introduced the proposed human resources budget that will cover Staff compensation and benefits, as this budget comprises a large portion of the total operating budget. The proposed compensation and benefits budget will then be presented to the Board later today, and the total operating budget for fiscal year (FY) 2024 will be reviewed by the Board at the June 2023 meeting.

Ms. Weldon provided market research conducted related to projected 2023 salary increases nationally and locally, Consumer Price Index and Cost-of-Living Adjustment information, and salary increase indicators from other quasi-public agencies and the state. Ms. Weldon then presented the compensation budget proposal for FY 2024, its components, and a comparison of merit increases to other quasi-public agencies, research organizations, and government indicators. The percent change in budgeted base salaries for FY 2024 over budgeted FY 2023 base salaries is 3.86%, reflecting projected total merit increases for current staff for FY 2024.

Ms. Weldon stated that the compensation proposal also includes a one-time inflation relief payment of 3% to staff based on their current FY 2023 salaries. Ms. Weldon reported that the one-time inflation relief payment will not become a permanent part of staff salaries; it will be a one-time payment paid out in a lump sum in the first pay period of FY 2024.

Ms. Mackewicz provided a historical view of compensation by fiscal year, an overview of the budget assumptions related to employee benefits, and a more detailed review specifically of the medical insurance benefit assumptions.

Mr. Lisi inquired about the workers' compensation regulations within a remote environment, and a brief discussion ensued.

Ms. Mackewicz presented a historical view of benefits as a percent of compensation, budget versus actual. Ms. Mackewicz concluded with a fiscal year 2024 pro forma overview.

⁵ Ms. Sanders did not participate in the vote due to technical difficulties.

Mr. Lisi inquired about the relocation expenses. Ms. Mackewicz confirmed that the relocation expenses will be presented at the June meeting, and Ms. Weldon stated that the moving expenses should not be substantial.

Ms. Martin inquired about the State of Connecticut's municipalities health insurance program and CHEFA's eligibility. Ms. Weldon and Ms. Mackewicz reported on the cost-effectiveness of the current health insurance package offered to Staff and comparisons provided by CHEFA's broker.

Mr. Varholak inquired about the depreciation on the pro forma overview, and a brief discussion ensued regarding the classification of the Right to Use assets from the lease which impact the depreciation amount.

Mr. Varholak and Ms. Martin commented on the merit increase and one-time inflation relief payment percentages, and a brief discussion ensued regarding the market research and historical actions of other quasi-public agencies and the state for inflation relief and merit increases. Ms. Sanders confirmed that the percentages align with what the state is doing.

Mr. Angelini requested a motion to approve the FY 2024 proposed human resources budget as presented. Mr. Davis moved for approval and Mr. Lisi seconded the motion.

Upon a voice vote, the "Ayes," "Nays" and "Abstentions" were as follows:

AYES

Michael Angelini
Lawrence Davis
Peter Lisi
Susan Martin
Sarah Sanders
Mark Varholak

NAYS

None

ABSTENTIONS

None

Mr. Lisi and Mr. Angelini thanked Ms. Weldon and Ms. Mackewicz for their hard work with the budget.

ADJOURNMENT

There being no further business, Mr. Lisi moved to adjourn the hybrid meeting and Mr. Davis seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini Lawrence Davis Peter Lisi Susan Martin Sarah Sanders Mark Varholak	None	None

The hybrid meeting adjourned at 12:38 p.m.

Respectfully submitted,

Jeanette W. Weldon
Executive Director