

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Minutes of
Consultant Committee Meeting
October 16, 2019

The Consultant Committee of the State of Connecticut Health and Educational Facilities Authority met in session at 1:00 p.m. on Wednesday, October 16, 2019.

The meeting was called to order by Elizabeth Hammer, Chair of the Consultant Committee, at 12:55 p.m. and upon roll call, those present and absent were as follows:

Present at the meeting were the following members of the Consultant Committee:

Elizabeth Hammer, Committee Chairperson
Peter W. Lisi
Sheree Mailhot (*Designee for CT State Treasurer Shawn T. Wooden*)

Also, present at the meeting were the following individuals:

Jeanette Weldon, Executive Director, CHEFA
Denise Aguilera, General Counsel, CHEFA
Debrah Galli, Manager, Administrative Services, CHEFA
Eileen MacDonald, Sr. Transaction Specialist, CHEFA
Michael Morris, Managing Director, CHEFA

GUESTS:

Michael Angelini, CHEFA Board Member

AGENDA ITEM – Approval of Committee Minutes of October 17, 2018

Ms. Hammer requested a motion to approve the October 17, 2018 Consultant Committee meeting minutes. Mr. Lisi moved to approve the minutes and Ms. Hammer seconded the motion. Upon roll call, the “Ayes,” “Nays,” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Elizabeth Hammer	None	Sheree Mailhot ¹
Peter Lisi		

Prior to presenting the review of Underwriters and Bond Counsel firms, Mr. Morris noted that the Authority is required to undertake a solicitation process every three years for both of these services.

¹ Ms. Mailhot abstained from voting because she did not attend the October 17, 2018 Board meeting

AGENDA ITEM – Approval of Firms to Serve as Underwriters

Mr. Morris discussed the information regarding the Senior Manager and Co-Manager underwriters. The Authority maintains a list of qualified underwriters from which borrowers can select the firms they wish to work with as senior or co-manager. The Authority may offer suggestions, but the final decision is the clients.

Mr. Morris reported that CHEFA received 31 total responses from firms seeking to provide underwriting services to Authority clients; 21 for Senior Manager positions and 10 for Co-Manager positions. Six new firms responded to the RFP, five for Co-Manager appointment and one for Senior Manager status. Six Senior Manager firms that had previously been on the Authority's approved list of underwriting firms did not reply to the RFQ. Mr. Morris noted that CHEFA has a rolling admissions policy for underwriter appointments, so if a firm which is not on the approved list can submit its qualifications for consideration outside the RFQ period.

Mr. Morris reviewed the five new responding firms for co-manager, 280 Securities, American Veterans Group, AmeriVet Securities, Bancroft Capital, Drexel Hamilton; and Baird applying for Senior Manager designation. He provided information on the organizations and their history, underwriting experience, staff qualifications, and the firms' net excess capital. Staff recently met with one of the new firms in person. Four of the five Co Manager firms are Service-Disabled Veteran Owned Small Businesses, and one is a Public Benefit Corporation on Wall Street. Mr. Morris reported that these new firms appear capable to provide relevant co-underwriting services.

In response to a question from Mr. Lisi, there was a brief discussion regarding the Excess Net Capital attribute, what it indicates regarding an underwriting firm, and if it is important to recommend a firm to CHEFA's approved list. Mr. Morris replied that a firm's Excess Net Capital indicates how much that firm can underwrite. Ms. Weldon added that Excess Net Capital limits the level of a firm's participation in a transaction. A Senior Manager in a transaction would be aware of a Co-Manager's underwriting capacity, and they would allocate liability accordingly.

There being no further discussion, Mr. Lisi moved to approve staff's recommendation for underwriter appointments for a period not to exceed three years and Ms. Hammer seconded the motion.

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

AYES

Elizabeth Hammer
Dr. Peter Lisi
Sheree Mailhot

NAYS

None

ABSTENTIONS

None

AGENDA ITEM – Approval of Firms to Serve as Bond Counsel

Mr. Morris reported on the Request for Proposal (RFP) process for bond counsel services, stating that it did not seek separate submissions for the EasyLoan bond counsel, due to the low transaction issuance of the program. Staff feels that any bond counsel firm would be capable of providing services for the EasyLoan program

Ten firms submitted responses to the RFP, including six of CHEFA's current bond counsel firms. The RFP was sent to the Authority's current bond counsel, and eight other firms and was posted on the Authority's and the Department of Administrative Services websites. Six of the emailed firms did not reply, including one of CHEFA's current bond counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. Mr. Morris then provided background on the Authority's current approved bond counsel firms which replied to the RFP, which include Day Pitney LLP; Harris Beach PLLP; Hawkins Delafield & Wood LLP; Hinckley Allen & Snyder, LLC; Pullman & Comley LLC; and Robinson & Cole LLP. Day Pitney provides bond counsel services the Connecticut State University System.

Mr. Morris stated that Staff recommends approval of CHEFA's current bond counsel that responded to the RFP, and also adding the Hardwick Law Firm, LLC, which is a certified minority business enterprise. Ms. Weldon stated that she met with a partner of Hardwick, and that the firm has performed work for the State of Connecticut and the Connecticut Housing Finance Authority. Sarah Sanders, Assistant Treasurer for Debt Management indicated that she has been pleased with the work done by the firm for the state.

A brief discussion ensued regarding how bond counsel is appointed to a bond transaction.

Additional discussion followed regarding the importance of a firm maintaining a Connecticut presence. Mr. Morris stated that the RFP criteria state that evaluation of a firm includes whether there is a Connecticut presence. Ms. Weldon stated that firms may also support Connecticut through philanthropic initiatives. Ms. Mailhot stated that the Treasurer's office also includes the concept of Connecticut presence in its RFP which is used in the evaluation of responding firms, but a physical Connecticut presence is not required.

Mr. Lisi moved to approve staff's recommendation for Bond Counsel appointments for a period of up to three years. Ms. Hammer seconded the motion.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Elizabeth Hammer	None	None
Peter Lisi		
Sheree Mailhot		

FINAL

Approved on: November 17, 2021

Mr. Morris stated that a meeting of the Consultant Committee is not expected next year, as the three-year schedule for consultant Requests for Proposals has been addressed for the upcoming three-year period.

There being no additional business, Mr. Lisi moved to adjourn the meeting, and Ms. Hammer seconded the motion.

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

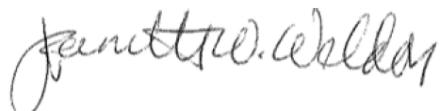
<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Elizabeth Hammer	None	None

Dr. Peter Lisi

Sheree Mailhot

The meeting adjourned at 1:27 p.m.

Respectfully submitted,



Jeanette W. Weldon, Executive Director