

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of Authority

Consultant/Vendor Committee Meeting

March 3, 2020

The State of Connecticut Higher Education Supplemental Loan Authority (CHESLA) Consultant/Vendor Committee met at 11:00 a.m. on Tuesday, March 3, 2020.

The meeting was called to order at 11:00 a.m. by Mr. Steven Kitowicz, Chair of the Consultant/Vendor Committee.

Those present were as follows:

Present: Steven Kitowicz (Designee for OPM Secretary Melissa McCaw),
Committee Chair
Peter Lisi, Board Chair
Julie Savino

Also Present: Jeanette Weldon, Executive Director, CHEFA/CHESLA
Denise E. Aguilera, General Counsel, CHEFA
Joshua Hurlock, Assistant Director, CHESLA
Eileen MacDonald, Senior Transaction Specialist, CHEFA
Shannon Reynolds, Portfolio Assistant, CHESLA¹
Natalia Rozio, Portfolio Administrative Assistant, CHESLA²
Kara Stuart, Administrative Services Assistant, CHEFA

MINUTES

Mr. Kitowicz requested a motion to approve the minutes from the March 5, 2019 Consultant/Vendor Committee meeting. Ms. Savino moved to approve the minutes and Mr. Lisi seconded the motion.

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

¹ Shannon Reynolds joined the meeting at 11:01 a.m.

² Natalia Rozio joined the meeting at 11:01a.m.

AYES

Steven Kitowicz
Peter Lisi
Julie Savino

NAYS

None

ABSTENTIONS

None

MINUTES

Mr. Kitowicz requested a motion to approve the minutes from the March 19, 2019 Special Consultant/Vendor Committee meeting. Ms. Savino moved to approve the minutes and Mr. Lisi seconded the motion.

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

AYES

Steven Kitowicz
Peter Lisi
Julie Savino

NAYS

None

ABSTENTIONS

None

SUMMARY REVIEW AND RESOLUTION TO APPOINT REBATE, YIELD AND UNIVERSAL CAP CONSULTANT

Mr. Hurlock stated that CHESLA is required to solicit proposals from qualified firms wishing to provide Arbitrage Rebate, Loan Yield and Universal Cap Analysis services to the Authority every three years.

The Request for Proposal (RFP) was issued on January 9, 2020 and posted to the Department of Administrative Services (DAS) portal and the CHESLA website. The RFP was also emailed to 8 companies. Mr. Hurlock stated one firm responded to the RFP, which was the current provider, AMTEC. The response was evaluated primarily on the following criteria: reputation and experience of the company in serving as arbitrage rebate, loan yield and universal cap analysis provider, expertise and compliance with tax and regulatory matters focusing on private activity financing and student loans, client service and consultation, ability to collect and protect data, fee structure, and ability to provide CHESLA with timely report data.

Mr. Hurlock stated AMTEC has continually provided great service to CHESLA and recommended utilizing them again for the next three years.

Mr. Lisi asked why there was only one RFP response. Mr. Kitowicz stated it is somewhat of a niche service. Mr. Hurlock reported previous years had one or two responses. A discussion ensued.

Mr. Lisi moved to approve staff recommendation of AMTEC as the Rebate, Yield and Universal Cap Consultant for a period of three years. Ms. Savino seconded the motion.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Steven Kitowicz Peter Lisi Julie Savino	None	None

SUMMARY REVIEW AND RESOLUTION TO APPOINT BOND COUNSEL

Mr. Hurlock stated the RFP was issued on January 8, 2020 and posted to the DAS portal and the CHESLA website. The RFP was also emailed to 13 companies. The following four firms responded to the RFP: Day Pitney LLP, Hawkins, Delafield & Wood LLP, Locke Lord LLP, and Pullman & Comley, LLC. The response was evaluated primarily on the following criteria: reputation and experience of the firm in serving as bond counsel in tax-exempt financings and supplemental student loan financings, substantial and demonstrable expertise in tax law, trusts, secured transactions, Connecticut State law, securities law, recent experience of the firms transactions involving the issuance of tax-exempt bonds by public agencies, the basis on which the firm proposed to bill for its services and the jurisdictions in which each attorney assigned to the Authority is admitted to practice. The firms were also asked to provide their Disaster Recovery and Business Continuity Plan.

Based on the responses, CHESLA staff is recommending the appointment of Day Pitney based upon the firm's expertise, quality track record with CHESLA, and complete understanding of the Authority. Staff suggests Day Pitney increase the presence and involvement of back-up/support attorney(s) to ensure continuity of service to CHESLA.

Mr. Lisi asked about the process and if interviews were conducted for each responder. A discussion ensued.

Mr. Lisi moved to approve staff recommendation of Day Pitney LLP as Bond Counsel for a period of three years. Ms. Savino seconded the motion.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Steven Kitowicz Peter Lisi Julie Savino	None	None

**SUMMARY REVIEW AND RESOLUTION TO APPOINT DEFAULT LOAN
COLLECTION AGENCY**

Mr. Hurlock reported the RFP was issued on January 8, 2020 and posted to the DAS portal and the CHESLA website. The RFP was also emailed to 9 companies. The following three firms responded to the RFP: EOS-Collection Company of America (CCA), National Enterprise System (NES), and General Revenue Corporation. The response was evaluated primarily on the following criteria: reputation and experience of the company in serving as collection agent of defaulted student loans, regulatory compliance, expertise of attorneys, staff training and utilization of technology to collect and protect data necessary to pursue defaulted revenue, fee structure and collection rate. The firms were also asked to provide their Disaster Recovery and Business Continuity Plan.

Mr. Hurlock stated CCA continues to provide quality service to CHESLA by recovering 74% of placements since the partnership began and 81% in the past five calendar years. CCA has maintained its collection fee of 17% on regular placement accounts and 25% for legal accounts from the current contract. Mr. Hurlock stated that staff is recommending appointment of CCA for a period of three years.

Mr. Lisi moved to approve staff recommendation of EOS-Collection Company of America (CCA) as the Default Loan Collection Agency for a period not to exceed three years. Ms. Savino seconded the motion.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Steven Kitowicz Peter Lisi Julie Savino	None	None

ADJOURNMENT

Mr. Kitowicz requested a motion to adjourn the meeting. Mr. Lisi moved to adjourn. Ms. Savino seconded the motion.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Steven Kitowicz Peter Lisi Julie Savino	None	None

The meeting adjourned at 11:14 a.m.

Respectfully submitted,

Jeanette W. Weldon

Executive Director