

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of CHESLA Consultant/Vendor Committee Meeting

March 23, 2023

The Consultant/Vendor Committee of the State of Connecticut Higher Education Supplemental Loan Authority held a meeting via videoconference on Thursday, March 23, 2023.¹

The meeting was called to order at 11:01 a.m. by Mr. Peter W. Lisi, Interim Chair of the CHESLA Consultant/Vendor Committee. Those present and absent were as follows:

PRESENT: Peter W. Lisi, Chair
Laura M. Baker (*Designee for Chief Workforce Officer Kelli-Marie Vallieres*)
Bettina Bronisz (*Designee for Connecticut State Treasurer Erick Russell*)

ABSENT: Kerry A. Kelley (*Designee for CT State Colleges and Universities President Terrence Cheng*)

ALSO PRESENT: Denise Aguilera, General Counsel, CHEFA
Rebecca Hrdlicka, Administrative Services Assistant, CHEFA
Josh Hurlock, Assistant Director, CHESLA
JoAnne Mackewicz, Controller, CHEFA
Shannon Reynolds, Portfolio Specialist, CHESLA
Kara Stuart, Manager, Administrative Services, CHEFA
Yesenia Torres-Rivera, Program Coordinator, CHESLA
Jeanette W. Weldon (*Executive Director CHEFA and CHESLA*)

APPROVAL OF MINUTES

Mr. Lisi inquired if there were any corrections to the meeting minutes of the November 10, 2021 Special Consultant/Vendor Committee meeting. No corrections were raised and the minutes were deemed approved.

BOND COUNSEL MEMO

Ms. Reynolds stated that every three years CHESLA is required to solicit proposals from qualified firms wishing to provide Bond Counsel services. Ms. Reynolds reported that an RFP was posted and emailed on January 10, 2023.

The following six firms responded to the RFP for bond counsel services:

¹ All attendees participated in the meeting via conference telephone that permitted all parties to hear each other

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- Day Pitney LLP
- Chapman and Cutler LLP
- Robinson & Cole LLP
- Locke Lord LLP
- Pullman & Comley LLC
- Mintz, Levin, Cohn, Ferris, Glovsky, and Popeo PC

The RFP responses were evaluated based on several criteria which included reputation and experience of the firm. Ms. Reynolds reported that firms were also asked to provide plans to secure its systems and facilities to protect CHESLA's records and provide a Disaster Recovery Plan.

Staff recommended to retain Pullman & Comley, LLC as bond counsel for a period of three years. Ms. Reynolds noted that the service would be provided through June 2026 instead of September 2026 to align with the firm's existing contract with CHESLA. A brief discussion ensued.

Ms. Reynolds reported that Pullman & Comley has maintained its fixed fee of \$110,000 for each bond series.

Mr. Lisi requested a motion to approve staff's recommendation to appoint Pullman & Comley, LLC to serve as bond counsel. Ms. Baker moved for approval and Ms. Bronisz seconded the motion.

The floor was opened to questions and a brief discussion ensued about the prior firms for bond counsel.

Ms. Bronisz inquired about the fixed fee rate for each bond series. Ms. Weldon and Mr. Hurlock reported that Staff has historically worked with the bond counsel firm to pay a mutually agreeable fee when there is more than one series in a bond issue and is the precedent for this upcoming contract. A brief discussion ensued.

Mr. Lisi inquired about the hourly rate. Ms. Weldon clarified that the hourly rate is used for legal services apart from a specific bond issue (e.g. hours of research spent on a question separate from a bond issue), and Mr. Hurlock stated that CHESLA has never been billed at an hourly rate thus far.

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

AYES

Peter W. Lisi
Laura Baker
Bettina Bronisz

NAYS

None

ABSTENTIONS

None

DEFAULTED LOAN COLLECTION MEMO

Ms. Reynolds stated that every three years CHESLA is required to solicit proposals from qualified firms wishing to provide Defaulted Loan Collection Services. Ms. Reynolds reported that an RFP was posted and emailed on January 10, 2023.

The following three companies responded to the RFP for default loan collection services:

- Transworld Systems, Inc.
- Continental Service Group, Inc.
- Cedar Holdings International

The RFP responses were evaluated based on several criteria which included experience and regulatory compliance of the firm. Staff recommended to retain Transworld Systems, Inc. (formerly known as CCA) as the loan collection servicer for a period of three years. Ms. Reynolds reported that Transworld Systems has maintained its collection fee of 17% on regular placement accounts and 25% for legal accounts from the current contract.

Mr. Lisi requested a motion to approve staff’s recommendation to appoint Transworld Systems, Inc. as the loan collection servicer. Ms. Baker moved for approval and Ms. Bronisz seconded the motion.

Mr. Lisi inquired about the difference between regular and legal accounts. Mr. Hurlock stated that legal accounts are taken to court due to non-payment and unresponsiveness from the parties on the loan.

Ms. Bronisz inquired about the responsiveness to the RFP, and a brief discussion ensued regarding industry response standards and trends.

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Mr. Lisi inquired about the potential requirement to change firms after a given number of years, which Ms. Weldon reported that the requirement is for auditing firms and not applied to the RFP presented.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Peter W. Lisi	None	None
Laura Baker		
Bettina Bronisz		

ADJOURNMENT

There being no further business, Mr. Lisi requested a motion to adjourn the meeting. Ms. Baker moved to adjourn the meeting and Ms. Bronisz seconded the motion.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Peter W. Lisi	None	None
Laura Baker		
Bettina Bronisz		

The meeting adjourned at 11:23 a.m.

Respectfully submitted,

Jeanette W. Weldon
Executive Director