

**IOLA Fund of the State of New York**  
**Meeting of the Board of Trustees – New York, NY**  
**September 21, 2022**  
**FINAL**

**Prsented:** Trustees Dunham, Galowitz, and Lindenauer  
**Videoconference:** Chair Davis, Trustees Cirando, Madigan, Villaverde, Lopez-Soto, and Ross  
**Staff:** Agard, Fecko and O'Malley

**1. Call to Order.**

The meeting was called to order by Chair Davis at approximately 12:05 p.m.

**2. Approval of the minutes of the meetings of the Board of Trustees held on June 8, 2022.**

The minutes of the above meeting were reviewed. Trustee Madigan moved to approve the minutes, seconded by Trustee Lindenauer, and the Board approved the motion unanimously.

**3. Executive Report**

Mr. O'Malley thanked Chair Davis and Trustees Cirando and Madigan for their efforts to encourage the appointing authorities to fill the vacancies on the Board of Trustees. To date, the IOLA Fund has not had any response from this outreach.

Mr. O'Malley reported that applications in response to the RFP for the FY24 & FY25 grant cycle were due at noon today, that there were 100 applications started, and that two applications were in process but uncompleted as of the deadline. Mr. O'Malley noted that IOLA conducted its first pre-bid conference for this RFP, which fielded more questions live than are usually received in writing during an RFP process, and thanked Ms. Fecko and Ms. Fehringer for their efforts.

Mr. O'Malley noted that the Permanent Commission on Access to Justice held its annual hearing this past Monday, September 19 with the Acting Chief Judge presiding. Mr. O'Malley remains active on the PCAJ's equity and funding committees.

Next, Mr. O'Malley announced that the IOLA Funding has two open positions for Grants Assistants and, although it is a difficult environment, he has interviewed many good candidates.

Finally, Mr. O'Malley reported that the NYS Legislature had authorized cost of living adjustments (COLAs) to the salaries of state employees for the fiscal years 2022 and 2023. He explained that to implement these adjustments, the Board would need to pass a resolution. At the suggestion of Trustee Villeverde, IOLA staff (Mr. O'Malley, Ms. Agard, and Ms. Fecko) left the meeting during the Board's discussion.

Chair Davis then introduced a Resolution to approve the COLAs for fiscal years ending March 31, 2022 and March 31, 2023 for all eligible management and confidential employees of IOLA and authorizing IOLA staff to implement adjusted salary schedules and take other actions necessary and appropriate to implement these COLAs. Upon Trustee Cirando's motion, seconded by Trustee Madigan, the Board unanimously approved the Resolution, which is attached to and made part of these meeting minutes. Mr. O'Malley, Ms. Agard, and Ms. Fecko then rejoined the meeting.

**4. Administrative and Financial Report**

Ms. Agard reported that the cash on hand as of September 1 was about \$128 million with net interest earnings in August of about \$6 million versus \$2.4 million in the same period last year, an increase of 146%. Year to date, interest revenue is up 44%. Ms. Agard noted that 12 banks moved to the Safe Harbor rate in the last quarter with several additional banks in the process of making that election. Referencing the graphs in her report, Ms. Agard further noted that our revenue is approaching the same level as 3 years ago. In response to a question, Ms. Agard explained that the Safe Harbor is 1.50% currently.

Mr. O'Malley interjected that the interest revenue increase is recent, noting that the June 2022 interest was \$3.8 million and rose to \$6 million by August. He added that he has been very pleased with the banking support from Delta Boston, which has been a strong partner, along with Ms. Fecko, in pursuing prompt rate increases.

Finally, Ms. Agard reported that at about the halfway point in the fiscal year, the IOLA Fund's administrative expenses are on track to be within budget.

**5. Counsel's Report**

First, Ms. Fecko highlighted her attendance and service on panels at the recent NAIP/ABA IOLTA Commission Joint Workshop Technology Conference.

With regard to attorney and bar matters, Ms. Fecko mentioned her service with CLE programs on attorney escrow accounts sponsored by the NYC Bar Association and Lorman. In addition, Ms. Fecko noted her invitation to present on IOLA accounts at a meeting in October organized by NYSBA's Trust & Estates Section.

Regarding banking, Ms. Fecko reviewed the actions of the Federal Reserve at its June and July meetings, which combined to bring the federal funds target rate to 2.50%. Building on Ms. Agard's earlier report of twelve banks moving to the Safe Harbor rate, Ms. Fecko noted that rate adjustments since June by eight Large Banks were estimated to bring in approximately \$20 million more per year. Recently, IOLA initiated compliance reviews of eight additional Large Banks, one of which responded by electing Safe Harbor, which will increase annual interest by about \$13 million.

Ms. Fecko then discussed the new Commission on Ethics and Lobbying and guidance from staff regarding the ethics training requirements. Finally, Ms. Fecko reviewed the amendments to the Open Meetings Law (“OML”) that permits the expanded use of videoconferencing by public bodies and the draft policy included with her report to the Board.

After discussion and revision of the of the draft policy, Chair Davis introduced a Resolution to approve the policy and authorize IOLA staff to move forward with scheduling a public hearing for immediately before the December Board meeting (December 8, 2022 at 3:30pm). Upon Trustee Lindenauer’s motion, seconded by Trustee Galowitz, the Board unanimously approved the Resolution, which is attached to and made part of these meeting minutes.

**6. Next Meetings**

The following Trustees volunteered to serve on the Grants Committee: Chair Davis and Trustees Galowitz, Lindenauer, Dunham, and Lopez-Soto. The Grants Committee is scheduled to meet on December 1, 2022 at 10am. All Trustees are welcome to attend.

The next meeting of the IOLA Board of Trustees is scheduled for December 8, 2022, at 4pm.

There being no further business before the Board, the meeting was adjourned at approximately 1:05 p.m.

Respectfully submitted,  
Christopher B. O’Malley  
Executive Director