

VERMONT STATE HOUSING AUTHORITY
ANNUAL and REGULAR MEETING MINUTES
September 27, 2017

1. ROLL CALL

The Annual and Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:05 a.m. by Chair Caprice Hover. Upon roll call, the following Commissioners were present: Mary Miller, Vice Chair; Cory Richardson; Jo Ann Troiano; and Caryn Feinberg. Linda Ryan was expected and Robert Lees was absent.

Staff personnel present: Richard Williams, Secretary/Executive Director; Kathleen Berk, Director of Housing Program Administration; Kelly Pembroke, Director of Finance and Information Systems; Arlene Shorten-Goodrich, Director of Human Resources and Administration; Krister Adams, Housing Development Specialist; and Laura Macieira, Office Services Coordinator.

2. MEETING AGENDA

There were no changes to the meeting agenda.

3. PUBLIC PARTICIPATION

There was one public participant, Chair of the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association, Nathan Schmechel.

4. ELECTION OF OFFICERS

Hover relinquished the Chair to Williams to conduct nominations for the annual election of officers.

Williams opened up the meeting to nominations.

Troiano nominated the current slate of officers: Caprice Hover as Board Chair, Mary Miller as Vice Chair, and Richard Williams as Secretary; Feinberg seconded the motion. Williams inquired if there were further nominations to the positions and there being none, nominations were closed. Williams cast one vote. All voted in favor and the motion passed.

Williams returned the Chair to Hover.

5. MINUTES – PUBLIC HEARING/REGULAR MEETING, JULY 12, 2017

Miller moved to approve the Minutes of the Public Hearing and Regular Meeting of July 12, 2017 and Richardson seconded. Hover inquired as to further discussion, there being none a vote was taken. All voted in favor and the motion passed.

6. SECRETARY'S REPORT – AUGUST / SEPTEMBER 2017

Williams presented updates to his Secretary's Report.

The U.S. Department of Housing and Urban Development appointed David Tille as New England Regional Administrator.

Pam Patenaude is now officially on duty as Deputy Secretary in the HUD national office in D.C. Williams hopes to contact Patenaude in order to revisit previous HUD determinations related to conflict of interests that were raised between VSHA and HFI. Patenaude is a former employee of the New Hampshire Housing Finance Agency and we will reach out to see if they can assist in establishing contact with her.

Williams mentioned the Continuing Resolution Congress passed to keep the government operating through December 8, 2017.

Hover asked for a motion to approve the Secretary's Report. The motion was made by Troiano and seconded by Miller. Hover inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

7. FINANCIAL REPORT THROUGH AUGUST 31, 2017

Linda Ryan joined the meeting at 11:20 a.m.

Pembroke presented the Financial Report.

The August financials compared to the ones presented at the Board Meeting of May 24, 2017, look steady. Looking comparably at last year's financials, VSHA is under budget due to the proration for admin fees. FY 2016 admin fees were at 84% and this year they are guaranteed at 74.25%; however, from January through June 2017 they will be at 77% and from July through December 2017 they won't exceed the 74.25%. This rate presents the second lowest rate the history.

Hover asked for a motion to approve the Financial Report. The motion was made by Miller and seconded by Richardson. Hover inquired as to further discussion; there being none, a vote was taken. All others voted in favor and the motion passed.

Pembroke added Farrington's financials were included and they look very well. Currently there are no concerns regarding this property.

8. FISCAL YEAR 2018 BUDGET and 9. CONSULTANT REVIEW OF VSHA ORGANIZATION

Pembroke mentioned that there are not a lot of changes between FY 2017 and FY 2018 budgets.

Salaries have an increase based on the union contract negotiations last year with an average of 3.45 % with a base increase of 2.45% that the union voted to distribute evenly amongst their members, which equates to an increase of 50 cents per hour for each employee in the union. There will also be a longevity increase of 25 cents per year with a cap at 30 years which equates to 75 cents per hour.

The new position added in Section 8 also reflects an increase in the salary; however, it is grant funded so it gets offset.

Williams added the increase of salaries for management goes along with the same percentage that union members receive and this is consistent to previous years.

Pembroke clarified that the legal line reflects an increase to cover the attorney fees associated with the PBCA program and the consulting line saw an increase due to the hiring of a consultant company related to the PBCA Program.

The employee benefit line reflects an increase of \$50,000 due to the 9.2% increase given by Blue Cross Blue Shield for the cost of the medical plan VSHA uses.

Richardson suggested to have the admin fees line show as revenue on the monthly financials statements as opposed to earned contributions.

Williams mentioned he and Berk reached out to a national consulting organization that works with HUD programs. Nan McKay and Associates, Inc. is the company VSHA is seeking advice from and received referrals from other housing authorities. HUD also uses their consulting services. The purpose of seeking this service relates to VSHA's challenges to retain key positions within the organization and to review the agency for long term success. Williams added that even the most successful housing authorities across the country are also undergoing restructuring and/or reviews, and evaluation of current policies and procedures in order to ensure that the organizational structure is the most effective. The services requested will start with the evaluation of VSHA's Section 8 program delivery since a management position is currently vacant and because Section 8 receives the majority of funding.

Richardson suggested the team assigned to this project be the most qualified in order to ensure the services offered are the most adequate for the organization's needs.

Williams requested from the Board an amendment to the FY 2018 budget for the contracting of services from Nan McKay and Associates, Inc. The services provided shall not exceed the amount listed in the contract distributed among the Board members - \$37,442.00.

Ryan motioned to approve the amendment presented by Williams and Feinberg seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

Hover asked for a motion to approve the FY 2018 budget. The motion was made by Troiano and seconded by Richardson. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

At 11:55 a.m. the Board recessed for lunch and returned to session at 12:10 p.m.

10. HOUSING PROGRAM ADMINISTRATION

- **Performance-Based Contract Administrator (PBCA) Program, Proposed Operating Agreement – Proposed Executive Session**

As the Board is aware, VSHA's Contract for Performance-Based Contract Administration Services expires on December 31, 2017. We continue to await the publication of a Request for Proposals. We continue to work on the terms and conditions of an operating agreement with the Northeast Region's 14 states, and in short-term have entered into a "Teaming Agreement". This agreement will allow VSHA and the members of this agreement to evaluate potential vendors in order to seek help with the procurement process. All 14 states will share the costs for the teaming agreement, which rounds to \$10,000 per state. The maximum amount planned to be spent is approximately \$75,000.

Williams introduced the following resolution:

VERMONT STATE HOUSING AUTHORITY
RESOLUTION AUTHORIZING EXECUTIVE SESSION FOR DISCUSSION OF THE
PROPOSED OPERATING AGREEMENT FOR A REGIONAL LIMITED LIABILITY
COMPANY

WHEREAS, by and through its previous resolution of May 24, 2017, the Authority authorized the Executive Director, in his discretion, to enter into an Operating Agreement (the “LLC Operating Agreement”) with public housing agencies of other States in the Northeast Region for a regional limited liability company (the “LLC”) positioned to compete to become the HUD-designated Project Based Contract Administrator (“PBCA”) for an area including the State of Vermont; and

WHEREAS, negotiations regarding the LLC Operating Agreement (the “Negotiations”) have been protracted, with key issues still unresolved; and,

WHEREAS, the Authority has taken positions in the Negotiations that are supported by certain participants and contested by others; and,

WHEREAS, the Executive Director has requested guidance for his continuing conduct of the Negotiations;

NOW THEREFORE, the Board finds that premature public knowledge of the content of the Negotiations would clearly place the Authority at a substantial disadvantage. Accordingly, the Board shall enter into executive session in order to discuss the Negotiations.

At 12:15 p.m. Miller motioned the resolution to enter Executive Session. The motion was seconded by Troiano and the Board voted to enter Executive Session.

Macieira, Schmechel and Adams left the meeting.

Macieira, Adams and Schmechel returned to the meeting and at 12:35 p.m., Troiano motioned to leave Executive Session, seconded by Miller and upon call for a vote, all voted in favor.

During Executive Session, Feinberg left the meeting.

No action was taken during Executive Session.

- **Project Based Voucher Award**

Berk provided an update that VSHA received two different solicitations for project based vouchers. In the Section 8 Administrative Plan there is a non-compete provision that allows owners of properties that previously competed in other types of funding to come forward and request project-based vouchers outside of the competition. Berk mentioned both competitive and non-competitive requests were received, with a total of 279 requests for 28 projects. The availability of funding will determine the number of project-based vouchers that will be available.

Berk provided a handout about HCV Leasing and Spending Projections and further explained its contents and the logistics of issuing project based vouchers in order to maximize VSHA’s funding eligibility for 2018.

11. DEVELOPMENT

Adams provided a brief update.

Lauredon Apartments, Greensboro

Since this project was originally funded by a USDA Rural Development (RD) grant, Adams will be meeting with a USDA RD team on September 29, 2017, and will be asking for funds in order to repair the infiltration and damages in the basement of the property.

Colonial Manor Apartments, Morrisville

The rehabilitation of this project is delayed due to the abundant rain in the beginning of the summer that hindered the speed of the work planned.

Fairgrounds Apartments, Moretown

The rehabilitation on this project is undergoing at a good rhythm.

Hollister Hill Apartments, Marshfield

The re-construction of this project is two weeks delayed due to the rains however, its evolution is going well.

Hilltop Townhouses, Berlin

Construction of a new boiler room will start beginning next week and is expected to take approximately one month.

Bridge and Main Apartments, White River Junction

HFI is one of the Limited Partners on this project that is under construction. Williams visited the site yesterday and the still structure of the building is up.

Williams made the Board aware that Housing Vermont has an interest on purchasing a project in St. Johnsbury called Depot Square. VSHA was contacted by Housing Vermont with the purpose of managing this property for a short period of time. Williams is willing to accept the request; however, if this is a hardship for VSHA, the request might need to be denied.

12. OTHER BUSINESS

In other business,

- Williams is anticipating that the VSHA Board be asked by the HFI Board of Directors if there is a way for a non-binding agreement to be issued in order for the 11 mobile home parks to go back to HFI once the bonds are due in 2023. Williams informed the Board that a decision regarding the mobile home parks currently owned by HFI will have to be made in the near future by the VSHA Board since the properties will come back to the VSHA portfolio on 2023.
- Williams asked for the Board's approval on a \$71.35 FY2017 write off for Brightwood House in South Royalton.

Troiano moved to approve the write off as presented and Ryan seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

- **Meeting Schedule: Approval of meeting changes for July and November, 2018**

The Board reviewed and approved the 2018 VSHA Board of Commissioners meeting schedule.

There being no other business, Troiano made a motion at 1:10 p.m. to adjourn the meeting, seconded by Miller and all voted in favor.

Respectfully Submitted,

Richard M. Williams
Executive Director/Secretary

DRAFT