

**VERMONT STATE HOUSING AUTHORITY  
REGULAR MEETING MINUTES  
24 May 2023**

**REGULAR MEETING**

**1. Roll Call**

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was held in person with some members joining remotely via Zoom. The meeting was called to order at 11:01 a.m. by Chair Alex Farrell; and upon roll call, the following Commissioners answered present: Cory Richardson; Vice Chair, Jo Ann Troiano, Chris Trombley, Caryn Feinberg (joined at 11:02 a.m. remotely), Aaron Jones (joined at 11:04 a.m. remotely). Absent: Linda Joy Sullivan.

Staff present: Kathleen Berk, Executive Director/Secretary; Kelly Pembroke, Director of Finance & Information Systems; Susan Kuegel, Director of Property & Asset Management; Ellen Danahy Liptak, Director of HR & Administration; Kelli Robinson, Director of Housing Program Administration; Matt Baron, Union Representative; Tyler Maas, Director of Programs & Housing Development; Caprice Hover, Program Manager, Daniel Blankenship; Director of Homeless Programs, and Robert Abbott, Office Services Coordinator.

Guests: Alison Bell, Chair HFI Board of Directors (remote); Mary Houghton (joined remotely at 11:52 a.m.; Robert DiPalma (joined remotely at 11:57 a.m.).

**2. Meeting Agenda**

Kathleen stated that there would not be any additions to the agenda, however she recommended the Executive Session be moved to noon to accommodate guests that would be joining just for that part of the meeting.

➤ The changes to the agenda were accepted without a vote.

**3. Public Participation**

No members of the public were present.

**4. Approval of Minutes**

➤ A motion was made by Richardson, seconded by Troiano to accept the minutes from the 22 March 2023 Regular Meeting. The vote passed unanimously.

**5. Secretary's Report**

Berk elaborated on the details of the Secretary's Report surrounding federal and state budgets. The likely veto of the state budget as well as the issues at the federal level in regard to raising the debt ceiling, would likely cause budget cuts to VSHA programs. These cuts would be problematic for our clients. Berk stated that VSHA would be lucky to have the voucher program, the largest program that VSHA offers, to be funded at levels similar to FY2022. She is preparing to receive an FY24 budget that is less than what we currently have. Worst case scenario could mean shelving vouchers and even terminating participants. She reinforced that she is following this very closely and working with Pembroke on upcoming budget projections.

- Troiano made the motion to accept the Secretary's Report. The motion was seconded by Feinberg. The Board voted unanimously to accept the report.

## **6. Finance and Information Systems**

Pembroke updated the Board on the status of finances. For administrative fees, she noted that VSHA received its final retroactive proration from FY22. This brings the percentage to 89.387% which is historically high.

On 11 May, Pembroke received the administrative fee rates for calendar year 2023. This year VSHA will receive an increase, though not as large as last year. For the 600 and under there was a \$4.09 increase, while there was a \$3.83 increase for the 600 and over. Compared to last year, VSHA received over \$7.00 for each or those.

Pembroke noted some of the significant expenses in the budget. Salaries continue to trend under projection despite giving some mid-year increases. Administrative fees trended over projection, mostly due to legal expenses. Building maintenance for our main office will increase in the next month due to upcoming projects to repave the parking lot, repair the roof, and install a new air compressor for the air conditioning. The housing assistance payments are over budget at this time by about \$500,000. Pembroke brought special attention to this item in the budget and said that it would be closely monitored daily.

- The motion to accept the financial report was initiated by Richardson and seconded by Trombley. The document was unanimously accepted by the Board.

Pembroke went on to cover the consolidated financial statement for 13 Mobile Home Parks that VSHA gained ownership from HFI in December of 2022. Balance sheets for those 13 properties show a tenant receivable of over \$58,000 since December. She believes there is potential for this to increase in the future. She applauded Kuegel for the work that she, and her team, have done to keep the parks operating despite the parks transferring to VSHA with no operating cash. Each park has a completed capital needs assessment which means that VSHA can now seek out permanent financing to assist in repairs that have been on hold.

- The motion to accept the consolidated mobile home park financials was initiated by Trombley and seconded by Troiano. The document was unanimously accepted by the Board.

Richardson briefed the board on the draft audit. He had a meeting with the auditors last week and wanted to relay some of their comments. The audit received a clean opinion, meaning no significant findings. The compliance audit was also clean. Overall, the draft audit received positive results. The only negative comment from the auditors was the mention of the mobile home parks recently received from HFI. The audit should have been for the last fiscal year, which ended 30 September 2022. The mobile home parks weren't acquired from HFI until December, which is why Richardson believes the auditors should not have been looking for those properties.

- The motion to accept the draft audit was initiated by Richardson and seconded by Trombley. The draft audit was unanimously accepted by the Board.

## **7. Housing Program Administration**

Robinson informed the Board that the draft 2024 annual plan is currently on the VSHA website with notes on how to contact Robinson for comments.

Robinson briefed the Board on the voucher utilization report and the Project-Based Voucher portfolio. There are currently 33 units that have intent to enter into contract, 965 units that are currently contracted, and 181 units under contract but not leased. This is a team project to decrease the number of units not being leased. She stated that two common reasons for units not being leased include: a participant has been terminated from the program, but the landlord continues to allow the tenant to stay there and pay market-rate rent; the landlord may have rented the unit to someone outside of our program, so even though the unit is leased, it isn't leased with our voucher.

Berk stated they are also going through a process to recapture about 80 vouchers that have not been used so they can be reissued to other families.

Robinson then covered the voucher success rate. She explained that when a voucher is issued, it is usable for 60 days. Within the last 60 days, VSHA has been able to successfully house 15 families. Success rate for the Housing Choice Voucher Program in that 60-day window was 20%, Family Unification was at 9%, Foster Youth to Independence was 17%, Non-Elderly Disabled was 0%, and HUD-VASH was 25%. The overall success rate was 18%.

## **8. Property and Asset Management**

Kuegel started with comparing FY22 to FY23 for Brightwood House. She said that if VSHA does not ask for a rent increase, the property would lose about \$20,000 next year. Factors

that cannot be accounted for yet are items such as fuel-oil pricing. In lieu of the exact numbers, she based the budget off a fuel price of \$4.69 per gallon. She expects the exact price in the month of June. Also, later in the year is when she expects to receive the numbers for management fee increases. Additionally, a couple of years ago, HFI began to charge their properties a Non-Profit Asset Management Fee of \$7500. This is a fee that VSHA has not taken in the past but is reflected in the proposed budget. These increases will also affect the proposed budget. She then went on to explain her recommendations to the board. If VSHA was to continue with the current budget, there would need to be a rent increase of \$115.00. Kuegel stated that USDA denied the rent increases last year due to having excess money in the operating account. She is recommending that VSHA proactively move excess cash from the operating account to the Replacement Reserve account to maintain the funds in the property as opposed to being required to spend them down to cover an operating deficit, as occurred for FY22. Kuegel recommended to the board that VSHA forgo adding the Non-Profit Asset Management Fee to the Brightwood House.

- After discussion, the motion to accept the budget for Brightwood House without accepting the management monies and allowing for differences in the fuel pricing and management fee was made by Troiano and seconded by Trombley. The motion was passed unanimously.

Kuegel moved on to briefing the board on Green Mountain Apartments. She explained that due to the change in ownership, USDA has not approved a FY22 budget showing VSHA as owner. However, she was using it as the basis for comparison from FY22 to FY23. She explained that all the items impacting Brightwood House would also be factors at Green Mountain however she recommended that VSHA charge the \$7500 Non-Profit Asset Management Fee at Green Mountain because the required rent increase would result in rents that are below the current Section 8 voucher payment standards.

Richardson asked if there was any concern with accepting the \$7,500 asset management fee for one property but not the other. Kuegel explained that she is comfortable taking one and not taking the other.

- The motion was made by Troiano to accept the Green Mountain Apartments budget and accept the \$7,500 asset management monies. Trombley seconded the motion. The board voted unanimously in favor of accepting the proposed budget.

Kuegel briefly touched on the collections data of the Secretary's Report. Then turned her focus to the Mobile Home Park Capital Improvement Plan. She worked with her employees that were most familiar with the parks to prioritize a list based on when certain items will need to be replaced or repaired. She presented the board with the items that were prioritized to within the next year. She explained that she is in conversations with Jeremiah Ward at CDI as well as Tyler Maas at VSHA to submit applications to the second round of the State of Vermont Healthy Home grant program as well as other grant opportunities that are currently available to address the needs in MHP's.

## 9. Executive Session

At 11:59am the Board took a break with the intent to return at 12:15pm. At that time, Farrell gave directions for those meeting via Zoom, that the board would enter into executive session, and they could return at 12:50pm.

Farrell read the following Resolution to go into Executive Session:

“I move that the Board adopt the following Resolution: WHEREAS the Board needs to review and discuss legal advice and matters of contract and WHEARAS premature general public knowledge would clearly put the Authority at a substantial disadvantage; NOW THEREFORE, the Board shall discuss the matters of contract at issue in Executive Session.”

- Trombley made a motion to go into Executive Session; seconded by Feinberg. All voted in favor and the Board entered Executive Session at 12:20 p.m.

All left the meeting at 12:20pm except Commissioners, Berk, Bell, Houghton, and DiPalma.

- On a motion by Troiano, seconded by Trombley, the Board unanimously voted to come out of executive session at 12:42 p.m. with no action taken.
- On a motion by Richardson, seconded by Trombley, the Board unanimously voted to approve the HFI Governance Reorganization Agreement.

The HFI Board of Commissioners will have to approve the same item at their board meeting for this agreement to take effect.

Bell and Houghton left the meeting at 12:50pm.

## 10. Property and Asset Management (Continued)

Kuegel then spoke about PHA Web and the options it opens up with regards to how tenants pay rent. The first option is check or money order. These are free or very low-cost to the tenants. The second option is an auto-debit that can be set up so that the rent is taken directly out of the tenants' bank accounts on the 5<sup>th</sup> of every month. This is also free to use. VSHA currently has several hundred tenants using this option already. The third option, which is new to offer tenants, is through an e-check option. There is, however, a fee \$1.50 fee associated with this for each use. The software is set up in a manner that the tenant must acknowledge the fee three separate times to complete the transaction. The final option is the use of a credit card. There are again three different places to verify the tenant understands there will be extra charges. However, the fee for using a credit card to make the payment is 3% of the amount of the charge. This fee is considerably higher than the other options.

Discussion followed surrounding the use of credit cards with concerns that tenants would dig themselves deeper into debt and the associated fees being too high. The consensus was to offer all options except the credit card, however no formal action was taken.

#### 11. Other Business

Berk spoke of the upcoming retreat for Strategic Planning. VSHA is currently working with Melanie Goodman, who suggested making the retreat a 2-day event and bring in managers on the second day. This will increase the cost of the retreat from \$8,000 to \$15,000. There was discussion about what the program would entail for the second day. Berk stated that the program is still working, but one major item would be stakeholder interviews.

- Jones motioned to approve the retreat to be expanded to two days. The motion was seconded by Trombley, and unanimously approved by the Board.

The board agreed to tentatively schedule the second day of the retreat to 12 July. The board additionally agreed to divide the list of stakeholders and attempt to conduct three or four interviews each before 12 July. Discussion followed about which Commissioner would interview which stakeholders. Berk will circulate a final list.

#### 12. Adjourn.

The meeting was adjourned at 1:25 p.m.

Respectfully submitted,



Kathleen Berk  
Executive Director/Secretary

/RTA

