

**VERMONT STATE HOUSING AUTHORITY
ANNUAL AND REGULAR MEETING MINUTES
27 SEPTEMBER 2023**

1. Roll Call

The Annual and Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was held at One Prospect Street, Montpelier, Vermont, and remotely via Zoom. The meeting was called to order at 11:03 a.m. by Chair Alex Farrell; and upon roll call, the following Commissioners answered present: Cory Richardson, Vice Chair; Caryn Feinberg, and Jo Ann Troiano (left at 12:59pm). Linda Joy Sullivan arrived via Zoom at 11:07am. Absent: Aaron Jones.

Staff present: Kathleen Berk, Executive Director/Secretary; Kelly Pembroke, Director of Finance & Information Systems; Susan Kuegel, Director of Property and Asset Management Ellen Danahy Liptak, Director of HR & Administration; Kelli Robinson, Director of Housing Program Administration; Christopher Trombly, Managing Director of Community Development; Daniel Blankenship, Homeless Services Coordinator & Policy Director; Caprice Hover, Special Programs Manager; and Robert Abbott, Office Services Coordinator.

Guest: Matt Baron, Union Representative; Zach Karas, Retirement Plan Advisors (left at 11:44 a.m.)

2. Meeting Agenda

The meeting agenda was adjusted for Zach Karas to meet with the Board after approval of minutes.

3. Election of Officers

- Troiano moved, seconded by Feinberg, that the current slate of Commissioners be re-elected:
- Alex Farrell, Chair
 - Cory Richardson, Vice Chair
 - Kathleen Berk, Secretary

The motion was passed by unanimous vote.

5. Approval of Minutes

- A motion was made by Feinberg to approve the minutes from the 12 July 2023 Regular Meeting. The motion was seconded by Richardson. The vote passed unanimously.
- Farrell, as the only member of the board that did not need to abstain from voting, approved the minutes for the Special Meeting on 15 September 2023.

11a. Other Business

Taken out of order, Zach Karas gave an update on the VSHA plans, which includes a voluntary component (457 plan) and a VSHA contributory plan (401a). Karas indicated that Retirement Plan

Advisors continually monitor the plans, and they are in a good place. There are four funds that they are watching closely, but no changes are recommended at this time.

4. Public Participation

There were no members of the public present.

6. Secretary's Report

Farrell congratulated Berk on her recent work anniversary, celebrating 35 years of service to VSHA. Pembroke also recently made it to the 30-year milestone.

Berk presented the Secretary's Report and highlighted her concern about the possible upcoming government shutdown. Many of our funds are received on a calendar basis and will be okay as the funds were already appropriated through the end of December. There could be issues if the shutdown were to continue beyond that point. She welcomed Christopher Trombly (former Board member) to the VSHA staff as Managing Director of Community Development. Farrell commented that Mary Houghton has expressed an interest in joining the VSHA Board and the board is waiting for an appointment by the Governor. Berk mentioned that Feinberg has been willing to stay on until a replacement is found for her, but she is also looking to resign her post in the near future.

➤ On a motion by Troiano, seconded by Richardson, the Secretary's Report was accepted unanimously.

7. Finance & Information Systems

Pembroke began by stating that VSHA is wrapping up the VERAP program. This included giving back 8.5 million dollars to the State of Vermont. Pembroke continued with the closeout of the fiscal year and how it ties into the budget for the upcoming year. She believes VSHA will end up in a great position going forward. The proration throughout the year was 97%, which is an all-time high. However, the notices that came out this week are at 95%, so she believes this is the beginning of the decline of those historically high rates. Northfield Savings Bank reached out regarding changing interest rates, which have become very profitable for VSHA. Other Income is over what was projected. Other Income is comprised of programs like ADU, LRP, MHIRP, and VERAP. Since LRP and MHIRP didn't start at the beginning of the year, they weren't budgeted for, and that explains why VSHA would be over in that category. Salaries are coming in under budget by approximately \$380,000 due to staff vacancies. Since positions are filling up, we can expect this to decrease in the future. The Benefit line item is directly related to Salaries, in that if there are open positions, we also wouldn't be paying for benefits for that position. Assistance payments, plus VERAP, LRP, and MHIRP, come out to roughly \$94 million that has been spent in HAP payments this fiscal year.

Pembroke noted that the audit process will begin on 06 November this year. The Accounting Department has two more employees staffed than last year, so Pembroke is expecting a smoother process this time.

➤ Troiano moved, seconded by Richardson, that the VSHA Statement of Revenue & Expenses / Balance Sheet be accepted as presented. The Board voted unanimously to accept the documents.

Pembroke indicated that the mobile home parks are in good shape. The year-to-date gain is \$742,000; which is more than the \$547,000 that was projected. These properties will eventually be transferred back to HFI.

➤ On a motion by Troiano, seconded by Richardson, the MHP Statement of Revenue & Expenses Consolidated / Balance Sheet were accepted unanimously.

Pembroke introduced the draft Operating Budget for FY24. She discussed the increase in salaries beginning October 2023. In conjunction with the union negotiated increases, each employee would be receiving a \$0.80 raise, and those that have been with the company for at least one year would receive an additional \$0.20 longevity raise. This computes to an average pay increase of 4.05% per employee. Pembroke calculated an overall pay raise of 11.48% since September 2022, this number includes the union negotiated increases in addition to the mid-year increases implemented by VSHA. She emphasized that executive staff did not receive any mid-year increase this last year. Union negotiations will begin this following summer to determine the Collective Bargaining Agreement. The budget for training has also increased this year as part of the plan to invest in staff.

Pembroke also discussed the VSHA main office building and that the space could be better utilized. An architect will be hired to develop a plan. VSHA owns the building with no mortgage, so it makes sense to invest in it. Pembroke budgeted for \$250,000 and has an additional \$320,000 in reserves if needed.

Health insurance costs are increasing by about 13% and a concern is the workers' comp rates. There has been a loss ratio of 299% for 2023 with a .96 MOD rating this year, however, it will be over 1.0 next year.

Richardson had a question about the retirement plans and the employee benefit. Pembroke responded that the 401(a) is completely VSHA funded, but employees have an opportunity to contribute to the 401(a) post-tax or to the 457 plan.

The overall projected surplus for this draft budget is \$487,000. This is on par with what was predicted last year.

➤ Richardson moved, second by Troiano, that the draft budget for FY '24 be approved. Motion passed unanimously.

➤ On a motion by Troiano, seconded by Feinberg, the Board unanimously voted to approve the Write Offs for 2023.

The Board took a five-minute break from 12:24-12:29pm.

8. Housing Program Administration

Robinson described the utilization report. Currently under the Section 8 Program are 3,612 active participants. Additionally, 420 are Mainstream Voucher holders, 56 participants have Emergency Housing Vouchers. Robinson emphasized that once VSHA reaches their cap of 99 EHV's, they would be shelved and returned to HUD. There are 70 active participants through the Continuum of Care Program. The contract for the Youth Demonstration Program ends at the end of September. VSHA will not continue to actively

administer that program but will continue to support the agency that administers it in whatever way they can. HOPWA has 22 active participants, Bridge to HOPWA has 10 actively participating, and there are currently 90 participating in the DMH Voucher program. The success rate is 45% for the Section 8 Program, while it is 53% for the Mainstream Program. There are currently 99 families searching for a home with the Section 8 Program and 48 families for the Mainstream Program that have been issued a voucher but yet to lease up anywhere. Under the Project-Based Voucher portfolio, there are 64 units that have been contracted to receive a Section 8 tenant.

Robinson announced the introduction of a new program utilizing a Stability Voucher. This could be used for families experiencing or at risk of experiencing homelessness, people fleeing domestic violence/sexual assault/stalking/or human trafficking. The individuals applying for this voucher would need to be directly referred by one of the community partners. Robinson then presented the addendum to the current Section 8 Administrative Plan for the Board's approval and stated that this is a result of HUD's guidance about how to administer this program.

Blankenship added that there was a funding opportunity to expand on the Way Home Program which he had applied for. This directly resulted in this type of voucher. There is a total of 92 units available, with 22 going to areas in NEK, Lamoille, and Addison County, while the remaining will go to Project-Based Vouchers. He expanded on The Way Home Program, stating that it is eligible for those that have been homeless for the previous 12 months and have a disability.

Farrell read the Resolution regarding Stability Vouchers Policies: Addendum to Section 8 Administrative Plan:

NOW THEREFORE, be it resolved that the Vermont State Housing Authority Board of Commissioners accepts the Stability Vouchers Policies as an addendum to the Section 8 Administrative Plan, as presented.

- On a motion by Troiano, seconded by Feinberg, the addendum to the Section 8 Administrative Plan was approved.

10. Human Resources & Administration

Taken out of order, Liptak presented three policies for Board approval: Anti-Harassment Policy, Whistleblower Policy, and Hiring, Grants, Contractual Services Policy. She indicated that an HR goal is to review and update or create policies as necessary. The Whistleblower Policy is new but has standard language; the other two are updated. Richardson asked about staff signing off on such policies and it was decided that staff should do so. It was stated that these policies had been reviewed and approved by VSHA's legal team and the union as well.

- On a motion by Richardson, second by Feinberg, the Board voted unanimously to approve the Whistleblower Policy.
- On a motion by Feinberg, second by Troiano, the Board voted unanimously to approve the Anti-Harassment and Hiring, Grants, Contractual Services policies, with a sign-off by staff.

9. Property & Asset Management

Kuegel distributed her contribution to the Secretary's Report for Board reference. There are four big initiatives that Kuegel and her team are currently working on. One is Healthy Homes, which addresses healthy drinking water, wastewater, or storm water in mobile home park communities. VSHA is submitting 14 applications by 17 October to address capital needs. The decisions will be released in January and work would begin after that. The second initiative is the Missing Middle Program. The application for this grant that was submitted in July has been approved. This will bring 14 new mobile homes into the VSHA/HFI owned parks and made available for home ownership. The third initiative is in working with VHCB for seven mobile homes to be reserved for housing the homeless. VHCB then asked to expand the program by another 23 homes. Of these, seven more would be for the homeless, and the rest would be at project-based voucher rent prices. Discussion is still ongoing with VHCB over the funding of services or capacity for an additional staff member to maintain these new homes. The intent is that after about a three-year period these would revert to home ownership. The final initiative is with FEMA. FEMA is providing homes to those that lost their homes due to the flooding in July and is looking for a mobile home park to put them. Windy Hill Acres is a potential stopping point for 6-10 FEMA homes. The lease would be with FEMA who would pay the rent as well as provide services for lawn care, maintenance, snow removal, community inspections, and meet with the families monthly. At the end of an 18-month program, the homes could transfer to homeownership. If the family decides not to purchase the home, FEMA will look to local agencies to donate the homes to, with HFI being a potential suitor. These four initiatives together could fill up to 50 lots in VSHA/HFI owned mobile home parks.

Troiano interjected that the Montpelier Housing Authority would be in dealings with FEMA for 38 homes in the local area with FEMA supporting the infrastructure improvements needed. Farrell noted that to his knowledge, the city was looking to acquire the FEMA homes and also provide multi-family housing in the same general location. This construction would likely cost FEMA more money but could potentially be offset by the city or state. Construction would need to include new water pipes that are larger in diameter.

Other business

A brief discussion followed regarding future Board meetings. It was decided to continue holding hybrid meetings. Troiano indicated she prefers in-person meetings.

Also briefly discussed was the question on whether and where the meeting videos (Zoom meetings) should be kept. Abbott was in touch with our website provider who recommended using YouTube. Farrell stated that this could be an option to meet Open Meeting Laws and many other agencies are doing the same thing. Pembroke indicated she would work with Abbott on the location. It was decided to research further and report back to the board.

Berk recapped the recent Board Retreats, which were held on July 12 and September 15. She recommended that the Board review the Stakeholder comments and that a special board meeting be held to specifically discuss the comments. Farrell commented that there was good staff participation.

11. Executive Session

Farrell invited a motion that the Board adopt the following resolution:

“WHEREAS, the Board needs to discuss contractual relationships and employee matters; and WHEREAS, premature general public knowledge would clearly put the Authority at a substantial disadvantage;

NOW THEREFORE, the Board shall discuss contractual matters and employee matters at issue in executive session.”

➤Richardson made a motion to go into Executive Session. Seconded by Feinberg. All voted in favor.

The Board went into Executive Session at 1:07 p.m. with an invitation to Liptak and Pembroke. Everyone else was asked to leave the meeting.

➤The Board came out of Executive Session at 1:19 p.m. with no action taken on a motion by Feinberg seconded by Richardson, and unanimously voted.

The meeting was adjourned at 1:19 p.m.

Respectfully submitted,



Kathleen Berk
Executive Director/Secretary
/RTA

