

VERMONT STATE HOUSING AUTHORITY
REGULAR MEETING MINUTES
NOVEMBER 19, 2025

1. CALL TO ORDER

The Regular Meeting of the Vermont State Housing Authority was held at One Prospect Street, Montpelier, Vermont, allowing both in-person and remote attendance via Microsoft Teams. The meeting was called to order at 11:00 a.m. by Alex Farrell, Chairperson; and upon roll call, the following Commissioners answered present: Cory Richardson, Vice-Chairperson; Mary Houghton; Bryan Plant II, Jo Ann Troiano, Aaron Jones and Annik Paul.

Staff present: Kathleen Berk, Executive Director/Secretary; Kelly Pembroke, Chief Financial Officer; Elizabeth Bacon, Managing Director of Housing Program Assistance; Susan Kuegel, Managing Director of Portfolio Operations; Ellen Danahy Liptak, Director of Human Resources & Administration; Tyler Maas, Director of Special Programs; and Robert Abbott, Office Manager.

Guests and Members of the Public present: Dan Coppock, VSHASF/VSEA Representative; Mike Smith, Representative from Gallagher & Flynn (joined at 12:35pm).

2. MEETING AGENDA

There were no changes to the agenda.

3. PUBLIC PARTICIPATION

There was no public participation.

4. CONSENT AGENDA

Berk requested a change to the previous meeting minutes before approval – correction to the spelling of Commissioner Annik Paul's name.

- Richardson moved to approve the minutes as amended. Troiano seconded. The Board unanimously voted to approve the minutes with the edit.
- Houghton moved to approve the Financials as presented. The motion was seconded by Plant. The motion was unanimously approved without further discussion.

5. SECRETARY'S REPORT

Berk noted the major change which occurred since the Secretary's Report was submitted. The federal government has re-opened and passed a Continuing Resolution to fund the government

through 30 January 2026. Programs are currently funded based on 2025 appropriations, which were based on 2024 appropriations. Congress will now need to pass a formal spending bill for the Housing Choice Voucher and other programs or another Continuing Resolution before January 30th or risk another shutdown.

Berk added that the funding bill for the Housing Choice Voucher program also needs to cover the Emergency Voucher program. Those are vouchers that VSHA took on during the pandemic that will sunset this year. Without funding, there are approximately 55 families that will lose housing assistance with no ability to transfer.

Berk shared what she has been hearing in terms of 2026 future funding. There is currently a proposal from the House and one from the Senate. The Senate version may fund the Housing Choice Voucher program at FY25 funding rates, likely with some factors for inflation. Since the price of the vouchers increase with time, professionals are anticipating a reduction of about 300 vouchers throughout the state of Vermont. The House version is more drastic, with a reduction of about 600 vouchers.

Berk touched lightly on other subjects of the Secretary's Report. Bacon and her team earned "High Performer" status on the SEMAP, which is a feat that has not been achieved in a few years. Additionally, Pembroke's accounting team just completed their annual audit with KBS which went extremely well.

Farrell added that he has been following Berk's actions in his other capacity with the State, and she is representing VSHA very well. The level of respect that VSHA garners throughout the other State agencies is due to her hard work.

Berk informed the Board that she had advocated on behalf of all public Housing Authorities in Vermont for the General Assembly to invest in the Housing Choice Voucher program. She has been told this is an issue for the Budget Adjustment Board which may bring it up in February 2026.

➤ Richardson moved to accept the Secretary's Report. Seconded by Plant. The motion passed unanimously.

6a. FINANCE & INFORMATION SYSTEMS

Pembroke indicated that the HFI audits should be finalized in the upcoming weeks. VSHA audits cannot be finalized until HFI's is first completed. She expects that KBS will be at the January Board meeting to discuss the results.

Berk raised attention to the relationship between issuing vouchers and the administrative fees earned. Having less funding allows for fewer lease-ups, which will bring in fewer administrative fees. The upcoming appropriations bill will also lay out the rate at which VSHA earns those fees. There may be future changes to the VSHA Operating Budget once those figures are known.

6b. HOUSING PROGRAM ADMINISTRATION

Bacon had been working with the Human Rights Commission on a complaint of discrimination against VSHA. She is happy to report that the findings were of no discrimination.

Bacon shared documents with the Board projecting funding shortfalls of approximately \$650,000 after spending all reserves. She had not heard back from the HUD Shortfall Prevention team following the federal government opening back up. She explained how her team arrived at the shortfall. She had not received her funding notification for FY25 until May. That notification was significantly lower than expected. By that time, they had already been operating under a false assumption. She immediately started cost-saving measures. Bacon is expecting a shortfall of approximately \$816,000 for the month of December. She asked the Board for a one-time use of VSHA's "Unrestricted Net Position" (UNP) funds to cover this shortfall.

Berk reiterated what was at stake to the Board. VHSA does not have the funding to cover HAP for the month of December. If the UNP is not approved, VSHA would have to cut approximately 700 families from payments to make up the difference. If VSHA uses UNP funds and keeps those 700 families on, then we know that we will be over enrolled for CY26. VSHA will have to continue to curtail spending throughout the year. This leads to Berk's request to the General Assembly to invest in the Housing Choice Voucher program, expecting it will take about \$10 million to stabilize the program. Discussion followed.

- Troiano motioned to approve the one-time use of \$1 million of Unrestricted Net Position funds to cover December Housing Assistance Payments (HAP). Plant seconded the motion. The motion was passed unanimously.

Bacon continued with updates to future funding and impacts. All of which are assumptions until budgets are set and funding is allocated.

She then elaborated on the improvements made by her team over the last two years to become High Performers on SEMAP. She attributed many improvements to the decline in staff turnover along with training and development of the current staff. Bacon presented the Board with the following Resolution to Accept the Section 8 Management Assessment Program (SEMAP) Annual Certification and to Authorize the Chairman of the Board to Execute the Certification on Behalf of Vermont State Housing Authority.

"Whereas, HUD regulation 24 CFR sec 985.101 requires that Public Housing Agencies administering Section 8 tenant-based assistance program submit an annual SEMAP Certification within 60 days after the end of its fiscal year; and

Whereas, the information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance; and

Whereas, HUD used the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA; and

Whereas, the PHA has completed the annual SEMAP Certification and requires that the VSHA Board of Commissioners accept the SEMAP Certification as presented; and

Whereas, it is the desire and intent to the Board of Commissioners to comply with HUD regulations,

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of the Vermont State Housing Authority hereby accepts the SEMAP Certification as presented and authorizes the Chairperson of the Board to execute the Certification on behalf of the Vermont State Housing Authority on this 19th day of November 2025.”

➤ Richardson moved to accept the resolution. Seconded by Plant. The Board accepted the resolution unanimously.

The resolution was then signed by Berk and Farrell.

6c. HUMAN RESOURCES & ADMINISTRATION

Liptak elaborated on the significant Blue Cross & Blue Shield deductible increases.

6d. PORTFOLIO OPERATIONS

Kuegel explained to the Board the desire of VSHA and HFI to lay out specifics in their relationship, which culminated in the Management Agreement and the Business Operations and Management Agreement. The agreements were approved by the HFI Board of Directors in September 2025 and are now presented to the VSHA Board of Commissioners for approval.

➤ Houghton motioned to approve both agreements. Paul seconded the motion. The Board voted to unanimously adopt both agreements.

Kuegel shared that the FY26 budgets for Green Mountain and Brightwood House have been approved by USDA, and she is now looking for Board approval to implement those budgets.

➤ Houghton motioned to approve the budgets and Plant seconded the motion. The budgets were approved unanimously.

Kuegel shared that the federal government had already passed their FY26 budget for USDA. Unfortunately, they passed it with a 0% increase in the management fees.

7. OTHER BUSINESS

Farrell shared the annual meetings schedule and asked if there were any objections to the proposed dates. There were no.

Maas shared a presentation with the Board on the Mobile Home Infill Program (MHIP). The program partners Vermont State Housing Authority with the State of Vermont to improve existing lots in current mobile home parks. The improved lots then receive a new mobile home placed on it and sold at affordable prices to those that live or work in Vermont. The program is hitting its eleventh month and has placed 72 homes on over 100 lots. Of those, 39 have sold or are under contract to sell. Maas also shared testimonials from home buyers showing they thought positively of the program. The Board shared their comments on the benefits of the program.

The meeting broke for a short break from 12:27pm to 12:35pm.

Mike Smith from Gallagher and Flynn joined the meeting at 12:35pm. He shared accomplishments from the work he has been doing with VSHA on accomplishing their strategic plan. He began speaking of the restructuring of the agency with regard to job titles and leadership counseling. He believes the next phase will be focused on process improvement.

8. EXECUTIVE SESSION

Farrell read the following resolution aloud:

"I invite a motion that the Board adopt the following resolution:

"WHEREAS the Board needs to discuss contractual relationships and legal matters.

and **WHEREAS**, premature general public knowledge would clearly put the Authority at a substantial disadvantage.

NOW THEREFORE, the Board shall discuss the contractual relationships and legal matters at issue in executive session."

- Plant motioned to enter Executive Session. Seconded by Troiano. All voted in favor. The Board went into Executive Session at 12:47pm.
- The Board came out of Executive Session at 1:09pm on a motion by Richardson, seconded by Plant, and unanimously voted. No action was taken.

9. ADJOURNMENT

➤ The Board voted unanimously to adjourn the meeting at 1:10pm. Upon a motion by Houghton, seconded by Plant, and passed unanimously.

Respectfully submitted,



Kathleen Berk
Executive Director/Secretary

/RTA

