

HOUSING FOUNDATION, INC.
REGULAR MEETING MINUTES - DRAFT
January 24, 2024

1. CALL TO ORDER

The Regular meeting of the Board of Directors of the Housing Foundation, Inc. was held remotely via Zoom. The meeting was called to order at 9:01 am by President Alex Farrell; and upon roll call, the following Directors answered present: Cory Richardson, Treasurer; Kathleen Berk, Secretary; Mary Houghton; Jo Ann Troiano, and David Muzzy.

VSHA Executive Staff Present: Susan Kuegel, Managing Director of Property and Asset Management; Ellen Danahy Liptak, Director of Human Resources and Administration; Kelly Pembroke, Chief Financial Officer; and Chris Trombley, Managing Director of Community Development.

Guests: Robin Barnett, Derek Hungerford of KBS (Kittell, Branagan & Sargent)

Members of the Public Present: None.

2. ESTABLISH QUORUM

A quorum was established with at least four members of the Board of Directors present at any time.

3. AGENDA REVIEW

Community Development information will be covered under the Secretary's Report, including defining the purpose, roles and responsibilities of an operations subcommittee and discussion on parks noticed for sale.

4. APPROVAL OF MINUTES

➤ On a motion by Troiano, seconded by Muzzy, the minutes for the November 15, 2023, annual and regular meeting, and the December 21, 2023, special meeting were approved pending typos to be corrected.

5. SECRETARY'S REPORT

Berk reported that Congress passed funding legislation through March 1, 2024, which is good news. The funds will keep flowing based on FY23 levels. She is concerned that there could be a Continuing Resolution for a full year and run the risk of sequestration. She is watching this closely and bringing awareness to the Board.

Trombly discussed the operations subcommittee that had been set up at the November 15, 2023, board meeting. The subcommittee is formed of Houghton, Trombly, Kuegel, Richardson, and Farrell. He would like to set up an initial meeting to determine the scope, roles, and responsibilities of the committee. He envisions this committee will provide guidance in park purchases and other opportunities and provide Finance and Property and Asset Management information they need. He will schedule a kick-off meeting.

Discussion followed on the Morse Block and Alliance exiting the oversight, effective 12/31/2023. Berk has been in discussion with Downstreet to take over, but that will not be possible until later in the spring. Trombly presented a request for the extension of the River Bend and Abenaki Acres management contracts for which Alliance is asking for two years. Berk is concerned with how Alliance managed the Morse Block and its lack of oversight there. She would recommend only a one-year contract. Kuegel answered questions on how the management fee is calculated using a USDA chart which gives parameters for such charges.

- Houghton moved, seconded by Richardson, that the Alliance contract be extended for one year. Unanimously voted.

Downstreet was discussed. Apparently, there is a technical issue that pushed back their starting date to April 1, 2024. They will be able to step in for the maintenance work earlier, hopefully on February 1. Kuegel mentioned there was a stove fire on January 6, that caused the sprinkler system to activate. This impacted the first-floor commercial spaces, which are now up and running as of yesterday thanks to Tyson Leno and Dave Codling's work. An insurance claim has been filed. Kuegel reported a contract with EPS for putting the information into the Downstreet voucher system for about \$100/month. This is saving a tremendous amount of time in anticipation of the April 1 starting date.

The financials of the Morse Block are in bad shape, technically financially bankrupt with three times the accounts payable than the checking account holds. The reserve account is very low as Alliance has not made deposits to the account as required and has been using it for operating expenses. Pembroke indicated a working plan to infuse monies so the accounts payable reaches zero. We do not want to turn over the property as it is as it will be set up to be unsuccessful. There are capital needs as well – air conditioning for the hair salon, windows for the florist, and an additional hot water heater. Kuegel commented that the entire building is working on an 80-gallon hot water tank and the solar system is not working. The board had several questions and Pembroke commented that the plan developed will have a clear understanding on how the monies will be repaid. It will fix the cash flow issues. There are also issues at Abenaki Acres that must be resolved.

Trombly reported on a recent Vermont Housing & Conservation Board (VHCB) grant application for purchasing homes to go into two existing mobile home parks. He indicated that the VHCB is offering a loan, rather than a grant. At this time, HFI cannot afford the loan offered. Kuegel discussed the cash flow available and indicated that these loans would make

HFI weaker, especially with the additional restrictions added. Berk indicated that this offer came only yesterday with a deadline of tomorrow, leaving no time for further review. Questions about loan forgiveness were asked and Pembroke said that is not indicated, nor is a deferral. Farrell commented that he feels there is a disconnect here and that more discussion is needed with VHCB. The board's feeling was that the offer of a loan should be declined. They were surprised at the terms given with no notice.

➤ Houghton made a motion, seconded by Troiano, to defer approval of the offered loan pending further discussion with the VHCB due to the inability of HFI to afford the loan under the terms offered and there being insufficient time to review. Motion passed unanimously.

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

6. Finance & Information Systems

Pembroke introduced Robin Barnett and Derek Hungerford from the accounting firm - KBS (Kittell, Branagan & Sargent). They indicated an "unmodified opinion" with no audit adjustments needed. They gave an overview of the financials which had extensive changes due to the transactions over the year. KBS commended Pembroke and her team for their responsiveness and good work. They appreciate the level of communication from VSHA.

➤ Richardson moved, seconded by Troiano, that the audit be approved. Motion passed unanimously.

KBS presented the 990-form indicating that it is an informational return to the IRS and is available for the public to view.

➤ Richardson moved, seconded by Berk, to accept the 990-form. Motion passed unanimously.

Pembroke commented that the current financials will be available at the March meeting. She said that they are on track to meet the financial report deadlines, such as sending out 1099 forms by January 31.

The monthly statements for Abenaki Acres, Morse Block and River Bend were provided to the board for their information.

7. Property & Asset Management

Kuegel reported that the transaction for the Meadowlane partnership was completed prior to December 31, 2023. VSHA is now the limited partner.

8. Adjourn

➤ With no other business or need for an Executive Session, the meeting adjourned at 10:19 a.m. on a motion by Troiano, seconded by Berk, and voted unanimously.

Respectfully submitted,



Kathleen Berk
Executive Director/Secretary

/edl

