

HOUSING FOUNDATION, INC.
ANNUAL & REGULAR MEETING
15 November 2023

1. Roll Call

The Annual & 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 Vice-President Alison Bell; and upon roll call, the following Directors answered present: Alex Farrell, President (arrived 9:05am); Cory Richardson (left at 9:42am), Treasurer; Kathleen Berk, Secretary; Mary Houghton; Jo Ann Troiano, and David Muzzy.

VSHA Executive Staff Present: Susan Kuegel, Director of Property and Asset Management (arrived at 9:06 am); Ellen Danahy Liptak, Director of Human Resources and Administration; Kelly Pembroke, Chief Financial Officer; Chris Trombley, Managing Director of Community Development; and Robert Abbott, Office Services Coordinator.

Guest: Carrie Lee, Alliance Property Management.

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

There were no changes to the meeting agenda.

4. Election of Directors and Officers

A motion was made by Berk in accordance with the bylaws to have the designated members serve for a 3-year term. This was seconded by Houghton and voted unanimously in favor.

In accordance with the bylaws, the non-designated Directors could serve either a 1 or 2-year term. A motion was made by Farrell and seconded by Richardson for Houghton to serve a 1-year term, and for Bell and Muzzy to each serve a 2-year term. This motion passed unanimously.

At this time Bell passed responsibility to Chair the meeting to Farrell for the remainder of the meeting.

Berk motioned to elect the current slate of officers: President, Alex Farrell; Vice President, Alison Bell; Treasurer, Cory Richardson; Secretary, Kathleen Berk. This was seconded by Troiano. This motion was unanimously approved.

5. Minutes of September 27, 2023, Meeting

A motion was made by Troiano to approve the minutes from 27 September 2023 as presented. Berk seconded the motion. The Board voted to approve the minutes. Farrell abstained from voting.

6. Secretary's Report

Berk updated the Board that on the night of 14 November, the US House of Representatives passed a continuing resolution to avoid a government shutdown. The proposed bill would act as a stopgap until late January 2024. At that time, if a 2024 budget is not passed, the government will face yet another government shutdown.

A motion was made by Richardson and seconded by Bell to accept the Secretary's Report. The Board voted unanimously to accept the report.

7. Finance & Information Systems

Lee spoke to the Board on behalf of Alliance Property Management. Alliance manages some of the properties owned by The Housing Foundation Inc.

Abenaki Acres is in need of more income. Currently, it is approximately \$71,000 below the fair market rent. Alliance is looking to raise the rent for all tenants in the property. One method for doing this would be to cancel the current HUD contract and reenter under new terms. This year has been particularly difficult for this property. A new pump unexpectedly cost \$40,000 and the rising cost of utilities place them over budget. Raising rent is one way to cover costs, so Lee said she will begin looking at contract options. Another possible solution is to build more units. Bringing in more families that pay could cover the rising costs without having to raise rents.

Kuegel added that building new units is an option that the previous Executive Director had looked into, but she isn't sure why that plan did not move forward.

Bell asked if it would be possible for the units to stay affordable. To make up \$71,000 across 12 units is a considerable amount per unit. Lee pointed out that since the units are subsidized, a majority of that money would come from HUD and the impact to the tenants would be minimal.

Berk indicated that this process would be mainly done by Alliance, but with VSHA assistance. She also suggested a Rent Comprehensive Study may need to be done.

Lee then updated the Board on the status of River Bend Apartments. This property houses elderly persons and is fully subsidized. Flooding this past July was an issue. Rain overwhelmed the Enosburg wastewater system causing sewage to come up in five units and all of the common areas. Lee estimates it will cost approximately \$75,000 to fully recover and more if they invest in back flow preventers so this does not happen again. She stated that this also happened 10 years ago during Hurricane Irene. The property is

also over budget on maintenance and fighting RD overage. Many of these expenses can be paid out of operational funds.

The last property that Lee spoke about was Morse Block. She said this building is in need of capital infusion. It has a plethora of maintenance requirements including a leaky sprinkler system and other plumbing issues. The flood caused the basement to fill up about six feet which is where all of the electrical boxes are located. She estimates this at about \$30,000 to fix. There are also elevator issues which have been costly since the elevator is historical and parts are not made any more. Lee said that Alliance cannot continue to manage it.

Discussion continued about the future management of Morse Block. Berk stated that she has been in talks with Downstreet Housing, and they may be interested in taking on that property. A contingency plan would be for VSHA to manage the property and HUD would become the contract administrator.

A motion was made by Houghton to allow Berk and Trombly time to review the Financial Statements presented by Alliance Property Management in anticipation of Trombly/Berk approving the financials moving forward. Muzzy seconded this motion and the vote passed unanimously.

A brief discussion followed regarding working with Alliance. Trombly has reached out to Alliance and indicated they are off to a positive start. They will have regular check ins.

Pembroke presented the consolidated financials for September 2023. She stated that KBS had recently completed the annual audit, which was a much better experience than last year. She noted that there were zero audit entries. She commended the hard work of her staff in helping make this possible. Pembroke went on to say that KBS will be at the January 2024 meeting to present the final draft of the budget. She also stated that due to the restructuring of HFI, it will need to be listed on VSHA's audit book. This will not affect HFI's audit. Pembroke also provided the long-term debt schedules that were requested by Richardson.

Due to being a draft, no vote was cast on the consolidated financials.

Pembroke also mentioned information technology, hinting that there are big items to address in 2024. She will have more details available at the meeting in January.

8. Community Development

Trombly provided updates to the programs lined up for VHCB Phase 2. Phase 3, the open market piece of the program, will require approval from the Board in January 2024.

VSHA's lawyer, Mr. Robert DiPalma, is currently finishing paperwork for 13 mobile home parks to be transferred back to HFI with a target date of 31 December 2023.

Other highlights include Healthy Homes funding commencing in January and MHIR reopening today for home repair funding. Rental properties do not qualify for the monies available through MHIR, but homes that are owned do qualify.

9. Other Business

Kuegel discussed the limited partnership that is held with Meridian for Meadowlane Apartments. A resolution was presented to the board which would allow Vermont State Housing Authority to step in to replace Meridian as of 31 December 2023. This resolution would require Berk to make decisions and sign all documents necessary for the ongoing operation of Meadowlane Apartments.

Troiano motioned to adopt the resolution and Houghton seconded. The Board voted to accept the resolution in its entirety. Berk abstained from voting.

Kuegel then briefed the board on the Mobile Home Park FY24 Operating Budget. She pointed out that there would be a need for rent increases to take affect on 01 June 2024, and that there is an increase to the Development position. Last year, there was one employee, but going forward there will be two – Chris Trombly and Tyler Maas.

Berk motioned to approve the operating budget. The motion was seconded by Bell and the Board voted unanimously to approve the operating budget.

Kuegel then updated the Board on the situation around Deepwood MHP. Deepwood shares two bridges with TriPark Mobile Home Park. The two bridges have been damaged and are under construction. The construction efforts have reduced the weight limit threshold and has closed one of the lanes, leading to congestion and reduced accessibility. TriPark has been working with the Town of Brattleboro for a solution. Possible fixes include the town taking over the main bridge, the main bridge being replaced by a smaller bridge, or using a temporary bridge.

Kuegel stated that the lease has been signed with FEMA on 01 November to put three mobile homes in Windy Hill and three mobile homes in Mobile Acres. FEMA has identified the families that they would like to move to those homes, but no applications have been submitted so far.

10. Other Business

Kuegel suggested that an operations subcommittee be formed that would be able to cover financials and property oversight.

Bell nominated Houghton, Trombly, Kuegel, Richardson, and Farrell to the committee. Hearing no objections from those members, the motion was seconded

by Muzzy. The Board voted and unanimously approved the creation of the Operations subcommittee.

The 2024 meeting schedule was presented to the Board for their information. The schedule stays consistent with the VSHA meetings which are held on the third Wednesday of the month, bimonthly.

11. Executive Session

No executive session was held.

9. Adjourn

Troiano moved to adjourn the meeting and was seconded by Berk. The Board unanimously agreed to adjourn the meeting at 10:39 am.

Respectfully submitted,



Kathleen Berk
Executive Director/Secretary

/RTA

