



Minutes of the Board of Commissioners Meeting April 18, 2017

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on April 18, 2017 at the offices of MaineHousing, 353 Water Street, Augusta, Maine.

Vice-Chairman Lincoln Merrill called the meeting to order at 9:00 a.m. with Commissioners Sheryl Gregory, Kevin P. Joseph, Donna Talarico, State Treasurer Terry Hayes, and Director John Gallagher in attendance. Chairman Peter Anastos and Commissioners John Marsh and Adam Bradstreet were absent. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting include: Jim Whitten; Bill Crandall, WMCAA; Carl Chatto, Baker Newman and Noyes; Peter Merrill, Deputy Director; Dan Brennan, Senior Director of Programs; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Linda Grotton, Internal Audit Manager; Craig Reynolds, Director of Homeownership; Darren Brown, Director of Finance; Laurie Murray, Assistant Director of Finance; Daniel Drost, Director of Energy and Housing Services; Troy Fullmer, Manager of Housing and Compliance; Deb Turcotte, Public Information Manager; Jane Whitley, Director of Human Resources & Facilities; and Jody Rollins, Office Administrator and note taker.

ADOPT AGENDA

Commissioner Gregory made a motion seconded by Commissioner Hayes to adopt the agenda. The motion carried unanimously.

MINUTES OF THE MARCH 21, 2017 MEETING

Commissioner Hayes made a motion seconded by Commissioner Gregory to accept the minutes. The motion carried unanimously.

COMMUNICATIONS AND CONFLICTS

Director Gallagher welcomed Jim Whitten, who has been nominated to serve as a Commissioner on the Board of Commissioners for MaineHousing. Jim is a resident at the Cony Flatiron. MaineHousing staff previously met Jim when he spoke at a recent All Staff Day. He addressed the Commissioners and provided them with some background information and shared his interest in giving back to the community he grew up in.

DIRECTOR UPDATES

- Met with Chris Bicknell of New Beginnings, a youth shelter in Lewiston. Chris will speak at a future meeting. John said he would like to bring in partners 2 – 3 times per year.
- Met with Amanda Bartlett of Augusta Housing Authority.
- Met with John Moore and his two replacements as he prepares to retire.
- Attended and spoke at the “Housing for All” 360 conference in Augusta.
- Attended the MEREDA meeting in Lewiston.
- Attended the Realtor Rally at the State House.

- Low Income Housing Tax Credit (LIHTC) Selection Update – John gave an overview of the LIHTC selection data that Mark Wiesendanger provided to the Board. He explained that even though we have a significant gap in funding five of the six winning projects, he believes solutions have been found and that there is a good chance that all projects will be funded.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

Senior Director Dan Brennan discussed the LIHEAP program. He reviewed a handout, and outlined the primary policy issues and proposed LIHEAP policy changes. A discussion incurred around whether to allow funds to be used for case management under Assurance 16. Bill Crandall, of WMCA shared a compilation of data from the past 11 years with the Board. Going forward, we plan to commence rulemaking in May, conduct a public hearing in June, and request Board approval in August.

2016 YEAR-END FINANCIAL AND AUDIT REPORT

The Director of the Finance Department, Darren Brown, welcomed and introduced Carl Chatto from the public accounting firm Baker Newman & Noyes (BNN) and began the annual financial and audit review by presenting the budget results for the year. Each budget schedule was reviewed and explanations were provided for the larger variances. Overall, the budget results were favorable for the year with revenues exceeding expenses by approximately \$5 million.

Carl Chatto reviewed the work performed for and the results of the audits. Mr. Chatto reported that the financial statements were presented fairly in all material respects and MaineHousing was given a “clean auditors’ opinion”. There were no material weaknesses in internal controls and no noncompliance issues. A Management Letter including several recommendations for enhancing security in the area of information technology was issued. None of the recommendations were considered significant finding or deficiencies. The Federal Financial Assistance Audit is still in process. The due date for the submission of this audit to the federal Single Audit Clearinghouse is September 30, 2017.

Treasurer Tom Cary reviewed the financial results of the Mortgage Purchase Program. He reported that all the trends were favorable and that profitability is at pre-financial crisis levels due to structural changes with the balance sheet and improved performance with the loan portfolio. The mortgage portfolio increased in size for the second straight year as loan production for the single family program was up in 2016. Mr. Cary also reported that the interest rate swaps that hedge a portion of the agency’s variable rate bonds performed as designed and lowered the agency’s cost of funds.

DEPARTMENT REPORTS

The Commissioners reviewed the Department Reports. We discussed:

- How MaineHousing would manage the proposed Federal Section 8 cuts.
- We hope to provide a building committee update in May.
- The minimum wage increase impact on Section 8 voucher holders.
- Commissioner Hayes put forth a few notables:
 - o Welcomed new staff in the Homeless Initiatives department.
 - o Homeownership showing increasing numbers.
 - o Congratulations to Jason and Mark in IT for recent degrees.

STATE LEGISLATIVE UPDATE

Deputy Director Merrill reported that there’s a lot of work going on at the State House. There’s a focus on arsenic and water bills. The MaineHousing statute bill hasn’t been scheduled yet. There is a proposed bill whereby the state would offer a low income housing tax credit.

ADJOURN

Commissioner Gregory made a motion seconded by Commissioner Talarico to adjourn the meeting at 12:07 p.m. The meeting was adjourned by a unanimous vote of the Board.

Respectfully submitted,

Donna Talarico, Secretary