



Minutes of the Board of Commissioners Meeting

April 19, 2016

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on April 19, 2016 at the offices of MaineHousing, 353 Water Street, Augusta, Maine.

Chairman Peter Anastos called the meeting to order at 9:00 a.m. with Director John Gallagher, Commissioners John Marsh, Donna Talarico, Kevin P. Joseph, Adam Bradstreet, Sheryl Gregory, Lincoln Merrill, and Deputy State Treasurer Kristi Carlow present. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting include: Anne Giggey and Josh D'Alessio of Penobscot Community Health Care; Carl Chatto, Baker Newman Noyes; Peter Merrill, Deputy Director; Margaret Bean, Deputy Director; Linda Grotton, Internal Audit Manager; Tom Cary, Treasurer; Darren Brown, Director of Finance; Dan Brennan, Director of Energy and Housing Services; Denise Lord, Director of Communications and Planning; Linda Uhl, Chief Counsel; Jane Whitley, Human Resources Manager; Kathy Kinch, Manager of LIHEAP and Financial Reporting; Laurie Murray, Assistant Director of Finance; John Bobrowiecki, Counsel; Paula Paladino, Manager of Homeless Initiatives; Daniel Drost, Manager of Housing and Compliance; Michael Baran, Special Projects Coordinator; Deb Turcotte, Public Information Manager; and Jody Rollins, Office Administrator and note taker.

ADOPT AGENDA

Commissioner Merrill made a motion seconded by Commissioner Gregory to adopt the agenda. The vote carried 7 – 0.

COMMUNICATIONS AND CONFLICTS

- Chairman Anastos reported he was contacted by two contractors (Kevin Bunker and David Lloyd) regarding bedrooms with no windows. Since Peter could not get involved, things were worked out with MaineHousing.

MINUTES OF THE MARCH 15, 2016 MEETING

Commissioner Marsh made a motion to approve the minutes of March 15th. The vote carried 7 - 0.

CHAIRMAN UPDATES

- Chairman Anastos and John Gallagher visited Preble Street Shelter and Logan Place in Portland, hosted by Donna Yellen. A meeting followed to discuss Bishop Street.
- Chairman Anastos attend a couple of MaineHousing building committee meetings with staff and the SMRT consultants. He reported that the team is making progress and will be finishing up soon.

DIRECTOR UPDATES

- Director Gallagher noted the two handouts that were distributed - Maine's Energy Usage Report, and the Part E Bonds Report. The Energy report looks at how Mainers heat their homes, how they change their minds on fuel sources to reduce heating costs, and how LIHEAP helps households of lower income. The Part E Report was presented to the Joint

Standing Committee on Labor, Commerce, Research, and Economic Development and shows how the funds were allocated.

- Director Gallagher met with the legal and development departments to review the 2017 Qualified Allocation Plan. He does not anticipate that there will be huge changes. There will be adjustments to the scoring criteria around management performance.
- Margaret and Denise are spearheading the continuous improvement effort at MaineHousing. There have been a series of workshops conducted, with 3 more sessions scheduled. He reported that the work was very interesting and gave kudos to the Development, Asset Management, and Housing Choice Voucher Departments for their work in this area.
- Attended the interviews for bond underwriters. All were excellent candidates. The interview team chose Barclays and Citi to be the Senior Rotating managers.
- Director Gallagher reported that Mark Weisendanger has been hired as the new Director of Development. A Maine native, Weisendanger currently lives in Washington, D.C. where he is employed by HUD as the lead Multi-family underwriting trainer. He will start on May 31st.
- Met with CDC employees Andy Smith and Eric Fromberg to discuss their work with lead abatement and arsenic, and how we can collaborate.
- Met with the SMCC to review the first property management course upon its completion. It was well received and considered a successful undertaking. The college is willing to offer a spring and fall session and will look at increasing the requirements to either a certificate or 2 year associate degree program.
- Attended and spoke at the Mill Brook Estates II groundbreaking in Westbrook.
- Director Gallagher also attended the Efficiency Maine Trust Board meeting, the Statewide Homeless Council Meeting, and met with Representative Jennifer DeChant to discuss the housing bond.

PRESENTATION ON EMERGENCY SHELTER PROGRAM AND SYSTEM CHANGE

Director of Homeless Initiatives Cindy Namer opened the conversation about system change and noted that a year ago they introduced the new concept and are already recognized as a leader in homeless initiatives, evidenced by a recent visit by homeless providers from Kentucky. She introduced Anne Giggey and Josh D'Alessio of Penobscot Community Health Care (PCHC). The guest intake packet PCHC uses for their clients was distributed and discussed. They have formalized their process with a 7 step approach. They reviewed their guest demographics, as well as the overall success of their program. They have reduced shelter stays from 60 to 30 days with 46% staying less than 14 days. During the past year, they have housed 118 guests in the community. They hope to have a coordinated entry process by the end of the year with the CoC Pilot and collaboration with the Department of Health and Human Services and MaineHousing.

2015 YEAR-END FINANCIAL OVERVIEW & 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. Total revenues and expenses were consistent with budget amounts with variances of less than 0.5% each.

Mr. Brown also reviewed the accounting change for pension plans effective for 2015 and the impact that this change had on the agency's financial statements. The change is referred to as GASB 68 and it established new requirements for measuring and reporting pension assets, liabilities and expenses. As a result of the change, MaineHousing reported a pension liability of \$3.8 million and expense of \$518,000.

Carl Chatto reviewed the two audits that BNN performed. These audits consist of a financial statements audit and the Federal Financial Assistance Programs audit in accordance with the Single Audit Act and OMB Circular A-133. Mr. Chatto reported that the financial statements were presented fairly in all material respects and MaineHousing was given a “clean 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 findings 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, 2016.

Treasurer Tom Cary reviewed the financial results of the Mortgage Purchase Program. He reported that all the trends were favorable and that profitability has increased to pre-financial crisis levels due to structural changes with the balance sheet. The mortgage portfolio increased in size for the first time in three years as loan production for both the single family and multifamily loan programs were up in 2015. 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.

LIHEAP – 2017 PROGRAM PLANNING SCHEDULE / DISCUSSION

Director of Energy and Housing Services Dan Brennan announced that they have begun planning for the 2017 LIHEAP program year. He has had a number of partner meetings to garner ideas and possible changes that could enhance the program. Mr. Brennan reviewed the process and what he will cover at the upcoming Board meetings. He talked about proposing changes in the application process to create efficiencies, paying the oil dealers up front instead of post-delivery, and discontinuing the discount off retail and replacing that with incentives. Commissioners suggested implementing change in steps, and perhaps a first step would be to have discount off retail to LIHEAP deliveries only. Dan was complimented on his excellent job with outreach.

ADJOURN

Commissioner Gregory made a motion seconded by Commissioner Joseph to adjourn the meeting at 11:15 A.M. The vote carried 6 – 0.

Respectfully submitted,

Donna Talarico, Secretary