



## **Minutes of the Board of Commissioners Meeting January 15, 2013**

### **MEETING CONVENED**

A regular meeting of the Board of Commissioners for MaineHousing convened on January 15, 2013, at the offices of MaineHousing, 353 Water Street, Augusta, Maine.

Chair Peter Anastos called the meeting to order at 9:05 a.m. with Commissioners Donald Gean, Donald Capoldo, Adam Bradstreet, John Turner, Sheryl Gregory, Lincoln Merrill, Neria Douglass and Director John Gallagher in attendance. There was a quorum present. Commissioner Samson arrived at 9:15 a.m.

### **PUBLIC ATTENDANCE**

Other guests and staff present included: Margaret Bean, Deputy Director; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Peter Merrill, Deputy Director and Director of Communications and Planning; Dan Brennan, Director of Development; Denise Lord, Director of Housing Choice Vouchers; Craig Reynolds, Director of Homeownership; Cindy Namer, Director of Homeless Initiatives; Linda Grotton, Internal Audit Manager; Jane Whitley, HR Manager; Deb Turcotte, Public Information Manager; Debbie King-Johnson, Consumer Education and Outreach Officer; Kristin Ross, Mortgage Lending Manager; Jody Rollins, Office Administrator and note taker; Wes Phinney, and Barbara Berry.

### **INTRODUCTION**

Chair Anastos introduced Treasurer Neria Douglass and welcomed her to the Board of Commissioners.

### **ADOPT AGENDA**

*Commissioner Turner made a motion seconded by Commissioner Gregory to accept the agenda. Commissioners Merrill, Turner, Bradstreet, Gregory, Gean, and Capoldo voted in favor of accepting the agenda. Commissioner Douglass abstained. The vote carried 6 – 1 – 0.*

### **APPROVE MINUTES OF DECEMBER 18, 2012**

*Commissioner Gregory made a motion seconded by Commissioner Turner to accept the December 18 minutes as written. Commissioners Merrill, Turner, Bradstreet, Gregory, Gean, and Capoldo voted in favor of accepting the minutes. Commissioner Douglass abstained. The vote carried 6 – 1 – 0.*

### **COMMUNICATIONS AND CONFLICTS**

- Director Gallagher received a letter from the Governor requesting information on employee compensation and requirements at the Federal level that burden MH with additional costs.
- Commissioner Gregory acknowledged an invitation she received from Preti Flaherty Beliveau to an inauguration event at the New Zealand Embassy in Washington, D.C.

### **CHAIR UPDATES**

Chair Anastos provided the following update:

- He reported on an article in the *Wall Street Journal* about the Justice department reneging on previous statements made about marijuana in California.

## DIRECTOR UPDATES

Director John Gallagher provided the following updates:

- John announced that he appointed Peter Merrill as Deputy Director to oversee the administration functions of the agency as well as continue as the State House liaison. Margaret and Peter will oversee staff and will report directly to John. He recognized Peter for his work, his importance to John, and to the organization.
- John will be on vacation from January 26 – February 2, 2013.
- Marijuana – We have contacted the State and US Attorneys to seek guidance around the inconsistency between State and Federal laws. We also contacted Maurice Jones, Deputy Secretary of HUD, asking him if MH sets policy not to terminate vouchers, and HUD changes their view, will that put MH in jeopardy. If we set standards and policies, we want to make sure our policy doesn't jeopardize funding. Questions were asked about Commissioner liability. Director Gallagher said we would cover all bases in a full report in March.
- OPEGA – Linda Uhl has prepared a response to the Speaker of the House and President of the Senate to comply with 5 MRSA 12023 reporting the policies governing procurement, contributions, and travel adopted by the Commissioners on September 18, 2012 and fully implemented on October 1, 2012.
- Information Technology – John gave an update on MaineHousing's relationship with Lynn Kinney and John Joseph. MH has a contract with John Joseph through June 2013 to cover services required to finalize program related work. It is Mr. Gallagher's recommendation that we need to maintain a contract that identifies the specific scope of work, priced out, agreed upon, and signed by all parties through mid-year. Mr. Gallagher will report back to the Board at the February meeting after he meets with Lynn Kinney and John Joseph.
- OIG Report – John reported that HUD has signed off on Findings #1-A, #1-C, and #1-D and agreed to reduce the fine. MH is currently working on the Housing Choice Voucher Administrative Plan, which will be made public in February and will satisfy Finding #1-B. It is our goal to adopt the plan in March. Chair Anastos praised Denise Lord for her efforts. The IT RFP will provide the information needed to respond to Finding #2.

Commissioner Bradstreet communicated that inspectors have been notified by HUD to make an attempt to change the standards which they use to inspect Section 8 units from HQS to UPCS Standards. Mr. Gallagher noted we would work side by side with public housing authorities on a unified standard.

- Compensation Study – Jane Whitley worked with four providers to solicit pricing for a compensation study. Quotes ranged from \$3900 - \$6500. It is our recommendation to award the job to Laurie Bouchard for \$3900. John noted that a list of the 36 positions to review was emailed to the Board with the leeway to add 4 more. Commissioners were asked to email their suggestions to Peter or John in the next couple of days. Commissioner Samson requested that a narrative rationale be attached on why we chose the 36 positions to study for future reference. It was requested that Ms. Bouchard present the findings at a Board meeting. Maine Housing's benefit broker will provide a health insurance comparison report from her "book of business."
- Director Gallagher reported receiving a letter from Governor LePage requesting information on salary increases and cost of benefits. In compiling the information, he noted that 26% of our full time equivalent staff work to monitor and report on federal and state programs. Treasurer Douglass commented that as a former auditor, monitoring and reporting are very important.

## **HOMEOWNERSHIP PRESENTATION**

Director of Homeownership Craig Reynolds introduced himself and his staff. He talked about the extensive banking industry and mortgage experience that they have.

Craig provided an overview of the programs they offer and program qualifications such as income limits and home price guidelines. He spoke about the number of challenges the Homeownership program has faced over the past several years, but felt optimistic about the future and noted signs of improvement.

He mentioned they were evaluating other funding models, looking at the recapture tax provisions, and other ideas to increase production in 2013.

Debbie King-Johnson spoke about homebuyer education. MH supports the Homeworks network and nine non-profits to deliver 10-hour homeownership assistance classes to help prepare consumers for homeownership. Several of the groups also offer foreclosure counseling.

There was discussion about how the homeownership program has been the bedrock of MaineHousing. The single-family portfolio is \$1.3 billion compared to multi-family at \$350 million, a 3:1 ratio.

Director Gallagher stated that staff understands how important homeownership is, and we are taking steps to keep MH relevant and in the marketplace.

Craig and his staff were thanked for their excellent presentation.

## **AUDIT COMMITTEE RECOMMENDATION – IT RFP**

Commissioner Merrill recapped the RFP process. After a review of the five proposals, the Audit Committee recommends awarding the work to Cohn Reznick from Boston. They are one of the leading firms in the country, have a full IT department, work with many housing entities, and understand housing related issues. They underbid the next lowest bidder by \$12,000. Next steps include: staff working on the contract agreement and Cohn Reznick meeting with staff to set up a work plan.

*Commissioner Merrill made a motion seconded by Commissioner Capoldo to engage Cohn Reznick of Boston to do the work as laid out in the RFP. Linda Grotton will touch base on the timeframe. There is an estimated 300 hours of work. The motion carried 6-1-0.*

## **OTHER**

The next meeting of the Board of Commissioners will be on February 26, 2013.

## **ADJOURN**

*Commissioner Turner made a motion seconded by Commissioner Gregory to adjourn the meeting. All Commissioners voted in favor of the motion. The motion carried 7 – 0. The meeting adjourned at 11:37 p.m.*

Respectfully submitted,

Donald Gean, Secretary