



Minutes of the Board of Commissioners Meeting September 20, 2016

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on September 20, 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 Commissioners Sheryl Gregory, Kevin P. Joseph, Lincoln Merrill, Donna Talarico, State Treasurer Terry Hayes, and Director John Gallagher in attendance. 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: Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Linda Grotton, Manager of Audit and Compliance; Dan Brennan, Senior Director of Programs; Darren Brown, Director of Finance; Lauren Bustard, Director of Housing Choice Vouchers; Laurie Murray, Assistant Director of Finance; Michael Baran, Special Projects Coordinator; Deb Turcotte, Public Information Manager; Jane Whitley, Human Resources Manager; Jody Rollins, Office Administrator; and Gerrylynn Ricker, Paralegal and note taker.

ADOPT AGENDA

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

COMMUNICATIONS AND CONFLICTS

There were no communications or conflicts to report.

MINUTES OF THE JULY 19, 2016 MEETING

Commissioner Joseph made a motion seconded by Commissioner Hayes to approve the minutes. The motion carried unanimously.

There was some discussion with regard to the number of votes 5 – 0 or 6 – 0. It was decided to state the vote was unanimous when applicable.

CHAIRMAN OF THE BOARD UPDATES

The Chairman met with Director Gallagher regarding the compensation study, and he met with the building committee.

DIRECTOR UPDATES

Recent happenings

- Director Gallagher met with Northeast Telehealth Resource Center and the Maine Department of Transportation to discuss how our housing development investments are aligned with existing and future capacity of both health care delivery and transportation services.
- Director Gallagher also met with the J.T. Gorman Foundation who is helping seniors make minor repairs to their homes. We are hoping to do a pilot program in January, 2017.

- Deputy Director Merrill and Director Gallagher met with Jay Lim, Senator Collins' new housing representative.
- Director Gallagher is on the Federal Home Loan Bank Advisory Board. His term is up in December 2016. They are offering a loan at 0%. Maine, New Hampshire, Vermont and Rhode Island have filled out applications. We're thinking about using it for construction funds or down payment assistance.
- Director Gallagher spoke of the changes to our Delegation of Authority triggered by Deputy Director Margaret Beans' retirement. The Delegation sets forth signing powers in the Director and Deputy Director's absence. A new Delegation is in the works.
- Director Gallagher updated the board regarding the servicing of our single family homes. Rhode Island Housing Authority will be servicing our loans beginning January 1, 2017. Mr. Gallagher explained that when Camden National bought out Bank of Maine, they increased their servicing rates. Rhode Island Housing rates are lower and they will have someone local to work with us.
- Director Gallagher is attending the aging summit on Thursday, September 22, 2016 and is going to the Senior Housing Forum in Portland on Friday, September 23, 2016.

PHA ANNUAL PLAN PUBLIC HEARING

Chief Counsel Linda Uhl conducted a public hearing on the PHA Annual Plan. There were no public comments.

HOME MODIFICATION TAX CREDIT RULE

Chief Counsel Linda Uhl asked the Board for authorization to commence rulemaking for a new law passed by the last Legislature. The Legislature adopted a new home modification tax credit for persons who make modifications to their homes to make them accessible to persons with disabilities who live in the home. MaineHousing is required to determine if the modifications made by the taxpayer are acceptable. We worked with a team including AARP, AlphaOne, the Multiple Sclerosis Society, the bill's sponsor Representative Arthur Verow, and Maine Revenue Services to keep the rule simple and flexible. Commissioner Hayes asked what the appropriation to us is. Linda explained \$50,000 was allocated to us to cover our inspections which will be done randomly and for our staff time in issuing the certificates to the taxpayer to file with their tax return. Maine Revenue Services was also allocated \$50,000 to purchase new software. Commissioner Hayes also asked if we were going to be able to track our expenses and Attorney Uhl said yes we would.

Commissioner Hayes made a motion seconded by Commissioner Gregory to authorize MaineHousing to commence the rulemaking process for the new Home Modification Tax Credit Rule. The motion carried unanimously.

BUILDING UPDATES

Special Projects Coordinator Mike Baran provided an update on the work of the building committee. The building committee has set up three sub-committees. Finance for cost analysis; Design headed up by Human Resource Manager Jane Whitley to look at different types of offices; and Communications to keep the employees informed. Director of Finance Darren Brown presented the cost analysis he and Treasurer Tom Cary prepared. The preliminary assumption is to purchase. Commissioner Talarico asked about negotiating the lease and Mike explained there is not as much flexibility with leasing. Chairman Anastos talked about a 100 year lease with options. Commissioner Merrill pointed out that we are now using just under 40,000 square feet and Darren said 50,000 square feet allows for some growth. Commissioner Hayes discussed the public/private partnership concept. Chairman Anastos said he will look into Terry's public/private partnership but he likes the idea of owning our own building outright. Director Gallagher asked the Board whether based on the presentation, MaineHousing could continue to explore potential areas, designs, and locations. Mike Baran explained there were a dozen properties in the Augusta area that were for sale. We need a four acre minimum size to allow for the footprint of the building and approximately 200 parking spaces.

Commissioner Hayes made a motion seconded by Commissioner Merrill to authorize the Building Committee to look at properties in the Augusta area and enter into an option to purchase agreement and make a deposit of not more than \$10,000 with the understanding that the deposit is refundable until final board approval. The motion carried unanimously.

COMPENSATION STUDY

Chairman Anastos made a recommendation to the Board that they enter into an Executive Session to discuss the compensation study and personnel issues.

Chief Counsel Linda Uhl reviewed the parameters around holding an Executive Session as limited to the description in 1 MRSA 405.6(1). *Commissioner Hayes made a motion seconded by Commissioner Merrill pursuant to 1 MRSA 405.6(1) to go into Executive Session to discuss personnel matters. Sheryl Gregory, Kevin Joseph, Lincoln Merrill, Donna Talarico, and Terry Hayes voted in favor. The motion carried unanimously and the Board went into Executive Session with Chief Counsel, Linda Uhl and Human Resource Manager, Jane Whitley.*

After the Executive Session, the Board discussed the compensation study and recommendations from staff outlined in a memorandum from John Gallagher to the Board of Commissioners dated September 20, 2016.

Commissioner Gregory made a motion seconded by Commissioner Hayes to make the following decisions based on the compensation study:

- *Bring everyone presently below the market to the minimum new level as of October 1, 2016, 45 employees.*
- *Those at maximum would be eligible (8 staff) for a one-time performance bonus up to 3.5% - will not add to base salary.*
- *Those hired after July 1, 2016 and prior to September 30, 2016 would not be eligible for a merit increase until January 1, 2017.*
- *Those hired after October 1, 2016, would not be eligible for a merit increase until January 1, 2018.*
- *No 3.5% raise for anyone with a market adjustment greater than 3.5%.*
- *Merit increases up to 3.5% (capped) as of October 1, 2016 for everyone else – no further adjustment would occur until January 1, 2018*

The motion carried unanimously.

ADJOURN

Chair Gregory made a motion seconded by Commissioner Talarico to adjourn the meeting at 12:35 PM. The motion carried unanimously.

Respectfully submitted,

Donna Talarico, Secretary