



Louisiana Housing Corporation

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LHC Board of Directors

Board Meeting Minutes

Wednesday, June 13, 2018

**2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
10:00 A.M.**

Board Members Present

Lloyd S. "Buddy" Spillers
Jennifer Vidrine
Tammy P. Earles
Derrick Edwards
Larry Ferdinand
Byron L. Lee
Willie Rack
Louisiana State Treasurer John M. Schroder
Donald B. Vallee
Gillis R. Windham (arrived at 10:14 A.M.)

Board Members Absent

None

Staff Present

Barry E. Brooks
Edselle Keith Cunningham, Jr.
Bradley Sweazy
Jessica Guinn
Leslie C. Strahan

Terrell Dupard
Miriam Bowie
Nicole Sweazy
Kevin Brady
Natasha Anderson
Na'Tisha Natt
Robby Bizot
Louis Russell
Cassandra Davis
Jatis Harrington
Carlos Dickerson

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

Board Chairman Lloyd S. "Buddy" Spillers called the meeting to order at 10:12 a.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

BOARD CHAIRMAN'S REPORT

Board Chairman Spillers welcomed Louisiana State Treasurer John Schroder to his first Full Board Meeting. Treasurer Schroder had previously attended the June 1, 2018 Administrative and Finance Committee Meeting.

Treasurer Schroder noted the honor of serving the citizens of the State of Louisiana, and that the LHC Board of Directors was 1 of 30 Boards that he currently serves on. He advised that his goal is to attend a minimum of two (2) meetings of each of the Boards, and that he was looking forward to working with the Board Members and the LHC Staff.

APPROVAL OF MINUTES

Next item discussed was the May 9, 2018 Board Meeting Minutes.

On a motion by Board Member Donald B. Vallee and seconded by Board Member Derrick Edwards, the Minutes of the May 9, 2018 LHC Board of Directors Meeting were unanimously approved.

Next, Board Vice-Chairwoman acknowledged LHC Compliance Manager Todd Folsie for his exemplary assistance in helping a homeless Ville Platte resident get into a house. Mr. Folsie was presented with a promotional gift basket from the City of Ville Platte.

EXECUTIVE DIRECTOR'S REPORT

LHC Executive Director E. Keith Cunningham, Jr. advised the Board that he was a presenter at the May 23rd LWC Office of Workforce Development Training; that he was a panelist at the recent MyLouisiana Equality and Equity Summit; he advised every one of the NOAH & CHAAP Applications Webinars held on May 3rd and May 10th; and that he was working on strategies for educating and informing the public regarding LHC.

AGENDA ITEM #5

Next item discussed was the adoption of the LHC Operating Budget for the Fiscal Year Ending June 30, 2019.

On a motion by Board Member Byron L. Lee and seconded by Board Member Derrick Edwards, the resolution adopting the LHC Operating Budget for the Fiscal Year Ending June 30, 2019 (labeled "Exhibit A", entitled "Louisiana Housing Corporation Fiscal Year Ending June 30, 2019 Operating Budget"); and providing for other matters in connection therewith, was moved to debate.

Board Member Vallee discussed the Board's Standing Rule regarding the limiting of debate to five (5) minutes. Additionally, he noted his concerns of not having been provided with budget variance reports, program details, details regarding LHC-owned properties, information regarding the Section 8 Contract Administration Program, a staffing plan, etc. He noted that "...Along with an operating budget, we're supposed to see a staffing plan. There's no staffing plan in here for us to review at this point in time. I used to receive reports on all the employees in this Agency, both by organization and department, as well as by salary and things of increases, etcetera. We don't see any of that anymore. We do very little to oversee this Agency's operations. And, I find it at fault. I find it deplorable that we don't do our job as a Board... We're a very complicated Agency. The staff does a good job here, but we don't do a good job in my opinion to oversee the operations of this Agency. We may sit here and we only get presented certain things...."

Board Member Tammy Earles inquired as to how often was the LHC audit performed, and what was the purpose of the audit.

ED Cunningham replied "... We're audited annually...to confirm the expenditures of the Agency."

State Treasurer Schroder inquired as to whether there was a report from the Administrative and Finance Committee regarding the LHC Operating Budget.

AFC Chairman Willie Racks replied "...No action was taken because it was not voted on and it was to be brought to this Board, the Full Board, to be voted on whether it's going forwards or backwards. The only thing that I would add to that is every quarter we're going to start having a financial meeting so it won't be such a long process and stretch. That way every Board member should be able to break down in quarters instead of this length of time."

State Treasurer Schroder advocated the need to have full debate in Committees, and that such not be restricted by the 5-minute debate rule. He suggested that Committees be utilized to their fullest. And, that he was glad that AFC Chairman Racks would be scheduling future quarterly AFC meetings.

State Treasurer Schroder suggested that once the FY 2019 Operating Budget is approved by the Board, that any future amendments or changes be discussed by the AFC Committee and recommendations thereof be sent to the Full Board for approval.

Board Member Vallee moved for approval of the Operating Budget subject to any variances thereafter of three (3) percent or more be approved by the Full Board.

Board Member Vallee subsequently WITHDREW his aforementioned motion.

There was an amendment to the main motion by State Treasurer John M. Schroder and seconded by Board Member Donald B. Vallee, that the LHC Board of Directors schedule a quarterly Administrative and Finance Committee meeting, and that a report of the meeting be presented at the next regularly scheduled Board Meeting; and that there be no limit for time of debate; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed. There was one (1) NO vote from Board Member Donald B. Vallee, and requested the Record reflect his statement that "...I'm going to vote NO because I don't have enough information that was presented to us and time allowed to do a proper review."

There were further discussions on the aforementioned amongst the Board Members.

There was an amendment offered by Board Vice-Chairwoman Jennifer Vidrine and seconded by Board Member Byron Lee, to give discretion to the Committee Chairman to limit or extend debate during Committee Meetings.

On a motion by Board Member Byron L. Lee and seconded by Board Member Derrick Edwards, the resolution adopting the LHC Operating Budget for the Fiscal Year Ending June 30, 2019 (labeled "Exhibit A", entitled "Louisiana Housing Corporation Fiscal Year Ending June 30, 2019 Operating Budget"); additionally, to

schedule quarterly Administrative and Finance Committee (“AFC”) meetings; and that the Committee Chairs have discretion as whether to enforce the Special Rule limiting debate to five (5) minutes during Committee meetings; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

AGENDA ITEM #6

Next item discussed was the resolution regarding the recommended awards for the 2017 Restore CDBG Flood Piggyback NOFA to certain residential rental facilities.

Robby Bizot, LHC Director of Recovery Housing, briefly went over the specifics of the matters, noting that there were 28 applications received.

Additionally, Mr. Bizot commended LHC staff members Liza Bergeron and Laura Womack for a “...very successful underwriting process. They worked late nights and also weekends in order to get these projects underwritten...”

Board Member Vallee inquired as to whether the public has seen the Awards List and had the opportunity to challenge any of the numbers.

Mr. Bizot replied that his staff had sent out pre-awards letters to clarify any deficiencies and had offered a meeting with anyone requesting such.

Mr. David Harms addressed the Board and suggested LHC explore any available options for increasing CDBG funding opportunities.

ED Cunningham noted that LHC was conferring with OCD in seeking an available CDBG funds.

On a motion by Board Member Donald B. Vallee and seconded by Board Member Larry Ferdinand, the resolution approving the recommended awards for the 2017 Restore Community Development Block Grant (“CDBG”) Flood Piggyback Notice of Funding Availability to certain residential rental facilities; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

AGENDA ITEM #7

The next item discussed was the matter related to the assessment of Mid-City Gardens Apartments.

ED Cunningham went over the specifics of the matter, noting that such was previously discussed at the March 2018 Board Meeting.

On a motion by Board Member Donald B. Vallee and seconded by Board Member State Treasurer John M. Schroder, the Board referred the disposition of Mid-City Gardens Apartments to the Multifamily and Assets Committee for further review and thereafter a recommendation to the Full Board; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed. There were three (3) NO votes from Board Chairman Lloyd Spillers, Board Vice-Chairwoman Jennifer Vidrine, and Board Member Derrick Edwards.

AGENDA ITEM #8

Next item discussed was the matter regarding Hopeville Apartments.

ED Cunningham noted that the matter had been deferred from the May 2018 Board Meeting, and that LHC was still recommending DENYING the request.

Board Member Vallee inquired as to whether LHC staff had meet with the developer.

Ms. Verlyn Foley addressed the Board, stating "...No. I did not meet with staff."

LHC Executive Management Officer Louis Russell replied that no new information on the matter had been received; hence LHC was still recommending denying the request.

ED Cunningham noted that LHC had followed the QAP parameters as related to NIMBYism, and the he likewise was recommending denying the request.

Board Member Tammy Earles inquired "...I'm just curious, because we did at that last meeting request that y'all sit down with the developer to see if you could work it out. And so why did that meeting not occur?"

ED Cunningham replied "...we did not meet with them...But the numbers would have been the same in either regard."

EMO Russell noted "...And there was not a reason to have a sit down... after the formal written information was received and reviewed by staff, our recommendation to deny the request remained the same."

On a motion by Board Member Byron L. Lee and seconded by Board Member State Treasurer John M. Schroder, the Board directed LHC staff to have an in-person meeting with developer Verlyn Foley regarding the request for material changes to Hopeville Apartments, and to present LHC's final recommendations thereof at the

July 11, 2018 Board of Director's Meeting; to advise the Board if the developer was not complying with the meeting request; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

AGENDA ITEM #9

Next item discussed was the matter regarding the salary increase for the LHC ED Cunningham.

Board Chairman Spiller introduced the matter.

Board Member Vallee inquired as to "...what's the purpose of this at this point in time?"

Board Member State Treasurer Schroder noted that such was being done at his written request because he did not feel the matter had been transparent enough when it was previously approved by the Board. "...What I didn't like to see was that there was no public discussion when you came out of executive hearing on that process and what the salary is and what expectations are. And, I think when the public reads it and see it because that's what happened to me, when I saw the amount of money that we increased it within a two (2) year period, being that this is a public body, I thought the percentages were alarming. And, I just want to make sure that the public knows what's going on because that's who we report to. So I sent a letter requesting that it get put back on the agenda so we could at least just have a public discussion, not an evaluation because that was done properly. But I don't think it was proper to have no discussions at all on the mechanics and the amount. And, that's why I sent the letter in."

Board Member Vallee noted his concern with the lack of raises for the LHC staff, and advised that such was his reason for voting NO on the matter.

Board Member Gillis R. Windham noted that when he came to the Board the Agency was in the red; that LHC is self-supporting; and that ED Cunningham "...took a bull by the horn when it was a very controversial place or position for him to be in. And, I think by a merit raise that we gave him and that we continue the direction we're now moving in, that I think our honorable Executive Director will see that his staff also receives merit raises...and I know I speak part all the Committee members and that we would very much like to see that happen for all staff."

Board Member State Treasurer Schroder reiterated his concern that there had been no public discussion; that his job was to answer to the citizens; that he had met with ED Cunningham and advised him that his stance on the matter was not personal; that he had held similar discussions with other Board and Agency Heads; and that he was concerned primarily about the lack of transparency, and secondly that LHC staff did not get raises.

LHC Human Resources Director Kevin Brady advised that Board that LHC allocated 2% raises in October 2017, that All Classified employees got 2% raises in January 2018 unless they were other than a Classified employee or if they had reached the maximum pay level in their job category.

Board Member State Treasurer Schroder inquired as to what was the protocol for future salary increases for the LHC ED.

LHC Executive Counsel Jessica Guinn replied "...The compensation is in the contract as well. And, the evaluation and the Board's approval of a merit increase based on a successful evaluation is also part of the contract."

Board Member State Treasurer Schroder advocated the need for guidelines related to future compensating the LHC ED to ensure fairness and transparency.

There were further discussions amongst the Board Members on the aforementioned matter.

Board Member Edwards noted that "...I want everybody to be mindful that the money that is allocated to the LHC is not taxpayer's dollars. All these monies are generated with fees so it has nothing to do with the legislature or taking any money, not one cent, out of anyone's pocket..."

Board Member Lee noted "...I'm all for transparency. I agree with Mr. Treasurer that it is important to discuss certain things. But we have to be mindful and very careful when we're dealing with personnel matter that we do not discuss those things that are prohibited from being discussed in public...."

Board Member Ferdinand noted that in the private sector there is a Wage Division to ensure equitable compensations industry-wide and suggested benchmarks be compared with other HFAs."

Board Member Vallee concurred with Board Member Ferdinand's comments.

Board Chairman Spillers thanked Board Member State Treasurer Schroder to his letter, comments, and recommendations.

OTHER BUSINESS

On a motion by Board Member Donald B. Vallee and seconded by Board Member Larry Ferdinand, it was moved that a review of the LHC Programs Updates and Reports be make via the respective Committee(s); and providing for other matters in connection therewith, was moved to debate.

There being no further discussion, opposition, or public comment; a Roll Call Vote was taken, and the matter FAILED: 5 (NO), 3 (YES), and 2 (ABSTAIN).

The votes were as follows:

NO (Lloyd S. Spillers, Jennifer Vidrine, Derrick Edwards, Byron L. Lee, and Willie Rack.

YES (State Treasurer John M. Schroder, Larry Ferdinand, and Donald B. Vallee.

ABSTAIN (Tammy P. Earles and Gillis R. Windham).

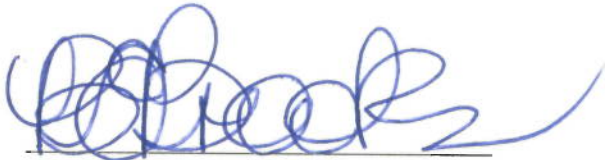
ADJOURNMENT

There being no other matters to discuss, Board Member Willie Rack offered a motion for adjournment that was seconded by Board Member Larry Ferdinand. There being no discussion or opposition, the motion passed unanimously.

The Full Board meeting adjourned at 11:56 a.m.



Chairman



Secretary