ACTION
MINUTES OF THE SPECIAL BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD NOVEMBER 3, 2012

Commissioners met at the Central Office. Chair Kevin Healy called the meeting to order at 8 a.m. Present: Chair Kevin Healy, Vice Chair Elizabeth Williams and Commissioners Josh Stewart, Alan Styles, Andrew Jackson, and Charmaine Scott. Absent: Commissioner Tom Espinosa. Also Present: Jean Goebel, Executive Director; Lynn Santos, Director of Finance; Joni Rueluz, Housing Programs Manager; and Pat Wyatt, Human Resources Manager. Also present from Housing Development Corporation: Starla Warren, President/CEO; Carolina Sahgun, Senior Community Development Planner; and Marilyn Rose, Senior Finance Officer. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC: None

NEW BUSINESS

A. Finance Workshop

Ms. Santos provided a Power Point that provided a history of the Housing Authority and the Housing and its affiliates. Attached is that Power Point. She also provided a binder to the Board members with the following documents: Entity organization chart, Entity organization Table, Unit Count summary, Agency Overview 1999-2012, Staff Organizational Chart, Organizations in which HACM is a Member, Industry Acronym Listing, Overview of reporting Requirements, HACM Per Unit/Per year FY 2011 & FY 2012, Limited Partnerships Per Unit/Per Year CY 2010 & cy 2011, Program Info-Public Housing and Capital fund, Program Info-Housing Choice Vouchers, Program Info-Pueblo Del Mar, Program Info-Portola Vista, Program Info-Farm Labor Centers (USDA), Program Info-Lakeview (RHCP-O), Program Info-King city Migrant, and Program Info-Casanova & Parkside (Bonds). She explained this information is provided because we have newer Commissioners on the board and this could be helpful to them. She noted she also has brought financials that can be talked about more in depth--this workshop is at the Board's direction and pleasure.

Ms. Santos presented the attached Power Point at this point; she also provided a copy of her presentation to those in attendance at the workshop. She emphasized that the binder she will be providing has more detail than the Power Point.

On page 2 of the Power Point, Ms. Warren noted during 2003-2005, Tyman Village Inc. (TVI) was created to be another 501(C)3. Staff explained Tyman Village Inc. is separate from Monterey County Housing Inc. (MCHI) and MCHI Affordable Acquisitions (MCHI-AA), but it is associated with the Housing Development Corporation (HDC). Ms. Santos pointed out that MCHI and MCHI-AA have the same Board, but it is different than the Housing Authority board although the Housing Authority appoints two members to sit on that Board. To query, Ms. Santos explained that MCHI/MCHI-AA owns Jardines Del Monte and projects that were originally tax credit properties were Leo Meyer and Plaza House; currently they also own Casanova and Parkside. Anything that the Housing Authority Board is the Board for are considered blended component units and are included in the Housing authority audits.

Ms. Santos emphasized the result of Fin 46 and the Emergency Issue Task Force 04-5 are real pronouncements with regard to properties and with the inclusion of all these properties being rolled up means that eliminations will occur in the audits when fees are charged back and forth with a parent organization and if you don’t you will overstate your revenues and expenses. This also affects how the financials look.

To query on Pacific Meadows, Ms. Warren explained that 350 acres were given to the Housing Authority by two private individuals and much of that land was unbuildable because of sloping. The Housing Authority leased 15 acres of that land to Pacific Meadows which frees up about 20 acres that are buildable. To query regarding Nancy Dodd Community Center, Ms. Goebel explained that the Housing Authority subcontracts with Sun Street Center to run the supportive services for Pueblo Del Mar; the Nancy Dodd Community Center was built with CDBG money from the City of Marina along with other money that was received by Sun Street. The Housing
Authority owns that piece of property but it has to be open and usable to the community because of the CDBG money. In further conversation, Staff explained that Pueblo Del Mar was funded in part by a State of California HOME grant, which had never been done before for transitional housing; in addition there were numerous funding sources for the Nancy Dodd Community Center.

Ms. Santos pointed out that in 1999, the Housing Authority had 1,262 units; MCHI had the two tax credit properties which were King City Elderly with 44 units and Plaza House with 27 units. In 2012, the Housing Authority is down to 881 units and MCHI/MCHI-AA is up to 229 units, but the Housing Authority manages all of the MCHI properties. Currently the Housing Development Corporation (HDC) has 560 units; therefore, that comes to a 33% increase in affordable units over those years and means we are serving more clients.

Ms. Santos continued her presentation and emphasized there are two basic things to remember: you record income when it is earned and expenses when incurred regardless of when you pay for them or when you collect the revenue. Ms. Santos noted there are a lot of accruals. She further pointed out when looking at operations in the financials, you want to make sure they are on track with income and that they are solvent from month to month. For development there can be a disconnect between revenues earned and expenses incurred because there are pre-development costs being incurred ahead of development. There is not a revenue source for development costs until you have a signed development agreement which usually happens at construction close. She reminded there are milestones in development projects that have to be met before developer fees are received; therefore, development financials have to be reviewed differently.

Ms. Santos stated her presentation was completed and she would like to review the binders as mentioned earlier. She stated over the years there have been a lot of reporting changes. Ms. Santos explained that reporting for Public Housing is not difficult other than reporting by AMP at the end of the year and REAC is a physical challenge in terms of data entry. The Limited Partnerships have a lot of reporting such as quarterly financials and quarterly rent rolls; properties with bond projects have certifications that have to be done each year in addition to the audit and also in addition to reporting to the lenders and equity partners.

The Board recessed to a break from 8:42 a.m. to 8:53 a.m.

Ms. Santos stated the binder has more in-depth information, but she would like to point out some things:

Tab 1 – Ms. Santos noted the blue portion on the left side of the Tab 1 fold-out was what HACM consisted of in 1999 – HACM and MCHI/MCHI-AA. So the other affiliates such as HDC and LP’s and LLC’s have come about since that time. She noted we went from about five audits a year to fourteen and it is all very complicated. To query on which properties are financed with tax credits, Ms. Santos responded those are the Limited Partnerships: Rippling River, Monterey Affordable, Benito FLC, Benito Affordable, Tynan Village, Fanoe Vista, and Haciendas I as well as those currently in process: Haciendas II and Oak Part I. To another query regarding properties with FHA financing, Ms. Santos replied we have that financing in Portola Vista Monterey LLC; she noted it is a 221F FHA product. Ms. Warren stated and the FHA program, but now it takes much longer to get this type of loan so banks are now underwriting conventional loans much faster.

To query on property management at Fanoe Vista, Ms. Warren responded that an RFP will be going out for property management on all the properties. She stated that HACM and John Stewart Company can bid on it; the ultimate approval would be the equity partner and lender but the recommendation would come from HDC. To a query on whether the Housing Authority has any sites in Seaside, Staff explained in the negative that there are Section 8 clients but there are no properties in Seaside. Staff further noted that our focus is multi-family units, not single family homes. Staff noted that we have tried to get something in Seaside, but it hasn't worked out yet.

To request, Staff reviewed the Entity Organization Chart noting that HACM is affiliated with MCHI/MCHI-AA by appointment of two members to that Board. For Portola Vista, HACM is the sole member of that LLC. HDC is partnered with the Soledad Housing Authority to develop
affordable housing in Soledad. Salinas New Markets was created like a place holder and has a designation as a Certified Development Entity (CDE) by the Treasury Department to participate in new market tax credits, which we intend to do going forward; this entity also has been used temporarily as a General Partner (GP)

Commissioner Healy noted that we know what the affiliation is from the Housing Authority to HDC, but the Housing Authority LLC is also a form of Limited Liability Company (LLC). Ms. Warren stated that HDC is the managing member of the Housing Authority LLC and then the Housing Authority LLC in turn becomes a General Partner to some properties. She stated the reason for many different dynamics is the deal structuring. At some point the General Partner and developer component is going to be looked to for guarantees. Ms. Santos stated she had Rippling River on the entity chart too many times and she would provide an updated copy and Rippling River should have a line to both the Housing Authority and HDC. She further noted that is a complicated structure and if one has trouble reading the financials, this is the reason.

Commissioner Healy emphasized that is the point of today to demystify some of the complexities that exist in having this type of structure.

Tab 2 - Ms. Santos explained this is the written version of Tab 1, but it shows the bonds that are outstanding and who the tax credit partners are.

Tab 3 - Ms. Santos stated this tab provides more information on the units and where they are located with the demographic analysis at the bottom.

Tab 4 - The top section shows our properties with information on the side on whether they accept Section 8 vouchers along with who owns the property. Also indicated for Public Housing, there are two funding sources, Operating Subsidy and Capital Funds. To query on S+Care, Staff explained that is Shelter Plus Care and the vouchers come from the Office of Community Planning and Development instead of Public and Indian Housing. The S+Care vouchers have to be applied for every year. To query on the number of Housing Authority units, Staff explained that we are allocated 6,091 but we are not fully leased to that number.

In further discussion it was noted that for the Section 8 voucher program, HACM is ranked 75th out of the top 100 for funding in the Country. To another query, Staff explained that the number 33 is the housing agency number from HUD; we were the 33rd housing agency in California and our number is CA033; the number after the dash is the Housing Authority Public Housing property as it came online from HUD. Now HUD has changed that to AMP (Asset Management Project) for Public Housing and we have 15 AMPs consisting of 486 units. To another query, Staff noted the numbers on the far left of this tab are general ledger numbers; the 100's are Public Housing, the 200's are Housing Authority owned; the 500's relate to properties owned by HDC that are not limited partnerships; and the 900's are a mixture such as Lakeview we do not own, Portola Vista we own the building but not the land, King City Migrant we own the land but not the buildings, and for the Farm Labor Centers (FLC) we keep them separate for reporting to USDA plus there are three different cities associated with the FLC's so we want to keep them separate for management purposes. Staff noted that 934 and 935 are MCHI properties and 941 and 942 belong to MCHI-AA. The high end numbers are calendar year end reports and are run differently for these properties. Commissioner Healy noted the three largest properties are Tynan Village, Parkside, and Del Monte in terms of number of units; Ms. Warren noted that Benito and Benito Affordable have 150 units on these side-by-side sites.

Santos noted this information provided the information in her PowerPoint presentation regarding number of units. We operate many different programs and we have increased by 33%. When Haciendas Phase I is completed that will go to 37%. This tab provides reference material.

Tab 5 - Shows the Housing Authority's staff structure and HDC's will be added later. Ms. Warren noted that the HDC branch on the far right represents what HDC does for HACM in a fee-for-service environment; the Housing Authority utilizes HDC to augment its capacity in real estate and asset repositioning. She also stated that the Housing Authority looks to HDC to manage capital funds, which is construction and major real estate improvements. Ms. Goebel stated this is in the capacity as HACM's Development Department. To query, Staff responded the number in parenthesis indicate the head count for that department. Someone noted that Force
Account was not on the chart; Ms. Santos responded that this needs to be further updated in the Housing Programs department.

Tab 6 - Ms. Santos reminded this is the list of organizations in which the Housing Authority is a member. Commissioner Healy requested Commissioner Styles be added as the Board Chair for Sunrise House. He further requested the HDC list be added to the binder.

Tab 7 - Ms. Santos pointed out that on page 3 of this tab, some references made by HDC have also been added such as 50058 is used to transmit information to HUD on anything that happens with tenants such as moving in or out or going off the program; this form is used for Section 8 and Public Housing tenants. The 50059 form is for Portola Vista for the same things; different form for different HUD department. Forms 8609 are for assigning tax credits by building once the project is completed.

Tab 8 - Ms. Santos stated this is a brief listing of the reporting requirements for the Housing Authority and HDC properties; some reporting requirements take longer than others. Each time we add a project, we add some level of reporting. She further stated these reports are not necessarily prepared by one department, some reporting includes several or all departments. The reporting requirements on the limited partnerships are more extensive than some of the others.

Tabs 9 through 12 are blank for additional information in the future.

Tab 13 - Ms. Santos reported this is information for the Housing Authority properties for the last two years; it shows a summary of the operating revenue and expenses by property and then converts it to an annual per unit data at the bottom of the page. This reflects the costs for the last two years. Commissioner Williams requested a list of vendor checks be provided to the Finance/Development Committee and to the Chair of the Board. Ms. Santos stated she will try to figure a way to consolidate the vendor checks so there will not be such a long list.

Commissioner Healy requested Ms. Santos walk the Board through one of these sites on how she would read this report by line item. He selected Public Housing DM/Sanborn on the far right beginning with July 2010 thru June 2011:

Ms. Santos started with Tenant Rents: These are net rents charged to the tenants at these 89 units at Sanborn; these rents change frequently because they are based on 30% of the adjusted gross income of the tenants and includes rents charged and not necessarily collected. There are no HAP Payments Received or Other Tenant Subsidies at this site. Ms. Santos addressed Other Subsidies; she stated this is the HUD operating fund and the reason it is separate from tenant rents is that it is not a rent subsidy. This subsidy is provided January to December based on data from the prior June for tenants and based on a rolling 3 year average of utility expenses. HUD also determines the inflation factors to use and prorates the subsidy based on funding available nation-wide.

Ms. Santos next addressed Operating Expenses which are in the format of the reports that the Board receives each quarter. Administrative includes property management staff and management fees; basically anything that isn’t maintenance, utilities or any payment that doesn’t fit into the other categories. Next line, Audit, is self-explanatory. Resident Services is not done at all sites. Utilities includes water, sewer, gas, and electric but does not include trash; at some sites the tenants pay for PG&E. Ms. Santos emphasized that water bills are the big issue because those are going up the most. She next addressed Maintenance costs which include Maintenance Staff and includes workers' comp for maintenance. This also includes maintenance materials, outside contracts, and vehicles for the maintenance staff plus maintenance staff benefits. Ms. Santos noted that the Administrative included payroll taxes, health insurance and retirement types of things also. To query, Ms. Santos responded that maintenance salaries are based on actual hours worked and this can vary because they are assigned to a group of sites. Ms. Santos further pointed out there is also On-Call overtime as well as vacation and sick leave that are more factors for maintenance costs. She next addressed Trash and noted that is self-explanatory, but it also includes trips to the dump. The next line item was Protective Services which usually relates to alarm costs but some higher costs are due to things like the rodeo carnival down the street from Haciendas; residents are paid to work during that time to monitor the property parking lot to keep non-residents from parking there. The next item is Insurance which is mainly
property insurance and liability insurance; the Housing Authority is in a pooled group which provides reasonable rates. She noted insurance can vary from property to property based on the requirements of the program and the structure of the building.

Ms. Santos next addressed PILOT/Property Taxes. Ms. Goebel explained PILOT means payment in lieu of taxes. Ms. Warren noted that instead of paying real estate taxes as normally done, the Housing Authority has a PILOT arrangement with jurisdictions, cities or county. PILOT is only on the Public Housing sites and basically is rents minus utilities and that number times a percentage; the percentage varies by jurisdiction; from HUD's perspective that number is 10%. Ms. Santos moved to the next item, Bad Debt. She explained this is not write-offs, but what we accrue as anticipated write-offs; that is 100% of what vacated tenants owe that is 60 days past due or more. In further discussion, it was noted that we will be writing off more bad debt because this hurts us on our PHAS score when we retain those receivables.

Ms. Santos addressed the next section under Other Required Payments; she stated if you get to this place, you have your net operating income which is generally before debt service and depreciation. She noted that when people mention NOI, it means Net Operating Income. To query, Ms. Santos stated it is the subtraction of the expenses from the revenue but not for all expenses just for net operating income. Ms. Santos also noted there are no other required payments on Public Housing.

Ms. Santos moved to Annual Per Unit Data section; she stated this is the rental income divided by the number of units and these are annual, not monthly, figures. She noted in Ms. Warren's environment they look at per unit per year data. Ms. Santos noted this is the same for Other Tenant Subsidy, which applies more to Portola Vista. Ms. Santos skipped Other Subsidy and moved to Utilities and Trash and noted this shows it varies by site. Ms. Santos passed Expenses and moved to Net Income Per unit and noted this is a quasi cash flow. To query on whether the management fees comes out of the net income per unit, Ms. Santos responded that is included in the Administrative above. She further explained it is part of the revenue for the Housing Authority in terms of covering the costs that are not allowed to be billed to the properties. We basically charge the fee to all properties that becomes the revenue to the overhead properties which would be the Staff that supervise the property management folks. Commissioner Healy reiterated the process and stated the bottom line for this site for this year was $421 income per unit; Ms. Santos responded in the affirmative. Ms. Santos then made some comparisons with some of the other sites. To another query on whether we can still earn the management fee when the net income per unit is negative, Ms. Santos responded in the affirmative. Ms. Goebel reminded that we are entitled to an asset management fee from HUD if the properties make money; Ms. Santos noted that HUD expects there will be some set aside for reserves when properties are doing well and the properties in the Public Housing can share their operating subsidies in order to cover losses. HUD assumes there is a four months in expenses reserve which we are also graded on.

Commissioner Healy requested a walk-thru of each line item be done for comparison for the years 2011 to 2012 with the Sanborn property. He noted the reduction in Tenant Rents; Ms. Goebel explained we have been doing some rehab at this site and when you take a unit out of occupancy, it reduces your income and typically there have been two to three units being rehabbed at the same time. We work with HDC closely on which units will be coming out in next year's capital fund for rehab so we can adjust our budget numbers. Ms. Santos noted that rents could have gone down due to the 30% of adjusted gross income also.

Ms. Santos responded that under Operating Expenses, Administrative expenses is going up from $173K to $188K probably due to allocations related to the number of units we have. She noted for Utilities there is a swing there also due to increases in water and sewer. Ms. Warren noted one reason revenue went down is because units are off-line and there is no maintenance because these units are being rebuilt; this will come out of capital funds.

Ms. Santos continued the comparison and noted the Protective Services is about the same as is the Insurance and PILOT/Property Tax. She emphasized a big change is under Bad Debt which could relate to the high maintenance costs the prior year. If you had high maintenance and high tenant charges which resulted in higher other income, that could then result in higher write-offs. Ms. Santos further noted that at the bottom of the page, the management fees went up per unit.
which could also be related to more or fewer units being housed. She also stated that HUD calculates management fees if a unit is housed on the 1st of the month so if someone is housed from the 2d to the 30th, we receive nothing that month because they weren't housed on the 1st of the month. Occupancy percentage is also based on the 1st of the month; so HUD does the same thing on the Section 8 program for calculating the administrative fees. Ms. Santos emphasized the important thing to know is just because it is revenue doesn't mean you collected it and just because it is an expense doesn't mean you have paid it.

Ms. Santos further emphasized that for the audits, the important things to look at are the opinions to make sure that the opinion is clean; also in front section of the audit is a management discussion and analysis along with factors affecting future periods which is very important. Ms. Santos further reminded that any findings are important also. For more detail information, there is a supplemental at the back of the audit that ties into the front page to review. With regard to eliminations, she stated eliminations are only between the Housing Authority and HDC; the eliminations between HDC and the limited partnerships are already eliminated before it rolls into the HACM audit. The next step is to look at the HDC audit.

Chair Healy stated we are, as a Board, not financial analysts but we are responsible for the votes that we cast in regards to the Housing Authority fiduciary responsibilities and that is the reason we are sitting here today to learn more about the financial side. Ms. Santos noted that the quarterly financials are more useful to the Board in terms of making decisions. Commissioner Williams stated she focuses on Ms. Santos' Finance Report and her concerns. Ms. Santos stated her concerns are meant to say these are things the Board needs to be aware of. Commissioner Healy stated he wants to be able to look at this information, analyze it, and interpret it correctly so he feels comfortable in making his decisions. Ms. Santos reminded that she is available for questions and if the Board would like additional information or changes to her report, to please let her know.

To query and in further discussion, it was noted that the check run or any of these handouts provided can be provided digitally.

Commissioner Styles emphasized that another important thing about these financials came up when we were in troubled status and the HUD team came down from San Francisco and met with the Chair and Vice Chair of the Board and their key issue was did we understand what had happened and did the Board understand what had happened to put us in troubled status. The point is that HUD was coming to the Board not Staff for this information. They asked, how we got into troubled status and what were we going to do to correct it. That is why this information is so important.

Ms. Santos further emphasized that it is also important that Staff provides the information to the board in order for the Board to make informed decisions. To query on what if the Board makes a poor decision, Ms. Goebl replied if it doesn't work out the way it was planned, you can say you had all the information and that is why the Board made the decision and this is what we are doing now to compensate for that poor decision.

Commissioner Williams stated this was a very intense time for all of us during the troubled status issues and especially for the Board Chair and Vice Chair, but due to the good Staff that keeps us so informed, we had everything we needed for our interviews with HUD who in turn was pleased with what they heard from us and quickly knew we did not belong in the troubled status category. Ms. Goebl noted that since HUD was using a new model to test on troubled housing authorities in this process, they requested we go through their new process, which we did. We did not have to provide a plan of action because HACM had self-corrected and was on its way to a better score with HUD's new scoring system.

Ms. Santos continued with Tab 14 - This information is presented in the same format as Tab 13, but it is for the limited partnerships.

Commissioner Scott asked about the costs for protective services at Tynan Village; Ms. Warren explained that there are three buildings with 171 units so there is more focus on protective services at that site due in part to the inside hallways.
Ms. Santos reminded there will never be a perfect way to compare one property to another. She noted some are on a calendar year and others are on a fiscal year. An important thing to notice is how much of your subsidies are coming from other places; some properties need more rents and revenue because they have to support more debt. She also noted that the audit is higher for the limited partnerships due to their requirement. Ms. Santos pointed out that Fanoe Vista’s information looks a little high so it could have to do with a timing issue. She pointed out Resident Services vary by site and that is related to the TCAC application and the services promised there. Next she noted Utilities vary by site depending on which ones are paid by the tenant. Maintenance also varies from site to site and is more budget tied with fixed costs so one needs to look at the per unit net income. Trash expense is a big number and we already discussed the protective services for Tynan that other sites don’t have. The insurance numbers are higher on these properties in part due to the type of coverage. She stated Tynan has a commercial piece that they pay property rate. The bad debt on these properties are actual write-offs; the John Stewart Company generally does not do an accrual for bad debt. Ms. Goebel noted in any residential property management, whether low income or market rate, there will be people that are going to leave you holding the bag.

Ms. Santos continued reporting that there is high operating income on all of these limited partnership properties but you also have reserve deposit requirements, along with partnership and other fees. For some properties there will be a minimum land lease payment along with accruals but they are not included here.

Ms. Santos continued with Hard Debt Service and noted this is debt that has to be paid - principal and interest. She noted that if you are pulling money out of reserves to pay for an expense, it will still be reflected in your financials as an expense unless it is something to improve the building.

Ms. Santos noted the rest of the Tabs are summaries of the programs in more depth than discussed today; there is not one for the bond properties but that may be provided at a later date and nor is there one for tax credit properties.

The Board and Staff thanked Ms. Santos for her informative workshop.

Ms. Santos stated Ms. Goebel has something to report. Ms. Goebel provided a handout and stated HUD did a study of tax credit properties that are coming out of the compliance period. This was done by HUD's Research division. The three things she pulled from it was who the ownership was in the first place and whether they were owned by nonprofits that do this for the good of the community because that means the property would stay as affordable housing. The other concern was how tight the proformas were because if they were very tight there would not be enough money to put aside in reserves to maintain the property over the compliance period so it would be in good condition when it came out of compliance. The study was recommending that tax credit agencies by State consider not doing all new construction but allocate a certain amount for rehab in order to maintain the affordability of these properties. Ms. Warren noted that California already does this.

Ms. Santos stated that it was just pointed out that on Tab 16 it should be 2013 instead of 2012. Ms. Ruelaz noted that implementation of the Housing Programs Department reorganization will actually start January 2013. Ms. Santos stated if there are additional things that the Board would like for either HACM or HDC, we can add them to the binder at a later time.

Ms. Santos stated that there were no copies of the audit for today, but the important thing to consider in the audits are the opinion letters. She noted that they have gone through the financials for a property and she has copied the balance sheet and income statement for review.

The Board recessed to a break from 10:50 a.m. to 11:05 a.m.

After the break, Ms. Santos provided an overview of the finance report explaining that the presentation is basically the same as what we reviewed earlier this morning. The quarterly reports also include some information on cash flow by program.

Ms. Santos emphasized that it is important to know restricted cash and it is important to know about the receivables and who they are from. She stated the Balance Sheet is always a snap shot
of that day. Ms. Santos further reported that HACM funds held by banks are collateralized at 110% of face value which is a requirement for a government agency. She further noted that a lot of HACM's assets are tied up in buildings and land and therefore are not very liquid. Ms. Warren stated that Ms. Santos also provides financial information to the MCHI/MCHI-AA Board and that HACM Property Management is in contact with the Executive Director of MCHI/MCHI-AA regarding property management issues.

Commissioner Healy stated with the high level overview that we have had today, anyone in this room can access Ms. Santos for more detail if they so choose.

COMMISSIONER COMMENTS:

Commissioner Jackson commented he learned some things that he did not know and he liked the workshop.

Commissioner Scott thanked Ms. Santos for presenting the Finance Workshop; it was very comprehensive and she now has a good reference.

Commissioner Stewart commented great job, Ms. Santos!

Commissioner Williams thanked Ms. Santos and stated the workshop was thorough—excellent job. She stated she was disappointed that the MCHI Board wasn't attending today also, but that was a miscommunication so she hopes in the future that can be done. Commissioner Williams also thanked Ms. Warren for her input. She further thanked everyone for giving up their Saturday to attend the workshop.

Commissioner Styles thanked Ms. Santos and stated it was very well put together and he learned a lot from the workshop. He thanked everyone for their input and for being in attendance on a Saturday morning. Commissioner Styles commented the Board may want to consider having a joint meeting with MCHI and do a workshop with them at that time.

Commissioner Healy thanked the Clerk of the Board for organizing the meeting and all the peripherals. He stated he thinks this is something the Board should potentially entertain doing more going forward to keep everyone on the same page. Commissioner Healy suggested the Board make this binder a living binder so revisions or changes can just be inserted.

Ms. Santos noted that she would provide an amended entity organization chart to each of the Commissioners at the Board meeting.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:45 a.m.

Chairman

ATTEST:

Secretary

/30/2013

Date