

COMMUNITY DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MINUTES

05/06/14

MEMBERS PRESENT: Russ Wilson, Andy Witt, Romey Wagner

MEMBERS ABSENT:

OTHERS PRESENT: Juli Birkenmeier, Betty Noel, Ann Werth

(1) Call Meeting to Order

Meeting was called to order at 7:32 am in the CDA Boardroom at 550 E. Thomas Street, Wausau, Wisconsin.

(2) Approval of Minutes

Wagner moved to approve the minutes from 03/18/2014. Witt seconded the motion. Motion approved unanimously.

(3) Review of CDA Accounts and Capital Funds

Noel reviewed the monthly investment balances through the end of April. She stated that two new accounts were opened at Integrity First Bank for RVT LLC Replacement and Operating Reserves and reported that the savings account at Time Federal Savings Bank has been designated as the RVT LLC - ACC Reserve account. Wilson requested to have specific reserve accounts grouped together on the investment sheet to allow for a clearer understanding of those accounts. Noel also added that the RVT LLC Rent-up Reserve account will eventually be closed out as draws are made for final project expenses. Werth stated that RVT LLC has received a rebate check from Focus on Energy which will be deposited very soon.

Noel reviewed the Capital Fund Recap stating that the 2012 Capital Fund will soon be fully expended and the 2013 Capital Fund (\$183,141) remains locked. She said she is continuing to work closely with the Milwaukee Field Office to resolve the fund suspension issue. She reported that although the 2014 Capital Fund (\$176,073) has not yet been released by HUD, it should be made available in the next week or two.

(4) Review of 2014 First Quarter Financials

Noel reviewed the quarterly income statement summary for RVT LLC. She said that the \$16,000 discrepancy between the actual and budgeted "Total Other Revenue" is directly related to the unknown Operating Subsidy calculation at time of budgeting. She noted that although "Administration" and "Other/General" expenses are a bit higher than budget, "Utility" and "Extraordinary/Casualty" expenses are under budget. She said that because CDA staff worked so diligently during the January 2014 pipe burst at RVT, the "Extraordinary/Casualty Expense" was kept to a minimum. She also stated that the "Protective Services" expense is under budget due to continued contract negotiations with Per Mar. She said once the contract has been executed, that expense will realign with the budget. Noel also highlighted an oversight by

Hawkins Ash CPAs in neglecting to record a "Year to Date Actual" depreciation expense. She said it will be adjusted for second quarter to reflect the correct numbers.

Noel then reviewed the quarterly statement for the CDA stating that the actual "Total Other Revenue" is quite a bit higher than budget and is directly related to the CFP Operations and Operating Subsidy income. She said the CFP operations will be offset by a future Building Improvement expense relating to the Bopf Street flooring project and the Operating Subsidy is offset by the \$15,028 "Other General Expense" entry which consists of the Subsidy transferred to the LLC for the first quarter proration. Noel is planning future budget revisions which will address some of these line items.

(5) 2013 Audit Update

Noel gave an update stating that Mary Vandebusch from Schenck will be attending the June board meeting to present the audits. Werth stated that she is working with Vandebusch to complete the Management's Discussion and Analysis (MD&A) which is the final piece of the audit.

(6) Riverview Towers Operations/Compliance Memorandum Discussion

Wilson discussed the RVT LLC Compliance Memo and the April 23, 2014, meeting with Ted Matkom, Hawkins Ash CPAs, Housing Data Systems, and Schenck at which future tax credit compliance requirements were discussed. Noel noted that the Compliance Memo allows the CDA to be more proactive with approaching deadlines rather than relying on Gorman. Noel and Birkenmeier will also be attending WHEDA Section 42 Tax Credit Compliance training on May 8, 2014, to gain a better understanding of compliance requirements.

Noel mentioned that RVT LLC paid Gorman & Company \$4,127 for compliance fees and paid the WCDA \$24,762 for management fees for 2013. Werth said the compliance agreement between Gorman and the WCDA will expire on August 31, 2014, unless the WCDA chooses to renew the agreement. Noel and Werth both feel that it would be beneficial to renew the agreement with Gorman for another year, understanding that the monthly fee will increase based on increased rental income. Wilson requested that Werth obtain a written agreement to renew stating exactly what they will be facilitating and would like to see this added as a future agenda item.

(7) Adjourn

With no other action to come before the Finance Committee Witt made a motion to adjourn and Wagner seconded.

Respectfully Submitted,



Andy Witt
Chairperson