

**COMMUNITY DEVELOPMENT AUTHORITY**  
**FINANCE COMMITTEE MINUTES**

03/11/15

**MEMBERS PRESENT:** Andy Witt, Romey Wagner, Sarah Napgezek

**MEMBERS ABSENT:**

**OTHERS PRESENT:** Jamie Landwehr, Betty Noel

**(1) Call Meeting to Order**

Meeting was called to order at 7:30 am in the WCDA Boardroom at 550 E. Thomas Street, Wausau, Wisconsin.

**(2) Approval of Minutes**

Wagner moved to approve the minutes from 11/05/2014. Napgezek seconded the motion. Motion approved unanimously.

**(3) Review of CDA Accounts and Capital Funds**

Noel reviewed the monthly balances through February 28, 2015 and noted no significant changes. She said that the WCDA currently has funds in six local financial institutions and said Associated Bank continues to offer the lowest interest rate. To improve efficiencies, the committee recommended that Noel continue to reduce deposits at Associated Bank, monitor interest rates and consider reducing the number of financial institutions to four.

Noel reviewed a summary of capital funds reflecting grant balances and obligation and expenditure deadlines. She indicated that although the 2015 Capital Fund is included in the summary, those funds have not yet been released by HUD. Napgezek asked what percentage of a capital fund could be obligated to Operations and Noel stated that if a housing authority is considered to be small (less than 250 public housing units), 100% of the fund can be used for operations, if necessary. She reiterated that Riverview Towers is not eligible to receive capital funds due to the layered tax credit funding. Noel said that the bulk of remaining 2013 funds will be used for operations and the scattered site garage modernization project which is scheduled to begin in April.

**(4) Review of 2014 Fourth Quarter Financials**

Noel reviewed the quarterly income statement summary for the WCDA's budgeted programs. She said that Tenant Revenue exceeds budget due to improved occupancy for both the Scattered Sites and Riverview Terrace. She said Other Revenue is a bit higher than budget primarily due to three factors: 1) Interest Income accrued on the RVT LLC loans which include the \$2.5 million note and the \$750,000 AHP, 2) CFP Operations income, and 3) Operating Subsidy. She did add, however, that the operating subsidy income is partially offset by the subsidy transfer to RVT LLC reflected in Other Expense. Noel said that although HUD is expected to have the operating subsidy projects split in LOCCS by April 2015, the funds will continue to be deposited

into the WCDA's Public Housing account as per HUD guidelines. Finally, she reported that Total Tenant Service and Maintenance Expenses are under budget relating to lower than expected VNA and meal contract costs and some renegotiated maintenance contracts.

Noel then reviewed the fourth quarter financials and summary for RVT LLC and highlighted the following: Tenant Revenue has continued to exceed budget also due to increased occupancy, Other Revenue has continued to be under budget directly relating to the undetermined operating subsidy allocation, Administrative Expenses exceed budget as the result of a previously reported Baker Tilly accounting invoice and under budgeting for audit and employee benefit expenses, Total Other Expense is over budget primarily due to liability and excess liability insurance expense as well as the initial WHEDA compliance monitoring fee. Noel then noted that the year-end depreciation expense is nearly twice the budgeted amount due to a large audit entry made by Schenck. Witt suggested that Noel seek depreciation projections from Schenck for a possible budget revision or for future budgeting purposes.

Noel noted that we may be receiving another payment from Gorman & Co relating to Kannenberg Plaza but said Werth may have more specific details on this. Noel did confirm that a payment of \$50,000 was received in early 2014 but believes a 2015 payment would not be determined until Gorman & Co completes their year-end financials.

**(5) 2014 Audit Update**

Noel reported that Schenck completed the RVT LLC audit in January and said NEF's February 15, 2015 audit and February 28, 2015 tax return deadlines had both been met. Noel provided committee members with copies of the RVT LLC audit and said that once the WCDA's audit has been completed, Schenck will present both to the full board. She said Schenck will be completing the WCDA's audit in late April and has been very pleased with their auditing services.

**(6) Adjourn**

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'A. Witt', with a long horizontal flourish extending to the right.

Andy Witt  
Chairperson