

COMMUNITY DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MINUTES

11/11/15

MEMBERS PRESENT: Andy Witt, Romey Wagner, Sarah Napgezek

MEMBERS ABSENT:

OTHERS PRESENT: Betty Noel, Ann Werth, Juli Birkenmeier

(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 08/12/2015. Napgezek seconded the motion. Motion approved unanimously.

(3) Review of CDA Accounts and Capital Funds

Noel distributed the WCDA's investment statement as of October 31, 2015. Noel reported that new Section 8 HCV checking and money market accounts were recently opened at Integrity First Bank to facilitate the implementation of ACH HAP payments to landlords. She said inquiries were made at River Valley, Associated and Integrity relative to fees associated with the ACH process and found Integrity's fees the most cost effective. She indicated that once the outstanding checks clear, the corresponding accounts at Associated will be closed. Witt suggested creating a check and balance system to ensure the ACH file creation and approval processes are performed by different staff to maintain a segregation of duties. Noel confirmed and added that staff has future plans to also explore the feasibility of accepting tenant rent payments via ACH.

Noel reviewed the Capital Fund summary stating that a final payment has been made to Finnegan Construction closing out the 2013 grant. She stated that CFP 2014 funds will be used for an upcoming scattered site balcony and siding project which has a projected budget of \$90,000. Noel said the remaining 2014 fund will be used for operations, architectural fees, new housing software, training, landscaping and miscellaneous upgrades. She reported that funds from the 2015 grant have not yet been used and stated that HUD has not released any information on the 2016 award to date.

(4) Review of 2015 Third Quarter Financials

Noel reviewed the third quarter income statement and summary for the WCDA's budgeted programs as of September 30, 2015. She gave a summary of the *Year-To-Date* and *Budget* line items and explained any major variances. Noel expounded that most discrepancies were due to timing of invoices and should balance with year-end budget numbers.

Noel then reviewed the third quarter financials for Riverview Towers LLC. She explained that the ongoing variance relative to *Other Revenue* is due to the difference between the amount of operating subsidy awarded by HUD and the subsidy allocation as per the LLC's Operating Agreement. She said Hawkins Ash is maintaining a set of financials to track the operating subsidy allocation and calculation and proposed including these financials for the committee going forward.

(5) 2016 Budgets

Noel presented the 2016 budget for Riverview Towers LLC stating that it allows for increased tenant revenue as occupancy levels continue to rise. She continues to work closely with Hawkins Ash to arrive at viable *Operating Subsidy* and *Depreciation* budget numbers. She said that although the audit and 2016 insurance costs have not yet been confirmed she believes the budget will be fairly close. Noel furthered that once the budget is approved by the full commission, it will be submitted to NEF as per the Operating Agreement guidelines.

Noel presented the 2016 Public Housing budget which allows for decreased *Tenant Revenue* due to decreased tenant rents which a direct result of lower household income. The budget also allows for slightly decreased *Admin Expenses* resulting from the recent resignation of the occupancy specialist. Noel said although we expect to hire for the position in early 2016, it is anticipated that the starting salary will be less than what was expended in 2015.

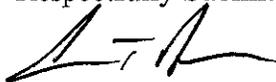
Lastly, Noel presented the 2016 budget for Riverview Terrace stating that it was difficult to budget for 2016 services as the bidding process for a new contract has not yet completed. She said she budgeted based on previous years however a budget revision may be necessary once a new contract has been executed.

Napgezek moved to recommend the adoption of the 2016 budgets for Riverview Towers LLC, Riverview Terrace, and Public Housing by the full commission asking that any changes made between this meeting and the November board meeting be highlighted streamline final board approval. Wagner seconded. Motion approved unanimously.

(6) Adjourn

Meeting was adjourned.

Respectfully Submitted,



Andy Witt
Chairperson