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## **BOARD MEETING MINUTES**

### **Wednesday, February 12, 2014**

A regular Board meeting of the Housing Finance Authority of Broward County, Florida, was held on Wednesday, February 12, 2014 in the 2<sup>nd</sup> Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida immediately following a Tax Equity and Fiscal Responsibility Act ("TEFRA") hearing in reference to the Single Family Mortgage Revenue Bond Allocation for 2014.

Mr. Reynolds called the meeting to order at 5:30p.m.

#### Board Members Present

Daniel Reynolds, Chair  
John Primeau, Vice Chair  
Bertha Smith, Secretary  
Donna Jarrett, Assistant Secretary

Kirk L. Frohme, Member  
Robert McKinzie, Jr., Member  
Milette Thurston, Member

#### Staff:

Noel Pfeffer, County Attorney  
Carlos Rodriguez-Cabarrocas, Assistant County Attorney  
Ralph Stone, Executive Director  
Norman Howard, Assistant to the Director  
Elizabeth Kersting, Interim Administrative Assistant

#### Also Present:

JoLinda Herring, Bryant, Miller & Olive, P. A.  
Linda Mendillo, Dufresne & Associates, CPA  
Tim Wranovix, Raymond James & Associates  
Helen Feinberg, RBC Capital Markets  
Kevin Adderley, Sharpton, Brunson and Company, P.A.  
Kathy Molinares, Sharpton, Brunson and Company, P.A.  
Deborah Zomermaand, Zomermaand Financial Advisory Services

#### CALLING OF THE ROLL

A Roll Call was taken by Ms. Kersting and a quorum declared.

## **TEFRA HEARING**

The advertised TEFRA Public Hearing which was published in the Sun Sentinel on January 27, 2014 in reference to the Single Family Mortgage Revenue Bond Allocation for 2014 was conducted by Mr. Daniel Reynolds and Mr. Stone at 5:30pm in the 2<sup>nd</sup> Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida. The public hearing was closed at 5:40pm.

A second roll call was taken by Ms. Kersting and a quorum declared.

*Donna Jarrett entered the meeting at 5:45pm*

## **CONSENT AGENDA (1 through 6)**

1. Approval of January 8, 2014 Regular Meeting Minutes
2. Executive Director's Report
3. Financial Reports
4. St Croix Apartments Project (Escrow Deposit & Defeasance Agreement)

**MOTION TO APPROVE** Resolution of the Housing Finance Authority of Broward County, Florida approving and authorizing an Escrow Deposit and Defeasance Agreement in connection with its \$17,500,000 Multifamily Housing Revenue Bonds, (St Croix Apartments Project), Series 2002A and \$595,000 Taxable Multifamily Housing Revenue Bonds, (St Croix Apartments Project), Series 2002B; approving and authorizing the execution and delivery of certain other documents in connection therewith; and providing an effective date.

5. HFA 2014 National Housing Finance Association (NALHFA) Annual Educational Conference at the Omni Hotel at CNN Center in Atlanta, GA.

**MOTION TO APPROVE** the HFA Board Members and Staff to attend the 2014 NALHFA Annual Educational Conference in Atlanta, GA, from April 2-5, 2014.

6. 2014 Mortgage Credit Certificate Program

**MOTION TO AUTHORIZE** Bond Counsel to prepare all program documents and Resolutions which will provide for the exchange of \$50,000,000 in single family bond allocation for \$12,500,000 of Mortgage Credit Certificate authority; designation of a Program Administrator; authorizing the program expenditures in an amount not to exceed \$35,000.

It was noted that Jolinda Herring of Bryant, Miller & Olive, P. A. was not in attendance to the HFA Meeting on January 8, 2014 and a request was made that her name be stricken from the attendance list of said minutes. There was no discussion on the Consent Agenda items (2 through 6).

**MOTION was made by Mr. Kirk Frohme, seconded by Mr. John Primeau to approve Consent Agenda Items 1 as amended, 2, 3, 4, 5 and 6 for February 12, 2014. This motion was unanimously approved.**

## **REGULAR AGENDA**

### **7. PRESENTATION**

Mr. Kevin Adderley of Sharpton, Brunson & Company, P.A. will present the 2013 Audited Financial Statements for year-end September 30, 2013

Mr. Adderley presented an overview of the audit results of the HFA's Financial Statements for the year ended September 30, 2013. He spoke in terms of scope of examination; significant audit results; statements of net position; statements of activities together with an overview of operations in regards to revenues and expenses.

Mr. Adderley stated that during the course of their engagement they performed a review of internal controls governing financial operations in terms of cash receipts, cash disbursements and payroll transaction cycles which were in compliance and was clearly presented pursuant to Government Auditing Standards. No weaknesses were noted in the internal control system. He acknowledged that the Authority's financial position was strong as of September 30, 2013.

Mr. Adderley reviewed Slide 4 of the presentation which provided a snapshot of the HFA's financial position in terms of assets and liabilities with a comparison between fiscal years 2009 to 2013, which identified a 6% increase in assets from \$13,599,000 in 2012 to \$14,460,000 in 2013. Mr. Adderley reviewed Slide 5 in reference to a comparison statement of activities for the past 5 years from 2009 to 2013 in terms of revenue and expenses with increased revenue by 65%. He stated that this increase was attributed to excess collateral from the single family bond issues that were paid off. Mr. Adderley continued to Slide 6 which provided a composition of the revenue bond insurance and residual income to the amount of one million dollars. This depicted an increase of over 300%. For 2013 there was a grand total of \$2,144 versus 2012 grand total of \$1,299. This increase was attributed to single family bonds that were paid off. Mr. Adderley reviewed Slide 7 which provided an overall review of operations in expenses which reflected a grand total of \$1,146,000 for 2013 versus a grand total \$1,149,000 in 2012. Mr. Adderley noted that overall total expenses depicted a decrease by a little less than 1%. No Audit adjustments were noted.

At the conclusion of the presentation there was discussion between Board Members, Staff, County Attorney, Financial Advisor and Mr. Adderley in reference to Notes Receivables reflected in the audited financial statement from pages 19 through 21 in reference to 5 firms: Mount Olive Development Corporation, Authority Mortgage receivable, Gulfstream Associates, Broward County Community Development Corporation, Inc. and Notes receivable Art Space. Mr. Frohme made inquiries on whether there were any concerns on these firms in terms of collectability. Mr. Adderley responded accordingly regarding each firm. Mr. Adderley thanked the Board members and staff for their assistance provided during the course of their engagement.

## **INFORMATION ITEMS**

### 8. 2014 Single Family Bond Allocation

Ms. Zomermaand informed members of the request made for the 2014 Single Family Bond Allocation in the amount of \$250,000,000. She stated that these funds were not utilized last year during the 2013 cycle and was converted to the Mortgage Credit Certificate program.

### 9. Letter of Resignation for Mr. Jose "Pepe" Lopez

Mr. Reynolds informed members of Mr. Lopez's letter of resignation. He thanked Mr. Lopez for his service to the HFA Board. Mr. Stone informed members that Mr. Lopez will be recognized at the next HFA Board Meeting.

### 10. **MATTERS OF HFA MEMBERS**

None

### 11. **MATTERS FROM THE FLOOR**

None

### 12. **NEXT BOARD MEETING**

March 12, 2014

### 13. **ADJOURNMENT**

There being no other business the meeting was adjourned at 5:55pm.

**Disclosure:** The above captioned Minutes are transcribed in a summary format. To hear the full meeting, a compact disk of the meeting (#HFA 2-12-2014) can be provided after 24 hours' notice to the administrative office at 954-357-4928