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## **BOARD MEETING MINUTES Wednesday, February 11, 2015**

A regular Board meeting of the Housing Finance Authority (“HFA”) of Broward County, Florida, was held on Wednesday, February 11, 2015, in the 2<sup>nd</sup> Floor Conference Room, located at 110 NE 3rd Street, Fort Lauderdale, Florida.

Mr. John G. Primeau, Chair, determined a quorum was present and called the meeting to order at 5:44 p.m.

### Board Members Present:

Donna Jarrett, Secretary  
John G. Primeau, Chair  
Daniel D. Reynolds, Member  
Bertha Smith, Vice Chair  
Milette Thurston, Assistant Secretary

### Board Members Absent:

Ruth T. Cyrus, Member  
Kirk Frohme, Member  
Jose “Pepe” Lopez, Member

### Staff:

Betsy Barnicle, Administrative Assistant  
Norman Howard, Assistant to the Director  
Carlos Rodriguez-Cabarrocas, Assistant County Attorney  
James Rowlee, Senior Assistant County Attorney  
Ralph Stone, Executive Director

### Also Present:

Kevin Adderley, The Sharpton Group, P.A.  
Linda Dufresne, Dufresne & Associates  
Deborah Zomermaand, Zomermaand Financial Advisory Services

## **CALLING OF THE ROLL**

A Roll Call was taken by Ms. Betsy Barnicle.

Mr. Primeau presented an HFA plaque acknowledging Mr. Daniel Reynolds for his leadership as 2014 HFA Board Chair.



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

1. Approval of January 14, 2015, Regular Meeting Minutes
2. Executive Director's Report
3. Chaves Lake Apartments Project – Refinance
4. Multifamily Private Activity Bond Applications for 2015 – Notice of Funding Availability and RFP Solicitation
5. 2015 National Housing Finance Association (NALHFA) Annual Educational Conference at the Epic Miami Hotel in Miami, Florida
6. Single Family Bonds – Plan of Finance and TEFRA Hearing

There were no discussions on Consent Agenda items 1 through 6.

**MOTION was made by Mr. Daniel Reynolds, seconded by Ms. Bertha Smith, to approve Consent Agenda Items 1 through 6. This motion was unanimously approved.**

## **REGULAR AGENDA**

7. PRESENTATION – The HFA 2014 Audited Financial Statements for year-end September 30, 2014, by Mr. Kevin Adderley, Audit Director of The Sharpton Group, P.A.

Mr. Kevin Adderley started his presentation by explaining the purpose of the three provided documents, which were a printed PowerPoint handout, the “Report to the Board of Directors Year Ended September 30, 2014,” and the report titled “Audited Financial Statements for the Year Ended September 30, 2014.” He reviewed the listed “Significant Audit Results” (handout, page 3): a) unmodified audit opinion on Financial Statements, b) report on Internal Controls and Compliance with Government Auditing Standards, c) no weaknesses noted in the Internal Control System, and d) strong financial position. Mr. Adderley reviewed the handout's charts summarizing the audit results, such as “Statements of Net Position,” “Statements of Activities,” “Overview of Operations – Revenue,” and “Overview of Operations – Expenses.” Mr. Adderley concluded the presentation by opening the floor to questions or discussion, of which there were none.

8. Financial Reports Monthly Overview – Ms. Linda Dufresne, Dufresne & Associates

Ms. Linda Dufresne provided a brief overview of the monthly reports. Ms. Dufresne noted that all the audit adjustments were posted in the prior month, causing some large changes that result from end-of-year-only entries. The January 2015 Balance Sheet's Liability “\$ Difference” of \$177,467 was explained as resulting from the timing of paying the County for certain reimbursements of expenses.

Mr. Reynolds asked for clarification on the Balance Sheet's "Note Receivable-DPA" of \$437,126, and Ms. Dufresne explained that they are the notes that are outstanding which will be repaid.

**MOTION was made by Mr. Reynolds, seconded by Ms. Donna Jarrett, to approve the HFA monthly financial reports for January 31, 2015. This motion was unanimously approved.**

## 9. 2015 Budget Amendments

Mr. Ralph Stone summarized that the purpose of the requested Budget Amendment is to allow the move of assets from the Karpus Investments in to the HFA budget in order to finance the Franklin Park Estates Infill Project (the "Project"). Mr. Stone reported the Project's construction budget of \$3,000,000, and other expenses as totaling approximately \$3,150,000. Ms. Dufresne described the Debt Service Principal expense of \$125,000 as a cash outlay due to a 2014 over-expenditure of budgeted expenses, which is therefore factored into the 2015 budget as a planned payment to the County.

Mr. Stone reviewed the Project's schedule, reporting the completion of the February 6<sup>th</sup> Pre-bid Meeting and describing the timing of the handling of the Request for Proposal (RFP) submissions. He explained that after Staff qualifies the submissions (deadlined March 2<sup>nd</sup>) and notes their specific requirements (the "Matrix"), the Board will be provided the proposals and Matrixes on March 5<sup>th</sup>. The Board discussed the proposal review procedures, the Board's proposal rankings and potential need for making a short list at the March 11<sup>th</sup> Regular Board Meeting (if there are a large number of proposal presentations), and the possibility of a subsequent Special Meeting for the short list's presentations and the final ranking (discussed tentatively for March 16<sup>th</sup>, if necessary). Mr. Stone concluded the Project's schedule review by stating that following the Board's ranking of the bids, the County Attorney's office will immediately start the bid negotiation process with the highest ranked firm (preferably completed in time for the Board's April Meeting).

- A. MOTION was made by Mr. Reynolds, seconded by Ms. Smith, to approve the Proposed Amended Budget for FY2015 (Attachment 1) in the amount of \$3,150,000 to include \$3,000,000 for Franklin Park Estates Construction (the "Project"), \$25,000 for Project expenditures for the HFA Professionals, and \$125,000 for HFA's Debt Service Principal expense due to Broward County. All votes were aye.**
- B. MOTION was made by Mr. Reynolds, seconded by Ms. Smith, to direct Karpus Investment Management to transfer funds in the amount of up to \$3,150,000 in one or more draws to a Public Depository Bank to fund the Project and HFA's Debt Service Principal expense due to Broward County. All votes were aye.**

10. CitiMortgage - Single Family Mortgage Revenue Bonds, Series 2006ABC and 2007ABCD (the "Bonds")

Mr. Stone informed the Board of the progress with resolving the previously reported and discussed issues with CitiMortgage ("Citi"). He reported that a February 16<sup>th</sup> scheduled conference call with Citi was cancelled and rescheduled out two weeks by Citi, possibly in response to receiving the email and in-depth report of their servicing issues from Ms. Debbie Zomermaand, HFA Financial Advisor, and Mr. James Rowlee, Senior Assistant County Attorney.

Mr. Stone advised that the revised draft letter to Citi (provided as Attachment 1, supplemental as of February 11<sup>th</sup> to the original Board Package) be executed and sent to Citi, requesting they conduct a full and open audit of their mortgage servicing activities in connection with the Bonds. Mr. Rowlee concurred with the recommendation to execute and send the letter to Citi due to the County's concerns with Citi's activities. Mr. Rowlee noted that the requested independent audit would be at the sole cost and expense of Citi, and that Citi would then have to submit a report to the Board for review; failure to do so would cause the filing of a complaint with the appropriate regulatory agency.

Mr. Rowlee added a request that he be authorized to write separate demand letters requesting immediate release of enumerated funds that Citi has been automatically holding to offset prior remittance errors (an action they have already been asked to cease). In discussion, Mr. Rowlee said that if Citi does not retain an independent auditor by the March 13<sup>th</sup> deadline, the HFA may consider involving the County Auditor.

**Motion was made by Ms. Jarrett, seconded by Mr. Primeau, to authorize the County Attorney to execute separate demand letters requesting that Citi cease collecting funds to offset prior remittance errors, and that they immediately release the specified funds. The motion passed unanimously.**

**Motion was made by Mr. Reynolds, seconded by Ms. Jarrett, to authorize the Chair of the HFA to execute a letter requesting that Citi conduct a full and open audit of its mortgage servicing activities in connection with the Bonds. The motion passed unanimously.**

11. **MATTERS OF HFA MEMBERS**

None.

12. **MATTERS FROM THE FLOOR**

None.

13. **NEXT BOARD MEETING**

March 11, 2015

14. **ADJOURNMENT**

There being no other business, the meeting was adjourned at 6:19 p.m.

Disclosure: The above captioned Minutes are transcribed in a summary format. To hear the full meeting, a compact disk of the meeting (#HFA 2-11-2015) can be provided after 24 hours notice to the administrative office at 954-357-4928

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