



**Louisiana Housing**  
Corporation

## **Board of Directors**

**Minutes of the**

**June 18, 2019**

**Administrative and Finance**

**Committee Meeting**

**October 9, 2019**



# *Louisiana Housing Corporation*

*\*An audio recording of these proceedings is available upon request by contacting the LHC\**

## **LHC Board of Directors**

### **Administrative and Finance Committee Meeting Minutes**

**Wednesday, June 18, 2019**

**2415 Quail Drive  
Committee Room #2  
Baton Rouge, LA 70808  
1:00 P.M.**

#### **Committee Members Present**

Willie Rack (Committee Chairman)  
Renee' Free on behalf of Louisiana State Treasurer John M. Schroder  
Donald B. Vallee  
Gillis R. Windham

#### **Committee Members Absent**

Byron L. Lee

#### **Board Members Present**

Board Member Derrick Edwards  
Board Member Stacy S. Head  
Board Vice-Chairwoman Jennifer Vidrine  
Board Chairman Lloyd "Buddy" Spillers

#### **Board Members Absent**

Tammy P. Earles  
Larry Ferdinand

#### **Staff Present**

Barry E. Brooks  
Edselle Keith Cunningham, Jr.  
Bradley Sweazy  
Jessica Guinn  
Leslie C. Strahan  
Terrell Dupard

Plezetta M. West  
Miriam Bowie  
Carlos Dickerson  
Winona Connor

**Others Present**

See Guest Sign-In Sheet

**CALL TO ORDER**

Administrative and Finance Committee Chairman Willie Rack called the meeting to order at 1:09 p.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

**APPROVAL OF MINUTES**

Next item discussed was the February 13, 2019 AFC Meeting Minutes.

**On a motion by Mr. Donald B. Vallee and seconded by Mr. Derrick Edwards, the Minutes of the February 13, 2019 LHC Board of Directors Administrative and Finance Committee Meeting were unanimously approved.**

**AGENDA ITEM #3**

The next item discussed was the Resolution adopting the Board Governance Policy regarding Board Communications.

Mr. Spillers noted that after conferring with LHC Executive E. Keith Cunningham, Jr. he was WITHDRAWING the aforementioned matter.

Mr. Vallee took a moment of Personal Privilege to introduce Jeddie Smith and Lauryn Sudduth from the Governmental Section of the La. Attorney General's Office.

There was a brief discussion regarding the benefits of attending the AGO's Civil Law Training for Boards and Commissions members and staff.

**AGENDA ITEM #4**

The next item discussed was regarding the LHC Operating Budget for FY Ending June 30, 2020.

Mr. Vallee thanked the LHC staff for having provided him with information regarding past LHC budgets and staffing plans.

Mr. Edwards noted his concern that information regarding staff salaries was disseminated without prior Board approval.

Mr. Windham reminded everyone that it would be inappropriate to talk about LHC employees.

LHC Executive Director E. Keith Cunningham, Jr. introduced the item, noting that LHC Human Resources Kevin Brady was not able to attend the meeting.

ED Cunningham also noted that the HR Budget had 146 FTE for a total of \$14.3M; he discussed the upcoming staff raises per Civil Service Market Rate Adjustments; he discussed Performance Adjustments, Lump Sum Bonus Payments, Vacancies and New Positions, Temporary Positions, Retirement Increases, Insurance Benefit Increases; he discussed Budget Management, Cautious Budgeting, and Future Planning and Adjustments; etc.

Mr. Spillers noted that the proposed budget was estimating for uncertain costs for the first six months for insurance (life and dental) and for staff raises and for lump sum bonus increases.

Mr. Windham inquired as to whom was the LHC healthcare provider. ED Cunningham noted such was Office of Group Benefits.

LHC Chief Operating Officer Bradley Sweazy noted that FY20 was a Flat Budget, and that LHC was primarily fully staffed.

Mr. Vallee noted that after he had reviewed the variance reports on his phone, that there were substantial increases.

ED Cunningham noted that he could provide a "department-based" budget.

Mr. Edwards noted that he did not feel a "department-based" budget was necessary.

Mr. Windham noted that he felt that there needed to be a Board consensus for the providing of any reports to the Board.

LHC Chief Financial Officer Carlos Dickerson discussed the Supportive Housing Program, Energy Programs, HOME Department, Louisiana Housing Authority, Compliance Monitoring, Multifamily Programs, Section 8 Contract Administration, Single Family, 2019 LHC Housing Conference, Miscellaneous Income, etc.

AFC Chairman Rack solicited any Board Member comments on any of the aspects of the aforementioned matters related to the proposed LHC FY20 Operating Budget. No Board Member wished to provide any further comments.

Mr. Vallee thereafter inquired on the Louisiana Housing Authority budget changes.

LHC Homelessness Solutions Administrator Winona Connor discussed the Continuum of Care (“CoC”) Program.

Mr. Vallee requested additional info regarding Single Family MRBs.

Financial Advisor Gordon King discussed MRBs and TBAs, noting that MRB revenues come over time and not all at once. He also discussed projected revenues.

Mr. Vallee noted his concern about expenditures related to Willowbrook Apartments and Village de Jardin Apartments, both LHC-owned properties, and suggested that ED Cunningham provide a quarterly review of the incomes from the properties.

ED Cunningham noted that the LHC-owned properties were being managed prudently and fiducially.

CFO Dickerson furthered and discussed Human Resources, Operating Services, Building Expenses, Travel and Training, Supplies, Professional Services, Legal, Auditing, and the Housing Conferences.

Mr. Edwards noted that he did not feel it necessary to discuss the LHC FY20 Operating Budget “line-by-line”.

AFC Chairman Rack solicited any Board Member comments on any of the aspects of the aforementioned matters related to the proposed LHC FY20 Operating Budget. No Board Member wished to provide any further comments.

Mr. Vallee thereafter inquired on costs to run the Legal and Auditing Departments; matters related to Compliance fees; Cost Allocations and Direct Billings; the Asset Management Department; ways to increase revenues at the Industriplex Building; Pension Liabilities; etc.

Mr. Vallee inquired as to whether LHC anticipated any changes in the Staffing Plan. ED Cunningham noted that he did not anticipate any major changes thereof.

**On a motion by Mr. Vallee and seconded by Mr. Edwards, the Administrative and Finance Committee (“AFC”) unanimously voted to send the LHC Operating Budget for the Fiscal Year Ending June 30, 2019 to the Full Board, with a FAVORABLE recommendation.**

**AGENDA ITEM #3**

Mr. Spillers moved to re-introduce the matter regarding the Board Governance Policy regarding Board Communications.

**On a motion by Mr. Spillers and seconded by Mr. Windham, the AFC voted to discuss the Resolution adopting the Board Governance Policy regarding Board Communications. There was one (1) NO Vote from Mr. Vallee.**

LHC Executive Counsel Jessica Guinn Johnson discussed the specifics of the matter, noting that the matter had been thoroughly researched via Roberts Rules of Orders, La. State Board of Ethics Rulings, etc., and that such was NOT a change to the Bylaws.

EC Johnson further discussed appropriate and inappropriate interactions between the Board and staff, the Open Meetings Law parameters, when not to converse with stakeholders during competitive process periods, Public Records Law aspects, etc.

Mr. Windham noted that he was supportive of the proposed Policy, and suggested adding "...ordinary requests must go through the Board and not to the Executive Director". Additionally, noting that he did not wish to "micro-manage" the daily affairs of the LHC.

Ms. Heard requested clarity regarding "ordinary requests".

Ms. Head noted her concern that the proposed Policy limits a Board Member's ability to request information.

Ms. Free noted that the Board should not request that a record be created.

EC Johnson cautioned everyone against releasing information provided to them in advance of Board approval; she discussed the ED's duties and responsibilities; she discussed the Board Members contact with staff; and she reiterated that the matter was not a Law, but was a Policy, if approved.

Ms. Head inquired about external contact with stakeholders -- noting she felt it may be a "...bit overbroad". Mr. Spillers noted his partial concurrence thereof.

Ms. Head suggested a change to the Policy as related to #B regarding Board and staff interactions. She felt it was too board, especially as related to the use of the word "construed".

Mr. Vallee noted that he had previously had Ethics complaints filed by Board Chairman Spillers upon himself, such of which resulted in findings of No Fault, and that he felt his abilities to serve as a Board Member were being targeted and limited by the current Board.

There was continued unruly banter between Mr. Valle and a few other Board Members, at which point Chairman Rack called the Board Meeting to Order.

ED Cunningham noted the need for the personal conflicts to be addressed, but not at a Board Meeting, and reminded everyone that the true and ultimate goal was to "...serve the public."

Mr. Windham noted that the Policy was simply a "...document of proper protocol."

**On a motion by Mr. Spillers and seconded by Mr. Windham, the AFC approved sending the Board Governance Policy regarding Board Communications, with prescribed recommendations, to the Full Board with a FAVORABLE recommendation. The Vote was as follows: YES – Free, Rack, Spillers, Windham, and Head. NO – Vallee, ABSENT – Edwards, Vidrine.**

#### **OTHER BUSINESS**

None.

#### **ADJOURNMENT**

There being no other matters to discuss, Mr. Spillers offered a motion for adjournment that was seconded by Mr. Rack. There being no discussion or opposition, the motion passed unanimously.

**The Administrative and Finance Committee Meeting adjourned at 3:03p.m.**

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Board Secretary, Barry E. Brooks