



Louisiana Housing
Corporation

Board of Directors

Agenda Item #3

**Minutes of the
May 27, 2021
Board of Directors
Administrative and Finance
Committee Meeting**

June 09, 2021



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, May 27, 2021

**2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
9:00 A.M.**

Committee Members Present

Willie Rack (Committee Chairman)
Johnny Berthelot
Louisiana State Treasurer John M. Schroder
Gillis R. Windham
Jennifer Vidrine

Committee Members Absent

None

Board Members Present

Derrick Edwards
Anthony "AP" Marullo, III

Board Members Absent

Stacy S. Head
Steven P. Jackson
Tonya P. Mabry
Ericka McIntyre

Staff Present

Barry E. Brooks
Bradley Sweazy
Jessica Guinn
Leslie C. Strahan
Terrell Dupard

Plezetta M. West
Carlos Dickerson
Denisa Joshua

Others Present

Gordon King, Government Consultants
Renee' Free, Louisiana Treasury Officer

CALL TO ORDER

Board Chairwoman Jennifer Vidrine and Administrative and Finance Committee Chairman Willie Rack called the meeting to order at 9:04 A.M. Board Secretary Barry E. Brooks called the roll; there was a quorum.

AGENDA ITEM #2

The next item discussed was regarding the LHC Operating Budget for FY Ending June 30, 2022.

Committee Chairman Rack introduced the matter, noting that he and Board Chairwoman Jennifer Vidrine had previously met with LHC COO Bradley Sweazy and LHC CFO Carlos Dickerson to review the Operating Budget, and applauded the hard work and time that had been spent on the matter.

The Board acknowledged the retirement of LHC HR Director Kevin Brady, and was introduced to the new LHC HR Director Nakesla Blount.

COO Sweazy and CFO Dickerson discussed the Operating Budget, furthering on the Summary of FY Draft Expense Budget, Detailed FY Draft Expense Budget, and Vendors Professional Services.

Board Chairwoman Vidrine requested that the List of Vendors Professional Services be revised to include the type of service provided, the contract start and end date, be sequentially numbered, and denote the amount of the contract. Treasurer Schroder concurred in the aforementioned.

COO Sweazy continued, he discussed the FY Operating Budget Draft Summary, FY 22 Program Allocations, he advised the Board that OCD will be administering the upcoming Housing Assistance Program and that LHC's role in the HAP had not been fully vetted yet, and that the LHC Financial Team was exploring the specifics of the HAP.

COO Sweazy continued, he discussed Administrative Professional Services, Human Resources Operating Expenditures, Building Services Operating Expenditures, Travel and Travel Operating Expenditures, and Professional Services Contracts.

COO Sweazy noted that projected revenues were \$19.6M, and anticipated expenses were \$19.4M, that there were \$1.7B in project housing production, and that there were \$8B in total assets being managed by LHC throughout the State.

Mr. Marullo inquired on expenses related to Assets and the three (3) LHC-owned properties.

CFO Dickerson discussed Assets Management and HUD DPI.

Treasurer Schroder inquired on the LHC Internal Audit Department Operating Expenses and what was their role at LHC, noting his concern that audits should be conducted with no undue political influence.

COO Sweazy noted that the LHC IAD was comprised of four (4) employees, that internal audits was a federal requirement, that IAD handled Fraud Hotline alerts, that IAD assisted with HUD/GAO/UST/etc. audits, and that IAD does annual internal audits of LHC.

Further information related to the role of the LHC IAD was provided by LHC Executive Counsel Jessica Guinn Johnson, noting that Civil Service mandates that the IAD Director be an Unclassified position.

Treasurer Schroder noted he was an advocate for "...checks and balances." He also suggested the LHC confer with the State Legislative Auditor as to the role of the LHC IAD and to review the reporting structure, for best practices.

Mr. Berthelot requested a copy of the current BVA. Secretary Brooks disseminated said document to the Board.

Treasurer Schroder noted his concerns that there was not enough allocated for the Legal Department budget.

COO Sweazy noted that there was \$7M in General Funds should more monies be needed in the Legal Department budget.

Treasurer Schroder requested examples of past Internal Audit Reports be readily available for the Board to review.

COO Sweazy noted that past Internal Audit Reports would be presented and discussed at the July 2021 Board Orientation-Retreat.

Treasurer Schroder noted that the AFCM was "...one of the most thorough reviews" that he'd received whilst being on the LHC Board. Such was concurred by Committee Chairman Rack.

Treasurer Schroder inquired on whether contract fees were being renegotiated, noting he felt contracts should be thoroughly reviewed annually – especially prior to renewing.

EC Johnson noted that LHC contracts are primarily "task-oriented", and concurred that contracts should be periodically reviewed.

Treasurer requested that LHC resume Quarterly Budget AFC meetings, and that the Board should periodically be informed of LHC cost-cutting initiatives.

Secretary Brooks noted that he'd work with AFC Chairman Rack to pre-schedule Quarterly Budget AFC meetings for FY 2021-2022.

On a motion by Mr. Rack 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, 2022 to the Full Board, with a FAVORABLE recommendation.

OTHER BUSINESS

Treasurer Schroder requested that the Board be timely informed of any changes or amendments to the FY22 Operating Budget, post-approval.

Mr. Marullo applauded the LHC Staff for "...recognizing we can improve".

Board Chairwoman Vidrine noted how effective and productive the AFC Operating Budget presentations and discussions had been. Committee Chairman Rack concurred thereof.

On a lighter note, Treasurer Schroder was presented with the LMA Conference Crawfish Eating Contest plaque by LMA Second Vice-President Vidrine.

ADJOURNMENT

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

The Administrative and Finance Committee Meeting adjourned at 10:29 A.M.

Board Secretary, Barry E. Brooks