

**FINAL -- Draft Posted June 14, 2022**

**VHFA Audit Risk Committee Meeting**

VHFA

164 St. Paul Street

Burlington

June 13, 2022 – 9:00 a.m.

**VHFA Committee Members Present:**

Tom Leavitt (Chair), Michael Clasen (designee for Beth Pearce), and Fred Baser (Mr. Leavitt attended in person, and Messrs. Clasen and Baser attended by electronic means)

**Staff Present:**

Maura Collins, Chris Flannery, George Demas, Tom Kimball, Alejandro Flores-Howland

**COMMITTEE MEETING**

Mr. Leavitt, Chair, called the Audit Risk Committee Meeting to order at 9:10 a.m.

Staff confirmed that a Notice of this meeting was provided to the requesting parties and was posted on the Agency website and with State Department of Libraries, and that the Agenda for this meeting was provided to the requesting parties and posted on the Agency website, all within the statutory time requirements.

Staff confirmed that Minutes of prior meetings had been posted on the Agency website not less than 5 days after the meeting as required.

Mr. Leavitt confirmed that the Commissioners attending by electronic means could hear the conduct of the meeting and be heard throughout the meeting by the other attendees. Mr. Leavitt noted that Commissioners would have to vote by roll-call since there were Commissioners participating by electronic means.

Mr. Leavitt asked if anyone had any changes to the Agenda and there were none.

**AUDIT RISK MINUTES**

Mr. Clasen moved that the Audit Risk Committee approve the October 4, 2021 Minutes. Mr. Baser seconded the motion, which was approved unanimously by roll call vote.

**CONSENT AGENDA**

Upon motion by Mr. Clasen, seconded by Mr. Baser, the Committee accepted Staff's report regarding the Agency's Whistleblower Policy and recommendation that no changes be made to the Policy by unanimous roll call vote.

**FISCAL YEAR 2023 BUDGET PRESENTATION**

Mr. Flannery reviewed the Fiscal Year 2023 budget memorandum, noting that the Agency projects finishing FY 2022 below budgeted costs, and that the Agency continued its conservative budgeting on costs for the new fiscal year. He noted that the budget contemplates increased costs of approximately 11% to cover management of new programs and increased payroll costs related to inflation. Grant administration income should offset the costs related to new programs.

Ms. Collins, Mr. Flannery and the Commissioners engaged in a general discussion regarding the effects of inflation on the Agency's costs, as well as on the single family loan market and on multifamily funding costs. Mr. Flannery noted that changes to interest rates most directly affect the bond indentures, which aren't covered by the operating and capital budgets.

After further general discussion, Mr. Clasen moved to recommend general fund and capital budgets to the Board as presented. Mr. Baser seconded the motion, which was approved unanimously by roll call vote.

### **ANNUAL ACTION PLAN GOAL 3**

Mr. Flannery reviewed his memo regarding steps taken in connection with Goal 3 of the Agency's 2020 Vision Action Plan – To ensure the Agency has a strong and flexible financial and operation platform from which to pursue its mission. This work has included developing a set of financial metrics to measure the Agency's performance in such areas as profitability, liquidity, size, efficiency and sustainability; developing warehousing and hedging capabilities to provide flexibility for the Agency's loan programs; and improving information security and technology. The Commissioners then engaged in a general discussion regarding these action plan items.

### **ADJOURNMENT**

Mr. Leavitt confirmed with Staff that Minutes of the meeting had been kept and would be posted to the Agency's website within five days.

Upon motion by Mr. Clasen, seconded by Mr. Baser and unanimously approved by roll call vote, the meeting was adjourned at 10:25 a.m.