



**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION ON NOVEMBER 15, 2018**

The Board of Directors of the Nevada Affordable Housing Assistance Corporation, a Nevada non-profit corporation (“NAHAC”), held a public meeting on November 15, 2018 beginning at 3:00 p.m. PST at the following location:

Housing Division, 3rd Floor Conference Room: 3300 W Sahara Ave Ste 300 Las Vegas, NV 89102

1. Call to order, Roll call.

The meeting was called to order by Timothy Whitright, Board Chairperson at 3:10 pm.
Roll was taken by AJ Gavilanes, Secretary.

Board Members present: Timothy Whitright (*Nevada Department of Business & Industry, Housing Division*) Board Chairperson; Michael Holliday (*Nevada Department of Business & Industry, Housing Division*) Director; Sharath Chandra (*Nevada Department of Business & Industry, Real Estate Division*) Director; and Rande Johnsen - Independent Director.

Board Members absent: Mohammad Nemati - Independent Director

Also present:

- Verise Campbell, Chief Operating Officer/Chief Executive Officer
- Veronica Lewis, Operations Manager
- Tony Cammisio, Call Center Manager & Payroll Manager
- AJ Gavilanes, Office Administrator / Secretary
- Brian Hardy (Ellsworth & Stout CPA’s) Financial and Compliance
- Melanie Rollo (Ellsworth & Stout CPA’s) Financial and Compliance
- Tyre Gray (Fennemore Craig P.C.), Legal Counsel
- Dustin Klein (BRAINtrust) Marketing
- Lauren Peterson (BRAINtrust) Marketing
- Megan Schutz (BRAINtrust) Marketing
- Ashley Ellingsen (BRAINtrust) Marketing
- Jocelyn Wallace (BRAINtrust) Marketing

Members of the public attending in person were asked to sign in, and the sign-in-sheet is attached to the original minutes as Exhibit A.

2. Public comment (1st period)¹: None.

3. Approval of Minutes for October 25, 2018. This item was tabled.

¹ This public comment agenda item is provided in accordance with NRS 241.020(2)(d)(3) which requires an agenda provide for a period devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Comments by the public may be limited to five minutes person as a reasonable time, place and manner restriction, but may not be limited based upon viewpoint.

4. Approval of Agenda for November 15, 2018.

Agenda Items #3, #6(m)(i) and #6(m)(ii) were tabled.

Director Johnsen moved to approve Agenda for November 15, 2018 as noted above. The Motion was seconded by Director Chandra and approved by unanimous vote.

5. Items to be Presented for Information and Discussion:

a. October 2018 Financials

Mr. Brian Hardy with Ellsworth & Stout CPA's presented.

b. Review of NAHAC 2018 Audited Financial Statements and Management Letter (prepared by Houldsworth, Russo & Company)

Mr. Hardy presented.

c. Budget Reallocation

Mr. Hardy advised during weekly discussions with US Treasury NAHAC has gone over items related to internal controls and the resources needed to address findings from both US Treasury and Internal Compliance Reviews. NAHAC has address many of those findings and continues to work on outstanding findings.

NAHAC is working with US Treasury to create a timetable of what is required for budget reallocation related to increasing the administrative budget. NAHAC has subsequently submitted a reallocation of the drawn funds for record keeping purposes. It shows of the total amount drawn from US Treasury, NAHAC has not exceeded its administrative budget. Also shown is an estimated six months' worth of additional administrative funds remaining before the next draw is required. That amount includes what NAHAC averaged on the month before as well as considering any of the changes NAHAC is proposing or has recently implemented to the budget. The next draw is dependent on when the disbursements of the Down Payment Assistance (DPA) fund.

There is both a ceiling and a floor that determines when NAHAC can take a draw and currently it will require about \$9,000,000 in remaining cash (less than 5% of total contract value). That will likely be the final draw. Before that can happen NAHAC will need to disburse the majority of the DPA funds.

d. Current Budget Status

Mr. Hardy advised NAHAC is looking at proposing a few changes to the budget. In fiscal year 2018, on average, NAHAC spent about \$171,000 per month. In fiscal year 2019 thus far (July-October) NAHAC has spent about \$165,000 per month. While trying to determine the number of months left in the administrative expense budget, NAHAC estimates nineteen months remaining based on a rounded-up figure of about \$175,000 per month. That amount will take NAHAC through May of 2020. With some of the proposed and existing changes (i.e. adding statement of worth with Speridian Technologies, additional work my Springboard Solutions, LLC related to



the DPA program, as well as a few others that have been or will be discussed) the total amount will come to approximated \$53,000 per month.

\$175,000
+\$53,000
= \$228,000 (Expected monthly average going forward)

This amount will provide for a remaining 15 months in administrative funds, which will carry NAHAC through approximately January 2020

Mr. Hardy clarified that it will reduce the administrative budget by four months if all proposed changes are approved.

Director Whitright inquired how the discussion earlier about additional administrative dollars will impact these figures. Mr. Hardy advised that US Treasury will still have to grant approval for the reallocation to administrative funds. Currently, that has not been granted and US Treasury is asking for additional information, additional steps and clarity on exactly what the additional costs will be since the initial request was somewhat speculative. If NAHAC is granted a reallocation of funds that would be in addition to these numbers.

e. NAHAC Operations and Performance Report

i. October 2018 Performance Report

Mr. Tony Cammiso presented.

Mrs. Veronica Lewis presented an update on the DPA Program Quality Control.

Ms. Verise Campbell advised the Quality Control of the DPA files could not begin until the Network Penetration and Vulnerability Testing has been completed, as well as other Treasury required data safety and security measures and documentation.

6. Items for Board Information, Discussion and Possible Action:

a. Approval to establish and fill new positions:

- i. “Compliance Manager” –Not to exceed \$105,000 annually.**
- ii. “QC Supervisor” –Not to exceed \$80,000 annually.**
- iii. “Compliance Specialist” –Not to exceed \$42,000 annually.**

Ms. Campbell advised these positions are in direct response to what US Treasury wants to see after the latest compliance review and during discussions. These positions will build a compliance unit to allow for dedicated staff to perform regular quality checks and address compliance matters. She advised quarterly compliance reviews would still be performed by Ellsworth and Stout.

Chairman Whitright inquired if NAHAC had support from US Treasury on these changes, or just no opposition. Ms. Campbell stated that she believed they had US Treasury's support following US Treasury comments that NAHAC is "moving in the right direction".

Mr. Tyre Gray advised that if independent contractors are selected NAHAC will need to bring contracts back to the Board for approval.

Director Johnsen moved to approve to establish and fill all new positions in item 6(a). The Motion was seconded by Director Holliday and approved by unanimous vote.

b. Approval to implement new job descriptions:

- i. "Compliance Manager"
- ii. "QC Supervisor"
- iii. "Compliance Specialist"

Mr. Gray advised that classification on the job description will not be an issue if positions are filled as independent contractors.

Director Chandra moved to approve to implement all new job descriptions in item 6(b). The Motion was seconded by Director Johnsen and approved by unanimous vote.

c. Approval of updated Organizational chart.

Ms. Campbell presented.

Director Holliday moved to approve updated Organizational chart. The Motion was seconded by Director Chandra and approved by unanimous vote.

d. Approval to provide a 3 percent cost of living salary adjustment to all eligible, non-executive level, full-time employees.

Ms. Campbell presented.

Director Holliday advised this structure was intended to mimic what the State of Nevada has done. He also stated that the 3% was equal to one year of cost of living increase.

Director Holliday moved to approve a 3 percent cost of living salary adjustment to all eligible, non-executive level, full-time employees. The Motion was seconded by Director Johnsen and approved by unanimous vote.

e. Approval of new contract of employment with existing Chief Executive Officer/Chief Operating with salary range of \$115,560 to \$119,027.

Director Holliday presented. He advised this structure was intended to mimic what the State of Nevada has done. He also stated that the 7% was equal to two years of cost of living increases.

Director Johnsen moved to approve new contract of employment with existing Chief Executive Officer/Chief Operating with salary range of \$115,560 to \$119,027. The Motion was seconded by Director Chandra and approved by unanimous vote.

- f. Authorization for President/Chairperson to select and engage one (1) of three (3) respondents to NAHAC's Request for Proposal to perform required Network Penetration and Vulnerability Testing in an amount not to exceed \$30,000.00.**

Ms. Campbell presented. She also advised that the bids ranged from just over \$4,000 to \$47,000 and the selection has been made of the lowest bidder.

Director Johnsen moved to approve President/Chairperson to select and engage one (1) of three (3) respondents to NAHAC's Request for Proposal to perform required Network Penetration and Vulnerability Testing in an amount not to exceed \$30,000.00. The Motion was seconded by Director Chandra and approved by unanimous vote.

- g. Approval of the Internal Compliance Review Report for 4th Quarter of Fiscal Year 2017.**
Ms. Melanie Rollo with Ellsworth & Stout CPA's presented.

Director Holliday moved to approve the Internal Compliance Review Report for 4th Quarter of Fiscal Year 2017. The Motion was seconded by Director Chandra and approved by unanimous vote.

- h. Approval of the Internal Compliance Review Report for 1st Quarter of Fiscal Year 2018.**
Ms. Rollo presented.

Director Chandra moved to approve the Internal Compliance Review Report for 1st Quarter of Fiscal Year 2018. The Motion was seconded by Director Holliday and approved by unanimous vote.

- i. Approval of the Internal Compliance Review Report for 2nd Quarter of Fiscal Year 2018.**
Ms. Rollo presented.

Director Johnsen moved to approve the Internal Compliance Review Report for 2nd Quarter of Fiscal Year 2018. The Motion was seconded by Director Holliday and approved by unanimous vote.

- j. Approval of the Internal Compliance Review Report for 3rd Quarter of Fiscal Year 2018.**
Ms. Rollo presented.

Director Chandra moved to approve the Internal Compliance Review Report for 3rd Quarter of Fiscal Year 2018. The Motion was seconded by Director Holliday and approved by unanimous vote.

- k. Approval of the Internal Compliance Review Report for 4th Quarter of Fiscal Year 2018.**
Ms. Rollo presented.

Director Holliday moved to approve the Internal Compliance Review Report for 4th Quarter of Fiscal Year 2018. The Motion was seconded by Director Johnsen and approved by unanimous vote.

- l. Authorization for President/Chairperson to execute Fourth Amendment to Professional Services Agreement with BTMC, LLC (dba BRAINtrust) for a period of 6 months in an**

amount not to exceed \$60,000 for Website Hosting and Management, Digital Media, Organic Social Media, Pay-Per-Click, and Television advertising for NAHAC Home Retention programs.

Dustin Klein with BRAINtrust presented regarding Digital Marketing.
Lauren Peterson with BRAINtrust presented regarding Social Media.
Jocelyn Wallace with BRAINtrust presented proposed Television campaign.

Director Holliday moved to approve President/Chairperson to execute Fourth Amendment to Professional Services Agreement with BTMC, LLC (dba BRAINtrust) for a period of 6 months in an amount not to exceed \$60,000 for Website Hosting and Management, Digital Media, Organic Social Media, Pay-Per-Click, and Television advertising for NAHAC Home Retention programs. The Motion was seconded by Director Chandra and approved by unanimous vote.

m. Approval of draft policy revisions:

- i. Code of Ethics, Conflict of Interest, and Business Conduct.** This item was tabled.
- ii. Fraud Mitigation Detection & Awareness.** This item was tabled.

7. General Board Comments, Questions and Items for Future Board Meetings: None.

8. 2nd period of Public Comment and Discussion²: None.

9. Adjournment.

The meeting adjourned at 5:00 pm.

Board approval confirmation:

Pending Board Approval

AJ Gavilanes
NAHAC Corporate Secretary

² This public comment agenda item is provided in accordance with NRS 241.020(2)(d)(3) which requires an agenda provide for a period devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Comments by the public may be limited to five minutes person as a reasonable time, place and manner restriction, but may not be limited based upon viewpoint.