

**Staunton-Augusta-Waynesboro Habitat for Humanity
Board of Director MINUTES
June 26, 2018 at 6pm
Chair: Jennie Hill**

Action Item 1: FY19 Budget Approved

Action Item 2: Approval to offer 40 – 45k for property on West Johnson

Action Item 3: Approval to take back 2 mortgages from VHDA with escrow only payments for 1 year.

Attended by: Jennie Hill, President, Charles Frankfort, Past President, Alan Biskey, Secretary, Laurie Thompson, Treasurer, Salome Baugher, Lou Ella Hill, Andy Beasley, Pamela Patrick

Not present: Pastor Dennis Russell, Rev. Rod Ronneberg

Minutes:

Meeting opened at 6pm, minutes approved, financials approved.

New homeowner (closed on 7/31/18): at the request of the family member they would like it to be a little more intimate with no reporters, board, volunteers, staff.

Family Partnership: 6 families in the program, four are currently in the application process.

Construction: Siding is scheduled to go up for 126 and 130 Stafford.

Outreach: Currently housing the Presbyterian group from DC.

ReStore: May was another record month for sales.

Letter was sent to party interested in purchasing property at Kirby and C in Waynesboro, letter stated that we are not interested in selling the property at this time.

No further information regarding HFHI's request for information about issues of Conflict of Interest. They have been sent all policy documents and it has been made clear to them that there is no conflict of interest regarding employees applying for a Habitat house.

ReStore expansions of retail space is awaiting input from an engineer regarding new openings in the concrete wall.

The landlord has agreed to a flat rental rate 30,000 annual. We have been giving him 32,000 in tax credits and another 6000 for a small section of the building. This reduces our expenditures by at least 8000 annually. This will reflect on our expenses (account Occupancy: ReStore Rent and Occupancy: Affiliate Rent) as opposed to years past. This is why there is a significant increase in the Occupancy category on the FY19 budget.

Our tithes to HFHI is just \$500 because of the timing of closings. Next year we expect it to be over 12,000 due to closings.

During budget discussions on wages the board went into executive session.

Board came out of executive session and a question was asked about whether wages in the ReStore would go up if there is expanded retail space. The answer from Bill M (ReStore Manager) is little if any.

Board went back into executive session.

Board came out of executive session.

Lance explained the new financial reporting format to reflect direct and indirect expenses and income such as NAP, NSP, mortgage closings, mortgage income, CHR income, etc. The goal of the affiliate is to “break even”, while the ReStore is to always “make a profit” to support affordable housing. Construction can run a deficit at the discretion of the board as it is our primary mission. Future builds will have a “strategic budget analysis” before construction. Motion to approve FY19 budget was made by Charlie F, seconded by Pamela P, unanimous.

Executive session entered to discuss real estate purchase opportunity.

Returned from executive session with unanimous approval in response to Construction Committee recommendation to offer 35 – 40k for property on West Johnson.

Nominating committee has been activated to interview two board candidates.

A request was made to take back two mortgages from VHDA for restructuring. Board agreed to restructure at escrow only for 1 year, adding 1 year to mortgage maturity.

Board agreed to make the annual tithe as “unrestricted” instructing HFHI to use it “where it is most needed.”