

Rowlett Housing Finance Corporation

Board of Directors' Meeting Minutes: February 19, 2020, 9:00 a.m.

Fulton Building, Longhorn Conference Room

4113 Main Street, Rowlett, TX 75088

Board Members:

Present: President Barbara Holst, Dan Pence, Bruce Hargrave, Karl Crawley, and Rick Sheffield, Past President and Executive Director,

Absent: None

Quorum present? Yes

Others Present: None

By Audio Conference: Riki Harper, HFC Board

1. Call to order.

The meeting was called to order at 9:00 a.m. by President Barbara Holst.

2. Hear presentation on January 2020 financials.

Staff presented the Monthly Reporting of Accounts compared to the forecasted budget for January 2020.

3. Consider action to approve the FY2020 accounting services and compilation engagements.

Staff reviewed the new accounting engagements with the Board. Brown, Graham & Co, P.C. has increased their monthly retainer from \$1,000 to \$1,500 which would be an annual increase of \$6,000, above staff's approval limit of \$5,000. Since the monthly invoices are paid in full, including the amount billed over the retainer, there shouldn't be an issue with the new retainer amount. Staff also showed where Brown Graham reduced the forecasted bill for the annual compilation that is included with the City of Rowlett's audit. The FY2020 budget increased from \$35,000 to \$40,000 for accounting services. While the actual accounting services for FY2019 totaled just shy of \$30,500, there should not be a need to adjust this line item. The one unknown is how the accounting for Trio sales will be handled. Brown, Graham and Trio are currently working through the details. A motion was made by Bruce Hargrave to approve the new accounting engagement letters, seconded by Karl Crawley. The motion passed unanimously.

4. Discuss investment options for the fiscal year.

The HFC's investment in TexPool Prime is currently earning around 1.7% monthly interest, down from over 2.5% just over a year ago. Staff has begun looking at investment options for a portion of its funds that could earn a higher interest rate. Based upon the HFC Investment Policies, the corporation is prohibited from investing in

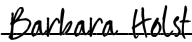
mutual funds, stocks, etc. The recommendation from Hilltop Securities is to look at certificates of deposit as an alternative. The Board wanted to know if there was any future forecast for how the TexPool Prime fund's interest rate will perform. Staff took the action to investigate the future outlook of the market for 2020 and gather options for certificates of deposit and report back to the Board at its next meeting.

5. New/Other Business

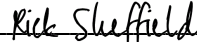
Staff provided updates on the Residences at Merritt Hill and Cypress Creek developments. In addition, staff will update the Board on Integrated Real Estate Group's project.

6. Adjourn

The meeting adjourned at 9:49 a.m.

DocuSigned by:


Barbara Holst, President

DocuSigned by:


Rick Sheffield, Secretary

Date approved: 3/25/2020