



4113 Main Street, Suite 105
Rowlett, TX 75088
rowletthfc.org

Board of Directors Special Meeting
June 26, 2023, at 1:00 p.m.
4000 Main St., Rowlett, TX 75088

MINUTES

Board Members Present: Blake Margolis, Debra Shinder, Michael Schupp, Brian Galuardi, Jeff Winget (remote audio).

Also present: Rowlett City Attorney David Berman, Executive Director Rick Sheffield, Financial Advisor Tim Nelson.

1. Public Input: The Board may receive public input on any of the agenda items listed.

Blake Margolis called the meeting to order and asked for 3-minute comments from the audience. The following spoke:

- a. Rikki Harper, former board member – spoke in favor of Mr. Sheffield as executive director.
- b. Debbie Bobbitt, former board member – spoke in favor of Mr. Sheffield as executive director and about the board's purpose and vision.
- c. Pamela Bell, former council liaison to the RFHC – spoke in favor of Mr. Sheffield and the former board and about her service as liaison for two years.
- d. Bill Wright – spoke about the importance of communication and the appearance of lack of transparency on the part of the former board.

Executive Director Sheffield requested a public hearing as authorized by Texas Government Code, §551.074 (b). The Board then convened in executive session solely for the purposes of receiving legal advice.

2. The Board of Directors shall convene into Executive Session pursuant to Texas Government Code, §551.071 (Consultation with Attorney) to seek legal advice regarding the appointment, employment, evaluation, reassignment, duties, and dismissal of the Corporation's executive director.

The board went into executive session at 1:12 pm, out at 1:30 pm.

Public Hearing:

Executive Director Sheffield requested a public hearing as authorized by Texas Government Code, §551.074 (b). Board member Margolis opened the public hearing. Mr. Sheffield read a prepared statement regarding his service to the city and with the RHFC and asked that he and the former board be allowed to continue to serve.

The following persons from the audience spoke:

- a. Betsy White – spoke about the need for 100% transparency.

- b. Mick Donnelly – spoke about the Main Street project and RHFC sign.
- c. Larry Beckham – as one of the three original signatories on the petition to form the RFHC, spoke about his belief that the original mission had been lost.

Board members expressed their opinions that the philosophy and vision of the former board and executive director were not in alignment with the current city council's vision. Under the statutes and governing documents, board members serve at the will of the council and the executive director serves at the will of the board and may be removed pursuant to the Articles of Incorporation and Bylaws.

3. ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

MOTION: to dismiss the current executive director of the Rowlett Housing Finance Corporation, and to provide 90 days severance at the current compensation rate.

Motion by Board Member Shinder, second by Board Member Schupp. Carried unanimously.

Executive Director Sheffield produced an employment contract that provides for six months' severance upon termination. It was announced that the executive director has a written contract that provided for a severance pay of six months' salary.

The Board convened into executive session under Section 551.071, Texas Gov't Code, to consult with the attorney for legal advice at 2:12 pm, out at 2:19 pm.

FRIENDLY AMENDMENT to the motion was offered by Board Member Galuardi and accepted by movant Shinder, to provide six months' severance instead of 90 days.

**FRIENDLY AMENDMENT was accepted by seconder Schupp.
Motion passed unanimously.**

MOTION: to appoint Peter Urrutia as interim executive director, at a salary to be negotiated by the Board president and ratified by the full board at the next meeting.

Motion by Board Member Shinder, second by Board Member Galuardi. Carried unanimously.

4. Consider and take action to appoint a President, Vice President, and Treasurer.

- a. **MOTION** by Board Member Galuardi, second by Board Member Schupp to appoint Blake Margolis as President. Carried unanimously.
- b. **MOTION** by Board Member Galuardi, second by Board Member Schupp to appoint Debra Shinder as Vice President. Carried unanimously.
- c. **MOTION** by Board Member Galuardi, second by Board Member Schupp to appoint Peter Urrutia as Treasurer. Carried unanimously.

5. Consider and take action to appoint a Secretary to the Board of Directors.

Discussion regarding holding of two offices. Bylaws allow it with the exception that the same person cannot be both President and Secretary.

- a. **MOTION** by Board Member Galuardi, second by Board Member Schupp to appoint Debra Shinder as Secretary. Carried unanimously.

6. Consider and take action to appoint and employ Nichols, Jackson, Dillard, Hager & Smith as interim general counsel/legal advisor.

- a. **MOTION** by Secretary Shinder, second by Board Member Schupp to appoint Nichols, Jackson, Dillard, Hager & Smith as interim general counsel/legal advisor for the RHFC. Carried unanimously.

7. Consider and take action to appoint and employ Weaver & Tidwell to conduct an audit.

Discussion regarding firm currently creating compilation for audit.

MOTION by Secretary Shinder, second by Board Member Schupp to postpone this item until the next meeting to allow consultation with the current firm. Carried unanimously.

8. Members of the Board may request topics to be placed on an agenda for a subsequent meeting. Any deliberations or decision shall be limited to a proposal to place topics on the agenda for a subsequent meeting.

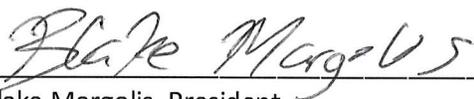
- a. Review and revision of the RHFC Articles of Incorporation and Bylaws.
- b. Initial meeting with the RHFC's financial advisor.
- c. Treasurer presentation and discussion of the RHFC budget and financial information.

Return to item 3: Discussion regarding need for assistance to the new executive director during the transition.

The Board then convened in executive session again (Texas Gov' Code, section 551.074, Personnel) to discuss retaining current executive director in a consulting capacity to assist in the transition at 2:23 P.M. and reconvened in open session at 2:44 PM.

MOTION by Secretary Shinder, second by Board Member Galuardi to retain former executive director Sheffield as a consultant for a period of one month, payment to be commensurate with his current salary, through the end of July, per his agreement to assist with the transition as needed. Carried unanimously.

Meeting adjourned at 2:57 pm.



Blake Margolis, President



Debra Shinder, Secretary

Date Approved: 07/17/23