
Thursday, July 24, 2025, at 4:00 PM
4000 Main Street, Rowlett, Tx 75088

Call to Order:

President Winget called the meeting to order at 4:08 PM with a quorum present. Directors Winget, Holston, Schupp, Kull and Dunnican all were in attendance. Attorney Ryan Bowen with Chapman and Cutler attended by video conference call. Also present was Mike Kuhn, HFC Treasurer.

1. Public Input:

There were no members of the public present, therefore there were no public comments.

2. Approval of Minutes:

Director Shupp made a motion to approve the June 26, 2025 RHFC Board minutes as submitted. Director Holston seconded the motion, there was no discussion and the motion passed unanimously.

3. Legal Update Concerning the Savannah at Lakeview Apartment Project:

President Winget asked Attorney Bowen to present this agenda item, and asked if we needed to go into executive session. Attorney Bowen said no, he didn't think so. Attorney Bowen then said the only update at this time is Savannah's insurer has received a settlement demand and they have until the 30th to accept. There has been no change on the three still in litigation.

President Winget asked if Attorney Bowen had any information on the e-mails from the Loan Company. Attorney Bowen said he can't add to what was in the e-mails. He feels once RISE receives the funds we just closed on as the General Contractor, then the subs will get paid. He said he would be monitoring that situation closely, and didn't feel the HFC needed to be involved at this time.

Director Schupp asked about the money that was ear marked to pay the lawyers, and \$600,000 intended for PILOT "catch up". Treasurer Kuhn said that was received. Director Schupp asked for clarification on what was "closed" on the Bond we approved. Attorney Bowen said the Bond closed at approximately \$5 million, which was lower than the "not to exceed \$10 million" we approved, and will provide the money for RISE to pay these expenses...hopfully Freddie Mac will purchase this debt, but that's a long way off.

There being no further discussion on Agenda Item 3, President Winget said we would move on to Agenda Item 4.

No action was taken on Agenda Item 3.

4. 2025 2nd Quarter Financial Report:

President Winget called on Treasurer Kuhn to present this agenda item. Treasurer Kuhn said he will provide something more formal in the future, and proceeded to read from The Statement of Net Position provided in the Board Packet (attached). He said our total current assets are \$627,265, and total liabilities are \$1,074. Total operating revenue is \$52,662 and total operating expense is \$130,412, with a net operating loss of \$77,750. President Winget asked when would we be able to end the HFC office rental across the street from City Hall. He said we would not expect Treasurer Kuhn to move the office contents and offered to pay a mover to do that. Directors Kull and Holston said they would agree to help move the few things remaining in the office. President Winget also said we would need to set up a post office box as the HFC address at the time the office is closed.

Director Schupp asked if the Board was still interested in a Grand Opening for the Savannah Project. President Winget said he or Treasurer Kuhn would check with the Fishers to find out if they are interested in doing this. President Winget also said the City Council would be asked to reappoint Board Members who wish to continue, and a replacement for him, as this would likely be his last HFC meeting. Director Holston said he thought this would be a good time for a Grand Opening at Savannah and it appeared our financials are in a better place now than before. President Winget asked why in the Supplemental Report Savannah, for example, has approximately \$10,000 in several categories such as development, holdings, and contractor. Attorney Bowen said when Special Purpose Entities, like Savannah, are set up, he recommends they be capitalized at \$10,000 to show they are separate and not a part of the HFC. That amount is considered to be enough to cover potential liabilities, and when the General Contractor pays their Sub Contractors and other expenses that money goes back to the HFC...It's like a deposit available to cover liabilities.

There being no other discussion on Agenda Item 4, President Winget said we would move on to Agenda Item 5.

No action was taken on Agenda Item 4.

5. Rowlett HFC Investment Vehicles Review:

Treasurer Kuhn said this agenda item is a review of the investment policies of the HFC. He wanted to make sure the current investments match the Board's expectations. He presented a slide depiction of the HFC policy which described, for example, Investment safety, liquidity, yield, diversification and a list of PFIA authorized investments. He then explained the HFC and the HFC Foundation have two separate accounts, and the Foundation account is not interest bearing whereas the HFC account is interest bearing. These investment accounts are designed to be safe, not aggressive in terms of interest generation, and liquid for easy cash retrieval when needed. Director Kull asked if Foundation funds could be moved into an interest bearing account and be used for operating expenses. President Winget said Foundation funds can't be used for operating expenses, and the by-laws would need to be checked if Foundation funds can draw interest. He also said the Foundation donated funds to the City of Rowlett, and he suggested the HFC Board meet as a Foundation Board and continue that president of donations to existing organization's projects, such as Habitat or the City, rather than create Foundation projects the Foundation Board would have to manage. He then repeated the need to find and check the by-laws in order for the Board to decide these issues, because he believes the HFC and the Foundation are two separate entities, but with the same Board of Directors, and could have very different rules to operate by. He concluded by asking Treasurer Kuhn to look for the by-laws in the old office. Director Kull volunteered to contact other HFCs to find out if any have Foundations, and if so, how they operate.

Treasurer Kuhn proceeded to outline how a majority of HFC funds are invested in LGIPs in both Texpool and LOGIC. HFC LLC's funds are held in a money market fund with UST, US Government Agency Repo, US Government Agencies and UST Repo. President Winget asked if there was a recommendation to adjust the fund allocations shown in the presentation. After additional consideration there was consensus among the Board Members to allow Treasurer Kuhn to change the HFC fund allocations as he sees appropriate without the need for a motion to that effect.

There being no further discussion on Agenda Item 5, President Winget said we would move on to Agenda Item 6.

No action was taken on Agenda Item 5.

6. Discuss Future Utilization of the Rowlett HFC Foundation:

President Winget said we have already discussed the HFC Foundation, the funds in that account and some of its uses, so do we want to discuss this further today or ask Treasurer Kuhn to bring us recommendations after we see what the by-laws say. Director Dunnican mentioned we already understand some Foundation money has been donated to Rowlett for sidewalk repairs. Director Kull pointed out it appears the HFC and the Foundation have two different purposes and we need to have a better idea how that works.

President Winget said the Foundation may have been set up just to make donations/grants to organizations and not to operationally do anything. Director Schupp suggested unless we find some compelling reason to have the Foundation it might be best to dissolve it and thereby simplify our operations. President Winget agreed that he wasn't sure there is a need for the Foundation, but recommended doing more research on the this subject, and moving any decisions forward for further consideration.

There being no further discussion on Agenda Item 6, President Winget said we would move on to Agenda Item 7.

There was no action taken on Agenda Item 6.

7. Items of Community Interest, Topics for Future Agenda:

President Winget said we couldn't take action on an e-mail he received from Pedcor. They are interested in partnering with the HFC in developing more residences in Rowlett. Pedcor owns the Residences at Longbranch in Rowlett, and this would be additional multifamily units, not an expansion of Longbranch. This is not an agenda item for this meeting, so no action can be taken, but this proposal may be formally coming to the HFC and this report is intended to be a "heads up" only at this time.

President Winget then said he planned to ask City Council to appoint a new HFC member to replace him, and confirm Board membership at the August 5th Council meeting, therefore the Board should be prepared to elect officers at the next HFC meeting. The consensus of the board was to conduct a tour of One90 Main at 9 AM on August 21st and then conduct our regular business meeting at 4 PM on the 21st as well. President Winget asked Treasurer Kuhn to follow up on the questions raised in today's meeting for the agenda on August 21st.

8. Adjournment:

There being no further business, President Winget said we would adjourn at 5:21 PM.

Approved on 8-21-25, 2025



Carter Holston, Vice President



Richard Kull, Secretary