



**MINUTES OF THE FINANCE AUTHORITY OF NEW ORLEANS
SPECIAL MEETING OF THE BOARD OF TRUSTEES**

Tuesday, June 20, 2017

Members Present: Mrs. Gizelle Johnson-Banks, Mr. Stephen Smith, Mr. Joseph Friend, Dr. Gary Clark, Mr. Wade Wootan & Mr. Terrence Rice

Members Absent: None

Staff Present: Mr. Damon Burns, Ms. Deletha Cyprian, Mrs. Elenora Spears & Mrs. Stacey Weaver

Members of the Public: Legal Counsel Jade Brown Russell, Ms. Michelle Thomas (Think Thomas Consulting), Ms. Amy Verberne (Carr Riggs & Ingram), Mr. Sheldon Bruno (Bruno & Tervalon LLP) & Mr. Mike Airhart (George K. Baum)

Chair Johnson-Banks called the Finance Authority Board Meeting to order at 12:11pm.

Old Business

There was no old business to discuss.

New Business / Board Actions

Acceptance and Approval of the Amended December 20, 2016 Board Meeting Minutes

Legal Counsel Brown-Russell noted that the December 20, 2016 Board Meeting Minutes needed to be reapproved. The Board's motion to approve the Fiscal Year 2017 Operating Budget was unintentionally omitted. The amended minutes are in need of Board's approval.

After a review of the Minutes, **Chair Johnson-Banks requested a motion to reapprove the amended minutes of the December 20, 2016 Board of Trustees Meeting. Mr. Friend moved and Mr. Rice seconded. The motion passed unanimously.**

Acceptance and Approval of the April 13, 2017 Board Meeting Minutes

There being no discussion, after a review of the minutes, **Chair Johnson-Banks requested a motion to approve the minutes of the April 13, 2017 Board of Trustees Meeting. Mr. Wootan moved and Mr. Friend seconded. The motion passed unanimously.**

Acceptance and Approval of Fiscal Year 2016-2017 Short Year Audit

Ms. Amy Verberne, Auditor with Carr Riggs & Ingram gave a brief presentation to the Board noting FANO's short year financial audit for the period ending on December 31, 2016. Ms. Verberne discussed the Required Communications for the Board of Trustees highlighting the following items:

Engagement Objectives – Carr Riggs & Ingram along with Bruno & Tervalon LLP conducted a joint audit of the The Finance Authority of New Orleans.

Accounting Policies, Judgements and Sensitive Estimates – FANO's policies are in accordance with all applicable accounting guidelines.

Ms. Verberne informed the Board that FANO's audit went well, there were no significant changes, no disagreements and no findings. She explained that there were a couple of corrected misstatements but only due to timing and the change in FANO's fiscal year. The misstatements were reclassified for presentation purposes. There weren't any control deficiencies, no fraud occurred, or illegal accounts detected. No information was withheld. Ms. Verberne stated that she continues to see Ms. Cyprian & FANO's improvement each year. She informed the Board that there was one wording change within the audit report to note FANO's nine month short period. Mr. Burns informed the Board that staff has been in constant communication with the auditors and expects to update FANO's financial controls in the near future.

Chair Johnson-Banks requested a motion to approve the Fiscal Year 2016-2017 Short Year Audit. Mr. Rice moved and Secretary/Treasurer Dr. Clark seconded. The motion passed unanimously.

Approval of Audit Compliance Questionnaire

Mr. Burns informed the Board that questionnaire was a yearly housekeeping item that the Board must complete and submit to the State for review. After review of the document by the Board, Mr. Friend questioned if Part 4, 9a of the questionnaire was supposed to state "Not Applicable": *"The governing authority has amended its budget when notified, as provided by R.S. 39:1311 (Note, general and special revenue fund budgets should be amended, regardless of the amount of expenditures in the fund, when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more; or when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by five percent or more. State law exempts from the amendment requirements special revenue funds whose revenue funds with anticipated expenditures of \$500,000 or less, and exempts requirement to amend revenues.)"*

The Board briefly discussed. After brief research, Staff and Ms. Verberne confirmed that in previous years FANO had always answered that question as not applicable, which is the correct response. FANO is a Quasi-Government Agency and therefore, not required to comply with that particular part of the questionnaire.

Chair Johnson-Banks requested a motion to approve the Audit Compliance Questionnaire. Mr. Friend moved and Secretary/Treasurer Dr. Clark seconded. The motion passed unanimously.

Consideration and approval of a resolution authorizing the amendment of the Expand to Homeownership Grant Program to change the name of the program to "Own New Orleans Program"; Authorizing the implementation of the Interest-Free Down Payment Loan Option as an additional offering under the Own New Orleans Program; and authorizing the dedication of up to \$500,000 in FANO reserve funds to support the fulfillment of FANO's obligations for down payment assistance through the Interest-Free Down Payment Loan Option

Mr. Burns informed the Board that as a part of the strategic plan, FANO evaluated various programs. The Homeownership Program is a core piece of the mission and FANO will continue to invest in the program. He stated that the Expand to Homeownership Program had some good qualities but needed a few adjustments. George K. Baum, Caine Mitter & FANO have been working together to redesign the Expand to Homeownership Program

which will now be called Own New Orleans. Mr. Burns gave a brief presentation to the Board outlining the features of the new program. More options are being made available to qualifying families. He make the distinction between the 10% Interest-Free Down Payment Loan, the 3% and 5% Down Payment Grant. Graphs were shown to exhibit comparisons between homeowners and non-homeowners in today's market. Mr. Burns also noted FANO's current local market share highlighting the mortgage loans, loans that are below \$250,000 and the number of FHA loans, all of which are below 3%. In past years, FANO originated more than 400 loans in a given year. Mr. Burns believes those levels can be reached again with the help of the Own New Orleans Program. He informed the Board that he's received positive responses from lenders and realtors on the terms and branding of the new program. The program will be under constant evaluation and tweaked as necessary to ensure families are getting the best options for their needs. He stated that this is a unique program to FANO but is used throughout the United States. Mr. Friend asked how FANO was planning to market the new program. Mr. Burns stated that Wednesday's Launch Reception would be the initial event that would connect directly with the community. FANO will also get the word out by meeting with realtors, lenders, increasing our social media presence, the organization's updated website as well as Mr. Burns' radio and TV appearances. Lastly Mr. Burns noted that once the resolution was approved, 2 sub accounts would be set up with Whitney Bank that would finance FANO's contribution to the Own New Orleans Program.

After the review of the resolution, **Chair Johnson-Banks requested a motion to approve the resolution authorizing the amendment of the Expand to Homeownership Grant Program. Secretary/Treasurer Dr. Clark moved and Mr. Rice seconded. The motion passed unanimously.**

Chair Johnson-Banks expressed her excitement about the program and thanked Mr. Burns for his work.

Chair's Report

There was no Chair's Report given.

Executive Session

There was no need for an Executive Session.

Public Comment

There were no public comments.

Other Business

There was no other business to discuss.

There being no further business, **Chair Johnson-Banks requested a motion to adjourn the Board Meeting. Mr. Friend moved and Mr. Rice seconded. The motion passed unanimously.** The meeting was adjourned at 1:05pm.

ATTESTED: G. Clark DATE: 8.22.17
SECRETARY/TREASURER