



Board of Directors Meeting Packet

March 1, 2016

Call Information: Toll free number 1-866-376-0342
Conference code: 4995659464



Hartford Area Habitat for Humanity
Board of Directors Meeting
March 1, 2016 at 6:00 pm
75 Charter Oak Avenue- Building 1, Hartford, CT

AGENDA

- | | |
|-----------------------------------|--|
| 1. WELCOME and DEVOTION | Lisa Chirichella |
| 2. GUEST SPEAKER | Jeff McChristian, DeManche McChristian |
| 3. CONSENT AGENDA and RESOLUTIONS | Matt Cooper |
| a. 780 Windsor Upgrades | |
| b. Audit Firm Search | |
| 4. EXECUTIVE SESSION: | Lisa Chirichella |
| 5. NEXT BOARD MEETING | April 5, 2016 |

Hartford Habitat for Humanity

2016

**Executive Committee
Meetings
Location: Phone**

**Board of Directors
Meetings
Location: Habitat Office**

Special Session

January	Tuesday, January 19 4:00 pm	Tuesday, January 26 6:00 pm	(Habitat International representative on Neighborhood Revitalization)
February	Tuesday, February 23 4:00 pm	Tuesday, February 2 6:00 pm	
March	Tuesday, March 29 4:00 pm	Tuesday, March 1 6:00 pm (Foreclosure Discussion)	
April	Tuesday, April 26 4:00 pm	Tuesday, April 5 6:00 pm	Saturday, April 2 or 9 (TBD) NRZ will lead tour and discussion
May	Tuesday, May 31 4:00 pm	Tuesday, May 3 6:00 pm	
June	Tuesday, June 28 4:00 pm	Tuesday, June 7 6:00 pm (Budget Discussion)	
July	Tuesday, July 26 4:00 pm	No Meeting	
August	Tuesday, August 30 4:00 pm	No Meeting	Dominican Republic Build
September	Tuesday, September 27 4:00 pm	Tuesday, September 6 6:00 pm (Strategic Plan)	Saturday, Sept 10 Board Build
October	Tuesday, October 25 4:00 pm	Tuesday, October 4 6:00 pm	
November	Tuesday, November 29 4:00 pm	No Meeting	
December	Tuesday, December 27 4:00 m	Tuesday, December 6 6:00 pm	

Lisa Chirichella
Board Chair
Executive Director of
Economic and Business
Outreach
Aetna
151 Farmington Avenue
Hartford, CT 06156
chirichellala@aetna.com
W: 860-273-2453
C: 860-214-1861

R. Scott Orsey
Board Vice Chair
CountMeln! Hartford
10 Brookside Blvd.
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860-550-5210

BOARD OFFICERS

Matthew Cooper, CRPC, CSNA
Board Secretary
Vice President, Associate Complex
Manager
Morgan Stanley
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Phillip Titolo
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BOARD MEMBERS

<p>Bilidade Augustin Program Manager Capital Community College 53 Wolcott Hill Rd., Unit C14 Wethersfield, CT 06109 baugustin@ccc.commnet.edu W: 860-728-7667 C: 860-930-0002</p>	<p>Eric C. Brown, LEED AP Senior Vice President of Operations/Principal KBE Building Corporation 30 Batterson Park Road Farmington, CT 06032 ebrown@kbebuilding.com W: 860-284-7458 C: 860-250-3601</p>	<p>Matthew Bjorkman, CPA Director Risk & Regulatory Consulting, LLC P: 860.478.9017 Matthew.Bjorkman@riskreg.com</p>
<p>Ben Daigle The City of Hartford Dept. of Families, Children, Youth & Recreation 3 Arrowwood Drive Cromwell, CT 06416 bdctus@gmail.com C: 203-843-3897 H: 860-788-7989</p>	<p>Luke Ebersold Partner BlumShapiro 29 South Main St. West Hartford, CT 06107 lebersold@blumshapiro.com H: 860-561-6854</p>	<p>Joseph M. Fazzino Senior Investment Analyst United Technologies Corporation 8 Farm Springs Road Farmington, CT 06032 joe.fazzino@utc.com W: 860-728-7667 C: 860-930-0002</p>
<p>Jesse Carabase, CPA Aetna Business Operations Finance – Accountable Care Solutions CarabaseJ@AETNA.com 860.273.6009</p>	<p>Donald H. Shaw, Jr. 72 Canal Road Granby, CT 06035 don.shaw@cox.net C: 860-655-5443</p>	<p>Ashley M. Maagero Director, Marketing The Travelers Companies, Inc. One Tower Sq. SHS 1-5th Fl. Hartford, CT 06183 ashleymmaagero@yahoo.com C: 603-703-3484 H: 860-277-2954</p>
<p>Caren A. Kittredge Director of Marketing, World Headquarters UTC Building & Industry Systems One Carrier Place Farmington, CT 06032 Caren.A.Kittredge@utc.com W: 860-284-3883</p>	<p>Rev. Sara Salomons Journey Home Director of Development 10 Woodland Street Hartford, CT 06105 ssalomons@yahoo.com C: 860-882-9791</p>	<p>Doris Sugarman The Connecticut Forum 750 Main Street Hartford, CT 06103 dsugarman@ctforum.org W: 860-509-0909 ext. 15 C: 860-305-8354</p>
<p>Steven Hernández, Esq. Director of Public Policy & Research Connecticut Commission on Children 94 Round Hill Rd. Manchester, CT 06040 solek1984@gmail.com C: 860-904-0404</p>	<p>Thomas R. Trumble, CLU Private Capital Group, LLC 29 South Main Street, Suite 208 West Hartford, CT 06107 ttrumble@pcgct.com W: 860-561-1162 ext. 1810 C: 860-690-8105</p>	<p>Mark D. Vasington Vice President, State Manager First American Title Insurance Company 100 Pearl Street, 10th Floor Hartford, CT 06103 mvasington@firstam.com C: 860-214-0537</p>

CT Housing Laws: The Facts

The purpose of this conversation is to educate the Hartford Area Habitat for Humanity Board of Directors on CT Housing Laws in particular foreclosure laws. The mortgage portfolio is a part of the finance committee's oversight and is a part of the monthly reporting.

Jeff McChristian will provide an overview of the process and explain how we are following the best practices. This discussion will not address specific homeowners or discuss operational procedures. We can assure you that if a particular mortgage requires board input that we will bring it to the board's attention.

**Hartford Area Habitat for Humanity
Delinquency Policy Revised in January 2011**

Accounts are serviced by Rockville Bank. The mortgages are due on the 1st of month and are considered late if received after the 16th of the month. We have approximately 10-20 accounts that are due on the 15th and considered late after the 26th of the month. These accounts were established in 1990-1995, our first set of Habitat homes.

If payment is not received then Rockville Bank sends a letter to the owner stating that the payment was not received and it also generates the new bill for the next month. Prior to January 2011, the affiliate did not receive a delinquency report till the end of the month. We currently get a preliminary report on the 17th of each month. If the account is currently being monitored by Family Services then I call the homeowner to establish communication.

If payment is not received by the 30th of the month, Rockville Bank generates a detailed report on all delinquent Habitat mortgages. Habitat sends the first formal letter to the homeowner requesting communication regarding the family's financial condition. This letter requires for the homeowner to make an appointment with Family Services. At this meeting, the family is required to bring paystubs and all monthly bills. Based on the family's explanation, Family Services will determine which program or referral best fits the dilemma. We extended the department's hours to accommodate homeowners on Thursday evenings so that we can discuss financial stability. The options are:

- Budget counseling from a third-party group (CRT and Co-Opportunity)
- Principal Deferred for 6 months (only eligible with employment loss and medical/health problems)
- PRONTO
- Automated payments through savings accounts
- Lump sum options (income tax)

If the family fails to comply with any of the above options then foreclosure will be recommended to the Executive Director and the Finance Committee.

How are mortgage payments applied? Late fees accrue on the account, so they can be paid immediately or addressed at the end of the mortgage. We do not have a means to enforce immediate payment of late fees.

- Escrow (Insurance and Taxes)
- Principal
- Late Fees

Checklist of what items are required when referring an account to foreclosure. This checklist will be used for the Executive Director and Finance Committee.

- All correspondence from Habitat to homeowner (default letters)
- Current payoff from Rockville Bank outlining number of months in default and any outstanding taxes, insurance or additional expenses.
- Determine if Habitat will have to pay outstanding insurance and taxes to protect the investment
- Payment history
- Original notes and mortgages, if available

What happens when an account becomes delinquent in relation to escrow?

If the account is more than 3 months delinquent, Rockville Bank is unable to payout escrow bills such as taxes and property insurance. We currently get a 2 month look ahead of what insurance bills are due by homeowner. If a person is delinquent then Family Services contacts them to explain that immediate payments must be made to protect the property and their insurance policy. If the requests go unanswered then Habitat must force place insurance to protect our investment. In the past, this has only occurred for properties in foreclosure and it was clear that the property will be returned to our affiliate.

In terms of property taxes, we monitor delinquent accounts to ensure that taxes are paid on time. If an account is delinquent then taxes are not paid until the municipality threatens a tax lien. As soon as the account becomes current or a lump sum payment is made then all outstanding escrow obligations are paid.

Jeffrey A. McChristian



Attorney Jeffrey A. McChristian has been in the private practice of law in the Hartford, Connecticut area since he was admitted to the Connecticut Bar in 1978. He represents individuals, institutions and small business clients across multiple practice areas, including real estate, litigation, small business representation, bankruptcy, foreclosures, landlord-tenant law and estate planning. His extensive experience in diverse legal arenas allows him to effectively address the variety of legal needs that can arise for clients over time.

Since 1994, Attorney McChristian has served as an arbitrator, attorney trial referee and fact-finder in the Hartford and New Britain Judicial Districts, and formerly as a small claims hearing officer in the Hartford Housing Session. He has served as a lecturer on Housing Court Practice

and Procedure for the Connecticut Bar Association's legal education series for young lawyers, as well as a presenter on Residential and Commercial Evictions for a variety of continuing legal education seminars. Attorney McChristian has extensive experience in reverse mortgage transactions and has made numerous presentations on the topic to area lenders, realtors and senior centers.

Attorney McChristian is a member of the Connecticut Bar Association, the Hartford County Bar Association, and the Valley Chapter of Business Networking International. He is a mentor for the Hartford County Bar Association's Lawyer Mentoring Program and a former President of the Wesleyan Alumni Association of Greater Hartford. For many years, Attorney McChristian was a volunteer coach for local youth soccer, basketball and baseball leagues, as well as a volunteer Cub Scout and Boy Scout leader.

Areas of Practice

- Small Business Representation
- Residential and Commercial Real Estate
- Civil Litigation
- Personal Injury, including Traumatic Brain Injury
- Bankruptcy and Bankruptcy Litigation
- Landlord-Tenant Representation
- Foreclosure and Foreclosure Defense
- Title Claims Defense
- Wills, Trusts, Estate Planning and Estate Administration
- Workout Negotiations and Litigation

Bar Admissions

- Connecticut
- United States District Court of Connecticut
- United States Court of Appeals, Second Circuit
- United States Supreme Court

Education

- University of Connecticut School of Law, Juris Doctor
- Wesleyan University, Bachelor of Arts, *cum laude*

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Nonprofit Quarterly | (<https://nonprofitquarterly.org/2011/03/25/habitat-for-humanity-tries-to-stem-foreclosures/>)

Habitat for Humanity Tries to Stem Foreclosures

By RICK COHEN | March 25, 2011

March 24, 2011; **Source:** New Haven Advocate (<http://www.newhavenadvocate.com/featured-news/in-this-economy-even-habitat-for-humanity-houses-face-foreclosure-066442>) | The Hartford, Conn. affiliate of Habitat for Humanity has two foreclosure proceedings underway against Habitat homeowners. In the past three years, the Hartford and New Haven affiliates of Habitat have filed seven other foreclosure actions. Is this a scandal about Habitat? Hardly.

Habitat's foreclosure rate is 2 percent or less nationally as well as in Connecticut. Notwithstanding their sweat equity, Habitat homeowners carry a mortgage, though equal only to the cost of building the home and offered on a no-interest, generally very low monthly payment schedule. But even with costs that low, families can still fall behind on their mortgages due to unemployment or health issues, the same reasons why homeowners become delinquent on their mortgage payments on conventional mortgages.

When necessary, Habitat will file to foreclose (since Habitat, rather than a bank, holds the mortgage), but the group seems to make every effort to help homeowners keep their homes. Given that Habitat for Humanity became the 8th largest homebuilder (<http://online.wsj.com/article/SB10001424052748703374104575337392116636792.html>) (in terms of number of closings) in 2010, just behind Hovnanian Enterprises and just ahead of the Ryland Group, a 2 percent foreclosure rate is a testament to the good work that Habitat does in helping low- and very low-income homeowners buy and keep their homes. But if there are foreclosures in the Habitat network, it is not a crisis in Habitat. The crisis remains the supposedly waning national economic recession that is still raging among the nation's poorest families.

"We really go to the nth degree before we get to that point [of foreclosure]," says Michael Brett, the executive director of the Hartford Area Habitat operation. Habitat stands in contrast to the nation's mortgage bankers, commercial banks, and sometimes the federal government, none of which have yet edged close to the "nth degree" in their efforts to stem foreclosures.—Rick Cohen

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FINANCE

Finance Committee Report

Accrual Basis

Key Indicators for the fiscal Period 7/1/15 to 1/31/2016

	YTD Actual	YTD Budget	YTD Variance	Total Budget
Development Income	\$ 944,588	\$ 756,250	\$ 188,338	\$ 945,000
Grant Income	\$ 546,294	\$ 730,375	\$ (184,081)	\$ 1,591,000
ReStore Income	\$ 481,591	\$ 331,000	\$ 150,591	\$ 600,000
CIP Expenditures	\$ 676,241	\$ 746,486	\$ 70,245	\$ 1,656,748
Operating Expenses	\$ 1,242,426	\$ 1,256,323	\$ 13,897	\$ 2,078,612
Homes Built	4	6	-2	10
Homes Closed (new construction)	3	3	0	10
Foreclosed/Taken Back	0	0	0	2
Lots Purchased/ Acquired	1	0	1	0
	Actual		Budget	
	Restricted	Unrestricted	Restricted	Unrestricted
Beginning Cash Balance 7/1/2015	309,391	1,006,431	256,000	1,059,822
Cash Receipt - Y-T-D	727,241	1,590,365	306,250	1,832,206
Cash Disbursements Y-T-D	(348,281)	(1,725,157)	(306,250)	(1,931,026)
Ending Cash Balance 12/31/15	688,351	871,639	256,000	961,002
Net Change in Cash FY 2016	378,960	(134,792)	0	(98,820)

Total Cash Balance beginning of month	\$ 1,413,485
Total Change for Month	<u>146,505</u>
Total Cash Balance end of month	<u><u>1,559,990</u></u>

December 31, 2015

Operating Accounts

Checking - Windsor Federal & Sweep Acct.	278,993.32
Checking - Rockville Bank	327,129.40
Checking - First Niagara - #5901	7,716.99
Windsor Federal HUD/SHOP-0429	300.00
Checking - Webster	33,208.70
ReStore Operating Cash	185,086.88
Fidelity Investments	24,319.27
	<hr/>
	856,754.56

NMTC Accounts

POB #1 - US Bank - #152313149626	117,472.23
US Bank - POB #1 - Joint Exp Acct - #9634	50,489.98
POB #2 - US Bank - #152313868209	53,225.93
US Bank - POB #2 - Joint Expense - #8068	71,935.06
	<hr/>
	293,123.20

1,149,877.76 Total Available Cash**611,213.00 Temporarily Restricted Net Assets****1,761,090.76 Cash Available for Operations**

CD - Windsor Federal ReStore Collateral	263,606.85
Total Cash & Cash Equivalents	<hr/>
	1,413,484.61

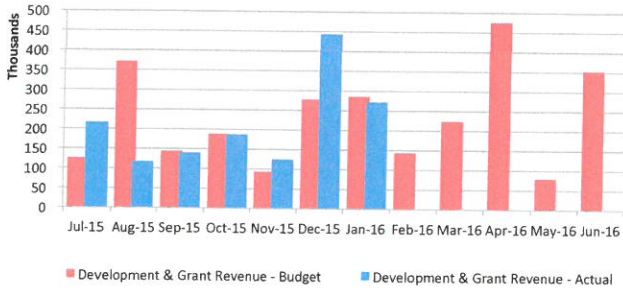
HARTFORD HABITAT FOR HUMANITY - BOARD OF DIRECTORS DASHBOARD

Start Date: 7/1/15
End Date: 12/31/15

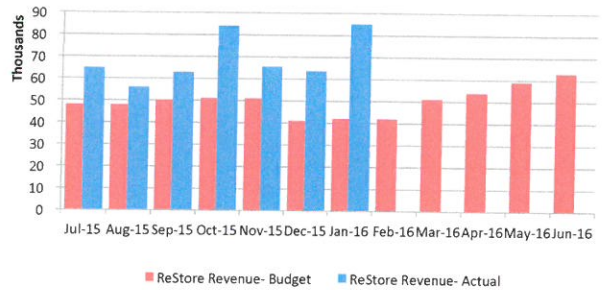


REVENUES AND EXPENDITURES

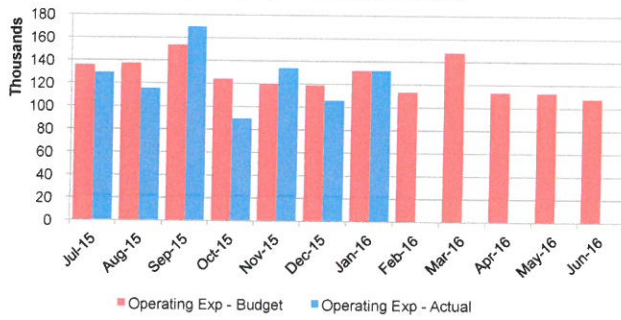
Development & Grant Revenue



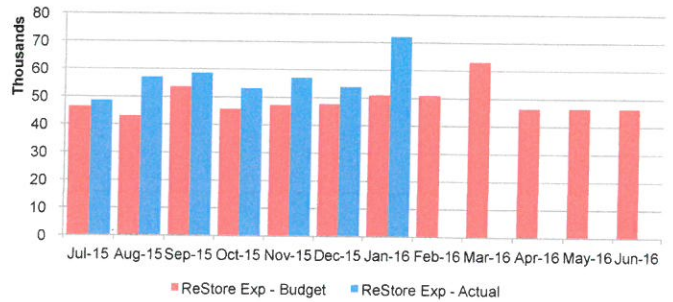
ReStore Revenue



Operating Expenditures (excl ReStore)

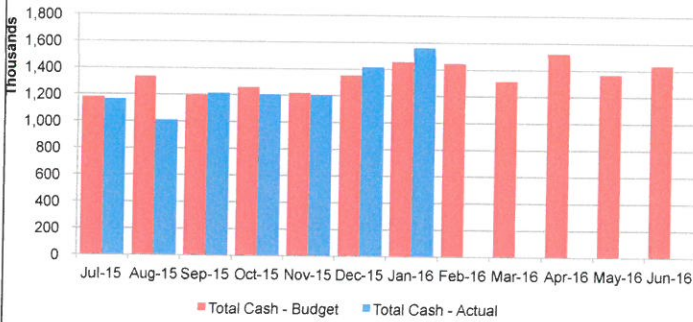


ReStore Expenditures

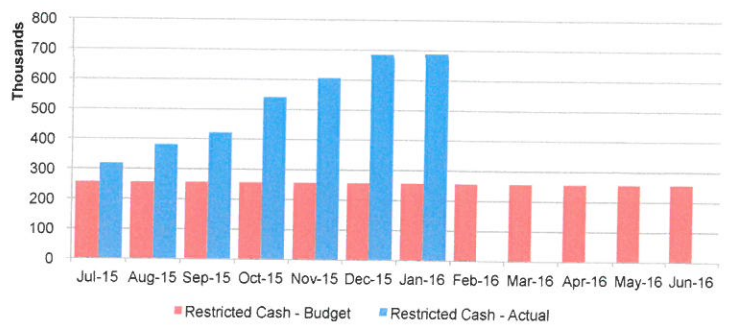


CASH BALANCES, FLOWS, AND HOMES BUILT

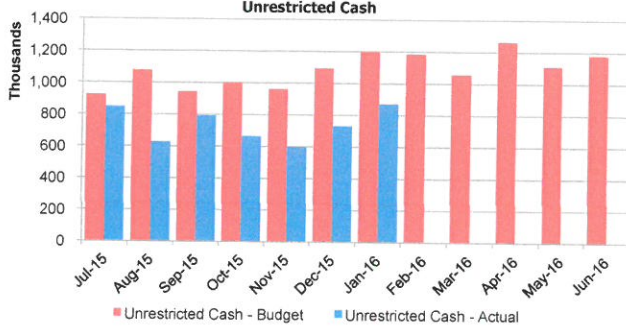
Total Cash



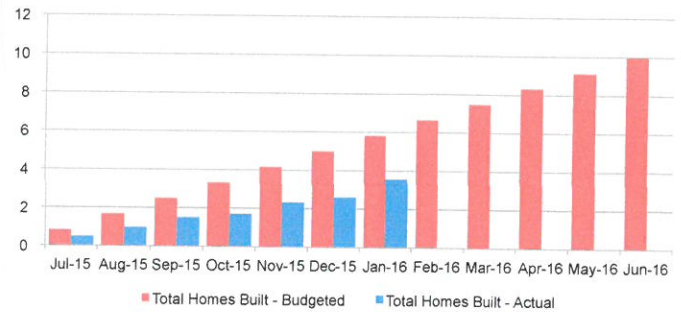
Restricted Cash



Unrestricted Cash



Homes Built

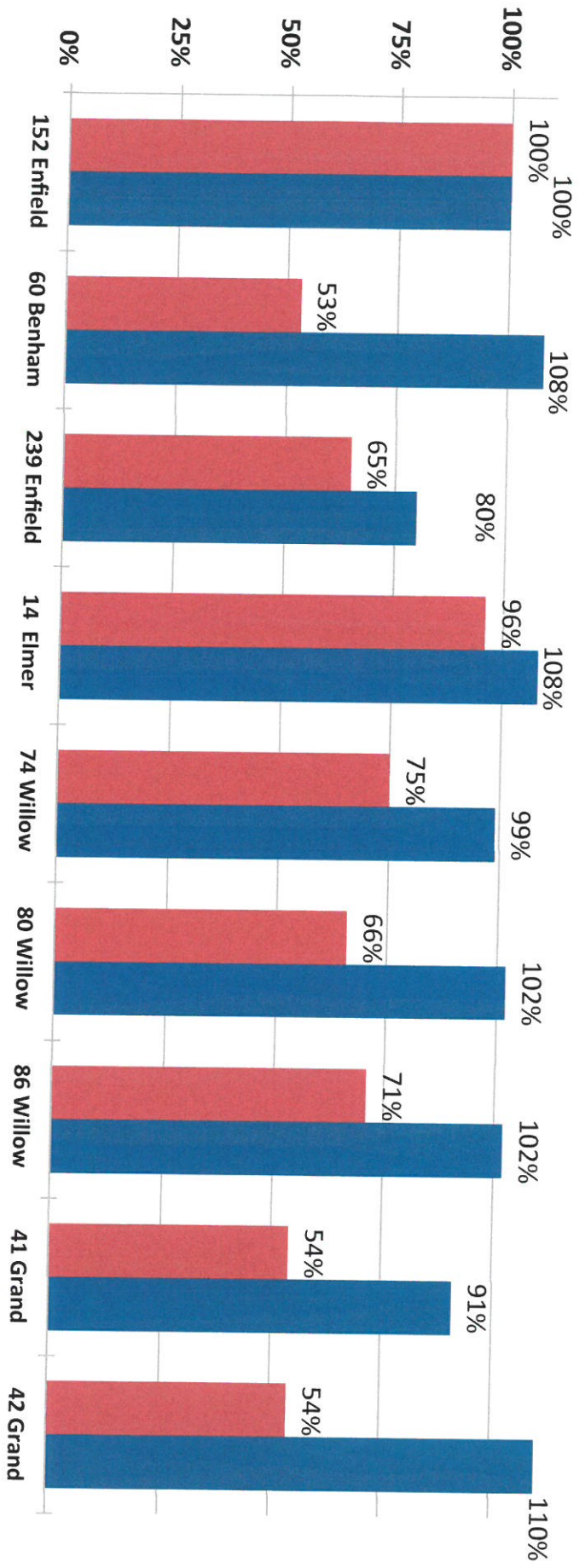


January 31, 2016

HARTFORD HABITAT FOR HUMANITY - BOARD OF DIRECTORS DASHBOARD



HABITAT HOMES: WORK-IN-PROGRESS BUILT AND FUNDED STATUS



■ % Built ■ % Funded

Primary Sponsor	Project Name	Public Funding	Pct Public Funded (inc. DOH)
BAT 2014	152 Enfield		67%
UTC, Barnes	60 Benham		49%
Public Funding	239 Enfield		77%
Public Funding	14 Elmer		108%
Stanley/ESPN	74 Willow		80%
ASF	80 Willow		80%
ASF	86 Willow		80%
HOF various	41 Grand		77%
Banks	42 Grand		77%

CONSENT AGENDA

Hartford Area Habitat for Humanity Board Meeting Minutes
February 2, 2016; 6:00 PM, 75 Charter Oak Avenue, Building 1 Conference Room

Board Members: Lisa Chirichella, Ben Daigle, Ashley Maagero, Don Shaw, Tom Trumble, Phillip Titolo, Luke Ebersold, Rev. Sara Salomons, Joe Fazzino, Matthew Bjorkman, Bildade (Billie) Augustin, Steven Hernandez, Caren Kittredge, Scott Orsey,

Absent: Mark Vasington, Jesse Carabase, Doris Sugarman, Matthew Cooper, Eric Brown

Others Present: Karraine Moody, Michael Deroy

Proceedings:

Meeting called to order at 6:08 PM by board President, L. Chirichella
T. Trumble provided devotion: reflection on “infectious Habititis” as written in Millard Fuller book.
Passed out talking points/FAQs to board members (Habifacts).

Finance Committee

M. Deroy reviewed reporting packet. Highlights:

- Development income and overall expenses favorable to plan.
- Cash Balances stand at \$1.4M, which is \$200k favorable to plan.
- Restore revenue is \$107k favorable to plan, YTD with a strong December (\$22k favorable)
- Expense variance is unfavorable to plan but in line with revenue increase.
- Construction – Salaries under-budget and contractors over budget – will be brought in line with upcoming reimbursement.
- Discussion: Board interest in longer term trends. Audited financial statements are available, but line item detail trending would be inconsistent because of staff transitions. New, more solid procedures, will make this sort of trending easier going forward.

Development Committee

L. Chirichella reviewed recent activities:

- Year over year comparisons included in packet
- Discussion: .Noted huge increase in # of appeal letters with little evidence of improved returns. K. Moody explained that staff will be simplifying activities next year with focus on annual appeal. A question was raise about how detailed the board needs to be involved. A question also raised about how decisions like engaging in the Gingerbread build are made.
- K. Moody explained that donor care has increased significantly with outreach starting at worksite, through follow-up thank you notes, to mailer to support mission, and to fall appeal letter.

Community and Public relations

- L. Chirichella described new board led effort to communicate board news more regularly. If you have news, send it to A. Maagero.
- D. Shaw stepped through recent activity (see packet).

Governance Committee

L. Chirichella and C. Kittredge gave overview:

- Forming new “membership” sub-committee chaired B. Daigle to focus on board composition, recruitment and nomination process
- B. Daigle will put together timeline and activities. T. Trumble offered to be first point of contact in vetting process.
- Remaining Governance Committee (C. Kittredge, S. Hernandez, S. Orsey) will focus on bylaw updates.

Consent Agenda

MOTION #1: Motion to approve October 27, 2015 Board Minutes. See packet.

Moved by: T. Trumble *Seconded by:* S.Salomons *Discussion:* None.

Motion passed unanimously (voice vote) with B. Daigle, abstaining.

MOTION #2: Motion to approve December 8, 2015 Board Minutes. See packet.

Moved by: T. Trumble *Seconded by:* S.Salomons *Discussion:* None.

Motion passed unanimously (voice vote) with B. Daigle, S. Hernandez and C. Kittredge abstaining.

MOTION #3: Motion to approve December 1, 2015 Finance Committee Minutes. See packet.

Moved by: T. Trumble *Seconded by:* S.Salomons *Discussion:* None.

Motion passed unanimously (voice vote) with no abstentions.

Operations Report

K. moody reviewed report included in packet.

- Hartford Habitat named to 2016 Best Places to Work in Connecticut.

Other Business

None

Meeting adjourned to Executive Session at 7:35 PM.

Minutes submitted by: S. Orsey

Minutes: Finance Committee Meeting January 26, 2016, 7:30 a.m. – via Telephone Conference

Present: Matt Bjorkman, Lisa Chirichella, Luke Ebersold, Joe Fazzino, Phillip Titolo, Jesse Carabase, Ed Kindelan, Karraine Moody, Michael DeRoy. The meeting began with the introduction of the 2016 calendar and the plan for monthly meeting topics in 2016. There was a brief discussion of a Mortgage Summary provided by Karraine and Mike as a starting point for the February 23, 2016 meeting. Prior to that meeting Phillip will review the Mortgage Summary and offer suggestions for inclusion in the package for the February meeting. The Functional Expense schedule from the June 30, 2016 Audited Financial Statements was discussed. This schedule relates to budgeting and department expense allocations and will be addressed in the March and April meetings.

In reviewing the Budget vs Actual reports for December 2015 it was noted that both Revenue and Expenses were in line with the budget.

The restricted asset balance continues to exceed budget. The budget anticipated that new restricted funds would keep pace with older funds being released from restriction as homes progressed. But at the present time, restricted funds are being received for planned homes that are not yet under construction.

Home closings are on schedule, with three closed year-to-date. Homes under construction are ready for winter. Spring, as expected, will be busy. The Work in Progress schedule will be reviewed during the budget process, to be sure it is tracking actual construction progress.

The discussion of the dashboards also included the Roosevelt Street Hartford home acquired by gift.

Journal entries will be reviewed and approved via email after the meeting.

Joe Fazzino updated the committee with the outcome of a meeting with Ed Sullivan of Whittlesey & Hadley following the firm's audit. The purpose of the meeting was to discuss the audit fee and our consideration of sending out a request for proposal to other firms. Although under budget for this fiscal year, the fee has been higher in previous years, and comparisons are warranted. An RFP will be sent to Mahoney & Sabol (Glastonbury); Maletta & Company (Bristol); Fiondella, Millone & LaSaracina (Glastonbury); and Whittlesey & Hadley.

The meeting closed with Karraine and Mike each certifying that they have adhered to the Financial Controls of the company, and that there are no known issues or problems of which the Committee has not been informed.

Meeting adjourned at approximately 8:15 a.m.

Development Committee Meeting Minutes 2/17/2016

2016 Calendar Review

Habitat is seeking board engagement for three fundraisers:

- Women Build, May 3 – 7,
 - Golf Tournament, August 29th
 - Build-A-Thon, September 19 – October 1st
-
- Board members can come out on site & invite friends and family.
 - Ideal to have board engagement
 - Help us bring more corporations to the table
 - We have done an excellent job maintain existing corporate relationships and creating new ones but we could always use more

Women Build 2016

- We have not set goals (net & gross) for major events.
- Probable Goal is \$75,000 (last year, we raised roughly \$70,000) so very attainable
- Stanley is site sponsor for \$2,500
- We applied for a Travelers grant for \$50,000, already received funds

Marketing Plan for 2016

- Sticking with *Come Together. Build Together.* We have only used this tagline for a year. In 2017, we are moving on to “Build More...” (Build More Hope.. Build More Communities..)
- It makes more sense to move to this new tagline in 2017, because we are starting our Enfield project (very large project, capacity for 18 units)
- We have already ordered our “gifts and goodies” for this year. Plan to have everything printed and done by March 1st.

Dashboard Review

- 2015 – 2016, every house funded. The plan is to close all seven homes currently under construction by June
- 2016- 2017 – homes are 80% funded, except for the home in Granby (no city funding)
- Plan to build 10 homes next year
- We have a relationship with all major health insurance companies except United Health Group. They have reached out to volunteer but have not been open to committing financial sponsorship
- \$180,000 means fully funded (includes hard costs & overhead costs, does **not** include family services costs, closing costs, administration..)
- **Actual #** to fully fund a home including **all** costs is \$220,000
- \$100,000 is a full house sponsorship for corporations

Public Sector Funding

- 2016-2017- all homes are funded
- Just applied for Housing Tax Credits, another \$50,000 (homes are already funded with Dept. of Housing money)
- Next project – 16 homes on Enfield, should be able to secure \$75,000 for each house
- SHOP program already funds \$40,000 on each house
- Granby home receives no city funding. Should be able to secure \$65,000 from CDBG (money can only be used to purchase land or clear lots, will use that money to fund rehabs at 232 Vine and Roosevelt St)

Other Upcoming Events/Plans

- **Financial Freedom Center**- we are renovating 780 Windsor; second floor will be turned into a lab for financial literacy workshops
- **Groundbreaking Celebration in Granby** –May 19th at 4 pm & Happy Hour Wine Tasting at Lost Acres Vineyard from 5 to 8 pm
 - Fundraiser, attendees will pay for their ticket and we will host a raffle
 - Christina will solicit boutiques & small businesses in Granby to donate items for the raffle
 - Will bring awareness that Habitat is in town
- Karraine will be reaching out to all board members to host all **seven Dedications in June**; we are hosting them in June for Homeownership month
 - Hosting them in June because it is homeownership month (most likely 2nd or 3rd week in June)

Upcoming Scheduled Development Committee Meetings 2016, 8:30 AM

- April 20th
- June 22nd
- September 14th
- November 16th

Minutes: Finance Committee Meeting February 23, 2016, 7:30 a.m. – via Telephone Conference

Present: Matt Bjorkman, Lisa Chirichella, Phillip Titolo, Jesse Carabase, Karraine Moody, Michael DeRoy.

The meeting began with a review of the financial reports. The Key Indicator Report is showing that the progress of home building could be behind schedule. However, the homes in progress were ready for winter on schedule. For the 2016/2017 budget we will not budget .83 homes per month, but give consideration to the seasonal aspect of the process, and the monthly WIP report will be evaluated to see if any changes are needed. The Restricted cash balance remains considerably higher than budgeted, but that is a reflection of our fundraising efforts being directed to specific homes and the funding preceding the completion of the homes. It could be expected that the Restricted Cash balance will remain in the \$600-\$700K range, but has reached its peak at that level. During a review of the Cash Schedule it was agreed that we should summarize the reason for each account, and take the steps to close/consolidate any unnecessary accounts.

The Budget vs Actual included a plan to budget land costs for 2016/2017 by using the actual general ledger land balances for the property to be developed. This year's variance in Cost of Sales-Land is a budget error, but the Cost of Sales are were land investments in prior years, so there is no cash effect in the present year. It was noted that our unfavorable variance in Construction Wages/Site Supervisor Subcontractors was turning around due to the reimbursements being made by Capital Workforce Partners for the New Britain Youth Build project. And the large Tithing variance is due to HFHI billing us a SOSI fee relative to the size of the affiliate, and as expected, increased donation revenue will lead to a higher expense.

The Budget vs Actual discussion continued with the ReStore results. Its Revenue continues to exceed expectations, but not without increased associated costs, specifically third-party moving. Bulk shipments of construction goods have yielded quick profitable sales, but again, accompanied by transportation costs. We may need to evaluate the possibility of bringing some of the moving costs in-house with a second driver, perhaps. But finding someone could be problematic from an insurance standpoint. The advantage of the present circumstances is that, if there were a slowdown in revenue/inventory turnover, we could more easily reduce outsourced costs.

The remainder of the meeting was focused on the need for renovation of 780 Windsor St to be a viable facility for the Financial Freedom Center. The Financial Freedom Center is part of the Strategic Plan to serve more families, including our current and prospective homeowners. Nor could the potential to lease two second floor offices be recognized without a reliable and comprehensive mechanical systems upgrade. The projected costs and sources of funding were included in the package of financial reports. It was reiterated that these were not cosmetic upgrades, but they included anything and everything necessary. The one exception is the lack of high speed internet, since DSL is the only available service at 780 Windsor.

Karraine shared her plans for the Financial Freedom Center to include utilizing the skills of our volunteers with professional finance backgrounds. It will allow volunteers to become involved in more than just construction, and will give them a look inside and behind the scenes of what we do. This is presently going on with Cigna volunteers holding workshops at the Bloomfield library.

The meeting closed with Karraine and Mike each certifying that they have adhered to the Financial Controls of the company, and that there are no known issues or problems of which the Committee has not been informed. And Matt noted that there were no questions or issues with the journal entries posted in January 2016.

Meeting adjourned at approximately 8:30 a.m.



To: Finance Committee

Date: 2/7/2016

Business Proposal:

The renovation and upgrades to 780 Windsor Street to support the affiliate's strategic plan to serve more families through financial literacy and support services.

Benefits:

The purchase of 780 Windsor Street was a major accomplishment for the affiliate considering that most affiliates do not own their operations base. 780 Windsor Street is also a central location for our families; near the highway and public transportation. The renovations will enable 780 Windsor Street to become the Financial Freedom Center to serve Greater Hartford as well as remain our construction/warehouse hub. The Financial Freedom Center has been well received by our stakeholders and funders. To date, we have received over 75K in sponsorship and support for the center.

The FFC will offer financial literacy, homebuyer education and other workshops to support our homeowners and the Greater Hartford community. In 2005, there were nine organizations offering homebuyer education. There are currently two viable organizations offering the required homebuyer education in Hartford. In addition, Hartford Habitat would begin to support homeowners throughout the region and build stronger partnerships with non-profits, residential developers and government agencies.

Expansion of Habitat services offered at 780 Windsor Street

- Financial Literacy Workshops (see manual)
- Engage volunteers off the construction site
- Engage different type of volunteer that would like to offer their professional training to the affiliate and our Homeowners (partnership with Cigna Finance Department, Delta Sigma Theta, CT Realtors, NSBE and SHPE)
- Currently discussing partnership with Home Depot, Ace and others to offer home improvement workshops in 2017





FINANCIALS

As shown below in the colored bars, the additional upgrade costs will be applied to donor advised funds designated to support family needs and a percentage from mortgage reserves.

As proposed last year with the Expansion proposal, we are prepared to lease out the upstairs suites at 780 Windsor Street, it would create an income stream for the affiliate.

We would like to start the improvements by March 8th and have a ribbon cutting ceremony in June 2016. We are currently piloting the FFC with Cigna Finance team. We have 20 volunteers that completed training in September 2015 and will offer workshops at Bloomfield library between February and June.

Overall	Total
Upgrades to Heating, Fire Protection, Electrical, Plumbing and Exterior including contingency and permit fees	\$205000
Legacy gifts received in FY 2016	-130000
United Bank-Mortgage reserves	-75000
Lease Suite 1	Up to \$1500 per month
Lease Suite 2	Up to \$1500 per month
Currently Monthly expenses at 780 Windsor	
Mortgage	\$840
	\$2000
Utilities	(will reduce with energy efficient heating systems and improvements)

AUDIT