

Rhode Island Housing

Minutes of the Budget Committee
September 10, 2012

Board Attendees: Mr. Paul Dimeo (Committee Chair), Joe Monteiro and Louis DeQuattro
Staff Attendees: Richard Godfrey, Susan Bodington, Kara Lachapelle and Nicole Turner

The Budget Committee of the Board of Commissioners convened at 9:10 a.m. to discuss the current fiscal year budget.

Mr. Godfrey discussed the current level of funding and the types of programs which Rhode Island Housing supports. There was discussion regarding the costs to maintain the current level of funding, especially with the State mandated funding of the Neighborhood Opportunity Program. Richard also discussed the two bond refundings that occurred at the end of FY 2012/beginning of FY 2013 as a way for the Corporation to mitigate interest rate costs by taking advantage of current low rates.

Questions were raised regarding the current cost of REO and write offs and what is included in those costs as well as how much reimbursement we are seeing from our MI claims. Richard explained that MI claims take anywhere from 6 months to a year to receive and are slower now than ever. He also discussed all of the costs associated with REO properties and how those costs increase the longer the property is held. He also mentioned that we have seen an increase in movement of the REO properties already on hand.

The operating budget was then discussed, highlighting an overall decrease in expenses by 10% compared to prior year budget. This includes the recently completed reduction in staff resulting in a total of 172 full time budgeted employees. In addition, Richard is meeting with the Department of Administration to discuss cost saving potential in legal fees by utilizing the State's approved legal representation.

Ms. Bodington then discussed the program budget in detail. Rhode Island Housing has always reinvested our earnings back into the community to various programs including the prevention of homelessness. However, due to cuts in funding and increased costs related to the struggles of the current housing market, our potential available earnings for programs has decreased significantly. Rhode Island Housing management has worked diligently to try to equitably spread the budget cuts between all programs.

Mr. Monteiro made a recommendation that the budget committee approve the budget as presented to the board of commissioners. Mr. DeQuattro seconded and Mr. Dimeo approved.

There being no further business, the meeting was adjourned at 10:05 a.m.

Respectfully submitted:

Mr. Paul Dimeo
Budget Committee Chair