

MINUTES OF BOARD OF DIRECTORS MEETING

March 26, 2014
Hilton New Orleans Riverside
8:30 AM CST

President Pam Lenane, called the meeting to order on Tuesday, March 26, 2014 at 8:35 AM Central Time.

Board Members present: Pam Lenane, Don Templeton, Elaine Yungerberg, Paula Drummond, Harry Huntley, Corrine Johnson and Dennis Reilly.

Board Members absent: Maribeth Wright, Paul Williams, Jr.

Also in attendance: Chuck Samuels, Shannon Govia, Bob Donovan, Mike Stanard

The following items were discussed:

1. Approval of Minutes of the meeting of March 12, 2014

President Pam Lenane called the meeting to order asked for a motion to approve the minutes of the meeting of March 12, 2014. Dennis Reilly pointed out a typographical error and with that change the minutes were unanimously approved.

2. Discussion Item – General Counsel Proposal

The President reported that Chuck Samuels has provided a proposal to reduce his fees to \$100,000 per year while continuing to provide the same services that he has been providing to NAHEFFA. Chuck stated that he has been working for NAHEFFA without a contract for about a year and is somewhat disappointed in the fee reduction, but does not want there to be gaps in the attention paid to the issues that are important to the members of NAHEFFA.

Bob Donovan offered support for accepting the new proposal as he believes that Chuck's long association with NAHEFFA and his detailed attention to the many issues that are confronting tax exempt issuers is very valuable. The impending threats brought about by the various changes proposed by the SEC and the tax reform act are issues that are familiar to Chuck and he is known in Washington as a representative of NAHEFFA. There could be valuable time lost in educating a new lobbyist and getting a new face in front of the right people.

Discussion ensued on the billing process and travel expenses. Chuck replied that he only charges for travel to the spring and fall conferences and would ask that the travel expense be added to the retainer fee.

Chuck left the meeting room and the President asked for input on how the Board would like to see this situation resolved. There was consensus that there needed to be continuity in the lobbying area and, if an RFP were to be done, what is to be put on the RFP? What kind of

representation is right for NAHEFFA? The fact that Chuck reduced his fees solves NAHEFFA's immediate budget problem and there was concern that changing lobbyists in the midst of the turmoil surrounding tax exempt bonds would cause bigger problems. One concern expressed was that NAHEFFA should receive a more detailed billing from Chuck. It was mentioned that a topical report would be an option. Members would then be made more aware of what Chuck does for NAHEFFA. Elaine made a motion to indefinitely postpone the RFP process for lobbyist that was approved at the last Board meeting. Paula seconded the motion and it was unanimously approved.

Corrine moved to accept Chuck's new proposal and Dennis seconded. The motion was unanimously approved.

3. Discussion Item – Conference Locations

The President asked for the proposed future conference locations. The 2016 Spring Conference is proposed to be held in Arizona (exact location not determined). The 2016 Fall Conference is proposed to be held in Chicago. Dennis offered to co-host the Fall Conference with the Illinois Authority. Don moved to accept the conference locations and Corrine seconded. The motion was unanimously approved.

4. Discussion Item – 2015 Budget

The President asked Don for the Treasurer's Report. Don stated that since the Advocacy budget item has been resolved, he pointed attention to Budget Scenario 3. This proposed budget will allow NAHEFFA to break even and possibly end the next year with a \$8,600 budget surplus. This would take into account that the Advocacy budget would be \$105,000 to allow for travel expenses for Chuck in addition to his reduced fee. It also assumes that sponsorship and membership fee income will stay about the same.

Discussion followed on the expected sponsorship fee and how difficult it has been to maintain the sponsorship level that we have had in the past. It seems that there are fewer dollars that are available from sponsors and many big underwriters are not showing interest in providing sponsorship fees to NAHEFFA. The timing of the sponsorship request seems to be quite important and it was suggested that October or November would be the best time to contact potential sponsors so that they can anticipate the expense for the coming year and incorporate it in their budget.

The discussion turned to the expectation of the sponsor and what the sponsor gets for the sponsorship fee. It was suggested that NAHEFFA members reach out to sponsors and introduce them to borrowers and make sponsors feel that their support of NAHEFFA is valuable.

Membership fees were then brought up. The Advocacy expense was reduced, so the pressure to increase the membership fees was reduced, but there may be a possibility that dues would have to be increased at some future date. The recently proposed increase was based upon an Authority's expense budget and offered three tiers of membership.

Tier 1 (11 Authorities) @ \$5,000

Tier 2 (9 Authorities) @ \$4,000

Tier 3 (19 Authorities) @ \$3,000

The consensus was that the conversation on membership fees should remain open as this is a major portion of our budget income.

Paula reported that she did not bring examples of investments that would possibly bring a higher rate of return for NAHEFFA, but that the Investment Policy should be developed and appropriate investments added to the portfolio that would increase the investment income.

The President asked for a motion to approve the budget. Dennis made a motion to accept Budget Scenario 3, with \$5,000 added to the Advocacy line item (total \$105,000). Paula seconded the motion and it was unanimously approved.

5. Adjournment

There being no other business, the meeting was adjourned by unanimous vote at 9:25 AM, CST.

Secretary