



MINUTES
National Housing Development Trust Board of Directors Meeting
Thursday, July 3, 2014
11:00 a.m.

1. Call to Order

The Chairman called the meeting to order at 11:39a.m.

2. Attendance

| Name | Initials | Title | In Attendance | Apologies |
|---|----------|-----------------------------------|---------------|-----------|
| Mr. George A. Powell | GP | Chairman | ✓ | |
| Mr. Kearney S. Gomez | KG | Deputy Chairman | ✓ | |
| Mr. Teddie C. Ebanks | TE | Director | ✓ | |
| Mr. Harwell A. McCoy | HM | Director | ✓ | |
| Ms. Lucille Barnes Rico | LR | Director | ✓ | |
| Ms. Louise Christine Burke-Richardson | LB | Director | ✓ | |
| Mr. Rayburn Farrington | RF | Director | ✓ | |
| Mr. Allan Bush | AB | Director | ✓ | |
| Deputy Chief Officer, PLAHI Mrs. Leyda Nicholson-Makasare | LM | Ministry's Representative (PLAHI) | | ✓ |
| Ministry of PLAHI Designate Mrs. Tanya Vasquez-Ebanks | TV-E | Ministry's Representative (PLAHI) | | ✓ |
| Financial Secretary's Office Designate – Mr. Randy Myles | RM | FS's Office Representative | ✓ | |
| Mr. Julio Ramos | JR | General Manager/ Secretary | ✓ | |

3. Welcome and Prayer

A warm welcome was extended by Chairman and MH led the meeting into a prayer.

4. Chairman's Opening Remarks

The Chairman expressed that it was quite a while since the Board last met and was optimistic that progress has been with the Trust.

5. Formal Approval of the Previous Board Meeting

Minutes of the Board of Directors meeting held on May 15, 2014 was confirmed with minor edits.

Moved: HM

Second: KG

Agreed: All Members Present

6. **Matters arising from the last Board Meeting** - A Review of the task list from the previous board was made and the following confirmed.

- 6.1 **Revaluation of the NHDT Eastern Avenue Property (Block13E Parcel166)**- As a follow up from the previous discussions the Board was advised that trust was in receipt of the two valuations that was requested for the two crown lots that are adjoining to the current Eastern Avenue Property.

It was expressed that the opportunity to acquire an equivalent property for housing in George Town passed. It was requested that the protocols for the Sale of the Government Property be outlined.

- 6.2 **Maintenance Work Identified in Windsor Park** – The works identified for the Windsor Park Housing site have been addressed.

7. **Audit & Accounts Report**

- 7.1 **The 2012-13 Financial Audit**, has been completed and the draft is now with the Audit Principal for final review and opinion. There following items (i.e. following the Auditor's observation) that have been adjusted and are tabled for Board discussion and decision.

- **Restatement of Land Value** - The Eastern Avenue Land Value that has been reduced from \$3M to \$1.809M which is based on the JEC Residential valuation that was recently conducted and based on the property currently zone high density residential.
- **Restatement of Bad Debt Write Off** - The write-off of bad debts has been reduced from \$1.19M to \$735K the amount accrued as client equity is now applied to the receivable arrears. Previously we retained this to write-off against house sales. The auditor insists that the difference between the cost of the houses and the sale price must be written off directly from the current profits.
- **Reporting Loss on Sale of AHI Houses** – Further to the restatement of Bad Debt Write Off the amount of \$290 has been expensed to the Profit and Loss Account representing "Loss" on sale of AHI Houses.

Agreed: It was agreed that the amendments made are in line with the Audit requirements.

- 7.2 **NHDT 2013-2014 Financial Performance** – A detailed report on the Profit & Loss Performance for the 2013-14 periods was provided and briefly reviewed.

Agreed: It was agreed that a review on a line by line will need to be made at later date as there were some expenses that require further explanation.

- 7.3 **2013-14 Equity and Output Billing to Cabinet update**, the following breakdown was provided.

- Total Equity Billing of \$2.9m has been billed of which the Trust is currently waiting on the balance of approximately \$984k as refund for project refund.
- A total of \$399k for Output Billing for Quarters 1 & 2 has been refunded. The Trust is currently finalizing billing for Quarters 3 & 4.

- We may have to forego a portion of the budgeted \$645k as many of our deliverables have not been achieved. This has been due to the inactivity of the GGHAM program and the fact that no new projects have been initiated

7.4 NHDT Budget 2013-2014 - The budget for 2013-2014 has been approved. We are awaiting official confirmation from the Ministry.

7.5 Preparation for NHDT Audit 2013-2014 - We are preparing for the audit of the upcoming year for which the auditor has requested an early start. On that note the Year-end inventory count on the AHI Houses was conducted on June 30, 2014 and witnessed by the Auditor.

7.6 NHDT Cash Balances - As at July 3, 2014 the NHDT combined Cash Balance is CI \$773k, for the Operations, Property Management & Project Development Accounts.

8. Affordable Housing Initiative Program – (AHI) Program Update

8.1 Finance Committee's Update on the AHI Client Assessment- An overview of the Client Application Review & Assessment was presented by the Chairlady of the Finance Committee that confirmed that the most recent meeting that was held on July 1, 2014 there were 18 files that were reviewed bring to the total to 144 applications reviewed and assessed by the Committee. It was further noted that despite the multiple request for clients to submit updated information, unfortunately only a few clients responded.

The following was observed:

- The Staff need to be taking their job serious as there are constant and multiple mistakes that are made.
- The Operations has not been forth coming with all the files. The Committee was advised that there were over 200 applications for the Bodden Town housing site and to date the committee has not reviewed all of the applications.

The GM advised that in the first meetings held by the Finance Committee specific instructions were given by the Finance Committee that incomplete applications would not be reviewed. It is for this means that the Operations was tasked with following up with clients to provide updated information to the Trust. Multiple requests to clients were made by way of telephone calls, emails, correspondence and the most recent a public announcement.

It was further explained that Operations maintains a database that includes all Bodden Town Affordable Housing Applicants that gets updated periodically.

The Finance Committee requested that a list of all applicants be presented to the Committee. This listing should outline the deferred and incomplete files that are to be closed off.

Agreed: The Finance Committee will review and finalize the files in 2-4 weeks.

Agreed: Coordinate cross training for the Loans Team with the Cayman Islands Cooperative Credit Union.

8.2 Old AHI Client Assessment – The Trust is waiting on the assessment report from the Needs Assessment Unit of the Department of Children and Family Services. In the last update the Trust was advised that the delay is attributed to the Unit being understaffed.

8.3 NHDT AHI Restrictive Covenant – The Restricted Covenants that will be registered with the Sale of the New AHI Houses was presented, reviewed and approved by the Board with minor corrections.

Agreed: The Resolution to Amend Restrictive Covenants to address the resale restrictions of the Affordable Houses is circulated to all members for final approval within the coming week.

9. GGHAM Program - The routine administrative work being conducted. The Trust will be getting Banks's quarterly reports the June 2014. The pending issues for the revitalization of the GGHAM program amongst the request for approval to include property insurance and strata fees will be addressed at a meeting with the Ministry.

Agreed: Provide the updated GGHAM quarterly reports at the next board meeting.

10. Property Management & Projects

10.1 Property & Project works on the affordable houses is ongoing. It was concluded that work load that is inclusive of the remedial work to the New Houses is too much for the current Maintenance Officer to undertake. Based on the various site visits conducted with the Building Committee and upon thoroughly inspecting the Bodden Town vacant houses it was concluded that the work plan would require that some of the remedial work be contracted.

The main issue identified with the Bodden Town houses is attributed to bad workmanship from the Contractors. It was also confirmed that a degree of work that needs to be undertaken on the vacant houses is also attributed to the houses being locked up for extended period.

Agreed: The Building Committee continues to spearhead the Property & Project works and keep the Board apprised.

10.2 Project Development - the Board was advised that no drastic actions be taken with respect to further project development until when progress is made with addressing the current issue with the existing vacant houses.

Agreed: The preliminary planning stage with respect to the proposed Bodden Town works should be pursued so as to be faced with delays with Government Departments.

11. Other Matters

11.1 Staff mobile phone report - As a follow up from a previous issue, a report was presented that outlined the cost incurred by a mobile that was assigned to a staff member. Upon reviewing this report it was advised that the Staff be reprimanded for misuse of equipment



and a set cost be repaid by way of salary deduction. Additionally the Staff is to be placed on probation for three months.

11.2 Previous Cash Discrepancy – In relation to a cash discrepancy issue involving a staff member that was raised in January 2014 it was concluded that this was gross misconduct. Instructions were given that a reprimand is made to suspend the staff for two weeks without pay and to be placed on probation for three months.

11.3 Staff & Operational Issues – A concern was raised by a Board Member that there are a number of staff complaints and operational issues that are addressed appropriately by Management.

The GM advised that if there are such instances, that as standard practices and to maintain protocol that are consistent with the PSML (CIG Policy) these issues should be raised with Management and if they are not addressed then Management should be given the opportunity to respond accordingly to the Board.

Agreed: A brief meeting will be held with the Staff with respect to the issue raised.

11.4 CIG – Finance Committee– 2014-15 Budget Session – Further the session that was held in the Legislative Assembly the Trust the following was concluded and tasked:

- The NHDT 2014-15 Budget that are presented under the Purchase and Ownership Agreement were unanimously passed by all members.
- Task List taken from the Budget Session:
 - Displacing Old AHI Clients - No Affordable Housing applicants from the Old Affordable Housing site will be displaced without a viable solution.
 - Affordable Housing Survey - The NHDT is to conduct a study that will indicate a census on the need for affordable housing.
 - Retrieving Previous Directors Fees - The NHDT is to outline what efforts have been made to the cost of director's fees that drastically increased in previous years.
 - NHDT Invite to North Side – An invitation was extended to the NHDT to attend a District Council Meeting in North Side.

The following was concluded with respect to the task list from the Budget Session:

Agreed: The NHDT will await the assessment report that currently being conducted on the Old Affordable Housing Clients.

Agreed: The study on the Housing Need will be undertaken.

Agreed: The decision to increase the director's fees is provided for in the NHDT Memorandum and Articles of Association. The issue raised with respect to this increase was that the fees were not justified. In an effort to address this type of issue a control needs to be put in place or alternatively the Memorandum and Articles of Association need to be amended accordingly.

Agreed: The NHDT will attend the requested meeting.



11.5 New Affordable Housing Property Insurance. As a standard procurement practice the Trust reached out to 9 insurance providers that included insurance brokers. A total of 4 insurance provided responded and the following bids were presented to the Board.

| Insurance Provider | Insurance Company | Bid expressed in CI\$ Amount |
|------------------------------------|-----------------------------|------------------------------|
| Derek Bogle Insurance | Island Heritage Insurance | 131,184.00 |
| Fidelity Insurance (Cayman) Ltd | Guardian General t/a NEMWIL | 127,659.90 |
| BALDERAMOS Insurance Services Ltd. | Guardian General t/a NEMWIL | 150,115.58 |
| FIS Insurance Brokers Ltd. | Cayman First Insurance. | 182,838.16 |

Agreed: NHDT provide a comparative report that outlines the above bids for Board review. This would be done by way of round robin decision in an effort to meet the deadline and have the relevant coverage in place.

11.6 Bodden Town Site Alternative Access – An adjacent owner to the Bodden Town housing site property has proposed an access through her development that would address the easement issue upon the NHDT further developing this site.


Agreed: Obtains details of the proposal for Board consideration.

12. Adjournment

The meeting adjourned at 2:20pm.

13. Next Meeting

The next Board of Directors Meeting will be held on July 31, 2014 at 11:00am.



 George Anthony Powell
 Chairman



 Julio Ramos
 General Manager

31/7/2014.

 Date

31/7/2014.

 Date