

# HOUSING AUTHORITY OF THE CITY OF NEW BERN

## BOARD OF COMMISSIONERS MEETING

Monday, April 15, 2019

4:30 P. M.

First Floor, New Bern Towers

1125 Walt Bellamy Drive

### AGENDA

1. Call to Order
2. Roll Call
3. Public Comment Period
4. Approval of Minutes – Board Meeting of March 18, 2019
5. Police Department Report
6. Fire Department Report
7. Finance Department Report
8. Public Housing Report
9. Old/New Business
  - a. Update on FEMA activity
  - b. Report on office space.
  - c. Consideration of awarding audit contract to Thomas, Judy & Tucker of the fiscal years ending December 31, 2018, 2019 and 2020.
  - d. Consideration of approving Resolution No. 04.19.01 approving bank signature cards for Vice-Chair William A. Frederick.
  - e. Report on 703 Carolina Avenue
10. Executive Director's Report
11. Adjourn

# HOUSING AUTHORITY OF THE CITY OF NEW BERN

## MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON MONDAY, MARCH 18, 2019

The Board of Commissioners ("Board") of the Housing Authority of the City of New Bern ("Authority") met at 4:30 p.m. on Monday, March 18, 2019, at New Bern Towers, New Bern, North Carolina, which is the place, hour, and date set forth in the notice announcing the meeting.

Chair Overman called the meeting to order at 4:30 p.m.

Roll call was as follows:

Present:

Carol B. Becton

William A. Frederick, Jr.

Molicia Hardy

Peter T. Monte

Robert W. Overman

Steven M. Strickland

Absent:

Denise H. Powell

Following roll call, Chair Overman determined that a quorum was present.

Martin Blaney, Executive Director, other Authority staff members, James W. Norment, attorney, and Stephanie Crosby, paralegal, from Ward and Smith, P.A. also were present. Members of the public, including Alderman Bengel, also were present.

### Public Comment Period

There were no public comments.

### Minutes of February 18, 2019 Meeting

Commissioner Strickland made a motion to approve the minutes of the February 18, 2019 meeting of the Board of Commissioners. Commissioner Monte seconded the motion. The minutes were approved unanimously.

### Police Department Report

There was no one present to present the Police Department Report which was included in the Board information packet. There was only one case report generated in the last thirty days for a hit and run.

Fire Department Report

No report was submitted by the Fire Department.

Finance Report – Alan Reese, CPA

Mr. Reese presented the Finance Report that was included in the Board information packet. Commissioner Becton made a motion to approve Finance Report. Commissioner Monte seconded the motion. The motion was approved unanimously.

Public Housing Report – Virginia Stanley

Ms. Stanley presented the Public Housing Report that was included in the Board information packet. Occupancy in Trent Court as of the end of February was 95% and New Bern Towers was 99%. There were thirty-four termination letters done for Trent Court and nine termination letters for New Bern Towers. There was one termination for a criminal lease violation and that resident vacated. There were four cases heard at the February 28, 2019 Court Session which included one for Trent Court and three for New Bern Towers. The Trent Court tenant paid all charges. Two of the New Bern Towers residents paid all charges and there is one writ to be served on Thursday.

Old/New Business

1. 2019 Trent Court Annual Plan and Resolution No. 03.19.01 – Mr. Blaney summarized the information related to the annual plan and the public hearing that was held on February 28, 2019. This year's focus will be on the submission of a Low-Income Housing Tax Credit application, cooperating in the issuance and administration of Section 8 vouchers, and submission of a Section 18 Demolition Application.

Commissioner Hardy made a motion to approve the 2019 Trent Court Annual Plan and Resolution No. 03.19.01.

RESOLUTION NO. 03.19.01  
ADOPTION OF THE 2019 ANNUAL PLAN FOR THE  
HOUSING AUTHORITY OF THE CITY OF NEW BERN

WHEREAS, the Annual Contributions Contract between the U. S. Department of Housing and Urban Development (HUD) and the Housing Authority of the City of New Bern (NBHA) requires, and federal regulations also require, NBHA to review and update its Annual and Five-Year Plan as needed;

WHEREAS, the 2019 Annual Plan has been drafted and the NBHA desires adoption of the Plan as presented, and;

WHEREAS, a notice was posted in all Housing Authority site offices to actively seek public comment on the Plan and a public hearing was held on February 28, 2019 to gather public input, and the comments received were seriously considered by Housing Authority staff;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, the governing body of the NBHA, that the Authority needs to adopt an updated Annual Plan every year to comply with HUD regulations. A copy of the 2019 Annual Plan is attached as Exhibit A. The 2019 Annual Plan is hereby adopted for use by the NBHA pursuant to the rules and regulations promulgated by HUD to include the Quality Housing and Work Responsibility Act of 1998 as amended and is effective immediately.

Commissioner Monte seconded the motion. The motion was approved unanimously.

2. Trent Court Occupancy – Tawanna Smith provided a status report on the 108 units affected by Hurricane Florence. Her report was included in the Board information packet. Eighty-three households were issued Tenant Protection Vouchers. There were four vacancies at the time of the storm so there were a total of 104 vouchers authorized by HUD. There were twenty-one residents who did not receive vouchers: 11 residents transferred within Trent Court or to New Bern Towers; 4 people obtained permanent housing before the vouchers were authorized; 1 moved to Ohio; 4 did not report; and 1 was incarcerated.
3. Office Space – There were two responses to the advertisement for office space. Mr. Blaney and Mr. Jedrey visited two vacant offices in the proximity of Trent Court and New Bern Towers. Neither office location can accommodate the public during Board meetings. The rent for one is \$2,000 per month and the rent for the other is \$2,200 per month. Commissioner Frederick suggested that the Authority look into having its own modular building placed on Authority property. He would like Authority to look into what it would cost to buy and install a modular building before any decision is made about leasing office space.

Commissioner Frederick made a motion to table any discussions about renting office space until the Authority has checked on the cost of buying and installing a modular building on property that the Authority owns. Commissioner Hardy seconded the motion. The motion was approved unanimously.

#### Executive Director's Report

1. HUD Real Estate Assessment Center Evaluation – The Authority passed the evaluation for fiscal year ended December 31, 2017 but did poorly on the management section due to lower than desired occupancy. Mr. Blaney is pleased that the Authority passed the overall evaluation. The REAC office will conduct

its physical inspection of New Bern Towers on March 29.

2. Trent Court Demolition Application - Mr. Blaney submitted a preliminary application for Trent Court demolition which was approved by HUD. Now the full application has to be submitted. Mr. Blaney has retained the services of a consultant who will guide the Authority through the process. The consultant will be in town later in the week. The demolition applications will take place in two phases: the first phase will be for the flood damaged buildings and the second phase will be for the remainder of Trent Court.
3. FEMA – FEMA will use their inspection of one entire building as a template for evaluating conditions in the other Trent Court buildings damaged by Florence. Mr. Blaney said this is good news and will report about their results and soon as he has received them.
4. Carolina Avenue Property – Since the City owns the land on Carolina Avenue, the Authority is following the City's lead on the request to rezone the Carolina Avenue property as C-3 to conform to neighboring parcels.
5. Meeting with City – Mr. Blaney has not received a response from the City about the joint meeting with the Authority.

There being no further business, the meeting was adjourned at 5:06 pm.

ND: 4834-6841-1532, v. 1

**The police report will be available for your  
review on Monday immediately  
prior to the Board meeting.**

**New Bern Housing Authority**

**Income Statement**

**February 28, 2019**

|                                 | <b>Trent Court<br/>1.01</b> | <b>Admin<br/>Cost<br/>2</b> | <b>CHI Business<br/>Activity<br/>4</b> | <b>NBT<br/>9</b>     | <b>Consolidated<br/>Income<br/>Statement Total</b> |
|---------------------------------|-----------------------------|-----------------------------|--|----------------------|--|
| Dwelling Rental                 | \$ 38,070.31                | \$ -                        | \$ -                                   | \$ 54,280.00         | \$ 92,350.31                                       |
| HAP from HUD                    | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Excess Utilities                | \$ 4,649.62                 | \$ -                        | \$ -                                   | \$ -                 | \$ 4,649.62  |
| NonDwelling Rent                | \$ -                        | \$ -                        | \$ -                                   | \$ 4,000.00          | \$ 4,000.00  |
| Revenues HUD PHA Grants         | \$ 135,954.00               | \$ -                        | \$ -                                   | \$ -                 | \$ 135,954.00                                      |
| CFP Soft Cost Subsidy           | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Interest on GF Investments      | \$ 56.21                    | \$ -                        | \$ -                                   | \$ 59.99             | \$ 116.20  |
| Other Income                    | \$ 1,228.67                 | \$ -                        | \$ -                                   | \$ 500.00            | \$ 1,728.67  |
| Late Charges                    | \$ 1,245.00                 | \$ -                        | \$ -                                   | \$ 400.00            | \$ 1,645.00  |
| HAP to Craven Terrace I & II    | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Other Income Pepsi Cola         | \$ -                        | \$ -                        | \$ -                                   | \$ 58.70             | \$ 58.70   |
| Other Income laundry            | \$ -                        | \$ -                        | \$ -                                   | \$ 1,259.00          | \$ 1,259.00  |
| Bad Debt Recovery               | \$ 596.69                   | \$ -                        | \$ -                                   | \$ -                 | \$ 596.69  |
| Hap Payment                     | \$ -                        | \$ -                        | \$ -                                   | \$ 108,160.00        | \$ 108,160.00                                      |
| Development Revenue             | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Supportive Service Fees         | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| <b>Total Operating Revenue</b>  | <b>\$ 181,800.50</b>        | <b>\$ -</b>                 | <b>\$ -</b>                            | <b>\$ 168,717.69</b> | <b>\$ 350,518.19</b>                               |
| <b>Administrative Salaries</b>  | <b>\$ 23,416.06</b>         | <b>\$ 32,436.06</b>         | <b>\$ 5,609.28</b>                     | <b>\$ 10,739.58</b>  | <b>\$ 72,200.98</b>                                |
| Legal Expenses                  | \$ -                        | \$ 8,358.75                 | \$ -                                   | \$ -                 | \$ 8,358.75  |
| Staff Training                  | \$ -                        | \$ 404.58                   | \$ -                                   | \$ -                 | \$ 404.58  |
| Publications                    | \$ 305.82                   | \$ -                        | \$ -                                   | \$ -                 | \$ 305.82  |
| Accounting Fees                 | \$ -                        | \$ 3,025.00                 | \$ -                                   | \$ -                 | \$ 3,025.00  |
| Audit Fees                      | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Telephone                       | \$ 654.42                   | \$ -                        | \$ -                                   | \$ 9,478.68          | \$ 10,133.10                                       |
| Payroll Taxes and emp. benefits | \$ 12,675.74                | \$ 10,261.56                | \$ 2,924.26                            | \$ 5,234.07          | \$ 31,095.63                                       |
| Rent Expense                    | \$ 1,000.00                 | \$ 2,000.00                 | \$ 1,000.00                            | \$ -                 | \$ 4,000.00  |
| Unemployment Benefits           | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Office Expense                  | \$ 10,677.49                | \$ -                        | \$ 131.52                              | \$ 1,333.54          | \$ 12,142.55                                       |
| Sundry Admin Expense            | \$ 150.02                   | \$ 15.00                    | \$ 4,656.77                            | \$ 15.00             | \$ 4,836.79  |
| Development                     | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Resident Council                | \$ -                        | \$ -                        | \$ -                                   | \$ 119.33            | \$ 119.33  |
| Recreation/Pub/Other            | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Tenant Service Salaries         | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Water                           | \$ 21,289.26                | \$ -                        | \$ -                                   | \$ 11,207.59         | \$ 32,496.85                                       |
| Electricity                     | \$ 18,209.48                | \$ -                        | \$ -                                   | \$ 20,674.20         | \$ 38,883.68                                       |
| Gas-building                    | \$ 17,862.25                | \$ -                        | \$ -                                   | \$ 1,526.19          | \$ 19,388.44                                       |
| Labor Salaries                  | \$ 18,998.24                | \$ -                        | \$ 2,138.49                            | \$ 9,746.49          | \$ 30,883.22                                       |
| Casual Labor                    | \$ -                        | \$ -                        | \$ -                                   | \$ 1,500.00          | \$ 1,500.00  |

**New Bern Housing Authority**

**Income Statement**

**February 28, 2019**

|  | <b>Trent Court<br/>1.01</b> | <b>Admin<br/>Cost<br/>2</b> | <b>CHI Business<br/>Activity<br/>4</b> | <b>NBT<br/>9</b>     | <b>Consolidated<br/>Income<br/>Statement Total</b> |
|--|-----------------------------|-----------------------------|--|----------------------|--|
| Consulting Expense                       | \$ -                        | \$ -                        | \$ 1,200.00                            | \$ -                 | \$ 1,200.00  |
| Materials                                | \$ 2,815.01                 | \$ -                        | \$ 29.06                               | \$ 3,509.93          | \$ 6,354.00  |
| Materials - Capitalized                  | \$ -                        | \$ -                        | \$ -                                   | \$ 14,234.39         | \$ 14,234.39                                       |
| Computer Expense                         | \$ 1,107.85                 | \$ 146.95                   | \$ -                                   | \$ 952.14            | \$ 2,206.94  |
| Repairs and Maintenance                  | \$ 2,780.49                 | \$ -                        | \$ -                                   | \$ 12,796.16         | \$ 15,576.65                                       |
| Repairs and Maintenance - Capitalized    | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Garbage and Trash removal                | \$ 6,634.00                 | \$ -                        | \$ -                                   | \$ 605.28            | \$ 7,239.28  |
| Extermination-Maintenance Expense        | \$ 378.00                   | \$ -                        | \$ -                                   | \$ 950.00            | \$ 1,328.00  |
| Payroll Taxes and emp. benefits - Maint. | \$ 10,446.96                | \$ -                        | \$ -                                   | \$ 5,850.70          | \$ 16,297.66                                       |
| Repairs and Maintenance Truck            | \$ 250.46                   | \$ -                        | \$ -                                   | \$ 123.36            | \$ 373.82  |
| Heating and Air                          | \$ 160.12                   | \$ -                        | \$ -                                   | \$ -                 | \$ 160.12  |
| Gas-Truck                                | \$ 488.80                   | \$ 247.62                   | \$ -                                   | \$ 240.75            | \$ 977.17  |
| Security System                          | \$ -                        | \$ -                        | \$ -                                   | \$ 305.84            | \$ 305.84  |
| Protective Services                      | \$ 2,121.24                 | \$ -                        | \$ -                                   | \$ 919.76            | \$ 3,041.00  |
| Insurance                                | \$ 12,654.35                | \$ 600.14                   | \$ 287.36                              | \$ 6,101.34          | \$ 19,643.19                                       |
| W/C Insurance Expense                    | \$ 984.17                   | \$ 751.47                   | \$ 130.03                              | \$ 475.21            | \$ 2,340.88  |
| License, Taxes and Recycling Fee         | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Compensated Absence                      | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Collection Loss                          | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Eviction Expense                         | \$ 543.00                   | \$ -                        | \$ -                                   | \$ 433.00            | \$ 976.00  |
| App. Screening                           | \$ 27.47                    | \$ -                        | \$ -                                   | \$ 13.53             | \$ 41.00   |
| Uniforms                                 | \$ 784.93                   | \$ -                        | \$ -                                   | \$ 732.10            | \$ 1,517.03  |
| Storage management                       | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| Adm Cost Allocation                      | \$ 33,783.33                | \$ (58,247.13)              | \$ 5,824.72                            | \$ 18,639.08         | \$ 0.00  |
| <b>Total Operating Expenses</b>          | <b>\$ 201,198.96</b>        | <b>\$ -</b>                 | <b>\$ 23,931.49</b>                    | <b>\$ 138,457.24</b> | <b>\$ 363,587.69</b>                               |
| <b>Total Rev. &amp; Oper. Expenses</b>   | <b>\$ (19,398.46)</b>       | <b>\$ -</b>                 | <b>\$ (23,931.49)</b>                  | <b>\$ 30,260.45</b>  | <b>\$ (13,069.50)</b>                              |
| Depreciation Expense                     | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| <b>Capital Fund Activity:</b>            |                             |                             |  |                      |  |
| CFP NC19P005501-16                       | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| CFP 501-16 Rev. Soft Cost Contra         | \$ -                        | \$ -                        | \$ -                                   | \$ -                 | \$ -   |
| <b>Total Other Rev. &amp; Expenses</b>   | <b>\$ -</b>                 | <b>\$ -</b>                 | <b>\$ -</b>                            | <b>\$ -</b>          | <b>\$ -</b>  |
| <b>Total Net Income (Loss)</b>           | <b>\$ (19,398.46)</b>       | <b>\$ -</b>                 | <b>\$ (23,931.49)</b>                  | <b>\$ 30,260.45</b>  | <b>\$ (13,069.50)</b>                              |



# New Bern Housing Authority Vacancy Report

## FEBRUARY 2019 – MARCH 2019

### Public Housing

|                                  | Ending<br>FEB<br>Occupancy | MAR<br>Move<br>Outs                           | MAR<br>Move<br>Ins                                  | Total<br>MAR<br>Occupancy | #<br>Vacant | Occupancy<br>%<br>MAR |
|----------------------------------|----------------------------|---|---|---------------------------|-------------|-----------------------|
| <b>Trent Court<br/>218 (110)</b> | <b>104</b>                 | <b>30 (2)<br/>(28 from<br/>offline units)</b> | <b>2<br/>(transfers<br/>from offline<br/>units)</b> | <b>104</b>                | <b>6</b>    | <b>95%</b>            |

Units Offline: 108 (Bldgs A – J, Y, A2)

### Section 8 - New Construction

|                    | Ending<br>FEB<br>Occupancy | MAR<br>Move<br>Outs | MAR<br>Move<br>Ins                          | Total<br>MAR<br>Occupancy | #<br>Vacant | Occupancy<br>%<br>MAR |
|--------------------|----------------------------|---------------------|---|---------------------------|-------------|-----------------------|
| <b>NBT<br/>106</b> | <b>105</b>                 | <b>1</b>            | <b>1<br/>(from offline<br/>units in TC)</b> | <b>105</b>                | <b>1</b>    | <b>99%</b>            |

**Total residents moved from TC to NBT since storm: 8**

### MARCH 2019

|                        | Pending terminations<br>for non-payment | Pending terminations for<br>criminal lease violations | Pending terminations for<br>other lease violations |
|------------------------|---|---|--|
| <b>Trent Court</b>     | <b>33 (14-day)</b>                      | <b>0</b>  | <b>0</b>   |
| <b>New Bern Towers</b> | <b>10 (30-day)</b>                      | <b>0</b>  | <b>0</b>   |

### Court Session March 28, 2019

|                        | # Cases to<br>be heard | #Tenants<br>vacated<br>after court | # Tenants<br>paid all<br>court chgs | # Writs filed/<br>to be filed | #Writs<br>served | #Writs served;<br>7- day wait<br>or vacated |
|------------------------|------------------------|------------------------------------|-------------------------------------|-------------------------------|------------------|---|
| <b>Trent Court</b>     | <b>4</b>               | <b>0</b>                           | <b>4</b>                            | <b>0</b>                      | <b>0</b>         | <b>0</b>                                    |
| <b>New Bern Towers</b> | <b>0</b>               | <b>0</b>                           | <b>0</b>                            | <b>0</b>                      | <b>0</b>         | <b>0</b>                                    |

Updated 4/9/2019

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director

A handwritten signature in black ink that reads "Martin Blaney". The signature is written in a cursive style with a large, prominent initial "M".

RE: FEMA Activity

DATE: March 15, 2019

We have been responding to FEMA's requests for additional information needed for the release funds. Tonight, Ms. Livingston will report on some of the FEMA work projects, the approximate funding we expect to receive and when we could realistically expect to receive it.

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director



DATE: April 15, 2019

RE: Report on Temporary Office

Following the March meeting staff investigated the purchase price of a modular office. We checked with two vendors and found the prices to be in the \$204,000 to \$210,00 range. Both vendors quoted the price for their basic unit. We asked for another quote for more appealing buildings with brick veneers. We are awaiting their response at the time of this writing.

There would be the additional costs of raising the building above the flood level if built on-campus. Of course, if built off-campus, we must add the price of the land. We believe installation would take at least 3 – 4 months.

We hope to have additional information to share on Monday night.

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director



RE: Selection of audit firm

DATE: April 15, 2019

We must select an audit firm for the annual examination of the Authority's books and records. Typically these contracts are for a two to three-year period. A request for proposal was properly published soliciting responses from interested firms for the fiscal years ending December 31, 2018, 2019 and 2020. Procurement procedures were in accordance with HUD requirements.

We received four responses. Responses were independently evaluated by a three-person team of Housing Authority staff. Individual evaluations were then compiled. Evaluators rated responses based on the following components as requested in the solicitation: technical capabilities (15 points), technical approach (15 points), demonstrated experience (30 points), audit approach (20 points) and fee for service (20 points).

Averaged point totals were as follow:

|                                    |    |   |
|------------------------------------|----|---|
| Thomas, Judy & Tucker, Raleigh, NC | 93 | first-year price of \$19,000            |
| Aprio, Birmingham, AL              | 90 | first-year price of \$18,048            |
| CitronCooperman, Bethesda, MD      | 85 | first-year price of \$25,350 + expenses |
| William Wade, Dunwoody, GA         | 60 | first-year price of \$13,000            |

Accordingly, please consider approval of awarding a contract with Thomas, Judy & Tucker (TJT) in the amounts of \$19,000 for 2018, \$19,000 for 2019 and \$20,000 for 2020. We have had TJT for the past six years. Our contract price for the 2017 audit was \$28,000.

We will be glad to answer any questions you may have on Monday.

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director

A handwritten signature in black ink, appearing to read "Martin Blaney". The signature is written in a cursive style with a large, sweeping initial "M".

RE: Resolution No. 04.19.01

Date: April 15, 2019

Citizens Bank requires that the Board approve, by resolution, any individual tasked with check signing responsibilities. We need to do this on behalf of Vice-Chair William A. Frederick. The resolution is attached and was prepared on a First Citizens' boilerplate.

This is to request consideration of approval of Resolution No. 04.19.01. I will be glad to answer any questions you may have on Monday.

Attachment

**CERTIFIED COPY OF CORPORATE RESOLUTIONS  
(For Deposit Accounts, Borrowing, and Other Relationships)  
and  
CERTIFICATE OF INCUMBENCY**

HOUSING AUTH OF THE CITY OF NEW BERN

[Legal name of corporation, professional corporation, or professional association]

[Assumed business name (DBA) under which corporation operates or does business (if different from legal name)]

The undersigned ("I") certifies to First-Citizens Bank & Trust Company ("Bank") that I am the duly elected Secretary, Assistant Secretary, or other officer of the above-named corporation (the "Corporation") with authority to maintain and authenticate records of the Corporation. I further certify to Bank that the Corporation: (i) is duly organized and existing under the laws of the State of North Carolina \_\_\_\_\_ and is in good standing; (ii) is duly authorized to transact business in each state in which it is doing business; and, (iii) if an assumed business name is listed above, has filed and recorded all documents required by law relating to use of the assumed business name.

**CERTIFIED COPY OF CORPORATE RESOLUTIONS**

I further certify that the following is a true copy of resolutions adopted by the Board of Directors of the Corporation either at a duly authorized and held meeting of the Board of Directors at which a quorum was present and proper notice given or by unanimous written consent, that such resolutions are in conformity with the charter and bylaws of the Corporation, that they have not been rescinded, revoked, amended, or modified in any respect, and that they remain in full force and effect as of the date of this certification.

**RESOLVED:**

**DEPOSIT AND DEPOSIT-RELATED SERVICES RELATIONSHIP**

1. **Designation of Bank as a Depository.** Bank is designated a depository of the Corporation. Funds of the Corporation may be deposited in accounts maintained by Bank in the name of the Corporation. All such deposit accounts shall be subject to the rules of Bank as set forth in the First Citizens Bank Deposit Account Agreement, as amended from time to time. Bank is authorized:
  - a. To honor, receive or pay all checks, drafts, and all other instruments or orders for payment or withdrawal made on behalf of the Corporation and charge any deposit account with Bank, and to honor any authorization for the transfer of funds between different accounts, whether such orders are transmitted to Bank by telephone, computer, automated clearing house, wire transfer system or other means, for whatever purpose and to whomever payable, even though payment may create an overdraft, even though such items may be drawn or endorsed to the order of the signer for exchange or cashing or in payment of the individual obligation of such signer, or for deposit to such signer's personal account, or for any other use or disposition, when signed by an original, facsimile or electronic signature of, or otherwise initiated by, any ONE Authorized Signer, and Bank shall be not required under any obligation to inquire as to the circumstances of the issuance or use of any such item or to the application or disposition of such item or the proceeds.
  - b. To honor the endorsement of any ONE Authorized Signer on checks, drafts, notes or all other types of instruments payable or belonging to the Corporation, whether such endorsement be made manually or by other means such as by endorsement stamp or facsimile signature, and whether the instrument is presented for deposit, for collection, or otherwise, and/or to receive cash or part cash for same, or to make "less cash" deposits by receiving cash for part or all of the amount of such instruments and depositing the balance, if any, when such instruments are signed, accepted, or otherwise endorsed as described above, with the Corporation assuming full responsibility for any and all payments made by Bank in reliance upon the endorsement of an Authorized Signer, and with the Corporation agreeing to indemnify and hold Bank harmless against any loss, cost, damage, or expense suffered or incurred by Bank arising out of the misuse or unlawful/unauthorized use by any person of such stamp or facsimile signature.
  
2. **Authorized Signers.** For purposes of these resolutions, the term "Authorized Signer" refers individually to each of the officers and other agents of the Corporation listed with an "X" in the column headed "Authority / Deposit / Authorized Signers" in the Certificate of Incumbency, which is incorporated herewith. If no person is so designated, the term "Authorized Signer" shall refer individually to each person from time to time holding the office of Chairman, President, Vice-President or Treasurer of the Corporation. Each Authorized Signer is authorized:

- a. To open and close one or more deposit accounts with Bank, and pledge any account in an assignment or control agreement.
  - b. To apply for and obtain credit from Bank under one or more revolving lines of credit providing overdraft protection for such deposit accounts.
  - c. To transact all business with respect to any such accounts, including, but not limited to, writing checks, drafts, notes and all other orders for payment or transfer of funds and endorsing checks, drafts, notes and all other types of instruments payable or belonging to the Corporation.
  - d. To authorize in any letter, form, signature card or notice other persons not listed in the Certificate of Incumbency with an "X" in the "Authority / Deposit / Authorized Signers" column as additional Authorized Signers who may execute a signature card on behalf of the Corporation and transact business on any such accounts.
3. **Additional Authority.** Each Authorized Signer is additionally authorized on behalf of the Corporation:
- a. **Certificates of Deposit (CDs).** To purchase CDs, bonds and all other types of intangible personal property from Bank.
  - b. **ATM and Debit Cards.** To obtain from Bank and use an ATM or debit card to withdraw funds from any deposit account with Bank, and to designate other persons not so designated herein to use an ATM or debit card to withdraw funds from any of the Corporation's accounts.
  - c. **Night Depository Agreements.** To execute night depository agreements, designate from time to time the agents empowered to act on behalf of the Corporation in connection with night deposit transactions, and revoke such designations.
  - d. **Other Deposit-Related Products and Services.** To enter into agreements for the use of any other deposit and/or treasury-related products or services offered by Bank including, but not limited to, electronic funds transfer services (such as ACH and wire transfer services), online/electronic banking services, cash management services and merchant services, and initiate and conduct transactions pursuant to such agreements.
  - e. **Safe Deposit Boxes.** To enter into safe deposit box agreements, designate deputies and other agents empowered to have access to any safe deposit box, revoke such designations, remove box contents and terminate safe deposit box agreements.

#### BORROWING AND OTHER CREDIT RELATIONSHIPS

1. **Authorized Representatives.** For purposes of these resolutions, the term "Authorized Representative" shall refer to each of the officers and other agents of the Corporation listed with an "X" in the column headed "Authority / Borrowing / Authorized Representatives" in the Certificate of Incumbency. If no person is so designated, the term "Authorized Representative" shall refer individually to each person from time to time holding the office of Chairman, President, or Vice-President of the Corporation. The term "Authorized Representative" shall also include such additional individuals named as being so authorized in any letter, form or notice signed by any Authorized Representative named in this document.
2. **General Borrowing Authority.** Each Authorized Representative is authorized to borrow or otherwise obtain credit from Bank from time to time in such sums and upon such terms and conditions as to repayment, rate of interest, and security as he or she may determine, and to execute and deliver in the name and on behalf of the Corporation applications, notes, credit agreements and any and all other agreements, evidences of indebtedness with respect to all sums so borrowed or credit otherwise obtained, and to obligate the Corporation to repay Bank the indebtedness and obligations so incurred. Each Authorized Representative is additionally authorized:
  - a. To pledge, mortgage or otherwise create security interests in any property held by or belonging to the Corporation.
  - b. To execute and deliver deeds of trust, mortgages, security deeds, security agreements, and all other security instruments whether of obligation or hypothecation which they may determine necessary or appropriate to secure sums borrowed or credit obtained by the Corporation.
3. **Authority with Respect to Specific Credit Relationships.** Each Authorized Representative is authorized:
  - a. **Credit Cards.** To obtain credit from Bank by the use of a MasterCard®, Visa® or other credit card (collectively, "Credit Card") issued by Bank, in such sums as may seem advisable to the Authorized Representative, and upon such terms as may be prescribed by Bank, to designate other persons to use a Credit Card in the name of and on behalf of the Corporation, and to execute applications and agreements of any type in connection with a Credit Card.
  - b. **Revolving Lines of Credit.** To obtain credit from Bank under one or more other revolving lines of credit (including, but not limited to, lines of credit providing overdraft protection for deposit accounts) offered or issued by Bank, in such sums as may seem advisable to the Authorized Representative and upon such terms as may be prescribed by Bank, to sign, or designate other persons to sign, checks or other items drawn on any checking account of the Corporation which may activate loans under such revolving lines of credit, to sign special (direct advance) checks or other instruments which activate loans under such revolving lines of credit and to execute applications and agreements of any type in connection with lines of credit.
  - c. **Letters of Credit.** To apply for and receive letters of credit and, from time to time, increase the amount, extend the date of expiration or amend the terms of any outstanding letters of credit.

4. **Payment of Proceeds.** Bank is authorized and directed to pay the proceeds of any such loans, lines of credit or other borrowings or credit arrangements as directed by an Authorized Representative whether or not to the order of said person in his or her individual capacity, for deposit to his or her individual credit, or to be applied or deposited in any manner for his or her individual credit, and Bank shall not be required to inquire as to the circumstances for the application or use of any such credit.

#### ADDITIONAL STATEMENTS

1. **Effectiveness.** The foregoing resolutions shall remain in full force and effect until written notice of their amendment or rescission has been received by Bank. The receipt of such notice shall not affect any action taken by Bank prior thereto.
2. **Previous Banking Resolutions.** Any and all previous banking resolutions relating to Bank that are in conflict with the foregoing resolutions are hereby superseded.
3. **Prior Transactions.** All prior transactions by any of the officers, employees, or other representatives of the Corporation, in its name and for its account or within the authority given by the foregoing resolutions if said authority had been in effect, are hereby approved and ratified.

#### CERTIFICATE OF INCUMBENCY

I hereby certify to Bank that the following are the names, titles and official signatures of the present officers of the Corporation, and the names and titles of other individuals who have been granted Deposit and/or Borrowing authority for the Corporation. Authority is indicated by the applicable boxes checked.

| Title                                      | Name                    | Signature | Authority                           |  |
|--|-------------------------|-----------|-------------------------------------|--|
|  |                         |           | Deposit<br>Authorized<br>Signers    | Borrowing<br>Authorized<br>Representatives |
| President                                  |                         |           | <input type="checkbox"/>            | <input type="checkbox"/>                   |
| Vice President                             |                         |           | <input type="checkbox"/>            | <input type="checkbox"/>                   |
| Vice President                             |                         |           | <input type="checkbox"/>            | <input type="checkbox"/>                   |
| Secretary                                  |                         |           | <input type="checkbox"/>            | <input type="checkbox"/>                   |
| Asst. Secretary                            |                         |           | <input type="checkbox"/>            | <input type="checkbox"/>                   |
| Treasurer                                  | Steven M Strickland     |           | <input checked="" type="checkbox"/> | <input type="checkbox"/>                   |
| Chief Exec. Officer (CEO)                  |                         |           | <input type="checkbox"/>            | <input type="checkbox"/>                   |
| Chief Fin. Officer (CFO)                   |                         |           | <input type="checkbox"/>            | <input type="checkbox"/>                   |
| Chairman                                   | Robert Overman          |           | <input checked="" type="checkbox"/> | <input type="checkbox"/>                   |
| <b>Other Titles (Please type or print)</b> |                         |           |                                     |  |
| Vice Chair                                 | William "Bill" Fredrick |           | <input checked="" type="checkbox"/> | <input type="checkbox"/>                   |
| Executive Director                         | Martin C Blaney         |           | <input checked="" type="checkbox"/> | <input type="checkbox"/>                   |
|  |                         |           | <input type="checkbox"/>            | <input type="checkbox"/>                   |

IN WITNESS WHEREOF, I have hereunto subscribed my name to this Certified Copy of Corporate Resolutions and Certificate of Incumbency this 11th day of April, 2019.

[Signature of officer making certification]

Name: Martin C Blaney

Title: Executive Director

**For Bank Use Only:**

ANGELA UNDERWOOD

51285

00111

Name of Associate Submitting Document

Employee ID #

Br. #



TO: Board of Commissioners

FROM: Martin Blaney, Executive Director

A handwritten signature in black ink, appearing to read "Martin Blaney", is written over the printed name in the "FROM" field.

RE: 703 Carolina Avenue

DATE: April 15, 2019

We are in discussions with our Mosaic, our development partner, to craft a mutually acceptable Memorandum of Understanding (MOU). The MOU documents the terms and conditions of our relationship in the development of the 9% Low-Income Housing Tax Credit (LIHTC) property at 703 Carolina Avenue.

We need to bring these negotiations to a close prior to submittal of the LIHTC application on May 10, 2019. Remaining issues are (naturally) related to money and include development fee split and our investment in the property. An Executive Committee meeting will be scheduled with the developer. Following that meeting, a special meeting of the Board will be necessary to receive the Executive Committee report and to consider the final MOU.

I will be glad to answer any questions on Monday.

TO: Board of Commissioners

FROM: Martin Blaney, Executive Director



RE: Executive Director's Report

DATE: April 15, 2019

### **Retirement Plan**

Our retirement plan managers, Billings and Company, has been purchased by Group RHI. Even though these transactions are common, we are performing our due diligence on Group RHI.

### **Workers' Compensation**

2018 proved to be a good year. We will receive small credit as a result of the year end audit.

### **New Bern Towers**

A physical assessment was conducted of all common areas, units and grounds on March 29, 2019 by HUD's Real Estate Assessment Center's inspector. We have not received HUD's official report, but their preliminary report indicates that we passed. However, one repeated violation prevented us from receiving the excellent score which I expected.

You may remember that in 2016 we lost many points because of a ¼" gap in each unit's electric panel box. The inspector said that the simple attachment of black electric tape over the gap would be an acceptable fix. We did this but still lost the points. This remedy has not been an issue till now. The most recent inspector pulled the tape off and said the condition constitutes an "exigent health and safety violation".

The panel boxes are original equipment, were manufactured with the ¼" gap and function perfectly. It would cost upwards of \$40,000 to replace all 106+ boxes in the building. Consequently, we made corrections to all panel boxes using heavy-duty vinyl.

### **Trent Court Update**

Our numbers are growing smaller, so we are giving a short narrative this month. Unfortunately, lease up at Indigo Ridge has been moved back to May 1. We have at least nine residents still in our system who have applied and been accepted at Indigo Ridge.

Thirteen Florence victims remain in Trent Court. Nine have firm arrangements for other apartments.