**Minutes of the**

**Housing Authorities Risk Retention Pool**

**Board of Directors Meeting**

**Via Zoom, Vancouver, WA**

**Thursday, September 24, 2020, 8:00 am**

A meeting of the Board of Directors of the Housing Authorities Risk Retention Pool (“HARRP”) was held at 8:00 am on September 24, 2020, in Vancouver, Washington.

1.0 Call to Order and Roll Call

Directors Present

Director Fox Homes for Good

Director Havilicek Housing Authority of the County of Santa Barbara

Director Kauss Stanislaus Regional Housing Authority

Director Kugler Housing Authority of the County of Tulare

Director Madsen Columbia Cascade & Mid-Columbia Housing Authorities

Director Leonard Housing Authority of Snohomish County

Director Rooker Housing Authority of the City of Walla Walla

Director Turner Coos-Curry Housing Authority

Director Tietz Spokane Housing Authority

Others Present

Jason Downey Morgan Stanley

Jodi Erickson DevNW

Michelle Frye Director of Finance, HARRP

Bill Gregory Executive Director, HARRP

Rick Gehlhaar Director of Claims, HARRP

Rachel O’Neil Public Entities Policy Administrator, HARRP

President Rooker called the meeting to order at 8:00 am.

2.0 Agenda Approval

A motion was made by Director Kauss and seconded by Director Tietz to approve the agenda. Motion passed by unanimous vote.

3.0 Consent Agenda

A motion was made by Director Kauss and seconded by Director Leonard to approve the consent agenda. Motion passed by unanimous vote.

4.0 Comments from the Public

None.

5.0 Presentations

5.1 Jason Downing – Morgan Stanley

Executive Director Gregory introduced Mr. Downing as the investment manager who replaced Fred Blank at Morgan Stanley.

Mr. Downing started his presentation by indicating that due to the large amount of regulations, large business are exiting this business but Morgan Stanley is not. As a senior VP and certified financial planner at Morgan Stanley, Mr. Downing assured that he will do his best to uphold the same level of service as Fred Blank.

Currently, the treasury bond is at .668 and a 5-year treasury is at .274. They have seen some inflation due to 7 Billion dollars being poured into the system. The economy will experience a slow recovery. In addition, commodity cost of lumber is on the rise due to the wildfires.

Mr. Downing exited the meeting at 8:17 am

6.0 Discussion and Actions Items

6.1 Consider Accepting Meeting Schedule, 2021

A motion was made by Director Madsen and seconded by Director Kugler to approve the meeting schedule. Motion passed by unanimous vote.

Discussion: Director Kauss suggested sending out an Outlook invite.

6.2 Consider Fixed Asset Policy Revision

A motion was made by Director Leonard and seconded by Director Kugler to approve the fixed asset policy revision. Motion passed by unanimous vote.

6.3 Consider Approving Revisions, Personnel Policy

A motion was made by Director Tietz and seconded by Director Leonard to start a discussion.

There was some discussion on probation periods and when health care benefits start for new hires. Questions were answered on the CARES Act and whether or not legal counsel has reviewed the proposed policy revision.

A motion was made by Director Tietz and seconded by Director Leonard to approve the personnel policy revisions. Motion passed by unanimous vote.

6.4 Consider Payment Policy Revision

Due to a fraud situation at Berkadia and Everett Housing Authority, it is purposed that instead of emailing checks over $50K to the board treasurer, HARRP emails the info in a spreadsheet.

In addition, Director Madsen will act as a second signer on claim checks while Ms. Mattern is on maternity leave.

A motion was made by Director Leonard and seconded by Director Madsen to approve the payment policy revision, with the additional revision to remove #2. Motion passed by unanimous vote.

6.6 Consider RFP for Investment Management

It was recommended that HARRP stay with Morgan Stanley.

6.7 Consider Acceptance of Executive Director’s Report

Executive Director Gregory gave his report concerning his activities, and those included:

* An update on King County – it was confirmed that they pulled all of their policies from HARRP and AHRP. A call to their Executive Director was not returned. The actuary will take King County out of the tier development and Willis was notified to remove King County from reinsurance bids. The King County losses were more than their premiums and HARRP should see some relief from reinsurance. In pulling out from the pool, King County will surrender their accrued equity in the pool.
* 2021 Reinsurance issues including the moratorium, a reduction in capacity from $45M to possibly as low as $5M on excess property limits.
* $6.4M loss at Jackson County Housing Authority due to a wildfire.
* Rebranding with Synchrous to launch in October 2020.
* Cyber liability with HSB got too complicated and too expensive. With the current losses and unknown reinsurance renewals, the staff is not comfortable recommending the addition of cyber coverage at this time.
* There will be a special Board Meeting on October 13th to discuss pressures at play for HARRP and AHRP
* HARRP completed the Washington State Auditors Office financial audit.
* HSB is very close to installing water sensors in Vancouver Housing Authority and HARRP is getting ready to market them
* Update on Ms. Mattern, who had her baby. Mom and baby are doing fine.
* Berkeley Housing Authority is interested in joining HARRP
* Yolo Housing Authority may be interested in joining HARRP. They are already in the AHRP pool.
* President Apartments from Skagit wants to re-enter HARRP. They now own the entire building and plan to do rehab on the registered historical site.
* CHIP, an AHRP member, cannot afford their tier 6 placement and are going to market. AHRP will probably lose them. There was some discussion concerning tier 6.
* HARRP is now set up for virtual in response to COVID 19. It was discussed that HARRP consider the future of both buildings while the market is hot and then establish a small hub for meetings, exchanges, and checks. There was some discussion on implementing a virtual plan, keeping staff cohesion, and how to bring in new staff in a virtual environment.

7.1 Treasurer’s Report

A motion was made by Director Fox and seconded by Director Leonard to approve the Treasurers’ Report. Motion passed by unanimous vote.

8.1 Update on Topics

Executive Director Gregory commented that on 1/1/2021, HARRP will start moving into tier 2 planning.

There being no further business, a motion was made by Director Tietz and seconded by Director Kauss to adjourn the HARRP meeting. Motion passed by unanimous vote and the meeting adjourned at 9:59 a.m.

Renee Rooker, President