

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON DECEMBER 2 AND 3, 2008

Pursuant to the call of the Chairman and notice duly given, the meeting of the Committee of the Whole and the regular meeting of the Commissioners of the Virginia Housing Development Authority (the "Authority") were held on December 2 and 3, 2008 at its offices at the Virginia Housing Center, 4224 Cox Road, Richmond, Virginia.

COMMISSIONERS PRESENT:

Gerald W. Hopkins, Chairman
Charles McConnell, Vice Chairman
John P. McCann
Jay Fisette
William C. Shelton
J. Braxton Powell
Jacqueline T. Black
Nancy K. O'Brien
Yvonne T. Allmond
Kermit E. Hale
Marjorie N. Leon

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Managing Director of Development
Thomas A. Dolce, Managing Director of Servicing and Compliance
Arthur N. Bowen, Managing Director of Finance and Administration
Barbara Blankenship, Managing Director of Human Resources
Janet W. Butler, Managing Director of Information Technology Services
Russ E. Wyatt, General Auditor
Tammy N. Taylor, Managing Director of Organizational Development and Learning
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
J. Judson McKellar, Jr., General Counsel
John F. Hastings, Director of Multi-Family Development Programs
Michele G. Watson, Director of Homeownership Programs
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Robert Halloran, Marketing Director
Brenda Brophy, Development Officer Manager
J. Michael Hawkins, Director of Community Housing
Barry Merchant, Policy Analyst
Llewellyn C. Anderson, Strategic Planner
Melody S. Barackman, Controller

Ronald A. Reger, Strategic Planner
Scott Heiry, Business Intelligence Manager
Sharon Fairburn, Housing Choice Voucher Director
Sid Mohammad, Accounting Manager
Michael Stoneman, Multi-Family Owned Property Portfolio Manager
Brenda D. Hawkins, Program Manager

Chairman Hopkins called the meeting of the Committee of the Whole to order at 2:07 p.m. on December 2, 2008. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioners Fisette, McCann, Powell, Black and Hale who joined the meeting in progress as noted below and thereafter remained present during the meeting on December 2, 2008.

Ms. Fairburn presented a report on the Housing Choice Voucher Program. In this report, Ms. Fairburn discussed with the Commissioners the following matters: the organization of the Authority staff administering the Program; the calculation of the subsidy amount payable on behalf of the tenants; the programmatic requirements for inspection of the units and rent reasonableness; the geographic areas where the Authority administers the Program; the portability of the vouchers; the use of vouchers for homeownership; the family self-sufficiency program; the distribution of incomes of the tenants; the sources of incomes of the tenants; the distribution of the tenants by ethnicity and race; current and projected federal funding of the Program for housing assistance payments, administrative expenses and fees, and family self-sufficiency; and the current and expected leasing percentages. During this report, Commissioners Fisette and McCann joined the meeting.

Ms. Dewey presented a report on the status of foreclosures and the inventory of lender-owned homes in Virginia. Following this report, Mr. Bowen presented an update report on the financial markets and the Authority's funding alternatives. In this report, Mr. Bowen discussed with the Commissioners the comparative interest rates on taxable and tax exempt debt, the comparative interest rates on Fannie Mae financed mortgage loans and tax exempt bond financed mortgage loans, the status of the Authority's sale of \$200 million of single family tax exempt bonds, the filing of the Authority's application to Ginnie Mae for approval to issue Ginnie Mae guaranteed securities, the Authority's submission to Fannie Mae of data regarding single family mortgage loans that may be sold to Fannie Mae, the commencement of the process for submission of an application to Fannie Mae for approval of the Authority as a seller/servicer of multi-family mortgage loans, the recent reduction in prepayments of the Authority's single family mortgage loans, the termination by Bank of America of its revolving credit agreement with the Authority and possible renegotiation of the terms of such agreement, the issuance by Moody's Investors Service of a report on state housing agencies indicating possible downgrades of certain agencies and a negative outlook for the sector as a whole, and the receipt of ratings on the Authority's recent bond issues. During this report, Commissioners Black and Powell joined the meeting.

Chairman Hopkins advised the Commissioners that Commissioner Powell would be retiring as Treasurer in January and expressed appreciation for his services as a Commissioner. Commissioner Hale joined the meeting at this time.

Mr. Merchant presented a demographic report in which he discussed with the Commissioners the following matters: the impact of demographic changes in Virginia on the demand for housing; the housing needs by age group; the estimated changes in Virginia's adult population by age for the periods of 1990-2005 and 2005-2220; the expected lower demand for trade-up homes and increased demand for starter homes by younger buyers and for senior housing by older buyers; the inadequacy of existing housing stock to meet the new demands; the expected greater demand for quality affordable rental housing; the expected difficulties for younger buyers in qualifying for financing for home purchases; the effect of these demographic changes on localities; and the need for local housing strategies.

Mr. Chandler reported on the status of the reservations of the 2008 federal low-income housing tax credits. In this report, Mr. Chandler advised the Commissioners that the prices expected to be paid by investors for the tax credits had continued to decline substantially and that increases in the amount of the tax credits as shown on the attached list would be appropriate for the feasibility of the developments. During this report, Mr. Ritenour and Mr. Chandler discussed with the Commissioners the proposed increase in the tax credits for The Views at Clarendon in Arlington County which was requested because of delays caused by two law suits initiated by residents of the neighborhood. Citing a possible perception of a conflict of interest due to his service on the Board of Supervisors of Arlington County which is expected to provide funding for the development, Commissioner Fisette abstained from participation in the discussion of this request. Upon the conclusion of this report and the discussion by the Commissioners and staff, Chairman Hopkins stated that the Programs Committee would be reviewing the proposed increases and would make a recommendation at the meeting of the Commissioners on December 3, 2008. Mr. Chandler explained that the Qualified Allocation Plan authorized the Executive Director to increase the reservations by amounts not to exceed 10% of the amount reserved and that, since certain of the developments would require increases of more than 10%, the Executive Director would be waiving the 10% limitation for those developments as permitted by the Qualified Allocation Plan, if such increases are approved by the Commissioners. In the ensuing discussion, the Commissioners expressed their concurrence that the waiver of the 10% limitation would be appropriate to effect any approved increases in the tax credits.

Ms. Dewey presented a video of the Authority's electronic greeting card for the holidays. Ms. Dewey advised the Commissioners that the holiday gala had been canceled and that contributions would be made on behalf of the Authority staff to charitable housing organizations. Ms. Dewey distributed to the Commissioners a list of charitable housing organizations for them to select for contributions. Ms. Dewey advised the Commissioners of the death of Ms. Anne Gwaltney who had served as the Authority's Homeownership Education Program Manager.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 5:55 p.m. on December 2, 2008.

Chairman Hopkins called the regular meeting of the Board of Commissioners to order at approximately 11:02 a.m. on December 3, 2008. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioners Fisette and Black who joined the meeting in progress as noted below and thereafter remained present during the meeting.

No members of the public requested an opportunity to make any comments during the public comment period of the meeting.

The minutes of the meeting of the Committee of the Whole and the regular meeting of the Commissioners held on September 30 and October 1, 2008 and the minutes of the special meeting held on November 12, 2008 were approved by the affirmative vote of each of the Commissioners then present at the meeting. Following this action, Commissioners Fisette and Black joined the meeting.

The resolution entitled "Resolution in Recognition and Appreciation of Thirty Years of Service by Brenda D. Hawkins" dated December 3, 2008, was read by Mr. Reger and, on motion duly made and seconded, was approved in the form attached hereto by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Mr. McKellar presented the proposed resolution to amend and restate the resolution adopted August 1, 2006 regarding the committees of the Board. The Commissioners discussed the provisions of the proposed resolution and concurred that the provision governing quorums should be deleted. On motion duly made and seconded, the resolution entitled "Amended and Restated Resolution- Committees of the Board of Commissioners" dated December 3, 2008 in the form attached hereto, as revised to delete the provision governing quorums, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Chairman Hopkins, on behalf of the Committee of the Whole, summarized the staff reports to, and the discussions by, the Committee of the following matters: the operation and funding of the Housing Choice Voucher Program; the status of the financial markets and the Authority's funding alternatives; demographic changes in Virginia and their impact on housing; and proposed increases in the reservations of the 2008 federal low-income housing tax credits.

Commissioner O'Brien, on behalf of the Programs Committee, reported that the Committee had received and discussed, and recommended approval of, a resolution to amend the Authority's Rules and Regulations for Multi-Family Developments and a proposed resolution to replace the current Board Approval Request process by authorizing the Executive Director to approve, and to authorize the issuance of commitments for, mortgage loans on multi-family developments without further approval or authorization by resolution of the Board of Commissioners. On motions duly made and seconded, the

resolutions entitled “Resolution Amending the Rules and Regulations for Multi-Family Housing Developments” and “Resolution Authorizing Executive Director to Approve Mortgage Loans and to Authorize the Issuance of Multi-Family Mortgage Loan Commitments” both dated December 3, 2008 in the forms attached hereto were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner O’Brien next reported that the Committee had discussed and considered whether to change the Board Approval Request process by which the Commissioners review the proposed dispositions of multi-family developments owned by the Authority and that the Committee had decided not to recommend any changes in the process. Commissioner O’Brien reported that the Committee had discussed, and recommended approval of, the proposed increases in the reservations of 2008 federal low-income housing tax credits. On motion duly made and seconded, the increases in the reservations of 2008 federal low-income housing tax credits as shown on the attached list were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting, except Commissioner Fisette who abstained citing a possible perception of a conflict of interest due to his service on the Board of Supervisors of Arlington County which is expected to provide funding for The Views at Clarendon. Commissioner O’Brien summarized the staff reports on the following matters that had been reviewed and discussed by the Committee: the criteria and process for permitting 20% of the units in developments assisted by federal low-income housing tax credits to be released from the income and rent restrictions in exchange for an extension of the extended use period on the remaining units; single family and multi-family loan production; the status of the disposition of multi-family developments owned by the Authority; homeownership and multi-family loan delinquencies; the status of the Authority’s emerging markets outreach efforts; and the Authority’s marketing activities.

Commissioner Allmond, on behalf of the Audit Committee, reported that the following reports had been received and considered by the Committee: a report from Ms. Barackman on the Authority’s monthly financials and budget comparisons for the period ended October 31, 2008 that was summarized by Commissioner Allmond; and reports from Mr. Wyatt on the status of the internal audit schedule, the internal audit reports and recommendations, the results of a special investigation, and the Authority’s enterprise risk management activities.

Commissioner Allmond, on behalf of the Operations Committee, reported that the following reports had been received and considered by the Committee: an update report from Ms. Butler on ITS security activities; an update report from Ms. Taylor on organizational, development and learning activities in the Authority; update reports from Ms. Blankenship on the Authority’s performance management and employee benefits; a report from Mr. Bowen on the status of the proposed improvements to the Southwest Virginia Housing Center and the Authority’s headquarters; and an overview report on the Authority’s investment policies and practices.

Ms. Dewey presented her report on operations in which she advised the Commissioners of the following matters: the required filing of annual financial disclosure forms by the Commissioners prior to January 15, 2009; recent activities in the Authority’s

“Go Green” initiative; the meeting of the executive directors of state housing agencies with Fannie Mae, Freddie Mac and the Federal Housing Finance Agency to be held on December 8 and 9, 2008; the Board meeting to be held on February 3 and 4, 2009 and the Board retreat to be held on March 29-31, 2009 in Arlington; the expected presentation by the Authority to the House Finance Committee and possible presentations by the Authority to the House Appropriation Committee and Senate Finance Committee at the beginning of the 2009 Session of the General Assembly; and legislation to be considered at the meeting of the Regulatory Reform Work Group of the Governor’s Foreclosure Prevention Task Force to be held on December 4, 2008.

There being no further business, the meeting was adjourned at approximately 11:55 a.m. on December 3, 2008.

Gerald W. Hopkins, Chairman

J. Judson McKellar, Jr.
Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE PROGRAMS COMMITTEE
HELD ON DECEMBER 3, 2008

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Programs Committee of the Board of Commissioners of the Virginia Housing Development Authority (the "Authority") was held on December 3, 2008 at the Virginia Housing Center, Henrico Room, 4224 Cox Road, Richmond, Virginia 23060.

COMMITTEE MEMBERS PRESENT:

Nancy K. O'Brien, Committee Chairman
Charles McConnell
Jay Fisette
William C. Shelton
Gerald W. Hopkins
Marjorie N. Leon
Jacqueline T. Black

OTHERS PRESENT:

Donald L. Ritenour, Managing Director of Development
Thomas A. Dolce, Managing Director of Servicing and Compliance
J. Judson McKellar, Jr., General Counsel
Michele G. Watson, Director of Homeownership Programs
John F. Hastings, Director of Multi-Family Development Programs
James M. Chandler, Director of Low Income Housing Tax Credit Programs
J. Michael Hawkins, Director of Community Housing
Ronald A. Reger, Strategic Business Planner
Brenda Brophy, Development Officer Manager
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
Mike Stoneman, Multi-Family Owned Property Portfolio Manager
Llewellyn C. Anderson, Strategic Business Planner
Robert Halloran, Marketing Director

The meeting of the Programs Committee was called to order by Committee Chairman O'Brien at approximately 9:02 a.m. All of the members of the Committee listed above as being present at the meeting were present at that time and remained present throughout the meeting, except Commissioners Fisette and Black who joined the meeting in progress as noted below and thereafter remained present during the meeting.

On motion duly made and seconded, the minutes of the meeting of the Committee held on October 1, 2008 were approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Mr. McKellar presented a resolution to amend the Authority's Rules and Regulations for Multi-Family Developments and a proposed resolution to replace the

current Board Approval Request process by authorizing the Executive Director to approve, and to authorize the issuance of commitments for, mortgage loans on multi-family developments without further approval or authorization by resolution of the Board of Commissioners. At this time, Commissioner Fissette joined the meeting. During the discussion of these resolutions, the Committee requested that the staff send the Commissioners monthly reports summarizing the mortgage loans so approved by the Executive Director and that the reports identify any variances from the Authority's underwriting standards. Commissioner McConnell moved that the Committee recommend approval of the resolution entitled "Resolution Amending the Rules and Regulations for Multi-Family Housing Developments" dated December 3, 2008. This motion was seconded by Commissioner Fissette and was approved by the affirmative vote of each of the members of the Committee then present at the meeting. Commissioner Shelton moved that the Committee recommend approval of the resolution entitled "Resolution Authorizing Executive Director to Approve Mortgage Loans and to Authorize the Issuance of Multi-Family Mortgage Loan Commitments" dated December 3, 2008. This motion was seconded by Commissioner Fissette and was approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Mr. Ritenour presented a memorandum requesting that the Board Approval Request process by which the Commissioners review the proposed dispositions of multi-family developments owned by the Authority be revised to authorize the Executive Director to approve the dispositions without prior review or authorization by the Commissioners. Following a discussion, Commissioner Fissette moved that the Committee not recommend approval of the proposed revision. This motion was seconded by Commissioner Shelton and was approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Mr. Ritenour and Mr. Chandler presented a list of developments that had received 2008 low-income housing tax credits and recommended that these developments receive additional credits as indicated on the list and provided for by the Housing Economic Recovery Act. Following a discussion, Commissioner Shelton moved that the Committee recommend approval of the additional low-income housing tax credits set forth on such list. This motion was seconded by Commissioner McConnell and was approved by the affirmative vote of each of the members of the Committee then present at the meeting, except Commissioner Fissette who abstained citing a possible perception of a conflict of interest due to his service on the Board of Supervisors of Arlington County which is expected to provide funding for The Views at Clarendon.

Mr. Ritenour and Mr. Chandler presented a report on the criteria and process for permitting 20% of the units in developments assisted by federal low-income housing tax credits to be released from the income and rent restrictions in exchange for an extension of the extended use period on the remaining units. During this presentation, Commissioner Black joined the meeting.

Mr. Ritenour and Ms. Watson presented a report on homeownership loan production for the period September 16, 2008 – November 15, 2008. Ms. Watson stated

that 93.5% of total production was government insured. Ms. Watson also reported that more than 78% of the production was to households with incomes of less than 80% of the state's median income and that production in the Northern Virginia region is 29% of the Authority's total production.

Mr. Ritenour and Mr. Hastings presented a report on multi-family loan production for the period September 23, 2008 – November 20, 2008. In this report, Mr. Hastings noted that 13 developments consisting of 384 units had been approved for mortgage loans in the estimated total principal amount of \$13 million. Mr. Hastings also commented that 12 of the 13 developments were supported with REACH dollars.

Mr. Ritenour and Mr. Stoneman presented a report on the status of the disposition of the multi-family properties owned by the Authority. Mr. Stoneman noted that two properties had been sold and one was under contract and that as a result the total Authority multi-family owned portfolio was 18 developments.

Mr. Dolce presented reports on the status of delinquencies and foreclosures in the homeownership and multi-family portfolios. Mr. Dolce noted that the overall delinquency rates, including foreclosures and bankruptcies, for the single-family and multi-family portfolios were 7.11% and 1.06%, respectively, as of October 31, 2008. Mr. Dolce also reported that the Housing Choice Voucher year-to-date lease-up rate was 99%.

Mr. Hawkins presented the emerging markets outreach report for the period September 1, 2008 – October, 2008.

Mr. Hill and Mr. Halloran presented an update on VHDA's marketing efforts.

Mr. Chandler advised the Committee that the staff was considering a delay in the schedule for the reservation of the 2009 low-income housing tax credits due to uncertainty in the pricing for the credits.

There being no further business the meeting was adjourned at 10:55 a.m.

Minutes of the Meeting of the Audit Committee Held on December 3, 2008

The meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on December 3, 2008 at the Virginia Housing Center, 4224 Cox Road, Richmond, Virginia.

Committee Members Present	Yvonne Allmond, Chair John P. McCann Kit Hale
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Other Commissioners Present	Gerald Hopkins, Chairman of the Board
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Others Present	Susan F. Dewey, Executive Director Arthur N. Bowen, III, Managing Director of Finance & Administration Russ E. Wyatt, General Auditor Melody Barackman, Controller Barbara Blankenship, Managing Director of Human Resources Tom James, Treasury & Investments Manager Michelle S. Edmonds, Sr. Executive Assistant
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Meeting Called to Order	The meeting was called to order at 9:20 a.m. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.
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Approval of the Minutes	On motion duly made by Commissioner McCann, the minutes of the Audit Committee meeting of October 1, 2008 were approved.
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Report on Special Investigation	The General Auditor reported on the results of a special investigation performed by his staff and the action taken to strengthen controls.
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Report on Monthly Financials and Budget Comparisons	Melody Barackman discussed the financial reports. Excess revenues before GASB 31 adjustments for October were \$10.6 million, slightly below plan by \$300,000. Net interest margin was ahead of plan by \$400,000 and administrative expenses were better than plan by \$500,000. However, programmatic expenses, in particular net costs of the HCV program and foreclosure losses exceeded budget by \$1.1 million (on a combined basis).
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Audit Committee Minutes
December 3, 2008

**Report on
Monthly
Financials and
Budget
Comparisons**
(cont'd)

After four months, excess revenues totaled \$42.7 million, or \$6.5 million ahead of plan. Net interest margin accounts for \$3.6 million and administrative expense savings accounts for \$2.4 million. Compared to last year, excess revenues are \$9.5 million lower than last year's results primarily due to the lower yields on investments, as we have anticipated in our budget plan for this year. HUD's recovery of excess HAP and administrative funds has had a \$4.8 million impact on current year results compared to prior year.

Total assets of \$9.3 billion are \$50 million lower than year-end. Cash and investment holdings decreased since year-end by \$280 million, of which \$230 million has been placed into mortgage loan production and the remainder into bond pay-downs. Unrestricted net assets decreased by \$157 million since year-end as a result of replacing 1996 Commonwealth Mortgage Bonds Series with a bank line of credit in the General Fund. However, total net assets increased to \$2.09 billion, equivalent to an annualized average return of 6.7% on net assets. Debt ratio remains stable at 1.29.

**Internal Audit
Report**

The General Auditor reported on the status of the audit schedule indicating that one audit had been completed since the last Committee meeting (Procurement). The General Auditor indicated that a standard report with discussion items was issued to Procurement management and the issues raised did not rise to the level of needing to be discussed with the Audit Committee. The General Auditor also reported that there were no adverse reports issued since the last Committee meeting. The General Auditor indicated that the following audits are in progress: (1) SF Homeownership Department with its NetOxygen application system); (2) Desktop Services; (3) General Accounting with its GEAC application system; (4) Information Security Administration; and (5) Organizational Development and Learning. The General Auditor further reported that the Audit schedule is on track to be completed as planned.

The General Auditor also indicated that there are no control concerns that were previously reported that have not been addressed by management.

The General Auditor then gave a status update of the Enterprise Risk Management Project indicating that the risk and control self assessment system is progressing and due to be completed by fiscal year-end with rollout beginning in fiscal 2010.

Adjournment

There being no further business, Commissioner Allmond moved for adjournment of the meeting at 9:51 a.m.

Russ E. Wyatt
General Auditor

Yvonne Allmond
Chairman

Minutes of the Meeting of the Operations Committee Held on December 3, 2008

The meeting of the Operations Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on December 3, 2008 at the Virginia Housing Center, 4224 Cox Road, Richmond, Virginia.

Committee Members Present Yvonne Allmond, Chair
John P. McCann
Kit Hale

Other Commissioners Present Gerald Hopkins, Chairman of the Board

Others Present Susan Dewey, Executive Director
Arthur N. Bowen, III, Managing Director of Finance & Administration
Melody Barackman, Controller
Russ Wyatt, General Auditor
Janet Butler, Managing Director of Information Technology Services
Barbara Blankenship, Managing Director of Human Resources
Tammy Neale Taylor, Chief Learning Officer, OD&L
Tom James, Treasury & Investments Manager
Michelle S. Edmonds, Sr. Executive Assistant

Meeting Called to Order The meeting was called to order at 9:53 a.m. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.

Approval of the Minutes On motion duly made by Commissioner McCann, the minutes of the October 1, 2008 were approved.

ITS Update Janet Butler, Managing Director of Information Technology Services, gave an update on the InfoSec program including program accomplishments, technology improvements, process flow and next steps. The InfoSec Program was reorganized in March 2008 to realign focus and drive results.

OD&L Update Tammy Neale Taylor, Chief Learning Office for Organizational Development & Learning provided an update on how Commissioners can access the Knowledge Center and upcoming plans for its use. The intent for the upcoming year is to design more courses specifically around VHDA programs and services.

Continued on next page

Operations Committee Minutes
December 3, 2008

Performance Management Update

Barbara Blankenship, Managing Director of Human Resources reported on FY '08 Performance Management and Related Compensation. Of 299 associates, the average performance rating is between "meets" and "exceeds expectations".

Benefits Update

Ms. Blankenship then provided a handout outlining the results of the 2009 benefits open enrollment process. Ms. Blankenship noted that the overall percentage of KeyCare PPO plan participants went down from 56% to 53%. Overall percentage of POS plan participants went up from 21% to 24%. The biggest shift was in the Employee + Family plan. The impact of associates choosing the less expensive POS product should result in being under budget by \$70,000.

Building for the Future Update

Art Bowen, Managing Director of Finance & Administration, presented an update on the HQ building renovation and the new Wytheville office build-out with both projects being on schedule for completion. The first phase is moving ahead of schedule which includes the replacement of an outdated UPS unit with two new UPS units, installation of an additional generator, installation of new electrical service to provide circuitry for the Computer Room and the new generator, installation of a disabilities ramp in front of the building, roof replacement, installation of new insulation and drywall on the P1 parking deck to reduce heat loss, fire suppression replacement and lighting upgrade. Phase 2 is pending and may begin late 2009 or early 2010.

VHD Investments Overview

Tom James, Treasury and Investments Manager, gave an overview of the Treasury and Investments Department including facts and figures as of 10/31/08, responsibilities of the department, types of investments for VHDA moneys and non-VHDA moneys, market overview, outlook for investments and department initiatives.

Adjournment

There being no further business, Commissioner Allmond adjourned the meeting at 10:50 a.m.

Arthur N. Bowen, III
Managing Director of Finance &
Administration

Yvonne Allmond
Chairman