

# MEMORANDUM

Commissioner Bill Peterson, Chairman

Finance Committee

18 November 2021

Dear Committee,

As you all are aware, the Home Improvement Committee has had to make leadership changes in the past few months. One of the issues that caused the need for change was the improper dependance on MEDC loan proceeds for administrative operation expenses. Loan dollars cannot be used for any purpose prior to the loan being used for a client's project. Only upon completion of that project can Home Improvement collect the administration fee and use it for operational expense.

Interim Director Nicki Janish has finished up a forensic audit of the program income and expense and has achieved MEDC approval to make payments back to the MEDC before January 1, 2022 and therefore remove any violations that we may have had. We have caught this issue in-house before we were cited for anything by the MEDC. We owe Nicki a huge thank you for her work on this and obtaining approvals from MEDC for our corrective action plan. Based on the findings the Home Improvement program must reimburse the following funds:

2016 PI Report: \$28,141.00

2019 PI Report: \$11,909.67

As a result of the needed reimbursement to the MEDC, the Home Improvement program cannot make these payments without some relief from the county. Some of the items that are included in the Home Improvement budget are not allowable expenses within the guidelines of the grants Home Improvement receives.

Therefore, the Home Improvement Committee is asking that the following remaining budget items be waived for fiscal year 2021.

MERS Retirement Payment	\$13,481.00
Office Rent	\$4,800.00
IT Support	<u>\$3,523.00</u>
Total Request	\$21,804.00

Mary Catherine, Nicki Janish and the Committee have a plan to make the Home Improvement Program viable and able to provide a much needed service to our community in the future.

Thank you for your consideration,

Marty Thomson, Chair