

MINUTES
GREEN BAY HOUSING AUTHORITY
Thursday, February 20, 2014, 10:30 a.m.
1424 Admiral Court, Second Floor Reading Room
Green Bay, WI 54303

MEMBERS PRESENT: William VandeCastle – Chair, Brenda Goodlet, Ann LaHaie, and Brad Hansen

MEMBERS ABSENT: Sandra Popp

OTHERS PRESENT: Robyn Hallet, Stephanie Schmutzer, Nikki Aderholdt, Ka Vang, and Noel Halvorsen

APPROVAL OF MINUTES:

1. Approval of the January 16, 2014, minutes of the Green Bay Housing Authority

W. VandeCastle made a correction to the agenda which mistakenly cited the wrong year for the January minutes. A motion was made by W. VandeCastle and seconded by A. LaHaie to approve the meeting minutes of January 16, 2014 as presented. Motion carried.

R. Hallet explained that Green Bay Housing Authority bylaws stipulate that officer elections be held at the February meeting. It was agreed to postpone the elections and discuss item three of the meeting agenda before moving on to other items.

COMMUNICATIONS:

It was agreed that Communications would be shifted to later in the meeting to accommodate the guest speaker.

OLD BUSINESS:

3. Update and possible action on the status of the loan made to NeighborWorks® Green Bay for the Armory project.

N. Halvorsen of NeighborWorks Green Bay gave a background summary for the sake of the new commissioners. He explained that some years before, the City of Green Bay had partnered with the Urban Partnership Community Development Corporation with the intention of rehabilitating several structures around the city. The GBHA had provided financing for the purchase of two commercial buildings, one of which became the headquarters of NeighborWorks Green Bay. The second structure was the Armory building, originally intended for renovation for use as condominiums. However, as plans progressed, it became apparent that the building could only be made suitable for residential use with costly rehabilitation. NeighborWorks has made some necessary renovations on the structure and in the process it became evident that the structure would be better suited for indoor agricultural purposes. The name of Farmory thus emerged. NeighborWorks Green Bay is currently in partnership with the Basic Needs Giving Partnership and various other entities to bring this project to fruition. The intention is that this ongoing project will eventually meet social as well as economic needs. The Authority voiced support for the project and it was agreed that a more specific update would be given as the project develops.

NEW BUSINESS:

4. Authorization to award auditing contract to Hawkins Ash for 2014 rate of \$8,000 for Standard Audit and \$8,500 for A-133 Audit and 2015 rate of \$8,200 for Standard Audit and \$8,700 for A-133 Audit, with options for three 1-year renewals.

R. Hallet explained that the GBHA's auditing contract was currently up for bid. For efficiency, the Request for Proposals was done in conjunction with the Brown County Housing Authority. After collecting bids from multiple vendors and weighing the bids against the criteria required, the team had agreed that Hawkins Ash is the best choice.

B. Hansen made a motion, seconded by B. Goodlet, to approve awarding the auditing contract to Hawkins Ash for the 2014 rate of \$8,000 for Standard Audit and \$8,500 for A-133 Audit and 2015 rate of \$8,200 for Standard Audit and \$8,700 for A-133 Audit, with options for three 1-year renewals. Motion carried.

COMMUNICATIONS:

R. Hallet requested that at this point in the meeting, attention should be focused back on Communications, which had been skipped over to accommodate the guest speaker.

R. Hallet reported that the GBHA had received its bi-annual Public Housing Assessment Subsystem, or PHAS score. The result is a score of 86, which categorizes the Authority as a Standard Performer. R. Hallet explained the scoring in each category: In the Physical category, which comes from the REAC inspections that were discussed at previous meetings, we scored 37 out of 40; the maximum points of 25 were awarded in the Financial category; Management scored 17 out of 25 points; Capital Funds earned 7 out of 10. In regards to the Capital Funds, the scoring is broken out into Timeliness of Obligation, for which we scored the full 5 points, and Occupancy Rate. We scored 2 out of 5 points here because the calculation for occupancy in this category is only 94.61 percent.

R. Hallet explained that HUD calculates occupancy differently depending on the scoring category. She further explained that occupancy is scored for both Capital Fund and for Management. The Management scoring indicator is broken down into three areas, one of which is occupancy, but it is calculated differently here than it is in the Capital Fund scoring. We lost 4 out of 16 points here for occupancy. The other criteria for Management are Tenants Accounts Receivable and Accounts Payable. We lost all 5 points for Tenants Accounts Receivable but earned the full 4 points for Accounts Payable.

S. Schmutzer explained the loss of points for Tenants Accounts Receivable is due in part to a technology issue which we are working on. Staff is working on this so that by the next audit and the next PHAS scoring we will earn more of the points in this area.

R. Hallet explained that occupancy is a high priority for HUD, thus the reason it is scored in two areas. She stated that for the Management indicator, Mason Manor scored at 97.658 percent occupancy. We would have needed 98 percent or higher to score the full points. Scattered Sites scored 97 percent. In summary, we were very close at both properties.

A. LaHaie inquired if an extra maintenance position might be created to help prepare vacated units for new tenants, therefore reducing turnover times. R. Hallet replied that Mason Manor staff routinely reports that they are confident they can handle the workload without additional

help. K. Vang explained that other factors contribute to turnover times, such as new tenants being required to give notice to their previous residences.

W. VandeCastle inquired if there was a way to shorten the vacancy window. If a prospective tenant has committed to renting a unit but waits to physically move in, then the GBHA should not be penalized for that unit's vacancy. K. Vang replied that HUD uses the lease signing date as a metric. W. VandeCastle inquired if new tenants are required to sign a lease when they commit, it may shorten the vacancy window and improve the Authority's overall scores. R. Hallet agreed and would follow up on this suggestion. She stated that we could look into contracting out help to prepare vacated units. This would also lower vacancy levels.

B. Hansen asked if the PHAS score affects funding levels. S. Schmutzer explained that lease-months are used in calculations for funding. However, the GBHA's score has not affected its level of funding.

B. Hansen made a motion, seconded by A. LaHaie, to accept the GBHA's PHAS score and place on file. Motion carried.

5. Approval to bid out reconstruction of Mason Manor Patio

R. Hallet explained that the patio off of the Community Room at Mason Manor has been in need of repair for some time. It has cracked and buckled and presents a potential tripping hazard. The project is currently out for bid, with an estimated cost of \$16,000 to \$18,000.

A. LaHaie stated that once the Smoke-Free policy is initiated, the patio area will be up for debate. R. Hallet explained that the Smoke-Free policy designates any area 25 feet or more away from entrance doors.

W. VandeCastle made a motion, seconded by B. Goodlet to approve the bidding out of reconstruction of the Mason Manor patio. Motion carried.

INFORMATIONAL:

6. Update regarding T-HUD bill

R. Hallet reported on the HR 3547 Consolidated Appropriations Act 2014 bill. Federally-funded housing programs received \$10.5 billion in 2014 appropriations, which is an increase from 2013. The general outlook of the public housing community is optimistic, with Public Housing Operating Fund receiving an additional \$346 million dollars nationwide.

A. LaHaie made a motion, seconded by W. VandeCastle, to accept the T-HUD update and place on file. Motion carried.

ELECTION OF OFFICERS

2. Election of officers

At this point W. VandeCastle made a motion, seconded by A. LaHaie, to turn the floor over to R. Hallet for the purpose of officer elections. Motion carried.

R. Hallet asked for a motion to continue the offices as elected at the previous meeting, including the Chairmanship of W. VandeCastle and the Vice Chairmanship of S. Popp. A. LaHaie made

the motion, seconded by B. Goodlet. Motion carried. R. Hallet turned the floor back over to W. VandeCastle.

7. 2014 Operating Subsidy

S. Schmutzer reported on the 2014 operating subsidy. W. VandeCastle asked for clarification of the difference in the column Requested by PHA of \$194,000 for Mason Manor and the HUD Modifications column of \$190,000. S. Schmutzer explained an error in the spreadsheet that resulted in an incorrect calculation.

R. Hallet inquired if the Green Bay Housing Authority was getting less funding due to spreadsheet issues. S. Schmutzer explained the complications with the spreadsheet transfer. However, the end result is that the GBHA received the full amount it is due.

W. VandeCastle inquired if there were any areas of concern. S. Schmutzer replied that Utilities is a category that affects funding. This raises complications because in the Scattered Sites, the GBHA has little oversight over the efficient use of utilities by tenants. Maintenance staff is better equipped to influence efficient resource use in Mason Manor than the Scattered Sites.

R. Hallet reported on the status of the broken water main at Mason Manor. Unfortunately the main was below a recently poured maintenance parking area, which had to be broken through during the repair process. B. Hansen inquired if the City of Green Bay is going to pay for the parking lot repairs. R. Hallet explained that insurance would cover the cost. An insurance claim had been submitted.

W. VandeCastle made a motion, seconded by B. Hansen, to accept the 2014 Operating Subsidy report and place on file. Motion carried.

FINANCIAL REPORT AND BILLS:

8. Approval of Audited Financials

W. VandeCastle suggested that due to the importance and depth of this report, the Authority members study the report in greater depth for further discussion and approval at the next meeting.

S. Schmutzer highlighted a few areas of the audited financials. She explained that if the Authority chose to designate funding for a particular activity, for example future elevator replacement, it would show as "cash and cash equivalents – committed" on the Statement of Net Position. As for a change in net position, the Authority's position decreased by \$414,508 a large part of which is depreciation, which is not true cash expended. Another reason for the change in net position is due to spending down the reserves and for paying out the accrued expenses for a long time employee who left in 2013.

The one area which was commented upon by the auditors is in regards to segregation of duties. When the Senior Accountant position was vacant there was not a proper segregation of duties. We have since cross-trained staff to correct this in the event of an employee absence.

R. Hallet stated that HUD encourages housing authority members to take extra care in understanding financial aspects of the Authority.

W. VandeCastle made a motion, seconded by B. Goodlet, that the Authority members take the Audited Financials with them for greater study and discussion at the next meeting. Motion carried.

In regards to the regular monthly financial report, S. Schmutzer commented that the maintenance contract for Mason Manor's elevator had changed. It formerly was under an all-inclusive cost agreement with the elevator contractor, but it was changed to an as-used agreement. This means that the elevator contractor will be now billing for each individual elevator repair, so the Authority will be seeing more such bills.

B. Hansen inquired if Mason Manor is required to maintain its service contract with the present vender. R. Hallet explained that it was part of a blanket City contract that is routinely brought up for bid. S. Schmutzer stated that she believed the contract may be up for bid in August, and the issue could be considered at that time.

A. LaHaie made a motion, seconded by B. Hansen, to approve the Audited Financials. Motion carried.

STAFF REPORT:

9. Langan Investigations report for the month of December & January

R. Hallet reported that both December and January's reports were included in this month's agenda. In December 2013, there were fifteen applications, zero additions to households; eight were for Scattered Sites, and seven were for Mason Manor. There was zero fraud activity in December. In January 2014, there were 47 housing applications, six new investigations assigned, four previous investigations closed, and four total investigations still active. The large number in January was due to a large number of clients who we thought were still interested in a unit since we had recently confirmed their interest when we did a purge of the waiting list, but after doing the background checks many informed us they were no longer interested.

B. Hansen made a motion, seconded by W. VandeCastle, to accept and place on file the Langan Investigations report. Motioned carried.

10. Occupancy Report

N. Aderholdt reported that the lease-up dates for refilling vacant Mason Manor units have been moved up one week. The Mason Manor maintenance person has worked hard and completed them ahead of schedule. N. Aderholdt explained that in situations in which the applicant cannot move into the unit in a short amount of time, or if the applicant does not submit the correct paperwork, the turnover time may be longer.

W. VandeCastle made a motion, seconded by B. Hansen, to accept the Occupancy Report and place on file. Motion carried.

A motion was made by A. LaHaie and seconded by B. Goodlet to adjourn the February 20, 2014 Green Bay Housing Authority meeting. Motion carried.

Meeting adjourned at 12:02 p.m.

caa: rah: jd