AGENDA
BROWN COUNTY HOUSING AUTHORITY
Monday, June 20, 2016, 3:30 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS PRESENT: Ann Hartman – Chair, Sup. Andy Nicholson – Vice-Chair, Tom Deidrick, Corday Goddard, and Andy Williams.

OTHERS PRESENT: Robyn Hallet, Matt Roberts, Pat Leifker, MacKenzie Reed-Kadow, and Stephanie Schmutzer.

APPROVAL OF MINUTES:

1. Approval of the minutes from the May 16, 2016 meeting of the Brown County Housing Authority.

A motion was made by A. Nicholson and seconded by C. Goddard to approve the minutes from the May 16, 2016 Brown County Housing Authority meeting. Motion carried.

COMMUNICATIONS:

2. Letter from HUD dated May 26, 2016, regarding increased proration of HCV administrative fees.

R. Hallet explained that a letter was received by HUD informing the Authority of the increase in the proration of the Administrative Fees to 84 percent. This is much better than the 79 percent last year. A. Hartman asked if it will continue to increase. R. Hallet responded that based solely on fact that there have been four increases in the past year; she suspects it may continue this pattern.

A. Nicholson asked for further clarification. R. Hallet explained that the Authority receives Administrative Fees for each Voucher that is issued. A. Williams clarified that these are fees paid to the Authority, not fees the Authority pays out.

3. Letter from HAI Group from June, 2016 regarding dividends received.

R. Hallet explained that HAI Group is our insurance provider who occasionally pays dividends to members. We received a dividend of $128.84.

A Nicholson made a motion to receive and place on file, seconded by A. Williams. Motion carried.

REPORTS:

4. Report on Housing Choice Voucher Rental Assistance Program:
   A. P. Leifker reported that for the month of May there were 218 preliminary applications received.

   B. Unit Count
      The unit count for the month of May was 3,197.

   C. Housing Assistance Payments Expenses
      The HAP expenses totaled $1,333,327.

D. Housing Quality Standard Inspection Compliance
There were a total of 416 inspections, of which 255 passed the initial inspection, 58 passed the reevaluation, 80 resulted in a fail, and 23 were no-shows.

E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
P. Leifker reported on the data from April, stating that now that ICS has a new Accountant on board, they are catching up on these reports. For April there were 220 port outs with an associated HAP expense of $195,526. ICS was overspent by $14,288 and the FSS program was underspent by $2,552.86.

F. Family Self-Sufficiency Program (client count, participation levels, new contracts, graduates, escrow accounts, and homeownership)
M. Reed-Kadow reported that for the month of May, there were 81 participants enrolled in the FSS program. Of that number, 56 participants are at level one, nine are at level two, nine are at level three, and seven are at level four. There were seven new contracts established, one graduate, 33 open escrow accounts, and 53 homeownership clients.

M. Reed-Kadow shared an FSS success story of one of the participants: This participant is a single mother in her early 50's in her first year of the FSS program. She never thought she'd go back to school, but she recently shared that her participation in the FSS program has given her the confidence she needed to go back to school and she enrolled into a Medical Assistant Program at NWTC.

A. Williams commented that there were a lot of new participants that signed onto the program. M. Reed-Kadow agreed, stating they are working aggressively to increase program participation.

G. VASH Reports (new VASH and active VASH)
P. Leifker reported that there were no new VASH clients for the month of May and there are 28 active participants in the VASH program.

H. Langan Investigations Criminal Background Screening and Fraud Investigations
P. Leifker stated that for the month of May there were 3 new investigations assigned, 1 previous investigation was closed, and 11 remain active. There were 113 applications processed, all of which were approve. He then displayed the charts of the initial applications for May broken down by municipality, showing the greatest number of application from residents of the City of Green Bay, followed by De Pere. Fraud Investigation by Municipality was similar, with the majority occurring in Green Bay and one in De Pere.

OLD BUSINESS:
None

NEW BUSINESS:
5. Discussion and approval of use of additional administrative fees due to increased proration.

R. Hallet referenced the above communication from HUD about the proration, stating that HUD is backdating the proration to January, 2016, which amounts to $48,000 to the Authority. This is added to the Authority's Administrative Reserves which are already quite high. The contract between the Authority and ICS is based on ICS's actual expenses, so none of these additional fees go to ICS for their day-to-day work to administer the HCV program. R. Hallet is proposing that some of these fees be passed along to ICS and invited M. Roberts to speak about this.

M. Roberts indicated there are two areas he would like to address: Employee salaries and an upgraded phone system. He explained that salaries at ICS are low, and in fact ICS recently lost one of their best Housing Specialists to the Green Bay Housing Authority for a salary that ICS cannot compete with. The average wage for a Housing Specialist is $16.11 per hour and the Customer Service Representatives average $13.23 per hour. His request is to increase wages of the 16 employees by $1 per hour, totaling $33,000.

Regarding the phone system, M. Roberts had mentioned in previous meetings that the ICS phone system is unsupported and needs to be upgraded. The quote for the upgrade is $5,795.

M. Robert's request is for a total of $39,075 of the $48,000 lump sum the Authority received for the proration increase for January through March. S. Schmutzer clarified that the rest of the proration after March will be made via the regular monthly disbursements from HUD throughout the year. This is the second lump sum received this year, in addition to $17,000 that was previously received.

M. Roberts explained that the ICS budget for this year was based on 79 percent proration, which is a significant difference from the current proration factor of 84 percent.

R. Hallet attested that ICS has done a great job of retaining staff in the past two or so years, but prior to that, there had been a lot of turnover. Each time there is a loss of a staff member, it has a significant impact on the program. As Housing Administrator, R. Hallet supports the request in order to retain the good staff they have worked hard to train.

A. Nicholson asked if M. Roberts budgeted for this. M. Roberts reiterated that this was not budgeted, since the budget was based off of 74 percent proration and thus salaries had to be kept low. The fact that the proration was at 79 percent already put ICS under the amount received by HUD and now the proration is at 84 percent, a significant difference. A. Nicholson asked if ICS has any reserves they could use for this salary increase. S. Schmutzer explained that there cannot be reserves because the contract calls for any excess to be refunded to the Authority at the end of each year. She further stated that last year ICS returned over $50,000 of unused funds, explaining that the Authority pays ICS the full amount in the budget and then if the expenses are lower, they have to refund it to the Authority. This is the reason for ICS's request today, because there is not a way for them to retain any excess funds. M. Roberts clarified that when he created the budget, he did so conservatively at 74 percent proration; otherwise, he would have budgeted for increases, but he tried to keep expenses very minimal so as not to exceed the proration.

T. Deidrick expressed that as an Executive Director of a non-profit himself, the wages ICS pays are low and they are going to experience ongoing turnover because staff won't have to go very far to get a better wage. He expressed that non-profits' salaries are always lower than the market rate, but they need to try to stay competitive to retain quality staff.

A. Nicholson asked if there are any salary comparables. M Roberts responded that he doesn't have any comparables specifically for the work they do, because most other PHAs administer the program directly which allows for government wages and benefits. Looking at other non-profits isn't a true comparison either because others don't focus on the HCV program as ICS does. A. Nicholson expressed that it is not a good practice for organizations to adjust their budget mid-way through the year. Especially without having comparables, the increase can't be substantiated. He further asked how many staff left in the last three to four months, to which M. Roberts answered there was one. In regards to adjusting the budget, M. Roberts again reiterated that when the budget was created, the projection was for a 79 percent proration factor, so the budget was created conservatively at a 74 percent proration. There was no way to predict at that time that extra funding would become available. A. Nicholson stated he'd like to see what happens in six months with this position.

T. Deidrick stated that when he plans his organization's budget, he plans very conservatively, because salaries and benefits are the largest item in the budget. He recognizes that is what is being done here. He suggested that a bonus could be provided at the end of the year to the staff that are doing well. He suggests we look at this issue again in November.

A. Williams inquired for more information about the phone upgrade. M. Roberts explained that their phone system is about 15 years old and is no longer compatible with the operating systems in use today. Its service is also unsupported for this reason, so if something goes wrong, ICS will be left without an operating phone system, which would be devastating to the program's clients. This was discussed last year and being conservative, ICS stretched the use of the existing system as much as they could. He originally thought the cost would be closer to $9,000, but learned they can keep the same phones and just replace the server, which lowers the cost to $5,795.

A. Williams requested to clarify if ICS is funded upfront for the 74 percent. S. Schmutzer again explained that nothing is provided upfront. Rather, the budget is set by ICS, approved by the Authority, and then paid out in 12 monthly payments. Any excess given to the Authority by HUD stays with the Authority. Likewise, if ICS saves on their budget, that is reimbursed from ICS back to the Authority at the end of each year. For example, last year ICS realized a savings in their health insurance costs and ended up paying $50,000 back to the Authority because they didn't spend it.

A. Williams responded that he doesn't have an issue with the phone system being upgraded, but he'd like to see ICS get some other bids to see what other vendors could offer. As for the salaries, he'd like to table that discussion to next month, when we were planning to bring back the discussion of an additional position at ICS.

C. Goddard asked to clarify that if the Authority didn't approve this request, there would be an extra $48,000 put into the reserves, for which the Authority is already on the hot list for not spending. S. Schmutzer clarified that there are two separate reserve accounts – one for Housing Assistance Payment (HAP) and another for Administrative fees. The one that the Authority is on the hot list is for the HAP reserves, whereas this proration backpay would go into the Administrative Reserves.

A. Williams asked when there will be another proration adjustment. R. Hallet explained that HUD does adjustments at their own discretion and it is nationwide, not per Housing Authority. S. Schmutzer further stated that if there are excess funds HUD may decide to redistribute them by increasing proration. R. Hallet added that HUD recognized that the 74 percent proration over a year ago was extremely low, but it was based on the amount that Congress allocated to this program; as HUD saw that they had extra funding, they decided to increase the proration. She further stated that we have a unique situation here: in most jurisdictions the Housing Authority administers the program themselves and would have the discretion to use the funding as they saw fit. In our case, the Authority contracts with ICS and that contract doesn't permit ICS the flexibility to use any extra funding received by HUD.

A. Nicholson made a motion to wait until November to look at this again, stating that ICS has already re-filled their vacant position, so this will allow time to look at this position. R. Hallet asked for clarification of what he would hope to see at that time, to which A. Nicholson responded that it would allow an opportunity to see if that new hire quits because of wages. S. Schmutzer offered that comparables could be provided, to which A. Nicholson agreed. R. Hallet reiterated that ICS has been fortunate in retaining staff in the past few years; they have been working hard to increase employee morale in non-monetary ways, however everyone needs to earn a living and employees always appreciate being rewarded for their work.

A. Williams seconded the motion. He then asked that this motion be strictly to the request pertaining to the salary increase. T. Deidrick abstained from the vote. Motion carried.

In regards to the request for the phone system upgrade, M. Roberts stated that he is willing to obtain another bid, but wished to clarify that the existing quote is from the current vendor who is familiar with the present phone system and helped patch it as needed. Bringing in a new vendor would completely change the system. A. Williams suggested that an additional bid would demonstrate if the current vendor is in the proper price range, and ICS wouldn't necessarily have to go with the lowest bid.

C. Goddard motioned that the approval for use of the additional administrative fees toward an upgraded phone system be tabled for one month to allow ICS to obtain an additional quote, seconded by A. Williams. T. Deidrick suggested M. Roberts could call him later to discuss other vendors he could look at. Motion carried.

6. Approval of Chapter 2 (Fair Housing and Equal Opportunity) and Chapter 8 (HQS & Rent Reasonableness Determinations) of Administrative Plan.

R. Hallet explained that HUD recently released a Notice that allowed for streamlining of various regulations. Staff reviewed these and decided upon two that they would like to incorporate, which are addressed in these two chapters. The first is in regards to allowing a Voucher Payment Standard of up to 120 percent of the Fair Market Rent as a reasonable accommodation for a person with a disability. Previously, such requests could only be approved by HUD; in a previous temporary streamlining provision, HUD delegated this authority to PHAs. The temporary streamlining provision expired and HUD is now making this provision available permanently to PHAs who choose to adopt it.

In regards to Chapter 8, R. Hallet reminded commissioners that about two years ago we had to cease charging landlords for re-inspection fees because such charges were not permitted by HUD. One of the new streamlining provisions now allows for such re-inspection fees, so the request is to bring the language back into the administrative plan. R. Hallet explained this would allow for a $50 fee for a second re-inspection, and $100 for a third re-inspection or other subsequent inspections.

A. Williams asked M. Roberts how this would affect relations with landlords. M. Roberts expressed that when fees were assessed, it ensured that units were held in compliance and that participants where not renting units that are substandard. He added that this adds accountability to the overall program. A. Williams asked how this affects ICS's bottom line, stating ICS bears the cost for re-inspections, so inquired if these fees would stay with ICS. M. Roberts indicated that is still unclear especially in light of a recent webinar held with ICS's software provider, which is looking to add to the software the ability to withhold fees from landlords, which would ease the collection of such fees. However doing so affects the HAP funds, so there's no increased revenue in that sense. S. Schmutzer asked if such fees are federalized, to which M. Roberts responded that he did not know. S. Schmutzer said that will make a difference because if it is federalized, then it's not money that is free to use on anything. M. Roberts expressed that if that were the case, they would have probably said so.

A. Williams made a motion to approve the changes to Chapter 2 and Chapter 8, seconded by C. Goddard. Motion carried.

7. Approval to renew agreement with Catholic Charities for reimbursement of pre and post homeownership counseling for Housing Choice Voucher Homebuyers.

R. Hallet reminded commissioners that the Authority has an annual contract with Catholic Charities allowing them to provide the homeownership counseling for Housing Choice Voucher

homebuyers and to be reimbursed by the Authority for the counseling. The annual contract is up for renewal.

A. Nicholson made a motion to approve, seconded by A. Williams.

C. Goddard asked if what has been done so far is effective. R. Hallet stated she has not heard from Catholic Charities directly and asked M. Reed-Kadow if any HCV homebuyer clients have shared any information. She responded that both NeighborWorks and Catholic Charities provide homeownership counseling and it may be about half and half as to where the client chooses to receive that counseling. R. Hallet added that homeownership counseling is required, but the choice of where to receive it is up to the client. The homeownership counseling itself is indeed very educational to the clients.

Motion carried.

8. Approval to amend BCHA bylaws to add section regarding unexcused absences from meetings.

R. Hallet expressed that she spoke to A. Hartman as the Chair and they agreed that unexcused absences in excess of three in a 12 month period of time seemed reasonable and should that occur, the Authority could seek to replace the commissioner.

A. Nicholson inquired as to what brought this on. R. Hallet responded that it was in fact A. Nicholson's continued absences from the meetings. A. Nicholson stated he always called in, which R. Hallet agreed but stated it resulted in a lack of a quorum at least once. A. Nicholson then inquired about the other two commissioners who were absent that time. R. Hallet reminded him that C. Goddard had a previous commitment that he informed the Authority about at the prior meeting and T. Deidrick had a medical emergency for which he called from the hospital to report his absence. A. Nicholson inquired if his work obligations are not excusable reasons, to which R. Hallet responded that the Authority meetings are set as the third Monday of every month, so commissioner and staff can plan for them. A. Nicholson then expressed that he had requested changing the time and that R. Hallet was resistant. R. Hallet responded that the time was in fact changed for him, but A. Nicholson stated he wanted it at 5:00 pm. R. Hallet stated that it was he himself who had suggested the time of 3:30 pm, which A. Nicholson agreed but said 5:00 pm would be easier for him. R. Hallet responded that there are also other commissioners and staff besides him. A. Nicholson suggested that another time be considered, perhaps the morning.

C. Goddard expressed that when he was asked to serve on the Authority, he was told that he must be able to make the 3:00 pm meetings on the third Monday of each month. That was his understanding upon joining the committee. R. Hallet concurred, saying that if a prospective commissioner cannot make the date and time of the meeting, perhaps this Authority isn't the best fit for that person.

A. Williams asked who determines an unexcused absence. R. Hallet stated this is unclear; she looked in Roberts Rules of Order as well as the State Statutes, but didn't find an explanation for this.

A. Hartman expressed that the main concern is the lack of a quorum, to which R. Hallet agreed but also added that consistency for knowledge of the topics discussed is also extremely important. A. Williams asked how C. Goddard's absence was different from A. Williams, if both were told of the importance to attend the meetings. C. Goddard responded that he is present all the time and hardly ever misses a meeting; he arranges his work around them. A. Nicholson

stated he makes 50 percent of the meeting, implying this was sufficient. R. Hallet agreed with C. Goddard's response stating the difference is the number of meetings that A. Nicholson misses. A. Williams then asked if every absence is unexcused, which R. Hallet refuted and asked the commissioners for input as to what should constitute excused versus unexcused absences. A. Nicholson suggested this item be held for one month to allow him as the Vice-Chair to discuss it with A. Hartman as the Chair.

A. Hartman again expressed the concern is having a quorum at the meetings, without which there are delays in action on agenda items. A. Nicholson asked why a special meeting wasn't then called. R. Hallet explained it wasn't necessary because there wasn't anything from the April meeting that was time sensitive, so the decision was made to hold the items until the May meeting. This however resulted in an agenda for May that was longer than usual but with a shortened time to discuss the items because the meeting time was moved half an hour later. As a result, the Authority had to rush through some agenda items and table others entirely so that we could end in time for the next meeting scheduled in the room to begin. Consequently, there are some items on today's agenda that initially should have been addressed in April.

The motion to hold the meeting for a month was seconded by A. Williams. He also expressed that some direction should be given as to what constitutes an unexcused absence. There was general consensus that this needs to be defined.

Motion carried.

INFORMATIONAL:

9. Review of Housing Choice Voucher section of Lead the Way training.

The Authority members reviewed the questions from the quiz from the HCV section of the Lead the Way training.

10. Reorganization of Community Services Agency.

R. Hallet explained that the City of Green Bay completed a reorganization of the Community Services Agency, of which she and S. Schmutzer are staff. Essentially, the Economic Development Department and Community Services Agency have merged; resulting in a new department entitled the Department of Community and Economic Development. Kevin Vonck is the director of the new Department and the City is in the process of hiring an Assistant Development Director, who will serve as the Secretary and Executive Director of both the Brown County and Green Bay Housing Authorities. Previously those roles belonged to the Director of the Community Services Agency. A. Hartman asked how long it will take to fill the position of Assistant Development Director. R. Hallet stated that the position has been posted for several weeks, but she is not aware of the current status of the position.

A. Williams inquired as to why this change was made. R. Hallet responded that her assumption for why the Assistant Development Director position was created is because with the combining of the two departments, the workload would have been too great for one director.

A. Nicholson asked about the pay for the position. R. Hallet stated she didn't recall exactly, but was guessing it was in the $70,000-$80,000 range. A. Nicholson then requested a copy of the job description. He also inquired as to R. Hallet's position. R. Hallet responded that she is the Housing Administrator for both the Green Bay and Brown County Housing Authorities. A. Nicholson asked for further clarification regarding the creation of this position. R. Hallet explained that R. Strong had been the long-time Director of the Community Services Agency, after which K. Flom was the Director for about a year. After Director Flom resigned, Mayor

Schmitt decided to hold the position vacant while he discussed possible changes with senior staff. One possible change was merging the Economic Development and the Community Services Agency, however, her understanding was that the workload and responsibilities of the combined departments would be too much for one director and thus the City determined that an Assistant Development Director position should be added. He further inquired if any positions were eliminated, which R. Hallet explained that the position of Director of Economic Development was eliminated.

11. Discussion of Daily Caller News Foundation article.

R. Hallet stated that A. Hartman shared this article via email back in March. She explained that the article spoke of the successes of a Housing Authority in Delaware, which is part of the Moving to Work program. R. Hallet explained that Moving to Work is a program that PHAs at one time had the ability to join, which would provide extra flexibility in the local use of the federal HCV funds. The intention was for HUD to examine how PHAs chose to modify the program and if there would be some practices that should be applied federally. The PHA in the article applied more work requirements to program participants and the article seemed to indicate there were positive results in that program participants were more likely to be employed.

R. Hallet went on to explain that HUD recently announced a Moving to Work expansion program. HUD is currently working with an advisory committee to determine how PHAs will be selected to participate and the evaluation of the expansion. HUD wants 100 more PHAs to join Moving to Work by 2020 and then HUD would use the information gained from those PHAs to improve the program federally. R. Hallet offered that the Authority may wish to consider participating. She said HUD is not yet accepting applications but expects the Notice to apply would be released in fall. A. Hartman asked if applying and participating would result in a lot more work, which R. Hallet stated she expects it would be, but that there could be great benefits. Benefits could include the ability to modify the program locally to operate the way we would like it to operate. For example, her predecessor explored ways of implementing time limits for participants who are not employed or furthering their self-sufficiency, but was unable to do so because such restrictions are not permitted by federal regulations. Disadvantages to Moving to Work participation would include additional staff time and the need to administer employment readiness programs and tracking client participation in such programs. It would be similar to Family Self Sufficiency.

C. Goddard stated that the 1990's Welfare to Work programs is now criticized as being excessively harsh and not very productive. He is not aware of such programs being an effective way to manage poor people trying to find housing. A. Williams agreed expressing that perhaps this would incorporate more ways to help such individuals obtain and maintain employment.

R. Hallet added that it seems HUD does not have very good data from the existing Moving to Work agencies as to the effectiveness of their local policies. Her understanding is that program evaluation will be a much bigger part of the Moving to Work expansion program.

S. Schmutzer stated that with Moving to Work, all participants are automatically enrolled, which is a difference from FSS. Discussion ensued about persons with disabilities being exempt, which R. Hallet agreed but expressed there are other program modifications that could apply program-wide and gave the example of the Chicago Housing Authority, a Moving to Work agency, doing biennial inspections before that policy was made available federally.

A. Hartman suggested that we should look into Moving to Work further and would like to see the Authority apply. She requested that R. Hallet keep the Authority informed of further

developments with this expansion program and if it's going to be a lot of extra work, that it be brought back to the Authority to discuss further.

12. Comparison of HQS vs. UPCS

R. Hallet stated that, as was requested at the last meeting, a comparison was provided of the current Housing Quality Standards and the possibly upcoming Uniform Physical Condition Standards. She also stated that ICS did submit the request to HUD for the Authority to be considered in the demonstration program. M. Roberts summarized that UPCS uses a weighted system as compared to the pass/fail system of HQS. A. Nicholson stated he thought this was provided a year ago and asked if there are going to be changes. M. Roberts reminded him that, as was discussed in the previous meetings, HUD is going to be running a demonstration program to determine if this is a change they will make nationwide. He stated that we should know in July if we've been accepted to participate in the demonstration.

A motion was made by A. Nicholson and seconded by A. Williams to receive and place on file. Motion carried.

BILLS:
S. Schmutzer indicated that included in the bills is one to VandeCastle Law for the small claims action for fraud activity. A. Williams asked how much the Authority pays VandeCastle, which S. Schmutzer responded we pay the standard $150 per case.

A motion was made by C. Goddard and seconded by T. Deidrick to approve the bills. Motion carried.

FINANCIAL REPORT:
S. Schmutzer indicated we are starting to ask for more of our HUD-held reserves, which will mean our leasing up efforts have been effective.

A. Nicholson motioned to receive and place on file, seconded by T. Deidrick. Motion carried.

STAFF REPORT:
13. Status of Housing Interns.

R. Hallet reported that the recent intern C. Murphy resigned due to graduating and getting a full time job; we have a new intern starting next week.

14. Date of next meeting: may be cancelled, or if needed, July 18, 2016.

R. Hallet explained that we generally like to give the commissioners a month off in summer; however, there is the consideration that last month the Authority had chosen to table until July the discussion of the request to use administrative reserves to hire an additional position at ICS. A. Nicholson indicated he'd also like to see more discussion next month regarding agenda item #11. Also it was mentioned that ICS's request to upgrade their phone system needs to come back next month as well as reporting if the Authority was selected by HUD to participate in the UPCS-V demonstration. For these reasons it seems the July meeting is indeed warranted.

Motion to adjourn made by A. Nicholson, seconded by A. Hartman seconded. Motion carried. Meeting adjourned at 4:45 pm.

RH:jd