

**MINUTES**  
**GREEN BAY HOUSING AUTHORITY**  
**Thursday, January 15, 2015 10:30 a.m.**  
**1424 Admiral Court, Second Floor Reading Room**  
**Green Bay, WI 54303**

**MEMBERS:** William VandeCastle - Chair, Sandra Popp - Vice Chair, Brenda Goodlet, and Chiquitta Cotton

**MEMBERS EXCUSED:** Brad Hansen

**OTHERS PRESENT:** Robyn Hallet, Kim Flom, Nikki Gerhard, Ka Vang, Stephanie Schmutzer, and Sadie DiNatale

**APPROVAL OF MINUTES:**

1. Approval of the November 20, 2014 minutes of the Green Bay Housing Authority.

A motion was made by C. Cotton and seconded by B. Goodlet to approve the meeting minutes of November 20, 2014, as presented. Motion carried.

**COMMUNICATIONS:**

None

**OLD BUSINESS:**

2. Discussion regarding GBHA Contract with Aging and Disability Resource Center for Nutrition Program at Mason Manor.

R. Hallet reminded the Authority of a discussion held in June of 2014, regarding the GBHA Contract with the Aging and Disability Resource Center (ADRC) for Mason Manor's Nutrition Program. At that time, it was decided not to pursue the request from the ADRC to consider making a contribution to the nutrition meal program and rather try to encourage increased donations for six months. As six months have passed, this report has been brought back to the table for review.

R. Hallet continued to state that while recently meeting with the ADRC it was found that donations have actually been decreasing, not increasing. The yearly average donation for Mason Manor is currently at \$1.08 while in 2013, the average was at \$1.36 and the yearly average in 2012, was at \$1.17. This trend corresponds to the fact that participation in the meal program has also been decreasing overall as well. This trend is occurring despite GBHA and ADRC staff pursuing means to increase both attendance and donations.

N. Gerhard stated that they will wait for data for the next six months in an effort to see if the time of year impacts participation in the program and consequently the amount of donations received. In the meantime, the GBHA will work closely with the ADRC to try and mitigate losses.

R. Hallet additionally assured the Authority that the ADRC is not looking to close the program whatsoever. The ADRC is solely looking at the future stability of the program. The ADRC is not in the position where they require contributions from the GBHA but it is something they wanted to explore.

W. VandeCastle asked if R. Hallet may briefly explain what the ADRC does and how it operates. R. Hallet replied that the ADRC provides meals at various sites throughout the area with Mason Manor being one of these meal sites. Meals are provided every week day with the exception of holidays. All meals are catered by a contracted company and each meal must meet specific nutritional content guidelines under the Older American's Act. The Older American's Act has detailed expectations of what the ADRC can and cannot provide for meals as it relates to nutritional value.

N. Gerhard added that the elderly population at Mason Manor must also stay above 51% as the site must have a clearly defined elderly status to participate in the program.

W. VandeCastle entertained a motion to table the discussion for six months from now to further review the program once more data has been gathered. A motion was made by S. Popp and was seconded by C. Cotton. Motion carried.

3. Update regarding property adjoining 509 S Maple Street.

R. Hallet reminded the Authority that the property at 509 S Maple Street is the condemned, foreclosed property which the Redevelopment Authority was going to deed over to the GBHA and which the GBHA had previously accepted. The RDA has since provided an update that the process is not preceding as quickly as they had hoped as the bank has received another prospective buyer. Nevertheless, Cheryl Renier-Wigg, the supervisor for the Redevelopment Authority, is not too optimistic that that buyer will be successful in making all the extensive repairs that this property requires. Thus, C. Renier-Wigg feels that the property will still take the same route it will just be a more lengthy process.

K. Flom additionally stated that the Redevelopment Authority and the bank had previously settled on a price for the property in which the current, prospective buyer is willing to pay a little more. The Redevelopment Authority is quite aware of the amount of work that must go into the property and feels as if it is not worth it to try and out bid the new buyer. Instead, K. Flom mentioned that waiting this out will be the best bet and in the meantime the Redevelopment Authority will keep the GBHA updated.

#### **NEW BUSINESS:**

4. Review and approval of revised Move in/Move out addendum.

N. Gerhard stated she has created an inspection form for tenants moving in and out of GBHA properties. The form allows tenants who are just moving in to write down anything that they perceive to be wrong, broken, or not in perfect condition so that they are not held accountable for anything that they had not damaged upon moving out. In addition, N. Gerhard had found a work order/inspection form that staff can now utilize for annual inspections, work order inspections, and the like. The addendum however is strictly for residents.

W. VandeCastle asked if these forms were to be utilized for Mason Manor and the Scattered Site properties. N. Gerhard confirmed that it was for both.

S. Popp asked how the form would be set up for instance, if there would be generic terms listed to explain property conditions. N. Gerhard stated that the typical suggestions are fair, good, and excellent.

R. Hallet asked for clarification if this addendum would be optional for tenants. N. Gerhard stated that when new tenants move in they would be asked to fill out an inspection form but ultimately it will be the tenant's choice whether they complete and turn it in or not. If they do not complete a form, staff will make note that they never received the form back and the tenant risks being held accountable for any damage they may or may not have caused. N. Gerhard continued to state that she does not imagine many people will not fill out the inspection form as it will only help them in the end.

S. Popp asked if staff would assist any tenant who may have trouble understanding or completing the form. N. Gerhard confirmed this stating that a tenant may also request to have a staff person walk through the property with them as they complete their inspection.

W. VandeCastle added to the discussion by stating that there is a similar type of inspection form utilized when people sell their houses. This inspection form lays out all the items in a specific numerical order where an individual can check mark the number and then on another sheet of paper discuss what the problems are for each specific number. N. Gerhard stated that the inspection form that the GBHA will utilize has this same kind of procedure.

N. Gerhard stated that she will modify the form slightly to include numerical notations and room for commentary. Additionally, N. Gerhard stated she would add another column to indicate whether certain aspects checked would be tenant or GBHA responsibility to correct.

A motion was made by C. Cotton to approve the addendum with N. Gerhard's revisions. The motion was seconded by B. Goodlet. Motion carried.

5. Discussion and approval of changes to Chapter 2 (Fair Housing and Equal Opportunity) of the Admissions and Continued Occupancy Plan.

N. Gerhard stated that very minor changes were made to the Admission and Continued Occupancy Plan in Chapter 2. The change incorporates language that expands the demographic categories in which federal law prohibits discrimination. These added demographic categories are gender identity, marital status, and perceived sexual orientation which were added to sections 2-1.A. and 2-1.B.

A motion was made to accept these changes by S. Popp and seconded by C. Cotton. Motion carried.

6. Review and approval of audited Year End Financials from June 30, 2014.

S. Schmutzer discussed that there were only a few areas that she wanted to go over in regards to the audited Year End Financials. The first area reviewed was regarding the Management Discussion and Analysis, which is a condensed version of the entire financial statement (completed by the Housing Authority not the auditors). S. Schmutzer stated that there was money moved from expense to fixed asset for Prior Period Adjustments.

S. Schmutzer went on to explain that as far as revenue is concerned, when 2013 and 2014 are compared it appears that tenant rent decreases by 12 percent in 2014. This is misleading as when HUD operating grant money increased in 2014 the percentage for tenant rent was altered without the tenant rent amount actually decreasing.

The last point S. Schmutzer pointed out was in regards to the Status of Prior Year Findings. S. Schmutzer stated that there was some lag time when her predecessor left and she was hired to fill his role. During this time there was about five months in which some work was unable to be accomplished. To mitigate the possibility of this happening again there needed to be a better segregation of duties. Thus, the GBHA cleared a standardized segregation of duties with HUD. This will be helpful as HUD is going to be working with a new process that raises a red flag whenever findings are not cleared within two years. To ensure that the GBHA is not flagged and investigated by the federal government, this segregation of duties becomes imperative.

R. Hallet asked for clarification regarding tenant rent mentioned earlier. S. Schmutzer elucidated that while strictly looking at percentage, tenant revenues were at 56 percent in 2013 while in 2014 they dropped to 44 percent. This looks as though tenant rent decreases by 12 percent. This is not entirely accurate as the percent was just altered by other monies from HUD that increased. In actuality, the amount of tenant rent from 2013 to 2014 increased by approximately \$24,000.

S. Schmutzer also went on to explain that the GBHA should not get a Single Audit for a while. This year the Authority received a Single Audit because we had received more than \$500,000 worth of federal funds but there has been a change to the regulations, increasing the threshold to \$750,000, and it's unlikely that we'll reach that amount.

A motion was made to approve the audited Year End Financials from June 30, 2014 by S. Popp. W. VandeCastle seconded the motion. Motion carried.

7. Discussion and possible action regarding rent reasonable comparisons.

R. Hallet reminded the Authority that with the 2014 Appropriations Act there was a requirement that all Housing Authorities must set their flat rents at no less than 80 percent of the Fair Market Rent. Accordingly, the GBHA had to change our flat rents which took place in June of 2014. In October, HUD had changed the Fair Market Rents and accordingly, the GBHA's flat rents had to be changed once more. Conducting rent comparable is a required step of this process. The Authority approved our flat rents contingent on the fact that they were comparable. The rent comparables have been completed so R. Hallet is bringing these comparables to the Authority's attention.

For Scattered Sites, R. Hallet explained that it is a little trickier to do comparables as each site is quite different. With the GBHA's connection to Integrated Community Solutions, they utilized their database to put our rent comparables together for us. They used three different comparables for each type of property. Property types are classified as: four bedroom, single family detached properties; three bedroom, single family detached properties; two bedroom, single family detached properties; three bedroom, two/three family duplex properties; and two bedroom, two/three family duplex properties. Integrated Community Solutions found comparables similar to each category and found that all of our rents are reasonable.

W. VandeCastle asked how "reasonable" is defined as it relates to the GBHA having "reasonable rents". R. Hallet states that there are seven different components of criteria that must be looked into. As far as having a specific definition, there is no detailed process, percentage, or range given to determine reasonability. Reasonability is also not determined by an average.

S. Schmutzer asked, although HUD mandates this as a requirement, what does this process actually accomplish. R. Hallet stated that that was a good question which can be better explained when reviewing Mason Manor's comparables.

R. Hallet stated that for Mason Manor, three non-subsidized units were utilized as comparables. It was found that even though Mason Manor's rent was set within HUD's Fair Rent Market requirements, rent at Mason Manor was still higher than the comparables. This addresses S. Schmutzer's question in that HUD's regulations state that if the Flat Rents, as determined by the rent reasonable study is less than 80 percent of the Fair Market Rent, the PHA must set the rent at no less than 80 percent of the Fair Market Rent. And even if the comparables show that rents are too high compared to other similar properties, the PHA is still not able to go lower than 80 percent of the Fair Market Rent. Accordingly, a PHA must go with either 80 percent of the HUD Fair Market Rent or the rent comparables, whichever is higher.

N. Gerhard also put into perspective the fact that while these amounts are the cap, most of our tenants are paying only 30 percent of their income.

A motion was made to accept and place on file by W. VandeCastle and seconded by C. Cotton. Motion carried.

#### **INFORMATIONAL:**

##### **8. Review of Operating Subsidy.**

S. Schmutzer stated that each year there is a particular dataset of information that needs to be gathered to calculate the Green Bay Housing Authority's Operating Subsidy. These reports are completed separately for Mason Manor and the Scattered Sites. For Mason Manor, the subsidy has been calculated at \$183,878. Nevertheless, this is not a definite number as there is generally proration. S. Schmutzer went on to explain that one of the cells in the calculation form did not adjust; therefore \$3,700 for asset management has been noted for HUD to assess and add on later but this will only increase the amount in our favor. The form additionally explains Mason Manor's utility usage (electricity, gas, and water usages and expenses for a 12 month period), which did not show much variation.

W. VandeCastle asked if there was any weather impact in regards to utility usage and expense. S. Schmutzer confirmed that there was an increase in consumption due to the introduction of winter in which HUD does not take into consideration.

W. VandeCastle additionally asked if there was any impact due to increased expenses for sewer costs. S. Schmutzer stated that these expenses are cut out by HUD because an Authority cannot control what these rates are.

For Scattered Sites, S. Schmutzer explained that the calculated operating subsidy was at \$172,290. The asset management cell also did not adjust on this form. The additional funds for asset management are approximately \$1,175. For utilities, water usage has drastically decreased this year. W. VandeCastle stated that this is possibly due to having to keep the water running last year during extremely cold, freezing temperatures, which was then not billed by the Water Utility. S. Schmutzer also stated that a leak or running toilet could have caused an increase in water bills last year.

A motion was made by C. Cotton to accept the Operating Subsidies and place on file which was seconded by B. Goodlet. Motion carried.

9. Presentation on drug prevention and detection.

Item nine was reordered to be last on the agenda.

### **FINANCIAL REPORT AND BILLS:**

S. Schmutzer stated that the travel budget has been over exceeded at 126.92 percent (\$67.29). This number is expected to grow as it is still early in the year. The maintenance contract budget is at 100 percent although this number will be reduced once an expense transfers to the correct budget item. The snow removal budget item is also at 100 percent of its budget due to needing new parts for the snow removal equipment.

For Scattered Sites, S. Schmutzer only made one note regarding legal expenses. Legal expenses have exceeded its budget due to needing an indemnity bond for a particular property. This expense will hopefully be recouped once the judgment is paid. Additionally for Scattered Sites, there was a decrease in the remaining projects budget item. This occurred because we paid a bill for some of the foundation work that was done from, which is part of our spend down money.

W. VandeCastle inquired about the unit repair budget item that exceeded its expense limit for Scattered Sites. S. Schmutzer stated that she will look into this item to find out exactly what the expense was for.

S. Popp made a motion to approve and place the financial report on file, seconded by B. Goodlet. Motion carried.

In regards to the bills, S. Schmutzer mentioned that the City of Green Bay went to a new financial system meaning the process for cutting checks will be altered slightly.

W. VandeCastle asked what the bill from Badger Truck Center for \$24,181 was for. S. Schmutzer stated that the new truck was purchased.

S. Popp made a motion to approve and place the bills on file, seconded by W. VandeCastle. Motion carried.

### **STAFF REPORT:**

10. Langan Investigations report for the month of November and December as well as 2014 Year End report.

R. Hallet verbally reported the information provided on the written Langan Investigation's report. There were 15 application background checks and no fraud investigations for the month of November; 28 application background checks and one fraud for the month of December; and a total of 253 application background checks, four addition to household checks and six fraud investigations for the year of 2014.

W. VandeCastle inquired about what the fraud investigation for December was. N. Gerhard responded that may have been when an investigation was initiated for a suspicion of fraud at 967 Holzer.

A motion was made by S. Popp to approve and place on file, seconded by W. VandeCastle. Motion carried.

#### 11. Occupancy Report.

N. Gerhard reported the upcoming vacancies and occupancy rate. It was noted that Mason Manor, in terms of its waiting list, is now dipping into non-Brown County applicants.

W. VandeCastle asked if there has been any push back from residents who have been evicted due to being caught smoking and exceeding their warnings. N. Gerhard stated that affected tenants complain about it, but we haven't received any legal challenges yet.

A motion was made by W. VandeCastle to accept and place on file, seconded by C. Cotton. Motion carried.

#### 9. Presentation on drug prevention and detection.

N. Gerhard presented a PowerPoint on drug prevention and how to detect drugs/drug users. The presentation was provided by the Police Department of Hobart.

A motion was made by W. VandeCastle, seconded by C. Cotton to adjourn at 12:06 p.m. Motion carried.

sd:rah:jd