

**MANHATTAN HOUSING AUTHORITY BOARD OF COMMISSIONERS
REGULAR MEETING
APARTMENT TOWERS COMMUNITY ROOM
Manhattan, KS 66502
August 20, 2008
5:30 p.m.**

Members Present: Randy Stitt
Ida Jane Leupold
Gary Olds
Eileen Meyer
Jim Sherow

Members Absent: Torry Dickinson

City Commission Liaison: Jim Sherow

Staff Present: JoAnn Sutton, PHM, Executive Director
Mandy Thomas, Assistant Executive Director
Michael Wilhoite, Facilities Supervisor
Patrick O'Neil, Special Projects Manager/HR

I. CALL TO ORDER

Randy called the meeting to order at 5:35 p.m.

II. OPEN FORUM

- a. New Comments or Concerns: There were no new comments or concerns.
- b. Adjournment Time: Adjournment time was set for when all Agenda business items were completed.

III. MINUTES

Jim moved to approve the minutes from the June 18, 2008 and July 16, 2008 Regular Meetings. Ida Jane seconded. Motion to approve June 18, 2008 Regular Meeting minutes carried 5-0. Motion to approve July 16, 2008 Regular Meeting minutes carried 4-0, with 1 abstention.

IV. EXECUTIVE DIRECTORS REPORT

- a. JoAnn informed the Board that she will speak at the Realtors Association on September 9, 2008 as part of continuing efforts to increase community awareness of the Housing Authority's programs. JoAnn's presentation will focus primarily on the Section 8 Housing Choice Voucher program.
- b. JoAnn updated the Board on the vacant Contract Officer/Maintenance Worker II position. It has been decided to absorb the responsibilities of the Contract Officer among current Maintenance staff and to hire an additional Maintenance Worker II. This position will be offered to a recent applicant who was interviewed for the Contract Officer position. Jim asked what the

pay rate was for the position. JoAnn replied that the Contract Officer/Maintenance Worker II position started at \$12.46/hour, but that the pay rate may vary depending on qualifications of the applicant and consulting the Housing Authority's pay scale. JoAnn stated that she had changed the advertisement placed in the Mercury to better reflect the total value of the salary and benefits offered by the Housing Authority, and that the most recently hired Maintenance Worker II started at \$11.81/hour. This rate would be offered to the current applicant in question.

- c. JoAnn spoke to the Board about information provided in handouts at the meeting. The first item was a follow up letter from the Department of Housing and Urban Development (HUD) regarding a management concern included in the 2006 Independent Audit. HUD had recommended, but did not require, that the Housing Authority implement a formal quality control plan for Public Housing tenant files. JoAnn stated that although there is no formal plan in place, the Executive Director does conduct quality control reviews by examining documents in files which are given to the Executive Director for other reasons, such as signing a lease, reviewing a termination, or preparing for an informal hearing. JoAnn stated she had spoken with HUD and explained the review process, and that this was acceptable to HUD in lieu of a formal plan.
- d. JoAnn informed the Board of a letter received from the City of Manhattan's Department of Fire Services regarding the Gardens at Flint Hills. The Housing Authority has been informed by Ryan Almes at Fire Services that it will be required to install an exterior water flow alarm in all residential buildings at The Gardens. This requirement was missed and not reported at the time the buildings were initially inspected by Fire Services and given Certificates of Occupancy. Jim asked what the cost of installation would be. JoAnn stated that Mr. Almes guessed the cost for just the alarm for each building would be approximately \$100 per alarm, with one alarm needed for each of the five buildings, plus the cost of installation. Gary asked who would be responsible for the cost. JoAnn stated The Gardens would be required to pay the cost from operating income. Randy asked if the contractor who installed the fire alarm system had been contacted. JoAnn replied that she had not spoken to the contractor, but that she had talked to the developer and that it was very unlikely that the contractor for the development would cover any cost, since the system was originally approved by the City. Jim stated that he would be willing to speak with Fire Services about the possibility of sharing the cost of installation, since Fire Services originally missed the item on its inspection and had not informed the Housing Authority or developer of this requirement during construction. Gary stated that he did not agree with Jim approaching Fire Services with this request. Michael stated that the original specifications should be reviewed to determine if the alarms were included in the original scope of work agreed to by the contractor. JoAnn stated she was unsure if the alarm was included in the original specifications. Gary suggested that JoAnn consult with the owners of the development (Manhattan Area Housing Partnership) before taking any further action to determine how they would like to proceed. Randy asked if the alarm systems were still under warranty.

JoAnn stated that the warranty was for 1 year and had expired. JoAnn informed the Board that during her conversations with Fire Services she informed them that she was not in total agreement that the development should pay to have the alarms installed since the item was originally missed by Fire Services, but that she realized the importance of installing them and agreed that the problem would be corrected. Fire Services asked what a fair timeline for installation would be and it was agreed that the Housing Authority would be given six (6) months to complete installation of the alarms. Jim stated that he would agree with whatever decision the owners and the Board made. Randy stated that if the owners wanted Jim to speak with Fire Services he would be okay with it. JoAnn said that she would notify the Board by e-mail of the owner's decision after speaking with them.

- e. JoAnn updated the Board on the recent site inspection of FHI. This inspection was to be the final inspection for the development. Items that were to be corrected from the previous site inspection were re-inspected and approved. These were the seal coating of the parking lot, installation of mail boxes, and painting of the bus stop and maintenance shop. Those present for the inspection were Jim Moore, developer, Mike Wilson, architect, a representative from Kansas Equity Fund, Dustin Nelson, Michelle Speicher, Lori Price, and JoAnn. Items still needing to be corrected were paint on rear storm doors and storage unit doors, which need re-painted after originally being painted using the wrong type of paint, some guttering which needed re-painted, replace some missing shingles, repair some damaged siding, and front doors which were scratched and must be re-painted. In addition, several units have had issues with carpet coming unraveled at the seams. The carpet installer had informed staff that the issue was with the grade of carpet and not with the installation. Staff disagreed with this assessment. JoAnn stated that she had spoken with the contractor who had sub-contracted the installation of the carpet, and that he agreed that the issue was not the selection of carpet but the quality of the installation. The contractor will be responsible for completing any necessary repairs. Ida Jane asked about the playground equipment near the maintenance shop which has not been re-installed. JoAnn stated that the grade on the site was not adequate for the installation of the equipment as originally anticipated. The Housing Authority is considering sites at other developments for installation so that the equipment can be utilized. Pottawatomie Court and Baehr place were the most likely places. JoAnn also mentioned that there had been a lot of traffic going through The Gardens and FHI above the posted speed limit. The Housing Authority is considering installation of additional and more effective speed bumps. JoAnn stated that she had spoken with the City some time ago about speed bumps at Flint Hills Place and Pottawatomie Court, and that the City was concerned that they would be liable for damages to cars caused by speed bumps. Jim asked if the streets within Pottawatomie Court were city streets or private property. JoAnn stated that there was some disagreement, as RCPD states that they are not city streets, but the City of Manhattan does consider them to be City streets, although the Housing Authority is responsible for snow removal. Jim stated that he

- would try to speak with someone at the City to determine the correct status of the streets.
- f. JoAnn introduced Lori Price, Assistant Property Manager for FHI. Lori began work with the Housing Authority on July 21, 2008, and is currently training with Michelle Speicher, Property Manager of The Gardens.
 - g. JoAnn reported to the Board on the recent Housing Authority summer Staff Retreat, which was held on July 25. Staff discussed issues and concerns, primarily focusing on the review and revision of the compensated absences policy. Staff families were invited, and activities and recreation time was held in the afternoon.
 - h. JoAnn gave an update of the meeting which was held between City officials and residents who would be affected by the downtown redevelopment. Jim was present at the meeting, as well as several residents of Carlson Plaza. JoAnn said she was very impressed with the questions asked by residents. Most concerns centered on the increased traffic flow in the area and how it would affect residents. One resident also asked if a city official would be able to speak to the residents of Carlson Plaza. This meeting will be scheduled in the near future.
 - i. JoAnn reported on the status of the Public Housing Assessment System (PHAS) score for the Housing Authority. The Housing Authority is still considered Financially Sub-Standard due to a low score in this area. JoAnn stated that she had spoken with HUD and they are understanding of the circumstances which contributed to the low score. The Housing Authority will be required to enter into a Memorandum of Agreement, which will primarily require the Housing Authority to report financial scores on a monthly basis to be monitored by HUD. Randy asked what issues was directly effecting the score. JoAnn stated that the loss of income and assets, and the liability for compensated absences were primarily responsible. JoAnn reported that the overall score was a 79. Scores for other assessment areas were high. The physical assessment score was 28/30, the management score was 26/30, and the resident satisfaction score was 9/10. The most recent financial score (July 2008) was high due to the deposit of Capital Fund monies. JoAnn explained that as a small PHA (below 250 units) the Housing Authority is able to drawdown all Capital Funds at one time and deposit them with General Funds, where they are able to accrue interest, which is kept by the Housing Authority.
 - j. Gary asked about the status of graffiti at Baehr Place. JoAnn stated that the resident responsible had been informed that they would be charged for the cost of removal if the tenant is unable to remove it.
 - k. Gary asked about the status of the TBRA grant. JoAnn responded that the Housing Authority would apply for funds for 2009-2010. The grant application must be submitted by August 27, 2008. Randy asked how the funds were awarded. JoAnn stated that funds are awarded on a competitive basis.
 - l. Gary noted that August revenue was still down from previous years. JoAnn replied that this was still a result of decreased revenue from Flint Hills Place.

- m. JoAnn informed the Board that she planned to discuss with Jill Jacoby, Executive Director of MAHP, the possibility of hiring a maintenance worker to work exclusively at The Gardens, FHI, and Six Units. JoAnn stated that the current maintenance contract for the properties was becoming burdensome for Maintenance staff and that she would also discuss not renewing the contract with MAHP.
- n. JoAnn will also speak with Jamie Ramsey of the Riley County Senior Center to discuss the current agreement between the Senior Center and the Housing Authority, where the Housing Authority takes care of snow removal and lawn care for the Senior Center and allows usage of the Apartment Towers dumpster, and in exchange the Senior Center allows Apartment Towers residents to use Senior Center parking spaces and allows the Housing Authority to use the Senior Center for events such as the annual holiday social and Landlord Social free of charge. Due to increased participation in their programs, the Senior Center has requested that Apartment Towers residents discontinue use of the Senior Center parking lot. JoAnn stated that with reduced maintenance staff, the snow removal and lawn care has become cumbersome on maintenance and needs to be reviewed.

V. COMMISSIONER'S COMMENTS

- a. Ida Jane noted that the Board still had one vacant position and asked for suggestions for a possible Board member. Randy suggested Phil Anderson, previous Board member. JoAnn stated that she did not believe that any of Mr. Anderson's rental units were currently on the Section 8 program, so that he might be a candidate. JoAnn will contact Mr. Anderson to see if he is interested in returning to the Board.
- b. Ida Jane reported that she had received a phone call from a Housing Authority resident's father concerning the pet policy. JoAnn clarified that if the animal is a companion animal, the Housing Authority cannot require it to be de-clawed.

VI. OLD BUSINESS

- a. Personnel Policy Revision (Compensated Absences)—Discussion: Mandy reviewed the options which the Housing Authority is currently considering. JoAnn explained that the policy must be revised to reduce the amount of compensated absences which reflect as liabilities on the Housing Authority's financial statements, and in turn negatively affect the financial scores issued by HUD. JoAnn stated that none of the options offered financial benefits in the first year, as removing the liabilities from the books would be offset by the expense of pay outs. However, future years would see benefits on financial statements as the liabilities from compensated absences would be greatly reduced. Gary asked if the amounts paid to staff would be taxed. JoAnn stated that they would be taxed, and some would also be subject to KPERs deductions, depending on the employee's years of service. Gary asked JoAnn what her recommendation would be for the best

outcome for the Housing Authority. JoAnn stated that for sick leave she would recommend Option 1, to pay out accrued sick leave immediately and to revise the policy to state that sick leave is no longer paid at time of termination of employment. JoAnn stated that the options for vacation would be more dependent on the employee and the amount of time they would be required to take as vacation. Gary asked if the independent auditor had made any recommendations. JoAnn replied that they had said the policy needed changed, but did not offer any suggestions. JoAnn added that another option would be to address sick leave this year and to revise the policy for vacation pay next year. Gary asked where funds would come from for the pay outs. JoAnn stated that Capital Funds could be used without HUD approval; however, this would push back other Capital Fund projects. Gary asked if HUD was aware of any other PHA's in similar situations. JoAnn replied that other Housing Authority's had been in similar situations, and have had to adopt personnel policy revisions to correct. Gary asked if all the payouts could be paid from Capital Funds. JoAnn stated that Capital Funds would pay for all or most of the payouts. Randy noted that employees should be aware of any possible tax implications since the payouts would have to be counted as income. Randy asked if there was any way to eliminate liability for vacation time. JoAnn answered that it was required by law that accrued vacation time be paid out at time of termination, so there would always be some liability carried. Gary asked if the law allowed for employees to voluntarily forgo vacation time. JoAnn stated that accrued vacation time must be paid at the time of termination. Randy asked if there were any comparable situations in the area. JoAnn stated that the Housing Authority's policy was modeled after that of the City of Manhattan, but that the City had a much larger budget and was better able to manage these liabilities. JoAnn stated that she would like to have a resolution prepared for the September Regular meeting. Randy asked that Commissioners consider the options and e-mail their input to other Board members and staff. JoAnn added that the Board could also hold a special work session if necessary.

- b. Independent Audit Report for FYE 12/31/2007—Resolution No. 082008-A: JoAnn stated that she was pleased with the results of the Independent Audit. The audit has been electronically submitted to HUD and accepted. However, the submission can be changed if the Board requests. Jim moved to approve Resolution No. 082008-A, adopting the Independent Audit Report for FYE 12/31/2007. Gary seconded. Randy asked if there was any further discussion. There were no further comments or discussion. Randy called for a roll call vote. Roll call vote carried 5-0.
- c. Travel Policy Revision—Resolution No. 082008-B: JoAnn gave a brief explanation of the need to update the Travel Policy and of the changes included in the revision. Gary moved to approve Resolution No. 082008-B, adopting the Revised Travel Policy. Eileen seconded. Randy asked if there was any further discussion. There were no further comments or discussion. Randy called for a roll call vote. Roll call vote carried 5-0.

VII. NEW BUSINESS

- a. U.S. Cellular Rooftop Lease-Discussion: JoAnn discussed with the Board the lease for equipment space on the Apartment Towers roof which has been proposed by U.S. Cellular. JoAnn explained that the terms of the lease were very different from the other leases entered into for rooftop space with other cellular companies. JoAnn stated that after speaking with legal counsel and negotiating with U.S. Cellular, the only remaining sticking point for the lease was the right of termination of the lease. JoAnn explained that the current proposed lease provides U.S. Cellular the right to terminate the lease with a three (3) month notice and three (3) month termination fee, but does not provide the Housing Authority any right to termination unless there is a material breach of the lease by U.S. Cellular. JoAnn stated that she now saw the issue as being up to the Board's discretion. Eileen suggested that the Housing Authority not accept the lease as presented. Gary stated that other leases entered into are for five years, with the option for five year renewals if agreed to by both parties. JoAnn stated that AT&T was scheduled to visit Apartment Towers on August 21, 2008, to determine if enough room would be available to accommodate equipment. Gary moved to counter-offer U.S. Cellular's current offer by proposing to agree to the right of termination terms in exchange for an increase in monthly rental payment to \$2,000 per month, with an annual increase in monthly fee to match the federal rate of inflation for the Housing Authority's region, plus 1%. Jim seconded. Randy asked if there was any further discussion. There were no further comments or discussion. Randy called for a roll call vote. Motion carried 5-0. For clarification, JoAnn asked the Board if she had the discretion to accept any counter offer from U.S. Cellular in response to the Board's proposal. The Board agreed that JoAnn could e-mail any counter proposal to Board members for their approval.
- b. Commissioner Resignation: JoAnn read a letter of resignation from Gary Olds, resigning his position on the board effective immediately. JoAnn thanked Gary for his time of service to the Housing Authority. Gary thanked the Housing Authority and other Board members for their time and efforts to improve the Housing Authority.

VIII. ADJOURNMENT

It was moved and seconded to adjourn the meeting at 7:37 p.m.

Respectfully Submitted,

Randy Stitt, Board Chair