

**MANHATTAN HOUSING AUTHORITY BOARD OF COMMISSIONERS
 REGULAR MEETING
 CARLSON PLAZA COMMUNITY ROOM
 Manhattan, KS 66502
 October 17, 2007
 5:30 p.m.**

Members Present: Randy Stitt
 Bruce Snead
 Gary Olds
 Torry Dickinson
 Eileen Meyer
 Jayme Morris-Hardeman

Members Absent: Ida Jane Leupold

City Commission Liaison: Bruce Snead

Staff Present: JoAnn Sutton, PHM, Executive Director
 Mandy Thomas, Assistant Executive Director
 Patrick O’Neil, Special Projects Manager
 Matt Bobian, Contract Officer

I. CALL TO ORDER

Randy called the meeting to order at 5:30 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 7:30 p.m.

III. MINUTES

Gary moved to approve the minutes of the September 19, 2007 Regular Meeting as presented. Torry seconded. Motion carried 6-0.

IV. EXECUTIVE DIRECTOR’S REPORT

- a. JoAnn informed the Board that Amy Carney, Part-time Relocation Coordinator/Assistant Property Manager, was not able to be at the meeting to be introduced to the Board, but may be able to attend the November meeting.
- b. JoAnn gave a report on the 2008 Budget. JoAnn spoke with HUD and was informed that the Housing Authority will not be required to move to project-based accounting as previously thought. The Housing Authority will be able to move all properties to one AMP (Asset Management Property) due to the Housing Authority now being designated a small housing authority with the disposition of Flint Hills Place. This will be

very beneficial to the Housing Authority when completing the 2008 Budget.

- c. JoAnn took part in a conference call with the national NAHRO Legislative Director to learn more about the way in which funding is appropriated and what effect upcoming legislative action will have on the Housing Authority. Randy asked if there were any specific pieces of legislation currently under consideration that are being monitored. JoAnn stated that the appropriations bills being considered will greatly affect all housing authorities in terms of what percentage they are funded at. The Section Eight Voucher Reform Act (SEVRA) is also likely to pass, which will, among other things, change Payment Standard guidelines.
- d. JoAnn stated that the Housing Authority has been awarded \$100,000 in TBRA funds for 2008.
- e. Gary asked about the continued drop in revenue. JoAnn stated that this is still attributable to the redevelopment of Flint Hills Place. Gary asked when the Housing Authority could expect to see this trend reversed due to revenue from the project. JoAnn explained that there will be a greater amount of revenue when the project is completed and units can be released, which will allow the Housing Authority to earn higher management fees.
- f. Gary asked about the costs of port-outs in the Section 8 program. JoAnn stated that these are included in HAP costs. Gary asked if there was any way to decrease these costs. JoAnn explained that the Housing Authority must grant portability unless it can demonstrate the extra cost could not be afforded with the amount of available Section 8 funds.

V. COMMISSIONER'S COMMENTS

- a. Bruce stated that he had recently attended the League of Kansas Municipalities conference. One of the items brought up at this meeting was proposed changes to the ACC (Annual Contributions Contract) that may lead to the consolidation of housing authorities if current funding trends continue. This could affect the Housing Authority and may be of interest at a later date.
- b. Torry stated that she liked the idea of a contribution to MESI, which was suggested at the September meeting. Torry said it would also be beneficial to work with other agencies in staff development and training.
- c. Gary asked about parking at Baehr Place. JoAnn stated that the police will probably not tow a vehicle because they consider Baehr Place to be private property. Staff will review the possibility of posting new signage to specify that violators will be towed, and review the law in this regard.

VI. OLD BUSINESS

- a. An update on The Gardens was given. The final punch list inspection will take place on October 25th. There are some ongoing warranty issues which are being addressed by the developer and contractor. All units are currently leased up, with approximately 7 on the waiting list. Gary asked how many children are at The Gardens. JoAnn estimated there were about 60 children in the complex.

- b. An update of the Flint Hills Place redevelopment was given. JoAnn stated that she was very pleased with the contractor. It is anticipated that the first 4 buildings will be completed the week of Thanksgiving, with the next 2 buildings being completed approximately 2 weeks later. There were some delays in receiving materials, along with a small amount of termite damage which was discovered and needed to be repaired. These delays are not anticipated to delay completion. The first inspection for the project is scheduled for October 26th. There have been some changes in the relocation plan, which will now require some residents to relocate only once and will decrease relocation costs.
- c. Contribution to MESI Building Fund (Discussion): JoAnn reported that there is disagreement between HUD and the Housing Authority's auditor in regards to how Special Purpose Account funds – i.e. funds received from the rooftop leases - could be spent. The auditor believes the funds can be spent in anyway the Board and Housing Authority feels is appropriate. However, HUD has advised that the funds must be spent for eligible Public Housing activities. JoAnn stated that the question will be on what basis HUD and the auditor are reaching their respective conclusions. A final answer will be needed before any action can be taken. JoAnn added that there are also other agencies which the Housing Authority works with which the Board may want to consider and that it may be more appropriate to consider the issue after the 2008 Budget is finalized. Gary asked that the issue remain tabled until the November meeting when more information is available.

VII. NEW BUSINESS

- a. Fair Market Rents/Payment Standards-Resolution No. 101707-A: JoAnn gave a brief overview of the need to adopt the new Payment Standards, as HUD has issued the 2008 Fair Market Rents. The Housing Authority is requesting to set the Payment Standard at 110%, the maximum allowable under HUD guidelines. Gary moved to approve Resolution No. 101707-A, adopting the revised Payment Standards. Jayme seconded. Randy asked if there was any further discussion. Jayme asked what part of the Payment Standard is paid by the Housing Authority and the tenant. JoAnn explained that the tenant pays 30% of their adjusted monthly income, minus the utility allowance, and the Housing Authority pays the difference. Bruce asked what the effect would be of moving to 120% of the FMR, as proposed by SEVRA. JoAnn stated that it would allow the Housing Authority to pay a greater amount, but that the Payment Standard would have to be evaluated by bedroom size to determine if the 120% of FMR was justified for all unit sizes. There were no further comments or discussion. Randy called for a roll call vote. Roll call vote carried 6-0.
- b. Check Write-off-Resolution No. 101707-B: Bruce moved to approve Resolution No. 101707-B, adopting the Check Write-off. Jayme seconded. Randy asked if there was any further discussion. Randy asked what these checks may have been written for, such as a check for \$1.

Mandy explained that these were probably utility reimbursements or security deposit refunds. There were no further comments or discussion. Randy called for a roll call vote. Roll call vote carried 6-0.

- c. Cost Allocation Policy-Resolution No. 101707-C: JoAnn explained that the Cost Allocation Policy had been recommended during the Initial Review earlier in the year and was required by the MOA entered into with HUD. The policy requires the Housing Authority to develop and implement a methodology to determine which program is assigned certain indirect costs of the Housing Authority, such as phone calls, staff time, etc. Staff is currently completing time logs to determine the amount of time spent on each program. JoAnn also stated that the Housing Authority should be completed with the MOA by the end of the year. Torry moved to approve Resolution No. 101707-C, adopting the Cost Allocation Policy. 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 6-0.
- d. 2008 Cost of Living & Merit Increases-Resolution No. 101707-D: Gary suggested that this item be moved to the last item on the agenda. Randy asked the Board if there was any disagreement with this. Seeing none, Randy moved to the next item on the Agenda, Resolution No. 101707-E.
- e. 2006 Independent Audit Report-Resolution No. 101707-E: JoAnn gave a brief overview of the Independent Audit. There were zero findings in the audit and the audit was submitted with an unqualified opinion. There were some recommendations for the Housing Authority stated in a management letter from the auditor. Some of the items have already been implemented. A Quality Control program for Public Housing was suggested. This is not required by HUD, but JoAnn felt this was a valid recommendation. Staff training in rent calculations was also suggested. Staff is currently scheduled to attend Nan McKay training in conjunction with Junction City Housing Authority. Bruce moved to approve Resolution No. 101707-E, adopting the 2006 Independent Audit Report. 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 6-0.
- f. Previous Participation Policy-Resolution No. 101707-F: JoAnn explained the need for a policy preventing applicants who are in bad standing with a Housing Authority program from receiving assistance through another Housing Authority program. The Admission and Continued Occupancy Policy (ACOP) and Administrative Plans currently only address this issue in regards to Public Housing and Section 8, but do not address other programs such as TBRA or eligibility for The Gardens at Flint Hills. Bruce stated that he had heard of complaints of instances in which individuals had received assistance when they should not have been eligible. It was suggested that the name of the policy be revised to clarify the intent of the policy. Jayme moved to approve Resolution No. 101707-F, adopting the Previous Participation Policy with the revised name of "Applicant's in Poor Standing Policy". Bruce 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 6-0.

g. 2008 Cost of Living & Merit Increases-Resolution No. 101707-D: JoAnn gave a review of the 2007 Cost of Living & Merit Increases and of the proposed increases for 2008. The 2007 COLA was 3%. The Merit Increases ranged from 0-4%. The 2008 proposed COLA is 2.5% and Merit is 0-3%. JoAnn stated the City has proposed a 2.8% COLA and 0-4% Merit Increases for 2008. JoAnn said she had considered budget issues, past increases, and the proposed City increases when arriving at the proposed amounts. JoAnn said she believed a 1% Merit increase was justified for "Satisfactory" ratings. Gary asked how the COLA and Merit Increases were budgeted. Bruce stated that it is based on knowledge of how many employees there are and previous evaluation ratings, and that staff turnover would probably cause a balancing out effect from year to year. Gary stated that his biggest concern was not having a budget approved at this time and without the City proposal approved, and that it may be better to table the issue until the November meeting. JoAnn stated that this issue would have to be resolved no later than the November meeting due to the need to submit the budget to HUD with the increases included. Bruce stated that the City usually votes on the proposed increase at its December meeting. Jayme asked if there was enough in the budget to support a 2.8% COLA. JoAnn responded that it would be possible, however there would have to be some changes in the budget. Randy stated that he believed employees were well taken care of and that he believed of greater concern was the Housing Authority budget. Some items would have to have funds cut to offset any increase in salary. . Randy asked what the evaluation process was for employees. JoAnn answered that the Housing Authority had evaluation software which supervisors used to complete evaluations. All evaluations are reviewed by the Executive Director before being approved, and may be changed at the Executive Director's discretion. Randy asked about a 0% increase for any employees. JoAnn replied that any employee receiving an unsatisfactory evaluation does not receive a merit increase, and in most cases will be placed on probation if this occurs and re-evaluated after the probationary period. JoAnn stated she did not intend to request any end of year merit checks for employees until the budget was able to sustain these. Torry stated she would like to see more grant projects and staff development within the agency. Torry said she was also surprised by the differences in salary between employees. Torry moved to approve Resolution No. 101707-D, adopting the 2008 Cost of Living and Merit Increases. Jayme seconded. Randy asked if there was any further discussion. Gary stated he was not concerned about the percent of the merit increases and that JoAnn could allocate these as she deemed appropriate. Gary said he felt the Board should be more concerned with guidance on the COLA, and that he appreciated JoAnn not accepting the City's proposed COLA without consideration of other factors. There were no further comments or discussion. Randy called for a roll call vote. Roll call vote carried 5-1.

VIII. ADJOURNMENT

It was moved and seconded to adjourn the meeting at 6:58 p.m.

Respectfully Submitted,

Randy Stitt, Board Chair