

**MANHATTAN HOUSING AUTHORITY BOARD OF COMMISSIONERS
ANNUAL TOUR AND REGULAR MEETING
APARTMENT TOWERS COMMUNITY ROOM
Manhattan, KS 66502
November 15, 2006
5:30 p.m.**

Members Present:

Bruce Snead
Gary Olds
Ida Jane Leupold
Torry Dickinson
Carol Gould
Randy Stitt

Members Absent:

City Commission Liaison: Bruce Snead

Staff Present: JoAnn Sutton, PHM, Executive Director
Mandy Thomas, Asst. Executive Director
Pamela Schreiber, Administrative Assistant

I. CALL TO ORDER

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

II. OPEN FORUM

- a. Adjournment Time-7:30 p.m. The Board of Commissioners agreed upon an Adjournment time of 7:30 p.m.

III. MINUTES

Gary moved and Ida seconded to approve the October 18, 2006 meeting minutes as presented. Motion carried 5-0.

IV. EXECUTIVE DIRECTOR REPORT

JoAnn informed the board of the following:

- a. Janine Straw, Customer Service Representative, has submitted a letter of resignation effective December 1, 2006. Her husband is being transferred with the Military.
- b. The Housing Authority received notification from HUD that the final 2004 Housing Choice Voucher Settlement amount reflects \$63,905 due the Housing Authority. The HUD Financial Management Center has clarified that these funds can be used only for Housing Assistance Payments, and none is to be used for Administrative expenses. However, the Office of Public Housing has recommended that the Housing Authority submit a letter requesting to utilize a portion of these funds to offset prior year cumulative deficits in the Section 8 administrative expenses, which would resolve one of the 2005 audit findings.
- c. The FSS grant was awarded to the Housing Authority in the amount of \$36,281. This money should help relieve the Section 8 Budget.

- d. November 1, 2006 was the last site inspection for the Gardens. The model unit was completed for the NAHRO tour, and the Clubhouse has received Certificate of Occupancy and turned over to the Housing Authority. JoAnn explained that the model unit will be used until the end of December. There are currently 97 applicants to date. The monument sign has been under discussion. The previous plan was not optimum due to the placement of the sign. The next plan is to place the sign at the corner of Manhattan and Kimball Avenue, but this is currently under review as well.
- e. The Resident Holiday Social has been scheduled for December 9, 2006 from 4:00 to 8:00 p.m. at the Riley County Senior Services Center. This event is funded by the Special Alcohol Funds, and has been a well-attended event in past years. Larry George of the Manhattan Regional Prevention Center has been invited as the guest speaker.
- f. Michael Wilhoite received the Meritorious Achievement Award at the NAHRO Conference last week. The award was based on years of service, and a job well done.
- g. Housing Authority Insurance Group sent a dividend check to the Housing Authority for low loss ratios. The amount of the check was about \$4,000. Gary wanted to know if the Housing Authority Insurance group was an Assessment Company since they were paying out dividends. JoAnn told Gary she would have to check and get back to him.
- h. The Tenant Based Rental Assistance (TBRA) program will be closed effective November 30, 2006. The Housing Authority has not heard from the Grant application for next year.
- i. Special Alcohol Fund Site Visit is scheduled for November 21, 2006 to track the progress within the grant.
- j. Andy Carson has resigned from the Board of Commissioners due to scheduling conflicts.
- k. The vehicle accident that involved a Housing Authority vehicle is still being investigated. The other vehicle was totaled. The estimated damage on both vehicles is approximately \$10,000.
- l. JoAnn requested guidance from the Board regarding Merit Awards for staff at the end of the year. A spreadsheet was provided to Board Members that reflected the awards last year, and also what the awards would be for the upcoming year. Gary asked what budget item this award would get paid out of. JoAnn stated that the item would come out of salaries. JoAnn also informed the Board that the Manhattan Housing Authority is not anticipating a positive cash flow at the end of the year. Gary asked if it would matter if the Housing Authority took the monies out of other income. JoAnn explained that it did not matter what category the monies came from, but it had to be reported and added together as cash. There was Board discussion on the amounts of the longevity awards. Bruce moved to approve the longevity awards as proposed by the Executive Director. Carol seconded. Motion passed 4-2.

V. COMMISSIONER COMMENTS

Gary thanked the Manhattan Housing Authority for the opportunity to attend the NAHRO Conference. Gary also inquired about the Conference attendance. JoAnn reported that attendance has been down simply due to the lack of funding, especially for small housing authorities.

Bruce wanted to commend the staff and Ida on the amount of work and efforts that went into the Conference.

Gary wanted to know the status of Westlink. JoAnn informed the Board that they have made progress with the City requirements, and they were here last week.

Bruce commented that he will work on getting an appointment to replace Andy Carson as soon as possible.

VI. OLD BUSINESS

- a. Gardens at Flint Hills Place: There was a site inspection on Thursday, November 9, 2006. JoAnn was not able to attend, but has been in contact with both Chris Bailey and Jim Moore. The biggest problem that the contractor is now facing is getting the telephone lines in proper order. There is a meeting on Friday, November 17, 2006 to get this issue resolved. It is expected that there will be final Certificate of Occupancy's issued by the end of next week, but it has been decided to stick with the December 1, 2006 move-in date or new residents. There has also been some issues with the landscape companies, but the two companies are working together to ensure that it will be completed. Gary inquired about the height of the retaining walls. JoAnn explained that there will be handrails for all of the retaining walls. The playground equipment was also installed, and it is possible that that Housing Authority will be able to install the extra set at another one of the properties.
- b. Rehabilitation of Flint Hills Place: The \$3.5 Million project was approved. Jim Moore will be in town on Friday, November 17, 2006 to meet with JoAnn so a rental term sheet can be developed to be submitted to the local HUD office. The term sheet basically gives details about the condition of the current units, the improvement process, and the plan for rehabilitation. Gary inquired if this is the first rehabilitation of this caliber in Kansas. JoAnn informed the Board that this is the first project of this type in Kansas, but it has been done elsewhere in the United States.
- c. Executive Director Evaluation Discussion: Bruce explained the packet provided includes all of the comments that were offered from the Commissioners. Bruce also suggested that Board members review all of the past monthly updates to use as evaluation tools. Bruce requested that JoAnn send out the form electronically so that everyone can evaluate and return the form back to Bruce. Carol suggested that as Board members are going through the evaluation they explain how they interpreted a certain item, if it was a questionable item on the evaluation. JoAnn will send out a revised form along with all of the monthly reports.
- d. Radon Testing: Bruce explained that a letter was sent out to Board members to inform them of discussion that took place at the last meeting, and also give more descriptive explanations. Jim Moore also showed interest in assisting to help pay for the Radon test kits. Gary asked what would happen if there was an elevated concentration level of Radon, in financial terms. Bruce explained that there are funding options available to help pay for the costs, if a high level was found. The big challenge would be to find a place to install the system, which is much easier to during the construction process.

Bruce also presented the Board with Radon fact sheets. Gary moved to approve the proposed Radon testing program for the Flint Hills Place renovation. Ida seconded. Gary asked if there was regulation that there had to be a certified installer to test for the Radon. Bruce informed the Board that it does not have to be tested by a certified professional. Randy inquired about implications that may stem from a high radon exposure. Bruce did not feel that it would be a huge problem, due to the ease and availability of fixing the problem. Motion was carried by role call vote 6-0.

VII. NEW BUSINESS

- a. Tenants Accounts Receivables Write-Off Policy – Resolution No. 111506-A: JoAnn informed the board the purpose for many of these policies is to ensure that all of the Manhattan Housing Authority's policies are all in place, and that they reflect the current practice of the Housing Authority. Accounts are written off as the Housing Authority believes that the amount will not be collectible. This is an annual item that has been done every year. Gary wanted to know what comparable housing authorities would write off every year in comparison to similar housing authorities in size. Gary moved to approve Resolution No. 111506-A, adopting the Write-Off Policy as presented. Torry seconded. There were no further comments. Role call vote was carried 6-0.
- b. Audit Review Policy – Resolution No. 111506-B: JoAnn explained that this was a required policy. Torry moved to approve Resolution No. 111506-B, adopting the Audit Review Policy and Procedure as presented. Ida seconded. There were no further comments. Role call vote was carried 6-0.
- c. Internal Control Policy and Procedure – Resolution No. 111506-C: JoAnn explained Mandy developed the policy to reflect current practice, and also used suggestions from Atchison Housing Authority and Lindsey and Company (the MHA Fee Accountant). Randy moved to approve Resolution No. 111506-C, adopting the Internal Control Policy/Procedure as presented. Carol seconded. There were no further comments. Role call vote was carried 6-0.
- d. Cash Management / Receipts Policy and Procedure - Resolution No. 111506-D: JoAnn informed the Board that this policy was developed from a sample policy that also came from the HUD website. JoAnn stated that this would actually be a new policy. Ida moved to approve Resolution No. 111506-D, adopting the Cash Management/Receipt Policy and Procedure as presented. Torry seconded. There were no further comments. Role call vote was carried 6-0.
- e. Disposal of Obsolete Property – Resolution No. 111506-E: JoAnn explained that the stoves and refrigerators that were not working would be disposed of. The computer equipment will be sold at the Purple Wave Auction Company. Carol moved to approve Resolution No. 111506-E, authorizing disposal of obsolete property and removing it from inventory. Torry seconded. Gary asked to remind him what happened to the stoves and refrigerators that did not work. JoAnn explained that they were taken to the transfer station, and the Manhattan Housing Authority paid the \$10 fee to have the Freon removed because it was more cost effective. Gary asked if this was an action that

always required Board approval, and JoAnn explained that this is a matter that must be authorized by the Board of Commissioners. Roll call vote carried 6-0.

- f. Write-off of Uncollectible Accounts – Resolution No. 111506-F: JoAnn explained that the budget revision at the end of the year will reflect this write-off amount. JoAnn also explained that this is not all of the accounts that are still due. Gary asked if all of these accounts had been sent to the State Set-Off program. JoAnn explained that these reflected amounts that are not sent to the program for various reasons. Mandy also explained that the amounts had to be in excess of \$25 to be sent to the State Set-Off program. Gary moved to adopt Resolution No. 111506-F, approving the write-off of \$4,550.45 in uncollectible accounts. Ida seconded. There were no further comments. Roll call vote was carried 6-0.
- g. Management Fees – Gardens and Flint Hills Place Improvements – Resolution No. 111506-G: JoAnn explained that the income that the Housing Authority was going to receive from the Gardens and Rehabilitation of Flint Hills Place. JoAnn explained that the Net Operating Cash Flow is derived by deducting expenses and debt from the income. Management incentive fee is derived from increased revenue and/or decreased expenses. JoAnn explained that his would be an excess over the \$11,307 that is expected. Torry asked what would happen if expenses were greater than the revenues. JoAnn explained that the project has operating reserves in the instance that this event would happen. Gary wanted to know how that fee compared to the Section 8 Fees that the Housing Authority earned from HUD. JoAnn explained that this was two very different things because the Section 8 money has to be used to pay for salaries and expenses. Gary inquired how the Housing Authority would stand to earn more incentive. JoAnn explained that a 7% Vacancy Rate was built into the project, which means that if the management can keep a low vacancy rate, the Housing Authority would stand to make more money with incentive fees. Carol moved to approve the fee schedules as proposed for the Gardens and the Flint Hills Place Improvements and authorize the Executive Director to execute formal agreements with Manhattan Area Housing Partnership. Torry seconded. Gary asked if there would be budget revisions by the Manhattan Area Housing Partnership if necessary. JoAnn said that there could be revisions completed by MHAP, and there was also a chance the Housing Authority could lose Management Fees, but there would be records that would show that both Boards concurred on these revisions. Gary also inquired on the Maintenance Fees. JoAnn explained that this is Fee for Service. Roll Call vote was carried 6-0.

VIII. ADJOURNMENT

It was moved and seconded to adjourn the meeting at 8:05 p.m.

Respectfully Submitted,

Bruce Snead, Board Chair