

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, February 25, 2014

Marian Manor

3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman
Rebecca Hackett, Vice Chairman
Tina Beahm
Scott Waterworth
Frank Frassetto

STAFF PRESENT: Susan van Houwelingen, Executive Director
Kim Lynch, Executive Assistant
LuAnn DeBruin-Ziebell, Accountant
Justin Mitchell, Public Housing Asset Manager

OTHERS PRESENT: Carol Blassingame

- 1.) Chairman Norton called the meeting to order at 3:06 p.m.
- 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled joint Board Meeting held on January 27, 2014. There being no questions or comments, Ms. Hackett moved, seconded by Ms. Beahm, to approve the minutes of the January 27, 2014 joint meeting as presented. Motion carried 5-0.

Before proceeding to the Finance report, Chairman Norton invited Ms. Blassingame to address the Board. Ms. Blassingame voiced her concern regarding the presentation of some of the Housing Authority properties in Oshkosh such as properties on Clover Street and Pierce Street. Ms. Blassingame would like to see the Authority invest in updating these properties.

3.) **Finance –**

a.) Accounts Payable

Chairman Norton inquired if there were any questions pertaining to the January accounts payable report. Before responding to questions, van Houwelingen introduced LuAnn DeBruin-Ziebell, the Authority's accountant. LuAnn will be joining the Board meetings in the future. Commissioner Frassetto inquired about the possibility of adding a "description" column to the report. LuAnn said she would look into whether-or-not the software would accommodate the change. Page 3 of the report shows three checks made out to Court Tower (CT) from the Marian Manor (MM) account. These payments are security deposit refunds for tenants at Marian Manor that moved to Court Tower. There are four sizable checks made out to Bank First National on page seven. These payments are due to accounts at BMO Harris that are being closed and switched over to Bank First National. Eventually, the only accounts that will be at BMO Harris are the Marian Manor accounts. Ms. van Houwelingen responded to various questions pertaining to the accounts payable.

b.) Year End Financials

Ms. van Houwelingen reviewed the Year End Financial reports and how the reports are set up regarding a comparison to the year's budget numbers. Chairman Norton inquired if there is a report that shows percentage comparisons to the budget and also compares this year's numbers with previous years to see trends. Ms. van Houwelingen explained that those types of comparisons are shown on the Statement of Activities sheets, not the Net Position Statement. Comparison numbers to previous years appear on the forms when budgets are prepared. Ms. van Houwelingen will do some checking to see what other report options there may be that would show that information.

The Schedule 1 Analysis of Fund Balances for the Voucher Program shows \$1,742.64 left after subtracting total expenses from total revenue for the HAP Fund Balance. The Admin Fee analysis shows \$53,946 left after subtracting total expenses from total revenue. However, payments to other agencies for port-outs are required to be paid out of Admin dollars which usually amounts to more than the \$53,946 making that rather difficult to do. HUD's rules do not allow for a negative balance in the Admin Fund Balance (Unrestricted Net Assets). When the Authority ran out of money for the expenses in the account, the Authority was required to fund the deficit out of other Authority funds to wipe out the loss. If the Authority had not funded the deficit, the balance would have shown a loss in the Admin Fund Account. The analysis also provides a point in time "snapshot" of the FSS Coordinator Grant. LuAnn and van Houwelingen responded to questions regarding the FSS Coordinator grant.

The Foxview Construction Cash account is showing \$124,185 set aside for construction of the Foxview garages. It is likely that the garages will cost more than what is set aside. Foxview is doing well and has a net operating income of \$113,366 before depreciation and debt service. Riverside has a net operating income of \$113,742 before depreciation. Total assets are greater than liabilities for both properties. Ms. van Houwelingen responded to questions regarding Replacement Reserves. She also explained that the Authority uses an outside firm to do all of the general ledger work and compile all of the financial reports. They also help the Authority stay informed of all HUD regulation changes as well as provide another layer regarding the segregation of duties issue. It is more cost effective for the Authority to have this firm doing the work than to hire another staff person.

The Winnebago County Housing Authority Public Housing cash reserve is substantial and will be used for future renovations. Chairman Norton inquired if the new City standards would affect the public housing units. There is currently an operating income of \$116,598 before depreciation. Depreciation isn't an issue for Public Housing.

Ms. van Houwelingen responded to questions regarding acquiring more properties and the focus of the Authority's Mission Statement. A tenant had inquired about purchasing the 5-bedroom public housing unit he currently lives in. Ms. van Houwelingen contacted the regional HUD office to investigate what selling the unit would entail and was sent about 15-20 pages of instructions. Selling the property will be a complicated and time consuming endeavor. The Authority will still consider selling the property, but it is not a priority. The projects already in the works take priority over starting any new endeavors. It will also take several months for van Houwelingen to get a firm handle on all aspects of her new position.

Summit, Greenfield and Silvercrest Group Homes have a small operating income before depreciation and are running very tight. When the leases come due this year, the Authority will be asking for a rent increase. The last rent increase for Summit and Greenfield was in

about 1997. Rent increase will ensure there is enough money to cover all expenses and put some money into a reserve account for future repairs. The Authority will either need to sell these group homes or start putting money into them. Greenfield is currently being run by Clarity Care. Summit and Silvercrest is run by the County.

The WCHA Local Funds show \$152,486 in cash and about \$61,194 in investments. This money is the Authority's non-federal dollars. There are also some notes receivables for River Cities and for the purchase of the Lenox Lofts property on the books that will be paid back when developer and other fees are earned. Current Liabilities shows \$59,675 due in the next 12 months for the annual payment to Winnebago County for River Cities Redevelopment. Non-current Liabilities shows the total balance due to the County for the River Cities loan.

There is not much activity for the WCHA Capital Fund because there hasn't been much work done lately on the Menasha 40 units. Capital Fund financials show funds received from HUD which equal expended funds.

The Home Program, HCRI and CDBG are an "in and out" type of programs. The Home and HCRI programs are state dollars and the CDBG program is federal dollars. There is not much to report for HCRI and CDBG. Justin is just getting started with the new contract awards for the Home & HCRI programs. The Authority does get some administrative dollars to help pay Justin's salary.

An issue came up with Habitat of the Fox Cities regarding some NSP money. A letter of understanding with Habitat, which required them to complete all work by December 31, 2012, had expired before they started some rehab work on one of their properties. Therefore, the Authority believed that Habitat was not entitled to any additional NSP funds. After some negotiation, the Authority has agreed to pay 75% of the original amount to Habitat based on some verbal instructions they were given prior to Mary Bach's retirement. There has been very little activity in the NSP program over the past several months. The Authority completed all of the deals it was obligated to do under the NSP contract. Ms. van Houwelingen summarized the NSP program and responded to questions.

The Capital Fund money is currently being used for the Menasha 40 unit rehab. Once the rehab is done on all of the Menasha 40 units, the \$145,358 of total assets in the Cap Fund will be moved over to Winnebago County Public Housing. Ms. van Houwelingen confirmed that all Capital Fund money that needed to be put under contract by March 11, 2014 has been obligated.

4.) **Report of the Executive Director**

a.) Public Housing – Menasha Renovation Update

Ms. van Houwelingen stated that the rehab work on two of the three buildings on Sixth Street is complete and the FAST crew is back working at Mainview. Rehab work on the remaining 6th St. property and Manitowoc Road units will start sometime in the spring. There are currently two units vacant on Manitowoc Road and they will not be filled until after the renovation work is done.

b.) Housing Choice Voucher Program Update – 2014 Funding

Ms. van Houwelingen distributed and reviewed the Housing Choice Voucher Program Renewal Disbursement for March 2014. The Authority has a "Budget Authority" based on

what Congress allocates for the program for the year. However, HUD does not send the entire amount the Authority is entitled to. The money HUD sends is based on the average of what was spent two quarters ago. HUD will hold the difference of what they pay to the Authority and what the Authority is entitled to. If the Authority needs that money at some point, it can be requested from HUD. It will take 30 days to receive requested funds. Currently, the Authority has about 340 of its 413 vouchers leased because funding wasn't sufficient to support leasing all 413 vouchers. More vouchers are in the process of being leased to try to increase the average dollar expenditures. HUD will then send more of the money the Authority is entitled to on a monthly basis. Congress has increased 2014 funding of Administrative dollars from 69% to 75%. The Authority will need to acquire a new vehicle in the near future for the voucher program inspector.

Ms. van Houwelingen responded to questions about the voucher program. Board members inquired if there was anything the Authority could do to compel landlords that owe back taxes to the municipalities to pay up such as not allowing them to participate in the voucher program. Ms. van Houwelingen stated that this topic has come up from time to time in the past and noted that typically the only people who are hurt by taking such action are the voucher clients themselves and not the landlords. Often the clients do not have the means to move elsewhere and would lose their assistance if they stayed in their current unit. Therefore, the Authority is hesitant to push the issue as it could hurt the voucher clients. The Authority is open to options that would not burden the voucher clients.

c.) Assisted Housing

- **Riverside & Foxview Manor**

Ms. van Houwelingen reported that there is an issue with the sidewalk at Riverside due to the moisture and frost in the ground. The sidewalks are heaving by the common area doors. The doors still open wide enough to go in and out of. Options to resolve the issue are being discussed.

Pipes froze and broke in one of the units at Riverside which caused a flood in the unit and ruined the carpet. The tenant has been moved into another unit until the damage can be cleaned up. A meeting will be set up with the Omro and Winneconne City Administrators so van Houwelingen can get to know them and discuss any issues they may have.

d.) Homebuyer Programs

- **HOME / HCRI / NSP and Regional CDBG Owner Rehab Programs**

Ms. van Houwelingen stated that the Authority has a new contract award for these programs. Justin Mitchell now manages these programs since Mary Bach's retirement. Four new contracts have been done since Mitchell took over the program.

- **Regional CDBG Owner Rehab Program**

Ms. van Houwelingen went to a recent Regional CDBG meeting in Green Bay to introduce herself and familiarize herself with the program. This is more of a rural program where the funds are used for homeowners that meet the income guidelines to make repairs to their homes. Brown County is the administrator for this regional consortium.

e.) Agency Matters

- Justin Mitchell – Employee Presentation

Justin Mitchell, Public Housing Asset Manager, introduced himself and provided a summary of his position including the challenges and successes he has experienced. Mitchell has been with the Authority for about 7 years. During that time Justin has managed 156 family housing units in Oshkosh, Neenah and Menasha, initially developed the Family Self Sufficiency (FSS) program in 2008, developed and maintains the Authority's website and currently runs the CDBG and Home Buyer programs for the Authority. Justin wrote the Home Buyer grant request and received \$181,000 for Winnebago County for 2013-2014. Among some of the challenges Mitchell faces on a regular basis is the volume of communication necessary to keep the family programs running. There are usually about 240 adults, 562 total residents, in the family program reporting income changes, community service information, school enrollments, damage/repair requests, neighbor complaints and rent extension request. Several of the families are refugee families or other non-English speaking nationalities which create language barriers that need to be overcome. Other challenges are the time required for basic landlord tasks and working with challenging cases. A typical challenging case can consume more than 15 hours a month of staff time. Mitchell and van Houwelingen responded to questions and Informational handouts were distributed.

Some of the successes include maintaining an overall occupancy rate of over 97% while keeping evictions at a minimum. Out of about 70 termination notices sent out, all but 7 cases were resolved. Mitchell has also developed a quality internship program in conjunction with the University of Wisconsin – Oshkosh. To date, several interns have worked at the Authority under Justin's supervision.

- Mid-month Update to Boards

Ms. van Houwelingen stated that she received a request from a board member to send out a mid-month report to all board members via e-mail. After some discussion it was determined by the majority of the Board that mid-month reports were not necessary. If something really important comes up, Ms. van Houwelingen will notify the Board members.

- Agency Work Plans

Ms. van Houwelingen summarized the timeline chart of Authority projects and events.

- Preliminary Discussion Regarding Executive Director Goal Setting for Annual Step Increases and Merit Potential

Ms. van Houwelingen presented for the Board's consideration an outline of proposed goals and a more structured criteria for Step increases and merit pay for the Executive Director position. When van Houwelingen was hired as Executive Director, step increases and merit were not put in place. The outline being provided is based on good property management principals and provides the Board insight as to the direction Ms. van Houwelingen would like to move. Ms. van Houwelingen responded to questions from the commissioners. Board members would like to consider setting up an advisory board made up of members from both boards to work on developing a step schedule and merit criteria for the Executive Director.

- Meeting with Dimension Development

Ms. van Houwelingen, Mr. Franzen and Ms. Ziebell met with Dimension Development last Friday to discuss ongoing projects and a schedule of what still needs to be done.

5.) **Resolution 634-14: Update Public Housing Lease to Conform to WI State Law Change**

Ms. van Houwelingen summarized the resolution and changes to the lease. A copy of the dwelling lease was sent in the commissioners' packets with the changes highlighted. Some of the changes addressed in the new lease are changes that the board had previously approved when they approved the new ACOP (Admissions and Continued Occupancy Plan). Wisconsin state statutes regarding tenant landlord law have also changed. The Authority's lease needs to be updated to reflect those changes. Among the changes, security deposit money must be returned within 21 days from move out instead of 30 or a letter stating what was withheld from the deposit and why. There were also changes in the rules about abandoned personal property, damages to premises due to bug infestations that a tenant knew about and did not report to the landlord, the move-in form, identifying non-standard rental provisions and the acceptance of rent or other payments. If a landlord initiates a termination, the termination cannot be dismissed because the landlord accepts past due rent payments after serving the notice of default. The termination process was reviewed and questions responded to. Ms. van Houwelingen explained that under HUD rules the Authority cannot charge a tenant for treatment of bedbugs. Questions about bedbug issues were addressed. There being no additional comments or questions, Mr. Frassetto moved, seconded by Mr. Waterworth to approve Resolution 634-14. Motion was carried 5-0.

Before adjourning, Ms. van Houwelingen stated that she did sign the online T-HUD letter of support. SEMAP has also been submitted.

Chairman Norton requested that a tour of the properties be set up so the commissioners can see all of the finished renovations as well as to give newer commissioners a better understanding of where the properties are and what the needs may be.

6.) **Adjournment:**

There being no further business, Chairman Norton called for a motion to adjourn. Mr. Waterworth moved, seconded by Ms. Beahm to adjourn the meeting. Motion carried 5-0. The meeting was adjourned at 5:27 p.m.

Respectfully submitted,

Susan van Houwelingen
Executive Director
Winnebago County Housing Authority

APPROVED