

# WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Monday, October 28, 2014

Marian Manor

3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman (Arrived during Quarterly Financial Report)  
Rebecca Hackett, Vice Chairperson  
Scott Waterworth  
Frank Frassetto

COMMISSIONERS ABSENT: Tina Beahm

STAFF PRESENT: Susan van Houwelingen, Executive Director  
Lee Franzen, Operations Manager  
Kim Lynch, Executive Assistant  
LuAnn DeBruin-Ziebell, Accountant  
Erin Reissman, Social Service Coordinator

OTHERS PRESENT: None

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- 1.) Vice Chairman Hackett called the meeting to order at 3:30 p.m.
  - 2.) Vice Chairman Hackett directed the Commissioners to review the minutes of the regularly scheduled Board Meeting held on October 06, 2014. There being no questions or comments, Mr. Waterworth moved, seconded by Mr. Frassetto, to approve the minutes of the October 06, 2014 meeting as presented. Motion carried 3-0.
  - 3.) **Employee Presentation by Social Service Coordinator**  
Erin Reismann, Social Service Coordinator, was introduced and gave a summary of her position. There are three full time Social Service Coordinators that provide services to Authority residents. Ms. Reismann provides services at Mainview, Fox View and Riverside. Mainview pays for 20% of Erin's salary and expenses and the other 80% is covered by a grant that renews annually. A handout was distributed that summarized the role of the Social Service Coordinator and the benefits to both management and residents of having Service Coordinators. Job duties include meeting with prospective tenants for Mainview, Fox View and Riverside to gather information needed to determine eligibility, conduct new resident orientations, assess activities of daily living issues and provide referrals to community agencies and the nurses when appropriate, produce and distribute a monthly newsletter for those buildings, oversee the activities planned by the residents such as bingo, movie night, coffee hour, holiday parties and picnics. Ms. Reismann also assists the property manager with developing action plans to help residents remain lease compliant to avoid eviction actions. The Social Service Coordinators provide assistance with financial, medical and legal matters, educational and emotional support and assistance with homemaker and lease issues as well as collaborate with various community groups and bring in speakers on topics that would enhance the residents' quality of life. Reismann also acts a liaison between the police and the Authority. There is currently an issue involving a resident at Riverside that the police are involved with. Ms. Van Houwelingen and Ms. Reismann responded to questions from the commissioners.

**4.) Finance –****a.) Accounts Payable Report From September**

Vice Chairman Hackett inquired if there were any questions pertaining to the September accounts payable report. Ms. Van Houwelingen and Ms. Ziebell responded to questions regarding the accounts payable report. The report shows payments for both the Oshkosh and the Winnebago County Housing Authorities which covers five different checking accounts. Payments out of each checking account are grouped together on the report. The report shows a payment to Valley Pest Control for treatment of roaches. These charges are being billed back to the tenants. Roach issues are usually not a big problem, but follow up treatments happen when bug issues are prevalent. The payment to the Fin 'n Feather was for a summer staff outing.

Lenox Lofts does not appear on the agenda because the property belongs to the Oshkosh Housing Authority, not the Winnebago County Housing Authority. Ms. van Houwelingen responded to questions regarding the current status of Lenox Lofts. A historical designation application will be submitted within the next week. There is a retail entity still interested in possibly purchasing one of the buildings on the site. The roof on one of the buildings is failing and has a large hole in it. It will cost about \$60,000 just to stabilize the situation and remediate the asbestos. Tax credits, bonds and historic tax credits will likely be used to develop the site.

**b.) Quarterly Financial Reports**

Ms. van Houwelingen stated that all properties have an operating income. Fox View has a bit more income than Riverside at this time because a rent increase had been requested to support garages. However, the garages at Fox View have not been built yet. Ms. van Houwelingen is still negotiating for the adjacent property needed to build the garages. Current assets are greater than liabilities for all properties.

The Winnebago County Family units are doing very well with a \$97,496 operating income before depreciation.

The Capital Fund account is mostly a pass through account. Capital Fund money comes in and is then drawn down to pay for improvements. Ms. van Houwelingen responded to questions about Capital Fund. Only the LLC's have a reserve account. Currently, HUD does not allow public housing programs to have reserve accounts. After the FAST Team is done with the Mainview renovations and installing the dry system at Lenox, work will resume on the Menasha 40 units.

The Local Funds account is where Winnebago County Housing Authority has its non-federal dollars including bond income. This account also shows the money that was borrowed to other programs that will eventually be paid back. There is \$216,178 that is currently considered collateral for a Bank First National loan.

The voucher program shows an operating loss of \$125,677 year to date. Reserve funds are now held with HUD. If the HAP payment from HUD does not support the expense for a given month, a request to HUD for reserve funds must be made prior to month end to support full payment to landlords. This process is what causes the operating loss. When the Authority collects money owed back to the Authority under Fraud Recovery, the Authority is allowed to keep half of what is collected and the other half goes back to HUD.

Silvercrest has a mortgage and is running a very tight budget. Ms. van Houwelingen is looking at increasing the rent for this property. The property does have reserves, but the windows and HVAC system will need to be replaced in the near future. There is still a company interested in purchasing the Authority's group homes. Franzen and van Houwelingen will be meeting with the County next week regarding the issue.

Summit and Greenfield Group Homes were purchased together on a bond issue with an increasing interest rate which is now very high. There is not much cash flow to help with upgrades. There is no reserve account. The program at Greenfield is run by Clarity Care and the program at Summit is run by Winnebago County. The group homes are not HUD programs.

The HCRI and CDBG account has not had a lot of activity. There is a closing on Friday for a Habitat for Humanity of Oshkosh property.

There has not been any activity in the NSP account during the last month. The Authority spent well beyond the \$1.2 million target amount.

### **c.) Budgets**

Ms. van Houwelingen distributed and reviewed a payroll analysis. Staffing has been allowed to run too thin and the recent REAC inspections have proven that this cannot continue. Fox View and Riverside only had a one-quarter time maintenance person and the sites and residents were suffering from it. The maintenance position is not full time. However, Rick has now been moved from the FAST Team to Fox View and Riverside three-quarters time and will help out at other properties the rest of the time. One of the Authority's best maintenance people who has been here for many years recently considered leaving due to the way maintenance was structured. It had become impossible to keep up with the workload. A general laborer was terminated and two new general laborers have been hired. Administrative staff coverage has also been rearranged and increased where necessary.

The budgets include a 3% salary increase for staff in 2015 which would result in a \$102,160 increase in payroll expenses including pension and taxes. Last year's salary increase for staff was 2%. Income and expenses were reviewed to determine that the operating income will be able to support the proposed 3% wage increase. The Authority will be receiving over \$700,000 in Developer fee money in 2015. Ms. van Houwelingen responded to questions and reviewed how step increases and raises are structured.

Franzen and van Houwelingen did some research and discovered that the Oshkosh/Winnebago County Housing Authority is one of the largest housing authorities in the state after Madison and Milwaukee. The figures were taken from the WAHA website.

The Winnebago County Family Unit budget for 2015 shows a net operating income of \$84,500. Worker's compensation costs have gone up in 2014.

The Central Office Cost Center (COCC) budget is showing a loss of \$92,986. However, there is \$70,000 worth of loan interest expenses that will go away in 2015. There are two loans from the Court Tower project that will be paid off and one loan in connection with the Mainview property that will be paid off with grant money that is expected to come in around February 2015. There is also a loan on the Lenox property which will be paid with developer fees from the renovation which is planned for 2015. The bookkeeping and management fee for the voucher program has been put in the budget this year. Hopefully,

the voucher program will be able to start paying the management and bookkeeping fees to the COCC in January 2015. In the past there was only one person who could run the Section 8 lottery. Now there are more people who can run it and it is being run more often. Ms. van Houwelingen's goal is to get the program full. As more vouchers are issued, more administrative money will come in which will provide the money needed to pay the fees owed to the COCC. HUD is currently paying the Authority 99% of the HAP money needed and 79% of the admin dollars.

The Voucher Program budget is broken down into three columns, one for administrative dollars, the second for HAP dollars and the final column for total program dollars. This method helps the Authority track how expenses in each category are doing from year to year. The budget shows a loss of \$55,699 in the administrative dollar budget. However, the revenue on the budget is based on the number of vouchers issued now. An increase in the number of vouchers issued would bring in more revenue to support having the Management and bookkeeping fees in the budget for 2015.

The Salaries expense for the Central Office Cost Center (COCC) is down in 2015 because Brad is no longer employed by the Authority and there are now only two instead of three management positions. The increase in Maintenance labor costs for 2014 are due to maintenance issues at the Lenox property such as the roof and the damage from vandalism. Ms. van Houwelingen responded to questions regarding the COCC budget and how the Voucher program is funded.

On the Summit/Greenfield budget the mortgage principal payment of \$15,000 was inadvertently left off in the Revision 2014 column bringing the net income before depreciation down to \$847.

The 2015 budgets for Fox View and Riverside show a net income of \$67,058 and \$55,206 respectively.

Ms. van Houwelingen will have a resolution ready for the November meeting to approve the budgets. In the meantime, barring any objections, the River Cities LLC budgets will need to be submitted to Stratford, the tax credit investors by November 1, 2014. Franzen and van Houwelingen responded to question regarding the proposed COLA increase.

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

**a.) Quarterly Occupancy Report**

Mr. Franzen reviewed the Quarterly Occupancy Report and responded to questions. This report covers the third quarter of 2014, July through September. Franzen explained the difference between the "occupancy rate based on months" vs the "occupancy rate based on days." If a tenant lives in a unit for only a few days of a month, the unit is considered occupied for that month. The overall occupancy rate for the Winnebago County Housing Authority based on days is 95.3%.

**b.) Housing Choice Voucher Program Update**

- **Push to Lease**

Ms. van Houwelingen stated this topic was discussed earlier in the meeting and reiterated that the focus is to get as many of the 413 vouchers leased up as soon as possible.

**c.) Agency Matters**

- **Employee Termination and New Hires**

Ms. van Houwelingen reported that one of the general laborer employees was terminated. Two new general laborer employees were hired. One person is a Section 3 employee and will be full time at Mainview. The other person was hired as a full time position, but will work half time at Marian Manor and the other half of his time as a float person wherever needed. Both new hires underwent a pre-placement physical and drug testing.

- **Executive Director Review and Compensation Plan**

Ms. van Houwelingen distributed a Performance Evaluation Packet and a 2014 goal sheet for the Executive Director position. As the end of the year is fast approaching, this process needs to get started and will also be on the November agenda. Ideas for how to proceed were discussed. The two commissioners from each Board who will be participating on the committee will determine a date and time to get together to discuss the review and compensation plan. Chairman Benedict and Commissioner Fitzgerald will represent the Oshkosh Housing Authority board. Chairman Norton and Vice Chairman Hackett of the WCHA board will complete the panel. Ms. van Houwelingen will put together her 2015 goals for that meeting. Ms. van Houwelingen requested that Chairman Norton contact Chairman Benedict to set up a meeting during the first two weeks of November and let her know what works. Options for determining merit pay and step increases were discussed.

**6.) Discussion**

Ms. van Houwelingen informed the commissioners that she is aware of a police action at Riverside and the manager will be working with the police and resident to resolve the issue.

The next board meeting is scheduled for Tuesday, November 25, 2014.

**7.) Adjournment:**

There being no further business, Vice Chairman Hackett called for a motion to adjourn. Mr. Waterworth moved, seconded by Mr. Frassetto to adjourn the meeting. Motion carried 4-0. The meeting was adjourned at 5:20 p.m.

Respectfully Submitted,

Susan van Houwelingen  
Executive Director  
Winnebago County Housing Authority

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APPROVED