

# WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, April 23, 2013

Marian Manor

3:00 P.M.

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

STAFF PRESENT: Brad Masterson, Executive Director  
Su van Houwelingen, Deputy Director  
Lee Franzen, Operations Manager  
Kim Lynch, Executive Assistant

OTHERS PRESENT: None

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- 1.) Chairman Norton called the meeting to order at 3:07 p.m.
- 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled Board Meeting held on March 26, 2013. There being no questions or comments, Ms. Hackett moved, seconded by Ms. Beahm, to approve the minutes of the March 26, 2013 meeting. Motion carried 4-0.

3.) **Finance –**

**a.) Accounts Payable**

Chairman Norton inquired if there were any questions pertaining to the March accounts payable report. Masterson and van Houwelingen responded to various questions regarding the accounts payable. Payments made to the City of Oshkosh or City of Menasha are primarily for water utility payments or PILOT payments. The check to PDC, Inc. in the amount of \$62,356.65 is for renovation work being done at Court Tower.

**b.) Clarification on Budgeted General Expenses Variance from March Review**

Ms. van Houwelingen stated there had been a question on the General Expense figure for the Winnebago County Local Fund budget of \$251,497.78. There was about a \$6,000 shortfall at the time of the River Cities closing that had to be expensed. In December 2012 the Board approved a write off of \$37,522 in the Home Program. A transfer of \$162,961 was recorded from the OHA Local Fund to the Winnebago County Housing Authority (WCHA) to cover the down payment of the Developer Fee to Dimension Development for River Cities. Once the money came in, the OHA was paid back. Lastly, there is \$45,000 in a deferred developer fee that the WCHA will eventually get back.

**c.) Review Annual Independent Audit River Cities Redevelopment LLC**

Ms. van Houwelingen explained that Suby, Von Haden and Associates (SVA) are the accountants that will conduct all of the audits for both Authorities this year. A copy of the letter from SVA to Masterson & van Houwelingen regarding the audit for River Cities was included in the commissioners' packets to inform them of recommendations being made by SVA. One such recommendation is to have written accounting policies and procedures in place.

There were no material findings. However, due to the size of the Authority, the audits still reflect the finding regarding the lack of segregation of duties. Ms. van Houwelingen states she is comfortable with the Authority's current process. On page 3 of the audit, van Houwelingen pointed out that the substantial difference from 2011 to 2012 in the Restricted Cash account was due to the River Cities Redevelopment (RCR) closing. Money for things such as replacement reserves was put into a reserve account. Board approval is not necessary for this audit because RCR is an LLC. The audit for the entire agency should be done by May. The auditors are not able to come to the Authority until April due to other commitments. Masterson and van Houwelingen responded to questions about the audit and financial policies in general.

**d.) Annual Tax Intercept Report**

Ms. Lynch reviewed the Wisconsin Department of Revenue's Tax Refund Intercept Program (TRIP) and the Authority's process for seeking payment for delinquent accounts for residents and program participants no longer receiving assistance. Any future state tax refund due to that tenant will then be intercepted and sent to the Authority until the debt is paid in full. From 01/01/2013 thru 04/20/2013 the Authority has received \$22,689.03 from TRIP. Half of any money recouped from Section 8 Voucher clients is used toward future HAP payments. The other half can be kept by the Authority and used as admin funds. The Authority is allowed to keep all money recouped on public housing clients. Masterson, van Houwelingen and Lynch responded to various questions regarding the Tax Intercept program.

**e.) State Pool for Workers Compensation Coverage**

Ms. van Houwelingen stated that the Authority's current Worker's Compensation Insurance carrier, Liberty Mutual, sent notification of their intent not to renew the Authority's coverage due to a high number of claims. Franzen and van Houwelingen are working on securing new insurance coverage. More likely than not, the Authority will have to get coverage through the state risk pool until the number of claims decreases.

**f.) Occupancy Report**

Masterson reviewed the Occupancy report stating the report does not include units that are HUD Approved vacancies due to Modernization Rehab. The WCHA units had a 97% occupancy rate from 01/01/2013 through 03/31/2013 when the vacant-HUD approved units were removed.

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

**a.) Public Housing – Menasha Scattered Site Renovations**

Masterson reported that the Authority had not been in compliance with a recovery and sustainability plan due to not reporting units that were off line due to modernization rehab. The Authority has since been more diligent than it used to be about taking those units off line in PIC and is now compliant.

Masterson stated that the interiors of two units on 6<sup>th</sup> Street have now been removed and are ready for rehabilitation. When those are complete only the units on Manitowoc Road will still need to be done.

Ms. van Houwelingen reported there is a tenant in one of the Menasha units that is taking issue with water quality at her unit as well as particles coming out of the heat ducts. Maintenance has not been able to substantiate anything outside normal parameters.

A Mexican restaurant and bar near the Menasha office has filed for a permit to operate a patio. Ms. van Houwelingen evaluated the proposal and the hours of operation and distance suggest the patio will not have any adverse impact.

**b.) Housing Choice Voucher Program**

Masterson stated he has yet to run a waiting list lottery and begin the process of admitting more clients into the Voucher program. The Voucher Program administration money will only be funded at 70%. Ms. van Houwelingen and the Authority's accountant will be attending training in May on the Voucher Program. It is van Houwelingen's understanding that, at the end of the year, HUD will require any housing authority with money left in their Net Restricted Assets (NRA) above a specified amount, will be required to send that money back to HUD to be held in HUD's account. The Authority will still be able to access that money if they need it, but it will take time to get it.

Masterson explained he is still investigating a program that would create an online waiting list. Integrating the online software with the Authority's current software isn't a problem. However, making it all work with the Authority's lottery process is somewhat more complicated. Two waiting lists may need to be developed, one for disabled applicants on the voucher waiting list and one for non-disabled applicants. Questions regarding how the waiting list is run as well as the point system were addressed.

Effective July 1, 2013, all landlords who participate in the voucher program will be required to receive their HAP payments via the ACH program. Also, if landlords are required to make repairs to their units, the landlord will be required to notify the Authority when the work has been complete. The landlord's HAP payment will be put on hold until the work is complete and they have notified the Authority of such. Letters and notifications will be sent to landlords via email as well to save on postage and envelope expenses.

**c.) Assisted Housing****i. River Cities Redevelopment****▪ Riverside Garage Construction**

Masterson reported there has been some delay because the wrong materials were ordered by the architect. The issue is being resolved at no additional expense to the Authority. The concrete is ready to be poured as soon as the excavator digs out the temporary gravel used to make the approaches usable.

It was discovered that there is an issue with duplicate locks on some apartment doors at Riverside. McGann Construction, who was the contractor for the River Cities project, has been notified of the security issue. The Authority anticipates an expeditious resolution.

**▪ Foxview Manor Water Bill**

Masterson stated there was a 47% rate increase on the water bills for the City of Omro. The Authority has received the first bill that reflects the increases.

**d.) Regional CDBG & HOME Programs**

Masterson reported not much is happening regarding the Regional CDBG. The last meeting was in February. There has been no word yet if HUD is going to approve the regional plan. There is money set aside for Winnebago County. Oshkosh and Neenah will not be able to get any of the CDBG money because they get entitlement block grant funds. So, Menasha will have more owner rehab money. The Authority was notified its homebuyer application will be funded, but public announcements are on hold.

**e.) Personnel Matters: Unemployment Appeals**

Regarding the unemployment claim that was denied for an employee who resigned to take another job, but the job fell through, Masterson reported filing an answer that the Authority had no facts or arguments for the state to consider. The employee is filing a claim against a special fund that has nothing to do with the Authority's liability. Regarding the other claim that was filed by a recently terminated employee, it was determined that that person is eligible for unemployment.

Masterson briefly commented on a press release from the Center for Disease Control and Prevention regarding smoke-free subsidized housing. The Authority's smoke-free policy does not pertain to the Section 8 program, only Authority owned properties. As the big buildings are renovated, they are being made smoke-free buildings. Questions pertaining to e-smoking and smoking cessation efforts were addressed.

**5.) Resolution 620-13: Approve New Admissions & Continued Occupancy Policy (ACOP).**

Masterson stated this resolution will be addressed at the May Board meeting to allow more time for the commissioners to review the policy. Ms. van Houwelingen stated a summary of the differences will be prepared for the May meeting.

**6.) Resolution 621-13: Approve Revised Investments Policy.**

Ms. van Houwelingen presented Resolution 621-13 and explained that the current Investment Policy the Authority operates under was from 1985 and needed to be updated. After questions were addressed, Ms. Hackett moved, seconded by Ms. Beahm to approve Resolution 621-13. Motion carried 4-0.

**7.) Discussion: Overcoming 2013 Shortfall and Further Deterioration in Projected 2014 HUD Funding**

Masterson stated that public housing was the hardest hit program. HUD is not asking for significantly more. The funding shortfalls are significant, cumulative and burdensome. Both authorities have signed on to the congressional letters seeking relief. A handout from NAHRO was reviewed. Masterson believes NAHRO's unrelenting push for reform should provide some long overdue administrative relief, but it won't put a dent in the nearly \$200,000 loss of operating subsidy at the agency.

Chairman Norton shared information he had received regarding an upcoming conference and commented on some information from the National Low Income Housing Coalition.

The next WCHA Board meeting will be held on Tuesday, May 21, 2013 at Court Tower.

**8.) Adjournment:**

There being no further business, Chairman Norton called for a motion to adjourn. Mr. Waterworth moved, seconded by Ms. Hackett to adjourn the meeting. Motion carried 4-0. The meeting was adjourned at 4:26 p.m.

Respectfully submitted,

Brad Masterson  
Executive Director  
Winnebago County Housing Authority