

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Wednesday, August 28, 2012

Marian Manor

3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman
Rebecca Hackett
Richard Schallert
Scott Waterworth (arrived during Finance discussion)

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 3:05 p.m.
 - 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled Board Meeting held on July 24, 2012. There being no questions or comments, Mr. Schallert moved, seconded by Ms. Hackett, to approve the minutes of the July 24, 2012 meeting. Motion carried 3-0.
 - 3.) **Finance –**

a.) Accounts Payable

Chairman Norton inquired if there were any questions pertaining to the July accounts payable report. Masterson & van Houwelingen responded to various questions regarding the accounts payable. The payment to Kerber, Rose & Associates in the amount of \$11,000.00 is payment for the audits. Ms. van Houwelingen reviewed the procedure for processing invoices. The check for \$18,000 made out to New Title and another party is in connection to the Homebuyer program. The Authority has received thank you notes from all of the entities sent donations.

b.) Quarterly Financial Report

Ms. van Houwelingen presented the Quarterly Financial statements for period ending June 30, 2012 for the Central Office Cost Center (COCC), WCHA Public Housing (WCHA Family units), Foxview Manor (FV), Riverside Apartments (RS) and the WCHA Voucher Program (HCV Program). The Board agreed that printing out the statements for these programs on a quarterly basis instead of monthly is sufficient. The statements for the group homes will be printed and presented once every six months. Ms. van Houwelingen reviewed the Financial Statements explaining that the "Current Period" is the activity that happened that month. The "Net Assets" sheet is what used to be called the Balance Sheet. The Liabilities are the debt the program has. In Public Housing there are no mortgages on the properties. So, the amount of debt for the Public Housing Programs is lower. The Per Unit Month (PUM) columns on the "Statement of Activities" sheets were reviewed. The "Period to Date" columns are figures for the statement month. The "YTD Actual" columns are the figures for the year so far. The figures in the "Dwell Rental" column indicate the average rent that the tenants pay per month. Operating Subsidy is the money that the Authority receives from HUD for each unit. Since the last time these reports were distributed, positive numbers on the statements now reflect positive numbers and negative numbers are really negatives as opposed to how the statements were set up in the past. So, when looking at Net Operating Income/Loss, if a positive number appears, it indicates a positive net operating income. On the COCC's Financial Statement, under

Accounts Receivable, the \$162,961.50 under A/R-FV/RS T/C will be paid to the COCC when the developer fee from the tax credit deal is received. Under Notes Receivable, the \$712,597 for Note Receivable-MM Gap and the \$500,000 for Note Receivable-MM AHP will go away in 15 years when the Authority gets Marian Manor back from the tax credit investors. The Statement of Activities (Profit & Loss Statement) for the COCC shows the different revenues the COCC receives such as Management fees, Asset Management fees and bookkeeping fees as well as rental income from the beauty shop on Main Street. Ms. van Houwelingen responded to questions regarding the Quarterly Financial Statements. Masterson noted that the income from the other retail spaces and antennae space rental now goes to Mainview and Court Tower, not the COCC.

c.) Audit Update

Ms. van Houwelingen reported that the final year end audits were finalized today. The audits will be on the September agenda as they must be submitted to HUD by the end of September. The Requests for Proposals (RFP) for the next two years of audits have been prepared and will be going out shortly. Abe, the CPA from HABCO has agreed to review the requests for complete and correct wording before they are sent out. The hope is to have one auditor for all projects including the LLC's. Because of all of the investors that the Authority now works with, auditors with expertise in tax credit deals are needed to ensure the top notch level of audits that are desired. Therefore, the audits may cost more than the Authority has paid in the past. Ms. van Houwelingen anticipates presenting the bids at the next meeting.

Options have also been reviewed regarding how to get rid of the recurring finding regarding no one on staff with enough education to prepare financial statements; namely a CPA. Currently HABCO, who prepares our monthly financial statements, only prepares what is called a compilation. Basically, the numbers the Authority gives HABCO are compiled and put in the format that was presented today. These are not auditable financial statements. It would probably cost more to have HABCO prepare auditable financial statements with notes and then have to have them audited again by the year-end auditors because, no matter what, the year-end auditors still have to do the same testing on the numbers. So, barring financial savings, the Authority may just want to continue to have the finding and agree to have the auditors put everything in the correct audit format.

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

a.) Assisted Housing

i. River Cities Redevelopment

▪ **Stratford Release of Equity**

Mr. Masterson stated that the certification of completion for the River Cities project for Stratford Capital is now done. Stratford required the numbers to be certified by Suby Von Haden, the auditors. Stratford should be releasing approximately \$355,000 in capital and other reserves to the Authority. The final spreadsheet has not been reviewed yet. There may be a few last items that will need to get paid off.

▪ **Stratford Approval for Spending Soft Cost Reserve**

Masterson stated that Stratford has agreed to release the \$170,000 in the soft cost reserves. The money will be used to put a new roof on Foxview and to build the Riverside garages.

▪ **Garages Construction Update**

Mr. Masterson stated the concrete for the garages at Riverside should be poured in September. About \$70,000 will be needed to make the structural changes and add some minimal heat to the Omro garage which is well under the \$100,000 that was

originally estimated for the work. Leasing documents will go to the Omro City Administrator soon. Lease terms will depend on what HUD approves for a rent increase for Foxview.

b.) Public Housing – Agency Plan Meeting Set

Mr. Masterson stated no substantial changes are being made this year to the Agency Plan. So, a new plan will not need to be sent in. The Authority still plans to meet with the residents to talk about how things are going and answer any questions they may have. Only the Capital Fund Budgets will need to be approved by the Board.

c.) Housing Choice Voucher Program –

Mr. Masterson stated a waiting list will soon be run and applicants selected to start processing for some of the available vouchers. Based on the responses from Court Tower residents, not as many of the vouchers that were being held will be needed for the Court Tower relocations as were first anticipated.

d.) Regional CDBG Update – Program Design Discussions

Mr. Masterson stated Winnebago County considered and approved a resolution to join an eight county consortium of Northeast Wisconsin counties to apply jointly for Community Development Block Grant Funds. Brown County will be the lead entity for this consortium. The State is sticking with their preference that money be spent on owner occupied rehab projects. Masterson's idea to push for distribution via the school districts to use for helping the homeless families they identify is being resisted by the state. Masterson responded to questions regarding the program.

e.) Silvercrest Group Home – Flooring Needs

Mr. Franzen reported that Silvercrest Group Home was recently inspected by the State and the flooring, mostly carpeting, was determined to be in bad shape. Franzen and van Houwelingen are looking into floor replacement options. Vinyl planking looks to be a promising option. It holds up well and is easy to clean. Silvercrest has about \$70,000 in replacement reserves as well as residual receipts that could be used to cover the floor replacement costs. Chairman Norton requested that the floors at the TT2 Group Home be looked at as well. Norton had attended a meeting recently at TT2 and thought the floors there looked like they needed attention too.

Before proceeding to the resolutions, Chairman Norton inquired about the progress in finding a new resident commissioner for the Board. Masterson stated he is still working on the issue. Norton stated he will not be able to attend the scheduled board meeting in September due to a scheduling conflict. Mr. Schallert stated he will not be able to attend the September meeting either. After some discussion, it was agreed to move the September meeting from the 25th to the 18th of September to insure there will be a quorum.

5.) Resolution 609-12: Authorize expenditures and loan to support acquisition of 1402 Mount Vernon.

Ms. van Houwelingen presented Resolution 609-12 stating that even though this is technically an Oshkosh Housing Authority issue, money from the NSP Program, which is a Winnebago County Housing Authority Program, will be used to acquire the property. The resolution authorizes up to \$1.2 million to acquire Lenox Lofts. A portion of the building will be used as office space. Masterson explained details of the plan. After all questions were addressed, Ms. Hackett moved, seconded by Mr. Schallert to approve Resolution 609-12. Motion carried 4-0.

6.) Resolution 610-12: Authorize change in Admissions and Continued Occupancy (ACOP) to adopt up to 80% CMI in public housing units.

Mr. Masterson presented Resolution 610-12 stating that the wording in the ACOP is being changed to reflect actual practice and HUD rules over the past decade. Masterson and van

Houwelingen responded to questions regarding the resolution. After all questions were addressed, Ms. Hackett moved, seconded by Mr. Schallert to approve Resolution 610-12. Motion carried 4-0.

7.) **Discussion – WAHA Fall Conference – September 9-13**

Ms. van Houwelingen directed the commissioners' attention to the 2012 WAHA Fall Conference handout that was included in their packets. If any commissioner would like to attend the conference, the Authority will pay for their registration and expenses. The commissioner training at this conference is only one half day and appears to be a repeat of the training the commissioners attended in June. Ms. van Houwelingen also noted that the 2013 WAHA Conference will be in Appleton. The Oshkosh and Winnebago County Housing Authorities will be assisting in the planning of that conference.

Mr. Schallert inquired about a recent death at Riverside and what the policy was regarding Key Keepers at the building. Mr. Masterson reviewed the protocol. Ms. van Houwelingen went on to explain the extenuating circumstances surrounding the recent occurrence.

8.) **Adjournment:**

There being no further business, Chairman Norton called for a motion to adjourn. Mr. Schallert moved, seconded by Mr. Waterworth to adjourn the meeting. Motion carried 4-0. The meeting was adjourned at 4:37 p.m.

Respectfully submitted,

BRAD J. MASTERSON
Executive Director
Winnebago County Housing Authority

APPROVED