

December Board of Commissioners' Regular Meeting Minutes
Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

December 6, 2022 at 5:00 p.m.

1. Public Hearing regarding Family and Medical Leave Insurance Program ("FAMLI")

Ivan Geer, Board Chair, opened the public hearing at 5:01 p.m. There were no public attendees, and no written comments were received regarding FAMLI. The public hearing was closed at 5:02 p.m.

2. Call to Order and Roll Call

GJHA's Board of Commissioners' Regular Meeting was called to order at 5:02 p.m. by Ivan Geer. Attendance was taken by roll call with the following present:

Board of Commissioners:

Ivan Geer, Chair
Chuck McDaniel (Virtually)
Tami Beard
John Howe
Bill Johnson
Bernie Buescher (Virtually)

GJHA Staff:

Jody Kole, CEO
Shelley Carpenter, Controller
Jill Norris, General Counsel
Krista Ubersox, HR Director
Kevin Sperle, IT Supervisor (Virtually)
Sheila Brubacher, Accounting Supervisor
Desirae A. Garman, Paralegal

Chuck McDaniel joined the Regular Board Meeting at 5:47 p.m. after roll call attendance had been taken and the Consent Agenda had been approved by the Board.

3. Consent Agenda

The Consent Agenda consisted of: (a) Minutes of October 18, 2022 Special Board Meeting; (b) Notes of October 25, 2022 Real Estate Committee Meeting; and (c) Notes of December 1, 2022 Executive Compensation Committee Meeting.

With a motion by John Howe, a second by Bill Johnson and a unanimous roll call vote, the Consent Agenda was approved.

4. Approval of Resolution 2022-12-01 Declining All Participation Colorado's Family and Medical Leave Insurance Program ("FAMLI")

Krista Ubersox reminded the Board that this topic was discussed during the September Board meeting. During that meeting, there was an in-depth discussion as to why Staff is recommending GJHA decline to participate in FAMLI. Since GJHA is a governmental entity, GJHA has the right to opt-out. While GJHA is opting out, GJHA can re-evaluate participation

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in FAMLI after one (1) year. GJHA's employees can still participate in FAMLI even if GJHA does not. Staff explained GJHA employees are covered under the federal program, Family Medical Leave Act ("FMLA"), in addition to having a paid leave package. Staff is requesting that the Board approve Resolution 2022-12-01 Declining All Participation in Colorado's Family and Medical Leave Insurance Program.

With a motion by Tami Beard, a second by John Howe, and a unanimous roll call vote, Resolution 2022-12-01 Declining All Participation in Colorado's Family and Medical Leave Insurance Program was approved.

5. Executive Session

At 5:08 p.m., Ivan Geer made a motion to go into Executive Session for discussion of a personnel matter under C.R.S. Section 24-6-402(f)(executive performance review and compensation) and NOT involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees., a The motion was seconded by Bill Johnson and a roll call vote was taken with Ivan Geer, Tami Beard, Bill Johnson, John Howe, and Bernie Buescher, a quorum of the Board of Commissioners, voting to move into Executive Session.

The Executive Session concluded at 5:47 p.m. Participants in the Executive Session with Ivan Geer, Tami Beard, Bill Johnson, John Howe, Bernie Buescher, Chuck McDaniel, and Krista Ubersox.

With no registered concern over discussion during the Executive Session, the open meeting reconvened at 5:48 p.m.

6. Finance Items

a. Review of third quarter financial statements

Shelley Carpenter explained total consolidated cash in third quarter decreased due to extraordinary expenses, including but not limited to, a new phone system, three payrolls in July, Linden Pointe playground improvements and three (3) new vehicles (two (2) for the Vouchers Team and one (1) for the Properties Team).

The net operating income and cash balances increased as a result of minimal vacancies across the tax credit and GJHA owned properties combined with decreased maintenance expenses. While Village Park's net operating income remains strong, the cash balance

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decreased due to a deferred developer fee payment, payment of administrative fees and increased maintenance costs due to unit turnover. Village Park experienced extraordinarily high maintenance expenses in the second quarter due to turnovers, two (2) methamphetamine units being reconstructed, and a mice infestation in one of the buildings.

The Highlands also has a lower cash balance due to the payment of the asset management fee to the tax credit investor, interest on a DOLA loan paid to the General Partner, and an accounting error that had Highland's online rent payments of \$6,979 booked to the wrong property. This accounting error was corrected in October.

2814 had an extraordinarily large cash balance due to receipt of developer fees from Wells Fargo. This payment was paid to the general fund in October. 2814 also paid a one-time fee to Wells Fargo for project costs and inspection fees.

Shelley Carpenter reviewed the rental income on the combined operating statement and explained the decrease in rental income from 2021 to 2022 is a result of the sale of Lincoln and Courtyard Apartments. This was correctly budgeted, and the 2022 rental income is positive to budget. The general fund income is negative to budget due to the project management income and maintenance labor income both being under budget this year. GJHA is positive to budget for the earned voucher administrative fees. Shelley Carpenter explained the Misc. tenant charges are maintenance charges and late fees billed to tenants. They currently show as positive to budget, however this revenue will most likely get written off as bad debt. Ivan Geer wanted to know if it would be better to list the Misc. tenant charges as a liability versus an asset, since this income is normally written-off as bad debt. Shelley Carpenter explained this matter has been discussed with the auditors and the plan is to make sure this account is reviewed, and the bad debt is written off quarterly.

Shelley Carpenter reviewed operating expenses; total compensation is positive to budget in part to being short staffed. Maintenance expense is positive to budget, due to understaffing and delays in completing larger projects. GJHA contributed approximately \$35,600 to Doors to Success in an agreement to pay off a long time payable owed to the general fund for administrative expenses. Scott Aker and Jody Kole agreed that Doors 2 Success would pay GJHA half of the debt owed, and the remaining amount would be a contribution to Doors 2 Success from GJHA.

The tax credit properties, as a whole, are positive to budget due to minimal vacancy loss and decreased maintenance charges. The Highlands II's net operating income is tracking slightly negative to budget due to the total rental income being under budget because it was decided not to use project-based vouchers at this property.

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2814's net operating income is negative to budget due to several of the expense line items being negative to budget. This is due to some onetime extraordinary fees and the cost related to finalizing 2814's permanent financing. In addition, there were increased expenses for 2814, as it was leased up earlier than anticipated.

b. Past due rents

The 90-day past due balances for current tenants and the 90-day past due balance for former tenants have decreased from the prior month. Most of this decrease is due to a bad debt write-off that occurred in October. Much of the past due rent is consistently in the 30-day or less category and is being monitored regularly.

c. Voucher utilization report

The Vouchers Program continues to perform strongly. Most of the open vouchers are in specialty programs that have very specific guidelines that must be met to qualify for that particular voucher. The Vouchers Team is working to get those vouchers leased up.

d. Occupancy report

The occupancy rate has been strong this year. The number of days vacant has increased recently as Staff is working to remove the tenants that are not in compliance with their lease agreements for various reasons. When those tenants leave, there is normally an increased amount of work that must occur to get the unit ready for lease-up.

e. Bad debt write-offs

The total bad debt write-offs that have occurred as of September 2022 is approximately \$248,823. There will be additional write-offs due to the two (2) meth units currently being reconstructed at Village Park. Based on a question from Ivan Geer, discussion occurred about how the bad debt write-offs compared between 2021 and 2022. Shelley Carpenter stated that it is hard to compare, while meth expense was lower, the Asset Manager found during an audit of the accounts that there were several accounts that should have been written off in 2021, but did not occur until 2022. The write-offs in the future will occur quarterly, so it will be easier to compare.

f. 2022 Hard debt and soft debt summary

The schedules of hard and soft debt were provided to the Board.

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g. Budget revisions

Shelley Carpenter summarized the proposed budget revisions for the general fund and the tax credit properties for 2022. These revisions were discussed in the finance memo included in the Board packet.

After review of the proposed 2022 budget revisions, Ivan Geer wanted to know how these revisions affected the overall 2022 budget. Shelley Carpenter will provide an update to the Board as to where GJHA ended up financially in 2022 compared to what was budgeted.

The Board had no further questions regarding the proposed budget revisions. Staff requested that the Board approve the revisions to the 2022 budgets by approving Resolution 2022-12-02 Adopting Amended Consolidated Budgets for Fiscal Year 2022.

With a motion by John Howe, a second by Tami Beard, and a unanimous roll call vote, Resolution 2022-12-02 Adopting Amended Consolidated Budgets for Fiscal Year 2022 was approved.

With a motion by John Howe, a second by Tami Beard, and a unanimous roll call vote Resolution 2022-12-03 Adopting Amended Budgets for Calendar Year 2022 for 2814 LLLP, Village Park LLLP, The Highlands LLLP, The Highlands 2 LLLP, and Arbor Vista LLLP was approved.

7. Possible Formation of Bylaws Ad Hoc Board Committee

Jill Norris asked for volunteers to assist in reviewing and revising the Bylaws. John Howe and Bernie Buescher volunteered to assist with this project.

8. Other business, if any

a. Jody Kole reminded the Board that the election of GJHA Board Officers and committee assignments will occur at January 2023 Board Meeting.

b. Land Bank Discussion

Jody Kole shared a memo regarding the City of Grand Junction's American Rescue Plan Advisory ("ARPA") Committee's recommendation that a Land Bank be formed. GJHA wants to recommend to the ARPA Committee that GJHA manage the Land Bank. The plan for the Land Bank is set to be discussed by the Grand Junction City Council on December 20, 2022. Staff would like approval to draft a memo to the ARPA Committee supporting

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the recommendation that GJHA manage the Land Bank. The Board Members are in support of GJHA managing the Land Bank and communicating GJHA's position on the Land Bank to the ARPA Committee. After discussion, the Board decided to call a Special Board Meeting to review requested changes to the proposal being sent to the ARPA Committee. The Special Board Meeting is scheduled for December 13, 2022 at 11:00 a.m.

- c. GJHA is waiting to hear back from the preservation property owner. GJHA will communicate the status of the transaction to the ARPA Committee, once Staff has heard from the owner.

9. Adjourn

With no further business or discussion, Bill Johnson made a motion to adjourn. With a second by Tami Beard, and unanimous roll call vote, the meeting was adjourned at 7:04 p.m.

All Board packet documents and documents distributed
during the Board Meeting are retained at GJHA.