

MINUTES

**Grand Junction Housing Authority
Board of Commissioners Meeting**

**November 25, 2002
Conference Room
1011 North Tenth: 11:30 a.m.**

1. Call to Order

Cory Hunt, Vice Chair, called the November Grand Junction Housing Authority (GJHA) Board of Commissioners' Meeting to order at 11:43 a.m. The following individuals were in attendance: Kathleen Belgard, Erin Ginter, Steve Heinemann, Gi Moon, Jody Kole, Esther Lucero-Cardona, Kristine Franz, Steven Elliott, Greg Hancock, and Jon Wickre. Harry Butler and Gabe DeGabriele joined the meeting later.

2. Consent Calendar

Cory made a motion to adopt the Consent Calendar, which included items A-E on the Agenda, and Steve seconded the motion. It passed unanimously.

3. Quarterly/Year-End Financial Statements

The Agency's Financial Director, Steven Elliott, began his presentation by focusing on the Executive Summary (Page 1) of the Financial Packet and then continued with the Consolidated Operating Report and Balance Sheet.

Generalities (Page 1)

- The Section 8 Voucher Program generated a sizeable cash flow.
- All property vacancy rates are good with below market-rate vacancies.
- Operating cash flow was ahead of budget by \$87,000.
- Gi's question of "what are the replacement reserve figures for Ratekin Tower and Walnut Park?" was answered with \$400,000 and \$200,000 respectively.

Consolidated Operating Report (Page 3)

- All Operating Expenses were either under budget or under the 3% variance threshold except for the Professional Fees line item. The Professional Fees Variance consisted of approximately: \$20,000 for legal fees, \$7,900 for audit fees, \$2,400 for computer services fees, \$9,300 for Board Retreat/Agency Assessment costs, and \$3,000 for Homebuyers Education Classes.
- The Net Operating Income was 8.4% ahead of budget.
- Interest income took a hit this year due to the fallen interest rates.
- Capital Expenditures were primarily under budget.
- The Operating Cash Flow was \$35,610 and was budgeted for a negative number.

Minutes (contd.)

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Balance Sheet (Pages 7-10)

- A few properties are without replacement reserve accounts, including the Belford Office Building. Some new replacement reserves figures were established in next year's budgets.

Operating Report (Pages 11-22)

- There is a specific Operating Report for each property.

Projected Operating Cash Balances (Page 26)

- The unrestricted cash balances have been updated with actual numbers.

Steven announced that the new auditing firm, Dalby, Wendland, & Co., PC, began their review process a couple of days ago and will be here for approximately six days.

Gi commented on how much easier the trend analysis portrays the financial picture.

4. Ratekin Tower Refinancing Project Update

Steven referenced his memo and the Sources and Uses Information Sheet regarding the financial re-structuring of Ratekin Tower. The physical meeting, tenant meeting, and the appraisal have all been completed. We can now begin shopping for the first mortgage lender. Colorado Housing and Financial Authority's (CHFA) initial terms aren't the best, and the U.S. Department of Housing and Urban Development (HUD) holds the second mortgage, which can't be changed. The first mortgage balance is expected to be \$1,992,000. Steven replied to Gi's question of "how do we shop for lenders?" by indicating we would be looking at lenders, including local ones, who are HUD approved. A Request for Proposal (RFP) will probably be initiated. The projected closing date on the refinancing will be around March/April of 2003.

5. Market Analysis RFP

Greg Hancock, Development Director, informed the group that the Linden property pre-development costs would be covered with the \$41,720 Community Development Block Grant (CDBG), awarded in April by the City of Grand Junction, for that very purpose. The costs to complete a survey, soil tests, a traffic survey, and design-related civil engineering activities were allocated in this funding as was \$10,000 budgeted for a Market Study. A RFP, with a November 27th deadline,

was issued soliciting qualified consulting firms to submit proposals to conduct this study. The interview process has been scheduled for December 11th and 12th with qualified candidates and the GJHA sub-committee. Upon sub-committee recommendation and selection, the contract completion process needs to be finalized. Discussion ensued regarding several options including delegating the final decision to the sub-committee. Several Board Members felt it was important to review the findings and recommendations as a group and make the decision. Therefore, since the regular December Meeting was to be cancelled due to the Christmas holidays, it was agreed to call a special Board Meeting. Gi made a motion to that affect, which was seconded by Kathleen, and unanimously approved. Wednesday, December 18th at 11:30 a.m. is designated as the special meeting date with lunch being provided.

Gabe DeGabriele joined the meeting at 12:10 p.m.

6. Quarterly Update on Board Goals

Jody referenced that the GJHA Goals Status Report had just been updated by Senior Staff and ask if any area required additional clarification. The following comments were made:

- Page 1 – Goal Statement (last one): *Use HUD Construction Contracts -* Erin felt the current status wording should reflect “will be used when *allowed*” as opposed to “will be used when *necessary*”.
- Page 2 – Goal Statement (first one): *Immediately begin planning for development of Linden property-Grant Writer to pursue funding options* – Jon Wickre, Outreach Coordinator, gave a brief verbal recount of his activities since he joined the staff. He was asked to give a written status update on his projects at the next regular Board Meeting.
- Page 2 – Goal Statement (last one): *Reinvest Downtown Housing Effort Funds* – Jody indicated that during her last meeting with Harold Stalf, the Executive Director of the Downtown Development Authority (DDA), she was informed that the DDA is very interested in owning housing units in the future and having our Agency manage the properties. In addition, if parking alternatives could be tied in with the property development, chances are good that funding would be available. These ideas will be further explored during the DDA’s strategic planning meetings in December and January.
- Page 3 – Goal Statement (fourth one): *Develop a plan to communicate regularly with local, state and federal legislators to improve awareness of GJHA and build relationships* - Jody mentioned that she and Gabe met with Ms. Beth Washburn, an aid from Senator Wayne Allard’s office, to brief her on the critical affordable housing needs of the Grand Valley. Beth indicated that she would try to schedule

a meeting for the GJHA in Senator Allard's schedule, the next time he is in Grand Junction, for us to address with him the Grand Valley's housing needs. Ms. Washburn was also very impressed with the success story of Alicia Velez, a graduate from the Family Self-Sufficiency Program, and indicated a letter of congratulations would be sent from the Senator's office.

Board Members very much appreciated the update on the defined goals.

7. Internal Controls Discussion

Because of the article in the *Daily Sentinel* regarding the Delta Housing Authority (DHA) being accused of several improprieties, Gi asked Jody to address our internal control policies. Jody assured the Board that the GJHA's internal controls are in place, and while we aren't perfect, the staff takes great efforts to ensure that the rules and procedures designed to ensure fair allocation of costs, competitive purchasing, and attention to fair and impartial management of the Waiting Lists are followed.

Steven mentioned that there are other components to handle internal controls and he would like to make some additional recommendations in the future, following completion of this year's audit.

Esther Lucero-Cardona, Assistant Director, mentioned that we had a Fair Housing Audit years ago and, to our credit, we haven't had a discrimination complaint for seven to eight years.

GJHA staff will assist the Delta Housing Authority in inspection of its units which are also leased by DHA voucher holder households. In exchange, DHA staff will conduct similar inspections for GJHA held units (Lincoln and Crystal Brook) which are leased by GJHA voucher holder households. Outside inspections are a HUD requirement.

Gi questioned whether trading labor with the Delta Agency was appropriate. Esther explained that we have assisted the Delta Agency in this manner before in trying to help "get them into compliance". Our plans are to also help them understand our Rent Reasonable Criteria. Jody supported the "helping hand" efforts to Delta. Esther mentioned that in the 1980s, HUD fired the Delta Housing Authority's Executive Director and the entire Board for Waiting List discrimination.

Harry Butler joined the meeting at 12:38 p.m. and Cory Hunt left the meeting shortly thereafter.

8. Other Business, if any

Resolution 2003-03 Pitkin Property Signature Authorization

When finalizing the sale of the Pitkin property, the title company needs authorization that the Board Chairperson can sign the appropriate closing documents. Gi made a motion authorizing Gabe to sign these closing documents on behalf of the GJHA. Erin seconded the motion and it passed unanimously.

Low Wages in the Grand Valley

Discussion took place regarding the letter to the editor in the *Daily Sentinel* regarding the low living wages in the Grand Valley and what our approach should be. It was decided no response would be issued at this time.

Erin asked about the Wage and Benefit Comparability Study status. Jody and Esther will be meeting with the consultant in December.

Agency Christmas Party

As a reminder, the Christmas Party will be December 14th at the Country Inn beginning with the social hour starting at 6:00 p.m. Everyone was encouraged to come enjoy the dinner buffet and festivities.

9. Adjourn

The meeting was adjourned at 12:48 p.m. with a motion from Erin and a second from Gi.