

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Regular Board Meeting

Monday, October 25, 2010
1011 North 10th Street
11:30 a.m.

1. **Call to Order**

The regular October Board Meeting of the Grand Junction Housing Authority (GJHA) was called to order by Board Chair Tim Hudner at 11:37 a.m. at the Main Office. The following individuals were in attendance: Board Members Ora Lee, Paul Marx, C.B. McDaniel, and Christian Mueller; Staff members Executive Assistant Kristine Franz, Development Director Don Hartman, Executive Director Jody Kole, Operations Director Lori Rosendahl, and Finance Director Cheryl Sweers. The minutes were transcribed by Kristine Franz and reviewed by Jody Kole.

2. **Welcome to New Board Members**

A welcome was extended to the two new Board Members, C.B. McDaniel and Christian Mueller, followed by individual introductions by meeting participants. Welcome, Chuck and Chris!

In the interest of time, Agenda items were slightly rearranged to accommodate presentation schedules.

3. **Development Update on Walnut Park and Courtyard Apartments (formerly known as the Bunting Property)**

In an effort to familiarize the new Board Members with construction projects currently underway, Don gave a power point presentation highlighting three properties - Courtyard Apartments (formerly known as the Bunting Apartments), Walnut Park's 12 new Americans with Disabilities Act (ADA) accessible units, and Village Park.

The update for *Courtyard Apartments* included addressing the: number of units; types of households served; acquisition history; energy-efficiency upgrades; renovations; financial snapshot identifying grants/contributions/GJHA investment dollars; property amenities (a food pantry as well as a learning lab staffed with a part-time Americorp Volunteer who coordinates children's activities and assists parents with needs such as internet job searches, etc.); and reviewing property photographs. The construction completion date for the Courtyard Apartments is November 22nd.

The review of *Walnut Park's new fully accessible ADA units* included addressing the: number of original units; types of households served; acquisition history; need to be compliant with ADA regulations and not operate under Fair Housing waivers; Phase I construction of 12 out of 20 accessible duplex units; site plan; floor plan; ADA unit amenities (a specially-designed roll-in shower with a trench drain, lower countertops, and a dual-purpose kitchen center island); financial snapshot identifying grants/contributions/GJHA investment dollars; and reviewing photographs of the property. The completion date is scheduled for February 2011.

Don explained that GJHA was chosen as one of three Colorado housing authorities to participate in Housing Colorado's Design Charrette, which was held during Housing Colorado's Annual Conference in mid-October. The goal of a charrette is to get architects, engineers, contractors, property owners, and residents all together and develop a site plan for a property. The *Village Park property* was chosen by GJHA staff for the development study. Don's presentation included: outlining the charrette process; identifying participants; outlining the current property overview; discussing key issues during the site analysis such as property mix, project phasing, access, and funding; and sharing the final site plan, complete with renderings.

4. Consent Calendar

Prior to approval of the Consent Calendar, additional clarification was given on the following two items.

- *Item C – Approval of Resolution No. 2010-18 Approving an Exemption from Audit for Fiscal Year 2010 for the Downtown Housing Effort, A Joint Venture Between the Housing Authority of the City of Grand Junction, Colorado and the Grand Junction, Colorado Downtown Development Authority* was explained by Jody. Years ago, the Housing Authority and the Downtown Development Authority (DDA) entered into a joint venture to invest Community Development Block Grant (CDBG) Funds in rehabbing single-family homes in the original square mile of Grand Junction (1st to 12th Streets and South Avenue to North Avenue), in part to reinvigorate the area and in part to bring work to the Western Slope. Remodeling of many single-family homes occurred over a six-year time period with generous terms, such as a forgivable loan if the owner remained in the home for a certain period of time or a ten-year loan that was extended for another ten years, depending on circumstances. Funds have recycled back into the Account (current total is approximately \$400K) and are set aside to “improve and expand housing in the original square mile”. Because there isn't yet an implementable plan to reinvest these funds, there has been no Account activity. Since the DDA also is a governmental entity, an audit is required for this Joint Venture unless an Exemption is requested, which is what has been done for the last several years.

- Background on Item D – *Approval of Resolution No. 2010-19 Approving the Voucher Payment Standards to be 103.8% of the Current Fair Market Rents* was given by Lori. In the Housing Choice Voucher Program, the Landlord receives Contract Rent, which is a combination of the rent portion paid by the tenant and the rent portion paid by the GJHA. The Contract Rent is capped by the U.S. Department of Housing and Urban Development (HUD). The Payment Standard for an area is established by the local Public Housing Authority, and must be between 90% and 110% of the HUD-established Fair Market Rent (FMR) for that jurisdiction. Three years ago, GJHA set its Payment Standard at 110% of FMR to help families deal with the tight market. Since then, HUD has increased the FMR figures slightly but GJHA hasn't changed its Payment Standard. Staff recommends holding the Payment Standard steady again for Fiscal Year (FY) 2010-2011, which would reflect a Payment Standard at 103.8% of FMR.

Lori also stated GJHA administers 910 regular Vouchers and 60 Veteran Administration Supportive Housing (VASH) Vouchers.

With a motion by Ora, a second by Chris, and a unanimous vote, the Consent Calendar, consisting of the *Adoption of Minutes of September 27, 2010*, *Adoption of Minutes of October 4, 2010*; *Approval of Resolution No. 2010-18 Approving an Exemption from Audit for Fiscal Year 2010 for the Downtown Housing Effort, A Joint Venture Between the Housing Authority of the City of Grand Junction, Colorado and the Grand Junction, Colorado Downtown Development Authority*; and *Approval of Resolution No. 2010-19 Approving the Voucher Payment Standards to be 103.8% of the Current Fair Market Rents*, was approved as presented.

5. Dashboard Presentation of Quarterly Financial Statements Ended September 30, 2010 for all GJHA Programs, Crystal Brook Townhomes, Linden Pointe, and Arbor Vista

Financial Summary Dashboard Reports for GJHA and Tax Credit Properties for the fourth quarter ending September 2010 were presented by Cheryl. Highlights follow:

All programs and properties are doing well with the exception of:

- Bookcliff Squire, which required support from Lincoln to pay its mortgage.
- Houses which are having trouble since Santee is not generating any rental income.
- Walnut Park's cash is low due to the construction, but will be reimbursed from loan proceeds.

The Supportive Services group has negative indicators, but this is due to the practice of transferring only the funds needed from Vouchers and Ratekin on a month-to-month basis, which means the Supportive Services group will never have three months of Operating Expenses in cash. However, these programs are in no danger of failing as they have the support of Vouchers and Ratekin Tower.

Bunting is looking very good, but this is slightly misleading, as it has received almost all the grant monies for the site improvements, but has not had the expenditures. Therefore, cash is artificially inflated.

6. Discuss Proposed Buy-back Option for Employee Annual Leave

Tim reminded the group of previous dialogue regarding a number of employees having extensive amount of vacation time accrued and the financial liability this creates for the GJHA. It isn't a positive situation if an employee has reached the cap and cannot accrue any additional leave until some time is used nor is it a financial liability that the GJHA wants to see continue.

Wanting to provide both a benefit to employees with large accrued annual leave balances and reduce GJHA's financial liability, a proposed Annual Leave Buy-back Option was recommended. The current Annual Leave policy as well as the optional Annual Leave Buy-back Option was outlined in Jody's October 22nd Board memo. To summarize, any full-time employee with 80 hours or more of Annual Leave would be given the opportunity to convert any number of hours in excess of 80 hours on a two-for-one basis.

Group discussion ensued addressing the following topics: offering the buy-back option as a one-time opportunity; making a policy change going forward; continuing to encourage employees to use annual leave; the two-for-one buy-back offer; reducing the accrued leave liability in dollars; and accumulating stats/requesting feedback on employee participation in this buy-back option for future review and offer consideration.

With discussion complete, the group was in agreement to proceed with the offer to employees for the proposed Annual Leave Buy-back Option as presented, and to analyze feedback for possibly re-considering the issue in the future.

7. Discuss the Possibility of Changing to a Different Retirement Plan Provider

Referencing her Board Memo of October 20th, Cheryl explained that for many years, the retirement plan provider for GJHA has been Housing Agency Retirement Trust (HART). Because this provider doesn't offer additional services for employees, such as investment education or retirement planning, GJHA is considering changing to a different retirement plan provider and is requesting Board guidance on how to proceed.

Minutes (contd.)

Page 5

History information provided by Jody noted that HART was initially one of the few Housing Retirement Plans that HUD allowed housing authorities to use in lieu of Social Security, and GJHA has used its services since the inception of GJHA in 1974. The GJHA employees participate in the 403B Plan, which is an employee-directed investment plan with a wide spectrum of investment funds to choose from. The employee's contribution of 7.65% is withheld from the employee's paycheck and a match of 9.65% from GJHA, which is fully-vested from day one.

Results were shared from the inquiries regarding retirement plan selection by the City of Grand Junction (City) and other housing agencies, noting that ICMA-RC was the provider of choice. Three years ago, the City conducted a rigorous bidding process due to its large plan asset dollar amount and a diversified group of employees to serve, who were represented by four Boards. The City reports it has been very satisfied with ICMA-RC.

In addressing GJHA's bidding quandary, the following topics were addressed:

- The GJHA's Purchasing Policy is not believed to be applicable because the Retirement Plan is a service that the employees pay for, not the Agency, and isn't a purchase that would be addressed in the Policy.
- GJHA staff lacks the specific expertise in this area at this time, and it would be a major undertaking to come up to speed with necessary investment training to conduct a formal bidding process of this magnitude.

Dialogue continued as the following issues were considered:

- Tim asked if there was a legal obligation to bid to which Jody replied that the City Attorney would need to be consulted for advice.
- Ora asked if staff could get bid comparisons, as she wasn't comfortable without them.
- Chuck stated that in his work experience, outside consultants were hired because of the specialized area. He asked if the Board is basically making decisions that take housing employees funds from one set of investments into another set of investments with a different administrator.
- Tim asked if there is more of a fiduciary responsibility on the part of the Housing Authority – is the Agency matching up employees with financial advisory or is it managing or overseeing.

Minutes (contd.)

Page 6

- Tim asked if more information could be obtained as to how the City made its decision; possibly review the top three or four candidates; maybe ask the City and ICMA-RC to make presentations to better understand the City's choice.
- Chris asked if there had been any dialogue with GJHA employees to which Jody said there had been limited conversation indicating that a change was being considered but more information needed to be gathered. Chris suggested a matrix be distributed to employees requesting their input.
- Tim asked if ICMA-RC required the 5% load on the front end of every investment like HART to which Cheryl replied no. ICMA-RC's fee is .0055% on the monthly balance of the account.
- There is no immediate deadline for this decision.
- Chuck indicated this should be a positive change for the employees so research should include identifying any fees associated with terminating an account in order to eliminate surprises.
- Tim asked if any former employees still participate in the HART Plan, and if so, they should be included in all future communication. Research will be done to determine prior employee participation options.

In summation, Staff will research issues and provide a Board update regarding:

- Would GJHA be within its legal limits not to conduct a bidding process for a new retirement plan provider?
- Request from the City how its decision was made to choose ICMA-RC.
- Survey the GJHA employees, soliciting their preferences/needs in a new provider.
- Determine if there are any fees associated with terminating accounts with HART.

8. Other Business

Due to the upcoming holidays, the Board decided to combine the November and December Board Meetings. December 6th will be the next Board Meeting, beginning at 11:30 a.m. in the Board Room at the main office facility.

Minutes (contd.)
Page 7

9. Adjourn

The regular October Board Meeting was adjourned at 1:20 p.m.