

## MINUTES

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

**Monday, December 6, 2010**  
1011 North 10<sup>th</sup> Street  
11:30 a.m.

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### 1. Call to Order

Grand Junction Housing Authority (GJHA) Board Chair Tim Hudner called to order a special GJHA Board Meeting on December 6<sup>th</sup> at 11:33 a.m. with the following individuals in attendance: Board Members Patti Hoff, Paul Marx, C.B. McDaniel, and Christian Mueller; Staff members Executive Director Jody Kole, Operations Director Lori Rosendahl, Finance Director Cheryl Sweers, Development Director Don Hartman, and Executive Assistant Kristine Franz. Board Members Teresa Coons and Ora Lee joined the group later.

### 2. Consent Calendar

The Consent Calendar, consisting of the *Adoption of the Minutes of October 25, 2010, Adoption of Resolution No. 2010-20 Approving Section 8 Management Assessment Program (SEMAP) Certification, and Approval of Resolution No. 2010-21 Appointing an Individual to the Doors 2 Success Board*, was approved with a motion by Patti, a second by Paul, and a unanimous vote.

Congratulations were extended to Chuck for his appointment as the GJHA representative on the Doors 2 Success Board.

### 3. Resolution No. 2010-22 Adopting Revisions to the Budget for Calendar Year 2010 for Crystal Brook Townhomes and Linden Pointe

Referencing her November 24<sup>th</sup> memo, Cheryl mentioned that the most notable change in the revised 2010 Budget for Crystal Brook Townhomes and Linden Pointe was in the revenue and cited the following reasons:

- More Voucher Holders at the properties, which allows a higher rent to be collected for those units;
- Lower than originally anticipated vacancy rates;
- Higher than anticipated rehab costs and exterior painting at Crystal Brook Townhomes;
- Higher than expected salary expense because of additional time necessary to lease up units;
- A one-time payment from Linden Pointe to GJHA due to the release of the Operating Reserve set up at the time of construction to cover any operating shortfalls.

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Arbor Vista's 2010 Budget required no revision. Upon completion of Cheryl's revision explanation, Chuck asked the question regarding why are the yearly budgets that end in December for Crystal Brook Townhomes and Linden Pointe revised in December. Cheryl and Jody replied that only line items that had significant changes have been amended. Further explanation noted that Budget revisions are more of a practice when considering the tax side but are a requirement on the governmental side because any spending or accepting of funds must be authorized by the Board.

Chris extended accolades to Cheryl for exceptional reporting with clear explanations.

With no further discussion, *Resolution No. 2010-22 Adopting Revisions to the Budget for Calendar Year 2010 for Crystal Brook Townhomes and Linden Pointe* was approved with a motion by Patti, a second by Chris, and a unanimous vote.

Teresa arrived at 11:37 a.m.

#### **4. Resolution No. 2010-23 Adopting Budgets for Calendar Year 2011 for Arbor Vista, Crystal Brook Townhomes, and Linden Pointe**

With the Budget Package for the Tax Credit Properties (Arbor Vista, Crystal Brook Townhomes, and Linden Pointe) previously distributed for review, Cheryl highlighted a few items:

- Assumptions were made in the Crystal Book Townhomes Budget due to Crystal Book becoming a GJHA-owned asset with the assignment of Enterprise's Limited Partnership interest in Crystal Brook to GJHA.
- Tax Credit Properties always have a sizeable Net Operating Loss, but Cash Flows are sufficient.
- Soft loans exist between GJHA and the Properties. When Surplus Cash exists, payments are applied to these soft loans.

With Tim asking if rents are down slightly and Cheryl's acknowledgement that they are, Jody distributed pertinent information from the Quarterly Report on Rental Vacancy Rates prepared by the Division of Housing, showing the vacancy rate in Grand Junction decreasing from 8.9% to 7.9%. She briefly mentioned other statistics such as rents per square foot, rents trending upward, market rates for bedroom types, etc.

With no further discussion, a motion approving *Resolution No. 2010-23 Adopting Budgets for Calendar Year 2011 for Arbor Vista, Crystal Brook Townhomes and Linden Pointe* was made by Teresa. The motion was approved with a second by Patti and a unanimous vote.

At this point in the Meeting, the Agenda was slightly rearranged due to the Meeting being ahead of schedule for a noon conference call with the GJHA Auditors.

Ora arrived at 11:48 a.m.

**5. Request Approval of the IT Contract**

Referencing her December 1<sup>st</sup> Board memo, Lori briefly provided some history in seeking Information Technology (IT) support for the GJHA. Upon recently consulting with the IT Manager for the City of Grand Junction and concurring with his recommendation, GJHA staff issued a Request for Proposal (RFP) that was sent to 19 IT support providers. In accordance with the GJHA Procurement Policy, an ad was also placed in the Daily Sentinel. Four proposals were received, ranging dramatically in price and services offered, from three sole proprietors to Networks Unlimited (Networks), with Networks meeting the most criteria in the RFP out of the four proposals received. After careful review of the proposals, it was determined that with the growing complexity of the IT needs for the GJHA, which included support for numerous remote sites and the newly acquired Monument Business Center (MBC), broader support than a sole proprietor can provide was required. In addition, down time waiting for a sole proprietor to answer a service call isn't an option for MBC tenants, as dependable IT support must be provided should a problem occur. Board and staff discussion ensued covering the following topics:

- GJHA has over 40 computer systems, along with laptops and five systems at MBC.
- Services including help desk support, zero downtime service, and e-mail spam filtering are provided by Networks.
- Zero downtime service will cover the servers located at MBC and 10<sup>th</sup> Street and the five GJHA systems at MBC.
- IT support has been and is currently provided by Networks for MBC.
- Explanation of the Networks Unlimited Contract and fees was given along with discussing the 2010 costs incurred versus the anticipated 2011 costs.
- Ora asked if staff engaged in negotiations with Networks to obtain a better cost for services provided, noting that a lower price might be possible.
- GJHA currently offers server connectivity to MBC tenants only – no individual system coverage. In the future, consideration might be given to also offering zero down time to MBC tenants.

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- The unintentionally omitted Regular Menu of Services from the Networks Proposal was circulated for Board review showing types of services and associated costs.
- Specifics regarding the zero down time guarantee were reviewed in the Networks Proposal. The Contract can be adjusted later if zero down time isn't fully justified.
- Positive references for Networks were provided by both Board Members and staff. It was noted that with experience history, service contracts have been adjusted for better pricing.
- GJHA is on the verge of needing its own in-house IT staff.
- Concerns were raised regarding an abundance of calls from staff to the Networks help desk. Staff will direct troubleshooting problems through supervisors first for resolution prior to using the Networks help desk.
- In anticipation of hardware problems, the age status and replacement of the computer fleet was addressed. It was also noted that the upgrade and installation of T1 lines have been completed.
- Hiring a consultant, such as Networks, to review an IT baseline and develop a future plan so system replacement costs can be incorporated into a budget scheme was suggested.
- Preventative Maintenance costs for servers and individual systems were addressed.
- Lori shared the list of RFP recipients and Chuck will meet with Lori regarding comments on the Contract.

With discussion complete, Chris made a motion to approve the IT Contract with Networks Unlimited. A second was given by Teresa. The motion passed with a 6-1 vote, with Ora opposing the motion.

#### **6. Report on GJHA Audit via a Noon Teleconference with Auditors**

Abe Leis, a partner of the accounting firm Hawkins, Ash, Baptie & Co. who conducts the Audit for the GJHA, reported to the Board via a conference call on the recent Audit completed in November.

Using the Exit Conference Agenda previously provided to Board Members, Abe addressed the following items:

- The Audit was very clean and GJHA received an unqualified opinion, which represents the best opinion given.
- The major program tested was the Section 8 New Construction, which included rental assistance and loans. Items reviewed included Replacement Reserve Withdrawals, TRACS Reports, Tenant Files, and Construction Files.
- There were no Single Audit Act findings.
- There were no Management Letter Comments.

- Because it is the responsibility of the audited client to prepare its own financial statements and review the auditors' statements, the Financial Director was reminded to stay current and knowledgeable of rules. Ora's request for further explanation was clarified by stating that it is important that the Financial Director attend yearly governmental accounting update training.
  - As a side note, the Finance Director stays current with training.
- GJHA staff will write a Management Discussion and Analysis, which is a recap of yearly activities that will be included with the Audit.
- The Real Estate Assessment Center (REAC) Multi-Family Report will be submitted electronically by the auditors to the U.S. Department of Housing and Urban Development (HUD) on Ratekin Towers and Walnut Park by the end of December.
- To GJHA's credit, there have been no Audit Adjustments in the last couple of years.
- As GJHA tenant files are often referred to as "model files" by the auditors, other housing agencies are frequently referred to GJHA by the auditors for assistance.
- With no findings, congratulatory remarks were extended to GJHA staff, with emphasis to the Finance Department and Voucher Program for their accomplishment.

**7. Other Business**

*Special January Board Meeting Scheduled*

The next regular meeting date of January 24<sup>th</sup> will be the Annual Board Meeting. Because little business is conducted during this Annual Meeting, a special Board Meeting will be held on January 10<sup>th</sup> at 11:30 a.m.

*GJHA Employer Contribution to Employee Health Insurance Benefit*

Jody explained that in discussions with Tim Hudner regarding the Board sub-committee's review of employee/executive compensation, Board Members expressed interest in the Housing Authority paying a greater percentage of employee health insurance coverage. A proposal was presented to the Board, illustrating a potential increase from \$325 to \$425 in GJHA's contribution to each employee's monthly health insurance premium. A choice of five different plans will be offered during an Open Enrollment Period in December. If an employee should decline insurance coverage, then an offer is given to the employee to use the employer contribution toward other group coverage offered by GJHA.

Jody's December 6<sup>th</sup> memo and attached spreadsheet illustrating the budgetary impact of the increase was distributed for review. Analysis showed that the Housing Authority can accommodate the cost, and explanations were noted on the impact on each individual fund and on the GJHA Consolidated Budget.

Board conversation covered such topics as: current low contribution in comparison to other employers; ratio of employer contribution to employee premium; timeliness of the open enrollment period; acknowledging Agency success through dedicated employees; and current employee insurance participation status. With discussion complete, general Board consensus was to amend the Budget to reflect this change in benefits so with a motion by Teresa, a second by Patti, and a unanimous vote, this change was approved.

*Downtown Housing Effort Funds*

In answering Patti's question regarding the status of the Downtown Housing Effort, Jody provided a history snapshot. Years ago, the GJHA and the Grand Junction Downtown Development Authority (DDA) obtained a series of Community Block Grants to improve and expand housing in Grand Junction's "original square mile". Over the years, joint ventures with the DDA and other parties for downtown housing developments have been explored. The most recent Downtown Catalyst Project includes a couple of housing components – workforce housing and senior housing, but because of the current economic conditions, immediate implementation of this Plan became impossible. The intent is to move forward when the economy improves.

Tim suggested that this topic be included on a future Agenda for further discussion.

**8. Roll Call Vote to Move into Executive Session to Discuss Personnel Issues – Specifically the Performance Review of the Executive Director – C.R.S. 24-6-402(4)(f)(I)**

With the departure of the GJHA staff, the Board moved into an Executive Session with a roll call vote at 12:35 p.m.

**9. & 10. Roll Call Vote to Move out of Executive Session and Adjourn**

At 1:07 p.m. and with a roll call vote, the Board adjourned.

