

## MINUTES

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

Tuesday August 25, 2015  
Linden Pointe Community Center  
4:00 p.m.

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Board Members enjoyed viewing a slide show highlighting children participating in the Football and Lacrosse Skills Camps sponsored by GJHA prior to the Board Meeting.

### **1. Call to Order**

Board Chair Chris Launer called to order the August Meeting of the Grand Junction Housing Authority (GJHA) at 4:05 p.m. The following individuals attended: Board Members Scott Aker, Tami Beard, and Chuck McDaniel; GJHA staff members CEO Jody Kole, COO Lori Rosendahl, and Executive Assistant Kristine Franz. Board Members in attendance represented a quorum. Chris Mueller joined the Meeting later. Jerry Schafer and Barbara Traylor Smith did not attend.

### **2. Request Adoption of Minutes of May 18, 2015, June 22, 2015, and July 10, 2015**

Prior to Board consideration of the adoption of GJHA Meeting Minutes of May 18, 2015, June 22, 2015, and July 10, 2015, Chris Launer asked the following question. Should the need arise years later, is sufficient documentation of a history snapshot and clarification of an issue recorded in the Board Minutes. He referenced the June 22, 2015 Minutes, Item No. 5 – 8 Foresight Circle as an example, and specifically the cost coverage in the construction phase and options for cost reduction. Lori Rosendahl said a Board Memo included in the informational Board Meeting Packet expounds on the topic in greater detail. This Memo is normally referenced in the Minutes, and it and any additional documentation are retained in the record files. Staff concurred that Board Minutes will be expanded in greater detail, particularly when a Memo is not provided as supplementary informational backup. (Note: GJHA Board Meeting Minutes for June 22, 2015 and July 10, 2015 will be re-examined and additional documentation added as necessary. These Revised Meeting Minutes will be resubmitted for Board approval.)

A motion by Scott Aker, a second by Tami Beard, and a unanimous vote adopted the GJHA Minutes of May 18, 2015, June 22, 2015, and July 10, 2015.

Chris Mueller arrived at 4:07 p.m.

### **3. Update on Housing Choice Voucher Admin Fee Study**

Previous meeting discussion transpired during the August 5, 2015 Board Meeting regarding the U.S. Department of Housing and Urban Development's (HUD) Housing Choice Voucher (HCV) Administrative Fee Study. (Reference pages 3-5 of the

August 5, 2015 GJHA Board Meeting Minutes for a history snapshot of the HCV Administrative Fee Study details and conversation documentation.

To summarize, the U.S. Congress restricted and prorated the HCV Administrative Fee for various reasons over the years. Because many Public Housing Authorities (PHAs) managed to operate under the prorated Administrative Fee formula and used its Administrative Reserves, HUD decided to impose a permanently reduced Administrative Fee going forward, based on current proration. This formula results in a proposed decrease of 5% funding and is in addition to the already 25% proration that GJHA operates under currently.

Some PHAs are challenging HUD over the legal authority to change the Administrative Fee. GJHA responded to HUD's comment period on this issue, and today Lori Rosendahl distributed a copy of the document representative of GJHA's comments filed in response to the Solicitation of Comment by HUD on the HUD Administrative Fee Formula.

Lori said numerous public housing authorities (PHAs) across the nation as well as industry partners submitted comments on this proposed HCV Administrative Fee Formula/Study.

When the opportunity presents itself, Board Members are requested to communicate to public officials and constituents how important full funding is to housing authorities. Without full funding, GJHA client services will be severely impacted.

Lengthy discussion ensued. Board Members received the following clarification pertaining to ramifications to other Programs with the reduced Administrative Fee.

- A decrease in funding will eliminate financial support necessary to fund GJHA staff to work with local partners. GJHA's local partnerships with the City of Grand Junction Police Department, Mesa County Department of Human Services, and others will be in jeopardy.
- To address Chris Launer's question regarding ramifications to HOME Funds, Lori Rosendahl stated that GJHA's main use of HOME Funds is for the Next Step Program.

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This Program receives \$300K annually and helps to house homeless families with children enrolled in Mesa County School District #51. Without those funds, the program will likely end.

- Scott Aker commented that HOME Funds is most likely the major source of the Department of Local Affairs' Division of Housing funds. A huge hardship will be created without those funds.
- With the possibility of HOME Funds being in jeopardy, Jody Kole answered Chuck McDaniel's question regarding how at risk is DOH funding for The Highlands. Jody stated that the Colorado State Housing Line Item Funds are being requested as a funding source for The Highlands Development, and those funds are separate from the Federal Home Funds. Funds in the amount of \$800K are being requested from The Colorado Division of Housing (CDOH). Moving forward with other requests next year might be a different story, depending on the competition.

Lori Rosendahl is in the process of informing Western Slope legislators of this serious concern of the proposed HCV Administrative Fee decrease. With the Board eager to help, Lori will furnish talking points to Board Members, and schedule time with local legislators. Board Members will be advised of dates/times, and are encouraged to attend and share their support for GJHA.

**4. Update on The Highlands**

The group is in agreement with Jody Kole's assessment of The Highlands development and the recommended project delay. Chris Launer summarized two areas of agreement for group clarity as follows:

- Delay the start of construction due to Shaw Construction having difficulty finding interested subcontractors due to competing construction projects currently under way in the Grand Valley.
- Wait until November/December 2015 to pursue equity investor bid participation as some equity investors have used all available funding for the 2015 year.

Chris Launer attended the recent 521 Drainage District meeting. The 521 District is formed to serve the entire Grand Valley. Jody Kole said that City Attorney John Shaver and GJHA Attorney Rich Krohn worked on documents for a permit from the 521, which should be finalized and ready for submittal to the 521 District early next week.

**5. Update on 8 Foresight Circle**

Lori gave a brief update on the construction progress on 8 Foresight Circle. The concrete footings are poured, work began on the foundation walls and installation of the duct work, and soil stabilization is complete. The estimated move-in date of April is being reassessed, and May is more likely.

Jody answered Chris Launer's question saying that the sub-surface water issue is partly due to the high water table and partly due to irrigation water issues.

In response to Chris Launer's comment pertaining to disposition of the 10<sup>th</sup> and Belford office building, Jody Kole responded saying that she received one inquiry from an interested party, which she will pursue.

**6. Presentation of Financial Statements for the Period Ended June 30, 2015 for all GJHA Programs and LIHTC Properties**

Lori Rosendahl mentioned that the Board previously received Financial Statements for the Period Ended June 30, 2015 in the August 5, 2015 Board Meeting Packet. Due to limited review time at the August 5, 2015 Meeting, the information presented today represents the same time frame with only minor corrections in the HCV Budget. The corrections illustrate the impact that the HCV Program has on the Consolidated Budget.

Experiencing the continued funding decrease from HUD, GJHA's reliance on HUD funding continues to diminish. During the last several years, an executive-level staff goal to reduce the dependency upon the funding of the HCV Program is being achieved as new programs are added.

Answers from Lori Rosendahl to questions asked by Chris Launer, Scott Aker, and Chuck McDaniel are as follows:

- The Consolidated Expenses are higher than the Consolidated Revenue due only to a HUD payment timing issue.
- A fund transfer to Acquisition/Development from the General Fund for The Highlands will be made in September.
- The new report format includes the addition of the colored legend that aids as a quick visual tool to indicate the performance by property. Board Members gave favorable comments and suggestions for different tolerance level measurements.

- The Operating Budget is based on the fiscal year, with the three Tax Credit Properties operating on a calendar year.
- The Voucher Management System (VMS) Audit completed last week by the Quality Assurance Division of HUD reaffirmed that the HCV numbers shown on the financials through June are true and accurate.

On a motion by Tami Beard, seconded by Chris Mueller, and a unanimous vote, the Board accepted the Financial Statements for the Period Ended June 30, 2015 for all GJHA Programs and LIHTC Properties.

The group went into recess at 4:54 p.m. to enjoy an early dinner. The Meeting resumed at 5:09 p.m.

Scott Aker mentioned that he attended the Staff Appreciation Luncheon for GJHA Staff on August 7, 2015. The event was delightful, well attended, and he applauded staff for the tremendous work they accomplish.

**7. Presentation of Proposed Budget Revision and Requested Adoption of Resolution No. 2015-08-01 Adopting Revised Consolidated Budget for Fiscal Year 2015**

Documents included in the August 25, 2015 Board Packet information is a memo dated August 19, 2015 from Lori Rosendahl with attachments. This memo explained the requested Budget Revisions for Fiscal Year 2015 for Ratekin Tower Apartments, Walnut Park Apartments, Crystal Brook Townhomes, Courtyard Apartments, and the HCV Program.

Lori gave additional clarification to the following questions asked by Chris Launer, Chuck McDaniel, and Scott Aker.

- Replacement of all evaporative coolers at the Walnut Park Apartments is one of the capital improvement projects this year. Replacement of the evaporative cooler copper lines required interior admittance into tenant units. Maintenance staff did this work to maintain tenant comfortability with the interior disruption and to keep the project under budget. However, unanticipated and extensive staff time became necessary to complete the project.
- Fewer maintenance labor hours were needed at Courtyard.

- Incentive compensation funds are included in the Budget.

With no further questions, the Board unanimously approved *Resolution No. 2015-08-01 Adopting Revised Consolidated Budget for Fiscal Year 2015* with a motion by Scott Aker and a second by Chris Mueller.

## 8. Other Business

### Schedule Board Strategic Planning Retreat

In discussing the date/time best suited for the Board Strategic Planning Retreat, facilitator Chris Mueller said experience shows that a six-hour Retreat is the most productive.

Discussion topics included:

- With the format already established, only updating the information will be necessary.
- The possibility always exists that project focus changes might occur.
- Disassociate the budget process with the Strategic Planning Retreat process. A Budget revision can be made later if needed.
- Wait until a newly-appointed Board Member can participate. Chuck McDaniel has decided not to seek reappointment by the City Council for another term. His term expires October 31, 2015.
- Chris Mueller is seeking reappointment to the Board by the City Council. Chris volunteered to facilitate the Retreat regardless of the reappointment outcome.

The group agreed on the date of October 29, 2015 beginning at noon for the Retreat, and continuing through the afternoon until finished. The Retreat will be held at the Linden Pointe Community Room. Absent Board Members Barbara Traylor Smith and Jerry Schafer will be contacted for their availability.

*Note: October 29, 2015 beginning at noon is the date/time agreed upon by all Board Members.*

### Discuss Proposed Board Meeting Date/Time Change

With the Board consensus to delay the construction start for The Highlands development, it is anticipated that in the immediate future, Board Meetings will not continue to be as lengthy as recent ones. Consequently, the group chose to keep the regular Meeting schedule of the fourth Monday of each month, beginning at 11:30 a.m. at the Linden Pointe Community Room. After the beginning of 2016 and as Board topics to be discussed increase, this Meeting schedule could be revisited. Absent Board Members Barbara Traylor Smith and Jerry Schafer will be consulted for their availability. Kristine

Franz has the action item to send confirmation to Board Members on both the Retreat date/time and the Board Meeting schedule.

*Note: All Board Members agreed to keep Board Meetings on the normal date of the fourth Monday of each month and at the regular time of 11:30 a.m.*

GJHA Board Member Nominations

The group gave numerous suggestions of individuals that might be interested in applying for the Board seat to be vacated by Chuck McDaniel. With the City's application deadline of September 4, 2015, Board Members/staff will contact the possible candidates and encourage the individuals to apply. Lori Rosendahl will forward to Board Members the City's web site link that outlines the City application instructions.

Other

- 8 Foresight Circle Furniture Vendors

In a Board Meeting on July 10, 2015, discussion transpired regarding whether all local office furniture companies had the opportunity to bid on office furniture, as a result of an inquiry from Barbara Traylor Smith. Subsequent follow up discussion occurred during the August 5, 2015 Board Meeting. (Reference Board Meeting Minutes dated July 10, 2015 Item #2 – 8 Foresight Circle, on page 1 and Board Meeting Minutes dated August 5, 2015 Item #5 – Discussion of the Procurement Process for Furniture, Fixtures, and Equipment (FF&E) for the Foresight Office Building, on page 3.)

Chris Launer inquired whether there is any additional follow-up from the local furniture vendor that was not selected to furnish the office furniture for the 8 Foresight Circle building. Tami Beard noted there seems to be some confusion regarding additional vendor discounts. Jody Kole said the selected vendor gave GJHA the discount allowable, but GJHA did not qualify further for the U.S. States Government General Services Administration (GSA) discount. Lori Rosendahl agreed.

- Executive Compensation

The Executive Compensation Committee, consisting of Chris Launer, Chuck McDaniel, Chris Mueller, and Tami Beard, is waiting on a Salary Survey requested from the City. An *Executive Salary Survey* from the Mountain States Employer's

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Council and a *Salary Compensation Directory* from the Public Housing Agency Directors Association (PHADA) are being reviewed. Chris Launer will contact Committee Members to schedule the next Committee Meeting.

*Note: This Committee meeting is scheduled to immediately follow the September 28, 2015 Board Meeting*

**9. Adjourn**

The regular August GJHA Board Meeting concluded at 5:50 p.m.

All Board Packet documents and documents distributed during the Board Meeting are retained in the permanent file.