

## MINUTES

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

**September 24, 2018 5:00 p.m.**  
**8 Foresight Circle**

### **Call to Order**

The GJHA Board of Commissioners' meeting was called to order at 5:05 p.m. by Tim Hudner, Chair. Attendance was taken by roll call with the following present:

<b><u>Commissioners:</u></b>	Tim Hudner, Chair	<b><u>GJHA Staff:</u></b>	Jody Kole, CEO
	John Howe, Vice Chair		Scott Aker, COO
	Tami Beard		Amy Case, Controller
	Chris Launer		Krista Ubersox, HR Director
	Phyllis Norris		Suzy Keith, Asset Manager
	Ivan Geer		Tim Spach, R.E. Devt. Project Mngr.
	Scott Proper		Sheila Brubacher
			Jane Hart, Executive Assistant
<b><u>Guests:</u></b>	Jill Norris, GJHA Attorney		

### **Consent Agenda**

The consent agenda consisted of a Request for Approval of *Resolution 2018-09-01* Approving Expenditure from Ratekin Tower Apartment's Laundry Funds, a Request for Approval of *Resolution 2018-09-02* Approving Refinance of Monument Business Center, and a Request for Approval of new Housing Choice Voucher Payment Standards. The Consent Agenda received approval with a motion by John Howe, a second by Tami Beard, and a unanimous vote; Scott Proper abstained from the vote.

### **Report from Finance and Audit Committee and Review Proposed Budget**

John Howe asked Amy Case to deliver a budget overview for the Board, noting the Finance and Audit Committee conducted an extensive review of the proposed budget at its September 18 meeting. Amy began by introducing Accounting Manager, Sheila Brubacher, and commending Sheila and her staff on months of work and preparation. Amy explained that the budget was prepared to include two scenarios to address the possibility of a 12-month budget cycle or, if approved by HUD, a 15-month cycle which, upon completion, would transition GJHA's fiscal year onto a calendar year going forward. Staff is asking the Board for an "either/or" approval.

The proposed budget for the General Fund assumes full implementation of the 2018 Compensation Study, creation of new staff positions in maintenance, and the creation of a position as discussed in Executive Session. It further includes some reallocation of staff, a small maintenance rate increase (determined by cost center approach), and a new cost center for the General Fund providing in-house legal services. Amy pointed out that the General Fund also receives Property Management Fees and General Partner Administrative fees from some tax credit properties.

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Regarding staffing, an adjustment is assumed of up to 3% as of January 1, 2019. There is also an assumed 3% inflation in operating expenses across the board, unless otherwise noted.

The proposed budget includes pre-development funds for 2814 Patterson, up to receipt of a building permit and initial negotiation with an investor. The proposed budget assumes payments are distributed to the General Fund from all tax credit entities based on 2018 performance, and it assumes a full allocation for completion of capital improvement projects at the properties.

Suzy Keith shared a power point showing the proposed capital improvements by property:

8 Foresight Circle– Two new office spaces (one in the Executive Lobby and one enclosing a space in accounting for the Payroll Technician,) a plan storage area, some roof repairs, and parking lot expansion anticipated later in the year.

Ratekin Tower Apartments– Floor replacement at common area restrooms and third floor hallway, replace brick at front walkway, and replace 272 window screens.

Walnut Park – Roofing repairs, full replacement of five roofs. Replace entrance sign, replace tile at clubhouse kitchen, restrooms, and offices, and upgrade irrigation system.

Crystal Brook – Parking lot patch and seal or possible overlay similar to that of Nellie Bechtel. Tim Spach explained the overlay process and pointed out the advantage of drainage. Staff will bring a proposed budget revision to the Board if it is decided to do an overlay.

Courtyard Apartments– Replace playground surface, install a new sign, tree trimming and removal. Projects for Courtyard are on hold while sale discussions are ongoing.

Arbor Vista – Exterior painting.

Linden Point – Exterior painting and handrail replacement.

Amy reviewed a hand-out regarding cash item projections for the General Fund. Stemming from a discussion with the Finance Committee, the hand-out shows which larger budget items can be modified to increase the operating cash balance. GJHA can anticipate earning a significant additional capital contribution with a speedy lease up of Highlands 2.

2814 Patterson closing, which assumes a successful Tax Credit application, projects a partnership closing in February would earn a Developer Fee of 30% and is a milestone for capital contribution installment, plus reimbursement of all eligible costs invested in the project. This would lead to a cash infusion of approximately \$1.3 million.

The sale of Courtyard Apartments is expected by the end of the first quarter of 2020. No cash proceeds are included in this budget, assuming ongoing operation of Courtyard Apartments. A sale would contribute to unrestricted cash balances.

The proposed budget does not contemplate a specific use of cash to acquire land for future development.

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Amy touched on the Voucher Budget stating that Housing Assistance Payment (HAP) dollars can only be used to fund rental assistance for program participants. Administrative Fee dollars cannot be used to support any other program but can be used to provide other supports for the benefit of Housing Choice clients. As per discussion throughout the year, Administrative Fee Reserves have been invested in more assistance payment spending to generate higher budget authority. This program has a positive net operating income.

Tim Hudner asked if there had been any conversation about getting a line of credit for cash flow. Amy responded that GJHA has one now for the Nellie Bechtel renovation project, but not for the General Fund. Chris Launer stated that the organization could still take advantage of land purchase opportunities if they arise so long as they would further the GJHA mission, with a purpose to provide housing rather than build cash reserves.

Scott Aker added that this budget shows a bigger role for Doors 2 Success to increase fundraising for Supportive Services programs. Ilene Roggensack has been hired to help the Doors 2 Success Board, with the goal that these programs will not need to be subsidized with General Fund resources.

Jody Kole added that GJHA's focus is on sustainability.

The Board approved tax credit property budgets will be sent to the Limited Partners for final approval.

With no further discussion, Ivan Geer made a motion to approve *Resolution 2018-09-03 Adopting Consolidated Budget for Fiscal Year 2018-2019*. The motion passed with a second by Tami Beard and a unanimous vote.

Tami Beard then made a motion to approve *Resolution 2018-09-04 Adopting Operating Budgets for Arbor Vista LLLP, Linden Pointe LLLP, Village Park LLLP, and The Highlands LLLP Motion*. The motion passed with a second by Chris Launer and a unanimous vote.

### **Other Business**

#### **Doors 2 Success Board**

Scott Aker announced that three Doors 2 Success Board Members have recently resigned and asked for suggestions of individuals who would serve well as this board transitions from one of policy and program oversight, to an action-oriented board focused on fundraising.

Tim Hudner asked for an email to the Board with a of short write-up describing what is needed, such as individuals with experience in healthcare or the insurance industry who might provide access to dialog with community partners. Doors 2 Success presents a great Community Reinvestment Act (CRA) investment opportunity for banks.

#### **Proposed dates for November and December Board meetings**

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The Board decided to schedule a combined November/December meeting on **Tuesday December 4<sup>th</sup>** at 5:00 p.m., agreeing that a Special Board meeting can be called if something comes up that needs to be address earlier.

**Adjourn**

With no further business, Ivan Geer made a motion to adjourn and Phyllis Norris seconded the motion. All in favor and none opposed, the meeting adjourned at @ 6:10 pm.

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