

MINUTES

Grand Junction Housing Authority
December Board of Commissioners' Meeting

December 4, 2018 5:00 p.m.
8 Foresight Circle

Call to Order

The GJHA Board of Commissioners' meeting was called to order at 5:13 p.m. by Tim Hudner, Board Chair. Attendance was taken by roll call with the following present:

<u>Commissioners:</u>	Tim Hudner, Chair	<u>GJHA Staff:</u>	Jody Kole, CEO
	John Howe, Vice Chair		Scott Aker, COO
	Tami Beard		Krista Ubersox, HR Director
	Chris Launer		Suzy Keith, Asset Manager
	Phyllis Norris		Sheila Brubacher, Accounting Supervisor
	Ivan Geer		Racquel Wertz, Vouchers Supervisor
	Scott Proper		Jane Hart, Executive Assistant

Guests: Jill Norris, Attorney

Consent Agenda

The consent agenda consisted of a Request for Adoption of Minutes for August 27 and September 24, 2018 Regular Board Meetings, Notes of the Finance Committee for September 18, 2018, and Adoption of 2019 Board Meeting Schedule. The Consent Agenda received approval with a motion by Tami Beard, a second by Ivan Geer, and a unanimous vote.

Report from Finance and Audit Committee

Fourth Quarter 2017-2018 Financials

John Howe asked Sheila Brubacher to provide an overview of the GJHA Fourth Quarter 2017-2018 Financials for the Board. Sheila noted that budget revisions in August were approved by the Board and that no significant changes to the Fourth Quarter financials have been made since the November 20, 2018 Finance Committee meeting. Overall GJHA closed the fiscal year with actual expenditures very close to budget. Sheila pointed out the following: the Highlands Service Coordinator salary expense has been moved to the General Fund, Bookcliff Squire fixed assets have been moved to the Acquisition and Development balance sheet until it is decided what to do with that property, and Monument Business Center rental income, from July to September, was collected in October and is now caught up.

The Walnut Park Service Coordinator Grant was submitted this week and received approval for \$51,000. Scott Aker indicated that while staff let HUD know that expenses are now much higher, the award amount is equal to last year. GJHA will need to find other resources for the 27% portion of program costs.

The Elm House sold on November 29, after GJHA had a new layer of shingles installed, with net proceeds of just over \$38,000. The sale of the Elm House completes the sale of all smaller properties per the Board's direction in the Fall of 2017.

Highlands 2 has earned 20% additional Developer Fee as of October 2018 due to 50% completion. This will be represented in the next quarterly report.

John Howe stated that the Finance Committee recommends approval of the 4th quarter Financials. Hearing no questions from the Board, John Howe made a motion to accept the 4th quarter financials. Tami Beard seconded the motion which passed with unanimous approval.

Jody Kole announced that, as of today, HUD has accepted GJHA's request to move to a Calendar Year Fiscal Year. (Note: Staff later learned that only the Voucher Program change had been approved. Additional work on this issue will be required.)

Tax Credit Property Budget Revisions

Sheila highlighted the main points of the Tax Credit Budget revisions for Village Park and The Highlands. Both properties have seen higher than expected rental revenue from tenants. Village Park had a corresponding increase in bad debt. Village Park had additional expense for security cameras and sprinkler inspections that were not included in the original budget.

For The Highlands budget, accounting moved Service Coordinator expenses to General Fund and added some expense for travel and training.

Jody noted there were some operational problems at The Highlands; specifically, the HVAC system has not been working at optimal efficiency. Considering first-year expenses, including legal expenses, costs have been disproportionate without Highlands 2 up and running. When Highlands 2 is complete, The Highlands should see improved financial performance.

John Howe stated that the Finance and Audit Committee recommends adoption of the Budget Revisions for the Tax Credit Properties. Chris Launer made a motion to approve *Resolution 2018-12-01 Revised Budgets for Tax Credit Properties*. The motion passed with a second by Ivan Geer and a unanimous vote.

Report from Audit Exit Interview

Racquel Wertz said that HUD auditors looked at, and were impressed by, GJHA performance in all aspects of the Voucher program. She noted a very strong review in the area of how GJHA staff handle failed inspections, that is, when the GJHA Inspector fails a unit and does not allow a voucher holder to move into the unit until the necessary corrections are made. How a Housing Authority handles failed property inspection has been an area under close HUD scrutiny nationwide, raising concerns about following up on corrections and timely access to housing for Voucher holders. Penalties have been levied against non-performing agencies. GJHA is to be commended for having no findings in this or any area of the Voucher Program Audit.

Phyllis Norris joined the meeting at 5:26 pm.

Bad Debt Write-off Procedure Revision

Scott Aker told the group that GJHA staff has been engaged in dialogue about internal processes regarding the way in which bad debt is acknowledged and collected. Staff decided to change how bad debt is treated.

Sheila further explained that GJHA must have total maintenance charges and other outstanding charges to be incurred before determining amount due from vacated tenant. This approach creates a delay before expenses are recognized on financial statements. Going forward, the Asset Management team will monitor likely bad debt as soon as the tenant vacates the unit, and the tenant makes no attempt to communicate with GJHA after 30 days. The Asset Management Team will report necessary bad debt allowance for accrual to accounting on a quarterly basis. At the end of each year, accounting will reconcile for the exact amounts of write off, so the expense will be recognized more timely throughout the year.

Suzy Keith added that sending bad debt to collection more quickly could result in higher collection.

To Tami's question, \$61,108 was budgeted in 2018 for bad debt. Suzy stated this amount was budgeted based on a 5-year average.

Voucher Financial Performance Update

Racquel Wertz gave the Board an update since its June approval to allow the Voucher Program to use up to \$300,000 of Administrative Fee Reserves, if needed, to offset Housing Assistance Payment (HAP) expenses that are projected to exceed available HAP allocations from HUD. At this time, staff predicts 99.2% of available vouchers will be utilized, and total HAP expenditures will be \$98-\$99,000 more than available HAP allocated by HUD. Racquel stated that our representative from HUD agrees that the use of the Reserve was a good choice because GJHA will receive more funding from HUD next year and therefore be able to continue to maximize available vouchers.

Scott Aker added thanks to the Board for making the decision to use the Administrative Fee Reserves to cover this shortfall as opposed to GJHA working with HUD on the shortfall process, which would have come with significant HUD management and oversight. Jody pointed out that using the HUD shortfall money and process would have been a one-time option, whereas using the Reserve funds as an investment for this purpose has allowed GJHA to reset the baseline for additional for funding going forward.

Human Resources Update

Krista Ubersox prepared a year-in-review power point and described the supportive environment it takes to accomplish so much. Krista stated that GJHA cares about people. Some of the accomplishments highlighted include:

New HRIS (Human Resource Information System) and payroll software will be fully implemented within 2 weeks. This has enhanced GJHA ability to keep records, Fair

Labor Standards Act (FLSA) awareness and compliance and has allowed better time keeping.

The travel and training budget has been refined and reorganized to promote information sharing and encourage professional development for all staff.

After comprehensive review, all 28 job descriptions have been updated with essential functions, consistent format and reporting structure, proper minimum requirements, workload and opportunities.

As a result of the Board-approved compensation analysis, GJHA will see full implementation of new pay structure effective January 1, 2019. There is a follow up plan to evaluate the labor market and compensation plan at least every two years.

Additionally, employee health insurance and benefits brokerage procurement were completed with the help of a recently hired Procurement and Contract Specialist and a staff benefits committee. Performance Evaluations are being reconfigured to allow more quality, uniform and timely conversations between staff and supervisors. Flexible work schedules were implemented, and a Health and Wellness Committee is currently being formed. Ivan Geer asked if GJHA will offer health testing incentives. This will not be available for 2019 but opportunities for this will be sought with Rocky Mountain Health Plans.

Krista also provided a 2019 forecast to consist of, in part, work action plans for all staff, handbook revisions, increased emotional IQ testing and training, job profiling in collaboration with Mesa County Workforce Center, and onboarding program refinement and implementation. Also, GJHA will begin working with the Career Wise apprenticeship program in the upcoming year.

Development Update

Jody Kole first thanked Board Members for their participation in the recent GJHA properties tour and announced the Highlands 2 development is currently contemplated to open May 1, 2019. Jody then presented the group with handouts of the 2814 Patterson site plan and conceptual drawings.

Jody informed the group that 2814 Patterson falls with a 10-foot slope from Patterson to the North boundary and will have some soil and shale issues which will present some development challenges. Foundations will be deep - slightly more expensive in steel but should cost less in concrete.

Chris Launer asked about runoff retention. Jody explained the property will have underground storm drainage running into the city's storm drainage system. With no retention pond, there will be direct discharge. Ivan Geer mentioned that he is aware of a nice underground retention product if needed.

Application for Tax Credits, in June 2019, is expected to occur with a building permit in hand. GJHA will need to submit plans to city within the first 10 days of January and will have more information then. All sub-contractors are on board. To Chris's question about the current Low-

Income Housing Tax Credit market and financing rates and accessibility, Tim replied Tax Credit prices have stabilized with good projects coming in at 97 to 98 cents on the dollar. It's still a good market for investors. Jody suggested to pencil this project at 96 cents and try to maintain costs.

Tim Hudner pointed out that a proposed recreation center would be very near this development. Phyllis Norris stated the recreation center will be on the ballot with a .5 percent sales tax increase that must pass. If passed, it will be in the Matchett Park area.

2814 Patterson will be a three-story building with 60 units permitted, answering the demand indicated by the GJHA Waiting List, with 54 one-bedroom and 6 two-bedroom units. While the property will not have amenities equal to the Highlands, as The Highlands is geared toward needs of seniors, there will be mailboxes and a package delivery area, office space, and a nice lobby area. There will be a patio area with hard scape and landscape. Floor plans were included in the handouts. (2) one-bedroom units and (1) two-bedroom unit will be compliant with the Americans with Disabilities Act (ADA).

Through "Rational Design," a lot of thought is being given to building in the most cost-effective and expedient manner to build. A heating system, more efficient than used at The Highlands, has been selected.

Election of 2019 Officers

Tim Hudner opened the floor to nominations for 2019 Chair and Vice Chair. Tami Beard nominated John Howe for the position of Chair and Ivan Geer for Vice Chair. Chris Launer seconded the nomination. With all in favor, none opposed, the new Chair and Vice chair were approved.

Discussion of GJHA Annual Meeting, January 28, 2019

Scott Aker first updated on the housing authority's relationship with Rocky Mountain Health Plans. The GJHA HUD representative in Denver is an enthusiastic supporter of this partnership but wants to ensure consistence and ethical standards as integration between Rocky Care Coordinator staff and GJHA Service Coordinators and the associated data analysis begins.

The Annual Meeting will be focused primarily on engagement with the community around social determinants of health, to help elevate the understanding of why stable housing is an important component of individual and community health and economic vitality. There will be an update with financial information and awards, and major focus on a 5-person panel to facilitate a conversation around the social determinants of health.

The Annual Meeting is scheduled as a lunch meeting, 11:30 a.m. – 1 p.m., Monday January 28, 2019.

The Regular Board Meeting will be held on January 14th and staff will schedule Finance Committee prior to that.

Other Business

- The Annual Bad Debt report was included with the Board package to shows what has been written off for the year.
- Phyllis announced that Tami Beard has been appointed to the Housing Authority Board for another 5-year term.

Executive Session

Tim Hudner asked for a Roll Call to Move into Executive Session for discussion of a personnel matter under C.R.S. Section 24-6-402(4)(f) and NOT involving any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees.

A Roll Call to Move out of Executive Session and Return to Open Meeting occurred at 6:57 pm.

The Board briefly discussed setting goals for the coming year and referred to the 2018 Board retreat goals to measure outcomes. Chris suggested adding an agenda item each quarter to talk about GJHA goals and determine if the organization is on track to meet goals or if goals need to be adjusted. The consensus was that the Board does not want to micro-manage operations of GJHA, and that compensation should not be subject to whims of the market. Balance in subjective and objective evaluation is possible due to this Board being relatively small and highly engaged.

The Compensation Committee will meet with Jody on December 12th to discuss decisions made on compensation and bonuses for 2018.

Meeting was adjourned at 7:15 p.m.

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