

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
Joint November/December Board Meeting

Monday, December 10, 2012
1011 North 10th Street
11:30 a.m.

1. Call to Order

Grand Junction Housing Authority (GJHA) Board Chair Chuck McDaniel called to order the joint November/December GJHA Board Meeting on December 10th at 11:33 a.m. with the following individuals in attendance: Board Members Scott Aker, Tim Hudner, Paul Marx, and Christian Mueller; Staff members Chief Executive Officer (CEO) Jody Kole, Chief Operating Officer (COO) Lori Rosendahl, and Executive Assistant Kristine Franz. Board Member Teresa Coons joined the group later.

2. Consent Calendar

Prior to consideration of Consent Calendar approval, two questions from Scott Aker and Chuck McDaniel were addressed and answered as follows:

- The Ratekin Tower Elevator Repair Change Order required additional authorization because the Change Order dollar amount exceeded the previously approved \$75K. The piston fluid, determined to be clear of harmful chemicals, had to be transported to Utah for disposal and wasn't included in the original bid.
- Funds will be drawn from the Ratekin Tower Replacement Reserve Account to cover this cost.

With a motion by Paul and a second by Scott, the Consent Calendar consisting of *Resolution No. 2012-16 Approving an Exemption from Audit for Fiscal Year 2012 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 Requested Approval of the Ratekin Tower Elevator Repair Change Order from Otis Elevator* was approved unanimously with a voice vote.

Teresa arrived at 11:36 a.m.

3. Election of Officers of the Board of Commissioners for 2013 Board Chairperson and Vice Chairperson

With recent Board policy changes, the election process for the GJHA Board Chair and Vice Chair occurs during the December Board Meeting. Commencement of the one-year terms remains the same, beginning in January.

The Nominating Committee, consisting of Teresa Coons and Tim Hudner, recommended a second term for both Chuck McDaniel as Board Chair and Chris Mueller as Board Vice Chair. With no further nominations, the nomination process was closed. With nomination acceptance by Chuck and Chris and a second to the nomination recommendation by Paul Marx, Chuck McDaniel and Chris Mueller were re-elected Board Chair and Board Vice Chair, respectively, by a unanimous voice vote.

4. Report on GJHA Audit via a 11:45 a.m. Teleconference with Auditors

The 2012 GJHA Audit was conducted by the accounting firm of Hawkins, Ash, Baptie & Company in November of 2012.

Prior arrangements were made for a teleconference between Board Members and a representative of the audit team to be held at today's Board Meeting. However, after several unsuccessful attempts to contact the representative for dialogue, Lori Rosendahl shared information presented to GJHA executive staff by the audit team at the Audit Exit Interview.

Files reviewed were all in order and there were no findings. Some minor file items were noted but there was nothing that affected rent calculations. GJHA received no comments on its Management Letter.

Auditors made a suggestion for Jody Kole and Lori Rosendahl to perform a time survey, documenting their time spent on programs and properties. This study will serve as budget backup for property/program time splits.

Completing the Budget exercise under time constraints and with the lack of a Chief Financial Officer (CFO) for assistance earned accolades for GJHA staff, particularly the Accounting Department staff.

- Tim asked what the start date is for the CFO. Jody advised that Karla Distel will start December 19th.

5. Resolution No. 2012-17 Adopting Budgets for Calendar Year 2013 for Arbor Vista and Linden Pointe

Lori Rosendahl gave the Arbor Vista and Linden Pointe Calendar Year 2013 Budget presentation and highlights are as follows:

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- Arbor Vista
 - Slowly increasing rents.
 - Budgeted for a lower vacancy rate of 3.5%.
 - A new incentive program has been implemented that if tenants sign a one-year lease at renewal, the rent increase is smaller by one-half. Tenants are taking advantage of this opportunity, which is creating a decrease in the turn-over rate.
 - Redesign of website. One goal of the redesign is to give tenants the ability to pay rent online.
 - Capital items include a concrete pad in front of the trash dumpster between buildings 600 and 700 and carpet/tile replacement in units.

Clarification was given by Jody Kole and Lori Rosendahl, addressing 2013 Budget questions from Paul Marx, Chuck McDaniel, and Tim Hudner as noted below:

- The property is cash flowing well.
 - Soft loan payments are being made to GJHA, which are in addition to the Management Fees being received by GJHA.
 - Budget does includes staff compensation.
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- Linden Pointe
 - Budgeted for a 4.8% vacancy rate.
 - Operating Expenses includes new salary splits and an allowance for a 3% discretionary award.
 - The Repairs and Maintenance line item figure is increased based on 2012 actual experience.
 - Redesign of website.
 - Less interest accrues as soft loans are paid down.
 - Replacement Reserves will cover Capital Improvements such as sidewalk repair/replacement, concrete curbing will replace metal curbing, exterior painting of buildings, resealing the parking lot, landscape rock, and tile/vinyl replacement in units.

Given the recent plumbing problems experienced at Linden Pointe, Tim Hudner asked if funds are being set aside to cover future plumbing costs to which Jody Kole stated there is a healthy Replacement Reserve Account, should it be necessary and no additional funds have been set aside.

Teresa Coon's vacancy rate question was answered by Lori Rosendahl who stated that Linden Pointe's vacancy rate is 4.5%.

With no further Budget questions, *Resolution No. 2012-17 Adopting Operating Budgets for Calendar Year 2013 for Arbor Vista and Linden Pointe* was adopted with a motion by Teresa Coons, a second by Tim Hudner, and a unanimous voice vote.

6. Village Park Development Update

Jody Kole began the status report on the Village Park Development by stating that the concrete foundation for the on-site leasing office has just been poured. Shaw Construction lost its original concrete subcontractor but found an alternate contractor and progress continues. Reports from Shaw personnel indicate that subcontractors are enthusiastic about this project. Framing crews will compete against one another for assignment of additional buildings to frame.

Jody is in the process of gathering all the documentation for expenses to date to request the next draw of approximately \$900K in equity from Enterprise.

To answer Tim Hudner's question regarding the Grand Junction City Council (City Council) reviewing funding proposals and the possibility that Matchett Park would be included, Teresa Coons stated the City's Budget does include funding for Master Planning of Matchett Park. Matchett Park is immediately east of the Village Park Development.

Jody Kole mentioned that a celebration will be scheduled for the Village Park Development, and encouraged the group to "think outside the box" for event ideas since a typical ground-breaking would be odd with construction so far along. In hopes that Colorado congressional delegates might attend the ceremony prior to going back to Washington, D.C., a target date of the first week in January is being considered.

7. Strategic Plan Finalization

Chris Mueller began the Strategic Plan presentation by noting that recent follow-up meetings with Jody Kole and Lori Rosendahl helped shaped the recently distributed final Plan for consideration.

He explained that history information was left for reference to main quadrants and themes, there was some shifting of goals and the addition of content, a different numbering format was agreed to, and objectives were expanded representative of a five-year plan.

The group reviewed the Plan, making slight adjustments and suggestions as clarification to each quadrant, theme, objectives, measures, and targets was given.

In the future, the Board can expect quarterly Dashboards, giving a real-time performance report on three critical measures of the *Internal Processes Theme IP2 Services to be of High Quality – Services and Facilities*.

Chuck McDaniel suggested that the Strategic Plan be reviewed quarterly. The group agreed to continue with the Balanced Score Card approach for the coming year, and encouraged Chris Mueller to participate in the Planning Retreat as a Board Member in addition to serving as the facilitator. Teresa Coons requested she be able to share with the City Council the Strategic Plan, illustrating the planning process that the Housing Authority went through.

The group determined the next step was to tie the Strategic Plan to the Incentive Compensation Plan. Discussion included topics such as:

- Revising the CEO Performance Review document
- Hiring Sue Bohline of Human Capital Connection to draft a formal plan for incentive compensation and measurement compensation
- Acquiring an update to the prior salary survey
- Adopting a formal Board policy on employee incentive compensation
- Determining baseline job expectations versus targets above what is expected with associated benchmarks

Because of certain requirements by the U.S. Department of Housing and Urban Development (HUD), Jody Kole proposed that an update to the salary study be done this year. GJHA is required to publish the top five employee salaries. Tim Hudner will research the Federal 990 Guidelines and Jody Kole will share the HUD requirements (attached).

The Board Incentive Compensation Subcommittee, consisting of Chuck McDaniel and Tim Hudner, will meet and Chris Launer will be asked to join the Committee.

8. Discuss Upcoming Annual Meeting

The fourth Monday in January is designated for the GJHA Annual Meeting Presentation. Inquiring as to the Board's preference for a breakfast or luncheon meeting, Jody Kole also announced that Colorado Housing and Finance Authority's (CHFA) Executive Director and CEO Cris White will be the keynote speaker.

The event will be held at the DoubleTree by Hilton on January 28th as a luncheon meeting, beginning at 11:30 a.m.

9. **Other Business**

GJHA 2013 Annual Budget

Lori Rosendhal informed the Board that a budgeted item inadvertently was missed during data transfer to the Budget Baseline Assumption Sheets. Adjustments will be forthcoming to the Voucher Budget Sheet where an allowance of \$10K for replacement of a roof-top mounted heat-pump at the Vouchers Service Center at 10th and Belford will be transferred.

- As a side note, one of the heating units just failed and a contractor will be on site December 11th to replace the unit at a cost of \$5K.

Doors 2 Success Cookbooks

One of the fundraisers currently underway for Doors 2 Success is the sale of a cookbook illustrating recipes provided by GJHA staff and family members, clients, and Doors 2 Success Board Members. The Cookbooks are \$10 each, and meeting attendees were encouraged to consider a purchase.

Family Self Sufficiency Grant

GJHA staff applied for and received a HUD grant for the Family Self Sufficiency (FSS) Program. However, because of HUD miscalculations with the use of flawed data, HUD awarded GJHA only one-half of the grant applied for. Acknowledging a system-wide error, HUD has rescinded the prior awards and will recalculate agencies' eligibility for FSS funding. With correct data used for evaluation, GJHA staff is expecting a full funding award.

Request from Housing Resources

Chuck McDaniel asked if there was an update on the request from Housing Resources in utilizing the GJHA tax exemption status. Jody Kole stated that through email correspondence with the Executive Director of Housing Resources Dan Whalen, he expressed disappointment in the GJHA decision not to extend the GJHA tax exemption status, and declined any additional help from GJHA at this time.

Chuck McDaniel suggested that consideration be given to adopting a policy regarding the Board's position on the use of the GJHA tax exemption status when additional requests from other entities are received. Tim Hudner asked if there were other items to be incorporated into this document. Chuck will draft a policy for review at the February Board Meeting.

Real Estate Subcommittee Meeting

The Real Estate Subcommittee, consisting of Tim Hudner and Chris Launer, met in November and at that time encouraged Jody Kole to look at the North Avenue corridor for an office building location.

Teresa Coons stated there is a City Master Plan developed for North Avenue Redevelopment and discussion has transpired on possible incentives. She also noted that interest has been expressed in establishing a North Avenue Development Group.

Jody Kole informed the group that she has met with City staff regarding the North Avenue corridor. There are fewer opportunities than originally thought, but other ideas have surfaced with possible opportunities being pursued.

10. Adjourn

With the conclusion of business, the joint November/December Meeting was adjourned at 1:10 p.m.