

## MINUTES

Grand Junction Housing Authority  
Board of Commissioners' Meeting  
**Regular October Meeting**

Monday, October 22, 2012  
Housing Authority Offices  
1011 North Tenth Street  
11:05 a.m.

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

At 11:05 a.m. on October 22<sup>nd</sup>, the regular October Grand Junction Housing Authority (GJHA) Board Meeting was called to order by Board Chair Chuck McDaniel with the following individuals in attendance: Board Members Tim Hudner, Paul Marx, Chris Mueller and Chris Launer; Staff Members Chief Executive Officer (CEO) Jody Kole and Executive Assistant Kristine Franz. Chief Operating Officer (COO) Lori Rosendahl joined the Meeting later.

### 2. **Welcome to New Board Member**

A welcome was extended to Chris Launer, who was just appointed as a GJHA Board Member by the Grand Junction City Council (City Council) to fill the vacancy left by Patti Hoff. Staff and Board Members are pleased to have Chris join the team. Welcome!

Lori Rosendahl joined the Meeting at 11:07 a.m.

### 3. **Consent Calendar**

Prior to a vote on approval of the Consent Calendar, Lori Rosendahl briefed the group on the two Resolution items.

*Resolution No. 2012-14 Approving FY 2012-2013 Payment Standards at 100% of Fair Market Rent for 1, 2, 3, and 4-Bedroom Units and 110% of Fair Market Rent for 0 Bedroom Units of Current Fair Market Rents:*

- Fair Market Rents (FMRs) are the amounts determined by the U.S. Department of Housing and Urban Development (HUD) for Public Housing Authorities (PHAs) to allow Voucher Holders to spend for housing. HUD allows PHAs to set their payment standards between 90% and 110% of the published FMRs.
- The new FMRs for 2013 for GJHA reflect, in most categories, a dramatic change from the 108% in 2011-2012 to 100.0% for 1, 2, 3, and 4 bedroom units and 110% for 0 bedroom or efficiency units. Staff is requesting approval to adopt these new Payment Standard amounts effective November 1, 2012.

**Minutes (contd.)**

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Lori answered Tim's question regarding what happens with HUD loosening rent rate restrictions this year and then tightens them next year. She stated that GJHA can adjust its Payment Standards up to the 110%, which would help. If HUD lowered the FMRs, then Voucher Holders would have two years before they would be required to pay additional rent.

Lori clarified what a "0 bedroom" is for Paul Marx stating it is an efficiency unit with no separate bedroom.

*Resolution No. 2012-15 Approving Section Eight Management Assessment Program (SEMAP):*

- The Section Eight Management Assessment Program (SEMAP) is an evaluation of the Section Eight Voucher Program. The review process is a joint effort by HUD along with a GJHA self assessment, with each entity examining different tasks. The GJHA submitted Certification Form for FY 2011-2012 shows an expected SEMAP Indicator Score of 100%, which would award the GJHA Vouchers Program the "High Performer" status. GJHA independent auditors will validate the score.

With no further questions, the Consent Calendar, consisting of the *Adoption of Minutes of August 27, 2012, the Adoption of Minutes of September 17, 2012, the Adoption of Minutes of September 24, 2012, Resolution No. 2012-14 Approving FY 2012-2013 Payment Standards at 100% for 1, 2, 3, and 4-Bedroom Units and 110% for 0 Bedroom Units of Current Fair Market Rents, and Resolution No. 2012-15 Approving Section Eight Management Assessment Program (SEMAP)*, was approved unanimously with a motion by Tim, a second by Paul, and a voice vote.

**4. Discussion of the Employee Incentive Compensation Recommendation**

For the benefit of new Board Member Chris Launer, a brief recap was given regarding the Executive Compensation Review/Assessment and the Employee Incentive Compensation process.

The Board recognized several years ago the need for an improved method to evaluate the annual performance and establish a compensation range for the Agency's CEO. Ms. Sue Bohline of Human Capital Connection was selected to assist with this process. Sue completed an analysis of salary ranges for in- and out-of-state housing authorities and further evaluated responsibilities, organization size, etc. The Board established a compensation range for the CEO along with a future goal of creating a bonus component.

Progress continued as the Board Incentive Compensation Subcommittee, originally consisting of Patti Hoff, Tim Hudner, and Chuck McDaniel, desired to initiate an Incentive Compensation Program.

From the January 2012 Annual Strategic Planning Retreat, the Strategic Five-Year Plan evolved, defining result-oriented objectives with measures and target numbers assigned, allowing for accountability for the top three GJHA officers - the CEO, COO, and CFO.

Using Strategic Five-Year Plan goals as a starting point for the incentive compensation process, Jody Kole and Lori Rosendahl worked toward accomplishing objectives, receiving Board input and giving updates outlining progress.

Chuck McDaniel noted that he recently forwarded the latest analysis update of the goals prepared by Jody and Lori to Board Members for their review.

Feedback from absent Board Members, as well as attending Board Members, indicated their approval of the previously discussed employee incentive compensation recommendation for Jody and Lori of 15% and 10% of their base salary, respectively, noting the compensation is well justified. Dealing with an intense year fiscally with the federal government difficulties and meeting all Village Park Development major milestones were two noted key accomplishments.

Several questions asked by Chris Launer regarding a formal performance review process for Jody, reviews for other GJHA employees, and City human resources support were answered as follows:

- Chuck McDaniel stated there is an Evaluation Form that is used for Board Member input with a formal performance appraisal meeting to follow once the forms are received, reviewed, and compiled by the Board Subcommittee.
- The Board only evaluates the performance of Jody Kole, with GJHA supervisors evaluating staff.
- Jody shared there is nothing structural including human resources assistance provided by the City, but support is available and has been provided by City personnel in other areas when requested.

Jody Kole replied to the question regarding is funding available for this compensation by stating there was an allowance in the FY 2011-2012 Budget for this expense but was not used because the compensation process was incomplete at that time. When the FY 2012-2013 Budget was adopted by the Board, notification was given that Budget Revisions would be necessary for cleanup amendments. This early in the Fiscal Year, there is funding available for certain appropriations and the incentive compensation could be included in a Budget Revision.

On behalf of the Incentive Compensation Subcommittee, Chuck McDaniel made a motion with a second from Chris Mueller to approve the employee incentive compensation recommendation award of a 15% and 10% of base salary bonus for Jody Kole and Lori Rosendahl, respectively. With a voice vote, the motion was approved.

## 5. Strategic Plan Follow-up

Chris Mueller lead the discussion on the revised Strategic Plan, noting there are five issues to be addressed and they are as follows:

- Revisit the Mission Statement as it seems to exclude the help provided in surrounding communities. With brief discussion, the group agreed to amend the Statement as follows: *The Grand Junction Housing Authority advocates for and provides safe, suitable housing and support to the residents of Grand Junction and the neighboring communities.*
- Review the key questions for each Balance Score Card quadrant on external/internal and people/process statements. Determine if they are still relevant.
  - After considering the best method to accomplish this task, Chris Mueller, Jody Kole, and Lori Rosendahl will meet first to refine key questions prior to Board presentation and final revision.
    - Note: A meeting was scheduled for November 8<sup>th</sup>.
- Add more distinction as to Board input on strategic planning and then detail work follow-through by GJHA. Board is “policy” and not “administration”.
  - The Balance Score Card was revised, clearly identifying Board/Staff responsibilities. Board Members approved.
  - Tweaking some of the measures in the Balanced Score Card still needs to be done.
- Pursue outside facilitation for the Strategic Plan. Continue with the Balanced Score Card format or something else from an outside facilitator.
  - There is concern that Chris Mueller might feel constrained and as a facilitator, cannot be a participant. It is hard to “wear both hats”.
  - The group asked that Chris Mueller continue through FY 2013. He accepted the role and will work to also make his opinions, preferences, etc. known.
- Discussion on how to link the Strategic Plan to the Executive Incentive Compensation Plan.
  - Conversation ensued regarding what comes first – write the Plan or determine goals, noting incentives are helpful if established early in the Fiscal Year.
  - Milestones discussed for the Executive Incentive Compensation Plan included the SEMAP score, the Village Park development, a “new home”

for GJHA staff with everyone “under the same roof”, hiring a CFO and establishing goals, establishing a tighter connection with resident presence/input, and a Balanced Score Card quadrant that needs attention.

- Jody Kole addressed a question posed by Chris Launer regarding a new facility once considered at the Village Park property stating that the land is entitled for 132 units of multi-family housing. With the shortage of land already zoned for multi-family housing, finding office space elsewhere seems a better option.

Jody Kole addressed the structure of question Number One, “*What expectations do potential customers have of us?*” found on page 5 of the Strategic Plan. Representing a broad base, numerous external relationships were identified as customers suggesting that further definition of “*customers*” is needed.

- With the identification of landlords as a customer in the above conversation, a suggestion was made by Tim Hudner that attention to landlords might be appropriate now, given the economic situation. Lori Rosendahl cited events involving landlord focus which included a previous landlord feedback survey, the annual landlord luncheon acknowledging all GJHA landlords, and the continuation of the Landlord Advisory Group. Quarterly luncheons are held with this Group where information is disseminated and networking is encouraged. Board Members will receive an invitation to the next Landlord Luncheon in November, and Tim requested an update on landlord activities.

Tim Hudner and Chuck McDaniel will work to establish a frame work for the next step in the incentive compensation process.

Finalization of the Strategic Plan is targeted for the December 10<sup>th</sup> Board Meeting.

Chris Mueller suggested that the 2013 Annual Board Strategic Planning Retreat be held in August, allowing ample time for strategic planning and ensuring the Strategic Plan is completed by the beginning of the new fiscal year in October.

## **6. Village Park Development Update**

With the distribution of spreadsheets illustrating Village Park Development Project Costs, Jody Kole gave the Board an update on Enterprise negotiations relating to the pre-closing assumptions. With a couple of exceptions, the documents were the same as presented last week to the Board. Showing very little change, one new set of figures reflected how Enterprise is underwriting the transaction and the second new set of figures reflected the analysis once the Section Eight Vouchers are committed to the property. If GJHA’s underwriting is accepted, effectively the Sponsor Loan will be eliminated and the Deferred Developer Fee will be reduced by nearly half.

Jody stated that the total installments of the Developer Fee remain the same throughout construction. Enterprise's policies on the amount retained at certain stages determine the amount of the Developer's Fee released. The full Developer Fee amount of approximately \$1.4M is expected to be earned by October 2014, though actual receipt of some portion may be deferred.

Jody addressed Chuck McDaniel's question regarding what is the composition of the remaining loan amount with construction costs at approximately \$10M. Tap fees, funding up front of all the Reserves, legal fees, loan interest, furnishings of the office and model unit, start up maintenance equipment, and playground equipment were some of the costs included in this remaining amount.

The Equity Investor Partnership Agreement closing with Enterprise is scheduled for October 24<sup>th</sup> and 25<sup>th</sup>.

## **7. Other Business**

### Voucher Waiting List

The Waiting List reopened today after a six-month closure period. Individuals were waiting in line at the Voucher Services Center at 1011 N. 10<sup>th</sup> Street when the doors opened.

### Interview for CFO

With the selection of Mary Hobson of EFL Associates to assist in the search for qualified candidates for the CFO position, recruitment has been on-going for several months. An interview is scheduled for Thursday, October 25<sup>th</sup> with Karla Distel.

- Note: Karla was hired as the CFO and will assume responsibilities December 19<sup>th</sup>. Welcome to the team, Karla!

### Real Estate Committee

Jody Kole recommended the Board Real Estate Subcommittee be re-constituted so potential opportunities could be considered as they arise. Board volunteers for this Subcommittee include Paul Marx, Chris Launer, and Tim Hudner. Absent Board Members will be polled regarding their interest in Subcommittee participation. The first meeting is scheduled for November 8<sup>th</sup> at 10:00 a.m. at the Monument Business Center.

Joint Budget Committee

Tim Hudner mentioned that the Colorado Joint Budget Committee will receive a legislative briefing on the Federal sequestration impact at the State level. Tim will follow-up with the website link and a date so those interested can participate.

- Note: The date of November 28<sup>th</sup> and the website link were provided.

GJHA Auditors

Auditors arrive in mid-November to perform the GJHA audit. Lori Rosendahl asked if the Board would like the customary teleconference follow-up with the auditors to discuss the results, to which Board Members agreed. Lori will schedule a teleconference time with the audit firm for the December 10<sup>th</sup> Board Meeting.

Election of Officers for GJHA Board Chair and Vice Chair

In the past, the election of GJHA Board Chair and Vice Chair has been conducted prior to the start of the Annual Meeting which is held in January. The Board previously determined the Annual Meeting is not the most conducive time to hold this election so this election process will occur at the December 10<sup>th</sup> Board Meeting. As a member of the Board Nominating Committee, Tim Hudner will contact Teresa Coons prior to the December Board Meeting.

Holiday Luncheons

Holiday luncheons for the staff and Board Members as well as for tenants of Walnut Park and Ratekin Tower will be scheduled in the near future. Board Members will be kept apprised of the dates.

**8. Adjourn**

With business complete, the regular October GJHA Board Meeting was adjourned at 12:23 p.m.