ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD DECEMBER 12, 2011

Commissioners met at the Central Office. Chair Elizabeth Williams called the meeting to order at 4:30 p.m. Present: Chair Elizabeth Williams, Vice Chair Kevin Healy, and Commissioners Josh Stewart, Alan Styles, Tom Espinoza, and Andrew Jackson. Also Present: Jean Goebel, Executive Director; Lynn Santos, Director of Finance; Joni Ruelaz, Housing Programs Manager; Pat Wyatt, Human Resources Manager; Starla Warren, Fee for Service Director of Development; and Tom Griffin, Legal Counsel. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC:

Theodore Hightower commented about being scammed on his electric bill and he would like to recoup what money is owed him. The Board referred this issue to Ms. Ruelaz. Mr. Hightower thanked the Board.

CONSENT AGENDA

A. Minutes - Approval of Minutes of the Regular Board Meeting held November 21, 2011
B. Minutes – Approval of Minutes of the Joint Special HACM/HDC Board meeting held November 21, 2011
C. Job Description Revisions: Executive Assistant, Director of Finance, Housing Programs Manager, and Housing Management Manager
D. Maintenance/Quality Control Inspector Job Description Revision
E. Amend Conflict of Interest Code of the Housing Authority of the County of Monterey

Upon motion by Commissioner Styles, seconded by Commissioner Healy, the Board approved the Consent Agenda. Motion carried with the following vote:

AYES: Williams, Healy, Stewart, Styles, Espinoza,
NOES: None
ABSENT: Jackson

Chair Williams noted when Mr. Griffin arrives the Board would move to Closed Session.

REPORTS OF COMMITTEES

Personnel Committee: Commissioner Espinoza reported we have three items on the consent agenda and two items under new business.

Finance/Development Committee: Commissioner Styles reported everything is on the agenda.

Monterey County Housing, Inc.: Mr. Rose reported MCHI has a new Director; her name is Shannon Heston. There should be another new Director by January. MCHI continues press on with respect to the weatherization grants and hopefully that will be in order before the next meeting.

Affordable Acquisitions: Same as MCHI.

Monterey County Housing Development Corporation and LP’s: Ms. Warren reported all the items down through Fanoe Vista LP are addressed in the HDC development report

REPORT OF SECRETARY

A. Executive Report

Ms. Goebel reported a letter was received from the Recovery Team; it was a good report. Mr. Schneller stated we would be required to create an internal sustainability plan that HUD would not be monitoring. There is a four phase rating system and we have been rated in Level I, which is self-correcting and issues should not recur. If this process would have been in place previously, we would not have been rated as troubled. To query, Ms. Goebel responded we have not received the scoring for 2011, but we should not be rated as troubled for that period. She
stated that HUD recognized how the financing fell with closing loans on the construction projects that put us into the troubled status. Ms. Goebel further explained that Level I is self-correcting and Level 4 is deeply troubled.

Mr. Griffin arrived at 4:36 p.m.

Chair Williams moved the Closed Session forward. The Board convened to Closed Session at 4:38 p.m.

CLOSED SESSION

The Board of Commissioners met in Closed Session for the following purpose and reason:

A. Government Section 54957(b): Personnel Matters
   ACTION: The Board reviewed the Executive Director contract for final approval
   and would like to have it put on the agenda for the January meeting.

The Board reconvened to open session at 4:59 p.m.

OLD BUSINESS

A. HACM Board Retreat

Commissioner Styles reported he had contacted Mr. Quy who had sent a brochure of his background and requested the Board look at that information. He stated that he would like to get Mr. Quy to come to a meeting and talk about his vision of a retreat. Commissioner Healy suggested possibly doing a skype with Mr. Quy to save on expenses; Commissioner Styles stated he would contact Mr. Quy about doing a skype presentation prior to the next Board meeting. Commissioner Williams stated this retreat is very important and HUD has stated we definitely need a strategic plan.

B. NAHRO Legislative Conference

In discussion regarding the Legislative Conference, the Board requested that Ms. Goebel and Ms. Warren set up the appointments with the legislators and HUD. Commissioner Styles noted that he prefers more appointments with HUD; there have been some changes in the leadership so these appointments could be very beneficial.

Commissioner Jackson arrived at 5:04 p.m.

Commissioner Williams stated she thought it would be best if the whole Board went to the Conference due to our status with HUD. She also requested that the Board split into two groups when visiting the legislators and HUD. Commissioner Styles reminded that since he is the Chair of the NAHRO Commissioners Committee that HACM will only need to pay for the flight and per diem for his trip.

Mr. Griffin strongly emphasized that the Board needs to be aware when there are four or more Commissioners together that discussions cannot take place regarding matters of this agency or it could be considered a meeting of the Board and in violation of the Brown Act.

NEW BUSINESS

A. Resolution 2720: Conflict of Interest Policy Revision

Ms. Wyatt apologized for all the formatting but explained the revisions are to update this policy to conform with State law and to make the questions clearer to the employees.

Upon motion by Commissioner Healy, seconded by Commissioner Styles, the Board adopted Resolution 2720, approving the revision to the Conflict of Interest policy 415. Motion carried with the following vote:

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AYES: Williams, Healy, Stewart, Styles, Espinoza, Jackson
NOES: None
ABSENT: None

B. Resolution 2721: Semi-Annual Write-offs

Ms. Goebel explained that the write-off amount is lower than usual because we have new staff that has not had the time to do all the collection efforts required; she stated the next write-offs should be substantially higher. Commissioner Stewart commented that the Committee reviewed this item and the write-off amount for next time will probably be much larger.

Upon motion by Commissioner Stewart, seconded by Commissioner Healy, the Board adopted Resolution 2721, approval of write-offs in the amount of $1,862.21 for the period ending December 31, 2011. Motion carried with the following vote:

AYES: Williams, Healy, Stewart, Styles, Espinoza, Jackson
NOES: None
ABSENT: None

C. Change March 2012 Board and Committee Meeting Dates

Upon motion by Commissioner Stewart, seconded by Commissioner Styles, the Board approved the change to the scheduled Board meeting from March 26, 2012 to March 19, 2012 and further approved moving the Personnel and Finance/Development Committees from March 19, 2012 to March 12, 2012. Motion carried with the following vote:

AYES: Williams, Healy, Stewart, Styles, Espinoza, Jackson
NOES: None
ABSENT: None

D. Executive Director's Contract

The Board tabled this agenda item to the January 2012 Board meeting.

INFORMATION

A. Finance Report

Ms. Santos reported that the italic portion of her report points out that HUD is going to change how they operate the Section 8 Program. She stated HUD did recapture the $2.5M in excess waiver funds which is a good thing because we need to have that out of our reserves before they do the calculations for future funding. In the PHH notice today, it states that HUD will be recapturing the funds that housing authorities hold in their bank accounts for HAP and that HUD will now hold these funds in their own accounts. It appears that HUD is going to allow housing authorities to hold only 80% of one month’s HAP in their account which for HACM will be about $1.7M; Ms. Santos stated the issue is that we will have much less funding available to absorb the fluctuations in HAP.

To query, Ms. Santos responded we will still be sending out the HAP checks and still be responsible for managing the program with the constraints HUD provides to us. This is a complete reversal from a couple of years ago when they made the decision that HUD was no longer going to hold the HAP funds. To another query about the rationale on this change, Ms. Santos replied it is just budgetary. Ms. Goebel mentioned that it doesn't look good for HUD to say we have all this money not being actively used because it doesn't make sense to Congress for HUD to then ask for more money. To another question, Ms. Santos responded that when HUD recaptured the waiver money, there was no penalty because it was just the excess money we didn’t use. She further explained that interest earned on HAP funds becomes restricted for additional HAP and belongs to HUD. No action required.

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B. Human Resources Report

Ms. Wyatt reported there will be a meeting on Wednesday with employees regarding the 9/80 alternative work schedule. To query, Ms. Wyatt responded that the vote will take place in January. She stated this issue will come back to the Board before actual implementation. No action required.

C. Development Report

Ms. Warren reported Staff appeared before the Monterey City Council regarding Portola Vista last week to request an extension of the current lease for Portola Vista; that extension was granted contingent upon financing. She further reported that she hopes to report next month that she has accessed the Mash Track II funds. No action required.

D. Property Management Report

Ms. Goebel reported Staff has been working very hard with HDC to get the Haciendas tenants relocated and the Section 8 Staff has been working very hard to get them leased up under Section 8. To query, Ms. Goebel responded that the Haciendas office will be moved to 134 E. Rossi when they start to tear down the buildings. No action required.

E. Asset Management Report

Ms. Goebel reported she has nothing to add to her report because she has already mentioned the update on the Recovery Team visit. No action required.

F. Housing Programs Report

Ms. Ruelaz pointed out the FSS Newsletter for December has a very inspiring letter from one of our clients; she stated Ms. Brenmand and Ms. Turner are doing a great job in FSS. To query regarding the report under Property Management, Ms. Goebel explained that the December reports came too early and that report had not closed out yet. Commissioner Williams emphasized that she is interested in knowing the lease-ups. To another query, Ms. Ruelaz responded that Staff is recruiting new participants for the FSS program periodically. Ms. Goebel explained that as people move off the program, the 40 mandatory slots go down and eventually will be zero, but the Board has chosen to have 200 slots total so even if the mandatory slots go to zero, HACM will still have an FSS program. No action required.

CLOSED SESSION: See Closed Session after Report of Secretary.

COMMISSIONER COMMENTS

Commissioner Espinoza thanked everyone for 2011 and stated he was looking forward to 2012 and going forward with our new Executive Director. He stated he is excited about Laguna Haciendas as we go into the New Year.

Commissioner Styles commented he agrees with Commissioner Espinoza’s comments. He further wished everyone a very happy holiday season and stated it has been a tough year but it has been a good year because we’ve all gained a lot of knowledge. Commissioner Styles stated he is excited about moving forward and working with Ms. Goebel. He further commented that Staff has made some tremendous progress and he is very proud of everyone. Commissioner Styles reiterated happy holidays to everyone and hopes everyone will have time to enjoy them this year.

Commissioner Healy agreed with all the comments that have been made and he wished everyone a happy holiday and thanked everyone for a good 2011. He stated he would like to share something that occurred this morning: Commissioner Healy stated he walked into Starbucks early this morning and as he was standing in line behind a gentleman who was dressed for work and wearing his Housing Authority badge on his belt, Commissioner Healy stated he overheard a conversation that this gentleman was having with a friend further back in line. In conversation, the Housing Authority employee replied that he was working for the Housing Authority and they were keeping him very busy and that he never slows down; his friend yawned and appeared to be
bored about his job. Commissioner Healy stated he was very enthused to hear that commentary and it was clear that based on the conversation that the Housing Authority employee has a job that he values as compared to his friend and it is a job where a lot is asked of him. Commissioner Healy reiterated that he was glad to overhear this conversation.

Commissioner Jackson commented that he has seen a lot of improvements in 2011 and hopefully we’ll do even better in 2012. He stated Staff has done a very good job and to keep up the good work. Commissioner Jackson wished everyone a nice holiday.

Commissioner Stewart congratulated Staff on staying together and working out the issues and problems. He wished everyone a Happy Holiday.

Mr. Griffin, Legal Counsel, thanked the Board for an opportunity to say a few words. He stated this is good news, and Ms. Santos is probably more in tune than most, but about a year ago his involvement was much greater because of the issues and disagreements (between organizations) but now he is rarely involved in those types of things and instead participates in the positive things that are taking place going forward. It is a great change and it is a reflection on the Staff and the Board of Commissioners both making substantial progress in the last twelve months.

Commissioner Williams thanked Mr. Griffin in advance for the wine that he will be providing at the Christmas dinner. She reminded that Commissioner Styles will be retiring from his job with the Solid Waste Authority on December 31st. Commissioner Williams further noted that she heard on the news that Barney Franks will be retiring from HUD. Commissioner Williams further gave a special thanks to Mr. Rose for the work he is doing for MCHI and for always attending the HACM meetings and bringing a MCHI update to this Board. Mr. Rose replied it was his pleasure.

Commissioner Williams stated she wanted to thank ALL of you for ALL of the work you have done all year and for all of the work you will be doing and she knows it is not finished; it has been a tough year and it has been a good year. She further stated, this Commission that I sit with as honored Chair I feel has done a 180 degree turn for the better and she is pleased to say that. She thanked all of the Staff for all of their hard work and she wished a very happy holiday season to everyone and their families.

Commissioner Healy stated he would like to officially welcome the newest Director for MCHI, Ms. Heston. He would like it to be reflected in the minutes that we welcome Ms. Heston in her new position as Director on the MCHI Board. He would like to pass on his personal best

The Board thanked Ms. Goebel for the delicious cinnamon rolls. The Board further thanked the Clerk of the Board and wished everyone a Merry Christmas.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:31 p.m.

[Signature]
Chairman

ATTEST:

[Signature]
Secretary

[Date: 1-24-12]