May 20, 2013

ACTION

MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD MAY 20, 2013

Commissioners met at the Central Office. Vice Chair Elizabeth Williams called the meeting to order at 5 p.m. Present: Vice Chair Elizabeth Williams and Commissioners Alan Styles, Tom Espinoza, Charmagne Scott, Kathy Beuthin, and Mary Jo Zenk. Absent: Chair Kevin Healy. Also Present: Jean Goebel, Executive Director; Lynn Santos, Director of Finance; Joni Ruelaz, Housing Programs Manager; Pat Wyatt, Human Resources Manager; Shannon Tonkin, Housing Management Manager; Marilyn Rose, HDC Senior Finance Officer; and Tom Griffin, Legal Counsel. Recorder: Sandy Tebbs

Vice Chair Williams noted for the record that she was chairing tonight’s meeting because Commissioner Healy was unable to attend this meeting.

COMMENTS FROM THE PUBLIC:

Josh Stewart commented that first of all he wanted to congratulate the Board. He stated it seems like four women and three men; but he doesn’t want to sound sexist. First of all he stated he was going to challenge this Board to make sure that these people are getting the best things for their bucks. Mr. Stewart further commented that he knows that the Board talked about the sequestration, but he doesn’t know how it is going to affect HACM. He stated he knows that the Housing Authority is going to do the best that they can; especially the people over in the finance area to make sure that they keep as many people housed as possible. Mr. Stewart congratulated (the new Board members) and stated he knows that Commissioner Zenk has been on both sides of the fence. He further congratulated Commissioners Scott and Beuthin for being on the Board also. Mr. Stewart stated definitely with Commissioner Williams as your leader; she’s been talking about women power for a while. Commissioner Williams responded that she had stepped down (as the Chair). Mr. Stewart further stated don’t let that deter you. He stated, getting back to the real issues, that he does have some issues that eventually are going to be resolved; he thinks that some of the people at HACM are going to be called because of the fact that he does have some issues that he disagreed with when he left (HACM), but those will be addressed in a different format. Mr. Stewart again congratulated the Board for the job that they are doing and wished them good luck with the new members that are on board.

PRESENTATIONS:

A. Service Award Announcements

Vice Chair Williams announced Maria Medina’s 25 years and Ellie Pinson’s 20 years of loyal service to the Housing Authority; the Board thanks these employees for their service to HACM.

B. Resolutions of Commendation

Vice Chair Williams presented Resolutions of Commendation to former Commissioners Josh Stewart and Andrew Jackson; the Board thanked former Commissioners Stewart and Jackson for their years of service to the Board.

C. Housing Programs Reorganization

Ms. Ruelaz, Housing Programs Manager, presented a PowerPoint presentation to the Board regarding the reorganization as well as the future projects and goals for the Housing Programs department. A copy of the PowerPoint was provided to the Board members. The Board thanked Ms. Ruelaz for her presentation.

Upon motion by Commissioner Espinoza, seconded by Commissioner Styles, the Board moved the Closed Sessions forward on the agenda to accommodate legal counsels. Motion carried with the following vote:

AYES: Williams, Styles, Espinoza, Scott, Beuthin, Zenk
NOES: None
ABSENT: Healy

The Board convened to Closed Session at 5:28 p.m.
CLOSED SESSION

The Board of Commissioners met in Closed Session for the following purposes and reasons.

A. Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS AGENCY DESIGNATED REPRESENTATIVES: Lynn Santos, Pat Wyatt, Joni Ruelaz, and Jean Goebel
EMPLOYEE ORGANIZATION: Service Employees International Union 521
ACTION: Upon motion by Commissioner Espinoza, seconded by Commissioner Styles, the Board instructed the negotiating team to reject the Union’s last, best, and final offer and instructed the negotiating team to accept the Union’s offer to mediate should they offer. Motion carried with the following vote:

AYES: Williams, Styles, Espinoza, Scott, Beuthin, Zenk
NOES: None
ABSENT: Healy

B. Government Code Section 54957(b) Personnel Matter
ACTION: The Board postponed this closed session to the June Board meeting.

The Board reconvened to regular session at 6:45 p.m.

CONSENT AGENDA

A. Minutes – Approval of Minutes of the Regular Board Meeting held April 22, 2013

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

AYES: Williams, Styles, Espinoza, Scott, Beuthin, Zenk
NOES: None
ABSENT: Healy

REPORTS OF COMMITTEES

Personnel Committee: Commissioner Styles reported everything was on the agenda.
Finance/Dev Committee: Commissioner Espinoza reported everything was on the agenda.

Monterey County Housing, Inc.: Mr. Rose reported that there have been two MCHI meetings since the last HACM Board meeting plus an election. He stated MCHI paid HACM $126K plus and got rid of some bad debts. He noted they still need to work out why some properties have more bad debt than others. The next MCHI meeting will take place on June 19th possibly at Parkside. Commissioner Zenk thanked Ms. Santos for the financial training to MCHI. Commissioner Williams requested the names of the newly appointed MCHI Board; Mr. Rose responded Director Kask is the President, Director Heston is Vice President, and Director Hurst is the Secretary/Treasurer. To query on $126K, Ms. Santos noted this is the principal and interest on the residual receipts.
Affordable Acquisitions: Same as MCHI
Monterey County Housing Development Corporation and LP’s: Ms. Rose reported all these items are on the HDC agenda.

REPORT OF SECRETARY

A. Executive Report

Ms. Goebel reported she had nothing to add to her report and everything seems to be moving along on the final inspection for Portola Vista; Staff is waiting on the paperwork to receive the final pay out. She recommended the grand reopening or any celebrations for Portola Vista be tied in with their 30th Anniversary celebration.

NEW BUSINESS


Ms. Santos provided new audit booklets to the Board because there were some changes needed with regards to REAC as well as HUD’s requirement for additional footnotes that were not in the previously provided audit. Mr. Jon Adkins, Auditor with Novogradac, explained the audit and audit letters as well as answered questions.
Upon motion by Commissioner Zenk, seconded by Commissioner Styles, the Board adopted Resolution 2749, to accept the Audited Financial Statements for the Year Ending June 30, 2012. Motion carried with the following vote:

AYES: Williams, Styles, Espinoza, Scott, Beuthin, Zenk
NOES: None
ABSENT: Healy

The Board thanked Mr. Adkins for coming to tonight’s meeting.

The meeting was adjourned at 7:08 p.m. at the call of the Chair to accommodate the out of town Auditor who was to also address the HDC audits. (The HDC audits were not available.)

The meeting was reconvened at 7:09 p.m. at the call of the Chair.

B. Resolution 2750: Quality Control Supervisor Job Description

Ms. Goebel explained that this Quality Control Supervisor position was needed more than the Director of Asset Management position which would be deleted from the organization chart; this change is also a cost saving measure. Commissioner Styles noted that the Personnel Committee discussed this item at their meeting and recommends the Board approve this job description. Commissioner Beuthin recommended placing the word “vacant” in front of the word position to clarify that this is currently a vacant position.

Commissioner Styles motioned to accept, but there was no second; after further discussion Commissioner Styles rescinded his motion.

Upon motion by Commissioner Beuthin, seconded by Commissioner Styles, the Board adopted Resolution 2750, Quality Control Supervisor Job Description with the addition of the word “vacant” in front of position in the first paragraph of the resolution. Motion carried with the following vote:

AYES: Williams, Styles, Espinoza, Scott, Beuthin, Zenk
NOES: None
ABSENT: Healy

C. NAHRO Conferences/Commissioner Certification

After short explanations of the NAHRO Summer and National Conferences and the Commissioner Certification courses being offered before and after the National Conference, it was decided that Commissioners Healy, Styles, and Scott would attend the Summer Conference and Commissioners Styles and Beuthin would attend the National Conference. Commissioners Scott and Zenk also expressed interest in the Ethics course being offered at the Oakland Training Center. Commissioners Williams and Espinoza noted they may be interested in the National Conference also, but need to further check their schedules. Commissioner Beuthin expressed interest in the Commissioner Certification courses being offered before and after the National Conference.

Commissioner Williams stated it is getting increasingly more difficult for the Board to travel because of finances; she stated she would be talking with the Board Chair about the Personnel Committee reviewing the Commissioners travel policies because they have not been reviewed for a long time. She noted we need to justify our travels as reasonable or we would be spending money this agency does not have. Commissioner Williams stated she is giving Staff a heads-up too about looking at their travels. She reminded that Board travels have to be cleared by the Chair of the Board.

INFORMATION

The Board moved the Human Resources Report forward to accommodate Ms. Wyatt’s travel schedule tomorrow morning.

B. Human Resources Report

Ms. Wyatt reported she had no changes to her report. She pointed out the worker’s comp attachment reflects the open claims; Ms. Wyatt noted that two claims were closed this month and we are close to closing a couple more but they are not the oldest claims.
Ms. Wyatt stated it was discussed in the Personnel Committee meeting about someone from CHWCA or ICS providing a tutorial to the Board. Commissioner Williams suggested this issue be brought up at the next Board meeting when the Chair of the Board could be present. Commissioner Espinoza pointed out the decreases in claims from 2009 to 2012 as opposed to prior claims.

A. Finance Report

Ms. Santos reported there were some questions in the Finance/Development Committee meeting that she has researched regarding HACM overhead and management fees. Also in other areas of the report she noted that occupancy was up and management fees were down. Ms. Santos explained that even though occupancy can be up, some of the management fees are based on revenue and can be down. She stated management fees are calculated based on housed units. Ms. Santos also stated that she is doing further research on the management fees for Portola Vista because we changed from CalHFA to HUD funding and different rules apply.

Ms. Santos further reported that HACM received about $300K from OMS making HACM current on all receivables, which is good news. The bad news is now we send $75,000 to USDA for the loan payment and $35,000 goes in replacement reserves for the property plus we remit $38,000 back to the State. She stated that we only have two limited partner audits outstanding, Tynan and Monterey Affordable; all other audits have been finished. Ms. Santos stated most of the tax returns have been filed and Staff is now working on budgets. To query on extensions, Ms. Goebel responded that the HELP loan extensions did go through; Ms. Santos noted the important thing is these loans will now not be reflected as current liabilities on our audit which in turn would affect our HUD scores. To query, Staff noted the extensions are to 2014 and 2015. To query on whether monies paid for the extensions would also reduce the principal, Ms. Santos responded it reduces both the principal and interest.

B. Human Resources Report (See this report prior to the Finance Report)

C. Development Report

Ms. Rose reported in Ms. Warren’s absence that everything is on the report.

D. Property Management Report

Ms. Tonkin reported she has one correction for one vacancy where the date should be May 15th instead of April. She stated the biggest thing in her department has been the King City Migrant Center opening with 73 families being housed in one day; she noted that is the highest number of families housed since she has been at HACM. Ms. Goebel emphasized this process is something to see.

E. Asset Management Report:

Ms. Goebel pointed out that REAC rejected the first submission of our financials through PHAS, but they were resubmitted by Ms. Santos last week. Staff noted it was the typical rejection to respond to their questions and changing things to where they would like them.

F. Housing Programs Report

Ms. Ruelaz pointed out the program utilization box she created on her report now has the numbers for the month of April: Utilization based on dollars is 101%; Utilization based on units is 86%; and the Total units leased is 3,723.

CLOSED SESSION (See Closed Sessions after Presentations above)

COMMISSIONER COMMENTS

Commissioner Zenk thanked Staff for their hard work on the audit and financials. She also thanked Ms. Ruelaz for her reorganization presentation and stated she was pleased to see the changes made. Commissioner Zenk stated she is intrigued about the new project Ms. Ruelaz is doing with the chronically under-employed people; Ms. Ruelaz replied to query that there will be quarterly meetings with this project.

Commissioner Styles congratulated Staff for their hard work on the audit. He also thanked Ms. Ruelaz for her reorganization presentation. Commissioner Styles stated he saw an email on Tenant Commissioners that stated they should not be called Tenant Commissioners. He
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explained that NAHRO is trying very hard at both the Board of Governors level and at the Leadership level to not look at Tenant Commissioners as Tenant Commissioners because they are Commissioners 24 hours a day, seven days a week. The problem is the State law says Tenant Commissioners and until we can get that law changed some people will continue to look at it that way. This Board does not do that and prior Tenant commissioners have been elected as Chair and Vice Chair of this Board. He emphasized that you are a Commissioner and that is the way we look at it. To query, he noted that either way is correct because of the way the laws are written.

Commissioner Scott thanked Staff for their hard work. She emphasized it is one thing to learn the new acronyms (on the HACM list), but it is quite another to understand them in context. Commissioner Scott also thanked Ms. Ruelaz for her presentation. She is looking forward to many more meetings and finishing out her term successfully in order to help HACM be successful.

Commissioner Beuthin commented she thinks it is a Herculean undertaking to do the financials under ordinary circumstances but with all the changes in funding now, she thinks Staff really deserves a lot of acclaim to all the people that participated in the production of the financial statements. She pointed out that on behalf of HACM, Ms. Ruelaz received a PSWRC award for 2013 on the WELI Program and she deserves great appreciation for her involvement and support to that program.

Commissioner Espinoza thanked Staff for their hard work as it relates to Laguna Haciendas; he really enjoyed the grand opening which gave the Board an opportunity to see what was really happening with Phases I and II. It is very exciting.

Commissioner Williams thanked Mr. Rose for attending tonight’s meeting. She stated it is really a big undertaking to do the financials and the audit at one time and she knows the many hours above and beyond that Ms. Santos works, whether it is here or going from one job to the MCHI Board for their financials or wherever; she really appreciates all that Ms. Santos, Ms. Goebel, and all Staff does. She stated it is a big job and she thinks we do it very well.

The Board wished Happy Past Birthday to Commissioner Styles.

ADJOURNMENT
There being no further business to come before the Board, the meeting was adjourned at 7:45 p.m.

Chairman

ATTEST:

Secretary

Date

6-25-2013