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**Minutes of the
March 13, 2017 Special Meeting
of the Board of Commissioners of the
Housing Authority of the City of Everett**

Meeting Called to Order

The Special Meeting of the Board of Commissioners of the Housing Authority of the City of Everett was called to order by Vice-Chair Maddy Metzger-Utt following lunch, at 12:07 p.m. on Monday, March 13, 2017 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Vice-Chair Maddy Metzger-Utt
Commissioner John Mierke
Commissioner George Perez, Jr.

Commissioner Michele Rastovich

Commissioners Absent:

Chair Lyle Ryan
Commissioner Todd Taylor

Also in attendance were:

Staff:

Jill Stanton, Deputy Executive and Finance Director
Rick Dorris, Director of Dev. & Acquisitions/Asst. Ex. Director
Steve Yago, Director of Housing Management
Linda Baines, Deputy Director of Housing Management
Erica Dias, Dev. & Acquisitions Relocation Planning Manager
Wendy Westby, HCV Program Director
Teena Ellison, Director of Resident Services
Brenda McLeod, Ass't. Director of Procurement & Contracts
Wendy Abbey, Assistant Finance Director
Chris Neblett, Hearing Officer/Administrative Coordinator
Katie Ulvestad, Executive and Development Assistant

Guests:

Lorna Corrigan, Attorney
Tom Douge, President of Broadway Plaza Resident Council

Administration of Oath of Office to Commissioner George Perez, Jr.

Vice-Chair Metzger-Utt administered the oath appointing Commissioner Perez to a new five year term, expiring October 6, 2021.

Motion to Amend Agenda

The Vice-Chair called for a motion to strike "Motion to Approve Interior/Exterior Painting of the Colby Office" as an Item for Individual Consideration, given that the final cost came in under the \$100,000 threshold that requires Board approval under the agency's Procurement Policy. Commissioner Rastovich moved to approve the deletion of this agenda item. Commissioner Mierke seconded the motion, which passed unanimously.

Approval of Minutes

Vice Chair Metzger-Utt called for approval of the minutes for the Annual Meeting of November 14, 2016. Commissioner Mierke moved to approve the minutes of this meeting, and Commissioner Perez seconded the motion. Upon being put to a vote, the motion passed and the minutes were approved.

Communications

Broadway Plaza Resident Council President Tom Douge said he was aware of some concerns tenants had raised regarding security in both the East and West buildings, but it appeared that management was in the process of addressing them.

Executive Director's Report

Deputy Executive and Finance Director Jill Stanton provided this report in the absence of Executive Director Ashley Lommers-Johnson. She stated that the "Operations Report: Housing Management and HCV Programs," segment of the report would be covered by the Executive Director at the next Board meeting. Ms. Stanton began with the topic of the new Administration's proposed 2018 Federal budget, which reduced the HUD budget by approximately \$6 billion, the most drastic cuts involving funding of the Public Housing program: i.e., 15% cut to the Operating Fund, 50% cut to the Capital Fund. She did not believe these proposed program cuts would have a negative impact on the Housing Authority's plans to dispose of its two remaining Public Housing developments through the Section 18 process. Ms. Stanton said the proposed Federal budget called for a \$300 million reduction in funding for the Housing Choice Voucher (HCV) program, cutting the number of assisted households by 100,000, and a funding decrease of \$42 million for the HUD 202 program. She stressed that all of these cuts were subject to approval by Congress, so it was too early to know what the final outcome would be. HUD was also proposing a 94% proration in funding for the HCV program, once the Current Resolution mandating current funding levels expired at the end of April, which would leave 130-40 of the Housing Authority's Vouchers unfunded. Although management was prepared for such an eventuality, Ms. Stanton pointed out that there was a good possibility that there would be sufficient funding to make up this shortfall in the end.

The next item covered was the status of a Joint PHA lawsuit against HUD, to which the Housing Authority was a party. This was brought after HUD withheld Public Housing

operating funds to PHAs in 2012 and required the affected agencies to dip into their reserves to offset this funding decrease. Ms. Stanton said this action resulted in a total loss of \$876,000 in reserves for the Housing Authority. Although a judgment was recently rendered in favor of the PHAs, it was not known at this time how HUD would respond. Moving onto the next topic, the Deputy Executive and Finance Director said the State Audit recently wrapped up, with no related findings or issues. Any interested commissioners were invited to attend the exit conference with the auditors scheduled for Thursday, March 2.

Deputy Executive and Finance Director Jill Stanton concluded this report by asking Director of Development and Acquisitions/Assistant Executive Director Rick Dorris for an update on the planned disposition of Baker Heights and the Public Housing Scattered Sites. Mr. Dorris said HUD's Special Applications Center (SAC) was in the process of reviewing the Section 18 application for the disposition of Baker Heights, which was submitted on December 30. He commended Relocation Planning Manager Erica Dias for taking the lead in preparing this application and providing follow-up information requested by the SAC reviewer. Mr. Dorris said he was in the process of working with a consultant attorney to prepare the disposition application for the Scattered Sites, which he anticipated would be ready to submit within the next week or two. The rationale for the disposition of this development was not that it was obsolete, as in the case of Baker Heights, but because the allocated capital funding of \$25,000 per year was a fraction of the \$1.3 million needed over the next three years to keep the 44 Scattered Site units in good repair.

Public Comment

None

Consent Agenda

Commissioner Perez made a motion to adopt the Consent Agenda, and Commissioner Mierke seconded the motion. The Consent Agenda contained the following items:

1. Section 8 Payments for the Months of October, November, December, 2016 and January, 2017
2. Summary of Vouchers for the Months of October, November, December, 2016 and January, 2017

Public Hearing for the 2017-18 Annual Plan

Vice-Chair Metzger-Utt called for a motion to convene the public hearing on the Housing Authority's Annual Plan effective July 1, 2017 at 12:31 p.m.. Commissioner Perez moved to convene the hearing, Commissioner Mierke seconded, and the floor was opened for comment on the Annual Plan. Broadway Plaza Resident Council President Tom Douge said some tenants of his building were confused about the notification process for this hearing; legal counsel Lorna Corrigan advised Mr. Douge to pass along that tenants should check the meeting agenda for notice of public hearings in the future. There being no further comments, Hearing Officer/Admin Coordinator went over some of the major items within the Annual Plan, followed by a presentation by Assistant Director of Procurement and Contracts Brenda McLeod regarding the 2017 Capital Fund. Mr. Neblett noted that the

Annual Plan would be submitted for approval at the next Board meeting. Vice-Chair Metzger-Utt called for a motion to close the hearing. Commissioner Rastovich moved to close, Commissioner Perez seconded, and the Public Hearing was declared closed at 12:36 p.m..

Items for Individual Consideration

Resolution No. 1425 Authorizing Disposal of Decommissioned Vehicles and Cubicle Furniture

Assistant Director of Procurement and Contracts Brenda McLeod said two agency vehicles, a 1992 truck and 1993 van, were no longer cost effective to maintain. Additionally, there was gray cubicle furniture that was no longer of any use to the agency. This resolution requested approval to dispose of these items at an advertised informal sale, per established agency guidelines.

Commissioner Perez moved that the resolution be adopted. Commissioner Rastovich seconded the motion, which passed unanimously.

Motion to Approve New Employee Medical, Dental, Life Insurance Policies

Assistant Finance Director Wendy Abbey said management went through the selection process for employee medical, dental, and life insurance policies, which were up for annual renewal on March 1. Employees were surveyed ahead of time, in November, to get an idea of what they valued and what they would like to see changed regarding benefits. Ms. Abbey said the current carrier Group Health, which recently changed to Kaiser Permanente, was found to offer the best terms for medical coverage. The renewed contract represented a 3.4% increase in premiums, with a moderate increase in deductibles and out of pocket maximums for the PPO plan, while employees with a Health Savings Account were to see a decrease in the percentage of co-insurance, from 100% to 90%, and a slight decrease in out of pocket maximums. The dental insurance carrier was changed from Assurant to Guardian, based on a rate comparison and customer service issues raised in the employee survey. Employee life insurance coverage was also changed to Guardian, and based on a level of employee interest, included the option to enroll in additional benefits such as additional life insurance coverage and long term disability coverage.

Commissioner Mierke moved to approve the recommended medical, dental, and life insurance group coverage policies effective March 1, 2017. Commissioner Rastovich seconded the motion, which passed unanimously.

Motion to Approve Legal Services Contract with Newton Kight

Assistant Director of Procurement and Contracts Brenda McLeod said the Housing Authority solicited proposals for a firm to provide legal services for its daily operations and received a single proposal, from Newton Kight, the firm currently providing legal services. Ms. McLeod said that a three member evaluation panel recommended approval of a new contract with this firm, based on its proposal and level of current services received. The recommended contract was for a three year term, in an amount not to exceed \$50,000 per year.

Commissioner Perez moved to approve the legal services contract with Newton Kight at the terms stated. Commissioner Mierke seconded the motion, which passed unanimously.

Motion to Approve Contract for Roof Replacement at Scattered Sites

Assistant Director of Procurement and Contracts Brenda McLeod said bids were solicited for roof replacement at 16 of the 44 Public Housing Scattered Sites, some of which required stripping the existing roof down to the trusses. Of the three firms that responded to the RFP for this work, Bates Roofing submitted the most favorable proposal.

Commissioner Mierke moved to approve a contract with Bates Roofing, in the amount of \$216,546, for the Scattered Sites roof replacement project, to be funded from the 2015 and 2016 Capital Fund grants. Commissioner Perez seconded the motion, which passed unanimously.

Policy Discussion

Review of Core Properties' Second Quarter, Tax Credit Properties' Fourth Quarter Financial Statements

Deputy Executive and Finance Director Jill Stanton said that she and Executive Director Ashley Lommers-Johnson met with the Board's Finance subcommittee earlier in the month to give a detailed review these financial statements. She then gave a brief presentation on the quarterly financial statements for the benefit of the Board, as required by the Housing Authority's Bylaws. At the conclusion of the presentation, Commissioner Perez moved for approval of the financial statements for the Core Properties' second quarter, and for the Tax Credit Properties' fourth quarter. Commissioner Mierke seconded the motion, which passed unanimously.

Revision of HCV Program Administrative Plan Effective May 1, 2017

HCV Program Director Wendy Westby said the HCV Program Administrative Plan was the policy manual used to administer the Housing Choice Voucher program. The current Admin Plan, developed in consultation with Nan McKay and Associates, was adopted effective May 1, 2015. Since then several changes to HUD rules and regulations, as well as management's wish to make some discretionary changes to policy, had resulted in the need to revise the Admin Plan. Ms. Westby said this amounted to 50 changes within chapters one to seventeen, and a significant expansion of chapter 18, which deals with the RAD PBV program. No comments were received on the revised Admin Plan when it was made available for public review in conjunction with the Annual Plan process. Ms. Westby said that the Board would be asked to approve the revised Annual Plan at its next meeting.

Adjournment

Deputy Executive and Finance Director Jill Stanton informed the Board that she and the Executive Director would be attending the NAHRO Legislative Conference, along with Commissioner Perez, on March 27, the scheduled date of the March Regular Board meeting. It was therefore necessary to re-schedule that meeting as a Special Meeting, on either the third or the tenth of April. With the exception of Vice-Chair Metzger-Utt, all Commissioners

stated they would be available for the Special Meeting on April 10. There being no further business, Vice-Chair Metzger-Utt called for a motion to adjourn the meeting. Commissioner Rastovich moved to adjourn, Commissioner Perez seconded, and the meeting was adjourned at 1:10 p.m.



Chair, Board of Commissioners

ATTEST:



Secretary