



**Minutes of the Regular Meeting
of the Board of Commissioners of the
Housing Authority of the City of Everett**

March 26, 2018

Meeting Called to Order

The Regular Meeting of the Board of Commissioners of the Housing Authority of the City of Everett was called to order by Chair Maddy Metzger-Utt following lunch, at 12:05 p.m. on Monday, March 26, 2018 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Chair Maddy Metzger-Utt	Commissioner Michele Rastovich
Vice-Chair George Perez, Jr.	Commissioner Todd Taylor
Commissioner John Mierke	Commissioner Allison Warren-Barbour

Commissioners Absent:

None

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
Jill Stanton, Deputy Executive Director
Rick Dorris, Director of Development and Acquisitions
John Forsyth, Director of Housing Operations
Steve Yago, Director of Acquisitions and Asset Management
Erica Dias, Relocation and Planning Manager
Brenda McLeod, Ass't. Director of Procurement & Contracts
Wendy Abbey, Assistant Finance Director
Chris Neblett, Hearing Officer/Administrative Coordinator
Katie Ulvestad, Executive Assistant

Guests:

Lorna Corrigan, Attorney
Catherine Holdsworth, President, BP Resident Council
Barbara Miller, HUD 202 Nonprofit Board of Directors Appointee

Chair Maddy Metzger-Utt began by announcing that some procedural changes to the format of Board meetings would go into effect at the May regular meeting, based on discussions with the Executive Director and a review of the Housing Authority's Bylaws. Planned changes included limiting meetings to one and a half hours, cutting down on time spent presenting items for individual consideration via explanatory memos in the agenda packet, and focusing the majority of time on policy issues. More substantive changes to the conduct of meetings were being contemplated but would require revising the Bylaws. Going forward, she asked the commissioners to familiarize themselves with the agenda packet prior to meetings, which should minimize the time spent on individual consideration items and leave more time for policy discussion.

Administration of Oath of Office to Commissioner Allison Warren-Barbour

Chair Metzger-Utt administered the oath of office to incoming Commissioner Allison Warren-Barbour, appointing her to a five-year term expiring October 6, 2023.

Motion to Amend Meeting Agenda

Chair Metzger-Utt called for a motion to amend the meeting agenda, adding Resolution No. 1454, "Revising Utility Allowance for Certain Public Housing Scattered Site Units," and replacing Exhibit "A" to Resolution No. 1452 with a revised version. Commissioner Taylor motioned to amend the agenda as stated, Commissioner Perez seconded, and the motion passed unanimously.

Public Comment

None

Communications

Broadway Plaza Resident Council Catherine Holdsworth reported residents were excited about the impending re-opening of the thrift store in the West building. She related that she enjoys attending Board meetings and hoped to bring the Resident Council Vice-President to a future meeting.

Executive Director's Report

Executive Director Ashley Lommers-Johnson reported that Congress had recently passed an Omnibus Bill, which served to adopt a Federal Budget for 2018 after several months of Continuing Resolutions. This legislation included a 10 percent increase to the HUD funding, which will cover 100 percent of obligated rent payment subsidies for Housing Choice Voucher programs nationwide and increase the program's Admin Fee by five percent. It also decreased funding for Tenant Protection Vouchers by \$25 million, although this was not expected to impact the Housing Authority's plans to sell the 44 Public Housing Scattered Sites since HUD had already indicated these Voucher will be made available to relocate those tenants. Mr. Lommers-Johnson went on to report that the new HUD budget increased the Public Housing Operating Fund by approximately nine percent, and more

unexpectedly, increased the Capital Fund by 42 percent, or \$165,000 more than anticipated.

The Executive Director concluded his report by noting that the Housing Authority had received approximately \$600,000 in proceeds from a class-action lawsuit brought against HUD several years ago, in response to its unauthorized "sweeping" of PHA reserves to offset reductions to the Capital Fund. He planned to bring a proposal to the Board at a future meeting regarding how to best utilize this additional money, noting that the preliminary indications from Washington, D.C. were that the award would be allocated as unrestricted funds.

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. Minutes of Regular Meeting Held on February 26, 2018
2. Section 8 Payments for the Month of January, 2018
3. Summary of Vouchers for the Month of January, 2018

Items for Individual Consideration

Resolution No. 1449 Appointing Directors for HUD 202 Nonprofit Corporations

Director of Acquisitions and Asset Management Steve Yago said this resolution served to appoint Commissioner Allison Warren-Barbour and Hawkins House resident Barbara Miller to vacant positions on the governing Boards of the eleven HUD 202 properties, for which the Housing Authority serves as the managing agent.

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

Resolution No. 1450 Adopting 2018 Annual Plan

Hearing Officer/Administrative Coordinator Chris Neblett said this resolution confirmed the Board's approval of the Annual Plan effective July 1, 2018. He said no further changes had been made to the Plan since it was presented to the Board in draft form at the February meeting. Following the Board's approval, the Plan will be submitted to HUD for its approval by April 15.

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

Resolution No. 1451 Authorizing the Executive Director to Submit a Section 18 Application to HUD for the Disposition of EHA's Scattered Site Public Housing Units

Director of Development and Acquisitions Rick Dorris said this resolution replaced an outdated version of one the Board approved last year. Management expected to submit the disposition application to HUD before the end of the week, which would include an updated letter of approval from the current Mayor. Mr. Dorris said HUD now seemed willing to provide Tenant Protection Vouchers for the relocation of residents in conjunction with the disposition of the Scattered Sites. Mr. Dorris said the application sought approval to dispose of all 44 units, but it was likely that the Housing Authority would retain the three 6-bedroom units. Proceeds from the sale of the Scattered Sites will go towards the development or acquisition of replacement units.

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

Resolution No. 1452 Regarding Designated Check Signers and Voucher Auditors

Assistant Finance Director Wendy Abbey said the Housing Authority has historically updated the resolution identifying designated check signers and voucher auditors whenever there was a change to commissioners or director level staff who fulfill this role. She said this latest version of the resolution included a revised exhibit, identifying authorized individuals by job title rather than name, in order to reduce the need for future updates to this resolution.

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

Resolution No. 1453 Authorizing Increase in Colby Office Petty Cash Fund

Assistant Finance Director Wendy Abbey said this resolution increased the amount of the Colby office petty cash fund from \$250 to \$300, in conjunction with the discontinuation of petty cash funds at the Facilities and Broadway Plaza offices. Chair Metzger-Utt asked why it was necessary for the Board to approve such a minor action, and Director Abbey said the State Auditor required changes to the petty cash account to be approved via resolution, based on the Housing Authority's past practice. Deputy Executive Director Jill Stanton said management would open a conversation with the State Auditor to see if this practice could be discontinued, or if not, to move actions related to petty cash to the consent agenda.

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

Renew Earthquake Insurance for Broadway Plaza, Wiggums Park Place

Assistant Finance Director Wendy Abbey said two companies -- the current carrier, Lloyd's of London, and Golden Bear Insurance Company -- responded to the Housing Authority's solicitation of proposals for the renewal of earthquake insurance at Broadway Plaza and Wiggums Park Place. After reviewing both, management recommended Golden Bear's proposal as the more favorable. Director Abbey said the decision to limit earthquake coverage to these two properties was one the Board made many years ago; Director

Stanton said this decision was based on the fact that, at the time, only these properties were carrying debt, while more had been converted to a tax credit model in the intervening time. Although Director Dorris noted that tests by an outside consultant had concluded that the Bakerview high-rise would weather an earthquake relatively well, it was agreed by all in attendance at today's meeting that it would be wise to discuss the financial practicability of a blanket earthquake policy for other properties, preferably before the end of the year.

Commissioner Perez moved to accept, Commissioner Rastovich seconded, which passed unanimously.

Resolution No. 1454 Revising Utility Allowance for Certain Public Housing Scattered Site Units

Hearing Officer/Admin Coordinator Neblett said that he had completed the annual utility allowance survey for the Public Housing properties. This survey found that an increase in electric rates from October of last year represented a cumulative increase in the rate used to calculate the utility allowance of more than 10 percent, but only as it applied to the 42 Scattered Sites that use electricity as the sole utility. There was no need to revise the allowance for Baker Heights, or the two Public Housing units that also use a combination of electricity and natural gas, as decreases in rates charged for natural gas had offset corresponding increases to electric rates. HUD regulation required increasing the utility allowance for the "electric only" Scattered Site units effective April 1, with a lowering of rents retroactive to November, 2017.

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

Policy Discussion

Approval of Financial Statements: Core Properties Second Quarter, Tax Credit Properties Fourth Quarter

Deputy Executive Director Stanton went over balance sheets and income statements as it applied to the Housing Authority's audited annual financial statement for the period ending June 30, 2017, the tax credit property portfolio year end statement, and the six-month statement for the core properties. Ms. Stanton's presentation showed the Housing Authority was generally on target with its budgeting and on stable financial footing across all programs, including properties involving tax credit partnerships, which had sufficient cash flow to pay the debt and developer fees. She said her department would make a point of presenting balance sheets and income statements for the audited annual financial statement and audited tax credit properties around this time each year. Assistant Finance Director Abbey concluded by presenting a variance analysis for the core properties and tax credit properties for the stated periods. She noted that most properties and programs were experiencing variances in line with what was budgeted.

Commissioner Taylor moved to approve the financial statements as presented. Commissioner Perez seconded, and the motion passed unanimously.

Chair Metzger-Utt called for a motion to appoint Commissioner Warren-Barbour to the Board's Finance Committee, filling the spot vacated by former commissioner Lyle Ryan. Commissioner Taylor motioned as stated, Commissioner Perez seconded, and the motion passed unanimously.

This meeting segment concluded with Deputy Director Stanton announcing that she had submitted her resignation to accept a position with King County Housing Authority. She expressed gratitude for her thirteen and a half years of service to the agency and the opportunities it had provided, with respect to both her professional development and the chance to work with and supervise talented staff. Chair Metzger-Utt thanked her on behalf of the Board for her professionalism and service to the agency over the course of many years, which Executive Director Lommers-Johnson echoed.

Executive Session

At 1:08 p.m. Chair Metzger-Utt called for a motion for the Board to convene into Executive Session for a duration of approximately 22 minutes, in order to discuss the Executive Director's annual performance review as it related to his compensation. Commissioner Mierke motioned as stated, Commissioner Perez seconded, and the Board convened in Executive Session.

Reconvene Regular Session

At 1:31 p.m. the Board resumed in regular session, with no action taken in the Executive Session. Commissioner Rastovich moved to grant the Executive Director a salary increase of two and one-half percent COLA, plus a half percent bonus, retroactive to July 1, 2017. Commissioner Perez seconded the motion, which passed unanimously.

Adjournment

There being no further business, Chair Metzger-Utt called for a motion to adjourn. Commissioner Rastovich motioned as stated, Commissioner Perez seconded, and the meeting adjourned at 1:33 p.m.

ATTEST:

Secretary


Vice- Chair, Board of Commissioners