



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

November 13, 2018

Meeting Called to Order

The Annual 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 12:09 p.m. on Monday, November 13, 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
Wendy Abbey, Finance Director
Steve Yago, Director of Acquisitions and Asset Mgmt.
Wendy Westby, HCV Program Director
Erica Dias, Relocation Manager
Linda Baines, Deputy Director of Housing Mgmt.
Brenda McLeod, Ass't. Director of Procurement & Contracts
Chris Neblett, Hearing Officer/Administrative Coordinator
Krystal O'Mara, Executive Assistant

Guests:

Lorna Corrigan, Attorney
Becky Ableman McCrary, City of Everett
Samantha Kantak and other Teamsters Union Representatives

Motion to Revise Agenda

Chair Metzger-Utt called for a motion to move "Approve Updates to Telecommuting Policy" from the Consent Agenda to the Items for Individual Consideration, and to add a fourth Item for Individual Consideration, "Motion to Ratify Fees Paid to Winterbauer and Diamond in Excess of the Cap Authorized on such Fees and to Increase the Total Cap on the Contract for such Fees to \$32,000." Commissioner Rastovich moved to revise the agenda as stated, Commissioner Perez seconded, and the motion passed unanimously.

Administration of Oath of Office to Commissioner Allison Warren-Barbour

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

Election of Officers

Commissioner Rastovich motioned to open nominations for Chair and Vice-Chair, then nominated Maddy Metzger-Utt to serve another term as Chair and Allison Warren-Barbour for Vice-Chair. There being no further nominations, Chair Metzger-Utt called for a vote on the slate of candidates. The commissioners unanimously elected Maddy Metzger-Utt as Chair and Allison Warren-Barbour as Vice-Chair to respective one-year terms.

Communications

None.

Executive Directors Report

Executive Director Ashley Lommers-Johnson said he would keep his report brief, given that a report on quarterly financial statements was scheduled for the end of the meeting. He announced that Commissioner Rastovich had tendered her resignation effective December 15; he then thanked her for her service and wished her best of luck in her future endeavors. Commissioner Rastovich expressed appreciation for her fellow commissioners and Housing Authority staff, particularly their commitment to expanding the supply of affordable housing within the area.

The Executive Director planned to attend tomorrow's City Council meeting and report on the current status of the Baker Heights relocation and the plans for acquiring replacement units. He said only 89 of the property's 244 units remain occupied, and management continues to move forward with plans to develop up to 200 units, 60 to 80 of which will be subsidized, on a portion of the Baker Heights property that will remain under the Housing Authority's control following its disposition. Mr. Lommers-Johnson concluded his report by noting that all agency departments are operating at a high level, providing our residents and other partners with excellent customer service. He further noted that Congress and the President still had not reached an agreement on a new Federal budget, and HUD would continue to fund housing programs at their current levels through December 7 under a Continuing Resolution. In the event a deal was not reached soon after the turn of the new year, program cuts in the form of sequestration were a possibility.

Public Comment

Samantha Kantak and fellow Teamsters representatives provided the commissioners with a letter concerning ongoing negotiations for a new contract between the maintenance employees' bargaining unit and the Housing Authority. Ms. Kantak said negotiations began in February 2018 and shifted to mediation this past October. Per the Teamsters representatives, the pay scale that was implemented three years ago has created pay disparities among maintenance department employees, including a lack of wage progression for some senior employees. To correct this perceived inequity, the Teamsters were proposing an "equal pay for equal work" pay scale. Ms. Kantak said the proposed initiative would pay for itself, using savings incurred when the Housing Authority replaced its senior maintenance specialist with someone of a lower pay grade and left another position unfilled for a significant amount of time. In closing, she asked the Board to take the Teamsters' proposals into consideration.

Chair Metzger-Utt asked the Executive Director whether the wage survey that was prepared by an independent consultant at the Board's request included maintenance positions. Mr. Lommers-Johnson believed that was the case, but he reminded the Board that the Housing Authority would continue to pursue mediation with the union's bargaining unit as the means to resolve the current impasse in negotiations.

Consent Agenda

Hearing Officer/Administrative Coordinator Neblett made it known that page two of the minutes of the most recent meeting contained an error -- the last name of the Chancellor of Washington State University, Everett Campus was misspelled "Petrie" versus "Pitre." Chair Metzger-Utt called for a motion to remove approval of the October 29 special meeting minutes from the Consent Agenda. Commissioner Perez motioned as stated and Commissioner Rastovich seconded. Chair Metzger-Utt then called for a motion to approve the minutes of the October 29, 2018 special meeting with the correction to the spelling of Chancellor Pitre's name. Commissioner Mierke motioned to approve the corrected minutes, Commissioner Perez seconded, and the motion passed unanimously.

Chair Metzger-Utt called for a motion to approve the revised Consent Agenda, containing the following items:

1. Section 8 Payments for the Month of September 2018.
2. Summary of Vouchers for the Month of September 2018.
3. Approve Revisions to Education Assistance and Tuition Reimbursement Policy
4. Acceptance of Executive Director's Report on Write-offs of Tenant Accounts Receivable

Commissioner Rastovich motioned for approval of this revised Consent Agenda. Commissioner Perez seconded, and the motion passed unanimously.

Items for Individual Consideration

Resolution No. 1467 Approving Section 125 Cafeteria Plan for 2019

Finance Director Abbey said this was the standard resolution passed each year, allowing for the employee-paid portion of health insurance benefits to be deducted from pre-tax dollars.

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

Resolution No. 1468 Authorizing Disposition of Scattered Sites Public Housing Units and Related Actions

Executive Director Lommers-Johnson said HUD granted approval for the sale of the 44 Public Housing Scattered Site units earlier this year. This resolution authorized the disposition of these units and their method of sale. The Executive Director said the preferred method of sale for the duplexes was to a single investor, while the single-family homes would be offered to individual buyers through a broker. He said management has been working with a non-profit seeking to acquire three of the units accessible to persons with disabilities. In order to ensure larger families retain access to affordable housing, management planned to request an amendment to HUD's disposition approval letter that would allow the sale of the three six-bedroom Scattered Site units to a nonprofit under the Housing Authority's control.

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

Approve Updates to Telecommuting Policy

Legal Counsel Corrigan requested an additional change be made to this policy. She did not believe the current wording of Section J, Abuse of Telecommuting, adequately conveyed that the Housing Authority intended to conduct an investigation upon suspecting an employee was abusing his/her telecommuting privilege. As the provision was currently worded, it suggested the investigation would take place after a determination of abuse had been made. Ms. Corrigan said the current sentence in Section J should be revised to read, "If it is believed that there may have been an abuse of the telecommuting agreement, an investigation may be conducted, and the privilege may be terminated." She also requested the addition of a sentence at the conclusion of Section J, reserving the Housing Authority's right to terminate the telecommuting privilege at any time: This amendment is to read, "Notwithstanding the foregoing, the telecommuting policy may be terminated by EHA at any time without notice or cause."

Commissioner Mierke moved to approve the updated telecommuting policy, to include the revised language provided by legal counsel. Commissioner Perez seconded the motion, which passed unanimously.

Motion to Ratify Fees Paid to Winterbauer and Diamond in Excess of the Cap Authorized on such Fees and to Increase the Total Cap on the Contract for such Fees to \$32,000

Legal Counsel Corrigan reported the original contract with the firm retained to provide legal services pertaining to certain personnel matters earlier in the year provided for a cap of \$20,000, an amount that was based on the best estimate at the time. Although the actual fees to date have come to around \$30,000 – this included a \$6,972.68 overage, plus outstanding billing – management was requesting the Board to approve a slightly higher cap, to ensure any additional fees that might be incurred do not require the Board's approval at a later date.

Commissioner Rastovich moved to ratify the payment of fees of \$6,972.68 to Winterbauer and Diamond for special personnel services, in excess of the original cap of \$20,000, and to increase the total cap on the contract with that firm for special personnel services, from \$20,000 to \$32,000. Commissioner Taylor seconded the motion, which passed unanimously.

Policy Discussion

Review of Financial Statements for Core (Third, Fourth Quarters) and Tax Credit (First, Second Quarters) Properties

Finance Director Abbey said the financial statements presented at today's meeting were summary versions, given that she had already met with the Board's Finance Committee to review detailed statements for both portfolios. The overall performance of the Tax Credit properties over the two quarters ending June 30, 2018 was better than expected due to high occupancy rates, slightly lower than budgeted expenses, and more robust cash flows from developer fees. Director Abbey said expenses at these properties would go up over the next two quarters, as several properties have budgeted capital repairs that will need to be completed before the end of the year.

Next, Director Abbey reviewed the financial performance of the Core Properties for the two quarters ending June 30, 2018. This included Public Housing, non-tax credit Affordable Properties owned by the Housing Authority, and the agency's market rate properties. While the Core properties were performing well as a whole, the difficulty of forecasting rents and the HUD operating subsidy for Baker Heights as it goes through the disposition process complicated things somewhat. She anticipated an ongoing increase in expenses for Baker Heights as the tenant relocation process continues, including but not limited to the need to secure vacant units by "clear-boarding" and the cost of hiring Everett Police Department officers to patrol the property on foot at night. Replacement of the elevator at Royal Oakes Apartments was another large expense that would be incurred in the next two quarters.

Director Abbey concluded with a review of the financial performance of the agency's supporting programs (HCV Admin Fee, CoCC, Property Management and Development Fund, Hope Options) for the two quarters ending June 30, 2018. A 4% increase to the Voucher program Administrative Fee resulted in a better than budgeted outcome at the program year-end. The Property Management and Development Fund experienced a significant, unbudgeted positive variance as a result of a final equity payment related to the EHA Senior Housing I. The Board asked management to budget for such outstanding

equity pay-ins going forward, and Director Abbey said the new Assistant Finance Director, Calista Cuellar, would be integral to this effort, as she has significant experience in this area. In conclusion, Ms. Abbey said she planned to meet with the Board's Finance Committee to review the next round of financial statements in November or December.

Commissioner Warren-Barbour moved to approve the third and fourth quarter financial statements for the Core Properties and first and second quarter financial statements for the Tax Credit Properties. Commissioner Taylor seconded the motion, which passed unanimously.

Adjournment

Prior to the meeting's adjournment, Commissioner Rastovich inquired whether the Housing Authority has a social media policy that prohibits employees from making negative statements about residents, other employees, or management. The Executive Director said there is a policy that restricts employees from using agency IT equipment for their own personal use, but no policy as described. Commissioner Rastovich expressed support for the development of such a policy, and Legal Counsel Corrigan said she could explore this with the Executive Director.

There being no further business, Chair Metzger-Utt adjourned the meeting at 12:52 p.m.



Chair, Board of Commissioners

ATTEST:


Secretary