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

June 24, 2013

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 Vice-Chair Lyle Ryan following lunch at 12:21 p.m. on Monday, June 24, 2013 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Vice-Chair Lyle Ryan
Commissioner John Mierke
Commissioner George Perez, Jr.
Commissioner Michele Rastovich
Commissioner Todd Taylor

Commissioners Absent:

Chair Maddy Metzger-Utt

Also in attendance were:

Staff:

Executive Director Ashley Lommers-Johnson
Rick Dorris
Jill Stanton
Brenda McLeod
Dean Weitenhagen
Teena Ellison
Wendy Westby
Wendy Abbey
Chris Neblett

Guests:

Lorna Corrigan, Attorney
Sylvia May, Chair, EHA Resident Advisory Board
Gary Greenfield, Representative, Bakerview Resident Council
Donna Latremouille, Director, Broadway Plaza Resident Council
Tom Douge, Vice-President, Broadway Plaza Resident Council
Tammy Brady, Teamsters Union Representative
Janine Dibble, Teamsters Union Representative

Approval of Minutes

Vice-Chair Ryan called for approval of the minutes for the Regular Meeting held on May 28, 2013. A motion to approve the minutes of this meeting was made by Commissioner Perez and seconded by Commissioner Taylor. Upon being put to a vote, the motion was passed and the minutes were approved.

Communications

Bakerview Resident Council representative Gary Greenfield reported on the council's recent activities. Officers of the Broadway Plaza Resident Council, Tom Douge and Donna Latremouille, gave a report next. They announced this year's Family Day event would take place on July 20 at Broadway Plaza. The resident council has been able to use profits earned from the thrift store, bake sales, and white elephant sales as a way to cover expenses for this event. Vice-Chair Ryan recognized this would be the last meeting for Sylvia May, Chair of the Resident Advisory Board, who has served on the RAB for over ten years. Ms. May said Executive Director Ashley Lommers-Johnson attended the RAB's most recent meeting, providing more details about the Rental Demonstration Program and recognizing both her and Amelia Richardson, whose term on the RAB has also ended. Vice-Chair Ryan inquired whether replacements have been found for these departing members of the RAB. Hearing Officer/Administrative Coordinator Chris Neblett said the Executive Director will appoint a replacement upon completion of the recruiting process. Executive Director Lommers-Johnson thanked Ms. May for her years of service on the RAB.

For the record, Executive Director Lommers-Johnson said he had received a letter from Teamsters Local 38, a copy of which was also provided to the Commissioners. He indicated that management is currently engaged in the grievance process with the Teamsters Union over contracting out extraordinary maintenance of roofs.

Public Comments

No public comment was offered.

Consent Agenda

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

1. Section 8 Payments for the month of May 2013
2. Summary of Vouchers for the month of May 2013

Items for Individual Consideration

Resolution No. 1326 Adopting Budgets for FY 2013-14 for EHA Programs

Finance Director Jill Stanton said this resolution served to formally adopt program budgets for the upcoming fiscal year. The Commissioners were provided a draft version of the budgets at the last meeting of the Board. Since then, minor changes to some of the budgets -- $15,000 in expenses, including a line item for a Board of Commissioners retreat and $29,000 in additional revenue -- were made. Ms. Stanton said minor revisions related to staffing were

also made to the budget narrative, although these did not change the overall amount budgeted. She also added a paragraph to the narrative on the subject of training, stating that management will come to Board of Commissioners when training expenses exceed what has been budgeted under that line item; however, the Board will no longer be required to approve trainings individually throughout the year.

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

As a point of order, Legal Counsel Lorna Corrigan advocated that a motion be made to amend the meeting agenda, including additional items listed on a handout distributed prior to the meeting. This included Resolution No. 1331, Ratifying Prior Actions Related to Purchasing Card Transactions, as well as an update on the timing and process of the Executive Director's Evaluation. Commissioner Taylor moved to amend the agenda in the stated manner, and Commissioner Perez seconded the motion, which passed unanimously.

Resolution No. 1327 Revising EHA Procurement Policies Related to Purchasing (Credit) Cards

Facilities and Procurement Administrator Brenda McLeod said this item sought approval to change the section of the Procurement Policies related to purchasing cards, increasing the maximum limit the Executive Director may assign to any employee's card to $10,000. The revised policy will also allow a maximum per-transaction limit equal to the maximum credit limit on all cards. Commissioner Mierke asked for clarification regarding purchasing cards, specifically which agency personnel are issued one. Executive Director Lommers-Johnson said purchasing cards are limited to department directors and maintenance staff who make material purchases on a regular basis. This change to policy related to purchasing cards will not waive the overall restrictions on purchases; transactions will continue to be subject to the applicable procurement policies, including competitive bid requirements for items purchased out of some accounts.

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

Resolution No. 1328 Revising No Smoking Tenancy Addendum

Hearing Officer/Administrative Coordinator Chris Neblett explained this resolution expanded the terms of the Lease Addendum related to the agency's No Smoking Policy, which all tenants of EHA properties must sign. The revised addendum contained three main policy additions. First, it identifies the No Smoking Policy as a fundamental agency obligation, meaning requests to waive it as a reasonable accommodation for a disability will not be granted. Specifically, tenants with medical marijuana licenses will not be allowed to circumvent the No Smoking Policy on the basis of reasonable accommodation. Secondly, the revised addendum details the activities that are considered to be "smoking," including the agency's position on electronic cigarettes. These devices will be permitted within the privacy of tenants' units, but not in the common areas. Thirdly, the addendum has been revised to remind tenants that they have a responsibility to abide by all terms of the policy, or face possible eviction and cleaning charges. Mr. Neblett said tenants were given more than thirty days to comment on this policy change, and he summarized the three comments that were

received, as well as his response. The revised tenancy addendum will also advise tenants that EHA can refer them to resources that can help them quit smoking.

RAB Chair Sylvia May asked for more clarification on the medical marijuana issue as it relates to the new policy. Mr. Neblett repeated his earlier point, stating that any reasonable accommodation request on those grounds will be refused, since the No Smoking Policy is a fundamental agency obligation. Additionally, marijuana use remains a federal offense, and the Housing Authority will treat it as such. Vice-Chair Ryan asked about the level of tenant complaints received to date regarding violations of the No Smoking Policy. Director of Housing Dean Weitenhagen said management continues to enforce the policy to the best of its ability. Legal counsel Lorna Corrigan was not aware that management has sought to evict tenants for violating the no-smoking policy over the past two years. She indicated that the issue of medical marijuana is uncharted, as is that with e-cigarettes, and the policy may need to be updated as more experience and data is gathered over time.

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

Resolution No. 1329 Adopting Records Retention Policy for Everett Housing Authority

In introducing this resolution, Hearing Officer/Administrative Coordinator Chris Neblett noted that while the agency has a public records policy, it lacks a formal policy related to retention of records. As a local government agency, EHA is subject to retention requirements prescribed by the Secretary of State, and the proposed policy will recognize the related retention schedules as the standard used to determine the length of time records need to be kept. In cases where HUD or another regulatory body has more restrictive requirements, EHA will follow those. The policy gives individual departments within the agency the discretion to follow their own files management methods. A records manager will be appointed from each department, and these individuals will work with an appointed Records Retention Officer, who will oversee the identification and destruction process for out of date records. The Executive Director or Finance Director must sign off on the destruction log, and at least once a year records will be destroyed. Mr. Neblett said that the same process will apply to electronic records. Vice-Chair Ryan asked if records are currently kept in a fire-resistant area. Mr. Neblett said he could not say that definitively, but reasonable care is exerted to keep records safe.

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

Resolution No. 1330 Revising Capitalization Criteria for Expendable and Non-Expendable Equipment

Finance Director Jill Stanton said the resolution updates the capitalization policy, increasing the dollar-value threshold for equipment or personal property with an anticipated useful life of more than three years, from $2,000 to $5,000. Ms. Stanton said this is in keeping with current HUD requirements and lessens the burden of accounting for capitalized items.

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

Resolution No. 1331 Ratifying Prior Actions Related to Purchasing Card Transactions

Hearing Officer/Administrative Coordinator Chris Neblett said this resolution was meant to retroactively approve certain purchasing card activity that occurred prior to approval of Resolution No. 1327. When it was adopted in 2008, the section of the Procurement Policy that set maximum credit limits on purchasing cards at $5,000 did not account for the fact that Facilities and Procurement Administrator Brenda McLeod's card had a credit limit of $10,000. Also, this section of policy limited individual transactions on purchasing cards to $2,000, requiring the Executive Director's pre-approval on any transaction above that amount. Management has become aware of three instances in 2012, where staff members' purchasing card transactions exceeded the prescribed limit. Although these transactions were approved by the Director of Facilities, the Executive Director's approval was not obtained, as the Procurement Policy required. These purchases were detailed in Section 2 of the resolution. Legal Counsel Lorna Corrigan said the resolution formally recognizes that management is aware of these discrepancies and wants to make this known for accounting and audit purposes.

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

Update on Timing and Process of Executive Director's Evaluation

Finance Director Jill Stanton wanted to advise the Board that the 2013-14 budget includes a pay increase for Executive Director Ashley Lommers-Johnson, in line with what has been granted other non-union represented employees. Vice-Chair Ryan said the Board of Commissioners had intended to complete the Mr. Lommers-Johnson's performance evaluation and any recommended pay increase prior to July 1, but that was not done. As a result, any approved pay increase will be applied retroactively. Counsel Lorna Corrigan said the Board would need to determine when to hold the Executive Session to review the Executive Director's performance, and it was agreed that this would be added to the agenda for the regular meeting on July 22.

Commissioner Taylor made a motion to table the Executive Director's performance evaluation until the Board of Commissioners meeting on July 22, 2013, which was unanimously agreed to by the Board.

Following approval of this motion, Commissioner Rastovich requested clarification as to whether the Executive Director's budgeted pay increase was based on cost of living or merit. Finance Director Stanton clarified it consisted of a cost of living increase as well as a pay adjustment.

Policy Discusssion

Update on RAD Conversion Options

Executive Director Lommers-Johnson gave an update on the options available under HUD's Rental Assistance Demonstration Program. HUD has indicated it will allow EHA to combine Bakerview Apartments with another public housing development, increasing the financial

benefit of the program, given that Bakerview's rent income is low relative to some other developments. Mr. Lommers-Johnson said the RAD is typically combined with a tax credit financing, resulting in around $25,000 per unit in rehabilitation funding. Since per-unit rehab costs at Bakerview will likely exceed this amount, and Grandview Homes has already undergone substantial renovations, it makes sense to covert these two developments under RAD at the same time.

Mr. Lommers-Johnson said management will meet with HUD representatives in the next few weeks to discuss the RAD application, and he will provide the Board of Commissioners with more details as things develop over the next few months. He said this will be the biggest impact decision over the 2013-14 fiscal year, as this essentially will transform Public Housing units into something similar to the Section 8 Project-Based program.

Pivotal Point Update

Finance Director Rick Dorris reminded the Board that it passed a resolution in October last year that gave the Executive Director authority to sign all documentation related to Pivotal Point, transitional housing that will be constructed on the new site occupied by Domestic Violence Services of Snohomish County. He said the Executive Director signed a Letter of Intent with PNC Bank late last week, related to the tax credit partnership. He hoped the financing will close in time for construction to begin in August. A tax credit reserve contract with the Washington State Housing Finance Commission was also signed recently. Permits for construction of the 20 unit project, at a budgeted cost of just over $3 million, have been signed. The construction contract will be signed at the point a contract with the tax credit partner is ready. CDK will act as the general contractor, the same firm that completed most of the Broadway Plaza renovations. It is anticipated that ground for the project will be broken sometime around September 1, approximately one month before the facility for Domestic Violence Services opens. Mr. Dorris said the Board will be kept apprised of events, including a groundbreaking ceremony, as they develop with Pivotal Point.

Following Mr. Dorris's presentation, Commissioner Todd Taylor asked if it would be appropriate to discuss the grievance involving the Teamsters union. Legal Counsel Lorna Corrigan responded that it would not be at this time, given that both sides are engaged in the grievance process at this time.

Adjournment

There being no further business, Vice-Chair Ryan adjourned the meeting at 1:10 p.m..

Vice Chair, Board of Commissioners

ATTEST:

Secretary