AGENDA
MEETING OF THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF MASON COUNTY
March 15, 2023 at 2:30 PM In Mason County Health Department Conference Room on the First Floor of 415 N. 6th Street, Shelton WA 98584

Pursuant to Proclamation by the Governor 20-28.14, in person attendance to Board meetings is **temporarily restricted**. During this time, we will accept public comment and testimony using Zoom. Please click the Zoom meeting link posted on the Mason County Housing Authority homepage and use the "raise hand" feature to be recognized by the Chair to provide your comments and testimony. You can also e-mail masoncountyha2019@gmail.com; or mail in to the Commissioners' Office at 415 N 6th St, Shelton, WA 98584. These options are available only while COVID-19 Open Public Meetings Act (OPMA) meeting restrictions are in place.

1) CALL TO ORDER:
2) PLEDGE OF ALLEGIANCE:
3) ROLL CALL:
4) CORRESPONDENCE:
5) OPEN FORUM FOR PUBLIC COMMENT:
6) ADOPTION OF AGENDA:
7) APPROVAL OF MEETING MINUTES: 2/15/23

8) NEW BUSINESS: – FRANK PINTER
   a) Status of SAO audit
   b) Status on Lack of Subsidy Payments and resultant Cash-flow issues i.e., USDA has approved processing but reporting inadequacy is a sever problem. Suggest moving all properties to Ad West similar to Pine Garden. Funding is available as Professional Services Contract with Frank Pinter is being terminated at the end of March 2023.
   c) Approval to Add Dan Armstrong on all the Bank Accounts and remove Frank Pinter from them. That leaves George Blush, Dale Elmlund and Dan Armstrong as signatures.
   d) Review Termination letter from Frank Pinter regarding Professional Services.
   e) New potential MCHA Board Member – To be appointed at Next Month's MCHA Board Meeting
   f) 2022 Financials attached
9) OLD BUSINESS: – FRANK PINTER
   a) Discuss status of building maintenance and project by project update - Dan
   b) Discuss status of water damage insurance claim - Dan
   c) Discuss status of insurance claim regarding fire damaged units – Dan

10) QUESTIONS
11) FUTURE MEETING April 19, 2023
12) ADJOURNMENT
13) ATTACHMENTS: Meeting Minutes for 2/15/23. MCHA PG. Coves KPK Financial Statements for FY22 prepared by TJ-CPA, Professional Services Termination Letter

If special accommodations are needed, contact the Health Department at ext. 720, Shelton #360-427-9670; Belfair #275-4467, Elma #482-5269.

HOUSING AUTHORITY OF MASON COUNTY

Statement of Net Position

Coves Apartments

September 30, 2022 and September 30, 2021

		Totals		
		9/30/2022		9/30/2021
Assets				
Current Assets				
Cash & Cash Equivalents	$	6,881	$	15,453
Cash - Restricted		140,793		130,912
Cash with Fiscal Agent /Tenant Security Deposits		30,529		29,634
Other Accounts Receivable		80,276		93,333
Accounts Receivable - Tenants - Net		32,749		31,656
Prepaid Expenses		6,293		18,240
Total current assets		297,520		319,228
Noncurrent Assets				
Land/Bldg/Leasehold Improvements		2,486,913		2,486,913
Less Depreciation		(991,828)		(921,700)
Total noncurrent assets		1,495,085		1,565,213
Total Assets	$	1,792,605	$	1,884,441
Total Deferred Outflows of Resources	$	0	$	0
Liabilities				
Current Liabilities				
Accounts Payable		148,036		50,235
Accrued Interest Payable		650		650
Accrued Expense		0		9,337
Deferred Credits/Prepaid Rent		2,109		7,426
Tenant Deposits Payable		30,529		29,634
Loan Payable - Current		92,310		86,116
Total current liabilities		273,634		183,398
Noncurrent Liabilities				
Loan Payable - Mortgages		879,131		971,942
Total noncurrent liabilities		879,131		971,942
Total Liabilities	$	1,152,765	$	1,155,340
Total Deferred Inflows of Resources	$	0	$	0
Net Position				
Invested in Capital Assets, net of related debt		523,644		593,271
Restricted		140,793		130,912
Unrestricted		(24,597)		4,918
Total Net Position	$	639,840	$	729,101

The cash flow and substantially all disclosures required by GAAP are omitted.

Teresa D Johnson CPA, Inc did not perform an audit, review or compilation engagement on these financial statements and no assurance is provided on them.

HOUSING AUTHORITY OF MASON COUNTY

Statement of Revenues, Expenses, and Changes in Fund Net Position

Coves Apartments

For Year Ended September 30, 2022 and 2021

	Totals	
	9/30/2022	9/30/2021
Operating Revenues		
Tenant Revenue	$ 186,524	$ 219,384
Miscellaneous Revenues	5,797	-
Total Operating Revenues	192,321	219,384
Operating Expenses		
Administrative	41,627	120,405
Utilities	147,131	73,715
Onsite Managers	110,207	16,417
Onsite Maintenance	28,887	38,133
Ordinary Maintenance and Equipment	12,376	42,210
Contracts	35,837	37,134
Employee Benefits Contribution	12,987	12,984
Depreciation Expense/Amortization	70,128	70,128
General	66,229	19,558
Total Operating Expenses	525,409	430,684
Operating Income	(333,088)	(211,300)
Non-Operating Revenues (Expenses)		
Other Government Grants	312,710	339,796
Investment Income	8	10
Interest And Fiscal Charges	(68,891)	(94,129)
Total Non-Operating Revenues (Expenses)	243,827	245,677
Change in Net Assets	(89,261)	34,377
Total Net Position October 1	729,101	694,724
Total Net Position September 30	$ 639,840	$ 729,101

The cash flow and substantially all disclosures required by GAAP are omitted.

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HOUSING AUTHORITY OF MASON COUNTY

Statement of Net Position

Kneeland Park

September 30, 2022

		Totals		
		9/30/2022		9/30/2021
Assets				
Current Assets				
Cash & Cash Equivalents	$	3,670	$	26,518
Cash - Restricted		123,424		115,621
Cash with Fiscal Agent /Tenant Security Deposits		11,970		14,220
Other Accounts Receivable		0		0
Accounts Receivable - Tenants - Net		48,178		43,130
Prepaid Expenses		175		7,062
Total current assets		187,417		206,551
Noncurrent Assets				
Land/Bldg/Leasehold Improvements		1,740,702		1,740,702
Furniture and Equipment		90,082		90,082
Less Depreciation		(1,037,539)		(1,001,287)
Total noncurrent assets		793,245		829,497
Total Assets	$	980,662	$	1,036,048
Total Deferred Outflows of Resources	$	0	$	0
Liabilities				
Current Liabilities				
Accounts Payable		171,121		178,668
Accrued Expense		0		2,286
Deferred Credits/Prepaid Rent		1,283		876
Tenant Deposits Payable		11,970		14,220
Loan Payable - Current		17,057		16,389
Total current liabilities		201,431		212,439
Noncurrent Liabilities				
Loan Payable - Mortgages		670,883		691,329
Total noncurrent liabilities		670,883		691,329
Total Liabilities	$	872,314	$	903,768
Total Deferred Inflows of Resources	$	0	$	0
Net Position				
Invested in Capital Assets, net of related debt		105,305		138,168
Restricted		123,424		115,621
Unrestricted		(120,381)		(121,509)
Total Net Position	$	108,348	$	132,280

The cash flow and substantially all disclosures required by GAAP are omitted.

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HOUSING AUTHORITY OF MASON COUNTY

Statement of Revenues, Expenses, and Changes in Fund Net Position

ALL PROPRIETARY FUND TYPES

For Year Ended September 30, 2022 and 2021

	Totals	
	9/30/2022	9/30/2021
Operating Revenues		
Tenant Revenue	$ 240,211	$ 207,797
Miscellaneous Revenues	849	-
Total Operating Revenues	241,060	207,797
Operating Expenses		
Administrative	22,913	44,988
Utilities	51,720	39,831
Onsite Managers	39,093	15,492
Onsite Maintenance	8,652	14,978
Ordinary Maintenance and Equipment	1,244	11,114
Contracts	16,892	13,136
Employee Benefits Contribution	4,429	5,094
Depreciation Expense/Amortization	36,252	36,252
General	55,095	(11,184)
Total Operating Expenses	236,290	169,701
Operating Income	4,770	38,096
Non-Operating Revenues (Expenses)		
Investment Income	-	1
Owner Distributions	(3,000)	(12,000)
Interest And Fiscal Charges	(25,702)	(28,742)
Total Non-Operating Revenues (Expenses)	(28,702)	(40,741)
Change in Net Assets	(23,932)	(2,645)
Total Net Position October 1	132,280	134,925
Total Net Position September 30	$ 108,348	$ 132,280

The cash flow and substantially all disclosures required by GAAP are omitted.

Teresa D Johnson CPA, Inc did not perform an audit, review or compilation engagement on these financial statements and no assurance is provided on them.

HOUSING AUTHORITY OF MASON COUNTY
Statement of Net Position
Pine Garden
September 30, 2022 and 2021

	Totals	
	9/30/2022	9/30/2021
Assets		
Current Assets		
Cash & Cash Equivalents	$ 444	$ 4,594
Cash - Restricted	6,962	2,594
Cash with Fiscal Agent /Tenant Security Deposits	9,320	9,311
Other Accounts Receivable	50,909	30,595
Accounts Receivable - Tenants - Net	30,766	46,756
Prepaid Expenses	37,678	9,302
Total current assets	136,079	103,152
Noncurrent Assets		
Land/Bldg/Leasehold Improvements	1,866,168	1,866,168
Furniture and Equipment	187,602	187,602
Less Depreciation	(1,331,451)	(1,274,872)
Total noncurrent assets	722,319	778,898
Total Assets	$ 858,398	$ 882,050
Total Deferred Outflows of Resources	$ 0	$ 0
Liabilities		
Current Liabilities		
Accounts Payable	156,259	20,590
Accrued Interest Payable	0	294
Accrued Expense	5,600	4,711
Deferred Credits/Prepaid Rent	0	2,334
Tenant Deposits Payable	9,320	9,311
Loan Payable - Current	21,408	20,064
Inter Program - Due to Agency	9,373	9,373
Total current liabilities	201,960	66,677
Noncurrent Liabilities		
AP - Project Owner	532	532
Accrued Interest Payable, deferred	135,933	151,887
Loan Payable - Mortgages	894,594	948,405
Note Payable	226,171	226,171
Revenue Bonds Payable	120,718	120,718
Total noncurrent liabilities	1,377,949	1,447,713
Total Liabilities	$ 1,579,909	$ 1,514,390
Total Deferred Inflows of Resources	$ 0	$ 0
Net Position		
Invested in Capital Assets, net of related debt	(540,573)	(516,396)
Restricted	6,962	2,594
Unrestricted	(187,900)	(118,538)
Total Net Position	$ (721,511)	$ (632,340)

The cash flow and substantially all disclosures required by GAAP are omitted.

Teresa D Johnson CPA, Inc did not perform an audit, review or compilation engagement on these financial statements and no assurance is provided on them.

HOUSING AUTHORITY OF MASON COUNTY

Statement of Revenues, Expenses, and Changes in Fund Net Position

Pine Garden

For Year Ended September 30, 2022 and 2021

	Totals	
	9/30/2022	9/30/2021
Operating Revenues		
Tenant Revenue	$ 335,406	$ 291,390
Miscellaneous Revenues	529	-
Total Operating Revenues	335,935	291,390
Operating Expenses		
Administrative	37,335	72,908
Utilities	70,879	39,124
Maintenance	-	76,760
Onsite Managers	47,043	-
Onsite Maintenance	14,434	-
Ordinary Maintenance and Equipment	3,524	-
Contracts	20,394	-
Employee Benefits Contribution	5,292	-
Depreciation Expense/Amortization	56,578	44,130
General	124,251	27,746
Total Operating Expenses	379,730	260,668
Operating Income	(43,795)	30,722
Non-Operating Revenues (Expenses)		
Investment Income	-	8
Owner Distributions	-	(2,800)
Interest And Fiscal Charges	(45,376)	(67,229)
Total Non-Operating Revenues (Expenses)	(45,376)	(70,021)
Change in Net Assets	(89,171)	(39,299)
Total Net Position October 1	(632,340)	(544,976)
Prior Period Adjustment	-	(48,065)
Total Net Position September 30	$ (721,511)	$ (632,340)

The cash flow and substantially all disclosures required by GAAP are omitted.

Teresa D Johnson CPA, Inc did not perform an audit, review or compilation engagement on these financial statements and no assurance is provided on them.

MASON COUNTY HOUSING AUTHORITY MINUTES

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF MASON COUNTY (MCHA) HELD AT 2:30 P.M. ON **February 15th, 2023**, IN PERSON AT MASON COUNTY PUBLIC HEALTH DEPARTMENT CONFERENCE ROOM AND ONLINE VIA ZOOM

1. **CALL TO ORDER AND ROLL CALL**: George Blush called the meeting to order at 2:35 pm. Roll call was as follows:

   Present: Frank Pinter, Dale Elmlund, George Blush, April Pooler

   Others present: Dan Armstrong

   Public Comment: None

   Chairman comments: None

2. **Adoption of Agenda**: George Blush motioned to adopt the agenda, seconded by Dale Elmlund. Unanimously accepted.

3. **Approval of Minutes**: Approval of January 16th, 2023 minutes motioned by George Blush, seconded by Dale Elmlund. Approved unanimously.

4. **New business** – Frank Pinter

   a. **Status of SAO (State Attorney's Office) audit** – Spoke with Tammy (the auditor) this morning, they will have at least a draft, if not completed, audit at the end of next week for us to review. That's going to be an experience and a half, to say the least. It is in Olympia now pending final review, what happens in that part of the process is that the work between different auditors is checked for consistency to consolidate and ensure the same results. So in a week and a half, maybe two, I will send it off to everyone as soon as we get a copy. They don't need to come forward to the board meeting to discuss it, I'll put a response together that we will adhere to moving forward.

   b. **Status of Procurement and Personnel policy** – About 80% completed with both, draft is sent off to CPA and we are taking her recommendations and changes and adding those. A copy should be available next month.

   c. **Status on lack of subsidy payments and resultant cash flow policy** – USDA has been processing. Cash flow is critically short. With Pine Garden, we are in a process. I have a meeting at 10 am tomorrow with a new servicing company whom is doing just Pine Garden to get the subsidized payments set back up again. With HUD, USDA has approved processing, we have gotten a subsidy payment last month, I believe we got one this month and we are continuing the process. We have been getting Bremerton payments for about 3-4 months now, but it is smaller scale, around $3-5,000 depending. Columbia Bank has been bought out by Umpqua, so we are in the

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process of transitioning to Umpqua bank as Columbia is who we used. They said this process will be transparent to the customer so we will see.

d. **Potential new board member** – Becky Cronquist had put in an application to become a board member for the Housing Authority. Kathy Hague let her term expire, so Becky would be eligible to take Kathy's position. The Board of Mason County Commissioners need to review her application and give us approval. I talked to the boards Secretary earlier and they will have that review on their agenda next Tuesday for approval. After that, we can bring her on. I need to contact Al (Emmons) and get a resignation letter as he is now out of state, and we can move forward on a replacement there as well.

e. **2022 Financials being worked on by TDJ, CPA** – Spoke to Teresa last week, financials of 2022 should be ready in approximately 1-2 weeks from now. What threw a curveball in the process is that Cascade was supposed to finish the books at the end of the fiscal year, in September. Instead, Cascade ended up sending us an October transaction activity report that they did for the new fiscal year. Additional work had to be done to separate the two months as one was the ending of a year vs one being the beginning of a new year, adding extra work to the final drafting of financials.

5. **Old business** – Frank Pinter

f. **Building maintenance and project by project update** – Dan Armstrong spoke to this topic. Roof has been replaced, almost done with 2 units on the left, a little work left to do on those. Submitted electrical bid to rewire 2 of the burn damage units, pending approval. General contractor bids coming in for that other process, once I get those other bids, I can submit those to the insurance, USDA, request money from the insurance, which will be approx. 100k from what insurance has told me. We've had quite a few catastrophes over last couple weeks, ceiling caved in, and it has slowed down repair process, but we are moving forward and have tenants scheduled to move in so far.

2. **Questions** – None

Meeting closed @ 2:45 pm, opening an executive session.
Executive session closed @ 2:52 pm opening back to a regular session.

3. **Action, if any, from the executive session** – No action enacted or conducted. There was consideration of sale of property discussed, no decisions were made and no action necessary.

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4. **Future meeting is March 22nd, 2023**

5. **Adjournment of meeting**, motioned by George Blush, seconded by Dale Elmlund @ 2:53 pm. Meeting adjourned.

Meeting Minutes respectfully submitted by Cheryl Craig, MCPH

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PROFESSIONAL SERVICES AGREEMENT TERMINATION

This Professional Services Agreement (the "Agreement") dated November 1, 2021, (the "Effective Date")

By and between

Francis M. Pinter ("Contractor"), located at 789 SE Binns Swiger Loop Road, Shelton WA 98584

And

The Mason County Housing Authority, (MCHA) located at 940 Fairmont Ave. Shelton WA 98584 ("Housing Authority"), (each, a "Party" and collectively, the "Parties").

Shall be terminated effective March 31st, 2023 at the request of Francis Pinter based on Termination clause in current Professional Services Agreement

Termination.

This Agreement may be terminated immediately by Housing Authority for cause or in the event Contractor violates any provision of this Agreement. In addition, Housing Authority may terminate this Agreement and Contractor's Professional Services at any time and for any reason in accordance with applicable local, state, and federal labor laws. Contractor may terminate this Agreement and the Professional Services at any time and for any reason in accordance with applicable local, state, and federal labor laws. At the time of termination, Contractor agrees to return all Housing Authority property, including but not limited to computers, cell-phones, and any other electronic devices. Contractor shall reimburse Housing Authority for any Housing Authority property lost or damaged in an amount equal to the market price of such property. The rights and obligations of the Parties set forth in Non-Compete, Ownership of Work Product, Termination and Miscellaneous are intended to survive termination, and will survive termination of this Agreement.

Francis M. Pinter

Date: 3/14/2023

Contractor's Signature