

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 8:30 A.M. ON **January 28, 2010**, AT THE MASON COUNTY COMMISSIONER CHAMBERS, 411 NORTH FIFTH STREET, SHELTON, WA 98584

1. **CALL TO ORDER AND ROLL CALL:** Chair Wallace called the meeting to order at 8:35 a.m. Roll call was as follows:

Present:

Chair Merrill Wallace
Commissioner Gayle Weston
Commissioner Carolyn Malanowski

Absent:

Commissioner Jeannie Gruber
Commissioner Michael Neher

Also Present:

Tom Drake, Longview Finance Director
Wendy Pearsall, Legacy Regional Manager
Shannon Goudy, Clerk of the Board
Marie Seymour, Central Operations

2. **MINUTES:** Approval of the December 17, 2009 regular meeting minutes.

Chair Wallace called for motion to approve the December 17, 2009 regular meeting minutes. Commissioner Weston/Malanowski moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

3. **PUBLIC COMMENT:** None

4. **CHAIRMAN COMMENTS:** Chair Wallace commented that he signed the documents to renew the Cascade Risk Insurance because they were due by January 13th.

5. **COMMISSIONER COMMENTS/REPORTS:** None

6. **FINANCIAL:**

- 6.1 **Approval of Claims Certification for December 2009**

The Cove Apartments - \$20,859.24
Pine Garden Apartments - \$11,520.74
Kneeland Park Apartments - \$13,406.16

Chair Wallace called for motion to approve the Claims Certification for December 2009. Commissioner Weston/Malanowski moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

Mr. Drake noted that he is missing one certification.

- 6.2 **Income Statement Review**

Mr. Drake explained that Kneeland Park has a year end deficit of \$25,000. The debt service coverage calculations have not been done yet. He presented a supplement handout to show 6 months of income statements. At the time the property was turned over to Legacy it already had a \$22,000 loss. He doesn't have the details for the time before Longview managed the property.

Chair Wallace noted that during that period there was a lease up problem due to mold.

Cmmr. Malanowski asked if Bremerton was proving the records.

Mr. Drake explained that Bremerton has the records until the audit is complete. The auditors will contact either Bremerton or Legacy for the details. The issue doesn't seem to be repeating itself.

Chair Wallace commented that the Board needs to look forward on how to turn this around.

Mr. Drake went over the operating statements. The Cove tenant rents and assistance payments are offsetting each other, which is appropriate. The total rent revenue is close to what was budgeted. Pine Garden had a \$3,000 loss. Some of that is due to capital improvements. The bank isn't happy about Kneeland Park.

Chair Wallace commented that he received a report on the demographics at Kneeland Park. Most tenants were at 60% of the median income. The property was built based on a 40-60% median income.

Mr. Drake clarified that 40% of the tenants should be at 60% of the median income. 8 of the units should be at or below 60% of the area median income, which could be an issue.

Ms. Pearsall stated that she has been advised that there only needs to be 2 units at 30%.

Cmmr. Weston asked if the negative number at Kneeland Park reflects the cash flow.

Mr. Drake explained that the depreciation is at \$41,000. If that were added back in there would be a positive cash flow. He isn't sure if it meets the debt service ratio, but it looks close.

Chair Wallace asked if the property had to be tax credit compliant for 15 years.

Mr. Drake responded that it has a 30 year compliance but the bank can be taken out of it at 15 years. He also noted that he is still trying to get an access code to get on the online reporting system for HUD.

7. MANAGEMENT:

7.1 **Routine Occupancy and Property Inspection Reports** for The Coves, Kneeland Park, and Pine Garden for the month of December 2009.

Ms. Pearsall reported that the Coves are doing well. The property has a great team. A company came out to do 504 inspections for compliance. They haven't received the report back yet. The manager will receive a bonus for staying on track with the budget.

Cmmr. Malanowski commented that the vandalism at Kneeland Park is probably due to children on Christmas break from school.

Mr. Pearsall explained that they do lock up the laundry room after hours.

Chair Wallace noted a key code doorknob might help the situation.

Ms. Pearsall also reported that the maintenance person at Pine Garden was terminated. They have rehired and the reserved unit is being used again. She is having a problem with the timeline for the repairs. The contractors she has spoken with have had issues with renovating the units with tenants in them.

Mr. Drake stated that some of the money could be used for temporary relocation. There would be less for the renovations, but that would be a good suggestion.

Chair Wallace suggested that Ms. Pearsall go ahead with the temporary relocation.

8. DEVELOPMENT: None

9. UNFINISHED BUSINESS:

- 9.1 Mr. Drake noted that a couple of pieces of correspondence for the Mason County Housing Authority were received by the County.

Chair Wallace explained that a bank authorization was received and a certification for the Coves.

Mr. Drake added that a direct deposit form was received from the Bank of America. The Chair and the Vice Chair will need to sign it. Legacy is taking care of the certifications.

10. NEW BUSINESS:

- 10.1 Cascade Risk Insurance Renewal

Chair Wallace stated that there would be new policies because it is a renewal for another year. He was concerned about the insurance that was not being provided.

Ms. Pearsall explained that there is an umbrella policy and a crime policy separate from this policy.

Chair Wallace noted that the Board use to have vacancy loss insurance through HAARP. That would be something to look into.

Mr. Drake asked if the Board wanted to look into earthquake insurance.

Chair Wallace responded that they have never had it before. He also noted that the premium costs for each of the properties is down this year.

Mr. Drake explained that agency wide the rates have gone up so the properties are doing exceptionally well.

11. FUTURE MEETINGS: February 25, 2010 and March 25, 2010

Chair Wallace and Commissioner Malanowski would not be available on March 25th, which will be discussed at the next meeting.

Mr. Drake noted he will need contact information for each of the Board members and for the records keeper at the County for the upcoming audit.

12. ADJOURNMENT:

There being no further business, Chair Wallace called for motion to adjourn meeting at 9:19 a.m. Commissioner Weston/Malanowski moved and seconded to approve motion. Chair Wallace called for question. None opposed. Motion carried.

Sharon Puley
Executive Secretary

[Signature]
Chair

SEAL:

