

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 9:00 A.M. ON APRIL 28, 2011, 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 9:02 a.m. Roll call was as follows:

Present:

Chair Merrill Wallace
Commissioner Gayle Weston
Commissioner Jeannie Gruber
Commissioner Carolyn Malanowski

Absent:

Also Present:

Tom Drake, Longview Finance Director
Wendy Pearsall, Legacy Regional Manager
Diane Zoren, Acting Clerk of the Board

2. **MINUTES:** Approval of the February 24, 2011 regular meeting minutes.

Chair Wallace called for motion to approve the February 24, 2011 regular meeting minutes. Commissioner Weston/Gruber moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

3. **PUBLIC COMMENT:** None

4. **CHAIRMAN COMMENTS:** Chair Wallace introduced Karen Monroe, former executive director of the Kelso housing authority who is a potential board member.

5. **COMMISSIONER COMMENTS/REPORTS:**

Cmmr. Malanowski stated she has an email from Rachel Myers, staff member from the Department of Commerce, asking for a site visit for low income housing in Mason County. Cmmr. Malanowski will work with Wendy to schedule a time.

6. **FINANCIAL:**

- 6.1 Approval of Claims Certification for **February.**

The Cove Apartments – \$33,406.26
Pine Garden Apartments - \$19,884.65
Kneeland Park Apartments - \$18,765.82

- 6.2 Approval of Claims Certification for **March.**

The Cove Apartments – \$90,499.54
Pine Garden Apartments - \$17,400.84
Kneeland Park Apartments - \$12,381.74

Chair Wallace called for motion to approve the Claims Certification for February and March 2011. Commissioner Weston/Gruber moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

6.3 Income Statement Review

February & March – Tom Drake reviewed the income statements for February and March. The revenues are in line. The maintenance and repair contracts are offset by reserves and the USDA needs to approve. The floor covering budget is a little over budget. Pine Gardens has vacancy issues with some being planned. For maintenance and operations, there was not a budget and they are hoping to place this under renovations.

Chair Wallace added that Pine Gardens was refinanced a few years ago contingent on doing some rehabilitation. There is a need to relocate the tenant in order to rehab a unit and we are still waiting for approval.

Mr. Drake noted that Kneeland Park also has vacancy issues. With regard to administration expenses, the audit looks over budget but it is not. It is due to a bad debt from two months ago.

Moving on to the balance sheet, Mr. Drake noted that Kneeland Park and Pine Gardens are chronically short on cash.

6.4 Cost Reduction Session

Chair Wallace believes there is too much management staff. Ms. Pearsall has been looking at having one manager oversee the other properties. They have hired a new maintenance person. She is trying to stay within the budget and work on vacancies.

Cmmr. Gruber mentioned there were outstanding bills.

Mr. Drake stated everything is paid within 60 days.

Chair Merrill brought up insurance coverage. Mr. Drake will send the information to Ms. Pearsall.

Ms. Pearsall stated they have reduced expenditures where they can.

Chair Wallace stated that Kneeland Park has always had a cash flow problem and also has had construction problems.

There will be a cost reduction report next month from Ms. Pearsall.

7. MANAGEMENT:

7.1 Routine Occupancy and Property Inspection Reports for The Coves, Kneeland Park, and Pine Garden for the months of February and March.

The Coves – Ms. Pearsall reported the cash flow is doing well. They had vacancy issues but it is running smoothly. They are working on capital improvements and there will be an inspection in July.

Kneeland Park – Ms. Pearsall stated there are vacancy issues with three vacant units and they have been marketing them.

Cmmr. Malanowski commented she has heard people do not want to live in housing authority properties.

Chair Wallace believes the perception of housing authority properties is that they have rules.

Cmmr. Malanowski stated she has heard there is a lot of drug activity on properties. She asked if a camera system has been considered.

Chair Wallace noted the camera system can also show what the maintenance staff are doing.

Mr. Drake stated that a four-camera system with a PC costs about \$1,000. He noted there are rules on where the cameras can be placed.

Cmmr. Malanowski noted the cameras can be in the common areas and may also reduce bad behavior.

Pine Garden – Ms. Pearsall stated they have a new manager and maintenance staff. She is hopeful things will get on track. The property is very active after dark. They have served 6 10-day notices to pay or vacate. There are no vacancies. Two tenants will probably be evicted for housekeeping issues.

8. DEVELOPMENT: None

9. UNFINISHED BUSINESS:

9.1 Pine Garden Renovation Status

Ms. Pearsall reported they are waiting for bids for the Pine Garden renovation project. There is a requirement of three bids. She is hoping to send the information to HUD by the end of next week.

It was noted that Ms. Pearsall received an award at the recent conference.

9.2 Dissolution for Kneeland Park – Key Bank has stated the 15 years are complete for the Kneeland Park partnership agreement. Mr. Drake explained the original contracts were issued 15 years ago for a tax credit. The next step is they need to assign and contact an attorney.

Chair Wallace asked what is the cost to dissolve the partnership and what is required.

Mr. Drake stated there needs to be the dissolution and sale of assets, probably to the Housing Authority and all that has to be negotiated. The impression is Key Bank would like to step out. There is no tax penalty for Key Bank to exit because there is a positive equity account. Because the partnership was revised, \$50,000 will be forgiven.

Chair Wallace noted the Housing Authority owns the land, the transaction is for the structures.

Mr. Drake stated the exit costs are not much and he will take the lead on this project.

9.3 Community Action Council – Chair Wallace stated the Community Action Council (CAC) have expressed an interest in Housing Authority properties. They have not heard anything back.

Mr. Drake stated the CAC have expressed an interest in The Coves and Kneeland Park.

Chair Wallace commented the CAC has the ability to bring in other funding sources.

10. NEW BUSINESS:

10.1 Kneeland Park Tax Return

Mr. Drake stated the financial statements are complete and he is recommending the Chair sign the tax returns so they can be mailed off.

10.2 City of Shelton Basin 5 Rehab Project

Chair Wallace stated the City of Shelton is requesting access around the Fairmont property for the Basin 5 Sewer Rehabilitation Project

Ms. Pearsall stated she has not seen any activity in the area and it's on a septic system.

Cmmr. Malanowski recommended the condition of the area be documented before the work is done.

Ms. Pearsall was asked to find out more information on exactly what will be done before signing the temporary permit to enter. This will be added as unfinished business to the May agenda.

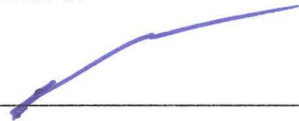
11. FUTURE MEETINGS: May 26, 2011

12. ADJOURNMENT:

There being no further business, Chair Wallace called for motion to adjourn meeting at 9:55 a.m. Commissioner Gruber/Malanowski moved and seconded to approve motion. Chair Wallace called for question. None opposed. Motion carried.



Executive Secretary



Chair

SEAL:

