

MASON COUNTY HOUSING AUTHORITY MINUTES

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF MASON COUNTY (MCHA) HELD AT 9:00 A.M. ON **July 21, 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 9:01 a.m. Roll call was as follows:

Present:

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

Absent: None

Also Present:

Tom Drake, Longview Finance Director
Wendy Pearsall, Legacy Regional Manager
Elaine Hoglen, Cove Apartment Manager
Rod Treadway, Construction Manager
Britta Creed, Clerk of the Board

2. **MINUTES:** Approval of the June regular (revised) meeting minutes.

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

3. **PUBLIC COMMENT:** None
4. **CHAIRMAN COMMENTS:** None
5. **COMMISSIONER COMMENTS/REPORTS:** None
6. **FINANCIAL:**

Approval of Claims Certification for Date

The Cove Apartments - \$27,818.40
Pine Garden Apartments - \$16,757.36
Kneeland Park Apartments - \$12,120.43

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

- 6.1 **Income Statement Review**

Tom Drake, Longview Finance Director, reported that there was nothing unusual. Pine Gardens and Kneeland Park were short on cash. Operations at Pine Gardens were spending a little more on the expenses, which is part of the rehab.

7. MANAGEMENT:**7.1 Routine Occupancy and Property Inspection Reports for The Coves, Kneeland Park, and Pine Gardens for the month of June.**The Coves:

Wendy Pearsall, Legacy Regional Manager, stated that the Cove was doing well. They had a RD inspection. They were impressed with the overall appearance of the property. It was a good inspection.

Mr. Drake questioned if there were really twenty 3-day pay or vacate notices and ten 10-day notices. He stated that it seemed like a lot for sixty units.

Ms. Pearsall confirmed that was correct. Most notices were tenants late on paying rent.

Ms. Hoglen mentioned there were several house keeping violations; mainly with trash, which will be addressed.

Kneeland Park:

Ms. Pearsall commented that the current manager was leaving on the 29th of this month. The Manager stated that the tenants were unruly and police were called frequently. Ms. Pearsall is bringing in Elaine Hoglen, Manager of Cove Apartments, to manage all three properties. Ms. Hoglen will take over on the 25th, and hire someone to assist her. She was currently looking at resumes to fill the position.

Pine Gardens:

Pine Gardens had a broken lawn mower. A lawn mower was donated by the Coves. Ms. Hoglen will see to it that the grounds will be kept up.

Mr. Drake discussed the issue of too many barbeques with Ms. Pearsall.

Pine Gardens' water was shut off due to non-payment of the bill. It was turned back on within an hour. Ms. Pearsall said it was a problem with management not paying it and doesn't see a problem with it happening again with Ms. Hoglen managing in the near future.

Ms. Hoglen mentioned an assault at Pine Gardens. It was a violent situation. The live-in boyfriend injured the tenant. He is not allowed back. Ms. Hoglen has obtained paperwork from their attorney to give the tenant and the boyfriend stating that he will not be allowed to return. If he does come on the property, it will be considered trespassing and the authorities will be called and he can be arrested.

7.2 Property Finances Discussion: Legacy/Wendy Pearsall

Cmmr. Wallace stated that Pine Gardens has a cash flow issue, which the Housing Authority and Legacy were aware of two years back. He mentioned that Legacy is going to discuss getting money from the Agency Fund. Cmmr. Wallace was concerned with using the Agency Fund for Pine Gardens rehab project and having enough cash to bail out some of the properties later down the line.

Mr. Drake, Ms. Pearsall and Cmmr. Wallace and Ms. Hoglen discussed in great detail the finances and reducing expenses of all three properties.

Ms. Pearsall will have a plan to cut costs for August 25th meeting.

8. DEVELOPMENT: None**9. UNFINISHED BUSINESS:****9.1 Pine Garden Apartments Rehab: Update**

Ms. Pearsall stated that CW Capital and HUD approved the contractor's bid and relocation bid and the work can be started now. Debbie Soul questioned what date the application process was started for the funds.

Cmmr. Wallace believed that it was four years ago. He was told the minute that they apply for the funds, they are to notify the residents and that includes any new residents coming in. HUD requires it now.

Ms. Pearsall is handling it. She wants to meet and have the contracts looked at by the Board and signed by Cmmr. Wallace. It was decided that this would happen at the next board meeting on August 25, 2011.

Mr. Drake asked Ms. Pearsall if she could suggest to the contractors an alternative of having the Housing Authority employ them as their employees. They can set the rates they think should be received in the contract. It should save 10-15%. Mr. Drake can run payroll through his office and the contract would become a mood point. They might have an employment contract, but no construction contract, no prevailing wage, no retainage issues and no sales tax issue. It would be a significant savings.

Mr. Drake introduced Rod Treadway, Construction Manager, who has a construction team that is helping with a renovation at his office building. Rather than contracting it out, they hired this team.

Mr. Treadway stated that he had 25 years experience as a contractor before he became a Construction Manager. He had experience with the Longview Housing renovating apartments and helping with the Cowlitz Indian Tribal Housing. Having a temporary in-house construction team will cut costs that would help avoid 6 ½ % tax and prevailing wage.

Ms. Pearsall will check to make sure it all works. The Board approved and will sign off at the next meeting on August 25, 2011.

9.2 Kneeland Park/KeyBank Update

Mr. Drake stated that Kneeland Park and KeyBank is moving forward. He talked to their attorney, Mr. Kantor, who has communicated with KeyBank. He had sent the letter of intent to buy KeyBank out of partnership, which was the first step. The second step was to close the partnership and move the ownership to the Housing Authority. Mr. Kantor wanted the two-step process to avoid some of the taxes that would be involved.

Cmmr. Wallace and Mr. Drake discussed refinancing once KeyBank is removed as a partner.

9.3 Regional Housing Authority

Mr. Drake discussed the details of joining a Regional Housing Authority. The Board would like to hear more details before considering.


10. NEW BUSINESS: None**11. FUTURE MEETINGS:** August 25, 2011

12. ADJOURNMENT:

There being no further business, Chair Wallace called for motion to adjourn meeting at 9:59 a.m. Commissioner Weston/Gruber moved and seconded to approve motion. Chair Wallace called for question. None opposed. Motion carried.



Executive Secretary



Chair

SEAL:

