

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 **August 25, 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
Commissioner Karen Monroe

Absent: None

Also Present:

Tom Drake, Longview Finance Director
Wendy Pearsall, Legacy Regional Manager
Debbie Sewell, Relocation Specialist
Scott Perdue, Owner of Perdue Construction
Julie Gumataota, Assistant to Elaine Hoglen, Cove Apartment Manager
Britta Creed, Clerk of the Board

2. **MINUTES:** Approval of the July 21, 2011 special meeting minutes.

Chair Wallace called for motion to approve the July 21, 2011 special 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:** Agenda Changes

Add to agenda:

10.1 Audit Process - Annual Audit for Pine Gardens and Kneeland Park
Pine Garden Construction – Contract for Pine Gardens
Elections – Next month is the end of a fiscal year. New fiscal year starts October 1.

5. **COMMISSIONER COMMENTS/REPORTS:**

6. **FINANCIAL:**

- 6.1 **Approval of Claims Certification for July**
The Cove Apartments - \$23,183.20
Pine Garden Apartments - \$19,422.79
Kneeland Park Apartments - \$15,455.15

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

6.2 Income Statement Review

Tom Drake, Longview Finance Director, stated that Pine Gardens and Kneeland Park were both short on cash. There is a \$38,000 shortfall. Income statement showed Cove property doing well. Pine Gardens had a vacancy issue due to renovations. Kneeland Parks vacancy and debt was higher than anticipated.

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

Coves – Wendy Pearsall, Legacy Regional Manager, reported that there hasn't been a lot of change, but doing well.

Kneeland Park – Elaine Hoglen, Cove Apartment Manager, was taking over management with her new assistant, Julie Gumataota. Kneeland Park was doing well. It will take a little time to get everything up to standard, but it was coming along. All units will be full by September 1st. There were a few maintenance issues, which were getting taken care of. Ms. Hoglen had been doing drive-by's and noticed a change already.

Cmmr. Wallace and Mr. Drake discussed the update on KeyBank and Kneeland Park in detail. Mr. Drake didn't have update at that time. He will email KeyBank for the latest update.

Pine Garden – Ms. Hoglen and her assistant, Ms. Gumataota, were also taking over management for Pine Gardens. There had already been a big improvement. Missing invoices had been taken care of.

Ms. Hoglen discussed the ten-day notices and said to expect to see a lot them. A lawyer mentioned they must give 3 ten-day notices with the same infraction. Ms. Hoglen intends to issue notices for various infractions. If a tenant received several infractions, management will not renew their lease.

Mr. Drake discussed the budget in detail with Ms. Pearsall, which included utilities, garbage, capital improvements and vacancies. Pine Gardens had already exceeded the budget.

Mr. Drake questioned the operating expenses.

Ms. Pearsall said she would look at the facts and double check the operating expenses.

Mr. Drake and Ms. Pearsall discussed financial expenses.

Ms. Pearsall will review for the September meeting. She will forward an email to the Clerk of the Board to forward on to the Board Members.

8. DEVELOPMENT: None**9. UNFINISHED BUSINESS:****9.1 Pine Garden Renovation Status/Legacy**

Debbie Sewell, Relocation Specialist, came to answer any questions and comment on the renovation. Pine Gardens had issued letters to let residents know when they should expect the renovation to start and what to expect. Ms. Sewell had a meeting with residents. Attendance was 12 of 28 residents. Three-quarters of the residents had received 30-day

notices along with boxes. They will be out of their apartment for approximately 1 week. They move two apartments at a time on a Monday. Residents move to temporary locations on site. Residents are also offered additional insurance, if they choose to pay themselves. Pictures will also be taken.

Personal Service Contract: Will need to add Scott Purdue and employees to contract. Mr. Drake approved purchase order but had concerns on how it will get approved. Some contractors want payment on delivery. HUD and CW Capital plan to reimburse when Housing Authority pays \$38,000 first, with proof. Perdue Construction sent a revision on the millwork and requires 25% down, which is \$19,375. This will come out of the agency fund.

Scott Perdue, Perdue Construction, mentioned that most companies would accept a percentage down to get started. He would have to find out who would.

Mr. Drake explained in detail the difference between a personal contract verses a Public Works contract and will work with Ms. Pearsall on which project to start first.

Chair Wallace called for a motion for the Board to allow Mr. Drake spend the first \$38,000 out of the agency fund to start the project. Commissioner Malanowski/Weston moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

9.2 MCHA Real Property Disposition Status of Community Action Council (CAC) Proposal to Purchase

Cmmr. Wallace handed out a series of emails between himself and Jan Naughton, Director of Family Services for CAC, for the Board to read regarding the Coves.

Mr. Drake stated the Housing Authority and CAC are going to have a special Board meeting. The timeline will be discussed at the September Board meeting.

Ms. Naughton stated that the CAC were supportive of maintaining affordable housing and working with the Housing Authority and Mason County.

Ms. Pearsall stated that there is going be a conference call/meeting with the construction company. She will provide a number and date at a later time for the Board to participate if they choose.

9. NEW BUSINESS: Audit for Pine Garden and Kneeland Park Properties

10.1 Mr. Drake stated they had received a request from previous auditors wondering if the Housing Authority were going to engage them in the 2011 year audit or do an RFP for auditors.

Cmmr. Wallace clarified that there will be two different audits for Pine Gardens because of fiscal and the calendar year.

Mr. Drake mentioned If the partnership changes, there might be an adjustment in the audit fee because of preparing all of the equity statements.

Mr. Drake also recommended to engage with the auditors. The State will be involved in audits every 3 years. At that time, they will decide if it will be a full audit.

Chair Wallace called for motion to approve the auditing of Pine Garden and Kneeland Park. Commissioner Malanowski/Weston moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

10. FUTURE MEETINGS: September 22, 2011.

11. ADJOURNMENT:

There being no further business, Chair Wallace called for motion to adjourn meeting at 10:04 a.m. Commissioner Gruber/Weston moved and seconded to approve motion. Chair Wallace called for question. None opposed. Motion carried.



Executive Secretary



Chair

SEAL:

