

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 8:30 A.M. ON **November 27, 2012**, 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 8:31 a.m. Roll call was as follows:

Present:

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

Absent: Commissioner Tamra Ingwaldson

Also Present:

Bill Rhoten, Guardian Regional Vice President of Operations
Morgan Brock, Guardian Portfolio Manager
Britta Creed, Clerk of the Board

2. **MINUTES:** Approval of the October special meeting minutes.

Chair Wallace called for motion to approve the October special meeting minutes. Commissioner Weston/Monroe moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

3. **PUBLIC COMMENT:** None

4. **CHAIRMAN COMMENTS:** Cmmr. Wallace discussed the fiscal year and records that were said to be lost. He stated that he was working with Tom Drake, Longview's Finance Manager, to locate the files.

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

6. **FINANCIAL:**

- 6.1 **Approval of Claims Certification for October**

The Cove Apartments - \$25,880.67
Pine Garden Apartments - \$30,084.23
Kneeland Park Apartments - \$23,367.69

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

- 6.2 **Income Statement Review**

Bill Rhoten, Guardian's Regional Vice President of Operations, reported that Guardian produced an automatic interoffice memo which was emailed with the supporting documents. He stated that he will remove the memo in the future because some information is misleading.

Pine Garden

Mr. Rhoten stated that Pine Gardens was 100% leased. He reported that the receivables

were fine, the operating account had \$4,000 but had bills still to pay, the payables hadn't changed and were current and also stated that the laundry room was renovated and paid for.

Morgan Brock, Guardian's Portfolio Manager, reported that one tenant paid their rent which reversed an eviction.

Cmmr. Monroe asked what the official turnaround time was for an eviction.

Mr. Rhoten replied three to five days was the turnaround time. Guardian prefers the turnaround to be quick.

Cmmr. Wallace reported that HUD's turnaround time is three days.

Ms. Brock stated that a pre-move out inspection is done before they move out so things can be ordered or fixed if needed.

The Coves

Mr. Rhoten reported that the Coves were currently at 95% occupancy with three ready to move in at the end of the month. He stated that the only unit left empty was the unit with the mold, which should be ready at the beginning of December. They have someone ready to move in once it is ready. He noted that the Coves should be at 100% occupancy by mid-December.

Mr. Rhoten also asked to go into executive session with the Board at some point in this meeting.

Cmmr. Wallace replied that they would go into executive session after they discuss the budget for Kneeland Park.

Kneeland Park

Ms. Brock reported that Kneeland Park was 100% occupied. She also stated that Julie Gumataotao, Pine Garden & Kneeland Park's Community Manager, had continued to do a great job at managing and keeping Kneeland Park at 100% occupancy.

Mr. Rhoten reported that cash was tight for Kneeland Park but he thought that the upcoming rent increases would help once that goes into effect. He also stated that in the future that they would need to invest approximately \$10,000 into having the roof replaced at Kneeland Park.

Cmmr. Wallace stated that if Kneeland Park went through the refinancing process, an appraisal would be required.

Cmmr. Weston asked Ms. Brock if there were any projects that needed to be completed prior to the appraisal.

Ms. Brock replied that everything looked good except the exterior paint. It may need to be repainted, or at the least power washed.

Budget for Kneeland Park

Ms. Brock proposed a rent increase of \$25, a 5% increase, to go into effect February 2013 for Kneeland Park. She noted that the increased rent would help reduce expenses. She stated that they had a construction company come out to look at the leak on the roof. The

construction company patched the leak at no cost. She reported that the patch on the roof was holding, even with all of the rain. She also noted that there may be one unit with an appliance that might need to be replaced.

Mr. Rhoten added that they were below the maximum rent. He also noted that even with this rent increase it would still keep Kneeland Park below the maximum rent requested.

Chair Wallace called for motion to accept the Kneeland Park budget for year 2013 beginning October 1st, 2012. Commissioner Weston/Malanowski moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

6.3 Executive Session

The Board went into executive session starting 9:11 a.m. and ending at 9:21 a.m. for a personnel discussion.

7. MANAGEMENT:

7.1 Routine Occupancy and Property Inspection Reports for The Coves, Kneeland Park, and Pine Garden for the month of October.
Mr. Rhoten and Ms. Brock discussed previously in item 6.2.

7.2 Personnel Issues

Cmmr. Wallace stated that the personnel issue was for the management organization, Guardian, to resolve.

8. DEVELOPMENT: None

9. UNFINISHED BUSINESS:

9.1 Pine Garden Apartments Promissory Note Between BHA & MCHA

Cmmr. Wallace stated that it would take excess revenues to pay the minimum payment on a promissory note signed by BHA and MCHA. There had been no excess revenues on this property. When Commissioner Wallace stated that he entered the MCHA, it seemed that Bremerton Housing Authority ran up the cost of doing business and didn't tell the Board that the income of the properties didn't produce enough money to cover all expenses. That was a bad debt for Bremerton Housing Authority. When the MCHA have an audit, Commissioner Wallace will have the Auditor's write a letter stating that there is no excess.

9.2 Commissioner Vacancy

Britta Creed, Clerk of the Board, stated that there hadn't been anybody calling or coming in regarding the Commissioner position at the current time. It has been advertised in the paper and on Comcast's Channel 3.

10. NEW BUSINESS:

10.1 MCHA State Audit

Cmmr. Wallace stated that the State Auditor's required the MCHA to have an overall audit of the agency for 2009 through 2011. The auditors had been in contact with Guardian.

10.2 Pine Garden Apartments Audit/Engagement Letter

Cmmr. Wallace stated that the Pine Garden's Audit Letter requires that the Chair needed to respond on page 11 of the document. He also shared that there was a fee listed on page 9 which stated that the fee for their services were not expected to exceed \$5,500.

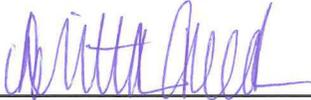
Mr. Rhoten reported that the audit was going to be December of 2012 but he hadn't received a final date.

Chair Wallace called for motion to have the Chair sign the Pine Garden Apartment Audit/Engagement Letter on behalf of the Board. Commissioner Weston/Malanowski moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

11. FUTURE MEETINGS: December 27, 2012

12. ADJOURNMENT:

There being no further business, Chair Wallace called for motion to adjourn the meeting at 9:24 a.m. Commissioner Malanowski/Weston moved and seconded to approve motion. Chair Wallace called for question. None opposed. Motion carried.



Executive Secretary



Chair

SEAL:

