

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 22, 2013, 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 9:04 a.m. Roll call was as follows:

Present:

Chair Merrill Wallace
Commissioner Carolyn Malanowski
Commissioner Tamra Ingwaldson
Commissioner Janet Thompson

Absent:

Commissioner Karen Monroe

Also Present:

Becky Rogers, Clerk of the Board

2. **MINUTES:** Approval of the July 25, 2013 regular meeting minutes.

Chair Wallace called for a motion to approve the July 25, 2013 regular meeting minutes. Commissioner Ingwaldson/Malanowski moved and seconded to approve the minutes. Motion carried unanimously.

3. **PUBLIC COMMENT:** None

4. **CHAIRMAN COMMENTS:** None

5. **COMMISSIONER COMMENTS/REPORTS:**

6. **FINANCIAL:**

- 6.1 **Approval of Claims Certification for July 2013**

The Cove Apartments – \$33,426.01
Pine Garden Apartments - \$21,421.23
Kneeland Park Apartments - \$15,227.66

Chair Wallace called for motion to approve the Claims Certification for July 2013. Commissioner Ingwaldson/Thompson moved and seconded to approve the Claims Certification. Chair Wallace called for question. None opposed. Motion carried unanimously.

- 6.2 **Income Statement Review**

Will leave the financial portion until Ms. Brock-McKean is present.

7. **MANAGEMENT:**

- 7.1 **Routine Occupancy and Property Inspection Reports** for The Coves, Kneeland Park, and Pine Garden for the month of July 2013.

The Coves - There are a total of 59 rentable units. Carroll, is a new site manager as of

6/26/2013. They are having an issue with smoking within 25 feet of building. There is a program available, No Smoking Policy for assisted projects. A number of housing authorities have gone "smoke free." It might be better to provide a covered smoking area.

Chair Wallace will see if there is information to provide the board for review of the Smoke Free program.

Carolyn M. discussed a potential issue with payment drop box at the Fairmount Cove.

Chair Wallace referred her to send an email to Morgan Brock-McKean.

Kneeland Park

Chair Wallace noted at the end of July it was 95% occupied. There are some issues with Bremerton Housing Authority. This property has several (five approx.) units of project based Section 8. The actual unit receives the subsidy. They have some outstanding accounts payable. They owe the attorneys \$2,314 for the evictions. The \$3,000 when the property was titled back to the MCHA.

Pine Gardens

They were 100% occupied with 28 units rented. They have \$9,025 in accounts payables. Guardian did not receive their management fee for July.

7.2 **MCHA 2012 Financial Condition Report:** Discussion/Morgan –

The next meeting they will discuss the financial condition with Morgan B. Also, they will want to discuss the audit results and their request for the cash flow plan.

A question was raised if any of the local banks deal with refinancing. Chair Wallace stated they do not. The local lenders want to be guaranteed by the federal government. The interest rate is at 6.5% which is high to buy down the interest rate.

8. **DEVELOPMENT** - None

9. **UNFINISHED BUSINESS**

9.1 **MCHA Audit Results:** SAO Audit Report Period 10/01/2008 – 9/30/2012 - Discussion/Wallace

Chair Wallace noted the next scheduled audit is 2016. They are on a three-year cycle. They gave an estimated cost.

The audit report listed a finding on the financial condition. The MCHA has been aware of the financial condition since the Bremerton Housing Authority left the organization. Chair Wallace prepared a draft MCHA response. The financial condition has not been corrected within the last 12 months. The State Auditor wants a formal financial plan.

10. **NEW BUSINESS**

10.1 **Coast Real Estate Services: Financial Plan Proposal:** Discussion/Wallace

Chair Wallace stated he received a call from Shawn Hoban, President/Owner, Coast Real Estate Services offering to write a financial plan to help them to become solvent. Chair Wallace informed him that the Board is satisfied with the current management team (Guardian Management), but would bring it to the Board to see if they want to consider the offer. If MCHA wanted to accept their financial plan, the Housing Authority would change management companies down the road. He felt that Guardian Management needs to come back and show their financial plan. If MCHA is not satisfied, this might be an option they might want to take a

look at. The financial plan would have no cost. Most of the properties, the regulator sets the fee. There is a fee per door type situation, based on how many dollars per month per door. There are 109 doors. Each door has a somewhat different cost per door. Guardian has provided management services since April 2012.

It was suggested to keep with Guardian Management as there has been some consistency. Would like to see what financial plan they can pull together. There are possible fraud issues with one of the managers.

The Board took a break at 9:35 a.m. to call Morgan Brock-McKean who was not in attendance. Chair Wallace was unable to reach her by phone.

10.2 Annual Election of Officers/September meeting: Discussion/Wallace - September is the annual meeting when they have election of officers: Chairperson and Vice-Chairperson. They follow a fiscal year October 1 - September 30. The term of officers is one year at a time.

Morgan Brock-McKean called in around 9:40 a.m. and reported she had marked her calendar for the last Thursday of the month for the meeting, rather than the fourth Thursday. She is out of town and unable to attend the meeting.

11. FUTURE MEETINGS - September 26, 2013 - Annual Meeting

12. ADJOURNMENT:

There being no further business, Chair Wallace called for motion to adjourn the meeting at 10:02 a.m. Commissioner Ingwaldson/Malanowski moved and seconded to adjourn the meeting. Chair Wallace called for question. None opposed. Motion carried unanimously.

Becky Rogers

Executive Secretary

Chair

SEAL:

