

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 5, 2015**, AT THE MASON COUNTY COMMISSION CHAMBERS, 411 NORTH FIFTH STREET, SHELTON, WA 98584

1. **CALL TO ORDER AND ROLL CALL:** Vice-Chair Monroe called the meeting to order at 9:03 a.m. Roll call was as follows:

Present:

Vice-Chair Karen Monroe
Commissioner Tyler Music
Commissioner Kathy Haigh

Commissioner Gary Gordon

Absent:

Commissioner Tammey Newton

Also Present:

Ken Morrell, Cascade Management, Inc. Portfolio Mgr.
Becky Rogers, Clerk of the Board
Patti Sells, Mason County Housing Authority

2. **MINUTES:** Approval of the July 1, regular meeting minutes - Held until next meeting.

Vice-Chair Monroe called for motion to approve the regular meeting minutes at the next meeting. Commissioner Music/Gordon moved and seconded motion. Vice-Chair Monroe called for question. None opposed. Motion carried.

3. **PUBLIC COMMENT:** None

4. **CHAIRMAN COMMENTS:** Added items 7.2, 7.3 & 7.4 to the agenda.

5. **COMMISSIONER COMMENTS/REPORTS:** The Board members briefly discussed their role in reviewing the financial information presented.

6. **FINANCIAL:**

- 6.1 Approval of Claims Certification for **June 2015**
The Cove Apartments – \$17,488.99
Pine Garden Apartments - \$23,231.01
Kneeland Park Apartments - \$13,115.62

Vice-Chair Monroe called for motion to approve the Claims Certification for June 2015. Commissioner Music/Haigh moved and seconded motion. Vice-Chair Monroe called for question. None opposed. Motion carried.

7. **MANAGEMENT:**

- 7.1 **Variance Reports** – Mr. Morrell reviewed the variance items that exceeded \$300.
 - 7.1.1 **The Coves** – They did the locates for putting in the curtain drains. They have had a couple subcontractors come look at the job, but no further contact. Zack, Director of Maintenance is working to get this project started this month. Mr. Music stated he would refer a local contractor, Rich Moore, South Shore Construction, to contact him. A bad debt of \$5,880 was incurred due to eviction of G3A. They anticipate they will be full by end of next week. The operating cash and replacement reserves are looking good. This will be used once the current drain is fixed.

- 7.1.2 **Pine Gardens** – Items that brought the Real Estate Assessment Center (REAC) score down were the gaps in the sidewalks and a portion of a gutter (downspout) is missing. The maintenance payroll was due to extra work prior to the REAC inspection. They will get money back from HUD for replacement of the mailboxes.
- 7.1.3 **Kneeland Park** -- The payables exceed the operating account. They owe approx. \$7,000 to pay off the Buy-Rite carpet. There are 2 vacant units. One unit is pending for lease. They are waiting for Bremerton Housing Authority to inspect the unit so they can sign the lease. The replacement reserves were used to pay the insurance.

7.2 **Pine Garden Audit** – Vice-Chair Monroe stated she received a letter from the audit manager that she is working with Cascade Management, Inc. Mr. Morrell stated that she would be working with Cascade's financial manager, Sherry Downs. Ms. Downs will notify if they need any further documentation. The firm has been auditing Pine Gardens since 2009. Last year the fee was \$5,800 and they elected to use that figure again, due to the financial situation of the property.

7.3 **Kneeland Insurance Approval** – Mr. Morrell stated the Propel Insurance has a large number of properties and the Shelton properties are under that umbrella. The stipulation is that the insurance premium is to be paid 100% up front to stay within the umbrella. Cascade looked at a couple of other options. The annual insurance premium is \$5,800. Otherwise it would be \$20,000 to get a policy that was payable quarterly. As there were no funds in the account to make that happen, it did not appear to be reasonable. They felt it was the best course of action to pay the \$5,800 as they had a short timeline due to the umbrella policy. They talked with Andy, Cascade's main insurance rep used on other properties that are not under a large umbrella. For a single property with those terms, they felt they could get it down to \$15,000 at best, but at \$20,000 it is a large variance and if they could pay the \$5,800 in advance for the year that is the best course.

Vice-Chair Monroe called for motion to approve moving the \$5,700 from the Replacement Reserves account to pay the annual premium. Commissioner Haigh/Music moved and seconded motion. Vice-Chair Monroe called for question. None opposed. Motion carried.

Mr. Morrell asked if the balance of \$10 should be left in the account to keep the account open, or put into the operating cash and close the account. The Board discussed keeping a minimum amount, whatever is necessary, to keep the account open without charge, if possible.

- 7.4 **Pine Garden Physical Inspection** – Vice-Chair Monroe stated there are three requests that they want a copy of the inspector's notice; work orders that show efficiencies have been corrected and the project owner's certification. Mr. Morrell stated he has completed this request.
- 7.5 **Pine Garden Accounts Payable (A/P)** - Vice-Chair Monroe noted they have an A/P from the previous manager, Longview Housing Authority, in the amount of approximately \$22,000. She will be in contact with their staff and will ask if they would be willing to write off outstanding accounts payable.

8. **DEVELOPMENT:** None

9. **UNFINISHED BUSINESS**

- 9.1 **Pine Garden Refinance** – Vice-Chair Monroe referred to a letter from CBRE to refinance at an interest rate of 3.6% + MIP. They reviewed the proposal and felt it was a reasonable rate.

Vice-Chair Monroe called for motion to approve to enter into a refinance of Pine Garden with CBRE at an interest rate of 3.6% + MIP. Commissioner Haigh/Gordon moved and seconded motion. Vice-Chair Monroe called for question. None opposed. Motion carried.

10. NEW BUSINESS

10.1 Election of Chair – Tyler Music was nominated for appointment as chair thru September 2016.

Vice-Chair Monroe called for a motion to appoint Tyler Music as Chair for a year. Commissioner Haigh/Gordon moved and seconded motion. Vice-Chair Monroe called for question. None opposed. Motion carried.

Mr. Music believed they made a good choice with choosing Cascade Management, Inc. He would like to make Kneeland Park a priority to get it where it needs to be. Community Action Council recently obtained the Belfair House and Ashford House.

10.2 Housing Conference October 5 – 7 -- Mrs. Haigh referred to a complimentary registration received to attend the Spokane Housing Authority’s conference specifically for small agencies. MCHA should have a representative in attendance. Chair Music will make contact concerning attendance.

11. FUTURE MEETINGS: Wednesday, September 2, 2015

12. ADJOURNMENT:

There being no further business, Vice-Chair Monroe called for motion to adjourn the meeting at 9:56 a.m. Commissioner Haigh/Gordon moved and seconded the motion. Vice-Chair Monroe called for question. None opposed. Motion carried.

Betsy Rogers

Executive Secretary

Tyler Music

Chair

SEAL:

