

**MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF KANSAS CITY, KANSAS**

Thursday, June 15, 2017
12 noon

Administrative Bldg.
1124 N. 9th Street

On the 15th day of June 2017 at 12 noon the Board of Commissioners of the Housing Authority of Kansas City, Kansas met in annual session. The meeting was called to order by Chairman Watkins, and upon roll call, the following members of the body were present:

Matt Watkins, Chairman
Rev. Jimmie L. Banks, Vice-Chairman
Jacques Barber, Commissioner
John P. Biscanin, Commissioner (via conference call)
John Breitenstein, Commissioner
Robert G. Frey, Commissioner
Timothy J. Rhodes, Commissioner
Alvin Sykes, Commissioner
Linda Warner, Commissioner
Charles Wilson, Commissioner

ABSENT: Tyrone Garner, Commissioner
P. Anne McDonald, Commissioner

ALSO PRESENT: Milton Scott, Executive Director
Cherrie Escobar, Section 8 Coordinator
Gregory T. Gibson, Director of Finance
Gerald Glavin, Superintendent
Melinda L. Linnell, Director of Housing Management
Sharron Davis-Mays, Self-Sufficiency Coordinator
Benice Meeks, Assistant Director of Finance
Jacqueline D. Randle, Executive Services Manager
Anthony J. Shomin, Director of Facilities Management
Elaine Stroud, Assistant Director of Housing Management

Chairman Watkins noted the June 15, 2017 agenda should reflect an annual meeting. He then called the meeting to order and roll call was taken. Vice-Chairman Banks made a motion to approve the minutes of the regular meeting held May 18, 2017. Commissioner Rhodes seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Breitenstein, Frey, Rhodes, Sykes, Warner, Watkins, Wilson

NAYS: None

ABSENT: Biscanin, Garner, McDonald

ABSTAIN: None

Motion carried.

Executive Director's Report

- Mr. Scott referred the Board to page 9 of the board packet. He announced that we wrote a letter of support for the YouthBuild program for a continuation grant with the Department of Labor. He serves on the YouthBuild Advisory Board.
- Staff participated in a week long training, May 9-12, 2017 which was provided by HAI (Housing Authority Insurance) Group. The training was facilitated by J.B. Smith, Senior Risk Control Consultant. The training consisted of four areas: Safe Driver Training, Essentials of Risk Management, Safety for Maintenance Workers and Safety Committee Training. The agency is looking at developing a safety committee.
- Mr. Scott noted that he and Chairman Watkins attended a Stakeholders meeting sponsored by the Unified Government's Planning Department regarding University Town/Fisher Park Development in the Rosedale community. This will affect our properties at Rosedale Towers and Belrose Manor.
- A meeting was held with Erin Stryka, Executive Director, Rosedale Development Association and Je T'aime Taylor. Continuing the partnerships with Rosedale Towers and Belrose Manor was discussed.
- The MOU with Kim Wilson Housing was finalized to help our residents retain their housing. The meeting held with Cheryl McMurphy, Executive Director/Kim Wilson Housing and Jana Loflin, Director of Housing Location Services.
- Staff reports are listed on pages 10—24.

Committee Reports

Personnel

Vice-Chairman Banks indicated he was waiting on feedback and they would have a report at the next meeting.

Finance

Commissioner Rhodes gave the finance report in Commissioner McDonald's absence. He noted that the Finance committee met on June 7, 2017 and went over the unofficial year end figures for fiscal year 2016—2017 and the reports Mr. Gibson has submitted. He noted that the PHA has assets of just over \$75 million and \$51 million in total equity. The GASB (Government Accounting Standards Board) pension liability has to be reported and Mr. Gibson will explain this in further detail during his report. Our business insurance is going up 17.5 per cent and is reflected in the rise in the value of our buildings. There is also an increase in liability insurance due to the various claims submitted. We are looking to customized some of our coverage. Our current HUD reimbursement rate is 92.89 per cent or higher than the 85 per cent previous projection, but we do not want to count this as this amount may come back down. There is a small deficit in the COCC. Section 8 is short \$16,000 and Mr. Gibson will explain this further in his presentation. They discussed negotiating utility rates with BPU, Atmos and Kansas Gas, etc. Commissioner Rhodes noted we are in about the same position as we were last year. We still need other revenue streams for the long term. The primary focus of the Finance committee meeting was the annual meeting, but the RFP process for banking services was also discussed, and an update should be available next month. (Commissioner Biscanin arrived via conference call.)

Commissioner Warner noted there was \$75 million in assets, \$51 million in total equity and there is approximately a \$23 million difference and what does that represent. Mr. Gibson noted that (without having anything before him) assets equal liabilities plus equity. He noted that \$23 million is the net equity and most of that is in our buildings. The only debt the agency has is in the \$12 or \$13 million for the EPC loan. Commissioner Warner noted she would be able to see the \$23 million flushed out during Mr. Gibson's report and that would be helpful to her.

Commissioner Frey asked about negotiating with BPU on the utility rate and what was the current rate. Mr. Gibson noted that the rate the agency pays is the same as the commercial residential apartment rate. He explained that we would be looking at negotiating a better rate with BPU.

Bylaws

Commissioner Barber noted they were to come up with descriptions for the standing committees. He has not received any input from the board since the last meeting. The Bylaws committee has formed general descriptions based on the historical data related to the subject matter. Examples of each committee and the areas they would address were presented. Commissioner Barber drew the board's attention to item five which was formerly the Minority Participation committee; they were addressing outreach which did not just focus on minority

and women-owned businesses, but all Housing Authority activities and the impact across the board. This would afford the greatest opportunity for everyone equally. He discussed the impact the Housing Authority has on the community and that the public understands what we do and the contribution we make to the community. Vice-Chairman Banks noted that we should have some knowledge of how we are performing and this should be a part of the requirement. Commissioner Barber made a note of this and added that Commissioner Watkins has suggested that each committee review this and see if there is anything that can be added or changed. Commissioner Barber noted that he would make the change in number five and forward it to Ms. Randle for her to forward to Board members. Chairman Watkins thanked the Bylaws committee for its work. He asked they put together a reporting requirement for action, information or other activity. Commissioner Barber noted there is reference to an executive committee and one had been identified when the standing committees were established. He indicated this should be further examined. To his knowledge there has not been an Executive Committee meeting. The Bylaws committee can go back and draft something to add to this report. He asked that the Chair express his opinion on the need for the Executive Committee. Mr. Scott noted that the Executive Committee would come together when an immediate response is needed on certain issues. Since there is modern technology, this may be obsolete because we can communicate faster. The Executive Committee has something to do with a quick response when the entire Board cannot be convened. Chairman Watkins noted he would take a closer look at the Executive Committee and get back to the Bylaws Committee.

Resident Participation

Commissioner Wilson noted that they met on June 6, 2017 and there was good turnout. They generally have a large space and few people, it was the opposite this time. The President of the Council of United Residents prepared a mission statement. This was the first meeting that involved the scattered sites.

Development

Chairman Watkins noted that the Development committee did not meet.

Chairman Watkins explained that he would continue to think about committee assignments. He asked Board members to let him know if they had a particular interest in serving on a certain committee. He indicated that he would do his best to make the right appointments.

The following committees did not provide a report: Executive and Minority Participation.

New Business Consent Item

Resolution No. 3339, PHI Certification of Compliance De Minimis Exception to Demolition, was introduced.

A correction was made to this resolution. Line two should read, "Board Chairman," instead of "Executive Director." Mr. Gibson used the overhead to show the actual structure, to be demolished, on the map. A severe fire took place which contributed to the need to demolish the building. Mr. Shomin noted the estimated damage to the structure was \$132,000. HUD requires a Board resolution to demolish the building.

Commissioner Rhodes made the motion to approve Resolution No. 3339. Commissioner Barber seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Biscanin, Breitenstein, Frey, Rhodes, Sykes, Warner, Watkins, Wilson

NAYS: None

ABSENT: Garner, McDonald

ABSTAIN: None

Motion carried.

RESOLUTION 3339—PHA CERTIFICATION OF COMPLIANCE DE MINIMIS EXCEPTION TO DEMOLITION.

New Business Discussion Item

Resolution No. 3340, approving continuance of funding plan in support of Section 8 Housing Voucher Program using de-federalized Central Office Cost Center reserves for the Housing Authority of the City of Kansas City, Kansas, was introduced.

Documentation was provided by Mr. Gibson as it relates resolutions 3340 and 3341. Both resolutions were discussed at the same time.

Mr. Gibson led the discussion and referred the board to the three handouts as well as what was listed in the board packet. Three handouts consisted of: 1)

Annual Report, 2) Memorandum regarding the Annual Report and 3) Unaudited Balance Sheet/Operating Statement.

Mr. Gibson began with the Annual Report for Fiscal Year Ended March 31, 2017. He spoke from talking points provided to the Board. Agency-wide total assets are \$75,239,078; total liabilities are \$23,169,620 and total equity is \$51,661,666. He pointed out to Commissioner Warner that the \$23 million figure is represented on page two, line 45 of the Unaudited Balance Sheet/Operating Statement-Fiscal Year Ended March 31, 2107. He then discussed AMPs for Juniper Gardens and Wyandotte Towers as being the ones we have struggled with. Mr. Gibson continued to go through the budget highlighting certain areas as spelled out in his talking points. The Board responded with questions and they were answered accordingly.

Mr. Gibson concluded that the public housing program is holding its own. Section 8 HCV has a deficiency of \$295,000. We have authorized a \$16,000 transfer from the COCC to fund the Section 8 program. He noted that we are looking to turn the corner on the Section 8 program for next year. COCC is where we should put emphasis this year. Maintenance rates need to be raised to reduce operating losses on the COCC side. To elaborate on what Commissioner Rhodes said, Mr. Gibson explained that HUD budgeted 85 percent and increased it in June to 92.89 per cent. This increase provided another \$600,000 in funds. Capital Funds of \$3.3 million was paid out, \$9.7 million in HAP payments and \$823,000 in administrative fees paid to landlords. We paid out just over \$10 million to landlords this last fiscal year. The final page of talking points shows that the public housing rental income is starting to come up a little. Our average rent at Juniper is finally of \$100. The operating subsidy is \$7.6 million and we budgeted \$7.3 million. Overall, we will continue to look at ways to reduce expenses to improve the COCC.

Commissioner Warner questioned line 101 on AMP 56. Mr. Gibson noted that is our west side AMPs which includes Glanville, Rosedale and Bethany. He recalled that this has to do with a fire loss proceeds and the work was not done until after April. Mr. Shomin noted it may have to do with replacing the fire alarm panel. Commissioner Warner asked about the \$100,000 amount on the COCC side and asked was it maintenance driven. Mr. Gibson noted the COCC makes his money on management fees and fees for services. This includes when we go out to work on properties. We may send a \$22 an hour employee and we charge \$16. We cannot charge market rates. He noted changes in how we charge and collect tenant's accounts receivables were phased in, beginning in June of last year; our accounts receivable expenses have gone down considerably as a result.

Vice-Chairman Banks made a motion to approve Resolution No. 3340. Commissioner Sykes seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Biscanin, Breitenstein, Frey, Rhodes, Sykes, Warner, Watkins, Wilson

NAYS: None

ABSENT: Garner, McDonald

ABSTAIN: None

Motion carried.

RESOLUTION NO. 3340—RESOLUTION APPROVING CONTINUANCE OF FUNDING PLAN IN SUPPORT OF SECTION 8 HOUSING VOUCHER PROGRAM USING DE-FEDERALIZED CENTRAL OFFICE COST CENTER RESERVES FOR THE HOUSING AUTHORITY OF THE CITY OF KANSAS CITY, KANSAS.

Resolution No. 3341, adopting 59th Annual Report, was introduced and discussed during Resolution No. 3340.

This resolution was discussed and voted on with Resolution No. 3340.

Motion carried.

RESOLUTION NO. 3341—ADOPTING 59TH ANNUAL REPORT

Commissioner Barber noted the presentations are helpful and illuminating, but he would like to see more detail as HUD has transitioned to a new accounting system. He noted that it seems like HUD has unrealistic expectations for Housing Authorities and he would like more of an explanation at future meetings. Chairman Watkins noted that this would be a great opportunity to call the appointing commissioner and talk through some of this. He further noted that we infuse \$10 million annually into the local economy. This \$800,000 monthly is a shot in the arm and people need to hear this from us. Commissioner Frey asked was the income greater than the cost. Chairman Watkins noted this would be better discussed in smaller groups. Mr. Gibson added there is zero cost associated with the \$10 million other than an administrative cost. There are private landlords that are charging close to market rent and the difference between what the tenant can pay and what the landlord wants for that unit. Mr. Scott noted we can also look at how many families we serve. Chairman Watkins noted that the more properties we own, the better our balance sheet will look.

Warner asked about accrued pension liability and how we are preparing for this. She asked that we get ahead of this. She referenced the next eight years. Mr. Scott noted there are a number of employees who are close to retirement. The agency will review this issue and bring forth an action plan in the near future.

Chairman Watkins noted that he believes today was Commissioner Garner's last meeting and we have a token of appreciation for him that we will have to get to him. He told the board to thank Deputy Chief Garner if they see him. He noted that the agency has thank you notes printed for the Board to use as needed. Mr. Scott noted that Board members can get thank you cards from Ms. Randle.

Commissioner Rhodes made a motion to adjourn. Commissioner Barber seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Biscanin, Breitenstein, Frey, Rhodes, Sykes, Warner, Watkins, Wilson

NAYS: None

ABSENT: Garner, McDonald

ABSTAIN: None

Motion carried.

Matt Watkins, Chairman

Milton Scott, Executive Director