

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

Thursday, March 16, 2017
12 noon

Administrative Bldg.
1124 N. 9th Street

On the 16th day of March 2017 at 12 noon the Board of Commissioners of the Housing Authority of Kansas City, Kansas met in regular session. The meeting was called to order by Vice-Chairman Banks, and upon roll call, the following members of the body were present:

Rev. Jimmie L. Banks, Vice-Chairman
Jacques Barber, Commissioner
John Breitenstein, Commissioner
Robert G. Frey, Commissioner
Tyrone Garner, Commissioner
P. Anne McDonald, Commissioner (arrived late)
Alvin Sykes, Commissioner
Timothy J. Rhodes, Commissioner (via conference call)
Matt Watkins, Commissioner
Charles Wilson, Commissioner

ABSENT: John P. Biscanin, Chairman
Linda Warner, Commissioner

ALSO PRESENT: Milton Scott, Interim Executive Director
Cherrie Escobar, Section 8 Coordinator
Gregory T. Gibson, Director of Finance
Gerald Glavin, Superintendent
Melinda Linnell, Director of Housing Management
Benice Meeks, Assistant Director of Finance
Jacqueline Randle, Executive Services Manager
Anthony Shomin, Director of Facilities Management
Elaine Stroud, Asst. Director of Housing Management

Vice-Chairman Banks called the meeting to order and roll call was taken.

Vice-Chairman Banks noted that Chairman Biscanin was out of town and unable to attend the board meeting. He indicated that Chairman Biscanin would be relocating in the near future and protocol suggests that adequate notice be given to the Board. An election for Chairman will be take place at the next formal meeting of the Board.

Commissioner Watkins made a motion to approve the minutes of the regular meeting held February 16, 2017. Commissioner Sykes seconded the motion and the following vote was recorded:

AYES: Banks, Biscanin, Brietenstein, Frey, Garner, Rhodes, Sykes, Watkins, Wilson

NAYS: None

ABSENT: Biscanin, McDonald, Warner

ABSTAIN: None

Motion carried.

Vice-Chairman Banks informed the Board that Mr. Scott lost his mother and services would be held on Saturday. He asked that the Board send an expression of sympathy to the service. Vice-Chairman Banks further noted that the Board was available to provide support or assistance and that Mr. Scott was in their prayers. Mr. Scott thanked the Board for their support and he thanked his mom for him being here today. He was a product of public housing and one of eleven siblings. He noted that he, his children and grandchildren shared time with her in the last few weeks. Services for Mr. Scott's mother will be held on March 25, 2017 in East St. Louis, Illinois. She was 86 years old.

Executive Director's Report

- Mr. Scott directed the Board to page 11. He indicated that he attended the YouthBuild Advisory Board meeting on February 10, 2017. YouthBuild is part of United Way and the Housing Authority provides the property and utilities. The program gives young people an opportunity to get experience they can use later in life. The agency helped send an individual to Washington, D.C. to represent the local YouthBuild. (*Commissioner McDonald arrived during the ED report.*)
- Mr. Scott noted that on February 15, 2017 he, Paula Draves and Cherrie Escobar met with Wyandotte Court Services to try to determine if the Housing Authority could help fill the gap in the community for children aging out of foster care or in the Re-entry program. The goal was to see if there was a need identified through the court services program to use the Section 8 voucher program to provide rental assistance.
- Mr. Scott noted that he and Sharron Davis-Mays met with Kansas City, Kansas Community College staff Alicia Hooks and Dr. Marisa Crawford

Gray regarding the educational outreach program for our residents. KCKHA would like to establish a GED program for residents of Juniper Gardens and Chalet Manor which will be connected to the Section 3 program.

- On February 21, 2017 Mr. Scott met with Velma Navarro from the regional HUD office and local HUD staff. Jerry Glavin and Elaine Stroud were also in attendance as they visited Housing Authority properties. They took a driving tour of some of our properties; this provided first hand knowledge of what is going on in the communities. Modernization activities were looked at Westgate.
- HUD celebrated Black History month on February 28, 2017 by presenting a program at the Regional HUD office. Staff and the public were invited.
- Also, on that day the Development committee met and selected Newmark, Grubb Zimmer (NGZ) as the realtor.
- Mr. Scott drew the Board's attention to an *orange* article outlining the potential for a \$6 Billion cut in HUD funding. He indicated the Board should look at ways to generate revenue and position ourselves for the future.
- A survey done by Insights is included the handouts.
- Mr. Scott acknowledged that, on today, Melinda Linnell has worked 40 years for the Housing Authority. *Applause followed.* He expressed appreciation for Ms. Linnell's dedication as she is always looking at ways to make improvements. Ms. Linnell was provided with a tiara and various tokens of appreciation for her longevity. She thanked everyone for the recognition. *A reception was held in her honor after the board meeting.*
- In regard to working with Wyandotte Court Services, Commissioner Garner suggested talking with Phil Lockman, Director of Community Corrections and Delia York, Judge with the District Court of Wyandotte County. He asked if there was anything similar with USD 500 as there are a high percentage of homeless students. Commissioner Watkins noted there is an initiative that has identified 1,400 homeless students out of 10,000 in the district. A group of social service agencies have come forward to help. They are looking at doing developments for kids that age out of foster care. Commissioner Garner noted there are a number of youth that are homeless and we need to do our part to help them be successful. Mr. Scott stated we are looking at having supportive services to enable these students to be successful. Ms. Linnell indicated we are working with District 500 through the PACES program to help them get housing and stabilize their households. Commissioner Garner noted that \$6 Billion cut will have a huge impact on public housing and the poor in our community. He suggested that with funding cuts, we should see if it is feasible to establish a benevolence fund to help with for utilities, food, etc. Vice-Chairman Banks noted that churches and clubs have stepped up to the plate to address these needs. He explored what is happening in government today and the challenges that are before us. Commissioner Sykes noted that even with cutting \$6 Billion, Congress makes the final

budget and how could we express our views about not cutting funding. Mr. Scott noted there are organizations like NAHRO and PHADA that advocate on our behalf. Dr. Ben Carson is scheduled to speak at the upcoming NAHRO conference. Vice-Chairman Banks noted we need to make our voices heard at these conferences. Commissioner Sykes noted that Senator Jerry Moran is on the committee and we need to reach out to him. Mr. Scott explained that we did not budget for travel, but would look at sending himself or a representative, when funds allow for it. Commissioner Frey questioned the statistics of homeless children in USD 500. Commissioner Watkins noted there are 1,400 homeless students in USD 500 and this does not include Turner and Bonner Springs. Discussion continued on homeless in the school district and what we could do to help. Mr. Scott suggested coming up with a policy for us to receive donations. Commissioner Barber noted there is an organization called the Blue Door project which has received donations. JE Dunn has taken the lead with this project. They have housed 16 teenagers in a remodeled home. This has helped students finish school and transition into adulthood. Commissioner McDonald reminded the Board that our basic mission is housing and it would be a good idea to compile a listing of agencies that can help our residents. Commissioner Garner agreed with Commissioner McDonald noting that we were just bringing this up for discussion, but he would be willing to work with whatever the Board endorses. Mr. Scott noted that he is working with staff to come up with a resource that lists social service agencies.

Committee Reports

Personnel

Vice-Chairman Banks noted the Personnel committee report would be part of the Executive Session.

Bylaws

Commissioner Barber passed out a written report. The committee could not find specific guidelines for the election of officers. Other agency's bylaws were looked at and there was only broad, general language. As a result, we are not in violation of any specific guidelines. The committee was able to take the Board's concerns and come up with a specific process for filing vacancies. They came up with two different options, one being long and the other being short. The two drafts were attached to the report. He asked the Board to read over the information. Vice-Chair Banks asked if there was new language in Section No. 7 to show what has been marked out. Commissioner Barber noted that was correct. He asked that questions be deferred to the next meeting once the Board

has a chance to review the changes. Commissioner Garner noted there should be language about vacancies of individual commissioners. He questioned when does the term end, is it at the expiration of the term or when a new appointment is made. Commissioner Barber noted that this was not addressed because individual seats are made by appointment. Commissioner Barber suggested the information be reviewed and it would be voted on at the next meeting. Commissioner Watkins noted his appreciation for the committee's work and added that we could all come together and decide on our own rules, but his concern is putting too much in the bylaws. He suggested that we keep it simple in the bylaws and the Board would make up its own rules as a body. Commissioner Barber noted that point was well taken. He noted that language was left broad intentionally and the matters should be addressed as they occur, allowing for flexibility as situations change. Commissioner Sykes thanked the committee for its work and asked if there are bylaws and then policies and procedure. He suggested that some of the items be listed as policies and procedures, as opposed to being in the bylaws. Vice-Chairman Banks asked if the Board would review the statements and recommendations and come back and make a decision at the next meeting. The Board was in agreement.

Development

Commissioner Watkins noted the Development committee met a couple of times concerning the real estate broker and hired Newmark Grubb Zimmer (NGZ). They are currently working on the agreement. We are awaiting a response from the broker. Six proposals were received and all were qualified. They scored each proposal and NGZ rose to the top. NGZ has a lot of experience in Wyandotte County. The committee believes they are the right fit for what we need. Nick Suarez and Mark Long will be the lead on this project and we have confidence in them. The timeline would be to get the agreement and meet to discuss priorities in the next two weeks. NGZ will then go out and look at properties and visit with staff to see what they need.

Commissioner Watkins noted the second meeting was with Insight who gave them an extensive report of the condition of Juniper Gardens. They gave a presentation ranging from safety to building assessments, etc. A handout and report was provided to the Board. Twenty-four residents of Juniper Gardens provided a survey for that area. Insights will provide more information on what they can deliver. He asked the Board to review the information from Insight and provide comments. Commissioner Garner noted that he would love to sit in as this project is in his district. Mr. Scott reminded the Board that it would be a special meeting depending on how many Board members were present.

Finance

Commissioner McDonald noted the committee met on March 1, 2017 she was present along with Mr. Scott, Mr. Gibson, Ms. Meek, Ms. Linnell, Commissioner

Rhodes and Commissioner Watkins. They discussed the memo prepared by Mr. Gibson related to the RFP for banking services. They are going to put something in place to say they will review this every five years. Vice-Chairman Banks asked would we be waiting 25 years to visit this. Commissioner McDonald answered that the resolution would be to come up with a policy, but it would not address what would be done immediately. She noted that Mr. Gibson did an informal bank survey within the last couple of weeks. She explained they need to discuss what the RFP would consist of. She hopes to draft a resolution before the next meeting.

The committee discussed sending checks directly to BPU instead of to individuals. Ms. Linnell discussed the no smoking policy in all housing authority properties and the education that would be provided. The committee then went over income loss summaries, rental income projections, operating subsidy projections and Section 8 administrative fees. It was noted that there is a Section 8 loss again this year due to the drop in subsidy and fluctuation in the number of vouchers. There is a rental income increase of about 4 percent. The overall occupancy rates are lower and this affects rental income, Mrs. Linnell is working on this matter. Lastly, Mr. Gibson reported the Labor Index increased by 2.3 percent. The Housing Authority salary scale will increase April 1, 2017 to reflect the 2.3 increase. There is a proposed freeze on merit increases and replacement staffing until we see where we are with the budget.

Commissioner Garner asked if we could unload some of our properties due to budget cuts. Commissioner Watkins noted that Juniper Gardens and Wyandotte Towers are separate amps and we are taking steps to review this. The Board continued its discussion of ways to offset costs through redevelopment.

Resident Participation

Commissioner Wilson submitted a written report. He noted that the Resident Participation committee met on March 7, 2017 to discuss retention, burglary and vandalism, emergency funds for rent, conflict management, a survey box for resident suggestions, safe playgrounds, better communications with the Housing Authority and Residents, invasion or privacy, non-payment of rent, guest damaging the property and selling drugs, a drop box for rent payment, carpet shampooing, etc. *A written list of concerns was provided.* He further noted that Commissioner Sykes discussed there is a homeless fund with the Housing Authority that one knows anything about or uses. He informed the Board that Mayor Holland would be a guest speaker at Bethany Park Towers on March 27, 2017.

Commissioner Garner asked what the plan of action was to follow-up on these concerns. Mr. Scott noted we will get with the various resident councils to address these issues. He noted our goal is to listen and respond. He will involve

the managers at the various properties and report back to the Board as the issues are addressed.

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

New Business Consent Item

Vice-Chairman Banks called for a motion to approve the new business consent item. Commissioner McDonald made the motion to approve Resolution No. 3335. Commissioner Watkins seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Breitenstein, Frey, Garner, McDonald, Rhodes, Sykes, Watkins, Wilson

NAYS: None

ABSENT: Biscanin, Warner

ABSTAIN: None

Motion carried.

Resolution No. 3335—collection loss write-off.

This resolution calls for vacating the tenants' account balances that were determined to be uncollectible. The amount to be written off is \$123,713.43. A summary of the charges was attached for the Board's review.

RESOLUTION NO. 3335—COLLECTION LOSS WRITE-OFF

Commissioner McDonald noted that she would like to see the agency start making plans to celebrate Woman's History Month in March of next year. It is a national annual event. Mr. Scott said he would get with Ms. Davis-Mays and make arrangements for next year.

New Business Discussion Item

Resolution No. 3336, PHA Board Resolution approving Operating Budget, was introduced.

Mr. Gibson provided a written March 31, 2018 Operating Budget summary to the Board. An entire packet was mailed out to the Board last week. He noted that he was prepared to discuss the budget in general or in detail as directed by the Board. He began with Schedule A that shows a net income projection of \$125,115 and a total reserve estimate for fiscal year ending March 31, 2018 of \$3,140,451. Due to GASB 68 expenses, the reported reserves are significantly lower due to the pension expense. Schedule E shows the Operating Subsidy Calculation which is done on a calendar basis. Staff is waiting on approval from Washington, D.C. Generally, we do not know the calculation until October. The current estimated level is 85% proration. The operating subsidy submitted to HUD was \$8,043,084; the 85% proration level reduces our anticipated net subsidy to \$6,836,616. Schedule B projects rental income at \$4,591,366; a 4% increase over FYE March 31, 2017. Occupancy percentages have decreased from 92.08% in January 2016 to 88.91% in February 2017. However, the average monthly rent has risen from \$188.22 in January 2016 to \$207.62 in February 2017. Commissioner Garner asked why there would be a problem with occupancy if there is a huge waiting list. Mrs. Linnell explained that the waiting list is not as large as it has been in past years. Also, when units are vacated, our maintenance staff has to make them ready for the new tenants to move in. This is all time consuming. She noted that reorganization has taken place and we are trying to house, the easier to house areas first and we should see a difference in occupancy. Mr. Gibson said this will address the issue of where folks want to live first.

Mr. Gibson noted that on the Section 8 side, the administration fee estimates are close to where they were in the previous year. The Congressional Proration Rate is 77% for FYE 2018. The Schedule of Fees for the COCC was reviewed and the totals explained. The Fee for Services lists the repairs done by COCC staff. There is a slight increase from current year projections of \$1,987,498 to \$2,078,416. Last year adjustments were made to the labor rates. This year we will focus on billing. The salary schedule does not show much of a change. There was a marginal increase in the Consumer Price Index of 0.7%. No cost of living increase for this year. The Labor Index increased by 2.3% and our pay scale was adjusted accordingly. Due to the uncertainty of expenses, we are recommending a temporary freeze on merit increases April 1, 2017. The Schedule of Utilities shows a decrease from \$2,597,846 to \$2,267,292. There was a savings of \$1,360,526 in avoided costs. These calculations were based on 100% subsidy, using 90.21% proration level the net saving would be \$1,227,330. The net utility subsidy savings is \$71,108 for CY2016. The EPC loan debt is \$12,775,632; the balance will be reduced by \$444,000 on July 1, 2017 and \$500,000 for the next few years after that. There is a 3.1% increase in maintenance materials or \$827,044. Contract costs increased 4.22% to \$3,233,576. Commissioner McDonald asked if we could begin recycling at the Housing Authority. Mr. Gibson thought it was worthy of discussion, but he was not sure of the level of participation. Vice-Chairman Banks asked for a quick

summarization. Mr. Gibson noted we are threading water and holding our own. Commissioner Garner noticed there are a lot of discretionary line items. Mr. Gibson explained these are costs that fall within a certain area and were not designated a separate line item. He noted they are qualified, necessary expenses that do not have a line item. Commissioner Garner explained that a budget that shows *other* looks like you can tap into that area. He would like more details and not so much open-endedness. Commissioner Watkins invited Commissioner Garner to the Finance committee meeting for further explanation. Mr. Gibson agreed to provide more information in future meetings. He indicated board lunches, payments for the notary public fees and maintenance items are some of the costs listed as discretionary.

Commissioner Watkins made a motion to approve Resolution No. 3336. Commissioner Wilson seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Breitenstein, Frey, Garner, McDonald, Rhodes, Sykes, Watkins, Wilson

NAYS: None

ABSENT: Biscanin, Warner

ABSTAIN: None

RESOLUTION NO. 3336—PHA Board Resolution Approving Operating Budget.

Vice- Chairman Banks asked for a five minute recess and then a motion to go into Executive Session would follow.

Commissioner Barber asked that we begin to look other sources of income instead of relying solely on what we get from HUD.

Commissioner Watkins made a motion to go into Executive Session for 30 minutes to discuss a personnel matter. Commissioner Sykes seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Breitenstein, Frey, Garner, McDonald, Rhodes, Sykes, Watkins, Wilson

NAYS: None

ABSENT: Biscanin, Warner

ABSTAIN: None

Motion carried. *Executive Session lasted from 2:30pm—3:00pm.*

Commissioner Watkins made the motion to extend Executive Session for another 15 minutes. Commissioner Sykes seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Breitenstein, Frey, Garner, McDonald, Rhodes, Sykes, Watkins, Wilson

NAYS: None

ABSENT: Biscanin, Warner

ABSTAIN: None

Motion carried. *Executive Session lasted from 3:00pm—3:05pm.*

Vice- Chairman Banks noted the Board was back in Regular Session.

Commissioner Watkins made the motion to enter into an employment contract with Mr. (*Milton*) Scott as Executive Director of the Kansas City, Kansas Housing Authority. The details would be discussed later with the Executive Director. Commissioner Sykes seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Breitenstein, Frey, Garner, McDonald, Rhodes, Sykes, Watkins, Wilson

NAYS: None

ABSENT: Biscanin, Warner

ABSTAIN: None

Motion carried.

Commissioner Garner made a motion to adjourn. Commissioner Breitenstein seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Breitenstein, Frey, Garner, McDonald, Rhodes, Sykes, Watkins, Wilson

NAYS: None

ABSENT: Biscanin, Warner

ABSTAIN: None

Motion carried.

Rev. Jimmie L. Banks, Vice-Chairman

Milton Scott, Executive Director