

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

Thursday, March 19, 2020
12:30 p.m.

Administrative Office
1124 N. 9th Street

On the 19th day of March 2020 at 12:30 p.m. the Board of Commissioners of the Housing Authority of Kansas City, Kansas met in special session via conference call. The meeting was called to order by Chairman Watkins, and upon roll call, the following members of the body were present:

Matthew T. Watkins, Chairman
Rev. Jimmie L. Banks, Vice-Chairman
Jacques Barber, Commissioner
Broderick Crawford, Commissioner
Rachel Jefferson Commissioner
P. Anne McDonald, Commissioner
Denise Tomasic, Commissioner
Linda Warner, Commissioner
Charles Wilson, Commissioner

ABSENT:

Don Jolley, Commissioner
Timothy J. Rhodes, Commissioner
Cardelia Walker, Commissioner

ALSO PRESENT:

Thomas M. Scott, Executive Director/CEO
Cherrie Escobar, Director of Section 8
Jacqueline D. Randle, Executive Services Manager
Caroline Rogers, Director of Finance
Anthony J. Shomin, Director of Facilities Management

Chairman Watkins called the meeting to order and roll call was taken. He suggested skipping the committee reports, with the exception of the finance and development committee reports which were distributed. He asked if there were any objections and there were none.

Chairman Watkins called for the approval of the minutes. Vice-Chairman Banks made a motion to approve the minutes of February 20, 2020. Commissioner Jefferson seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Crawford, Jefferson, McDonald, Tomasic, Warner, Watkins, Wilson
NAYS: None
ABSENT: Jolley, Rhodes, Walker
ABSTAIN: None

Motion carried.

Vice-Chairman Banks made a motion to approve the minutes of February 28, 2020. Commissioner Jefferson seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Crawford, Jefferson, McDonald, Tomasic, Warner, Watkins, Wilson
NAYS: None
ABSENT: Jolley, Rhodes, Walker
ABSTAIN: None

Motion carried.

Executive Director's Report

- Mr. Scott informed the Board that PIH Notice 2019-10 was provided by email. This is for the Board to review the repositioning requirements surrounding Juniper Gardens. He noted the appraisal has come back, but he did not want to speak to the amount during an open meeting. Our next step would be the relocation RFP, but it is on hold due to the virus. Any further action will take place once the virus is resolved.
- Mr. Scott prepared an agency response to the COVID-19 virus, had it placed on the agency website and distributed it to KCKHA staff this morning. The agency is now on full lock-down. There is a considerable amount of anxiety with staff. We have made steps to protect the residents and staff, but this is an ongoing learning experience.
- No evictions are taking place and this came out before the governor's executive order.
- The Unified Government is closing tomorrow and while we had not previously considered this, due to the anxiety with staff, it could be in our staff's best interest to close the office tomorrow and open it back up on Monday. He assured the Board that we are doing all we could agency-wide. There is a drop box in Resident Selection and we are not doing any one-on-one

interviewing, everything is being done over the phone. Commissioner Crawford asked how this would affect employees and would they continue to be paid. Mr. Scott noted everyone would still be working during the lockdown. If we shut down for a day, it would be with pay and the cost would be about \$25,000 for one day. Commissioner McDonald indicated she was in favor of the office closing tomorrow, as the schools have already closed. Vice-Chairman Banks questioned what would happen if we were closed for a longer period of time. Mr. Scott noted we need to be here in a supportive manner for our residents, while wearing protective gear; but we cannot stop services to the residents. We need collection services and those who need housing have to still get it. Mr. Scott noted he sees this as a way to release current anxiety. Vice-Chair Banks asked how this would affect rental collections. Mr. Scott noted they can pay online, by mail and a drop box is being installed. He added we may need to investigate other payment alternative as most of the folks in the high-rises pay their rent at the bank. We will look into this further. Commissioner Jefferson noted there are several landlords that are not evicting people. She asked would we be required to continue the collection process or could we pause collection for right now as a means of relieving anxiety. Mr. Scott explained that we are not pausing rent collection. However, we are rescinding late fees and there are no evictions taking place at this time. We will continue to handle situations as they come up and will not impose a hardship on families.

Committee Reports

Chairman Watkins noted that the Development committee minutes and a follow-up from the Finance committee were provided in written form to the Board. He asked were there any questions. Commissioner Barber asked if the mention of Juniper Gardens was in reference to the HUD memo. Mr. Scott noted the HUD memo was for informational purposes only as some folks were not able to attend the NAHRO training. The memo lays out the repositioning that we are following for Juniper Gardens. However, community activities have been suspended so we cannot put out the RFP or visit with the residents at this time. Commissioner Jefferson requested clarification on a few items. She wanted to know if the appraisal document was sent out to the Board. Mr. Scott noted the appraisal document has not been sent out as it has the dollar amount listed and this would be for Executive Session. Commissioner Jefferson requested a copy of the document and RFP. Mr. Scott noted that would be fine, but he would ask the Board to not distribute the information. Mr. Shomin advised there are some corrections that need to be made before distribution. Mr. Scott added that he could disclose some of the information in a phone call. Vice-Chairman Banks asked if a group discussion would be more beneficial and how would this be

handled. Chairman Watkins noted that a hard copy of the documents could be provided in Mr. Scott's office and Board members could set up a time to meet with him and see the documents. He noted the value is the appraiser's opinion and we would need to deal with this. He said we could also send it out once the corrections are made. Vice-Chairman Banks agreed that the information should not be distributed throughout the community. Commissioner Barber asked if the decision been made to sell the Juniper Gardens property and relocate the tenants. Mr. Scott noted this is the understanding and the process we are following. Commissioner Jefferson asked when was this decision made and wasn't there a phased-in approach. Mr. Scott noted this was still in place. We are doing what is mandated by HUD and this is a requirement. HUD is expecting a plan and they will push until this is accomplished. With nothing further, the Chairman moved to the New Business Consent Items.

New Business Consent Items:

Resolution No. 2020-03, authorizing a collection loss write-off, was introduced.

Ms. Rogers explained that the proposed write-off amount is \$245,705.56 and over \$100,000 is retro-rent that was billed to tenants as catch-up rent that was unreported income. The prior six month write-off was in the \$179,000 range. The report shows tenants who have not made a payment in the past six months. She noted that we now have better tools to identify unreported income. Once the unreported income is identified, tenants tend to move out and stop paying their bills and this drives up the write-offs. A similar amount of write-offs are expected for the next six month's time. Mr. Scott added that the EIV system is picking up retro rents of \$101,000+; the other is maintenance charges of \$80,000+; the actual rent is only \$64,000. The collection loss is inflated because of damages and people not claiming their income. Vice-Chairman Banks asked if we would try to reclaim this money. Mr. Scott noted that we have not had success with a collection agency. Our greatest success is with people cycling back to move back into public housing. They enter into repayment agreements and then move back in. We expect to recoup a considerable amount of the write-off.

Commissioner Wilson noted the high-rises were given instructions to deal with the coronavirus. He asked if family developments were given the same information. Mr. Scott noted that we have posted everything on our website. The manager's offices at family developments are on lockdown and by appointment only. The high-rise common areas are cleaned twice a day. We do not have the manpower to man the door, and have not restricted access to the high-rises at this time. Commissioner Wilson thanked Mr. Scott for the information provided to the high-rises.

Vice-Chairman Banks asked to get back to the collection loss resolution. Commissioner Barber noted the write-off amount was concerning until staff explained the reason for the increase and that some of the money would be recouped. He expressed that this is alarming and the agency should stay on top of it.

Commissioner Crawford made a motion to approve Resolution No. 2020-03. Commissioner McDonald seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Crawford, Jefferson, McDonald, Tomasic, Warner, Watkins, Wilson

NAYS: None

ABSENT: Jolley, Rhodes, Walker

ABSTAIN: None

Motion carried.

RESOLUTION NO. 2020-03—AUTHORIZING COLLECT LOSS—WRITE-OFFS.

Resolution No. 2020-04, approving the annual budget, was introduced.

Chairman Watkins noted that the Board has received communications from Ms. Rogers via email. Ms. Rogers indicated she sent the budget out on March 16, 2020. She also distributed a memo showing the variances from the prior year. She provided a summary of the memo noting that the budget is down \$466,000 in net operating income. The COCC revenue is up and projecting a positive net operating income \$65,637; Section 8 net income is projecting \$45,571; Public Housing is projecting \$835,334 for the year. The net decline of \$466,000 is primarily due to updating labor costs. She discussed changes in proration and its effect on the budget. Key line items of the budget were also identified and explained. Ms. Rogers asked if the Board had any questions.

Vice-Chairman Banks complimented Ms. Rogers and Mr. Scott on the work they have done. Mr. Scott agreed that Ms. Rogers has done an excellent job with the budget and added that fees for service and hard cost for employees has been reapplied.

Commissioner McDonald made a motion to approve Resolution No. 2020-04. Vice-Chairman Banks seconded the motion and the following vote was recorded:

AYES: Banks, Barber, Crawford, Jefferson, McDonald, Tomasic, Warner, Watkins, Wilson

NAYS: None
ABSENT: Jolley, Rhodes, Walker
ABSTAIN: None

Motion carried

RESOLUTION NO. 2020-04—PHA BOARD RESOLUTION APPROVING THE ANNUAL OPERATING BUDGET.

Commissioner Barber provided a follow-up question. He asked would there be significant changes in health care. Mr. Scott noted we recently renewed our health care and went with Blue Cross/Blue Shield, because the previous carrier had proposed an increase of over 30 percent. He has not heard anything lately, but expects health care to be impacted by this virus. However, it is a little early right now.

Resolution No. 2020-05— authorizing and accepting the contract with AAIM Services for HVAC improvements at Scattered Site K1-7, was introduced.

Mr. Scott noted this would typically be on the consent agenda, but we had to mail this out due to the date of the bid opening. Mr. Shomin provided a quick overview. He explained that this resolution authorizes a contract for HVAC improvements at Scattered Sites, K1-7. This site has older equipment which utilizes R-22 Freon refrigerant for air conditioning. R-22 is no longer being manufactured. This resolution is to replace the furnaces and air conditioning equipment at this location. The agency's procurement procedures were followed. Seven contractors bid this work. The price range was \$95,760—\$605,446. The apparent low bidder is AAIM Services. We have previous experience with the contractor and they are changing the HVAC equipment at Douglas Heights' family development. AAIM Services is doing a good job at a fair price. We also reviewed references and they came back satisfactorily. Staff and architect are recommending acceptance of this bid and approval of this resolution. Commissioner McDonald noted the bid was half of what the architect's estimate was. She asked were we concerned about this. Mr. Shomin noted that we had the architect contact the contractor. The contractor received a good deal from Lenox and the architect is recommending approval. Commissioner Barber noted that he had the same concern.

Vice-Chairman Banks made a motion to approve Resolution No. 2020-05. Commissioner Barber seconded the motion and the following vote was recorded:

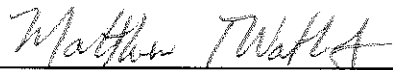
AYES: Banks, Barber, Crawford, Jefferson, McDonald, Tomasic, Warner, Watkins, Wilson

NAYS: None
ABSENT: Jolley, Rhodes, Walker
ABSTAIN: None

Motion carried.

RESOLUTION NO. 2020-05—AUTHORITY TO ACCEPT THE BID AND AUTHORIZE A CONTRACT FOR HVAC IMPROVEMENTS AT SCATTERED SITE K1-7 FAMILY DEVELOPMENT LOCATED IN KANSAS CITY, KANSAS WITH AAIM SERVICES, LLC.

Chairman Watkins asked that everyone be safe and he looks forward to seeing them soon. Chairman Watkins then called for the meeting to adjourn and it passed unanimously.



Matthew T. Watkins, Chairman



Thomas M. Scott, Executive Director/CEO