

## YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

July 11, 2013

Kathi Meyer, Yampa Valley Housing Authority Board President, called the regular monthly meeting of the Yampa Valley Housing Authority to order at 12:00 p.m.

Board members present included: City Councilman Scott Myller, Kristi Brown, Trish Sullivan, Catherine Carson, Patrick Welsh and John Spezia. Board members Rich Lowe, Doug Monger and Johnny Sawyer were absent.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director; Bob Weiss, attorney for the Housing Authority and citizens George Krawzoff and Scott Wedel. Sarah Katherman recorded the meeting and prepared the minutes.

### EN RE: NEW BOARD MEMBER

Jason introduced Patrick Welsh, who has recently been appointed by the Board of County Commissioners and City Council to the YVHA Board. Patrick reviewed his history and experience.

### EN RE: PUBLIC COMMENT

Mr. George Krawzoff, former Executive Director of the YVHA, stated that he had been fired in an illegal executive session. He said that he had never received any complaints and had never been offered the opportunity to defend himself or to explain his position. He said that he did not have the financial resources to take the YVHA to court for their actions. Mr. Krawzoff stated that he had been damaged by the way he had been treated by the Board and had experienced a difficult time in finding employment since been fired after only three months with the YVHA. He reviewed some issues that had arisen during his tenure and asked for an explanation of the Board's actions. He reviewed his experience with other boards and organizations and reiterated that he wants to have an opportunity to defend his position. Mr. Krawzoff also asked for an apology.

Kathi stated that the Board does not generally act on public comment. She stated that the Board would consult with its attorney regarding whether to put Mr. Krawzoff on a future agenda. Mr. Krawzoff left the meeting.

Citing his recent complaints regarding the lack of transparency of the YVHA, Mr. Scott Wedel stated that he was disappointed that the YVHA, a government authority, still does not publish its meeting times and places on its website. He added that the YVHA has also not updated the agendas or minutes on the website. Mr. Wedel stated his intention to raise the issue with the Routt County Board of County Commissioners and the Steamboat Springs City Council and to request that no funding be provided to any organization unwilling or unable to post pertinent information, as well as meeting times and places on its website in a transparent and accurate fashion.

Kathi stated that the YVHA Board was not informed of the change in the room until the prior day. She added that staff is in the process of updating the agendas and minutes on the website and has already posted the current budget and financial statements.

Hearing no further public comment, Kathi closed public comment.

## **EN RE: EXECUTIVE SESSION**

Kathi stated that the Board would enter executive session for the purpose of a conference with the attorney, Bob Weiss, pursuant to C. R. S. §24-6-402 (4)(b) to receive legal advice concerning specific questions pertaining to the Elk River Village property located on Elk River Road.

### **MOTION**

Kristi moved to enter executive session pursuant to C. R. S. §24-6-402 (4) (b) to discuss specific questions pertaining to the Elk River Village property. Included in the executive session would be the Housing Authority Board members, the Housing Authority Director, and the Housing Authority's attorney. Trish seconded; the motion carried unanimously.

### **MOTION**

Scott moved to exit the executive session. Kristi seconded; the motion carried unanimously.

The executive session adjourned at 12:53 p.m. Kathi stated that no minutes or formal actions were taken during the executive session, and that only the Elk River Village property was discussed during the executive session.

## **EN RE: ELK RIVER VILLAGE / FIRST NATIONAL BANK OF THE ROCKIES TERM SHEET**

Kathi asked if the Board had any questions or comments on the letter of terms from Greg Dixson of The First National Bank of the Rockies (FNBR), dated June 26, 2013. Kathi stated that FNBR had opted not to issue a joint press release. In response to a question from Catherine regarding the legal aspects of the agreement terms, Bob stated that he had proposed adding some language to the terms, which FNBR had accepted. Catherine thanked Bob for his assistance in the negotiations with the bank.

### **MOTION**

Kristi moved to approve the term sheet from FNBR dated June 26, 2013. Catherine seconded the motion and added that the terms represent a good compromise that provides a workable solution that will give the YVHA an opportunity to find opportunities for this property.

### **The motion carried unanimously.**

Kathi distributed and reviewed the draft press release, noting that the release would be issued by the YVHA only, as FNBR does not generally put out press releases. She suggested that language should be added to press release stating that the June payment had been made within a few days of the meeting with the bank and the loan is now current. Catherine asked about the last sentence of the press release. Jason noted that it is almost verbatim from the YVHA mission statement. Catherine suggested that the entire mission statement should be included. John agreed.

Kathi suggested that the press release be given to the last reporter that wrote a story on the issue. Catherine offered that the editorial board would be pleased that a solution had been reached. Bob said that it would be likely that representatives of the paper would call and request an interview. Kathi suggested that Jason's contact information be included in the press release. Patrick asked about time frame for the agreement's completion, noting that issuing the press release at this time might be premature. Bob stated that the agreement is scheduled for closing August 13, 2013. Kristi offered that issuing the press release would help to put pressure on the bank to complete the deal. Kathi noted that the City and County are currently considering their budgets for next

year. She offered that the sooner that it is known that a solution is in process, the better. Bob suggested that if the press release is not issued, the paper would be likely to request the document outlining the terms of the agreement, which is a public document. Catherine stated that the agreement would be voted on in a public hearing and that document would be available at that time, regardless. Kathi agreed, noting that the YVHA Board would probably vote on a resolution approving the lease back arrangement at the August meeting. She cited YVHA's meeting with FNBR, the verbal agreement and how quickly FNBR had agreed to the major points of the deal as evidence that the bank is willing to act. She said that she feels confident in issuing the press release.

In response to a question from Patrick, Jason reviewed the projected reduction in the carrying costs that would result from the proposed agreement. Trish asked about next steps. Kathi said that the lawyers for both parties would finalize the documents, which would be presented to the YVHA Board in August. Bob added that FNBR would cover the cost of preparing the documents; YVHA would assume the costs associated with having those documents reviewed by Dee Wisor. Mr. Wisor will also provide an opinion on the documents. Bob said that he would send drafts of the documents to Patrick for review. Jason reviewed the direction from the Board that the draft press release should be amended to include the full mission statement of YVHA, an announcement that the June payment had been made and a statement that YVHA anticipates closing on the deal in August. Jason's contact information will also be included.

### **EN RE: CONSENT AGENDA**

The following items were presented on the consent agenda:

- a. Review and approval of minutes of the regular Housing Authority Board meetings of June 13, 2013 and June 21, 2013
- b. Review and approval of the May 2013 financial statements.

Kathi asked whether any Board member wished to remove an item from the consent agenda for further discussion. Catherine requested the removal of the financial statements from the consent agenda.

#### **MOTION**

Kristi moved to approve item "a" of the consent agenda. Trish seconded; the motion carried unanimously.

Regarding the financial statements, Catherine suggested that the names of the individuals listed on the accounts receivable should be redacted on the documents released to the public. There was a discussion of the possibility of using electronic documents at meetings. Jason was directed to print copies of the meeting packet only to those members who request them.

#### **MOTION**

Catherine moved to approve the financial statements, with the names removed and only the account numbers listed on the accounts receivable in the future. John seconded; the motion carried unanimously.

### **EN RE: DISCUSSION ON PUBLIC COMMENT**

Bob reviewed that George Krawzoff's job performance had been discussed in an executive session, at which Bob was not present. When the executive session ended, the Board offered George the opportunity to resign with a three-month severance package. George declined the offer. The president of the Board at that time then informed George that his employment was terminated. Bob stated that when he was consulted on the matter he advised the Board that the question of Mr. Krawzoff's termination should be put to a vote in a public session. The Board voted on the matter at the next month's regular meeting. In advance of that meeting, George was sent

a letter through the Sheriff's Office informing him of the upcoming vote. George's wife declined to accept the letter. The vote was also published on the agenda for the meeting. Bob noted that the idea was to give George an opportunity to have his say at that meeting. Bob stated that Mr. Krawzoff had sent him several emails expressing his displeasure with the events, but no formal demand or complaint had been filed. Trish added that he had also complained to the Board of County Commissioners and the City Council.

Addressing Mr. Krawzoff's allegations, Jason reported that Sandy and Becca had been doing the financial reports with Katie, and were providing oversight. The USDA system also provides a check to ensure that there are no errors. He said that he had discussed the comp time tracking issue with Ken while he was there, and that the issue was addressed. Kathi added that an audit had been done in December, after George left, and no problems were found.

Kathi asked if the YVHA was obligated to add an agenda item to allow Mr. Krawzoff to speak at a future meeting. Bob stated that there is a body of law regarding such issues, but that he was uncertain if there was an obligation to allow a terminated employee the opportunity to clear his name. He noted that there were a few hiccups in the process of firing Mr. Krawzoff, citing the lack of a public vote prior to the termination and the failure to give proper notice that the vote would be held. Bob reviewed the options open to the Board: schedule an item and either respond or not, write a letter, or do nothing. The Board discussed what the purpose or benefit of inviting George to a future meeting might be. Catherine stated that Rich had handled the situation professionally and courteously and that Board did everything it could do after its consultation with Bob to ensure that the matter was done with public transparency. She added that the severance package was adjusted to the date of the vote. Bob stated that he would want to discuss any legal ramifications in an executive session. The Board agreed that the Executive Committee would discuss whether scheduling such a session was appropriate.

Bob and Scott left the meeting.

#### **EN RE: STAFF REPORTS**

Jason reported that there was nothing to report on Hillside. He said that the rent increase had been put through with little push-back, other than one angry phone call. Regarding the Fish Creek water and sewer project, Jason stated that the design would be ready for review soon. He reported that he had submitted eligibility surveys to the Colorado Water Resource and Power Development Authority for this project. He described the revolving loan fund to support public infrastructure projects. The maximum rate on the loans for 2014 is 2%, but if an income survey of the subject area is below 60% of the state median income that rate could be reduced to as little as 0% over a 20-year term. Jason stated that he hopes to be able to refinance the 1<sup>st</sup> mortgage with Wells Fargo and the 2<sup>nd</sup> mortgage with the City. With the new loan from the state, there would be the possibility of funding the construction and yet remain at the same expense rate overall for the year. Jason offered that this would give the Board time to consider the option of selling lots on its own merits rather than doing so as a solution to the infrastructure needs.

Regarding the deed restriction buy-out extension approved by the Board, Jason reported that Dan Foote had told him that the Board did not have the authority to grant the extension as it was the City that provided the YVHA with the ability to negotiate the buy-outs. He said that he would follow-up with the affected families and request approval from City Council to extend the negotiation period.

## EN RE: CITY OF STEAMBOAT SPRINGS COMMUNITY HOUSING PROGRAM

Jason reviewed City Council's initial decision to suspend the affordable housing inclusionary zoning ordinance for one year. He said that he had offered his time and expertise to work with Tyler and others on a task force to develop a new housing policy. He said that he wants to ensure that the full range of the community is represented on the task force, noting that if nothing is accomplished within a year, the current policy will be reinstated. Kristi offered that the one-year suspension might be an opportunity to get a tax to support affordable housing passed. Jason said that he had heard support for such a tax from several developers. There was a general discussion of the current affordable housing needs of the community and the economic climate. Catherine offered that there is a great deal of misinformation circulating in the community. She asked Jason to work closely with Tyler on the issue and to assemble documentation regarding the existing housing situation, supported by good, current data. The Board agreed. Jason said that he would gather the data, but offered that it was unlikely to influence City Council's decision. Kristi noted the importance of establishing a policy for the long term that would apply in both good and bad economic times, rather than trying to respond to the momentary conditions of the market. The Board agreed.

## EN RE: UPCOMING COMMITTEE MEETINGS

Kathi reviewed the listed committee meetings.


John suggested that the Board begin to consider what will be done with the Elk River Village property, noting that the proposed agreement will allow five years to find a solution. He proposed putting the issue on the next agenda and thereafter reinstating the New Projects Committee.

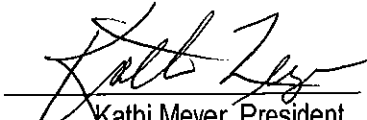
Kristi asked that staff ensure that the schedule of meetings and locations is posted on the website. She added that the agenda is posted in three places as required by the Colorado Open Meetings Law (Sunshine Law). These posting locations should also be posted on the website. Kristi added that a note should be posted on the BCC hearing room door whenever the location of the regular meeting is changed.

## EN RE: ADJOURNMENT

John moved to adjourn the regular meeting of the Housing Authority. Trish seconded; the motion carried unanimously. The meeting was adjourned at 2:05 p.m.

No further business coming before the Board, same adjourned sine die.

  
Sarah Katherman, Minute Taker

  
Kathi Meyer, President

**STATEMENT FROM ATTORNEY REGARDING ATTORNEY-CLIENT PRIVILEGE**

The undersigned Robert G. Weiss hereby attests, pursuant to CRS Section 24-6-402(2)(d.5)(II)(B), that the portion of the executive session held on July 11, 2013 that was not recorded and which related to receiving legal advice concerning specific questions pertaining to the Elk River Village property constituted a privileged attorney-client communication in the opinion of the undersigned attorney.

  
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Robert G. Weiss, Counsel

Date: 8-14-2013