

**YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
December 13, 2012**

Rich Lowe, Yampa Valley Housing Authority Board President, called the regular monthly meeting of the Yampa Valley Housing Authority to order at 12:05 p.m.

Board members present: Catherine Carson, Kathi Meyer, Scott Myller, Johnny Sawyer, and Kristi Brown.

Others present: Jason Peasley, Yampa Valley Housing Authority Executive Director, and Steve Ivancie, County Commissioner. Dee Bolton recorded the meeting and prepared the minutes.

EN RE: PUBLIC COMMENT

Rich stated that no members of the public were present. He welcomed Commissioner Ivancie and congratulated him on his recent election to the Routt County Board of County Commissioners.

EN RE: PERSONNEL POLICIES AND PROCEDURES

VACATION CARRY-OVER RESOLUTION

Jason said that the Housing Authority's Personnel Handbook authorized the Director to approve employee carry-over of 80 hours of vacation time. Kate and Kent were approaching that maximum, and he would like the authority to approve the carry-over of up to 120 hours of vacation leave under certain circumstances, as enumerated in the handbook, one of which was an emergency situation. Kate and Kent had not taken vacation this year to keep operations at Hillside Village running smoothly. Kate was currently being paid for three weeks' vacation; Kent was paid for four weeks' vacation. The ramification might be that those hours would be owed to an employee who left the Housing Authority's employ without having used the hours.

Catherine noted that the liability for those hours was being accrued in the financial statements in the event that such carried-over hours had to be paid out.

Kathi asked what would happen if an employee wanted to use the hours carried over from one year to the next coupled with three weeks' of the current year's vacation. Jason said that he would work with the employee to ensure that the employee's responsibilities would be covered; as Director, he had the authority to approve such an extended time off. Kate and Kent would not be allowed to be on vacation at the same time, and others could be hired to substitute. Also, the Housing Authority had a contract with another person who could help if Kent were on leave.

MOTION

Catherine moved to adopt Resolution 2012-007, A Resolution to Authorize the Executive Director to Approve the Carryover of up to One Hundred and Twenty (120) Hours of Vacation Leave. Kathi seconded; the motion carried unanimously.

Page 2012-1

November 8, 2012

DRAFT--Yampa Valley Housing Authority Board Minutes

EN RE: CATTERSON AND COMPANY ENGAGEMENT LETTER

HOUSING AUTHORITY 2012 AUDIT

Jason said that he, Catherine, and Sandy had met with Chris Catterson earlier this week to prepare for the 2012 audit. Before the Board this day was a standard engagement letter that defined an audit, which did not include an accounting but insured that proper procedures were followed. Jason, Sandy, and Rich were the listed as the parties responsible for providing the auditor with the correct information. Catherine noted that in the past, the Finance Committee had had that responsibility, and Page 3 of the engagement letter should be amended to include the Finance Committee. Jason agreed that that was acceptable.

Catherine said that the audit would begin in February, 2013, after the December, 2012 financial statements had been completed. She said that having the first quarter's financials presented before the audit was completed was not necessary; rather, staying current with the year's first quarters was important. The HR policies, the employee policies, and the Elk River discussions might be important for Chris to review for the 2013 audit. Rich noted that many of the policies were established when the Housing Authority was formed and were standard, but a review and update of those policies would thus be appropriate.

MOTION

Kristi moved to approve and authorize the Board President to sign the engagement letter with Catterson & Company, P.C., as amended to specify Sandy, Jason, and the Finance Committee to Page 3 of the letter. Scott seconded; the motion carried unanimously.

EN RE: 2013 HOUSING AUTHORITY BOARD OFFICERS

Rich said that in the past, at this time of year, the Executive Committee submitted recommendations to the full Board for Board officers. For several reasons, including Nancy's prolonged absence, that had not been done this year. He announced that Kristi would be resigning from the Board; he would be stepping down as President, and Catherine was willing to remain Secretary-Treasurer. Kathi, who had extensive knowledge and experience, had agreed to serve as President of the Board. The vice-presidency was in question. Rich thought that the person to serve should be willing to eventually become president. Trish would remain on the Board but was unwilling to be an officer, particularly due to other commitments during the winter months. Johnny said that due to time constraints and lack of procedural understanding, he felt uncomfortable volunteering to be vice-president. Catherine offered that Rich should be vice-president since new members would be selected in the upcoming months, and Rich's experience would help the Board transition. Rich noted that the Executive Committee was comprised of the Board's officers and the County Commissioner and the City Council representative on the Board, but the Board would be short two members. Jason reported that those seats were being advertised, but Board members could also seek interested people. Rich said that career tracks such as construction, small business owners, or realtors were useful skill sets for potential Board members. Steve noted that when the third County Commissioner was inducted, the three would discuss the committees and boards on which each Commissioner would serve.

By consensus, Jason and Board members agreed to solicit interest from certain individuals. The motion to elect officers would occur at the January Board meeting.

EN RE: CONSENT AGENDA

The following items were presented for approval and signing on the consent agenda:

1. The minutes of the Housing Authority Board meetings of October 11 and November 8, 2012, and
2. The September and October, 2012 Financial Statements.

Rich asked whether anyone wished to remove for discussion any of the items on the consent agenda. Catherine requested that Item 2 be removed for further discussion.

MOTION

Kristi moved to approve Item 1 of the consent agenda, as submitted. Scott seconded. The motion carried unanimously.

ITEM 2, FINANCIAL STATEMENTS

Catherine said that the agenda stated that the September and October financial statements were to be considered for approval; only the September financial statements were ready for approval this day.

MOTION

Catherine moved to approve the September financial statements, with the exception of the accounts receivable for the Housing Authority's General Fund and Fish Creek, which were corrected and applied in October. Scott seconded; the motion carried unanimously.

EN RE: COMMITTEE AND STAFF REPORTS

Rich said that the Finance Committee had been busy. Jason reported that the accounts receivable had been assembled; he had overseen the remainder of the financials, which had been reviewed with Sandy and Becca, who was replacing Blue. The goal was to organize the financials so that monthly statements would be clear, correct, and current.

Jason said that he had met with a representative of Resort Ventures West regarding the second two buildings of First Tracks that would contain a total of fifty units. The Housing Authority's role would be to manage compliance with the tax credit project related to rentals that required a certain AMI. The Housing Authority's risk would be associated with qualifying those individuals and overseeing the homeowners' association, for which the Housing Authority would be paid a management fee. After additional information had been provided, the New Projects Committee would review the proposition. Resort Ventures wanted to do a tax credit in the spring or fall of 2013. Based on the information presented thus far, he thought that the project could be beneficial to the Housing Authority. Kathi noted that the deadline for the pre-application for tax credits was February, 2013; AMIs had decreased approximately \$2,000. Rich thought the project could be great. He and Jason confirmed that the proposal

was ownership-interest: Resort Ventures would construct the units with tax credits and take the rental vacancy exposure, and the Housing Authority would manage the project, which, Jason said, was important to the investors because it was a small part of their equity in the project. The Housing Authority, similar to Hillside Village, would have a maintenance budget. The project would allow the Housing Authority to have a greater diversity of rentals to offer, such as studio units and three-bedroom units. Kathi added that CHAFA did a pre-screening then a market study.

In regard to the Strategic Planning Committee and the Hillside Village Committee, Rich noted that in January, new chairs would have to be discussed.

Kristi asked whether a grant had been applied for for the engineering for the Fish Creek Mobile Home Park project. Jason replied that the Housing Authority was essentially certain of the project to be accomplished, but no grant should be applied for until the project was completely considered and well planned. Scott agreed. Kristi suggested that, once the plan for the project was solidified, Mary Alice be consulted as to grants available. Jason responded that he and Scott were finalizing the plan, after which every possible grant would be sought.

EN RE: PUBLIC HEARING

2012 SUPPLEMENTAL BUDGET

Jason said that a supplemental budget was necessary due to the increased interest payment on the Elk River Village loan, costs associated with a settlement with the Fox Creek Homeowners' Association, and an increase in 2012 of legal fees budgeted. The resolution before the Board would approve a transfer of \$6,000 from the General Fund to the Development Fund.

MOTION

Scott moved to adopt and authorize the President to sign Resolution 2012-006, A Resolution to Adopt Supplemental 2012 Budget Appropriations to Defray Expenditures in Excess of Amounts Budgeted Development Funds [sic], as amended to the amount of \$6,000. Kristi seconded; the motion carried unanimously.

EN RE: PUBLIC HEARING

2013 BUDGET ADOPTION

Jason said that the 2013 budget had been discussed at the November, 2012 Housing Authority Board meeting. All of the recommended changes had been made to the version before the Board this day, and he and Kathi had reviewed the budget. He asserted that the 2013 budget was a balanced budget. He stated that the Hillside Village Fund was lowered in anticipation of a drop in rental income due to remodeling a two-bedroom unit into a one-bedroom unit and a new laundry facility. Kathi said that the operating budget was being spent, and the Housing Authority was still required to contribute to the reserves, per the USDA. Jason noted that that annual contribution was approximately \$17,000 per year. Catherine said that on Page 5, the second sentence in the first full paragraph should be changed to read: 'The decrease is attributed to a reduction in funding for down payment assistance programs.'

Kathi asked whether a sentence should be added to the budget that the Fish Creek rent would be increased 2%. Jason replied that that was noted on Page 7 of the budget. Johnny asked how the Fish Creek lot rental compared to Dream Island's. Kathi thought that Dream Island lots were \$500 per month; Jason said that the highest lots at Fish Creek were \$465. Johnny asked whether that increase was enough given the water and sewer project, which was improving the property, and in comparison to other mobile home park rentals. Kathi noted that at Fish Creek, the person had to own the mobile home. Scott [Johnny?] suggested that a survey of the area mobile home parks' lot rental rates was in order. Kathi added that the Board had discussed the possibility of increasing the management fee at Fish Creek. Catherine said that the goal was that residents paid less than 30% of their income for lot rental. Rich said that after researching the other two mobile home parks, the question should be further discussed by the Fish Creek Committee and reported to the full Board.

MOTION

Catherine moved to approve the Yampa Valley Housing Authority 2013 Budget, the December 13, 2012 version, with the omission on Page 5 of the second half of the second sentence in the first full paragraph, to wit: to strike 'and reductions in rent collections at the Fish Creek Mobile Home Park,' and to adopt and authorize the President to sign Resolution 2012-008, A Resolution Appropriating Sums of Money to the Various Funds, in the Amounts and for the Purposes Set Forth Below, and Adopting a Budget for the Yampa Valley Housing Authority for the Calendar Year Beginning the First Day of January 2013 and Ending the Last Day of December 2013. Scott seconded; the motion carried unanimously.

EN RE: COMMITTEE MEETINGS

Rich stated that the combined Executive, Strategic Planning, and Public Relations Committees would not meet on December 25th; that meeting would be rescheduled. Catherine said that the financials would be emailed to the Finance Committee and reviewed at the Committee's January 4, 2013 meeting, if Committee members felt that a meeting was in order.

Kathi said that according to the Hillside aging reports, there were four significantly delinquent accounts, and all of those residents had vacated their units. Those accounts needed to be given to collections and probably written off. Also, three Fish Creek accounts were seriously delinquent. If one of those residents had abandoned his mobile home, a legal process would have to be initiated. Jason stated that he was trying to get the Fish Creek renters on a payment plan. Scott said that the results of those conversations could be discussed at the January 7, 2013 Fish Creek Committee meeting. Jason said that he would send an email to all Fish Creek Committee members to discuss changing the time of that committee's meetings. He recommended that the New Projects Committee plan to meet on January 11th, but if no information had been received on the Resort Ventures project, that committee's meeting would be rescheduled.

The Board discussed the two City funds that might be solicited for the Fish Creek water and sewer project. Jason thought that the Board should discuss those funds with the City Manager and/or the City Council. He said that no plan existed for the allocation of those funds. Scott said that the funds had restrictions, but often the City Council wanted to loan the

funds rather than award them. Rich thought that maintenance and repair projects would be an appropriate use of the funds. Johnny asked about taking ownership of some of the mobile home lots at Fish Creek, building units on them, and thereby phase out the mobile homes to help pay for the infrastructure improvements. Catherine noted that the intent of the fee-in-lieu was to create affordable housing. Jason will research the original intent of the funds and the requirements for accessing them.

Steve asked whether the Housing Authority had a plan to upgrade the Fish Creek property to modular homes and duplexes that were more energy-efficient and allowed greater density. Kathi said that the plan was to sell and subdivide a portion to generate funds. The issue was where the utility lines would go since they had to go under many of the existing units. The upgrade project should locate the lines along the street so that the lots could in time be upgraded, which probably meant relocation of some people. Scott said that the community housing fund had funds to potentially help with the project. Kathi said that most of the residents could not afford to own their lots, half of which were in the floodway. Kristi said that the plan was that once people had the opportunity to own the lots, they would maintain and improve the buildings. Kathi added that the plan was taking longer than anticipated due to the economic downturn in 2008 and the need to upgrade the infrastructure. Catherine thought that eventually building units would create diversity while still maintaining a neighborhood, but the infrastructure issue had to be resolved first. Scott said that building units at Fish Creek was a possibility, but another was to acquire other distressed properties. The Board determined that the questions raised might be the topic of discussion for the January meeting's strategic planning agenda item.

EN RE: EXECUTIVE SESSION

Rich asked for a motion to enter executive session.

MOTION

At 1:23 p.m., Kristi moved to enter executive session pursuant to C. R. S. 24-6-402(4)(a), to discuss the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest. Included in the executive session would be the Housing Authority Board and its Director. Johnny seconded; the motion carried unanimously.

Commissioner Ivancie exited the meeting at this time.

The executive session adjourned at 1:40 p.m. Rich stated that no minutes or formal actions were taken during the executive session, and no topics other than the Elk River Village property were discussed.

EN RE: ADJOURNMENT

Rich declared the Housing Authority meeting adjourned at 1:41 p.m.

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

Dee Bolton
Dee Bolton, Minute Taker

Rich Lowe
Rich Lowe, President