

BANYARD MANAGEMENT
Board of Directors Meeting
2039 Forest Avenue
Chico, CA 95928

MEETING AGENDA

October 20, 2016
2:00 p.m.

The Board of Directors welcomes and encourages public participation in the Board meetings. Members of the public may be heard on any items on the Directors' agenda. A person addressing the Directors will be limited to 5 minutes unless the Chairperson grants a longer period of time. Comments by members of the public on any item on the agenda will only be allowed during consideration of the item by the Directors. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Directors during agenda item 6.

If you are disabled and need special assistance to participate in this meeting, please contact the Housing Authority office at 895-4474. Notification at least 48 hours prior to the meeting will enable Banyard Management to make reasonable arrangements.

NEXT RESOLUTION NO. 16-5B

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
 - 3.1 Minutes of Meeting on July 21, 2016.
Minutes of Special Meeting on September 15, 2016.
 - 3.2 Banyard Management – Financial report
 - 3.3 Chico Commons – HACB report
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Chico Commons Apartments Property Management - Discuss change in property management for Chico Commons Apartments, Chico.

Recommendation:

Information

6. MEETING OPEN FOR PUBLIC DISCUSSION
7. MATTERS CONTINUED FOR DISCUSSION
8. SPECIAL REPORTS
9. REPORTS FROM DIRECTORS
10. MATTERS INITIATED BY DIRECTORS
11. EXECUTIVE SESSION
12. DIRECTORS' CALENDAR

Next meeting – January 19, 2017.

13. ADJOURNMENT

BANYARD MANAGEMENT
Board of Directors Meeting
2039 Forest Avenue
Chico, CA 95928

MEETING MINUTES

July 21, 2016

President Mayer called the meeting of Banyard Management to order at 2:09 p.m.

1. ROLL CALL

Present for Directors: Kate Anderson, Larry Hamman, Roger Hart, Anne Jones, Clarence “Bino” Lobo, and Laura Moravec.

Others Present: President Ed Mayer, Treasurer Sue Kemp, Secretary Tamra Young, Roy Peters, and Larry Guanzon.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Director Moravec moved to accept the Consent Calendar as presented. Director Hamman seconded the motion. The vote in favor was unanimous.

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Banyard Management Budget – The FY2017 Banyard Management budget was presented for approval. Budget remains status quo. The budget shows a negative cash flow, however Banyard receives a cash distribution from Chico Commons LP. Last year’s cash distribution was \$12,960. Excess cash balance at the beginning of FY 2017 is estimated to be \$172,000.

RESOLUTION NO 16-3B

Director Hamman moved that Resolution No. 16-3B be adopted by reading of title only: “APPROVAL OF BANYARD MANAGEMENT OPERATING BUDGET FOR F/Y 2017”. Director Moravec seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM BOARD MEMBERS

None.

10. MATTERS INITIATED BY BOARD MEMBERS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

Next Meeting – October 21, 2016.

13. ADJOURNMENT

Director Lobo moved that the meeting be adjourned. Director Anderson seconded. The meeting was adjourned at 2:12 p.m.

Dated: July 21, 2016.

Edward S. Mayer, President

ATTEST:

Tamra C. Young, Secretary

BANYARD MANAGEMENT
Board of Directors Meeting
2039 Forest Avenue
Chico, CA 95928

SPECIAL MEETING MINUTES

September 15, 2016

President Mayer called the meeting of Banyard Management to order at 2:02 p.m.

1. ROLL CALL

Present for Directors: Kate Anderson, Patricia Besser, Roger Hart, Anne Jones, Clarence “Bino” Lobo, and Laura Moravec.

Others Present: President Ed Mayer, Treasurer Sue Kemp, Secretary Tamra Young, Roy Peters, and Larry Guanzon

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

None.

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Chico Commons Apartments – Due to the age of the property, Chico Commons Apartments requires siding replacements to maintain and operate the property efficiently and effectively. This is the third year working siding replacements; the work is being accomplished using operations revenues – this year’s work will be accomplished similarly, with an additional \$30,000 coming from Reserves. The scope of work includes siding removal and replacement and associated caulking, and painting to match existing color surfaces. Ginno Construction was the lowest responsive qualified bidder.

RESOLUTION NO. 16-4B

Commissioner Hart moved that Resolution No. 16-4B be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO CONTRACT WITH GINNO CONSTRUCTION FOR SIDING REPLACEMENT AT CHICO COMMONS APARTMENTS, CHICO”. Commissioner Anderson seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM BOARD MEMBERS

None.

10. MATTERS INITIATED BY BOARD MEMBERS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

Next Meeting – October 20, 2016.

13. ADJOURNMENT

Director Moravec moved that the meeting be adjourned. Director Lobo seconded. The meeting was adjourned at 2:05 p.m.

Dated: September 15, 2016.

Edward S. Mayer, President

ATTEST:

Tamra C. Young, Secretary

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**BANYARD MANAGEMENT
BALANCE SHEET
August 31, 2016**

***** A S S E T S *****

Current Assets

Cash - Unrestricted	198,597	Increased \$27,138, Chico Commons 2015 XS Cash
Total Current Assets	<u>198,597</u>	

Other Assets

Investment in Chico Commons, L.P.	365,530	Reduced \$27,138, Chico Commons 2015 XS Cash
Total Other Assets	<u>365,530</u>	

TOTAL ASSETS 564,127

***** LIABILITIES AND EQUITY *****

Current Liabilities

Accounts Payable	486
Accrued Liabilities - Other	<u>0</u>
Total Current Liabilities	<u>486</u>

TOTAL LIABILITIES 486

Equity

Prior Year Equity Balance	572,992
Retained Earnings	<u>-9,351</u>
Total Equity	<u>563,641</u>

TOTAL EQUITY 563,641

TOTAL LIABILITIES AND EQUITY 564,127

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BANYARD-GEN. FUND INCOME STATEMENT

August 31, 2016

**YTD %
91.67**

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
REVENUES							
Partnership Income	1,080	1,080	0	11,880	12,960	-1,080	91.67
Investment Income	14	15	-1	876	180	696	486.82
TOTAL REVENUES	1,094	1,095	-1	12,756	13,140	-384	97.08
Audit Fee	0	58	-58	488	700	-212	69.73
Corporate Services	486	1,250	-764	9,714	15,000	-5,286	64.76
Consulting Fees	0	0	0	0	0	0	0.00
Legal Expenses	0	125	-125	0	1,500	-1,500	0.00
Misc. Administrative Costs	0	42	-42	25	500	-475	5.00
Outside Management Fees	1,080	1,080	0	11,880	12,960	-1,080	91.67
Partnership Losses	0	42	-42	0	500	-500	0.00
Taxes and Fees	0	0	0	0	0	0	0.00
TOTAL EXPENSES	1,566	2,597	-1,031	22,107	31,160	-9,053	70.95
RETAINED EARNINGS	-472	-1,502	1,029	-9,351	-18,020	8,669	51.89

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**CHICO COMMONS
BALANCE SHEET
August 31, 2016**

***** A S S E T S *****

Current Assets

Cash - Unrestricted	97,518
Cash- USRG held Restricted Reserves	12,700
Accounts Receivable - Misc.	0
Accounts Receivable - Tenants	10,071
Cash - Savings - Tenant Security Deposits	41,160
Cash - Savings - Unrestricted	0
Cash - Savings - Restricted Reserves	105,072
Prepaid Expenses and Other Assets	853
Total Current Assets	<u>267,374</u>

Fixed Assets

Land	607,476
Buildings	5,215,780
Furniture and Equipment	175,661
Accumulated Depreciation	-3,111,244
Total Fixed Assets	<u>2,887,673</u>

Other Assets

Organizational Fees, Net of Amortization	88,395
Total Other Assets	<u>88,395</u>

TOTAL ASSETS	<u><u>3,243,442</u></u>
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***** LIABILITIES AND EQUITY *****

Current Liabilities

Accounts Payable	10,237
Accrued Interest Payable - Current	20,833
Tenant Security Deposits	39,535
Prepaid Rent	0
Long Term Debt - Current	133,713
Accrued liabilities - Other	3,300
Total Current Liabilities	<u>207,618</u>

Long-Term Liabilities

Accrued Interest Payable - Net of Current	147,885
Long-Term Debt, Net of Current - Capital	781,577
Long-Term Debt, Net of Current - Operating	0
Total Long-Term Liabilities	<u>929,462</u>

TOTAL LIABILITIES	<u>1,137,080</u>
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Equity

Partner's Equity	2,019,806
Retained Earnings	86,556
Total Equity	<u>2,106,362</u>

TOTAL EQUITY	<u>2,106,362</u>
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TOTAL LIABILITIES AND EQUITY	<u><u>3,243,442</u></u>
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CHICO COMMONS INCOME STATEMENT

August 31, 2016

YTD %
66.67

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
Potential Dwelling Rent	55,535	52,600	2,935	421,238	631,200	-209,962	66.74
Vacancy Loss	-5,864	-2,631	-3,233	-22,546	-31,574	9,028	71.41
Rebates	0	0	0	-72	0	-72	0.00
Manager's Unit - moved to expense line	0	0	0	0	0	0	0.00
Net Dwelling Rent	49,671	49,969	-298	398,620	599,626	-201,006	66.48
Tenant Charges	209	2,083	-1,874	3,924	25,000	-21,076	15.70
Laundry Revenue	0	833	-833	4,948	10,000	-5,052	49.48
Miscellaneous Income	0	0	0	0	0	0	0.00
Investment Income	7	17	-10	100	200	-100	49.90
TOTAL REVENUES	49,887	52,902	-3,015	407,592	634,826	-227,234	64.21
Advertising	0	83	-83	0	1,000	-1,000	0.00
Audit Fee	0	363	-363	4,350	4,350	0	100.00
Credit & Collection Expense	73	292	-219	581	3,500	-2,919	16.61
Franchise Tax Board	0	67	-67	800	800	0	100.00
Insurance-Liability/Property	853	740	112	6,708	8,885	-2,177	75.50
Legal	0	167	-167	60	2,000	-1,940	3.00
Management Fees	2,520	2,524	-4	19,678	30,284	-10,606	64.98
Misc. Administrative Costs	946	208	738	8,862	2,500	6,362	354.47
Office Supplies	277	67	211	2,724	800	1,924	340.54
Partnership Expense	1,080	1,080	0	8,640	12,960	-4,320	66.67
Property Taxes	0	480	-480	2,906	5,760	-2,854	50.44
Resident Activities	0	300	-300	195	3,600	-3,405	5.42
Telephone	119	117	3	824	1,400	-576	58.85
Training & Travel	60	100	-40	614	1,200	-586	51.14
Total Admin Costs	5,928	6,587	-658	56,942	79,039	-22,097	72.04
Site Maintenance: Salary	3,362	1,650	1,712	17,365	19,800	-2,435	87.70
Site Manager: Salary & Free Rent	2,665	2,334	331	22,974	28,008	-5,034	82.03
Payroll Taxes & Benefits	2,416	1,186	1,230	12,827	14,237	-1,410	90.10
Total Salary & Benefits	8,443	5,170	3,272	53,167	62,045	-8,878	85.69
Electricity	650	417	234	5,437	5,000	437	108.74
Gas	731	1,067	-335	8,302	12,800	-4,498	64.86
Water & Sewer	2,854	3,208	-355	23,159	38,500	-15,341	60.15
Total Utilities	4,236	4,692	-456	36,898	56,300	-19,402	65.54
Landscape Maintenance	1,185	1,050	135	10,323	12,600	-2,277	81.93
Maintenance Materials	621	346	275	4,136	4,150	-14	99.67
Trash Removal	400	400	0	2,690	4,800	-2,110	56.04
Other Maintenance Contracts	3,717	702	3,015	14,395	8,425	5,970	170.85
Unit Turnover Maintenance	0	1,286	-1,286	-448	15,427	-15,875	-2.91
Total Maintenance Costs	5,922	3,783	2,139	31,095	45,402	-14,307	68.49
Capital Improvements (expensed)	3,003	5,203	-2,199	16,190	62,431	-46,241	25.93
Depreciation & Amortization	11,163	11,292	-128	89,307	135,500	-46,193	65.91
Interest Expense-City of Chico	2,604	2,604	0	20,833	31,250	-10,417	66.67
Interest Expense-HACB	1,759	1,854	-95	15,875	22,252	-6,377	71.34
Tenant Bad Debt	0	2,084	-2,084	728	25,011	-24,283	2.91
Total Other Expenses	18,530	23,037	-4,507	142,934	276,444	-133,510	51.70
TOTAL EXPENSES	43,059	43,269	-210	321,036	519,230	-198,194	61.83
RETAINED EARNINGS	6,828	9,633	-2,805	86,556	115,596	-29,040	74.88
+ Deprec & Amort	11,163	11,292	-128	89,307	135,500	-46,193	65.91
- Capital Improvements (capitalized)	0	-6,250	6,250	-39,931	-75,000	35,069	53.24
- Debt Payments	-22,411	-11,143	-11,268	-88,101	-133,713	45,612	65.89
- Transfer to/from Reserves	2,500	-3,750	6,250	-19,914	-45,000	25,086	44.25
NET CASH FLOW	-6,919	7,282	-14,201	67,745	87,383	-19,638	77.53

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MEMO

Date: October 14, 2016

To: Board of Directors, Banyard Management

From: Larry Guanzon, HACB Housing Director 

Subject: Status Report – Chico Commons Apartments

Chico Commons Apartments, Chico (72 units, LIHTC family, MGP: Banyard Management, PM: US Residential, Inc.) - Chico Commons is managed by US Residential Inc., our third-party property manager. USRG anticipates a savings in expenses as they implement their cost structure per the approved, revised budget. At this time, vacancy is at three (3) units.

The current resident manager, Jennifer Dormandy, was hired away by WINN Residential. In addition, US Residential's regional property manager was also hired by WINN Residential. Unfortunately, it looks likely a change in 3rd party property management will be forthcoming. A separate memo will be provided to explain the current circumstances with USRG.

All HVAC system's air conditioning ducts and coils have been cleaned by Climate Masters, to address air quality issues, and increase the useful life of the HVAC systems. The objective is to push out HVAC replacements until such time as the property can be re-financed, addressing the property's outstanding capital needs.

Another round of building siding replacements is currently scheduled. Ginno Construction has begun the next phase and will complete their work within 90 days, weather permitting. We are also preparing for landscape upgrades and ADA common area improvements in 2017, following the DAC-generated accessibility transition plan.

EMM

MEMO

Date: October 14, 2016

To: Board of Directors

- Banyard Management
- Butte County Affordable Housing Development Corporation (BCAHDC)

From: Larry Guanzon, HACB Housing Director
Ed Mayer, Executive Director

Subject: Property Management – US Residential Group

- Chico Commons Apartments, Chico (Banyard)
- Walker Commons Commons Apartments, Chico (BCAHDC)

US Residential Group (USRG) assumed property management at the subject properties January 1, 2016. Both these properties were previously managed in-house, by the HACB.

USRG initially proposed budgets at the properties showing that they would be able to operate at a lower cost than that accomplished by HACB. What looked like a “win-win” for both the HACB and USRG has been compromised by ensuing events, leading USRG to indicate they cannot deliver as promised – they are seeking to be replaced.

- 1) Shortly after being retained, USRG was *purchased by a larger, national property management firm*, whose corporate policies are substantively different than USRG’s. Significantly, USRG now relies on a third-party contractor to vett vendors at the properties, charging the vendors \$90 annually for such “service”, and requiring unreasonable levels of liability insurance. While this addresses risk, it establishes bars to local providers that are unreasonable. Consequently, local vendors are lost, and more vendors are sourced from Sacramento and the Bay Area, resulting in increased cost structures to the properties. USRG has lost its “local” sensitivities.
- 2) USRG’s Site Manager, and Regional Asset Manager, serving both the Chico Commons and Walker Commons Apartments properties, were hired away by WINN Residential in the last 30 days, leaving a void where these two former employees of USRG had only recently been placed. This transition has caused a void in USRG capacity, requiring USRG to “backfill” from other properties. This change alone has caused a negative ripple effect in the operations of both the Chico Commons and Walker Commons properties.
- 3) Given the management transitions, the HACB is now finding overall issues with vendors not being paid, resident’s needs not being addressed, issues with maintenance, in short, operational instability at both properties.

Dan Liensby, USRG regional VP, has indicated that USRG seeks to withdraw from management of the Chico Commons and Walker Commons Apartment properties. USRG seeks to complete such transition by the end of the year.

The HACB does not recommend a return to HACB management of the properties. HACB has identified and solicited two (2) other property management firms in the area, both of whom specialize in tax-credit management. Both firms are new to Banyard/BCHADC. It is anticipated the proposals and recommendation(s) will be brought to the respective Boards at special meetings in November.