

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE
BOARD OF COMMISSIONERS MEETING**

MINUTES OF August 16, 2012

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:02 p.m.

1. ROLL CALL

Present for the Commissioners: Patricia Besser, Christine Boyle, Sharon Chambers, Larry Hamman, Gene McFarren, and Laura Moravec.

Present for the Staff: Ed Mayer, Executive Director; Roy Peters, Deputy Executive Director; Sue Kemp, Finance Officer; Larry Guanzon, Housing Director; and Tamra Young, Executive Assistant.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Commissioner Boyle had two questions regarding the July Board meeting minutes. She asked (1) whether the FSS program could be manipulated and (2) whether we had received more than one bid on the Chico Commons roof replacement project. Executive Director Mayer assured her that it was virtually impossible to “time” entrance into the FSS program to increase escrow funding received on the back-end. He confirmed that several roofing bids had been received when the project originally started. Chico Commons’ roof replacement was partially completed, was put on hold until more funding became available, and is currently being completed within the context of the original bid.

Commissioner Hamman moved that the Consent Calendar be accepted as presented. Commissioner McFarren seconded. The vote in favor was unanimous.

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Mi C.A.S.A. Education Inc. – HACB received the annual request for financial support of the Mi C.A.S.A. after school tutoring program which provides services to FLH families. Staff recommended funding at same level as last year because the program adds value to the property and their families.

MOTION

Commissioner Chambers moved that \$15,000 be donated to Mi C.A.S. A. Education Inc. from Demo funds for the 2012-13 school year; \$7,500 for the fall semester and \$7,500 for the spring semester. Commissioner McFarren seconded. The vote was six for and one opposed, with Commissioner Boyle opposing; motion carries.

- 5.2 FSS Graduate – The Board recognized the successful completion of the program by Family Self Sufficiency (FSS) Graduate Amyan Beaver. Ms. Beaver was unable to attend the meeting. She is receiving an FSS escrow check for \$6,470.11.

RESOLUTION NO. 4467

Commissioner Hamman moved that Resolution No. 4467 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE AMYAN BEAVER”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.3 HACB Audit – Finance Officer Kemp went over highlights of the 2011 year’s audit. The revenue stream was inconsistent because of HUD funding issues. However, HACB was still able to successfully fund programs through cost cutting measures and/or use of agency reserves. Due to the use of excess Section 8 HCV program HAP funding, associated Restricted Net Assets decreased on the books. The tax credit projects show a negative balance due to depreciation, while business activities have increased. Overall, the financial health of agency good. Despite the challenges of the past two years’ operating environment, HACB is maintaining and operations have remained consistent. Final revenues and expenses for the year came out close to budget. Management Discussion and Analysis summarizes activity, challenges and direction over the fiscal year. The discussion speaks to funding uncertainties, the Public Housing reserves recapture by HUD, and increased reporting requirements. There were no findings and no questioned costs. The auditor also looked at program compliance, and checks and balances in administrative and financial systems, as well as the financials.

MOTION

Commissioner Hamman moved the FY 2011 Audit Report be accepted as presented. Commissioner Boyle seconded. The vote in favor was unanimous.

- 5.4 OPEB Path – In accordance with accounting requirements, HACB has assessed its current and future liabilities for funding of its Post-Retirement Health/Dental and Vision (HDV) benefits (OPEB). Until this year, payments to existing retirees were higher than HACB’s actuarial liability. This year things have changed and the liability is now higher than payouts. Current (OPEB) unfunded actuarial liability amounts to \$469,919. Previously the Board authorized the establishment of a trust account with CalPERS. Recently, HACB located another potential trustee PARS. While the services provided by PARS were determined superior, the cost could not be justified for an agency of our size, with a limited investment portfolio, leaving CalPERS as the only reasonable, economically viable solution.

Signing up with CalPERS requires two resolutions. HACB also needs to determine the initial amount of the contribution to the Trust and an “Asset Allocation Strategy”. Management recommends placing \$44,850 in a trust account, consistent with the Actuarial Report. At a later time, Staff may bring back to the Board a discussion of fully funding the entire potential liability with the use of reserves. Staff also recommended CalPERS Investment Strategy #3 which is the most conservative of the three (3) strategies offered by CalPERS.

RESOLUTION NO. 4468

Commissioner Hamman moved that Resolution No. 4468 be adopted by reading of title only: “CALIFORNIA EMPLOYERS’ RETIREE BENEFIT TRUST PROGRAM (“CERBT”) AGREEMENT AND ELECTION OF HOUSING AUTHORITY OF THE COUNTY OF BUTTE TO PREFUND OTHER POST EMPLOYMENT BENEFITS THROUGH CalPERS”. Commissioner Besser seconded. The vote in favor was unanimous.

RESOLUTION NO. 4469

Commissioner Boyle moved that Resolution No. 4469 be adopted by reading of title only: “DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS”. Commissioner McFarren seconded. The vote in favor was unanimous.

MOTION

Commissioner Hamman moved that CalPERS Investment Strategy No. 3 be used, which assumes a long-term investment return of 6.39%. Commissioner McFarren seconded. The vote in favor was unanimous.

5.5 Farm Labor Housing – No action required. Two potential USDA-RD grant opportunities were identified, but determined infeasible. Will continue to seek more grant funding; need approximately \$3M more to complete property rehab work.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

Commissioners McFarren and Boyle, Executive Director Mayer and Finance Officer Kemp reported on the PSWRC-NAHRO Annual Spring Conference. Commissioner Boyle reported on two sessions. The first was on RAD (Rental Assistance Demo), which is a test program converting Public Housing into a voucher-based program. There are currently 60,000 test Vouchers nationwide. The second session was Homes First. She was very impressed by the things other housing authorities are doing with homeless. In Homes First, 200-300 square foot

homes are built using own reserve funds to house the homeless. These homeless developments are producing cash flow, changing lives and creating lower service costs to community. The concept is “Homes First” for participants, then supportive services delivery. Commissioner McFarren noted that these units are pre-fabricated units which come up “overnight” with beds and dressers, etc. Commissioner Chambers voiced her concerns regarding accountability. The Homes First program has a social services component embedded, facilitating and necessitating tenant/participant accountability. Executive Director Mayer felt this is a worthwhile program. However we need to take care of our properties first, then pursue other programs and projects such as this. Commissioner McFarren reported on the Commissioners’ training. He voiced concern regarding the trend of some other agency Boards to micro-manage. Finance Officer Kemp talked about the prospective demise of the Public Housing program. The first step in HUD’s agenda was implementation of “Asset Management” administration per the 1996 Quality Housing and Work Responsibility Act. Disposition of Public Housing as a program is a HUD agenda, the “Handwriting is on the wall”. Executive Director Mayer was a speaker at the conference, discussing the state of the assisted housing industry, trends, and mitigating transitional policies and measures. He volunteered to make the presentation to the Board when there is a short agenda. Commissioner Besser asked who provides motel vouchers to the homeless in the community. Mr. Mayer said emergency services vouchers are provided by private entities.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INTIATED BY COMMISSIONERS

None.

11. EXECUTIVE SESSION

11.1 Government Code 54957.6: Conference with Labor Negotiators – Personnel Policy.

11.2 Government Code 54957: Public Employee Performance Evaluation

Adjourn: 3:55 p.m.

Reconvene: 4:26 p.m.

The Board authorized acceptance of the Union’s counter offer for the 2012-13FY Union Memorandum of Understanding, with no exceptions.

The Board granted Executive Director Mayer a one-time award of 40 hours admin leave. His Performance Evaluation to be continued at next meeting.

12. COMMISSIONERS' CALENDAR

- **Next meeting – September 20, 2012.**
- PSWRC-NAHRO Annual Fall Workshop, Scottsdale AZ, September 23-25, 2012.
- Per Board consensus, the regular October Board meeting will be moved to Thursday, **October 11, 2012.**

13. ADJOURNMENT

The meeting was adjourned at 4:40 p.m.

Dated: August 16, 2012.

Laura Moravec, Board Chair

ATTEST:

Edward S. Mayer, Secretary