

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

MEETING MINUTES OF August 16, 2018

Chair Anderson called the meeting of the Housing Authority of the County of Butte to order at 2:45 p.m.

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Patricia Besser, Larry Hamman, Roger Hart, Anne Jones, Laura Moravec, and David Pittman.

Present for the Staff: Ed Mayer, Executive Director; Larry Guanzon, Deputy Executive Director; Sue Kemp, Finance Director; Tamra Young, Administrative Operations Director; and Marysol Perez, Executive Assistant.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Commissioner Besser was concerned about the declining enrollment numbers in the Family Self Sufficiency program. Executive Director Mayer attributed the low enrollment numbers to the current Section 8 Housing Choice Voucher (HCV) program dynamics. Even with program benefits, Section 8 participants are struggling with current area housing availability and costs, comprising a significant distraction for “elective” engagement; additionally, the very high proportion of senior and disabled households served limits the pool of households suited to FSS. Program lease-up activity has been intermittent in 2018: HUD decreased funding to the program by 4% - 5% at the beginning of the fiscal year, resulting in limited admissions in the first half of the year, and then abruptly super-funded the program with a 5% increase at mid-year. Next month, during the September Board of Commissioners meeting, S8 Payments Standards will be revised (presumably upward), with the increased Payment Standards providing better leasing opportunity for program participants seeking housing.

Commissioner Moravec moved that the Consent Calendar, be accepted as presented. Commissioner Hart seconded. The vote in favor was unanimous.

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Utility Allowances – The HACB has completed review of the Utility Allowance (UA) schedules, used for administration of Section 8, tax-credit, and other tenant-based rental assistance programs. Utility Allowances must be reviewed annually, with adjustment required for any allowance that has changed more than 10%. The Utility Allowance review was conducted by Management Resource Group, Inc. (MRG), using a blended engineering- and consumption-based methodology. Chico Public Housing saw a slight decrease in natural gas, but electricity and water/sewer costs increased, bringing the UA's higher by 8-9% in comparison to last year. In Gridley, by contrast, the UA's increased by 3%; Biggs saw UA's decrease by 2%. UA's in Oroville saw a 1-bedroom units increase of 4%, while 3-bedroom units stayed the same. Public Housing residents will be provided a sixty (60) day comment period, with implementation effective 01/01/2019. Section 8 HCV program Utility Allowance implementation is effective 10/01/2018. Tax Credit Properties Utility Allowances are to be implemented within ninety (90) days of Board approval. Gridley Farm Labor will be implemented after Board and USDA approval.

MOTION

Commissioner Moravec moved to implement Utility Allowances as proposed for the upcoming 2018/19 year. Commissioner Hamman seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

- 7.1 Unfunded Pension Liability – Executive Director Mayer reported that the Section 115 pension trust account “bucket” was established as of 08/15/2018. He proposed immediate deposit of \$1 million, to establish the Trust, with additional deposit(s), up to the \$2 million mark established by Board policy, being subject to the agency's liquidity analysis performed by Standard & Poor's (S&P) as part of HACB's annual credit rating. Commissioner Moravec added that the \$2 million deposit to the trust is the Boards first priority. Commissioner Hart seeks to reduce the outstanding pension liability of the

agency with the establishment of the Trust. Finance Director Kemp recommended S&P's guidance on the subject; S&P has a department specializing in pension analysis and has indicated they can provide perspective on the balance between agency liquidity and the meeting of pension-liability obligations. Commissioner Hart, expressing urgency, asked how long such analysis would take. Executive Director Mayer indicated the analysis would be conducted in the next 6-8 weeks, concurrent with the annual agency credit analysis; he recommended the agency proceed with caution, given the preciousness of liquid assets, and garner the perspectives of both S&P and the auditor in addressing the unfunded pension liability.

8. SPECIAL REPORTS

- 8.1 NAHRO Summer Conference – Executive Director Mayer reported on his attendance at the summer conference in San Francisco. In particular and of concern, he learned that HUD had unilaterally implemented a new form of the Annual Contributions Contract used for Public Housing appropriations, a contract that implemented terms unacceptable to housing authorities. The NAHRO Board of Governors passed a resolution of protest, and the subject is currently being negotiated. Additionally, Executive Director Mayer met with Standard & Poors representatives; attended the Housing America Task Force meeting, NAHRO's Strategic Planning and Action Group (SPAG) meeting, and NAHRO Board of Governor's meeting; and attended a session on HUD legislative and policy activity in Washington.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

None.

11. EXECUTIVE SESSION

Adjourned – 3:34 p.m.

Reconvened – 4:32 pm

- 11.1 Government Code Section 54957.6: Conference with Labor Negotiators – Chair Anderson reported out that the Board discussed upcoming labor negotiations.

11.2 Government Code 54957: Public Employee Performant Evaluation – Chair Anderson indicated the Board reviewed the Executive Director Performance evaluation process.

12. COMMISSIONERS' CALENDAR

- **Next regular meeting – September 20, 2018**
- **2018 NAHRO National Conference and Exhibition, Atlanta, GA – October 25-27, 2018.**

13. ADJOURNMENT

Commissioner Moravec moved that the meeting be adjourned. Commissioner Jones seconded. The meeting was adjourned at 4:35 p.m.

Dated: August 16, 2018.

Kate Anderson, Board Chair

ATTEST:

Edward S. Mayer, Secretary