

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

MINUTES OF September 18, 2014

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:12 p.m.

1. ROLL CALL

Present for the Commissioners: Patricia Besser, Sharon Chambers, Larry Hamman and Laura Moravec

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

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Commissioner Hamman moved that the Consent Calendar be accepted as presented, including approval of Resolution No. 4555 "ADOPT STANDARD CHARGES TO RESIDENTS FOR CLEANING, REPAIR, REPLACEMENT AND MISCELLANEOUS CHARGES". Commissioner Chambers seconded. The vote in favor was unanimous.

Loretta Torres, Member of the Public, joined the meeting at 2:15 p.m.

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 HACB Consolidated Budget – Treasurer Kemp presented the FY 2014-15 budget, effective October 1st, with budget assumptions identified in the accompanying memo. The proposed budget reflects the direction of the Budget Review Committee (BRC) and is provided as a baseline, which may be updated to incorporate any significant changes resulting from Union negotiations. The current Union MOU has been extended until December 1st in order to address identification of employee health insurance. The Budget assumes a continuing resolution from Congress, is based upon historical income and expenses, and projects certain changes. Three BRC meetings were held over the last few months. Chair Moravec attended all of the BRC meetings and said that she is comfortable with the budget as drafted and recommends approval.

RESOLUTION NO. 4556

Commissioner Chambers moved that Resolution No. 4556 be adopted by reading of title only: “APPROVAL OF AGENCY FISCAL YEAR 2015 OPERATING BUDGET FOR THE HUD SECTION 8 HOUSING CHOICE VOUCHER PROGRAM, HUD CONVENTIONAL LOW RENT PUBLIC HOUSING PROGRAM, USDA FARM LABOR HOUSING PROGRAM, AUTHORITY OWNED PROJECTS, AND OTHER AUTHORITY ADMINISTERED PROGRAMS AND CONTRACTS”. Commissioner Besser seconded. The vote in favor was unanimous.

- 5.2 Park Place Apartments – The HACB has determined that the forty (40) Heating, Ventilating, and Air Conditioning (HVAC) units serving Park Place Apartments, which are original to the property, require replacement based on age, use and comparative lack of energy efficiency. Climate Masters was lowest responsive qualified bidder, with a bid of \$182,850. The HACB received a technical protest from third lowest bidder, centered on HACB specification of a Minority- and Women-owned businesses contracting preference, which as it turned out, was improperly utilized in the bid solicitation as it is a federal, not State requirement. The oversight was determined immaterial, particularly as the protesting bidder was not low, was not within 5% of the low bid, and did not provide the specified product. The HACB has worked previously with the low bidder, Climate Masters; staff recommends their retention by adoption of Resolution No. 4557.

RESOLUTION NO. 4557

Commissioner Besser moved that Resolution No. 4557 be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO CONTRACT WITH CLIMATE MASTERS FOR REPLACEMENT OF HVAC UNITS AT PARK PLACE APARTMENTS, OROVILLE.” Commissioner Chambers seconded. The vote in favor was unanimous.

- 5.3 2000A Bonds – Management recommended approval of the bond inducement resolution. The 2000A Bond properties were purchased fifteen (15) years ago. The interest rate on the debt is 7-1/2% and the properties are in need of capital improvements and are ripe for refinance to secure lower interest rates. There is a very good chance that we will reissue bonds to refinance debt and needed improvements. Passing the resolution will allow predevelopment costs to be included in bond issuance, if bonds are issued. It is not a commitment to refinance, but would allow appraiser fees, architect costs, and other predevelopment costs to be included in the refinancing. There is approximately \$3.6M in debt to be refinanced, plus any capital improvement costs. Our attorney recommended that we put a larger number in resolution, just in case, to cover any such costs that might be incurred during the predevelopment phase.

RESOLUTION NO. 4558

Commissioner Hamman moved that Resolution No. 4558 be adopted by reading of title only: “A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE MAKING DETERMINATIONS WITH RESPECT TO THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PORTFOLIO, DECLARING ITS INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS, AND AUTHORIZING RELATED ACTIONS”. Commissioner Chambers seconded. The vote in favor was unanimous.

- 5.4 OPEB Funding – The HACB currently funds an Annual Required Contribution (ARC) into a Trust Account for future post-retirement health, dental and vision benefits. (These benefits are also known as Other Post Retirement Benefits (OPEB).) Two years ago the Board approved additional pre-funding of \$100,000, using excess 2012 budget authority. The additional contribution has both reduced the annual expense budget for the ARC, as well as reduced the balance of the Unfunded Actuarial Accrued Liability (UAAL). In 2015, the HACB will be required to start recognizing the UAAL on its Balance Sheet. In July, HUD funded the HACB an additional 5% in Section 8 Admin fees. Therefore, Staff is recommended an additional deposit of \$50,000 to the OPEB Trust Account, using excess unused 2014 budget authority. Any extra funding can cover future years’ payments, if short. Currently the account is earning approximately 11% interest.

MOTION

Commissioner Hamman moved to approve prefunding an additional \$50,000 into the OPEB Trust account using FY 2014 excess budget authority of \$30,000 HUD Public Housing operating funds and \$20,000 HUD Section 8 Admin Fees. Commissioner Chambers seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

- 7.1 HACB Strategic Planning – Chair Moravec recommended hiring a professional consultant to assist in the process of creating a Strategic Plan. The consensus of the Board was to concur. Management will bring back further information regarding professional planning consultant(s) at the November meeting. The 5 Year Action Plan (2014-2019) for the Housing Authority of the City of Santa Barbara is an excellent example of a strategic plan and will be included in next month’s Board report.

8. SPECIAL REPORTS

- 8.1 AB 1234 Ethics Training – Executive Assistant Young passed out self-study material to Commissioners.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

- 10.1 Nan McKay “Essentials for Commissioners” Handbook – Handbook was distributed to Commissioners.

11. EXECUTIVE SESSION

11.1 Section 54957.6: Conference with Labor Negotiators

Adjourn: 3:00 p.m.

Reconvene: 3:10 p.m.

The Board acknowledged the Union’s acceptance of the proposal to extend the Union MOU, to synch the MOU renewal date with the Health Insurance renewal date, and to provide time to develop Health Insurance opportunities. The Board further directed that Executive Director Mayer’s salary be adjusted to align with the proper Salary Step and Range, effective immediately.

12. COMMISSIONERS’ CALENDAR

- NAHRO National Conference, Baltimore MD, October 15-17, 2014
- **Next meeting – October 23, 2014**

13. ADJOURNMENT

Commissioner Chambers moved that the meeting be adjourned. Commissioner Hamman seconded. The meeting was adjourned at 3:12 p.m.

Dated: September 18, 2014.

ATTEST:

Laura Moravec, Board Chair

Edward S. Mayer, Secretary