

MINUTES

HOUSING AUTHORITY OF THE CITY OF ABILENE

Meeting of August 16, 2007 9:30 a.m.

The Housing Authority of the City of Abilene, Texas, met in a Regular Session on August 16, 2007, at 9:30 a.m. in the Cypress Plaza Board Room, 534 Cypress Street. Chairman V.E. Brailsford was present and presided. Other Commissioners present were: Tanya Smith-Brice, Mary Jay Island and Dale Barthelemy.

Staff members present were: Ebony Bond, Programs Coordinator/Interim Director; Jon James, Director, Planning and Development; Ed McRoy, Assistant Director, Planning and Development; Genette Edmond, Public Housing Manager; Tanya Johnson, Resident Services Coordinator; Paul Falade, Accountant; Stanley Smith, Legal Department, and Mary Ann Martell, Housing Secretary. Guests present were: David Boring, Stephanie Baker, and Brett Reynolds.

CALL TO ORDER

Chairman Brailsford called the meeting to order at 9:35 a.m.

1.0 Routine Announcements, Recognitions and Presentations

Ebony Bond, Programs Coordinator/Interim Director, recently received a document to update those from the Housing Authority who would like to receive correspondence from NAHRO. She asked the Commissioners and they all replied that they would like to receive such correspondence.

2.0 Approval of the Minutes of the Regular Meeting held July 19, 2007, and the Special Called Meeting held July 24, 2007.

Chairman Brailsford called a motion to accept the minutes of the July 19, 2007, and the minutes of the July 24, 2007, meetings, if there was not any discussion. Commissioner Smith Brice made a motion to accept the minutes of July 19, and the Special Called Meeting of July 24, 2007. Commissioner Island seconded the motion.

The Board voted.

AYES: Commissioners Barthelemy, Smith Brice, Island, and Chairman Brailsford

NAYS: None

The motion carried.

3.0 Open discussion for Citizen General Comment and Resident/Landlord Input

There was no discussion since none were present.

4.0 CONSENT AGENDA

4.1 Monthly Status Reports

Chairman Brailsford asked for a motion to approve the Monthly Status Reports.

Commissioner Smith Brice asked to pull Agenda Item #4.1a. for discussion, and then she made a motion to accept Agenda Items #41 b., c., and d. Commissioner Island seconded the motion.

The Board voted.

AYES: Commissioners Barthelemy, Smith Brice, Island, and Chairman Brailsford

NAYS: None

The motion carried.

Regarding Agenda Item #4.1 a. page three, Commissioner Smith Brice inquired what the terminations were from the County Housing Choice Voucher Program.

Ebony Bond replied terminations are tenants that are no longer on the program. This can be due to them requesting to be removed from the program, violating program rules or not fulfilling family obligations or being over the income limits. Tenants can only be over income for six months before being terminated. Anyone terminated has the right to appeal, however, they have ten days to appeal their case. If an applicant owes the Housing Authority money, one half of the amount needs to be paid before the application is taken. The remainder has to be paid before their name comes to the top of the waiting list.

Commissioner Smith Brice made a motion to approve Agenda Item #4.1 a.

Commissioner Island seconded the motion.

The Board voted.

AYES: Commissioners Barthelemy, Smith Brice, Island, and Chairman Brailsford

NAYS: None

The motion carried.

5.0 REGULAR AGENDA

5.1 Presentation of 2006 Audit –David Boring

Our external auditor, David Boring, reported on the 2006 Audit for the Housing Authority. The first ten pages are the Management Discussion and Analysis of the Agency and explain in quite detail about the Agency's background, etc. This year has been good. Last year's audit had two findings. The files from Low-rent and Section 8 were not being completed right, however, since that time Paul has been auditing all files and even with the staff turnover, the files have been corrected and have shown a great improvement.

This year's audit revealed two findings also. Page 29 explains the corrective action plan. The audit was submitted to REAC first. The corrective action plan suggested reviewing unaudited submissions. The findings were submission errors which Ebony and Paul have looked at and were very minor since the HA was relying on the fee accountant.

The other finding is recording related. There was a half million dollars of funding not recorded on our books. HUD figures showed we were paid seven million although we showed we were paid only six and a half million. This amount was received and recorded in October although it should have been recorded in September.

David Boring said audit reports revealed the state of the Housing Authority's financial condition as very healthy. Page 12 shows that currently, we have 2.7 million in cash and 2.3 million in investments. On a cash basis analysis, the Agency could operate three fourths of the year. It was known in 2006 that HUD had been overpaying us by a half million to 800,000 dollars. Recently, the Housing Authority did receive notice that funding had been cut by a half million based on figures from the year before.

When agencies are overpaid, Mr. Boring told the Board that HUD could ask for the money back or they could forgive the overpayment. In this case, they could ask for approximately a million dollars back. This money can only be spent on Section 8 HAP payments.

He reviewed a few items in the audit with the Board. Investments don't include 30-day CDs since anything less than 3-months is considered cash. When the report was sent to REAC, it was noted that internal controls should be strengthened. Also, all reports from the Housing Authority and the fee accountant need to match. David Boring said he would meet with Ebony soon regarding the internal controls.

The Housing Authority's business investment, Parkridge Place, has done very well. It has been managed well and provides more financial freedom for the Housing Authority since operation does not depend solely on HUD funding.

To summarize, David Boring stated that several factors have affected the financial position of the HA. First, and foremost, funding for the Section 8 Choice Voucher Program has changed. The funding could be increased, but there is talk of more budget cuts. He cautioned the Board to monitor the cash and expenses.

Regarding internal controls, Mr. Boring said according to SAS, the HA has weak internal controls. SAS 112 says the Housing Authority needs to be capable of writing its own financial statements. Also, due to SAS 112 which increases the workload for an external auditor, he informed the Board that audit fees would be going up 30 to 40%.

5.2 Update and discussion on direct deposit for HAP payments

Ed McRoy, Assistant Director Planning and Development, reported to the Board that he had contacted Chase Bank regarding direct deposit for the HAP payments to the landlords. The cost is \$60 per month for the first 100 transactions and then dropping to 25¢ per transaction. He is anticipating it getting set up this month and performing some test transactions. At this point the landlords will have a choice whether they want this or not, however, if there are not enough landlords signed up, the Board may have to change the policy to make direct deposit mandatory. Paul Falade would most likely be the security administrator, but for internal controls, another person should also authorize the transactions. The same system could be used for paying the Housing Authority's expenses.

Ebony Bond interjected that this monthly fee is actually less than the expense for writing paper checks. Also, she said some larger housing authorities are making direct deposit mandatory for their landlords.

Jon James added that direct deposit is more efficient accounting since it also saves on postage, envelopes, time, etc. Administrative costs from the City would be decreased also.

5.3 Update on status of RFQ regarding the acquisition of professional consultant services by the Housing Authority for a feasibility/impact study evaluating the costs and benefits of the Housing Authority becoming a fully independent agency

Mr. McRoy told the Board that the RFQ for acquiring a consulting agency was sent out. It was published in the NAHRO newsletter along with being posted on their website. It was posted on PHADA's website. There is a direct solicitation link on the Housing Authority's web page. Consequently, we have received about half a dozen requests for the RFQ. October 12 is the deadline to get the responses back.

Commissioner Smith Brice asked Mr. McRoy what the process was after soliciting the consulting agencies. He replied that would have to be discussed since some of the RFQ responses will no doubt have a process and timeline set up. Also, the Board may decide they want to go with an RFP which would be more explicit. After receiving the proposals, the Board most likely will decide on a consulting agency and then the price can be decided at that point.

5.4 Discussion and update on the hiring process for the Housing Administrator position

Mr. McRoy relayed that the Interviewing Committee had selected three candidates and conducted telephone interviews. They narrowed that to two personal interviews. One was brought in for an interview and shown the community, etc. Another applicant will be brought in before long. Commissioner Barthelemy asked if the candidates have been flown into Abilene.

Mr. McRoy answered that since the Executive Director position is equivalent to a Divisional Manager, the City does not normally pay for expenses; however, the City did pay for the flight and to put the applicant up at the McM Elegante Suites. Commissioners Smith Brice and Island both voiced that this should be a joint venture with the City paying half the expenses and the Housing Authority paying the other half. Expenses include \$175 for the flight and \$85 per night at the hotel with meals billed to the City. The second candidate will be coming from out of state so expenses will likely be higher.

5.5 Discussion and possible approval for a purchase of a truck for the housing inspector

Ebony Bond, Program Director/Interim Director, told the Board that currently the SUV is being used by the inspector. However, we need a vehicle that could be used for additional purposes such as for transporting equipment, boxes, etc. Purchasing a truck would save \$5,500. A new SUV costs approximately \$22,000 and a new truck would cost \$16,500. Ebony added that the fleet management policy states to replace a vehicle

after so many miles and it is time to replace the housing inspector's vehicle. Commissioner Smith Brice made a motion to purchase a truck for the housing inspector. Commissioner Barthelemy seconded the motion. The Board voted.

AYES: Commissioners Barthelemy, Smith Brice, Island, and Chairman Brailsford

NAYS: None

The motion carried.

5.6 Update and discussion on ACOP for Low-Rent Public Housing

Ebony explained that ACOP stands for Admission and Continued Occupancy Policy. She said the last update was in 2005; however, there should have been an update in 2006. Presently, Genette Edmond, Program Manager, is reviewing the current ACOP to see if the new one agrees with it since it has been two years. If necessary, we will then come back for Board approval.

6.0 Executive Session

6.1 Gene Duke Builders v. Abilene Housing Authority City of Abilene

The Board entered into Executive Session at 10:40 a.m. The Board came out of Executive Session at 10:51 a.m., with no action taken.

7.0 Adjournment

Commissioner Barthelemy made a motion to adjourn. Commissioner Island seconded the motion. The Board adjourned at 10:53 a.m.

These minutes of the Housing Authority City of Abilene Board of Commissioners meeting held on 8/16/07, respectfully submitted and approved on

9/20/07.

Chairman Brailsford
Chairman, Board of Commissioners

9/20/07
Date

Dale Barthelemy
Executive Secretary, Board of Commissioners

9/20/07
Date