

# **MINUTES**

## **HOUSING AUTHORITY OF THE CITY OF ABILENE**

**Special Call Meeting  
December 18, 2007, 11:00 a.m.**

The Housing Authority of the City of Abilene, Texas, met in a Special Call Meeting on December 18, 2007, at 11:00 a.m. in the Cypress Plaza Board Room, 534 Cypress Street. Commissioners present were: Chairman Brailsford, Dr. Tonya Smith-Brice, Mary Jay Island and Dale Barthelemy.

Staff members present were: Ebony Bond, Programs Coordinator/Interim Director; Edward McRoy, Assistant Director Planning and Development; Stanley Smith, Assistant City Attorney; and Mary Ann Martell, Secretary. Guests present were: David Gilmore and Vianei Robinson with Gilmore Kean; and Craig Patterson, Gregg Swisher, Amber Patterson and Danielle Swisher with Patterson & Associates Consulting. (Note: Neither firm was present during the other's presentation to the Board.)

### **CALL TO ORDER**

#### **1.0**

Chairman Brailsford called the meeting to order at 11:05 a.m.

#### **2.0 Presentations and discussion and possible action regarding potential consultation and attorney services for planning and implementation related to the future separation of the Housing Authority and the City of Abilene.**

Mr. McRoy introduced David Gilmore of Gilmore Kean and Vianei Robinson, a local attorney. Mr. Gilmore's partner, Patrick Kean was on speaker phone, in order to listen and make any additional comments during the presentation.

David Gilmore began with expressing the location of his office which is in Washington, D.C. Two things distinguish his firm from all others: 1) He mentioned he has spent most of his career (since the late '60s) in the Housing field in some capacity and that he is passionate about Housing; 2) He has done this before and gave several examples of his experience in this field. He helped rejoin another housing authority to the City of Boston. In Washington, D.C, the HA was part of the City and he assisted them in becoming independent. Also, in D.C., after being court-appointed, his firm has been running the ISD bus system for four and a half years. They are in the process of establishing a reconnection with their former host, the ISD.

Mr. Gilmore stated that he felt this undertaking of the HA becoming independent consists of three pieces:

1) Developing a plan

His firm would study each component thoroughly and derive an implementation plan. In order to do this, he would spend time with the HA staff and then come up with a plan.

2) Negotiation process

This process involves the relationship between the HA and the City. During this process, each party needs to give up something and maintain something. This way everyone walks away a winner.

3) Implementation of plan

Mr. Gilmore said he understood that the RFQ has shifted some since it was initially distributed. The conclusion has been reached that the HA is definitely going independent. In Texas, there are some political connections such as the Commissioners being appointed by the Mayor, therefore, the HA could not have a complete break from the City.

In the final analysis, it is essential to determine the two levels of the split.

- 1) The governance level – which would include such questions as who would select the E.D. and assign duties such as managing the budget, etc.
- 2) Administrative level – This includes payroll, personnel and financial management, etc.

Even with the true definition of independence, Mr. Gilmore stated the HA would not want to cut off the benefits of the ties with the City. With the complexity that the administrative level presents which includes Human Resources, etc., the size of the HA does not matter, this presents many issues. One such issue is the fact that the HA employees have the City benefits, retirement, etc.

To summarize, Mr. Gilmore confirmed that he does have the experience and that he has done this before with other Housing Authorities. Gilmore Kean understands both sides of the issues. If the transition is not handled well, there are often “bruises.”

Ms. Robinson, Attorney, told the Board that when she checked out Gilmore Kean, she found that David Gilmore is known nationally as an expert in his field. As for her capabilities, she has experience in working with school districts and counties for over sixteen years. This transition to an independent Housing Authority presents many entrepreneur opportunities with enormous legal flexibility.

Patrick Kean, via telephone, mentioned that Gilmore Kean has other firms on-staff such as W.A. Jackson, CPA, who knows the process of public housing authority’s separation. He also performs financial analyses. Another firm, Duvernay & Brooks in New York, would complete a financial assessment of the HA and plan financially for the future of the HA. Mr. Kean emphasized that what separates Gilmore Kean from the competitors is that you “get Gilmore and Kean” and not others doing the work.

In conclusion, Mr. Gilmore stated in the last analysis, this has to be about the people including the City of Abilene, the Housing Authority and the clients. It is all about the people. He said he was open to questions.

## **BOARD DISCUSSION:**

Commissioner Smith Brice asked Mr. Gilmore if there was any proposed timetable for the three phases. Mr. Gilmore answered that is unknown at this time. They would have to come to Abilene and spend time. Two to three weeks after the initial visit, the firm would come up with the timetable, plan and fees involved, etc. Mr. Gilmore stated that this study and transition would not be inexpensive. However, he stated they would not want to duplicate any services or work that has already been done.

Ms. Bond asked Mr. Gilmore with his experience with other HA's, could he provide a range of a timeline for the HA to become independent. Mr. Gilmore said perhaps three to six months. Mr. Kean added that they could have an implementation plan by late February.

Discussion occurred on if Gilmore Kean was selected and after submitting their proposal plan with fees, etc, if the Housing Authority did not like it, negotiation regarding the contract could take place. If both sides could not reach an agreement, there would be no contract and they would walk away.

Commissioner Smith Brice inquired as to whom he would spend time with in Abilene prior to presenting the plan. Mr. Gilmore said he would spend time with the Mayor, residents, council members, etc. He would try to talk to everyone especially the stake holders.

Another question to Mr. Gilmore from Commissioner Smith Brice was to describe a difficult case or an aspect of when he helped separate an HA from the City.

Mr. Gilmore elaborated to the Board about "the school bus project" in D.C. His firm took it from the bureaucracy and made it work. It serves special needs kids and was very mismanaged. His firm had to figure how to efficiently run the bus project; however, they did not want to sever relationships with the system that would resume operations in the future. They have now been managing it four years.

Commissioner Island added that the Board has looked at all areas/issues and determined the HA needed a consultant to pursue this transition to independence. She said the Board wants a vial, healthy agency.

Commissioner Horton asked after the transition, what will the relationship with the City be? Mr. Gilmore replied there does not need to be one. After the process, the HA should be able to manage by itself.

Mr. Kean via telephone said their firm has many specialized associates available to provide expertise in areas such as human resources, benefits, etc.

Commissioner Island voiced that regarding legal issues, we do want to retain an attorney for HA business.

Mr. Gilmore explained that at the end, Ms. Robinson's services as an attorney could be solicited or even if his firm is not selected, her services could be obtained.

Commissioner Smith Brice wanted to know his criteria for selecting an attorney such as when he selected Viane Robinson. Mr. Kean via telephone said they looked for someone with experience in employment law and with an AV rating (which is a peer rating system). She had a high AV rating. Ms. Robinson represents a minority-woman owned business and she knows Abilene.

Mr. Gilmore extended his thanks to the Board and expressed his enthusiasm for this scope of work which to him is very important and rewarding.

Commissioner Smith Brice made a motion for the Board to go into recess at 11:56 a.m. and to resume at 1 p.m. for the second half of the presentation. Commissioner Island seconded the motion.

At 1 p.m., Chairman Brailsford convened the meeting of the Housing Authority Board.

Mr. McRoy introduced Craig Patterson, President and CEO of Patterson and Associates (PAC). He provided his credentials and introduced his team: Greg Swisher, General Manager; Danielle Swisher; Housing and Program Specialist; and Amber Swisher, Marketing.

Mr. Patterson said he was a computer and engineering graduate from Berkley. He pursued engineering, but turned his interest towards housing. He has been involved with over 80 housing authorities in different capacities.

Craig Patterson continued with an overview. He illustrated several examples of his firm assisting other housing authorities in Rockford, IL and Cook County, IL. His firm has written training manuals for HA's and have provided technical support. He said they have trained HUD staff and helped them to understand the regulations. He has also worked with Section 3, and is familiar with the HUD regulations for that program. Mr. Patterson said the dynamics of asset management is great. His firm would spend time with the staff to discover their strengths, etc. and to find out the goals of the Housing Authority. Funding is decreasing from HUD for Housing Authorities. Next year, funding will be at about 76% of what housing authorities planned for, and currently, HUD funding is at 82% from the initial budgeting. He said the development of assets will make the HA financially viable in the future.

After this study of the Housing Authority, the next step would be the development of the implementation transition plan. Providing technical assistance in implementing the plan is optional since they do not yet know the capabilities of the staff and Board. However, PAC can provide staff training and assist in the transition along with providing public relations. Discussion followed on perhaps changing the mission statement to reflect the way America is changing. Mr. Patterson believes the housing authority's mission is to

provide vial, desirable affordable housing in the community so anyone would want to live there.

Part of this implementation plan is to have a strategic plan also. Mr. Patterson relayed to the Board that revenue and income development falls into this strategic plan. It pays to appear broke; however, not broke. Public Relations could emphasize the Housing Authority as an extended community benefit and what they do for the community. With PR, Patterson and Associates would take the priorities of the clients and work on that angle.

**BOARD DISCUSSION:**

Mr. Patterson asked the Board for a perfect scenario of the Housing Authority's transition to becoming independent.

Commissioner Smith Brice said independence and how we govern. She stated becoming independent as much as possible from the City. While looking at the policy decisions and hiring decisions, the HA also needs to be looking at and discussing the needs of the clients.

Commissioner Island stressed the move towards independence should be in the best interests of the HA and the City. The transition in becoming a strong, vial agency needs to be positive so the citizens have confidence in the Housing Authority. HUD will decrease its participation and although we have an apartment complex, we need to pursue financial independence also. She said the Board has identified what needs to be done; however, we recognize the need for assistance and expertise.

Mr. Patterson stated after the initial assessment of perhaps three to four days, his firm would provide an implementation plan and recommendations in the following week or two. He said he anticipates a 50 to 60 day timeline to change management. Then he would like to work with staff regarding the change management. Training the staff is part of the process.

Commissioner Smith Brice asked who would the firm meet with when doing the assessment. Would they try to meet with all the stake holders?

Danielle Swisher replied the firm would conduct online surveys and phone surveys with the main stake holders. They will talk to stake holders personally as much as possible. Staff surveys will be conducted.

Commissioner Smith Brice added that they would want landlords included along with the City's input.

Mr. Patterson said most likely the City will assist in some areas since the benefits, retirement, etc. are such critical issues.

Mr. Patterson asked if most of the landlords were on auto pay. It was relayed to him that work has begun on that and hopes of direct deposit will begin shortly. Ebony Bond pointed out that there is duplicate work since we also have to enter the checks into the City's accounting system and then the City prints the checks the following day.

Ebony Bond told Patterson and Associates that the HA is using Yardi software with Public Housing using Tenmast. Public Housing will be making the transition to Yardi.

Mr. Patterson said Yardi has a good software program. Discussion occurred on software and training. The staff needs more training in Yardi and assistance with utilization and problems.

Commissioner Island agreed that there is a great need for streamlining since there is so much double work.

Discussion occurred on streamlining the system and restructuring. During this time, Mr. Patterson conveyed to the Board that he believes the HA is currently overstaffed, according to the numbers.

In closing, Mr. Patterson asked if there were any more questions.

Commissioner Smith Brice inquired about a general timeline.

Mr. Patterson replied if hired, negotiation about the fees, etc. would need to take place where it would be reasonable for both parties. Then two weeks into January, the "kick-off" could take place. The firm would meet with the staff for questions and answers to ease the nervousness that staff might experience. Generally, there is staff turnover during a transition.

The firm would like to present a theme for the project. Mr. Patterson said after the assessment which could be done within thirty days, the firm would require an additional eight to ten days to study it. Another 65 days to write the implementation plan and then review it with the Board.

Mr. Patterson estimated 10 to 12 months for the transition and for the staff and Board to be comfortable. Technical assistance would be provided for implementing the plan. Discussion occurred on the staff person who is responsible for HUD reporting and the importance of having a back-up person.

There would be a need to develop a P.R. plan and to assist with the media.

A question was asked if the firm would charge an hourly fee or a negotiation fee. Mr. Patterson indicated this transition could be accomplished under \$40,000.

Chairman Brailsford thanked Patterson and Associates and they left at 2:20 p.m. He asked if there was any discussion.

Stanley Smith, Legal Department, stated there was no requirement for the Board to take any action.

The Board agreed they would rather discuss it now instead of postponing it until January.

Mr. McRoy informed the Board that recently there was some restructuring in the Planning and Development Department. Megan Santee will be an Assistant Director in Planning and Development. She will be responsible and overlooking Housing, Neighborhood Services and Community Enhancement.

Discussion occurred on both consulting firms.

Commissioner Smith Brice said she liked both of the firms. Gilmore Kean has lots of experience with transitions of housing authorities and city splits. She appreciates their national reputation. They already have a local attorney. However, she stated she liked that fact that Patterson and Associates were in Texas. They seemed more comprehensive in the services they would provide and very technical minded. Mr. Patterson was very knowledgeable about housing issues, plus software. A concern, Commissioner Smith Brice said she had with Gilmore Kean was although they were impressive; they did not seem intimate with smaller cities.

Commissioner Smith Brice said regarding Patterson and Associates, she felt as if she was in a "car lot." He almost seemed to have a notion already of the needs of the Housing Authority.

Commissioner Island said she liked Patterson and Associates' candor. It felt good to hear from Mr. Patterson and she felt since his firm was right here in Texas, issues could be expedited. Also, she liked the idea that Mr. Patterson was an expert and a tech person. Commissioner Island said they had done their homework.

Commissioner Smith Brice continued that she liked Mr. Patterson's energy and ideas for P.R. and building a theme for the transition. She felt this would be positive for the landlords and the clients we serve.

Commissioner Horton addressed that there was a discrepancy in Mr. Patterson's timeframe for an assessment. First, he said two to three days for the assessment and then he said it would take two weeks for Danielle to do the assessment.

Commissioner Smith Brice said she liked the questions Mr. Patterson raised even his assessment that we had too many staff. She liked that he already had many ideas to make the HA more efficient.

Commissioner Island said either firm would be good although agency two did a better job at presenting themselves.

Commissioner Horton liked the idea of changing the mission statement and letting the tenants know the transition would be good for the community. She had a concern as a tenant that things would remain the same after the split.

Commissioner Island added that assistance with the transition would guarantee it would be orderly and organized.

Commissioner Smith Brice said if she had to vote right now on either, she would vote for Patterson and Associates. She liked that the firm also had saved money for some agencies they have helped. Also, instead of Mr. Gilmore giving a price range he kept saying they're expensive.

Commissioners Island and Horton agreed they would vote for Patterson and Associates also.

Chairman Brailsford said at least Patterson gave a figure of what their fee would be if they would do it.

Mr. McRoy said he had received a fax with Gilmore Kean's fee. Gilmore Kean's fee could vary from \$204.12 to \$149.69 hourly. Patterson and Associates' fee is \$125 hourly for agencies in Texas.

Commissioner Smith Brice made a motion to ask the staff of Public Housing to secure negotiations with Patterson and Associates for the services for planning and implementation related to the future separation of the Housing Authority and the City of Abilene. Commissioner Island seconded the motion. The Board voted.

Ayes: Commissioners Smith Brice, Horton, Island, and Brailsford.

Nays: None

***The motion carried.***

#### **ADJOURNMENT**

Commissioner Smith Brice made a motion to adjourn. Commissioner Island seconded the motion. The meeting adjourned at 3:12 p.m.