

**SOUTH METRO HOUSING OPTIONS
BOARD OF COMMISSIONERS**

**Minutes of Regular Meeting
November 12, 2015**

The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, November 12, 2015 at 5745 South Bannock Street, Littleton, Colorado 80120.

THOSE PRESENT: Chairman Andy Hancock, Vice Chairman Stewart Meagher, Commissioners Libby Bortz, Kyle Henderson, Aaron Heumann, John Ostermiller (arrived at 7:15 p.m.), and Esther Varela

THOSE ABSENT: None

ALSO PRESENT: Jo Hamit, Executive Director; Corey Reitz, Assistant Director; Gerald Humphries, Finance Manager; James G. Hill, citizen.

Chairman Hancock called the meeting to order at 6:45 p.m. and declared a quorum present.

The minutes of the October 1, 2015 regular board meeting were reviewed. Commissioner Heumann submitted several grammatical corrections to the minutes.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER HENDERSON THAT THE MINUTES OF THE OCTOBER 1, 2015 REGULAR MEETING BE APPROVED AS AMENDED.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Henderson, Heumann and Varela

Nays: None

Abstention: Commissioner Bortz

Absent: Commissioner Ostermiller

Motion Carried: 6:0:1:1

Finance Manager Humphries presented the financials for September 2015, which is the final month of Fiscal Year 2015. The current net income is \$223,820 and is \$87,122 below the budgeted amount for 2015. It is likely that additional developer fees for the Powers Circle Apartments Project will come in after the financials are finalized. The primary reason for the

negative variance in net income is increased insurance costs, due primarily to increased hail insurance premiums. SMHO will be exploring other insurance options going forward in an attempt to decrease future costs. Revenue and expenses are very close to budgeted amounts, as revenue is within .56% and expenses are within 1.71%. Finance Manager Humphries also stated the annual agency audit is currently being conducted.

It was moved by COMMISSIONER HENDERSON and seconded by COMMISSIONER BORTZ TO APPROVE THE SEPTEMBER 2015 FINANCIALS.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann and Varela
Nays: None
Absent: Commissioner Ostermiller
Motion Carried: 6:0:1

Executive Director Hamit presented the following administrative items:

- ***Resolutions 15-24 to 15-29: Addition of Authorized Check Signer***

The five resolutions will update all agency bank accounts to add Assistant Director Reitz as an authorized check signer. All current signers will remain in place with no changes.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER HEUMANN TO APPROVE RESOLUTIONS 15-24 TO 15-29, AUTHORIZING THE ADDITION OF ASSISTANT DIRECTOR REITZ AS A CHECK SIGNER.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann and Varela
Nays: None
Absent: Commissioner Ostermiller
Motion Carried: 6:0:1

- ***Resolution 15-30: Revised Cooperative Agreement with the City of Littleton***

The Littleton City Council approved an amendment to the Cooperative Agreement with SMHO in September. The major change in the Agreement was the removal of benefit administration by the City for SMHO employees. This section was removed because SMHO is now administering their own benefit plan and are no longer on the City's plan, as a result of provisions of the Affordable Care Act. The primary service provided by the City in the Cooperative Agreement is the servicing of the SMHO's maintenance vehicles. SMHO also has access to trainings (if room is available), the print shop, and pre-

employment screenings. SMHO will review the agreement in the future to determine if these services continue to benefit SMHO.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER VARELA TO APPROVE RESOLUTION 15-30, ADOPTING THE REVISED COOPERATIVE AGREEMENT WITH THE CITY OF LITTLETON.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann and Varela

Nays: None

Absent: Commissioner Ostermiller

Motion Carried: 6:0:1

- ***Resolution 15-31: Submission of HUD Form 52648, Section 8 Management Assessment Program (SEMAP) Certification for Fiscal Year 2015***

The SEMAP Certification is a self-assessment that Section 8 conducts on an annual basis to determine proficiency for 14 different criteria. Examples include rent reasonableness assessments with landlords, and maintaining quality control by conducting housing quality standards (HQS) inspections. The certification is due to the Department of Housing and Urban Development (HUD) within 60 days of the end of the fiscal year. In the past, SMHO has used a consultant to help ensure timely and accurate submission; however, going forward SMHO staff expects to complete the SEMAP Certification in house. Staff anticipates being considered a high performer again for 2015.

It was moved by COMMISSIONER HENDERSON and seconded by COMMISSIONER BORTZ TO APPROVE RESOLUTION 15-31, APPROVING THE SUBMISSION OF HUD FORM 52648, SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION FOR FISCAL YEAR 2015.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann and Varela

Nays: None

Absent: Commissioner Ostermiller

Motion Carried: 6:0:1

- ***Resolution 15-32: Authorization to Write-off Uncollectible Debt***

The total amount of uncollectable accounts previously attempted for collection in 2015 is \$21,852.76. The program with the highest dollar amount and most units owed is Powers Circle (\$10,182.81 for six tenants). Five of the six tenants that owe money were as a result of evictions, and most of the monies owed were due to rent and/or damages to the units. There are several thoughts as to why Powers Circle had a higher percentage of monies owed. Since Powers Circle is financed under the Low Income Housing Tax Credit (LIHTC) program, the residents pay higher rents that are more closely aligned with market rents. In subsidized housing, the rents are very low and will never go above 30% of the resident's income. That is not the case in the LIHTC program, so a resident's rent is often a heavier burden. In general, SMHO attempts to get repayment plans in place to help the residents pay off their debt and to save SMHO money in legal fees. One substantial challenge is the legal process when going through the eviction process. The process can take up to 2-3 months in some instances, which allows unpaid rent to accumulate before a resident can be removed from his/her unit.

It was moved by VICE CHAIRMAN MEAGHER and seconded by COMMISSIONER HEUMANN TO APPROVE RESOLUTION 15-32, APPROVING THE WRITE-OFF OF UNCOLLECTIBLE DEBT for the 2015 Fiscal Year.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann and Varela

Nays: None

Absent: Commissioner Ostermiller

Motion Carried: 6:0:1

- ***Resolution 15-33: Revision of SMHO Procurement Policy***

There was a recent change in the federal regulation that addresses procurement (24 CFR 85.36 and HUD Procurement Handbook 7460.8, Rev. 2), amending the micro-purchase limit from \$2,000 to \$3,000. HUD requires housing authorities to conform to federal regulations; therefore, staff recommends that the SMHO Procurement Policy be amended to change the micro-purchase limit accordingly. Any purchases under \$3,000 will not require a bid or comparison of costs, although staff generally obtains comparative costs, whenever possible, by phone or email.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER OSTERMILLER TO APPROVE RESOLUTION 15-33, REVISING THE SMHO PROCUREMENT POLICY.

Ayes: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann, Ostermiller and Varela

Nays: None

Absent: None

Motion Carried: 7:0

- Assistant Director Reitz reported on the SMHO benefit changes for 2016, including medical, dental, vision, life, and long term disability insurance. It was a very challenging process to assume administration duties of all benefits for 2016 in a short timeframe. Mesirow Financial, who is the City's insurance broker, assisted SMHO to navigate the process and secure the final benefit package. The goal of the management team was to maintain a similar level of benefits for the employees at a similar cost to both the employees and SMHO. The benefits that were selected achieved both of these goals. The premiums for employees did not increase and the annual costs for SMHO also remained consistent with 2015 prices. The current medical carrier (Cigna) was chosen with no changes in the current provider network, but copays and deductibles did increase slightly compared to 2015. All other current carriers were retained for 2016, including Delta Dental, VSP (Vision), and the Harford Group.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER HENDERSON to recess the regular meeting into Executive Session at 7:30 p.m. to discuss a legal matter. Those present at the Executive Session were: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Heumann, Ostermiller and Varela, Executive Director Hamit and Assistant Director Reitz.

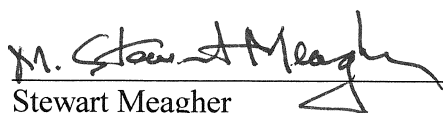
The regular meeting was reconvened at 7:50 p.m.

Other Business

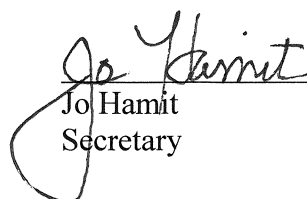
The December board meeting will be held on December 3 at 7:00 p.m. Dinner will be served at 6:00 p.m.

It was moved by COMMISSIONER HEUMANN and seconded by COMMISSIONER HENDERSON THAT THE MEETING BE ADJOURNED. The motion carried. There being no further business, CHAIRMAN HANCOCK adjourned the meeting at 8:00 p.m.

ATTEST:



Stewart Meagher
Vice Chairman



Jo Hamit
Secretary