

**SOUTH METRO HOUSING OPTIONS  
BOARD OF COMMISSIONERS**

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**Minutes of Regular Meeting  
August 6, 2015**

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The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, August 6, 2015 at 5745 South Bannock Street, Littleton, Colorado 80120.

**THOSE PRESENT:** Chairman Andrew Hancock, Vice Chairman Stewart Meagher, Commissioners Libby Bortz, Kyle Henderson, John Ostermiller and Esther Varela

**THOSE ABSENT:** Commissioner Aaron Heumann

**ALSO PRESENT:** Jo Hamit, Executive Director; Gerald Humphries, Finance Manager.

Chairman Hancock called the meeting to order at 6:45 p.m. and declared a quorum present. The revised agenda was reviewed and accepted.

The minutes of the July 9, 2015 Public Hearing were reviewed.

It was moved by COMMISSIONER OSTERMILLER and seconded by COMMISSIONER VARELA THAT THE MINUTES OF THE JULY 9, 2015 PUBLIC HEARING BE APPROVED AS PRESENTED.

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

**Nays:** None

**Abstain:** Commissioner Henderson

**Absent:** Commissioner Heumann

**Motion Carried:** 5:0:1:1

The minutes of the July 9, 2015 regular board meeting were reviewed.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER OSTERMILLER THAT THE MINUTES OF THE JULY 9, 2015 REGULAR MEETING BE APPROVED AS PRESENTED.

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

Nays: None

Abstain: Commissioner Henderson

Absent: Commissioner Heumann

Motion Carried: 5:0:1:1

Finance Manager Humphries presented the June 2015 financial reports, the ninth month of Fiscal Year 2015. Through June, the agency year-to-date (YTD) total revenue was \$5,968,565, which is 2% below projections. Expenses were \$5,861,443, which is 3.25% above YTD projections.

Commissioner Bortz asked why the report will show a dollar variance for certain line items and not show a variance for others. Finance Manager Humphries explained that the financial reports show a dollar amount if there is a significant variance for the month. The report will also show the line item without a variance in an effort to provide a glossary for each line item.

Commissioner Bortz asked about the rent for the building being occupied by Love, Inc. Executive Director Hamit explained that the renewal rate had been discussed at the Board Retreat, and it was determined by consensus that the lease be renewed at the current rental rate. Executive Director Hamit explained that she has contacted the Executive Director of Love, INC to schedule an appointment to renew the lease.

Finance Manager Humphries reported that the consolidated budget will be presented to the Board in September, and staff is preparing for the next annual audit. Finance Manager Humphries also reported that the spaghetti dinner fundraiser at the Libby Bortz Assisted Living Center raised approximately \$5,200 for the Omnibus and Shopping Cart.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER HENDERSON THAT THE JUNE 2015 FINANCIAL REPORTS BE APPROVED AS PRESENTED.

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

Nays: None

Absent: Commissioner Heumann

Motion Carried: 6:0:1

Executive Director Hamit presented the following administrative items:

- ***Resolution 15-14 -- SMHO 2016 Public Housing Budget***

Each year, the Board of Commissioners reviews and approves the operating budget for Public Housing. Submission of the budget to the Department of Housing and Urban Development (HUD) is no longer required; however, the budget is required to be approved by the Board of Commissioners at least 45 days prior to the beginning of the upcoming fiscal year. The Board-approved budget will be kept on file for review by HUD, if requested.

The highlights of the 2016 proposed operating budget for public housing are as follows:

- The Operating Subsidy, combined with rents paid from residents, cover the basic operations of the public housing program. Resident rents for 2016, based on 2015 actual YTD rents, remain unchanged.
- The Operating Subsidy has remained relatively stable, and the percentage of the calculated amount will depend on congressional appropriations. The operating subsidy funding typically is provided to the agency on a quarterly basis. However, the Operating Subsidy does not meet the current expense obligations of the fund. In 2016 we will explore converting public housing to the Rental Assistance Demonstration (RAD) Program to allow Housing Assistance Payments (HAP) to be received and thus increasing revenue to cover Operating Expenses.
- The Capital Fund grant remains constant for 2016.
- Overall, income is projected to decrease 2.2% for the program in 2016. In 2015, we recognized \$18,330 in Misc. Income due to forfeited non-vested employee defined contribution employer match funds. We do not anticipate this number to be as large going forward. All other revenue accounts are at or slightly higher than 2015 actual revenue.
- Salary increases for 2016 will be between 3-5%.
- Staff Training has been increased slightly for 2016.
- Professional fees have been reduced by 43% for 2016. While we anticipate incurring expenses for professional fees with respect to the RAD conversion, those expenses are expected to be charged in large part to the Capital Fund Grant program.
- Utility Expenses are anticipated to increase slightly in 2016.
- Insurance costs are anticipated to remain the same in 2016. In 2015, there was a significant insurance rate increase across all funds.

It was moved by COMMISSIONER OSTERMILLER and seconded by COMMISSIONER BORTZ THAT RESOLUTION 15-14, ADOPTING THE 2016 PUBLIC HOUSING OPERATING BUDGET, BE APPROVED.

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

Nays: None

Absent: Commissioner Heumann

Motion Carried: 6:0:1

- ***Resolution 15-15 – 2015-2016 Prevailing Wage for SMHO***

Each year, SMHO receives an annual funding allocation of capital funds from HUD to supplement modernization and operations expenses for the Public Housing Program. Subject to the U.S. Housing Act of 1937 and in conjunction with HUD regulation 24 CFR 968.110, SMHO is required to adopt a prevailing wage on an annual basis for its maintenance employees who perform modernization work. Housing authorities are given several options for determining their prevailing wage rates, including: 1) employer surveys; 2) negotiated collective bargaining rates; or 3) wage rates of the city or county.

Historically, the SMHO has adopted the wage rates of the City of Littleton, and staff has determined that this option for determining prevailing wage rates continues to be the most appropriate method for adopting prevailing wage rates for the housing authority. Current wage rates for the City are included below for your information.

HUD's Department of Labor requires that the wage rate determination be adopted by the Board of Commissioners at least 60 days prior to the submission of the Authority's next fiscal year budget.

The following chart shows the current maintenance wage rates for the City of Littleton:

Position	Minimum	Maximum
Maintenance Worker I	\$27,300	\$38,100
Maintenance Worker II	\$29,500	\$42,700
Maintenance Superintendent	\$54,100	\$83,900

It was moved by VICE CHAIRMAN MEAGHER and seconded by COMMISSIONER BORTZ THAT RESOLUTION 15-15, ADOPTING THE 2015-2016 WAGE RATES FOR SMHO MAINTENANCE EMPLOYEES, BE APPROVED.

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

Nays: None

Absent: Commissioner Heumann

Motion Carried: 6:0:1

- Commissioner Henderson and Executive Director Hamit attended a City-sponsored workshop on July 27-28 on Systematic Development of Informed Consent.

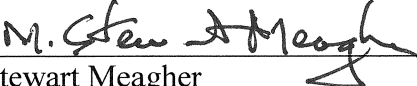
- Commissioner Henderson and Executive Director Hamit attended a City-sponsored workshop on July 27-28 on Systematic Development of Informed Consent.
- Staff was notified recently that HUD's Office of Inspector General (OIG) has recently begun scrutinizing small housing authorities to assess compliance with policies and procedures, including effective internal controls, agency financial reports, training expenses, open meetings compliance, and community service compliance.

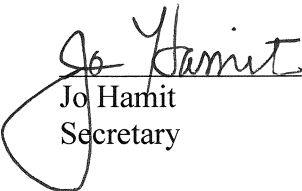
It was moved by COMMISSIONER VARELA and seconded by COMMISSIONER OSTERMILLER that the meeting recess into executive session to discuss a legal matter, a real estate matter and a personnel matter. The executive session convened at 7:45 p.m. Those present at the executive session were: Chairman Hancock, Vice Chairman Meagher, Commissioners Bortz, Henderson, Ostermiller and Varela; Executive Director Hamit and Finance Manager Humphries.

The regular meeting was reconvened at 8:05 p.m.

It was moved by COMMISSIONER HENDERSON and seconded by COMMISSIONER BORTZ THAT THE MEETING BE ADJOURNED. The motion carried. There being no further business, CHAIRMAN HANCOCK adjourned the meeting at 8:10 p.m.

ATTEST:

  
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Stewart Meagher  
Vice Chairman

  
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Jo Hamit  
Secretary