

**SOUTH METRO HOUSING OPTIONS
BOARD OF COMMISSIONERS**

**Minutes of Regular Meeting
September 4, 2014**

The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, September 4, 2014 at 5745 South Bannock Street, Littleton, Colorado 80120.

THOSE PRESENT: Chairman Andrew Hancock, Commissioners Libby Bortz, Kyle Henderson, Aaron Heumann, and John Ostermiller

THOSE ABSENT: Vice Chairman Stewart Meagher; Commissioner Esther Varela

ALSO PRESENT: Christopher Shaffner, Executive Director; Jo Hamit, Assistant Director; Gerald Humphries, Operations Manager; Jerry Hill, citizen.

Chairman Hancock called the meeting to order at 6:40 p.m. and declared a quorum present. The agenda was reviewed and accepted as presented.

There were no unscheduled or scheduled appearances.

The minutes of the August 6, 2014 regular meeting were reviewed.

Commissioner Heumann provided the following corrections to the minutes:

- Page 4, paragraph 1: add the word *months* in the first sentence: “. . .conflicts with Board Meetings over the next several **months** . . .”
- Page 4, third and fourth bullets: add space after “2015”

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER HENDERSON THAT THE MINUTES OF THE AUGUST 6, 2014 REGULAR MEETING BE APPROVED AS CORRECTED.

Ayes: Chairman Hancock, Commissioners Bortz, Henderson, Heumann, and Ostermiller

Nays: None

Absent: Vice Chairman Meagher; Commissioner Varela

Motion Carried: 5:0:2

Operations Manager Humphries presented the July 2014 financial reports. Through July, the agency year-to-date (YTD) total revenue is \$8,884,795, which is 3.34% above projections. YTD expenses are \$8,469,810, which is approximately 3.75% under projections.

Manager Humphries reported that he continues to work with Feldhake & Associates on finalizing the Powers Circle Apartments cost certification. The certification is a key component in assembling the final tax credit application to the Colorado Housing and Finance Authority (CHFA).

Executive Director Chris Shaffner stated that SMHO staff have been communicating weekly with SB Clark, Inc. staff to provide all necessary documentation for the final tax credit application to CHFA and for the conversion of the construction loan to permanent financing for the Powers Circle project. The target date is September 17 to have all components completed for October 1 conversion.

Manager Humphries stated that, during the past month, he worked primarily on preparing the consolidated budget for the 2015 fiscal year.

Commissioner Ostermiller inquired about the fee to renew the agency's line of credit with First Bank. Chairman Hancock stated that the fee is standard and that it can be reduced if the line is utilized during the year.

Chairman Hancock asked if the reserves for the Section 8 Program continue to be recaptured by the Department of Housing and Urban Development (HUD). Assistant Director Hamit stated that public housing agencies have been required to utilize reserve funding in the past several years to reduce large balances. Reserve funding is available to agencies under certain circumstances; however the funds are now held by HUD, rather than by the agencies themselves.

Commissioner Bortz inquired about the consultant fees for the Section 8 Program. Assistant Director Hamit responded that a consultant has been hired to assist with monitoring the annual Section 8 Management Assessment Program certification (SEMAP) and other HUD reporting while new staff is trained in these areas.

Commissioner Bortz asked if the bed bug problem at Alyson Court has been resolved. Assistant Director Hamit replied in the affirmative.

It was moved by COMMISSIONER OSTERMILLER and seconded by COMMISSIONER BORTZ THAT THE JULY 2014 FINANCIAL REPORTS BE APPROVED AS PRESENTED.

Ayes: Chairman Hancock, Commissioners Bortz, Henderson, Heumann and Ostermiller

Nays: None

Absent: Vice Chairman Meagher; Commissioner Varela

Motion Carried: 5:0:2

The following administrative items were presented:

a) ***Ratification of Signatory Authority for Christopher Shaffner***

Executive Director Shaffner reiterated that SMHO senior staff have been working with SB Clark Associates on assemblage of all necessary documentation for the final tax credit application for the Powers Circle Apartments project.

The syndicator, Michel Associates, requested that a number of documents be executed by the SMHO Executive Director during the week of August 18, 2014 for transmission to the investor, Morgan Stanley. Since previous documents had been executed by the former Executive Director, the syndicator requested written signatory authority for the new Executive Director.

SB Clark staff recommended that a written letter from the Chairman of the Board be drafted providing signatory authority to Christopher Shaffner, with the expectation that such authority would be ratified by the full Board at the next regular Board meeting.

It was moved by COMMISSIONER BORTZ and seconded by COMMISSIONER OSTERMILLER THAT SIGNATORY AUTHORITY FOR EXECUTIVE DIRECTOR CHRISTOPHER SHAFFNER, BE APPROVED.

Ayes: Chairman Hancock, Commissioners Bortz, Henderson, Heumann and Ostermiller

Nays: None

Absent: Vice Chairman Meagher; Commissioner Varela

Motion Carried: 5:0:2

b) ***and c) Approval of Resolution 14-20 - Consolidated Agency Budget FY 2015***

Executive Director Shaffner reviewed the Consolidated Budget for Fiscal Year 2015, noting that the timing of his arrival as Executive Director has prevented him from conducting as in-depth of an analysis as he would have desired. He requested that any necessary and material amendments to the budget be presented to the Board for approval at the regularly scheduled Board meeting on October 2, 2014.

Executive Director Shaffner reported that the 2015 beginning cash balance is healthy and no cash flow issues are anticipated during the year. The 2015 net operating income is 1.2% higher than 2014 year-end projections. The net income for 2015 (excluding non-cash operating costs) is budgeted 4.2% higher than 2014 year-end projections.

d) Approval of Resolution 14-21 – Approval of Revision to 2014 Public Housing Budget

Assistant Director Hamit reported that HUD requires public housing authorities to revise their public housing budgets prior to the end of the fiscal year. Revisions are not required to be submitted to HUD, but must be kept with financial records. The annualized revision is based on year to date projections from June 2014. Income is projected to be slightly higher than originally budgeted, while expenses in office and maintenance supplies are projected to be slightly higher and insurance slightly lower.

It was moved by COMMISSIONER OSTERMILLER and seconded by COMMISSIONER BORTZ THAT THE REVISED PUBLIC HOUSING BUDGET FOR FISCAL YEAR 2014 BE APPROVED.

Ayes: Chairman Hancock, Commissioners Bortz, Henderson, Heumann and Ostermiller

Nays: None

Absent: Vice Chairman Meagher; Commissioner Varela

Motion Carried: 5:0:2

Executive Director Shaffner reported the following:

- He will be providing the Board with an Executive Director Report at future Board meetings.
- A Request for Proposals (RFP) is being issued in the next week for website upgrade and maintenance.
- He is working on department goals and expects to review with the department managers in November.
- He will be working on the development of employee portals for a number of human resources functions to improve efficiency for both staff and management.
- He expects to investigate the feasibility of implementing resident portals to streamline resident and staff obligations for all housing programs, allowing staff to focus more time on case management.
- Staff is setting up “meet & greet” receptions for him with residents of all buildings and the families during September.
- He has been asked to serve on the Ethics Committee for the National Association of Housing and Redevelopment Officials (NAHRO).

It was moved by COMMISSIONER HENDERSON and seconded by COMMISSIONER OSTERMILLER TO ADJOURN THE MEETING. The motion carried. There being no further business, CHAIRMAN HANCOCK adjourned the meeting at 7:25 p.m.

ATTEST:

Andrew Hancock
Chairman

Christopher Shaffner
Secretary