

**Caldwell Housing Authority
August 4, 2009 Regular Meeting
Minutes**

Board Members Present:

Estella Zamora, Dana Schuck, Patricia Benedict, Jim Blacker

Board Members Absent: Andy Rodriguez, Sid Freeman

Staff Present: Mike Dittenber, Ayde Cortina

Location: Bent Fork Restaurant

In Order of business:

1. Roll call and call to order

Estella was a few minutes late and Dana called the meeting to order at 12:05pm. Because Dana thought Estella should be present to vote on the minutes and budget, Dana asked Mike to review his Director's Report and highlight any areas he thought the Board should pay attention to. The Directors report is presented in section 6 of these minutes. Estella arrived at the meeting at 12:05pm.

2. Review of July Minutes

Estella asked if everyone had a chance to review the minutes. Everyone present indicated in the affirmative. Jim made a motion to accept the minutes, seconded by Patricia, unanimously approved at 12:07pm by all present.

3. Treasurer / Financial Report

Patricia gave the financial report both actual and accruals. She gave a detailed summary of the financial situation explaining the monthly deposits and expenses. Patricia noted that Maintenance and Repair Supplies and Management Salaries were the categories most overspent—M&R because of the summertime demand for site maintenance and water system repairs, and Management Salaries because of the store employees.

Patricia also discussed the income projections and suggested that revenue collections were not as far off as Mike first stated, because there is a 4% vacancy contingency built into the revenue projections. Patricia then spoke of the Reserve Account and noted that CHA was not current on its reserve account payments.

Estella said CHA should be making those payments monthly. Mike explained that CHA could not make those payments because of operating expenses, and that the fall and winter months was the most likely time CHA could catch up on the payments. Mike explained that paying bills for current expenses was a priority over making timely reserve

payments. Estella also indicated the Board had a concern about reserve payments in the past and thought that CHA was current. Mike indicated that the reserve account was almost current by year's end, but was approximately \$14,000 short. **NOTE: The letter from RD subsequent to this meeting indicated CHA was only \$4,000 behind at the end of the year, but CHA believes it was closer to \$14,000—a matter of timing and when the reserve check was deposited.**

Patricia said it was difficult to keep up with the needed repairs when rents are kept so low to maintain affordability. She said she was anxious for RD Supervisory Report and that during these difficult financial times; the Board should view the budget like a Bible.

Estella commented that CHA should be looking for grants, and that was the good thing about Mike Holladay; he was always looking for grants. Mike said he was unaware of any grant Mike Holladay ever got on behalf of CHA.

Patricia said she would like Mike to bring back to the Board a plan to cut costs between now and the end of the year.

Jim asked if RD could help with the drinking water and wastewater. He explained that the City of Caldwell would not take the drinking water or waste water from CHA because it would be far too costly. He suggested CHA hire a consultant to see what options CHA had with its water and wastewater system.

Mike said he has talked with the City Engineers and they also have indicated the City of Caldwell was not interested in managing CHA's wastewater.

Jim suggested CHA ask RD every year to come up with funds to help CHA with its water and wastewater systems.

Estella asked for a motion to accept the financial report. Motion by Dana, seconded by Jim, and unanimously approved at 12:20pm.

6. Administrative reports

NOTE: This report occurred prior to Estella's arrival and was moved to the front of the agenda. Mike spoke of the extra help he received over the summer by workers from the DOL summer work program and by inmates from the Sheriff's labor detail. Because of that extra help, CHA was able to turn around 20 apartments in 30 days, and moved in 30 new tenants during the month of July. Mike said that he redirected everyone's efforts toward getting units ready to lease, explaining that leasing units should be the highest priority.

Mike also informed the Board about the drinking water problems and CHA efforts to correct those problems as soon as possible. He explained that staff is now capable of fixing those leaks at a substantial savings over calling someone else to fix the leaks.

Mike did explain that every leak cost approximately \$1,500 to the budget that was unplanned.

Finally, Mike briefly mentioned the budget; about cost being high and income being low. He said Patricia would cover the budget in her report.

7. Old Business

The first item in “Old Business” was the drinking water problems. Mike suggested enough discussion about this topic took place in the financial review, that more discussion was not needed. Mike spoke about the progress being made on the masonry units. Mike said he had hoped for the last unit to be done by August, but he redirected all staff attention to getting apartments ready to rent. He explained that 20 apartment were turned around and made ready to rent in 30 days. Twenty (20) apartments at approximately \$300 a month for each had a greater income potential than completing one apartment at \$390 a month. Patricia said that was a wise choice and would have been the way a for-profit landlord would have conducted business. Estella asked when the last masonry unit would be completed. Mike said just a couple more weeks if staff could be freed from other activities to complete the remodel.

Mike told the Board about the work done by the consultant to classify and identify the salary range for the Financial Officer. He explained that Dana was at that meeting and could more adequately discuss what was going on. Dana said that everyone should have received an e-mail and that the salary range for the FO was consistent to what was already in place, but needed adjusted slightly. He said it would be discussed further in executive session.

Jim suggested running the job description by Monica at the City Personnel Office if CHA needed any additional assistance with classifying the position.

8. New Business

Mike indicated he had received the e-mail from Andy and according to the new bylaws, constituted an official vote against alcohol sales at CHA. Mike then explained the benefits of allowing alcohol sales at CHA. Dana said there was no social value in selling alcohol. Patricia said she understood, from a business sense, why I proposed alcohol sales, but did not think it was a good idea. Jim suggested other activities to increase profits from the store, and that alcohol sales were not a good idea. Mike said that there was no reason to vote on alcohol sales because everyone seemed to oppose it.

Mike thought this was good time to turn the discussion toward the Farmway Store. Mike directed everyone’s attention to the graph, and explained that the store makes only 80% of the sales needed to fully fund itself. Jim strongly suggested that Mike reduce the store hours, and increase profit margins to offset lagging sales. He explained that the store should be operated as a convenient store and priced accordingly, and not rely on volume

as the larger stores do. Mike said he would make the appropriate changes and report back to the Board in a couple of months.

Estella asked if the store accepted WIC. Mike said that attempts in the past have failed because Health and Welfare does not authorize WIC in convenient stores, and because the store did not have (nor could ever have based on the size of the store) enough inventory to satisfy the minimum food orders for WIC. Estella said CHA should keep trying and that WIC would go a long way to helping CHA overcome the lagging sales at the store. Mike agreed, but indicated WIC would be almost impossible to get at the store.

10. Executive Session

Motion to enter executive session by Dana, seconded by Jim at 1:40

11. Adjourned

Meeting adjourned at 1:45