

Caldwell Housing Authority
September 1, 2009 Regular Meeting
Minutes

Board Members Present:

Estella Zamora, Dana Schuck, Patricia Benedict, Jim Blacker, Sid Freeman

Board Members Absent: Andy Rodriguez

Staff Present: Mike Dittenber, Ayde Cortina, Brenda Barker

Guests: Steve Colgrove, USDA

Location: Caldwell Housing Authority

In Order of business:

1. Roll call and call to order

Estella called the meeting to order at 3:35pm.

2. Review of August Minutes

Estella asked if everyone had a chance to review the minutes. Dana indicated he is not getting e-mail these days and did not get the minutes in advance, but does come to the meetings early to review the minutes. Patricia indicated she e-mailed Mike with some corrections prior to the meeting. The corrections pertained to 1) softening the language Mike used in the August minutes from “not as far off as Mike lead the Board to believe to “as Mike reported” and 2) to “the Board should look at the budget as a Bible and not RD recommendations.” Estella and Mike had a small conversation about WIC to clarify the August minutes. Mike said the store is set up (electronically) to receive WIC payments, but does not because the store is not authorized to accept WIC payments. Sid made a motion to accept the minutes, seconded by Jim, unanimously approved at 3:40 pm by all present.

3. Treasurer / Financial Report

Patricia gave the financial report both actual and accruals. She explained both income and expenditures. She also explained that the actual income was more than the accrued income and explained the differences. She explained the monthly expenses for July \$86,000 and a budget of \$70,000; leaving CHA \$16,000 over budget. Patricia explained that a reserve payment was made during the month of July and as a result the bank balance in the bank account was lower. Sid asked about the Painting and Decorating line item. Mike explained that it was for both interior and exterior painting of the units, and CHA tries to recoup those costs as tenant charges when a tenant moves out. Estella noted that if CHA turned 30 units around in 30 days that there would be a high demand on paint

and other maintenance materials. Estella asked if the vacancy report only shows 20 vacancies for the month of July, then how was it that 30 units were repaired and painted for new tenants. Mike explained that many people move from small units to larger units, thereby opening smaller units for rent; all of which still need painted or repaired.

Patricia explained that there were other line items that are over budget. Mike explained that there is NO overtime and there have been no pay increases. Mike explained that the salary line item is over-budget because of the salary for the store employees.

Jim asked if the Housing Authority was hit with another utility assessment over the summer. Mike indicated that CHA had not had its electricity rates increased over the summer.

Estella asked if there were any other comments on the budget. Sid made a motion to accept the financials, seconded by Jim and unanimously approved by those present at 4:05.

After the Board approved the financials, Mike offered another explanation of the budget. Mike said he spent some time looking at the expenses, and after re-categorizing many of the expenditures, it is clear that CHA is over-budget primarily because of the expenses to the water and wastewater systems. Mike explained that every water leak will cost approximately \$2,000 to fix. Mike suggested the budget would be much more in line with projections if the water and wastewater systems were reported on a separate budget.

Patricia asked Steve of Rural Development if repairs to the water/wastewater could be considered capital expenditures. Steve indicated that the reserve could be accessed to pay for water and wastewater repairs. Finally, Mike spoke about the licensing requirements for the water and wastewater systems and that training costs would increase as more licenses were obtained.

4. Guest Comments

Estella asked Brenda to return to the office to make more copies of RD Supervisory Visit conducted in July. Estella asked Mike to review RD's report and explain what has been done.

- A. \$94,000 in accounts receivable. Mike spoke about the \$94,000 in accounts receivables. Those amounts are due by tenants who left the Housing Authority owing rent. Mike explained that \$30,000 had been removed from the books during the 2007 audit at the request of CHA's accountant. Mike indicated collecting on these accounts is highly unlikely, and there is a cost to suing in small claims court and a process that would have to be developed.
- B. The Reserve Account is roughly \$50,000 short. Mike indicated this has been discussed previously and that CHA will do its best to make up the payments as much as possible; hoping the current occupancy rate would provide a boost to that effort.

- C. CHA has not been making payments to the IHFA reserve account. Mike said he never received a written waiver from IHFA, but heard through the auditor that CHA was given the payment waiver, but because of workload, never prepared a written response.
- D. Operating expenses are 7% higher than planned. Mike again suggested that much of the operating can be accounted for in the unplanned and unexpected water and wastewater issues, and hopes the 4th quarter expenses will level out and bring the budget back in line to expectations.
- E. Overspending. Mike acknowledged the delicate financial situation but explained that it wasn't "overspending" as much as he would like to believe it is doing what needs to be dealing with the consequences of an inadequate budget. Mike explained that he would watch the budget situation very closely.
- F. Find a better way to categorize miscellaneous expenses. Mike indicated that he would look at those budget categories and find a way to more accurately categorize them.
- G. Apartment repairs. RD's report indicated there were approximately 90 different items that needed repaired in the 18 different units inspected. Mike acknowledged the repairs, but at the time the report from RD was issued, there was already 195 repair request ahead of those identified by RD. Mike explained that the repairs would be addressed in turn with the other requests.
- H. Several areas along fences and roadways had weeds growing. Mike explained that they actively spray for weeds all summer long and that CHA staff spends a couple hours a day each, spraying weeds or picking up trash.
- I. Some soffits and gutter were hanging. Mike suggested the soffit and gutter issue was a direct result of poor quality construction, and that several apartments had damage or missing soffits. Mike said that would likely be a winter project, providing money was available.
- J. Handicap access needed to be cleared of overgrown shrubs and trees. Mike said he would have the trees and shrubs trimmed back to eliminate any obstacle.

Patricia asked which, if any, of those issues CHA should address first. Steve said the handicap space was the issue that should be addressed first, and they would periodically check with CHA for progress on the other findings.

Mike suggested the Board carefully consider all the recommendations in the Supervisory Report, because at the same time RD is asking CHA to carefully watch spending, they also recommended correction that would necessitate further spending. He indicated he felt trapped between a rock and a hard place. Jim said this is what happens after years of neglect and insufficient resources.

- 5. Committee Reports: NONE
- 6. Administrative reports

Estella asked Mike if there were any pressing issue in the Director's Report that needed discussed. Mike said there was only one issue he would speak of, and that was the holes that were found in wastewater cell #1 that would need to be patched.

7. Old Business

Mike said the Maintenance costs were already discussed previously and there was no reason to revisit the issue at this time.

Mike spoke of the need to discuss the process for hiring a new financial officer. Jim replied that since Ayde was leaving in January, this discussion could be postponed until the October meeting.

8. New Business

Trash. Over the weekend previous to the Board Meeting, Estella visited the Housing Authority and noticed large amounts of trash outside the containers and spilling into the streets, and wanted to know if things could be different to prevent this from happening in the future. Mike explained the trash comes on Monday mornings and trash containers are usually full by the weekend. Mike explained that the trash company regularly moves dumpsters around to adjust for high trash areas. Mike also explained that on Monday mornings, maintenance staff spends 2-3 hours picking up trash and cleaning the areas around the dumpsters and that the weekend appearance does not reflect how CHA looks during the week.

Steve Colgrove recommended a volunteer program might help with the trash. Estella suggested a "House of the Month" award in which the winner would get a \$25 store certificate. Sid suggested contacting one of the better families and asking them to start volunteering and others might follow along. Mike agreed that volunteers would be great, but has had a difficult time in the past getting people to clean their own yards, let alone picking up other trash. Mike said he would provide some effort to getting a volunteer program started in the coming weeks.

Mike spoke of some of the problems with the street lights and the patio lights. He suggested other ways to provide adequate lighting at the same time reducing electricity cost and repair costs. Steve said that any changes would have to be made with site security as a primary focus.

Mike asked if the Board was willing to support (fund) dance lessons this year. Estella said that last year's dance team fizzled out at the end of the year and the recital was poorly attended; and funds should not be used for dancing this year.

Mike asked if the Board was willing to fund a U-10 soccer team at Farmway. Mike explained that he already had a \$350 contribution. Estella excused herself from the room

and called Mr. Crookham, who donated \$200. Estella also suggested the team use some extra t-shirts she had from a community club she is a part of.

Mike spoke about collections, and explained that it might be a cumbersome process without realizing much in revenues. Many evictions occur in default—that is the tenant who owes money and is being evicted does not show up in court, so there is no way to serve a small claims notice, unless the small claims notice was filed before the eviction notice, which is present a tricky timing issue for process service. Jim said that CHA had enough to do and that sometimes it is best to just write off your losses, especially when collecting is a low probability.

Estella asked for volunteers to sit on a committee to review Mike's performance. Jim, Dana, and Sid volunteered to sit on the committee.

Prior to parting, Sid made a couple comments about the budget, and suggested CHA close the store if it becomes too much of a burden on the finances of the Housing Authority. Mike indicated the profit margin was increased from 30% to 42% and staff hours were reduced.

Sid asked if any of the staff at CHA had chemical applicator licenses. Mike said they did not have applicator licenses and would not need them unless they sprayed pesticides. Right now, 2-4-D broadleaf herbicides are the only chemical CHA applies, and a license is not required for that. Sid also suggested selling the mosquito fogger CHA owns because they will not need it because CHA is in the mosquito abatement district.

10. Executive Session: NONE

11. Adjourned

Meeting adjourned at 6:20 pm.