

**MINUTES OF THE JUNE 27, 2006 MEETING OF THE
BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF YAMHILL COUNTY**

The Board of Commissioners of the Housing Authority of Yamhill County (HAYC) met on Tuesday, June 27, 2006, at the HAYC offices, 135 NE Dunn Place, McMinnville, Oregon. Board members present were Chair Dave Newville, Commissioners Phil Griffin, Barbara Knutson and Joyce Morrow. Commissioner Kinman was absent due to illness. Staff members present were: Don Clark, Mark Davis, Elise Hui, Mike Jager and James Umfleet.

Chair Newville called the meeting to order at 7:30PM. He noted for the minutes that the meeting scheduled for May 23, 2006 was cancelled due to lack of a quorum.

Commissioner Morrow moved to approve the minutes of the April 18, 2006 meeting. The motion was seconded by Commissioner Knutson and unanimously approved. Elise Hui stated that there were no graduates of the Family Self-Sufficiency Program to recognize this month. Chair Newville said that he and Commissioner Griffin had driven by the home owned by Yamhill County Affordable Housing Corporation and being prepared for sale to a FSS graduate. He said that the property and neighborhood looked good and it should make a nice home for one of our graduates.

Commissioner Morrow reported that she had reviewed the list of expenditures for the months of April and May 2006. She had asked questions of staff regarding one expenditure, but had not further questions.

James reported on the financial statements. In May we deferred \$85,000 of HAP revenue, and have deferred \$456,000 year-to-date, as represented in the Budget Comparison as "Undesignated Funds-HAP". Most programs had a typical month of near break-even cash flow with a combined net loss of \$2,115 for the month. Chair Newville asked if we needed to offer more motivation to the Section 8 staff to help with leasing up, but Elise has provided overtime and a pizza party, both of which seem to have helped.

Elise reported on families served. Total families served was 1,763. Overall occupancy increased .42% to an impressive 97.49%! Out of 478 units, we have only 14 vacancies! Chair Newville, Don, and Elise recently treated Aaron and Sylvia Robledo, managers of Woodside Park, to lunch as they are doing such a great job. We have really noticed the value of having the managers live on-site, as they seem to be much more aware of, and concerned about, property issues. A similar recognition is planned for Donna and Martin Slauf of Tice Park.

Mike reported on maintenance and construction. Average time to complete all work orders was 7.33 days. May was a busy month and was complicated by Leo Manley being out for a few weeks due to back surgery. We contracted the painting of Bridges. We also received approval of our 2006 capital fund grant of \$113,869 from HUD. It will go

primarily toward administrative costs this time. However, the rehab of two units for the disabled is planned this year using capital grant funds.

Mark reported on Development activities. USDA/RD has finally approved rehab architectural drawings for Vittoria Square. We have a meeting next week to discuss proceeding with the rehab. By the end of the month, we will have submitted an application to RD for funding the Palmer Creek property. Discussions between our staff, our consultant Bonnie Johnson, and RD continue regarding Tamarack Winds (Jandina Park). RD feels HAYC should be putting more money into the project, but we informed them that we have no plans to offer additional funds for this acquisition. We have been discussing this project with RD for over 4 years. Village Quarter is our most active development project at this time and we continue to pursue properties near downtown. The Legard site looks feasible to submit in the next round of funding to the State.

Don suggested that the Performance Measurement System charts, included in the Board packet, be provided for information only since the charts are as of April 2006 and we will soon have the June charts to discuss. The Board concurred.

Don reminded Board members that the Commissioner's training on Ethics is coming up in July. This training is in conjunction with the Summer NAHRO Conference. Chair Newville and Commissioner Kinman are registered to attend.

Under New Business, staff presented Resolution No. 06-03 for approval regarding Village Quarter. Mark described the current property that he and Don are working on, located at 3rd & Irvine. That property is near the railroad tracks. Chair Newville asked how many trains pass by in a day, and Mark said 2. The architects like the train-theme possibilities. Parking is a big issue that needs to be resolved. The downtown design ordinance requires substantial parking which would take a larger parcel of land than is available. We are working with the McMinnville Planning Department to request a parking variance or some other solution.

The Board has previously approved a pre-development budget for Village Quarter of \$25,000, but we've nearly spent that. We project an additional \$71,000 will be needed to prepare the funding application package. Much of this amount is for legal and architectural work. Resolution No. 06-03 authorizes the application for funding from the State. In addition, staff is requesting an additional \$71,000 in pre-development funding be authorized for the project. Commissioner Griffin expressed confidence in the project and moved to approve Resolution 06-03 and additional funding of \$71,000. The motion was seconded by Commissioner Morrow and unanimously approved.

Staff also presented Resolution No. 06-02 for approval relating to the Palmer Creek property. Mark reported that we are applying for a \$387,000 loan from USDA/RD at 1% for 30 years, and a \$50,000 grant from RD to purchase and rehab Palmer Creek. This resolution authorizes staff to apply for the loan and grant. Commissioner Morrow moved to approve Resolution No. 06-02. The motion was seconded by Commissioner Knutson and unanimously approved.

Don presented the operating and capital budgets for approval, covering fiscal year ending June 30, 2007. A Board work session was held earlier in the month to discuss the budgets in detail. Don reported on changes that have been made to the budgets since the work session. The operating budget reflects income of \$11,050,291, operating expenses of \$10,900,331, Non-Operating Income/Expenses of \$124,417, Net Income of \$25,543, and estimated positive cash flow of \$324,141. The operating cash flow is transferred to the capital budget to help cover capital costs for the year.

In the Capital budget, funding sources total \$1,986,225, uses total \$1,431,308, resulting in cash available after capital expenditures of \$554,917. This includes the use of some of our existing replacement reserves. Net cash flow for the year is estimated at a negative \$313,033 after capital expenditures.

After further discussion, Commissioner Morrow moved to approve the operating and capital budgets for fiscal year 2007. The motion was seconded by Commissioner Griffin and unanimously approved.

James summarized the request for approval of a contract for audit services. Staff distributed 18 Requests for Proposals (RFPs) for audit services and received 3 responses. The 3 firms that responded were Bill Killough, Blume Loveridge & Co, and Grove Mueller & Swank. Staff recommends the selection of Blume Loveridge & Co. Chair Newville stated that, since auditors are working for the Board, the Board would like to have some direct contact with the auditor in the future. This is needed to fulfill Board responsibilities and does not in any way reflect a lack of trust of staff. After discussion, it was decided that Chair Newville and Commissioner Morrow will meet with Max Hunt of Blume Loveridge to discuss the services he will provide. A motion was made by Commissioner Griffin to approve the audit contract with Blume Loveridge. The motion was seconded by Commissioner Morrow and unanimously approved.

James presented a proposed list of tenant account balances to write off as uncollectable. Total write offs for Tice and Woodside were down from last year, but were offset by an increase for Low Rent Public Housing. We have plans to have the Finance Department become more involved with the Low Rent account manager in tracking accounts receivable. Commissioner Knutson moved to approve tenant write-offs in the amount of \$38,003.20. The motion was seconded by Commissioner Griffin and unanimously approved.

Don reported that the staff is working on a report to the Board that will show HAYC properties at book value and market value, as requested earlier by Chair Newville. We should have the list for Board review in July.

The meeting was adjourned at 8:55PM and the Board went into executive session to discuss personnel matters. Chair Newville re-opened the Board meeting at 9:30PM and announced that Don Clark had submitted his resignation as Executive Director, effective December 31, 2006, so that he could retire and spend more time with his family.

Discussion followed regarding next steps for filling the Executive Director position. Chair Newville scheduled a Special Board Meeting for Monday, July 17, 2006, at 12:00PM to discuss this matter.

The meeting was adjourned at 9:30PM.

Respectfully Submitted,

Donald A. Clark
Executive Director/Secretary