

Coos-Curry Housing Authority
Regular Board Meeting

M I N U T E S

April 23, 2013
North Bend City/ Coos-Curry Housing Authorities Main Office
1700 Monroe St.
North Bend OR 97459

Attendance:

Coos- Curry Board Members: David Tilton, President; Bruce Newman, Vice-President; Joe Cook, Commissioner; Mark Low, Commissioner; and Chris Christoffer, Commissioner (Via Phone).

Absent: David Kitchen, Commissioner.

Staff: Ned Beman, Executive Director; Karen Dubisar, Accountant; Denise Russell, Assistant to Executive Director.

Others Present: Dan Handran, P.C.

1. **Call to Order:** The meeting was called to order by David Tilton, Commissioner at 4:01 p.m.
2. **Establishment of a Quorum:** A quorum for the Coos-Curry Housing Authority was established.
3. **Election of Officers:** Initially Commissioner Dave Tilton made a motion to elect Commissioner Joe Cook as President of the Coos-Curry Housing Authority. Upon discussion, Joe declined and the motion was withdrawn. Commissioner Joe Cook (2nd by Commissioner, Chris Christoffer) made a motion to elect David Tilton for the Coos-Curry Housing Authority President. The motion carried unanimously.

Commissioner Chris Christoffer nominated Bruce Newman as Vice-Chair (2nd by Commissioner Joe Cook.) The motion carried unanimously.

4. **Seating of Commissioner:** Mark J. Low took the oath of office for seating as a Commissioner for the Coos-Curry Housing Authority.
5. **Annual Financial Report Year Ended, June 30, 2012:** Mr. Handran presented the Audit findings for the Report Year Ending, June 30, 2012. Mr. Handran had the Board of Commissioners turn to the Table of Contents.
 - Pages 1 and 2 are the Report of Independent Auditors includes an unqualified opinion in the third paragraph.
 - Pages 3 thru 10 is the required disclosure of Management's Discussion and Analysis that provides highlights of the current year and comparisons to the prior year.
 - Pages 11 thru 13 are the basic Financial Statements that include the Statement of Net Assets (similar to a Balance Sheet), Statement of Revenues, Expenses, and Changes in net Assets (similar to the Profit and Loss Statement), Statement of Cash Flows.
 - Pages 20 thru 23 are the Financial Data Schedule that is submitted electronically to

HUD.

- Pages 24 and 25 is the section that is required of the auditors by the Secretary of State.
- Pages 26 thru 34 are the Federal Financial Section that includes the Report on Internal Control Over Financial Reporting, Compliance, and Other Matters on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133; Schedule of Expenditures of Federal Awards; Schedule of Findings and Questioned Costs; Certification of Project Owner; and Independent Auditor's Report on Applying Agreed Upon Procedure.

Mr. Handran requested the Board of Commissioners to turn to:

Table 1: Statement of Net Assets. This table is a condensed version of the Net Assets so that you are able to see the differences between the 2011 and 2012 Fiscal Years.

The Total Assets decreased by \$207,560 from \$3,204,843 to \$2,997,283.

The Total Liabilities decreased by \$11,477 from \$285,037 to \$273,560.

The Total Net Assets decreased by \$196,083 (equivalent of Net Loss) from \$2,919,806 to \$2,723,723.

Table 3: Is the condensed version of the Statements of Revenues, Expenses and Changes. This table shows the differences between the 2011 and 2012 Fiscal Years.

The Total Revenues decreased by \$205,296 from \$3,793,788 to \$3,588,492.

The Total Expenses increased by \$53,581 from \$3,730,994 to \$3,784,575.

The Total Net Increase/Decreased by \$-258,877 from \$62,794 to \$-196,083.

Most of the difference is in the operation subsidies from HUD and an increase in operating expenses of \$53,581. Mr. Handran pointed out that a lot of the change is from the funding on the Housing Choice program because the funding comes in as revenue and the payments go out to the landlords with a deferred period. The majority of the cash is in the Housing Choice program which can only be used for housing assistance and admin fees. The restricted cash has had a \$534,000 decrease from last year because the funds were being used. The restricted money is not part of the reserves. Ned indicated that we get two payments from HUD, the HAP and admin fee. The Public Housing side receives a subsidy. The reason that the Housing Authority is suing HUD is because they did not give the Housing Authority any subsidy for Public Housing side. This is what has affected the \$260,000 decrease. The Housing Authority is trying to limit the effect of this decrease by keeping the voucher programs as least up as possible. The costs of Public Housing last year were covered by using reserves.

The basic financial statements starting on page 11 are more detailed. Commissioner Bruce Newman commented, even though there has been a reduction in the Net Assets that the Housing Authority is still quite strong in comparison of Assets to Liabilities. Mr. Handran agreed, but noted that most of that amount is tied up in fixed assets.

The Statement on Revenues and Expenses has a prior period adjustment of which just under half was an adjustment made by HUD for the supportive or Mainstream housing.

There are a couple things to point out on the Statement of Cash Flows; 1) When looking at the Net Cash used by the operating activities, but they are reflected differently in the statement, and some of the items appear farther down the statement like operating subsidy because it a non-

capital financing activity; and the capital money coming in to buy fixed assets sits down below of \$113,781 to acquire assets and \$18,966 are from operations activities; 2) During that year, part of the decrease in the cash is \$160,172 taken out of checking to put into investment accounts, which results in an increase in the investment accounts. Commissioner Cook asked if the investment funds came out of the cash and cash equivalents at the beginning of the year. Mr. Handran indicated that the funding was at the end.

The Federal Awards, on page 30 of the Auditor's Report, total \$3,446,144, most of which are in the Voucher program.

Commissioner Christoffer requested clarification on the PERS program, and what the liability is. Historically, the Board has been told that it is around \$1.4 million. Mr. Handran indicated that the number is larger than that. He suggested that the Board be given the Annual Report from the PERS Actuary annual. The employer pays in \$170,000 for the fiscal year and the employee portion is \$38,000 totaling \$209,000 going into PERS for the fiscal year. Page six of the Actuary Report shows the current amount owed to PERS at \$2,058,000. Mr. Handran indicated that because the PERS expense follows the payroll, the expenses are part of items like administration, employee benefit contributions, and maintenance, etc.

Ned indicated that the Actuary Report will be included in the next Board Packet under information. Every time the Housing Authority reduces staff it increases the percentage that the Housing Authority has to pay into PERS.

6. **Residents and Citizens to be heard:** None.

7. **Approval of Minutes:** Upon a motion by Commissioner, Chris Christoffer (Commissioner, Joe Cook 2nd) the minutes of the March 27, 2013, passed unanimously with the corrected spelling of Commissioner Christoffer's last name and the correction of the word "affective" to "effective" at President Tilton's request.

8. **Resolution No. 594: Fiscal Year 2013/14 Budget:** Ned stated that this budget reflects the sequestration amount for this fiscal year (2013). This is the budget that the Housing Authority will be running through next year. The budget is very slim and does use monies out of the Capital Funds for operations totaling \$17,000. The Housing Authority has made some employee changes to reduce expenses. Under Section 8, the Admin Fee has been cut to 67%. The reorganization has enabled Section 8 program to not use reserve funds. Moving forward it is important to keep the leasing up on Section 8 to keep from losing additional funding moving into the next fiscal year. The Housing Authority can afford to keep this strategy up for about six months. Commissioner Cook wondered if the media should be contacted to inform the Community that clients might need to be removed from the Section 8 program. At current budgetary levels it will affect approximately 41 voucher holders. The clients affected would go back to the top of the waiting list. Ned indicated that it may be necessary to contact the media around November because of the effects of sequestration on the Section 8 program.

A motion was made to accept the 2013 Fiscal Year Budget by Commissioner Joe Cook (2nd by Commissioner Bruce Newman). The motion passed unanimously.

9. **Resolution No. 595: Cancellation of Regularly Scheduled April Board Meeting:** A motion to cancel the regularly scheduled Board meeting for April was made by Commissioner Mark Low (2nd by Commissioner Chris Christoffer). The motion passed unanimously.

10. **Secretary's Report:** Ned noted that the Housing Authority has been operating at a loss because of no funding during the first part of the year. The Housing Authority is working hard to keep the expenses down. The reorganization has help. The Capital Funds are still in reserve because the Housing Authority doesn't have any big Capital Fund projects right now. The Housing Authority will be addressing a few maintenance projects like fencing. The Housing Authority is full on vacancies.

- A. **Financial Report:**
- B. **Operations Report:**
- C. **Maintenance Report:** None
- D. **Contracts and Projects:** None
- E. **Staff/Training:** None

11. **Informational Items:** An interesting statement was made in the North Bend City Housing Authority's Board Meeting about merging the Housing Authorities into one entity. Ned will be bring the discussion to the Board Meetings in June, but he does need to talk with State and local government officials to determine what needs to be done and what the issues might be. The consolidation would save a lot of paperwork and more flexibility on a lot of the services that are offered as a single Housing Authority.

Ned gave the Board an idea of what the Board of Commission would look like with two Commissioners from each of the Counties and two from the City of North Bend with one Resident Commissioner. The State would need to change the State Statue to abolish the two Housing Authorities; then, reflect the creation of a new entity.

12. **Executive Session:** None

13. **Adjournment:** Upon a motion by Commissioner, Chris Christoffer; (Commissioner, Bruce Newman, 2nd), the Coos-Curry Housing Authority meeting was adjourned at 4:56 p.m.

David Tilton, President
Coos-Curry Housing Authority

ATTEST:

Ned Beman, Executive Director