

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF COMMISSIONERS OF THE  
KING COUNTY HOUSING AUTHORITY**

**March 21, 2012**

**I. CALL TO ORDER**

The special meeting of the Board of Commissioners of the King County Housing Authority was called to order at 8:30 am on Wednesday, March 21, 2012 at the King County Housing Authority's Administrative Offices, 600 Andover Park West, Tukwila, Washington.

**II. ROLL CALL**

**Present:** Commissioner Nancy Holland-Young, Chair; Commissioner Michael Brown, Vice-Chair; Commissioner Doug Barnes and Commissioner Terry McLlarky

**Excused:** Commissioner Richard Mitchell

**Staff:** Stephen Norman, Dan Watson, Connie Davis, Mike Reilly, Tessa Martin, Bill Cook, Judi Jones, John Eliason, Beth Pearson, Megan Hyla, Linda Weedman, Deborah Gooden, Rhonda Rosenberg

**Guests:** Samuel Bellomio, Tom Eagan, LaDawna Stapleton and Family, and Alex Zimerman

**III. PUBLIC COMMENT**

Chair Holland-Young announced that members of the public in attendance at the meeting would have five minutes to speak before the Board

Ms. LaDawna Stapleton, wife of Albert Stapleton a KCHA employee for 33 years, read a letter to the Board of Commissioners regarding her recently deceased husband's sick leave benefit. Ms. Stapleton also left a copy of the letter with the Board of Commissioners expressing her concerns.

On behalf of the Board of Commissioners, Chair Holland-Young extended condolences to Ms. Stapleton and her family on the loss of Mr. Stapleton.

Mr. Samuel Bellomio, with StandUp America, read a letter to the Board of Commissioners outlining seven complaints and left a copy of the letter for the Board of Commissioners.

Mr. Alex Zimerman addressed the Board with complaints about the Housing Authority's management and operations.

Mr. Aaron Stapleton, son of Albert Stapleton, read a letter to the Board of Commissioners regarding his recently deceased father's sick leave benefit and left a copy of his letter with the Board expressing his concerns.

#### **IV. APPROVAL OF MINUTES**

Minutes from the February 15, 2012 Board of Commissioners' Special Meeting were presented for approval. Commissioner McLlarky moved for approval of the minutes, with Commissioner Brown seconding the motion. The minutes of the previous meeting were unanimously approved.

#### **V. CONSENT AGENDA**

There being no requests for removal of items from the Consent Agenda, Commissioner Brown moved for approval of the following Consent Agenda items:

##### **January 2012 Voucher Reports**

**General Properties:** Bank Wires/ACH Withdrawals for \$1,208,731.71; Accounts Payable vouchers #222498-222990 for \$3,403,244.27; Payroll vouchers, computer checks numbered #82029-82062 for \$40,822.97; Payroll direct deposit for \$1,129,160.25; Section 8 Program vouchers, ACH withdrawals #185181-188178 for \$7,927,864.33, computer run checks #585896-586968 for \$651,756.32; purchase card/ACH withdrawals \$138,480.52. Total for January 2012 for the General Properties was \$14,500,060.37.

**Bond Properties:** Total for January 2012 was \$1,282,717.77 related to 20 different properties.

**Resolution No. 5371:** Changes to the Public Housing Admissions and Continued Occupancy Policy (ACOP), Exhibit G – Acceptable Forms of Verification Regarding Clarification of the Income Verification Hierarchy

Commissioner Barnes seconded the motion to approve the Consent Agenda and the motion unanimously passed.

#### **VI. RESOLUTIONS FOR DISCUSSION**

Chair Holland-Young noted that there are two additional Resolutions being brought before the Board that were not on the original agenda – Resolution Nos. 5372 and 5373. Copies were distributed to Board members.

**Resolution No. 5369:** Approval of Changes in the Housing Authority's Sick Leave Policy and Procedures Manual  
Presented by: Connie Davis

Connie Davis reported that Resolution No. 5369 authorizes changes in the Housing Authority's sick leave policy. The Housing Authority's Personnel Policy Manual outlines the policies and procedures which govern KCHA's workplace and may be changed

from time to time with Board approval. Chapter 28 of the Manual governs sick leave accrual, use, procedures for reporting absences and leave sharing. It also states the Authority's attendance policy.

Ms. Davis stated that a long-term employee recently died while on active status. This employee had exemplary attendance and died suddenly with more than 1,834.25 hours of unused sick leave. Under the existing policy (Section 4.4), employees can only be compensated for unused leave if they retire from KCHA. An employee who retires and begins receiving a pension from PERS (State of Washington) is eligible to receive a payment equivalent to half of their unused leave, with a maximum of 580 hours, at the time of separation.

Resolution No. 5369 adds a new Section 4.5 which changes the policy regarding sick leave payments to allow them to be paid to the estates of employees who die while on active status with the Authority. Unfortunately, the policy cannot be made effective retroactively for the employee who recently passed because there was no enabling policy which was in effect as of the eligibility date. This policy will not go into effect for represented employees without the agreement of the respective Unions.

Stephen Norman commented that the Housing Authority does not have a legal ability to make this change retroactively or to back date the policy change.

Commissioner McLlarky stated he could support tabling the motion for the Resolution because he has numerous questions about the change in the policy, whether sick leave should accumulate and be used for this purpose, and if the change in policy is in full alignment with the Housing Authority's mission. Commissioner McLlarky asked that the motion be tabled for a future meeting until more discussion can be held on the policy change. Mr. Norman noted that the scenario where a long term employee dies on the job and has extensive accumulated sick leave is a rare circumstance for the Housing Authority, but sick leave and other policies that support employee needs serve to enhance employee morale and their commitment to the work of the agency, which is one of KCHA's strengths.

Commissioner Barnes stated he would not be in favor of tabling the motion and that the overriding principle with the proposed new policy is doing what is right for employees in the future. He noted that in the private sector employees either "use it or lose it" with respect to leave which can be counterproductive for a company.

Ms. Davis noted that the Housing Authority has no limit on the amount of sick leave that can be accrued which is highly unusual and the average tenure of employees is over fifteen years. There would be a significant financial impact to the Housing Authority if it were to pay out eligible sick leave to employees who have *not* either retired or passed away on the job.

Commissioner Brown noted that there are issues with the Housing Authority's leave policy that need further discussion, but he is not in favor of tabling the motion and is supportive of the new sick leave policy. Commissioner Barnes concurred that the entire policy does need to be addressed at a future meeting but feels the current change in the sick leave policy needs to be approved.

Chair Holland-Young asked how many employees have passed away on active status such as Mr. Stapleton. Mr. Norman replied that there have been five deaths while on active status over the last three to four years. In all but Mr. Stapleton's case, eligible sick leave was almost fully expended by the employee and other employees were donating sick leave to those individuals.

Following further clarifying questions posed by the Commissioners that were addressed by staff, an amended motion was made for the Resolution.

**MOTION:** Moved that Resolution No. 5369, Approval of Changes in the Housing Authority's Sick Leave Policy and Procedures Manual, be approved, with an amendment that the Policy be re-evaluated at the April Board meeting.

**MOVED BY:** Commissioner Barnes, seconded by Commissioner Brown. Three Commissioners voted in favor of the motion; one voted against. The motion passed.

**Resolution No. 5370:** Approval of Fiscal Year 2011 Making Transition Work Report  
Presented by: Judi Jones

Judi Jones reported that as a participant in the Moving to Work (MTW) demonstration program, KCHA is required to submit to HUD a MTW Annual Report detailing program activities carried out during the year and progress toward meeting program goals and initiatives identified in KCHA's MTW Annual Plan. In addition, information provided by KCHA is intended to inform HUD of the potential for replicating MTW-proven "best practices" for other housing authorities.

A copy of the draft MTW Report was contained in the meeting packets. Ms. Jones briefed the Board on the Authority's accomplishments in meeting MTW goals and objectives as were outlined in more detail in the Annual Report and her memorandum attached to the Resolution.

Following her presentation, Ms. Jones noted that Resolution No. 5370 requests Board approval to submit the 2011 MTW Annual Report to HUD. Chair Holland-Young thanked Ms. Jones for the work performed with the MTW Annual Report, noting that it was very informative.

**MOTION:** Moved that Resolution No. 5370, Approval of Fiscal Year 2011 Making Transition Work Report, be approved.

**MOVED BY:** Commissioner McLlarky, seconded by Commissioner Brown. Motion unanimously passed.

**Resolution No. 5373:** Amending and Supplementing Resolutions Nos. 5341 and 5368 Providing Back-Up Financing to the Fairwind Apartments King County Housing Finance Program \$2.5 Million Loan  
Presented by: Deborah Gooden

Deborah Gooden reported that Fairwind is the third and last rental housing phase of the Seola Gardens HOPE VI redevelopment of Park Lake Homes II in White Center. In 2011, KCHA applied for and was awarded \$2,500,000 in King County Housing Finance Program financing for the project as part of King County's \$6 million commitment to Seola Gardens HOPE VI. \$1,550,600 of the \$2,500,000 is derived from King County's 2012 allocation of federal HOME funds. The last step in the federal provision of those funds to King County is the congressional release, which has not occurred. It is not known if the congressional release will occur before the scheduled Fairwind Apartments HUD Mixed Finance Closing on March 28, 2012.

Ms. Gooden noted that it is a requirement of a HUD Mixed Finance closing that all necessary project financing be irrevocably committed to the project at the time of the closing. Under Resolution No. 5373, KCHA establishes a process where it provides HUD with KCHA's commitment to substitute standby construction and permanent financing for the county loan so that full and irrevocable financing is available to the project at the HUD Mixed Finance closing.

Resolution No. 5373 allows KCHA to provide, should the County Housing Finance Program Loan financing for the project not be available as scheduled, temporary construction or permanent loan financing on the same terms as the county loan. The Resolution also directs and authorizes the Executive Director to execute the commitment letter and, should it ever be necessary, take other steps to establish KCHA loans to replace the county loan. It also requires that the Executive Director take all steps to substitute county financing that would repay KCHA at the earliest possible moment for any funds advanced under this Resolution.

**MOTION:** Moved that Resolution No. 5373, Amending and Supplementing Resolutions Nos. 5341 and 5368 Providing Back-Up Financing to the Fairwind Apartments King County Housing Finance Program \$2.5 Million Loan, be approved.

**MOVED BY:** Commissioner McLlarky, seconded by Commissioner Brown. Motion unanimously passed.

## **VII. EXECUTIVE DIRECTOR'S REPORT**

Connie Davis reported that Commissioners are being issued kcha.org e-mails and she distributed copies of the e-mails and password for the accounts.

Stephen Norman noted that the Board of Commissioners had previously received his monthly Executive Director's Report via e-mail. Mr. Norman reported that some of the future Board meetings will be held at community sites and possibly at different times so more residents could attend the meetings.

Commissioner Barnes asked about the two new proposals for land purchases in White Center. Deborah Gooden reported that the offers were from Richmond American Homes for Seola Gardens and BDR Homes for Greenbridge. Both proposals are under review and a recommendation will be made to the Board once a full analysis is complete.

Commissioner Barnes asked about bid opening for the Fairwind phase of Seola Gardens and the challenge from District Council #5. Mr. Norman responded that Walsh Construction is the general contractor that was awarded the construction contract for work to be undertaken in multiple phases, with subcontracts for each phase bid out separately. HUD written guidance says that with multi-phase construction work performed under a single contract, the Davis Bacon prevailing wage rates are fixed at the time of the initial award. District Council #5 has requested that KCHA unilaterally ignore Federal guidance and rebenchmark at current Davis Bacon rates for each phase. To do so would increase construction costs by roughly \$1.7 million, force rebidding of the subcontracts, delay the closing and require renegotiation of the tax credit equity price with the tax credit partner. KCHA has notified the District Council that it would be complying with Federal guidance.

## **VIII. EXECUTIVE SESSION**

A motion was made by Commissioner McLlarky to adjourn to Executive Session at 9:30 am for approximately twenty minutes to discuss the performance of a public employee as authorized by RCW 42.30.110(1)(g). Commissioner Barnes seconded the motion and the motion unanimously passed.

At 9:50 am, a motion to return to the regular Board of Commissioners' meeting was made by Commissioner McLlarky was seconded by Commissioner Barnes and unanimously passed. No formal action was taken during the Executive Session.

The regular meeting was reconvened at 9:55 am.

## **IX. NEW BUSINESS**

**Resolution No. 5372:** Authorizing Payment of a Performance Bonus for the Executive Director for Calendar year 2011

Resolution No. 5372 was presented for Board consideration. The Board of Commissioners have reviewed the performance of the Executive Director and agreed to award him a bonus in the amount of \$5,000 for his performance in 2011. The Executive Director had noted that he would not accept more than \$5,000 despite the Board of Commissioners' evaluation of his excellent performance for 2011. Also, Chair Holland-Young amended the wording in the Resolution by adding two sentences.

**MOTION:** Moved that Resolution No. 5372, Authorizing Payment of a Performance Bonus for the Executive Director for Calendar year 2011, as amended be approved.

**MOVED BY:** Commissioner McLlarky, seconded by Commissioner Barnes.  
Motion unanimously passed.

Letters were distributed to the Board of Commissioners from two residents, Sharon Bosteder and Cindy Ference. Staff briefed the Board on circumstances in both letters.

**X. ADJOURNMENT**

There being no further business the meeting was officially adjourned at 10:15 am.

**THE HOUSING AUTHORITY OF THE  
COUNTY OF KING, WASHINGTON**

  
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**NANCY HOLLAND-YOUNG, Chair**  
Board of Commissioners

  
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**STEPHEN J. NORMAN**  
Secretary