

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

**November 19, 2012**

**I. CALL TO ORDER**

The meeting of the Board of Commissioners of the King County Housing Authority was called to order at 8:45 am on Monday, November 19, 2012 at the King County Housing Authority's Administrative Offices, Snoqualmie Conference Room, 700 Andover Park West in Tukwila, Washington.

**II. ROLL CALL**

**Present:** Commissioner Nancy Holland-Young, Chair; Commissioner Michael Brown, Vice-Chair; Commissioner Terry McLlarky, Commissioner Richard Mitchell, Commissioner Doug Barnes and Susan Palmer, Commissioner Designate

**Staff:** Dan Watson, Connie Davis, Bill Cook, Donna Kimbrough, Kristin Winkel, Gary Leaf, Claude DaCorsi, Deborah Gooden, Tim Walter, Rhonda Rosenberg, Craig Violante, Megan Hyla, Mark Abernathy, Linda Weedman, John Eliason and Marianne Everett

**Guest:** Lillie Clinton

**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 of Commissioners.

Ms. Lillie Clinton addressed the Board of Commissioners on emergency preparedness for the community.

**IV. APPROVAL OF MINUTES**

Minutes from the September 19, 2012 Board of Commissioners' meeting were presented for approval. Commissioner Brown moved for approval of the minutes. Commissioner McLlarky seconded the motion. Minutes unanimously passed.

Minutes from the October 15, 2012 Special Board of Commissioners' meeting were presented for approval. Commissioner McLlarky moved for approval of the minutes. Commissioner Brown seconded the motion, with Commissioner Mitchell abstaining from voting. Minutes passed.

**V. CONSENT AGENDA**

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

## September 2012 Voucher Reports

**General Properties:** Bank Wires/ACH Withdrawals for \$12,717,629.94; Accounts Payable checks #227819-228487 for \$8,122,872.33; Payroll vouchers, computer checks numbered #82376-82416 for \$44,225.37; Payroll direct deposit for \$1,115,265.67; Section 8 Program vouchers, ACH withdrawals #209380-212412 for \$8,823,410.01, computer run checks #593623-594390 for \$633,095.89; purchase card/ACH withdrawals \$190,697.99. Total for September 2012 for the General Properties was \$31,014,101.30.

**Bond Properties:** \$1,870,040.63 related to 20 different properties.

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

## VI. RESOLUTIONS FOR DISCUSSION

**Resolution No. 5409:** A Change in the Salary Schedule for Non-Represented KCHA Employees Authorizing a 2.9% Cost of Living Increase (COLA)  
Presented by: Connie Davis

Connie Davis reported that Resolution No. 5409 authorizes an increase in salaries for all non-represented employees of 2.9%, representing 100% of the Consumer Price Index for Clerical Workers (CPI-W) for the Seattle Tacoma area annualized from the first six months of 2012. The increase in baseline salaries is estimated to be \$372,000 for non-represented employees.

Ms. Davis noted that the Federal funding picture remains uncertain. Although sequestration (across the board cuts to virtually every federal funding source of 8.2%) and the proration in public housing operating subsidy (79%) contained in the Continuing Resolution are not likely to persist past March 2013. It remains clear that regardless of the outcome of the presidential election, deficit cutting will be a priority. Non-defense, discretionary programs, like affordable housing programs, will be prime targets.

Ms. Davis briefed the Board of Commissioners on the budgetary impact of the COLA for non-represented employees. She also briefed the Board on economic changes to PERS and medical premiums as were further detailed in her cover memorandum for Resolution No. 5409. The overall increase in 2013 salary and benefits for non-represented employees due to these changes is \$633,000 or 3.8% over current baseline costs.

KCHA is currently in negotiations with OPEIU #8. When the OPEIU contract is settled, the Board will be asked to approve that salary change as well.

**MOTION:** Moved that Resolution No. 5409, A Change in the Salary Schedule for Non-Represented KCHA Employees Authorizing a 2.9% Cost of Living Increase (COLA), be approved.

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

**Resolution No. 5410:** A Change in the Salary Schedule for Employees Represented by the Seattle/King County Building and Construction Trades Council Authorizing a 2.9% Cost of Living Increase (COLA)  
Presented by: Connie Davis

Connie Davis reported that Resolution No. 5410 authorizes an increase in salaries for all employees represented by the Seattle/King County Building and Construction Trades Council ("Council") of 2.9%, which represents 100% of the Consumer Price Index for Clerical Workers (CPI-W) for the Seattle Tacoma area annualized from the first six months of 2012.

The Housing Authority and the Council are currently parties to a Collective Bargaining Agreement for the period of November 1, 2011 to October 31, 2013. The Agreement has an annual re-opener for wages and benefits only. KCHA has successfully concluded negotiations with the Council for the 2012-2013 period; and the membership ratified the Agreement, accepting the Authority's offer of a 2.9% cost of living increase. This is effective with the first full pay period paid in November.

Ms. Davis briefed the Board of Commissioners on the budget impact for the increase for the 70 maintenance workers represented by the Council. The average wage and benefit package for a member represented by the Council will be approximately \$76,975 in FY 2013.

Commissioner Holland-Young asked Ms. Davis to brief the Board on the increases anticipated under PERS (the Public Employee's Retirement System). Ms. Davis replied PERS is increasing employers' contribution rates from 7.21% to 9.19% of salaries, effective July 1. These rates have been recommended by the State Actuary and must be adopted by the Legislature in spring 2013. Ms. Davis stated that she estimates the 2013 impact of the rate change to be approximately \$157,000. Using the increased rate for the full year in 2014 would add an additional \$127,000 to KCHA's benefits costs for a total increase of \$284,000 to KCHA's baseline costs. The State Actuary provided a five year estimate of PERS rates in 2009, with estimated costs climbing in later years. Since then KCHA has been forecasting retirement costs over a moving six-year time horizon and placing amounts into reserves to smooth future cash flow needs. By the end of FY 2012, reserve balances rose to \$749,000. Based on current forecasts, approximately \$77.5 thousand of this reserve will be used in 2013 to reduce the need to use current revenues to cover the PERS rate increase.

**MOTION:** Moved that Resolution No. 5410, A Change in the Salary Schedule for Employees Represented by the Seattle/King County Building and Construction Trades Council Authorizing a 2.9% Cost of Living Increase (COLA), be approved.

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

**Resolution No. 5411:** Adopting a Statement in Opposition to the Sequestration Cuts mandated by the Budget Control Act of 2011  
Presented by: Megan Hyla

Megan Hyla reported Resolution No. 5411 asks the Board of Commissioners to add its voice to that of hundreds of other organizations across the country in spelling out KCHA's concerns regarding the impact of potential cuts on the most vulnerable members of our community. She noted that KCHA shares the vision of the Washington Low Income Housing Alliance for everyone in Washington to have the opportunity to live in a safe, healthy, afford-

able home. Cuts to programs that serve low and moderate income renters and homeowners will drastically reduce services and increase the number of people experiencing homelessness in Washington State including the elderly, people with disabilities, families with children and veterans.

Ms. Hyla noted that as mandated by the Budget Control Act of 2011 and because Congress failed to pass a bill reducing the deficit by \$1.2 trillion, that amount will be automatically sequestered through across-the-board budget cuts from mandatory and discretionary spending in the years 2013 – 2021, beginning with \$110 billion of automatic cuts commencing on January 2, 2013. The sequestration of federally-funded housing and community development programs is directly in opposition to the goal of providing safe, healthy, affordable homes and the necessary supportive services, as well as the development and recovery of thriving communities.

She concluded her presentation by stating that Resolution No. 5411 would state that the Housing Authority strongly opposes the sequestration of federal funding for housing and community development programs and strongly urges Congress to halt the non-defense, discretionary cuts in order to protect key programs that prevent and end homelessness and truly serve the most vulnerable in our communities. Instead it urges Congress to adopt a balanced approach that includes additional revenue and upholds the federal commitments to affordable housing, community development, and ending homelessness. A copy of the Resolution if approved would be sent to the State's Congressional delegation.

**MOTION:** Moved that Resolution No. 5411, Adopting a Statement in Opposition to the Sequestration Cuts mandated by the Budget Control Act of 2011, be approved.

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

## **VII. BRIEFINGS**

### **Preliminary FY 2013 KCHA Budget**

Presented by: Connie Davis

Connie Davis presented an overview of the most critical assumptions driving the draft Comprehensive Operating and Capital Budget for Fiscal Year 2013 as well as briefing the Board of Commissioners via a PowerPoint presentation, a copy of which is appended to the meeting records.

Ms. Davis concluded her presentation by stating that while revenues and operating projections are still being finalized, barring significant and sustained cuts in Federal funding, KCHA is well positioned to sustain current operations for the next 12 months. Even in a worst case scenario, KCHA appears to have adequate reserves to bridge any immediate reductions in funding for an interim period until program operations and KCHA's run rate can be scaled to match operating revenues. However, close attention will continue to be paid to the adequacy of reserve levels and any increases in on-going expense levels that cannot be easily ramped down. A final proposed budget will be brought to the Board of Commissioners for approval at its December 2012 meeting. Ms. Davis offered one-on-one meetings with Commissioners to further review the budget, should they wish, prior to the December meeting. The Commissioners thanked Ms. Davis for her comprehensive briefing.

**VIII. REPORTS**

**Quarterly Dashboard Report**

Presented by: Megan Hyla

Ms. Hyla referred Commissioners to the Quarterly Dashboard Report as contained in their meeting packets and briefed the Board on some of the highlights. There were no questions from the Commissioners.

**IX. EXECUTIVE DIRECTOR'S REPORT**

The Board of Commissioners had previously received the Executive Director's Report. Chair Holland-Young asked about the incident at Casa Madrona as cited in the Report. Those questions that were posed by the Board on this issue were satisfactorily answered by staff. There were no further questions on the Executive Director's report from the Commissioners.


**X. COMMISSIONER COMMENTS**


Commissioner McLarky noted that the Board of Commissioners received a letter from a tenant and asked if it would be possible to include discussion on the letter at the December Board meeting. Bill Cook and Linda Weedman briefed the Board on the background of the letter, KCHA involved policies and what the Authority's next actions will be on the issue.

**XI. ADJOURNMENT**

There being no further business the meeting was officially adjourned at 10:00 am.

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

  
Doug Barnes for **NANCY HOLLAND-YOUNG**, Chair  
Board of Commissioners

  
**STEPHEN J. NORMAN**  
Secretary