

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

**November 18, 2013**

**I. CALL TO ORDER**

The meeting of the Board of Commissioners of the King County Housing Authority was called to order by Chair Doug Barnes at 8:30 am on Monday, October 21, 2013, at the King County Housing Authority's Administrative Offices, 600 & 700 Andover Park West, Tukwila, Washington.

**II. ROLL CALL**

**Present:** Commissioner Doug Barnes, Chair; Commissioner Susan Palmer and Commissioner Richard Mitchell

**Excused:** Commissioner Michael Brown

**Staff:** Stephen Norman, Dan Watson, Connie Davis, Tessa Martin, Steve Jefferis, Nikki Parrott, Mike Sivia, Tony Srouch, Tim Walter, Craig Violante, Megan Hyla, Deborah Gooden, Linda Weedman, Mike Reilly, Rhonda Rosenberg, Gary Leaf, John Eliason, Donna Kimbrough, Bill Cook, Claude DaCorsi and Beth Pearson

**Guests:** Bill Goodwin, Lillian Clinton

**III. PUBLIC COMMENT**

Chair Barnes announced that members of the public in attendance at the meeting would have five minutes to speak before the Board of Commissioners. There were no public comments.

**IV. APPROVAL OF MINUTES**

Minutes from the October 21, 2013 Board of Commissioners' Meeting were presented for approval. Commissioner Palmer moved for approval, with Commissioner Mitchell seconding the motion. The minutes were unanimously approved.

**V. Consent Agenda**

**September 2013 Voucher Reports**

**General Properties:** Bank Wires/ACH withdrawals for \$3,565,163.67; Accounts Payable checks #236075-236733 for \$4,029,483.10; Payroll vouchers, computer checks #-82898-82937 for \$45,025.62; Payroll direct deposit for \$1,139,274.70; Section 8 Program vouchers, ACH withdrawals #247609-250796 for \$9,223,420.48, computer run checks #601068-601540 for \$318,101.13; purchase card/ACH withdrawal \$252,603.09 Total for August 2013 for the General Properties was \$18,573,071.79.

**Bond Properties:** \$2,574,075.10, related to 19 different properties.

There being no requests for removal of items from the Consent Agenda, Commissioner Mitchell moved for approval. Commissioner Palmer seconded the motion and the motion unanimously passed.

## **VI. EXECUTIVE SESSION**

A motion was made by Commissioner Mitchell to adjourn to Executive Session at 8:35 am for approximately thirty minutes as authorized by RCW 42.30.110(b). The motion was seconded by Commissioner Palmer and unanimously passed.

The regular meeting of the Board of Commissioners was reconvened at 9:05 am by a motion made by Commissioner Mitchell and seconded by Commissioner Palmer. Motion unanimously passed, and no action was taken during the Executive Session.

## **VII. RESOLUTIONS FOR DISCUSSION**

Chair Barnes announced that Resolution No. 5450, Authorizing Acquisition of the Gilman Square Apartments by Condemnation or by Purchase in Lieu Thereof, that was not on the original agenda, was being brought to the Board of Commissioners for consideration.

Tim Walter briefed the Board of Commissioners on the background, pricing and terms of the potential acquisition of Gilman Square Apartments in Issaquah as well as referring Board members to the project profile contained in the meeting packets. Mr. Walter noted that acquisition of Gilman Square is a high priority for KCHA in order to ensure a level of affordable housing in the Issaquah community. The site contains 14 multi-family buildings, a community clubhouse that is also being used as a leasing office and one single family home located on nine acres. 40% of the units are occupied by households with incomes at or below 60% of the AMI.

Approval of Resolution No. 5450 would authorize the Executive Director to acquire Gilman Square Apartments by condemnation through exercise of the Housing Authority's power of eminent domain if the property cannot be acquired on satisfactory terms through negotiation with the owner for a price not to exceed \$23 million (101.5% of the appraised value). Mr. Walter further briefed the Board of Commissioners on the underlying financial structure for the purchase. Following clarifying questions posed by Commissioners that were satisfactorily addressed by Mr. Walter and staff, a motion was made for Resolution No. 5450.

**MOTION:** Moved that Resolution No. 5450: Authorizing Acquisition of the Gilman Square Apartments by Condemnation or by Purchase in Lieu Thereof, be approved.

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

**Resolution No. 5451:** Acknowledging Receipt of the Post Audit Report for the Period January 1, 2012 through December 31, 2012  
Presented by: Craig Violante

Craig Violante reported that on September 30, 2013 the Washington State Auditor's Office (SAO) issued Financial and Single Audit Report Number 1010609. The Report relates to KCHA's fiscal year which ended on December 31, 2012. Report No. 1010609 covers the Authority's financial statements and related disclosures along with the Federal "Single Audit" for the period January 1, 2012 through December 31, 2012. Within this report are, in addition to KCHA's combined financial statements, separate financial statements for the 1998 Bond Pool. These separate audited financial statements are a requirement of the indentures in support of the bonds' credit ratings.

Mr. Violante noted that there were no findings in this year's Financial Statements and Federal Single Audit report, and there were no management letter items. An exit interview with the SAO was held on September 27, 2013 to review the results of the audit. As the separate Accountability audit has not yet been completed, this was not covered in the exit conference.

**MOTION:** Moved that Resolution No. 5451: A Acknowledging Receipt of the Post Audit Report for the Period January 1, 2012 Through December 31, 2012, be approved.

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

## **VIII. FINANCIAL BRIEFINGS**

### **Quarterly Financial Reports**

Craig Violante briefed the Board of Commissioners on the Third Quarter 2012 Financial Statements as contained in the meeting packets. Claude DaCorsi and Tim Walter further briefed the Board on capital project expenditures shown in the financial report. Sean Heron updated the Board of Commissioners on the progress of KCHA's software conversion. Questions posed by Commissioners were answered by Mr. Violante and staff.

### **Draft Budget Presentation**

Connie Davis briefed the Board of Commissioners, via PowerPoint, on the preliminary fiscal year 2014 KCHA budget as was contained in the meeting packets. The final budget will be presented to the Board of Commissioners for approval at the December meeting. The Board of Commissioners thanked Ms. Davis for her comprehensive presentation.

### **New Bank Accounts**

There were no questions from Commissioners on the 12 new bank accounts that were recently opened.

### **Third Quarter Summary Write Offs**

There were no questions from the Board of Commissioners on the Third Quarter 2013 Summary write offs.

### **IX. REPORTS**

#### **Dashboard Report**

Megan Hyla briefed the Board of Commissioners on the quarterly Dashboard Report as contained in the meeting packets, in particular the utilization statistic.

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

At Stephen Norman's request, Tim Walter updated the Board on the progress of the Chaussee Properties acquisition.

### **XI. ADJOURNMENT**

There being no further business, the meeting was officially adjourned at 10:45 am by a motion from Commissioner Mitchell, seconded by Commissioner Palmer and unanimously passed.

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



**DOUGLAS J. BARNES**, Chair  
Board of Commissioners



**STEPHEN J. NORMAN**  
Secretary