

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

Monday, December 19, 2016

I. CALL TO ORDER

The regular meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, December 19, 2016 at the King County Housing Authority, 700 Andover Park West, Tukwila, WA 98188. There being a quorum, the meeting was called to order by Vice-Chair Michael Brown at 8:33 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes *via phone* (Chair), Commissioner Michael Brown (Vice-Chair), Commissioner Susan Palmer, Commissioner TerryLynn Stewart, and Commissioner John Welch

III. PUBLIC COMMENT

None.

IV. APPROVAL OF MINUTES

On motion by Commissioner Stewart and seconded by Commissioner Welch, the Board unanimously approved the minutes from the Board of Commissioners' meeting of November 21, 2016.

V. APPROVAL OF AGENDA

On motion by Commissioner Palmer and seconded by Commissioner Stewart, the Board unanimously approved the December 19, 2016 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for October 2016

October 2016

GENERAL PROPERTIES

Bank Wires / ACH Withdrawals	9,719,456.54
	<i>Subtotal</i> <u>9,719,456.54</u>
Accounts Payable Vouchers	
Key Bank Checks #305657-#306174	5,417,187.76
Tenant Accounting Checks #10246- #10276	6,5551.69
Commerce Bank Direct Payment	76,168.56
	<i>Subtotal</i> <u>5,499,908.01</u>
Payroll Vouchers	
Checks - #90277 - #90303	26,606.27

Direct Deposit	1,325,550.19
	<u>Subtotal</u> 1,352,156.46
Section 8 Program Vouchers	
Checks - #615379-#615695	192,562.99
ACH - #362445-#365335	10,521,245.50
	<u>Subtotal</u> 10,713,808.49
Purchase Card / ACH Withdrawal	208,490.76
	<u>Subtotal</u> 208,490.76
	GRAND TOTAL 27,493,820.26

BOND PROPERTIES
 Bond Properties Total (31 different properties) **3,002,628.67**

On motion by Commissioner Welch, seconded by Commissioner Stewart, the Board approved the consent agenda.

VII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5557: Authorizing Higher Payment Standards for the Housing Choice Voucher Program (HCV)

Andrew Calkins, Senior Program Manager briefed the Board on Resolution No. 5557 and reiterated the adoption of the HCV multi-tiered payment standards by the Board, in February 2016. Mr. Calkins provided an update on the review of payment standard levels and recommended levels for 2017, which represent an increase to the Payment Standards from those adopted in February 2016. Mr. Calkins also explained the proposed implementation plan, cost implications and financial impact.

All questions raised by the Commissioners were satisfactorily addressed by staff.

On motion by Commissioner Stewart, seconded by Commissioner Palmer, the Board unanimously approved Resolution No. 5557.

B. Resolution No. 5558: Authorizing the Authority to loan up to \$12,000,000 in Moving To Work funds to finance energy efficiency improvements at Public Housing properties; and authorizing the execution of related documents

Connie Davis, Deputy Executive Director, presented Resolution No. 5558 to the Board providing background information on the Energy Performance Contract (EPC) with Johnston Controls and an update on the contract measures. Ms. Davis explained the funding process and discussed outreach conducted to Residents who received upgrades as well as shared a copy of

the instructional handout given to Residents during informational training sessions.

Ms. Davis introduced Beth Pearson as the Director of Real Estate Initiatives and EPC Project Manager. Ms. Pearson explained loan terms, risk and mitigation. Ms. Pearson also explained that the source of the loan would be Moving to Work working capital. Savings generated by the Project will be sufficient to repay the loan and generate additional savings, which can be used by the Authority for other operating and capital expenses.

All questions raised by the Commissioners were satisfactorily addressed by staff.

On motion by Commissioner Palmer seconded by Commissioner Stewart, the Board unanimously approved Resolution No. 5558.

C. Resolution No. 5559: Authorizing approval of the Comprehensive Operating and Capital Budgets for the Calendar Year beginning January 1, 2017

Craig Violante, Director of Finance presented the proposed 2017 Comprehensive Operating and Capital Budgets. Funding sources have been identified for all expenditures reflected in the 2017 budget. Mr. Violante mentioned the budget was created with the assumption that KCHA will not obtain a 2017 Renewal Funding Inflation Factor adjustment for its Housing Choice Voucher program. Staff also assumed a 97% and 85% prorate in the Voucher and Public Housing programs respectively.

Mr. Violante stated that the budgeting process was guided by the Board's main goals as outlined for the agency. Mr. Violante presented the Operating and Capital budgets as well as Personnel Service Costs and Cash Balances.

Mr. Violante discussed key aspects of the budget and noted the strength of KCHA's Balance Sheet, continued operations of core programs such as Resident Services and Homeless Housing as well as planned expansion of households served across all programs and portfolios.

Commissioner Welch asked for clarification in regard to unrestricted cash and how many residential units are supported in the proposed budget.

Commissioner Brown asked about the budget theme for 2017 and mentioned that the budget was well thought-out, and wants to make certain the agency maintains a good balance between ongoing work and future investment decisions.

Commissioner Palmer asked and received an update on KCHA's collective bargaining status

Commissioner Barnes thanked staff for additional informational budget meetings and commended the team.

Mr. Violante noted that a correction needs to be made to Resolution No. 5559, due to a minor misprint in the date. Section 1, shall be modified to state 'Total 2017 Expenditures'.

On motion by Commissioner Stewart seconded by Commissioner Palmer, the Board unanimously approved Resolution No. 5559 as modified.

D. Resolution No. 5556: Approval to amend the Procurement Policy and Procedures Manual for the King County Housing Authority

Connie Davis, Deputy Executive Director, provided information on Resolution No. 5556 and explained that the Procurement Policy and Procedures Manual is a document that guides the procurement activities of KCHA employees.

Ms. Davis stated that revisions were made to the existing Procurement Policy and Procedures Manual adopted by the Board (Resolution No. 3067), in April 2000. Ms. Davis announced sections deleted, moved and added to the documents. Ms. Davis addressed the most significant changes detailed in the Board memorandum.

On motion by Commissioner Welch seconded by Commissioner Stewart, the Board unanimously approved Resolution No. 5556.

VIII. BRIEFINGS & REPORTS

A. New Bank Accounts

Craig Violante, Director of Finance, reported that KCHA opened four new business bank accounts for the Highland Village Apartments and Vantage Point Apartments.

B. Third Quarter 2016 Executive Dashboard Report

Andrew Calkins, Senior Program Manager briefed Board of Commissioners on the Executive Dashboard for the third quarter of 2016.

IX. STUDY SESSION: Leadership Development Initiative

Tonya Harlan, Director of Human Resources presented the conceptual framework created for KCHA's Leadership Development Initiative. Ms. Harlan provided an overview of the supplemental documents included in the Board materials (KCHA Management Philosophy, Employee Training Plan and

KCHA Management University) and mentioned that further modifications will be made as the Plan matures.

Overall, Commissioners were supportive of the Leadership Development Initiative. Commissioner Palmer asked whether specific training regarding management of the collective bargaining unit would be included; staff confirmed it would be.

Commissioner Welch asked if the Initiative is new to the organization and if training would be provided in house or contracted out. Staff confirmed that the Initiative is new to the organization and is looking at resources to determine how the training will be provided, but the preference would be a combination of both. Mr. Welch emphasized that staff understand the value of the framework and continue to foster the Initiative.

Commissioner Brown asked staff to be intentional when implementing professional and leadership development, to help employees build the skills they need to succeed on their career path. Mr. Brown spoke in favor of the Initiative and its potential to continue to build a talented team and encourage Employee Engagement.

X. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman mentioned the appointment of Dr. Ben Carson as the new Secretary of U.S. Housing and Urban Development and provided an update. Mr. Norman expressed his concerns regarding the nominee for Director of the Office of Management and Budget (OMB). With a significant level of uncertainty as to funding levels in 2017, KCHA is taking the precautionary measure of putting holds on a number of budget proposals until appropriations become clearer. Mr. Norman assured the Board that staff is keeping a close eye on the process.

Commissioner Welch asked about key administration positions to be filled by the new HUD Secretary. Mr. Norman stated that HUD Leadership will receive a completely new administrative staff and that the Council for Large Public Housing Authorities (CLPHA) is working with the new administration's transition team. Mr. Norman mentioned that so far no one below the Secretary level has been appointed.

XI. KCHA IN THE NEWS

None.

XII. COMMISSIONER COMMENTS

None.

XIII. ADJOURNMENT

On motion by Commissioner Stewart, seconded by Commissioner Palmer, the Board adjourned the meeting at 10:34 a.m.

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



MICHAEL BROWN, Vice-Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary