

HOUSING AUTHORITY OF SALT LAKE CITY
BOARD MEETING MINUTES

Housing Authority of Salt Lake City
1776 South West Temple
Monday, May 22, 2017
11:00 a.m. – 2:15 p.m.

A meeting of the Board of Commissioners of the Housing Authority of Salt Lake City was held from 11:00 a.m. – 2:15 p.m.

Board Members in Attendance

Palmer DePaulis, Board Chair
Dave Mansell, Vice Chair
Philip Bernal, Commissioner
David Litvack, Commissioner

Absent

Alfonsa Price, Commissioner

Excused

Cindy Gust-Jenson, Commissioner

Staff in Attendance

Daniel Nackerman, Executive Director
Robyn Cordova, Finance Director
Tyson Montoya, Controller
Britnee Dabb, Deputy Director
Kim Wilford, Deputy Executive Director
Laryn Hill, Director of Property Management
Joe Post, Director of Real Estate Development
Zac Pau'u, Director of Homeless Programs
Jackie Rojas, Director of Section 8
Charlene Owen, Administrative Assistant

Guests

Chad Porter, Smith Marion & Company
Sherri Wittwer, OPTUM

Legal Counsel in Attendance

Ryan Warburton, Gilmore & Bell

Chair DePaulis convened the open meeting of the Housing Authority of Salt Lake City.

MOTION FOR APPROVAL OF THE HASLC OPEN MEETING MINUTES OF April 24, 2017

The Executive Director has provided each Commissioner with a copy of the written minutes of the April 24, 2017 Open Meeting and the Commissioners acknowledged they had sufficient time to review these minutes. Chair DePaulis called for a motion.

Motion

Commissioner Litvack moved to approve the HASLC Open Meeting Minutes of April 24, 2017. Commissioner Bernal seconded the motion. Commissioner Bernal noted a correction he wants to make on page 4 of the April 24th minutes. It refers to a statement Commissioner Bernal made at that meeting regarding options for employee discipline. It states “He [Commissioner Bernal] thinks appropriate discipline should be more detailed so the employee is aware of their options” Commissioner Bernal would like this corrected to say “appropriate discipline should be more detailed so the employee is aware of the **Supervisor’s** options.” This will be corrected in the April 24, 2017 minutes.

The motion passed unanimously with Commissioners Bernal, DePaulis, Litvack, and Mansell voting in favor.

PUBLIC COMMENT

None

NEW BUSINESS

Discussion & Motion Items

*Britnee Dabb, Deputy Director and
Daniel Nackerman, Executive Director*

Adopt Resolution #511-2017 Approving the 2017 Employee Handbook thereby replacing the 2005 Personnel Policies Handbook in its entirety

This item is continued from the last Commission meeting. Britnee reported that the last time the Personnel Policies Handbook was fully updated was in July 2005 with very few policies updated or created since. Employment law constantly changes and not all commonly followed personnel policies were included in the July 2005 personnel policies. She started compiling the new employee handbook in 2015. Drafts were created in late 2015 and 2016. Legal reviews of drafts occurred in mid-2016. At last month’s board meeting (April 24, 2017) significant feedback was received from Commission members

regarding specificity for investigations and appeals, clarity regarding disciplinary procedures, and the need for “procedures” beyond basic policy in key areas such as harassment and discrimination. The need for insertion of Domestic Partner policies was also noted.

Since the last board meeting, there have been discussions with Salt Lake City’s Human Resource Director, Julio Garcia, and our personnel attorney. We made additional changes in the policy book. With these revisions and revisions in the coming months, we recommend that the Employee Handbook be approved. We will continue to refine procedures and share with the board.

Palmer clarified that we are adopting the base document to replace the old manual. The board has requested that new personnel policies be brought before them, as well as any administrative procedures we have written.

Motion

Chair DePaulis called for a motion to Adopt Resolution #511-2017: Approving the 2017 Employee Handbook thereby replacing the 2005 Personnel Policies Handbook in its entirety. Commissioner Litvack made the motion; Commissioner Mansell seconded it. The motion passed unanimously with Commissioners Bernal*, DePaulis, Litvack, and Mansell voting in favor. *Commissioner Bernal later abstained. His vote is not necessary for a majority vote, according to our attorney Ryan Warburton.

Discussion regarding future Employee Handbook changes with regard to Work Hours, Compensation, Benefits and Work Conditions.

Britnee Dabb, Deputy Director

Daniel Nackerman, Executive Director

This report is only to give a base understanding of potential changes or written policies that will be included in the updated Employee Handbook at the next board meeting. This base will provide the background for the subsequent Commission meetings wherein updates for written policies will be proposed in the updated Employee Handbook.

It is our intent to further change or add hours, compensation, benefits and work condition policies in the updated Employee Handbook to more clearly define expectations for the employee and HASLC while creating a more professionally nurturing workplace. Also, updating benefits and conditions to include a tiered system (Tier I and Tier II) will make HASLC more successful in a competitive job market.

We are working on a telecommuting procedure under very specific and relatively rare circumstances.

Compensation growth policies and procedure were missing or unclear in the past 2005 handbook and as recently discussed will be proposed to be structured as follows:

Pay raises (when applicable) based on a blend of 1) job performance, 2) longevity and 3) cost of living. The longevity policy will mirror that of Salt Lake City policies. The overall budget for such will be fully dependent on Commission approval of the budget at the beginning of the year.

Related to compensation issues, a 2% language barrier assistance compensation will be offered to all employees tested as proficient in any language other than English.

A Tier I and Tier II benefit system will be proposed for all employees going forward. Most benefits would be the same, with the only changes listed below for Tier II:

- No 2.65% 401k HASLC contributions on top of what was already required by law.
- More vacation time at the front end for new employees with lessor vacation overall.

2016 Audited Financial Statements

Chad Porter, Smith Marion & Company

The Housing Authority of Salt Lake City provides housing opportunities through HUD subsidized programs such as “Public Housing” and Housing Choice Vouchers (Section 8) as well as through Tax Credit-funded and other properties that are owned by the Housing Authority.

Each year our contracted auditors, Smith Marion & Company do an interim audit at the end of the year to review internal controls and to do a single audit of Section 8 which is our major program. This audit includes sample selections of accounts payable check registers, Public Housing billing registers and items related to payroll/personnel. The single audit of the Section 8 program also includes Housing Assistance Payment (HAP) registers for eligibility requirements. Special testing is performed for all new or transferred participants and a listing of all failed HQS inspections. A current listing of current board members and board minutes from the beginning of the fiscal year to the end is also reviewed.

Chad said the challenge with these audits is the time crunch placed on Robyn Cordova and her staff. They have to gather a number of documents in a short amount of time. He recommends that we hire an outside consultant firm to assist us with this task. Housing Authorities that have this large amount of tax credit properties generally have an outside tax consultant firm come in and assist them with this task.

HASLC has continued to increase its net position year after year by the responsible management of its resources and a continued emphasis of real estate developments in order to enhance its portfolio and create non-HUD revenues.

This audit had no audit findings. One concern regarding reporting of capital and depreciation is mentioned in the “management letter” to be reviewed during this meeting.

Motion

Commissioner Bernal moved to accept the 2016 audited financial statements. Commissioner Litvack seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Litvack, and Mansell voting in favor. There were no objections or abstentions.

Review and Accept the Auditors Letter of Communication to Those Charged with Governance

Daniel Nackerman, Executive Director

Auditors/CPA’s routinely provide comments and concerns in an annual letter to management that is separate from the Financial Statements/Audit document. The “management letter” is provided to address confirmation of compliance and to note one item of concern. It was noted that there are software constraints at HASLC relating to the disposition of assets. While the detail capital assets materially agreed with the detail accounting records, there were non-material variances between the two systems. The issue is that some depreciated assets were being included in the detail, therefore subsidiary ledgers in these areas did not seem to match to the general ledger. The auditor has recommended that we work with the software company to resolve these issues now before they become material at a later date.

HASLC is scheduling an on-site YARDI software training agency-wide in June 2017. There will be a session on Capital Assets where several of the finance staff will be in attendance. Our focus will be to fix the current system and learn what the process should be going forward to avoid this variance in the future.

We recommend that the board accept the management letter and follow the Auditors recommendation for software system changes.

Motion

Commissioner Litvack moved to accept the Auditors’ letter of “Communication to those Charged with Governance”. Commissioner Mansell seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Litvack, and Mansell voting in favor. There were no objections or abstentions.

Approve the Six-Month Account Reconciliation (Write Offs)

Daniel Nackerman, Executive Director

The Housing Authority of Salt Lake City conducted a reconciliation of our uncollected receivables or bad debt during the second half of FY2016 (July 2016 – December 2016). HASLC incurred \$87,380 in total bad debt for all programs. Much of the bad debt is due to one or more of the following reasons:

- Uncollected past due rents and / or treble damages owed after they have moved out
- Uncollected maintenance back-charges or tenant related property damages
- Legal charges associated with tenant evictions
- Uncollected landlord overpayments often resulting from unreported tenant moves, tenant skips, or tenants that pass away
- Uncollected tenant repayment agreements

We will be giving the board quarterly write off reports instead of every six months.

Motion

Commissioner Mansell moved to approve the six-month account reconciliation (write-off of bad debt of \$87,380). Commissioner Bernal seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Litvack, and Mansell voting in favor. There were no objections or abstentions.

Discussion of Wait List Preferences

Kim Wilford, Deputy Director

Housing Authorities are permitted to establish local preferences giving priority on waiting lists to families and individuals meeting specific criteria. There are HUD restrictions over these certain types of local preferences.

All local waiting list preferences must be consistent with the Public Housing Authority Annual Plan and the local consolidated Plan and must be based on local housing needs and priorities documented with demographic evidence. All housing preferences must comply with fair housing and non-discrimination laws.

Some common wait list preferences at other Housing Authorities include homeless veterans, veterans, the chronic homelessness, and other specific groups with high and timely needs. Some agencies target certain income levels as well.

We are looking at adding domestic violence as a preference and would like to have further discussion about this.

HASLC presently has one primary preference for its largest program, the Housing Choice Voucher program (Section 8). This preference is for victims of domestic violence. The policy also guides targeted funding for “Family Unification”, Non-Elderly Disabled, those with Veterans Affairs Supportive Housing (VASH) vouchers, and “Tenant Protection” needs. For technical reasons, there is also a preference for termination due to insufficient funding – the PHA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding.

The current HASLC Admissions and Continued Occupancy Policy (ACOP) governing policies and procedures of the Public Housing Program, currently contains **no preferences** for the wait list. The Public Housing properties under the HASLC portfolio include City Plaza, Rendon Terrace and Phillips Plaza, all housing senior residents (62 and over). Romney Plaza is a mixed population development, housing senior and disabled residents

Implementation of a local preference requires the following:

- HUD Field Office approval through documentation of local area housing needs and priorities with demographic evidence
- Resident Advisory Board (RAB) notification and approval
- Public Notice
- Revised HUD Annual and Five Year Plan with HUD Approval
- Commission approval

By far the biggest waiting list is for Section 8 vouchers. They can live in either jurisdiction – the city or the county. We have a combined application, but separate waiting lists.

If we get into “Moving to Work” in the future, that’s another area to target local needs much better. It kind of eliminates some of the HUD regulations.

Motion

Commissioner Litvack made a motion to go into Closed Session to discuss strategy with respect to purchase/sale of real property. Commissioner Mansell seconded. The motion passed unanimously with Commissioners Bernal, DePaulis, Litvack, and Mansell voting in favor. There were no objections or abstentions.

CLOSED SESSION

Motion

Commissioner Mansell made a motion to close the Closed Session and reconvene the Open Session. Commissioner Bernal seconded the motion. The motion passed unanimously with Commissioners Bernal, DePaulis, Litvack, and Mansell voting in favor. There were no objections or abstentions.

OPEN SESSION

EXECUTIVE DIRECTOR REPORT

Daniel Nackerman, Executive Director

Successful Grant Application. After an elaborate application process, Home Depot is contributing \$45,000 for new outdoor facilities at our Freedom Landing homeless veterans site. They are creating new deck areas and community gardens. Dan credited our Director of Homeless Programs (Zac Pau'u) for his hard work in the success of this project.

We are continuing to challenge HUD about the Property Inspection scores that we received. We recently appealed these scores to HUD and a handful of scores were upgraded. We are further appealing other factors such as HUD's failure to apply scores to areas such as finance and property management.

New employee job evaluations are underway. This simple new system is proving very valuable on several levels including better communication, clearer expectations, and stable documentation.

9th EAST LOFTS

Under Joe's and others leadership we are making progress. We paid the negotiated architect fees and processed that as a change order rather than a settlement. This was approved by the board in the last meeting for the amount of \$69,966. We're behind schedule in construction and leasing it up. Occupancy is 61%; the property is pre-leased at 90%.

CITY PLAZA

Repairs of the Balcony – we'll keep you posted on that construction.

OUTREACH REPORT AND TRAINING & EDUCATION REPORT

Britnee Dabb, Deputy Director

The Executive Director (Daniel Nackerman) attended and contributed to the Salt Lake City housing development roundtable.

The Director of Real Estate Development and Project Management (Joe Post) attended the Mayor of Salt Lake City's Blue Ribbon Housing Commission meeting wherein strategies for delivering 800 new units of housing targeted at incomes 40% and below were further developed.

The Disabled Rights Action Committee visited several HASLC properties throughout the month and spoke to residents and property management staff on the accessibility, civil rights and fighting to eliminate housing discrimination.

The Director of Section 8 (Jackie Rojas) and the Director of Homeless Programs (Zac Pau'u) attended a session of the "Moving to Work" Listening Session for agencies who are interested in becoming a Moving to Work Housing Authority.

The Executive Director (Daniel Nackerman), Deputy Executive Director (Kim Wilford) and Deputy Director (Britnee Dabb) attended the PHADA convention in Chicago, IL. Daniel Nackerman gave a presentation on "Working with Non-profit Developers to Meet Housing Authority Goals". The convention also included sessions on Developments in the Rental Assistance Demonstration (RAD), Demonstration in the Voucher Program, the Affirmatively Furthering Fair Housing regulation, Moving to Work, and Smoke-Free Public Housing.

The Deputy Director (Britnee Dabb) and Human Resource Manager (Annie Lyman) attended web based training on the new Paylocity system and the recruiting tools available to streamline and professionalize from the application through the hiring process. The Human Resource Manager trained all of HASLC staff in using Paylocity.

CHAIR REPORT

Palmer DePaulis, Chair

Palmer highlighted the list of trainings that are coming up and wanted to be sure that the Commissioners are aware of these trainings. He particularly noted the National Conference on Ending Homelessness in Washington, D.C. in July. Commissioner Bernal requested that we include the registration deadlines on the listings of training and conferences.

RAB REPORT

We are working with the RAB Board to refresh the way the board functions. The HASLC Chair has helped enormously with this.

The HASLC Meeting adjourned at 2:15 p.m.

Palmer DePaulis, Board Chair

Daniel Nackerman, Executive Director