

REGULAR BOARD MEETING
Elkhart Housing Authority
July 20, 2017

The Board of Commissioners for the Housing Authority, City of Elkhart met in regular attendance at 4:30 PM on Thursday, July 20, 2017 at the Elkhart Housing Authority, located at 1396 Renham Avenue, Elkhart IN.

Commissioners present: Len Paff, Margaret Owens, JeNeva Adams, Cory White, and Tamara Holmes.

Staff members present: Kim Sindle, Chris Kinnard, Terry Walker, Milton Banks, Mitch Craven, Ann Washington, Jessica Bouie, and Terry Staner.

Audience members present: There were no audience members present.

❖ **Roll Call**

Commissioner JeNeva Adams called the meeting to order. Terry Staner called roll to verify.

❖ **Audience Concerns**

There were no audience concerns.

❖ **Approval of Minutes**

Exhibit A — Approval of Meeting Minutes — June

Commissioner Len Paff motioned to approve the minutes from the June 15, 2017 meeting. Commissioner Cory White seconded the motion. All Commissioners present unanimously voted to approve the June 15, 2017 minutes.

❖ **Approval of Vouchers**

Exhibit B — Approval of Vouchers — June

Commissioner Cory White motioned to approve the vouchers for June 2017. Commissioner Len Paff seconded the motion. All Commissioners present unanimously voted to approve the June 2017 Vouchers.

❖ **Executive Director's Report**

Exhibit C — Executive Director's Report

- **Human Resources:** Kim reported there was one promotion in the month of June, Jessica Bouie has been promoted to the Washington Gardens Asset Manager position. Kim announced there was one new hire in the month of June, Jacqueline Williams, for the Human Resources position of Receptionist. Kim announced the Housing Authority is still looking to fill three maintenance position.

- **Comprehensive Improvements:**

Scattered Sites: Kim reported there is no work at this time.

Riverside Terrace: Kim reported there is no work at this time.

Washington Gardens: Kim reported the Housing Authority is still in the planning stages of replacing all doors and storm doors with the manuals and drawings being created and drawn up. Kim announced HUD has not released funding yet for this year's Capital Fund Projects, although the funds have been distributed to the Field Office. Kim said all the preliminary work will be completed so work may begin as soon as funds are distributed. Commissioner Cory White asked if the funding has been committed and just not released. Kim answered yes.

Waterfall High-Rise: Kim reported the Housing Authority has also been proactive at Waterfall, creating the project manual and drawings, initiating the beginning of replacing resident mail boxes, hallway breaker panels, and upgrading service to all units.

Rosedale High-Rise: Kim reported there is no work at this time.

COCC: Kim reported funding is expected to be spread no later than September 30, 2017. Kim announced the Housing Authority is still waiting to hear on the Emergency Safety & Security Grant awards and hopefully that will be before the end of July.

- **Housing Choice Voucher Program:** Kim reported HCV leasing information is showing HCV is at 93% occupancy, which includes data through the end of May. Kim stated he and Christine Tack have been brainstorming to come up with new ideas on getting leased up and the Resolutions in this month's board packet will show what they have come up with.
- **Public Housing and HCV Family Self Sufficiency Programs:** Kim reported the Public Housing Family Self Sufficiency program is currently serving 110 clients. Kim announced interested applicants will now be placed on a waiting list. Kim stated five participants withdrew from the program, and one participant graduated out of the program. Kim announced 29 participants are disabled, 9 participants are enrolled in college or training programs, 8 participants are enrolled in a High School Equivalency course, 62 participants are currently working, and 32 participants are currently earning escrow. Kim stated the FSS clients earned \$7,114.00 in escrow payments for June and the current escrow balance of \$102,694.00. Kim made a special announcement, FSS Graduate Taylor Fields graduated from the FSS Program on July 7, 2017 with an escrow balance of \$23,894.60. Kim said Taylor achieved her goals including receiving her Associates Degree in Medical Assisting, obtaining and maintaining full time employment in her desired field, reducing her debt, saving for a down payment, and pre-qualifying for a home mortgage. Kim reported Taylor plans on using her escrow funds to assist in purchasing her home. Kim stated the program continues to be very successful.
- **Public Housing:** Kim reported the over-all occupancy rate for Public Housing is at 97.01% for the month of June. Kim stated 88 applications were received in June. Kim reported there were 16 new admissions. Kim said there were 27 move-outs in June, most are due to evictions. Kim said the new camera system has really helped. Kim reported there has been a few kinks with the contractors hired to do the move-outs and they are being looked at. Kim reported the Elkhart Housing Authority will be giving a new contractor a chance at maintenance services this afternoon and hopefully everything will work out well.
- **Maintenance:** Kim reported for the month of June there were 27 move-outs received and 5 completed, 1 emergency received and completed, 350 tenant requests for work orders were received and 313 completed; and there were 25 annual inspections received and completed, totaling 344 completed work orders.
- **Financial Reports And Write-Offs:** Chris Kinnard reported she finally received information back from the Fee Accountant for the FYE 2017 overall view and the other is an overall view for the month of May 2017. Chris Kinnard stated there were a lot of adjustments made by the Fee Accountant that removed old balances that were on the Balance Sheet Account and should not have been, and move the balances to where they should have been.

Chris Kinnard announced Rosedale High-rise ended the FYE 2017 with a loss of \$214,931.88, Washington Gardens had a profit for FYE 2017 of \$75,694.06, Waterfall High-rise had a profit of \$118,541.82 for their FYE 2017, Scattered Sites also had a profit for FYE 2017 of \$74,378.25, Riverside High-rise ended their FYE 2017 with a loss of \$299,224.34, COCC had a loss of \$205,535.83, and HCV ended their FYE 2017 with a profit of \$119,592.85. Chris Kinnard explained the Housing Authority is taking a big hit now, but moving forward there will not be the issues had coming up to this point. Chris said everything will be clean and running smoothly going forward. Chris Kinnard noted all Statements coming from the Fee Accounting office will look like the Statement attached to the Financial Comments – FYE 2017 Summary.

Chris Kinnard reported the financials for the month of May also have the numbers for the first quarter of the FYE 2018. Chris Kinnard announced Rosedale High-rise had a loss for the month of May of \$11,075.98, with an overall loss of \$14,002.73 for the first quarter. Chris Kinnard reported Washington Gardens had a loss for the month of May of \$13,379.40, with an overall loss for the first quarter of \$21,459.43. Chris Kinnard stated Waterfall High-rise had a loss for the month of May of \$2,170.24, with an overall loss of \$8,290.39. Chris Kinnard reported Scattered Sites had a profit for the month of May of \$3,064.56, with an overall loss for the first quarter of \$9,170.15. Chris Kinnard announced Riverside High-rise had a loss for the month of May of \$9,496.95, with an overall loss of \$18,029.81 for the first quarter. Chris Kinnard stated the

COCC had a loss for the month of May of \$13,432.54, with an overall loss of \$10,094.87 for the first quarter. Chris Kinnard reported the Housing Choice Voucher program had a profit for the month of May of \$14,114.98.

Chris Kinnard stated the losses will come out of the Elkhart Housing Authority Reserves. Commissioner Cory White asked what the consequences would be from all the adjustments made. Chris Kinnard stated the consequences would come from bad score numbers if the Housing Authority does not correct the accounts, which HUD takes very seriously when looking at the Federal Data Services report. Chris went on to say it may hit the PHAS score a little depending on the cash to ratio of debt. Chris Kinnard reported it could affect the Housing Authority but there is enough cash on hand to minimize it. Commissioner Cory White asked if the Non-routine Expense on the Financial Comments – FYE 2017 was for the adjustments made. Chris Kinnard stated the Non-routine Expense is the adjustments done by the Fee Accountant to clean up the accounts.

Commissioner Cory White asked how the accounts could get \$2,000,000.00 off. Kim explained that the previous Finance Director misstated account balances, they were not reported accurately. Commissioner Cory White asked if there were expenses that had not been reported and Chris Kinnard answered yes, the expenses sat on the Balance Sheet Account. Commissioner Margaret Owens stated the Auditor never caught the mistakes. Kim said the Auditor did know about the mistakes but did not bring it to the Commissioner's or Executive Director's attention in a manner where we realized the seriousness of the finding until the most current audit. Commissioner Cory White asked if the Housing Authority was spending a lot more than originally thought and Kim answered yes. Chris Kinnard reported she had asked the Auditor and the Fee Accountant if fraud was involved and they said no. Commissioner Margaret Owens asked if there were any criminal activity involved and Chris Kinnard replied no, there is no fraud, it is just bad accounting. Commissioner JeNeve Adams explained it was not fraud it was just numbers were not pulled down or moved over to the correct accounts they should have been in order to balance accounts correctly. Commissioner JeNeve Adams explained that no one took money, the books were just not balanced out properly.

Chris Kinnard stated the Elkhart Housing Authority is drawing a line in the sand and moving forward. Chris Kinnard warned that there are still a few more accounts that still need balancing. Chris Kinnard reported the Fee Accountant was brought on board to help balance accounts and prepare the Financial Data Services (FDS) report. Chris Kinnard stated the FDS numbers needed to be fairly close, if she had thrown out just any numbers in order to turn the report in on time, HUD would penalize the Housing Authority more harshly. Chris Kinnard stated the previous Finance Director started things and never finished them, meaning many things were put on the Balance Sheet, sitting there for years but never moved to the expense accounts as they should have been. Chris Kinnard reported Trial Balances were not reconciled. Chris Kinnard said she has updated the Financial Manuals to include trial balancing as protocol because she is very big on the monthly balancing of accounts. Chris Kinnard reported cash is correct. Commissioner Cory White asked what the Fee Accountant services cost. Chris Kinnard stated about \$3,600.00 per month, which was not budgeted for, but the cost is covered by a position in Finance that is not being filled at this time.

Chris Kinnard reported when she first came to the Housing Authority she did not understand how the Capital Fund Program helped the Monthly Financial Statements. Chris Kinnard stated the CFP does not technically help the Financial Statements, it helps the Balance Sheet accounts by basically helping the Housing Authorities Net position. Chris Kinnard said it helps the Net position because the asset comes in, but then depreciation starts. Chris Kinnard stated we would pay for expenses for a project through the year, but the funds sat in a Capital Grant account and the Housing Authority would pull the money over at year's end. Chris Kinnard said the Capital Fund Grant helps the Housing Authorities overall worth, but it does not help change the month to month numbers. Chris Kinnard reported the 1406 Monies can be used to help with month to month numbers. Chris Kinnard stated money can flow from one AMP, if they have excess, to another AMP in order to help. Chris Kinnard reported the COCC can help also, but the AMP's cannot help the COCC. Chris Kinnard announced to the Board that she is watching Riverside High-rise at the moment because they have such a huge loss. Chris Kinnard wanted the Board to know expenses are monitored, and costs have been cut, in an effort to slow the losses. Chris Kinnard reported there have been multiple meetings with Public Housing to discuss the issue.

Kim asked the Commissioners if there were any questions on the Write-offs report for the July 2017 Board Report, which includes all move outs prior to May 31, 2017. Commissioner Len Paff stated it was the highest amount he has ever seen on the report. Chris Kinnard said the Finance department is starting to see a lot of huge concealments and, unfortunately, concealment is no longer covered under the Repayment Policy. Chris Kinnard said she would like to remedy this at a later date. Chris Kinnard stated she believes Public Housing checks the EIV for Tenant income annually. Commissioner Cory White asked what the Judgement column was for and Chris Kinnard told him it meant the tenant was filed on in court for eviction. Chris Kinnard reported many former tenants are not paying their work orders once they have moved out, which also adds quite a lot to the total. Chris Kinnard stated all Housing Authorities use HUD's Enterprise Income Verification (EIV) system, which is a nationwide database that is used to gather information on former tenants, such as, balances owed, lease violations, criminal activity, and evictions. Kim said a Housing Authority can go into the EIV system and look to see if a potential tenant owes money to any other subsidized housing program nationwide. Chris Kinnard reported because of the EIV system, we see about 30% of previous tenants paying off their written off balances due to the fact they want to return to subsidized housing.

❖ **Old Business**

Nothing At This Time

❖ **New Business**

Discussion – Audit Scheduled August 14th-18th

Kim announced the Audit is tentatively scheduled for August 14th through the 18th and once completed there will be a close out meeting scheduled that the Board of Commissioners may attend. Kim reported Chris Kinnard will verify the date with the Auditors and Terry Staner will notify all Commissioners.

Exhibit D/Resolution 17:07

Kim reported Resolution 17:07 is for the approval of Amending the HCV Utility Allowance.

Commissioner Len Paff motioned to approve Resolution 17:07. Commissioner Margaret Owens seconded the motion. All commissioners present unanimously voted to approve Resolution 17:07.

Exhibit E/Resolution 17:08

Kim reported Resolution 17:08 is for approval of Amending the Subsidy Standards for HCV Administrative Plan.

Commissioner Margaret Owens motioned to approve Resolution 17:08. Commissioner Tamara Holmes seconded the motion. All commissioners present unanimously voted to approve Resolution 17:08.

Exhibit F/Resolution 17:09

Kim reported Resolution 17:09 is for the approval of Amending the Voucher Payment Standard for Efficiency and One Bedroom Units.

Commissioner Margaret Owens motioned to approve Resolution 17:09. Commissioner Cory White seconded the motion. All commissioners present unanimously voted to approve Resolution 17:09.

Discussion – Elkhart County 4H Fair

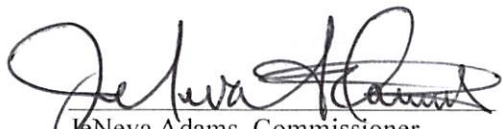
Kim reported starting tomorrow the Elkhart Housing Authority will be out at the Elkhart County 4H Fair. Kim invited all Commissioners to come and visit in building F, Booth 18.

❖ **Handouts**

- **PIIADA Advocate**
- **NAHRO Monitor**

❖ **Adjourn**

Commissioner JeNeve Adams, without any objections, declared the July 20, 2017 Board of Commissioners' meeting adjourned at 5:16 PM.


JeNeva Adams, Commissioner
August 17, 2017


Kim Sindle, Executive Director