ORIGINAL

HOUSING AUTHORITY OF KITTITAS COUNTY
REGULAR BOARD MEETING
Wednesday, March 17, 2021

A regular meeting of the Housing Authority of Kittitas County Board of Commissioner was held Wednesday, March 17, 2021, at 107 W 11th Ave, Ellensburg, WA 98926, held by zoom conference call.

Commissioners Present:
Nicalee Smith, Chairperson via Zoom
Carole Rhodes, Commissioner via Zoom
John Littel, Commissioner via Zoom
Rob Perkins, Vice Chairperson via Zoom

Absent:
David Hull, Commissioner

Staff Present:
Jennifer Ellis, Executive Director

Guests:
Ann Strand, Program Manager SAO
Shelby Hageman, Audit Lead, SAO

OPEN REGULAR MEETING AND INTRODUCTIONS

Chairperson Smith called the meeting to order at 7:01 a.m.

STATE AUDITOR'S EXIT CONFERENCE

Ann Strand, Program Management for the State Auditor's Office (SAO) and Shelby Hageman, Audit Lead for SA) provided a power point presentation on SAO' accountability audit of the Housing Authority which covered the period of April 1, 2017 through December 31, 2019. Ms. Strand noted that HAKC's material, overall compliance is good and that HAKC had undergone a huge transition and was still timely and complete in its duties, including its bank reconciliation, noting a "really great job there." HAKC's internal controls were noted good, transactions are being adequately supported and allowed.
Ms. Strand outlined the management letter issued to HAKC regarding payroll and retroactive pay that was given to HAKC employees in May of 2017. Ms. Strand noted that even though there was a recommendation regarding how the retroactive pay was handled, it was all supported and calculated correctly. Ms. Strand noted that it was imperative for the Board to have a policy that allows for retroactive payment and that any retroactive payment be approved by the Board. Commissioner Perkins asked if this was an issue for HAKC's incentive pay program. Ms. Strand noted that it was not. Ms. Strand noted that they are still working on Novogradac's review for 2019 and will send a close out letter on that audit within the next couple of months. Ms. Strand noted that HAKC staff was responsive and very involved in all conversations and that they received documents timely and were appreciative of that.

MINUTES

Commissioner Perkins motioned to approve the February 17, 2021 minutes of the regular meeting, seconded by Commissioner Rhodes. The motion passed unanimously.

CONSENT AGENDA

The Commissioners reviewed the February, 2021 Vouchers and February 2021 Project and Activity Status Reports and found no voucher irregularities or other irregularities. Commissioner Littel moved to approve the consent agenda, Commissioner Perkins seconded. Motion passed unanimously.

DECEMBER 2020 AND JANUARY 2021 FINANCIAL REPORTS

Ellis noted that she still only had draft financials for December that had not yet been updated and had not received draft financials for January, 2021 at the time of the meeting. Ellis noted that the information was remaining in draft form until the finalization of the audit that Novogradac is completing for RAD and Alder Terrace.

RESOLUTION 21-976 – Resolution Modifying Housing Authority of Kittitas County Personnel Manual

Ellis introduced the resolution, explaining the basis for bringing back the modification to allow for additional carry over hours of sick leave based upon discussion, review of other policies, what HAKC had granted historically and what other housing authorities utilize as well. Ellis believed it would be in the best interest of staff to allow for the larger carry over and that existing policies and safeguards within the sick leave policy would protect against abuse of the policy. Commissioner Perkins moved to approve the resolution. Commissioner Littel seconded. Chairperson Smith called for roll call. Motion passed unanimously.

INFORMATION ITEMS

- Executive Director Report –
  Audit Updates – Ellis noted that HAKC had received draft audited financial statements for both Kittitas RAD and Alder Terrace and had some additional meetings with both Novogradac and CLA to make sure that the information was consistent, being properly characterized and evidenced on the general ledgers as well as the final close out financial model that had been prepared by Jim Brawner. HAKC is expecting final audit drafts the following week. All audit activity as well as tax returns and final cost certifications is being done to meeting specific reporting deadline requirements with CREA and to work toward the "placed in service" dates with WSHFC as well as the conversion of the construction loan to permanent loan and all of the reporting required for that process. The final cost certification is in progress as well with the draft for Alder Terrace having been received last week.

  Placed in Service – With the finalization of the cost certification, HAKC is continuing in is process for the properties to be "placed in service" which will then be forwarded to WSHFC so they can issue the IRS form 8609s that allocate tax credits to the properties. This process is still ongoing along with HAKC's other reporting and audit requirements.

  Operations and Maintenance: Operations and Maintenance continues per the action plan and within Phase 3 of the State's recovery plan. HAKC is developing criteria to assess risk associated with entry into units and how to best prioritize work orders and start getting back into units more consistently. HAKC continues with its wipe in, wipe out policy, asking tenants to mask if HAKC staff is in the unit. Office remains by appointment only and there will be continued staff discussions about if to adapt or change this plan moving forward. HAKC hired a maintenance repairer/technician, Stanley McCabe and are excited to welcome him to the agency.

  Alder Terrace donations: Ellis inquired with WSFHC about the donation criteria and was advised that they would accept a broader spectrum of organizations providing tenant-related services, which allows for HAKC to make the donation to the FISH food bank, which services other food pantries in the community as well as Comprehensive Healthcare, that provides services through their ASPEN program. Those donations have been finalized.

  Bender Road – Ellis followed up with the Brawner team regarding the Bender Road property, a timeline moving forward and engaging a civil engineering firm to provide a preliminary study on the property to give HAKC a better sense of what may be possible and what areas may require additional attention. With the preliminary study, the Board can better discussed goals for the property, including various ways to provide affordable housing. Ellis is working on the RFP for the study to move forward.

  LAP loan funding for Pine Terrace – The closing of the loan is back on with WSHFC and there has been continued email communications to get it set to close.

  Salary Study: Ellis asked if there could be the creation of a salary study committee to look at our current salary structures as HAKC is continuing with employee reviews and wanting to gather additional information that will assist projections moving forward and be mindful of where HAKC wages are at in fairly compensating staff. Commissioner Perkins stated he would be willing to act on a subcommittee and Commissioner Rhodes said that she would be willing to serve as well.

Having no further business Commissioner Rhodes moved to adjourn and Commissioner Littel seconded. Motion passed. Chairperson Smith ADJOURNED the meeting at 8:18 a.m.

Next Meeting: April 21, 2021, 7 A.M. Regular Meeting
Minutes respectfully submitted by Jennifer Ellis, Executive Director

SEAL:

ATTEST

Jennifer Ellis, Secretary

Nicalee Smith, Chair