HOUSING AUTHORITY OF KITTITAS COUNTY
REGULAR BOARD MEETING
Wednesday, November 20, 2024

A regular meeting of the Housing Authority of Kittitas County Board of Commissioners was held Wednesday, November 20, 2024, at 107 W 11th Ave, Ellensburg, WA 98926, held in person and by zoom conference call.

Commissioners Present:
Nicalee Smith, Chairperson
Rob Perkins, Vice Chairperson (via conference call)
Carole Rhodes, Commissioner (via conference call)
John Little, Commissioner (via conference call)

Absent:

Staff Present:
Jennifer Ellis, Executive Director
Katie Haggin, Operations Supervisor

Guests:
Lily Frey, City of Ellensburg, Housing and Grants administrator

OPEN REGULAR MEETING AND INTRODUCTIONS

After technical difficulties, during which there was no internet access, Nicalee Smith, Chairperson called the meeting to order at 7:11 a.m.

COMMENTS FROM THE PUBLIC AND GUESTS

There were no comments from the public.

MINUTES

Vice Chairperson Perkins moved to approve the September 18, 2024 minutes of the regular meeting, seconded by Commissioner Rhodes. There being no additional questions, the motion passed unanimously.

CONSENT AGENDA

The Commissioners reviewed the September 2024 and October 2024 Vouchers and Project and Activity Status Reports and found no voucher irregularities or other irregularities. Commissioner Littel moved to approve the consent agenda, Commissioner Rhodes seconded. There being no additional questions, the motion passed unanimously.

JULY 2024 AND AUGUST 2024 FINAL FINANCIAL REPORTS

Ellis noted that in review of the July 2024 and August 2024 final financials, there were no particular areas of note. HAKC had hoped to have September finals for the board meeting, but had not received the same. There being no additional questions, the motion passed unanimously.

RESOLUTIONS AND ACTION ITEMS

Ellis introduced Resolution 24-1003, a Resolution Adopting Operating Budget for the Housing Authority of Kittitas County for the 2025 Fiscal Year – January 1, 2025 through December 31, 2025 (Alder Terrace). Ellis went through the categories of the budget, highlighted areas where there were more significant increases or decreases. Ellis noted there was no rental income increase for Alder Terrace. Katie Haggin, Operations Supervisor, explained the basis for the lack of increase due to rental standards being approved in 2024 by Yakima Housing Authority that were then determined to be over the rent standard. To remedy, there will be no rental increase for 2025. Ellis went through the administrative expenses, noting the salary percentage increases, utility expenses and maintenance expenses. Ellis discussed the increased costs in maintenance in connection with increased contracted services and what is being

required for unit turns. Haggin touched on specific expense increases and breaking out the "other" contracted maintenance costs to specific categories to show the expenditures, noting the high expenditures at Alder Terrace for the air conditioning units versus those costs in the RAD portfolio. The topic of the recent inspection for the Kittitas RAD portfolio was also addressed in explaining the basis for some of the increased expenditures for the maintenance contracted services. Vicechair Perkins asked for clarification regarding the increase in the management fee expense for Alder Terrace as well as regarding the ultimate funds being distributed to HAKC from Alder Terrace and Kittitas RAD. Haggin discussed the "waterfall" of income distribution to HAKC and Ellis discussed the negotiations with CREA regarding the increase of the management fee payments to HAKC from the initial flat amount per unit calculation that had been set in 2019. Chairperson Smith inquired about the possibility of utilizing reserves for the expenses related to the recent inspection as opposed to including those as line item expenses in the budget if they are more like a one-time expense. Ellis noted that she would look into the possibility of doing that and noted that if there was a significant change to the budget, it likely could be brought back for further review and approval with any necessary amendment or change. There being no further discussion, Vice Chair Perkins moved to approve the resolution. Commissioner Littel seconded. There being no further questions, Chairperson Smith asked for roll call. Roll call was taken and the motion passed unanimously.

Ellis introduced Resolution 24-1004, Resolution Adopting Operating Budget for the Housing Authority of Kittitas County for the 2025 Fiscal Year – January 1, 2025 through December 31, 2025 (Kittitas RAD). Increased rents were noted. Haggin explained the difference between Alder Terrace versus Kittitas RAD with regard to the implementation of the OCAF adjustment from HUD which results the rent increase for 2025. Ellis went through the administrative expenses, noting salary increases as well as maintenance expenses, covering specific expenses that were increasing. Further discussion occurred regarding the inspection and repair work generated from the same. Vice Chair Perkins inquired as to the increase in plumbing expense, which Haggin explained was in connection with inspection findings and repair requirements in connection to drainage lines with the water tanks. There being no further discussion, Vice Chair Perkins moved to approve the resolution. Commissioner Littel seconded. There being no further questions, Chairperson Smith asked for roll call. Roll call was taken and the motion passed unanimously.

INFORMATION ITEMS

- Executive Director Report –

  Operations and Maintenance Update

  Ellis discussed the inspection conducted by Washington State Housing Finance Commission (WSHFC) of the Kittitas RAD portfolio, which utilized the new NSPIRE inspection standards of HUD, which have not yet been formally adopted by HUD. Ellis provided background as for the standard utilized in WSHFC's inspection of the Alder Terrace property last year and the increase in the findings from last year's inspection to this year's. Ellis also discussed the biannual inspections of the units done by Yakima Housing Authority for the Section 8 program, noting how the units pass inspections under the Housing Quality Standards. Ellis outlined where the majority of findings were focused, including GFCI compliance and plumbing issues related to the water heaters and pressure release valve discharge piping. Haggin reported that roughly 95% of the repairs and work needed to correct the findings have been completed. The deadline for confirming compliance is January 5, 2025. Ellis noted that with the corrections having been made, "corrected" 8823s should be submitted by WSHFC to the IRS. During this time Haggin was also completing the resident certifications for WSHFC, quarterly reporting and CREA asked to have Haggin conduct an onsite inspection of several units as they will not have anyone on-site for 2024.

  Rent increases for Kittitas RAD were effective October 1, 2024. Haggin is still making sure the HAP payments received from YHA match with what HAKC should be receiving and it is a lot of additional work to assure compliance there as funds can be deposited and then recaptured if incorrect. Haggin is also still trying to assure that new tenant rental amounts are set timely.

  On the maintenance side, HAKC is still experiencing frequent open units and unit turns. Many units are being returned with substantial damage which is leading to additional expense and requiring that HAKC contract out for some services so as to assure that there are sufficient staff

to handle multiple open units at one time. Staff are also noting, upon inspections in units, that many issues are not being reported to the HAKC office for repair, resulting in more damage. HAKC is working to figure out how to mitigate these issues, by continued tenant education regarding reporting as well as getting in to units with some frequency to assure the state of the same.

Pine Terrace
There was a fire at Pine Terrace in the bathroom of one of the upstairs units on October 15, 2024. Mitigation work is set to begin and Ellis is working with Ad-West as well as the insurance company in moving the work forward. There will be additional work in the remainder of the unit due to smoke damage. The fire was promptly reported by the tenant, there were no injuries and it did not spread to any other units.

AWHA meetings
Ellis has virtually attended two Association of Washington Housing Authorities meetings since the September board meeting. There has been educational information presented by Synchrous, the insurance risk pool and several risk management resources that HAKC can utilize including trainings. State and federal legislative updates were provided as well as updates regarding personnel matters from the legal team at Foster Garvey.

EXECUTIVE SESSION

At 8:06 a.m. Chairperson Smith stated, citing RCW 42.30.110(1)(g), to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee, that the HAKC Board would go in to executive session for 10 minutes. At 8:17 a.m., the HAKC Board came out of executive session. Chairperson Smith stated that no action had been taken during executive session. Chairperson Smith noted that the Board wished to extend the contract for employment with Executive Director Ellis and wished to propose an increase to Ellis's salary. Vice Chair Perkins moved to implement a 15% increase in salary to the Executive Director position and for the employment contract with Ellis to be updated to reflect the same. Commissioner Rhodes seconded. There being no further discussion or question, the motion passed unanimously.

There being no additional comments or questions from the Board, Chairperson Smith stated that the next meeting would be on December 18, 2024. There being no more formal business to conduct, Chairperson Smith asked for a motion to adjourn. Commissioner Rhodes moved to adjourn the meeting with Vice Chair Perkins seconding. Motion passed. Chairperson Smith ADJOURNED the meeting at 8:20 a.m.

Next Meeting: December 18, 2024, 7 A.M. Regular Meeting
Minutes respectfully submitted by Jennifer Ellis, Executive Director

SEAL:

Nicalee Smith, Chair

ATTEST

Jennifer Ellis, Secretary