



LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING

December 21, 2009
5:45 p.m.

AGENDA

Edgewood Homes
Conference Room

1. Call of Roll.
2. Approve Minutes of the November 23, 2009 Board of Commissioners Meeting.
3. Receive Comments from Tenants and Public.

NOTE: The Chairman will take tenant and public comment on each agenda item following the staff report on the item. Tenants and public wishing to comment on a topic not included on the agenda may do so at this time.

4. FINANCIAL REPORTS
 - A. Receive November 2009 Public Housing Financial Reports.
 - B. Receive November 2009 Clinton Place Financial Reports.

NOTE: All matters listed below on the Consent Agenda are considered under one motion and will be enacted by one motion. There will be no separate discussion on those items. If discussion is desired, that item will be removed from the Consent Agenda and considered separately.

5. CONSENT AGENDA
 - A. Executive Director's Report.
 - Douglas County Foundation Grant Application.
 - HPRP and e-Housing Connection.
 - Babcock Place Fire Insurance Settlement.
 - 2010 Budget Update / Health Care Options.
 - Effects of Bert Nash Budget Cuts on LDCHA.
 - B. Resolution 1049: Write off Capital Inventory.
 - C. Receive Report on Distribution of Employee Performance Incentive Fund.
 - D. Receive Update Report on Development of Policy to Prohibit Smoking in All Living Units Owned by the LDCHA where Oxygen is in Use.
6. REGULAR AGENDA
 - A. Resolution 1050: Approve 2009 Public Housing Operating Budget Revision.
 - B. Resolution 1051: Approve Use of 2009 HOME Funds for Security Deposits for e-Housing Not to Exceed \$10,000.
 - C. Discuss Financing for Energy Performance Contracting. Receive Update on Status of Contract Submission to HUD.

7. CALENDAR AND ANNOUNCEMENTS

8. Adjournment



MINUTES OF A REGULAR MEETING OF
LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING

November 23, 2009
5:45 p.m.

Babcock Place
Meal Site

1. Call of Roll.

The meeting was called to order at 5:45 p.m. by Chairman Clark. Upon call of roll the following Commissioners answered present:

Brenda O'Keefe
William Fleming
Sue Hack
David Clark

Commissioner Charlie Dominguez joined the meeting at 5:49 p.m. Also present were residents Pat Benabe, Eldon Miller, Dan Tornaden, Loretta James, Mary Blythe, Dorothy Harrod, Jerry Lathram, and Thelma Holloway; Siemens representatives Bart Jacobson, Randy McWhirter, and John Hay; and LDCHA staff members Sandra Bradshaw, Heather Hoy, Suzanne Kerich, Carrie Lindsey, Doug Mole, Gayle Sigurdson, Ruth Lichtwardt, and Barbara Huppee.

2. Approve Minutes of the October 26, 2009 Board of Commissioners Meeting.

Commissioner O'Keefe moved to accept the October minutes as presented. Chairman Hack seconded. The motion passed unanimously.

3. Receive Comments from Tenants and Public.

Resident Mary Blythe spoke in favor of a policy to prohibit smoking in Babcock Place apartments where oxygen is in use, and asked the Board if a petition signed by residents in favor of such a policy might be of benefit. Chairman Clark deferred the question to Executive Director Huppee, who explained Agenda Item 6C and that resident comments would be solicited during the process of adopting such a policy should the Board decide to do so.

4. FINANCIAL REPORTS

A. Receive October 2009 Public Housing Financial Reports.

Executive Director Huppee reported that October brought the agency 83% through the budget year. Total rental income continued to run over budget projections at 88%. Interest income continued under budget projections at 23%. Other income from tenant work order damages and late fee charges were over budget projections at 93%. Other income sources were 17% over budget projections at 100%. Operating subsidy shows the agency at 91%. The final proration announced for cycle year 2009 is 88.42% of full funding eligibility or \$696,178.00. The amount of subsidy contained in the budget, upon which this report was based is 86.2% of the initial 2009 operating subsidy calculation of \$738,822.00 (before HUD adjustments) or \$636,865.00. The final proration amount is \$59,313.00 more than what is contained in the budget and will be included in the budget revision that will be brought to the Board in December. Total operating receipts are at 88% through the budget year.

On the expense side, total administrative expenses were running 1% under budget projections at 82%. Total utilities continue to run under budget projections at 67%. Total ordinary maintenance and operations were under budget projections at 81%. Protective Services were 3% under budget projections at 80%. Total general expenses (which include insurance, PILOT and collection losses) were under budget projections at 73%. Total operating expenses were 6% under budget projections at 77%.

As of the October reporting period the agency showed a total of \$1,762,368.00 in operating income and \$1,431,774.00 in operating expenses with an operating surplus of \$330,594.00.

Commissioner O'Keefe moved to accept the Public Housing Financial Report as presented. Commissioner Fleming seconded. The motion passed unanimously.

B. Receive October 2009 Clinton Place Financial Reports.

Executive Director Huppee reported that October also brought Clinton Place Apartments to 83% through the budget year. Total rental revenue from both income sources (tenant rental income and HUD operating subsidy combined) was running 3% over budget projections at 86%. Interest income was over budget projections at 189%. Laundry income was over budget projections at 112%. Other revenue was under budget projections at 40%. Total operating income from all sources was 3% over budget projections at 86%.

Under expenses, office salaries are 2% over budget projections at 85% ; this was due to overtime hours necessary for inventory purposes and will continue to run over budget projections throughout the budget year. Property and liability insurance was over budget projections at 126% due to an overall increase from the 2008 premium upon which the amount projected in this budget was originally based; this line will also continue to run over budget throughout the budget year. Fidelity bond insurance shows the agency 100%, which will come in line as we continue throughout the budget year. Total operating expenses were 25% under budget projections at 58%.

As of the October reporting period Clinton Place showed a total of \$285,856.00 in operating income and \$159,157.00 in operating expenses with an operating surplus of \$126,699.33.

Commissioner O'Keefe moved to accept the Clinton Place Financial Report as presented. Chairman Clark seconded. The motion passed unanimously.

5. CONSENT AGENDA

- A. Resolution 1044: Write-Off Tenant Accounts Receivables in the Amount of \$ 12,388.18.
- B. Resolution 1045: Write-off Uncashed, Unclaimed Checks in the Amount of \$ 4840.93.
- C. Resolution 1046: Approve 2010 Application for HOME Tenant Based Rent Assistance.
- D. Receive Update Report on Implementation of the Homelessness Prevention and Rapid Re-Housing Program.
- E. Receive Second Draft of Report on Historical Trends in Homelessness in Lawrence and its Implication for Future LDCHA Housing Programs.
- F. Resolution 1048: Approve Application to HUD for 50 Units of Housing Assistance Under the Family Unification Program.

Commissioner Hack moved to accept the Consent Agenda as presented. Commissioner O'Keefe seconded. The motion passed unanimously.

6. REGULAR AGENDA

A. Receive Debriefing on the November 10th Babcock Place Fire.

Executive Director Huppee introduced Fire Marshall Rich Barr. Mr Barr began by stating that this is the type of fire they like to deal with because the sprinkler system extinguished the fire before it had a chance to spread. He provided a timeline of the fire and response, and gave the official cause as smoking materials (a cigarette) in contact with oxygenated combustibles. All other possible sources of ignition were ruled out in the investigation. He explained that oxygen does not explode but creates a much more vigorous fire. Compared with the Babcock Place fire in 2001 which occurred under very similar circumstances but before the sprinkler system was installed, this was a very minor fire but the building was still evacuated as a safety precaution.

Commissioner Fleming inquired if any municipal ordinances prohibit smoking while using oxygen. Mr Barr explained that general city no-smoking ordinances do not apply to a person's private residence but that oxygen is considered a regulated medical gas under international fire code. The physician who prescribed the oxygen almost certainly told their patient not to smoke and especially not to smoke while using oxygen. The problem is in enforcement because it is generally after the fact.

Commissioner Dominguez asked if the evacuation process went as planned. Mr Barr said that he had heard no reports of problems. In a building with elderly residents such as Babcock Place, fire personnel recommend that some residents with limited mobility or respiratory issues stay in place with the door shut and call the fire department to inform them of their location rather than attempt to evacuate.

Ms Huppee asked how much worse a fire could have been even with the current sprinkler system. Mr Barr replied that with the sprinkler system in place, any fire would most likely be confined to one room on the upper floors. There might be more smoke generation on the first floor where the public areas are more open. The way that the system worked for this fire was exactly how it should have worked: it stopped the fire and stopped the smoke production very early.

Commissioner Hack inquired if international fire code has the same legal weight as city ordinances and if fines can be levied for violations. Mr Barr replied yes, and that fines are set at a maximum of \$200 per count, minimum \$100; however, violations are more likely to be caught in situations such as an overcrowded nightclub than in a private residence. Enforcement is very difficult for a private residence unless a fire has already occurred.

Ms Huppee added that if the Board chooses to adopt the policy under discussion, it would become part of the lease. Annual inspections and routine maintenance work could reveal evidence of violations of the lease which would then be handled under the Landlord/Tenant Act.

Mr Fleming asked if all the fire alarms in the building worked. Maintenance Director Mole replied that all fire alarms worked although the water flow module on the 5th floor did not work properly due to a crimped wire.

Mr Dominguez asked if fire drills are conducted. Mr Barr answered that due to the mobility problems of many of the residents drills are not practical; fire personnel request that residents protect in place and notify authorities of their whereabouts. Additionally, people are instructed not to use the elevators which are designed to shut down during a fire alarm. If the resident of a unit in which a fire occurs leaves and shuts the door behind them, the construction materials used in a building such as Babcock Place plus the sprinkler system make it highly unlikely that the fire will spread.

Mr Fleming commended the fire department for their fine work.

B. Receive Energy Audit Report from Siemens and Proceed as Appropriate.

Executive Director Huppee introduced John Hay from Siemens Government Services. Mr Hay introduced his associates Randy McWhirter and Bart Jacobson. They passed out printed materials and presented a PowerPoint overview of the results of Siemens' energy performance audit, their recommendations and estimated payback.

Commissioner Fleming asked if financing could be paid back on a faster schedule. Mr Hay replied that Siemens does not provide the financing but can help arrange it and the loan could be written for a shorter term. Commissioner Clark asked if the city needs to approve financing. Ms Huppee answered that it would be necessary to bring financing before the City Commission. Chairman Clark asked about collateral. Mr Hay replied that the installed equipment would be the collateral. Commissioner O'Keefe inquired about energy improvements to the scattered sites. Mr McWhirter said that a lot of updating had already been done to them. Many questions were asked about the Babcock Place boilers, measurement of consumption savings, and HUD requirements.

Commissioner Dominguez moved to assign and approve Resolution 1047: Authorize the Executive Director to Move Forward with Contractor Siemens for HUD Approval. Commissioner Hack seconded. The motion passed unanimously.

C. Discuss Adopting a Policy to Prohibit Smoking in All Living Units Owned by the LDCHA where Oxygen is in Use.

Commissioner Hack expressed her opinion that such a policy is a necessity. Commissioner O'Keefe stated that enforcement would be difficult but that the policy would be a good one. Commissioner Fleming asked what the consequence would be if a tenant was found to be smoking in violation of the policy if enacted. Executive Director Huppee outlined the lease violation procedure and added that a revision would be made to another lease provision which identifies that activity as a material breach of the lease subject to what the agency terms the "one-strike act" wherein the tenant does not get a second chance. Chairman Clark asked about the steps involved in enacting the policy including collecting tenant comments. Ms Huppee outlined the procedure including the final step of current tenants signing the lease addendum. Commissioner Dominguez inquired if the agency was considering banning smoking altogether. Ms Huppee replied that the agency is not considering banning all smoking at this time although HUD is encouraging housing authorities to do so. Mr Fleming asked Maintenance Director Mole if extra work goes into turning over a unit that was occupied by a smoker. Mr Mole briefly described the extra labor and materials expense and Ms Huppee outlined agency procedures to recoup the extra costs from the damage deposit. Board members discussed the impact of banning smoking altogether. Ms Hack asked that staff research how other agencies that have banned smoking have enforced it and accommodated smokers. Ms Hack commended agency staff on their work and response to the fire.

Commissioner Dominguez moved to begin procedures to adopt a policy banning smoking in oxygen-enriched units owned by the LDCHA. Commissioner Hack seconded. The motion passed unanimously.

D. Receive Report on 2009 Performance Awards Under the Employee Performance Incentive Fund and Take Action as Appropriate.

Executive Director Huppee explained that the award is considered only if there is income over expenses in excess of what was projected in the budget, and referred to the background statement included in the Board packet. The amount of income over expenses this year qualified to activate the Incentive Fund. However some income and expenses which are outside agency control were very different this year from budget expectations; the two most notable were interest income which is dramatically down, and utility expenses which were much lower than previous years. Ms Huppee stated that adjustments have not been made in the past when interest rates or utility expenses were higher than projected but suggested that the Board might want to take the current figures into consideration since adjustments would reduce the income available to trigger the incentive fund.

Commissioner Dominguez spoke in favor of granting the incentive fund. Commissioners Fleming and Hack agreed.

Commissioner Hack moved to receive the report and to award the full amount of \$80,000 for the Employee Performance Incentive Fund. Commissioner Fleming seconded. The motion passed unanimously.

7. Calendar and Announcements

Executive Director Huppee reminded the Board that the December meeting would be held a week early, on December 21st, and would be at Edgewood Homes.

The annual Section 8 Landlord Appreciation Luncheon is December 15th at Maceli's. The Board is invited and a reminder announcement will be sent.

8. Adjournment.

There being no further items of business, Commissioner O'Keefe moved to adjourn. Commissioner Dominguez seconded. The meeting was adjourned at 7:32 p.m.

Chairman

Secretary

Attest

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
December 21, 2009

AGENDA ITEM 4A: Receive December 2009 Public Housing Financial Reports.

Due to the early meeting date the December 2009 Public Housing Financial Reports are not ready for inclusion in the Board packet. The reports will be available at the Board meeting.

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
December 21, 2009

AGENDA ITEM 4B: Receive December 2009 Clinton Place Financial Reports.

Due to the early meeting date the December Clinton Place 2009 Public Housing Financial Reports are not ready for inclusion in the Board packet. The reports will be available at the Board meeting.



Executive Director's Report December 21, 2009

Douglas County Foundation Grant Application

A grant application for \$5000 has been submitted to the Douglas County Foundation in the name of the LDCHA's nonprofit organization, Douglas County Housing, Incorporated, to implement a new resident services program called *Full Circle*. *Full Circle* is an after school and summer program comprised of a series of educational workshops and programs intended to combat educational regression and bolster social capital among youth receiving housing assistance. Youth participants will be offered tutoring services and programming dealing with financial literacy, environmental literacy and self expressive art.

Initial support to Douglas County Housing, Incorporated, from a local foundation will provide seed money as well as additional leverage in the pursuit of diverse, long term funding for Resident Services programs.

Homeless Prevention/Rapid Re-housing, and e-Housing Connection Activity

The start date for the Homeless Prevention and Rapid-re-Housing program was November 16. The first Housing Stabilization class under Homeless Prevention, the program that provides rent and utility arrearages to qualified families to prevent eviction, was held November 18. These classes are held twice monthly and are a requirement for families to receive assistance. To date 22 families have applied, 13 have been found eligible and 9 ineligible. The average amount of assistance awarded per family has been \$1115.

Under Rapid Re-housing, which provides temporary rent assistance for qualified homeless families, 14 families have applied and 5 have been found eligible. Under this component a family can receive up to \$2000 in assistance. The household is required to participate in housing case management services during the period of time they are receiving assistance.

What distinguishes the HPRP program is that only those families who can demonstrate that through the use of these funds they can be stabilized in housing are eligible. The program and eligibility criteria are directed at families that have lost income as a result of the downturn in the economy. Most families that have been found ineligible do not

have a source of money to maintain their housing and therefore cannot be stabilized with this funding. The agency was awarded \$648,000 under this program.

The E-Housing Program is a volunteer temporary emergency housing program that matches landlords with vacancies with homeless families for whom the shelter is not an appropriate placement. The LDCHA maintains a data base of landlords willing to negotiate a reduced rent for a three month period. The LDCHA determines eligibility based on residency and basic federal housing prohibitions, and then facilitates the match. The agency provides up to \$500 in HOME funds for security deposit assistance.

The agency initiated this program in January 2009. Since that time 44 families have been found eligible, 27 have leased up, 12 have gone on to receive HOME Transitional Housing vouchers, and one has been leased up in public housing. 35 applicants have been found ineligible. 32 landlords have signed up to participate in the program.

Babcock Place Fire Insurance Settlement

Attached is a ledger containing the costs attributable to the Babcock Place Fire which took place November 10. The total cost is \$33,814.16. The agency has a \$25,000 deductible leaving an insurance reimbursement of \$8,814.16. The adjuster has submitted the costs to the insurance company, the Housing Authority Insurance Group. Since the claim has not been finalized the expenses have been set up in a holding account and will be transferred to casualty losses on the 2010 financial budget and records.

2010 Public Housing Budget Update/Health Care Options

On December 13 Congress passed the HUD appropriations act. The amounts of funding for public housing operating subsidy and public housing capital fund have been increased over previous years when the programs were underfunded. It is not known what the increase will mean for housing authority funding. Congress did retain the Resident Opportunities and Supportive Services competitive grant program. This program was marked for termination. It is this program that funds most of our Resident Services programs. Attached is a news update on both the public housing and Section 8 appropriations.

HUD has not worked out public housing operating subsidy formula factors based upon the actual appropriations. This should occur in January. We expect to bring the 2010 public housing operating budget for board approval in January.

Regarding medical health insurance options, beginning in January 2010, Kansas housing authorities may participate in the Kansas State Employees Health Insurance Plan. The state plan provides different carriers and different plans within those carriers. It also includes different dental and vision plans. Monthly premiums are based upon an

employee's salary. The LDCHA can choose to participate beginning in October when its current contract ends. More on this will be forthcoming.

Effects of the Bert Nash Budget Cuts on the LDCHA

On December 15, the Bert Nash Center announced that it must make \$750,000 in budget cuts in 2010. Two areas directly impact the LDHCA and its programs. We may learn of more in the future.

The Bert Nash Center has been renting a 5 bedroom public housing unit at 825 E 13st Street for a number of years, which it operates as a respite house for Douglas County residents being released from the state mental hospital. Bert Nash pays \$725/mo rent. They have informed us that they must terminate this program. They expect to terminate the rental contract effective January 31 contingent upon the needs of their clients at that time. We will once again make the unit a rental dwelling unit. We will receive less rental income on the unit in 2010 than in 2009. The difference could be as high as \$6000 in rental income depending upon the income of the family that next occupies the unit.

Bert Nash also provides case management services to our residents in the City HOME program. There are 33 households leased up under this program. Bert Nash provides case management services to 9 of these households. They state that they will continue services to these households but cannot provide case management services to new households.



BABCOCK PLACE

REPLACEMENT COST VALUE (RCV)

LDCHA clean-up and repairs in apartments 507, 508, 506, 505, 407, 408, 406, 405, 307, 308, 306, 305, 207, 208, 206 & 205, first floor trash & storage areas, hallways on floors 1 to 5 (east wing):	\$18,368.04
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OUTSIDE CONTRACTOR REPAIR COSTS

All Pro - water mitigation and drying in apartments and hallways on floors 1 to 5 (east wing):	\$14,293.12
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National Fire Suppression - repair and replace sprinkler head in apartment 507:	\$703.00
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Advanced Communication Systems - replace water damaged router and reset phone system:	\$450.00
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TOTAL COSTS:	\$33,814.16
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INSURANCE DEDUCTIBLE:	(\$25,000.00)
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ESTIMATED AMOUNT TO BE REIMBURSED:	\$8,814.16
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LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
December 21, 2009

AGENDA ITEM 5B: Resolution 1049: Write off Capital Inventory.

CURRENT ISSUE:

The agency conducts an annual capital inventory and writes off any items that are lost, destroyed, broken, sold, disposed of or obsolete. The capital inventory consists of all equipment and non expendable property with a value of \$5,000.00 or more. As items are purchased they are recorded into the inventory property ledger by our fee accountant but only the board may write off inventory at which time it is then removed from the property ledger.

The annual inventory count for 2009 was conducted beginning late October through early December, 2009. Attached is a list of items to be written off. Their depreciated value is \$0.00.

BOARD ACTION:

Approve Resolution 1049.

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY						
2009 CAPITAL INVENTORY WRITE-OFF						
RESOLUTION #1049: WRITE OFF CAPITAL INVENTORY						
NON-DWELLING EQUIPMENT (1475 - 4)						
					REMAINDER	
<u>ITEM#</u>	<u>DESCRIPTION</u>	<u>PURCHASE DATE</u>	<u>ORIGINAL COST</u>	<u>DEPRECIATION VALUE</u>	<u>REASON</u>	
1	2001 Dodge Ram	01/12/01	\$ 24,995.00	\$0.00	Trade-in (\$7,500 value)	
2	Sander/Snowblade for 2001 Dodge Ram	01/12/01	\$ 7,445.00	\$0.00	Trade-in (\$7,500 value)	
Totals			\$ 32,440.00	\$0.00		

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
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AGENDA ITEM 5C: Receive Report on Distribution of Employee Performance Incentive Fund.

CURRENT ISSUE:

Attached is a list of awards each employee received under this program for fiscal year 2009. Each share was worth \$0.983136. The board approved \$80,000.00 to be distributed to 41 employees in equal shares based upon the number of regular hours worked. A full-time employee who worked a full year would receive 2,080 shares. The individual net award is determined by the employee's tax withholding classification.

BOARD ACTION REQUIRED:

Receive Report.

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
December 21, 2009

AGENDA ITEM 5D: Receive Update Report on Development of Policy to Prohibit Smoking in All Living Units Owned by the LDCHA where Oxygen is in Use.

BACKGROUND:

Due to the Babcock Place fire November 10 which was caused by smoking in an oxygen enriched environment, the Board determined that a non-smoking policy in living units owned by the LDCHA where oxygen was in use was a reasonable and proper policy to enact. The Board directed the Executive Director to undertake necessary procedures to implement such a policy.

Those procedures include proving tenants with a 30 day written notice and the opportunity to provide written comment. The written notice was provided December 1 to all public housing residents. A resident meeting was held for Edgewood Homes and Scattered Site tenants December 3. A meeting for Babcock Place and Peterson Acres was held December 17.

The Board also expressed interest in pursuing a no-smoking policy for all residential units owned by the LDCHA. At the November meeting the Board was given a HUD notice encouraging housing authorities to develop policies. The Board asked the executive director to research the housing authorities that have developed such policies and the procedures they have followed.

CURRENT ISSUE:

Since HUD regulations require agencies to conduct a 30 day notice and comment period the board cannot take action on this item until the January meeting. As of December 17 five written comments have been received. They are attached.

Regarding research into the number of housing authorities that have adopted non smoking policies, neither HUD nor the public housing industry groups keep or track such information. An electronic search on the topic revealed the existence of the Smoke-Free Environments Law Project at the Center for Social Gerontology in Ann Arbor Michigan. This organization keeps track nationwide on public sector activity to ban smoking in public places including housing authorities. Among the things it does is to act as a resource and to provide technical assistance to housing authorities in Michigan wishing to develop smoke free policies. The web site provides many resources including several step-by-step guides on how to proceed in developing and implementing such policies.

Attached is a list of housing authorities that have developed non-smoking policies. They report 136 housing authorities out of about 3000 that have either total or partial smoking

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
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bans. Also attached is information on the organization that is listed on its web site, a PowerPoint presentation on the regulatory process and recommended procedures to follow in instituting a smoking ban, and a publication from the National Apartment Association on legal, financial considerations and best practices for implementing a smoke-free policy.

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY				
FISCAL YEAR 2009 OPERATING BUDGET REVISION #1				
OPERATING INCOME:				
ACCT. #	ACCOUNT DESCRIPTION	2009 BUDGET	REVISION #1	INCREASE/DECREASE
3110	Dwelling Rental	1184830.00	1246670.00	61840.00
3110.2	Dwelling Rental - FSS	0.00	0.00	0.00
3190	Nondwelling Rental	400.00	400.00	0.00
TOTAL RENTAL INCOME:		1185230.00	1247070.00	61840.00
OTHER INCOME:				
3610	Interest Income	52400.00	13180.00	-39220.00
3690	Other Income - Tenants	30000.00	33000.00	3000.00
3690.1	Other Income - Other Sources	104420.00	121680.00	17260.00
TOTAL OTHER INCOME:		186820.00	167860.00	-18960.00
TOTAL INCOME:		1372050.00	1414930.00	42880.00
OTHER RECEIPTS:				
8020	Operating Subsidy	636865.00	696178.00	59313.00
TOTAL OTHER RECEIPTS:		636865.00	696178.00	59313.00
TOTAL OPERATING RECEIPTS:		2008915.00	2111108.00	102193.00
OPERATING EXPENSES:				
ACCT. #	ACCOUNT DESCRIPTION	2009 BUDGET	REVISION #1	INCREASE/DECREASE
4110	Administrative Salaries	429220.00	458310.00	29090.00
4110.3	Longevity Payments	4060.00	4060.00	0.00
4130	Legal Expenses	2500.00	7000.00	4500.00
4140	Staff Training	1500.00	1500.00	0.00
4150	Travel	4320.00	5740.00	1420.00
4170	Accounting Fees	6030.00	6030.00	0.00
4171	Audit Fees	4470.00	4230.00	-240.00
4182	Employee Benefits - Administration	77960.00	86210.00	8250.00
4182.3	Longevity Payments (Fringe)	580.00	580.00	0.00
4190.11	Publications	100.00	130.00	30.00
4190.12	Membership Dues & Fees	1130.00	1060.00	-70.00
4190.13	Telephone	6000.00	6000.00	0.00
4190.15	Coll Agent Fees & Court Costs	150.00	150.00	0.00
4190.16	Fiscal Agent Fees	500.00	1000.00	500.00
4190.17	Forms & Office Supplies	8000.00	7500.00	-500.00
4190.18	Postage & Miscellaneous Sundry	13000.00	15000.00	2000.00
4190.19	Administrative Contracts	13320.00	14000.00	680.00
TOTAL ADMINISTRATIVE EXPENSES:		572840.00	618500.00	45660.00

<u>ACCT. #</u>	<u>ACCOUNT DESCRIPTION</u>	<u>2009 BUDGET</u>	<u>REVISION #1</u>	<u>INCREASE/DECREASE</u>
OTHER EXPENDITURES:				
4610	Extraordinary Maintenance	6000.00	3000.00	-3000.00
4620	Casualty Losses	0.00	450.00	450.00
7520.93	Replacements (Under \$5,000)	3000.00	7000.00	4000.00
7520.3	Replacements (Over \$5,000)	0.00	0.00	0.00
7540.3	Betterments/Additions (Over \$5,000)	0.00	6000.00	6000.00
7540.93	Betterments/Additions (Under \$5,000)	0.00	4500.00	4500.00
TOTAL OTHER EXPENDITURES:		9000.00	20950.00	11950.00
TOTAL OPERATING EXPENSES:		1862720.00	1882400.00	19680.00
RESIDUAL RECEIPTS:		146195.00	228708.00	82513.00

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
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AGENDA ITEM 6A: Resolution 1050: Approve 2009 Public Housing Operating Budget Revision.

CURRENT ISSUE:

The attached budget revision is necessary to reflect changes resulting from the Employee Incentive Program awards the board approved last month. This budget revision is also necessary to bring income and expenses in line with budget projections.

Increases in operating income result mostly from an increase in dwelling rental income from the initial projection of \$1,185,230.00 to \$1,247,070.00 (an increase of \$61,840.00). Because of the condition of the economy and lowering of interest rates we project to end the year with \$39,220.00 less in interest income (the original budget was \$52,400.00; the revised amount is \$13,180.00). The initial budget was based on an initial HUD subsidy of \$636,865.00; the final HUD approved subsidy was \$696,178.00 (an increase of \$59,313.00).

Increases in expenses fall mostly under the administrative and maintenance personnel salary and employee benefits line because of the awards paid under the employee incentive award and accruals. Utilities show an overall decrease of \$55,470.00 (the original budget was \$359,110.00; the revised amount is \$303,640.00). Most of this decrease falls under the electricity and gas lines and is due to the mild 2009 winter and summer months. Most of the budget line items also include annual projections for accruals which are calculated and recorded in December as part of the year end close-out in accordance with GAAP. What is not included in this budget revision are non-cash adjustments to the general ledger for compensated absences, doubtful accounts and materials inventory. These will be made with the 2009 year end close-out.

The 2009 budget revision projects total operating receipts of \$2,111,108.00 and total operating expenditures of \$1,882,400.00 with a provision for reserves of \$228,708.00. Again, this budget revision includes annual accrual projections but does not include non-cash adjustments when preparing for fiscal year end 2009 close-out.

BOARD ACTION REQUIRED:

Approve Resolution 1050.

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
December 21, 2009

AGENDA ITEM 6B. Resolution 1051: Approve Use of 2009 HOME Funds for Security Deposits for e-Housing Not to Exceed \$10,000.

BACKGROUND:

In February the board approved the use of up to \$10,000 in 2008 city HOME funds to be used by the e-Housing Connection to provide a \$500 security deposits to landlords for e-Housing participants. Under the e-Housing Connection rent assistance is not provided. Private landlords volunteer to rent a unit to a homeless family at their own risk. Security deposit assistance serves as a small incentive to landlords to participate in the program. Following the Board's approval the city approved the change.

CURRENT ISSUE: The LDCHA would like to continue using city HOME funds to provide a \$500 security deposits to landlords for homeless families housed through the e-Housing Connection. Using up to \$10,000 for this purpose will assist up to 20 households. The LDCHA submitted its 2009 city HOME application in December 2008 and did not include this activity. (We did include it in the 2010 application). We received \$299,421 under This program in August 2009. In order to reallocate \$10,000 for this purpose the Board must approve the change in activity which then will be forwarded to the city for approval.

BOARD ACTION:

Approve Resolution 1051 if appropriate.

LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
December 21, 2009

AGENDA ITEM 6C: Discuss Financing for Energy Performance Contracting. Receive Update on Status of Contract Submission to HUD.

BACKGROUND:

The limits on the powers of the LDCHA require that it obtain city and county approval to incur debt. Since the city holds the title to all the LDCHA's property it is the entity that will be exposed to risk. The Kansas Municipal Housing Act and HUD regulation gives housing authorities the power to incur debt therefore the city and county can approve the request on a case by case basis.

While municipal lease purchase agreements are the most common and heavily used method for public financing of these types of projects, the city's bond attorney has advised against this in favor of revenue bonds. They suggest we approach a local bank and negotiate with them to purchase the bonds. One alternative is for the LDCHA to finance the project itself especially given that we are receiving less interest on our reserves than what we will pay in interest on any financing mechanism.

CURRENT ISSUE:

We can proceed with obtaining HUD approval while we pursue the financing and city and county approval. HUD approval must be secured before we can sign any contract with Siemens. Siemens has prepared all the HUD documents for submission. We are awaiting a more in-depth review of the contract document by our attorney before proceeding with the submission.

Attached is a letter from Pete Curran on financing mechanisms. Some of the contract issues he points out such as engineering studies and guaranteed savings are a required part of HUD Energy Performance Contracting.

Once we have the financing mechanism determined we will proceed to secure city and county approval. Should the Board decide to finance the project itself no such approval is required. We have \$1.2 million in public housing reserves of which \$500,000 is already committed to the project; and \$2 million in Section 8 reserves. We cannot submit the document to HUD until the attorney completes a more in depth review of the contract and issues a letter of approval.

BOARD ACTION:

Discussion