

**BOARD OF COMMISSIONERS MEETING
HOUSING AUTHORITY OF TRAVIS COUNTY, TEXAS
502 East Highland Mall Blvd.
Suite 106-B
Austin, Texas 78752
July 18, 2009
9:00 a.m.**

MINUTES

The Housing Authority of Travis County, Texas held a Board of Commissioners Meeting at 502 East Highland Mall Blvd. on the above date. A quorum was established, and Chairman Tommy A. Nobles called the meeting to order at 9:07 a.m.

ROLL CALL

Roll Call of Commissioners: Chairman Tommy A. Nobles, Vice Chair Ofelia Elizondo, Commissioner Tracy Burkhalter, Commissioner Richard Moya, Commissioner Melvin Wrenn. Staff in Attendance: Assistant Executive Director/CFO Bill Friday, Director of Development & Planning Keith Hoffpauir, PR/Marketing Manager Cindy Noland, Administrative Assistant Debbie Honeycutt, Asset Manager Sherri Griffin. Guests: President of Strategic Housing Finance Corporation Craig Alter, James W. Goldsmith, Jr. with Naman Howell Smith & Lee, Harvey Davis, Travis County Housing Finance Corporation. Assistant Executive Director/CFO Bill Friday certified the quorum.

NEW BUSINESS

Item 1: Citizen Communications

PR/Marketing Manager Cindy Noland read into the record, which is attached to the minutes “A Declaration from the staff of the Housing Authority and the Strategic Housing Finance Corporation, in recognition of retiring Executive Director Wiley Hopkins”

Commissioner Richard Moya said he would like to make a **motion** that the Declaration be made part of the official record. Vice Chair Ofelia Elizondo seconded the motion, which **passed** unanimously.

Vice Chair Elizondo made a **motion** to adjourn to Executive Session to discuss Item 6. Mr. Moya said he would like to clarify the discussion would be to discuss the Personnel portion of the budget. Mr. Moya seconded the motion, which **passed** unanimously.

The Board adjourned into Executive Session at 9:15 a.m.

Item 15: Executive Session – Pursuant to the Texas Government Code Annotated, the Commissioners may discuss the following agenda items. In addition the Commissioners may also discuss and consider any other item posted on this agenda if there are issues that require consideration in Executive Session and the Commissioners announce that the item will be considered during the Executive Session

According to the Texas Government Code Annotated 551.071, Consulting with Attorney

According to the Texas Government Code Annotated 551.072, Real Property

According to the Texas Government Code Annotated 551.074, Personnel Matters

Item 16: Reconvene from Executive Session and take any action deemed necessary as the result of Executive Session discussions

The Board reconvened at 12:16 p.m.

Commissioner Melvin Wrenn made a **motion** to fully authorize the Transition Committee to conduct the search for a new Executive Director. Further, roll of the subcommittee is to work with the Executive Director during his remaining tenure to insure all aspects of the HATC are operating properly and that succession and knowledge transfer among remaining staff is conducted. Further, the Transition Committee is work with the Finance Committee and to post weekly meetings until further notice and the first meeting would be posted for July 23, 2009. Discussion followed.

He said there was a list as it relates to the Transition Committee that was an email, and to make sure it's provided for the record. Mr. Wrenn said then the Board list will be part of the record, which we will make sure there are copies for the record.

Commissioner Richard Moya seconded the motion, which **passed** unanimously.

The Board referred to item 6.

Item 6: Presentation, deliberation and possible action to approve the Housing Authority of Travis County, Texas Budget for the Fiscal Year of July 1, 2009 to June 30, 2010, and to authorize the Chairman to execute the HUD Board Resolution Form HUD 52574 as required by HUD

Mr. Wrenn made a **motion** to accept the budget that was noted as being proposed on July 15, 2009, 1:56 p.m. Further, the Board will be reviewing the budget on a monthly basis and the Board will make any budget adjustments as needed, which will allow the Authority to present a balanced budget to HUD on or before June 2010. Discussion followed.

Mr. Wrenn said we want to ensure that communications are carried forward to staff, based upon any of the personnel issues that were discussed in Executive Session. He said it is acknowledged that the budget includes funding for an Interim Executive Director.

Assistant Executive Director/CFO Bill Friday said the Chairman needed to sign the HUD Budget Form. Chairman Nobles said that as a point of clarification, the Chairman is already authorized to sign the MOA. Chairman Nobles said the question is who will sign for the Executive Director. Mr. Wrenn said would it be the Executive Director or as we have policy wise designated Assistant Executive Director.

Commissioner Richard Moya seconded the motion. Discussion followed.

Mr. Moya said he wants to make sure the budget is circulated, especially to staff.

Mr. Wrenn said there were other considerations that we had modifications to budget that will be discussed in the coming 90 days.

Chairman Nobles said motion stands without amending.

Mr. Moya said for it to be noted that there was balanced budget at this particular time, which is under budget in the amount of \$10,718.30.

A vote was taken which **passed** unanimously.

Mr. Harvey Davis asked for a copy of the passed budget. Chairman Nobles asked Mr. Friday to forward a copy to Mr. Davis.

Vice Chair Ofelia Elizondo made a **motion** to suspend the Housing Authority of Travis County Board Meeting in order to open the Strategic Housing Finance Corporation Board meeting.

Chairman Nobles said the meeting would be suspended until after the SHFC meeting

The meeting was suspended at 12:27 p.m.

A vote was taken which **passed** unanimously.

Commissioner Melvin Wrenn left the meeting at 1:55 p.m.

The Board reconvened from recess at 1:56 p.m.

Chairman Nobles called for a motion to approve Items 2, 3 and 4.

Item 2: Approval of Minutes from the May 13, 2009 Special Board Meeting

Item 3: Approval of Minutes from the May 30, 2009 Board Meeting

Item 4: Approval of Minutes from the June 27, 2009 Board Meeting

Mr. Moya made a **motion** to approve the minutes (Items 2, 3 and 4) with the requested changes to the May 13, 2009 minutes. Vice Chair Elizondo seconded the motion. Discussion followed.

Commissioner Tracy Burkhalter said some of the verbiage of May 13, 2009 Board Meeting minutes needed clarification, specifically page 2 paragraph 2. She said that on the minutes, what someone said should be summarized.

Chairman Nobles asked Ms. Burkhalter to mark out those things that would need to be done and get them to staff for modification.

Mr. Moya offered to withdraw the motion.

Chairman Nobles said Commissioner Burkhalter had noted there may be some grammatical changes to the minutes from May 13, 2009 and those changes would be submitted to staff and in turn corrected and then given to Commissioner Burkhalter. The motion was not withdrawn.

A vote was taken, and the motion **passed** unanimously.

Item 5: Presentation, deliberation and possible action to authorize the Chairman of the Board of Commissioners and the Executive Director to execute a Memorandum of Agreement with the U.S. Department of Housing and Urban Development

Mr. Friday said he handed out instructions for the MOA and in paragraph #2 operational area there are numbers that are skipped.

Chairman Nobles asked where Mr. Friday got that sheet. Mr. Friday said they are instructions that were printed from the internet. Mr. Friday said in paragraph #2 those are the operational areas that are required that is for a full Memorandum of Agreement and the Housing Authority only has three or four numbers and that is the reason there are missing numbers in the MOA. Mr. Friday said the Housing Authority needed approval for the Chairman and the Executive Director to sign. Chairman Nobles asked why there needed to be an approval for the Chairman and the Executive Director to sign the legal HUD document. Mr. Friday said to show the Board that they acknowledged that the Housing Authority had an MOA. Mr. Friday said the foresaid one is a one year MOA. Chairman Nobles asked if Mr. Friday had the original MOA for him (Chairman Nobles) to sign. Mr. Friday said yes.

Mr. Moya made a **motion** to authorize the Chairman of the Board and the Executive Director to execute a Memorandum of Agreement with the U.S. Department of Housing and Urban Development. Ms. Burkhalter seconded the motion, which **passed** unanimously.

Chairman Nobles requested a signed copy of the MOA. Chairman Nobles said he did want to note that he contacted David Pohler last week and had a discussion regarding the MOA.

Item 7: Presentation, deliberation and possible action to approve the transfer of approximately \$156,000 of the restricted funds from the Chase Bank to the Authority reserve fund and to approve the funds for the Authority operating needs

Mr. Friday said the \$156,000 requested was money that was left over from the refinance of Sweetwater Apartments. Mr. Friday said the money was left in an account at Washington Mutual, which is now Chase Bank. He said the request transfers the money from Chase Bank to the reserve fund at Wells Fargo.

Mr. Friday said there are two reasons to take the money out and put in the operating fund and the first one is so it could be utilized as cash that is needed for the operating fund and the second is that Chase Bank is tied up with reinvestment act funds and the paperwork requirements are horrid. Mr. Friday said each bank has to have a deposit in FDIC to cover a certain amount of their money and essentially, for a public agency like the Housing Authority, FDIC is actually doubly covering us.

Chairman Nobles asked if the \$156,000 would be used for the daily operating funds for the Authority (payroll) and be strictly limited to the Housing Authority, with none of the funds going to the SHFC. Mr. Friday said that is correct. Chairman Nobles said once this has been approved Mr. Friday could proceed in transferring those funds. Mr. Friday said yes he is an authorized signer.

Chairman Nobles said in the further to have checks and balances before any transactions with the Housing Authority.

Ms. Burkhalter asked if once the money is transferred would staff have to come to the Board before any other transaction or purchasing anything. Mr. Moya said no the funds would just go into the operating budget to pay whatever bills have to be paid. Mr. Friday said the funds would be used for payroll, materials, contracts, utilities.

Chairman Nobles said once the money is put in there so there would be a big transfer on the financials statements then the Board would be able to track where the \$156,000 would be distributed out to. Mr. Friday said a check would be written for everything that the money would be used for. Ms. Burkhalter asked who on the Board would know as far as what transactions the staff makes. Mr. Friday said the Board will be able to see the money by a way of transfer go from the Washington Mutual to the checking account at Wells Fargo and then by a way of checks that are written they will show up as a reduction of those funds, but they will show up as an expense on the financial statement.

Mr. Moya said it will show because what is going to be done is putting \$156,000 into an operating account and out of that checks would be written and it would balance. Mr. Moya said I think what he thought you wanted him to do would be to track where the \$156,000 went for example, how much of Cindy's salary was from the \$156,000 and how much of it was from somewhere else. Mr. Moya said the Authority can't do that and the Board knows that.

Mr. Friday said the account for Sweetwater would be closed.

Vice Chair Elizondo asked if the \$156,000 would only be used for Housing Authority purposes, not for Strategic and Lease Purchase. Vice Chair Elizondo asked if the money would be used solely for operating expenses of the Housing Authority. Mr. Friday said that is correct, which would include Manor, Carson and 502 Highland Mall, which are owned by the Housing Authority. Vice Chair Elizondo said if the Board is in agreement that the \$156,000 could be used for operations of the Housing Authority then the Board could vote.

Mr. Moya made a **motion** to approve the transfer of approximately \$156,000 of the restricted funds from the Chase Bank to the Authority's reserve fund and to restrict the funds solely for the purpose of the Housing Authority's operational needs. Vice Chair Elizondo seconded the motion, which **passed** with 3 Yea's and 1 Opposed. The vote taken was as follows:

Chairman Tommy A. Nobles – Yea
Vice Chair Ofelia Elizondo – Yea
Commissioner Richard Moya – Yea
Commissioner Tracy Burkhalter – Opposed

Item 8: Presentation, discussion and possible action regarding financial statements and the current status of the Housing and Urban Development Office of the Inspector General audit

Mr. Friday said there are no updates. Mr. Friday said both the OIG report and the report from HUD regarding the Memorandum of Agreement had been extended. Mr. Friday said the MOA was sent to 2200 East MLK Jr. Blvd., so the time had been extended to July 22, 2009. Mr. Friday said the OIG deadline was July 27, 2009 at noon. Mr. Friday said there are two policies and procedures due under the MOA. Mr. Friday said the policies and procedures would instruct the Housing Authority on the correct procedure in returning information to HUD.

Chairman Nobles asked if that could be done this year.

Mr. Friday said that has to be completed as a part of the MOA.

Chairman Nobles asked about the progress that had been made regarding OIG audit from the OIG exit meeting. Mr. Friday said due to Natalie Hernandez, HATC's Fee Accountant, being on vacation, there was no action on some of the items yet. Mr. Friday said he was working with Mr. Carter on some of the answers. Mr. Friday said the audit stated that there was 167 items that had not been received, but the Housing Authority had the stack of documents that had been sent. Mr. Friday said that at the last meeting with Joanna Varenhorst, she told Betty Black to forget about it. Mr. Friday said now staff is making sure all of the items are together so they can be sent again to the auditor.

Chairman Nobles asked who would be preparing the report that would be due back to the OIG. Mr. Friday said he would be preparing that report, but would be preparing the MOU first because it is due first. Chairman Nobles said he wanted to see a copy of the response from the Authority before it was sent to the OIG to ensure that everything had been addressed properly. Chairman Nobles asked if there was anything that the Board or he could do; and to please let them know.

Vice Chair Elizondo said that in a meeting between Natalie Hernandez the Fee Accountant and Joanna Varenhorst, Ms. Varenhorst said that the Housing Authority does not understand the short period of time that the OIG has to prepare the report. Ms. Varenhorst admitted to Natalie Hernandez that they did not look at all the materials that were sent to them, because they simply did not have time. Vice Chair Elizondo said she would like to revisit the issue with Natalie the HATC's Fee Accountant. Mr. Moya said when the Housing Authority receives the official letter it will be different than the draft letter. Mr. Friday said staff will respond to every item on the list. Chairman Nobles asked Vice Chair Elizondo to follow up with the Housing Authority's Fee Accountant.

Mr. Moya said the Transition/Finance Committee meeting could be posted for Thursday July 23rd however he would not be able to attend. Vice Chair Elizondo said Mr. Alter and she would not be able to attend. Mr. Moya said the Board needs to find out what would be the best days for the two Committees to meet. Mr. Moya said this time the meeting would be posted for Thursday July 23rd, because that was what the instructions were. Mr. Moya said it would be a joint meeting of the Finance and the transition committee.

Item 9: Presentation, deliberation and possible action to approve the location, date and time of the Annual Board meeting

Item 9 was deferred until the next regularly scheduled Board Meeting.

Item 10: Presentation, discussion and possible action regarding current operations and projected revenues from development initiatives properties

Item 10 was deferred until the next regularly scheduled Board Meeting.

Item 11: Presentation, discussion and possible action regarding the report from the PR/Marketing Manager

Chairman Nobles said Item 11 was discussed in the Strategic Housing Finance Corporation meeting July 18, 2009.

Item 12: Presentation, discussion and possible action regarding reports of vacancies and operations of Housing Authority program

Chairman Nobles said Item 12 was discussed in the Strategic Housing Finance Corporation meeting July 18, 2009.

Item 13: Presentation, discussion and possible action regarding reports and recommendations from Board Committees

Chairman Nobles said there were none at that time.

Item 14: Appointments to Committees

Chairman Nobles said there were none at that time.

REPORTS

- Executive Director's Report

Mr. Friday said the Executive Director's report was covered in the Strategic Housing Finance Corporation Board meeting July 18, 2009.

- Issues and concerns of the Board

There were none at that time.

ADJOURN

There being no further business, Mr. Moya made a **motion** to adjourn. Ms. Elizondo seconded the motion, which **passed** unanimously. The Board adjourned at 2:27 p.m.

Respectfully submitted

William Friday
Assistant Executive Director/CFO