



Delray Beach Housing Authority

REGULAR BOARD MEETING

AUGUST 16, 2012

MINUTES

I. CALL TO ORDER

Meeting called to order at 9:07 a.m.

II. ROLL CALL

Joseph Hepp – Present
Christel Silver – Present
Choli Aronson – Present
Sylvia Morris – Absent
Shelly Petrolia – Present
Guarn Sims – Present (9:25 a.m.)
Marcia Beam – Absent

III. APPROVAL OF AGENDA

The CEO noted that the Chief Operations Officer's report had been moved further down the Agenda to allow ample time for CliftonLarsonAllen to present the Audit Report for FY ending March 31, 2012.

A motion to approve the Agenda was made by Vice Chairman Silver. Motion seconded by Commissioner Petrolia. All in favor. Motion passed

IV. APPROVAL OF THE MINUTES OF JULY 19, 2012

A motion to approve the minutes of July 19, 2012 was made by Vice Chairman Silver. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

V. RECOGNITION OF VISITORS

The CEO informed the Board that as part of the DBHA's staff development and training she had invited staff to attend the Board meetings on a rotating basis. At this time the CEO introduced Pattie Spears who was attending this month's meeting.

- Lance Schmidt, CliftonLarsonAllen
- Mike Carter, CliftonLarsonAllen
- Clifton Phillips, Roundstone Development

VI. PUBLIC COMMENTARY

None.

VII. CORRESPONDENCE

- NAHRO Newsletter
- Journal of Housing & Community Development

The CEO informed the Board that there was an article in this month's newsletter regarding the DBHA's redevelopment project and she had highlighted the article for their convenience.

VIII. OLD BUSINESS

A. Presentation of Audit Report for FY Ending March 31, 2012

Mr. Carter presented the results of the Annual Audit for Fiscal year ending March 31, 2012 along with Mr. Schmidt. They reported that it was their Unqualified Opinion (in good order) that the Financial Statements were presented as required by the Generally Accepted Accounting Principles. Mr. Schmidt reported that both compliance and internal controls were in conformity with Government Auditing Standards.

Staff was commended both from the Auditors and the CEO for their efforts. The CEO gave special thanks to her management team, especially the CFO and the COO for a job well done.

B. **Chief Financial Officer's Report**

The CFO thanked the Audit team for working closely with him. The CFO informed the Board that he had completed the financial statements through June and anticipated getting caught up by the next board meeting. Once caught up the CFO noted that the accounting department would be able to focus on other things such as budget comparison, cash flow, the predevelopment and the development budget. The CFO commended Ada (accountant) for her abilities to identify and resolve problems and was thankful to have her as part of the team.

C. **Rounstone Development Update**

Reported by: Clifton Phillips, President

Permitting/Plat

- **SPRAB:** Mr. Phillips reminded the Board that the SPRAB board voted for approval at their last meeting scheduled on July 25, 2012. The final comments to be addressed for SPRAB approval are the colors on the buildings. These colors should be approved at the next meeting on August 22, 2012.

Commissioner Aronson requested that an e-mail be sent to the Board with pictures of the new elevations and colors. The CEO requested that a presentation of the final version be presented to the Board at the next board meeting.

- **Final Plat Submission:** Mr. Phillips reported that they had submitted for final plat on August 3rd. It was reported that it would be on the next board meeting agenda in September. Mr. Phillips informed the Board that the approval process takes approximately 12 weeks.

Financing/Timing

- **PHASE I:** Mr. Phillips reported that Klewin (the General Contractor) has tightened their numbers/bids and is within close range of the budget. The last round of changes to the plans should be ready by the First week in September.
- **PHASE II:** Mr. Phillips reported that they were still finalizing equity offers and debt offers. Mostly all offers had been received (PNC was still pending) and would be able to discuss with the CEO by next week.

The CEO noted that she and the CFO wanted to be very involved with Roundstone's budget because she needed to ensure that the DBHA's predevelopment numbers were reflected accurately. The Board was reminded that the MDA reflected the DBHA's predevelopment cost to be \$175,000 and asked Mr. Phillips what would happen if the DBHA's predevelopment cost had increased. Mr. Phillips responded that they would work them into the budget. The CEO also noted that there was not a line item in the current budget that clearly reflected the DBHA's expense, although it is understood that DBHA expenses may already be incorporated in appropriate lines of the budget.

At this time Commissioner Aronson requested that a copy of the construction drawing sets be put on a PDF Disc for her review.

- Timeline for Phase I and II

Mr. Clifton stated that assuming receipt of final plans by Klewin on September 1, Klewin will have final bids by September 15th. Roundstone will then be able to start moving financing forward. Based on the previous timetable with the working group on the financing, that would translate into a closing in December or January.

Commissioner Aronson asked when would ground breaking occur. Mr. Clifton noted that ground breaking would occur no later than January 2013 and the construction period would be twelve months from that date.

D. Chief Operations Officer's Report

- Reporting Section 8 Voucher Management System (VMS)

The COO reported that an estimated report for the month of June had been submitted to VMS on July 25, 2012 and approved by the Financial Management Center. The actual expenditure report and correction would be resubmitted to VMS upon completion of the end of the month financial reconciliation report provided by the Accounting Department. The COO reported that revisions had been made through the month of April 2012.

- PIH Information Center (PIC) Reporting Rate requirement

The COO reported that as of June 30, 2012 the DBHA was reporting at 97% due to some challenging errors that prevented them from successfully submitting an accurate HUD-50058 report. The errors contained families with duplicated housing subsidies, identity issues, and inaccurate social security numbers and on Portables other Housing Authorities had not submitted their reports on time. The COO reported that all errors had been corrected as of July 30, 2012

E. CEO/President's Report

The CEO informed the Board that she had attended FAHRO's Annual Convention & Trade Show in Orlando. The Board was informed that this convention was one of the most highly attended conventions she could recall. The convention provided cutting edge information. The CEO found the most interesting topic to be the Rental Assistance Demonstration (RAD) due to the three public housing units that the DBHA would like to build and that would be located on top of the new office space. The CEO informed the Board that she would be meeting with her Management Team to discuss the possibilities

of converting the three public housing units to project-based subsidy by applying for RAD.

The CEO noted that the RAD program had many loops but if determined that the program would work in the DBHA's favor they would apply. The due date for this application was reported as September 24, 2012.

IX. NEW BUSINESS

None

X. COMMENTS

A. President/CEO

Wi-Fi: The CEO informed the Board that she had been informed that Jody Gleason of the School Board was instrumental in getting the Mayor and City of Delray Beach to install Wi-Fi in the low income neighborhood between I-95, Swinton, 10th, and Lake Ida. Antennas were being installed as they spoke.

The CEO noted that she was very grateful for CliftonLarsonAllen's nationwide resources. They had been instrumental in assisting the Authority with the repayment agreement between the DHG and the DBHA that may have otherwise been an issue. They had also recently recommended that the DBHA use the percentage of units as the basis for expense allocation. The CEO informed the Board that this new method of allocating expenses would be extremely beneficial to the Authority.

B. Commissioners

Commissioner Petrolia noted that she had been appointed when all the controversy was going on with the previous developer and times were really tough back then. She informed the Board how the DBHA's CEO never showed any signs of how difficult the situation was during that time. Commissioner Petrolia commended the CEO for her leadership and perseverance.

C. Attorney

XI. ADJOURNMENT

Meeting Adjourned at 10:05 a.m.