



Delray Beach Housing Authority

BOARD MEETING FEBRUARY 21, 2013 MINUTES

I. CALL TO ORDER

Meeting called to order at 8:49 a.m.

II. ROLL CALL

Joseph Hepp – Absent
Christel Silver – Present
Choli Aronson – Present
Sylvia Morris – Absent
Shelly Petrolia – Present
Guarn Sims – Present
Marcia Beam – Present

III. APPROVAL OF AGENDA

A motion to approve the Agenda was made by Commissioner Aronson. Motion seconded by Commissioner Sims. All in favor. Motion passed.

IV. APPROVAL OF THE MINUTES OF JANUARY 17, 2013

A motion to approve the minutes of January 17, 2013 was made by Commissioner Petrolia. Motion seconded by Commissioner Sims. All in favor. Motion passed.

V. RECOGNITION OF VISITORS

- Clifton Phillips, Roundstone Development
- Steve Kaplan, Roundstone Development
- Brian McDonough, Broad & Cassel

VI. PUBLIC COMMENTARY

None

VII. CONSENT

A motion to approve Consent Agenda was made by Commissioner Sims. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

VIII. CORRESPONDENCE

NAHRO Newsletter

IX. OLD BUSINESS

A. Chief Financial Officer's Report

The CFO informed the Board that he and the Chief Operations Officer had worked together preparing the fiscal year 2014 cash budget and were currently waiting for HUD's approval of the use of proceeds from the closing of the Delray Village Square Project.

DBHA SECTION 8

The CFO reported that there was a decrease in Section 8 restricted assets of \$209,416 in December. HUD recaptured prior months HAP overpayments and as a result the HAP payment for December had only been \$675,503, a difference of \$240,492 from the previous month. The CFO noted that the unrestricted assets decreased \$5,261 primarily due to the bonus that was issued to employees during December.

PUBLIC HOUSING/CAPITAL FUNDS PROJECTS

The Chief Financial Officer informed the Board that the Public Housing year to date expenses exceeds year to date revenue, before depreciation, by \$2,108. It is projected that public housing will continue to have negative earnings for the remainder of this fiscal year.

B. Chief Operations Officer's Report

Reporting Section 8 Voucher Management System (VMS)

The COO reported that an estimated report for the month of December had been submitted to VMS on January 22, 2013 and was approved by the Financial Management Center. The actual expenditure report and corrections will be re-submitted to VMS upon completion of the end of the month's financial reconciliation report provided by the accounting department.

Annual Section 8/PH Utility Allowance Study

The COO noted that as a requirement of the Section 8 Management Assessment Program SEMAP-Indicator # 4 (Utility Allowance Schedule) as an additional deduction for tenant paid utilities when calculating the tenant portion of the rent. The Housing Authority must conduct an annual analysis of the actual and average of various utility consumption rates throughout the Palm Beach County area based on unit bedroom sizes, unit type and location. This data is compared with the previous year utility allowance schedule and if there is an increase by 10% the Authority is required to revise the utility allowances according to the study.

The COO informed the Board that as in previous years the West Palm Beach Housing Authority has taken the lead and cost in providing all local housing authorities with a copy of the study conducted by Management Resource Group. According to the study there was a minimum increase in utilities by 2-3% in the Palm Beach County area as per the report provided by (Florida Power and Light Company) and a 2% in the Lake Worth by (Lake Worth Utility Company). Because, the increase does not exceed the 10% requirement to warrant a revision the DBHA will keep the current utility allowance schedule rates as is through March 31, 2014. This action will also apply to the Public Housing Utility allowances for the five scattered sites.

C. Roundstone Development Update

Reported by: Steve Kaplan/Clifton Phillips

Permitting/Plat

Plat: Mr. Kaplan reported that final plat was fully approved by the City Commission on February 5, 2013. Currently he was working on obtaining all signatures on the Mylar and the recording of the plat.

Permitting Phase II: Mr. Kaplan informed the Board that Klewin Construction would pull the site permits by Wednesday/Thursday of the following week. They will begin pulling the building permits once the last few subcontractors have registered with the city. Mr. Kaplan noted that there was an open item regarding whether and to what extent they should be paying permit fees. They believed that they had a 70 percent discount in permit fees as a government agency costing them \$40,000 or \$50,000 in permit fees. Instead the city was charging approximately \$320,000 in permit fees by classifying the DBHA as NOT being a government agency. Mr. Kaplan noted that the DBHA's CEO was working with Lula Butler trying to negotiate numbers.

The Attorney recommended that if paying a full amount in permit fees to pay it under protest to ensure that they are not waving their right to protest the fees at a later date without delaying the current process.

Phase I: Mr. Kaplan reported that they had submitted another round of comments back to the city and expected that the plans for this phase would be permit ready now unless the city generates new comments.

Construction/Financing/Other Issues

Phase II: Mr. Phillips reported that on February 12, 2013 they closed on Phase II. As a result of the closing Klewin Construction was given notice to proceed on Friday, February 15th. Mr. Phillips reported that Klewin had ordered the trailer and expected the trailer onsite by this Friday. The Board was also informed that Klewin had adjusted the construction schedule to reflect a start date of February 25th. A preconstruction meeting was intended to be scheduled for the week of the 25th.

PHASE I: Mr. Phillips reported that they had reached out to First Housing and they were obtaining the quotes for the third party updates. During the report update period (approximately 30 days) Mr. Phillips reported that they would work with First Housing to get all the HUD forms signed and documents ready. Once they have the reports, Amerinational will be able to complete their underwriting report and they will be able to request a new allocation of bonds.

D. Revised Construction Schedule

The CEO informed the Board that the Revised Construction Schedule reflected a completion date of March 27, 2014 (one year completion date). Approval was recommended.

A motion to approve the Revised Construction Schedule was made by Commissioner Petrolia. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

E. CEO/President's Report

The CEO reported that the DBHA received \$2,178,000 at closing and the money had been deposited in an interest bearing Money Market Account as required by HUD's Chicago Special Application Center until they approve the proposed budget for these funds. The CEO further explained that because there remains a Declaration of Trust recorded on the 15 acre parcel of land, these funds were Federal Public Housing dollars. The CEO reported that they submitted their request for approval of the proposed budget in November 2012.

F. RESOLUTION 2012-17 A Resolution of the DBHA Assigning its Entire Membership Interest to DHG (tabled Dec 13, 2012)

The CEO reminded the Board that this item related to the creation of the For Profit entity as a DBHA company which should have been created as a Delray Housing Group company. Approval was recommended

A motion to approve Resolution 2012-17 was made by Commissioner Aronson. Motion seconded by Commissioner Petrolia. All in favor. Motion passed.

G. RESOLUTION 2013-08 Approving the DBHA's Section 3 Policy & Procedures Manual

The CEO informed the Board that this resolution allows the DBHA to move forward with their Section 3 Program. Section 3 is a federal requirement that encourages the use of low income businesses and people who live in the neighborhood where the property is being developed. This manual was created by piggybacking from the School District's Manual. Approval was recommended.

A motion to approve resolution 2013-08 was made by Commissioner Petrolia. Motion seconded by Commissioner Sims. All in favor. Motion passed.

X. NEW BUSINESS

RESOLUTION 2013-07 APPROVING THE DBHA'S SAFETY MANUAL

The CEO informed the Board that in order for the DBHA to receive discounted rates from their new General Liability insurance Carrier they were required to develop a comprehensive Safety Policy Program that complies with provisions of Florida Statutes at Section 440.1025 which requires Safety Inspections, Preventive Maintenance, Safety Training, First Aid, Accident Investigation, Record Keeping and Written safety policy.

The CEO reported that while the DBHA has always had such a program, the written policy located at Section 420 of the Personnel Policy was not as comprehensive as this policy. This policy was developed utilizing a sample supplied to the Authority by the Carrier. The CEO noted that approving this policy allows for a 2% discount in Insurance Premium and therefore approval was recommended.

A motion to approve Resolution 2013-07 was made by Commissioner Petrolia. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

XI. COMMENTS

ATTORNEY

The DBHA's Attorney thanked and commended Brian McDonough for a job well done in assisting with the closing of Delray Village Square Family.

COMMISSIONERS

Commissioner Aronson informed the Board that her employer had found a permanent office space and has moved to the Ocean City Loft Building, Suite 201. Ms. Aronson will send an e-mail at a later date announcing the open house.

XII. ADJOURNMENT

Meeting Adjourned at 9:27a.m.