REGULAR MONTHLY MEETING OF THE HOUSING AUTHORITY COMMISSIONERS OF THE CITY OF MERRILL, WISCONSIN

Wednesday, November 12, 2014 4:00 P.M. Jenny Towers Library, Merrill, WI

PRESENT: Chairman Kathy Colclasure, Denise Humphrey, Amanda Kostman, Paul Wagner, Rob Norton (Ex-Officio), LaDonna Fermanich and Kay Tautges.

GUEST: Dave Johnson

PUBLIC HOUSING - PARK PLACE and WESTGATE MEETING called to order by Chairman Kathy Colclasure . Motion to approve the minutes of October 8, 2014 meeting and today's agenda. Wagner/Humphrey. Motion passed unanimously.

Discussion and motion to approve Checks #21926 thru #21973 and Billings to date for October 2014 with attached list of expenditures: Wagner/Kostman. Motion passed unanimously by roll call vote: Humphrey-aye, Kostman-aye, Coclasure-aye and Wagner-aye.

Move-ins and Move-outs for October 2014: LaDonna reported that HUD has approved our request to have the 8 additional units taken off line due to Market conditions. This "technically" leaves Park Place with one vacancy being held against their vacancy ratios, however the actual vacant unit count as of October 31 is 17 units. Motion to accept report and place on file. Wagner/Kostman. Motion passed unanimously.

Report on Park Place Investments: LaDonna noted the account is slowly building with minimal amounts of interest earned each month. Motion to accept and place on file the Park Place Investment report. Wagner/Kostman. Motion passed unanimously.

Discuss and Approve 3rd quarter Financial Statements: LaDonna reported that our year-to-day net position continues to increase. We are over what was budgeted for in revenue, but that is due to the cell tower revenue. This will be lost in next year's budget. Expenses were down over last year and under the budgeted expenses year-to-date. Motion to approve and place on file the 3rd Quarter Financial Statement. Humphrey/Wagner. Motion passed unanimously.

Update on office expansion, hiring: LaDonna reported that she sent 8 bid invitations out for the office expansion project, but received no replies. She has been working on next year's budget and suggested that the project and the office expansion be put on hold at this time. The board feels that there will be a larger work load involved with the re-development plans and we need to go forward with the expansion and hiring as planned. LaDonna will place an add for bids in the newspapers before the holidays.

Discussion and approval of 2015 employee Health Plan: LaDonna presented renewal options for 2015 noting an increase of 16.1% on our current plan. Motion to switch MHA employees to a high deductible/HSA qualified plan, pretax payroll deductions for HC premiums and additional HSA contributions and to include one-time-only seed money of $1,000.00 per eligible employee to be put into the individual employee HSA accounts. (Security Health Plan, Tradition $2000 HDHP). Wagner/Humphrey. Motion passed unanimously. The current Employee (12.5%)/Employer (87.5%) premium split will not change. Next fall, the board will take under consideration whether or not to offer employees the option of converting accrued sick pay into money for their HSA contributions.

Discussion of 2014 Year End Performance Bonus and Comp. Time for Hourly Employees: Motion to approve distribution of the $2,400.00 bonus pay which was budgeted for 2014, based on the number of apartments which have been taken off line and the overall volume of move-ins and move-outs handled during the year.

Wagner/Humphrey. Motion passed unanimously. The board would like to come up with a plan which does not use vacancy rates as a measure of performance to award bonuses. They will discuss this at the December meeting. Motion to eliminate Comp. Time for hourly employees based on state law as of January 1, 2015. All accrued Comp Time up to Dec. 31, 2014 must be used up or cashed out by December 31, 2015. Kostman/Wagner. Motion passed unanimously.

Discuss and Approve Resolution No. 379 "Establishing & Reviewing Flat Rents, Utility Allowances and Maximum Rents" (To replace Resolution No. 373. of the same title): LaDonna explained that timing is the only change in this resolution. Revised FMRs will be published annually in October and will need to be implemented effective January 1st of the following year for any New Tenants, and adjusted as applicable for any current Flat Rate Tenants at annual recertification the following Oct. 1. Motion to approve Resolution No. 379 "Establishing & Reviewing Flat Rents, Utility Allowances and Maximum Rents" (To replace Resolution No. 373. of the same title). Kostman/Wagner. Motion passed unanimously by roll call vote: Humphrey-aye, Kostman-aye, Coclasure-aye and Wagner-aye.

Discuss and Approve Resolution No. 380: Public Housing & Section 8 "Authorization to Co-Sign Checks". Motion to approve Resolution No. 380: Public Housing & Section 8 "Authorization to Co-Sign Checks". Kostman/Wagner. Motion passed unanimously by roll call vote: Humphrey-aye, Kostman-aye, Coclasure-aye and Wagner-aye.

Discuss and Approve Resolution No. 381: " MHA Fee Schedule": LaDonna reviewed proposed changes to Current MHA Fees and implementations of new Move-Out Fees to become effective January 1, 2014. Motion to approve Resolution No. 381: "MHA Fee Schedule". Wagner/Humphrey. Motion passed unanimously by roll call vote: Humphrey-aye, Kostman-aye, Coclasure-aye and Wagner-aye.

Discuss and Approve Resolution No. 382: "2015 Public Housing Operating Budget": LaDonna gave commissioners an overview of the proposed budget. In 2015 we will see less revenue due to the loss of cell tower income which, up until this point has been enough to offset the loss of income due to on-going vacancy issues. In Jan-Feb Operating Subsidies for 2015 will be revealed. An increase in Administrative expenses due to plans to hire an additional part-time position and in Public Service utilities has been factored in. Motion to approve Resolution No. 382: "2015 Public Housing Operating Budget". Wagner/Humphrey. Motion passed unanimously by roll call vote: Humphrey-aye, Kostman-aye, Coclasure-aye and Wagner-aye.

Horizon Development Progress Update: LaDonna updated Commissioners as to where we are at this point in the development process and referred Commissioners to the Horizon Development Status Update included in the meeting packet. She also asked if the Commissioners felt they were receiving adequate information on the progress of the project. They felt they were well informed and kept in the loop, but inquired if the City would have need for more updates in the future. It appears that using JT reserves for the Park Place project is still a possibility, but we are still waiting to receive written approval from HUD. Vacancies continue to be an issue that, if left unresolved, will eventually lead to difficult financial stability for the Park Place facility in years to come. This redevelopment is our only option to address those issues. We have been advised by city authorities that zoning will be a difficult issue for us to overcome and that remedying the property line discrepancies between Park Place and Park and Rec is exactly that – between Park Place and Park and Rec. Horizon is preparing a preliminary presentation for zoning in the hopes that a potential $13 - $14million dollar project being brought to the City of Merrill by the MHA, to provide newer, more spacious and modern housing for low-income individuals will eventually be met with optimism and a "spirit of cooperation" for a project that will ultimately and financially benefit the entire community.

For the Good and Betterment of the Public Housing Program:

1. Commissioner Items/Comments: None
2. Public Comment Period: None
3. Executive Director's Report: LaDonna reported that the last cell tower will be removed in the next two weeks. Some tenants have taken actions to quit smoking, others are going outside to smoke but

there are still tenants who are smoking inside or only go out during the day. It has been difficult to enforce the policy but we will continue to do our best. The warming center is in operation and some tenants have signed up to volunteer there. The feedback from tenants has been positive.

The next regular meeting of the Commissioners of the Housing Authority will be held on **Wednesday, Dec. 10th, 2014, 11:00 a.m. at Los Mezcales, Merrill, WI.**

Motion to adjourn at 5:42 P.M. and open Section-8 Housing - Jenny Towers Meeting. Wagner/Humphrey. Motion passed unanimously.

Kathy Colclasure, Chairman

Kay Tautges, Recording Secretary

LaDonna Fermanich, Executive Director

REGULAR MONTHLY MEETING OF THE HOUSING AUTHORITY COMMISSIONERS OF THE CITY OF MERRILL, WISCONSIN

Wednesday, November 12, 2014, 5:43 P.M., Jenny Towers Library, Merrill, WI 54452

PRESENT: Chairman Kathy Colclasure, Denise Humphrey, Paul Wagner, Amanda Kostman, Rob Norton (Ex-Officio) LaDonna Fermanich and Kay Tautges.

GUEST: Dave Johnson

SECTION-8 HOUSING- JENNY TOWERS and SCATTERED SITES MEETING called to order by Chairman Kathy Colclasure. Motion to approve minutes of October 8, 2014 meeting and today's agenda. Kostman/Wagner. Motion passed unanimously.

Discussion and motion to approve Checks #17163 thru #17201 and Billings to date for October 2014 with attached list of expenditures: Wagner/Humphrey. Motion passed unanimously by roll call vote: Colclasure-aye, Humphrey-aye, Kostman-aye and Wagner-aye.

Discussion and Approval of Move-ins and Move-outs for October 2014: Motion to accept report and place on file. Humphrey/Wagner. Motion passed unanimously.

Report on Jenny Tower Investments: LaDonna reported that $39,989.00 was withdrawn from the account for the St. Paul project however, we still realized a gain for the month. Wagner/Humphrey. Motion passed unanimously.

Discuss and Approve 3rd Quarter Financial Statements: LaDonna reported that we have improved our bottom line in regard to the unrestricted net assets. Hopefully with approval by HUD, we will have access to this money for the Park Place renovations. Income has gone up over last year and our budgeted projections. Expenses are down slightly from a year ago and are currently under budgeted projections. Motion to approve the 3rd Quarter Financial Statement. Humphrey/Wagner. Motion passed unanimously.

Discussion of City inquiry regarding Enhanced PILOT payments for 2014/2015: LaDonna reported that Kathy Unertl, City of Merrill Finance Director had asked if there will be any enhanced PILOT payment coming to the City in 2014 and in 2015. The enhanced payment, while not required of MHA, has been made in the past. According to Kathy's email, those additional contributions have been "critical to maintain City municipal services." Dave Johnson was present at the meeting and gave all Board Members an excerpt from WI State Statute 66.1201(22) which, he felt, gives the City the right to assess MHA for the additional payment if they chose to act on it. LaDonna stated that the statute is correct in that it states that the City "may fix a sum to be paid annually in lieu of taxes" – that is a direct and specific reference to the very essence of what a PILOT payment is. The PILOT was originally negotiated with the City when the project was first established. She does not believe, however, that the statute entitles them to automatically assess a new fixed amount because they deem it necessary unless entering into a new agreement, for example the Park Place redevelopment, at which time the PILOT agreement is open for negotiation between MHA and the City. A motion was made to not make an enhanced PILOT payment in 2014 and to reevaluate in 2015 to determine if an enhanced PILOT payment will be made then. Wagner/Humphrey. Motion passed unanimously.

Discuss and Approve Resolution No. 383: "2015 Section 8, Scattered Sites Operating Budget": LaDonna gave on overview of the budget. Some reduction in expense will be seen since last year we had the expense of the GPNA

study that will not need to be done annually. The Board was reminded that we will see reduced investment income if reserves are used to fund the Park Place redevelopment but that would not occur until the 2016 budget. Motion to approve Resolution No. 383: "2015 Section 8, Scattered Sites Operating Budget". Humphrey/Wagner. Motion passed unanimously by roll call vote: Colclasure-aye, Humphrey-aye, Kostman-aye and Wagner-aye.

Report on Elevator Project: LaDonna reported that the elevator/power shut down was not for as long of a time period as was projected. So far, the project is ahead of schedule and they hope to be done with the large elevator before Thanksgiving. There have been some electrical engineering problems related to the design which will be addressed in closed session.

Closed Session for purposes of discussing Legal Matters and Contract Perfomance Matters: Motion to go into closed session at 6:10pm. Humphrey /Wagner. Motion passed unanimously. Motion to return to open session at 6:32pm. Kostman/Wagner. Motion passed unanimously.

For the Good and Betterment of the Section-8 Housing Program:

1. Commissioner Items/Comments – None.
2. Public Comment Period – None.
3. Executive Director's Report – The No-Smoking policy will go into effect at Jenny Towers and the Scattered Sites Jan. 1, 2015.

The next regular meeting of the Commissioners of the Housing Authority will be held on **Wednesday, Dec. 10th, 2014, 11:00 a.m. at Los Mezcales, Merrill, WI.**

Motion to adjourn meeting at 6:40 p.m. Wagner/Kostman. Motion passed unanimously.

Kathy Colclasure

Kathy Colclasure, Chairman

Kay Tautges

Kay Tautges, Recording Secretary

LaDonna Fermanich

LaDonna Fermanich, Executive Director