



CITY OF ANN ARBOR, MICHIGAN

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ANN ARBOR HOUSING COMMISSION

Ann Arbor Housing Commission

January 19, 2011

REGULAR BOARD MEETING

MINUTES

The meeting took place at Woodchase Club Apartments, 1100 Rabbit Run Circle, Ann Arbor, MI 48103. Prior to the start of the Board Meeting, the three Commissioners present (Manildi, Woods and Greden) and the Executive Director accompanied the on-site Property Manager for a brief tour of a model apartment unit. Vice President Manildi convened the meeting at 6:28 P.M.

ROLL CALL:

Commissioners present: Marta Manildi, Ron Woods, Leigh Greden

Commissioners absent: Mark McDonald, Shanika Smith

Staff Present: Marge Novak (Exec. Dir), Nick Coquillard (Dep. Dir.), Betsy Cornellier (Fin Mgr)

In Attendance: Tony Derezinski (City Council liaison), Kevin McDonald (City Attorney liaison)

No members of the public were in attendance.

I. **APPROVAL OF AGENDA** – Commissioner *Woods* moved and Commissioner *Greden* supported a motion to approve agenda. The agenda was approved 3-0.

II. **PUBLIC COMMENTARY**

A. Resident Organizations – none.

B. Others Requesting to Speak – none.

Commissioner Manildi stated that she would be running the meeting in her capacity as the Vice President, in the absence of a President and reminded Commissioners that an election of officers would be held at the end of the meeting.

Commissioner Manildi reviewed the process for public commentary that has been utilized by the Board in the past whereby the Board generally does not respond to public comments during the Board meeting but rather has staff follow up on such comments at a later date. Commissioner Manildi recommended that the Board modify this practice going forward and that the Board consider responding to public comments when appropriate. The Board may deviate from its past practice on occasion and respond to comments when there are straightforward questions that could be answered during the meeting. The Board needs to balance hearing from residents and members of the public with managing the Board meetings, while keeping in mind that the Commissioners do not handle the day-to-day issues and that often it is more appropriate for the staff to be able to respond to such inquiries.

Greden: Commented on the fact that there were only two persons who were in attendance at the November Board Meeting and that neither chose to provide comments. He indicated that this appears to be a substantive change from when he was a member of City Council and recalled numerous residents of the Housing Commission delivering complaints about the Housing Commission during the public commentary period at City Council meetings. *Manildi:* Responded that the rotation of the meetings may or may not have an impact on this and that perhaps concerns/issues are concentrated.

III. APPROVAL OF MINUTES

- A. **Regular Board Meeting Minutes – November 17, 2010** Moved by *Woods*; supported by *Greden*. Minutes approved: 3-0.
- B. **Regular Board Meeting Minutes – December 15, 2010** Moved by *Woods*; supported by *Greden*. Minutes approved: 3-0.

IV. NEW BUSINESS

A. Resolutions

- 1. **FY11-17: To Approve Amended and Restated By-Laws of the Ann Arbor Housing Commission** – Moved by *Greden*, supported by *Woods*. *Woods:* provided several comments regarding the by-law revisions and process and also thanked the Executive Director for her suggestions. *Greden:* Stated that he had reviewed the by-law revisions and found them to be complete and well-prepared. *Manildi:* Thanked the City Attorney liaison for his recommendations. Action could not be taken on this Resolution, as any amendment to the By-Laws requires approval of a minimum of four Commissioners, and only three Commissioners were present at this meeting. *Greden* then moved and *Manildi* seconded to table the Resolution. Motion to Table the Resolution was approved: 3-0.
- 2. **FY11-18: To Approve a Proposal for New Project Based Vouchers (Partnership with VA and Avalon Housing)** – Moved by *Greden*, supported by *Woods*. *Coquillard:* Provided an overview of the VASH (Veterans Affairs

Supportive Housing) Program for tenant-based vouchers and the current coordination between the Housing Commission and the VA and how well that Program is working. He then reviewed the Commission's intent to apply for five additional VASH vouchers that would be project-based. While the Housing Commission would be the lead applicant in this national competition, this would be a coordinated project with the VA and Avalon Housing, with such vouchers being project-based at properties owned and managed by Avalon, with the VA providing supportive services. These vouchers would target difficult to house homeless veterans. If awarded, the Commission would enter into a formal agreement with Avalon Housing to project base such vouchers. *Manildi*: Inquired of the added administrative burden and funding for such vouchers, and added that this helps the Commission define and expand upon its Mission. *Coquillard/Novak*: Responded that this would not be an administrative burden as the Commission is in the lease-up process and this would be a small addition to the existing caseload, and that the Commission receives administrative funds for each voucher leased. Approved: 3-0.

3. **FY11-19: To Approve Audited Financial Statements for FY10** – Moved by *Woods*, supported by *Greden*. *Novak*: Provided a brief overview of the changes to the final audit as compared to the draft audit presented by the outside auditor to the Board at its September Board meeting. The audit opinion is unqualified and the major changes from the draft include correcting an error made whereby the S8 Admin reserve was originally shown as a restricted rather than an unrestricted reserve, a portion of the capital grant funds reclassified as operations, the addition of the Management Discussion and Analysis section which is prepared by the Commission's Financial Manager, updated retirement information and the inclusion of the HUD FDS schedules in the format that will be electronically submitted to HUD. *Manildi*: Provided some history to the Commissioners regarding the Commission's financial past and recent improvements made in the financial status of the Commission. Commissioner Manildi had a question with regards to the Commission's internal controls and thoughts about sufficiency of such controls. *Novak/Cornellier*: Responded briefly regarding internal controls and practices that are in place and that the auditors interviewed both the Executive Director and Financial Manager regarding internal controls as part of their audit review. *Manildi*: Suggested creating an Audit Subcommittee of the Board. *Woods*: Suggested developing written standard operating procedures regarding such internal controls. *Novak*: Agreed and suggested in addition that a policy or procedure also be developed to clarify what action items require Board approval. *Greden*: Suggested a process for ensuring that audit deficiencies are addressed as well. Approved: 3-0
4. **FY11-20: To Approve Revisions to the Section 8 Administrative Plan – Chapter 6 – Calculating Rent and HAP Payments, Section P: Utility Allowance and Utility Reimbursement Payments [Addition of Utility Allowance Methodology]** – Moved by *Greden*, supported by *Woods*. *Coquillard*: Provided an overview of the utility allowances used for the Section 8

Program and the recommendation to modify the Section 8 Admin Plan to include the proposed language for utility allowance analysis, calculation and annual review. This change is required in order to address a SEMAP finding for the utility allowance indicator, which HUD found to be inadequately described in the Commission's Section 8 Admin Plan. The proposed language has been reviewed by HUD staff and found to be satisfactory. Once approved by the Board, HUD will be notified of such change and the Commission's SEMAP Corrective Action Plan (CAP) will reflect such change which should satisfy the finding for this indicator. Approved: 3-0

5. **FY11-21: To Authorize the Extension of the MOA-Housing for Youth Aging Out of Foster Care – Pilot** – Moved by *Woods*, supported by *Greden. Coquillard*: Provided an overview of the existing Memorandum of Agreement between the Housing Commission, Ozone House Youth and Family Services and Washtenaw Youth Aging-Out Coalition. This Pilot program is expiring as of February 1, 2011 and the Commission recommends extending it as a pilot program for another year, to provide for additional time to increase participation which would allow for a better evaluation of the pilot. The program allows the Commission to partner with local nonprofit organizations and includes supportive services for those participating. Approved: 3-0.
6. **FY11-22: To Approve Furnace Replacements, As Needed, Agency Wide** – Moved by *Greden*, supported by *Woods. Novak*: Provided background on the resolution and work currently being conducted by outside contractors to inspect furnaces at all of the Commission's scattered site properties. Results to date were shared with the Board and a handout was provided to the Commissioners outlining the estimated number of furnaces to be replaced and estimated cost, along with a listing of capital fund grant modifications to be made in order to re-direct funds toward this large-scale furnace replacement. Novak also discussed conversations she had with contractors, engineers and the City's building department regarding the inspection results to date and their recommendations for addressing such findings. Approved: 3-0

B. Presentations:

1. **Finance:** *Cornellier*: Provided two handouts to the Board – a color-coded summary of the Commission's year-to-date operating budget – actual comparison to budget, and a narrative summary of explanation. Ms. Cornellier reviewed her narrative in conjunction with the budget numbers, explaining each of the Commission's programs, its revenue sources, major expenditures, current net income and reserve levels for each. Cornellier provided a detailed discussion on the Commission's financials and responded to Commissioners' questions. *Novak*: Pointed out that FY11 year-to-date financials are very positive due in large part to current revenue sources available to the Commission on a one-time basis for FY11 that will not be available in the future, Congress' historic high level of funding for the public housing operating subsidy for CY2010, and the inclusion of

operating sources from multiple capital grants which are currently available to the Commission but indicating that going forward only one grant per year would be available. The Board was informed that FY11 is an anomaly in that a much higher level of funding sources has been made available to the Commission during this particular FY11, but that beginning in FY12, such levels will be at significantly lower levels. As such, the Commission is closely monitoring its operating budget monthly and is planning for having significant reserve levels in place in order to address projected deficits for FY12.

C. Board of Commissioners Discussion:

1. AAHC Strategic Planning Session – Priorities for FY11 and FY12 – Manildi: Provided a brief overview of the process for identifying Commission priorities for FY11 and FY12 at a strategic planning working session held by the Board in November. She indicated this is a work in process and suggested that the Commissioners hold a follow-up strategic planning session in the coming months.
2. AACH Legal Representation – Novak: Provided an overview of general areas where the Commission requires legal representation or assistance and the areas currently addressed by outside legal counsel. *McDonald:* Provided a status update on the City Attorneys’ Office review of potentially providing some legal assistance to the Commission, in the area of general corporate counsel. He also reiterated as he has stated in the past that the Operational Needs Assessment recommendations included a closer relationship between the Housing Commission and the City, especially in the legal area. *Greden:* Inquired of the timeline to implement this. *McDonald:* Responded that progress is expected within the next thirty days to discuss such item with City Council. *Derezinski:* Cautioned that there may be instances whereby there would be a conflict of interest if the City represented the Commission and in those cases the Commission would need to have separate legal counsel.

D. Election of Officers: *Manildi:* Provided overview of election process for Commission officers which occurs annually in May, however, since the President has resigned, a new President needs to be elected to be in place until the next May election. She then opened the floor for nominations for President. *Woods:* Moved to nominate Manildi as President of the Board, supported by *Greden*. Approved: 3-0. *Manildi:* Moved to nominate Woods as Vice-President, supported by *Greden*. Approved: 3-0.

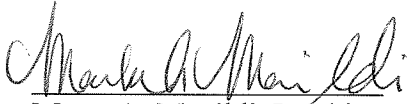
V. COMMISSION STAFF REPORTS for December 2010

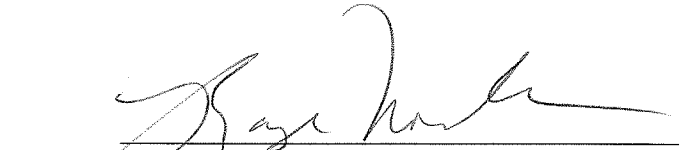
- a. Executive Director – *Novak:* highlighted several items in the Executive Director report.
- b. Financial Manager –as submitted; provided presentation.
- c. Section 8 Report – as submitted; no comments or questions

- d. PH-West – as submitted; no comments or questions.
- e. PH-East – as submitted; no comments or questions.
- f. Security Report – as submitted; no comments or questions.

VI. ADDITIONAL PUBLIC COMMENTARY : None

VII. ADJOURNMENT: at 9:20 pm. Greden needed to leave the meeting a few minutes prior to the end of the meeting. Movement to adjourn was agreed to by the two remaining Commissioners, Manildi and Woods; Approved: 2-0.


Marta A. Manildi, President


Marge Novak, Recording Secretary