



CITY OF ANN ARBOR, MICHIGAN

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ANN ARBOR HOUSING COMMISSION

Ann Arbor Housing Commission

May 25, 2011

REGULAR BOARD MEETING

MINUTES

The meeting took place at Hikone, 2724 Hikone Drive, Ann Arbor, MI 48108. President Manildi convened the meeting at 6:10 P.M.

ROLL CALL:

Commissioners present: Marta Manildi, Ron Woods, Leigh Greden

Commissioners absent: Mark McDonald, Resident Commissioner vacant

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

In Attendance: Tony Derezinski (City Council Liaison), Community Action Network Staff (Joan Doughty and Aaron Pressel), Hikone Residents (7), Miller Manor resident (1).

- I. **APPROVAL OF AGENDA** – Commissioner *Woods* moved and Commissioner *Greden* supported a motion to approve agenda. President Manildi offered a friendly amendment to remove one item from the agenda (Item V.B. Presentation), due to length of agenda and PH will be presenting to the Board in July and to add one agenda item (Item V. C. 3.) Commissioners Discussion of Commissioner McDonald. The amended agenda was approved 3-0.
- II. **ELECTION OF OFFICERS** - Commissioner *Greden* moved and Commissioner *Woods* supported a motion to re-elect Commissioner Manildi as the President of the Board. Approved: 3-0. Commissioner *Manildi* moved and Commissioner *Greden* supported a motion to re-elect Commissioner Woods as the Vice President of the Board. Approved: 3-0.
- III. **PUBLIC COMMENTARY**
 - A. **Resident Organizations** – *Olilla*: Ms. Olilla identified herself as the secretary of the Hikone resident council and raised the following concerns which were addressed

verbally by the Executive Director: (1) dryer vents – *Ms. Olilla* indicated that she received a letter regarding improper dryer venting and that she has had such dryer in place for four years and this is the first she’s been notified of this; *Novak* responded that letters were sent to all those tenants identified by an outside contractor as having dryer venting not meeting code and that subsequently, the Commission has decided to engage an outside contractor to correct such dryer venting issues, as the contractor is offering free labor to do so and the Commission will provide the materials; (2) notice to enter units – *Ms. Olilla* was concerned about the recent lengthy time periods for notice to tenants; *Novak* responded and apologized for the numerous recent notices sent to tenants regarding entrance to units, but they relate to installation and inspection of new furnaces and outside required inspections and that there will be more of these coming related to the dryer venting, and that the Commission will work towards being more specific with regards to the time period covered, when possible; (3) permission for maintenance to enter units – *Ms. Olilla* inquired if permission is still requested; *Novak* responded that permission to enter units is requested at the time residents enter work order requests, however, if the Commission needs to gain entry to units to conduct necessary work, permission is not required, instead the Commission provides notice to residents of such entry; (4) second floor air conditioning unit – *Ms. Olilla* inquired of why second floor AC units are not allowed; *Novak and Coquillard* responded that this is both a City of Ann Arbor and HUD prohibition, due to issues of egress.

- B. Others Requesting to Speak – *Leininger*: Ms. Leininger introduced herself as a Miller Manor resident and raised issues regarding her lease, income changes, staff’s inability to keep up with her income recertifications resulting from her weekly changes in income, and being charged for back rent. She inquired of a grievance process; *Coquillard*: informed her of the grievance process and how to obtain the necessary forms. She also raised concerns regarding inconsistencies between the Commission’s lease and resident handbook, and inquired of the Miller Manor parking sticker process. *Pennington*: Ms. Pennington introduced herself as a Hikone resident. She raised a concern regarding her ceiling fan being loose and that staff informed her it could be removed but not repaired. Staff agreed to follow up on this. *Jones*: Ms. Jones commented on the ceiling fan concern and stated that she purchased a fan which was flush against the ceiling which addressed the problem. *Martinez*: Ms. Martinez introduced herself as a Hikone resident and raised a concern that her patio is the only one with no privacy fencing surrounding it. *Burston*: Ms. Burston, also a Hikone resident raised a concern regarding birds outside her apartment door nesting. *Doughty*: Ms. Doughty is the Director of the Community Action Network (CAN) and welcomed the Commissioners to Hikone and thanked them for holding their Board meeting here. She indicated that things at Hikone have improved in recent years and that the type of complaints the Commissioners are hearing tonight are what would be considered normal complaints, not like more serious complaints of the past, and that residents generally feel that they are being treated with respect. *Pressel*: Mr. Pressel is the CAN Director of the Hikone Community Center and welcomed the Commissioners and offered Hikone cookbooks to the Commissioners.

IV. APPROVAL OF MINUTES

- A. **Regular Board Meeting Minutes – April 20, 2011** Moved by *Greden*; supported by *Woods*. Minutes approved: 3-0.

V. NEW BUSINESS

A. **Resolutions**

1. **FY11-34: To Approve Amended and Restated By-Laws of the Ann Arbor Housing Commission** – This resolution was tabled at the January, February, March and April Board meetings due to an insufficient number of Commissioners present to vote on the resolution (4 votes required). Due to an insufficient number of Commissioners present at the May 25th Board Meeting (3 in attendance), the tabled motion continued – no action was taken on this item.
2. **FY11-35: To Approve the Agency Wide FY12 Operating Budget** – Moved by *Woods*, supported by *Greden*. *Cornellier*: Provided an overview of the FY12 Operating Budget – the format and the process for developing the Commission’s budget; reviewed revenues assumptions by program and the detailed analysis used to develop expense figures; informed the Board of the projected deficits in both programs and the need to use reserves to address such deficits. *Greden*: Stated that he had reviewed the budget with the E.D. and Financial Manager earlier that day and wanted to make the following statements: (1) that although there are no inflationary salary increases proposed, consistent with the City, that many of the Commission union staff will be receiving step increases in salaries which are very real at 2+%; (2) the Commission is functioning under structural operating deficits thru the reliance on reserves, which will begin to deplete and that this is expected to get worse with further cuts by Congress; (3) for each dollar the Commission spends on salary, an additional \$.70 is spent on benefits – he urges City Council to respond to this, as this is significantly higher than the private sector figures; (4) he commended staff for grants received to date, and urges the Commission staff to continue applying for grants, as they are now doing, that help improve our programs as well as cover administrative expenses. Approved: 3-0.
3. **FY11-36: To Authorize AAHC to Request HUD Approval for Use of PH Homebuyer Reserves**– Moved by *Greden*, supported by *Woods*. *Novak*: Provided a brief overview of the resolution, informed the Board of the history of the Turnkey III Homeownership Program that the Commission operated years ago and reviewed the current level of reserves from sales proceeds and the recommendation for requesting that HUD permit the Commission to use such funds for public housing deficits and public housing redevelopment and affordable housing development activities. *Woods*: Requested clarification that what we are asking for is permission to use reserve funds that are currently in our possession. *Novak*: yes. *Woods*: Inquired of the sale of the last home. *Novak*: provided update on status of that. Approved: 3-0

4. **FY11-37: To Approve FY12 Insurance Renewal** - Moved by *Greden*, supported by *Woods*. *Novak*: Provided brief overview of resolution and overview of the Commission's insurance provider, Housing Authority Insurance Group (HAIG). Approved: 3-0.
5. **FY11-38: To Approve Contract Renewal for Section 8 Housing Quality Standards (HQS) Inspection Services with Multi-County Property Services, LLC (\$81,000)** - Moved by *Woods*, supported by *Greden*. *Coquillard*: Provided brief overview of resolution. *Woods*: requested breakdown of hourly cost, which staff agreed to forward. Approved: 3-0.
6. **FY11-39: To Approve Revision of Public Housing Utility Allowances** - Moved by *Woods*, supported by *Greden*. *Coquillard*: Provided brief overview of resolution and Commission's history of updating utility allowances (UAs) for changes in rates, but that there is no record for consumption analysis for a number of years. The Commission hired an outside contractor who specializes in this area to analyze changes in both utility rates and consumption and that a very detailed final report was received and reviewed. While the changes in utility rates were less significant, changes in consumption were significant, which result in fairly significant changes in the public housing utility allowances proposed. It was clarified that such changes would not impact Miller Manor where the Commission pays for all utilities, nor Baker Commons where the Commission pays for gas and where there was no change in UAs for Baker Commons – all other Commission public housing sites are impacted by the changes in the proposed utility allowances. The Board was informed that such changes will not be implemented until August 1st, after a minimum 30-day comment period and that the Commission will report back to the Board on comments received during such period. *Manildi*: Inquired of how we chose the contractor. *Coquillard*: This is one of the few contractors that conduct such analysis specifically for public housing, and in consultation with other public housing commissions that have used their services. Approved: 3-0.
7. **FY11-40: To Approve Revision of Utility Allowances for the Section 8 Program** - Moved by *Greden*, supported by *Woods*. *Coquillard*: Provided brief overview of resolution and informed the Board that this was an update to the same process used and same outside contractor hired to perform such analysis as in the prior year. *Manildi*: Stated that it seems to make sense to make such adjustments annually in order to avoid more significant changes in one single year resulting from a cumulative effect from multiple years worth of change. During the discussion of this resolution, the Miller Manor resident commented that the stairways at Miller Manor seem warmer than they need to be and that they are being overheated. Approved: 3-0.
8. **FY11-41: To Approve Revisions to Section 8 Housing Choice Voucher Administrative Plan – Chapter 25: Section 8 Self Sufficiency and Action**

Plan - Moved by *Greden*, supported by *Woods*. *Coquillard*: Provided brief overview of resolution and stated that the purpose was to provide more specific guidelines on interim withdrawals made from Family Self Sufficiency escrow accounts. Approved: 3-0.

B. Presentations:

1. **Public Housing:** *This item was removed from the agenda due to the length of the agenda and given that the public housing staff will be presenting at the July Board Meeting.*

C. Board of Commissioners Discussion:

1. **Appointment of Working Committee for Executive Director Review:** President Manildi recommended, and the other Commissioners agreed to establish a Committee to review the performance of the Executive Director. Ms. Novak's anniversary date is May, however, Commissioner Greden suggested, and members agreed that such review should coincide with the fiscal year-end. Commissioners Greden and Woods both agreed to be members of this working committee. Commissioner Manildi offered several suggestions to consider for such review, such as a self-evaluation, review of the bylaws, review of the E.D. job description, and comments from the E.D. direct reports.
2. **HUD Financial Management Training and Budgeting Philosophy:** President Manildi and Ms. Novak updated the Commissioners on a HUD LiveMeeting training that they and the financial staff participated in. Commissioner Manildi reported that our budget process review appears very solid in light of the training.
3. **Commissioner McDonald: (Item added via amendment)** The Commissioners discussed Commissioner McDonald's plans for continued participation in future Board Meetings and sub-committees.
4. **June Board Meeting:** Commissioner Greden announced at this time his inability to attend the scheduled June Board Meeting and the Commissioners agreed to change the date and location of the June Board Meeting to Monday, June 20th at 6:00 P.M. at Miller Manor. Staff was instructed to provide the required notice for the change in the date and location of the June Meeting.


V. COMMISSION STAFF REPORTS for April 2011

- a. Executive Director Memorandum – *Novak*: highlighted a number of items in the Executive Director memorandum, including response to HUD regarding FY08 and FY09 audit findings, HUD third party contracted individual assessment recently conducted, work toward addressing UPCS deficiencies to improve PH physical score under PHAS, UofM Nursing Clinic at Maple Meadows is moving out to a centralized clinic, effective June 30th, update on status of City budget approval – delayed until May 31st.
- b. Financials Agency-Wide (YTD) –as submitted
- c. Section 8 Report – as submitted

- d. Public Housing Agency-Wide Reports – *Novak*: informed the Board of the inclusion of a new monthly report, AAHC Projected Public Housing Assessment System (PHAS) Score
- e. Public Housing West AMP Report – as submitted
- f. Public Housing East AMP Report – as submitted
- g. Public Housing Security Report – as submitted

VI. **ADDITIONAL PUBLIC COMMENTARY:** None.

VII. **ADJOURNMENT:** at 8:05 P.M. Movement to adjourn was moved by *Greden*, supported by *Woods*. Approved: 3-0.


Marta A. Manildi, President


Marge Novak, Recording Secretary