AGENDA
BROWN COUNTY HOUSING AUTHORITY
Monday, September 22, 2014, 3:00 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS: Tom Diedrick, Ann Hartman, and Sup. Andy Nicholson

MEMBERS ABSENT: Corday Goddard, Adam DeKeyser

OTHERS PRESENT: Robyn Hallet, Kim Flom, Matt Roberts, Patrick Leifker, Nicole Tiedt, Yvette Tice, and Stephanie Schmutzer

APPROVAL OF MINUTES:

1. Approval of the minutes from the August 18, 2014, meeting of the Brown County Housing Authority.

A. Nicholson made a motion to approve the minutes from the August 18, 2014, meeting of the Brown County Housing Authority. A. Hartman seconded. Motion carried.

COMMUNICATIONS:

None

REPORTS:

2. Report on Housing Choice Voucher Rental Assistance Program:
   A. Preliminary Applicants
      P. Leifker reported that ICS collected 142 preliminary applications for the month of August 2014.

   B. Unit Count
      P. Leifker stated that the unit count was 2,943 for the month of August.

   C. Housing Assistance Payments Expenses
      P. Leifker indicated the HAP expenses were $1,146,441 for the month of August.

   D. Housing Quality Standard Inspection Compliance
      P Leifker reported that 236 units passed the first evaluation, 57 passed re-evaluation, 94 failed and 17 no-shows.

   E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
      Y. Tice reported that there were 255 port-out vouchers in the month of August, with an associated HAP expense of $195,786. ICS administrative expenses were under-budget by $3,478. FSS Administrative was under-budget by $2,526.

   F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, new contracts, homeownership)
      N. Tiedt indicated that she has added a few extra reports. The first indicates the FSS contracts signed each year, noting the 2014 number is year-to-date. Next is an annual comparison of the average number of FSS contracts signed per month. N. Tiedt reported that there are 62 homeowners participating in the Homeownership program as of August. She provided a brochure explaining new levels used within the FSS Program and explained the new report displays how many participants are in the various levels. Level One consists of clients who have earned up to 30 points, of which there are 37 participants. Level Two, 31 to 60 points, has 19 individuals. Level Three, from 61 to 90 points, there are six individuals. No one is yet at Level Four because these levels were just implemented as of January of this year so no clients have reached that level yet.

M. Roberts explained these levels equate to a university structure of freshman, sophomore, etc. These reports help provide Commissioners with information on how clients are progressing within the program, how close participants are to reaching graduation, etc. It will help identify where clients are getting stuck.

R. Hallet asked if there is any recognition when an individual moves from one level to another. N. Tiedt responded that they review this with participants at each meeting so they can see where they are, what they still have to complete; it helps them hold themselves accountable. The goal was to make progress more visible to participants.

N. Tiedt continued with the next report, indicating that one new FSS Contract was signed.

N. Tiedt stated that the next report is new as well and explains the terminations from FSS program: in 2014. Eight were asked to leave program because they were not committing to program, not coming to appointments or setting goals, and coming to the appointments but not doing the log book. One left due to porting out to another county; four were terminated from the Housing Choice Voucher program, which terminates them from the FSS program, and nine left voluntarily.

N. Tiedt reported there was one graduate for the month of August. She provided information about this participant, explaining she is single mom of two children who came to the program with no income and was unemployed. She graduated from cosmetology school and began working in a salon. Upon receiving earned income she began earning deposits in her escrow accounts. She took classes for a certificate in childcare training and began babysitting for family and friends. She is currently looking to move from her current unit into a larger unit in order to establish an in-home daycare. She completed all of her goals and she graduated from the program in August taking $6,998 in escrow. N. Tiedt stated that going forward she will provide a story for each graduate.

N. Tiedt reported there are currently 30 escrow accounts open, with a total of $4,030 deposited into these accounts for the month of August, includes 4 new accounts that were opened in August. The highest single deposit at this time is $491 and the highest amount of escrow held in a single account is currently $9,045. In 2014, the graduates took a total of $14,051.18 in escrow. She explained and gave examples of topics covered in the life skills and budget and credit counseling classes that are offered.

N. Tiedt reported 64 homeowners for the month of August.

G. VASH Reports (active VASH, new VASH)
N. Tiedt reported zero new VASH in August and 17 current VASH clients.

H. Langan Investigations Criminal Background Screening and Fraud Investigations
P Leifker reported five new investigations assigned; four previous investigations were closed; and three still remain active; zero applications were sent in August. Regarding fraud investigation by municipality, the majority were in Green Bay and one in Ashwaubenon. For quarterly breakdown of HQS failures, the majority were related to windows, smoke detectors, electrical, and unsanitary conditions.

OLD BUSINESS:

3. Update and possible action regarding set aside funding

R. Hallet reminded Commissioners that at the last meeting she had reported that we received set aside funding and were waiting for more direction from HUD. She has since learned that Caleb Kopczyk, our main HCV contact at the Milwaukee office, has transferred to a different department and we no longer have his expertise available. She asked John Finger, Program Director at the HUD Milwaukee office, if it will be held against us if we don't get the money spent quickly enough,

considering how late the award came in. The short answer is no, that we shouldn't be penalized for it. Therefore; the briefings and appointments ICS has been making to lease up additional clients is appropriate.

P. Leifker reiterated that they have clients attending briefings, vouchers will be issued by the end of the month, and they plan to continue these steps into 2015.

M. Roberts commented that they are taking a logical approach, being aware of the unit count and cost per unit. An increased per unit cost is often due to port outs, because we generally pay more for a port out then if their voucher were used here.

A. Hartman raised a concern on behalf of an individual who manages apartments. Her concern is about the number of vouchers coming from other areas. A discussion ensued related to the details of this concern and ended with ICS offering to follow up with this property manager.

R. Hallet commented that in regards to the departure of C. Kopczyk from the Milwaukee HUD office, although the other HUD staff is still available for questions, we should not rely on them for immediate answers to questions. Rather, we need to trust the knowledge of our staff. We could contact other housing authorities who have dealt with similar issues. J. Finger of HUD indicated that they will be diversifying their staff so everyone is familiar with all HUD programs and not segregate the programs to individual staff.

4. Discussion and possible action regarding payback of ICS staff's second furlough

M. Roberts explained that although it was earlier agreed to bring this item back for discussion in November, the funding has not only held but has increased and out of respect for ICS staff who have inquired with him about it and who have taken the burden of having a week without pay, he wanted to bring it up at this point. He stated that all indications from HUD are that funding is looking good for next year, a minimum of the current level. Therefore, he wanted to bring it to the Authority and ask if they would consider paying it back now.

A. Nicholson inquired how much it is and where it is coming from. M. Roberts responded that it is $12,900 and reminded Commissioners that ICS's budget was originally prepared at the 68 percent proration. Subsequently extra money came in, but they didn't take it all right away; instead it was put back in the reserve, and they just eliminated the second week of furlough, to make sure the funding held, which is has.

A. Nicholson asked if ICS staff were on furlough for two weeks. M. Roberts clarified that they budgeted for two, they took one, and the Authority approved eliminating the second week, so there is one week unpaid now.

A. Nicholson asked where the money is right now. S. Schmutzer stated that it hasn't all come in yet, which is why it was decided to wait until November. She explained that we receive administrative funds monthly and we wanted to ensure that the admin fund level remained consistent, because as the unit count decreases, it affects the admin funding. HUD doesn't look at how many people are on the program now, but rather at a different time period which has remained unclear.

A. Nicholson asked if she is suggesting we wait until November. S. Schmutzer stated that the original plan was to review it at the end of October, look at all the funding received through the end of October, and then either approve it or disapprove it in November, and if approved, pay it to ICS at that time. That is what was approved at the May meeting.

A. Nicholson asked if this was in January of last year. M Roberts responded that the furlough was implemented in January; May is the meeting that S. Schmutzer is referring to.

R. Hallet reminded Commissioners that since the May meeting, the admin proration has increased: it was budgeted at 68 percent proration, it then increased to 74 percent and then more recently increased to 79 percent, so things have been very positive in regards to the admin funding.

A. Hartman asked if funding levels are expected to remain the same next year. M. Roberts responded that he spoke the Chief Financial Officer at the Milwaukee Housing Authority; they discussed funding levels for next year and he was very sure that the federal budget was set up as a two year package, so funding for next year would remain where it's at this year. All indicators right now are much more positive than three years ago.

A. Nicholson asked if M. Roberts doesn't think they'll need to budget for furlough next year, which M. Roberts responded no.

A. Nicholson asked if they will know definitely in November. S. Schmutzer replied that it's never definite, but usually our funding in November is indicative of what we will get in January, February and March, because HUD looks back three months and then adjusts, although they usually don't adjust right away at the end of the year, because they are trying to get all the end of the year issues finalized.

M. Roberts expressed he is aware of this, however considering that the proration improved, he was hoping there would be an opportunity to compensate their team two months earlier than anticipated.

A. Nicholson stated that we don't know what's going to happen until November so he would rather wait until November and if the funds are there, we can stay the course.

T. Diedrick expressed similar thoughts, adding that the Authority is committed to reimbursing ICS, but he wants to stay with the original plan to see where we are in October, and then decide, so the staff can get that cash this calendar year.

S. Schmutzer indicated that after the November meeting if it is approved, BCHA staff could do the transfer right away so ICS could pay it out to their staff before Christmas.

M. Roberts noted that he is accepting of this, but just wanted to bring it up since his staff has approached him about it. He expressed appreciation for the consideration.

S. Schmutzer stated that at the end of October, she and Y. Tice would run the numbers and present it to the Authority at the November meeting to make a decision.

A motion was made by A. Nicholson and seconded by A. Hartman to receive and place on file. Motion carried.

NEW BUSINESS:

5. Update Approval of revisions to Chapters 6 (Income and Subsidy Determination) and 4 (Waiting List) of Administrative Plan

P. Leifker explained that Chapter 6 is in regards to changes to the utility allowance with the Appropriations Act that was recently enacted. HUD is now requiring the use of the lower of the bedroom size or the voucher size when determining utility allowances, just as with payment standards.

He went on to explain that the change to Chapter 4 adds language that is reflected elsewhere in the Admin Plan that current participates in project based or moderate rehabilitation programs who terminate their lease will be offered a tenant based voucher or if vouchers are not available at that time, they will be brought to the top of the waiting list. This is simply adding this language to the correct chapter. It is already in practice.

A. Nicholson made a motion to approve the changes to Chapters 6 and 4. A. Hartman seconded the motion. Motion carried

6. Approval of Audited Financials for FYE December 31, 2013

S. Schmutzer stated there was a concern over a compliance issue from ICS's audit that needs to be included in the BCHA audit. The compliance issue was that ICS had new auditors who questioned the allocations for overhead, admin salary, admin benefits, and office supplies. It resulted in being only a $321 difference, but to avoid this in the future, S. Schmutzer will periodically review ICS allocations to ensure they are recorded appropriately. However, since it was a compliance issue, BCHA had to include it in our audit and make a comment on it. We learned of it last minute and BCHA auditors had to make the adjustments. The documents provided are drafts, but the only things that will change will be dates that will be inserted once it is approved; none of the numbers will change.

S. Schmutzer indicated the compliance issue was the only unusual item; other items were similar to last year. The Management Discussion and Analysis is a summary.

M. Roberts gave a summary of the compliance issue: In 2013, ICS used a method of annualizing time versus using actual time, by taking the money and the hours and dividing it by 12. They had contracted with their former auditor to verify that the allocation methodology was correct; they approved it at the time, and ICS was under the impression that was the right way to allocate it. When the new auditor reviewed it in 2013 they identified that this is not the correct way, rather it should be done on actual time, so ICS made the change at that point.

Y. Tice added that she had started working at ICS in August; by November, she started to get a better understanding of the allocations, and that they should be using the actual hours. She made this change starting in November. She wanted to make sure that there wasn't a big material misstatement due to that. It was found to only be $321.

M. Roberts stated that the $321 is the difference from the method that was used, which is not the preferred way according to the new auditors.

S. Schmutzer pointed out that this is $300 out of hundreds of thousands of dollars program, so it's less than one percent.

M Roberts stated that he had informed R. Hallet so she was aware. He also added that the former auditor, who has also done work in the City and County as well, confirmed that was an appropriate way. This shows that there are variances in ways to do it.

S. Schmutzer stated that they pointed out to the auditors the small dollar amount and then the auditors didn't pursue it as a big issue. The fact that the compliance finding is included in the final audit is the only unusual issue.

A. Nicholson made a motion to approve the Audited Financials for year ending December 31, 2013. A. Hartman seconded the motion. Motion carried

INFORMATIONAL:

7. Update on new VASH vouchers.

R. Hallet stated there is no updates as of yet. At the WAHA conference John Finger stated that HUD has not finalized it yet, but implied that we should be hearing soon.

A. Hartman asked how many VASH vouchers this would be for, to which R. Hallet responded that BCHA was invited to apply for 15.

A. Nicholson inquired what the requirements are for VASH vouchers. R. Hallet explained that they are a little different in that participants must be veterans and must be case managed by the VA. One thing that could be looked upon negatively is that they are exempt from the background screening that is normally done; the sex offender registry must be checked, but not drug or criminal activity. However, the vets are closely case managed by the VA so the VA could intervene if any issues were to come up.

A. Nicholson inquired if it's known what was the reasoning why they are just exempt from background checks but not sexual offender.

R. Hallet stated her assumption is that it's known that veterans tend to have a lot of mental health issues which could lead to them committing drug or violent acts, but being a sex offenders is a hot topic, so that may be why.

BILLS:
S. Schmutzer stated the bills include one to NeighborWorks® for a new loan. R. Hallet explained that the Brown County Housing Authority provides funds for a conversion loan program which NeighborWorks® administers. It provides a down payment loan to help families purchase a home that is a duplex or triplex and convert it back into a single family home. Typically there are only one or two loans made per year.

S. Schmutzer stated it's a $5,000 loan plus $500 to NeighborWorks for administrative costs.

S. Schmutzer also stated there is a bill to VandeCastle, for costs to take about 15 former HCV participants to small claims court.

A. Nicholson inquired if there were any returns on those 15 yet. S. Schmutzer responded that they will be entered into the TRIP system, but noted that at the WAHA conference she learned about the State Debt Collection program. She is going to be looking into that more, but essentially instead of using a collection agency, which could cost a third of what you are attempting to collect, the State could collect on debt for PHAs, much like the TRIP program. The debtor pays the fee, not the recipient. The fee is the greater of 15% or $35, but we would not incur that fee, it would be the party who owes us the money. The State will actively go after people and will levy bank accounts if they need to and garnish wages. The only drawback is they cannot collect on money that is outside of the State of Wisconsin, except for agreement the State has with Minnesota and they are working on one with Illinois. If they go after someone with no income, they will return it to us and it will be up to us to take it to a collection agency. This may be a beneficial way to collect on older debts that people are not paying on.

A. Nicholson requested an updated report when more information on this is received.

S. Schmutzer stated that she also informed the City Clerk's office, as they use a personal debt collection agency. This is a new program that was only made available to municipalities and PHAs in 2013.

A. Hartman made a motion to approve of the bills for the month of August 2014. A. Nicholson seconded the motion. Motion carried

FINANCIAL REPORT:
S. Schmutzer stated that both HAP and admin funds have been better than anticipated. The State of Wisconsin is looking to have more done with HOME funds. They want to see programs with HOME monies being used and not sitting idly, so that may be something that will have more activity in the future.

T. Diedrick expressed that he thought we were reviewing financial reports quarterly. S. Schmutzer replied that profit and loss statement would still be monthly but a complete trial balance would be quarterly.

STAFF REPORT:

8. Date of next meeting: October 20, 2014.

T. Diedrick inquired about meetings for the remainder of the year. As previously discussed there will be a November meeting to discuss repayment from furloughs again. There will also be approval of next year's budgets in November. Hopefully we won't need to have a meeting in December.

In other staff reports, M. Roberts informed the Authority that HUD is doing a pilot program to explore eliminating Housing Quality Standards and instead implementing Uniform Physical Condition Standards (UPCS), which is used for public housing. It's stricter and is intended to aid in improving housing stock. UPCS is based on different levels. M. Roberts said he supports this change and has previous training on UPCS. On the front end it's going to upset some landlords but that means there are some things those landlords need to change. He said that if this is indeed changed by HUD, ICS would do landlord meetings, provide notices, and talk it through with landlords. At this point it's too early to start notifying landlord until and if it's made official.

As another staff report, R. Hallet indicated they are in the process of hiring a new housing intern.

A. Nicholson made a motion to adjourn, seconded by A. Hartman. Motion carried. Meeting adjourned at 3:55 PM.

rah:jd