MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, May 18, 2015, 3:00 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS: Tom Diedrick—Chair, Ann Hartman—Vice Chair, Sup. Andy Nicholson, and Adam DeKeyser

MEMBERS EXCUSED: Corday Goddard

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

APPROVAL OF MINUTES:

1. Approval of the minutes from the April 20, 2015 meeting of the Brown County Housing Authority.

A. Nicholson made a motion to approve the minutes from the April 20, 2015, meeting of the Brown County Housing Authority. A. Hartman seconded. Motion carried.

ELECTION OF OFFICERS:

R. Hallet explained that it was the time of the year to elect officers and referred to the agenda packet item which contained an updated rotation of officers if the commissioners wished to continue the same rotation pattern. In the past, officers have rotated on a schedule that allowed a commissioner to serve two years as Vice-Chair followed by two years as Chair. Nevertheless, R. Hallet explained that ultimately the decision was up to commissioner discretion. If the rotation was to be followed A. Hartman (current Vice-Chair) would begin her tenure as Chair and A. Nicholson would begin his tenure as Vice-Chair for 2015-2017.

T. Diedrick asked A. Hartman if she would be willing to serve as Chair, which A. Hartman indicated that she would. A. Hartman then asked A. Nicholson if he would be willing to serve as Vice-Chair, which A. Nicholson affirmed that he would be willing.

T. Diedrick asked three times if there were any other nominations. Being none, A. DeKeyser made a motion to nominate A. Hartman as Chair of the Authority and A. Nicholson as Vice-Chair. T. Diedrick seconded the motion. Motion carried.

A. Hartman and A. Nicholson will begin acting in their new roles at the June 2015 BCHA Meeting.

COMMUNICATIONS:

2. Letters from HUD dated April 9 and April 30, 2015, regarding HCV Administrative Fee Study

R. Hallet communicated that HUD had recently sent the Authority two letters regarding a federal HCV Administrative Fee Study. The study was recently concluded to determine how much Administrative Fee's PHA's need in actuality in order to successfully operate their HCV Program.

R. Hallet explained that the first letter, dated April 9, 2015, discussed the purpose of the Study and that a comparison would be provided by the end of April showing the amount the PHA would earn in Admin Fees under the study's new formula as compared to their fees actually received. The second letter, dated April 30, 2015, explained that HUD was not able to provide the comparison by the end of April 2015, due to industry groups (NAHRO, CLPHA, and PHADA) providing recommendations on comparison information that would be more useful to PHAs.

To summarize some of the findings from HUD's study, R. Hallet reported that Housing Authorities have been significantly underfunded to effectively run the program. The average cost to administer the program (based off of 2013 data) would have been $70.03 per Voucher per month where in actuality the average Administrative Fees received by PHAs was $51.64. The new proposed formula focuses on seven variables to include: size of program, wage rates specific areas of the country, health insurance costs, percentages of households with earned income, rates of new administration, and distance from Housing Authorities in which people with vouchers reside. Under this new formula 92 percent of Housing Authorities would be receiving higher fees than what they have been receiving in the past. This information does however come with the assumption that Congress will allocate the needed amount of funding to the program. Nevertheless, HUD will be publishing the new proposed rule with that formula this year, with hopes that it will be implemented within 2016.

A. Hartman asked if the BCHA will be one of the Housing Authorities that would receive more money. R. Hallet replied that she does not know definitively but chances were very high that we would.

T. Diedrick asked what the BCHA's Administrative Fees were in actuality in comparison to the fee amount derived by the new formula. R. Hallet replied that that data has not yet been provided by HUD.

R. Hallet went on to explain that the new formula does take into consideration higher costs for port-ins and port-outs. Accordingly, Receiving Housing Authorities would receive 100 percent of their own fees and Initial Housing Authorities would get 20 percent of the Administrative Fees for each port-out. Housing Authorities would then no longer bill for the Administrative Fees; they would only bill for the HAP.

3. Letter from Senator Tammy Baldwin regarding funding for housing programs

R. Hallet explained a letter was received from Senator Tammy Baldwin, regarding funding for housing programs. This letter is significant as the BCHA specifically reached out to congressional representatives in regards to portability costs. Senator Tammy Baldwin's letter stated that she is in support of affordable housing programs and she will keep these issues in mind.

A request to take item 10 of the agenda out of order was made by T. Diedrick. A. Nicholson made a motion to accept the request which was seconded by A. Hartman. Motion carried.

NEW BUSINESS:

10. Discussion and action regarding use of Administrative Reserves to allow for temporary overtime of ICS staff to increase utilization rate within the HCV Program to avoid HUD sanctions.

R. Hallet discussed that BCHA's HCV funds, as determined by HUD, are severely underutilized. In consequence, BCHA is on HUD's newly created "Hot List" of PHA's that are underutilized. HUD will be working more intensely with those PHA's until their utilization rates are up to par.

R. Hallet explained the reason for the Authority's underutilization in that the BCHA received an unexpected abundance of Set Aside Funding. The BCHA applied for Set Aside funding in June of 2014. HUD did not notify the Authority of its awarded funds until August of 2014. The award was 100 percent allocated whereas in the past Set Aside Funding awards have been received with a 50 percent proration. Staff remained very cautious of the possibility that HUD may decide to recapture a portion of funds since this additional funding so late in the year could put the BCHA over the reserves threshold at the end of the calendar year. Staff thus had ongoing conversations with HUD personnel in an attempt to get clarification on whether or not this new funding had the potential to be recaptured. It was then not until March of 2015 that staff was provided assurance that the funding would not be recaptured.

R. Hallet went on to state that a serious plan of action must be put together to get off HUD's "Hot List" by spending the Set Aside funding. If the Authority does not spend down this funding, the BCHA will be at risk of HUD recapturing this money and secondly, the BCHA will be at risk for sanctions towards BCHA's Administration Fees. ICS has put together a plan for their staff to work overtime (up to five hours a week for 12 individuals) in an attempt to lease up additional clients to spend down the Set Aside Funding. With the additional overtime needed, ICS has made a request to use a portion of available Admin Reserves.

M. Roberts began to explain that ICS has prepared some worst case scenario estimates of additional funds needed. Currently, ICS pulls about 100-150 applications a month on a regular basis which includes processing each applicant and getting them set up in the Voucher Program. HUD has recommended ICS to pull 400 applicants in the next two month and then 300 for the following month. M. Roberts stated that ICS is obviously trying to be as efficient as possible yet, because of the increased time it will take to meet HUD's goal, there isn't really an option outside of overtime to accomplish this feat.

S. Schmutzer added that HUD has stated that by the end of the year, BCHA's reserves would be over 30 percent if nothing is done now. Ideally, HUD expects PHA reserves to be at approximately 8.5 percent (which has decreased from previously years from 10 percent). By utilizing overtime to help spend down funds, it is probable that BCHA would still only get down to approximately 20 percent, but this is supported by HUD, who has suggested BCHA's goal be to reduce recaptures rather than entirely eliminate it.

T. Diedrick asked how overtime would be utilized. M. Roberts stated that staff would still see clients primarily during regular office hours. The processing and paperwork would be accomplished before and after hours or perhaps on a Saturday morning.

A. DeKeyser asked if there are 1,100 people to even pull off the waiting list to accomplish this goal. Further, A. DeKeyser asked if it was even possible to get to 300-400 applications processed in a month even when calculating in the estimated overtime.

M. Roberts explained that ICS has pulled over 300 applications in the past. With the amplified goal of 400, staff will try their best but no guarantees can be made at this time. In regards to the waiting list, there are currently only approximately 600-700 people on the list, but applications continue to come in daily. Further, because of the vast amounts of applications being pulled, a variety of different demographics are getting the opportunity to receive a voucher who, under ordinary circumstances, would have to wait much longer since they have a lower preference. These preference categories include singles, singles with minors, and non-preference individuals and families.

A. Hartman asked how it could be the Authority's fault that HUD sent us the Set Aside funding late. R. Hallet explained that after receiving notification of the award, staff proceeded cautiously while seeking clarification from HUD, so as not to spend money that could later be recaptured. The Authority was also unaware that there would be possible sanctions if the funds were not spent down. M. Roberts added that HUD did agree that this situation puts the BCHA in a conundrum.

S. Schmutzer stated that if the Authority can at least lease up everyone on the waiting list, the Authority could then show HUD that there is nothing more that can be feasibly done to utilize the Set Aside Funding.

M. Roberts further declared that in the last conference call with HUD, HUD stated that there would be no way to get funding down to 8.5 percent. Nevertheless, if the Authority can get down to the 20 percent range, there is a good chance that the BCHA would be taken of the "Hot List" which would allow us to steer clear from the sanctions. There still could be some risk of having some funds recaptured but the risk of the unknown sanctions which would be much more significant.

T. Diedrick asked what our current HAP dollar amount is in comparison to the 8.5 percent which we ideally need to be at. S. Schmutzer estimated that it would be approximately $2.75 million that HUD could recapture.

A. Hartman asked why HUD gave us this money so late. M. Roberts read the response given to the Authority when staff asked this same question. The response read that "it was not the priority of the division that handles the Set Aside Funding". A. Nicholson asked for elucidation. M. Roberts stated that the response means that the particular division that awards this funding throughout the country put this task secondary to a separate task still within their responsibilities.

S. Schmutzer stated that HUD wants the BCHA to be at $1.1 million by the end of the year. This is approximately one month's worth of HAP payments.

R. Hallet acknowledged that as frustrating as this may seem, this is not the worst problem to have. What would be worse was if the BCHA was coming up short on funds which would then cause the Authority to have to terminate some families currently utilizing vouchers. We need to look at this as a great opportunity for those individuals and families who have been waiting great lengths of time to finally receive a voucher.

A. DeKeyser asked that if the waiting list did move down to zero, would there even be enough vacant units in Brown County for these individuals to utilize their vouchers right now. M. Roberts explained that this question cannot be simply answered. A certain portion of these applicants may not be looking for a unit in Brown County in the first place especially as staff starts pulling non-preference applicants.

A. Nicholson asked what the reality was in regards to how many applicants can be pulled. P. Leifker replied that the goal is 400 a month and ICS has pulled over 400 people from the waiting list already for May. This week ICS is preparing to pull another 400 more for June. Roughly ICS operates at about a 65 percent success rate for applicants that are sent a TIF. So 65 percent of 450 vouchers are roughly what we expect can be accomplished, which is what HUD is looking for too.

A. Nicholson asked if ICS was currently paying overtime to accomplish this. P. Leifker stated that at this time no overtime has been issued. The process is pretty lengthy so ICS hasn't seen the 400 applicants in the office yet; that would be sometime next week.

K. Flom asked if there has been any consideration in bringing on a part time staff member to help with any basic office needs to reduce some office stress and allow staff to take some vacation time. M. Roberts stated that individuals previously employed with ICS have been considered for a limited term employment but they are not currently looking to spend time training a new member for such a short duration as time constraints would not allow this. ICS also wants to maintain their same standards of quality.

T. Diedrick brought the Commissions back to the request on hand stating that the bottom line is that ICS is looking at an additional $32,506 dollars for the next three months to accomplish this feat. M. Roberts confirmed that this was the requested dollar amount on the extreme, high end.

K. Flom stated that if approved, this money could be reviewed on a monthly basis to monitor spending and report the Set Aside money spent down.

A. Nicholson asked if anything of this capacity has ever happened before. M. Roberts replied that it has not.

A. DeKeyser stated that if a portion of these pulled applicants port out that is another increased expense; money paid for Port Outs may outweighs what we are receiving in Set Aside funding. A. DeKeyser then stated that it may be worth it in the long run to just take the hit now and face the sanctions.

A. Hartman stated that the issue is that the sanctions are unknown and that is a big risk to take. S. Schmutzer stated that HUD has not determined what the sanctions will be however it very well could affect the funding the Authority receives in future years to come.

A. DeKeyser stated that if we knew how many vacant units there were, it would be possible to see if this feat is even possible.

M. Roberts stated that ICS would be doing hefty outreach to get families and individuals to apply for the program.

T. Diedrick stated that the Authority cannot afford to put this off. A. Nicholson asked if we could hold off on action, perhaps having a special meeting. S. Schmutzer stated that HUD did state that they would like to see immediate action taken with this. R. Hallet asked N. Nicholson what additional information he would like at the special meeting. N. Nicholson stated he would like to know how many vacant units were available in Brown County. P. Leifker and R. Hallet both expressed they wouldn't know where to obtain such data. P. Leifker asked for clarification if A. Nicholson was inquiring about physical units or program units. A. Nicholson replied both. A. Nicholson then asked where the individuals would go if we are give them vouchers. P. Leifker stated that there is an assumption that many individuals who have applied to the program are already in a unit in the community which they simply can't continue to afford. When pulling homeless applicants however, they would need to find a unit of course but this is not the case for all applicants. Many who receive a voucher, specifically those on the minors and singles list, are already in a unit and are more likely to stay in said unit for stability. With the exception of individuals who may decide to port out, many families and individuals are more apt to stay in their current unit in Brown County.

In regards to program "units" (vouchers), P. Leifker responded that HUD wants us to lease up approximately 700 additional vouchers. Since the success rate is about 70 percent, we need to issue 1100 vouchers to lease up 700.

T. Diedrick recommended that the Authority could authorize this request now and review it next month and every month thereafter. M. Roberts said that the Authority could even review this bi-monthly each time ICS runs payroll.

A. DeKeyser asked if this all comes down to managing the reserve. M. Roberts confirmed yes; since the Authority has received the money the idea is to utilize it instead of having HUD take it back. If HUD takes it back they might go above and beyond and take back more funds from other sources.

A. Nicholson asked if the BCHA was unable to foresee this coming. S. Schmutzer stated that a lot of this had to do with the new Omni Circular which only came into effect this year. What occurred was a shift toward HUD looking at PHA's usage as opposed to dollars. So, because we have units available and money available, HUD is only seeing that we are not doing what we are supposed to be doing. A. Nicholson asked why this wasn't being done before. S. Schmutzer stated that PHA's were not aware of the extent of the shift.

A. DeKeyser stated that we did not have to apply for this funding. S. Schmutzer stated that the Authority applies for this each year but generally only receives $500,000 which has always been spent down in the past. But, the Authority has always had more time and fewer funds to spend.

S. Schmutzer further went on to explain that when this money is applied for, PHAs do not even ask for dollar amounts. The application allows one to check boxes that identify the PHA's needs and HUD calculates what is to be awarded. Thus, because we have massive amounts of port outs, we check a box, and HUD determines the dollar amount to be awarded.

R. Hallet stated that as a side note the BCHA did apply for 2015 Set Aside funding which staff is now in the process of rescinding.

T. Diedrick stated that we will be in good shape while pulling in applicants on our preference list. It is the non-preferences with the potential desire to port out that may cause some stir. P. Leifker additionally stated that non-resident voucher recipients must remain in Brown County for one year before having the opportunity to port out.

A. Hartman asked how ICS can be sure that non-residents are not just taking the voucher money but living in a different County. P. Leifker stated that that is when Langan & Associates comes into play—to mitigate cases of potential fraud.

A. Nicholson began inquiring about fraud, stating that when Langan & Associates first began being utilized all cases were being investigated and over the last few years the Authority has been cherry- picking certain cases to be investigated. A. Nicholson asked if the Authority is now investigating all cases. P. Leifker stated that there are a few different processes being utilized with Langan & Associates. Every applicant that comes on to the program receives a background check through Langan. In regards to fraud investigations, those cases are based off of referrals. For instance, a landlord, neighbor, or inspector could tip off the Authority of a potential fraudulent case. It is only when the Authority receives this kind of referral for a specific applicant/voucher holder that Langan & Associates gets involved in a fraud investigation. P. Leifker elucidated that every applicant would not receive a fraud investigation as there are over 3,000 participants in the program.

A. Nicolson stated that this was not the case in the past. A. Nicolson brought up a discussion taking place a few months back which included R. Hallet when Mike Mason was involved as an investigator. At this meeting, A. Nicolson recalled that all investigations were conducted. R. Hallet affirmed that the Authority is doing background checks and screenings on every single participant through Langan, but to do a fraud investigation the Authority would have to have some suspicion of fraud. R. Hallet explained that Langan would not know what to investigate for if a fraud investigation were to be done on every person when there is no suspicion of a specific fraudulent activity. To this, A. Nicolson said that there was suspicion and in the past the Authority would investigate everyone.

T. Diedrick asked for clarification from A. Nicolson asking if this was in regards to background screenings or fraud investigations to which A. Nicolson affirmed it was fraud. P. Leifker explained that all fraud referrals are addressed but not all applicants/participants are investigated for fraud. For instance, if the Authority or ICS is made aware of any potential case of fraud all these cases would be addressed. Nevertheless, doing a fraud investigation on all 3,000 participants would not be feasible.

Realizing this discussion was going off topic, A. Nicholson stated that this conversation should be continued at a future meeting as its own agenda item.

Continuing with discussion of Administrative Reserves, A. Hartman asked if the $32,506 maximum that ICS is requesting to use would be coming out of the BCHA's HAP or Admin reserves. S. Schmutzer stated that this money would be coming out of Admin reserves which is the only way to spend down our HAP reserves to the extent which is needed. A. Hartman asked if there would be enough money in the Admin reserves to cover this cost to which S. Schmutzer replied that there was.

A. Nicholson stated they he would not support this request as there were too many variables. Further, it would overwork ICS staff over the summer which is not worth it just to appease HUD. All this effort would not get the Authority down to 8.5 percent anyway. T. Diedrick stated that it would get us down to a percentage that would steer the Authority away from sanctions which is critical.

A. Nicholson made a motion to deny the request. A. DeKeyser seconded the motion.

R. Hallet stated that if this request is going to be denied, does the Authority have any suggestions to what should be done considering HUD has directed the BCHA to get our utilization numbers up.

A. DeKeyser stated that even if we made a best effort and got our funding spent down to the 20 percent, HUD could still say that that was not enough and give the Authority sanctions anyway.

S. Schmutzer replied that that is a possibility but by not trying it may be worse. The Authority would have to explain to HUD why we did not even try.

A. DeKeyser stated the Authority still does not know how many units are vacant. R. Hallet stated that we do know how many units (vouchers) are available in the program; it is the number of vacant units in the community that we do not know —this data does not exist. She further explained that it is the clients' responsibility to locate a unit in the community which will qualify for the HCV program. Resources are provided to clients to assist them, such as the Places to Rent Guide, clients can look on Craig's List, they can look in the Start Renting magazine, look for "For Rent" signs, etc.

T. Diedrick further stated that other than the homeless, most applicants will already have a unit.

T. Diedrick declared that there was a motion on the floor to deny the request. A. Hartman and A. DeKeyser signified that they were in favor of the motion. T. Diedrick went on record to oppose the motion to deny the request.

R. Hallet stated that she could set up a conference call with HUD Milwaukee at a Special Meeting. The noon hour during the week of May 25-29th was agreed upon by the Commissioners as a good time to hold the Special Meeting.

REPORTS:

4. Report on Housing Choice Voucher Rental Assistance Program:

A. Preliminary Applicants
P. Leifker reported that ICS collected 148 preliminary applications for April of 2015.

B. Unit Count
P. Leifker stated that the unit count was 2,756 for April of 2015.

C. Housing Assistance Payments Expenses
P. Leifker indicated the HAP expenses were $1,052,774 for April of 2015.

D. Housing Quality Standard Inspection Compliance
P. Leifker reported that 400 inspections were conducted in April; 202 units passed the first evaluation, 101 passed re-evaluation, 64 failed, and there were 33 no-shows.

E. Program Activity/52881B (administrative costs, portability activity, SEMAP)
P. Leifker reported that there were 117 port-out vouchers in the month of March, with an associated HAP expense of $101,361.

F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, participation levels, new contracts, homeownership)
N. Tiedt reported that there were 72 active participants for April of 2015. Regarding participation levels there were 41 participants in level one, 13 participants in level two, 13 participants in level three, and five participants in level four. There were three new contracts signed in April of 2015. There were two graduations in April of 2015.

N. Tiedt shared a story from one of the graduates from April. This graduate is a single mother of a teenage daughter who came into the program while she was enrolled at Northeast Wisconsin Technical College (NWTC) on the waiting list to enter the Medical Assistance Program. While waiting to get into that program she completed her CNA certification through NWTC. She finally was able to complete her Medical Assistance Degree and has recently graduated from the Family Self-Sufficiency Program taking $1,240.57 with her. She is currently employed full time as a Medical Assistant.

For escrow accounts, there are 38 open accounts for April. There are 57 homeowners on the program for April.

F. VASH Reports (active VASH, new VASH)
N. Tiedt reported that there were a total of 29 active VASH voucher holders. There were four new VASH Voucher recipients for the month of April.

G. Langan Investigations Criminal Background Screening and Fraud Investigations

P. Leifker reported that in April of 2015, there were six new investigations assigned, seven previous investigations closed, and five investigations remain active. There were 75 new applications sent over to Langan for background checks in which all were approved.

The charts of fraud investigations by municipality and the initial applications by municipality were displayed.

5. Tax Refund Interception Program (TRIP) Report

R. Hallet stated that the report prepared by N. Gerhard regarding BCHA Fraud Recovery Efforts was in the packet and offered to address any questions or concerns.

T. Diedrick pointed out the benefit of the fraud recovery efforts and all it has accomplished over the years. Through these efforts BCHA has recovered $665,084.27 since 2005.

A. Nicolson asked what happens to recovered fraud money. S. Schmutzer replied that half of the collected sum goes into HAP funds and the other half can be kept for Admin Expenses.

OLD BUSINESS:

6. Discussion and possible action regarding Request for Proposals for the Administration of the Housing Choice Voucher Program

S. DiNatale discussed the completed draft RFP for Administration of the Housing Choice Voucher Program. S. DiNatale stated that the template for the RFP was received from Brown County and has been retrofitted to fit the scope for Administrative Services of the HCV Program. A general overview was discussed including the RFP details and the RFP's nine attachments which are: RFP Scope of Work, Scoring, Cost Sheet, Reference Data Sheet, Designation for Confidential and Proprietary Information, Addendum(s) Acknowledgement, Appeals, Contract Insurance Requirements, and Contract for Administration of HCV and Related Programs Template.

In regards to the Term of Contract conveyed on the RFP, S. DiNatale asked if S. Schmutzer had heard back from HUD as HUD had thoughts about keeping the terms of contracts shorter. S. Schmutzer replied that she had not heard back. R. Hallet explained that when previously discussing this topic with HUD, HUD advised that all contract should not be too long, but "too long" was not specified. R. Hallet continued to explain that it would be a major upheaval to have a new Contractor every six years and may possibly cause detriment to the program itself. Nevertheless, there are of course benefits to having new Contractors. Discussion from the Authority determined that since a specific contract length had not been determined by HUD a contract term of four years followed by three optional contract extensions of two years each would be appropriate. Accordingly, the contract would last a maximum amount of 10 years before another RFP would have to go out for bid.

In regards to Attachment A, which was Scope of Work, T. Diedrick stated that the number of Vouchers the Contractor is expected to administer should be clearly indicated in this section, especially as this program is considered medium to large sized. This information was deemed necessary to reiterate in the first bullet of Attachment A so that any Contractor would respond specifically to any experience administering a program of this particular size.

In regards to Attachment B, RFP Scoring, R. Hallet asked for any comments regarding the scoring criteria and whether they seemed appropriate as this section is such a significant part of the RFP itself. No changes to the draft's scoring criteria were recommended.

In regards to financials, A. DeKeyser inquired about receiving audited financials from Contractors. R. Hallet stated that the current draft requests a copy of the most recent audited financials and a listing of accounts payable and accounts receivable greater than 90 days. A. DeKeyser requested that this language should be changed so that the RFP would request audited financials from the previous three years. The Authority agreed.

In regards to the Reference Data Sheet, T. Diedrick inquired about whether a Contractor should verify that they consent to the BCHA checking their specified references. A decision was mad3 to add a check box to Attachment D, RFP Reference Data Sheet, in an effort to ensure the consent of Contractor's in allowing the BCHA's selection committee to contact any and all references that said Contractor specifies. The Authority agreed.

A motion to approve the draft RFP contingent on suggested changes being made was made by A. Nicolson which was seconded by A. Hartman. Motion carried.

R. Hallet initiated a request to choose a selection committee for the RFP. BCHA staff on the Selection Committee has been determined to include K. Flom, R. Hallet, and S. Schmutzer. A. DeKeyser and A. Hartman were approved to serve on the Selection Committee to represent the Commissioners.

NEW BUSINESS:

7. Discussion and possible action regarding passbook savings rate to be used within HCV Program.

R. Hallet provided some background information on passbook savings rates. When a PHA is in the process of determining a client's income, the client's assets must also be reviewed. When looking at the client's assets, the PHA must consider the interest earned for each individual asset. If the total value of assets is less than $5,000, then the interest earned on each asset is counted as income; however if the total of the assets is $5,000 or more, HUD requires the PHA to use what is called a passbook savings rate. The passbook savings rate is a flat amount that is applied. This rate was previously at two percent. Recently HUD changed the regulation stating that PHA must set their passbook savings rate within .75 basis points of the National Savings Rate, which is currently at 0.06 percent. PHA's are not permitted to set their rates less than zero percent, so based on the National Savings Rate of 0.06 our passbook rate could be within the range of 0 to 0.81 percent. R. Hallet proposed that the BCHA set its passbook savings rate at zero percent.

A. DeKeyser made a motion to approve the zero percent passbook savings rate which was seconded by A. Hartman. Motion carried.

8. Approval to apply for FSS Coordinator Funding.

N. Tiedt stated that each year a NOFA is released to apply for renewal funding. The 2015 NOFA, coming out within the month, will provide funding for the 2016 year for the Family Self-Sufficiency Program. Before submitting an application BCHA approval must first be granted.

A. Nicholson made a motion to allow ICS to apply for FSS Coordinator Funding which was seconded by A. Hartman. Motion carried.

9. Review of investments and discussion and action to use a new bank product, Select Plus

S. Schmutzer indicated that BCHA currently does our banking with Nicolet National Bank. The Authority previously requested that our investments be reviewed annually, so she researched rates at Nicolet National Bank, Associated Bank, and BMO Harris Bank. She stated previously the Authority approved using a product similar to Select Plus, but it was with a different vendor that Nicolet Bank had been using, but Nicolet discontinued the use of this product. This product uses a different vendor. This product puts our money in checking accounts at other banks so we're not over the FDIC threshold and within the HUD guidelines of having our money completely secured. This new product provides complete visibility in that S. Schmutzer can go on line to see the status of our funds. Currently the BCHA is utilizing an additional checking account at Nicolet National Bank in which the bank is presently collateralizing it. The current rate is 0.15 percent, due to the collateralization that the bank must use in order to mean the HUD guidelines which restricts collateralization to government bonds only.

S. Schmutzer proposes that the BCHA remain with Nicolet National Bank as it is the only bank, of the ones researched, that provides a Select Plus Product which fully insures the BCHA as it relates to FDIC guidelines. The rate is 0.35 percent, which is an increase from the current rate.

A. DeKeyser asked what the balances on the BCHA's two different accounts were on average. S. Schmutzer stated that the checking accounts remain roughly at $200,000 and the BCHA's collateralized account holds approximately $2 million.

A. Hartman asked if the BCHA gets docked for making interest. S. Schmutzer replied that we do not because any interest made on HAP funds over $500 is given to HUD. Interest earned on Admin money can be kept by the PHA.

A. Nicholson asked if this is our Admin or HAP money. S. Schmutzer replied that the checking account is mostly Admin money, but there is some Admin money in the money market also, as well as the HCRI, HOME and other BCHA program funds. She further explained that each month she allocates the interest earned to the appropriate programs, as well as the percentage which is HAP versus Admin.

A. Nicholson made a motion to approve the Select Plus which was seconded by A. Hartman. A. DeKeyser abstained. Motion carried.

INFORMATION:

11. Status of request from Gorman & Company's proposed development.

R. Hallet reminded the Authority that last month T. Matkom attended the meeting on behalf of Gorman & Company to present their proposed development. Unfortunately, the project was not awarded the WHEDA tax credits nor was the building's historic credits approved. The development will no longer proceed at this time.

BILLS:

S. Schmutzer reported the current check listings.

A motion was made to approve the bills of April, 2015, by A. Nicholson which was seconded by A. DeKeyser. Motion carried.

FINANCIAL REPORT:

S. Schmutzer reported the current financial report.

STAFF REPORT:

12. Updates from Wisconsin Association of Housing authority Conference.

R. Hallet explained that when staff attends training, it's important that they share what is learned with others so that all within the Authority can benefit. She invited P. Leifker and S. Schmutzer to share any important information they learned.

P. Leifker and S. Schmutzer shared that one of the most important aspects learned was in regards to the changed regulation mandating that reserves fall within 8.5 percent at the end of the fiscal year instead of 10 percent.

R. Hallet explained she had attended sessions that included a workshop regarding veteran and homeless housing programs in Wisconsin, a workshop discussing the process of going paperless, a workshop regarding strategic planning, and a session on Robert's Rules of Order.

13. Date of next meeting: June 15, 2015.

T. Diedrick stated that the next regular scheduled meeting of the BCHA would be June 15, 2015 however, there will be a Special Meeting held the week of May 26-29th.

Meeting adjourned at 4:50 pm with a motion made by A. Nicholson which was seconded by A. DeKeyser.

sd:rah