

Gainesville Housing Authority Finance Committee Meeting

July 1, 2009

Minutes

Members present: Commissioner Gordon, Executive Director Cherry, and Bill Cocharan

Absent: Commissioner Fitzsimmons, Commissioner Mickle, Commissioner Morris and Commissioner Tremaine.

1. **Call to Order:**

Commissioner Gordon called the meeting to order at 5:10 pm.

2. **Approval of minutes from 5-25-09:**

Due to lack of quorum, minutes were submitted for review and tabled.

3. **Financial status of COCC, AMP 1, AMP2 and AMP3:**

Bill Cocharan provided table of budget. Reviewed COCC statement of operations. Stimulus grant budgeted for almost \$129,000 for management fees unsure if able to get that amount. Management fees for 2009 (comp grant) will most likely receive, however still pending. Which will be potential additional income, coming from each AMP can only be drawn down if AMP's do cash flow unknown until the end of year. Commissioner Gordon asked what the definition of cash flow was. Bill Cocharan explained that it is net income added with depreciation subtract principal payment on mortgage (non cash item) subtract capital purchases then deal with receivables at the beginning of the year and payables at the end of the year. If payables are down it means they have paid cash to the receivables group then most likely not receive cash flow. If payables are up then you haven't paid cash. Commissioner Gordon asked whether or not can make AMP cash flow? Bill Cocharan stated that the costs are higher then anticipated then can't cash flow. Executive Director Cherry stated that 1st month in the budget, it looks positive; Commissioner Gordon commented that maybe budget and cash flow could be checked out every month. Bill Cocharan stated that this is a calculation that isn't done every month because it is too time consuming, however, can get an idea by taking net income and subtract improvement (purchases).

5:15 PM resident Jertoyia Perry joins.

Bill Cocharan examined the net operating losses. So far expenses are in line. No longer charges asset management fee to AMP, because don't know if it cash flowed. Executive Director Cherry stated that AMP1, AMP2, and AMP3 don't look bad. However, they foresee a problem with the Section 8 voucher program unless attrite down, or reduce vouchers. Currently 1103 vouchers needs to be around 980 stated Bill Cocharan. Executive Director Cherry stated that they needed

to bring down HAP cost or they would over spend at the end of the year. Has nothing to do with Seminar Lane or VASH vouchers. The 400 building no longer have Seminary Lane reserve. Budget for 400 Building some cost too high and may have to cut cost and possibly some management and accounting fees. Only \$800,000 in reserve however part of that is to be used for demolition of Seminary Lane. It was questioned on what to do with Seminary Lane property. Bill Cocharan suggested to possibly sell to city if they are interested. Commissioner Gordon suggested getting it appraised Executive Director Cherry stated that the cost for commercial appraisal may cost about \$20,000. With people losing jobs it causes HAP amounts to go up. Commissioner Gordon asked what the timeline was for reducing voucher program. Bill Cocharan stated within a month or two. Executive Director Cherry stated that they may be able to play with utility allowance, but that won't make a significant impact. Bill Cocharan stated the funding level for Section 8 Program didn't come out until well into the year. There is currently \$350,000 in admin reserves hopefully will not use it, if can avoid it. Another problem is as you attrite down excess vouchers then next year the admin funding will be cut. Executive Director Cherry stated that HUD Jacksonville, FL called reviewing Housing Authority may have overspent in HAP funds. They project \$5,000 however; Executive Director Cherry stated that he feels the numbers will be a lot higher. Bill Cocharan stated that they have tried attrition for over a year, haven't gotten very far with it. Commissioner Gordon asked what would happen if we didn't attrite down at all how much of reserve will have to use. Bill Cocharan stated almost all if not all money in reserve would be used and is not an option. There is currently \$350,000 in admin reserve and none in HAP.

4. **Number of vacant units:**

Handout provided 43 units vacant. 22 units in modification (being worked on). Bill Cocharan questioned the huge expenditure from Dan and Son (people who do the painting) and wanted to know if any of the work could be done by staff, since we have a full maintenance staff. Executive Director stated that the work was already contracted out. Bill Cocharan leaves at 5:35 PM.

5. **Stimulus timeline:**

Executive Director Cherry states that ARRA has been approved, and we have to obligate 100 percent by October 2010.

6. **Section 3:**

Executive Director Cherry stated the RFP have been sent out. There will bid proposal for contract workers. Section 3 piece will be written in contract.

7. **Review all employment contracts:**

Copies of current contracts were provided by Executive Director Cherry for Bill, Keith, Rob and Pete Benet. Executive Director contract not in writing only extension is. Commissioner Gordon requested dates for when the contracts expire. VASH report provided by Executive Director Cherry, a total of 56 veterans received a Section 8 Housing Choice Voucher. 33 recipients have

leased up locally and moved into their units. 3 recipients plan to lease up in Gainesville, 13 recipients have transported their vouchers to other jurisdictions, and 7 recipients failed to lease up and vouchers expired.

8. **Income producing ideas from the Director:**

Have option to sell little house, may have to get appraisal. The status of bids from Rosa is unknown. No bids as of yet, quotes for fencing of Seminary Lane about \$10,000.

9. **Written statement from Director about any financial concern:**

Financial concerns already stated.

Commissioner Gordon asked about the transportation issues to the Boys and Girls Club. The resident Jertoyia Perry stated that only 3 trips were made in the first week and that was it. Commissioner Gordon stated the last meeting he had with director Freddy Williams he had said he couldn't do it because of schedule. Executive Director Cherry stated that when he had spoken with the Director his understanding was that the kids were being driven back and forth. Commissioner Gordon stated that they may have to hire someone; it was line item in the budget that makes available \$7,300 for Eastwood Meadows and Woodland Park. It was questioned whether it was broken down by units or youths. Executive Director Cherry stated it should be done by units, Commissioner Gordon stated it should be by the number of youths. Currently no activities are being done. As of June 15 no pickups stated Jertoyia Perry and she has been transporting kids. Executive Director Cherry stated that he will check and see what is going on, since this is the first time he has heard of problem. Commissioner Gordon asked if they could have a cab to pick up kids. Executive Director Cherry stated that he won't do that because too expensive.

Meeting adjourned 6:02PM.