



HOUSING CONNECT

MINUTES OF THE APRIL 2023 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

April 19, 2023

PRESENT:

Spencer Moffat – Chair
Phil Bernal – Vice Chair
Kat Johnson – Commissioner
Christine Nguyen – Commissioner
Gwen White – Commissioner

EXCUSED:

Wendy Leonelli – Commissioner
Erin Litvack – Commissioner

STAFF PRESENT:

Janice Kimball – Chief Executive Officer
Andre Bartlome – Chief Financial Officer
Mike Kienast – Chief Operating Officer
Kirk Moorhead – Real Estate Development Director
Jarín Blackham – Information Technology Director
Zach Bale – Chief Program Officer
Dan Pincock – Executive Administrator

GUEST:

Chad Porter – Smith Marion (virtual)

COMMENCE

The April 2023 Housing Connect Board of Commissioners meeting was held at the Bud Bailey Apartments (Building C ground floor classroom) on Wednesday, April 19, 2023. It commenced at 11:58 a.m., and Housing Connect Board Chair Spencer Moffat welcomed all in attendance.

1. GUESTS/PUBLIC COMMENT

Chad Porter, from Smith Marion accounting firm, attended virtually.

2. PRESENTATION

Chad Porter gave the audit report for the year ending June 2022. He started off with a brief background on Smith Marion. The financial statements, the GAGAS (yellowbook), and the Uniform Guidance reports were all unmodified and were given a clean opinion by the auditors. Responding to Chair Moffat's inquiry regarding housing authorities audited by Smith Marion with significant findings, Mr. Porter answered that in previous years, between 10-15% of them have had significant findings. No prior year findings were noted. Smith Marion discovered no instances of fraud or illegal activity, and they received full cooperation from management. There were no material audit adjusting journal entries. GASB 87 was implemented this fiscal year. He reviewed Housing Connect's total assets and liabilities, along with revenues and expenses and briefly touched on cash flow. In response to Commissioner Johnson's concern about not hearing from HUD for Housing Connect's informal audit, CFO Bartlome and Mr. Porter remarked that HUD will sometimes reject the audit submission and that they can be quite detailed with information for its electronic submission.

3. ACTION ITEMS

At the conclusion of the presentation, Chair Moffat moved the Board into the Action Items section of the agenda.

- Audit report: Commissioner Nguyen motioned to accept the audit report, and Commissioner White seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Nguyen, and White) voted affirmatively. The motion

passed, and the audit report was accepted. Chair Moffat then thanked Chad Porter for his presentation. Mr. Porter then left the meeting.

- March 2023 Board Meeting minutes: There were no questions or comments. Commissioner White motioned to approve the minutes, while Commissioner Johnson seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Nguyen, and White) voted in support. The motion passed, and the March 2023 minutes were approved.
- Approval of calendar year audits: CFO Andre Bartlome presented the audit summary for the two properties which Housing Connect owns, Frontier and Villa Charmant. The auditors (Smith Marion) provided clean opinions for both properties. Commissioner Johnson motioned to approve the audits, and Commissioner Nguyen seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Nguyen, and White) voting in support. The motion passed, and the audits were approved.
- Housing Connect Employee Handbook changes: CEO Janice Kimball informed the Board that the Housing Connect Diversity, Equity, and Inclusion Committee reviewed the agency's employee handbook and recommended some changes, which Housing Connect is asking the Board to approve those changes. In addition, some language around vacation time has been clarified.

4. CONSENT AGENDA

There were two items on the Consent Agenda: the BCI compliance audit and the staff updates (as noted in the Board book). CEO Janice Kimball briefly remarked that the audit related to backgrounds on clients and how that information is stored and shared. The findings were essentially clarifications. She noted that staffing is stabilizing. Vice Chair Bernal motioned to approve the Consent Agenda, and Commissioner Nguyen provided the second with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Nguyen, and White) voting in support. The motion passed, and the Consent Agenda was approved.

5. REAL ESTATE DEVELOPMENT UPDATES

Real Estate Development Director Kirk Moorhead provided the real estate development update.

New City Plaza (NCP): Construction is proceeding nicely, and Housing Connect has taken possession of approximately half of Building A. Another stack will be delivered around May 15 with residents from Building B moving into those new units. Investigative selective demolition is taking place in Building B. The agency is up to speed with payments to the contractor. Construction is 25% complete. Current construction contingency is at \$1.3 million. Housing Connect has applied for additional funding from Salt Lake County (ARPA funds) and should hear back in early May.

East 72: Construction is proceeding nicely. The framing on the north segment (the portion closest to the street) is completed, and it is almost finished in the middle section. The framing on the south segment has just been started. Although there have been some adverse weather delays, it is anticipated that completion will be done by November 21. Going forward, the operations team will participate in the owner/architect/contractor meetings. There has been some turnover in construction personnel, and it is taking some time to get the new project manager and site supervisor up to speed. Construction is 34% complete. There is a \$650,000 contingency remaining.

Granger Apartments: Housing Connect is still awaiting news from HUD regarding its Section 18 disposition application. Four proposals for general contractor have been received, and staff recommendation should be made soon. Director Moorhead and the architect will be holding interviews with the finalists. The Board will make the final decision before a contract is issued, and a closing, financing, and omnibus resolution will be presented to the Housing Connect and the HOI Boards for approval prior to closing (most likely next month or the following month). The agency is working with Wells Fargo on the due diligence requirements, and currently, closing is expected by June or July.

6. EXECUTIVE SESSION

At 12:41 p.m., Vice Chair Bernal motioned for the Board to enter Executive Session to discuss security issues related to Information technology, and Commissioner White seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnson, Nguyen, and White) supported the motion, and the Board entered Executive Session.

At 1:07 p.m., Commissioner Johnson motioned for the Board to return to regular (open) session from Executive Session. Commissioner Nguyen seconded the motion. All Board members present voted in favor of the motion, and the Board returned to regular session.

7. MONTHLY FINANCIAL REPORT

Chief Financial Officer (CFO) Andre Bartlome reported to the Board that there was nothing outside of the written report to discuss with the Board and that the reserves have increased. He shared with the Board that there will be an upcoming Financial Committee meeting

in May to go over the budget, and this meeting will be mostly to discuss wages and benefits and is expected to last shorter than if a full budget were being presented. The Board is invited to this meeting, and an invitation will be sent out.

8. CEO'S REPORT

CEO Janice Kimball briefly reported on the following:

- Section 8 leasing challenges: Section 8 is currently leased up at 88%; the Eligibility Team has gone through multiple turnovers of staff in the last 18 months; there has been a poor response from those on the wait list (with an 81% rate of not following through on the part of the applicants); and it's a tight market.
- Potential flooding at properties: Management is looking into the possibility of flooding. Most of the properties have flood insurance and are not located in a flood zone. The few exceptions (those not having flood insurance) are mostly newer LIHTC properties. The two properties that are in a low risk of flooding but are in a flood plain are Grace Mary Manor and Gregson. Staff have been proactive and have done some pre-sandbagging, and Housing Connect has bought some pumps.
- Program updates: The updates will be discussed at the next meeting.

9. COMMISSIONERS' INPUT

Chair Moffat and Commissioner Johnson did not have any input for this meeting.

Vice Chair Bernal mentioned the Mountain Plains NAHRO conference in St. George the following week (April 26-28). He also remarked that CEO Kimball will become the new Mountain Plains NAHRO President in October.

Commissioner White said that there was no Resident Advisory Board (RAB) meeting this month. She informed the Board that the RAB meeting in May will be held at the Kelly Benson Apartments and invited the Board to attend. She asked Chief Program Officer Zach Bale to attend the May meeting and to share with the RAB members what his job responsibilities include at Housing Connect.

10. OTHER

There were no additional issues that were brought to the Board's attention.

ADJOURN

At 1:19 p.m., Chair Moffat adjourned the meeting without objection.

Respectfully submitted,

Dan Pincock
Executive Administrator