

# FAYETTEVILLE HOUSING AUTHORITY

## Special Meeting Minutes

MONDAY, AUGUST 30<sup>th</sup>, 2021, 6:00 pm

Via Zoom

### I. **Call to Order**

The special meeting of the Fayetteville Housing Authority Board of Commissioners was called to order at 6:12 PM. The stated purpose of this meeting was to consider the FHA stabilization and management improvement plan with HEAL Collective, and financials as pulled from the regular session agenda from 8.26.2021

### II. **Roll Call**

All Commissioners were in attendance, forming quorum. Additionally in attendance: Interim Deputy Director Dempsey, Director of Housing Butler, FHA staff members, members of the public

### III. **Announcements: Review of meeting decorum protocols**

### IV. **Review and Approval of Agenda**

Commissioner Scott asked for clarification regarding item A and the agenda item from Thursday regarding a transition plan.

Commissioner Paxton asked if a notice of potential non-compliance were to be discussed tonight or at the next regular session. There was discussion regarding an upcoming virtual meeting between Interim Executive Director Berry, Mr. Crouch, Chair Terry, and Jessica Lee-AR HUD legal counsel liaison regarding the non-compliance letter. There was a request for a written report afterwards.

A motion was made to approve the agenda items as presented. The motion was seconded and passed unanimously.

### V. **Special Meeting Agenda**

#### **A. Leadership transition plan – Consideration of FHA Stabilization and Management Improvement Plan contact with HEAL Collective**

Attorney Crouch gave an overview of the current Procurement policy, 5.2 Small Purchases, and the discussion he had with Mr. Landecker, HUD field representative, as it pertained to the proposed contract with HEAL Collective.

There was a discussion regarding how this pertains to a transition for leadership. Chair Terry reviewed the scope of work by HEAL Collective for bridge leadership.

There was a question as to the contracting officer on behalf of FHA and order of operations. Attorney Crouch stated that the board could ratify Chair Terry for procuring the quote from HEAL Collective retroactively, and then separately vote on the contract.

There was discussion regarding the contract as it pertains to day-to-day operations and signatory responsibilities.

There was a request to recess this item until Commissioner Jones' return to the meeting and move onto item B in the meantime. The question was called, the vote was called and passed unanimously.

## **B. Financials**

Chair Terry yielded the floor to Commissioner Breashears for leading discussion on questions pertaining to information and documents gathered by staff.

### **i. Labor & Non-labor charges**

Commissioner Breashears reviewed how labor charges accumulate and are charged out for FHA. He claimed that FHA Development overpaid for labor that was not used for FHA Development.

There was discussion as to whether this was a policy or administrative issue. A point of order was made that common sense is not written policy. There was further discussion regarding the labor charge formula passed by the Board that the charges are based off.

He stated that Mr. Landecker was not aware of the true amount owed from FHA Development to FHA because the debt was inflated by unused labor charges. Commissioner Scott stated that staff had been diligent in how they charged labor items and salaries based on the board-approved formula.

There was a suggestion to engage the auditor on this question on a higher level.

Director of Housing Butler spoke on how time logs were kept for work done for FHA Development, clarifying that the board did not require logging specific hours until the management agreement was in place. There was further discussion as to how non-labor and labor charges changed over the years, and the impact of COVID.

A motion was made to authorize Commissioner Breashears to work directly with the FHA auditor, with the caveat that FHA leadership staff will be CC'd in written communications, including invitations to phone meetings, unless deemed inappropriate by the auditor. The motion was seconded and passed unanimously.

### **ii. Credit Card payment**

Commissioner Breashears led discussion on how credit card statements are journaled, especially as it pertained to the FHA development line of credit through Simmons, with a recommendation on reviewing the current policy on journaling credit card statements monthly.

There was discussion as to current policy regarding credit card reconciliation, and where it falls within proscribed job descriptions. There was a question regarding possible amendment, with follow-up discussion focusing on HUD and General Accounting Procedures (GAP) policy.

Commissioner Paxton suggested soliciting a written report from staff regarding clarifying GAP with a defense of the resolution for the board to review at least 24 hours prior to the next FHA agenda session.

Interim Deputy Director Dempsey clarified the current policy regarding credit card receipts.

iii. **Working balance sheet & income statement for each program**

Commissioner Breashears has been authorized to work with the fee accountant and auditor for working balance sheets and income statements for each program.

iv. **Requests for documents**

Chair Terry opened the floor for specific questions from the Board regarding the documents that have been shared with them.

There was discussion regarding the FHA Development Simmons Credit card, and a request for clarification regarding its usage and definition compared to a spending card.

There was discussion regarding vacant positions and budget adjustment documentation related to those within the FY 2021 Budget.

Commissioner Breashears led discussion on segregation of duties and recommending sending statements directly to a third party, such as Lindsey. Interim Deputy Director Dempsey clarified that statements were already sent to Lindsey once they are received and reconciled by FHA leadership staff, and requested further clarification on what is being recommended. There was a suggestion that Commissioner Breashears reach out to the auditor and ask for recommendations as to best management practices.

Commissioner Scott recommended looking at internal controls holistically, especially during changes of leadership.

Commissioner Paxton recommended an annual policy workshop to review both written and standing policies.

C. **Continuation of Item V. A. Consideration of FHA Stabilization and Management Improvement Plan contact with HEAL Collective**

Chair Terry reviewed the recommendation by Attorney Crouch to ratify the validity of the request for a quote, and then to consider the proposed contract.

A motion was made to ratify the validity of the service quote as presented; seconded. There was discussion regarding who takes on the role of a contracting officer for the Board in an absence of an Executive Director.

Director of Housing Butler expressed her concern regarding the Board's ability to appoint a contracting officer according to the procurement policy and recommended avoiding the appearance of fraud with the HEAL Collective contract.

Interim Deputy Director Dempsey requested clarification regarding the scope of HEAL Collective's work as proposed in the contract and seconded the recommendation to get HUD's approval before voting on the contract.

There was clarification as to when the procurement policy requires three bids or quotes.

Commissioner Scott stated that she would be voting no due to the lack of information regarding the tasks needed completing in the next 60 days.

The vote was called, and the motion passed with four Ayes from Commissioners Terry, Jones, Breashears, Paxton and one No from Commissioner Scott.

Chair Terry reviewed the timeline of work for HEAL Collective and how Mr. Turner was going to meet with FHA staff. There was a request for clarification in regard to the specified cost.

There was a discussion regarding the timeline for getting bridge leadership in the office. There was a question as to what happens if Interim Executive Director Berry refused to sign.

Commissioner Breashears expressed his approval for this motion.

Interim Deputy Director Dempsey clarified a previous statement she made regarding feasibility, stating that it referred to Commissioner Breashears' suggestion that she prioritize board meetings over her job in regard to providing housing services. She also asked about training for Mr. Turner.

There was discussion about segregation of duties, expected tasks for the next 60 days, and the upcoming end of the fiscal year.

Commissioner Paxton stated that his Aye vote would be contingent on HUD's approval.

Director of Housing Butler expressed her concern regarding a possible lack of focus on day to day operations and the time sensitivity inherent to those tasks.

Attorney Crouch suggested line edits and amendments to the contract with HEAL Collective.

A motion was made to approve the contract for services as submitted, pending approval of HUD field staff, and allow for modification by the FHA attorney, as recommended in the meeting and as needed that are not substantive in nature, while also authorizing the Chair to expand upon the scope of work as needed within FHA procurement policy compliance constraints and execute the contract on behalf of the Fayetteville Housing Authority. The motion was seconded, and a vote was called. The motion passed with four Ayes from Commissioners Terry, Jones, Breashears, Paxton and one No from Commissioner Scott.

## VI. **Announcements**

### A. **Comp time**

Commissioner Breashears reviewed the information he received from staff regarding comp time. He reiterated the difference between comp time and PTO. The issue will be added to the agenda session on September 9<sup>th</sup>.

### B. **Interim Deputy Director Dempsey**

She read a letter from Interim Executive Director Berry in response to Mr. Crouch's letter at the last meeting.

## VII. **Adjournment**

The meeting was adjourned at 11:40 PM.