

FAYETTEVILLE HOUSING AUTHORITY
Board of Commissioners Working Budget Session
THURSDAY, JANUARY 20TH, 2022 5:00 PM

Via Zoom

I. Call to Order

The Working Budget Session of the Fayetteville Housing Authority Board of Commissioners was called to order at 5:00 PM.

II. Roll Call

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

Guests include Interim Executive Director Cauley and East Chicago HA Deputy Director Vincent.

III. Announcements

Chair Terry reviewed meeting decorum protocols. She introduced the staff and guest speakers present at this meeting to the new commissioners.

IV. Review and Approval of Agenda

The agenda was unanimously approved as amended.

V. New Business

A. Resolution 1274: Cash Public Housing CD & deposit into Public Housing Operating Expense at Bank of Fayetteville

Deputy Director Butler introduced Resolution 1274 and reviewed current budget limitations and obligations. There was discussion of staffing changes and how that affected the budget.

Commissioner Jones requested seeing a budget before approving resolutions. Chair Terry suggested tabling this resolution until the regular session. Interim Executive Director Cauley cautioned against tabling this due to soon not being in compliance due to the large debt in arrears.

The resolution was tabled to after the budget discussion.

B. ERA Update

Chair Terry gave an update on the status of ERA payments from Washington County. She will be continuing conversation with Washington County in order to get those funds disbursed to FHA Development applicants.

VI. Budget Review

Deputy Director Butler and Mr. Vincent led discussion on the budget information.

There was discussion of the salary analysis and staffing levels as reflected in the budget.

Commissioner Jones wanted to analyze why the shortfall happened and how to prevent it from happening again.

Commissioner Breashears asked about paying insurance annually versus monthly. He also pointed out that currently there is a cash flow problem.

Mr. Vincent presented his summary of the budget analysis. He recommended moving water bills at some sites onto the residents and reviewing health insurance pricing. He pointed out ways to avoid overstaffing, such as applying for a ROSS grants. He reviewed the state of Red Bud Gardens finances and implored the Board to focus on what they want to do with the property.

He also discussed what leadership positions the budget could and could not handle and recommended offering a bonus to employees split into two payments in June and year-end. He touched on voucher program utilization and looking at vacant units.

Chair Terry clarified that Red Bud Garden was under FHA Development. There was discussion of the ROSS grant and what it could be used for.

Interim Executive Director Cauley pointed out that a salary study is supposed to be done every five years.

Commissioner Breashears initiated discussion regarding what finance degree level would be recommended for the size of FHA. Mr. Vincent recommended someone with government finance experience above all else.

Commissioner Jones emphasized hiring a competent Executive Director that can focus into move to work and with financial experience.

There was discussion as to the short and long-term goals for the housing authority. Each commissioner shared their top priorities, focusing on leadership with management and HUD experience as well as a resource center for affordable housing.

Commissioner Jones asked about voucher funds and how that comes into the budget. Deputy Director Butler spoke about current voucher utilization and plans moving forward.

Commissioner Breashears asked about turn-around time for public housing vacant units.

There was discussion about the benefits and consequences of establishing a reserve account.

Mr. Vincent reviewed the line items of the budget, beginning with documentation prepared by the fee accountant at Lindsey. He clarified that as a small housing authority, 100% of capital funds could be drawn down for operations and admin.

Deputy Director Butler will be reaching out to the fee accountant to ask about 'other income' line at \$220,000.

Mr. Vincent recommended reviewing financials on a quarterly basis and discussed budget revisions.

There was discussion regarding utilities and how it could be passed onto the resident. Chair Terry brought up a pay-as-you-go model.

Chair Terry initiated discussion regarding capital funds and what is allowable in terms of projects. Deputy Director Butler reminded the board that there are current existing capital needs at Willow Heights (plumbing and HVAC).

There was discussion regarding voucher program funding vulnerabilities in the context of an underperforming voucher program. Discussion led by staff regarding current corrective actions in progress to ameliorate previous underperformance issues.

Commissioner Morgan asked if there was a way for board members to access ad hoc reporting on specific items in the budget. Mr. Vincent reviewed common reporting practices for financials. Deputy Director Butler reviewed the limitations of the program and using a dashboard template to make reports more accessible for the board.

Commissioner Henry excused herself from the meeting, stating the lateness of the hours and the amount of information being presented at once. The rest of the meeting continued with quorum.

There was discussion as to staff salaries and what the ROSS grant would cover. There was discussion regarding how timesheets are calculated (hours versus formula per program) and best practices.

Mr. Vincent continued reviewing line items.

Chair Terry discussed increasing Board financial literacy.

There was discussion as to immediate short-term goals to improve the financial status of the institution. Deputy Director Butler pointed out that several issues had been identified and brought to the board previously and current action plans in place to remedy some of those issues.

Commissioner Terry stated that she would meet with Interim Executive Director Cauley and Deputy Director Butler for a finance committee meeting, check in with the fee accountant, and have the budget reviewed and ready for the regular session.

VII. Resolution 1274: Cash Public Housing CD & deposit into Public Housing Operating Expense at Bank of Fayetteville

Commissioner Breashears expressed frustration in regard to cashing out another CD. Chair Terry supported staff's recommendation. There was discussion regarding the insurance payment.

Chair Terry made a motion to pass resolution 1274 with a friendly amendment- with the understanding that when profit is made, to start allocating money back into the CD.

The motion was seconded and vote was called. The motion passed unanimously with quorum present.

VIII. Adjournment

The meeting was adjourned at 10:51 PM.