



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES STUDY SESSION FRIDAY, APRIL 3, 2020

The Commissioners of the Housing Authority of the City of Tacoma met in Study Session via Zoom at 12:00 PM on Friday, April 3, 2020.

Zoom Meeting

<https://zoom.us/j/161609775?pwd=bUorK1dqSnFvazA0cnBXRHgzNit3Zz09>

+1 301 715 8592 US / Meeting ID: 161 609 775 / Password: 426366

### 1. CALL TO ORDER

Chair Young called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:14 PM.

### 2. ROLL CALL

Upon roll call, those present and absent were as follows:

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Derek Young	
Vice Chair Stanley Rumbaugh (joined the call at 12:15 pm)	
Commissioner Dr. Minh-Anh Hodge	
Commissioner Dr. Arthur C. Banks (joined late at 12:30 pm)	
Commissioner Shennetta Smith	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	Toby Kaheiki, Human Resources Director
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
	Julie LaRocque, Rental Assistance Director
Cacey Hanauer, Client Support and Empowerment Director	

Chair Young declared there was a quorum present @ 12:15 pm and proceeded.

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### 3. 2020 Budget

Tacoma Housing Authority (THA) Executive Director (ED) Michael Mirra noted that the purpose of the meeting was to preview the budget proposal staff will present for the Board's approval on April 22<sup>nd</sup>. He outlined the proposal as follows:

He reviewed the four budget principles that guide THA budgeting. He said that the proposal conforms to all four principles:

- It presumed upon the worst of the plausible budgets then under consideration in Congress. Staff anticipated a \$2.5 million increase. We since learned that the increase will be \$3.6 million.
- Recurring income covers recurring expenses. THA will receive an increase of \$3.6M from HUD, which is more than the \$2.5M estimated when the budget was drafted. This budget proposal presents an operational budget of about \$64.7M. In its operational aspect, it projects a surplus of approximately \$1.6M.
- We will spend reserves on expenditures that make us money, save us money, or make us stronger. THA is budgeting \$2M for property purchases; \$1.5M for additional improvements to the 902 building, investment on IT structure, and THA's Business Process Improvement project.
- The budget leaves THA with adequate reserves. This budget proposal would leave THA with approximately \$23.5M in reserves, down from \$23.7M; \$7M are restricted by HUD for particular uses.

The budget plans on spending \$6.9M that could fund more vouchers on other purposes. He noted that this would leave 670 families unserved on the waiting list. That means our reasons for spending the money on other purposes need to be very good ones. He reviewed those reasons and why THA thinks they are good uses of the money: THA's portfolio, voucher program administration, supportive services, education project, general administration, and other services to maintain customer service. He referred the Board to the Uses of Funds chart. It depicts these choices and the three main metrics that would signal if THA's other expenditures are too much. By those metrics, THA is well within bounds.

Director Shalik provided more detail regarding the budget and directed the Board to the Board Decision Point document. A recurring operating surplus of \$1.6M is notable according to Director Shalik -- THA has not had such a surplus in 10 years. This allows THA flexibility for the year and will help with rent burden and pandemic expenses. Section 8 reserves held at HUD is at \$2.4M at the beginning of 2020 but THA does not need much of it so that provides additional flexibility. THA will end the year with \$23.5M and a good reserve level that will allow for completion of Arlington and the Rise @ 19 development and also provide property-based vouchers for those properties. One of the initiatives for 2020 is to move forward with improvements to the 902 building,

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investment on IT structure, and THA's Business Process Improvement project -- all of which are included in this budget. MTW reserves is a little over with \$2M remaining at HUD. Vice Chair Rumbaugh asked if reserves for restricted funds can be used for capital improvements. Director Shalik confirmed. Also included in commitments is an optimal reserve level. Director Shalik noted that HUD authorized a safe harbor of four months of reserves. THA has a future commitment of \$28M and has a strong enough basis to show what is happening at THA.

Attachment B is the actual budget sheet that was created using the new software. It shows how THA is doing as an agency. Vice Chair Rumbaugh asked if it can be reported in more specific detail. Director Shalik commented that finance will have more in its report, which will be presented as a visual document. The software allows finance to report at any level of detail. Finance will come up with middle ground information for the board that is not too granular but also not too summarized.

Finance Manager Rich Deitz provided a demo of the new software to the board. Vice Chair Rumbaugh thinks the reports are impressive and asked if the numbers are coming from written reports. Rich responded that it is an import from finance's accounting system. The software allows staff to create different versions of the budget and allows staff to do an analysis.

ED Mirra asked if the Board wishes to redirect staff in the budget proposal. Chair Young said that he had no redirection to request and no additional questions. Commissioner Hodge thinks staff are on the right track and Commissioner Smith thinks the budget looks great. Regarding the new software, Vice Chair Rumbaugh is pleased people can dive in and take the macro view to any degree of specificity to show dollars spent. He is quite satisfied with the product.

## **10. ADJOURNMENT**

There being no further business to conduct, the meeting ended at 12:54 pm.

**APPROVED AS CORRECT**

**Adopted:** April 22, 2020



Derek Young, Chair

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