



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION Friday, December 6, 2013

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 902 South L Street, Tacoma, WA at 12:00 PM on December 6, 2013.

1. CALL TO ORDER

Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:05 PM.

2. ROLL CALL

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

PRESENT	ABSENT
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Commissioners

Greg Mowat, Chair

Stan Rumbaugh, Vice Chair

Janis Flauding, Commissioner*

Arthur C. Banks, Commissioner

Rose Lincoln Hamilton, Commissioner

Staff

Michael Mirra, Executive Director

Christine Wilson, Executive Administrator

Ken Shalik, Finance Director

April Davis, REMHS Director

Greg Claycamp, Community Services Director

Tina Hansen, Interim RED Director

Barbara Tanbara, Human Resources Director

Todd Craven, Administration Director

* participated by telephone

Chair Mowat declared there was a quorum present @ 12:06 pm and proceeded.

3. DISCUSSION OF THE FY 2014 BUDGET

ED Michael Mirra opened the discussion about the FY 2014 budget that staff is preparing for the Board to consider and adopt at its meeting on December 18th. He said that he will present the proposal in outline form with details available in the material given to the Board. Although the Board need not make any decision today, he said it would be

helpful for the staff to know if the Board wishes to redirect staff. If so, staff can adjust its work on the budget in time for the December 18th Board meeting.

ED Mirra reviewed the Board's direction from November. In response to that direction, staff has prepared two budgets to account for the continuing uncertainty from Congress over 2014 appropriations. The first budget assumes a "flat line" funding equal to the 2013 pre-sequestration levels. The second budget presumes on a \$3 million cut below that level, which is what a full "sequestration" budget for 2014 would be for THA. This "sequestration" is a list of hierarchical cuts or expenditure delays totaling \$3 million. If Congress does not direct otherwise, the full "sequester" budget will take effect on January 1, 2014.

ED Mirra also recounted the general principles that THA has used to write budgets. The most important is that recurring expenses fit within recurring income. He explained that the staff proposal for the "sequester" budget departs from this principle. It proposes to cover the \$3 million in cuts in the ways that the Board directed in November by a combination of the following:

- cuts in recurring expenses.
- cuts in nonrecurring expenses
- dip into reserves

We cannot cover \$3 million in cuts in staff without crippling our operations. The most important of the cuts will have to come from our largest expense: the rent payments we make on behalf of participants in our rental assistance programs. There are two main ways to cut this amount from our rental assistance program:

- mass terminations (to cover \$3 million, 400 families would have to lose their assistance)
- "thinning the soup" (asking each family to pay more so THA can serve the same number of families and even increase the number we serve).

The Board has directed that we plan to "thin the soup". Our 2014 budget presumes on the savings that will result if we start that thinning in 2014. Specific proposals for doing this are coming to the Board in January.

ED Mirra also noted that the Board directed us to "thin" the soup even if "sequester" cuts do not occur in 2014. He reviewed the four reasons why we would do this:

- to serve more families
- to serve them better or differently (e.g, enhanced supportive services, the Education Project, rapid rehousing investment, asset building):
- to support our portfolio

- to be ready to manage budget cuts that we judge are likely in the near or mid-term future even if they do not happen in 2014. If we are to respond to such cuts without mass terminations we have to do it by changing the rent structure (“thinning the soup”) Yet that takes long term planning. We would not be able to do that quickly if we waited for Congress to act.

Commissioner Lincoln Hamilton suggested that we understand the “thinning the soup” as a way to become more sustainable.

ED Mirra also noted that the “thinning the soup” will deliver on-going savings to THA of \$1.8 million per year once it is fully implemented. This provides an added measure of comfort allowing us to rely on cuts in non-recurring expenses and a dip in reserves.

Director Shalik reviewed the hierarchal “sequester” cuts. Commissioner Rumbaugh noted the natural tension between the reserve amounts we need and the acquisition we hope to make of property. ED Mirra stated that the budget proposal would leave us with adequate reserves that might be useful for acquisition. Commissioner Flauding stated concerns regarding rent reform and whether tenants know they can seek a hardship exemption. Director Claycamp stated that Community Services will be implementing a program that more assertively follows up on households that need the exemption. Chair Mowat appreciates Community Services’ new approach to assist in bringing those services to clients, and looking for additional partnerships in the community. There was more discussion on what such intervention would look like.

ED Mirra noted that both versions of the budget preserved THA’s core activities and signature projects, including the portfolio’s management, the Education Project and assistance to homeless families and youth. He also noted that both versions of the budget presumed that we would significantly decrease the cost of our Meth Plan. He reviewed why these decreases are plausible.

The Board expressed satisfaction with the budget proposal.

4. GUEST COMMENT

None

5. OLD BUSINESS

None

6. NEW BUSINESS

None

7. ADJOURNMENT

There being no further business to conduct the meeting ended at 1:10 PM.

APPROVED AS CORRECT

Adopted: December 18, 2013



Greg Mowat, Chair