



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION FRIDAY, July 12, 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 Friday, July 12, 2013

1. CALL TO ORDER

Vice Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:25 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
	Janis Flauding, Chair
Greg Mowat, Vice Chair	
Arthur C. Banks, Commissioner (arrived at 12:25 PM)	
Stanley Rumbaugh, Commissioner	
	Rose Lincoln Hamilton, Commissioner
Staff	
Michael Mirra, Executive Director	
Christine Wilson, Executive Administrator	
Ken Shalik, Finance Director	
April Davis, REM&HS Director	
Barbara Tanbara, Human Resources Director	
Nancy Vignec, Community Services Director	
Tina Hansen, Interim RED Director	
Todd Craven, Administration Director	

Vice Chair Mowat declared there was a quorum present @ 12:25 PM.

3. REVIEW OF OPERATING BUDGET REVISIONS – FY 2013

Executive Director Mirra opened the budget discussions by noting the purpose of the meeting: to conduct a mid-year review of the 2013 budget. He referred the commissioners to the budget revision proposal he sent to the commissioners earlier in the week. He said that staff planned to submit the proposal to the board as a resolution at the July board meeting, modified to account for today's discussion.

He highlighted and summarized year-to-date factors that are affecting the 2013 budget since its adoption in December 2012. Key factors and adjustments that update the current budget include:

- \$2.3 million in sequestration cuts
- uninsured losses due to meth remediation
- \$2.8 million reduction in reserves to pay down the Salishan 7 Loan
- \$1.4 million to pay off the Citibank Loan

Mirra noted that this proposed revision accomplishes some important goals. It accounts for the loss of revenues and the increased expenses. It does this in two main ways. It continues the “sequestration” cuts and expenditure delays the board approved earlier in the year. It also dips into reserves an additional \$100,000 for a total of about \$450,000. He notes that THA needed to reduce its reserves and this use of reserves helps to do that. The other uses of reserves conform to our principles governing reserves: we use them for activities that will make us money, save us money or make us more effective. The final reserve levels are comfortably above our minimum levels and below our optimal levels. The proposed revision also continues important THA initiatives.

He noted that recurring expenses exceed recurring income by about \$500,000. That is not sustainable. This gap will be the main focus for the 2014 budget, when we will have lower reserves to absorb it. The level of congressional appropriations for 2014 will be the main factor in THA’s response. We could cover this gap if congress ended the sequestration cuts and resumed even the pre-sequestration levels. All this bears watching as the congressional budget process unfolds through the rest of the year.

Director Shalik directed the Board to the THA Operating Budget Revision – FY 2013 memo and attached reports. Director Shalik gave a detailed overview of THA’s current and proposed budget plans highlighting expense, purchase, and income initiatives that affect THA’s overall operations. The budget revisions will allow THA to continue planned initiatives such as the HOP program, purchase of New Look Apartments, Hillside Terrace construction, improved operations, asset-building initiatives and the Education Project.

Commissioner Rumbaugh inquired about the plan for reducing the costs associated with meth remediation. Ken listed the efforts underway: push contractors to bring down the cost of remediation, look at new insurance companies that do not exclude meth remediation and who reduce cost of coverage, restructure our portfolio to bring down costs through a HUD initiative called Rental Assistance Demonstration (RAD). This program allows THA to transition Public Housing properties to MTW properties which is expected to save THA money over time.

Commissioner Mowat stated that THA should look into how we can save money in the area of procurement by reducing costs of consultants and bring this work in-house if we can. Commissioner Mowat further stated that THA should also ask the question “did we get value for our money?” when working with contractors and consultants.

Director Shalik concluded that THA's finances are in good shape.

All commissioners indicated agreement with the budget proposal.

4. ADJOURNMENT

There being no further business to conduct the meeting ended at 12:52 PM.

APPROVED AS CORRECT

Adopted: July 24, 2013


Janis Flauding, Chair