



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION FRIDAY, May 27, 2016

The Commissioners of the Housing Authority of the City of Tacoma met for Special Session at 902 South L Street, Tacoma, WA at 12:00 PM on Friday, May 27, 2016.

1. CALL TO ORDER

Commissioner Derek Young called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:00 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Vice Chair Arthur Banks	Chair Stanley Rumbaugh
Commissioner Derek Young	Commissioner Janis Flauding Commissioner Minh-Anh Hodge
Staff	
Michael Mirra, Executive Director	Barbara Tanbara, Human Resources Director
Sha Peterson, Executive Assistant	Pat Patterson, Property Management Director
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Kathy McCormick, Real Estate Development Director	Greg Claycamp, Client Services Director
Todd Craven, Administration Director	
Sandy Burgess, Associate Director for AD & Asset Management	

The Board lacked a quorum. Commissioner Young proceeded with the meeting at 12:00 pm. Vice Chair Banks arrived at 12:07 pm.

3. DRAFT 2016 MID-YEAR BUDGET REVISION

Finance Director Ken Shalik noted that the purpose of the study session was to review the proposed revision to the 2016 budget that staff will propose to the Board in June for the Board's adoption. He recounted that the Board adopted a 2016 budget last December. In doing so, the Board acknowledged some notable uncertainties: Congress had not yet adopted a federal budget for 2016, the RAD deal was still being negotiated, and the terms of HUD's extension of the MTW contract were not yet firm. The Board adopted the budget planning to review it during 2016 when those uncertainties clarified. In that budget, the Board largely extended to 2016 the income and expenditure levels from 2015.

The uncertainties have clarified for 2016 and it is time to review the budget. Congress adopted a 2016 budget that is basically a flat line budget from 2015. The RAD deal has closed. HUD extended the MTW contracts on the same terms as the original contract.

Director Shalik provided multiple reports to the Board showing the summary of the proposed budget revisions. THA continues to follow the budget principles directed by the Board for the past ten years:

1. Recurring income will cover recurring expenses;
2. Spend reserves to make us money, save us money, or make us more effective; and
3. We will maintain reserves between minimum and maximum levels as directed by the Board.

THA may have to use reserves for some recurring expenses in 2017, including salaries for sunset positions created for the Rental Assistance Demonstration (RAD) project. Although regarded as non-recurring expenses, they will be expenses for the next two years or so and will seem like recurring expenses.

THA will begin fully subsidizing the RAD units in 2017, but the cash flow will not be fully realized until 2018. Due to this, and the implementation phase of the Information Technology (IT) conversion, THA will most likely experience a further decrease in reserve levels in 2017.

THA Reserves:

- THA will spend \$3.4M from reserves for the RAD redevelopment.
- 2016 reserves will decrease from \$11.9M to \$9.2M.
- 2017 reserves will be even lower to expend funds for RAD in the form of rent supplements and staff support.
- 2018 cash flow and non-recurring income is expected at \$11M.

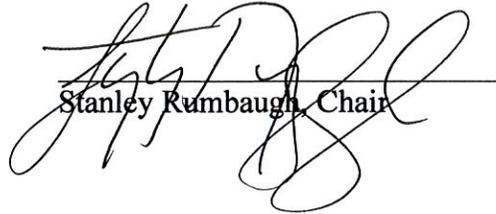
Due to RAD refinancing, most of THA's portfolio is now owned by tax-credit partnerships. Financial reports will go to the investors who own 99% of the partnership and will no longer show as part of THA's operational budget and financial reports.

4. ADJOURNMENT

There being no further business to conduct, the meeting ended at 12:58 PM.

APPROVED AS CORRECT

Adopted: June 22, 2016


Stanley Rumbaugh, Chair