



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION WEDNESDAY, December 7, 2016

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 Wednesday, December 7, 2016.

1. CALL TO ORDER

Commissioner Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:10 pm.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
	Chair Arthur Banks
Vice Chair Janis Flauding (participated by phone)	
Commissioner Stanley Rumbaugh (arrived at 12:10 pm)	
	Commissioner Minh-Anh Hodge
Commissioner Derek Young	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	Toby Kaheiki, Human Resources Director
	Pat Patterson, Property Management Director
Kathy McCormick, Real Estate Development Director	
	Todd Craven, Administration Director
Greg Claycamp, Client Services Director	
	Sandy Burgess, Associate Director for AD & Asset Management

Commissioner Rumbaugh declared there was a quorum present @ 12:15 pm and proceeded.

3. Proposed 2017 Budget

Executive Director (ED) Michael Mirra led the discussion of the proposed 2017 budget and accompanying documents. The staff will present the proposed budget at the Board's December 14, 2016 meeting.

E.D. Mirra reviewed the four budget principles that have governed THA's budgeting:

1. Budget to the worst of the plausible Congressional appropriations
2. Recurring income covers recurring expenses
3. Use reserves for expenditures that: (1) make money, (2) save money, or (3) make us stronger
4. Keep reserves that are adequate without being too much

ED Mirra said that the proposed budget conforms to these principles. Staff wrote it presuming upon the Congressional appropriation levels for HUD in a proposed budget approved by the House Appropriation Committee earlier this year. That essentially gives us flat funding from 2016. THA's various advisors recommend this approach. The main uncertainty arises because the present Continuing Resolution expires on April 28, 2017. By then the next Congress must extend it or pass a real budget. If either one contains notable cuts THA would need to conform to them within the remainder of the fiscal year. That shortened time period would amplify their effect. Despite this risk, presuming on the House Appropriation Committee proposal is a reasonable approach.

He also noted that the proposed budget has recurring expenses fitting inside recurring income. He cautioned, however, that whether an expense is either recurring or non-recurring is sometimes a judgment of characterization that the Finance Director must make.

The proposed budget also leaves us with ample reserves and spends down some of them for worthwhile projects.

An alternative budget would have THA anticipate funding reductions that may not occur and make cuts now in staff or services or both without knowing how much to cut. Cuts would be disruptive to staff and operations especially in the middle of our software conversion, the RAD project and other initiatives.

The Commissioners expressed support for the proposed budget. Vice Chair Flauding and Commissioners Young and Rumbaugh noted how THA's reserves do give THA some flexibility in managing cuts. They expressed appreciation for Finance Director Shalik's conservative approach.

Executive Director Mirra stated that starting in January staff will plan some budget cutting exercises presuming upon reductions in funding of varying degrees. These exercises will be useful if not in 2017 than in 2018 when the main budget cuts from Congress may occur. He noted that managing those cuts may be a replay of how THA planned for the 2010 sequestration cuts of \$3 million.

4. ADJOURNMENT

There being no further business to conduct, the meeting ended at 1:02 PM.

APPROVED AS CORRECT

Adopted: January 25, 2017


Dr. Arthur C. Banks, Chair