October 10, 2013

MEMBERS PRESENT: Joyce Bakewell, Sharron Meyer, Jason Passmore, Robert Fadness, Steve Roach, Michelle Elsbernd, Bernard Peterson, Paul Ryan, Charles Carrol, Mark Schmitt, Sue Weipert and Vicky Osmundson.

STAFF PRESENT: Lori Brockway, Becky Zieman, Karine Schager, Rachelle Howe and Mary Huinker

OTHERS PRESENT: Don Snitker, Auditor, and left at 1:27 p.m. after explanation of audit.

CALL TO ORDER: The Upper Explorerland RHA quarterly meeting was called to order at 12:59 pm by Vice-Chair Michelle Elsbernd at UERPC in Postville, IA.

APPROVAL OF AGENDA: A motion was made by Weiper/Roach to approve the agenda. Motion carried unanimously.

APPROVAL OF MINUTES: A motion was made by Passmore/Ryan to approve the minutes of the 08/01/2013 meeting. Motion carried unanimously.

HOUSING PROGRAM STATUS REPORT: Lori Brockway gave the Section 8 status report. Following are the numbers of units under contract with the RHA as of October 1, 2013: Allamakee County – 52 families. Fayette County – 180 families. Clayton County – 71 families. Howard County – 56 families. Winneshiek County – 29 families. These numbers include handicap and disabled. Roach asked about the Government shutdown. Lori commented that HAP payments have been assured to December 1 from the information received by NAHRO. If the shutdown were to continue without interruption into January, HUD would no longer be able to provide PHA's with continued HAP and administrative fee funding. But, as of now, it's business as usual.

AUDIT: Don Snitker presented the audit to the commission. The Regional Housing Authority's operations are funded almost entirely through administrative fees received from HUD. The Authority enters into an Annual Contributions Contract (ACC) each year with the Department of Housing and Urban Development to serve up to 407 families in the designated counties. The Authority's net assets decreased by $114,108 (or 62.8%) to $67,544 compared to the previous year end net assets of $181,652. Unrestricted net assets decreased by $20,663 (or 183.0%) to -$9,373, compared to the previous year end unrestricted net assets of $11,290. The total revenue for the fiscal year was $1,215,079 a decrease of $67,695 (or 5.28%) from last year. The total expenditures for the fiscal year were $1,329,485, a decrease of $65,522 (or 4.70%) from last year. The Authority's net loss from operating activities for the fiscal year was $114,406. A brief discussion was held regarding different ways for the Authority to cut expenses. Inadequate HUD funding necessitated using the Authority's restricted net assets to cover program benefits and necessitated using unrestricted net assets to cover operational expenses. The substantial gap between monthly revenue and monthly expenses prompted the authority

to request higher administrative fees for the calendar year 2013. The Authority's request in 2013 for the high fees was denied. The political environment has not been favorable for funding the Authority's programs. Sequestration of HUD funds has reduced the number of families that can be served in the Region. The pro-ration of administrative fees to 68.5% for CY2013 has impacted the Authority immensely as well. With the remaining unrestricted net assets of -$9373, the Authority is left with no option but to continue to seek out other substantial cost-cutting measures. The Authority is simultaneously exploring other opportunities for additional revenue. The Authority will be monitoring revenue streams and spending very closely and will correspond with HUD Financial Analysts to establish and maintain a balanced budget.
A full copy of the audit is available on the Upper Explorerland website, and was also sent to HUD. Each RHA board member received a copy as well.

AUDIT APPROVAL: A motion was made by Ryan/Schmitt to file audit. Motion carried unanimously.

REVIEW OF AGREEMENT BETWEEN RHA AND UERPC: Lori Brockway read the Agreement between UERPC and UERHA. As stated within the agreement, it is necessary for both organizations to review. Under the Financing and Budgeting section, Passmore brought up whether or not the statement was needed as UERPC provides the management of all staffing, 'Staffing changes shall be recommended by UERHA prior to approval by UERPC'. Rachelle Howe will take this to the Commission Board meeting on October 17, 2013 and ask if they think the statement needs to be changed.

UPDATE ON $50 MINIMUM RENT: Lori Brockway explained that this has affected 28 households. Although we don't have exact numbers, Michelle Schnier states "the majority of HA's in Iowa now are utilizing the minimum rent policy. The most you can charge is $50 minimum rent according to the HUD guidelines and with the reduced budgets and trying to serve as many people as possible to keep administration dollars this minimum rent has become a necessity." Up just one from the previous year, we will continue to discuss this matter and keep on the agenda every quarter.

UPDATE ON PORTABILITY FOR SET ASIDE FUNDS: UERHA was denied the port set-aside funds because all of the allocated money was committed to support the short-fall agencies. We currently have 17 port-outs and 10 pending with the average Housing Assistance payment at $771 per month. The average HAP without ports is $222 per month. Rachelle Howe is working on lobbying this matter.

APPROVAL OF DISBURSEMENTS FOR PUBLICATION: A motion was made by Passmore/Petterson to approve the disbursements for publication. Motion carried unanimously.

SCHEDULE NEXT MEETING: The next meeting will be scheduled for December 12, 2013 at 1:00 pm.

FLOOR ITEMS: Lori Brockway brought up the upcoming vacancies to the board. Cassie Tysland of Waukon, Carla Moser of Lime Springs, Roger Wolfe of Chester, Barry Dykhuizen of Guttenberg and Sue Zipse of West Union. Lori will look to the cities or counties for re-appointment.

ADJOURNMENT: A motion to adjourn was made by Ryan/Peterson. Motion carried unanimously. The meeting adjourned at 2:03 pm.

The above constitutes my interpretation of the matters discussed and the decisions reached. Please contact the undersigned for any errors or omissions.

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Becky Zieman, Secretary