

MINUTES
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY
December 20, 2018 7:00 a.m.

Members Present: Jeremy Heyer, Stewart Coulson, Linda Klemesrud, and Eric Miller. Absent: Carol Tyler. Others present: Heidi Nielsen, staff

Call to Order. Chairperson Heyer called the meeting to order at 7: 03 a.m.

Public Comment. None

Amend-Approve Minutes of November 15, 2018. Miller moved, Klemesrud seconded the motion to approve the minutes of November 15, 2018 as presented. Ayes: 3, Nays: 0. Motion carried.

Approval of Bills. Miller moved, Klemesrud seconded the motion to approve payment of the revised bill listing totaling \$91,680.48. Ayes: 3, Nays: 0. Motion carried.

Board member Coulson arrived during the communications discussions.

Communications. Items reviewed under Communications included an update on upcoming projects, Rehab Program, Section 8 funding/utilization, snow removal employees, final public housing operating subsidy allocation, and program occupancy/termination update. All items were informational, so no action was required.

Old Business. None

New Business.

Accept Audit Report for FYE 06/30/2018. Brad Berthiaume from Collins & Associates was called and placed on speakerphone. He reviewed the audit report. He said that the Governance Letter was provided to inform the Board of Collins & Associates responsibilities for the audit. Mr. Berthiaume also explained that the audit resulted in an Unmodified Opinion and they encountered no difficulties with the audit. He stated that there were two journal entries required to correct the pre-paid insurance and to adjust the capital assets and depreciation. The Management's Discussion and Analysis was discussed and that the purpose was to provide a comparative analysis of the audit and is used to assist readers with the comprehension of the audit. He reviewed the financial statements and explained that capital assets increased and that a large portion of the change in net position was due the capital grants. He stated that there was nothing out of the ordinary under the Notes to the Financial Statements. In the Independent Auditor's report on internal control he stated that there were no deficiencies. Mr. Berthiaume reviewed the Schedule of Federal Expenditures and stated that the Housing Choice Voucher Program was a major program. He informed the board that the report regarding compliance with program regulations was an important report and there were no instances of non-compliance. He reviewed the final report and stated that because the Housing Choice Voucher Program was considered a major program, it was tested to determine compliance. He reported that there were no findings regarding internal control over the financial statements and federal awards and that the files tested were also in compliance. The last page of the report identified no findings with the previous

audit. There were no questions from the Board and the call was ended. Nielsen stated the audited statement had been submitted to HUD and were being reviewed. Coulson motioned to accept the audit report and Miller seconded the motion. Ayes: 4, Nays: 0. Motion carried.

Approve Resolution 11-18 to Adopt Passbook Rate. Nielsen informed the board that the rates received from area banks were for a basic passbook account and requested to increase the rate to .15%. Nielsen also stated that it will not apply to most of the participants as they do not have enough in assets. Miller moved to approve Resolution 11-18 adopting a passbook rate. Coulson seconded the motion. Motion carried on roll call vote. Ayes: Klemesrud, Miller, Coulson, and Heyer. Nays: 0. Motion carried on roll call vote.

Approve Resolution 12-18 to Update Payment Standards. Nielsen explained that even though the payment standards were reviewed, and the efficiency and three-bedroom payment standards were increased, it was necessary to increase them again. Nielsen stated that it was due to problems the program applicants locating affordable units. She said that if they were able to locate a unit, the rents were unaffordable because the payment standards were too low. The board reviewed the new standards. Nielsen explained that the reserve funding would be enough to absorb the increase in housing payments and that the program participants would not see an increase in rent. Nielsen also reviewed the process to decrease the payment standards if necessary. Miller asked about the increases to make sure that we would be paying the difference and Nielsen reassured that the agency would cover the costs. Miller made a motion to approve Resolution 12-18 to update payment standards. Klemesrud seconded the motion. Roll Call: Ayes: Heyer, Miller, Klemesrud, and Coulson. Nays: none. Motion carried on roll call vote.

Review Financial Reports. Nielsen reported that it appears we are on track with spending and discussed with the board the increase in spending for the portability payments. Miller asked who assisted with the budgeting process. Nielsen explained that she prepared the preliminary budget, which was reviewed by the City Administrator and approved by the council. There were no questions or concerns

Executive Director's report. Nothing to report.

Being no further business, Miller moved, Coulson seconded the motion to adjourn. Ayes: 4, Nays: 0. Motion carried, and meeting adjourned at 7:45 a.m.

Charles City Housing and Redevelopment Authority

Jeremy Heyer, Board Chairperson

ATTEST:

Heidi Nielsen, Director