Minutes of the Board of Commissioners of the
Emery County Housing Authority Special Meeting held at
the Emery County Courthouse - Box Conference
75 East Main Street, Castle Dale, Utah

February 26, 2014

Those present at the meeting were Chairman Jeff Horrocks, Commissioners, Liz Nielson, Christine Jensen. Bart Cox, Leslie Bolinder and Dan Cline and Anita Short, HUD Staff. Board Member Dale Roper was out of town. The agenda was as follows:

CLOSED/EXECUTIVE SESSION TO DISCUSS THE CHARACTER, PROFESSIONAL COMPETENCE, OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL AND STRATEGY SESSION TO DISCUSS PENDING OR REASONABLY IMMINENT LITIGATION

Liz Nielson made a motion to go into closed/executive session. The motion was seconded by Bart Cox. A roll call vote was taken.

Liz Nielson - aye
Bart Cox - aye
Christine Jensen - aye
Jeff Horrocks - aye

The vote was unanimous.

A motion was made by Liz Nielson to come out of closed/executive session. This motion was seconded by Bart Cox. A roll call vote was taken.

Liz Nielson - aye
Bart Cox - aye
Christine Jensen - aye
Jeff Horrocks - aye

The board returned to meeting.
DISCUSSION AND APPROVAL REGARDING SEPARATION OF EMPLOYMENT OF JOHN SEHESTEDT

David Blackwell, Emery County Attorney, contacted John Sehestedt regarding his termination of employment by the Emery County Housing Authority Board of Commissioners. Mr. Sehestedt had sent an email to Mr. Blackwell outlining a list of terms he would find acceptable and it was forwarded to the board for approval. Mr. Blackwell made it clear to Mr. Sehestedt that any monetary settlement would be contingent upon obtaining the necessary funds from the County since the HA does not have available funding.

The board discussed the request item by item as follows:

Bart Cox made a motion that the board give John Sehestedt (JHS) a letter of termination, not a letter stating his separation of employment was due to a lay-off or reduction in force. The motion was seconded by Christine Jensen. The board was unanimous in this decision.

Bart Cox made a motion that John Sehestedt be paid for his supposedly accrued sick leave bank of 952 hrs. based on 90% of his 2013 W-2 wages ($48,045.51) converted to an hourly wage. This motion was seconded by Christine Jensen. Bart Cox, Christine Jensen and Liz Nielson voted aye. Jeff Horrocks voted nay.

Bart Cox made a motion that a check be sent to Scottrade Financial Services in the amount of $4,805.00 for John Sehestedt IRA contribution as per policy. This amount represents 10% of JHS 2013 W-2 wage. This motion was seconded by Liz Nielson. Bart Cox, Christine Jensen, and Liz Nielson voted aye. Jeff Horrocks voted nay.

Bart Cox made a motion that John Sehestedt be paid through 2/28/14. One check will be sent on 2/14/14 and the other check be sent on or about 3/16/14. Liz Nielson seconded the motion. The motion was approved by all members.

Bart Cox made a motion that medical insurance coverage will be terminated on or about 2/28/14. Liz Nielson seconded the motion. The motion was approved by all members.
Liz Nielson made a motion that the attorney draft a letter for John Sehestedt signature agreeing to the terms as approved by the Emery County Housing Authority Board of Commissioners as final claim or demand upon Emery County Housing Authority.

Payment of the supposed sick leave and IRA contributions for JHS and Debbie Thornton are contingent upon Emery County making a donation to the ECHA.

**DISCUSSION AND APPROVAL OF SOLE-SOURCE INTERGOVERNMENTAL AGREEMENT FOR CONTRACTING MANAGEMENT OF THE ECHA AND APPROVAL OF NECESSARY PAPERWORK**

Liz Nielson made a motion to authorize the Chairman to send a letter to HUD requesting approval to use non-competitive (sole source) procurement in securing a contract for management of the ECHA and its programs. Upon receiving approval from HUD, authorizing the Chairman, along with the Emery County Attorney, to work with Carbon County Housing Authority to enter into a contract for management services that will be fair and reasonable and will fit within the proposed ECHA budget FY ending 3/31/15. The motion was seconded by Bart Cox and approved by all members present.

**DISCUSSION AND APPROVAL OF ECHA BUDGET FOR FY BEGINNING 4/1/14 ENDING 3/31/15**

Dan Cline, HUD Financial Analyst, presented a draft budget for the ECHA for FY beginning 4/1/14 and ending 3/31/15. He explained the three columns (or three programs for housing as Low-Rent Public Housing, Capital Fund, and HCV is Choice voucher or Section 8) He suggested that these programs should be run separately and the books should be kept separate as well. Congress does not appropriate enough funding to fully fund all programs.

When preparing this budget he based the figures on an average of the present tenant revenues. The $36,613 budget figure could be a high estimated amount. The board needs to decide what expenses that the ECHA needs to pay and what would be paid with
the management contract. The capital fund project is going down each year. The Board needs to adopt a five year plan on how best to use the capital funds. There was a discussion on what projects are maintenance and what are capital. He suggested that the BOC request release of capital funds into operation so it can be used for maintenance to bring the units up to standard in order to pass the upcoming inspection. John was a little gray in how he was spending capital funds due to the way HUD does not allow funds to be transferred. Some capital funds have been spent on maintenance items in the past.

The choice voucher revenue is based on the amount of units leased up. He believes that ECHA has enough revenue to lease all 68 vouchers which would bring in more administrative revenue. John recently told Dan that the Section 8 waiting list has dwindled down to about nothing. The Board may have to advertise, change policies and be more aggressive in leasing up the units. The Board felt the need for low income housing exists in Emery County so they wanted to do outreach before they outsource these housing vouchers with inter-agency jurisdictions.

There was discussion of what liabilities exist that are not on the books, i.e. retirement contributions, etc. The books only show approximately $16,000.00 in sick leave accrual. ECHA still has to payback the HCV net restricted funds. Dan showed peer group ratings and this agency has been much higher than other similar housing authorities. He felt this agency could be run for less funding.

The board expressed their appreciation to Dan for taking the time to explain the budget to them. The budget will be approved for adoption in the regularly scheduled board meeting on March 19, 2014.

**APPROVAL TO AUTHORIZE CHANGE OF NAME FOR HUD PROGRAM DRAWDOWNS AND OTHER NECESSARY PAPERWORK FOR MANAGEMENT TRANSITION**

A motion was made by Liz Nielson to authorize Christine Jensen and Leslie Bolinder submit the necessary paperwork to HUD in order to draw down funding during the management transition period. The motion was seconded by Bart Cox and approved by
all members present.

OTHER BUSINESS

Anita Short has been working with Debbie Thornton to come up with the amount/tenants that are due a refund for the mis-calculation of rent. This amount will have to be considered in the budget as well. Anita joined the meeting and brought a list of tenants the ECHA owes a refund to. The amount that needs to be refunded to tenants is approximately $4300.00. This was more than the board expected and will be discussed next meeting.

Approved by:

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Jeff Horrocks, Chairman
EC Housing Authority Board of Commissioners
Dated: 3/19/14