

Bloomington Housing Authority

Board Meeting Minutes

June 22, 2023

I. Call to Order

Chair Elaine Amerson called to order the regular meeting of the **Bloomington Housing Authority Board of Commissioners at 8:35 A.M. on June 22, 2023**, in person at the BHA Community Room, located at 1007 N Summit St., Bloomington, IN 47404.

II. Roll Call

Those present in person were: Chair Elaine Amerson; Vice Chair Sherry Clay; Commissioners Mary Morgan, Tracee Lutes, Jerry Cravens and Nordia McNish; Executive Director Kate Gazunis; Administrative Director Leon Gordon; and Finance Manager Dhara Patel.

Guests in Attendance: Stephanie LaFontaine

Commissioners Absent: Sue Wanzer.

III. Approval of Minutes from the Last Meeting

A motion was made to approve the regular board meeting minutes for May 25, 2023, by Sherry Clay and seconded by Mary Morgan. The motion passed unanimously.

IV. Financial Statements

Finance Manager, Dhara Patel gave a brief overview of the May 2023 Financial Statements which included revenue and expenditures for Bloomington RAD I (Reverend Butler and Walnut Woods), Bloomington RAD II (Crestmont), the Housing Choice Voucher Program (HCVP), and the Central Office Cost Center (COCC).

Executive Director Kate Gazunis spoke in more depth about the financials. The key issues that she informed the Commissioner included the good financial position of RAD I but the RAD properties operated on the Calendar Year, so the RADs have only a five-month history. She also reminded them that the ultimate goal of managing the RAD properties is maintaining a 1.2 DCR. Kate also pointed explained the negative consequences of major demolitions and renovations to units with exceptionally high methamphetamine contamination and how will negatively impact the financials in the coming months.

Executive Director Kate Gazunis also explained that the audit for BHA is still not done and that the new audit firm needed an extension because they will not meet the June 30 deadline. In addition to being new and unfamiliar with BHA, a major issue continues to

be a large number of inter-fund entries on the books. Kate assured the Board that the numbers do balance, but wants the Board to be aware of the issue.

A third financial issue that she brought to the Board's attention is the \$1.9MM in a COCC-restricted account. This is the "Seller's Loan" that the BHA will contribute to the financing of RAD II at permanent closing. The closing will probably be a few months after construction completion, so it may not even occur until 2025.

Commissioner Nordia McNish had questions about the imbalance in the HCV account, and, subsequently, about the visa charges in the AP report. Finance Manager Dhara Patel explained that the negative amount in the HCV account is due to the timing of HUD paying the monthly HAP to the landlords, and ED Kate Gazunis went on to reassure the board that the administrative function of the voucher program was in very good shape. Staff said that they would provide a breakdown of the Visa card charges for the board via email later that day.

Vice Chair Sherry Clay moved, and Commissioner Nordia McNish seconded, to accept the financials subject to the audit. The motion passed unanimously.

V. New Business/Resolutions

1. Red CMU on Community Center

Executive Director Kate Gazunis and Capital Asset Manager Rhonda Moore described the accent stone (CMU) that was proposed for the entry areas to the remodeled community center. This stone facade would replicate the façade of the administrative building but would cost an additional \$26,668. After some discussion, the direction of the Board to staff was not to spend this additional money and to just use the limestone and cement board siding for the façade.

2. Resolution 2023-05 Drug Screening Policy

Executive Director Kate Gazunis gave an overview of Resolution 2023-05, recapped the history of proposing this policy for screening applicants for residency in RAD I and II apartments, and that the policy was needed to convey the message that people who use illegal drugs should not apply to live at BHA properties. Kate explained some of the costs of remediating and renovating units that are contaminated by meth.

The Commissioners, staff, and the City's HAND representative, Stephanie La Fontaine, had a lengthy discussion about the proposed policy and the need to be as objective as possible when charging an applicant for a second test if they dispute the initial test results. Vice Chair Commissioner Sherry Clay, as the Resident Commissioner, spoke in favor of adopting the policy as a measure to help improve the image of the community.

Commissioner Tracy Lutes made the motion to approve, and Commissioner Clay seconded, Resolution 2023-05. The motion passed unanimously.

VI. Old Business

1. Asset Management Report

Asset Manager Rhonda Moore briefly referenced the Capital Asset report sent to the board. She informed the Board that HUD was reviewing the City's HAND department's environmental assessment process and that she hoped that this would not delay the installation of solar panels at Walnut Woods (RAD I.)

VII. Director's Report

Executive Director, Kate Gazunis, briefly referenced the physical Director's report sent to the board. Kate stated that we had 100% occupancy in Walnut Woods and Reverend Butler last month, but there would be some anticipated vacancies this month due to the meth contamination found in some units. She also reviewed the two-year tool and explained that the utilization projection for 2023 dropped to 98% (about 33 fewer vouchers) because the authority's Per Unit Cost (the average amount paid to landlords on behalf of voucher holders) would increase from \$649 in January to \$715 in December.

Executive Director Kate Gazunis stated that BHA hired a new Assistant Property Manager with 30 years of experience in apartment rentals, much of which was HUD-subsidized housing.

The Board collectively viewed the "Fundamentals of Oversight" and the "Public Housing Basics" modules.

VIII. Adjournment

No motion to adjourn was made. The meeting adjourned at 11:00 a.m.

Respectfully submitted and approved by: Kate Gazunis, Executive Director.