

MINUTES  
Seven Hundredth Twenty-Eighth Meeting  
HOUSING AUTHORITY  
CITY OF SANTA BARBARA  
814 Laguna St.  
Santa Barbara, California  
5:30 p.m. – April 16, 2008

**I. CALL TO ORDER/ROLL CALL**

5:30 P.M. Chair Silverstein presiding

Board Members present: Barbara Allen, Stanley Eisele, David Hughes, Mary Johnston-de Leon, Robert Niehaus, Cheryl Rogers, Christine Silverstein

Staff Members present: R. Fredericks, S. Szymanski, M. Trejo, R. Lawrence, T. Carter, J. Schipa, A. Hughes

**II. PUBLIC COMMENT - None**

**III. CONSIDERATION OF MINUTES**

1. Consideration of the Minutes of the Regular Meeting of March 19, 2008

MOTION

M/S Allen/Johnston-de Leon moved to approve the Minutes of the Regular Meeting of March 19, 2008 as corrected, pages 2 and 3, items VI. 1 and 2, under Motions, "... ratify and formally..."

VOTE

Ayes:	Barbara Allen	Robert Niehaus
	Stanley Eisele	Cheryl Rogers
	Mary Johnston-de Leon	Christine Silverstein
Nays:	None	
Abstain:	David Hughes	
Absent:	None	

**IV. BILLS AND COMMUNICATIONS**

1. 2007 Annual Report from Housing Authorities Risk Retention Pool (HARRP)

Commissioner Hughes inquired if the Authority properties are fully insured with HARRP or are self insured. Finance Director Rita Lawrence explained that the Authority is member of the HARRP pool and HUD and Non HUD properties are fully insured through them. She also mentioned that the Authority Tax Credit properties do not qualify for this type of insurance therefore they are insured through the private sector.

Commissioner Rogers asked Staff if the properties have earthquake coverage. Staff explained that only Garden Court has coverage because it is required by the Partnership. Commissioner Hughes asked if the Authority has ever done a study as to the cost effectiveness of having earthquake insurance in regard to their location and relation to faults. Staff explained that some years back a general cost benefit review was done not so much about the faults location but in relation to the construction of the buildings; the conclusion being that it was not cost effective. Some properties are newer and built under new codes and other properties are a single story and are not high risk. Commissioner Hughes mentioned that he would like to see the review if available. He said that it would be beneficial for the Authority to do a new review, especially for the buildings that were not built under the new codes. Staff will complete a new review on cost and benefit of earthquake coverage and will report back to the Board.

**V. CONSENT CALENDAR - None**

**VI. REPORT OF EXECUTIVE DIRECTOR**

1. Recommendation that the Commission revise the date from Thursday, June 26, 2008 to Thursday, June 12, 2008 to hold a work session/special meeting to formulate a new 5-Year Action Plan for the Housing Authority for the period 2009-2014

**DOCUMENTS**

- February 26, 2008 Executive Director's Report prepared by Deputy Executive Director/CAO

**SPEAKERS**

Staff: S. Szymanski, R. Fredericks

**MOTION**

M/S Eisele/Rogers moved to approve the revised date from Thursday, June 26, 2008 to Thursday, June 12, 2008 to hold a work session/special meeting to formulate a new 5-Year Action Plan for the Housing Authority for the period 2009-2014.

**VOTE**

Ayes:	Barbara Allen	Robert Niehaus
	Stanley Eisele	Cheryl Rogers
	David Hughes	Christine Silverstein
	Mary Johnston-de Leon	
Nays:	None	
Abstain:	None	
Absent:	None	

2. Recommendation that the Commission approve the low bid from Dell Computers, Inc. for replacement of 46 desktop computers used by the Authority's employees and authorize the Executive Director or his designee to execute a Purchase Order with Dell Computers, Inc. in the amount of \$50,243.92

#### DOCUMENTS

- April 7, 2008 Executive Director's Report prepared by Information Systems Technician listing bids as follows: Dell \$50,243.92; Gateway \$53,460.74; HP/Compuware \$68,794.95

#### SPEAKERS

Staff: S. Szymanski, R. Fredericks

#### MOTION

M/S Hughes/Allen moved to approve the low bid from Dell Computers, Inc. for replacement of 46 desktop computers used by the Authority's employees and authorize the Executive Director or his designee to execute a Purchase Order with Dell Computers, Inc. in the amount of \$50,243.92. Commissioner Eisle suggested staff review the needs of the senior centers such as SHIFCO when planning for alternative location/uses for the existing computers.

#### VOTE

Ayes:	Barbara Allen	Robert Niehaus
	Stanley Eisele	Cheryl Rogers
	David Hughes	Christine Silverstein
	Mary Johnston-de Leon	
Nays:	None	
Abstain:	None	
Absent:	None	

3. Recommendation that the Commission: (1) review with Staff the merits of increasing the Housing Authority's employer contribution into the Housing Authority's Employees' Money Purchase Pension 401(a) Plan through a dollar to dollar match to an employee's contribution to the Housing Authority's Deferred Compensation 457(b) Plan by an additional amount not to exceed 5% of the employee's salary; and (2) provide direction to Staff with respect to the recommended increase

#### DOCUMENTS

- March 6, 2008 Executive Director's Report prepared by Human Resources Analyst together with Retirement Plan survey

#### SPEAKERS

Staff: S. Szymanski, T. Carter

Human Resources Analyst Tiffany Carter reiterated comments in her Staff Report that as was reflected in the last Board meeting minutes, Staff would be returning with a recommendation to increase the employer's retirement contribution to be more in alignment with the City of Santa Barbara and other local Housing Authorities. With one exception, it was noted that the Authority's employer retirement contribution is approximately 6% behind the City of Santa Barbara and other local Housing Authorities. After reviewing the account balances of long-term general employees nearing or at retirement age, trustees became concerned about their ability to retire with any degree of security with the current contribution amount. The City has a defined benefit plan which

guarantees a specific monthly salary at retirement whereas the Authority has a defined contribution plan so the plans are structured differently. Ms. Carter stated that based on the example cited in the Staff Report, this employee would receive approximately 81% of his monthly salary at retirement with the City's plan. In comparison, assuming a 6% return on investment and preservation of the principal, this same employee would receive approximately 22% of his monthly income at retirement with the Authority's plan.

With this in mind, the trustees recommend that we increase the employer contribution into the 401a plan up to a maximum of 5% through an employer dollar to dollar match on the employee's contribution into the 457 plan. This would increase the employer contribution to 17% (assuming the employee contributed at least 5% in the 457 plan), bringing us closer to the City's contribution. The cost impact to the employee would be offset by the Cost of Living Adjustment (COLA) increase which is budgeted for July 1<sup>st</sup>, if approved by your Board

Ms. Carter went on to mention that this structure would serve to encourage employees to participate in and defer more monies into the 457 plan. Our current participation rate (employee monies only) into the 457 plan is about 68%; this matching structure would hopefully bring us closer to 100% participation and increase the average employee deferral amount.

Some implementation issues still need to be addressed with Principal and Pensionmark, but Staff wanted to seek feedback from the Commission, on both the increase and the matching structure.

Based on the direction of the Board, we will return to the Board with a formal proposal and revised plan documents.

After discussion and answering questions, the members of the Board felt that it was a reasonable plan and liked the incentive it offers. They unanimously agreed to go ahead with the plan and directed Staff to continue with the proposed changes. It was recommended that when the formal proposal is brought to the Board for approval that it contains a built in review process to be considered every three years. Commissioner Hughes would like to have a report a year from now on how employees were motivated and responded to the matching structure.

## **VII. TREASURER'S REPORT**

1. Recommendation that the Commission adopt the Resolution setting forth costs incurred and payments made for the period ending February 2008

### **DOCUMENTS**

- March 11, 2008 Executive Director's Report prepared by Department of Finance
- Resolution referenced above together with February 2008 list of expenditures

### **SPEAKERS**

Staff: S. Szymanski, R. Lawrence

2. Recommendation that the Commission adopt the Resolution setting forth costs incurred and payments made for the period ending March 2008

#### DOCUMENTS

- April 9, 2008 Executive Director's Report prepared by Department of Finance
- Resolution referenced above together with March 2008 list of expenditures

#### SPEAKERS

Staff: S. Szymanski, R. Lawrence

#### MOTION

M/S Niehaus/Rogers moved to adopt Resolutions Nos. 2311 and 2312 of the Housing Authority of the City of Santa Barbara, as presented, ratifying and approving the expenditure of Housing Authority funds by the Executive Director for necessary supplies and services rendered to the Housing Authority and paid during February and March 2008.

#### VOTE

Ayes:	Barbara Allen	Robert Niehaus
	Stanley Eisele	Cheryl Rogers
	David Hughes	Christine Silverstein
	Mary Johnston-de Leon	
Nays:	None	
Abstain:	None	
Absent:	None	

### **VIII. COMMITTEE REPORT - None**

### **IX. UNFINISHED BUSINESS - None**

### **X. NEW BUSINESS**

1. Recommendation that the Commission: (1) hold a public hearing and take public comment on the Housing Authority's proposed revision to the flat rent schedule for units in its HUD Assisted Public Housing program as set forth in the Authority's "Admission and Continued Occupancy Policy" for said program; and (2) adopt the Resolution approving the revised flat rent schedule effective July 1, 2008

#### DOCUMENTS

- April 8, 2008 Executive Director's Report prepared by Director of Housing Management
- Resolution referenced above together with Exhibit A, PHA's Flat Rent Methodology, listing new flat rent amounts

#### SPEAKERS

Staff: S. Szymanski, R. Fredericks

Commissioner Hughes suggested that in the future, Staff give advance notice of the public hearing date and time specifically to those residents that are on the Flat Rents. Staff concurred and will do so on future hearings regarding Flat Rent increases.

At 6:17 p.m. Chair Silverstein announced the opening of the public hearing.

At 6:18 p.m. Chair Silverstein closed the public hearing, noting that there were no comments from the public during said hearing.

#### MOTION

M/S Rogers/Johnston-de Leon moved to adopt Resolution No. 2313 of the Housing Authority of the City of Santa Barbara, as presented, approving the revised flat rent schedule for its HUD Assisted Public Housing Program as set forth in the Authority's Admissions and Continued Occupancy Policy for said program, effective July 1, 2008 and noting that in the future tenants will be notify in advance of the Public Hearing that will be included in the Agenda for the purpose of Flat Rent increase.

#### VOTE

Ayes:	Barbara Allen	Robert Niehaus
	Stanley Eisele	Cheryl Rogers
	David Hughes	Christine Silverstein
	Mary Johnston-de Leon	
Nays:	None	
Abstain:	None	
Absent:	None	

## **XI. COMMISSION MATTERS**

1. Oral report on the 2008 NAHRO Legislative Conference by Chair Christine Silverstein and Commissioner David K. Hughes. These two Commissioners along with Staff members Robert Pearson and Rob Fredericks attended the Conference on March 29<sup>th</sup> through April 2<sup>nd</sup> in Washington, D.C.

Chair Silverstein and Commissioner Hughes gave an oral report on the sessions they attended along with Staff members Robert Pearson and Rob Fredericks. One of the sessions they attended had three Economists who gave an overview of the Federal Budget and how housing fits in. The second day of the conference was the lobbying session where a large delegation of California Housing Authorities met with several Staffers that work for U.S. Representatives and Senators in an effort to promote needed legislation/funding for our affordable housing. Chair Silverstein and Commissioner Hughes gave some much valued direction to the California delegations approach so that we conveyed the message of what funding programs for Housing Authority's could do to help stimulate the economy.

**XII. ADJOURNMENT**

Meeting adjourned at 6:30 p.m. on order of Chair Silverstein.

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ROBERT G. PEARSON, SECRETARY

APPROVED:

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CHRISTINE SILVERSTEIN, CHAIR