

## MINUTES

Low Rent Housing Agency of Knoxville  
Location: Conference Room of the Housing Agency  
August 15, 2016

Present: Board Chairman Don Croghan and Board Member(s) Jody Mansueto, Brent Hanna, and Teresa Higginbotham (Joins the meeting late and her entrance is noted in the minutes.) Also present was Executive Director Janice Kerner, Secretary for the Board.

Absent: Board Member Jerrold Jordan.

Motion by Brent Hanna with second by Jody Mansueto to accept the consent agenda. The consent agenda included the minutes of the regular Housing Board Meeting of July 18, 2016, the occupancy report, and the stop loss monitoring report. All voted aye.

Motion by Jody Mansueto with second by Brent Hanna to approve the payment of claims. All voted aye.

Resolution 05-08-15-2016 to file a Declaration of Trust for the 2015 Operating subsidy was moved for adoption by Brent Hanna with second by Jody Mansueto. This affects the units owed directly by the Housing Agency. There was an initial agreement with Housing and Urban Development (HUD) at the time of construction/acquisition to operate the units under public housing rules for a prescribed period of time. As the Housing Agency continues to receive assistance to maintain and operate its units, the additional grants extend the conditions of the original agreement. The grants also require the filing of the extension document called the Declaration of Trust with the Records Office. All voted aye.

Teresa Higginbotham joins the board meeting.

Motion by Teresa Higginbotham with second by Jody Mansueto to amend the auditor's contract the fiscal year end audits of March 31, 2016 and March 31, 2017. The Housing Agency has a three year contract with its current auditor and he has completed one audit for the fiscal year ending March 31, 2015 under the contract. At the time the contract was signed, an accounting rule Governmental Accounting Standards Board (GASB) Statement 68 was not yet effective. This is the first year the auditor will be completing the Housing Agency's audit under the new rule and it has added considerably to the amount of time to complete an audit. The auditor is requesting a \$500 increase to complete the remaining two audits under the contract. The Housing Agency has conferred with its fee accountant and he has indicated the price increase of \$500 is reasonable. All voted aye.

Motion by Brent Hanna with second by Teresa Higginbotham to accept the SEMAP score for the fiscal year ending March 31, 2016. The Housing Agency received a score of 88% and was considered a standard performer. The Housing Agency received a 0 in the section for selection from waitlist. This section requires a 98% compliance rate. With the Housing Agency's size and the size of the required sample even a single error causes the Housing Agency to fail this standard. The Housing Agency was required to submit a plan for correcting this standard to Housing and Urban Development. All voted aye.

Item agenda #5 was a repeat of agenda item #3.

The fee accountant does not yet have June 2016 financial statements prepared yet. The Director briefly discussed that more tenants with bedbugs are moving into its public housing units and the additional costs of dealing with bedbugs will adversely affect its projected costs for extermination.

Motion by Brent Hanna with second by Teresa Higginbotham to adjourn the meeting. All voted aye.

  
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Don Croghan, Board Chairman

  
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Janice A. Kerner, secretary