

# HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY



## MEETING OF THE BOARD OF COMMISSIONERS

Thursday, December 21, 2017

10:45 am

Hillsview Apartments

(Community Room)

830 Township Street, Sedro-Woolley, WA 98284

## AGENDA

\*\*\*REVISED\*\*\*

- I. Call to Order
- II. Roll Call
- III. Public Comment
- IV. Approval of Minutes 1
  - A. October 19, 2017 Board of Commissioners' Meeting Minutes
- V. Action Items for Discussion & Approval
  - A. Approval of Voucher Report October 1, 2017 to November 30, 2017 2
  - B. [Resolution No. 459: CY 2018 Comprehensive Operating and Capital Budget](#)
- VI. Reports
  - A. Financial Report for October 2017 3
  - B. Housing Management Report for October and November 2017 4
- VII. New Business
- VIII. Adjournment

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HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY  
BOARD OF COMMISSIONERS  
MEETING MINUTES

Thursday, October 19, 2017

I. Call to Order

The regular meeting of the Board of Commissioners of the Sedro-Woolley Housing Authority was called to order by Chair Laurie Fellers at 10:45 a.m. on Thursday, October 19, 2017 at Hillview Apartments, 830 Township Street, Sedro-Woolley, WA.

II. Roll Call

Present: Commissioner Laurie Fellers (Chair), Commissioner Reta Stephenson (Vice-Chair), Commissioner Lee Elliot, and Commissioner Kacy Johnson

Excused: Commissioner Tahlia Honea

III. Public Comment

None.

IV. Approval of Minutes

A. August 17, 2017 Board of Commissioners' Meeting Minutes

Commissioner Reta Stephenson moved for approval of the minutes, seconded by Commissioner Kacy Johnson; the Board unanimously approved the minutes from August 17, 2017.

V. Item for Discussion & Approval

A. Approval of Voucher Report August 1, 2017 to September 30, 2017

All questions raised by the Commissioners were addressed by staff.

Commissioner Reta Stephenson moved for approval of the minutes, seconded by Kacy Johnson, the board unanimously approved the Voucher Report for August and September 2017.

VI. Reports

A. Financial Report for August 2017

Jeff Friend, Financial Reporting Manager, briefed the board on the Financial Reports for August as contained in the meeting packet.

B. Housing Management Report for August and September 2017

Kimberly Sayavong, Property Manager presented the Housing Management Report for the months August and September 2017.

C. Capital Fund Update

Nikki Parrott, Director of Capital Construction & Weatherization provided an overview and presented an update on the use of the Capital Fund.

VII. New Business

VIII. Adjournment

There being no further business before the Board of Commissioners, the meeting was adjourned at 11:39 a.m.

THE HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY

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LAURIE FELLERS, Chair  
Board of Commissioners

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STEPHEN J. NORMAN  
Executive Director

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# SEDRO-WOOLLEY HOUSING AUTHORITY

**TO:** Board of Commissioners  
**FROM:** Linda Riley, Controller  
**DATE:** December 1, 2017  
**RE:** Approval of Vouchers October 1, 2017 to November 30, 2017

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I, Linda Riley, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the expenditures represented by the summary listed below were just obligations of the Sedro-Woolley Housing Authority, and that I am authorized to authenticate and certify said claims.

  
\_\_\_\_\_  
Linda Riley  
Controller  
December 1, 2017

**Expenditures to Sedro-Woolley**

Operations

Directly to Cedar Grove	10,436.96
Directly to Hillsview	<u>30,021.06</u>
<b>Total Expenditures</b>	<u><u>\$40,458.02</u></u>

SEDRO-WOLLEY HOUSING AUTHORITY

Accounts Payable Report

10/01/2017 TO 11/30/2017

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
<b>CEDAR GROVE</b>						
410000	Admin Supplies	1.43	COMPLETE OFFICE	OFFICE SUPPLIES	10/13/2017	312420
410000	Admin Supplies	3.35	COMPLETE OFFICE	OFFICE SUPPLIES	11/21/2017	313187
410000	Admin Supplies	16.04	COMPLETE OFFICE	OFFICE SUPPLIES	11/21/2017	313187
410000	Admin Supplies	0.10	CANON SOLUTIONS AMERICA INC	SN RZJ27626	10/27/2017	312777
411100	Comp Equip-Hardware	0.80	CDW/COMPUTER CENTERS INC	CISCO CAT	10/13/2017	312369
411101	Comp Equip-Software	2.72	HYLAND SOFTWARE, INC	LOCAL GOV'T APPLICATION ENABLER	10/6/2017	312300
411102	Comp Equip-Hardware Maint	0.41	CDW/COMPUTER CENTERS INC	CISCO SMARTNET	10/13/2017	312369
411102	Comp Equip-Hardware Maint	0.70	DELL MARKETING LP	SERVICE CONTRACT FOR RIGHT FAX	11/3/2017	312810
411103	Comp Equip-Software Maint	46.26	UNIT 4 BUSINESS SOFTWARE	ANNUAL MAINT	10/13/2017	312415
411103	Comp Equip-Software Maint	0.20	HYLAND SOFTWARE, INC	LOCAL GOV'T APPLICATION ENABLER	10/6/2017	312300
420101	Prof Services-Auditing	1,757.57	STATE AUDITOR S OFFICE	AUDIT PERIOD 16-16	10/27/2017	312662
420101	Prof Services-Auditing	636.68	STATE AUDITOR S OFFICE	AUDIT PERIOD 16-16	10/6/2017	312217
420908	Prof Services-Comps	5.00	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	10/13/2017	312369
421904	Admin Contracts- Cloud Recovery Services	5.19	NET2VAULT LLC	OCT 2017 MANAGED VAULTING	11/9/2017	312994
421904	Admin Contracts- Cloud Recovery Services	5.04	NET2VAULT LLC	VAULTING DISASTER RECOVERY SVC 9/17	10/20/2017	312651
440100	Travel-Non-training Related-Local-Mileage	41.53	KIMBERLY SAYAVONG	9/14-10/24/17 MILEAGE	11/3/2017	312875
441000	Training-Individual	0.79	NAHRO	MEMBER ID 10957	11/17/2017	313018
450001	Comm-Phones Lines-Service-Voice	6.88	CONSOLIDATED TECHNOLOGY SVCS	SEPT 2017 CHGS	10/20/2017	312597
450001	Comm-Phones Lines-Service-Voice	6.87	CONSOLIDATED TECHNOLOGY SVCS	OCT 2017 CHGS	11/17/2017	313107
450002	Comm-Phones Lines-Service-Digital Voice	0.10	WEST SAFETY SVCS INC	MONTHLY MAINT CHARGE	10/20/2017	312634
450002	Comm-Phones Lines-Service-Digital Voice	0.10	WEST SAFETY SVCS INC	MONTHLY MAINT	11/21/2017	313214
491000	Admin Exp-Criminal/Background Checks	5.53	WASHINGTON STATE PATROL	BACK GROUND CHECK	10/20/2017	312536
491000	Admin Exp-Criminal/Background Checks	6.36	NATIONAL CREDIT REPORTING	CREDIT CHECKS	11/17/2017	313058
491000	Admin Exp-Criminal/Background Checks	6.11	NATIONAL CREDIT REPORTING	CREDIT CHECK	10/13/2017	312392
493000	Other Admin Exp-Postage	4.91	NEOFUNDS BY NEOPOST	POSTAGE	10/13/2017	Commerce
493000	Other Admin Exp-Postage	1.88	THE UPS STORE #3898	RENEWAL BUSINESS MAILBOX	11/21/2017	313179
493000	Other Admin Exp-Postage	5.14	HASLER TOTAL FUNDS	POSTAGE	11/9/2017	312954
493000	Other Admin Exp-Postage	8.91	MAIL ADVERTISING BUREAU INC	SEPT 2017 STATEMENTS	10/6/2017	312219
493000	Other Admin Exp-Postage	8.82	MAIL ADVERTISING BUREAU INC	OCTOBER 2017 STATEMENTS	11/9/2017	312912
493000	Other Admin Exp-Postage	4.91	NEOFUNDS BY NEOPOST	POSTAGE	10/20/2017	312617
493000	Other Admin Exp-Postage	0.39	MAIL ADVERTISING BUREAU INC	PAY LEASE NOTICES	11/9/2017	312912
493100	Other Admin Exp-Mail Handling	4.33	MAIL ADVERTISING BUREAU INC	SEPT 2017 STATEMENTS	10/6/2017	312219
493100	Other Admin Exp-Mail Handling	3.54	MAIL ADVERTISING BUREAU INC	OCTOBER 2017 STATEMENTS	11/9/2017	312912
493100	Other Admin Exp-Mail Handling	3.67	MAIL ADVERTISING BUREAU INC	PAY LEASE NOTICES	11/9/2017	312912
520104	Social Service Contracts-Interpretation	2.64	LANGUAGE LINE SVCS, INC	INTERPRETATION	10/20/2017	312528
520104	Social Service Contracts-Interpretation	2.93	LANGUAGE LINE SVCS, INC	INTERPRETATION	11/17/2017	313029

SEDRO-WOLLEY HOUSING AUTHORITY

Accounts Payable Report

10/01/2017 TO 11/30/2017

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
620013	Occup Exp-Yard/Garden/Landscaping	181.95	WHIRLWIND CLEAN & GREEN	CONTRACT LANDSCAPING	11/3/2017	312894
620013	Occup Exp-Yard/Garden/Landscaping	181.95	WHIRLWIND CLEAN & GREEN	LANDSCAPING	11/9/2017	313001
620013	Occup Exp-Yard/Garden/Landscaping	161.81	WHIRLWIND CLEAN & GREEN	LANDSCAPING	11/9/2017	313001
620013	Occup Exp-Yard/Garden/Landscaping	181.95	WHIRLWIND CLEAN & GREEN	CONTRACT LANDSCAPING	11/3/2017	312894
620013	Occup Exp-Yard/Garden/Landscaping	161.81	WHIRLWIND CLEAN & GREEN	CONTRACT LANDSCAPING	11/17/2017	313137
620013	Occup Exp-Yard/Garden/Landscaping	181.95	WHIRLWIND CLEAN & GREEN	LANDSCAPING	11/9/2017	313001
660000	Occup Exp-Utilities-Water	96.18	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	127.89	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	73.00	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	135.91	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	81.99	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	77.50	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	113.44	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	113.44	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	56.26	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	213.93	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	73.54	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	82.60	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	91.65	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	146.00	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	126.92	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	90.97	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	123.35	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	114.30	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	127.89	PUBLIC UTILITY DISTRICT #1	WATER	11/21/2017	313193
660000	Occup Exp-Utilities-Water	99.97	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660000	Occup Exp-Utilities-Water	131.42	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660100	Occup Exp-Utilities-Sewer	377.82	CITY OF SEDRO WOOLLEY	SEWER	10/13/2017	312439
660100	Occup Exp-Utilities-Sewer	67.11	SOOS CREEK WATER & SEWER DISTRIC	SEWER	11/9/2017	15331
660100	Occup Exp-Utilities-Sewer	629.72	CITY OF SEDRO WOOLLEY	SEWER	10/13/2017	312439
660100	Occup Exp-Utilities-Sewer	252.06	CITY OF SEDRO WOOLLEY	SEWER	10/13/2017	312439
660100	Occup Exp-Utilities-Sewer	252.06	CITY OF SEDRO WOOLLEY	SEWER	11/17/2017	313092
660100	Occup Exp-Utilities-Sewer	629.68	CITY OF SEDRO WOOLLEY	SEWER	11/17/2017	313092
660100	Occup Exp-Utilities-Sewer	377.82	CITY OF SEDRO WOOLLEY	SEWER	11/17/2017	313092
660200	Occup Exp-Utilities-Electricity	42.93	PUGET SOUND ENERGY-BOT-01H	ELEC	10/27/2017	312723
660200	Occup Exp-Utilities-Electricity	44.68	PUGET SOUND ENERGY-BOT-01H	ELEC	10/27/2017	312723
660200	Occup Exp-Utilities-Electricity	74.57	PUGET SOUND ENERGY-BOT-01H	ELEC	10/27/2017	312723

SEDRO-WOLLEY HOUSING AUTHORITY

Accounts Payable Report

10/01/2017 TO 11/30/2017

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
660201	Occup Exp-Utilities-Electricity-Closing Bill	9.36	PUGET SOUND ENERGY-BOT-01H	ELEC	10/27/2017	312723
660300	Occup Exp-Utilities-Natural Gas	40.63	CASCADE NATURAL GAS CO	GAS	11/9/2017	312955
660300	Occup Exp-Utilities-Natural Gas	83.70	CASCADE NATURAL GAS CO	GAS	11/9/2017	312955
660300	Occup Exp-Utilities-Natural Gas	37.53	CASCADE NATURAL GAS CO	GAS	10/13/2017	312425
660301	Occup Exp-Utilities-Natural Gas-Closing Bill	4.24	CASCADE NATURAL GAS CO	GAS	10/13/2017	312425
660500	Occup Exp-Utilities-Surface Water Mgmt	25.14	CITY OF SEDRO WOOLLEY	STORM	10/13/2017	312439
660500	Occup Exp-Utilities-Surface Water Mgmt	16.77	CITY OF SEDRO WOOLLEY	STORM	10/13/2017	312439
660500	Occup Exp-Utilities-Surface Water Mgmt	41.90	CITY OF SEDRO WOOLLEY	STORM	11/17/2017	313092
660500	Occup Exp-Utilities-Surface Water Mgmt	25.14	CITY OF SEDRO WOOLLEY	STORM	11/17/2017	313092
660500	Occup Exp-Utilities-Surface Water Mgmt	41.90	CITY OF SEDRO WOOLLEY	STORM	10/13/2017	312439
660500	Occup Exp-Utilities-Surface Water Mgmt	16.77	CITY OF SEDRO WOOLLEY	STORM	11/17/2017	313092
660700	Occup Exp-Utilities-Garbage	140.05	CITY OF SEDRO WOOLLEY	GARBAGE	11/17/2017	313092
660700	Occup Exp-Utilities-Garbage	140.05	CITY OF SEDRO WOOLLEY	GARBAGE	10/13/2017	312439
660700	Occup Exp-Utilities-Garbage	426.22	CITY OF SEDRO WOOLLEY	GARBAGE	11/17/2017	313092
660700	Occup Exp-Utilities-Garbage	393.93	CITY OF SEDRO WOOLLEY	GARBAGE	10/13/2017	312439
660700	Occup Exp-Utilities-Garbage	134.24	CITY OF SEDRO WOOLLEY	GARBAGE	10/13/2017	312439
660700	Occup Exp-Utilities-Garbage	134.24	CITY OF SEDRO WOOLLEY	GARBAGE	11/17/2017	313092
660700	Occup Exp-Utilities-Garbage	9.65	SKAGIT COUNTY PUBLIC WORKS DEPT	GARBAGE	11/3/2017	312802
660700	Occup Exp-Utilities-Garbage	9.65	SKAGIT COUNTY PUBLIC WORKS DEPT	GARBAGE	11/3/2017	312802
	<b>TOTAL CEDAR GROVE</b>	<b>10,436.96</b>				
<b>HILLSVIEW</b>						
170000	Work-In-Process	26.25	REPOSITE TECHNICAL PRINT	HILLSVIEW	10/6/2017	312260
410000	Admin Supplies	48.11	COMPLETE OFFICE	OFFICE SUPPLIES	11/21/2017	313187
410000	Admin Supplies	0.29	CANON SOLUTIONS AMERICA INC	SN RZJ27626	10/27/2017	312777
410000	Admin Supplies	10.05	COMPLETE OFFICE	OFFICE SUPPLIES	11/21/2017	313187
410000	Admin Supplies	4.28	COMPLETE OFFICE	OFFICE SUPPLIES	10/13/2017	312420
411100	Comp Equip-Hardware	2.40	CDW/COMPUTER CENTERS INC	CISCO CAT	10/13/2017	312369
411101	Comp Equip-Software	8.16	HYLAND SOFTWARE, INC	LOCAL GOV'T APPLICATION ENABLER	10/6/2017	312300
411102	Comp Equip-Hardware Maint	1.22	CDW/COMPUTER CENTERS INC	CISCO SMARTNET	10/13/2017	312369
411102	Comp Equip-Hardware Maint	2.09	DELL MARKETING LP	SERVICE CONTRACT FOR RIGHT FAX	11/3/2017	312810
411103	Comp Equip-Software Maint	0.60	HYLAND SOFTWARE, INC	LOCAL GOV'T APPLICATION ENABLER	10/6/2017	312300
411103	Comp Equip-Software Maint	138.79	UNIT 4 BUSINESS SOFTWARE	ANNUAL MAINT	10/13/2017	312415
420101	Prof Services-Auditing	1,910.04	STATE AUDITOR S OFFICE	AUDIT PERIOD 16-16	10/6/2017	312217
420101	Prof Services-Auditing	5,272.70	STATE AUDITOR S OFFICE	AUDIT PERIOD 16-16	10/27/2017	312662
420908	Prof Services-Comps	15.00	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	10/13/2017	312369
421904	Admin Contracts- Cloud Recovery Services	15.13	NET2VAULT LLC	VAULTING DISASTER RECOVERY SVC 9/17	10/20/2017	312651
421904	Admin Contracts- Cloud Recovery Services	15.57	NET2VAULT LLC	OCT 2017 MANAGED VAULTING	11/9/2017	312994

SEDRO-WOLLEY HOUSING AUTHORITY

Accounts Payable Report

10/01/2017 TO 11/30/2017

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
440100	Travel-Non-training Related-Local-Mileage	124.59	KIMBERLY SAYAVONG	9/14-10/24/17 MILEAGE	11/3/2017	312875
441000	Training-Individual	2.36	NAHRO	MEMBER ID 10957	11/17/2017	313018
450001	Comm-Phones Lines-Service-Voice	20.62	CONSOLIDATED TECHNOLOGY SVCS	SEPT 2017 CHGS	10/20/2017	312597
450001	Comm-Phones Lines-Service-Voice	20.63	CONSOLIDATED TECHNOLOGY SVCS	OCT 2017 CHGS	11/17/2017	313107
450002	Comm-Phones Lines-Service-Digital Voice	0.29	WEST SAFETY SVCS INC	MONTHLY MAINT CHARGE	10/20/2017	312634
450002	Comm-Phones Lines-Service-Digital Voice	0.29	WEST SAFETY SVCS INC	MONTHLY MAINT	11/21/2017	313214
450003	Comm-Phones Lines-Security	82.50	CONSOLIDATED TECHNOLOGY SVCS	SEPT 2017 CHGS	10/20/2017	312597
450003	Comm-Phones Lines-Security	82.50	CONSOLIDATED TECHNOLOGY SVCS	OCT 2017 CHGS	11/17/2017	313107
450100	Comm-Long Distance Charges	6.04	IMPACT TELECOM INC	MONTHLY CHGS	10/13/2017	312440
450100	Comm-Long Distance Charges	5.95	IMPACT TELECOM INC	MONTHLY CHGS	11/9/2017	312963
491000	Admin Exp-Criminal/Background Checks	16.47	WASHINGTON STATE PATROL	BACK GROUND CHECK	10/20/2017	312536
491000	Admin Exp-Criminal/Background Checks	18.21	NATIONAL CREDIT REPORTING	CREDIT CHECK	10/13/2017	312392
491000	Admin Exp-Criminal/Background Checks	18.96	NATIONAL CREDIT REPORTING	CREDIT CHECKS	11/17/2017	313058
491000	Admin Exp-Criminal/Background Checks	12.00	WASHINGTON STATE PATROL	BACKGROUND CHECKS SEDRO OCT 2017	11/17/2017	313038
493000	Other Admin Exp-Postage	26.34	MAIL ADVERTISING BUREAU INC	OCTOBER 2017 STATEMENTS	11/9/2017	312912
493000	Other Admin Exp-Postage	5.61	THE UPS STORE #3898	RENEWAL BUSINESS MAILBOX	11/21/2017	313179
493000	Other Admin Exp-Postage	14.64	NEOFUNDS BY NEOPOST	POSTAGE	10/13/2017	Commerce
493000	Other Admin Exp-Postage	14.64	NEOFUNDS BY NEOPOST	POSTAGE	10/20/2017	312617
493000	Other Admin Exp-Postage	26.60	MAIL ADVERTISING BUREAU INC	SEPT 2017 STATEMENTS	10/6/2017	312219
493000	Other Admin Exp-Postage	15.32	HASLER TOTAL FUNDS	POSTAGE	11/9/2017	312954
493000	Other Admin Exp-Postage	1.16	MAIL ADVERTISING BUREAU INC	PAY LEASE NOTICES	11/9/2017	312912
493100	Other Admin Exp-Mail Handling	10.96	MAIL ADVERTISING BUREAU INC	PAY LEASE NOTICES	11/9/2017	312912
493100	Other Admin Exp-Mail Handling	12.91	MAIL ADVERTISING BUREAU INC	SEPT 2017 STATEMENTS	10/6/2017	312219
493100	Other Admin Exp-Mail Handling	10.57	MAIL ADVERTISING BUREAU INC	OCTOBER 2017 STATEMENTS	11/9/2017	312912
520104	Social Service Contracts-Interpretation	8.72	LANGUAGE LINE SVCS, INC	INTERPRETATION	11/17/2017	313029
520104	Social Service Contracts-Interpretation	7.86	LANGUAGE LINE SVCS, INC	INTERPRETATION	10/20/2017	312528
610006	Occup Exp-Materials-Windows	231.78	HD SUPPLY FACILITIES MAINT	BLINDS	10/27/2017	312665
610013	Occup Exp-Materials-Yard/Garden	470.34	HD SUPPLY FACILITIES MAINT	MAINT SUPPLIES	11/21/2017	313160
610015	Occup Exp-Materials-Reasonable Accom	692.00	SUNSIGNS	SIGNAGE	11/17/2017	313032
610099	Occup Exp-Materials-Other	89.70	COMPLETE OFFICE	CORDLESS PHONE	10/13/2017	312420
620006	Occup Exp-Maint Contracts-Floor Covering	985.68	CEDAR BUILDING SERVICE INC	CARPET CLEANING	11/17/2017	313053
620007	Occup Exp-Maint Contracts-Elevator	576.00	ELTEC SYSTEMS LLC	Q4 INSTALLMENT	11/9/2017	313002
620011	Occup Exp-Maint Contracts-Fire/Safety	457.00	SIMPLEXGRINNELL LP	SVC CALL	11/9/2017	312910
620012	Occup Exp-Maint Contracts-Pest Control	60.00	SPRAGUE PEST SOLUTIONS	PEST CONTROL	10/13/2017	312421
620013	Occup Exp-Yard/Garden/Landscaping	326.96	WHIRLWIND CLEAN & GREEN	CONTRACT LANDSCAPING	11/3/2017	312894
620013	Occup Exp-Yard/Garden/Landscaping	326.96	WHIRLWIND CLEAN & GREEN	LANDSCAPING	11/9/2017	313001
620013	Occup Exp-Yard/Garden/Landscaping	5,805.00	GRAY OWL SVCS INC	HAZARD TREE REMOVAL/STUMP GRINDING	10/6/2017	312305

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
10/01/2017 TO 11/30/2017

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
660000	Occup Exp-Utilities-Water	1,497.28	PUBLIC UTILITY DISTRICT #1	WATER	11/17/2017	313087
660100	Occup Exp-Utilities-Sewer	3,772.40	CITY OF SEDRO WOOLLEY	SEWER	11/17/2017	313092
660100	Occup Exp-Utilities-Sewer	3,772.40	CITY OF SEDRO WOOLLEY	SEWER	10/13/2017	312439
660100	Occup Exp-Utilities-Sewer	200.36	SOOS CREEK WATER & SEWER DISTRIC	SEWER	11/9/2017	15331
660200	Occup Exp-Utilities-Electricity	905.80	PUGET SOUND ENERGY-BOT-01H	ELEC	10/27/2017	312723
660500	Occup Exp-Utilities-Surface Water Mgmt	251.02	CITY OF SEDRO WOOLLEY	STORM	11/17/2017	313092
660500	Occup Exp-Utilities-Surface Water Mgmt	251.02	CITY OF SEDRO WOOLLEY	STORM	10/13/2017	312439
660700	Occup Exp-Utilities-Garbage	655.97	CITY OF SEDRO WOOLLEY	GARBAGE	10/13/2017	312439
660700	Occup Exp-Utilities-Garbage	655.97	CITY OF SEDRO WOOLLEY	GARBAGE	11/17/2017	313092
	<b>TOTAL HILLSVIEW</b>	<b>30,021.06</b>				
	<b>TOTAL SEDRO WOOLLEY</b>	<b>40,458.02</b>				

# SEDRO-WOOLLEY HOUSING AUTHORITY

**TO:** Board of Commissioners

**FROM:** Craig Violante, Finance Director

**DATE:** December 12, 2017

**RE:** **Resolution No. 459: 2018 Comprehensive Operating and Capital Budget**

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The King County Housing Authority (KCHA) has prepared this budget for consideration by the Sedro-Woolley Housing Authority (SWHA) Board of Commissioners. This budget estimates the income and expenses that will be needed to support both operations and capital improvements.

## **Executive Summary**

Since 2006, The Sedro-Woolley Housing Authority has been part of an energy savings initiative called an “Energy Services Company”, or ESCo for short. This ESCo, initiated by KCHA using its MTW authority, entailed installing various energy and water savings equipment at multiple locations, including Hillview and Cedar Grove. In return for installing these energy savings devices, SWHA has been receiving more Operating Fund Subsidy from the Department of Housing and Urban Development (HUD) over the past 12 years than it would otherwise have been eligible for had it not been part of the ESCo. It used this incremental subsidy to pay for the cost of the measures, including debt service. The initial ESCo is expiring at the end of 2017, and KCHA requested an allowable extension of eight additional years. The Board approved the application for extension at a special meeting held in June 2017. HUD subsequently denied the application because SWHA had never received stand-alone approval to participate in the ESCo program. Note that the local HUD office had approved SWHA’s annual subsidy request each year during the term of the ESCo and it was clearly indicated that energy savings were being calculated. KCHA has received a letter stating that the extension request has been denied, and all ESCo-related payments received by SWHA over the last 12 years must be repaid. A copy of that letter is in the Board package. The dollar amount of recapture has not been quantified and repayment terms have not been stipulated. KCHA strongly disagrees with HUD’s position, and is appealing the ruling up the chain of command.

As a result of HUD’s denial of the extension and rescission of SWHA’s participation in the ESCo, HUD reduced 2017’s subsidy eligibility by \$85,000 compared to 2016. This translated into approximately \$79,000 less 2017 funding after the 93.1% prorate. To partially recoup what they are calculating as 2017’s subsidy over-payment, HUD has not transferred cash to SWHA in either November or December, leaving an amount still owed of approximately \$43,000 at the end of 2017. It is not clear if HUD intends to withhold any of this remaining balance in 2018 or any future year.

Given the uncertainty of this situation, the 2018 budget is based on facts that are known, not on speculation of what may occur. In this light, some of the key assumptions are:

- The estimated 2018 Operating Fund Subsidy eligibility is being lowered to HUD-approved 2017 levels, which exclude any ESCo-related incentives. The 2017 eligibility was re-calculated by HUD to be \$286,818, and the budget assumes 2018 eligibility of \$283,265. HUD has not released any of the calculations for 2018; using 2017 is the best estimate available.
- Nothing has been budgeted for any potential recapture of 2017 subsidy; \$43,000 is still outstanding as of December 31, 2017.
- Nothing has been projected or budgeted for any potential repayment of the ESCo subsidy from 2005 to 2016 as this is under appeal

The lower subsidy budget included for 2018 results in a projected operating deficit. To fill this gap for 2018, the budget includes an additional draw from the Capital Fund Program (CFP) of \$15,300. CFP program rules allow small housing authorities (those with fewer than 250 housing units) to use CFP funds for operating purposes. As of today, SWHA has just under \$226,000 in available CFP funds. When combined with a projected 2018 award of \$130,000 and budgeted 2018 uses of \$15,300 for operations and \$100,000 for capital projects, the balance of available CFP funds at 12/31/2018 is projected to be approximately \$240,000.

Should this drop in Operating Fund Subsidy become permanent, resulting in a recurring operating deficit, several options can be explored, such as:

- Reduce staffing costs
- Reduce maintenance costs
- Continue to draw on CFP funds each year for operations, reducing the amounts available for capital work.

The Board will be further briefed on this important issue during the December meeting and at every meeting thereafter until a resolution is achieved.

### **Budget Overview**

Operating revenues are comprised of two main components: rental and ancillary income received directly from tenants, and Operating Fund Subsidy received from the Department of Housing and Urban Development (HUD). Operating expenses, such as property management services, maintenance costs, utilities, insurance, etc., are paid out of these combined revenue sources.

Following is a summary of the 2018 operating budget, compared to 2017:

	2017	2018
	<u>Budget</u>	<u>Budget</u>
<b><i>Operating Revenues</i></b>		
Tenant Revenues	\$187,100	\$193,750
Operating Fund Subsidy	312,932	254,938
CFP Used for Operating Purposes	0	15,300
Other Operating Revenue	2,915	3,991
Total Operating Income	<u>502,947</u>	<u>467,979</u>
<b><i>Operating Expenses</i></b>		
Salaries and Benefits	(159,304)	(169,789)
Property and Other Admin Expenses	(293,576)	(298,189)
Total Operating Expenses	<u>(452,880)</u>	<u>(467,978)</u>
Net Operating Surplus/(Deficit)	<u>\$50,067</u>	<u>\$1</u>

See the section below on Operating Fund Subsidy for more information regarding the budgeted decrease.

Capital projects at Hillview and Cedar Grove are funded primarily through Capital Fund Program (CFP) grants from HUD, but can also be funded with draws from reserves. At this time, the 2018 capital budget does not include such a reserve draw.

	2017	2018
	<u>Budget</u>	<u>Budget</u>
<b><i>Sources</i></b>		
CFP Used for Capital Purposes	\$67,744	103,211
Draw from Reserves	20,000	0
Total Sources	<u>87,744</u>	<u>103,211</u>
<b><i>Uses</i></b>		
Unit Upgrades	(67,744)	(93,211)
Other Special Projects	(20,000)	(10,000)
Total Capital Budget	<u>(87,744)</u>	<u>(103,211)</u>
Excess/(Deficit)	<u>\$0</u>	<u>\$0</u>

**Operating Revenues**  
**TENANT REVENUES**

The 2018 budget for tenant income, comprised of tenant rent and ancillary income, is \$193,750, up slightly from the 2017 budget of \$187,100.

**OPERATING FUND SUBSIDY**

Eligibility for 2018 Public Housing Operating Fund Subsidy is based on 2017’s HUD-approved levels which is significantly lower than the 2017 budget and excludes any ESCo incentives.

Although the 2017 actual prorate was 93.1%, affordable housing industry groups are currently projecting lower funding levels in 2018, and a 90.0% prorate has been used in the 2018 budget.

SWHA HUD Operating Fund Subsidy			
	Cedar Grove	Hillsview	Total
2017 Budgeted Subsidy	\$116,775	\$196,157	\$312,932
2017 Actual Subsidy	\$101,694	\$165,333	\$267,028 (1)
<b>2018 Budgeted Subsidy</b>	<b>\$97,597</b>	<b>\$157,341</b>	<b>\$254,938</b> (2)

- 1) SWHA received \$310,107 in Operating Fund Subsidy in 2017, but only \$267,028 was ultimately approved by HUD, resulting in a potential overpayment of \$43,079
- 2) The 2018 prorate is estimated at 90%, down from 93.1% in 2017, reducing budgeted subsidy by an additional \$8,800. A 90% prorate means SWHA would receive \$28,326 less subsidy than for which it is eligible under the funding formula

**Operating Expenses**

**EMPLOYEES**

The 2018 budget includes a total of 1.93 Full Time Equivalent (FTE) employees assigned to SWHA, unchanged from 2017.

Staffing Comparisons-Full-Time Equivalents (FTEs)		
	2017 Budget	2018 Budget
Property Management & Administration	0.80	0.80
Maintenance Staff	1.00	1.00
Central Applications Center	0.13	0.13
<b>Total</b>	<b>1.93</b>	<b>1.93</b>

In 2018 Hillsview and Cedar Grove will continue to share a half-time property management specialist, a full-time maintenance mechanic, and 30% of a property manager.

**EMPLOYEE BENEFITS**

A 3.2% Cost of Living Adjustment (COLA) wage increase was awarded to all employees in November 2017, and an estimated COLA of 2.5% is included after November 2018.

Fixed employee benefits include medical, dental and life insurance and are charged to each property based upon their number of employees. Variable benefits include FICA, Medicare, worker’s compensation and contributions for retirement to the state Public Employees Retirement System (PERS). The PERS rate will rise to 12.7% effective July 1, 2017 and is expected to remain unchanged throughout 2018. Medical insurance premiums are rising modest 1.3% in 2018.

Employee Benefits		
	2017 Budget	2018 Budget
Fixed Benefits	\$14,143	\$14,323
Variable Benefits-FICA/Medicare	7.65%	7.65%
Variable Benefits-Retirement	11.85%	12.70%

**OTHER OPERATING COSTS**

Other operating costs are budgeted to remain virtually unchanged, with modest increases in administrative costs offset by projected declines in maintenance contacts.

**Capital Improvements**

Planned capital improvements for 2018 are limited to three unit upgrades, with one forecast at Cedar Grove and two at Hillsvie. The actual mix of properties to receive the upgrades will depend upon unit availability. Capital Fund Program (CFP) grants will fund these upgrades, and it is estimated that there will be approximately \$240,000 of unspent CFP funds to roll into 2019. Since inception of the unit upgrade program, 28 out of SWHA’s 80 units have been upgraded, 23 at Hillsvie and 5 at Cedar Grove.

**Reserves**

Working capital (defined as the difference between current assets and current liabilities) is forecast to be approximately \$235,000 at 12/31/2017. This estimate includes a \$43,000 allowance for reduction in Operating Fund Subsidy to account for the 2017 overpayment, but does not include potential recapture for any other year. As the 2018 operating budget reflects no overall change to working capital, the projected balance at 12/31/2018 is also forecast to be \$235,000. As the “safe-harbor” reserve levels are \$220,000, actual levels will be watched closely throughout 2017, especially in light of the potential repayment to HUD.

**Summary**

The Sedro-Woolley Housing Authority continues to have sufficient revenue to meet its ongoing obligations and maintain a reserve level of six months of operating expenses.

**SEDRO-WOOLLEY HOUSING AUTHORITY**  
**2018 Budget**  
**EXHIBIT A**

	Cedar Grove	Hillsview	Combined
<b>Revenues</b>			
Tenant Revenues	\$ 32,100	\$ 161,650	\$ 193,750
Operating Fund Subsidy from HUD	97,597	157,341	254,938
Other Revenues	56,515	65,987	122,502
<b>Total revenues</b>	<b>186,212</b>	<b>384,978</b>	<b>571,190</b>
<b>Expenses</b>			
Salaries & Benefits	34,060	79,433	113,493
Routine Maintenance, Utilities, Taxes & Insurance	77,056	161,659	238,715
Other Social Service Support Expenses & HAP	2,150	5,800	7,950
Administrative Support Expenses	34,250	73,570	107,820
Other Expenses	-	-	-
<b>Total expenses</b>	<b>147,516</b>	<b>320,462</b>	<b>467,978</b>
<b>Net Income</b>	<b>38,696</b>	<b>64,516</b>	<b>103,212</b>
<b>Other sources (uses) of working capital</b>			
Acquisition of Capital Assets	(38,734)	(64,477)	(103,211)
(Decrease) in Long-Term Debt	-	-	-
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(38,734)</b>	<b>(64,477)</b>	<b>(103,211)</b>
<b>Net Change in Working Capital</b>	<b>(38)</b>	<b>39</b>	<b>1</b>
Projected Working Capital, 12/31/2017	79,000	156,000	235,000
<b>Projected Working Capital, 12/31/2018</b>	<b>\$ 78,962</b>	<b>\$ 156,039</b>	<b>\$ 235,001</b>

**THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY**

**RESOLUTION NO. 459**

**AUTHORIZING APPROVAL OF THE COMPREHENSIVE OPERATING  
BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 2018**

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**WHEREAS**, the Executive Director has submitted a Comprehensive Operating Budget for the Calendar Year beginning January 1, 2018 (Calendar Year 2018); and

**WHEREAS**, the Board of Commissioners has determined that the proposed expenditures are necessary for the efficient and economical operations of the Housing Authority for the purpose of serving low-income families; and

**WHEREAS**, the budget indicates sources of funding adequate to cover all proposed expenditures; and

**WHEREAS**, all proposed rental charges and expenditures will be consistent with provisions of the Washington State Housing Authority law (RCW 35.82) and the Annual Contributions Contract (where applicable); and

**WHEREAS**, the Authority hereby certifies that no employee of the Housing Authority is serving in a variety of positions which will exceed 100% of his/her time. This certification includes the proration of an employee's time between the various programs administered by the Housing Authority of the City of Sedro-Woolley; and

**WHEREAS**, the Authority certifies that a drug-free workplace is provided to employees as required by the Drug-Free Workplace Act of 1988; and

**WHEREAS**, the Authority certifies that no Federally appropriated funds will be paid on behalf of the Housing Authority to any persons for influencing or attempting to influence an officer or employee of any agency, a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension,

continuation, renewal, amendment of modification of any Federal contract, grant, loan or cooperative agreement; and,

**NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY, THAT:**

**Section 1:** Operating expenditures of \$467,978 and capital expenditures of \$103,211 are hereby authorized for the Calendar Year beginning January 1, 2018.

**Section 2:** Full property budgets as found in Exhibit A are incorporated into this resolution and hereby adopted.

**ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY THE 21<sup>ST</sup> DAY OF DECEMBER 2017.**

**THE HOUSING AUTHORITY OF  
THE CITY OF SEDRO-WOOLLEY**

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**LAURIE FELLERS** , Chair  
Board of Commissioners

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**STEPHEN J. NORMAN**  
Secretary-Treasurer

**SEDRO-WOOLLEY HOUSING AUTHORITY**  
**2018 Budget**  
**EXHIBIT A**

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# SEDRO-WOOLLEY HOUSING AUTHORITY

## INTEROFFICE MEMORANDUM

**To:** The Board of Commissioners  
**Date:** December 5, 2017  
**From:** Jeff Friend, Financial Reporting Manager  
**Subject:** October 2017 Financial Report

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### ***EXECUTIVE SUMMARY***

Net income for the year-to-date period ended 10/31/2017 is \$214,430, \$109,003 more than the 2017 budget for the same period. HUD subsidy to date has exceeded budget by \$49,790 and timing differences on draws of grant funds has resulted in a favorable variance on Non-operating income.

The balance of 2017 will be negatively affected by HUD's withholding of November and December operating subsidy due to HUD's denial of the Authority's participation in the Energy Performance Contracting program. See below.

### ***DETAIL BRIEFING***

Since 2006, the Sedro-Woolley Housing Authority has been part of an energy savings initiative called an "Energy Services Company", or ESCo for short. This ESCo, initiated by KCHA using its MTW authority, entailed installing various energy and water savings equipment at multiple locations, including Hillsvew and Cedar Grove. In return for installing these energy savings devices, SWHA has been receiving more Operating Fund Subsidy from the Department of Housing and Urban Development (HUD) over the past 12 years than it would otherwise have been eligible for had it not been part of the ESCo. It used this incremental subsidy to pay for the cost of the measures, including debt service. The initial ESCo is expiring at the end of 2017, and KCHA requested an allowable extension of eight additional years. The Board approved the application for extension at a special meeting held in June 2017. HUD subsequently denied the application because SWHA had never received stand-alone approval to participate in the ESCo program. Note that the local HUD office had approved SWHA's annual subsidy request each year during the term of the ESCo and it was clearly indicated that energy savings were being calculated. KCHA has received a letter stating that the extension request has been denied, and all ESCo-related payments received by SWHA over the last 12 years must be repaid. A copy of that letter is in the Board package. The dollar amount of recapture has not been quantified and repayment terms have not been stipulated. KCHA strongly disagrees with HUD's position, and is appealing the ruling up the chain of command.

As a result of HUD's denial of the extension and rescission of SWHA's participation in the ESCo, HUD reduced 2017's subsidy eligibility by \$85,000 compared to 2016. This translated into approximately \$79,000 less 2017 funding after the 93.1% prorate. To partially recoup what they are calculating as 2017's subsidy over-payment, HUD has not transferred cash to SWHA in either November or December, leaving an amount still owed of approximately \$43,000 at the end of 2017. It is not clear if HUD intends to withhold any of this remaining balance in 2018 or any future year.

**FINANCIAL HIGHLIGHTS**

Operating revenues and expenses through October are 13.2% over budget and 2.6% under budget, respectively.

**Operating Revenue Variances**

	<u>Variance (\$)</u>	<u>Variance (%)</u>
Dwell Rent	\$ 5,378	3.4%
Operating Fund Subsidy	49,790	19.1%
Other Misc. Income	174	11%
	<u>\$ 55,342</u>	<u>13.2%</u>

**Operating Expense Variances**

	<u>\$ Var</u>	<u>% Var</u>
Salaries, Wages & Benefits	\$ (6,579)	-7.6%
Occupancy Expenses	(4,310)	-2.2%
Admin Support Expenses	1,758	2.2%
Other Misc. Expenses	(398)	-6.1%
	<u>\$ (9,529)</u>	<u>-2.6%</u>

- Green are positive variances
- Yellow are negative variances of less than 5%
- Red are negative variances greater than 5%

An unaudited year-to-date financial report as of October 31, 2017 is attached to this memo. This report shows year-to-date actual results, budgets and variances expressed in both dollars and percentages. The report, in a working capital format, details revenues, expenses, and other sources/uses of working capital. Working capital is defined as current assets minus current liabilities and is a metric that is used to measure the ability of an organization to meet its near-term obligations (less than one year). Each report in this format will reconcile the current period working capital to that of the prior period.

**Operating Revenue and Expense:** Through October, Operating Fund Subsidy receipts have been more than budgeted for two main reasons. First, the prorate, assumed to be 86% in the budget, has actually been closer to 93%. Second, subsidy received through October was based on a preliminary eligibility calculation that was greater than assumed in the budget. As mentioned above, no additional subsidy payments have been received in November or December, and as of December 31, 2017, approximately \$43,000 is owed back to HUD. Staff will be reflecting this adjustment on the books in December and it will appear on the December financial statements.

Operating Expenses are under target primarily to favorable variances in Salaries, Wages, and Benefits. Current staff assigned to Hillsvew and Cedar Grove has fewer dependents than the average KCHA employee; therefore, the medical benefit costs are lower. If there are no staffing changes, Salaries, Wages, and Benefits should remain under budget throughout the balance of the year.

**Non-Operating Revenue and Expense:** Non-operating revenues are over target. Non-operating revenues, which consist of grant funds received to cover capital work, is higher as three unit upgrades were budgeted evenly throughout the year while all work was completed by October. Additionally, an unbudgeted \$2K was drawn to close out the 2013 capital grant while \$8K of retainage related to the Hillsvew common area project in 2010 was reclassified as non-operating "other income".

**Working Capital:** The year-to-date working capital balance is \$323,197; the equivalent of approximately 9 months of operating expenses.

**Housing Authority of the City of Sedro-Woolley**  
**Statements of Financial Position**  
For the Period Ended 10/31/2017

	<u>Cedar Grove</u>	<u>Hillsview</u>	<u>Total Authority</u>
<b>Working Capital Assets</b>			
Cash-Unrestricted	\$ 87,355	\$ 220,632	\$ 307,987
Accounts Receivables	29,145	7,126	36,271
Prepaid Assets & Inventory	122	893	1,015
Total Working Capital Assets	<u>116,622</u>	<u>228,651</u>	<u>345,273</u>
<b>Liabilities Offsetting Working Capital Assets</b>			
Accounts Payable	(3,625)	(5,470)	(9,095)
Payroll Liabilities	<u>(3,667)</u>	<u>(9,314)</u>	<u>(12,981)</u>
Total Offsetting Liabilities	<u>(7,292)</u>	<u>(14,784)</u>	<u>(22,076)</u>
Working Capital	<u>109,330</u>	<u>213,867</u>	<u>323,197</u>
<b>Other Assets</b>			
Cash-Restricted	3,650	5,450	9,100
Capital Assets	427,580	1,379,751	1,807,331
Work-in-Process	-	2,190	2,190
Total Other Assets	<u>431,230</u>	<u>1,387,391</u>	<u>1,818,621</u>
<b>TOTAL ASSETS (net of WC offsets)</b>	<u><u>\$ 540,560</u></u>	<u><u>\$ 1,601,258</u></u>	<u><u>\$ 2,141,818</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Other Liabilities</b>			
Deferrals-Related to Restr Cash	\$ 3,800	\$ 5,450	\$ 9,250
Debt	<u>11</u>	<u>21</u>	<u>32</u>
	3,811	5,471	9,282
<b>Equity</b>			
Equity	<u>536,749</u>	<u>1,595,787</u>	<u>2,132,536</u>
	536,749	1,595,787	2,132,536
<b>TOTAL LIAB &amp; EQ (net of curr liab)</b>	<u><u>\$ 540,560</u></u>	<u><u>\$ 1,601,258</u></u>	<u><u>\$ 2,141,818</u></u>

**Housing Authority of the City of Sedro-Woolley  
Working Capital Budget vs. Actual Report  
For the Period Ended 10/31/2017**

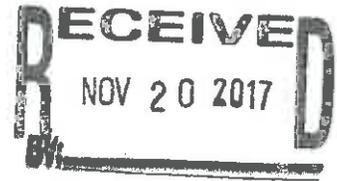
	Actuals Through 10/31/2017	Budget Through 10/31/2017	YTD Variance	(n/m= not meaningful) Percent YTD Variance	2017 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
<b>Revenues</b>							
Tenant Revenue	\$ 161,821	\$ 155,917	\$ 5,904	3.8%	\$ 187,100	\$ 25,279	86.5%
Operating Fund Subsidy from HUD	310,567	260,777	49,790	19.1%	312,932	2,365	99.2% (1)
Other Operating Revenue	1,757	1,583	174	11.0%	1,900	143	92.5%
Non-operating Revenue	100,754	57,298	43,456	75.8%	68,759	(31,995)	146.5% (2)
<b>Total Revenues</b>	<b>574,899</b>	<b>475,575</b>	<b>99,324</b>	<b>20.9%</b>	<b>570,691</b>	<b>(4,208)</b>	<b>100.7%</b>
<b>Expenses</b>							
Salaries & Benefits	79,557	86,136	(6,579)	(7.6%)	105,606	26,049	75.3%
Routine Maintenance, Utilities, Taxes & Insurance	193,264	197,574	(4,310)	(2.2%)	243,274	50,010	79.4%
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	n/m
Other Social Service Support Expenses & HAP	6,074	6,472	(398)	(6.1%)	7,945	1,871	76.5%
Administrative Support Expenses	81,574	79,816	1,758	2.2%	94,777	13,203	86.1%
Non-operating Expenses	0	150	(150)	(100.0%)	180	180	0.0%
<b>Total Expenses</b>	<b>360,469</b>	<b>370,148</b>	<b>(9,679)</b>	<b>(2.6%)</b>	<b>451,782</b>	<b>91,313</b>	<b>79.8%</b>
<b>Net Income</b>	<b>214,430</b>	<b>105,427</b>	<b>109,003</b>	<b>103.4%</b>	<b>118,909</b>	<b>(95,521)</b>	<b>180.3%</b>
<b>Other Sources/(Uses) of Working Capital</b>							
(Increase) in Restricted/Designated Cash	0	0	0	n/m	0	0	n/m
Decrease in Restricted/Designated Cash	150	0	150	n/m	0	(150)	n/m
(Increase) in LT Receivables	0	0	0	n/m	0	0	n/m
Decrease in LT Receivables	0	0	0	n/m	0	0	n/m
Acquisition of Capital Assets	(102,469)	(76,453)	(26,016)	34.0%	(87,744)	14,725	116.8% (3)
Disposition of Capital Assets	0	0	0	n/m	0	0	n/m
Change in Suspense	0	0	0	n/m	0	0	n/m
Change in Other Assets	0	0	0	n/m	0	0	n/m
Change in Other Deferrals	0	0	0	n/m	0	0	n/m
Increase in LT Debt	0	0	0	n/m	0	0	n/m
(Decrease) in LT Debt	0	(915)	915	(100.0%)	(1,098)	(1,098)	0.0%
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(102,319)</b>	<b>(77,368)</b>	<b>(24,951)</b>	<b>32.2%</b>	<b>(88,842)</b>	<b>13,477</b>	<b>115.2%</b>
<b>Net Change in Working Capital</b>	<b>\$ 112,111</b>	<b>\$ 28,059</b>	<b>\$ 84,052</b>	<b>299.6%</b>	<b>\$ 30,067</b>	<b>\$ (82,044)</b>	<b>372.9%</b>
Working Capital, 12/31/2016	211,086						
<b>Working Capital, 10/31/2017</b>	<b>\$ 323,197</b>						

- 1) Operating subsidy is over target through October. Due to HUD removing energy performance incentives from the Authority's subsidy request, it is expected that subsidy levels will be under target at year end.
- 2) Three unit upgrades were budgeted to be financed from CFP grant draws evenly throughout the year. All unit upgrades were completed by the end of October which resulted in higher than anticipated CFP grant draws. The CFP grant budget is expected to catch up to actual draws by year-end. The increase in non-operating revenue was also due to unbudgeted CFP draws of \$2K made to close out the 2013 CFP grant. Additionally, \$8k of retainage related to the Hillsvie common area project in 2010 was reclassified as other income.
- 3) Three unit upgrades were budgeted evenly throughout the year but the budgeted upgrades were completed by October. Unit upgrade budget is expected to catch up to actual by year-end. See note 2. Also, variance is due to an unbudgeted roof repair at Cedar Grove due to a fallen tree.



U.S. Department of Housing and Urban Development

Seattle Regional Office  
Seattle Federal Office Building  
Office of Public Housing  
909 First Avenue, Suite 360  
Seattle, WA 98104-1000



NOV 16 2017

Ms. Laurie Fellers  
Board Chairperson  
Sedro Woolley Housing Authority  
600 Andover Park W  
Tukwila, WA 98188

Dear Ms. Fellers:

The U.S. Department of Housing and Urban Development (HUD) appreciates Sedro Woolley Housing Authority's (SWHA) interest in Energy Performance Contracting (EPC). Unfortunately, SWHA never received HUD approval to participate in an EPC. Without an eligible EPC, the SWHA is not eligible to receive approval for a Phase II EPC. Further, SWHA was ineligible to claim EPC incentives in its Operating Subsidy eligibility calculation.

As a result, HUD will recalculate SWHA's Operating Subsidy eligibility since 2006 and remove any EPC benefits claimed. SWHA shall be responsible for repaying any overpayments that occurred during this time period. For HUD to accurately recalculate SWHA's operating subsidy eligibility, HUD requires that SWHA submit its HUD-52723 and HUD-52722 forms, along with the Measurement & Verification (M&V) Reports and Water Utility Bills, for both developments, for each year from 2006 to 2016. HUD also requests copies of each Management Agreement(s), including attachments, effective between SWHA and King County Housing Authority from 2006 to 2016. Please provide the documents electronically, within 30 days of the date of this letter.

As noted above, HUD cannot approve SHWA's request for a Phase II EPC because HUD did not approve a Phase I EPC for SWHA. However, SWHA may pursue a Phase I EPC using current baselines.

HUD wishes to collaborate with SWHA to resolve ineligible funding of the Operating Subsidy and engage with SWHA regarding any future EPC it chooses to undertake. If you have any further questions, you may contact Cathleen Hausheer, Financial Analyst, at (206) 220-6210.

Sincerely,

A handwritten signature in black ink, appearing to read "Harlan Stewart", with a long horizontal flourish extending to the right.

Harlan Stewart  
Director  
Office of Public Housing

cc: Stephen J. Norman, Executive Director

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# SEDRO-WOOLLEY HOUSING AUTHORITY

## Housing Management Report

### October and November 2017

#### Vacancy Report

	Vacates	Housings	Completed Upgrades
Hillsview	2	1	0
Cedar Grove	0	0	1

#### Average Unit Turnover Rates for Hillsview

The current Unit Turnover Rate (UTO) is averaging 9.5 days.

- The 4 bedroom unit at Cedar Grove I was upgraded and housed in October.
- In October, a Hillsview resident moved to South Carolina to be closer to family. This unit was housed in November by a Hillsview resident for a Reasonable Accommodation transfer. Subsequently, this unit will be housed in December.
- In November, a Hillsview resident passed away. This unit is scheduled to be upgraded and completed in February 2018.
- There is one Hillsview unit on notice to move in December; the resident has passed away.

#### Current Applications of Wait List as of November 30, 2017

Hillsview	Applicants Claiming Preference	Elderly/Disabled Claiming Preference	Non-Preference Applicants	Total
1 Bedroom	91	72	55	146

Cedar Grove	Preference	Non-Preference	Total
2 Bedrooms	93	21	114
3 Bedrooms	54	4	58
4 Bedrooms	3	0	3
Total	150	25	175

Preference Definitions:

1. Rent burden – person is paying more than 50% of income in rent
2. Family lives in substandard housing - homeless or condition of unit substandard
3. Involuntary displacement – disaster, government action, housing owner action, domestic violence, etc.

#### Work Orders

	Routine	Inspection	Emergency	Vacate	RA	Total
Hillsview	30	9	0	1	0	40
Cedar Grove I	4	1	0	1	0	6
Cedar Grove II	6	0	0	0	0	6
Cedar Grove III	4	0	0	0	0	4
<b>Total</b>	<b>44</b>	<b>10</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>56</b>

#### Resident Functions

Community Action came to Hillsview on October 17, 2017 to help residents sign up for energy assistance.

# SEDRO-WOOLLEY HOUSING AUTHORITY

## Housing Management Report

### **Staffing**

We are 100% staffed in Sedro-Woolley.

### **Previous Meeting Concerns**

- Maintenance made multiple trips to the transfer station to remove and haul furniture, miscellaneous items left from the tenant and the demolition debris of the vacated unit at Cedar Grove I.

### **Resident Issues**

- *Cedar Grove II*
  - The staff continues to monitor the on-going complaints at the complex. It appears that the behavior has improved as there have been no recent complaints submitted to the office.