

**CITY OF ALAMOGORDO, NEW MEXICO
PUBLIC HOUSING AUTHORITY BOARD
SPECIAL MEETING MINUTES
7:00 P.M., COMMISSION CHAMBERS
JUNE 26, 2001**

CHAIRMAN DON CARROLL MEMBER ED COLE

VICE CHAIRMAN JOHN VAN DOREN MEMBER EUGENE EVERETT

MEMBER INEZ MONCADA CITY MANAGER PAT McCOURT

MEMBER RON GRIGGS CITY ATTORNEY REBECCA EHLER

MEMBER STEPHEN EASLEY SECRETARY ANGIE RAHN

MEMBER DON COOPER

Call Meeting to Order and Roll Call.

The Meeting was called to order at 7:00 p.m. Absent was City Manager Pat McCourt. Mayor Carroll noted that Member Inez Moncada would be arriving a little late because of her work schedule.

1. Minutes of Special Meeting of April 24, 2001.

Recommendation: Approve the minutes.

Member Cole moved to approve. Seconded by Member Cooper. All voted "aye". The motion carried by a vote of 7-0-0.

RESOLUTIONS:

2. PHA Resolution No. 2001-08 approving budget revisions for Fiscal Year 2000-2001.

Recommendation: Approve the Resolution.

Ms. Cheryl Town, Acting Director of the Public Housing Authority, explained that the Authority was required to have at least 32 percent of its current year expenditures in reserve. In reserve for this year they would have in excess of \$102,000, and that carryover of money would be used to help support the program next year. Section 8 also had a fund balance requirement of 32 percent. Under this program the Self-Sufficiency Program was also required. The Housing Authority chose to extend that to the tenants in the Low Rent Program. When they were involved in the FSS program, they earned a monthly escrow which

was deposited into an account and turned over to them once they completed the program. The PHDEV Homeownership program was to purchase repossessed homes and refurbish them and make them available to low income families here in town. That was a revolving fund and whatever money they made off the purchase of the lease-option was put back into that revolving fund to purchase more homes. The Drug Elimination Program was geared toward the children by creating activities for them to keep them away from drugs and out of trouble. The first item on the agenda for this was to refurbish their learning center so it was more attractive for the children to get them in there and off the streets. The 2000 Capital Fund Program lost some money to assist with the operating budget for next year for the Low Rent Program. They also moved \$50,000 around to use as a match in order to secure funding from another source to make electrical repairs which were of a highest priority right now at Alta Vista.

Member Cole asked if the escrow fund was per family? Ms. Town said per participant. They could have the mother and the father both in the program.

Member Cole moved to approve the Resolution. Seconded by Member Cooper. All voted "aye". The motion carried by a roll call vote of 7-0-0.

3. PHA Resolution No. 2001-09 approving the preliminary Public Housing Authority budgets for Fiscal Year 2001-2002.

Recommendation: Approve the Resolution.

(Note: Member Moncada arrived during the discussion on this item).

Member Easley said in the past the City had given MIS services, and now they were requesting \$29,151 to cover those services. Which fund were they taking that from? Finance Director LeeAnn Nichols said they had not budgeted that in the 2002 budget. In prior years the City provided the services of MIS, personnel, safety, etc., and in our own City budget those charges had been allocated out. They wanted to show how they were supplementing the Housing Authority, so they were transferring from the General Fund the \$29,151 upon the City Commission's approval of the City budget which would come up. Member Easley clarified this would come out of Fund 11. Ms. Nichols said basically it was a paper transaction because they'd paid for it before in the past. Chairman Carroll said they were two different boards, yet they were the same board. They could go ahead and approve the preliminary budget as the Housing Authority Board, and then when it came time to sit as the City Commission, if they chose not to approve this at that point it came back to the Housing Authority Board. As the Finance Director said, it was basically a paperwork exercise at this point, but it was important to show it at some point on the budget detail that went to HUD so that hopefully in the future they would be reimbursed for it. Ms. Town said it was a preliminary budget and it could not be submitted formally to HUD until this Fall,

and by then they would probably be coming back to the Board with some more changes.

Member Cole clarified the MIS charges were for administrative purposes only. Ms. Town said yes. The Low Rent Program was the only one they needed to ask for these monies; Section 8 and Homeownership had the funds to pay for it themselves.

Member Easley moved that we approve the proposed preliminary budgets for FY 2002. Seconded by Member Cole. All voted "aye". The motion carried by a roll call vote of 8-0-0.

4. PHA Resolution No. 2001-10 removing uncollectible and unsecured accounts from the Public Housing Authority's accounts receivables.

Recommendation: Approve the Resolution to write-off delinquent accounts from 1988 through 1997.

Ms. Town said once the Finance Department had gone and reviewed the records, they'd found that there were quite a few accounts all the way back to 1988. This was simply a cleanup process for the books to write these accounts off. If they were to get money on these accounts at a later time, they would still take it.

Chairman Carroll said he would make one observation. In the years 1988 through 1997, they incurred roughly \$58,000 worth of bad debt. The ones they were continuing to carry on the books from the last four years was over \$37,000. Either something was changed in the policies, or something was going the wrong direction because at this rate they would incur considerably more debt over a ten-year period than they did in the last ten. Ms. Town said the amount they were allowed to charge the tenants continued to increase with inflation also, so that could be a factor. She figured it at about 7 percent which they should be collecting in rent was going to a collection agency on the bad accounts. Chairman Carroll said that may not be a whole lot different than any landlord in any apartment complex of any size.

Member Cole asked for an example of bad debt. Ms. Town said sometimes they evicted people when they had not paid, and they would go to court and be ordered to pay that amount. If they didn't start paying on it, then it was sent to collection. They had tenants who moved out in the middle of the night owing massive amounts of money or else they had done a lot of damage to a unit. Those repairs were charged to their account. Background checks were done on each applicant, and if they owed another Housing Authority money, they were not allowed to move in until that debt had been paid.

Member Moncada asked how many months they went before collection was started? Ms. Town said if they were 17 days late, then they started sending them letters. If they still did not respond, then it did go to the Attorney. It could take up to three or four months sometimes before it went to court. In the past they'd even had one tenant who was nine months behind on rent and still living there. However, they were fixing those types of things now. Sometimes tenants would move out before they went to court, and would start taking care of the debt themselves. Member Easley asked if there was any kind of move-in deposit required on these units? Ms. Town said yes. For each unit it was \$200, and if they had a pet it was a \$50 nonrefundable deposit, plus another \$100 refundable. Member Griggs asked how the collection agencies were paid on this? Ms. Town said they kept 40 percent of what they collected. Chairman Carroll said apparently the collection business was good because they didn't seem to be too aggressive, at least in our case. Member Griggs said perhaps that was something we could look at doing ourselves. Member Easley asked if the amount showed collected was our 60 percent? Ms. Town said yes. Member Cole asked if the City could not evict them without going through the court? Ms. Town said sometimes once the proceedings were started, they would just move. More often than not, though, they chose to go to court to see if they could get some type of sympathy from the Judge to allow them to stay. Sometimes that did happen.

Member Easley moved that we approve PHA Resolution No. 2001-10 to write-off the delinquent accounts from 1988 through 1997. Seconded by Member Cooper. All voted "aye". The motion carried by a roll call vote of 8-0-0.

UNSCHEDULED COMMUNICATIONS:

Chairman Carroll said he'd talked with the Finance Director and Acting Housing Authority Director, and he would like to recommend that rather than a series of Special Meetings now and then, that they schedule to sit as a Board on a quarterly basis prior to Commission Meetings so that it would give them a little better understanding on some of the day-to-day and week-to-week operations of the Housing Authority, and it would give them more time to study some of the issues that confronted them. If nobody had any objections, they would work out a schedule to where they would meet as the Housing Authority Board on a quarterly basis.

Vice Chairman Van Doren moved to adjourn. Seconded by Member Cooper. All voted "aye". The motion carried by a vote of 8-0-0. The Meeting was adjourned at 7:23 p.m.

Chairman Donald E. Carroll

ATTEST:

Secretary Angie J. Rahn

(SEAL)

(Prepared by Deputy Secretary Teresa Y. Gutierrez)

Approved at the Housing Authority Board Meeting of August 14, 2001.



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