

CHARLES CITY HOUSING & REDEVELOPMENT AUTHORITY

AGENDA

June 19, 2014, 7:00 a.m.

at

501 Cedar Terrace South, Charles City, IA 50616

- I. Roll Call – Call Meeting to Order
- II. Public Comments
- III. Amend-Approve Minutes of May 15, 2014..... 1-2
- IV. Approval of Bills for June, 2014 ..... 3
- V. Communications ..... 4-5
  - 1. Capital Fund Program Update
  - 2. Rehab Update
  - 3. Physical Needs Assessment
  - 4. Monthly Rental Status Update
  - 5. End of Participation Tracker
- VI. Old Business
- VII. New Business
  - 1. Review Financial Reports..... 6-9
  - 2. Consider Approval of Resolution 05-14, Approving Utility Allowances..... 10-17
  - 3. Consider Approval of Resolution 06-14, Writing Off Accounts Receivables..... 18-19
  - 4. Consider Approval of Resolution 07-14, Removal of Assets from Depreciation... 20-22
  - 5. Consider Approval of Lease with Foster Grandparents..... 23-25
  - 6. Discuss rent increases and set date for public hearing..... 26-28
  - 7. Approve Staff Training ..... 29
  - 8. Discuss Request to Adjust Contract Price on Audit..... 30-31
- VIII. Move to Adjourn

Next regular meeting scheduled for Thursday, July 17, 2014, 7:00 a.m., CCHRA Office

MINUTES  
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY  
May 15, 2014 7:00 a.m.

Members Present: Jeremy Heyer, Jill Streich, Susan Andersen, Nancy Heiter, and Trey Becker. Absent: None. Others Present: Heidi Nielsen, staff

Call to Order. Chairperson Becker called the meeting to order at 7:00 a.m.

Public Comments. None.

Amend-Approve Minutes of April 17, 2014. Heyer moved, Streich seconded the motion to approve the minutes of April 17, 2014 as presented. Ayes: 5, Nays: 0. Motion carried.

Approval of Bills. Streich moved, Andersen seconded the motion to approve the revised bill listing totaling \$73,320.19. Ayes: 5, Nays: 0. Motion carried.

Hearing to Approve Agency Plan.

Chairperson Becker declared the hearing open and Nielsen explained the purpose of the hearing was to allow the public the opportunity to comment on the Agencies goals and objectives.

Filing of Affidavit of Publication. The notice of public hearing was published in the Charles City Press on 03/31/2014. Confirmation of publication was provided in the agenda.

Written Comments or Objections. Nielsen noted that there were no written comments or objections received.

Oral Comments or Objections. None were presented.

Motion to Close Hearing. Streich moved to close the hearing and Heiter seconded the motion. Roll call: Ayes: Streich, Heiter, Andersen, Heyer, Becker. Nays: None. Motion carried.

Communications. Items under Communications were reviewed. No action was taken.

Old Business. None.

New Business.

Review Financial Reports. Reports were reviewed, no action was required

Discuss New Flat Rent Requirements. Nielsen explained that HUD has advised that as long as plans were in place by June 1 to implement the flat rent we would be in compliance. They have indicated that they will be releasing guidance on how to determine the rent amounts in addition to required language to use in the notice to residents.

Discuss Parking Complaints at South Cedar Terrace. As a result of a complaint from a resident, Nielsen discussed with the board some of the issues with parking and lack of reasonable solutions. The resident also brought the complaint to the attention of a City Council member and was discussed with the City Administrator. It was the consensus of the board that the issue has been adequately addressed and no further action will be taken.

Approve Purchase of Fire-Proof File Cabinets. The request was made to purchase two additional fire-proof file cabinets to transition all of the cabinets in the store room from regular cabinets to the fire-proof ones. Nielsen stressed the importance of the retention of the records and stated that after the purchase there is only one more file cabinet remaining to purchase next year to complete the transition. The low quote was from Global industries with each cabinet costing about \$1,000 per cabinet. Nielsen also asked for direction from the board whether to allocate the cost to the 2013 capital fund or the public housing operating budget. The decision was made to pay for the expense from the operating budget to retain the funding in the capital fund grant to cover future capital improvements. Streich made a motion to purchase the file cabinet from Global to be paid out of the public housing budget. Heyer seconded the motion. Ayes: 5, Nays: 0. Motion carried.

Being no further business, Streich moved, Heyer seconded the motion to adjourn. Ayes: 5. Nays: 0. Motion carried.

Charles City Housing and Redevelopment Authority

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Trey Becker, Chairperson

ATTEST:

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Heidi Nielsen, Director

Charles City Housing  
 Monthly Bill Listing  
 June 2014

Customer	Description	Amount
Ashley Head	security deposit refund	103.00
Bluhms Cedar Valley Electric 2008	electrical maintenance charges	2,033.50
Business Card	NAHRO expenses, computer update/back-up, handicap mirror	749.16
C.Naber & Associates	accounting fees	375.00
Cedar Valley Printing	envelopes	280.31
CenturyLink	phone service	173.73
Cintas	rug service	173.02
City Motor Parts LTD	maintenance-oil filter	3.94
City of Charles City	water/sewer/URP/S8 inspections	3,322.72
Don's Repair	mower maintenance	290.34
Foxen Floors & More	carpet	311.79
Friedrich, LLC	Central Air maintenance @ Morningside	590.00
Global Equipment Company	fire proof file cabinets	4,008.00
HAPS	June HAPS	49,432.00
Iowa Department of Transportation	fuel	235.89
Jane Hermen	pet deposit refund	50.00
Jendro Sanitation	trash service	591.00
Kronlage & Olson, P.C.	audit fee	600.00
Mary Tonn	refund of laundry key replacement (key found)	10.00
Mehmen's Painting	painted #79	155.00
Mid American Energy	electric/gas/URPS	6,165.67
MSA Professional Services	lead training fee for Heidi	695.00
Nan McKay	Admin plan book revision	224.00
Noah, Smith & Schuknecht, P.L.C.	legal services	377.00
Otto's Oasis	flowers for planter outside of office	57.98
Pitney Bowes	meter lease	47.74
Plunkett's Pest Control	pest control service and yearly contract fees	1,314.80
Purchase Power	postage	300.00
Reliable Office Supplies	office supplies	219.40
Ron's Plumbing	plumbing maintenance parts	9.78
Schueth Ace Hardware	maintenance items	470.54
Sherwin Williams	paint	154.90
Shirley Temple	security deposit refund	200.00
SMI CO.	playground filler for Morningside	590.50
Superior Lumber	maintenance items	236.40
T-J Service	maintenance fees	290.97
The Nelrod Company	final payment for Needs Assessment	6,932.66
Titus Lock Services	key/lock repairs	166.00
Trent Parker	computer support	150.30
US Cellular	cell service	71.59
YARDI	criminal back ground fees	105.00
		<b>82,268.63</b>

REQUESTED ACTION: None - for your information only.

1. Capital Fund Update. Since we have gotten the Physical Needs Assessment and it doesn't identify any immediate needs, we are going to go ahead and start the procurement process for purchasing new washers and dryers. We hope to have all of the information by the August meeting.
2. Rehab Update. The third home in phase one is finally completed and the project will be closed out by June 16<sup>th</sup>. The pre-construction meetings for the three properties in phase two were held and the contractor will begin work in late July. We will need to complete four homes in the last phase to meet our ten home requirement.
3. Physical Needs Assessment. We have the report back from Nelrod and they haven't identified any immediate needs. However, they did make some suggestions for ADA compliance. In the four existing accessible units we need to make some alterations to the sinks in the bathroom and kitchen and lower the switch for the stove vent fan/light. We also need four more accessible units. It doesn't matter where they are; they can be at North or South Cedar Terrace. It looks like we can gain the space that we need to enlarge the bathroom at SCT by stealing space in the larger one-bedroom units from the hallway and closets. I have talked to John Fallis about helping us prepare a Request for Proposals to send out to Architects. Once we have an architect we can develop plans to transition the units. Depending on the cost for the remodeling, we can do them in phases as the units become empty.

There are a few other things that we should do, such as changing out all of the door knobs to lever type knobs. We also need to change several of the handrails at North Cedar Terrace because they don't meet the standards. Overall, the common areas of the properties meet most of the ADA requirements. We also need to make sure to purchase some front load washers when we replace the washers.

**4. Monthly Rental Status Update.**

Month of May 2014	Total Leased 5/1/14	New Leases	Removed Or Moved	Total Leased 5/31/14	Total On Waiting List	Offered Assistance	Removed
Terraces 132 Units	129	4	1	132	32	1	1
Morningside 15 Units	14	1	0	15	5	3	2
Section 8 197 Units	155	14	6	163	62	18	7

Declined Assistance (5) Over Income (1) Denied ( ) Insufficient Address ( )  
 Did not attend Briefing/Information Not Returned (3) Criminal Background Check (1)  
 Voucher Expired (1) Purged ( )  
 Terminations: PH ( ) S8 (1)  
 Port Out: (1)

5. End of Participation Tracker. See attachment

END OF PARTICIPATION  
TRACKER  
2013-2014

SECT8	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
LEFT IN GOOD STANDING	2	2	2	2	1			2		2	1	1	14
ZERO HAP	2	2	2	2									9
MUTUAL RECISSION													3
ANNUAL RE-EXAM SEARCHING		1	1					2		1			4
PORT-OUT ABSORBED					1			2	1	2			7
PORT-OUT SEARCHING			2		1			1	1	2			8
DECEASED								1					1
MOVED IN VIOLATION			3					1					5
EVICTED	1	1		1									3
UNAUTHORIZED LIVE-IN	1	1					1						3
VIOLATION OF FAMILY OBLIGATION	1	1	1		1								5
GAVE UP ASSISTANCE BEFORE 1 YEAR													1
FAILURE TO RENEW								1					1
FAILURE TO REPAY													1
FAILURE TO PROVIDE INFO													1
FAILURE TO FOLLOW THROUGH													1
FRAUD													1
UNREPORTED INCOME-2ND TIME			1										1
UTILITIES DISCONNECTED					2								2
CRIMINAL CONVICTION													0
VOUCHER EXPIRED													0
VOUCHER REVOKED													0
LEASED W/NEW LANDLORD			3	1	2	3	2	1	2	2	3	2	11
TOTALS	7	7	15	6	8	3	2	8	2	9	5	6	74
PUBLIC HOUSING													
LEFT IN GOOD STANDING	1	1	2	2	1	1	1	1	1	3	3	1	18
DECEASED	2	2				1	1	1					6
MOVED IN VIOLATION													0
TERMINATED FOR LEASE VIOLATIONS											2		2
EVICTED				1									1
UNAUTHORIZED LIVE-IN													0
FAILURE TO RENEW													0
FAILURE TO REPAY													0
FAILURE TO PROVIDE INFO													0
FAILURE TO FOLLOW THROUGH													0
CRIMINAL CONVICTION													0
OTHER													0
UTILITIES DISCONNECTED													0
TOTALS	3	3	2	3	1	2	2	1	1	3	5	1	25

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**MEETING DATE:** 6/19/14

**RE:** Review Financial Statements

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**REQUESTED ACTION:** Review monthly operating reports.

**Comments:** The May 2014 operating reports are attached for your review.

CITY OF CHARLES CITY  
REVENUE & EXPENSE REPORT  
CALENDAR 5/2014, FISCAL 11/2014

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
174-533-4300	INTEREST - SECTION 8	1,200.00	126.32	1,096.84	91.40	103.16
174-533-4440	STATE GRANT-SEC 8	.00	.00	.00	.00	.00
174-533-4504	FRAUD-SEC 8	4,500.00	400.00	6,289.00	139.76	1,789.00-
174-533-4505	HUD CONTRIB-SEC 8	625,000.00	48,820.00	523,620.00	83.78	101,380.00
174-533-4509	ADMIN FEE/HTH-SEC 8	90,000.00	6,935.00	70,378.00	78.20	19,622.00
174-533-4710	REIMBURSED EXP-SEC 8	1,000.00	16.00	127.00	12.70	873.00
174-533-4715	REFUNDS-SEC 8	1,000.00	.00	168.00	16.80	832.00
	SECTION 8 VOUCHER TOTAL	722,700.00	56,297.32	601,678.84	83.25	121,021.16
174-910-4830	TRANSFER IN - SECTION 8 VOUCH	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
174-533-6010	SALARY - SEC 8	57,000.00	1,805.16	27,285.49	47.87	29,714.51
174-533-6040	OVERTIME SALARY - SECTION 8	.00	.00	39.01	.00	39.01-
174-533-6110	FICA - SECTION 8	4,361.00	119.94	1,881.60	43.15	2,479.40
174-533-6130	IPERS -SECTION 8	5,091.00	161.20	2,430.03	47.73	2,660.97
174-533-6150	HEALTH INS - SECTION 8	24,800.00	1,555.68	17,101.08	68.96	7,698.92
174-533-6151	LIFE INS - SECTION 8	250.00	16.83	185.14	74.06	64.86
174-533-6160	WORK COMP - SECTION 8	1,680.00	.00	.00	.00	1,680.00
174-533-6170	UNEMPLOYMENT - SECTION 8	500.00	.00	195.81	39.16	304.19
174-533-6199	EMPLOYEE BEN-SEC 8	.00	.00	.00	.00	.00
174-533-6230	STAFF TRAINING - SECTION 8	4,000.00	.00	1,317.93	32.95	2,682.07
174-533-6380	UTILITY ALLOT - SECTION 8	17,000.00	1,259.00	11,087.00	65.22	5,913.00
174-533-6401	ACCOUNTING FEES - SECTION 8	3,000.00	110.00	2,290.00	76.33	710.00
174-533-6420	CONTRACT SERVICES - SECTION 8	3,000.00	642.00	7,643.25	254.78	4,643.25-
174-533-6423	SPECIAL SERVICE - SECTION 8	300.00	.00	.00	.00	300.00
174-533-6445	HC VOUCHER PAY-SEC 8	600,000.00	45,084.12	516,096.25	86.02	83,903.75
174-533-6516	REFUND INTEREST-SEC 8	.00	40.00	1,786.71	.00	1,786.71-
174-533-6518	SUNDRY-OFF EXP-SEC 8	3,000.00	.00	889.96	29.67	2,110.04
	SECTION 8 VOUCHER TOTAL	723,982.00	50,793.93	590,229.26	81.53	133,752.74
174-910-6910	TRANSFER OUT - SECTION 8 VOUCH	5,000.00	.00	.00	.00	5,000.00
	TRANSFERS IN/OUT TOTAL	5,000.00	.00	.00	.00	5,000.00
	SECTION 8 VOUCHER TOTAL	6,282.00-	5,503.39	11,449.59	182.26-	17,731.58-

CITY OF CHARLES CITY  
REVENUE & EXPENSE REPORT  
CALENDAR 5/2014, FISCAL 11/2014

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-532-4300	INTEREST-PUBLIC HOUSING	23,500.00	2,138.01	21,720.88	92.43	1,779.12
173-532-4504	FRAUD-PUBLIC HOUSING	4,000.00	521.05	2,629.05	65.73	1,370.95
173-532-4506	DWELLING RENT-PUBLIC HOUSING	425,000.00	38,600.00	392,532.78	92.36	32,467.22
173-532-4507	EXCESS UTILITY-PUBLIC HOUSING	10,500.00	1,880.00	8,102.00	77.16	2,398.00
173-532-4508	CONTRIB-OTHER-PUBLIC HOUSING	13,000.00	982.75	10,639.85	81.61	2,390.15
173-532-4710	REIMBURSED EXP-PUBLIC HOUSING	7,000.00	67.25	3,700.46	52.86	3,299.54
173-532-4781	OPER SUBSIDY-PUBLIC HOUSING	.00	15,767.00	165,610.00	.00	165,610.00-
	PUBLIC HOUSING TOTAL	483,000.00	59,956.06	604,905.02	125.24	121,905.02-
173-910-4830	TRANSFER IN - PUBLIC HOUSING	.00	.00	8,534.35	.00	8,534.35-
	TRANSFERS IN/OUT TOTAL	.00	.00	8,534.35	.00	8,534.35-
173-532-6010	SALARY - PUBLIC HOUSING	101,000.00	6,990.74	82,933.66	82.11	18,066.34
173-532-6040	OVERTIME SALARY-PUBLIC HOUSING	2,000.00	.00	.00	.00	2,000.00
173-532-6070	LABOR/MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6110	FICA - PUBLIC HOUSING	7,880.00	468.77	5,652.25	71.73	2,227.75
173-532-6130	IPERS - PUBLIC HOUSING	9,198.00	624.27	7,284.40	79.20	1,913.60
173-532-6150	HEALTH INS - PUBLIC HOUSING	37,000.00	2,333.51	25,651.51	69.33	11,348.49
173-532-6151	LIFE INS - PUBLIC HOUSING	375.00	25.24	277.66	74.04	97.34
173-532-6160	WORK COMP - PUBLIC HOUSING	2,520.00	241.00	2,756.00	109.37	236.00-
173-532-6170	UNEMPLOYMENT - PUBLIC HOUSING	750.00	.00	293.71	39.16	456.29
173-532-6198	EMP BEN MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6199	EMPLOYEE BEN-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6230	STAFF TRAINING-PUBLIC HOUSING	8,000.00	42.06	1,957.85	24.47	6,042.15
173-532-6370	GAS - PUBLIC HOUSING	35,000.00	5,225.59	35,016.31	100.05	16.31-
173-532-6371	UTILITIES - PUBLIC HOUSING	45,000.00	2,859.39	39,561.27	87.91	5,438.73
173-532-6374	WATER - PUBLIC HOUSING	16,500.00	1,797.32	15,607.50	94.59	892.50
173-532-6379	OTH UTIL-PUBLIC HOUSING -SEWER	23,000.00	2,107.95	20,471.75	89.01	2,528.25
173-532-6401	ACCOUNTING FEES-PUBLIC HOUSING	4,000.00	265.00	2,640.00	66.00	1,360.00
173-532-6408	TORT LIABILITY - PUBLIC HOUSING	24,000.00	.00	22,435.00	93.48	1,565.00
173-532-6411	LEGAL FEES - PUBLIC HOUSING	2,000.00	.00	1,993.00	99.65	7.00
173-532-6415	COPIER LEASE - PUBLIC HOUSING	1,500.00	230.51	2,610.61	174.04	1,110.61-
173-532-6420	CONTRACT SERVICES - PUBLIC HOU	16,000.00	6,476.91	15,372.47	96.08	627.53
173-532-6441	TENANT SERVICES-PUBLIC HOUSING	6,000.00	50.00	2,490.28	41.50	3,509.72
173-532-6442	PILOT-PUBLIC HOUSING	34,000.00	.00	32,985.69	97.02	1,014.31
173-532-6516	REFUNDS-PUBLIC HOUSING	1,000.00	.00	.00	.00	1,000.00
173-532-6518	SUNDRY-OFF EXP-PUBLIC HOUSING	25,000.00	883.46	17,431.86	69.73	7,568.14
173-532-6599	MAINT MATERIALS-PUBLIC HOUSING	50,000.00	2,167.75	43,858.38	87.72	6,141.62
173-532-6725	CAP OUTLAY-EQUI-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6750	CAP IMPR BLDG-PUBLIC HOUSING	.00	.00	.00	.00	.00
	PUBLIC HOUSING TOTAL	451,723.00	32,789.47	379,281.16	83.96	72,441.84
173-536-6010	SALARY - PH MAINT	72,000.00	5,370.17	65,881.97	91.50	6,118.03
173-536-6040	OVERTIME SALARY - PH MAINT	2,000.00	155.86	6,606.04	330.30	4,606.04-
173-536-6110	FICA - PH MAINT	5,661.00	398.00	5,384.05	95.11	276.95

CITY OF CHARLES CITY  
REVENUE & EXPENSE REPORT  
CALENDAR 5/2014, FISCAL 11/2014

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEYPENDED
173-536-6130	IPERS - PH MAINT	6,609.00	493.48	6,275.89	94.96	333.11
173-536-6150	HEALTH INS - PH MAINT	6,900.00	1,725.67	7,456.47	108.06	556.47-
173-536-6151	LIFE INS - PH MAINT	100.00	8.37	92.07	92.07	7.93
173-536-6160	WORK COMP - PH MAINT	1,800.00	.00	1,822.00	101.22	22.00-
173-536-6170	UNEMPLOYMENT - PH MAINT	550.00	.00	262.23	47.68	287.77
173-536-6181	UNIFORM ALLOWANCE - PH MAINT	450.00	.00	450.00	100.00	.00
	PUBLIC HOUSING MAINTENANC TOTA	96,070.00	8,151.55	94,230.72	98.09	1,839.28
173-910-6910	TRANSFER OUT - PUBLIC HOUSING	34,000.00	.00	.00	.00	34,000.00
	TRANSFERS IN/OUT TOTAL	34,000.00	.00	.00	.00	34,000.00
	PUBLIC HOUSING TOTAL	98,793.00-	19,015.04	139,927.49	141.64-	238,720.49-

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**MEETING DATE:** 6/19/14

**RE:** Consider Approval of Resolution  
05-14, Approval of Updated Utility  
Allowance Schedules

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**REQUESTED ACTION:** Approve updated utility allowances effective 07/01/2014

**Comments:** We have reviewed the current utility rates and compared them against last year's rates. The water rates have increased about 3.5% this year, the sewer rates have also gone up about 3.5%. The gas rate has decreased by 19%, and the electric rate has increased by 13%. The garbage rate is unchanged. HUD requires us to change the utility allowances whenever there is a change of more than 10%. In general, the new allowances have experienced a slight increase over last years.

We sent out the schedules to the public housing residents who pay their own utilities to provide them with an opportunity to comment. Their comment period was up on June 1st and we had no written or oral comments. Therefore, it is our recommendation to approve Resolution 05-14 accepting the updated utility allowances to be effective 07/01/2014 as presented.

Charles City Housing and Redevelopment Authority

**RESOLUTION NO. 05-14**

**RESOLUTION APPROVING THE ADOPTION OF  
UPDATED UTILITY ALLOWANCE SCHEDULES  
AS REQUIRED BY DHUD**

WHEREAS, the Charles City Housing and Redevelopment Authority provides housing for low income families through various programs which are funded primarily through agreements with the Department of Housing and Urban Development; and

WHEREAS, DHUD has required the Charles City Housing and Redevelopment Authority to review utility rates being charged and update their utility allowance schedules to reflect all increases or decreased that amount to more than a 10% change from the previous update.

WHEREAS, the Charles City Housing and Redevelopment Authority is required to provide the public housing tenants with a notice of the updated schedules and a 30-day comment period during which time no comments were received.

NOW, THEREFORE, BE IT RESOLVED, by the Charles City Housing and Redevelopment Authority Board of Commissioners that review of the updated utility allowance schedules and related documents indicate that the requirements have been met and the schedules are approved for use beginning July 1, 2014.

PASSED AND ADOPTED THIS 19<sup>th</sup> DAY OF JUNE, 2014

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Trey Becker, Chairperson

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Heidi Nielsen, Director

# Allowance for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp 9/30/2012)

Locality		Unit Type					Effective
MidAmerican - Revised -7/1/14		Single family detached Single Family Detached					07/01/2014
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	33	45	54	67	76	89
	b. Electric	38	51	61	77	87	101
	c. Bottle Gas	74	101	121	152	172	200
	d. Oil	142	193	231	291	329	382
Cooking	a. Natural Gas	4	5	6	8	10	10
	b. Electric	5	6	9	11	13	14
	c. Bottle Gas	8	10	14	17	21	23
Other Electricity		17	22	30	37	46	49
Air Conditioning							
Water Heating	a. Natural Gas	5	6	8	10	12	13
	b. Electric	7	9	12	15	19	21
	c. Bottle Gas	10	13	18	22	27	29
	d. Oil	17	22	30	37	46	50
Water		19	24	28	32	37	41
Sewer		18	24	30	37	43	49
Trash Collection		16	16	19	22	26	29
Range/Microwave		4	4	5	5	6	6
Refrigerator		5	5	5	5	5	6
Other -- specify		7	7	10	13	17	20

**Actual Family Allowances** To be used by the family to compute allowance.  
Complete below for actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	per month cost
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
<b>Total</b>	<b>\$</b>

# Allowance for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp 9/30/2012)

Locality		Unit Type					Effective
MidAmerican - Revised -7/1/14		Semi-detached Older Home Converted, Two/Three Family (Duplex)					07/01/2014
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	29	37	50	61	73	82
	b. Electric	33	42	57	70	84	94
	c. Bottle Gas	65	83	112	138	165	185
	d. Oil	124	159	214	265	316	354
Cooking	a. Natural Gas	4	5	6	8	10	10
	b. Electric	5	6	9	11	13	14
	c. Bottle Gas	8	10	14	17	21	23
Other Electricity		17	22	30	37	46	49
Air Conditioning							
Water Heating	a. Natural Gas	5	6	8	10	12	13
	b. Electric	7	9	12	15	19	21
	c. Bottle Gas	10	13	18	22	27	29
	d. Oil	17	22	30	37	46	50
Water		19	24	28	32	37	41
Sewer		18	24	30	37	43	49
Trash Collection		16	16	19	22	26	29
Range/Microwave		4	4	5	5	6	6
Refrigerator		5	5	5	5	5	6
Other -- specify		7	7	10	13	17	20

**Actual Family Allowances** To be used by the family to compute allowance.

Complete below for actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service per month cost

Heating

Cooking

Other Electric

Air Conditioning

Water Heating

Water

Sewer

Trash Collection

Range/Microwave

Refrigerator

Other

Total \$

# Allowance for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp 9/30/2012)

Locality <b>MidAmerican - Revised -7/1/14</b>	Unit Type <b>Low-rise Older Multi-Family</b>	Effective <b>07/01/2014</b>
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Utility or Service	Monthly Dollar Allowances						
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas	27	36	47	59	70	81
	b. Electric	31	41	54	67	80	92
	c. Bottle Gas	61	80	107	132	159	182
	d. Oil	117	153	204	252	303	348
Cooking	a. Natural Gas	4	5	6	8	10	10
	b. Electric	5	6	9	11	13	14
	c. Bottle Gas	8	10	14	17	21	23
Other Electricity	17	22	30	37	46	49	
Air Conditioning							
Water Heating	a. Natural Gas	5	6	8	10	12	13
	b. Electric	7	9	12	15	19	21
	c. Bottle Gas	10	13	18	22	27	29
	d. Oil	17	22	30	37	46	50
Water	19	24	28	32	37	41	
Sewer	18	24	30	37	43	49	
Trash Collection	16	16	19	22	26	29	
Range/Microwave	4	4	5	5	6	6	
Refrigerator	5	5	5	5	5	6	
Other -- specify	7	7	10	13	17	20	

**Actual Family Allowances** To be used by the family to compute allowance.  
Complete below for actual unit rented.

Name of Family	Utility or Service
Address of Unit	per month cost
Number of Bedrooms	Heating
	Cooking
	Other Electric
	Air Conditioning
	Water Heating
	Water
	Sewer
	Trash Collection
	Range/Microwave
	Refrigerator
	Other
	<b>Total</b> \$

# Allowance for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp 9/30/2012)

Locality <b>MidAmerican - Revised -7/1/14</b>	Unit Type <b>Rowhouse/townhouse Row House/Garden Apt.</b>	Effective <b>07/01/2014</b>
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Utility or Service	Monthly Dollar Allowances						
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas	25	33	45	56	68	79
	b. Electric	29	38	52	64	78	91
	c. Bottle Gas	56	75	102	127	154	179
	d. Oil	108	144	195	243	294	342
Cooking	a. Natural Gas	4	5	6	8	10	10
	b. Electric	5	6	9	11	13	14
	c. Bottle Gas	8	10	14	17	21	23
Other Electricity	17	22	30	37	46	49	
Air Conditioning							
Water Heating	a. Natural Gas	5	6	8	10	12	13
	b. Electric	7	9	12	15	19	21
	c. Bottle Gas	10	13	18	22	27	29
	d. Oil	17	22	30	37	46	50
Water	19	24	28	32	37	41	
Sewer	18	24	30	37	43	49	
Trash Collection	16	16	19	22	26	29	
Range/Microwave	4	4	5	5	6	6	
Refrigerator	5	5	5	5	5	6	
Other -- specify	7	7	10	13	17	20	

**Actual Family Allowances** To be used by the family to compute allowance.  
Complete below for actual unit rented.

Name of Family _____  Address of Unit _____  Number of Bedrooms _____	<table border="0" style="width:100%;"> <tr> <td style="text-align: right;">Utility or Service</td> <td style="text-align: left;">per month cost</td> </tr> <tr><td style="text-align: right;">Heating</td><td>_____</td></tr> <tr><td style="text-align: right;">Cooking</td><td>_____</td></tr> <tr><td style="text-align: right;">Other Electric</td><td>_____</td></tr> <tr><td style="text-align: right;">Air Conditioning</td><td>_____</td></tr> <tr><td style="text-align: right;">Water Heating</td><td>_____</td></tr> <tr><td style="text-align: right;">Water</td><td>_____</td></tr> <tr><td style="text-align: right;">Sewer</td><td>_____</td></tr> <tr><td style="text-align: right;">Trash Collection</td><td>_____</td></tr> <tr><td style="text-align: right;">Range/Microwave</td><td>_____</td></tr> <tr><td style="text-align: right;">Refrigerator</td><td>_____</td></tr> <tr><td style="text-align: right;">Other</td><td>_____</td></tr> <tr><td colspan="2"> </td></tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: left;"><b>\$</b> _____</td> </tr> </table>	Utility or Service	per month cost	Heating	_____	Cooking	_____	Other Electric	_____	Air Conditioning	_____	Water Heating	_____	Water	_____	Sewer	_____	Trash Collection	_____	Range/Microwave	_____	Refrigerator	_____	Other	_____			<b>Total</b>	<b>\$</b> _____
Utility or Service	per month cost																												
Heating	_____																												
Cooking	_____																												
Other Electric	_____																												
Air Conditioning	_____																												
Water Heating	_____																												
Water	_____																												
Sewer	_____																												
Trash Collection	_____																												
Range/Microwave	_____																												
Refrigerator	_____																												
Other	_____																												
<b>Total</b>	<b>\$</b> _____																												

**Allowance for  
Tenant-Furnished Utilities  
and Other Services**

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp. 7/31/2007)

Locality <b>Charles City Housing and Redevelopment Agency</b> MidAmerican Energy	Unit Type <b>Row House/Garden Apartment</b> <b>(Rowhouse/Townhouse)*</b>	Effective 07/01/2014 Expires 06/30/2015
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**NCT-HANDICAP UNITS**

Utility or Service	Monthly Dollar Allowances					
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	33				
	b. Electric					
	c. Bottle Gas					
	d. Oil					
Cooking	a. Natural Gas					
	b. Electric	6				
	c. Bottle Gas					
Other Electricity		22				
Air Conditioning						
Water Heating	a. Natural Gas	6				
	b. Electric					
	c. Bottle Gas					
	d. Oil					
Water		30				
Sewer		24				
Trash Collection						
Range/Microwave						
Refrigerator						
Other -- Trash Bags						

<b>Actual Family Allowance</b> To be used by the family to compute allowance. Complete below for actual unit rented.	Utility or Service	per month cost
Name of Family	Heating	\$
Address of Unit	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
	Range/Microwave	
	Refrigerator	
	Other	
Number of Bedrooms	Total	\$

**Allowance for  
Tenant-Furnished Utilities  
and Other Services**

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp. 7/31/2007)

Locality <b>Charles City Housing and Redevelopment Agency</b> MidAmerican Energy	Unit Type <b>Row House/Garden Apartment</b> <b>(Rowhouse/Townhouse)*</b>	Effective <b>07/01/2014</b> Expires <b>06/30/2015</b>
--	--	--

**MORNINGSIDE UNITS**

Utility or Service	Monthly Dollar Allowances					
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas		45	56		
	b. Electric					
	c. Bottle Gas					
	d. Oil					
Cooking	a. Natural Gas					
	b. Electric		9	11		
	c. Bottle Gas					
Other Electricity			30	37		
Air Conditioning						
Water Heating	a. Natural Gas		8	10		
	b. Electric		12	15		
	c. Bottle Gas					
	d. Oil					
Water			28	32		
Sewer			30	37		
Trash Collection						
Range/Microwave						
Refrigerator						
Other – Trash Bags						

<b>Actual Family Allowance</b> To be used by the family to compute allowance. Complete below for actual unit rented.		Utility or Service	per month cost
Name of Family		Heating	\$
Address of Unit		Cooking	
		Other Electric	
		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
		Other	
Number of Bedrooms		<b>Total</b>	\$

**REQUESTED ACTION:** Approve Resolution No. 06-14 to remove uncollectible accounts from the records.

**Comments:** As required by HUD, at least annually we must review our outstanding accounts receivable accounts and determine which ones appear to be uncollectible. It is recommended that the "uncollectible" accounts should be written off the books to reflect a better collection record. It is important to note that even though accounts are written off, effort is made to continue to collect the debt. Also, if an account is written off and the person reapplies for assistance, they are not eligible until the debt is paid in full or we can no longer collect due to the statute of limitations. Anyone who owes us money is entered into a nationwide database that all housing agencies can check. We are also continuing to utilize the Iowa Offset Program to recover debts owed from state tax refunds.

Charles City Housing and Redevelopment Authority

**RESOLUTION NO. 07-14**

**RESOLUTION APPROVING THE REMOVAL OF UNCOLLECTIBLE ACCOUNTS FOR THE CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY AS REQUIRED BY DHUD FOR FYE 06/30/14**

WHEREAS, the Charles City Housing and Redevelopment Authority makes efforts to collect on accounts as a result of damage claims, unreported income and other actions that result in payment made on behalf of program participants or others debts claimed due to the Housing Authority, and

WHEREAS, a listing of past due accounts has been prepared totaling \$8,558.24, and

NOW, THEREFORE, BE IT RESOLVED, by the Charles City Housing and Redevelopment Authority Board of Commissioners that the following accounts be written off, however, all collection efforts will continue where possible:

Public Housing

Babbitt	Morningside, damages	\$ 377.83
Funte	SCT, unreported income/damages	\$ 758.00
Gynn	SCT, excess utility charge	\$ 1.00
Lambert/Hinkel	Morningside, unreported income/rent	\$ 825.00
Murray	SCT, rent/excess utility charge/damage	\$ 326.61
Putney/Wilson	Morningside, damages	\$ 1,267.31
Witherspoon	SCT, damages	\$ 394.49
		\$ 3,950.24

Section 8

Bean	Section 8, unreported income	\$4,216.00
Hibner	Section 8, unreported income	\$ 19.00
Streich	Section 8, unreported income	\$ 18.00
		\$4,608.00

Total \$8,558.24

June 19, 2014

\_\_\_\_\_  
Trey Becker, Chairperson

\_\_\_\_\_  
Heidi Nielsen, Director

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**MEETING DATE:** 6/19/14

**RE:** Consider Approval of Resolution No. 07-14  
Removal of Assets from Depreciation Report

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**REQUESTED ACTION:** Consider approval of Resolution No. 07-14 Removal of Assets from Depreciation Report

**Comments:** As required by HUD, at least annually we must review and update the inventory list of depreciable items. The Resolution reflects removal of the tables and chairs which were sold at auction. The line was reduced to account for the chairs that were kept. In addition, the audit required several items to be deleted because they were incorrectly classified as a depreciable item. They were all for the copier lease and because they were paid out of the capital fund, the fee accountant included them on the depreciation schedule as a capital item and they should not have been. These lease payments were also for the old copier that we no longer have. A complete list of items added to the inventory list for the current fiscal year isn't available at this time.

Charles City Housing and Redevelopment Authority

**RESOLUTION NO. 07-14**

**RESOLUTION APPROVING THE REMOVAL OF  
ASSETS FROM THE DEPRECIATION REPORT FOR THE  
CHARLES CITY HOUSING AND REDEVELOPMENT  
AUTHORITY AS REQUIRED BY DHUD FOR FYE 6/30/14**

WHEREAS, the Charles City Housing and Redevelopment Authority provides housing for low income families through various programs which are funded primarily through agreements with the Department of Housing and Urban Development; and

WHEREAS, DHUD requirements necessitate the review of the Depreciation Report on an annual basis to make certain it accurately reflects the inventory of the Authority and indicates removal of assets that are no longer in service, have been disposed of or traded in or assets added to the inventory; and

WHEREAS, the FYE 06/30/2013 Audit resulted in the removal of additional assets which were incorrectly classified and/or obsolete;

NOW, THEREFORE, BE IT RESOLVED, by the Charles City Housing and Redevelopment Authority Board of Commissioners that review of the Depreciation Report indicates that the following assets shall be removed from the general ledger and replaced by the items indicated:

GENERAL LEDGER NUMBER 140007: BUILDINGS

REMOVED: None

GENERAL LEDGER NUMBER 140009: NONDEWLLING EQUIPMENT

REMOVED: 73 – 8 Tables and 68 Chairs were sold, reducing line 73 by \$1,439

RETAINED: 73 – 32 Chairs were kept for a total of \$320

REMOVED: 74 – Copier Lease - \$2,263.23

75 – Eq. Lease - \$671.22

82 – Copier - \$679.83

83 – Copier - \$679.83

87 – Copier CF08 - \$679.83

88 – Copier CF08 - \$713.82

90 – Copier Lease - \$353.52

GENERAL LEDGER NUMBER 140016: LAND IMPROVEMENT

REMOVED: None

GENERAL LEDGER NUMBER 140017: BLDG IMPROVEMENT

REMOVED: 69 – CFO05 IMPR - \$671.22

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June 19, 2014

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Trey Becker, Chairperson

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Heidi Nielsen, Director

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**MEETING DATE:** 6/19/14

**RE:** Consider Approval of Lease with Foster Grandparents

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**REQUESTED ACTION:** Recommend approval of lease with Foster Grandparents to lease office space in North Cedar Terrace Community Building.

**Comments:** We have been working to resolve the problem we had been having with the arrangement with the Foster Grandparents in regard to the office space in the community building. After much research and communication with the HUD Office in Kansas City, we were able to get permission to allow them to lease the space for a nominal fee. They recommended that we charge enough to cover the cost of the utilities and maintenance, which we have determined to be \$75 a month.

Ralph Smith has drafted the attached lease for us. The City Council will be reviewing the lease at the Council Workshop on June 23, 2014 and will be taking action at the July 7, 2014 Council Meeting.

## LEASE OF BUILDING SPACE

The City of Charles City, through its Housing Authority, has space in its building at 624 North Main Street, which is unoccupied and which is available for rent to an occupant who is able to share common space with the Housing Authority.

The Foster Grandparent Program has advised the City that it is able to use this space and can make a rental payment that will help defray the occupancy costs otherwise incurred by the Housing Authority in its use of this same facility.

NOW THEREFORE in consideration of the payments and commitments hereinafter set forth, the undersigned parties agree as follows:

1. Lease of space. The City of Charles City, through its Housing Authority, (the Landlord) will lease the building at 624 North Main Street in Charles City, Iowa, excluding the laundry facility and storage garage. The space allocated to the Foster Grandparent Program (Tenant) thereby includes two offices, a kitchenette, a storage closet, a front vestibule, and a restroom.
2. Lease term. This lease will begin upon approval and signature by Landlord and Tenant of this Agreement and continue until terminated by either Landlord or Tenant upon 60 days prior written notice to the other party.
3. Rent. Rent paid by the Tenant shall be in the amount of \$75 per month, payable on the first day of each month, beginning on July 1, 2014 and continuing until termination of the lease as provided in Paragraph 2.
4. The Tenant shall share onsite parking with other tenants of Cedar Terrace North and may use available on-street parking.
5. Maintenance of building and common spaces. The Landlord will provide general maintenance of the building facility, the surrounding grounds, and the parking. This will include lawn mowing and snow removal. The Tenant will provide its own janitorial service for the space that it occupies and will keep this space in clean condition.
6. Utilities. All utilities including heat, garbage, water, and air conditioning will be paid by the Landlord.
7. Insurance. The Landlord will insure the structure of the building occupied by the Tenant and the Tenant shall be responsible for property / casualty insurance for its personal property on the premises. Tenant shall also have general liability insurance coverage associated with its possession of this property in an amount not less than \$1,000,000 and naming the City of Charles City as an additional insured.
8. Hold harmless / indemnification. The Tenant shall hold the Landlord harmless from and indemnify the Landlord for all damages claimed against the Landlord arising from Tenant's use and occupancy of the leased premises.
9. Fixtures. The Tenant shall not alter the building or install fixtures without the prior written consent of the Landlord. Any property affixed to the building during the lease

term shall remain with the building upon conclusion of the lease unless such fixtures were purchased by the Tenant and can be removed without damage to the building.

Executed this \_\_\_ day of June, 2014

FOSTER GRANDPARENT PROGRAM

CITY OF CHARLES CITY, IOWA

By \_\_\_\_\_  
Its \_\_\_\_\_

\_\_\_\_\_  
James Erb, Mayor

ATTEST:

\_\_\_\_\_  
Trudy O'Donnell, City Clerk

**REQUESTED ACTION:** Discuss proposed rent increases, approve Resolution 08-14, and set date for public hearing prior to implementation of the increased rent amounts.

**Comments:** As we previously discussed, beginning June 1, 2014 we must start the process to set all flat rents at 80% of the fair market rents as determined by HUD. We finally have the directive from HUD on how to implement the increases.

The first step is to determine what the new rents should be based on the current Fair Market Rents. The following tables list the proposed amounts for the units. We have them split between units which include the utilities in the rent and those with tenant paid utilities. We rounded the numbers up to the closest increment of 5 to make it easier to make change.

Flat Rents for Apartments with Non-Tenant Paid Utilities

Bedroom Size	Current Flat Rents	2014 FMR's	80% of FMR or New Flat Rent Amount
1	330	448	358 or 360
2	403	579	463 or 465

Flat Rents for Apartment with Tenant Paid Utilities

Bedroom Size	Current Flat Rents	2014 FMR's	80% of FMR or New Flat Rent Amount	Utility Allowance	New Flat Rent Amounts
1	330	448	358	122	236 or 240
2	403	579	463	140	323 or 325
3	500	816	653	180	473 or 475

It appears that this is going to be on on-going requirement and next year we may want to increase the rent to a few dollars above 80% of the Fair Market Rent so we won't have to change the rent each year when the Fair Market Rent goes up. There are some years when the amounts either don't change or go down; however, most of the time the rents increase.

We must hold a public hearing to amend our Agency Plan to include the rent increases. We also must have the rent in place by October 31, 2014 and since we work several months in advance on renewal paperwork, we will need to have board approval on the rent increases no later than July 1<sup>st</sup>, so action must be taken at the June meeting. We will be implementing the new rents on October 1, 2014. It would work best if we set the public hearing to take place on August 21st during the regular meeting. We must advertise at least 45 days prior to the hearing so we will publish public notice in the paper and post the notice in the office on July 1<sup>st</sup> to satisfy the notice requirement. After the public hearing we will submit the flat rent amendment to our Agency Plan to HUD, and make the changes in the Plan.

A copy of the Significant Amendment to be submitted to HUD is attached.

## Flat Rent Significant Amendment

The Charles City Housing and Redevelopment Authority (CCHRA) hereby amends its flat rent policies to comply with the statutory changes contained within, Public Law 113-76, the Fiscal Year 2104 Appropriations Act.

The Charles City Housing and Redevelopment Authority will set the flat rental amount for each public housing unit that complies with the requirement that all flat rents be set at no less than 80 percent of the applicable Fair Market Rent (FMR) adjusted, if necessary, to account for reasonable utilities costs. The new flat rental amount will apply to all new program admissions effective October 1, 2014. For current program participants that pay the flat rental amount, the new flat rental amount will be offered, as well as the income-based rental amount, at the next annual rental option.

The Charles City Housing and Redevelopment Authority will place a cap on any increase in a family's rental payment that exceeds 35 percent, and is a result of changes to the flat rental amount as follows:

- Multiply the existing rental payment by 1.35 and compare that to the updated flat rental amount;
- The PHA will present two rent options to the family as follow:
  - the lower of the product of the calculation and the updated flat rental amount; and
  - the income-based rent.

## RESOLUTION NO. 08-14

### ADOPTION OF FLAT RENT INCREASES AND APPROVAL OF SIGNIFICANT AMENDMENT TO AGENCY PLAN AS OF JULY 1, 2104

#### Charles City Housing and Redevelopment Authority

WHEREAS, the Charles City Housing and Redevelopment Authority provides housing for low income families through various programs which are funded primarily through agreements with the United States Department of Housing and Urban Development; and

WHEREAS, the Sections 210 and 243 of Title II of P.L 113-76 of the Consolidated Appropriations Act of 2014 requires all Flat Rents to be set at no less than 80 percent of the applicable Fair Market Rent; and

WHEREAS, HUD has determined that compliance with this requirement is considered a significant amendment to the Annual Plan requiring a public hearing, which will be held on August 21, 2014 during the regular monthly meeting; and

WHEREAS, the following flat rents have been set according to the 2014 Fair Market Rents for Floyd County, Iowa as directed by HUD in notice PIH 2014-12 (HA) to be offered to residents beginning October 1, 2014:

#### Flat Rents for units 1-128 at North and South Cedar Terrace

1 Bedroom - \$360  
2 Bedroom - \$465

#### Flat Rents for units 129-132 at North Cedar Terrace and Morningside Apartments

1 Bedroom - \$240  
2 Bedroom - \$325  
3 Bedroom - \$475

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Charles City Housing and Redevelopment Authority that they have reviewed the preceding rent changes and authorize their approval for implementation beginning October 1, 2014.

PASSED AND APPROVED BY THE CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY ON THIS 19TH DAY OF JUNE 2014.

\_\_\_\_\_  
Trey Becker, Chairperson

ATTEST:

\_\_\_\_\_  
Heidi Nielsen, Director

**REQUESTED ACTION:** Approve sending Heidi to Dubuque for training to become a Lead Sampling Technician July 14-16.

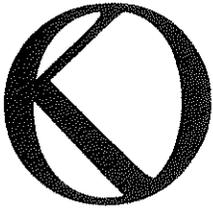
**Comments:** The City is no longer interested in providing lead testing for us. I asked the other area Housing Authorities who performs their testing and they all do it in-house. They either have staff trained to do it or the Directors do the testing. Since I don't have any staff who are able to do the testing, I want to become certified. That way we aren't dependent on anyone else. I asked the other Housing Authorities if we could contract with them do the testing and they are in the same situation as us, too much to do with not enough staff.

The Iowa Department of Health has a list of certified training facilities who offer the training. The company, MSA Professional Services, was the only one that is currently offering the training for the Sampling Technician. We have used them in the past to train the guys at the Fire Department. The cost of the training is \$695, and when you include travel expenses the cost will be about \$1,100. Those expenses will be split between the current year's budget and next year's because the cost of the training will be paid before the end of the year. There is still funding budgeted for training in the current budget. Once we are certified there is an annual registration fee of \$50, and an 8 hour refresher course required once every three years. However, it is offered at the Iowa NAHRO Conference every year. So the additional cost would be nominal.

**REQUESTED ACTION:** Discuss request by Kronlage and Olson for an adjustment to the contracted price of the FYE 2013 Audit and determine if an adjustment is appropriate and the amount of compensation.

**Comments:** We entered into a contract with Kronlage and Olson to perform our 2013 Audit and approve our HUD Financial Submission for \$7,600. The engagement letter or contract specifies that if any unexpected circumstances come up during the audit, they will contact at that time to discuss with us and arrive at a new fee estimate before any work is done. According to Doug Kronlage the original price was to cover an estimated 119 hours of staff time. When the actual amount of staff hours required for the audit was 233 hours. So the total audit cost to his firm was \$15,670.00.

He has adjusted his bill down to the original \$7,600 because they failed to discuss the excess fee with us prior to completing the audit. However, Doug expressed interest in splitting the extra cost of \$8,070 with us and indicated that he would be happy if we paid an additional \$3,000. In addition, the original proposal estimated that the audits could be done in 2014 for \$6,500 and in 2015 for \$6,700. Now they would like to receive \$9,000 per year for the next two audits. When asked why the audits for the next two years are more involved if everything was resolved during the 2013 Audit, Doug said that they expect some things to spill over from the 2013 Audit and that there have been some new regulations which will affect the audits. We are not under contract with them for the 2014 and 2015 audits. We can go out and request proposals again, but the only other response we got last time was a firm out of Minnesota and they wanted \$14,000 each year to perform the audit.



# Kronlage & Olson, P.C.

Certified Public Accountants

Douglas E. Kronlage, CPA  
John C. Olson, CPA

City of Charles City  
105 Milwaukee Mall  
Charles City, IA 50616

Invoice: 500  
Date: 06/10/2014  
Due Date: 06/10/2014

For professional service rendered as follows:

Certified audit of June 30, 2013 financial statements.	15,670.00
Less adjustment to maximum amount per engagement letter - \$7,600.00	(8,070.00)
Less progress payments to date	(7,000.00)

Billed Time & Expenses	\$600.00
Invoice Total	\$600.00

Beginning Balance	\$0.00
Invoices	600.00
Receipts	0.00
Adjustments	0.00
Finance Charges	0.00
Amount Due	\$600.00

<u>06/10/2014</u>	<u>05/31/2014</u>	<u>04/30/2014</u>	<u>03/31/2014</u>	<u>02/28/2014+</u>	<u>Total</u>
600.00	0.00	0.00	0.00	0.00	\$600.00

Invoices are due upon receipt. Your prompt payment is appreciated. All balances over 30 days will be assessed a service charge of 18%.