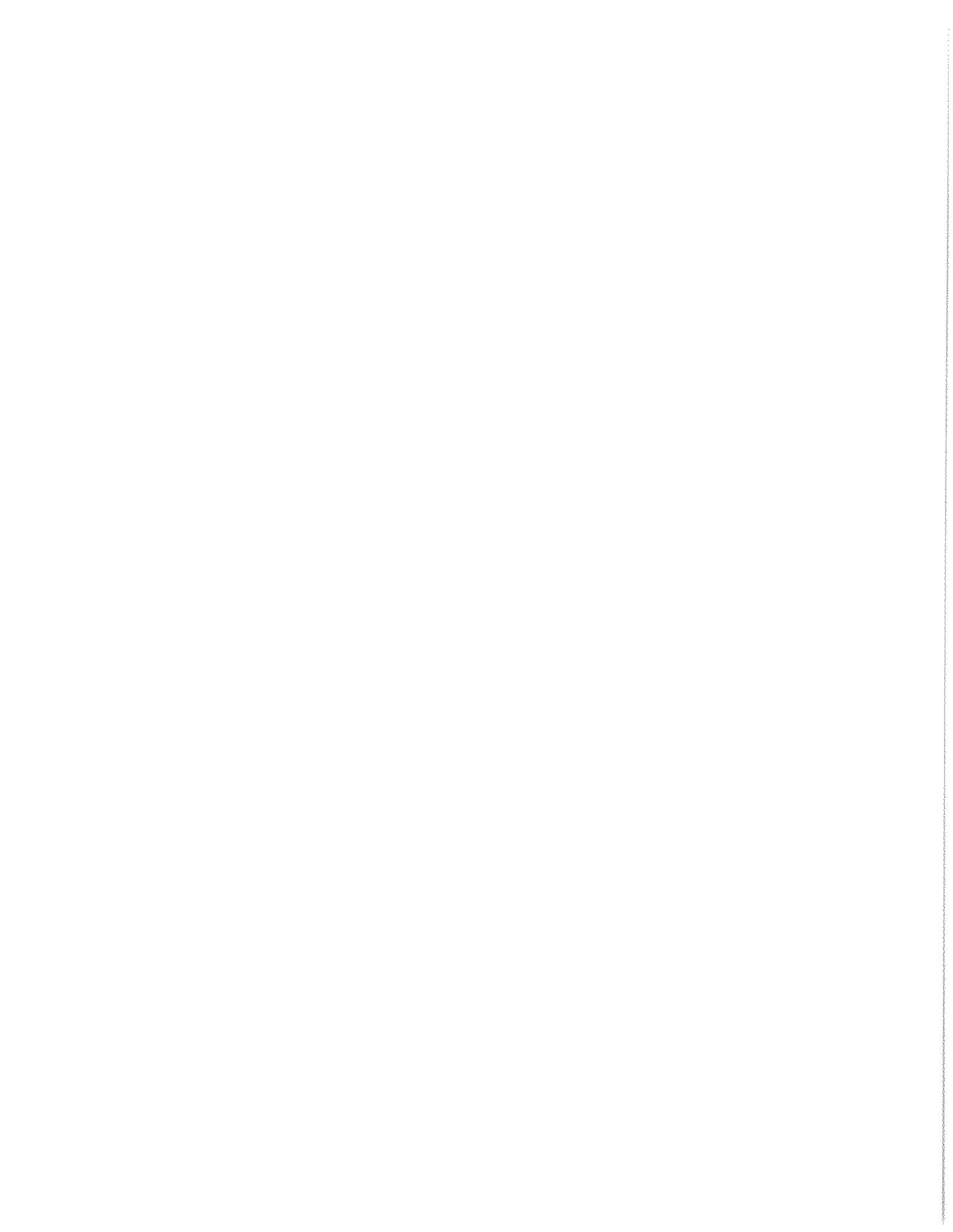


CHARLES CITY HOUSING & REDEVELOPMENT AUTHORITY
AGENDA

July 16, 2015, 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 June 18, 2015..... 1-2
- IV. Approval of Bills for July 2015 3
- V. Communications 4-8
 - 1. Capital Fund Program Update
 - 2. Rehab Update
 - 3. Section 8 Funding Update
 - 4. Monthly Rental Status Update
 - 5. End of Participation Tracker
- VI. Old Business
- VII. New Business
 - 1. Review Operating Reports..... 9-12
 - 2. Discuss Revisions to Criminal Background Policy..... 13
 - 3. Certification of Net Restricted Assets for FYE 06/30/2015..... 14-16
 - 4. Review PIH Notice 1996-33 Regarding Investment Policies..... 17-20
- VIII. Directors Report
- IX. Move to Adjourn

Next regular meeting scheduled for Thursday, August 20, 2015, 7:00 a.m., CCHRA
Office



MINUTES
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY
June 18, 2015 7:00 a.m.

Members Present: Jeremy Heyer, Carol Tyler, and Eric Miller. Absent: Jenna Haglund, and Stewart Coulson. Others present: Heidi Nielsen, staff

Call to Order. Chairperson Heyer called the meeting to order at 7:01 a.m.

Public Comments. None

Amend-Approve Minutes of May 21, 2015 and June 9, 2015. Miller made a motion and Tyler seconded the motion to approve the minutes of May 21, 2015 as presented. Ayes: 3, Nays: 0. Motion carried.

Approval of Bills. Miller made a motion and Tyler seconded the motion to approve payment of the revised bill listing totaling \$72,586.88. Ayes: 3, Nays: 0. Motion carried.

Communications. Items under Communications were reviewed but no action was taken.

Old Business. None

New Business.

Review Financial Reports. The Operating Reports for the Month Ended May 2015 were reviewed. No action was taken.

Approve Resolution No. 07-15, Writing Off Accounts Receivable. A list of accounts to be written off as uncollectible was presented to the Board. Nielsen explained that HUD recommends writing off all debt that we determine as uncollectible because keeping the uncollectible debt on the books has a negative impact on our financial score. She also explained that collection efforts will continue. The different types of debt were also discussed. Tyler made a motion, and Miller seconded the motion to approve Resolution No. 07-15. Motion carried on roll call vote: Ayes: Heyer, Miller, and Tyler. Nays: None. Motion carried on roll call vote.

Approve Resolution No. 08-15, Removal of Assets from Depreciation. Nielsen provided the board with an explanation regarding the requirement to remove assets no longer in service from the depreciation schedule. The resolution was reviewed noting that there were no assets removed from service during the year and the resolution was necessary to show that the HUD requirement had been met. Nielsen brought up the capitalization amount and questioned whether or not the board felt that it should be lower than \$5,000. Miller made a motion, and Tyler seconded the motion to approve Resolution No. 08-15. Motion carried on roll call vote: Ayes: Tyler, Miller, and Heyer. Nays: None. Motion carried on roll call vote.

Consider Approval of Contract for Routine Plumbing Repairs. Explained to board that every two years we go out for bids for routine repairs and bid requests were sent out to several area plumbing contractors. Nielsen expressed interest in extending the new contracts for an additional year for a total of three years. We received bids from Hockensen Plumbing and Mick Gage Plumbing & Heating. Staff requested approval of the bid from Hockensen Plumbing because they proposed the same rates as the expiring contract and were substantially lower

than Mick Gage. Miller moved to approve the contract with Hockensen Plumbing and was seconded by Tyler. Ayes: 3. Nays: 0. Motion carried.

Consider Approval of Contract for Routine Heating Repairs. Staff requested approval of the contract with Linderman Heating & Air. Just as was the case with the plumbing bid, the heating/cooling bid was the same as the rates charged under the current contract and were lower than the proposed rates from Mick Gage. Miller moved to approve the contract with Linderman Heating & Air. Tyler seconded the motion. Ayes: 3. Nays: 0. Motion carried.

Consider Approval of Contract for Routine Electrical Repairs. Bid requests were sent to several area electrical contractors. One was received from Bluhm's Cedar Valley Electric. The request was made to approve the bid from Bluhm's. Even though they were the only bid, we have a good working relationship with them. Tyler moved to approve the new three year contract with Bluhm's and it was seconded by Miller. Ayes: 3, Nays: 0. Motion carried.

Discuss Extension of Painting Contract. Our current contract with Art Mehmen was discussed. Nielsen requested that we allow Art to continue painting without a contract as he requested. He agreed to keep his fees the same as the contracted fees. His fees are a fraction of other bids that we have gotten and he indicated that due to his age, he doesn't know how much longer he will be working. Nielsen stated that she has been collecting information on area painting firms so we have several contacts once Art decides to retire. Tyler made a motion to continue using Art Mehmen to paint the units. Miller seconded the motion. Ayes: 3. Nays: 0. Motion carried.

Being no further business, Tyler moved, Miller seconded the motion to adjourn. Ayes: 3. Nays: 0. Motion carried.

Charles City Housing and Redevelopment Authority

Jeremy Heyer, Chairperson

ATTEST:

Heidi Nielsen, Director

Charles City Housing
Monthly Bill Listing
July 2015

| Customer | Description | Amount |
|-----------------------------------|--|------------------|
| Arla Wright | security deposit refund | 200.00 |
| Business Card | Lead recert.training/back up service | 314.98 |
| C.Naber & Associates | accounting fees | 395.00 |
| CenturyLink | phone bill | 180.76 |
| Charles City Housing | security deposit helf for damages(johnson) | 8.08 |
| Cintas | rug service | 134.84 |
| City of Charles City | water/sewer/S8 inspections/URPS/postage | |
| Don's Repair | mower maintenance | 22.99 |
| Foxen Floors & More | maintenance items | 108.49 |
| GE Capital | copier lease | 252.02 |
| HAPS | July 1 payments | 50,918.78 |
| Heidi Nielsen | meal reimbursement | 8.55 |
| Hockenson Plumbing | maintenance items | 379.34 |
| Iowa Department of Transportation | fuel | 203.31 |
| Jendro Sanitation | trash service | 632.00 |
| Joe Ferch | meal reimbursement | 8.55 |
| Linderman Heating & Air, LLC | maintenance items | 834.63 |
| Marco, Inc. | copy costs | 12.84 |
| Mehmen's Painting | painted #113 | 120.00 |
| Michaels Band Box | carpet cleaning | 224.46 |
| Mick Gage Plumbing & Heating | maintenance items | 83.57 |
| Mid American Energy | electric/gas/URPS | |
| Petty Cash | replenish fund | 38.40 |
| Pitney Bowes | meter lease | 54.09 |
| Reliable Office Supplies | copy paper/office items | |
| Reserve Account | repaid postage for meter | 500.00 |
| Robert Johnson | security deposit refund | 241.92 |
| Schueth Ace Hardware | maintenance items | 547.23 |
| Steve Redmond | meal reimbursement | 8.55 |
| Stock Glass | maintenance items | 131.29 |
| Superior Lumber | maintenance items | 628.61 |
| T-J Service | maintenance items | 369.94 |
| Trent Parker | computer support | |
| US Cellular | cell service | 72.24 |
| Waggoner & Wineinger | project fees | 340.00 |
| | | 57,563.22 |

REQUESTED ACTION: None - for your information only.

1. Capital Fund Update. We are still waiting on further guidance from HUD on how to proceed with the environmental clearance for the 2015 funding and associated projects. Our Facilities Management Specialist at HUD has retired and we have been assigned a new manager. I will be contacting him to find out if there has been any new developments. Until we assess the projects funded under the 2015 program to determine whether or not there will be any environmental impact, we will not be able to access the money. Fortunately, we do not need the 2015 funds to complete the siding/painting project.

The contract and bond for the painting and siding project with Watertight Construction has been approved and the work began around the 8th of July. They will be doing the painting at NCT first and then start the siding at Morningside. The project completion date is October 1, 2015.

2. Rehab Update. All of the projects are completed and closed out except the final project. The family is currently relocated to a hotel while the interior work is being completed. Once the property passes the lead tests to determine if the lead hazards have been reduced and any residual lead dust is below the minimum levels, they will be able to return home. Under the program we are not doing total lead abatement; the work that we do will only produce temporary lead safe conditions. As long as the homeowners are completing the required maintenance to make sure that all painted surfaces are intact, the home should remain lead safe. We still plan on being able to close out the project by the end of July.

3. Section 8 Funding Update. Attached for your review is a spreadsheet which shows the leasing levels for the calendar year 2105. Also included is a spreadsheet with the amount of Housing Assistance Payment (HAP) reserves we have. The spreadsheet shows the levels of HUD held reserves and PHA held reserves. HUD's intent is for the PHA's not to have any excess HAP funds in their accounts. For the month of July, HUD reduced our payment in order to transition the funding back into the HUD held account. Since that did not leave us with enough to make our payments we were required to request additional funds from HUD to cover the \$2,960 deficit.

4. Monthly Rental Status Update.

| Month of June 2015 | Total Leased 6/1/15 | New Leases | Removed Or Moved | Total Leased 7/1/15 | Total On Waiting List | Offered Assistance | Removed |
|-------------------------|---------------------|------------|------------------|---------------------|-----------------------|--------------------|---------|
| Terraces 132 Units | 131 | 1 | 4 | 128 | 17 | 7 | 4 |
| Morningside 16 Units | 15 | 0 | 1 | 14 | 7 | 2 | 1 |
| Section 8 197 Units | 150 | 8 | 2 | 156 | 30 | 16 | 1 |

Declined Assistance (4) Over Income () Denied () Insufficient Address ()
Did not attend Briefing/Information Not Returned (2) Criminal Background Check ()
Voucher Expired () Purged ()
Terminations: PH (1) S8 ()
Port Out: (4)

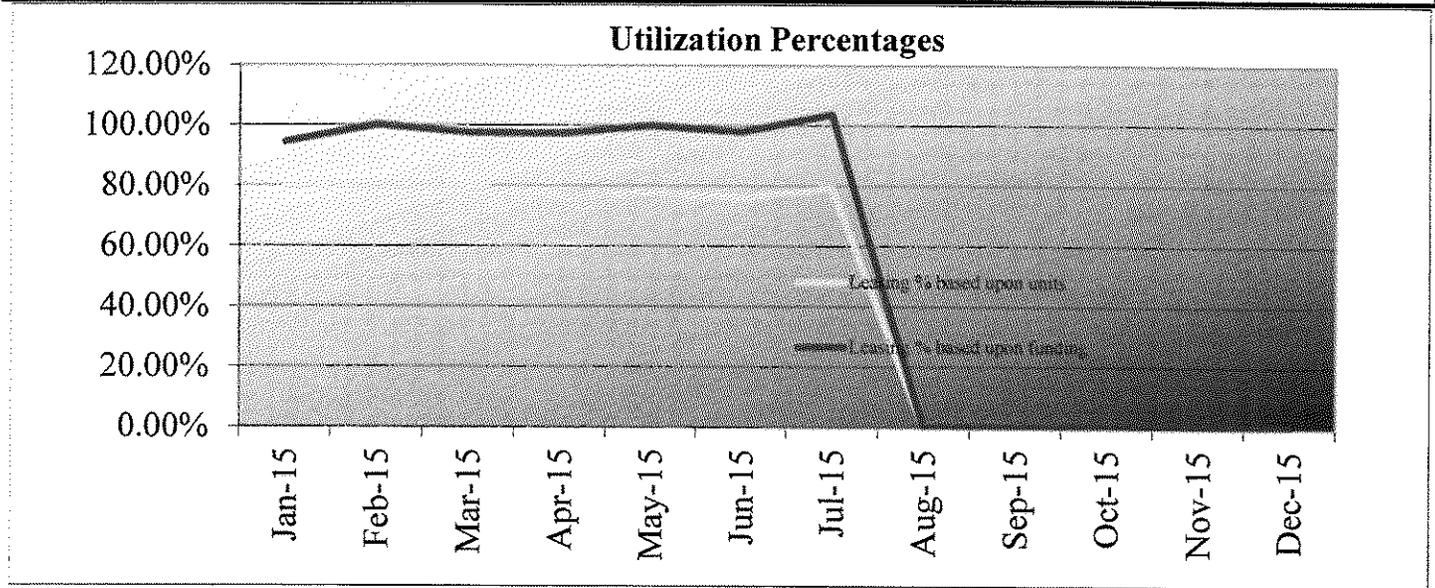
5. End of Participation Tracker. See attachment

Charles City Housing Authority
 HUD-Heid HAP/Program Reserve
 Calendar Year 2015

Illustrates Accumulation of Program Reserve

| | a | b | c | d | e | f=a+b+c-d-e | g=d+e | h | i | j=g-h+i |
|----------------------------|--|--|--|---|--|--|--|------------------|---------------------------|----------------------------------|
| | Annual Budget Authority: HAP Renewal Funding Obligations per Annual Renewal Funding Calc | Plus: Set Aside Funds Provided, if any | Plus: Other HAP Annual Budget Authority Obligations (nonrenewal) | Minus: Renewal Funding Disbursed to PHA by HUD Under Cash Management Procedures | Minus: NonRenewal Funding Disbursed to PHA by HUD Under Cash Management Procedures | Remainder = HUD-Heid HAP/Program Reserve | HAP Funding Disbursed to PHA by HUD Under Cash Management Procedures | HAP Expenditures | Other HAP Related Revenue | NRA Funds On-Hand (Held by PHA) |
| Beginning Balance 1/1/2015 | | | | | | 92,581.00 | | | | 3,871.00 |
| January | 49,010.00 | | | (50,801.00) | | 90,790.00 | 50,801.00 | (46,396.00) | 45.50 | 8,321.50 |
| February | 49,010.00 | | | (50,515.00) | | 89,285.00 | 50,515.00 | (49,152.00) | 146.50 | 9,831.00 |
| March | 49,010.00 | | | (50,515.00) | | 87,780.00 | 50,515.00 | (47,877.00) | 147.50 | 12,616.50 |
| April | 49,010.00 | | | (46,065.00) | | 90,725.00 | 46,065.00 | (47,739.00) | 1,030.50 | 11,973.00 |
| May | 49,010.00 | | | (43,833.00) | | 95,902.00 | 43,833.00 | (48,728.00) | 0.00 | 7,078.00 |
| June | 49,010.00 | | | (49,587.00) | | 95,325.00 | 49,587.00 | (48,019.00) | 417.00 | 9,063.00 |
| July | 49,010.00 | | | (38,826.00) | | 105,509.00 | 38,826.00 | (50,849.00) | | -2,960.00 |
| August | 49,010.00 | | 14,706.00 | (47,739.00) | | 122,757.00 | 47,739.00 | | | 44,779.00 |
| September | 49,010.00 | | | | | 171,767.00 | 0.00 | | | 92,518.00 |
| October | 49,010.00 | | | | | 220,777.00 | 0.00 | | | 92,518.00 |
| November | 49,010.00 | | | | | 269,788.00 | 0.00 | | | 92,518.00 |
| December | 49,011.00 | | | | | | | | | 92,518.00 |

| | Unit Months Available | Unit Months Leased | Leasing % based upon units | HAP Revenue | HAP Funding Obligation | HAP Expenses Paid | Leasing % based upon funding | Per Unit HAP |
|------------|-----------------------|--------------------|----------------------------|--------------------|------------------------|-------------------|------------------------------|------------------|
| Jan-15 | 197 | 157 | 79.70% | \$ 45.50 | \$ 49,010 | \$ 46,341 | 94.55% | \$ 295.17 |
| Feb-15 | 197 | 158 | 80.20% | \$ 146.50 | \$ 49,010 | \$ 49,097 | 100.18% | \$ 310.74 |
| Mar-15 | 197 | 157 | 79.70% | \$ 147.50 | \$ 49,010 | \$ 47,822 | 97.58% | \$ 304.60 |
| Apr-15 | 197 | 150 | 76.14% | \$ 1,030.50 | \$ 49,010 | \$ 47,684 | 97.29% | \$ 317.89 |
| May-15 | 197 | 153 | 77.66% | \$ - | \$ 49,010 | \$ 49,003 | 99.99% | \$ 320.28 |
| Jun-15 | 197 | 150 | 76.14% | \$ 417.00 | \$ 49,010 | \$ 48,019 | 97.98% | \$ 320.13 |
| Jul-15 | 197 | 156 | 79.19% | | \$ 49,010 | \$ 50,849 | 103.75% | \$ 325.96 |
| Aug-15 | 197 | | 0.00% | | \$ 49,010 | | 0.00% | |
| Sep-15 | 197 | | 0.00% | | \$ 49,010 | | 0.00% | |
| Oct-15 | 197 | | 0.00% | | \$ 49,010 | | 0.00% | |
| Nov-15 | 197 | | 0.00% | | \$ 49,010 | | 0.00% | |
| Dec-15 | 197 | | 0.00% | | \$ 49,011 | | 0.00% | |
| YTD | 2,364 | 1,081 | 45.73% | \$ 1,787.00 | \$ 588,121 | \$ 338,815 | 57.61% | \$ 313.43 |



| | | |
|--|----|---------|
| NRA / Prog Reserve Balance (Excess HAP) as of 1/1/2015: | \$ | 96,452 |
| HAP Funding YTD: | \$ | 588,121 |
| HAP Expenditures YTD: | \$ | 338,815 |
| HAP Revenue (Fraud, FSS Forfeits) YTD: | \$ | 1,787 |
| Current Remaining NRA / Prog Reserve: | \$ | 347,545 |
| Current Monthly Funding (a) | \$ | 49,010 |
| Current Average HAP Payment (b) | \$ | 313 |
| # of Units the Current Monthly Funding Would Support (a)/(b) | | 156 |
| # of Units Currently Leased | | 156 |
| Excess Units Leased, Current Month | | (0) |
| Current Year-to-Date Funding (a) | \$ | 588,121 |
| Current Year-to-Date Average HAP Payment (b) | \$ | 313 |
| # of Unit-Mos the Current Monthly Funding Supports (a)/(b) | | 1,876 |
| # of Unit-Mos Leased Year-to-Date | | 1,081 |
| Excess Unit-Mos Leased, Year-to-Date | | (795) |
| Estimate of next years funding: | | |
| YTD HAP expense | \$ | 338,815 |
| Months to date | | 7 |
| Average Monthly HAP Expense | \$ | 48,402 |
| Estimated 2016 HAP Funding at 100% | \$ | 48,402 |
| Number of Units Supported at 100% | | 159 |

END OF PARTICIPATION
TRACKER
2015-2016

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

MEETING DATE: 7/16/15

RE: Review Operating Reports

REQUESTED ACTION: Review monthly operating reports.

Comments: The June 2015 operating reports are attached for your review.

CITY OF CHARLES CITY
REVENUE & EXPENSE REPORT
CALENDAR 6/2015, FISCAL 12/2015

| ACCOUNT NUMBER | ACCOUNT TITLE | TOTAL BUDGET | MTD BALANCE | YTD BALANCE | PER CENT EXPENDED | UNEXPENDED |
|----------------|--------------------------------|--------------|-------------|--------------|-------------------|------------|
| 173-532-4300 | INTEREST-PUBLIC HOUSING | 23,500.00 | 2,104.53 | 24,880.25 | 105.87 | 1,380.25- |
| 173-532-4504 | FRAUD-PUBLIC HOUSING | 4,000.00 | .00 | 3,335.06 | 83.38 | 664.94 |
| 173-532-4506 | DWELLING RENT-PUBLIC HOUSING | 440,000.00 | 41,298.00 | 451,212.48 | 102.55 | 11,212.48- |
| 173-532-4507 | EXCESS UTILITY-PUBLIC HOUSING | 9,500.00 | 1,136.00 | 8,609.00 | 90.62 | 891.00 |
| 173-532-4508 | CONTRIB-OTHER-PUBLIC HOUSING | 13,500.00 | 945.75 | 10,829.05 | 80.22 | 2,670.95 |
| 173-532-4710 | REIMBURSED EXP-PUBLIC HOUSING | 5,000.00 | 1,804.95 | 6,773.73 | 135.47 | 1,773.73- |
| 173-532-4781 | OPER SUBSIDY-PUBLIC HOUSING | 180,000.00 | 16,773.00 | 193,743.00 | 107.64 | 13,743.00- |
| | PUBLIC HOUSING TOTAL | 675,500.00 | 64,062.23 | 699,382.57 | 103.54 | 23,882.57- |
| 173-910-4830 | TRANSFER IN - PUBLIC HOUSING | 1,989,835.00 | .00 | 1,989,835.30 | 100.00 | .30- |
| | TRANSFERS IN/OUT TOTAL | 1,989,835.00 | .00 | 1,989,835.30 | 100.00 | .30- |
| 173-532-6010 | SALARY - PUBLIC HOUSING | 80,000.00 | 6,776.20 | 88,220.18 | 110.28 | 8,220.18- |
| 173-532-6040 | OVERTIME SALARY-PUBLIC HOUSING | .00 | .00 | .00 | .00 | .00 |
| 173-532-6070 | LABOR/MAINT-PUBLIC HOUSING | .00 | .00 | .00 | .00 | .00 |
| 173-532-6110 | FICA - PUBLIC HOUSING | 6,500.00 | 454.79 | 5,987.75 | 92.12 | 512.25 |
| 173-532-6130 | IPERS - PUBLIC HOUSING | 7,900.00 | 605.10 | 7,863.24 | 99.53 | 36.76 |
| 173-532-6150 | HEALTH INS - PUBLIC HOUSING | 28,560.00 | 2,380.08 | 28,560.96 | 100.00 | .96- |
| 173-532-6151 | LIFE INS - PUBLIC HOUSING | 300.00 | 25.53 | 306.79 | 102.26 | 6.79- |
| 173-532-6160 | WORK COMP - PUBLIC HOUSING | 2,500.00 | .00 | 3,301.00 | 132.04 | 801.00- |
| 173-532-6170 | UNEMPLOYMENT - PUBLIC HOUSING | 600.00 | 15.34 | 117.12 | 19.52 | 482.88 |
| 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 | 2,500.00 | .00 | 938.03 | 37.52 | 1,561.97 |
| 173-532-6370 | GAS - PUBLIC HOUSING | 38,000.00 | 1,323.80 | 29,843.79 | 78.54 | 8,156.21 |
| 173-532-6371 | UTILITIES - PUBLIC HOUSING | 43,000.00 | 3,159.96 | 46,404.22 | 107.92 | 3,404.22- |
| 173-532-6374 | WATER - PUBLIC HOUSING | 17,000.00 | 1,187.40 | 16,318.85 | 95.99 | 681.15 |
| 173-532-6379 | OTH UTIL-PUBLIC HOUSING -SEWER | 23,000.00 | 1,578.09 | 21,607.99 | 93.95 | 1,392.01 |
| 173-532-6401 | ACCOUNTING FEES-PUBLIC HOUSING | 3,600.00 | 175.00 | 2,981.11 | 82.81 | 618.89 |
| 173-532-6408 | TORT LIABILITY - PUBLIC HOUSIN | 24,000.00 | .00 | 24,326.00 | 101.36 | 326.00- |
| 173-532-6411 | LEGAL FEES - PUBLIC HOUSING | 4,000.00 | .00 | 3,538.34 | 88.46 | 461.66 |
| 173-532-6415 | COPIER LEASE - PUBLIC HOUSING | 2,900.00 | 240.51 | 3,116.63 | 107.47 | 216.63- |
| 173-532-6420 | CONTRACT SERVICES - PUBLIC HOU | 16,000.00 | 3,014.18 | 24,854.79 | 155.34 | 8,854.79- |
| 173-532-6441 | TENANT SERVICES-PUBLIC HOUSING | 2,000.00 | 125.44 | 275.44 | 13.77 | 1,724.56 |
| 173-532-6442 | PILOT-PUBLIC HOUSING | 32,000.00 | .00 | 31,921.33 | 99.75 | 78.67 |
| 173-532-6490 | OTHER PROFESSIONAL SERV | 34,000.00 | .00 | 34,000.00 | 100.00 | .00 |
| 173-532-6516 | REFUNDS-PUBLIC HOUSING | 100.00 | .00 | 10.00 | 10.00 | 90.00 |
| 173-532-6518 | SUNDRY-OFF EXP-PUBLIC HOUSING | 22,000.00 | 336.63 | 14,724.23 | 66.93 | 7,275.77 |
| 173-532-6599 | MAINT MATERIALS-PUBLIC HOUSING | 60,000.00 | 3,139.87 | 58,120.12 | 96.87 | 1,879.88 |
| 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 | 450,460.00 | 24,537.92 | 447,337.91 | 99.31 | 3,122.09 |
| 173-536-6010 | SALARY - PH MAINT | 85,000.00 | 5,687.83 | 82,288.11 | 96.81 | 2,711.89 |
| 173-536-6040 | OVERTIME SALARY - PH MAINT | 3,100.00 | 416.42 | 2,551.13 | 82.29 | 548.87 |

CITY OF CHARLES CITY
REVENUE & EXPENSE REPORT
CALENDAR 6/2015, FISCAL 12/2015

| ACCOUNT NUMBER | ACCOUNT TITLE | TOTAL BUDGET | MTD BALANCE | YTD BALANCE | PER CENT EXPENDED | UNEXPENDED |
|----------------|--------------------------------|--------------|-------------|--------------|-------------------|------------|
| 173-536-6110 | FICA - PH MAINT | 5,800.00 | 441.75 | 6,187.48 | 106.68 | 387.48- |
| 173-536-6130 | IPERS - PH MAINT | 6,800.00 | 545.10 | 6,886.84 | 101.28 | 86.84- |
| 173-536-6150 | HEALTH INS - PH MAINT | 18,000.00 | 1,319.10 | 16,833.42 | 93.52 | 1,166.58 |
| 173-536-6151 | LIFE INS - PH MAINT | 100.00 | 8.37 | 100.44 | 100.44 | .44- |
| 173-536-6160 | WORK COMP - PH MAINT | 1,800.00 | .00 | 2,593.00 | 144.06 | 793.00- |
| 173-536-6170 | UNEMPLOYMENT - PH MAINT | 550.00 | 17.00 | 123.38 | 22.43 | 426.62 |
| 173-536-6181 | UNIFORM ALLOWANCE - PH MAINT | 450.00 | .00 | 450.00 | 100.00 | .00 |
| | PUBLIC HOUSING MAINTENANC TOTA | 121,600.00 | 8,435.57 | 118,013.80 | 97.05 | 3,586.20 |
| 173-910-6910 | TRANSFER OUT - PUBLIC HOUSING | 1,989,835.00 | .00 | 1,989,835.30 | 100.00 | .30- |
| | TRANSFERS IN/OUT TOTAL | 1,989,835.00 | .00 | 1,989,835.30 | 100.00 | .30- |
| | PUBLIC HOUSING TOTAL | 103,440.00 | 31,088.74 | 134,030.86 | 129.57 | 30,590.86- |

CITY OF CHARLES CITY
REVENUE & EXPENSE REPORT
CALENDAR 6/2015, FISCAL 12/2015

| ACCOUNT NUMBER | ACCOUNT TITLE | TOTAL BUDGET | MTD BALANCE | YTD BALANCE | PER CENT EXPENDED | UNEXPENDED |
|----------------|--------------------------------|--------------|-------------|-------------|-------------------|------------|
| 174-533-4300 | INTEREST - SECTION 8 | 500.00 | 66.46 | 891.90 | 178.38 | 391.90- |
| 174-533-4440 | STATE GRANT-SEC 8 | .00 | .00 | .00 | .00 | .00 |
| 174-533-4504 | FRAUD-SEC 8 | 4,500.00 | 834.00 | 5,476.00 | 121.69 | 976.00- |
| 174-533-4505 | HUD CONTRIB-SEC 8 | 587,000.00 | 49,587.00 | 580,954.00 | 98.97 | 6,046.00 |
| 174-533-4509 | ADMIN FEE/HTH-SEC 8 | 85,000.00 | 7,074.00 | 84,397.00 | 99.29 | 603.00 |
| 174-533-4710 | REIMBURSED EXP-SEC 8 | 1,000.00 | .00 | .00 | .00 | 1,000.00 |
| 174-533-4715 | REFUNDS-SEC 8 | 200.00 | .00 | 174.00 | 87.00 | 26.00 |
| | SECTION 8 VOUCHER TOTAL | 678,200.00 | 57,561.46 | 671,892.90 | 99.07 | 6,307.10 |
| 174-910-4830 | TRANSFER IN - SECTION 8 VOUCH | 65,957.00 | .00 | 65,956.72 | 100.00 | .28 |
| | TRANSFERS IN/OUT TOTAL | 65,957.00 | .00 | 65,956.72 | 100.00 | .28 |
| 174-533-6010 | SALARY - SEC 8 | 33,000.00 | 2,196.79 | 28,575.06 | 86.59 | 4,424.94 |
| 174-533-6040 | OVERTIME SALARY - SECTION 8 | .00 | .00 | .00 | .00 | .00 |
| 174-533-6110 | FICA - SECTION 8 | 2,100.00 | 147.37 | 1,931.17 | 91.96 | 168.83 |
| 174-533-6130 | IPERS -SECTION 8 | 2,800.00 | 196.18 | 2,548.69 | 91.02 | 251.31 |
| 174-533-6150 | HEALTH INS - SECTION 8 | 19,000.00 | 1,586.72 | 19,040.64 | 100.21 | 40.64- |
| 174-533-6151 | LIFE INS - SECTION 8 | 200.00 | 17.02 | 204.53 | 102.27 | 4.53- |
| 174-533-6160 | WORK COMP - SECTION 8 | 1,680.00 | .00 | .00 | .00 | 1,680.00 |
| 174-533-6170 | UNEMPLOYMENT - SECTION 8 | 300.00 | 10.22 | 78.07 | 26.02 | 221.93 |
| 174-533-6199 | EMPLOYEE BEN-SEC 8 | .00 | .00 | .00 | .00 | .00 |
| 174-533-6230 | STAFF TRAINING - SECTION 8 | 1,500.00 | .00 | 419.61 | 27.97 | 1,080.39 |
| 174-533-6380 | UTILITY ALLOT - SECTION 8 | 15,000.00 | 1,484.00 | 15,904.02 | 106.03 | 904.02- |
| 174-533-6401 | ACCOUNTING FEES - SECTION 8 | 3,200.00 | 220.00 | 2,550.00 | 79.69 | 650.00 |
| 174-533-6420 | CONTRACT SERVICES - SECTION 8 | 9,000.00 | 574.09 | 9,490.59 | 105.45 | 490.59- |
| 174-533-6423 | SPECIAL SERVICE - SECTION 8 | 125.00 | .00 | 125.00 | 100.00 | .00 |
| 174-533-6445 | HC VOUCHER PAY-SEC 8 | 580,000.00 | 46,162.12 | 567,153.73 | 97.79 | 12,846.27 |
| 174-533-6490 | OTHER PROF SERVICES-SECTION 8 | 5,000.00 | .00 | 5,000.00 | 100.00 | .00 |
| 174-533-6516 | REFUND INTEREST-SEC 8 | .00 | .00 | .00 | .00 | .00 |
| 174-533-6518 | SUNDRY-OFF EXP-SEC 8 | 3,000.00 | 224.00 | 2,086.56 | 69.55 | 913.44 |
| | SECTION 8 VOUCHER TOTAL | 675,905.00 | 52,818.51 | 655,107.67 | 96.92 | 20,797.33 |
| 174-910-6910 | TRANSFER OUT - SECTION 8 VOUCH | 65,957.00 | .00 | 65,956.72 | 100.00 | .28 |
| | TRANSFERS IN/OUT TOTAL | 65,957.00 | .00 | 65,956.72 | 100.00 | .28 |
| | SECTION 8 VOUCHER TOTAL | 2,295.00 | 4,742.95 | 16,785.23 | 731.38 | 14,490.23- |

REQUESTED ACTION: Discuss eliminating misdemeanor simple assault as grounds for denial or termination.

Comments: While HUD requires us to conduct criminal background checks on the applicants/participants of the programs, they allow us to control how the policy is structured and what to include it. The current policy is to deny or terminate individuals convicted of simple assault as long as it didn't involve the use of a weapon or result in injury. If they are denied or terminated they are given the option to complete some sort of anger management course and are given a second chance. However, if they are convicted again they will not receive the same opportunity. In cases where a weapon was used, or the assault resulted in injury, or they choose not to complete the anger management, they are not eligible for assistance for a period of three years from the date of the conviction. Someone convicted of felony assault does not have the opportunity to maintain eligibility for assistance by completing the anger management.

Our policies are meant to help support the integrity of the program. However, there are times when the policy is too restrictive or doesn't work the way it was intended. This was the case with assault convictions. Many years ago, we denied or terminated for any and all assault convictions. What we were finding out was there were many times the lawyers would tell those who were charged with assault to plead guilty because it would make it end quicker. Most of the time they would only be fined or receive a suspended sentence or probation. They didn't realize that by pleading guilty they would no longer be eligible to receive housing assistance for three years. In order to rectify the situation, we allowed those with assault convictions to complete an anger management course within six months and still process for or keep their assistance. Most of the time those with assault convictions are willing to complete the anger management but unless it is court ordered they can't find any place to complete the anger management or it costs so much it isn't an option.

We discussed this at the most recent Resident Advisory Board meeting and everyone agreed that we need to change the policy. What we would like to do is eliminate all misdemeanor simple assault convictions as a basis for denial or termination. We would still keep all felony convictions as a basis for denial or termination with the same three year period of ineligibility.

If we determine the need for the change, the revised policy will be presented at the August board meeting in the form of a resolution.

MEETING DATE: 07/16/15

RE: Certification of Net Restricted Assets for
FYE 06/30/15

REQUESTED ACTION: Approve certification for interest earned on excess HAP funds during the year.

Comments: HUD has provided us with the attached certification to verify compliance with the requirement to return all interest earned on excess HAP funds which exceeds \$500. The spreadsheet shows the all of the HAP expenses and interest allocated to the excess funding. For the FYE 06/30/2015 we only accrued \$124.44 in interest and are not required to return the funds.

The certification is not required, however, it provides us with documentation that we are in compliance.

Housing Choice Voucher Programs
Interest Earned on Excess HAP Funds and RNP Balances
PHA Annual Certification for Internal Records

PHA Name: Charles City Housing

PHA Number: FA002

PHA FYE: 6/30/15

This is to certify that the Charles City PHA earned interest on invested HAP and Restricted Net Position (RNP) funds (formerly referred to as Net Restricted Assets or NRA) for the PHA fiscal year ending, 6/30/15 in the amount of \$ 124.44.

The PHA remitted \$ 0 on (date) to the Department of Health and Human Services (HHS), Payment Management System (PMS).

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Authorized PHA Official

7/16/15
Date

Jeremy Heyer, Board Chairperson
Printed Official's Name and Title

This Certification must be signed by the appropriate PHA official and keep for financial review purposes by the auditor or the Housing Voucher Quality Assurance Division (QAD). Interest must be remitted to the Treasury via the HHS Payment Management System no later than 45 days following the PHA FYE covered by this certification.

HHS guidance related to funds remittances can be found on the HHS Division of Payment Management website at the following link:

http://www.dpm.psc.gov/grant_recipient/funding_requests/returning_interest.aspx

Click on "returning funds" for specific information.

| | Total Interest Income | Total Fraud | Reimbursed HAP Expenses | |
|-----------|-----------------------|-------------|-------------------------|----------------------|
| July | 81.58 | | 703 | NRA as of 07/01/2014 |
| August | 63.54 | | 623 | \$6,342 |
| September | 61.65 | | 59 | |
| October | 63.76 | | 234 | UNA as of 07/01/2014 |
| November | 106 | | 79 | \$39,772 |
| December | 113 | | 204 | |
| January | 69.31 | | 91 | Interest Due HUD |
| February | 61.28 | | 293 | 0 |
| March | 68.1 | | 295 | |
| April | 67.57 | | 2061 | Interest on NRA |
| May | 69.06 | | 0 | 124.44 |
| June | 66.46 | | 834 | |

| | Beginning NRA Balance | Allocated Interest | Allocated Fraud | Reimbursed HAP | ACC | HAP Pmts | Ending Balance | Investment Total NRA + UNA | HUD Held NRA |
|-----------|-----------------------|--------------------|-----------------|----------------|----------|----------|----------------|----------------------------|--------------|
| July | \$6,342 | 11.22 | 351.50 | 0.00 | \$49,853 | \$48,715 | \$7,831 | \$48,856 | |
| August | \$7,831 | 10.18 | 311.50 | 0.00 | \$49,853 | \$47,906 | \$10,090 | \$50,850 | |
| September | \$10,090 | 12.23 | 29.50 | 0.00 | \$47,553 | \$50,462 | \$7,210 | \$48,090 | |
| October | \$7,210 | 9.56 | 117.00 | 0.00 | \$48,715 | \$50,298 | \$5,744 | \$48,436 | |
| November | \$5,744 | 12.57 | 39.50 | 0.00 | \$47,906 | \$50,015 | \$3,675 | \$48,353 | |
| December | \$3,675 | 8.59 | 102.00 | 0.00 | \$45,758 | \$45,664 | \$3,871 | \$49,807 | |
| January | \$3,871 | 5.39 | 45.50 | 0.00 | \$50,801 | \$46,396 | \$8,321 | \$55,537 | |
| February | \$8,321 | 9.18 | 146.50 | 0.00 | \$50,515 | \$49,152 | \$9,831 | \$58,517 | |
| March | \$9,831 | 11.44 | 147.50 | 0.00 | \$50,515 | \$47,877 | \$12,616 | \$62,967 | |
| April | \$12,616 | 13.54 | 1,030.50 | 0.00 | \$46,065 | \$47,739 | \$11,973 | \$66,243 | |
| May | \$11,973 | 12.48 | 0.00 | 0.00 | \$43,833 | \$48,728 | \$7,078 | \$58,363 | |
| June | \$7,078 | 8.06 | 417.00 | 0.00 | \$49,587 | \$48,019 | \$9,063 | \$61,605 | |

| | Beginning UNA Balance | Allocated Interest | Allocated Fraud | Reimb. Expense | Admin Fee | Admin Expenses | Ending Balance | VMS Balance |
|-----------|-----------------------|--------------------|-----------------|----------------|-----------|----------------|----------------|-------------------|
| July | \$39,772 | \$70.36 | \$351.50 | | \$8,001 | \$7,170 | \$40,194 | \$831 \$41,025 |
| August | \$41,025 | \$53.36 | \$311.50 | | \$5,776 | \$6,405 | \$40,761 | -\$629 \$40,761 |
| September | \$40,761 | \$49.42 | \$29.50 | | \$5,776 | \$5,736 | \$40,840 | \$40 \$40,880 |
| October | \$40,880 | \$54.20 | \$117.00 | | \$7,195 | \$5,554 | \$41,051 | \$1,641 \$42,692 |
| November | \$42,692 | \$93.43 | \$39.50 | | \$7,195 | \$5,341 | \$42,825 | \$1,854 \$44,679 |
| December | \$44,679 | \$104.41 | \$102.00 | | \$7,195 | \$6,144 | \$44,885 | \$1,051 \$45,936 |
| January | \$45,936 | \$63.92 | \$45.50 | | \$7,200 | \$6,030 | \$46,046 | \$1,170 \$47,216 |
| February | \$47,216 | \$52.10 | \$146.50 | | \$6,744 | \$5,472 | \$47,414 | \$1,272 \$48,686 |
| March | \$48,686 | \$56.66 | \$147.50 | | \$6,744 | \$5,283 | \$48,890 | \$1,461 \$50,351 |
| April | \$50,351 | \$54.03 | \$1,030.50 | | \$8,423 | \$5,589 | \$51,436 | \$2,834 \$54,270 |
| May | \$54,270 | \$56.58 | \$0.00 | | \$7,074 | \$10,115 | \$51,285 | -\$3,041 \$51,285 |
| June | \$51,285 | \$58.40 | \$417.00 | | \$7,074 | \$6,292 | \$51,761 | \$782 \$52,543 |
| | | \$767 | \$2,738 | | \$84,397 | \$75,131 | | \$9,266 |

MEETING DATE: 07/16/15

RE: Review PIH Notice 1996-13 Regarding
Investment Policies

REQUESTED ACTION: Review PIH Notice 1996-33 to satisfy HUD requirement resulting from Audit Finding 2013-5 and 2014-2 General Depository Agreement (GDA).

Comments: HUD has reviewed our audits for FYE 2013 and 2014. The attached letter outlines the findings and HUD's response. As noted in the letter, they are requiring the board to review the notice and provide the meeting minutes from the review. PIH Notice 1996-33 and the City's Investment Policy will be available at the meeting for review and comment.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

KANSAS/MISSOURI STATE OFFICE

Gateway Tower II, Room 200

400 State Avenue

Kansas City, KS 66101-2406

HUD Home Page: www.hud.gov

JUL 06 2015

Ms. Heidi Nielsen
Executive Director
Charles City Housing & Redevelopment Authority
501 Cedar Terrace South
Charles City, IA 50616

Dear Ms. Nielsen:

The Department has reviewed the audit reports of the Charles City Housing & Redevelopment Authority (Housing Authority) for the Fiscal Years Ending June 30, 2013, and June 30, 2014.

The findings are addressed below:

Repeat Finding 2013-1 & 2013-3: Lack of Segregation of Duties

The auditor noted that the Housing Authority does not have adequate personnel to segregate duties and responsibilities. The auditor recommended the Housing Authority review its internal control procedures to obtain the maximum internal control possible under the circumstances.

The Department sustains this Finding. In response to the same Finding from the prior year audit, the Department accepted your corrective actions to strengthen internal controls and acknowledged that additional internal controls are not cost-beneficial. This Finding will remain open; but, no further response is required.

Repeat Finding 2013-2, 2013-3 and 2014-1: Financial Statement Preparation

The auditor noted that the Housing Authority's internal controls related to preparation of required disclosures are not properly designed in order for the financial statements to be presented in accordance with generally accepted accounting principles. The auditor recommended that personnel in charge of accounting receive additional training in order to identify the types of disclosures to financial statements that would be required for this type of organization.

The Department sustains this Finding. The auditor noted your response that you determined the cost to obtain adequate knowledge would exceed the benefit, so you will continue to rely on the auditors to prepare the financial statements. In response to the same Finding from

the prior year audit, the Department accepted your response that the cost to obtain adequate knowledge and training would exceed the benefit. This Finding will remain open; but, no further response is required.

Finding 2013-4: Section 8 Housing Choice Voucher Inspections

The auditor noted that the Housing Authority failed a rental unit inspection due to a faulty fire detector which is a life-threatening deficiency. The auditor recommended the Housing Authority reiterate to the inspectors that all life-threatening deficiencies be cleared/corrected within 24 hours of the initial inspection. We believe the auditor was referring to first inspections for re-certifications rather than initial inspections.

The Department sustains this Finding. The Housing Authority was in violation of 24 CFR 982.404, requiring life-threatening deficiencies be corrected within 24 hours. This violation could have led to serious injury or death of the program participants. The auditor noted your response that you reminded inspectors of the need to clear life-threatening deficiencies within 24 hours and that first inspections are no longer performed on Fridays or holidays when inspectors would not be available the following day to re-inspect. To clear this Finding within 30 calendar days of the date of this letter, please submit a formal policy that confirms first inspections will not be conducted on any day for which a follow-up inspection cannot be performed within 24 hours and that inspectors will clear life-threatening deficiencies within 24 hours.

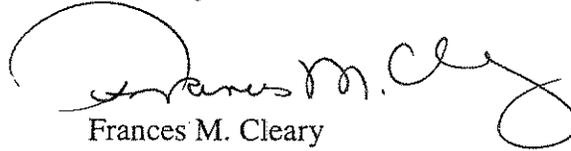
Finding 2013-5 and 2014-2: General Depository Agreement (GDA)

The auditor noted that the Housing Authority did not have a GDA with the bank holding its funds in 2013 and part of the year in 2014. Further, the Housing Authority did not maintain its own bank account. All Housing Authority funds are deposited into the main City account and all expenses are paid from it. The auditor recommends the Housing Authority obtain the required GDA and set up a separate bank account for the Housing Authority in order to limit restrictions imposed by the HUD GDA on the City's bank account.

The Department sustains the Finding regarding the required GDA. The Housing Authority can keep its funds in the City account or in a separate account; but, whichever account it chooses must have a GDA form HUD-51999. The auditor noted your response that the Housing Authority obtained the required depository agreement in February 2014 and opened a separate account in July 2014. Further, please review PIH Notice 1996-33 reinstated indefinitely by PIH Notice 2002-13, regarding the GDA collateralization of deposits and investment of funds. Within 30 days from the date of this letter, please provide a copy of form HUD-51999, a copy of your latest bank statement, a copy of any collateral and a copy of the minutes from your Board meeting documenting review of PIH Notice 1996-33.

If you have any questions, please contact Julie Miles, Financial Analyst at 913-551-5529 or julie.a.miles@hud.gov or Steve McWhinney, Facilities Management Specialist at 913-551-5508 or steven.l.mcwhinney@hud.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Frances M. Cleary". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail that ends in a small circle.

Frances M. Cleary
Director
Office of Public Housing

cc:
Jeremy Heyer
Board Chairperson