



**REGULAR MEETING OF THE BOARD OF COMMISSIONERS**  
OF THE HOUSING AUTHORITY OF THE CITY OF WILMINGTON, NORTH CAROLINA

November 30, 2021

The regular meeting of the Wilmington Housing Authority (WHA) Board of Commissioners was held at Hampton Inn, 2320 S 17th Street, Wilmington, NC.

**Commissioners Present:**

- A.R. Sharp, Chair
- Lee Backston, Vice Chair
- Hollis Briggs, Commissioner
- Theresa Everett, Commissioner
- Stuart Franck, Commissioner
- Nancy Guyton, Commissioner
- Jeff Hovis, Commissioner
- Joan Johnson, Commissioner

**Others Present:**

- Vernice Hamilton, Interim Executive Director
- Kim Fitzwater, VP, Finance and Administration
- Julia Shaw, Exec. Asst./Communications Coord.
- Sherrod Banks, The Banks Law Firm

**1. Call to Order**

The meeting was called to order by Chair Sharp at 4:05 p.m. pursuant to the Public Notice. He thanked Mr. Banks, for attending. Chair Sharp introduced Commissioner Hovis and Commissioner Franck, former Board Members recently re-appointed and thanked them for agreeing to offer their historical perspective and expertise to the Board.

Commissioner Sharp proposed that the Audit Presentation be moved above New Business.

**2. Roll Call**

Roll call was taken and a quorum was present.

**3. Approval of Agenda**

The Agenda of the November 30, 2021 Board of Commissioners Meeting was reviewed, the motion to approve the agenda with the noted change was made by Commissioner Backston, seconded by Commissioner Stuart and unanimously approved.

**4. Audit Presentation**

Mr. Fitzwater introduced Mandy Merchant and Trish Harthausen of Clifford Larson Allen presented the March 31, 2020 audit which has been delayed due to COVID. The audit applies to WHA, HEO and Glover and is presented together.

Ms. Merchant and Ms. Merchant reported that, overall, the audit went well. Main points included the WHA Board of Commissioners

following:

- The auditors issued an unmodified opinion with regard to the Financial portion of the audit.
- There were no internal control weaknesses.
- There were no significant corrections to be made.
- Regarding compliance, Public Housing had unmodified opinion issued. There was one deficiency due to two files lacking sufficient information for income calculation. Overall, the program is in material compliance.
- Housing Choice Voucher had a qualified opinion issued. There were three material weaknesses. This had to do with eligibility requirements. Some files lacked support for eligibility or lacked HUD forms. The last finding had to do with inspections. These may be remedied by picking from a three-month window when sampling.
- This year required to break findings apart if fall within two categories. There has been improvement overall. Much of this has to do with Yardi conversion errors being fixed. Mr. Fitzwater said that this audit reflects the time period from before the consultant spent time focusing on fixing conversion errors. The consultant came aboard February, 2020.
- Capital fund was issued an unmodified opinion.
- HCV has increased lease-up.
- There were no issues with regard to closing out capital grants.
- There were no issues dealing with management.
- Of note, \$585,000 was earned as a result of bond issuance for Market North redevelopment.

Commissioner Everett asked if we can have updates on what's being done to correct the exceptions.

Mr. Fitzwater said that prior to the consultant, there was less than 1% of vouchers entered into PIC, now there is 95%. Also, the new HCV Director has fluent knowledge of Yardi.

Commissioner Sharp asked Ms. Hamilton to have staff prepare a written report on these items and how they were or are being corrected.

## **5. New Business**

- October 2021 Unaudited Financial Statements

### **WHA**

#### **Income Statement**

Total revenue is above budget YTD by \$933,000. Tenant revenue is higher than budget by \$91,000, public housing revenue is higher than budget by \$304,000, and Housing Choice Voucher is higher than budget by \$617,000.

Total operating expenditures are above budget by \$83,000. Total administrative expenses are below budget by \$241,000. This is offset by utility expenses higher than budget by \$112,000 and Housing Choice Voucher payments above budget by \$273,000.

For the operations portion, Public Housing has a positive cash flow of \$360,000, and Housing Choice Voucher has a positive cash flow of \$676,000 through October. Please keep in mind, however, that HUD tries to keep

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the Housing Choice Voucher program at breakeven, so look for reductions of HCV subsidies during the next 6 to 9 months. COCC has a positive cash flow of \$100,000.

Total WHA through October has a positive cash flow for operations of \$1,243,000.

For WHA, public housing mold remediation costs were approximately \$2,800,000 through October, which includes mold testing, remediation, relocation, per diem, and unit rehab. For public housing, we were able to capitalize all of that amount, so those costs did not affect the income statement. We have Capital Funds 2020 and 2021 remaining, amounting to \$2.7 million. Capital Fund 2022 will be available in First Quarter 2022, and that will provide an additional \$1.65 million.

## **Creekwood South, LLC**

### **Income Statement**

Operating revenue is higher than budget by \$269,000 through October. Operating subsidies, which includes Cares Act monies are higher than budget by \$199,000, and tenant revenue is higher than budget by \$70,000.

Through October, operating expenses are higher than budget by \$163,000. This is due to higher than budgeted maintenance materials and contract costs by \$84,000, and temporary labor costs were above budget by \$77,000.

Creekwood has a positive net cash flow of \$127,000 through October.

## **6. Proposed 2022 Annual Plan**

Ms. Shaw went through the Proposed 2022 Annual Plan, pointing out sections that changed from last year. This included the significant amendment which was submitted to HUD in July, RAD conversion of Jervay, addition of COVID waivers adopted, the Jobs Plus Grant to begin activities in January restructuring to add a VP of Housing and Resident and Services who will identify additional funds and built community partnerships. The person in that position was responsible for securing four national awards and additional grant funds including Jobs Plus in the amount of \$2.3 million.

It was noted that the updated audit information needs to be added to the form. Waiver information needs to be removed. Number of grants awarded needs to be filled in.

Mr. Fitzwater reported on financial resources. There is not much change from last year.

Remediation efforts are captured under general capital fund.

## **7. Resolutions**

### **FINANCE RESOLUTIONS**

**Resolution No. 1449** – Resolution Approving the Housing Authority of the City of Wilmington, North Carolina Unaudited Financial Statements for the Period Ended October 31, 2021

A motion made by Commissioner Guyton to approve Resolution No. 1449 was seconded by Commissioner

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Backston and passed unanimously.

**Resolution No. 1450** – Resolution Approving the Creekwood South, LLC Financial Statements for the Period Ended October 31, 2021

A motion made by Commissioner Guyton to approve Resolution No. 1450 was seconded by Commissioner Everett and passed unanimously.

**Resolution No. 1451** – Resolution Authorizing Write-off of Vacated Tenants Accounts Receivable in the Amount of \$2,032.48 for the Period Ended October 31, 2021

A motion made by Commissioner Guyton to approve Resolution No. 1451 was seconded by Commissioner Backston and passed unanimously.

**Resolution No. 1452** – Resolution Authorizing Write-off of Creekwood South, LLC Vacated Tenants Accounts Receivable in the Amount of \$815.73 for the Period Ended October 31, 2021

A motion made by Commissioner Backston to approve Resolution No. 1452 was seconded by Commissioner Briggs and passed unanimously.

**Resolution No. 1453** – Resolution Approving Audited Financials for Fiscal Year Ended March 31, 2020

A motion made by Commissioner Everett to approve Resolution No. 1453 was seconded by Commissioner Guyton and passed unanimously.

### **PROCUREMENT RESOLUTION**

**Resolution No. 1454** – Resolution Authorizing the Interim Executive Director to Dispose of Appliances at Creekwood that are Past their Life Cycle

A motion made by Commissioner Hovis to approve Resolution No. 1454 was seconded by Commissioner Briggs and passed unanimously.

### **ADMINISTRATIVE RESOLUTION**

**Resolution No. 1455** – Resolution Approving the 2022 Agency Annual Plan

A motion made by Commissioner Backston to approve Resolution No. 1455 with the noted additions was seconded by Commissioner Franck and passed unanimously.

## **8. Closed Session**

Commissioner Backston made a motion to go into closed session pursuant to NCGS 143-318.11 (a)(3), to discuss a legal matter, seconded by was made by Commissioner Briggs and approved unanimously.

Commissioner Guyton made a motion to come out of closed session, seconded by Commissioner Briggs and passed unanimously. There was no formal action to be taken.

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## 9. Other Business

Commissioner Sharp said that he would like to “appoint Commissioner Everett the Chair of an ad hoc committee to be the centerpoint of our initiations to solve our mold problem”.

Commissioner Sharp said he believes it’s appropriate to issue staff bonuses to those with the organization as of November 15, 2021. The suggestion is \$750 for all employees with an additional amount for certain key staff. Commissioner Guyton made a motion to issue staff bonuses in the amount of \$750 for all staff. This was seconded by Commissioner Briggs and passed unanimously.

## 10. CEO Remarks

Ms. Hamilton gave an update on the open positions. There have been quite a number of no-shows for interviews.

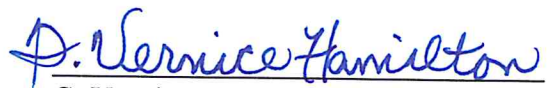
Ms. Hamilton said that she and the Chair met with county officials to discuss the mold issue and if they could help. They also have met with the Mayor.

KIA, Good Shepherd, DHHS, and NHRMC have already provided assistance or reached out to offer assistance.

Commissioner Johnson said she spoke with Ms. Henry about the resident surveys. Ms. Hamilton said she would follow up.

## 11. Adjournment

A motion made by Commissioner Hovis to adjourn, seconded by Commissioner Everett and passed unanimously.



G. Vernice Hamilton  
Acting Executive Director and Secretary  
(SEAL)

