



Wellington Community Housing Board of Directors - May 2, 2024 Agenda

May 2nd 2024 6:00pm - 7:00pm

Virtual Meeting via Zoom: [https://us06web.zoom.us/j/89347976828?](https://us06web.zoom.us/j/89347976828?pwd=fXukC4zzWruT64n6IUCc0hYIRpFAo4.1)

[pwd=fXukC4zzWruT64n6IUCc0hYIRpFAo4.1](https://us06web.zoom.us/j/89347976828?pwd=fXukC4zzWruT64n6IUCc0hYIRpFAo4.1)

Julie Francis is inviting you to a scheduled Zoom meeting.

Topic: Wellington Community Housing Board of Directors - May 2, 2024

Time: May 2, 2024 06:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/89347976828?pwd=fXukC4zzWruT64n6IUCc0hYIRpFAo4.1>

Meeting ID: 893 4797 6828

Passcode: 251064

One tap mobile

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Meeting ID: 893 4797 6828

Find your local number: <https://us06web.zoom.us/j/89347976828>

I. Call to Order (6:00-6:05)

Amy Comstock

6:00pm

a. Mindful Moment

b. Citizen Input

II. Approval of Minutes from February 1, 2024 (6:05-6:10)

Amy Comstock

6:05pm

 [Minutes WCH 02.01.2024.pdf](#)

III. Staff Updates (6:10-6:20)

6:10pm

a. Portfolio Review

Justin Corey

6:10pm

IV. Financial Services Update (6:20-6:40)

Tonya Frammolino

6:20pm

a. Procedure for requesting and obtaining Board approval for line of credit advances

b. Q1 Financial Report

 [WCH.WHA - Q1 2024 Financial Report v1.0.pdf](#)

V. Legislative Issue Update (6:40-6:50)

Julie Brewen
Aaron Jackson

6:40pm

VI. Next Meeting Date: August 1, 2024

VII. Adjournment

END
7:00pm

Wellington Community Housing Board of Directors February 1, 2024 – Minutes

I. Attendees

Directors: Amy Comstock–President, Calar Chaussee, Mishie Daknis, Aaron Jackson, Bob Novascone

Staff: Julie Brewen, Justin Corey, Tonya Frammolino, Julie Francis

II. Call to Order

President Amy Comstock called the meeting to order at 6:03 pm.

a. Mindful Moment

Chief Executive Officer Julie Brewen led the group in a Mindful Moment.

b. Citizen Input

There was no citizen input.

III. Approval of Minutes from November 27, 2023

Director Mishie Daknis moved to approve the minutes of the November 27, 2023 meeting. Director Calar Chaussee seconded, and the motion was passed unanimously.

IV. Action Items

a. Election of Officers

The slate of officers was presented for Wellington Community Housing:

- President – Amy Comstock
- Vice President – Bob Novascone
- Secretary – Julie Brewen

Director Bob Novascone moved to approve the 2024 slate of officers as presented.

Director Chaussee seconded, and the motion was passed unanimously.

Director Mishie Daknis announced that she is moving to another town so is resigning from this Board; this is her last meeting. She will send a formal resignation e-mail to the Town Clerk.

V. Updates

a. 2023 Property Management Report

Senior Director of Asset Management, Justin Corey provided an overview of Wellington property operations for 2023, describing a variety of metrics. His presentation, with details, is located in Boardable for reference.

b. Year-End 2023 Financial Report

Chief Financial Officer Tonya Frammolino presented the 2023 financial results for Wellington Housing Authority and Wellington Community Housing. Her presentation, with details, is located in Boardable for reference.

Mr. Corey reported on operating revenues. He noted that occupancy is currently at 97.4%; only one of the 42 units is currently vacant. He noted a budgeting error in rental income projections.

1. 10th Year Awarded GFOA Excellence in Reporting

Ms. Frammolino reported that, for the tenth year, Housing Catalyst has been awarded the Government Finance Officers Association (GFOA) Excellence in Reporting award.

2. Insurance Update

Ms. Frammolino presented data showing that over 41% of affordable housing providers experienced premium increases of over 20% year-over-year, due to factors like limited markets, claims history, and major events impacting insurers. Wellington's portfolio experienced a 20.1% year-over-year premium increase, but this was largely due to a \$3 million increase in the applied building valuation. Adjusting for the increased building value, Wellington's actual market increase was 12.8%.

An update was provided on increased property insurance coverage totals and an increase to business interruption coverage, based on updated rental income figures.

The public officials liability coverage premium for 2024 was projected to be \$608, a 4% increase from 2023.

Ms. Frammolino provided an update on the new insurance broker, Lamb Insurance Services.

a. Waitlist Update

Ms. Brewen discussed the recent waitlist process. A memo, with details, is in Boardable for reference. Ms. Brewen noted that a preference was given to applicants currently residing, or working at least 20 hours per week, in Wellington. She will check with staff to find out how many people actually received the Wellington preference.

VI. Legislative Issues Update

Ms. Brewen noted that there are several bills being tracked, especially regarding tenant rights.

She will send information to this Board about the upcoming NAHRO Washington D.C. legislative conference.

VII. Adjourn Wellington Community Housing Board of Directors

President Comstock adjourned the Wellington Community Housing Board of Directors at 6:54 pm.

VIII. Call to Order Wellington Housing Authority Board of Commissioners

Chair Comstock called the Wellington Housing Authority Board of Commissioners to order at 6:54 pm.

IX. Election of Officers

The slate of officers was presented for the Wellington Housing Authority Board of Commissioners:

- Chair – Amy Comstock
- Vice Chair – Bob Novascone
- Secretary – Julie Brewen

Commissioner Mishie Daknis moved to approve the 2024 slate of officers as presented. Commissioner Chaussee seconded, and the motion was passed unanimously.

Commissioner Daknis was thanked for her nearly 20 years of service to the Wellington Housing Authority and Community Housing Boards.

X. Adjourn Wellington Housing Authority Board of Commissioners

Chair Comstock adjourned the Wellington Housing Authority Board of Commissioners at 7:00 pm.

XI. Next Meeting Date: May 2, 2024



Wellington Housing Authority | Wellington Community Housing

FINANCIAL REPORT | Q1 2024

PREPARED AND PRESENTED BY:



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Executive Summary

Wellington Housing Authority through Wellington Community Housing provides housing for eligible low-income individuals and families. Wellington Community Housing contracts with Housing Catalyst to manage 42 family units located in Wellington along with agency management of both Wellington Housing Authority and Wellington Community Housing.

Presented are both the Wellington Housing Authority and Wellington Community Housing Financial Statements for the quarter ending March 31, 2024. These entities are presented separately for your review since they do not meet the criteria for consolidation.

Wellington Housing Authority

Wellington Housing Authority will remain active despite transferring its owned real estate to Wellington Community Housing. The Wellington Housing Authority board of commissioners is independently appointed by the City of Wellington.

BALANCE SHEET

There are no transactions to report for Wellington Housing Authority.

BUDGET COMPARISON

There are no transactions to report for Wellington Housing Authority.

Wellington Community Housing

Wellington Community Housing was formed in 2019 and during 2021 received all the assets in the form of a contribution from the Wellington Housing Authority. It was also awarded IRS 501(c)(3) non-profit status effective October 17, 2019. This designation enables the entity the ability to receive tax deductible bequests, devises, transfers, and gifts. The Wellington Community Housing nonprofit entity was further designated by the IRS as a public charity and will be required to file annual 990 tax forms. The Board of Directors for Wellington Community Housing is separately appointed by the City of Wellington and will be reported using guidance provided by the Governmental Accounting Standards Board (GASB.)

BALANCE SHEET

Exhibit 1 represents the standard Balance Sheet presentation showing the year-end totals compared to the totals at the beginning of the year. Total assets ended the year at \$637,029 which represents a decrease of \$6,758 or 1.0%. The primary factor impacting the total asset value is a decrease in accounts receivable and a decrease in cash, offset by an increase in prepaid expenses.

Current Assets:

Total cash at the end of the period was \$195,623 which represents a decrease of \$28,168 or 12.6% year-to-date due to payment of year end vendor invoices.

Of the funds in the bank, \$14,946 are restricted for security deposits.

Accounts receivable decreased by \$5,981 or 53.9% year over year due to better collection timelines.

Noncurrent Assets:

Net fixed assets are the real property assets owned by the entity net of accumulated depreciation. The assets were contributed from Wellington Housing Authority at net book value as of the financial year ended December 31, 2021.

The book value of the net fixed assets closed the quarter at \$401,096, which represents a decline of \$4,961 or 1.2%. The decline is due to regular depreciation of the assets.

Current Liabilities:

The accounts payable balance at the end of the year is \$12,201. This represents a decrease of \$45,658 or 78.9% due to the timing of payments.

Equity:

Cumulative retained earnings year-to-date were \$608,333 which represents an increase of \$38,916 or 6.8%.

BUDGET COMPARISON

Exhibit 2 contains the budget comparison report for Wellington Community Housing. This report is a standard presentation of the Income Statement activity presented in a budget variance format. It includes the total annual budget figures for informational purposes.

Operating Revenue:

Net rental income for 2024 year-to-date is unfavorable to budgeted targets by \$2,171 or 1.2%. The primary reason for this variance are due to the write-off variance of \$5,239.

At the end of the quarter the occupancy was 100% with all 42 units occupied.

Operating Expenses:

Total 2024 year-to-date operating expenses were favorable to budget by \$38,085 or 23.9%. Factors contributing to this variance were:

- Administrative Expenses, including technology expenses, were favorable to budget by \$6,647 due to timing of spending
- Utilities Expenses were favorable to budget by \$1,826
- Maintenance expenses were favorable to budget by \$31,060 due mostly to timing of spending on contract grounds and unit turn costs

Net Operating Income:

Net operating income or “NOI” represents the net income or loss before non-operating income and expenses are considered. This is a key indicator for the success of a rental property.

The year-to-date NOI of \$58,530 is \$34,987 or 149% above the budgeted target of \$23,543. NOI has been positively impacted by factors mentioned above.

Non-Operating Income (Expenses):

Net non-operating items were unfavorable to budget by \$7,272 due to corporate management fee of \$6,250 not budgeted.

Net Income:

Net income represents the bottom-line representation of an entity’s earnings or losses.

The year-to-date net income of \$38,916 is above the budgeted target of \$11,192.

EXHIBIT 1: Wellington Community Housing – Balance Sheet

Wellington Community Housing (welch)

Balance Sheet (With Period Change)

Period = Jan 2024-Mar 2024

Book = Accrual ; Tree = summary.bs

	Balance	Beginning	Net
	Current Period	Balance	Change
ASSETS			
CURRENT ASSETS:			
CASH			
Unrestricted Cash	180,677	208,845	-28,168
Restricted Cash	14,946	14,946	0
TOTAL CASH	195,623	223,791	-28,168
ACCOUNTS AND NOTES RECEIVABLE			
Accounts Receivable	5,125	11,106	-5,981
Intra-Dept: Due To/From	-186	-526	340
TOTAL ACCOUNTS AND NOTES RECEIVABLE	4,939	10,580	-5,641
OTHER CURRENT ASSETS			
Prepaid Expenses and Other Assets	35,371	3,358	32,013
TOTAL OTHER CURRENT ASSETS	35,371	3,358	32,013
TOTAL CURRENT ASSETS	235,933	237,729	-1,796
NONCURRENT ASSETS:			
NET FIXED ASSETS	401,096	406,057	-4,961
TOTAL NONCURRENT ASSETS	401,096	406,057	-4,961
TOTAL ASSETS	637,029	643,786	-6,758
LIABILITIES & EQUITY			
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	12,201	57,859	-45,658
Tenant Security Deposits	14,946	14,946	0
Tenant Prepaid Rents	1,548	1,564	-16
TOTAL CURRENT LIABILITIES	28,695	74,369	-45,674
TOTAL LIABILITIES	28,695	74,369	-45,674
EQUITY			
RETAINED EARNINGS:			
Invested in Capital Assets-Net of Debt	434,878	434,878	0
Current Year Income	11,701	-27,215	38,916
Unrestricted Net Assets	161,754	161,754	0
TOTAL RETAINED EARNINGS:	608,333	569,417	38,916
TOTAL EQUITY	608,333	569,417	38,916
TOTAL LIABILITIES AND EQUITY	637,029	643,786	-6,758

EXHIBIT 2: Wellington Community Housing – Budget Comparison (pages 5-7)

Wellington Community Housing (welch)

Budget Comparison

Period = Jan 2024-Mar 2024

Book = Accrual ; Tree = welch

	YTD Actual	YTD Budget	Variance	% Var
OPERATING REVENUES				
RENTAL INCOME				
Gross Potential Rent	188,220	197,631	-9,411	-5
(Loss) Gain to Lease	-8,032	-12,703	4,671	37
NET POTENTIAL RENT	180,188	184,928	-4,740	-3
RENT ADJUSTMENTS				
Less: Vacancies	1,414	-5,929	7,343	124
Less: Concessions	0	-51	51	100
Less: Write-offs	-5,239	-1,250	-3,989	-319
Repayment Agreement 2	0	837	-837	-100
TOTAL RENT ADJUSTMENTS	-3,825	-6,393	2,568	40
NET RENTAL INCOME	176,363	178,535	-2,171	-1
OTHER TENANT INCOME				
Ancillary Income	0	86	-86	-100
Late Charges	475	250	225	90
Legal Fees - Tenant	0	1,374	-1,374	-100
Tenant Owed Utilities	537	1,251	-714	-57
Tenant Work Orders	2,273	1,250	1,023	82
TOTAL OTHER TENANT INCOME	3,285	4,211	-926	-22
EFFECTIVE GROSS INCOME	179,648	182,746	-3,098	-2
TOTAL OPERATING REVENUE	179,648	182,746	-3,098	-2

Wellington Community Housing (welch)

Budget Comparison

Period = Jan 2024-Mar 2024

Book = Accrual ; Tree = welch

	YTD Actual	YTD Budget	Variance	% Var
OPERATING EXPENSES				
ADMINISTRATIVE				
Labor Expenses				
Compensation				
Management Labor	11,211	10,946	-265	-2
Total Compensation	11,211	10,946	-265	-2
Total Labor Expenses	11,211	10,946	-265	-2
Legal Expense				
Legal-Criminal Background Checks	0	0	0	N/A
Legal-Tenant Screening	58	160	102	64
Legal-General Expense	45	1,332	1,287	97
Total Legal Expense	103	1,492	1,389	93
Management Related Expense				
Property Management Expense	14,791	14,720	-71	0
Accounting/Bookkeeping Expense	14,791	14,720	-71	0
Total Management Related Expenses	29,582	29,439	-143	0
Other Administrative Expenses				
Staff Training & Conferences	365	0	-365	N/A
Compliance Services - Internal	2,442	2,441	-1	0
Auditing & Tax Services	2,428	2,428	0	0
Resident Relocation	0	1,250	1,250	100
Office Rent	0	-24	-24	-100
Security Services	392	500	108	22
Miscellaneous Admin Expenses	0	0	0	N/A
Total Other Administrative Expenses	5,627	6,595	968	15
Technology Expenses				
Managed Services - Internal	1,182	1,184	2	0
Telephone - Landline/Virtual	135	229	94	41
Internet Services	1,235	6,000	4,765	79
Cellular - Phones Tablets	163	0	-163	N/A
Total Technology Expenses	2,715	7,412	4,697	63
TOTAL ADMINISTRATIVE EXPENSES	49,239	55,886	6,647	12

Wellington Community Housing (welch)

Budget Comparison

Period = Jan 2024-Mar 2024

Book = Accrual ; Tree = welch

	YTD Actual	YTD Budget	Variance	% Var
GENERAL EXPENSES				
Resident Services				
Resident Services - Internal	8,400	8,400	0	0
Total Resident Services	8,400	8,400	0	0
Utilities Expense				
Water	14,099	14,098	-1	0
Electricity	1,745	1,704	-40	-2
Electricity-Vacant Units	0	25	25	100
Gas	3,469	5,543	2,074	37
Trash Removal Services	3,327	3,095	-232	-7
Total Utility Expenses	22,640	24,466	1,826	7
Maintenance Expenses				
Supplies	490	2,450	1,960	80
Contracts	29,702	46,887	17,185	37
Unit Turn Costs	0	11,914	11,914	100
Total Maintenance Expenses	30,191	61,251	31,060	51
Insurance & Taxes Expenses				
Insurance - Property	10,559	9,189	-1,369	-15
Total Tax & Insurance Expenses	10,559	9,189	-1,369	-15
Other General Expenses				
Membership and Fees	89	10	-78	-769
Total Other General Expenses	89	10	-78	-769
TOTAL GENERAL EXPENSES	71,879	103,317	31,438	30
TOTAL OPERATING EXPENSES	121,118	159,203	38,085	24
NET OPERATING INCOME	58,530	23,543	34,987	149
NON-OPERATING INCOME EXPENSE				
NON OPERATING INCOME				
Interest Income - Unrestricted	59	50	9	18
TOTAL NON OPERATING INCOME	59	50	9	18
NON OPERATING EXPENSES				
Interest Expense				
Other Financing Costs	500	0	-500	N/A
Total Interest Expense	500	0	-500	N/A
Depreciation Amortization Expense	12,923	12,401	-522	-4
Other Non-Operating Expenses				
Corporate Management Expense	6,250	0	-6,250	N/A
Total Other Non-Operating Expenses	6,250	0	-6,250	N/A
TOTAL NON OPERATING EXPENSES	19,673	12,401	-7,272	-59
NET NON-OPERATING INCOME EXPENSE	-19,614	-12,351	-7,263	-59
NET INCOME (LOSS)	38,916	11,192	27,724	248

