

Lincolnshire Apartments, Inc.
Lincolnshire North Apartments, Inc.

Board of Directors' Meeting

MINUTES

September 17, 2007

A concurrent meeting of the Boards of Directors of Lincolnshire Apartments, Inc./Lincolnshire North Apartments, Inc. was held on Monday, September 17, 2007 at 12:03 p.m. in the Board Room at Audubon Area Community Services, Inc.

Board Members Present:

Ms. Carrie Blackham **
Ms. Cathy Lamar *

Ms. Melody Lanham
Mr. Jerry Manning

Mr. Michael Morton *
Ms. Beth Murphy

* Lincolnshire members

** Lincolnshire North members

Staff Present:

Ms. Sheila Boling, Housing Director
Ms. Cheryl Calloway, Housing Manager
Mr. Ronald Logsdon, Executive Director

Ms. Denise Marcum, Executive Assistant
Mr. Terry Payne, Chief Financial Officer

Others Present:

Mr. Charles Kamuf, II, Attorney

Ms. Britney McCarter, Visitor

Chairperson of the Lincolnshires' Boards, Mr. Jerry Manning, called the meeting to order at 12:03 p.m. Both the Lincolnshire and the Lincolnshire North Apartments, Inc. Board had a quorum present.

Agenda

Chairperson Mr. Manning entertained a motion to accept the current agenda and the minutes from the last March 2007 meeting. Mr. Logsdon stated that he would like to present the "We the People" presentation at the end of the meeting.

Mr. Michael Morton made a motion to accept the agenda and Ms. Beth Murphy seconded the motion. Motion carried.

NEW BUSINESS

Kentucky Housing Corporation's July 19th Management Review. Ms. Boling distributed the management reviews that were completed by Kentucky Housing Corporation (KHC). Lincolnshire received a satisfactory rating. Ms. Boling stated that pets were a repeat issue that was addressed this year in their review. After KHC inspected several of the units and found pets, it was noted that there were no "assistive animal" forms in the file. Ms. Boling stated that her office had to send out notices to everyone that had a pet in their apartment. The resident then had to come into the office and complete a doctor's form or had to get rid of the pet. It was explained that unless pets were seen when housekeeping inspections were completed, there was no way of knowing of a pet being in the apartment. Ms. Boling also stated that her office doesn't just go in and see if there is a pet in the apartment.

Included in the report were a few maintenance work orders that needed to be done. These were work orders that were not sent in by the occupants.

Ms. Boling stated that the staff now has to get "student" forms on *every* tenant in Lincolnshire, regardless of whether they are 18 or 60. A notice to this effect was sent to every resident. Each resident had to come in to the office and sign a *student* form, whether they are a student or non-student. This is because tuition now counts toward eligibility, whereas it did not use to count.

KHC requested that the properties' Social Security forms be changed. When Ms. Boling made up the form she did not put a line item on it for deductions. Other than that, Ms. Boling stated, we did not see any major issues at all and that she was actually happy with it this time. Ms. Boling's response to the report was attached.

Mr. Manning asked if there were any questions. Mr. Morton spoke up and said that he did. He asked in regards to the pets, if residents were aware that when taking their pets outside, that they are required to clean up after their pet and for the pet to be on a leash. Ms. Boling stated that there is an assistive animal policy that has to be signed off on by each resident with a pet and that is included in the policy. Mr. Logsdon asked if the policy included cleaning up after the pet. Both Ms. Boling and Ms. Calloway said yes. Mr. Morton asked about the pets having to be on a leash when outside. Ms. Boling said the pet is supposed to be on a leash. Ms. Calloway instructed Mr. Morton to come into the office, file a complaint in writing with the office and the issue would be addressed.

Mr. Logsdon inquired about a follow-up letter from KHC in regards to needing some more items from the management review addressed. Ms. Boling stated that she normally did not have to address *back* to KHC something that could *not* be changed on what KHC staff wrote Lincolnshire up for. Ms. Boling also stated that this represents a policy change on KHC's part. Ms. Boling said that she will have the secondary issues addressed and a KHC response ready for Mr. Logsdon's signature later in the day or tomorrow. Mr. Manning asked if there were any more questions. There were none.

Approval of the November Section 8 Renewal Contracts. Ms. Boling distributed copies of the approved 2007-2008 Rent Schedules for both Lincolnshire and Lincolnshire North. The existing schedules expire the first of December. Ms. Boling stated that in July all of the requisite paperwork is started to get the rent schedules renewed for the subsequent year. The rent increase was approximately 1.03%, but it will not affect any current resident that does not pay Market Rent. At this point, there are no Market Renters so it will not affect anyone, she said. These renewals are in effect from December 1, 2007 until November 30, 2008. Mr. Manning asked if there were any questions. There were none.

Report on REAC's (Real Estate Assessment Center) August 20th Review. Ms. Boling distributed the review from the Real Estate Assessment Center (REAC) inspection for Lincolnshire North on August 20th. Since the score was above 80%, the REAC should only come every two (2) years unless the regulations change. This is the company that HUD contracts with to come in and do assessments of the units, inside and outside, the grounds, the property, and the fences. Mr. Manning asked if REAC looked at every one of the units. Ms. Boling stated no. REAC comes in and randomly picks tenants from the computer. The units that are picked by the computer are inspected and they do not go in any vacant apartments. REAC is not allowed to do that.

Mr. Logsdon asked about the terms of notice requirements for the residents and if this was exempt from that. Ms. Boling said no. Mr. Logsdon asked if REAC picked them before he got there. Ms. Boling stated that he actually picks them after he arrives at the office. Ms. Boling notifies everybody by letter that REAC will be there on this date and at this time and that any unit can be picked for inspection. That's all Lincolnshire is required to do and proof has to be given to HUD that notices were actually sent

out. Everyone did get a notice that REAC was coming. Ms. Boling stated that Lincolnshire made an “87” on the report, which was good so the REAC won’t be back for two (2) years.

There were no health and safety issues. The major item that was found defective this time was the gaskets around the refrigerator. Those were found in quite a few apartments. Those have been ordered and have already been put on. One fence was found that was not falling down, but where kids had jumped over it and was bent over. Other than that, some stoves were found where one of the burners would not light and the maintenance guys got to go in and fix it on the spot. There was not a deduction of points from that. Also found was a little bit of mold around a couple of water heater houses which Lincolnshire was cited for and this was also taken care of. Ms. Boling stated that all in all, she was pleased. REAC will be back on November 6th for Lincolnshire. If the score will be above 80, REAC won’t be back for another two (2) years on that one as well.

Ms. Boling stated that she is in the process of inspecting the foundations. Some of the foundations had some caulking coming out from between the bricks. The maintenance men had to go back and fix them. Mr. Manning asked if Ms. Boling’s own maintenance men do that. Ms. Boling said yes. All that REAC required Ms. Boling to do was to caulk it or take a little bit of concrete and go over the top of it. The maintenance guys are working on that now and will go ahead and do that to Lincolnshire as well, so that will be done before REAC arrives in November. Mr. Manning asked if anyone had any questions.

Mr. Morton stated that he had a question about the swings on the outside of the premises. Ms. Boling stated that on inspection day, the swings looked good. The next morning when Ms. Boling came in to work, the swings were wrapped around the poles again. Mr. Morton asked about the one at Lincolnshire North. Ms. Boling asked if Mr. Morton was talking about the swings at the one-bedroom apartments. Mr. Morton said yes. Mr. Manning stated if there were no other questions, then the meeting would move on.

Vacancy Report for Lincolnshire and Lincolnshire North. Ms. Calloway stated that at Lincolnshire North there are fifteen (15) vacancies. She gave the following breakdowns by bedroom size: There are four (4) 1-bedroom empty units with one (1) ready to be occupied; four (4) 2-bedroom units empty with none ready; and two (2) empty 3-bedroom units with none ready. Right now, Ms. Calloway said that she is waiting on people to have their money and unless something comes up that she doesn’t know about, people will be moving in from the first through the fifth of the month because that’s when the people will have their money.

Ms. Calloway also gave the following breakdowns for Lincolnshire: the 1-bedroom units, there are four (4) vacant, with one (1) being ready at three p.m. today; the 2-bedrooms, there are four (4) vacant and none ready; and the 3-bedroom units two (2) are vacant and one (1) is ready to rent and there is an appointment tomorrow for a couple to see it.

Mr. Logsdon asked how many in total were vacant. Ms. Calloway stated that there were a total of twenty-five (25) vacant units at this time. Mr. Logsdon explained that Lincolnshire always tries to stay at or below 10 or 11%, so we are a little above right now. Mr. Logsdon asked if there were any issues that would count for vacancies being on the rise. Mr. Logsdon stated that he and Ms. Boling have been talking about it for the past month or so that it is rising. Mr. Logsdon also stated that he doesn’t know if it is something going on in the community, maybe new construction or what. The vacancies are up a little bit and that always concerns Mr. Logsdon because if the vacancies don’t stay at that 10% or 11% or below, then Lincolnshire will have funding issues eventually because that is where the break even is. Mr. Logsdon noted that Lincolnshire can stand up to about 10 or 11% vacancies and still break even. If vacancies get above that then there are not enough revenue coming in.

Mr. Logsdon said that he was wondering if there were any issues going on out in the community that would account for the vacancy rate being down. Ms. Calloway stated that Lincolnshire had lost a couple of residents due to the KHC Section 8 voucher and certificate program, and the fact that the Section 8 program has opened up their certificate program voucher through the Kentucky Housing Corporation in Madisonville. A lot of people wanted to move into houses, so Ms. Calloway could think of at least three people Lincolnshire had lost to the Section 8 certificate and voucher program.

Mr. Logsdon stated that he had heard that the Housing Authority is having occupancy issues as well. Mr. Logsdon also stated that he was wondering if there was any general trend in the community that is causing this. Ms. Boling stated that qualified applicants can get a voucher, go out and if there is a house for rent down the street, the applicant will take that voucher and rent the house. Ms. Calloway explained that they can get a house or a regular apartment and still receive subsidy on their rent, but will have to pay their utilities. Some people would rather do that and have people not realize that they are in subsidized housing unless they told them. Mr. Logsdon asked if the Section 8 subsidy is the driver.

Ms. Lamar stated she did not know about that, but this is the month that is called their “transit population” — people move a lot. The kids will start school and will be attending for maybe a good month or month and a half, then the family moves. It will stabilize for a little while until around the holidays, then the family will move again and her office will have to track them down. This really affects her department. Right now, Ms. Lamar sees them dropping out of school, can’t find them, wondering where they transferred to and the family will pop up again in about a month or so. Ms. Murphy stated that they were getting ready to come up on a 2-week fall break, and there will be a lot of kids not attending.

Ms. Calloway stated that she started seeing the decline in approximately June or July, but doesn’t know why that is. The last time that Ms. Calloway can think of is that the voucher program has been opened, and was open a few years ago and Section 8 had shut down the waiting list for two (2) years to help in-house subsidy and now it has been reopened again. Mr. Logsdon stated that 10 vacancies in Lincolnshire is a 10% vacancy rate and 15 out of 108 is about 13%. So, we’re just slightly over where we used to be. Mr. Logsdon stated that he is always watching that pretty closely. Mr. Manning asked if there were a total of twenty-five units that were vacant. Ms. Calloway said yes, but might subtract one (1) because Lincolnshire has a move in this afternoon.

Mr. Morton stated that there is a big contract thing going on at the west end of town right now, homes being constructed. Then also with the school system, kids are being taken out of school due to parents relocating, at least out in the county. Mr. Manning asked if there were any other questions. There were none.

On-Site Property Manager’s Report. Ms. Calloway stated that her office was a little behind because they have had to do a lot of stuff to get ready for the Kentucky Housing Corporation and the REAC inspections. In defense of her staff, there were those “audits” and right about the time when Lincolnshire gets slammed with all of these vacancies, people move and it has just been a combination of things. Too, there are only three maintenance men that are working and cleaning on the vacancies. Mr. Manning asked how many units the Lincolnshires have. Mr. Logsdon stated that there are 208 units.

Unruly, Threatening Child of a former Tenant. Ms. Boling stated that she had something that needed to be brought up. Ms. Boling mentioned to the Committee that she had to evict a lady because her kids were beating up on other kids and Ms. Boling and her office had to deal with it for a while and then it got to the point to where Ms. Boling had to evict her. The mother wouldn’t take care of her kids, and wouldn’t handle it. The mother didn’t see anything wrong with her children’s behavior. Ms. Boling stated that she ended up letting her go. The mother is now dropping off her children at the complex and her kids are still beating up the other kids. Ms. Boling also stated that she wasn’t real sure of what to do at this point, because she’s not seeing her, just seeing the kids.

Ms. Murphy asked how old the children were. Ms. Boling stated the boy is about 10 years old and the girl is about 11 years old. Ms. Lanham stated that the kids attend the Cravens Elementary School and the kids will cut through Pennbrooke and go on to the Dugan Best Center. Ms. Murphy stated that as long as the kids are over the age of 8, Social Services has stated that the kids are allowed to be home by themselves without supervision. Mr. Morton asked if the kids go to Cravens and Ms. Calloway stated that the little girl does. Ms. Lanham stated a police officer told them after the last little boy got beat up by the little girl, the principal was called and had to move the girl out of the classroom because the boy was too scared to go to school, and the girl follows the boy home from school. Mr. Morton asked how the brother and sister get along with the kids at Dugan Best, and if they beat them up too. Ms. Lanham stated yes and the little girl has a problem, but her office has tried everything they can to keep the kids inside the center because at that point, Ms. Lanham at least knows all of the kids are supervised. The little girl's actions show the other kids that they could get away with it.

Mr. Logsdon inquired into what happens when this child becomes an adult. Mr. Logsdon stated that it seems to him, for the sake of the child, the little girl needs some kind of treatment. Ms. Lamar stated when a 10 year old child assaults another child, this is usually a Department of Juvenile Justice (DJJ) referral. Ms. Lamar also stated that the DJJ can be called and say, "this child is beating up on other kids". Ms. Murphy stated that a person can do that but there is not going to be a lot done about it.

Ms. Murphy also stated that one thing that can be done is go to the County Attorney office and have a letter sent to the parent/parents having had people witness the parent dropping the kids off. If there is at least someone that can say that they have seen the parent dropping the kids off, and etc. The kids can be barred from Lincolnshire's property. You have a right to say that. Ms. Blackham stated that a complaint could be made. Ms. Boling stated that this was a topic she wanted everybody to be aware of. Ms. Murphy stated once again that the County Attorney's office would be the best bet for this situation. Mr. Manning asked if there were any more questions. There were none.

Mr. Logsdon wanted to bring up an issue that was discussed at the Senior Staff meeting earlier that morning, just to get any feedback from Mr. Morton, Ms. Calloway or Ms. Boling. Mr. Logsdon mentioned that he had a tenant call last week and the issue was about inspections. The claim was that Lincolnshire was not giving the tenants proper notice and the thing that concerned the tenant was not the claim that tenants we're not given proper notice, but the claim that a lot of people were upset about not getting enough notice. Mr. Logsdon said that he wanted to know if there was any truth to that. It seems like every time when someone calls, they want to invoke the fact that 'I'm not the only one upset about this, but a whole lot of other people are too'. Mr. Logsdon stated that he never hears of who those other people are.

Mr. Morton stated that he is aware of the situation also. Mr. Morton stated that we, as tenants, are given at least a 30-day notice and is always in writing. Mr. Morton also stated that he knows of the person Mr. Logsdon was talking about and that he lives in his building. Mr. Morton said that he and the tenant had a confrontation earlier that day on the same thing. These people get the impression that they are being picked on and anytime the office wants to inspect, they can do it with notification, which they do. Mr. Morton stated that he received a notification last week that the office would be back in the building to inspect. The person that is doing all the complaining is the loud mouth. The office always notifies the tenants when they will have an inspection. The office does the same thing when an exterminator comes in, at least gives tenants a 30-day notice or anywhere from 2 weeks to 30 days.

"We the People" Town Meeting. Mr. Logsdon showed the Board members the "We the People" Town Meeting website and a promotion of "America Speaks." On November 10th, there will be a citywide town meeting at the Executive Inn. AACS is trying to help recruit at least 900 possible participants of whom hoping that no fewer than 600 actually show up and come in to the meeting hall. Mr. Logsdon stated that

organizers are trying to recruit a very broad cross section of people from all across Owensboro and Daviess County to come and speak their mind and share their views on a whole range of topics like government, environment, health, social services, education and other topics. It will be a very broad range of discussion that will last from 9 a.m. until 4 p.m. Breakfast and lunch will be provided. Each participant will get a t-shirt, there will be door prizes and will be all kinds of give-a-ways that will be provided. And in addition, if anyone has children, and if parents are worried about who will be taking care of them, child-care will be provided onsite and AACCS is in a position to provide transportation.

Mr. Logsdon stated that what he's asking the Board members to do, since all serve the low income or are concerned with communities where low-income folks live, is to help get out the lower income people. Anybody and everybody is invited! Mr. Logsdon said that he hoped everyone will be there. What we're afraid of is, in terms of getting a *not* broad cross section of people, especially the lower income people are probably less likely to come, so there will have to be more encouragement to them. Promoters have to get out and talk to them personally, interact with them and get them to sign up for that.

The "We the People" website (www.wethepeopletownmeeting.org) is already up and running and virtually everything anybody will need is on there. Online registration is available on that site. The registration form can be printed out. Everyone should circulate them to people and get the completed forms back. Using the registration forms, AACCS will get them registered *online*. Again, it's a very broad-based town meeting. Everyone is welcome! But we know there are special groups that we're going to have to work extra hard to get them in. If a person does not want to actually participate in the discussion, perhaps that person can volunteer.

There are registration guides and materials and things like that. After the big "roll out" of the town meeting, which will come around September 27th, we'll all have to get busy recruiting for the November 10th event. Public Life Foundation is the primary sponsor. AACCS is one of the sponsors.

Mr. Manning asked for a motion to adjourn the meeting.

Mr. Morton made a motion to adjourn the meeting and Ms. Murphy seconded the motion. Motion carried.

ADJOURNMENT

There being no further business,

The meeting was adjourned at 1:00 p.m.

Mr. Jerry Manning
Chairperson