



Housing Authority

of the City of Clay Center
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Executive Director’s Report July 1, 2019

OCCUPANCY We now have 14 vacancies at Parkview and 3 at Apollo. We have a lot of qualified applicants but many changed their minds while waiting for elevators modernization, unit turnover, and application processing. We are hoping for Dan’s soon return and need to look at how we can expedite tenant application processing.

PARKVIEW REDEVELOPMENT

We now have a contract with Schultz Construction and had a Pre-construction meeting two weeks ago. We received HUD’s approval but attorneys are still moving paperwork back and forth, the title insurance is undergoing underwriting, and we are completing last minute review and agreement of the construction cost, draw schedule, and final price per tax credit unit. Closing is eminent and I am demanding results from all parties to close on August 15th.

PROPERTY AND LIABILITY INSURANCE

I received a letter in June from our Insurance Broker that we would see a 15% increase in premiums. Then I did not receive their renewal proposal until 3:30 p.m. on July 31, 2019. To add to the frustration, our new premium is \$44,474, \$9,515 more than last year with more exposure. What is more concerning, I am only aware of 3 entities that will even consider underwriting us and I believe we are with the best. I have already contacted one of our former brokers and hope to open up intense competition next spring. Unfortunately, the insurance industry seems more and more concerned with rewarding their investors than with helping nonprofit organizations manage their risk exposure.

EXECUTIVE EMPLOYMENT AGREEMENT

Why is an Executive Director Contract important?

- 1, Industry Standard. If you have a budget over \$500,000, it is the right and responsible thing for a board to do and has become the industry standard in the nonprofit world.
2. Succession Planning. A contract includes notice provisions. This precludes your leader from leaving too quickly (for whatever reason) and leaving you leaderless with no clear plan. Very destabilizing. Risky.
3. Risk Management. Contracts minimize the possibility of litigation. Ambiguity leads to litigation faster than differing interpretations of a legal document.
4. Recruitment. Contracts help attract the best possible candidates for the leadership role.
5. Clarity. Contracts clearly define the role and expectations. A solid contract goes further than a simple job description.
6. Stability. Transitions hurt organizations, regardless of the caliber of the leader. The work is too important – there needs to be an intentional transfer of power.
7. Retention. Contracts honor the leader and build trust with the board.
8. Maturity. Contracts are evidence of a grownup leadership in a grownup organization. A grownup organization values its leadership and creates real mechanisms for accountability.
- 9, Boards are terrible employers. This is a general statement and there are plenty of exceptions. But this part of the board's responsibility falls by the wayside far too often. Yes, board members are busy and are volunteers. But this one, the management and supervision of your senior executive, is one of the most important roles you have. And a contract with your senior executive makes that job easier, not harder.