

# MOVING KING COUNTY RESIDENTS FORWARD

## Meeting of the Board of Directors

Monday, December 15, 2014

10:15 AM

King County Housing Authority

Administrative Offices

Snoqualmie Conference Room

700 Andover Park W

Seattle, WA 98188

## Agenda

- I. Call to Order
- II. Roll Call
- III. Public Comment
- IV. Approval of Minutes - August 18, 2014 Special Board Meeting Minutes
- V. Financial Reports - Third Quarter 2014 Financial Report
- VI. Resolution No. 22: Adoption of the Calendar Year 2015 Operating and Capital Budget
- VII. Resolution No. 23: Amending the By-Laws of Moving King County Residents Forward -  
Article 1.3: Time of Annual Board of Directors Meetings and Article  
3.8.1: Annual Board of Directors Meeting; Regular Meetings
- VIII. Board of Directors Comments
- IX. Adjourn

**MINUTES OF THE SPECIAL MEETING OF THE  
MOVING KING COUNTY RESIDENTS FORWARD  
BOARD OF DIRECTORS**

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Monday, August 18, 2014

**I. CALL TO ORDER**

The Special Meeting of the Board of Directors of Moving King County Residents Forward (MKCRF) was called to order by President Doug Barnes, at 10:17 a.m. at Wonderland Estates, located at 14645 SE Renton Maple Valley Road Renton, Washington.

**II. ROLL CALL**

**Present:** Doug Barnes, Susan Palmer, TerryLynn Stewart, Michael Brown and Stephen Norman (Secretary of the Corporation)

**Excused:** Richard Mitchell

**KCHA Staff:** Connie Davis, Ted Dezember, John Eliason, Jenna Higgins, Megan Hyla, Dan Landes, Jessica Olives, Beth Pearson, Jennifer Ramirez Robson, Mike Reilly, Craig Violante, Tim Walter, Dan Watson, and Wen Xu

**Public:** Lillie Clinton

**III. Public Comment:**

No Public Comments.

**IV. Approval of the Minutes:**

Minutes from the July 21, 2014 Special Board Meeting were presented for approval. Director Palmer moved for approval of the minutes, with Director Stewart seconding the motion. The minutes were unanimously approved.

**V. Second Quarter Financial Report**

Craig Violante, Director of Finance, briefed the Directors on the Second Quarter Financial Report.

All questions raised by the Directors were satisfactorily addressed by staff.

**VI. Director Comments**

None.

**VI. ADJOURNMENT**

There being no further business, the meeting was officially adjourned at 10:25 a.m. by a motion from Director Brown, seconded by Director Stewart and unanimously passed.

**MOVING KING COUNTY RESIDENTS FORWARD**

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**Douglas J. Barnes  
President**

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**Stephen J. Norman  
Secretary of the Corporation**

# MOVING KING COUNTY RESIDENTS FORWARD

**TO:** Board of Directors

**FROM:** Craig Violante, Director of Finance

**DATE:** December 10, 2014

**RE: Financial Reports for Moving King County Residents Forward (MKCRF) and  
MKCRF-Owned Properties**

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## THIRD QUARTER 2014 FINANCIAL REPORTS

Attached are third quarter 2014 financial reports:

- Statements of Financial Position for the MKCRF-owned Properties (the Properties) as reflected on the books of KCHA as operator of the properties, and for MKCRF itself. MKCRF information is in the far right column.
- Working Capital reports for the MKCRF-owned Properties (the Properties) as reflected on the books of KCHA as operator of the properties, and for MKCRF itself. MKCRF information is in the far right column.

### *KCHA Operations of the MKCRF-owned Properties*

Operating revenues through the first nine months generally track with projections while operating expenses are 13% below budget. Maintenance expenses account for most of this variance as projects for certain properties were initiated late in the quarter, while others have been delayed to 2015.

In addition, resident service expenses are below budget, due to a combination of an allocation error that occurred during the budgeting process (too much salary expense allocated to MKCRF properties) and to lower-than-forecast relocation expenses.

Through the first nine months of 2014, the Properties generated net operating cash flow of \$421,000 after required debt service payments and additions to replacement reserves:

Operating Revenues	\$4,803,970
Operating Expenses	(3,072,813)
Debt Service	(1,212,896)
Trf to Replacement Reserves	(97,118)
Net Cash Flow	<u>\$421,143</u>

Almost all of this cash flow has been used to fund unit upgrades throughout the year. Through the first nine months, 20 units have been upgraded, with 4 additional units to be completed by the end of the year. Although 33 units were included in the budget, the actual number of units available for upgrades has dropped in the latter half of the year.

As part of the disposition application filed with HUD, KCHA committed to performing \$18 million of capital work over five years. Following is a history of rehabilitation work through September 30<sup>th</sup>:

<i>(In millions of dollars)</i>	2012	2013	2014	Total
Rehabilitation projects-Capital Construction	\$2.1	\$2.6	\$3.6	\$8.3
Unit Upgrades-Housing Management	\$0.4	\$1.8	\$0.5	2.7
	\$2.5	\$4.4	\$4.1	\$11.0

Since acquiring the Properties, 95 units have been upgraded by KCHA's in-house force account maintenance team. A total of 296 units (58.2%) have been upgraded since inception of the program in 2006.

Cash at the end of the quarter was \$640,000, and a \$603,000 receivable was on the books reflecting an October reimbursement from MKCRF for third quarter capital expenditures. This positive cash balance is due to a \$1.0 million transfer made during the quarter by KCHA out of Moving To Work (MTW) and into the MKCRF operating and capital rehabilitation funds. When KCHA filed its disposition application with HUD, it was assumed that all block grant revenue from the 508 vouchers, less an administrative fee, would flow to MKCRF via HAP payments.

However, in general, the rents MKCRF properties charge are less than originally anticipated (due to rent reasonableness standards) and therefore the HAP funding stream to MKCRF has been less than the related receipt by KCHA. This transfer will remedy the discrepancy for 2014.

***Operations of Moving King County Residents Forward***

MKCRF had minimal operating activity with \$15,256 of administrative expenses. MKCRF has made all required monthly debt service payments to KCHA.

The balance sheet shows total assets, net of working capital offsets, of \$70.6 million, consisting of \$55.1 million of net capital assets, \$9.2 million work in process representing capital rehabilitation work for which MKCRF has paid, and \$7.5 million in investments representing the unexpended portion of the \$18 million loan from KCHA. The \$7.5 million is invested in a US Bank Commercial Paper fund, paying 0.10% with daily liquidity. This investment vehicle paid a much higher rate than Certificates of Deposits or Treasury Bills, and is allowed by the investment policy adopted by the Board.

**Operations and Capital of MKCRF Properties**

Statements of Financial Position

As of 9/30/2014

ASSETS	MKCRF Properties Managed by KCHA			MKCRF
	Operations	Capital	Combined	
<b>Working Capital Assets</b>				
Cash-Unrestricted	\$212,226	\$427,758	\$639,985	(\$9,365)
Cash-Restricted Within Program	-	-	-	-
Cash-Restricted for WC Purposes	-	-	-	-
Accounts Receivables	29,540	603,478	633,018 (1)	-
Prepaid Assets & Inventory	(9,566)	-	(9,566)	-
Total Working Capital Assets	232,201	1,031,236	1,263,437	(9,365)
<b>Liabilities Offsetting Working Capital Assets</b>				
Accounts Payable	(3,286)	(312,416)	(315,701)	(603,478)
Payroll Liabilities	(115,269)	-	(115,269)	-
Accrued Liabilities	(4,892)	-	(4,892)	-
Deferrals	-	-	-	-
Current Portion of Long-term debt	-	-	-	(487,486)
Total Offsetting Liabilities	(123,447)	(312,416)	(435,863)	(1,090,964)
<b>Working Capital</b>	<b>\$108,754</b>	<b>\$718,820</b>	<b>\$827,574</b>	<b>(\$1,100,329)</b>
<b>Other Assets</b>				
Cash-Designated	222,898	-	222,898	7,460,362
Cash-Restricted	76,450	-	76,450	-
Receivables	-	-	-	-
Capital Assets	69,490	-	69,490	55,072,734
Work-in-Process	6,294	(0)	6,294	9,188,020
Suspense	-	-	-	-
Other Assets	-	-	-	-
Total Other Assets	375,132	(0)	375,132	71,721,116
<b>TOTAL ASSETS (net of WC offsets)</b>	<b>\$483,886</b>	<b>\$718,820</b>	<b>\$1,202,706</b>	<b>\$70,620,788</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Other Liabilities</b>				
Deferrals-Related to Restr Cash	76,450	-	76,450	-
Debt	-	-	-	17,037,467
Other Liabilities	-	-	-	-
	76,450	-	76,450	17,037,467
<b>Equity</b>				
Equity	407,436	718,820	1,126,256	53,583,321
	407,436	718,820	1,126,256	53,583,321
<b>TOTAL LIAB &amp; EQ (net of curr liab)</b>	<b>\$483,886</b>	<b>\$718,820</b>	<b>\$1,202,706</b>	<b>\$70,620,788</b>

1) \$603K owed to KCHA for capital work performed at MKCRF properties in the third quarter. Payment to KCHA is due in October.

**Operations and Capital of MKCRF Properties**  
**Working Capital Budget vs. Actual Report**  
**For the Period Ended 9/30/2014**

	MKCRF Properties Managed by KCHA										
	Year-to-Date					(n/m= not meaningful)	2014	Remainder	(n/m= not meaningful)		
	Operations	Capital	Combined	Budget	Variance	Percent YTD Variance	Annual Budget	to Receive/ Spend	Percent of Annual Budget		
										MKCRF	
<b>Revenues</b>											
Tenant Revenue	\$4,800,280	\$0	\$4,800,280	\$4,870,944	(\$70,664)	(1.5%)	\$6,494,751	\$1,694,471	73.9%		\$0
Operating Fund Subsidy from HUD	0	0	0	0	0	n/m	0	0	n/m		0
Section 8 Subsidy from HUD	0	0	0	0	0	n/m	0	0	n/m		0
Other Operating Revenue	3,690	0	3,690	3,086	604	19.6%	4,117	427	89.6%		1,212,896
Non-operating Revenue	(60)	38	(22)	(1,750)	1,728	(98.7%)	(2,307)	(2,247)	2.6%		7,455
<b>Total Revenues</b>	<b>4,803,910</b>	<b>38</b>	<b>4,803,948</b>	<b>4,872,280</b>	<b>(68,332)</b>	<b>(1.4%)</b>	<b>6,496,561</b>	<b>1,692,651</b>	<b>73.9%</b>		<b>1,220,351</b>
<b>Expenses</b>											
Salaries & Benefits	662,585	0	662,585	679,756	(17,171)	(2.5%)	887,395	224,810	74.7%		0
Routine Maintenance, Utilities, Taxes & Insurance	1,243,267	0	1,243,267	1,526,585	(283,318)	(18.6%)	2,033,065	789,798	61.2%	(1)	0
Direct Social Service Salaries	122,733	0	122,733	180,967	(58,234)	(32.2%)	234,236	111,503	52.4%	(2)	0
Other Social Service Support Expenses & HAP	69,008	0	69,008	113,594	(44,586)	(39.3%)	152,815	83,807	45.2%	(3)	0
Administrative Support Expenses	550,503	0	550,503	571,911	(21,408)	(3.7%)	761,168	210,665	72.3%		15,256
Non-operating Expenses	1,212,128	0	1,212,128	1,257,718	(45,590)	(3.6%)	1,644,592	432,464	73.7%		797,754
<b>Total Expenses</b>	<b>3,860,225</b>	<b>0</b>	<b>3,860,225</b>	<b>4,330,531</b>	<b>(470,306)</b>	<b>(10.9%)</b>	<b>5,713,271</b>	<b>1,853,046</b>	<b>67.6%</b>		<b>813,010</b>
<b>Net Income</b>	<b>943,685</b>	<b>38</b>	<b>943,723</b>	<b>541,749</b>	<b>401,974</b>	<b>74.2%</b>	<b>783,290</b>	<b>(160,395)</b>	<b>120.5%</b>		<b>407,341</b>
<b>Other Sources/(Uses) of Working Capital</b>											
(Increase) in Restricted/Designated Cash	(97,118)	0	(97,118)	(95,679)	(1,439)	1.5%	(127,606)	(30,488)	76.1%		(4,459)
Decrease in Restricted/Designated Cash	0	0	0	0	0	n/m	0	0	n/m		4,574,217
(Increase) in LT Receivables	0	0	0	0	0	n/m	0	0	n/m		0
Decrease in LT Receivables	0	0	0	0	0	n/m	0	0	n/m		0
Acquisition of Capital Assets	(12,123)	(404,332)	(416,455)	(664,208)	247,753	(37.3%)	(887,539)	(875,416)	1.4%	(4)	(3,618,031)
Disposition of Capital Assets	0	0	0	0	0	n/m	0	0	n/m		0
Change in Suspense	152	0	152	0	152	n/m	0	(152)	n/m		0
Change in Other Assets	0	0	0	0	0	n/m	0	0	n/m		0
Change in Deferrals	1,516	0	1,516	0	1,516	n/m	0	(1,516)	n/m		0
Increase in LT Debt	0	0	0	0	0	n/m	0	0	n/m		0
(Decrease) in LT Debt	0	0	0	0	0	n/m	0	0	n/m		(362,866)
Change in Other Liabilities	(499)	0	(499)	0	(499)	n/m	0	499	n/m		0
Other Non-Working Capital Income/Expense Items	81,381	0	81,381	0	81,381	n/m	0	(81,381)	n/m	(5)	0
Non Income/Expense Change in Equity	42,816	0	42,816	0	42,816	n/m	0	(42,816)	n/m	(6)	0
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>16,125</b>	<b>(404,332)</b>	<b>(388,207)</b>	<b>(759,887)</b>	<b>371,680</b>	<b>n/m</b>	<b>(1,015,145)</b>	<b>(1,031,270)</b>	<b>n/m</b>		<b>588,861</b>
<b>Transfer In from (Out to) Other Funds</b>											
Transfers In from Other Funds	325,000	1,126,730	1,451,730	1,655,725	(203,995)	(12.3%)	1,866,096	1,541,096	17.4%	(4)	0
Transfers Out to Other Funds	(572,125)	(853,378)	(1,425,503)	(631,129)	(794,374)	125.9%	(841,500)	(269,375)	68.0%	(7)	0
<b>Net Transfer In/(Out)</b>	<b>(247,125)</b>	<b>273,352</b>	<b>(654,585)</b>	<b>1,024,596</b>	<b>(1,679,181)</b>	<b>n/m</b>	<b>1,024,596</b>	<b>1,271,721</b>	<b>n/m</b>		<b>0</b>
<b>Net Change in Working Capital</b>	<b>\$712,685</b>	<b>(\$130,943)</b>	<b>\$581,743</b>	<b>\$806,458</b>	<b>(\$224,715)</b>	<b>(27.9%)</b>	<b>\$792,741</b>	<b>\$80,056</b>	<b>89.9%</b>		<b>\$996,202</b>
Working Capital, 12/31/2013	(603,932)	849,763	245,831								(603,932)
<b>Working Capital, 9/30/2014</b>	<b>\$108,754</b>	<b>\$718,820</b>	<b>\$827,574</b>								<b>\$392,271</b>

- 1) Some projects expenses (Bellevue 8 painting project & smoking shelter installation at Eastridge House ) have just begun to be incurred and are expected to continue throughout the remainder of the year. Other project expenses such as parking lot repairs, tree trimming, and exterior painting were budgeted for 2014 but are being delayed until 2015.
- 2) Some relocation employees were inadvertently budgeted with a large percentage of their time allocated to MKCRF properties. This allocation error has been fixed in the payroll system, but was not addressed in the midyear budget adjustment. Therefore, actual salary expense will be below budget for the remainder of the year.
- 3) Relocation expense less than anticipated at MKCRF properties. In addition, the budgeted Public Housing FSS subsidy for MKCRF properties is being charged to section 8 as the projects are converted to project based section 8.
- 4) Unit upgrade budget was expanded at midyear and expenditures are expected to increase throughout the remainder of the year.
- 5) Vehicles transferred to Central Vehicle Fund of COCC.
- 6) Due to a technical clean-up entry.
- 7) Mostly due to MKCRF reimbursement of \$853K for rehab project costs initially funded by MTW. Unbudgeted.

# MOVING KING COUNTY RESIDENTS FORWARD

**TO:** Board of Directors  
**FROM:** Connie Davis, Deputy Executive Director  
**DATE:** December 10, 2014  
**RE:** **Resolution No. 22: Adoption of the Calendar Year 2015 Operating and Capital Budget**

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## EXECUTIVE SUMMARY

The Moving King County Residents Forward (MKCRF) properties continue to generate positive cash flow. After debt service payments, required additions to replacement reserves, and use of funds carried forward from 2014, there will be enough cash flow to perform 34 unit upgrades in 2015.

The amount of \$5.8 million in other capital construction projects will be completed during 2015, bringing the total spent on the properties since 2012, including unit upgrades, to \$18.6 million. This will fulfill the \$18 million commitment made to the U.S. Department of Housing and Urban Development (HUD) at the time of the disposition.

### MKCRF-Owned Properties

#### Operations Budget

Below is a high-level summary of the 2015 budget for the MKCRF-owned Properties. It is in a different format from the formal budget on page 3, and is intended to present the budget in a more user-friendly, operations-oriented layout.

*(in \$1,000s)*

#### **Sources**

Tenant Revenue \$6,500

#### **Uses**

Operating Expenses 4,047

Debt Service 1,547

Additions to Replacement Reserves 128

Total Uses 5,723

2015 Operating Margin 778

Projected Working Capital Carried Forward from 2014 300

Total available 2015 resources 1,078

Unit Upgrades (1,029)

Total available resources, 12/31/2015 \$49

Tenant revenues are budgeted at \$6.5 million, down slightly from the 2014 budget but in alignment with expected 2014 results.

Operating expenses are budgeted at \$4.05 million, essentially equal to the 2014 budget of \$4.06 million and include \$111,700 of miscellaneous special projects, such as exterior lighting upgrades, parking lot work and signage repairs.

The debt service budget represents 12 monthly payments of \$128,960 to the King County Housing Authority (KCHA) as conduit for the Federal Home Loan Bank (FHLB) loan, and the replacement reserve is fully funded at \$250 per unit per year.

Capital Budget

Housing Management's Central Maintenance Crew will complete 34 unit upgrades at an average cost of \$30,259 for a total of \$1,028,816

The full budget for the MKCRF-Owned Properties is found on page 3.

**MKCRF Entity**

A total of \$5.8 million of capital work will be managed by KCHA's Capital Construction department on behalf of MKCRF:

Avondale Manor Sewer	\$75,000
Cedarwood Building Envelope	958,500
Evergreen Court Site Upgrades	147,180
Forest Grove Building Envelope	990,000
Forest Grove Site Upgrades	25,000
Greenleaf Building Envelope	25,000
Kings Court Roofing, Attic and Crawl Space	720,000
Kings Court Site Upgrades	50,000
Pickering Court Deck & Building Envelope	600,000
Riverton Terrace Building Envelope	941,500
Riverton Terrace Office and Site Lighting	235,300
Wellswood Roofing & Indoor Air Quality	990,000
	<u>\$5,757,480</u>

These projects will be paid for through a combination of Moving to Work (MTW) funds transferred to MKCRF and proceeds of the loan from the Federal Home Loan Bank, via KCHA. At the end of 2015, it is projected that \$660,000 of the FHLB loan proceeds will remain unspent.

These capital projects are reflected on the MKCRF Entity budget as MKCRF purchases the improvements from KCHA on an annual basis.

The budget also includes \$15,000 of miscellaneous administrative support expenses.

The full budget adjustment for the MKCRF entity is found on page 4.



**MOVING KING COUNTY RESIDENTS FORWARD  
2015 Budget**

<b>Revenues</b>	
Other Revenues	1,815,173
<b>Total revenues</b>	<b>1,815,173</b>
<b>Expenses</b>	
Administrative Support Expenses	15,040
Other Expenses	1,029,596
<b>Total expenses</b>	<b>1,044,636</b>
<b>Net Income</b>	<b>770,537</b>
<b>Other sources (uses) of working capital</b>	
Acquisition of Capital Assets	(5,757,480)
(Increase) in Restricted/Designated Cash	(2,682)
Decrease in Restricted/Designated Cash	5,512,480
(Decrease) in Long-Term Debt	(549,838)
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(797,520)</b>
<b>Net Change in Working Capital</b>	<b>(26,983)</b>
Projected Working Capital, 12/31/2014	27,000
<b>Projected Working Capital, 12/31/2015</b>	<b>\$ 17</b>

**MOVING KING COUNTY RESIDENTS FORWARD**  
**2015 Budget - Properties**

<b>Revenues</b>	
Tenant Revenues	\$ 6,489,502
Other Revenues	10,969
<b>Total revenues</b>	<b>6,500,471</b>
<b>Expenses</b>	
Salaries & Benefits	869,231
Routine Maintenance, Utilities, Taxes & Insurance	2,309,782
Other Social Service Support Expenses & HAP	370
Administrative Support Expenses	736,275
Other Expenses	1,812,491
<b>Total expenses</b>	<b>5,728,149</b>
<b>Net Income</b>	<b>772,322</b>
<b>Other sources (uses) of working capital</b>	
(Increase) in Restricted/Designated Cash	(127,830)
Acquisition of Capital Assets	(1,140,516)
<b>Total Other Sources/(Uses) of Working Capital</b>	<b>(1,268,346)</b>
<b>Transfer In from (Out to) Other Funds</b>	
Internal Revenue-Transfer In-Non Op	1,273,816
Internal Fees Out-Transfer Out-Non Op	(1,028,816)
<b>Net Transfer In/(Out)</b>	<b>245,000</b>
<b>Net Change in Working Capital</b>	<b>(251,024)</b>
Projected Working Capital, 12/31/2014	300,000
<b>Projected Working Capital, 12/31/2015</b>	<b>\$ 48,976</b>

**MOVING KING COUNTY RESIDENTS FORWARD**

**RESOLUTION NO. 22**

**ADOPTION OF THE CALENDAR YEAR 2015 OPERATING AND CAPITAL BUDGET**

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**WHEREAS**, the King County Housing Authority, as Operator of the Moving King County Residents Forward (MKCRF) Properties (the Properties), has submitted Operating and Capital Budgets for the Properties and for MKCRF for the Calendar Year beginning January 1, 2015 (Calendar Year 2015); and,

**WHEREAS**, the Board of Directors has determined that the proposed expenditures are necessary for the efficient and economical operation of the Properties and of MKCRF; and,

**WHEREAS**, the Budgets of the Properties and MKCRF indicates sources of funding adequate to cover all proposed expenditures; and,

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD, THAT;**

The Calendar Year 2015 Operating and Capital Budgets are hereby adopted. The Budgets are attached hereto as Exhibits A and B and are made a part thereof.

**ADOPTED AT A MEETING OF THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD THIS 15<sup>th</sup> DAY OF DECEMBER, 2014**

**MOVING KING COUNTY RESIDENTS  
FORWARD**

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**Stephen J Norman**  
Secretary

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**DOUGLAS J BARNES**  
President, Board of Directors

**MOVING KING COUNTY RESIDENTS FORWARD**  
**2015 Budget - Properties**  
**EXHIBIT A**

<b>Revenues</b>	
Tenant Revenues	\$ 6,489,502
Other Revenues	10,969
<b>Total revenues</b>	<b>6,500,471</b>
<b>Expenses</b>	
Salaries & Benefits	869,231
Routine Maintenance, Utilities, Taxes & Insurance	2,309,782
Other Social Service Support Expenses & HAP	370
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<b>Other sources (uses) of working capital</b>	
(Increase) in Restricted/Designated Cash	(127,830)
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<b>Net Change in Working Capital</b>	<b>(251,024)</b>
Projected Working Capital, 12/31/2014	300,000
<b>Projected Working Capital, 12/31/2015</b>	<b>\$ 48,976</b>

**MOVING KING COUNTY RESIDENTS FORWARD**  
**2015 Budget**  
**EXHIBIT B**

<b>Revenues</b>	
Other Revenues	1,815,173
<b>Total revenues</b>	<b>1,815,173</b>
<b>Expenses</b>	
Administrative Support Expenses	15,040
Other Expenses	1,029,596
<b>Total expenses</b>	<b>1,044,636</b>
<b>Net Income</b>	<b>770,537</b>
<b>Other sources (uses) of working capital</b>	
Acquisition of Capital Assets	(5,757,480)
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Decrease in Restricted/Designated Cash	5,512,480
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<b>Net Change in Working Capital</b>	<b>(26,983)</b>
Projected Working Capital, 12/31/2014	27,000
<b>Projected Working Capital, 12/31/2015</b>	<b>\$ 17</b>

# MOVING KING COUNTY RESIDENTS FORWARD

**TO:** Board of Directors

**FROM:** Connie Davis, Deputy Executive Director

**DATE:** December 10, 2014

**RE:** **Resolution No. 23:** Amending the By-Laws of Moving King County Residents Forward – Article 1.3: Time of Annual Board of Directors Meetings and Article 3.8.1: Annual Board of Directors meeting; Regular meetings

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Resolution No. 23 amends the By-Laws of Moving King County Residents Forward in order to shift the annual meeting from the month of April to the month of May, which is when the King County Housing Authority annual meeting occurs.

Coordinating the timing of these two meetings will simplify the administrative process involved in holding an annual meeting, including electing officers and posting public notices, and may also enhance public participation.

The Resolution also updates the By-Laws to more correctly describe the location of regular, annual meetings of the corporation, an update to reflect the new MKCRF website and make corrections to other minor typographical errors.

Passage of this Resolution is recommended.

# MOVING KING COUNTY RESIDENTS FORWARD

## RESOLUTION NO. 23

### AMENDING THE BY-LAWS OF MOVING KING COUNTY RESIDENTS FORWARD - ARTICLE 1.3 TIME OF ANNUAL BOARD OF DIRECTORS MEETINGS AND ARTICLE 3.8.1 ANNUAL BOARD OF DIRECTORS MEETING; REGULAR MEETINGS

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**WHEREAS**, Article 1.3 of the Moving King County Residents Forward (MKCRF) By-laws concerns the timing of the Annual Board of Director's meetings; and,

**WHEREAS**, Article 1.3 currently states "The annual meeting of the Corporation's Board of Directors (the "Board") shall be held during the month of April of each year"; and,

**WHEREAS**, the Board of Directors of MKCRF wishes to change the month for its Annual Meeting; and,

**WHEREAS**, King County Housing Authority has expanded its administrative offices with the result that the description in Article 3.8.1 of the By-laws of the location of the Corporation's meetings is more accurately described as the Administrative Offices of King County Housing Authority, rather than 600 Andover West; and,

**NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD, THAT;**

**Section 1.** The first sentence of Article 1.3 (Time of Annual Board of Directors Meeting) of the By-laws of MKCRF is hereby amended to read as follows: "The annual meeting of the Corporation's Board of Directors (the "Board") shall be held during the month of May of each year."

**Section 2.** The final sentence of Article 3.8.1 (Annual Board of Directors Meeting; Regular Meetings) of the By-laws is hereby amended to read as follows: Monthly meetings, unless otherwise directed by the Corporation, shall be held without

notice at the administrative offices of the King County Housing Authority in Tukwila, WA on the third Monday of each month at 10:15 a.m.”

**Section 3:** The revised copy of the By-laws of MKCRF is attached hereto.

**ADOPTED AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD THIS 15<sup>TH</sup> DAY OF DECEMBER 2014.**

**MOVING KING COUNTY RESIDENTS  
FORWARD**

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**DOUGLAS J. BARNES** President,  
Board of Directors

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**STEPHEN J. NORMAN**  
Secretary



**BYLAWS  
OF  
MOVING KING COUNTY RESIDENTS FORWARD**

**ARTICLE 1. GENERAL MATTERS**

**1.1 Name.** The name of the corporation shall be MOVING KING COUNTY RESIDENTS FORWARD (the “Corporation”).

**1.2 Purposes.** This Corporation is organized, and at all times hereafter shall be operated, exclusively for charitable or education purposes, or both, within the meaning of Section 170(c)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), by conducting or supporting activities, or both, for the benefit of, to perform the functions of, or to carry out the purposes of, the qualified organizations as specified in Article 3 of the Articles of Incorporation (the “Supported Organizations”).

**1.3 Time of Annual Board of Directors Meeting.** The annual meeting of the Corporation’s Board of Directors (the “Board”) shall be held during the month of ~~April~~ May of each year. The place, date and hour of the meeting shall be as designated by the Board.

**1.4 Fiscal Year.** The Corporation’s fiscal year shall end on December 31 of each year.

**ARTICLE 2. OFFICES**

**2.1 Other Offices.** The Corporation may have such offices, either within or without the state of incorporation, as the Board may from time to time designate.

**ARTICLE 3. BOARD OF DIRECTORS**

**3.1 Number, Tenure and Qualifications.** The initial number of Directors of the Corporation (“Directors”) shall be six (6), all Directors shall be appointed by the Supported Organization. In any event, the Supported Organization shall appoint a majority of the Directors.

**3.2 Director Terms.** The initial six (6) Directors shall serve an interim term of that certain number of months from the Corporation’s incorporation date to the first annual Board of Directors meeting; thereafter, the number of Directors shall be reduced to five (5). At the first annual Board of Directors meeting the Supported Organization shall appoint Directors, each Director to serve a term of one year. Thereafter, each Director shall serve a term of one year from the date of the annual Board of Directors meeting at which he or she was appointed. In any

event, a Director shall serve until his or her respective successor has been appointed and qualified.

**3.3 Resignation.** A Director may resign at any time by delivering written notice of his or her resignation to the Secretary, or if the Secretary cannot be found, to the President or registered agent of the Corporation. The resignation shall be effective upon receipt by the Secretary, President or registered agent as the case may be.

**3.4 Removal.** A Director may be removed, with or without cause, by a vote of two-thirds (2/3) of the Board.

**3.5 Replacement.** Upon the resignation, removal, or other vacancy of a Director, his or her successor shall be appointed by the Supported Organization. Such successor Director shall serve for the unexpired term of his or her predecessor.

**3.6 Powers.** The business and affairs of the Corporation shall be managed by the Board. The Board shall exercise all of the powers of the Corporation. The Board may adopt such rules and regulations for the conduct of its meetings and the management of the Corporation as it may deem proper and which are not inconsistent with statute, the Articles of Incorporation, or these Bylaws. The Board may employ a manager, independent contractor, or such other employee or employees as the Board deems necessary and to prescribe the duties of each. The Board may also employ agents and attorneys as the Board thinks necessary or desirable for the proper management of the Corporation or for any litigation, controversy, or uncertainty which may arise in connection with the Corporation. The Board may pay reasonable compensation to agents and attorneys for their services and be fully protected in relying on advice of legal counsel.

**3.7 Committees.** The Board may appoint standing or temporary committees from its own number and vest such committees with any powers it sees fit, subject to any conditions prescribed by the Board and by applicable law. The designation of any such committee and the delegation of authority thereto shall not relieve the Board, or any member thereof, of any responsibility imposed by law. No committee, executive or otherwise, shall have the authority of the Board to amend the Articles of Incorporation or these Bylaws, adopt a plan of merger or consolidation, elect or remove any Director or Officer, authorize or enter into a sale, lease or exchange or other disposition of all or substantially all of the property and assets of the Corporation, adopt a plan for the distribution of the assets of the Corporation, or authorize the voluntary dissolution of the Corporation or revoking proceedings therefor.

**3.7.1 Executive Committee.** The Board, by resolution adopted by a majority of the Board, may appoint an Executive Committee, which, subject to the preceding paragraph, shall have and exercise all of the authority of the Board.

**3.7.2 Committee Minutes.** Each committee appointed under this Article 3.7 shall keep regular minutes of each of its meetings.

**3.8 Meetings.** A meeting may be held by means of a telephone conference or similar communications equipment whereby all persons participating in the meeting can hear each other

at the same time, and participation by such means shall constitute presence in person at such a meeting.

**3.8.1 Annual Board of Directors Meeting; Regular Meetings.** The usual place, day and hour for the annual meeting of the Board of Directors for the transaction of business as may come before the meeting shall be as stated in Article 1.3, or such other place (within or without the state of incorporation), date, and time as may be designated in the notice of the annual meeting; provided, however, that if such day is a legal holiday, the meeting shall be held at the same time and place on the next succeeding day which is not a legal holiday.

Monthly meetings, unless otherwise directed by the Corporation, shall be held without notice at the administrative offices of the King County Housing Authority, ~~600 Andover Park West, in~~ Tukwila, WA on the third Monday of each month at 10:15 am.

**3.8.2 Special Meeting.** Special meetings of the Board may be held at any time whenever called by the President, Secretary, or one-third of all Directors. Special meetings shall be held at such places as may be determined by the Board, or as shall be stated in the notice of the meeting if the Board has not fixed the place for holding special meetings. No business may be transacted that is not specified in the notice of the meeting. At any meeting at which all of the Directors shall be present, though held without notice, any business may be transacted which might have been transacted if the meeting had been duly called.

**3.8.3 Public Comment.** The Corporation welcomes public comments at its regular Board meetings. Should a public comment period be included in a Special Meeting, that agenda item will be included in the notice for such meeting. Comments shall be provided within the guidelines of the Corporation's Public Expression Policy, as adopted by the Directors.

**3.9 Notice of Meetings.** No notice of the annual meeting of the Board shall be required.

Notice of the time and place of all Board meetings other than the annual meeting shall be given by the Secretary, or by the person calling the meeting, by mail, facsimile transmission ("fax"), electronic communication ("e-mail") or by personal communication over the telephone, at least twenty-four (24) hours prior to the day upon which the meeting is to be held; provided, that no notice of any regular meeting need be given if the time and place thereof shall have been determined by resolution of the Board and a copy of such resolution has been mailed to every Director at least twenty-four (24) hours before the first meeting held in pursuance thereof. Mailed notices shall be deemed given on the date deposited in the mail, first class postage prepaid. Notices sent by fax shall be deemed given on the date of written confirmed receipt by a transmission or transaction report or otherwise. Notice of a special meeting shall state the purpose for which the meeting is called and what business is proposed to be transacted.

Notice of any meeting of the Board need not be given to any Director if it is waived by him or her in writing or by fax whether before or after such meeting is held, or if he or she is present at such meeting. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and he

or she gives written notice of his or her objection to the Secretary prior to the commencement of the meeting.

Notice of special board meetings will be posted on the ~~website of the King County Housing Authority Moving King County Residents Forward website~~ ([www.kehamkcrf.org](http://www.kehamkcrf.org)) ~~until and unless the Corporation develops its own website.~~

**3.10 Quorum.** Except as otherwise provided herein, a majority of the Directors, represented in person, shall constitute a quorum for the transaction of business. Each Director shall be entitled to one vote. If a quorum is present, the act of the majority of the Directors present shall be the act of the Board. The Directors present at a duly organized meeting may continue to transact business until adjournment even though a sufficient number of Directors have withdrawn that the remaining Directors no longer constitute a quorum. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained, and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned.

**3.11** Intentionally Omitted

**3.12 Compensation.** No Director shall receive compensation for services on behalf of the Corporation. By resolution of the Board, a Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

**3.13 Presumption of Assent.** A Director who is present at a meeting of the Board at which action on any Corporation matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

## ARTICLE 4. OFFICERS

**4.1 Officers.** The Officers of the Corporation shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board and who shall hold office at the pleasure of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary. No Officer of the Corporation need be a Director. The Officers shall be elected at the annual Board of Directors meeting or any special meeting called for such purpose.

**4.2 President.** The President shall have the usual executive powers pertaining to the office of President, including the general supervision, direction and control of the business of the Corporation and the responsibility to carry out the resolutions adopted by the Board, subject at all times and in all matters to the direction and control of the Board. The President shall preside at meetings of the Board.

**4.3 Secretary.** The Secretary shall give, or cause to be given, notice of all meetings of the Directors, and all other notices required by statute, the Articles, or these Bylaws. He or she shall record all of the proceedings of the meetings of the Directors in a proper corporation minute book. If the Corporation has a seal, the Secretary shall have custody of it and shall affix it to all proper Corporation documents and instruments, and when so affixed shall attest the same. He or she shall also perform such duties as may be assigned to him or her by the President or the Board.

**4.4 Treasurer.** The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. He or she shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by the Board or the President, taking proper vouchers for such disbursements. He or she shall render to the President and Board at the regular meetings of the Board, or whenever they may request it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. If required by the Board he or she shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board shall prescribe. The Treasurer shall also perform such other Duties as may be assigned by him or her by the President or the Board.

**4.5 Vacancies.** Vacancies in any office arising from any cause may be filled by majority vote of the Board at any meeting of the Directors.

**4.6 Other Officers and Agents.** The Board may appoint such other Officers and Agents as it shall deem necessary or expedient, who shall hold their offices for such terms, and shall exercise such powers and perform such duties, as shall be determined from time to time by the Board.

**4.7 Salaries.** No Officer shall receive compensation for services on behalf of the Corporation. By resolution of the Board, an Officer may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

**4.8 Removal.** Any Officer, Employee or Agent of the Corporation may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**4.9 Fidelity Bonds.** The Board may require some or all of the Directors, Officers, Employees, and Agents of the Corporation to furnish adequate fidelity bonds in such amount and with such surety as the Board shall prescribe. The premiums on such bonds (including those required to be furnished by the Treasurer) shall be paid by the Corporation.

## ARTICLE 5. INDEMNIFICATION OF OFFICERS AND DIRECTORS

**5.1 Indemnification.** To the fullest extent permitted by the Washington Nonprofit Corporation Act, RCW 24.03 the personal liability of a Director or Officer to the Corporation shall be eliminated and the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a Director or Officer of the Corporation against expenses (including attorneys' fees), judgments, fines, penalties, and amounts paid in settlement, actually and reasonably incurred by him or her, in connection with such action, suit or proceeding. Provided, however, that the Corporation shall neither indemnify a Director or Officer, nor shall the Director's or Officer's liability be eliminated for acts or omissions that involve intentional misconduct by a Director or a knowing violation of law by a Director or Officer, for conduct violating RCW 24.03.027, or for any transaction from which the Director or Officer will personally receive a benefit in money, property, or services to which the Director or Officer is not legally entitled. The Board may, for time to time, approve by general or specific action of the Board, or by contract, the indemnification of any other person which the Corporation has the power to indemnify under the Act. The indemnification provided by this Article 5.1 shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract.

**5.2 Procedure.** The determination of whether a Director or Officer has met the standard of conduct necessary for indemnification by the Corporation under the circumstances shall be made in accordance with the provisions of RCW 23B.08.550.

**5.3 Advance of Expenses.** Reasonable expenses incurred by a Director or Officer who is a party to a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of such proceeding:

(a) Upon receipt of the Corporation of a written undertaking by or on behalf of the Director or Officer to repay such amount if it shall ultimately be determined that such person has not met the standard of conduct necessary for indemnification by the Corporation as authorized by the Article 5.3; and

(b) Upon receipt by the Corporation of a written affirmation by the Director or Officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation as authorized in this Article 5.

The undertaking required by Section 5.3(a) shall be an unlimited general obligation of the Director or Officer, but need not be secured and may be accepted without reference to financial ability to make the repayment.

**5.4 Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Corporation against any liability asserted against or incurred by him or her in that capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article 5.

**5.5 Written Report.** Any indemnification of a Director or Officer in accordance with this Article 5, including any payment or reimbursement of expenses, shall be reported to the Board with the notice of the next Directors' meeting or prior thereto in a written report containing a brief description of the proceedings involving the Director or Officer being indemnified and the nature of such indemnification.

## **ARTICLE 6. MULTIPLE INTERESTS OF DIRECTORS OR OFFICERS**

**6.1 Multiple Interests of Directors or Officers.** No contract or transaction between the Corporation and one or more of its Directors or Officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are Directors or Officers, or have a financial interest therein, shall be void or voidable solely for such reason, or solely because the Director or Officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or her vote is counted for such purpose, nor shall the Director or Officer be required to account to the Corporation for any profit or benefit derived by him or her from such contract or transaction if:

(a) The fact of his or her interest is disclosed or is known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by a vote sufficient for such purposes without counting the vote of the interested Director or Directors; or

(b) The contract or transaction is fair as to the Corporation of the time it is authorized, approved or ratified, by the Board, or a committee thereof.

**6.2 Quorum at Directors' Meeting.** Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee thereof which authorized the contract or transaction.

**6.3 Public Record Disclosure; Open Public Meetings.** Requests for disclosure of records received by the Corporation will be handled in accordance with the Public Records Act (PRA), Chapter 42.56 RCW. The Corporation will retain records in accordance with Chapter 40.14 RCW and any applicable records retention schedules promulgated under that Chapter. In addition, future meetings of the Corporation will be convened and conducted in accordance with the Open Public Meetings Act (OPMA), Chapter 42.30 RCW.

## **ARTICLE 7. AMENDMENT OF BYLAWS**

These Bylaws may be amended, altered or repealed or new Bylaws adopted by the affirmative vote of a majority of the entire Board at any regular or special meeting of the Board, if notice of the proposed alteration or amendment is contained in the notice of the meeting;

provided, however, that the Board shall not amend, alter, repeal or adopt any Bylaw in such a manner as to disqualify the Corporation as a qualified organization under Section 509(a)(3) of the Code, including such acts which affect the number and appointment of or compensation of the Directors. If a conflict arises between these Bylaws and the Articles of Incorporation, the Articles shall control and the Bylaws deemed amended to so conform.

## ARTICLE 8. MISCELLANEOUS

**8.1 Rules of Order.** The rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern all meetings of Directors where those rules are not inconsistent with statute, the Articles of Incorporation, these Bylaws or special rules of order of the Corporation.

### **8.2 Books and Records.**

**8.2.1 Records of Corporation Meetings.** The Corporation shall cause to be kept complete records of all the proceedings of the Board.

**8.2.2 Copies of Resolutions.** Any person dealing with the Corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board when certified by the President or Secretary.

**8.2.3 Books of Account.** The Corporation shall keep appropriate and complete books of account.

**8.3 Loans.** No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances. No loans shall be made to Directors or Officers of the Corporation.

**8.4 Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may elect.

**8.5 Checks.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officers of the Corporation and in such manner as shall be determined from time to time by resolution of the Board. Unless the resolution provides otherwise, checks shall be signed by the Treasurer or his or her designee.

**8.6 Gifts and Bequests.** The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for any specific purpose of the Corporation.



**8.7 Insurance.** The Board shall obtain and maintain a Nonprofit Directors and Officers liability insurance policy (or similar type of insurance policy) with terms and provisions the Board deems prudent. The Board may procure any other insurance policy relating to the Board, the Corporation's Officers, employees, or agents or such other matters as the Board deems prudent.

### **CERTIFICATION OF ADOPTION**

The above Articles 1 through 8 were duly adopted as the Bylaws of the Corporation by the Board on the 11th day of April, 2012.

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Secretary