

MANAGEMENT PLAN  
FOR THE COMMUNITY DEVELOPMENT OFFICE  
BETWEEN  
THE CITY OF KEY WEST, FLORIDA  
AND  
THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA

This Management Plan, hereinafter referred to as the "Plan," is attached to and made a part of the "Administrative Agreement" in an effort to detail the procedures to be utilized in the transition of the Community Development Office between the City of Key West, Florida, (City) and The Housing Authority of the City of Key West, Florida, (KWA) and thereafter in the routine operations of the Community Development Office (CDO).

I. DUTIES

The City has entered into an Administrative Agreement with KWA for the management of the Community Development Office to effectively and efficiently administer the grant programs in progress and to pursue future grants determined to be beneficial to the City.

KWA, as authorized, will implement and/or administer the programs grants in accordance with all local, state, and federal regulations.

Requests for future potential grants may originate from the following sources:

1. General Public (as to specific needs for grant).
2. City Commission or Interdepartmental Need.
3. Community Development Office research determines availability of grant and makes recommendations.

The Community Development Office will be responsible for researching the grants available from the Department of Housing and Urban Development (HUD) and The Department of Community Affairs (DCA) in areas of community development and housing, during the course of routine operations. Recommendations will be submitted by the Community Development Office to the City Manager's Office for future grant applications. The CDO will pursue only those grants authorized in writing by the City Manager upon City Commission approval.

Special purpose grants originating from sources other than HUD and DCA will not be routinely researched. Awareness of these grants will be the responsibility of the persons or organizations in need of assistance. Research will be initiated once written authorization has been provided by the City Manager to KWA indicating that the special purpose grant has been determined beneficial to the City.

KWHA will coordinate grant applications with the City Manager and any Citizen's Advisory Group mandated by local, state, or federal law and/or any individual grant requirements.

## 2. ACCOUNTING AND ACCOUNTS

Accounting functions will be performed by KWHA as follows:

\* Accounting Statements - KWHA shall maintain books of account of all receipts and disbursements incurred in the management of the programs, which records shall be open to inspection by the City during normal business hours. KWHA shall render monthly statements to the City showing all receipts and disbursements together with all other financial reports required by the City and others as approved by the City.

\* Bank Accounts - KWHA shall establish and maintain in a bank, the deposits of which are insured, a separate savings and checking account, for the deposit of all funds received from the City or through any other source which is applicable to the operation of the CDO as established in the Administrative Agreement. KWHA shall have the authority to draw on these accounts and any others designated by the City, for any payments KWHA must make to discharge any liabilities or obligations incurred pursuant to the Administrative Agreement of this Plan, or specifically assigned in the approved annual operating budget. All reserve accounts must be established pursuant to the requirements of the Administrative Agreement or any of the special requirements of the City.

\* Disbursements - All existing CDO bank accounts shall remain in place as applicable. Disbursements from said accounts shall require two (2) authorized signatures upon preparation of program disbursement justification.

Existing program revenues and grant receipts shall continue to be deposited into the established accounts. Future grant/program revenue shall have accounts established in accordance with the grantor/grantee accounting requirements.

Approved CDO Budget items and approved grant budget items shall have authorized funds disbursed in a timely manner to meet the requirements of the CDO.

The CDO shall be responsible for program compliance of all funds received and provide the City said information through the RECORDS AND REPORTING REQUIREMENTS Section Three of this document.

Required bank account signature cards shall be executed the effective date of this Agreement. Authorized signatures shall include one signature of either the Chairman or Vice-Chairman of KWHA and one signature of either the Executive Director or Assistant Director of KWHA.

Payments - KWHA will be responsible for receipt of payments directly from Grantees for all programs except the individual monthly loan payments to the Mayors Revolving Loan Fund that shall be continued to be collected at the City's payment office.

\* Fiscal Year - The Fiscal Year for the Community Development Office will be October 1 to September 30 of each year.

\* Budget - The initial operating budget for the CDO is an attachment to the Management Plan. Thereafter budgets will be prepared by KWHA on an annual basis for the duration of this Agreement and will be presented to the City Manager for approval sixty days prior to October 1st of each year. Said budget will incorporate escrow accounts (housing/economic development) for future use based on the priorities of federal, state, and local programs. Said escrow accounts will be built from CDO program reserves. KWHA will make periodical recommendations to the City for use of these funds based on the community needs and program regulations.

The City hereby agrees to approve sufficient program funds to allow KWHA to effectively manage the CDO in accordance with the approved operational budget and the terms of the Administrative Agreement as may be amended from time to time.

A sum to be determined by KWHA, with the approval of the City, shall be retained by KWHA for prepaid expenses that may be anticipated but that are not due at the time of the remittance to KWHA.

All future grant applications applied for by and awarded to the Grantee (City) through the CDO shall provide for an administrative compensation to KWHA mutually agreed to prior to each individual grant application. Such compensation shall come directly from the proceeds of the grant where applicable or from the appropriate program escrow account.

\* Fixed Assets - KWHA will assume custodianship and physical control of certain fixed assets currently used by the CDO. An inventory will be taken as part of the Transition process and KWHA will sign receipts detailing all property received. Upon termination of the Administrative Agreement, all fixed assets will be returned to the City in the manner specified in Section 9 of this Plan.

### 3. RECORDS AND REPORTING REQUIREMENTS

KWHA shall establish and maintain a system of records, internal controls, books and accounts consistent with grant requirements and the requirements of the City.

KWHA will provide the following reports to the City Manager:

- \* Financial Statements on each program on a monthly basis.
- \* Cash Flow Analysis provided on a Quarterly basis.
- \* An Annual Audit of each program will be provided as required by the City.

In addition, KWHA shall prepare and submit all reports required by state or federal agencies in connection with grant monies approved for use by the City.

#### 4. EXPENSES

KWHA administrative obligations are limited to the approved budget expenditures or as amended to meet additional City requirements under the Agreement (i.e., independent audit, additional insurance coverage, specific grant applications).

KWHA shall have the authority to pay all outstanding expenses incurred for the operation of the Community Development Office in accordance with the approved budget. The City agrees to fund the budget for this office and to honor all special contracts issued in conjunction with existing and future grants.

KWHA shall adhere to the KWHA Procurement Policy (herein attached) and the Florida Statutes as it relates to expenditure of funds for the management and operation of the Community Development Office.

#### 5. MEETINGS

KWHA shall attend meetings with the City Manager and make periodical reports to the City Commission as requested by either the City Manager or the City Commission.

#### 6. PERSONNEL

All personnel attached to duties in the Community Development Office shall be either employees of KWHA or under contract. KWHA shall honor all current existing contracts of employment for city employees currently employed by the CDO; renew or renegotiate existing contracts upon mutual agreement; and/or offer current contract employees employment as regular employees of KWHA per program needs, functioning under the terms and conditions of employment accorded other regular KWHA employees. All current full-time city employees will be offered employment with at the same basic wage scale as KWHA employees under the terms and conditions of employment accorded other regular KWHA employees.

KWHA full-time employees are governed by the Policies and Procedures established by the Board of Commissioners and approved by the U.S. Department of Housing and Urban Development.

7. INSURANCE

KWHA shall furnish insurance for the operation of the Community Development Office location and staff, as follows:

- General Liability sufficient to cover statutory waiver of sovereign immunity for damages arising from operations of the CDO.
- Authorized vehicle insurance
- Workmen's Compensation and Health Insurance

Should this insurance coverage and any other insurance coverage requested by the City result in additional policy premiums, such premiums shall be a direct reimbursement to KWHA from program revenues.

8. TRANSITION

Upon execution of the Administrative Agreement by both Parties, a 30 day Transition Period will be initiated whereby the existing Community Development Office will be physically relocated to 1400 Kennedy Drive under the direction and control of KWHA. The City hereby agrees to cooperate fully with KWHA in providing all records and existing equipment needed to insure accurate records and information are received in order to maintain order within the office. Within the approved budget, KWHA is granted the authority to structure the Community Development Office as it deems necessary for the successful operation of all grants and community development endeavors.

9. TERMINATION

Upon termination of this Agreement, KWHA shall return to the City, by itemized written inventory with the City's receipt affixed thereto, any and all funds, property, records, files, equipment, materials and other items belonging to the City, in the form, condition and status such belongings are in at the date of termination. Upon the City's satisfaction with the itemized written inventory as reviewed by KWHA and the City together, the City shall sign the receipt for all items returned to its control by KWHA. The City shall notify KWHA of any discrepancies in the items being returned at the time of the inventory review.

10. COMPLIANCE WITH GOVERNMENTAL ORDERS

KWHA will take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting property, whether imposed by federal, state, county or local authority. Nevertheless, KWHA shall take no such action as long as the City is contesting, or has affirmed its intention to contest, any such order or requirement. KWHA will notify the City in writing of all notices of such orders or other requirements by the end of the third business day following the date of their receipt.