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OHA approves plan to ease cash-flow problems Federal trims contribute to an estimated budget shortfall of \$766,000.

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The **Omaha Housing Authority** board approved a short-term financial plan Thursday aimed at keeping the agency afloat through the summer without requiring deep employee layoffs. But the OHA strategy, which includes seeking a bank line of credit to ease cash-flow problems, doesn't entirely resolve this year's estimated \$766,000 shortfall. OHA board members said they will re-evaluate their finances in August.

"We know we're in a very difficult time," board chairman Fred Conley said.

OHA oversees federally subsidized public **housing** in **Omaha** for about 16,000 people. While the agency has had financial problems for years, the latest troubles stem from the loss of federal funding because of nationwide budget cuts.

Without spending cuts, OHA was in danger of not being able to pay bills and meet payroll obligations as early as June.

Last month, in fact, agency officials had delayed paying a \$144,000 **Omaha** Public Power District bill to ensure that there would be enough money for payroll.

The board's plan calls for requiring all employees to take five unpaid furlough days. Non-union workers also will not get a 2 percent pay raise for 2011 and about 40 managers will take an additional 3 percent pay cut.

In addition, OHA will eliminate 15 positions from its work force of more than 200 employees, including part-timers. At one point, the

agency was considering laying off up to 40 people, but board member Ben Gray said such cuts would be a last resort.

Gray said the board's plan would save \$100,000 a month for the next five months, accounting for much of the shortfall. More cuts could be made in the last four months of the year.

Meanwhile, Conley said, the board has applied for a \$500,000 line of credit from a local bank to deal with additional "unexpected shortfalls" that affect cash flow during the coming months, although board members hope that they would not have to tap it.

A line of credit also would help ease the agency's cash shortfall in the next few months, since some of the spending cuts might not result in full savings immediately.

The board voted 5-1 for the financial plan, with only board member Joan Nigro voting against it. Board member William Begley, who resigned as of March 31, was absent.

Donna Wiman, a board member who heads the finance committee, voted in favor but expressed reservations.

"I think we're depending on things to happen that may not happen," she said. "We may not have all the answers."

OHA has been rated D-minus on a federal report card, primarily because of financial problems. It spends more than it takes in, and the agency owes money to several of its own reserve funds after tapping them to make ends meet.

Complicating matters is board turmoil and turnover. OHA's executive director and several board members have resigned in recent months.

Earlier this year, the OHA board proposed cutting employee pay and benefits. But a union representing about half of the agency's employees balked.

Besides the layoffs, pay cuts and furloughs, OHA has eliminated mileage reimbursements, overtime for employees and scrapped a cleaning contract.

The agency has 2,700 public **housing** units, including towers, complexes and scattered site dwellings. In addition, the agency administers 4,500 Section 8 subsidized vouchers.

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