

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF COMMISSIONERS
OF THE MOLINE HOUSING AUTHORITY**

July 18, 2011

The regular meeting of the Board of Commissioners of the Moline Housing Authority was held at 5:30 PM in the Spring Brook Administration Building Board Room located at 4141 11th Avenue A, Moline, IL 61265.

Board members present were Chairperson Melvin Grimes, Vice-Chairperson Kathy York, Dan Adams, Chuck Capan, and Bill Bloom. Staff members present were Executive Director John Afoun, Operations Manager/Controller Doug Schott, AMP Manager Mike Sullivan, and Recording Secretary Maria Nino. Board Counsel, John Callas, was in attendance. Also in attendance were Moline City Mayor Don Welvaert, Moline City Council member Ted Ronk, James Newman, Diane Fox, Lee Westlund, Mohamed Sow, and Tammy Jones.

1. **Call to Order:** Vice-Chairperson Kathy York called the meeting to order at 5:30 p.m.
2. **Election of Chairperson:** Vice-Chairperson York opened the floor for nominations for Chairperson. There was a nomination, but no second for Commissioner Chuck Capan to be Chairperson. There was then a nomination and a second for Commissioner Melvin Grimes to be Chairperson. Commissioner Grimes indicated he would accept the nomination. No further nominations were made. Motion was made, and seconded to close nominations. A vote was held to close the nominations, all members in attendance voting "aye", none against; the Vice-Chairperson declared the motion to close nominations carried unanimously. The Vice-Chairperson declared that the nominations were closed. Commissioner Melvin Grimes was now declared the Chairperson by acclamation. Chairperson Grimes then chaired the remainder of the meeting.
3. **Approval of the Minutes of the Regular Meeting of June 20th 2011 and Special Meeting of June 27th 2011:** Minutes of the regular meeting of June 20th 2011 and special meeting of June 27th 2011 were reviewed. Commissioner Adams requested a revision be made to the Minutes of the Regular Meeting of June 20th 2011. He wanted the addition of the following sentence inserted in section 4 (Approval of Bills Expended/Financial Report). "Commissioner Adams questioned the refreshments for a Board Meeting, Sedona bills, and cell phone reimbursements." Commissioner Adams asked for a copy of the contract for the computer lab and Mr. John Afoun said he could make a copy available to him. Commissioner Adams asked how long Mr. Afoun has had that contract and Mr. Afoun responded that he has had it since 3 or 4 months after the start of his employment. Commissioner Adams questioned Mr. Afoun about the response letter he had received from Mr. Steven Meiss concerning discretionary funds. Motion was made, and seconded, to approve the minutes of the regular meeting of June 20th 2011 with the stated corrections as well as the minutes from the special meeting of June 27th 2011. All voting members present voting "aye", none against; the Chairperson declared the motion carried unanimously.
4. **Approval of Bills Expended/Financial Report:** Bills expended were reviewed by the Commissioners. Commissioner Adams questioned Lamar Advertising bills, reimbursements, coffee bills, translation services bills, Sedona bills, Zee Medical bills, and Color Works bills. Motion was made, and seconded, to approve the summary of bills expended for the month of June 2011. All voting members present voting "aye", except for one against (Commissioner Adams); the Chairperson declared the motion carried.
5. **COP Report:** COP Officers were unavailable.

6. Executive Director's Report: Verbal report provided by Mr. John Afoun.

Mr. Afoun mentioned that a long time resident of Spring Brook, Ernest Kelly, had passed away last month. He said that the Spring Valley Community Building had been made available to the family for their use.

Mr. Afoun next talked about the portability set aside funds. He said that the Section 8 program works by letting the participants be able to port out and port in. He said that the government has made available some funds that we are eligible to apply for, and we have in fact applied. Mr. Afoun stated that they personally invited us to apply because we are a high rent area.

Mr. Afoun then spoke about the REAC Inspection. He stated that we were not supposed to have a REAC Inspection done this year, but we did. The inspection took place last week and we are currently awaiting our scores. Mr. Afoun said we know the Hillside Heights score, but we are waiting on the score for AMP 1. He said he wants to commend the maintenance staff for all of their hard work. Mr. Afoun also stated that Mr. Mike Sullivan, the maintenance staff, and the office staff did an excellent job.

At this point Mr. Afoun spoke about Sedona Technologies. He said that due to the Board having expressed some questions he has included many invoices in the Board packets as well as having Mr. James Newman present in case the Board has any questions. Mr. Newman then gave a presentation. Mr. Newman said that Mr. Afoun had asked him to come by because the Board has concerns about the bills. Mr. Newman said that when he came in about a year ago and spoke with Ms. Maria Nino he had noted that the network was in a dilapidated state. He said that the system needed lots of updating and asked if we wanted to do all the necessary work all at once and spend about \$200,000 or stretch it out and do the work over the next 2 years. He stated lots of different items he is working on such as security parameters, privacy information, and the type of rules we are lacking currently as far as our internet usage policies. Mr. Newman went on to say that unfortunately when things break, it does cost a lot to fix the issues but that we still have a long way to go to get to where we need to be. Commissioner Adams questioned a previous bill where a laptop for Commissioner York had been set up. He said the bill showed 16 hours for that. Mr. Newman stated that the 16 hours was actually for all his work done that week and had just not been split out. He said that his estimated time to set up the laptop in question was a total of about 2.5 hours for everything.

a. Resolutions #655, #656, #657, #658, and #659:

Resolution #655 was to approve/authorize the trade in of the Silver Expedition for a new Expedition. Mr. Afoun stated that he had included a vehicle use data sheet because this information had been requested at the last board meeting. He then gave an update on the subsidy situation. He said that he has found out that our capital funds have been cut by about \$200,000 and Section 8 subsidies have also been reduced. He went on to say that from all indications the operating subsidies will also be cut. Mr. Afoun said that in our case where we have over \$2,000,000 in our reserve, he feels it is obvious that they are going to reduce our subsidy. Mr. Afoun said that there is a list that Mr. Sullivan and he had come up with that are construction related, which takes 2 or 3 months to get those projects together. He then said that he is bringing up the Silver Expedition issue again. He stated that he took

the vehicle for evaluation and found out that the 4x4 system is not working. Mr. Afoun said he was advised by the representative from Reynold's Ford that the 4x4 not be fixed and trade it in as is. Commissioner Adams questioned why three bids had not been received and stated that he wants to know more specifics. Mr. Afoun said that he and Mr. Doug Schott have been talking and that given what might happen if they can get HUD to commit he has reached out to Chicago so that he and Mr. Schott can go and meet and see if they will allow them to do transfer some of the money from the reserves especially for the new administration building. Commissioner Adams said he would like the dentist building on the construction project list to be added. Mr. Afoun said that he would like to turn the dentist building into a duplex because he feels that place lends itself to that. The Commissioners decided that they want to have more information so that they can make a more informed decision. They asked Mr. Afoun to gather three bids for trading in the Silver Expedition on a new vehicle as well as cost estimates for fixing the 4x4 system on the Silver Expedition. The Board takes no action on the proposed resolution (#655).

Resolution #656 was to approve/authorize the architectural and engineering service for the New Administration Building project, with the recommended bidder, Kelly & Associates-Architecture for the total estimated cost of \$107,500.00. Mr. Afoun stated that one of the Board's strategic goals is to construct new offices. He said that we are now at the point where we are able to proceed. The money we are intending to use is part of the reserves, so if they take it that then becomes an issue. Mr. Afoun hopes to be able to meet with HUD in Chicago to get the commitment. He stated that as of now we are recommending Kelly & Associates-Architecture as the A&E Firm to complete the work on the New Administrative Building project. He stated that we are recommending them based on experience and cost. Motion was made, and seconded, to approve the architectural and engineering service for the New Administration Building project, with the recommended bidder, Kelly & Associates-Architecture for the total estimated cost of \$107,500.00. All voting members present voting "aye", none against, the Chair declared the motion carried unanimously.

Resolution #657 was to approve/authorize a contract with Everywhere Wireless, LLC. Mr. Afoun stated that this issue had been touched on by Ms. Gina Baxter when she had spoken at last month's Board Meeting. He then stated that they did a bid and could not find a suitable person here and reached out to Everywhere Wireless, who they do approve of and will pay for. He added that Mr. Newman had worked on this as well. Commissioner Adams asked if three bids had been received for this project. Mr. Afoun responded that not in this particular case because Ms. Baxter had done the exercise since they are the ones paying for it, not us. Commissioner Adams responded that he thinks that in the grant that three bids are still required. Mr. John Callas interjected that he had an email stating that because there were no other qualified companies that they would accept Anywhere Wireless. Mr. Afoun said that they went out for bid but there was nobody qualified to bid it, but that if the Board did not feel comfortable with it they could go back out for bid and try it again. Commissioner Adams said he would feel more comfortable if they went out for bid again so that we don't get into trouble in a HUD audit. Commissioner Bloom asked what happens when the grant expires. Mr. Afoun responded that the internet aspect of it will be offered to the residents at a lower rate than the area providers. Mr. Afoun continued by saying that he had an idea of later on selling the service to the residents for a markup, but that is actually still at a savings to the resident. Mr. Newman interjected that he was very involved with CLC and what companies they could get to provide the services that were needed. He talked about different ideas they had when they were trying to see what companies could do what they wanted.

Mr. Callas asked if they had in fact got bids or not. Mr. Newman said yes, they did get bids. Mr. Afoun suggested contacting HUD to see if they would give us a waiver because as far as we are concerned we do not have the three bids. Commissioner Capan inquired whether MHA can provide a service that is funded initially through a grant that will then compete with the private sector, which will later be funded through the MHA. Mr. Afoun responded that there are quite a few housing authorities that are in the State of Illinois that are providing the services to the residents at this time. Mr. Afoun suggested again to take the issue to HUD and that he would ask Ms. Baxter to join them at the the HUD office and get a waiver from HUD if they don't have a problem with the process. Mr. Callas said he still has concerns that for an expenditure of over \$10,000 we have to have competitive bids. Mr. Callas recommended going out for bids. He said if we don't receive any then we're done and added that when you have specifications that limit it to one vendor you can have lawsuits down the road. Commissioner Bloom said that as a technology person he can agree with putting in the latest and greatest, but then again he is struggling with public housing providing a service like this at a lower cost than the local providers. Mr. Afoun said that he feels that we want to provide the most that we can. Chairperson Grimes suggested they look at what CLC did, ask for their paperwork, then come back and show this is what the bid process was, get the attorney to look at it so he can say it was good, bad or indifferent, and let the Board know. Mr. Afoun stated that he will do this right away.

Resolution #658 was to approve/authorize the transfer of \$140,000.00 from the Section 8 reserves into a non-federal fund account. Mr. Afoun stated that prior to 2003 housing authorities were allowed to use the administrative fees on what they wished. He recommends transferring the \$140,000 we currently have to the non-federal account. Once the non for profit is properly set up he would like this money transferred to the non for profit's account. Motion was made, and seconded, to approve the transfer of \$140,000.00 from the Section 8 reserves into a non-federal fund account. All voting members present voting "aye", none against, the Chair declared the motion carried unanimously.

Resolution #659 was to approve/authorize the submission of the 2011 SEMAP report. Mr. Afoun said that SEMAP is a component of Section 8 and that when we did ours the Board did not have a quorum at that time. He stated that HUD said it was OK to submit the report and the resolution thereafter. The SEMAP is what HUD uses to assess the performance of Section 8. Commissioner Adams questioned Mr. Afoun on communications he had with Mr. Elmore Richardson regarding the SEMAP and MASS. Mr. Afoun explained that there had been confusion between what he was told originally and what he was told at the end, but that this will not affect our scores and that they are going to do a follow up review with us. Commissioner Adams said he was concerned because he didn't want our funding to be cut because of untimely report submission. Motion was made, and seconded, to ratify Resolution #659 to approve/authorize the submission of the 2011 SEMAP report. All voting members present voting "aye", none against, the Chair declared the motion carried unanimously.

b. Section 8 Report: The Board reviewed the Section 8 Report as presented. Mr. Afoun stated at the moment it looks like we are on the right track. He said that as for our funding situation we need to be at 200, so anyone who leaves the program won't be replenished at this time. Mr. Afoun added that when they go to HUD they will ask if we can use reserve money to bring up the utilization rate. Mr. Afoun stated that it is in the best interest of the housing authority to increase it to 215 or 218/ so that we get full funding.

c. Public Housing Report: The Board reviewed the Public Housing Report as presented. There was a report for each Amp as well as one showing the information for both Amps combined. This report gives a data analysis to track and report the statistics to the Board. Mr. Afoun stated that the waiting list is very long and is of great concern to him. He said that this is where the not for profit comes in to help these people. Commissioner Adams asked if the Board approval was needed in order to close the waiting list. Mr. Afoun responded that there is no need for Board approval to close the waiting list. Commissioner York interjected that Board approval is needed to open it back up. Mr. Afoun said that the larger bedroom apartment waiting lists were closed, but that the efficiency and one bedroom apartment waiting lists were still open.

d. Development/Maintenance Reports: The Board reviewed the Capital Funds & Maintenance Progress Report, which showed the current and future projects. Another element was work orders and that shows that the maintenance staff is taking care of work orders in a timely fashion.

Mr. Afoun wanted to commend Mr. Sullivan and the maintenance staff for doing so well with the work orders and completing all the ones for the month of June 2011. Next, Mr. Afoun talked about the CFP report and stated that we usually received about \$900,000 each year for capital funds this year's subsidy just came in and has been reduced by about \$200,000. Mr. Afoun stated that we do have enough money there to do the items that we had planned on doing.

7. Resident Advisory Board (RAB) Report: Verbal report provided by Ms. Diane Fox.

Ms. Diane Fox introduced herself and the rest of the RAB Board. Tammy Jones, the newest RAB member from Hillside Heights was in attendance. Ms. Fox passed out the Tenant Talk newsletter that is put out for the Low Income Housing Coalition that they go to every year in Washington, DC, which featured her in an article. Ms. Fox talked about programs that have been going on this summer such as the TLC program, which is over now and was successful. They also have a lunch program that goes through August 12th and is averaging 35 to 40 kids per day. She mentioned the kids are being allowed in the building early because of the heat. Ms. Fox stated that the RAB Board feels we need more programs for the tenants and they are going to be working with the staff and Mr. Afoun for ideas and suggestions for what to do on that. Ms. Fox concluded that they are in favor of recommending internet access for residents for minimum or low fees.

Chairperson Grimes stated that it is gratifying to witness a working RAB Board. He is happy to see this and hopes to hear what they have to say.

8. Closed Session - 5 ILCS 120/2 (c)(1) – Personnel Issues: Motion was made, and seconded, to go into executive session at 7:30 P.M. and a roll call was taken. Voting Yes were Melvin Grimes, Kathy York, Dan Adams, Chuck Capan and Bill Bloom. The Chairperson declared the motion carried unanimously.

The Board then commenced Executive Session.

Motion was made, and seconded, to close executive session at 8:30 P.M. and a roll call was taken. Voting Yes were Melvin Grimes, Kathy York, Dan Adams, Chuck Capan and Bill Bloom. The Chairperson declared the motion carried unanimously.

The Public portion of the Meeting was resumed at 8:30 P.M.

9. Any other business that may come before the Board:

Motion by Commissioner Adams to terminate Executive Director John Afoun for violations of MHA By-Laws, ethics policy, procurement policy, vehicle policy, credit- card policy, office hours policy, HUD ethic policy, and any other HUD rules and regulations and other job performance issues that were discussed in closed session on Monday July 18 2011. The Chair called three times for a second, and thereafter declared the Motion failed for lack of a second.

Motion by Commissioner Adams to have Kathy York to resign as board commissioner for the MHA effective immediately for violations of MHA by-laws, ethics policy, Illinois State Gifts Ban Act , and HUD policies, rules and regulations for improperly receiving MHA property (computer). The Chair called three times for a second, and thereafter declared the Motion failed for lack of a second.

10. Adjournment:

There being no further business, a motion was made, and seconded, to adjourn the meeting. All voting members present voting "aye", none against; the Chairperson declared the meeting adjourned at 8:37 P.M.

Melvin Grimes, Chairperson