

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

January 11, 2021

The regular meeting of the Board of Commissioners of the Moline Housing Authority was held at 5:30 PM via teleconferencing due to COVID-19.

Board members present were Chairperson David Parker, Jr., Jay McCowan, Chuck Capan, Leslie Stange-Crotty, and Diane Fox. Staff members present were Executive Director John Afoun and Recording Secretary Maria Nino. Board Counsel, Anne Nelson, and Joni Feliksiak were in attendance.

1. **Call to Order:** Chairperson David Parker, Jr. called the meeting to order at 5:30 p.m.
2. **Approval of the Minutes of the Regular Meeting of November 16, 2020:** Minutes of the Regular Meeting of November 16, 2020 were reviewed. Motion was made, and seconded, to approve the minutes of the Regular Meeting of November 16, 2020, as presented. All voting members present voting "aye", none against; the Chairperson declared the motion carried.
3. **Executive Director's Report:** Verbal report provided by Mr. John Afoun.

Mr. Afoun stated that he is pleased to inform board that we have been awarded 4.5 million dollars to construct Spring Valley Village. Our application was approved. Chairperson Parker, Jr. said that Mr. Afoun shared the info with him a few weeks ago. He had told Mr. Afoun to hold off until IDHA gave final approval before going public. Chairperson Parker, Jr. spoke with one of the members of the IDHA board who is going to support this. It is a great opportunity for us and he would like to keep it under wraps until we get final approval. It is excellent news and kick starts us for our not-for-profit. We will do a press releases and ground breaking once the time comes after putting out the construction bid. Mr. Afoun is going to let the board know before any info gets out to the public. Once he gets formal approval he will let the board know and will run a draft press release by the board prior to doing anything. Everyone congratulated Mr. Afoun for doing good work. The Housing Authority will get \$500,000 for a developer's fee from this. Mr. Afoun thanked everyone for their support.

Mr. Afoun wanted give information for the board. He provided data on financial and federal appropriations. Mr. Afoun stated that there is an increase percentage wise and we hope this will materialize in us getting more money from the federal money. It's good news on the surface and we hope it will translate into actual dollars for the agency. Chairperson Parker, Jr. said Mr. Afoun had indicated that when there is a democratic president the purse strings are usually tighter. Mr. Afoun responded that traditionally that has been the case, but this was enacted under the previous presidency. Chairperson Parker, Jr. recommended we should plan for the worst and we should act as though we will receive less based on historic information.

a. Resolution #964:

Resolution #964 was to approve/authorize the Employee Health Insurance. All voting members present voting "aye", none against, the Chairperson declared the motion carried unanimously.

Resolution #965:

Resolution #965 was to approve/authorize the Agency Plan. All voting members present voting "aye", none against, the Chairperson declared the motion carried unanimously.

Resolution #966:

Resolution #966 was to approve/authorize the Bad Debt Write Offs. All voting members present voting "aye", none against, the Chairperson declared the motion carried unanimously.

- b. **Approval of Financial Report:** Due to the earlier than normal date for the board meeting the financial reports were not yet available. These will be sent to the Board as soon as they are received. Vice-Chairperson McCowan asked if the reason we do not have the reports available is because we do not have the information ready in time or is it because of the fee accountant. Mr. Afoun responded it is because the fee accountants need to have time to consolidate all the information given to them. Vice-Chairperson McCowan asked if this is because of the fee accountants not doing what they should have been doing for us. Mr. Afoun responded it is just because this has been moved up as far as the meeting date. Vice-Chairperson McCowan said we should reach out to other fee accountants in order to get more bids. He will not accept any late finance reports going forward.
- c. **Section 8 Report:** The Board reviewed the Section 8 Report as presented.
- d. **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.
- e. **Development/Maintenance Reports:** The Board reviewed the Capital Funds & Maintenance Progress Report, which showed current and future projects. The report also addressed work orders which had all been completed for the month.
- f. **FSS Report:** Mr. Afoun gave an update on the program including the number of people who have signed up to date.

Mr. Afoun said that Vice-Chairperson McCowan made an observation at the November board meeting regarding the number of vacant units. Since December we have 11 move outs and we have 11 move ins. On the 11 move ins 6 are transfers. Whenever we have vacancies we look at the waiting list and we look at transfers. Because of the way we operate sometimes it looks like empty units are not moving, but it is really because transfers are happening all the time. We bring one new person in and then we do one transfer. It doesn't reduce the numbers and appears that things are not moving, but with transfers we actually are making progress.

The combined report is concerning to John. The total arrears are \$110,000 and there are 163 people who haven't paid rent. Mr. Afoun stated that people are taking advantage of the situation with the government continuing to extend the moratorium. Of the total arrears \$12,000 is retro rent, which is when you have an increase and then have to pay on that increase. If it is viable and HUD gives us the authority to go ahead Mr. Afoun strongly would like to move ahead with eviction if it is possible. He said these are people who are not affected by COVID-19, they are regular tenants who choose not to pay. Commissioner Fox

asked a question. She said Mr. Afoun just stated there were 163 people not paying their rent. She thought last time was 47. Mr. Afoun said we have been calling and sending letters letting tenants know they are obligated to pay and once the moratorium is lifted we do plan to take them to court. Chairperson Parker, Jr. asked Mr. Afoun if he anticipates that when we take these people to small claims court they will all move out. Mr. Afoun said his staff believes they will either pay or enter into a repayment agreement.

Chairperson Parker, Jr. wants to make sure if we are going to have a huge surplus of units that need to be renovated that we have a plan for that. Mr. Afoun said we do have a plan for that. He referenced the new stimulus package to see if we will be given any assistance to help offset the costs on this. Vice-Chairperson McCowan asked if that is the money that is coming from the treasury and said he doesn't know if we will be eligible to receive that according to a NAHRO training he attended. Mr. Afoun said that we are waiting to see what HUD tells them. He said that tenants are just refusing to pay and we have to take an action. Some people have the ability to pay and are just refusing. Mr. Afoun asked if the board wanted him to come back to them for authorization if HUD says its ok. Commissioner Stange-Crotty suggested if we stagger the small claims court efforts it would be best because she thinks it would be a huge wave of people that they are going to end up paying court costs as well and they may start paying right away instead of going to court. She believes what would then happen is through word of mouth they may end up paying on their own. Vice-Chairperson McCowan said once you send it out this is what your additional costs will be if we take you to court. He then asked how people pay. Mr. Afoun said check, money order, direct debit, or credit cards. Chairperson Parker, Jr. said this is more of a policy decision if we will go to court and he would like a phone poll done prior to moving forward with anything.

Pest control was discussed. Vice-Chairperson McCowan asked if any of infestations are repeat offenders. Mr. Afoun said we wanted to recoup costs with repeat offenders and HUD said we cannot do that. He said we try to work with repeat offenders. The difficulty is determining if it is through their own fault or if it is just because they got them from a public place. Mr. Afoun said HUD does allow us to evict repeat offenders. Vice-Chairperson McCowan said that is interesting. Mr. Afoun clarified not only bedbugs but roaches as well.

Vice-Chairperson McCowan said he was in an apartment that was atrocious to the point he had to change his clothes after leaving the unit when he was there for a tenant passing away. Mr. Afoun talked about how we could do a three-strike policy then take them to court for eviction, but then what would our chances be with the judge. Vice-Chairperson McCowan said his thought was bedbugs, roaches, and the general look of your apartment should be factors. If we go repeatedly and someone's apartment being totally nasty, there is no reason for it. If you are dirty you have more chances to have bugs. A lot of it for him goes back to cleanliness. Commissioner Capan said he thinks for overall health if there is a reason to evict someone for health like if they are the problem child you have to think about evicting them for the benefit of the overall building. Commissioner Fox said as far as evicting repeat offenders she thinks that they should be evicted if they are repeat offenders, yes. She doesn't want to sound cold hearted, she is a low-income person and she is not dirty. Commissioner Stange-Crotty said number one you can be clean and have roaches and bedbugs. She doesn't think necessarily being dirty is the cause of those. If you are indifferent to the people around you and don't handle that problem then when and if that we can consider eviction then we do need to go through eviction process. She thinks that should include a time period where you can clean up

your mess. Mr. Afoun said the pest control person meets with the property manager then meets with tenants and lets them know this is not acceptable. Some comply, but some do not. We do have housekeeping standards and a video we show. Some people stay on top of housekeeping. Others don't comply so much. If they don't comply we issue lease violation. Mr. Afoun said the issue is bedbugs. How do we determine if it is something they caused or something that was caused in some public place that was not their fault? Mr. Afoun asked how many times should this have to recur before we evict. Chairperson Parker, Jr. directed Mr. Afoun to get with the senior management team and pest control person and try to establish a policy that can be adopted by the board. They want to be there to support Mr. Afoun and give the tools he needs, but they need to have a jumping off point. Please include the pest control person because he is the expert and would be able to help create a policy for that. Please be thoughtful on this.

Mr. Afoun informed the board that a tenant had passed away of natural causes. He also updated the board about the laptops that should arrive by the end of this month.

Chairperson Parker, Jr. said there was a question that came to him about employee bonuses. Mr. Afoun said the MHA had a practice and policy of awarding bonus to staff until August 2016 when fee accountant said it was not part of HUD's admissible expenses. Not long after that HUD issues notices which prohibit flat allowance without having a contract or union. A resolution was brought to the board back then and the situation was explained and that was discontinued. The CARES Act makes provision to award bonus and give incentive pay to employees. This was given to employees in May of 2020. The plan is to award another round of bonuses in June 2021.

Mr. Afoun said we want to spend a substantial amount of the funds on residents and Section 8 participants, so that is where we are. When it was discovered we couldn't give bonuses in the super circular he said he would continue to seek means to give bonuses to employees. Options in order to reintroduce bonuses are to offer individual contracts to each employee (but that is not standard in the housing industry, he would not recommend because only the Executive Director has this) or have a union, that way we could write or negotiate a bonus, and he has no objection to that. The last option is what he recommends. All he has been doing especially in the non for profit is building to be able to pay bonuses from there. For instances the 4.5 million we receive we will get a \$100,000 co-developer fee. Also, Fiesta Manor income would be sufficient to pay an annual bonus to staff. He has been telling staff that once we generate enough funds we will pay bonus through not-for-profit. That is what his colleague from Greater Metro does, she pays bonus from their not-for-profit.

Chairperson Parker, Jr. said this appears to be a policy decision. He said the first two are changes in policy and the third is a change in policy when available. Commissioner Stange-Crotty asked what was the practice before and what is recommended how do we determine the bonus. Is it a percentage basis or is it equal to all employees? Mr. Afoun said we did it based on the seniority. Managers receive a little more, office a little less, maintenance a little less. Commissioner Stange-Crotty asked if it was a flat rate, but the rate is based on your current pay. Commissioner Fox asked if we have ever used any monies from the not-for-profit agency yet. Mr. Afoun said no because Fiesta Manor is only 6 units and we are paying HUD back for the auditor general Section 8 money that is owed. Chairperson Parker, Jr. asked how much more do we have to pay on that. Mr. Afoun said we have a little less than \$100,000 to go. Mr.

Afoun said he has since reached out to HUD and asked them to reconsider a debt write off or reduce the payment or extend the payment. He has made a case, but HUD hasn't gotten back to him on that yet. Commissioner Capan said he has no issue giving bonuses, but what is the revenue source. If we can do with the nonprofit that would be great. \$25,000 would not get you very far. Vice-Chairperson McCowan said he has no problem with bonuses and to figure out how we are going to award them. If we could run them through the nonprofit that would be good. We need to figure out how to equitably do it. Mr. Afoun said what he hears is the board would rather do bonuses from the not-for-profit. Chairperson Parker, Jr. said to explain to new employees there are no bonuses at this time. It is based on other revenues that are generated outside of the housing authority and when we do give out bonuses that is the exception to the rule. Be very clear that you do not figure your family budget on this as they may not be there in the future. If they are to be given they are from the nonprofit organization is the consensus.

Mr. Afoun said there are new coronavirus cases that he is aware of as of today, however one of our staff members, due to coronavirus related issues, works from home once a week. That is working out well.

We also have a painting contractor helping our maintenance staff to make sure things are brought up. Vice-Chairperson McCowan asked if we pay the contractors hourly. He brought up past issues we had. Mr. Afoun responded no we do not pay hourly, we pay a flat fee per unit.

Mr. Afoun said we tried to purchase gift cards through Walmart for Section 8 participants, but were denied a corporate gift card account. We then purchased the gift certificates from Hy-Vee.

Vice-Chairperson McCowan wants to know if someone is keeping up some of the directions from HUD on that daily. Mr. Afoun replied yes, that he reads everything that comes from PHADA, NAHRO and HUD. Vice-Chairperson McCowan asked what is our balance on the CARES Act money. Mr. Afoun said he can compute it and send it out to all commissioners. Commissioner Fox asked when Section 8 participants are getting Hy-Vee cards. She asked what Public Housing was getting. Mr. Afoun said Public Housing is getting laundry cards. He spoke with HUD and they said since we do not own the laundry machines and share the profits we are ok.

4. Resident Advisory Board (RAB) Report: Verbal report provided by Ms. Anne Nelson.

Ms. Nelson introduced the new member of RAB, Joni Feliksiak. Ms. Feliksiak said hello to everyone. Chairperson Parker, Jr. said that she could reach out to Mr. Afoun or himself if she needed help with anything.

Mr. Nelson said the complaints are in regards to the ice out there. They have had a few people fall. Mr. Afoun said we are on top of it by salting and clearing the snow. One of the things we decided to do is buy another plow. We have the equipment and have the manpower so we are on top of it.

Commissioner Stange-Crotty said there is a salt product that they have at Trevor True Value which doesn't require the sun to melt the ice. It keeps on melting even if it snows again. She

calls it the “blue salt” and Trevor’s will know what you are talking about. Mr. Afoun said he will let maintenance know.

5. Any other business that may come before the Board including comments from the general public:

There was no other business to come before the Board.

6. 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 6:42 P.M.

David Parker, Jr., Chairperson