

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

March 20, 2017

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 Chuck Capan, Leslie Stange-Crotty, and David Parker, Jr. Staff members present were Executive Director John Afoun and Recording Secretary Maria Nino. Board Counsel was in attendance. Also in attendance were Diane Fox, Tammy Jones, Lee Westlund, and Laurie Elhers.

1. **Call to Order:** Chairperson Melvin Grimes called the meeting to order at 5:30 p.m.
2. **Approval of the Minutes of the Regular Meeting of February 27, 2017:** Minutes of the Regular Meeting of February 27, 2017 were reviewed. Motion was made, and seconded, to approve the minutes of the Regular Meeting of February 27, 2017, 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 spoke about the President's Budget Blueprint. He said that President Trump released his Budget Blueprint on Thursday, March 16, 2017, which provides the first portion of his FY 2018 budget request to Congress. The blueprint released contains devastating cuts to Public Housing and Community Development programs. The President's budget would provide on \$40.7 billion for HUD, which is \$6.2 billion or a 13.2 percent decrease from FY 2017 annualized. He stated he received this information from NAHRO. He stated that there are going to be hard choices to make when push comes to shove, so when we get there it won't be a surprise. Mr. Afoun said if you remember during the first sequestration we had to let go three members of staff and salaries were not increased as well as staff was asked to contribute to their health and dental plans. This time it is twice as much. There are difficult times ahead.

Chairperson Grimes said he gets a publication from the national low income housing group and they said this budget cut will take off the market more affordable housing that will possibly stop any projects that are already slated, which means we will have a lack of affordable housing. He has been fearing that from the beginning. He pushed for us to make sure everything is obligated in the right place. Mr. Afoun said the impact on our programs will be really devastating. He is bringing it to their attention. He will make decisions that will enable the board to make decisions for the housing authority. Commissioner Stange-Crotty said what she sees the present administration does is that they are the greatest negotiators, so they put their worst idea out on the table and then the person comes with fear and what ends up is not as bad as compared to what could have been. Chairperson Grimes said the sad thing about the situation across the board for social programs it seems as though if you are not at a certain level of income you become a prime target to be dealt with. He sees it across the board with housing, elderly programs, and childcare.

- a. **Resolution #842:**

Resolution #842 was to approve/authorize the Bad Debt Write Offs. All voting members present voting "aye", none against, the Chairperson declared the motion carried unanimously.

Resolution #843:

Resolution #843 was to approve/authorize the Operating Budget 2017/2018 Public Housing (AMP 1). Mr. Afoun stated this is a historic budget. Commissioner Parker, Jr. asked about operating expenditures and why there was a smaller training budget and nothing in travel. Mr. Afoun responded that we have to make difficult choices because initially we had a deficit of about \$80,000. If the subsidy is not cut as much as we are anticipating we will revise the budget. Commissioner Capan asked about office expenses and whether there are any big projects anticipated. Mr. Afoun told Commissioner Parker, Jr. that we could fund training from the Capital Fund. Commissioner Parker, Jr. asked if we don't have previous plans for that money. He wants to make sure that our staff can get properly trained as they are the ones who run the day to day operations and he feels it is very important. Mr. Afoun said he will make note of Commissioner Parker, Jr.'s observations. Commissioner Parker, Jr. wants a commitment that all of the staff will receive the proper amount of training and that Mr. Afoun will make sure that it gets done, including travel costs. Commissioner Stange-Crotty wants to know regarding employee training if she was an employee that didn't want to have training out of the area would she have to travel. Mr. Afoun said the approach he has been trying to adopt is to offer training locally. She recommended having someone come in and give training here locally. Mr. Afoun said the difficulty we have is that we do not have that great of a relationship with Rock Island, although we do here with East Moline. All voting members present voting "aye", none against, the Chairperson declared the motion carried unanimously.

Resolution #844:

Resolution #844 was to approve/authorize the Operating Budget 2017/2018 Public Housing (AMP 2). Commissioner Stange-Crotty asked if there is excess income is that money flexible or does it run out over a year. Mr. Afoun responded the income and expenditure runs out over the year and is then transferred over to our reserves, which can then be used. She asked if we are responsible to have four months operating expenditures and wanted to know where they can see how much is in there. She wants to know where the money is stored. She would like to see something like that quarterly. Commissioner Parker, Jr. agrees it is a good idea. She wants what they get now every month then quarterly something showing this is how much it has been costing us every month. Commissioner Parker, Jr. is for seeing this information each month. Chairperson Grimes is wanting the information quarterly. Commissioner Stange-Crotty agreed just quarterly information was good. Commissioner Parker, Jr. asked how much money we have today. Mr. Afoun responded 1.2 million. He said for 6 months our reserves should be at \$800,000. Commissioner Parker, Jr. wanted to clarify that if the feds came in today they could take \$400,000 and asked if we have a plan for that. He thinks Commissioner Stange-Crotty is on to

something good and that the board can make sure they are doing what they are supposed to be doing. Chairperson Grimes argued against providing this information monthly and instructed Mr. Afoun to provide the budget information every 6 months. Commissioner Parker, Jr. disagreed with this decision. All voting members present voting “aye”, none against, the Chairperson declared the motion carried unanimously.

Resolution #845:

Resolution #845 was to approve/authorize the Operating Budget 2017/2018 HCVP. All voting members present voting “aye”, none against, the Chairperson declared the motion carried unanimously.

Resolution #846:

Resolution #846 was to approve/authorize the Human Resources/Executive Assistant Position. This motion was withdrawn.

- b. **Approval of Financial Report:** The financial reports were presented and reviewed by the Commissioners. The reports included the month of February 2017. Mr. Afoun said that we are doing well on both income and expenditures for the months. Whatever is left in the budget goes into our reserves. He never wants to present a deficit budget and he also doesn't want to overspend. We will be using part of this money to support the staffing level and anything else they need to run the program.
- c. **Section 8 Report:** The Board reviewed the Section 8 Report as presented. Mr. Afoun stated that we have only been able to lease 199 instead of 234, which is our goal.
- 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. Mr. Afoun said that everything seems to be more or less normal. There are no major issues to report as far as the project management aspect is concerned. Resident's concern is parking at Spring Valley and we are dealing with it. The main issue at Spring Brook is pest control.
- 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 and that the maintenance staff is taking care of work orders in a timely fashion. Mr. Afoun stated that the painting is going well and is almost completed. When we started the project we anticipated Spring Brook being a challenge, but it has turned out much better than anticipated. The waterproofing and door placement project is complete, except for some punch list issues. He said people are still getting stuck in the elevators at Hillside. What he has instructed is that there is a meeting scheduled on this Wednesday with the contractor to discuss our concerns. He is asking the contract director to be in the meeting. He wants to let them know we are not happy at all. Commissioner Parker, Jr. asked how many people over the last month have gotten stuck. Ms. Tammy Jones said four people got stuck in the elevators over the last month. The elevator has broken down many times. Commissioner Stange-Crotty said that when we had it presented to us we saw replacing the elevator versus fixing it. Chairperson Grimes said they have put in completely new electronics so

somewhere along the line there is a breakdown. He asked if there are any repercussions outlined in the contract. Mr. Afoun thinks there are liquidated damages that he will look at.

Mr. Afoun said he wanted to bring something to the Board's attention. He said as they are aware the OIG was here and at Rock Island too. HUD has called us more this month than ever before. They want the money that they say we should pay back. Prior to this administration they had said they would work with us to have a payment agreement. Now they are wanting the money now and are threatening a management review. In our case since we have a not for profit they said they want their money now. Last week they had six people call from the Chicago HUD office asking for the same information. Commissioner Stange-Crotty said if she remembers correctly we came to an agreement on how much we were going to pay. Mr. Afoun said we have not come to an agreement. There were two payments. The ones from the program we have done that. The nonfederal one, which is the biggie we were going to enter into a payment agreement. Mr. Afoun said the payment agreement wasn't formalized. They were supposed to come and ascertain that we didn't have the money or accept our documents and develop the agreement. Commissioner Stange-Crotty asked if we know how much they want and about nonfederal and where we are supposed to get that money. Mr. Afoun responded that by setting up a not for profit and nonfederal money from when asset management was created. Commissioner Stange-Crotty asked if the money from our reserve can be converted to nonfederal. Mr. Afoun responded no.

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

Ms. Fox said they like the newsletter. The part they like the best was the picture of the new maintenance man because people like the fact of knowing who is coming to their door. The thing they discussed with Mr. Afoun mainly is that they are not going to have a health fair this year because the last few years it has gone down and is becoming more work than what it is worth. They feel the people are not using the information. They are going to skip it this year and maybe do it next year.

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 6:53 P.M.

Melvin Grimes, Chairperson