

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

October 15, 2018

The regular meeting of the Board of Commissioners of the Moline Housing Authority was held at 5:30 PM in the Hillside Heights Community Room located at 825 17<sup>th</sup> Street, Moline, IL 61265.

Board members present were Chairperson Leslie Stange-Crotty, Vice-Chairperson David Parker, Jr., Chuck Capan, and Diane Fox. Staff members present were Executive Director John Afoun and Recording Secretary Maria Nino. Board Counsel was in attendance.

1. **Call to Order:** Chairperson Leslie Stange-Crotty called the meeting to order at 5:30 p.m.
2. **Approval of the Minutes of the Regular Meeting of July 16, 2018:** Minutes of the Regular Meeting of July 16, 2018 were reviewed. Motion was made, and seconded, to approve the minutes of the Regular Meeting of July 16, 2018, as presented. All voting members present voting "aye", none against; the Chairperson declared the motion carried.

**Approval of the Minutes of the Regular Meeting of September 17, 2018:** Minutes of the Regular Meeting of September 17, 2018 were reviewed. Motion was made, and seconded, to approve the minutes of the Regular Meeting of September 17, 2018, as presented. All voting members present voting "aye", none against; the Chairperson declared the motion carried.

**Approval of the Minutes of the Special Meeting of September 24, 2018:** Minutes of the Special Meeting of September 24, 2018 were reviewed. Motion was made, and seconded, to approve the minutes of the Special Meeting of September 24, 2018, 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. John Afoun stated that Pamela J. Simpson conducted audit of our operations. It was conducted according to GAAP and HUD's directives. Normally at the exit interview she tells us if there will be any findings or not. She indicated there were issues with the fee accountants. The fee accountants submit unaudited financials into REAC and she indicated there are some inconsistencies which may cause a finding. Mr. Afoun is hoping the findings will be limited if any. She said we are doing well except for that aspect. We had a conversation with Cindy, the owner of our fee accounting firm, and she said that from here on things will be good from now on. The issue was change in staff and new software. He feels that we should give a few months to see if things improve. Commissioner Capan asked how long the contract is for. John said three years. He asked the lawyer if we have put her on notice. Legal Council said he can send another letter for this issue. Mr. Afoun said he feels we should monitor for 2 months. Legal Council asked if we can self-audit for month to month to make sure. Vice-Chairperson Parker, Jr. asked wouldn't it make sense to put her on warning so we wouldn't have to go through that process again. Why would we give extra chances to fix it when that organization has proven that we are not being helped by her at all? Legal Council said the first letter that was sent was before this specific issue had been known. Mr. Afoun said we don't know if we will have finding or not so he wants to wait another couple of months. He said she has been responding since then. Chairperson Stange-Crotty said there is a suggestion to give a couple of months and wait until January. Vice-Chairperson Parker, Jr. wants to put her on notice. He doesn't know why we don't. We have an issue with them performing as we know how she performs. Commissioner Capan wants to know if her performance is at a shortfall right now. Mr. Afoun said it has improved

since we had the issues. Commissioner Capan said we are waiting to hear back if there is a finding since it would be something that she would have caused. He said he would like to have a notice sent, not too heavy of a letter, that we have had some problems and we need to address it now not later. We need a letter showing our concern for the discrepancy in our audit and it affects our standing with HUD. We will need more documentation if we go to termination based on performance. If she doesn't give us high quality service that we deserve that we can terminate at whatever time depending on what we are wanting to. Vice-Chairperson Parker, Jr. said move forward immediately do not wait to go out for new RFP for fee accounting if we need to do this if the situation requires it, do not have to wait for next board meeting as it is operational.

Mr. Afoun then spoke about the Public Housing Assessment System (PHAS). He said that attached is PHAS report. He stated with heavy heart he reports unfortunately we have lost our pride and joy of being a high performer. He has attached the columns showing we lost most points on physical inspection. He attached the photos of all deficiencies that were identified. Health and safety issues have all been taken care of. He said it's just unfortunate that the inspector was very thorough. We will use this as our guide to make sure we are thoroughly prepared for next one. Mr. Afoun went on about the photos of different things we lost points on in the REAC inspection. We lost points for occupancy, as you know the number of tenants moving out we have not been able to turn units as fast as we like as well as accounts receivable we lost points. In finance we lost points. Our monthly expenditure we are supposed to have equivalent of 3 to 4 months in reserve. We had that but at beginning of year there was speculation that government would recapture our reserves. We used that money to do a lot of projects and then our reserves went down to about 2 months as too much ended up getting spent. We want to build our operating reserves to 6 months so we know we have a cushion. Beginning of last year we had more than 2 million in our reserves, but fear of HUD coming in to take made us spent some of it. We will put this measure in place so that won't happen again. Our liability and income ratio is another issue. We feel once we get the income back up in reserves that will also take care of this issue. We are looking at the budget to see where we can cut costs to help the financial situation. Vice-Chairperson Parker, Jr. asked what the point breakdown that you need to achieve a high performer. Mr. Afoun said based on this we should have at least 90 points. We look at other components as well as physical to improve for next time. Vice-Chairperson Parker, Jr. asked how we are affected due to standard performer. Vice-Chairperson Parker, Jr. highly recommends doing mock inspection. Mr. Afoun said we lost 3% of our capital fund grant, which is approximately 30 thousand dollars. Chairperson Stange-Crotty asked if we are consensus to do mock inspection. Vice-Chairperson Parker, Jr. suggested maybe in 6 months, don't wait until last minute to do this.

**a. Resolution #889:**

Resolution #889 was to approve/authorize the Section 8 2019 Payment Standard. All voting members present voting "aye", none against, the Chairperson declared the motion carried unanimously.

**Resolution #890:**

Resolution #890 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:** The Board reviewed the financial reports as presented. Mr. Afoun said that we have received more than expected in revenue, but have also spent more than budgeted for in both AMPs. Other than that the general position is good. Mr. Afoun stated there is nothing to worry about.

- c. **Section 8 Report:** The Board reviewed the Section 8 Report as presented. Mr. Afoun said the program is no longer under shortfall. HUD gave us over \$50,000. We are now out of shortfall and this is good news. We will be able to resume leasing vouchers.
- 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 there is nothing really of great concern to report. It is more or less the same as last month. Commissioner Capan asked if we are down on maintenance personnel. Mr. Afoun said yes by one. We have not been able to keep up with the volume. He said one of our maintenance staff resigned last month. We solicited proposals and there is one contractor we are interested in. His rates are \$25 per dollar. Mr. Afoun said it is shorter and quicker than our maintenance guys. He is of the view if a contractor is able to do it quicker and cheaper then there may be sense in doing unit turnaround with contractors and our guys do work orders, etc. The Board instructed him to work with lawyers to get a contract together for us to get the units back online. There are 35 vacant units as of today. 5 were turned in since the report was written. Since the REAC inspection is over our men are going back into units. We will give 20 to the contractor to start with and we will determine how quick they are able to turn it around. Commissioner Capan said do 10 units and judge him on his work on the way then move on with rest, but he would hate to get into a situation where we are tied up with a guy whose standards are not up to par. The maintenance supervisor and Mr. Afoun talked about monitoring their work. Chairperson Stange-Crotty said maybe 10 is a little bit too much. John wants it to say if at any point the housing authority wants to end services they may do so at their discretion on the contract. Vice-Chairperson Parker, Jr. asked if he mentioned considering using them on an ongoing basis. Vice-Chairperson Parker, Jr. asked how this affects the current maintenance folks. Mr. Afoun said he hasn't done detailed analysis to see how it is going to impact. He said this will be pilot scheme to determine. If cost and time is marginal then we don't have issue but if a contractor is more cost effective it might have impact on work force. Chairperson Parker, Jr. said his loyalty is to employees not outside vendors. He is very wary about taking away from people we have hired to do that work. He would be very concerned because these guys do a great job. He doesn't want to punish them for this anomaly. Legal Council asked if this can be done open ended or just this special situation. Mr. Afoun said you can use either direct labor or contract but only in this situation. He also said it doesn't have to be prevailing wage in this situation. Commissioner Fox said she is for the 10 at a time. She said on waiting list 0 is 0 and 1 bdrm is 0. Does that mean we don't have anyone to put into the units? We have opened the waiting list. There was discussion about the waiting list.
- 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 reported that we received notification from HUD. Speculations were that things were going to be cut deep and there was not going to be a lot of money. Our capital fund grant was increased to 1 million dollars. They increased by 1% on top of that. We have the money in there and the items we will be addressing is also attached. The lighting is completed here. The next thing we want to do is security cameras to enhance the security. Everything is on track here and we will keep the board posted.

Pest control and lease violation reports were looked at. Copies are attached of police activity. Mr. Afoun said this will become part of the report each month. Vice-Chairperson Parker, Jr. wanted to see if everyone thought this was useful. He said we can identify where trends are. Chairperson Stange-Crotty suggested having January through December in columns so we can see if there are any trends. Everyone seemed to like this report.

**4. Resident Advisory Board (RAB) Report:** Verbal report provided by Ms. Tammy Jones.

Ms. Jones said they are looking for RAB members from Spring Brook and Spring Valley. They still have nobody from there. She doesn't know what is going on at either of those complexes. The food pantry people will be there on Friday to drop off boxes, but everything else is going well. Ms. Jones and Chairperson Stange-Crotty want to have this put into the newsletter.

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

Chairperson Stange-Crotty said she came not knowing a thing. Dr. Melvin Grimes has been a great leader. He gave good advice, has been a good steward, and is a blessing to his congregation and this community. She said Dr. Grimes has always been concerned by his fellow man. We've been blessed and so has the housing authority. We thank him for sharing his blessings with us.

Mr. Afoun said that on October 23<sup>rd</sup> at 6pm Dr. Melvin Grimes will be recognized at the City Council meeting formally.

Vice-Chairperson Parker, Jr. also thanked Dr. Grimes for his leadership, friendship, wisdom, guidance and counsel. He has been great mentor and leader. He also said that Commissioner Capan has also been great stepping in and helping out when Dr. Grimes was not available. It has been a pleasure having Dr. Grimes here. He brings a real down to earth sensibilities to some of the silly things we get on a tangent here. He has done nothing but add value to this organization. He should be very proud of what he has done.

Dr. Melvin Grimes said it has been an honor and privilege to come and serve on the housing authority board of commissioners. When he walked in the door Commissioner Capan and he were only ones left from the original board. We have seen Moline go through some turbulent times, a lot of negative press and everything that could possibly be done to discourage and dissuade our progress. The greatest thing he has witnessed is our Section 8 program that went from troubled to high performer and has maintained that level. That is a feat in itself and not many housing authorities have been able to do that. Ms. Teresa Chapman was handed a swamp. Mr. Afoun was handed a swamp because he was still fighting a previous situation. Chairperson Stange-Crotty and he have got to know everyone. He and Vice-Chairperson Parker, Jr. have learned to communicate and Commissioner Capan has been there with him the whole time.

Mr. Afoun wants to know if Chairperson Stange-Crotty and Vice-Chairperson Parker, Jr. are available at 8am on Wednesday morning. He said we normally have a staff meeting once a month. He wants to invite board to come and meet and address staff. He asked them to be there at 8:30am. He wants to introduce the new Chairperson and Vice-Chairperson to the staff at this meeting. He will put them on agenda.

**7. 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 6:45 P.M.

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Leslie Stange-Crotty, Chairperson