

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

March 27, 2025

The special meeting of the Board of Commissioners of the Moline Housing Authority was held at 5:15 PM in the Spring Valley Community Building located at 1150 41<sup>st</sup> Street, Moline, IL 61265.

Board members present were Chairperson Leslie Stange-Crotty, Vice-Chairperson Melvin Grimes, Raegan Jones, and Alex Rodriguez. Staff members present were Executive Director John Afoun and Recording Secretary Maria Nino. Also, in attendance virtually was Ronald Urlaub.

1. **Call to Order:** Chairperson Stange-Crotty called the meeting to order at 5:30 p.m.
2. **Executive Director's Report:** Verbal report provided by Mr. John Afoun.

Mr. Ronald Urlaub from Urlaub Accounting, our fee accounting firm, gave a presentation regarding the budget for the board via zoom.

Mr. Urlaub said thank you for your participation and for being on the board. We will go through the operating budget presentation. He said we will talk about some of the programs, the budgets, and some financial concerns.

Understanding the government and the authority is important. The reason I like to do this is to show you what funds are indeed restricted and which funds do I have a little more latitude with. Most of our funds on the restricted side and the unrestricted are the COCC and the management programs. These programs are like kids. You can have few kids – one is really successful, one is kind of successful, and one is not. You can wish they are all successful, but that's not the way it is. The low rent program any money they have stays in their pocket. They cannot pay for any other program and cannot be shared. Same for Section 8 program. It doesn't not matter how much money they have.

Management program is just a hold account and interest bearing.

Profit Ratio

AMP 1 – 8%  
AMP 2 – 17%  
HCV – 3%  
COCC – 5%  
Fiesta Manor – 13%

You are not trying to make a profit because we are government. 5-8% is our target. AMP 2 is best per percentage. The voucher program is the lowest percentage. This is showing that each one of your "kids" is making a profit. Not all the same, but they are making profits. Some of the biggest things we have to look at are what are the budget assumptions. I don't know what HUD is going to do this year. The political turmoil is going to have an impact on us, but I don't know what it's going to be. We budgeted subsidy at 97 cents on the dollar. This is a very healthy projection. Admin fees we are looking at 90 percent. HAP funding down to 97.5 percent. One of the things I try to do is I like to read news articles on housing authorities. You have probably heard stories of the voucher program shrinking. This is why: rents are going up faster than what funding is

and that means that we have less money to work with. We haven't heard anything about CFP so it is projected at last year's funding level. We hope to keep 97 percent occupancy rate. We need to keep that percentage up no matter what. Mr. Afoun interjected that as of today we are at 99%. Mr. Urlaub continued stating that benefits is always one of those costs. He projected it to remain at the 36% mark here. You don't really know what is going to happen with benefits. It's one of those where the rates can go up in a heartbeat. We don't know what's going to happen with health insurance. Right now, it is roughly 22% in the benefits range. You start looking and you're saying 22% and you can imagine if you throw in a spouse or a significant other in there that's 44% and if you expand it with families you are probably looking at 65-70% rate. Your health insurance is around \$264,000 for the year. I know there are always discussions and it is a hot topic, but it is something we always have to look at because we always want better insurance, but I just had agency in Texas and we said we either cut 25% out of salary or lower their benefit package – pick one. That's where we can be. They ended up having to cut their health insurance down. Be very careful when you make decisions on your heart it can be tough. Those are my assumptions, the biggest ones included in this budget.

As for funding, we know it will be reduced. It scares me because we are not in a bad shape because our per unit costs has not gone up tremendously like some other places. We did the math and ran a 2-year projection on this the other day and it looks like we presented a plan that we think you can issue 20 vouchers for this year. You can't house 20, you probably will get 12 or 14 back. You cannot issue a voucher until January of 2027. Why is that? We have made a commitment that we are going to give Parkview 21 of our vouchers. That means we have to make room and lower your numbers by at least 21 units. On top of that we also understand HUD's funding is going down. That's going to hit you even more. Again, our projection was we were going to try to issue 20 vouchers. About 5 in April, 5 in May and 10 in July and we are done. We cannot issue any more vouchers. At least 30-40% of their clients they will be out of money by the end of December. They cannot issue a voucher for the rest of the year. Even if people fall off they cannot replace it. We do have to get our numbers down because we have made a legal contractual promise that we will give 21 units to Parkview.

Things change and funding might change anytime. Your financial impact to your city: without capital expenditures we are spending to the public to our vendors to our employees a little over 6 million dollars to the economy.

Concerns:

We are worried about what is going to happen with HUD. We don't know what is happening in DC. We are always hearing rumors funding cuts, 50% of HUD employees in PIH are to be released, field offices are closing, going to a regional approach – we don't know. Whenever you get involved in development I am concerns about cost overruns. Who is going to pay if there are overruns? Those would be biggest concerns looking at next year's budget.

In going over budgets, the CFP is not showing on this budget. Voucher budget is shown and profit margins were looked at. The management account is just a holding account. COCC we are bringing in about \$700,000 so we are expecting about a \$35,000 profit, so that is good. We want that up a little bit higher if we could. This would give us about a two-month reserve. He would like to see it get up to 4 months reserve.

We are expecting about a \$9,000 profit with Fiesta Manor this year. It is in the red by \$67,000 currently, but he is not very concerned about that. It will take 4-5 years to break even.

Total profit of \$452,000 is projected for the agency. He went over restricted and unrestricted.

The individual programs were reviewed and where that was found. He likes to summarize it so you can see it across the board and you can see where you stand at. He was very pleased with the way this budget turned out. If HUD comes in and cuts the funding down to 80% then we have to come in and revise the budget. If you start hearing about that in the news expect a special board meeting to happen at that time.

Mr. Afoun said he wanted to reiterate his caution but we may have some difficult times ahead. We would have difficult decisions to make because we would have to cut costs in order to stay afloat.

Vice-Chairperson Grimes asked have you put together any figures that would represent if HUD cut the funding to 80%? Mr. Urlaub said I have not because what would end up happening is they would come in and cut the voucher program by maybe 10%, Low Rent by 15%, they may cut out the ROSS grant – they aren't going to do it across the board evenly unfortunately. We could play some scenarios out but it would just be a big guess, not an educated guess. There has been no indication as to the amount, if any, that HUD will cut. It has been approved in the budget by congress that we will be funded, but we don't know.

Chairperson Stange-Crotty said we have been approved in congress. If it was changed wouldn't it have to go through congress again? Mr. Urlaub said that is the legal argument that you are hearing on the news. If funding is withheld does the executive branch have the authority to do this? That is a legal question. He thinks of housing as one of these services that has to be provided. Once you start playing with housing that is a dangerous game. We need to safeguard it to a degree and not cut it too bad is what he hopes they say.

Mr. Urlaub said you guys do a wonderful job and if you have any questions just give me a call.

**a. Resolution #1094:**

Resolution #1094 was to approve/authorize the Revised 2024/2025 Operating Budget – AMP 1. All voting members present voting “aye”, none against, the Chairperson declared the motion carried unanimously.

**Resolution #1095:**

Resolution #1095 was to approve/authorize the Revised 2024/2025 Operating Budget – AMP 2. All voting members present voting “aye”, none against, the Chairperson declared the motion carried unanimously.

**Resolution #1096:**

Resolution #1096 was to approve/authorize the 2025/2026 Operating Budget – AMP 1. All voting members present voting “aye”, none against, the Chairperson declared the motion carried unanimously.

**Resolution #1097:**

Resolution #1097 was to approve/authorize the 2025/2026 Operating Budget – AMP 2. All voting members present voting “aye”, none against, the Chairperson declared the motion carried unanimously.

**Resolution #1098:**

Resolution #1098 was to approve/authorize the 2025/2026 Operating Budget – HCV (Section 8). All voting members present voting “aye”, none against, the Chairperson declared the motion carried unanimously.

**Resolution #1099:**

Resolution #1099 was to approve/authorize the 2025/2026 Operating Budget – COCC. All voting members present voting “aye”, none against, the Chairperson declared the motion carried unanimously.

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

No other business to come before the Board.

**4. Adjournment:**

There being no further business, a motion was made, and seconded, to adjourn the meeting. All voting members present voting “aye”, none against; Legal Counsel declared the meeting adjourned at 5:38 P.M.

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Leslie Stange-Crotty, Chairperson