

**Peoria Housing Authority
Board of Commissioners
Regular Board Meeting**

Monday, March 23, 2015

Minutes

I. OPENING OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS

At 4:30 p.m. Chair Zika opened the meeting with the Pledge of Allegiance and a moment of silence and roll call.

Call to Order: 4:33 PM

II. ROLL CALL

Board Members Present: Chairman Zika, Commissioners Fassino, Robinson, and Cannon

Board Members Absent: Vice-Chairman Williams, Commissioner Perkins

Staff Members Present: Coates, Jones, Kamradt, Krueger, Long, and Redding.

III. COMMUNITY COMMENTS

Mr. Zika called for community comments and there were none.

Agenda Item VII A., Contracting and Employment Goals

Agenda Item VII A, Contracting and Employment Goals, was moved before the Approval of the Minutes because Dave Watkins of the City of Peoria and Gabe Jaja from Human Capital Development were present in the audience.

Ms. Long stated that they were available to answer questions regarding the ePrism software program that is used to track Section 3 and MBE/WBE contracting and employment goals.

Mr. Zika requested clarification for the PHA's contracting and employment goals for Section 3 and Minority/ Women-Owned Businesses. Ms. Long described the PHA's current Section 3 and MBE/WBE goals set forth in her memorandum to the Board.

Ms. Long described the benefits of the ePrism software program. Mr. Zika asked whether the PHA Board, when it had originally approved the PHA's goals, had considered the basic Section 3 requirements. Mr. Watkins described how he utilizes the software at the City. He said that it helps him in outreach, and it is much more

efficient for entering data and tracking the compliance of City projects for the City's contracting and employment goals.

Mr. Fassino stated that while using the ePrism software system would take burden away from our employees, it appeared to put additional work on contractors. Mr. Fassino asked whether the City's contractors had resisted using the program. Mr. Watkins explained that contractors did take time to get used to the ePrism software system but have since become more comfortable using the system, particularly contractors that regularly do business with the City.

Ms. Long reported that the ePrism software program will assist the PHA, which has limited available staff, to more efficiently monitor Section 3 and MBE/WBE goals and contractor compliance.

Ms. Long discussed the current PHA goals and whether the PHA should adjust its goals to match the City. Some of the subcontracting goals are more stringent than the City's. She stated that the PHA has not had problems meeting the goals on larger projects. Mr. Jaja described his experience with the ePrism software program and the benefits of the program. He also commented on the PHA's employment and contracting goals, specifically stating that he recommended that the PHA should amend its goals to match the City's goals. Mr. Jaja said that the City's goals were based on a disparity study of the City's market area and therefore were less likely to be challenged.

Mr. Zika asked Mr. Mooty if there is was legal risk to the PHA to continue with its current goals. Mr. Mooty stated that the PHA was not at risk by continuing with the current PHA goals that may differ from the City of Peoria's goals.

IV. APPROVAL OF THE MINUTES

Minutes of the Regular Board Meeting held February 23, 2015.

Mr. Zika commented on Page 7 of the package, the fourth bullet from the bottom. Mr. Zika said the 20% he mentioned was merely arbitrary and not a requirement but that the 15% amount set forth in the proposed financial plan was disappointing.

Mr. Zika referenced page 9 and the discussion of the City of Peoria's Inspection Ordinance and asked if the issues had been resolved. Mr. Mooty stated that the City had not yet responded to inquiries made by the PHA on the City's position on the inspection issues.

Motion to approve: Robinson. Second: Fassino. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

V. ACTION ITEMS AND RESOLUTIONS

A. Action Items

1. Financial Reports

Mr. Zika stated that they would discuss the three months of financial reports one at a time and then vote on all three.

December 2014 Financial Reports

Mr. Kamradt advised the Board that the December report was final subject to audit.

Mr. Fassino asked about entries in the December report on Page 17 regarding land, structures and equipment net of depreciation. Mr. Kamradt reported that the figures on the first line are reported at cost.

Mr. Fassino inquired about negative numbers in the example of the accounts payables. Mr. Kamradt stated that the PHA was experiencing software problems they are still trying to sort out. Mr. Fassino also asked about the negative expenses on Page 21. Mr. Kamradt stated that the amounts on Page 21 still had to be reconciled.

Mr. Zika asked about COCC Comments on Page 21 in the third paragraph about employee payouts being moved.

Mr. Zika referred to Page 16 and asked about the status of real estate taxes for RiverWest. Mr. Mooty reported that the property tax exemption request had been filed and that a reduction of \$50,000 is expected. Mr. Mooty also reported that the exemption application for the Harrison homes had been filed, and Mr. Kamradt stated a \$20,000 reduction is expected.

January 2015 Financial Reports

Mr. Zika asked what fundamentally had changed about the January report. He stated that they had been receiving this report for a long time and the top numbers don't match middle column. Mr. Kamradt reported that the first quarter write-offs have not yet been booked and also that the write-offs are zeroed out at the end of the year.

February 2015 Financial Reports

Mr. Fassino asked why utility costs were not being booked. Mr. Kamradt reported that utility costs are received for multiple months and the expenses are still being entered for January, February and March due to a lag time on when utility bills are received by the PHA. Mr. Kamradt reported that the PHA is trying to negotiate consolidated bills from the utility companies to cut down on the lag time and also the number of bills received by the PHA. The PHA currently received separate bills for each scattered site.

Mr. Zika stated that there appeared to be a lot of timing issues for payments in January and February. Mr. Zika stated that there was a budgeted loss of \$56,000 but the

reports show that there is a \$256,000 worse than budget loss. Mr. Zika suggested that a monthly meeting should be scheduled in between financials being done, and the board packet being sent out with Mr. Zika, Mr. Fassino, Mr. Kamradt, and Elizabeth Lewis. The purpose of the monthly meeting would be to monitor the budget and financials. Mr. Zika asked Mr. Kamradt to schedule the meetings.

Mrs. Coates stated that they will need the variance explanations for the meetings. Mr. Zika said that they will have to figure out what they need for the meeting which may include some variance explanations.

Mrs. Coates asked Mr. Kamradt to explain why there is such swing in the budget and the reported numbers. Mr. Kamradt stated that some of the swing is based on waiting for HUD to establish eligibility for subsidies for this year. Three payrolls in the month of January also had an impact. Mr. Kamradt also reported that utility expenses are higher for winter months and those costs will even out as those costs are reduced with warmer weather.

Mr. Zika asked about the Harrison Homes balance sheet regarding how an account goes from TARS to a payment plan and how it then is shown on the balance sheet. Mr. Kamradt said that the balance sheet shows them as accounts receivable in a consolidated view. Mr. Zika referred to page 146. Mr. Fassino stated that the answer for last month was different. Mr. Kamradt said that the accounts can be reported in additional detail on the balance sheet. The separate accounts are shown on a different report.

Mr. Zika stated he wanted comfort going forward regarding reporting on accounts receivable. Mr. Fassino referred to last month's minutes regarding statements how account receivables would be reported.

Motion to approve financial reports for December, January, and February: Fassino. Second: Cannon. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

2. Section 8 Reports

Ms. Redding reported that in March there are currently 23 active applicants looking for housing, 44 requests for tenancy approvals in the office pending inspections, and 11 new lease ups. There was a loss of five clients. There are 40 applicants scheduled for a briefing.

Ms. Redding stated that they may be shy of the goal for March but the numbers should be made up in April.

Ms. Redding also reported that the PHA had been invited to apply for six VASH vouchers.

Motion to approve Section 8 Reports: Cannon. Second: Robinson. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

3. Asset Management Memorandum

Ms. Coates stated that the memorandum was prepared by Al Cuellar who has completed his contract as a temporary the Asset Manager.

Mr. Fassino asked whether the occupancy numbers and make ready numbers on page 16 and on page 164 should match. Mrs. Coates stated that the numbers should match.

Mr. Fassino stated Page 165 indicates outside contractor inspections were conducted. Mr. Fassino asked if the PHA had the results of the inspections. Mrs. Coates stated that an outside inspector has completed the mock inspections but the PHA had not yet received completed a review of the inspection reports. Ms. Lewis has the reports.

Mr. Fassino complimented the Taft group for the occupancy numbers at Taft. Mr. Fassino would like to see better results at Harrison and Scattered Sites.

Mrs. Coates reported that some units at Harrison have severe plaster and peeling paint and some of those units will need major renovation work using capital funds. The specific number has not been determined yet.

Mr. Fassino stated that the report on page 167 indicates the average turnaround is 8½ months and that there are 23 units needing turn around with a combined total of 199 months of turnaround time. Mr. Fassino stated that unless a plan is developed to turn these units around there will be no way to improve occupancy numbers. Mr. Fassino asked if there was a plan to turn these units around.

Mrs. Coates stated that the plan is being developed but that each unit will require money and except for one unit on Krause all of the units are located in the old Harrison buildings. Mrs. Coates stated that an inspection of the units by the Board will help them to understand the condition of the units.

Mrs. Coates stated that the Board members should go and see one or two units at Harrison. Mrs. Coates said that HUD has been shown the condition of the units. A prior decision had been made to concentrate on the redevelopment of Taft. They are now prioritizing units that will be the quickest to turn around. She stated that there are not enough funds to turn around all of the units.

Mr. Zika stated that the Board members should go see the units to be more aware of the problems.

Mr. Fassino referred to Page 160 regarding the Scattered Sites. He stated the report indicated that the same 8½ month turn-around time appears to apply to the Scattered Sites. It indicates an occupancy rate of 83%.

Mr. Zika referred to page 165 which states that the goals for the fourth quarter indicate an occupancy rate of 97%.

Mrs. Coates stated that the goal of 97% was only changed at the request of the Board. She does not believe the goal is realistic given where the PHA is at and the challenges.

Mr. Fassino asked if there were different problems for the Scattered Sites that are causing the 8½ month turnaround. Mrs. Coates stated that the problems at Scattered Sites are caused more by Tenant neglect and damage.

Motion to approve Asset Management reports: Cannon. Second: Fassino. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

4. Operations Reports

Security Reports

Mr. Fassino stated that on page 175 that the total calls for police service should be 209 rather than 309.

Modernization Reports

Ms. Long stated demolition of the old Harrison office building is about 60 percent complete.

Motion to approve Operations Reports: Fassino. Second: Robinson. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

B. RESOLUTION AR03235-01 Appliance Disposition for Scattered Sites, Harrison Homes and Taft Homes

Mr. Fassino asked about the estimated and total costs as well as the final costs shown on the report.

Ms. Long stated that the disposal of the units is being put out for bid and they expect either no cost or a nominal fee paid to the PHA for disposal of the appliances. The original acquisition cost for the appliances is set forth on the Resolution

Motion to approve Resolution AR03235-01: Fassino. Second: Robinson. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

VI. OLD BUSINESS

A. Taft Redevelopment Update

Yvonne Long, Modernization and Development Director stated that she had no additional comments regarding the memorandum provided to the Board. No questions were raised by the Board.

B. LISC AmeriCorps Initiatives

Yvonne Long, Modernization and Development Director asked to recognize Brent Baker and the participants who had passed the CNA test. Mr. Zika also congratulated Mr. Baker for his work with the PHA and its residents and Timm Krueger for the good press reports. Ms. Robinson stated that the success rates will contribute to a good reputation for the program.

C. FY2015 Agency Annual Goals

(Goals Distributed Under Separate Cover to the Board)

Mr. Zika stated that some milestone dates have already passed. Mr. Zika asked to be advised if any milestones had not been achieved.

Page 1

Mr. Zika asked for comments on Page 1.

Ms. Robinson asked for an affirmative response regarding any milestone due this month.

Ms. Coates stated that the milestone on audited statements is on track.

Mr. Zika asked about the second milestone regarding charts of monthly projections. Ms. Coates stated that the annual monthly chart has been completed and submitted to the Board.

Ms. Robinson asked about the March 31 goal about analyzing causes of turnover. Ms. Coates stated that they were working on the report, but the temporary Asset Manager has recently completed his assignment and Ms. Lewis had just returned, so they are still working on this analysis.

Ms. Robinson suggested adding a column for stating when goals have been completed.

Mrs. Coates stated that they will include any information that the Board wants on the report.

Page 2

Mr. Zika then asked about Page 2.

Mr. Zika stated the baseline has been established at 5.33 and noted that it has been completed.

Mr. Zika asked about the aged receivables report. Mr. Kamradt stated that this goal had been completed and the aged receivables report runs correctly.

Mr. Zika asked about TARS projections by AMP. Mrs. Coates stated that this was not a specific goal. Mr. Zika agreed but said that the projections had been completed. Mrs. Coates stated that this has been completed but not reviewed.

Mr. Zika asked about creating a process for incentivizing prompt rent payments by AMP.

Mrs. Coates stated that items on the list to be completed by March 31, 2015 will be completed by March 31st.

Page 3

Mr. Zika asked about Page 3 and Section 8 lease ups.

Ms. Redding stated that they should be on target and if the goal for March 31st is not met that they will be caught up in April.

Mr. Zika asked about the Financial Goal for RiverWest tax category and that it had been completed by the filing of the tax exemption application.

Page 4

Mr. Zika asked about Page 4 and the reporting rates for HUD. Ms. Redding reported that they were at 98.87 percent at the end of February and that public housing was close to 98 percent.

Mr. Zika asked about going live with the new software.

Mr. Kamradt stated that they have executed a contract with the vendor and they were working with the software company and that there is a worksheet that has been prepared listing employees and software to be trained on and that is waiting for review and approval. Mrs. Coates asked whether the report is waiting for her review. Mr. Kamradt reported that the first set of data has been sent to the software consultants for a conversion trial.

Mr. Kamradt stated that the software consultants wanted to start the power user training this month and employee training in June.

Ms. Robinson stated that it appeared that Mr. Kamradt was suggesting to modify the timeline and that he should confer with Mrs. Coates to determine whether to recommend to the Board that the timelines should be changed regarding goals for employees training other.

Mr. Kamradt stated that timelines for employee on line training should be moved back.

Ms. Robinson recommended that the staff should report on possible delays or recommended changes to the timelines so that the reports on the goals and timelines do not show that the dates have been missed.

Mr. Kamradt described the timing and sequencing of the training. He stated that rescheduling the training will not impact the other target dates such as the conversion dates. Mr. Kamradt confirmed that the 9/30 go live date is still in place.

Mr. Zika asked about the goals for voluntary employee terminations. He asked what the percentage goals mean including the 24 percent goal as compared to last year. The stated goals are hard to understand. Ms. Jones stated that they wanted to stay below three percent per quarter in turnover. The Board asked how the numbers will be computed. Ms. Robinson said that the goal should be 14% for the year. And this goal should be checked every quarter or every month. It was agreed that the goal should be 14% each quarter and the goals should be reported as 14% per quarter. Mr. Fassino

stated that the goal is six voluntary terminations for the year. Mr. Zika stated that the terminations should be annualized.

Page 6

Mr. Zika about Page 6 about creating referral list for scattered sites. Ms. Long stated that this goal had been met.

Mr. Zika stated that the public opinion survey goal had been met. Mr. Krueger stated that the creating blog post goal had been met. Mrs. Coates stated that she asked Mr. Krueger to hold off on quarterly stakeholder meetings until it is determined what type of community engagement will be carried out by the PHA. Mr. Krueger stated the quarterly engagement will not take place this quarter. It was agreed that the stakeholder meeting goal will be set for 6/30.

Mrs. Coates and Mr. Zika agreed that they were not interested in meetings with the community if the outcome is only to criticize and beat up on the PHA. Mrs. Coates stated that meetings should be planned and run by a third-party facilitator and that the meetings should not be led by the City. Mr. Zika stated that there is work being done on this issue.

Mr. Zika asked about the AFCSME contract. Mrs. Coates stated that she believes that they are close to an agreement with AFCSME.

Page 7

Mr. Zika asked about Page 7 and the framework study. Ms. Long stated that the framework study is completed and is being distributed. Mr. Krueger stated that there were two comments received so far. Ms. Long stated that she had spoken with one person about the report.

VII. NEW BUSINESS

A. CONTRACTING AND EMPLOYMENT GOALS

Yvonne Long, Modernization and Development Director

This item was moved to the beginning of the meeting.

VIII. CHIEF EXECUTIVE OFFICE REPORT

Mrs. Coates stated that she did not have any additions to the report.

IX. BOARD COMMENTS

Mr. Cannon wanted to formally go on the record that based on the timeline provided by the staff that the PHA staff did not stop the process regarding the use of Harrison School during the power outage.

Mr. Zika asked about the clarification printed by the Peoria Journal Star indicating that the staff did not cause the delay or inability to use the Harrison School.

Mr. Zika acknowledged the contributions of Commissioner Robinson during her service on the Board.

Mr. Zika also advised that Ms. Creshondra Davis will be the new resident commissioner should she should be appointed by the City Council within the next few weeks.

Mr. Zika stated that recommendations for the names of persons to replace Commissioner Robinson are welcome.

Mr. Fassino asked about the level of detail that should be included in the minutes for the Board meetings. Ms. Coates stated that the minutes for February had been reduced. Mr. Cannon indicated that he thought the February minutes were acceptable.

Mr. Cannon asked the Board to consider whether the Board's executive sessions should be held before the board meeting. He said that this was the practice of District 150 and the Heartland Board to hold its executive sessions prior to the public board meeting. Mr. Cannon believes that the meetings may go smoother with the executive session being held prior to the public meeting.

Mr. Cannon noted that Commissioner Perkins has been appointed the Illinois Prisoner Review Board.

Mr. Zika stated that he liked the idea but was concerned about determining the timing of the executive session prior to the start of the public meeting. Mr. Zika wanted to check with Mrs. Perkins and Mr. Williams about whether they can meet earlier than 4:30 p.m.

X. Executive Session

Commissioner Fassino moved to adjourn into Executive Session to discuss personnel issues. Second by Mr. Cannon. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

XI. Adjournment of Executive Session

At 7:30 p.m. Commissioner Fassino moved to adjourn out of Executive Session and back into the Regular Session. Second by Mr. Cannon. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

XII. Adjournment of the Regular Meeting

At 7:30 p.m. Commissioner Robinson moved to adjourn the Regular Meeting. Second by Mr. Cannon. Roll call: Yeas (Zika, Fassino, Robinson, Cannon) Nays (None) Absent (Williams, Perkins).

Respectfully Submitted by:

A handwritten signature in cursive script that reads "Arthur Perkins". The signature is written in black ink and is positioned above the printed name.

Arthur Perkins

Board Secretary