

**MINUTES OF MEETING OF DECATUR HOUSING AUTHORITY
OF THE CITY OF DECATUR, ILLINOIS**

Regular Meeting

The Board of Commissioners of Decatur Housing Authority met in Regular session at the Don F. Davis Center, 1808 East Locust Street, Decatur, Illinois at 3:30 p.m. on Thursday, November 10, 2011.

Chairman Smith called the meeting to order and upon a call of the roll, those present (all attended in person) and absent were as follows:

Present: Leroy Smith, Jr., Chair
 Lisa Campbell Hein, Vice Chair
 William Gosch, Commissioner
 Robert Yuhas, Commissioner
 Shad Etchason, Commissioner
 Julian Marsh, Secretary-Treasurer
 James A. Jankowicz, Legal Counsel

There being a quorum present and the meeting duly convened, business was transacted as follows:

The Chairman presented the Open Time of the agenda. There was a member of the public present at the meeting. He identified himself as Joe McAdams and stated that he was not there to speak he was there to observe.

Chairman Smith presented the audit report for the year ending March 31, 2011. Vice Chair Campbell moved to receive and file the report. Commissioner Yuhas seconded the motion.

At this time Mr. Marsh made a telephone call to the auditor, Monica Hauser of Hawkins, Ash, Baptie, & Co. LLP. Ms. Hauser gave a summary of the audit report. The audit received a clean opinion which is the best report status you can receive. There were only two findings identified. The first finding was regarding the tenant files not being in accordance with HUD regulations. Commissioner Yuhas asked if the files involved were for the DHA units or Wabash Crossing and Ms. Hauser stated that she believed they were all Wabash Crossing files. Commissioner Yuhas asked if the files could be identified in future audits so we have that differentiation.

The second finding was regarding the utility allowance schedule. The Housing Authority did not do the utility allowance study as required because it would not decrease the amount of the allowance given to tenants. HUD rules require the allowances be changed only if prices increase 10% or more, but also if they decrease 10% or more as in this case.

Hearing no further comment Chairman Smith called for the roll call vote. All voted "Aye". The motion carried.

Chairman Smith presented the Minutes from the Regular Meeting of October 13, 2011. Commissioner Yuhas moved to accept the Minutes as presented. Commissioner Gosch seconded the motion.

Hearing no comment, the Chairman called for a roll call vote. All voted "Aye" except Vice Chair Campbell and Commission Etchason who abstained. The Motion carried.

Chairman Smith presented the Rent Roll/L&O Summary Report for the month of October

November 10, 2011

2011. Commissioner Yuhas moved to receive and file the report. Commissioner Etchason seconded the motion.

Terri Goodman reported that the staff is working really hard to get the vacancies renovated. Commissioner Yuhas stated that we need to get tenants in the units so they don't sit vacant. Hearing no comment, the Chairman called for a roll call vote. All voted "Aye". The Motion carried.

Chairman Smith presented the Housing Choice Voucher Program Occupancy report for the month of October 2011. Vice Chair Campbell moved to receive and file the report. Commissioner Yuhas seconded the motion.

Brenda Kraus reported that the Housing Authority just opened the waiting list. When you get to the end of the list the response rate is lower and eligibility criteria changes over time for people on the waiting list. We received 300 applications so they have a new pool of applicants to screen for eligibility. Commissioner Yuhas asked if this is the normal process. Ms. Kraus said yes.

Hearing no further comment, the Chairman called for a roll call vote. All voted "Aye". The Motion carried.

Chairman Smith presented the Wabash Crossing Occupancy report for the month of October 2011. Commissioner Yuhas moved to receive and file the report. Commissioner Gosch seconded the motion.

Terri Goodman stated that Eastlake Management is doing a better job of getting units rented. They have a goal to be at full occupancy by the end of next month. The monthly meetings have started. Mr. Marsh reported that the monthly meeting went very well. They have a new staff person and there was discussion about the appearance of Wabash Crossing. Chairman Smith stated that he met with senior staff and was impressed with their attitude adjustment. DHA will continue to monitor their progress through the monthly meetings.

Hearing no further comment, the Chairman called for a roll call vote. All voted "Aye". The Motion carried.

Chairman Smith presented the General Fund Check Register Report for the month of October 2011. Vice Chair Campbell moved to receive and file the report and Commissioner Etchason seconded the motion.

Commissioner Etchason inquired about the check to Comcast. Ms. Goodman stated that we pay for the cable and the tenant pays us.

Hearing no further comment, the Chairman called for a roll call vote. All voted "Aye". The Motion carried.

Chairman Smith presented the following resolution for Commissioners' consideration and approval:

RESOLUTION NO. 11-49

AUTHORIZING AND APPROVING CONTRACT AMENDMENT NO. 6 TO TAG ASSOCIATES OF ILLINOIS, INC. FOR HOPE VI PROJECT NO. IL06URD012I199

WHEREAS, the Authority has engaged the services of TAG and Associates of Illinois, Inc. to provide program management and technical assistance services in the implementation of its HOPE VI program, and

November 10, 2011

WHEREAS, the original term of the contract was revised to include all services to be provided through March 1, 2006 and was amended through May 2011, and

WHEREAS, the Authority requires technical assistance for evaluation and assessment of management operations and contract compliance of East Lake Management and Development, Inc., and

WHEREAS, fees are based on hourly rates plus reimbursable expenses, and

WHEREAS, Program Income and Operating funds are available; now, therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

- Section 1. That Contract Amendment No. 6 to the Program Management Technical Assistance agreement by and between Decatur Housing Authority and TAG Associates of Illinois, Inc. be authorized and approved.
- Section 2. That the maximum contract amount be increased by an amount not to exceed FORTY THREE THOUSAND, THREE HUNDRED FORTY-SEVEN AND NO/100 DOLLARS (\$ 43,347.00).
- Section 3. That the term of the contract be extended to June 30, 2012.
- Section 4. That the Contracting Officer be authorized to amend work task budgets within the overall contract amount as necessary.
- Section 5. That the Executive Director or designee is authorized to execute all necessary documents.

Commissioner Etchason moved to accept the resolution as presented. Commissioner Gosch seconded the motion.

Jim Alpi reported that TAG Associates has been the program manager for the HOPE VI project since the beginning. The staff has asked them to do a management review and assist in collecting funds owed to the Housing Authority. Commission Yuhas asked what funds are involved. Mr. Alpi identified the various loans and fees still owed by East Lake. Commissioner Yuhas asked if Ballard Spahr was a flow through expense and asked why we need their services versus just calling HUD. Mr. Alpi stated that HUD does not typically get involved in these types of deals. TAG Associates, Inc. provided a proposal and it was evaluated and has been determined the most cost effective way to procure the services. Vice Chair Campbell asked if these are the same loans that have been extended. Mr. Alpi stated that some of the loans have been repaid and this is the last of the loans. Commissioner Yuhas asked if Ballard Spahr has experience with this. Mr. Alpi stated yes they are one of the top firms in the country for these complicated mixed finance deals. Commissioner Yuhas asked if we could file a lien or some other course of action. Mr. Alpi stated that action would put us in violation of the contract. The Housing Authority attorney stated that the nature of the HOPE VI program is slightly more complicated and that having Ballard Spahr involved is good for the Authority.

Hearing no further comment, the Chairman called for a roll call vote. All voted "Aye". The Motion carried.

Chairman Smith presented the following resolution for Commissioners' consideration and approval:

November 10, 2011

RESOLUTION NO. 11-50

AUTHORIZING AND APPROVING CONTRACT AMENDMENT NO. 5 TO
THE INDEFINITE QUANTITY AGREEMENT WITH MELOTTE, MORSE,
LEONATTI, PARKER, LTD., CFP IL06-P012-50109-50113

WHEREAS, the Authority has previously engaged the services of Melotte, Morse, Leonatti, Parker, Ltd. under an Indefinite Quantity Agreement, and

WHEREAS, the need to replace fire alarm components on the third, fourth, fifth, and sixth floors of the Concord building has been identified by staff, and

WHEREAS, services required for the design of replacement of fire alarm components at the Concord to include basic design, change order evaluation, contract administration, and construction observation through construction completion, and

WHEREAS, the cost for providing the additional services and expenses has been calculated on a lump sum basis and is judged reasonable, and

WHEREAS, funds are available within the Capital Fund Program IL06-P012-50110, Account No. 1430, now; therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

- Section 1. That Contract Amendment No. 5 to Melotte, Morse, Leonatti, Parker, Ltd. be authorized and approved.
- Section 2. That the contract amount be increased by SIX THOUSAND, NINE HUNDRED EIGHTY AND NO/100 DOLLARS (\$6,980.00), including authorized reimbursable expenses for professional services related to Fire Alarm Replacement at the Hartford and Lexington.
- Section 3. That the Executive Director or designee is authorized to execute all necessary documents.

Commissioner Yuhas moved to accept the resolution as presented. Commissioner Gosch seconded.

Mr. Alpi stated that MMLP Ltd. Is the architectural firm working on the fire alarm replacement at the Hartford and Lexington. Work is substantially complete at the Hartford and has begun at the Lexington. Last year we replaced a portion of the fire alarm at the Concord due to a malfunction. We did not include the completion of the Concord in the bid for the Hartford and Lexington because it would have created a propriety advantage in the bidding. As it turned out the low bidder for the fire alarm replacement at the Hartford and Lexington is a certified installer for the same equipment we have at the Concord so we asked them to submit a proposal for the completion of the Concord. Funds were budgeted for this work in the Capital Fund Program. This resolution is for approval of adding the additional services to the contract of MMLP, Ltd. for design drawings and construction administration for the Concord.

Hearing no further comment, the Chairman called for a roll call vote. All voted "Aye".
The Motion carried.

Chairman Smith presented the following resolution for Commissioners' consideration and approval:

November 10, 2011

RESOLUTION NO. 11-51

AUTHORIZING AND APPROVING CONTRACT MODIFICATION NO. 2 TO
BODINE ELECTRIC, INC. FOR FIRE ALARM REPLACEMENT AT
HARTFORD AND LEXINGTON, PROJECT CFP IL06-P012-50110

WHEREAS, the Authority has entered into a contract with Bodine Electric, Inc. for Fire Alarm Replacement at the Hartford and Lexington, and

WHEREAS, the Authority identified a change in the scope to include completion of fire alarm replacement at the Concord, and

WHEREAS, needed work can most quickly be accomplished and all systems made code compliant by modifying Bodine's scope of work, and

WHEREAS, the cost of the work has been determined to be reasonable, and

WHEREAS, funds are available within CFP IL06-P012-50110; now, therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

- Section 1. That Contract Modification No. 2 to Bodine Electric, Inc. for Fire Alarm Replacement at the Hartford and Lexington is authorized and approved.
- Section 2. That the contract amount is increased by NINETY-SEVEN THOUSAND, NINE HUNDRED FORTY-THREE AND 51/100 DOLLARS (\$97,943.51) and the time for completion be extended to March 16, 2012.
- Section 3. That the Executive Director or Contracting Officer is authorized to execute all necessary documents.

Commissioner Yuhas moved to accept the resolution as presented and Commissioner Gosch seconded the motion.

Mr. Alpi stated that this resolution authorizes Bodine Electric, Inc. to complete the installation of the fire alarm system at the Concord and bring the building up to code by adding additional devices as required.

Hearing no further comment, the Chairman called for a roll call vote. All voted "Aye".
The Motion carried.

Chairman Smith presented the following resolution for Commissioners' consideration and approval:

RESOLUTION NO. 11-52

AUTHORIZING AND APPROVING AWARD OF CONTRACT TO THE
MERCER GROUP, INC., FOR THE EXECUTIVE DIRECTOR
PERFORMANCE REVIEW

WHEREAS, Decatur Housing Authority did previously contract with the Mercer Group, Inc., in its employment search to hire a new Executive Director, and

WHEREAS, The Mercer Group, Inc. was involved with the execution of an Employment Contract between Decatur Housing Authority and its Executive Director, and

WHEREAS, The Mercer Group, Inc. has continued to assist the Authority in appraising the performance of the Executive Director pursuant to the Employment Contract, and

November 10, 2011

WHEREAS, The Mercer Group is otherwise assisting the Authority in overall evaluation of the Housing Authority's employee workload, performance, staffing, and future internal operational needs, and

WHEREAS, as a result of its working relationship with the Authority, The Mercer Group, Inc., has a specialized familiarity with the Authority, and

WHEREAS, it is necessary and desirable for the Authority to conduct a performance evaluation of the Executive Director, and

WHEREAS, The Mercer Group has submitted a written proposal and format for performing a 360 Degree Performance Evaluation of the Executive Director, which has been reviewed by the Board of Commissioners and is acceptable; now, therefore,

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

- Section 1. That the proposal for a 360 Degree Performance Evaluation of the Executive Director of the Mercer Group, Inc. is accepted, authorized and approved.
- Section 2. That the cost for services to be paid to The Mercer Group, Inc. is Four Thousand Four Hundred Seventy-Five Dollars (\$4,475.00).
- Section 3. That the Executive Director or Contracting Officer is authorized to execute all necessary documents.

Commissioner Yuhas moved to accept the resolution as presented and Commissioner Etchason seconded the motion.

Mr. Marsh reported that the Mercer Group was involved in the employment search for the Executive Director position so this is an extension of their contract to include a 360 Degree Performance Evaluation. Commissioner Yuhas suggested changing the signature line to authorize the Chairman to execute this document.

Hearing no further comment, the Chairman called for a roll call vote. All voted "Aye". The Motion carried.

Old/New Business:

Mr. Marsh stated that there a couple items to discuss. One being the Meadows on Mound development and the other is the NAHRO National Conference. We were represented by two staff members and the Chairman at the NAHRO National conference and asked staff to speak briefly about their experience.

Mr. Alpi stated the conference was focused on the state of the economy and its effects on all agencies across the country. There are still questions about what percentage the funding cuts will be and the recapturing of reserve funds. If the economy does not get any better quickly, there will be more funding cuts. Mr. Alpi further stated that if you are in the housing business you need to figure out how to do it without HUD funding. There was also focus on tax credit programs and the need for legislation to be renewed so that program doesn't go away.

Terri Goodman stated that she learned the same as Jim and we have to get involved in tax credits and quit relying on HUD funding as much. The staff at DHA will be looking at our zero income policies and procedures. There is pressure being put on Housing Authorities to help tenants achieve self sufficiency. Ms. Goodman further stated that she learned that 20% of the

November 10, 2011

population will be over 65 by 2030.

Chairman Smith stated that he heard Secretary of HUD Donovan speak about all the challenges for Housing Authorities. We need to be creative to look for other funding streams. NAHRO is very active in trying to hold on to the funding but Housing Authorities need to think like a private business and team with private investors. That is why it is so important to push to go forward with development of Meadows on Mound.

Mr. Marsh stated that the second item to discuss involves the status of the Meadows on Mound development.

As you are aware, we did go to the council with the annexation and it was not approved. We need to decide if we think the development will go forward. The Illinois Housing Development Authority (IHDA) needs the reservation fee by December 9th. They are required to reallocate the funds by the end of the year. It would be very unfortunate for the senior population in Decatur if this project does not move forward. This could also jeopardize future funding from IHDA. There are no market rate apartments being built in cities like Decatur all across the country.

Vice Chair Campbell stated that we don't want to lose this and we were fortunate to receive this. She asked if we could switch sites. Mr. Alpi said no. The site was approved before we could even apply for the tax credits. It is a very difficult process. Vice Chair Campbell asked when we first launched this did we have support from the City. Mr. Alpi said yes and explained that the City staff has been very professional and have treated us like any other developer. They have a development process to follow and our project met City standards. We are having a continued dialog with the council members. Vice Chair Campbell further stated that she lived in this neighborhood for several years and views this as very positive for the neighborhood.

Commissioner Yuhás asked Mr. McAdams what the opposition is to this development. Mr. McAdams stated that he is not authorized to speak for the group and not obligated to speak. There was consensus among the board members that we need to expedite this and be comfortable that the project will move forward and there may be a need for a special meeting to meet IHDA deadlines. Commissioner Yuhás extended an invitation to Mr. McAdams and the members of the neighborhood to hear the opposition from the group. Chairman Smith, Vice Chair Campbell, and Commissioner Etchason echoed that invitation to hear points of opposition.

Chairman Smith stated there was no further business to come before the Board. Commissioner Yuhás moved to adjourn and Vice Chair Campbell seconded the motion. Upon a call of the roll, the Commissioners voted as follows:

Chairman Smith - "Aye",
Commissioner Yuhás - "Aye",
Commissioner Gosch - "Aye"
Commissioner Etchason - "Aye"
Vice Chair Campbell - "Aye"

Motion carried unanimously. The meeting adjourned at 5:00 p.m.

Vice Chair Campbell

(ATTEST)

Secretary-Treasurer

November 10, 2011