

The Regular Board Meeting of the Commissioners of the Housing Authority of the County of Lake, Illinois, was held March 15, 2018, at the Lake County Housing Authority Central Office, 33928 North US Highway 45, Grayslake, IL 60030.

Present: (Physically present unless noted otherwise.)
Dr. H. Lee Jordan, Jr., Chairman
Sylvia Valadez, Vice Chairman
Kevin Considine, Commissioner (Arrived at 1:51 p.m.)
John Idleburg, Commissioner
Curtis Robinson, Commissioner

Absent: Scott Helton, Commissioner
(Vacant) Commissioner

Others Present: David A. Northern, Sr., Executive Director/CEO
Tiffany A. Gonzalez, Deputy Director
Khadija Darr, Director of Finance
Keon Jackson, Director of Capital Improvements
Valerie Rogers, Executive Secretary
Brian Grach, Authority Attorney
Ryan Eagar, Lake County Deputy Sheriff

Posting of the notice of this meeting and the agenda complied with the requirements of the Open Meetings Act (5 ILCS 120/2.02(a)). The notice and agenda were posted prior to 12:30 p.m. on Tuesday, March 13, 2018 at the principal office, 33928 North US Highway 45, Grayslake, IL 60030 and on the Agency's website, www.lakecountyha.org.

ROLL CALL

Noting that a quorum of Commissioners was present, Chairman Jordan called the meeting to order at 12:38 p.m. Roll call was taken and the following Commissioners were present: Idleburg, Robinson, Valadez, Jordan. Absent: Considine, Helton. One Commissioner position is vacant.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

PUBLIC COMMENT

Chairman Jordan opened the floor for public comment. No one requested to be heard.

MINUTES – 2/15/18 REGULAR MEETING MINUTES – 2/15/18 EXECUTIVE SESSION

After discussion, Mr. Idleburg moved, seconded by Mr. Robinson, to approve the Minutes of the February 15, 2018 Regular Meeting and Executive Session-Personnel Issues, Pending & Probable Litigation, Real Estate Transactions as presented. The Board voted as follows: Ayes: Idleburg, Robinson, Valadez, Jordan. Absent and Not Voting: Considine, Helton. Motion Carries.

FINANCE REPORT

The Board of Commissioners of Lake County Housing Authority requests that all bills are paid in a manner appropriate to avoid late fees. In addition, to facilitate a smooth, responsible financial operation the Board acknowledges disbursements may be made prior to the regular scheduled monthly Board meeting.

Commissioner Considine conducted a review of the bills earlier in the day and advised Mr. Northern of a recommendation to present to the Board. The list of bills and financial report was provided by Director of Finance Khadija Darr. (See Exhibits 01, 02)

After discussion Ms. Valadez moved, seconded by Mr. Idleburg to approve the List of Bills as presented. The Board voted as follows: Ayes: Idleburg, Robinson, Valadez, Jordan. Absent and Not Voting: Considine, Helton. Motion Carries.

REPORTS

The following reports are provided for review.

Public Housing Program,.....	Tiffany A. Gonzalez, Deputy Director
LCHA Rentals	(See Exhibit 03)
FSS ¹ , Housing Counseling	Alecia Boddie, Interim Dir. of Community Affairs
Resident Services, Public Relations	(See Exhibit 04)
Housing Choice Voucher Program.....	Corinne Jordan, Dir. of Housing Choice Voucher
FUP ²	(See Exhibit 05)
Capital Improvements,	Keon Jackson, Director of Asset Management
Procurement, Maintenance	(See Exhibit 06)
Human Resources.....	Lefran Elgezdi, Human Resources Manager
	(See Exhibit 07)
FOIA/OMA ³ , Travel-Training	Valerie Rogers, Executive Secretary/FOIA & OMA
	(See Exhibit 08)

Other Matters

1. Mr. Northern reported LCHA has recaptured \$186,975 in reserved dollars incorrectly taken by the U.S. Department of Housing and Urban Development in 2012.

The U.S. Court of Federal Claims ruled that HUD had breached the terms of the Annual Contributions Contracts (ACC) between the agency and public housing authorities when it failed to comply with a federal requirement that any reductions to subsidies paid to the PHAs be applied on a

¹ Family Self-Sufficiency Program

² Family Unification Program

³ Freedom of Information Act. Open Meetings Act.

pro rata basis. Instead, HUD unevenly reduced PHA subsidies in 2012 based on their existing cash reserves. (See Exhibit 14)

2. Mr. Northern announced the Public Housing Department, led by Deputy Director Tiffany A. Gonzalez and her outstanding team have achieved a *High Performer* designation on their Public Housing Assessment System (PHAS) score for FYE 9/30/2017. This is the third consecutive year they have maintained this exceptional level of service. Congratulations! (See Exhibit 15)
3. Mr. Northern distributed the LCHA 2017 Annual Report. It has been posted on our website as well. (See Exhibit 16)
4. Mr. Northern reminded the Board to complete their Statement of Economic Interest with Lake County prior to May 1st to avoid fines.

OLD BUSINESS

Brookstone and Regency at Coles Park - Update

Director of Asset Management Keon Jackson announced there will be an Open House Monday March 19, 2018 LCHA Main Office at 11:00 – 1:00 p.m. and again at 5:00-7:00 p.m. (See Exhibit 09)

- LCHA continues to meet with development team and construction company monthly.
 - EST % OF COMPLETION Regency: 37 %
 - All tenant electrical panels installed
 - Junction boxes for most switches, some receptacles located
 - Above-grade PVC rough-ins for unit kitchens and bathrooms at all units on first floor
 - Vent and waste piping partially installed at west wall of Unit 210 bathroom
 - 90% roof trusses installed. 75% sheathing installed.
 - North stair completed
 - Weather Resistant Barrier (Tyvek) taped and repaired as required
- EST % OF COMPLETION Brookstone: 17 %
- Building 40 wall panels installed (no stairs)
- Keith Swiney from Motivation Inc. continues to provide reports and recommendations related to section 3, MBE, WBE, DBE compliance concerns
- General Contractor continues to have conference calls and dialogue with the Black Chamber of Commerce to identify local trade contractors and local Section 3. Carlson Construction is continually making sure they are directly involved with the promotion and advertising the job opportunities when trades are considering hiring additional staff to work on the project. Carlson has requested additional local Section 3 and trade labor in addition to coordinating and obtaining local labor from Youth Build.
- There are scheduled meetings via conference call 2nd Tuesday of month and on site meeting last Thursday of every month (2 week increments)

- LCHA has been documenting the process with photos and meetings

NEW BUSINESS

Public Housing Property Management Contracting - Discussion

Mr. Northern explained Dorchester Management is the company who will provide property management for the Brookstone and Regency at Coles Park projects. Mr. Northern stated for over a year, we have held additional discussions with them regarding a proposed plan to perform the property management services on our existing 495 public housing properties as well. Mr. Northern said further discussions will be instituted.

Approval of Travel Expenses for Executive Director and/or Commissioners

Commissioners and the Executive Director/CEO must complete and submit a *Travel Authorization Form* or an *Expense Report Form* to the Board for approval by a roll call vote at an open meeting. The attached *Expense Report Forms* are presented for your approval.

2018 IL Governor's Conference on Affordable Housing/February 21-22, 2018

1. David A. Northern, Sr., Executive Director/CEO
2. Dr. H. Lee Jordan, Jr., Chairman

After discussion, Ms. Valadez introduced the following Resolution:

(See next page for Resolution.)

RESOLUTION NO. 2018-37

APPROVAL OF TRAINING REPORT EXPENSES

After discussion Ms. Valadez moved, seconded by Mr. Idleburg to approve the Training Report Expenses as presented.

(See Exhibits 10, 11)

Roll Call Vote:

Ayes:Idleburg, Robinson, Valadez, Jordan.

Nays:None

Absent:Considine, Helton

Abstain:None

Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on March 15, 2018.

Dr. H. Lee Jordan, Jr., Chairman

Tiffany A. Gonzalez
Interim Secretary/Treasurer
Interim Executive Director/CEO

Reaffirmation of AIM Directors

1. Felicia Lewis - 2016 - 2019
2. Director for Unexpired 3 Year Term – 2017 - 2020

Mr. Northern explained as per the by-laws of the not-for-profit AIM North, the election of any Director must be approved by the LCHA Board of Commissioners.

After an initial staggered appointment, three Directors serve for a 3 year term. The term of Director Felicia Lewis expired in 2016. Ms. Lewis was elected to an additional three-year term expiring in 2019. Approval is now required by the Board of Commissioners of Lake County Housing Authority for the AIM North Development Corporation Director.

Mr. R. Delacy Peters served as a Director and as the President of AIM North Development Corporation until his demise in July 2017. The term for this Director is 2017 to 2020.

Mr. Northern explained at the 3/14/18 AIM North meeting, Dr. H. Lee Jordan, Jr. was elected a Director of AIM North Development Corp. to serve the unexpired term of Mr. Peters. Dr. Jordan's term will be expiring in 2020. Director Ellen Rumoro was elected as President and will continue as Treasurer and LCHA Deputy Director Tiffany A. Gonzalez was elected as Interim Executive Director/Chief Executive Officer for AIM North.

After discussion, Ms. Valadez introduced the following Resolution:

RESOLUTION NO. 2018-38

REAFFIRMATION OF THE DIRECTORS OF

AIM NORTH DEVELOPMENT CORPORATION

FELICIA LEWIS - 2016 – 2019

DR. H. LEE JORDAN, JR. TO A TERM EXPIRING 2020

After discussion Ms. Valadez moved, seconded by Mr. Idleburg to Approve the Directors of AIM North Development Corporation - Felicia Lewis for a three (3) year term, 2016 – 2019 and Dr. H. Lee Jordan, Jr. to a term expiring in 2020.

Roll Call Vote:

Ayes:Idleburg, Robinson, Valadez, Jordan.

Nays:None

Absent:Considine, Helton

Abstain:None

Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on March 15, 2018.

Dr. H. Lee Jordan, Jr., Chairman

Tiffany A. Gonzalez
Interim Secretary/Treasurer
Interim Executive Director/CEO

Approval to Submit Application to HUD to Participate in Energy Performance Incentive Program; Authorization to Negotiate a Contract with a Financing Company; & Authorization To Negotiate an Energy Service Agreement with Johnson Controls

The Board opted to consider this item pending the arrival of Commissioner Considine.

Bids

Operating Fund

1. LCHA 2017 Annual Report

After discussion, Mr. Idleburg introduced the following Resolution:

RESOLUTION NO. 2018-39
(OPERATING)
INFORMAL BID AWARD FOR PURCHASE OF
EQUIPMENT, MATERIALS, LABOR AND/OR SERVICES
LCHA 2017 ANNUAL REPORT

WHEREAS, it has been found and determined that the bids received and shown on the attached bid tabulation were informally solicited by telephone or in writing from at least three (3) suppliers or in the case of a sole source supplier the requisite certification has been made; and

WHEREAS, it has been determined that the following purchase and contract is in accordance with HUD Regulations; and

WHEREAS, the following contractor is determined not to be on the HUD Debarred Contractors list;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Housing Authority of the County of Lake, Illinois, that the following bids are approved and the appropriate staff are authorized to issue a purchase order for said equipment, materials, labor and/or services.

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>LOCATION</u>	<u>AMOUNT</u>
Brooks Jeffery Marketing, Inc.	LCHA 2017 Annual Report	HCV, Central Office AMPs 2, 3, 4, 5	\$6,400.00

(See Exhibit 13)

After discussion Mr. Idleburg moved, seconded by Mr. Robinson to adopt Resolution 2018-40.

Roll Call Vote:

Ayes:Idleburg, Robinson, Valadez, Jordan.

Nays:None

Absent:Considine, Helton

Abstain:None

Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on March 15, 2018.

Dr. H. Lee Jordan, Jr., Chairman

Tiffany A. Gonzalez
Interim Secretary/Treasurer
Interim Executive Director/CEO

Commissioner Roundtable - Discussion

This time scheduled for discussion of non-action items as initiated by members of the Board. No topics of discussion were presented.

Executive Session – Personnel Matters, Pending & Probable Litigation, Real Estate Transactions & Review of Executive Session Minutes

At 12:55 p.m. Mr. Idleburg moved, seconded by Mr. Robinson, to go into Executive Session to discuss Personnel Matters, Pending & Probable Litigation, Real Estate Transactions & Review of Executive Session Minutes. The Board voted as follows: Ayes: Idleburg, Robinson, Valadez, Jordan. Nays: None. Absent and Not Voting: Considine, Helton. Motion Carries.

Commissioner Considine arrived at 1:51 p.m. and joined the Executive Session.

The Board returned to open session at 1:55 p.m. and roll call was taken. Present: Considine, Idleburg, Robinson, Valadez, Jordan. Absent: Helton.

Appointment of Interim Executive Director/Chief Executive Officer

After discussion, Mr. Robinson introduced the following Resolution:

(See next page for Resolution.)

RESOLUTION NO. 2018-40

APPOINTMENT OF INTERIM EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER

AND INTERIM DEPUTY DIRECTOR

After discussion Mr. Robinson moved, seconded by Ms. Valadez to appointment Tiffany A. Gonzalez as the Interim Executive Director/Chief Executive Officer and Keon Jackson as the Interim Deputy Director for Lake County Housing Authority.

Roll Call Vote:

Ayes:Considine, Idleburg, Robinson, Valadez, Jordan

Nays:None

Absent:Helton

Abstain:None

Motion:Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on March 15, 2018.

Dr. H. Lee Jordan, Jr., Chairman

Tiffany A. Gonzalez
Interim Secretary/Treasurer
Interim Executive Director/CEO

Approval of Salary Adjustment – Interim Executive Director/Chief Executive Officer

After discussion, Mr. Robinson introduced the following Resolution:

(See next page for Resolution.)

RESOLUTION NO. 2018-41
APPROVAL OF SALARY FOR
INTERIM EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER
AND INTERIM DEPUTY DIRECTOR

After discussion Mr. Robinson moved, seconded by Ms. Valadez to approve the salary for the Interim Executive Director/Chief Executive Officer Tiffany A. Gonzalez as \$130,000.00 and the salary for the Interim Deputy Director Keon Jackson as \$100,000.00.

Roll Call Vote:

Ayes:Considine, Idleburg, Robinson, Valadez, Jordan
Nays:None
Absent:Helton
Abstain:None
Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on March 15, 2018.

Dr. H. Lee Jordan, Jr., Chairman

Tiffany A. Gonzalez
Interim Secretary/Treasurer
Interim Executive Director/CEO

Approval to Submit Application to HUD to Participate in Energy Performance Incentive Program; and Authorization to Negotiate a Contract with a Financing Company; and Authorization to Negotiate an Energy Service Agreement with Johnson Controls

Representatives from Johnson Controls provided the following progress report and explanation of the Resolution presented supported by a PowerPoint presentation. (See Exhibit 17)

Johnson Controls (JCI) has had a relationship with LCHA since 2010. An analysis was conducted at that time to determine the potential for an Energy Performance Contract. There was enough for the Board and administrative team to move forward and an RFP was issued. Johnson Controls was ultimately selected. The project was put together and eventually fell apart.

JCI was approached with renewed interest have re engaged with LCHA. As the capital fund is being cut this is another financial tool for housing authorities. It is a way to preserve capital and use the capital fund for things other than energy improvements.

Tasks 2017/2018:

- August/September 2017 –Reengaged in EPC (Certified Energy Audit)
- Audited approximately 10% of units (HUD requirement)

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- Detailed audit on water, lighting, heating, ventilation, air conditioning, appliances, building envelope, & renewables
- Development of budget costs and savings estimates per energy conservation measure
- October 2017 –Board update on EPC project
- December 2017 –Reviewed estimated budget costs & savings –Received feedback
- December 2017 –Contractor Site Visit
- January 2018 –Solicit contractor bids
- February 7, 2018 –Energy Conservation Workshop –Received feedback
- March 15, 2018 –Present EPC project to Board for approval

This is not a construction project but a financial project. LCHA will be required to obtain financing (Approximately \$2.2 M) as required by HUD with the EPC. The financing covers all debt service as guaranteed by JCI. Contractually, JCI must make up the difference if the savings falls short.

When covered by an energy performance contract, HUD freezes the utility assistance (3 year rolling baseline) at the higher level for the term of the contract thereby allowing LCHA to utilize the energy savings to pay the debt service. HUD rule of 75/25: 75% of energy savings must pay debt service. Under an Energy Performance Contract LCHA may keep 100% of the excess savings.

Benefits to LCHA:

- Financial Flexibility
- Energy Conservation -Reduce utility costs and demand
- Restore facility integrity with increased marketability
- Improve maintenance / operational efficiency
- Improve resident comfort
- LCHA involvement & “LCHA stimulus package”
 - Local contractor (MBE/WBE) / Financial Institution participation
- Replacement Fund included in energy savings (relieves pressure off Capital Fund)
- Maximize HUD incentives & subsidies
 - Frozen rolling base, Rate Reduction, Tenant Allowances.

A concern was voiced regarding converting public housing units to the RAD program and the possibility of debt pay-off prior to the conversion. Mr. Northern stated the EPC covers the senior buildings and not the scattered site/multi-family properties. He explained RAD is desirable for the scattered sites only.

Project Summary as per JCI:

- \$2,123,815 Financed
 - Improvements to LCHA portfolio – (7) properties
 - Includes \$41,643 in Owner Controlled Contingency
- \$161,916
 - Annual Energy Savings / HUD Incentives
 - Approximately 28% reduction in energy savings
 - \$4,294,646 total estimated savings / incentives over 20 years
 - \$3,803,663 total estimated obligation at 4.00%
 - \$490,984 total estimated positive cash flow back to COCC over 20 years
- Local Contractors & MBE/WBE Participation
 - Currently approx. 80% local participation
 - Approx. 20% MBE participation
 - Approx. 30% WBE participation

Should LCHA decide not to move forward with the EPC, it is still obligated to JCI for the energy audit conducted in 2012 for approximately \$27,000. Mr. Northern explained housing authorities are responsible for conducting an energy audit every five years. JCI conducted our obligatory audit in 2012. If we move forward the cost will be rolled into the contract.

Next steps:

- 1 **March 15, 2018**-LCHA Board of Commissioners approves EPC Project and Resolution.
- 2 **April 1, 2018**-LCHA & Johnson Controls delivers HUD Submission Package to HUD Field Office in Chicago.
- 3 **July 2018**-HUD Energy Office approval, Energy Services Agreement contract execution, financial contract execution & project commencement.

After discussion, Mr. Idleburg introduced the following Resolution:

RESOLUTION NO. 2018-42

APPROVAL TO SUBMIT AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO PARTICIPATE IN AN ENERGY PERFORMANCE INCENTIVE PROGRAM; AND

AUTHORIZATION TO NEGOTIATE A CONTRACT WITH A FINANCING COMPANY; AND

AUTHORIZATION TO NEGOTIATE AN ENERGY SERVICES AGREEMENT SUBJECT TO FINAL APPROVAL BY THE BOARD OF COMMISSIONERS

WHEREAS, The Lake County Housing Authority is in the process of completing a Comprehensive Energy Audit (CEA) with Johnson Controls International Plc., identifying projected savings, in accordance with HUD incentives, to the Lake County Housing Authority of approximately \$150,000 per year, over 20 years which is to be utilized for payment of the debt incurred; and

WHEREAS, the results of the said Energy Audit will allow the Lake County Housing Authority to realize considerable energy savings through upgrades to our systems; and

WHEREAS, the costs of said project with Johnson Controls International Plc. (not to exceed \$2,200,000) will be financed and paid for over a 20 year period with incentives from HUD, guaranteed through energy consumption reduction, rate incentives and additional grants resulting from the upgrades to Lake County Housing Authority properties; and

WHEREAS, the Lake County Housing Authority intends to request proposals and negotiate a financing contract with a Financing Company and negotiate an Energy Service Agreement with Johnson Controls International Plc., as described in the Comprehensive Energy Audit (CEA).

NOW, THEREFORE, IT IS HEREBY RESOLVED that approval is hereby given to submit an application to HUD for participation in the Energy Performance Contract Incentive Program; and

BE IT FURTHER RESOLVED that, upon written approval from HUD, the Board of Commissioners authorizes the Executive Director to negotiate contract terms with a Financing Company and negotiate contract terms for an Energy Services Agreement with Johnson Controls International Plc., in the best interests of the Lake County Housing Authority, to be presented to the Board for final approval.

After discussion Mr. Idleburg moved, seconded by Ms. Valadez to Approve the Submittal of the Application to HUD to Participate in Energy Performance Incentive Program; and Authorization to Negotiate a Contract with a Financing Company; and Authorization to Negotiate an Energy Service Agreement with Johnson Controls subject to final approval by the Board of Commissioners.

Roll Call Vote:

Ayes:Considine, Idleburg, Robinson, Valadez, Jordan

Nays:None

Absent:Helton

Abstain:None

Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on March 15, 2018.

Dr. H. Lee Jordan, Jr., Chairman

Tiffany A. Gonzalez
Interim Secretary/Treasurer
Interim Executive Director/CEO

The Organizational Leadership Edge – ED/CEO Profile

After discussion with Stan Quy, owner of The Organizational Leadership Edge, the Board determined there was insufficient time to thoroughly discuss the ideal profile and specific candidate requirements for the ED/CEO position.

The consensus of the Board was to schedule a Special Meeting on Thursday, April 5, 2018 at 6:00 p.m. to be held at the central office in Grayslake, IL with the sole business to be discussed will be the ED/CEO profile and candidate requirements.

Temporary Consulting Contract With David A. Northern, Sr.

Attorney Grach stated at the Regular Board Meeting of 2/15/18 by Resolution 2018-36, the Board approved the Executive Director's Exit & Transition Plan. (See Exhibits 18, 19)

LCHA must petition HUD for a waiver of The Procurement Handbook for Public Housing Agencies (7460.8 Rev-2), Chapter 4 Ethics In Public Contracting, 4.4 Conflicts of Interest (24 CFR 85.36(b)(3) and Section 19 of the ACC. It states no present or former PHA employee, officer, or agent shall engage in selling or attempting to sell supplies, services, or construction to the PHA for one year following the date such employment ceased.

Among other things, HUD requires of copy of the temporary consulting contract between David A. Northern, Sr. and LCHA.

Due to the time necessity and in consideration the Board approval of the Transition Plan on 2/15/18, after discussion Mr. Considine introduced the following Resolution.

RESOLUTION NO. 2018-43

APPROVAL OF THE TEMPORARY CONSULTING CONTRACT

WITH DAVID A. NORTHERN, SR.

Due to the time necessity and in consideration the Board approval of the Transition Plan on 2/15/18, Mr. Considine moved, seconded by Mr. Idleburg to approve the temporary Consulting Contract with David A. Northern, Sr. as presented.

(See Exhibit 20)

Roll Call Vote:

Ayes:Considine, Idleburg, Robinson, Valadez, Jordan

Nays:None

Absent:Helton

Abstain:None

Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on March 15, 2018.

Dr. H. Lee Jordan, Jr., Chairman

Tiffany A. Gonzalez
Interim Secretary/Treasurer
Interim Executive Director/CEO

ADJOURNMENT

There being no further business to come before the Board, Mr. Considine moved, seconded by Mr. Idleburg to adjourn the meeting. The Board voted unanimously in favor of the motion. Motion Carries. Meeting adjourned at 3:58 p.m.

Dr. H. Lee Jordan, Jr.
Chairman

Tiffany A. Gonzalez
Interim Secretary/Treasurer
Interim Executive Director/CEO