

**Lake County Housing Authority
Board of Commissioners**

**Minutes of the Regular Meeting
October 19, 2023**

The Regular Board Meeting of the Commissioners of the Housing Authority of the County of Lake was held October 19, 2023, at the Lake County Housing Authority, 33928 N. U.S. Highway 45, IL 60030.

Present: (Physically present unless otherwise noted)
Kevin Considine, Vice Chairman
LaShaundra Barnes, Commissioner
Susan Malter, Commissioner
Dr. Charles Nozicka, Commissioner

Absent: Dr. H. Lee Jordan, Jr., Chairman
John Idleburg, Commissioner
Beverly Stackhouse, Commissioner

LCHA Staff: Lorraine Hocker, Executive Director/CEO
Damien Kelly, Consulting Chief Financial Officer (virtual)
Asia Dzierzynski, Consulting Accounting Manager (virtual)
Michelle Perkins, Operations Deputy
Katrina Gofron-Ellison, Executive Assistant
Jackie Petritis, Senior Staff Accountant
Paul Mazur, Staff Accountant

Other Guests participating via Zoom: Allan Kitchen, CPA Director, Rubino and Company (Audit)
Hannah Lamore, Attorney, Mahoney, Silverman & Cross, LLC

Posting of the notice of this meeting and 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, October 17, 2023, at the principal office: 33928 North US Highway 45, Grayslake, IL 60030 and on the organization's website, www.lakecountyha.org.

ROLL CALL

Noting that a quorum of Commissioners was present, Vice Chair Considine called the meeting to order at 12:33 p.m. Roll call was taken, and the following Commissioners were present: Barnes, Considine, Malter, Nozicka. Absent: Jordan, Idleburg, Stackhouse.

PUBLIC COMMENT

Public comments were accepted by email at publiccomment@lakecountyha.org or by leaving a voice message at (847) 223-1170 ext. 2320. Comments received by 9:00 a.m. October 19, 2023, are to be read at the appropriate time in the agenda. No public comments were received.

Vice Chair Considine opened the floor for public comment. There were no public comments.

MINUTES – 9/28/23 MEETING
MINUTES – 9/28/23 EXECUTIVE SESSION

Commissioner Dr. Nozicka moved, seconded by Malter, to approve the Minutes of the September 28, 2023 Regular Board Meeting, and September 28, 2023 Executive Session Meeting Minutes. The Board voted as follows: Ayes: Barnes, Considine, Malter, Nozicka. Nays: None. Absent and Not Voting: Idleburg, Jordan, Stackhouse. Motion Carries.

FINANCIAL AUDIT PRESENTATION

Allan Kitchen, CPA Director, Rubino and Company (Audit Services) presented an overview of the Financial Audit of LCHA for Fiscal Year Ending 9/30/2022. This is an unmodified report on internal controlling compliance and it's the highest level of reporting that can be done under government auditing standards. The dollars of the program tested accounted for more than 95% of our federal funding (more than the minimum 40% required). All reports were considered clean opinion reports without any findings. Overall, we are in a healthy position and have no material weaknesses.

FINANCE REPORT AND APPROVAL OF BILLS

The list of bills for September 2023 was provided. CFO Damien Kelly relayed the following financial summary:

September 2023 Actuals

Figures for public housing and Housing Choice Voucher (HCV) programs: For public housing, there is a net loss due to the end of a housing draw accrual in August, resulting in a loss appearance for September. HCV shows a \$931,000 increase in income, attributed to adjustments made with HUD to correct reported amounts for the past four years, leading to a recovery of \$1.1 million for those years. CFO Kelly anticipates additional funds for the current year, with adjustments expected for calendar year 2023.

The net loss for housing counseling is \$67,000, explained by true-ups at the end of the year to reconcile estimated and earned amounts. The consolidated net income for the organization is \$875,000, significantly better than the revised budget of \$44,000, mainly due to adjustments in HCV revenue. CFO Kelly noted that without these adjustments, the organization performed approximately \$60,000 better than initially projected in December.

FY2023 Consolidated Budget Revision (Preliminary)

CFO Kelly presented a preliminary overview of the FY 2023 consolidated budget revision. He emphasized that this is the current status at the end of the year, subject to closing entries and adjustments before the audit. The projected changes are not expected to be significant.

The consolidated income is \$614,000, closely aligning with the revised budget of \$660,000. CFO Kelly reviewed variances, highlighting the favorable impact of reduced personnel on public housing and the unfavorable impact on HCV due to a reduced amount of HUD revenue but we do expect to get more funding from HUD next year as a result of what we actually did spend and our actual utilization for this calendar year. Housing counseling shows an unfavorable variance due to receiving fewer grant dollars than initially projected.

He addressed questions about the transfer of funds from housing counseling to COCC, explaining that \$217,000 in admin fees has been sent over, covering operating expenses. CFO Kelly also mentioned a \$13,000 increase in business activities due to a developer fee.

Overall, he expressed confidence in the budget alignment and commits to informing the board of any significant changes before the audit report. Overall, we missed budget target by around 8%, and CFO Kelly pointed out that the delay in receiving HUD funds impacted the outcome. If the funds had arrived on time, the organization would have performed better against the budget, potentially reaching around \$800,000.

After discussion, Commissioner Malter moved, seconded by Commissioner Dr. Nozicka to approve the list of bills, accept the finance report, and accept the financial audit as presented. The Board voted as follows: Ayes: Barnes, Considine, Malter, Nozicka. Nays: None. Absent and Not Voting: Idleburg, Jordan, Stackhouse. Motion Carries.

REPORTS

The following reports for September 2023 were provided:

- Maintenance, Assets Brian Snook, Director of Public Housing
- Procurement..... Norma Carlon, Manager of Capital Improvements Procurement
- Property Disposition..... Derek Eovaldi, Property Disposition Coordinator
- Public Housing Brian Snook, Director of Public Housing
- Housing Choice Voucher, PBV¹, Gilma Beachem, HCV Intake Program Manager Portability & Collections
- FSS², Mainstream Vouchers & FUP³ Heidi Semenek, Director of FSS & Special Programs
- Housing Counseling and FERA Elizabeth Werning, Manager of Housing Counseling & Ofelia Navarro, Deputy Director
- Information Technology..... Michelle Perkins, Operations Deputy
- Human Resources..... Christine Pryor, Senior Human Resources Generalist
- FOIA/OMA⁴, Travel-Training Katrina Gofron-Ellison, Executive Assistant/FOIA & OMA Officer

¹ Project-Based Vouchers

² Family Self-Sufficiency Program

³ Family Unification Program

⁴ Freedom of Information Act/Open Meetings Act

⁵Asset Management Project (Public housing projects are assigned AMP numbers)

Other Matters

1. On August 30th LCHA was represented at the Lake County Coalition for the Homeless Picnic in North Chicago. Heidi Semenek, Director of FSS & Special Programs, and Elena Lara, Landlord Liaison, participated in the event. Good food and great company were enjoyed to celebrate the coalition's hard work and achievements.
2. On September 5th Executive Director/CEO Hocker participated in the Living Room Wellness Center Interagency Work Group. The group is discussing ongoing concerns regarding the rise in homelessness in Lake County, community outreach strategies, and sustainability.
3. On September 6th Michelle Perkins, Operations Deputy, and a representative from Multi-Family Energy Savings (MFES) conducted a property assessment of all LCHA properties.
4. On September 14th Executive Director/CEO Hocker participated in the Housing Action Team quarterly meeting. Members advocate for policies that help end homelessness and housing discrimination, create affordable rental housing, and promote sustainable homeownership.
5. On September 20th and 21st LCHA hosted an NSPIRE training for LCHA HCV department staff. Surrounding public housing agencies were invited and staff from Rockford, Joliet, Elgin, and the city of Zion attended.
6. Patriot Services Group has approached LCHA to explore the possibility of a partnership to jointly acquire or operate Timber Oaks Apartments. One crucial element in making this vision a reality is the potential for real estate tax exemption.
7. On September 22nd Executive Director/CEO Hocker participated in a free Nan McKay webinar called, "Lead & Succeed" that introduced the program as a transformative 6-month leadership course that combines knowledge, community, mentorship, and hands-on application, designed for professionals seeking to master modern leadership dynamics.

NEW BUSINESS

Resolution 2024-01 Accepting the Financial Audit of LCHA for Fiscal Year Ending 9/30/2022

After discussion, Commissioner Malter introduced the following Resolution:

RESOLUTION 2024-01

ACCEPTING THE FINAL AUDIT OF LCHA FOR FISCAL YEAR 2022

WHEREAS, the Housing Authority of the County of Lake ("LCHA") is required to have an annual audit performed by an Independent Public Accounting firm; and

WHEREAS, the firm of Rubino & Company, conducted a financial audit of LCHA for the fiscal year ended September 30, 2022; and

WHEREAS, the audit report has been presented to the Board of Commissioners for their review; and

WHEREAS, it is necessary that the Board of Commissioners accept LCHA's Audited Financial Statements, the Independent Auditors' Report, and the Management's Discussion and Analysis for the period ended September 30, 2022;

NOW THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the County of Lake accepts as submitted by Rubino & Company, the Audited Financial Statements, the Independent Auditors' Report, and the Management's Discussion and Analysis for the period ended September 30, 2022.

After discussion Commissioner Malter moved, seconded by Commissioner Dr. Nozicka to adopt Resolution 2024-01.

Roll Call Vote:

Ayes: Barnes, Considine, Malter, Nozicka

Nays: None

Absent: Idleburg, Jordan, Stackhouse

Abstain: None

Motion: Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 19, 2023.

Resolution 2024-02 Authorization for LCHA Siding Replacement and Brick Painting for Hawley Manor – AMP 2

After discussion, Commissioner Dr. Nozicka introduced the following Resolution:

RESOLUTION 2024-02

AUTHORIZATION FOR LCHA

SIDING REPLACEMENT AND BRICK PAINTING

FOR HAWLEY MANOR

WHEREAS, The Authority conducted a competitive sealed bidding process to establish the cost of replacing siding and brick painting for Hawley Manor; and

WHEREAS, three (3) bids were received and are summarized in the information attached hereto in **Exhibit A**; and

WHEREAS, it is the recommendation of 1919 Architects, and Staff to accept the responsive and responsible low bid submitted by **Action 1 Construction, Inc.** and to proceed with siding replacement and brick painting work under the base bid at the cost of **\$400,000.00**; and

NOW, THEREFORE, BE IT RESOLVED, the Board of Commissioners of the Lake County Housing Authority authorize the Executive Director to proceed to contract with the lowest, responsive,

and responsible bidder as specified in **Exhibit A** to carry out the work as described in the LCHA Siding Replacement and Brick Painting project manual.

After discussion Commissioner Dr. Nozicka moved, seconded by Commissioner Malter to adopt Resolutions 2024-02.

Roll Call Vote:

Ayes: Barnes, Considine, Malter, Nozicka

Nays: None

Absent: Idleburg, Jordan, Stackhouse

Abstain: None

Motion: Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 19, 2023.

Resolution 2024-03 Amending Employee Handbook – Cap on Unused Paid Time Off
Resolution 2024-04 Approval of One Time Payout of PTO Adjustment

After discussion, Commissioner Dr. Nozicka introduced the following Resolutions:

RESOLUTION 2024-03

AMENDING THE EMPLOYEE HANDBOOK

SECTION 19. PAID TIME OFF

CAP ON UNUSED PTO

WHEREAS, it is appropriate and necessary from time to time to review the Employee Handbook;
and

WHEREAS, it is the recommendation of the Executive Director that the Housing Authority of the County of Lake's Employee Handbook Section 19 Limited Accrual of Unused Paid Time Off be revised. See Exhibit A.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Housing Authority of the County of Lake that Employee Handbook be revised.

BE IT FURTHER RESOLVED that this modification takes effect December 31, 2023 with an initial three month grace period to allow employees sufficient time to plan and utilize accrued time.

RESOLUTION 2024-04
APPROVAL FOR ONE-TIME PAYOUT OF
PAID TIME OFF (PTO) ADJUSTMENT

WHEREAS, paid time off beyond the maximum allowed accrual shall be paid to the employee in an amount equal to 100% of the value providing they have utilized at least eighty (80) hours' worth of time at the calendar year; and

WHEREAS, LCHA has made a modification to their PTO accrual policy and proposes to ensure no penalty to staff and their earned benefit accrual, LCHA is presenting to the Board of Commissioners for approval a one-time payment of PTO adjustment; and

NOW, THEREFORE, BE IT RESOLVED, the Board of Commissioners authorizes a one-time payout up to \$291, 976.99 to pay out employees who have accumulated paid time off in excess of 40 hours prior to September 30, 2023; and

BE IT FURTHER RESOLVED, that this modification takes effect January 1 upon adoption.

After discussion Commissioner Dr. Nozicka moved, seconded by Commissioner Barnes to adopt Resolutions 2024-03 and 2024-04.

Roll Call Vote:

Ayes: Barnes, Considine, Malter, Nozicka

Nays: None

Absent: Idleburg, Jordan, Stackhouse

Abstain: None

Motion: Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 19, 2023.

Resolution 2024-05 Amending the HCV Administrative Plan – Chapter 4-III.B. Selection and HCV Funding Sources

After discussion, Commissioner Malter introduced the following Resolution:

RESOLUTION 2024-05
AMENDING THE HCV ADMINISTRATIVE PLAN
CHAPTER 4-III.B. SELECTION AND HCV FUNDING SOURCES

WHEREAS, Leadership is requesting to amend the HCV Administrative Plan to add expanded use of the EHV Service Fee; and

WHEREAS, PIH Notice 2023-23, Emergency Housing Vouchers (EHV) – Operating Requirements, added two new eligible activities that may be funded with the EHV service fees. This revision also expands the description of several of the existing activities to provide additional uses for the special fees under those specific activities.

NOW, THEREFORE, BE IT RESOLVED, the following section is amended as follows and is effective immediately upon adoption.

New language is indicated in red. Deleted language is shown in ~~strikeout~~.

Payment of Security Deposit and/or Other Approved Fees

LCHA may provide the security deposit and/or other approved move in fees, as **noted below** ~~not to exceed \$3500~~ including **application fees/non-refundable administrative or processing fees/refundable application deposit assistance, holding fees, utility deposit assistance/utility arrears, rental arrears to private landlords for admission. Owner-related uses include owner recruitment and outreach, owner incentive and /or owner retention payments. Other eligible uses include moving expenses (including move-in fees, storage expenses, lock change fees, and deposits), pre-tenancy services and services that support EHV families in fulfilling their family obligations under the EHV program. THE PHA may use the service fee funding to help create customized plans to address or mitigate barriers that individual families may face in renting a unit with an EHV, such as negative credit, lack of credit, negative rental, or utility history, or to connect the family to other community resources that can assist with rental arrears. The PHA may also assist with essential household items and renter's insurance if required by the lease.**

The LCHA has the right to assess each request on a case-by-case basis and approve or deny any request at will. At the time of an applicant's initial lease up, a one-time security deposit and/or other approved fees may be paid by the LCHA. No security deposit or fees will be paid by the LCHA for any subsequent lease ups.

The referring agency or landlord will complete a form which lists the requested deposits/fees and provide it to the LCHA ~~prior to an initial inspection being done~~. If this request is approved, the referring agency and landlord will be notified that the requested payments will be released and that the landlord must return the security deposit to the Lake County Housing Authority at the end of the family's tenancy, less any amounts retained by the owner in compliance with the lease. **As for any other service fee payments, acceptable documentation must be provided in order for the LCHA to release payment. Acceptable documentation for the various service fee expenditures is listed in PIH Notice 2023-23 (HA).**

After discussion Commissioner Malter moved, seconded by Commissioner Dr. Nozicka to adopt Resolution 2024-05.

Roll Call Vote:

Ayes: Barnes, Considine, Malter, Nozicka

Nays: None

Absent: Idleburg, Jordan, Stackhouse

Abstain: None

Motion: Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 19, 2023.

Commissioner Roundtable – Discussion

Commissioner Malter expressed interest in measuring our environmental impact, implementing measures to account for climate change, and addressing the environmental impact of housing activities, such as

waste, energy use, and water sources. Commissioner Malter suggested considering environmental sustainability in policies and potentially involving educational institutions for small-scale projects.

She acknowledged the need for information on environmental impact, expressing a desire to gather data and explore potential funding sources. She inquired about the possibility of seeking HUD funding for sustainability plans in public housing.

Commissioners discussed exploring the idea of collaborating with other housing authorities, seeking information on initiatives related to environmental impact. Commissioner Malter asked for suggestions on how to research and gather information on existing programs and efforts in this regard.

Executive Session – Litigation

(5 ILCS 120/1) Sec. 2(c)(11)

Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court...or when the public body finds that an action is probable or imminent.

At 1:44 p.m. Commissioner Malter moved, seconded by Commissioner Dr. Nozicka to go into Executive Session to discuss (5 ILCS 120/1) Sec. 2(c)(11) Litigation. The Board voted as follows: Ayes: Barnes, Considine, Malter, Nozicka. Nays: None. Absent and Not Voting: Idleburg, Jordan, Stackhouse. Motion Carries.

The board returned to open session at 1:52 p.m. and roll call was taken. Present: Barnes, Considine, Malter, Nozicka. Absent: Jordan, Idleburg, Stackhouse.

Vice Chair Considine stated the Board discussed Litigation and no action was taken during the Executive Session.

ADJOURNMENT

There being no further business to come before the Board, Commissioner Malter moved, seconded by Commissioner Dr. Nozicka to adjourn the meeting. The Board voted unanimously in favor of the motion. Motion Carries. The meeting was adjourned at 1:54 p.m.

Kevin Considine
Vice Chair
Board of Commissioners
Lake County Housing Authority

Lorraine Hocker
Executive Director/CEO
Secretary