

The Regular Board Meeting of the Commissioners of the Housing Authority of the County of Lake, Illinois, was held October 18, 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  
Kevin Considine, Commissioner  
Scott Helton, Commissioner  
John Idleburg, Commissioner  
Diana O'Kelly, Commissioner

Absent: Curtis Robinson, Commissioner  
(Vacant) Commissioner

LCHA Staff: Lorraine Hocker, Executive Director/CEO  
Tiffany A. Gonzalez, Deputy Director  
Khadija Darr, Chief Financial Officer  
Keon Jackson, Director of Asset Management  
Valerie Rogers, Executive Secretary

Others Present: Brian Grach, Authority Attorney  
Greg Swanson, 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, October 16, 2018 at the principal office, 33928 North US Highway 45, Grayslake, IL 60030 and on the Agency's website, [www.lakecountyha.org](http://www.lakecountyha.org).

#### ROLL CALL

Noting that a quorum of Commissioners was present, Chairman Jordan called the meeting to order at 12:30 p.m. Roll call was taken and the following Commissioners were present: Considine, Helton, Idleburg, O'Kelly, Jordan. Absent: Robinson. 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 – 9/27/18 REGULAR MEETING

MINUTES – 9/27/18 EXECUTIVE SESSION – Personnel Issues, Pending & Probable  
Litigation, Real Estate Transactions

After discussion, Mr. Idleburg moved, seconded by Mr. Considine, to approve the Minutes of the September 27, 2018 Regular Meeting and Executive Session Personnel Issues, Pending & Probable Litigation, Real Estate Transactions. The Board voted as follows: Ayes: Considine, Helton, Idleburg, O'Kelly, Jordan. Absent and Not Voting: Robinson. 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.

The list of bills and financial report by Director of Finance Khadija Darr was provided. Commissioner Helton conducted a review of the bills and provided a recommendation. (See Exhibits 08, 09)

Khadija explained LCHA was finally allowed to draw-down and allocate 20% of our Capital Fund administrative money; approx. \$147,000 and our public housing operations funds, \$295,000. We also received additional Capital Funds of 1.15%. Although every amount helps, the bulk of our Capital Fund is still being held by HUD until we complete our environmental review.

She reported LCHA received administrative funding at 7% from HUD; not enough to absorb administrative expenses but we do have reserves.

She stated the fraud recovery efforts to be good. LCHA collected \$90,000 this fiscal year and had budgeted for \$8,000 to be collected. Fraud recovery funds will be allocated to administrative expenses.

HCV housing assistance was funded close to 100% and public housing rent collections are at about 98%.

Khadija stated LCHA was awarded the housing counseling grant for another consecutive year, \$26,791.

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

## REPORTS

The following reports were provided for review.

Capital Improvements, ..... Keon Jackson, Director of Asset Management  
Procurement, Maintenance (See Exhibit 01)  
Public Housing Program, LCHA Rentals

Housing Choice Voucher Program ..... Corinne Jordan, Director of Housing Choice Voucher  
FUP<sup>1</sup>, (See Exhibit 02)

Repayments & Investigations..... Jennifer Clemons-Ferguson, Director of Compliance  
(See Exhibit 03)

FSS<sup>2</sup>, Housing Counseling ..... Alecia Boddie, Director of Community Affairs  
Resident Services (See Exhibit 04)

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<sup>1</sup> Family Unification Program

<sup>2</sup> Family Self-Sufficiency Program

Human Resources..... Lefran Elgezdi, Human Resources Manager  
(See Exhibit 05)

FOIA/OMA<sup>3</sup>, Travel-Training ..... Valerie Rogers, Executive Secretary/FOIA & OMA  
(See Exhibit 06)

Other Matters

Ms. Hocker reported:

1. Thank you to Commissioner Diana O’Kelly for submitting her Certificate of Completion for the Open Meetings Act Training. (See Exhibit 07)
2. Ms. Hocker immediately immersed myself into the basics of LCHA; establishing connections with the staff, absorbing processes and learning job responsibilities.
  - Held department meeting with managers and also with individuals within the departments
  - Brainstorming and mapping with FSS staff in response to the OIG Audit findings
  - Review of budget with Director of Finance Khadija Darr
  - Requested job descriptions, resumes and certifications of all staff from HR
  - Conducted cross training with FSS staff
  - Assigned FSS staff to shadow HCV Certification Specialists as FSS will now conduct recertifications and interim adjustments for their caseloads.
  - Attended a PCC meeting (Program Coordinating Committee) with the FSS Team & over 17 other Lake County organizations
  - Met with Zion Township Supervisor Cheri Neal and City of Zion Commissioner of Building & Public Property Billy McKinney

In addition, she spent the better portion of one day with Deputy Director Tiffany A. Gonzalez seeing our multi-family buildings and some of our scattered sites. Director of Asset Management Keon Jackson took me on a tour of Midlothian Manor; an impressive property with huge potential.

3. Ms. Hocker met with Joe Pash, Regional Account Executive of Johnson Controls to ascertain an understanding of the Energy Performance Contract approved by Board Resolution 2018-42 on 3/15/18.
4. Ms. Hocker reported LCHA was notified by our contractor, Comprehensive Grants Management, of receiving our 2018 Housing Counseling Renewal Grant. Lake County Housing Authority was awarded \$26,791 to support our housing counseling program. Ms. Hocker had several meetings with Housing Counselor Liz Werning to discuss new initiatives for our clients.
5. Ms. Hocker made several attempts to contact our HUD Chicago Regional Office to discuss the OIG Audit findings but had difficulty in receiving a return call. They have since connected and discussed the report. Today, Ms. Hocker received the HUD Office of Public Housing’s report requesting concurrence or disagreement with OIG’s findings. LCHA will have 45 days to respond. (See Exhibit 23)

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<sup>3</sup> Freedom of Information Act. Open Meetings Act.

6. Ms. Hocker said she will be attending the monthly meeting with the Benoit Group on 10/25/18 for an update on the Regency and Brookstone projects.

NEW BUSINESS

Change in Bank Signatories

1. ADP – Payroll Checks
2. Wellspring Software – Accounts Payable Checks
3. The Illinois Funds – Money Market Fund – 2 Accounts
4. First Midwest Bank – LCHA
5. PNC Bank

The Executive Director/CEO and the Deputy Director changed effective 10/1/18 and therefore, LCHA must change the signing authority with the various institutions.

After discussion, Mr. Helton introduced the following Resolution:

**RESOLUTION NO. 2019-01**

**CHANGE IN BANK SIGNATORIES**

After discussion Mr. Helton moved, seconded by Mr. Idleburg to approve the change in bank signatories as presented.

(See Exhibits 10, 11, 12, 13, 14, 15)

Roll Call Vote:

Ayes: .....Considine, Helton, Idleburg, O’Kelly, Jordan

Nays: .....None

Absent: .....Robinson

Abstain: .....None

Motion: .....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 18, 2018.

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Dr. H. Lee Jordan, Jr.  
Chairman

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Lorraine Hocker  
Executive Director/CEO  
Secretary/Treasurer

Approval of Revised FY 2018 Collection Losses – Public Housing

The AMP 2/4 property manager provided incorrect write-off balances. The errors were brought to their attention and have since been corrected thus requiring a revision of the initial submission.

After discussion, Mr. Considine introduced the following Resolution:

**RESOLUTION NO. 2019-02**

**AUTHORIZATION FOR REVISED SEMI-ANNUAL FY 2018**

**COLLECTION LOSSES – PUBLIC HOUSING**

WHEREAS, the policy of the Housing Authority of the County of Lake, Illinois is to write-off accounts of tenants that have been terminated from the program or the former tenant’s location is unknown;

THEREFORE, BE IT RESOLVED that the following tenant accounts are to be transferred to the allowance for doubtful accounts and sent to the Authority’s collection company.

<u>Account #</u>	<u>Amount</u>	<u>Amp</u>
#0358-6	\$254.98	2
#0145-9	\$3,514.95	2
#0167-7	\$275.94	2
#0158-8	\$85.92	2
#0167-8	\$26.00	2
#0328-4	\$1,125.95	3
#0361-4	\$389.50	3
#0567-6	\$866.09	4
#0386-7	\$1,981.82	4
#0541-11	\$4,179.09	4
#0568-8	\$2,562.78	4
#0557-5	\$54.34	4
#0544-6	\$1,113.87	4
#0520-5	\$2,404.75	4
#0532-7	\$1,994.37	5
#0018-2	\$226.87	Rentals
#0003-14	\$6,215.13	Rentals
#0007-01	\$890.60	Rentals
	\$28,162.95	

After discussion Mr. Considine moved, seconded by Mr. Idleburg to adopt Resolution 2019-02.

Roll Call Vote:

Ayes: .....Considine, Helton, Idleburg, O’Kelly, Jordan  
 Nays: .....None  
 Absent: .....Robinson  
 Abstain: .....None  
 Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 18, 2018.

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Dr. H. Lee Jordan, Jr., Chairman

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Lorraine Hocker, Executive Director/CEO  
Secretary/Treasurer

Approval of Revised FY 2018 Agency Operating Budget Revision

FY 2018 pending Capital Fund grant income initially scheduled to be recognized prior to Fiscal Year End was not recognized until FY 2019, thus requiring revisions of the initial submissions for both budgets.

After discussion, Ms. O’Kelly introduced the following Resolution:

**RESOLUTION NO. 2019-03**

**APPROVAL OF REVISED FY 2018 AGENCY OPERATING BUDGET REVISION**

After discussion Ms. O’Kelly moved, seconded by Mr. Helton to Approve the Revised FY 2018 Agency Operating Budget Revision as presented.

(See Exhibit 17)

Roll Call Vote:

Ayes: .....Considine, Helton, Idleburg, O’Kelly, Jordan

Nays: .....None

Absent: .....Robinson

Abstain: .....None

Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 18, 2018.

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Dr. H. Lee Jordan, Jr., Chairman

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Lorraine Hocker, Executive Director/CEO  
Secretary/Treasurer

Approval of Revised FY 2019 Agency Operating Budget

Chief Financial Officer Khadija Darr provided a PowerPoint presentation on the budget along with a handout. (See Exhibit 24)

She noted operational accomplishments:

- Awarded 50 mainstream vouchers effective Jan. 2019, earning LCHA an additional \$423,534
- Increased 2018 occupancy rate from 97% to 98%
- Realized a 5% health care rate relief; approximately \$39,000
- Capital Fund Program High Performer bonus of \$70,452
- Awarded \$223,406 FY 2018 Family Self Sufficiency Grant
- Reduced Public Housing Operational Expenses by 3%
- Exceptional fraud recovery efforts; \$90,000 actual/\$8,000 anticipated

She also noted operational challenges:

- Achieve HUD administrative compliance standards (FSS, HCV, REAC, Finance)
- Achieve 99% lease up rate in the HCV Program
- Establish an ongoing internal audit process
- Reduce Public Housing tenant account receivables balances
- Incomplete Environmental Review
- HUD funding cuts/offsets

She explained the primary sources of revenue come from tenant revenues, fee revenues, other income, rent subsidies and housing assistance payments. Expenses include administrative expenses, tenant services, maintenance, protective services and other.

She explained the FY 2019 projected budget hinges on:

- Improving HCV lease up rate
- Additional budget authority & admin fees due to increased voucher inventory
- Receipt of FSS Grant
- Decrease in public housing expenses
- Receipt of Demolition & Disposition Funding for the repurposing of Marion Jones
- Completion of the Environment Review
- Receipt of outside grants – Associated Bank
- Receipt of Housing Counseling grant

Khadija explained our reserves are not capped but HUD does monitor and recommend amounts (reflected as operating months) for the programs. Public housing is recommended to have 3 months, HCV 4 months.

After discussion, Mr. Considine introduced the following Resolution:

(See next page for Resolution.)

**RESOLUTION NO. 2019-04**

**APPROVAL OF REVISED FY 2019 AGENCY OPERATING BUDGET**

After discussion Mr. Considine moved, seconded by Mr. Helton to Approve the Revised FY 2019 Agency Operating Budget as presented.

(See Exhibit 18)

Roll Call Vote:

Ayes: .....Considine, Helton, Idleburg, O’Kelly, Jordan

Nays: .....None

Absent: .....Robinson

Abstain: .....None

Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 18, 2018.

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Dr. H. Lee Jordan, Jr., Chairman

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Lorraine Hocker, Executive Director/CEO  
Secretary/Treasurer

**Approving Flat Rents – Public Housing**

The 1998 Quality Housing Work Responsibility Act (QHWRA) requires public housing agencies (PHAs) to offer the option of a flat rent (as opposed to an income-based rent) to residents of public housing. Flat rents are based on market rents and, therefore, the tenant rent does not vary with income. Flat Rents are updated yearly. (See Exhibit 19)

After discussion, Mr. Idleburg introduced the following Resolution:

(See next page for Resolution.)



**RESOLUTION NO. 2019-05**

**SETTING FLAT RENTS**

WHEREAS, annually the Authority reviews the flat rent option for the Low Rent Public Housing programs; and

WHEREAS, it is appropriate to revise the current flat rents in accordance with procedures adopted in 1999; and in accordance with PIH Notice 2015-13 stipulating when the existing flat rent amount is less than 80 percent of FMR, PHAs must revise their flat rents to no less than 80 percent of FMR;

NOW, THEREFORE, BE IT RESOLVED that the flat rent hereto contained be adopted; and

BE IT FURTHER RESOLVED that these flat rents shall become effective with new leases beginning December 1, 2018 and all lease renewals in calendar year 2019.

**LOW RENT PUBLIC HOUSING FLAT RENTS**

	0BR	1BR	2BR	3BR	4BR	5BR
Elderly/ Disabled (Zion)	<b>\$705</b>	<b>\$800</b>	<b>\$923</b>	N/A	N/A	N/A
Elderly/ Disabled (RLB)	N/A	<b>\$808</b>	<b>\$933</b>	N/A	N/A	N/A
Elderly/ Disabled (All others)	N/A	<b>\$759</b>	<b>\$855</b>	N/A	N/A	N/A
Scattered Sites	N/A	N/A	<b>\$907</b>	<b>\$1,046</b>	<b>\$1,192</b>	N/A

After discussion Mr. Idleburg moved, seconded by Mr. Considine to adopt Resolution 2019-05.

Roll Call Vote:

Ayes: .....Considine, Helton, Idleburg, O'Kelly, Jordan

Nays: .....None

Absent: .....Robinson

Abstain: .....None

Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 18, 2018.

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Dr. H. Lee Jordan, Jr., Chairman

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Lorraine Hocker, Executive Director/CEO  
Secretary/Treasurer

Approval of Travel Expenses for Executive Director and/or Commissioners

1. Interim Executive Director/CEO Tiffany A. Gonzalez  
PHADA 2018 Legislative Forum, Washington, DC. 9/9/18 – 9/13/18

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 Form is presented for your approval.

After discussion, Ms. O’Kelly introduced the following Resolution:

**RESOLUTION NO. 2019-06**

**APPROVAL OF TRAINING/TRAVEL EXPENSES**

After discussion Ms. O’Kelly moved, seconded by Mr. Considine to approve the Training/Travel Expenses as presented.

(See Exhibit 20)

Roll Call Vote:

Ayes: .....Considine, Helton, Idleburg, O’Kelly, Jordan

Nays: .....None

Absent: .....Robinson

Abstain: .....None

Motion: .....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 18, 2019.

\_\_\_\_\_  
Dr. H. Lee Jordan, Jr., Chairman

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Lorraine Hocker, Executive Director/CEO  
Secretary/Treasurer

Employee Handbook – Paid Time Off Policy – Review & Discussion

The Board was provided the section from the current Employee Handbook regarding the Paid Time Off (PTO) Policy. (See Exhibit 21)

Discussion included the liability to LCHA for unused, accumulated PTO as the current policy allows for three (3) years of accrued PTO. This is further complicated by earning the PTO hours at a lesser wage than when actually taken. It was noted that should the policy be changed to limit the cap of the accrued time to lesser than the current, no employee should lose any time already banked. A graduated schedule of implementation was also discussed. After discussion with Human Resources Manager, Lefran Elgezdi, Ms. Hocker is exploring a maximum of 160 hours for PTO carry-over for the next two years with a payout for the excess and then capping the carry-over on year 3 at 120 PTO hours with the excess

resulting in a loss of PTO time. Ms. Hocker anticipates having a proposed amended policy for the November meeting.

Bids

Operating Fund

1. Unit Turnaround – 26279 N. Violet Drive, Mundelein - AMP 4

After discussion, Ms. O’Kelly introduced the following Resolution:

(See next page for Resolution.)

**RESOLUTION NO. 2019-07**

**(OPERATING)**

**INFORMAL BID AWARD FOR PURCHASE OF**

**EQUIPMENT, MATERIALS, LABOR AND/OR SERVICES**

**UNIT TURNAROUND – 26279 NORTH VIOLET, MUNDELEIN – AMP 4**

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>
Bee Liner Lean Services	Unit Turnaround	26279 North Violet, Mundelein/AMP 4	Not To Exceed \$27,250.00

After discussion Ms. O’Kelly moved, seconded by Mr. Idleburg to adopt Resolution 2019-07.

Roll Call Vote:

Ayes: .....Considine, Helton, Idleburg, O’Kelly, Jordan  
Nays: .....None  
Absent: .....Robinson  
Abstain: .....None  
Motion:.....Carries

Adopted and passed by the Board of Commissioners of the Housing Authority of the County of Lake, Illinois on October 18, 2018.

\_\_\_\_\_  
Dr. H. Lee Jordan, Jr.  
Chairman

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Lorraine Hocker  
Executive Director/CEO  
Secretary/Treasurer

(See Exhibit 22)

Commissioner Roundtable - Discussion

This time scheduled for discussion of non-action items as initiated by members of the Board.

Commissioner O'Kelly asked about Ms. Hocker's first weeks with LCHA. Ms. Hocker recapped a very busy schedule including meeting with colleagues and leaders within the organization as well as HUD officials. She relayed her impression to be welcoming and positive.

Discussion on LCHA's Environmental Review

Ms. Hocker explained because LCHA has not met the requirement for Environmental Reviews, HUD will not release our Capital Fund dollars, approximately \$1.6M. An Environmental Review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. Lake County had been our Responsible Entity for conducting our reviews at no cost. The County defaulted, asking for unrealistic clauses along with a hefty fee, to HUD who complied for a few years. HUD also has now refused stating we need to re-engage the County or find an environmental consultant.

Director of Asset Management, Keon Jackson distributed an email from Jodi Gingiss, Lake County Community Development Administrator. In the email Ms. Gingiss provided an update on LCHA's request that the County serve as Responsible Entity for LCHA's environmental review records (ERRs). She summarized the legal pickle remains who would repay HUD in the worst case event that HUD finds a problem with LCHA's collective ERRs in the future and asks to be repaid. She stated the County would like to be indemnified for amounts above what LCHA pays the County (at cost) to do LCHA's ERRs (the County's initial cost is estimated at \$71K for the baseline ERRs that would last five years, assuming no new buildings).

Ms. Gingiss explained given the County's perpetual legal impasse, LCHA could have the conversation with our Board that it may be worth it for LCHA to provide this indemnification for the County – as the chance of HUD finding a real environmental problem in our portfolio (or with the County's work, which has passed HUD review with flying colors) is very small.

She said the final avenue they are exploring is a question with HUD's legal department: Will they provide assurance in writing that the County, as Responsible Entity, would not be asked to pay back PHA capital fund budget or project development dollars?

The County's Community Planning & Development lead has reached out to the Regional Administrator's Office with the County's request to set up a consultation between their two legal teams and the HUD legal team.

As no resolution appears to be forthcoming, LCHA wishes to award a contract to an outside agency that will assume full responsibility and bring us into compliance. Proposals from Deigan & Associates, Anderson Environmental and BBJ Group were distributed.

No other topics of discussion were presented.

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

At 1:18 p.m. Mr. Idleburg moved, seconded by Mr. Considine, to go into Executive Session to discuss Personnel Matters, Pending & Probable Litigation, Real Estate Transactions. The Board voted as follows:

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Ayes: Considine, Helton, Idleburg, O’Kelly, Jordan. Nays: None. Absent and Not Voting: Robinson.  
Motion Carries.

The Board returned to open session at 1:51 p.m. and roll call was taken. Present: Considine, Helton, Idleburg, O’Kelly, Jordan. Absent: Robinson.

ADJOURNMENT

There being no further business to come before the Board, Ms. O’Kelly moved, seconded by Mr. Idleburg to adjourn the meeting. The Board voted unanimously in favor of the motion. Motion Carries. Meeting adjourned at 1:52 p.m.

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Dr. H. Lee Jordan, Jr.  
Chairman

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Lorraine Hocker, Executive Director/CEO  
Secretary/Treasurer