

**MINUTES OF THE REGULAR MEETING
OF THE
OAK PARK HOUSING AUTHORITY
THURSDAY, JULY 20, 2017
7:45 A.M.**

OFFICIAL RECORD

PRESENT: Commissioners Hellwig, Muse, Hill, Butler & Chairman Kralik

EXCUSED: Commissioner Kelly

ALSO PRESENT: David Pope, Executive Director, Ken Southard, Jim King, Melissa Neyfeldt, and Beth Swaggerty, Staff and Kate Walz, Guest

QUORUM

The meeting was called to order at 7:48 A.M. by Chairman Kralik.

APPROVAL OF MINUTES OF REGULAR MEETING OF JUNE 15, 2017

It was moved (Hill) and seconded (Hellwig) to approve the minutes of the June 15, 2017 regular meeting. The motion passed by unanimous voice vote.

APPROVAL OF CHANGE IN KEY PERSONNEL UNDER OPHA/OPRC AGREEMENT

Chairman Kralik introduced OPHA's new Executive Director, David Pope.

Mr. Pope expressed his pleasure in joining the organization and provided a brief overview of his background and credentials. He spoke of his experience as an Oak Park resident and past President of the Village of Oak Park Board of Trustees; his history in working with both OPRC and the OPHA; and shared his reasons for accepting the position with the organization.

Chairman Kralik explained that the agreement between the OPHA and OPRC required the Authority's approval of any change in key personnel and that the approval of the change did not require a resolution. He added that he had been involved in the interviewing process for the new Executive Director and had met with all of the candidates and had agreed with the decision of the Residence Corporation to hire Mr. Pope. He recommended that the Board approve the change in Executive Director.

It was moved (Hellwig) and seconded (Butler) to approve the change in Executive Director. The motion passed by unanimous voice vote.

INTRODUCTIONS

Mr. Pope asked if the group could briefly move off the agenda to have each Board member introduce themselves and share their reasons for volunteering to serve on the OPHA board. Each Board member then briefly explained their background and experience, when they had joined the boards and what had motivated them to serve on the Board.

During this time, Chairman Kralik introduced Kate Walz, candidate for Board Director. Ms. Walz shared that she had been a resident of Oak Park for seven (7) years. She stated that the Housing Authority of Oak Park has always stood out as a model of excellence and she desired to serve on the Authority's Board for quite some time.

2016 DRAFT AUDIT PRESENTATION

Auditor, Ken Peterson of Kolnicki, Peterson, Wirth, LLC presented an overview of the 2016 Draft Audit highlighting various aspects of the audit including the Statement of Financial Position; Cash Management; Net Cash and Statement of Cash Flow; Overhead; Pension Plan Funding; and Program Compliance. Mr. Peterson stated that overall the organization had experienced a good year and that there were no findings or questions by the auditors.

Mr. Peterson then asked for any questions from the Board.

Commissioner Hellwig asked the status of the Heartland Alliance lease for the Showalter House located at 324 N. Austin. Ms. Swaggerty responded that the current lease expires in December and that it was being review and renewal discussions would

Mr. Pope asked Mr. Peterson's about the rationale for carrying the mortgage on the office building while the organization has roughly an equal amount of cash in its account. Mr. Peterson advised caution in drawing down the account since there is always a question about what HUD might do regarding future funding. Mr. Abbas pointed out that the available cash was in the building fund. Mr. Pope asked if there were any specific restrictions on the cash in the account; commented that the organization was currently paying variable interest on the mortgage that was due to escalate and represented substantial annual cost to the organization. Mr. Peterson stated that there were options for using the cash but recommended maintaining a significant cash balance. Mr. Pope suggested that there be further discussion on the matter at a later date.

Chairman Kralik asked about the variance under HUD activities on page 8 of the audit. Mr. Peterson confirmed that the variance represented restricted cash and holdback.

Chairman Kralik asked if there were any further questions for the auditors. There were none.

Chairman Kralik offered kudos to the staff; stating that the organization's consistent history of clean, unqualified audits was a testament to the staff's efficiency and solid performance.

APPROVAL OF RESOLUTION HA-2017-07-01 APPROVING THE AUTHORITY'S PARTICIPATION IN A LAWSUIT ADMINISTERED BY PHADA AND NAHRO TO CHALLENGE THE OPERATING RESERVE OFFSET IMPOSED BY CONGRESS AND HUD ON HOUSING AUTHORITIES' OPERATING SUBSIDIES IN 2012

Mr. Pope provided a brief overview of the matter discussed previously in the June 15, 2017 board meeting and the accompanying documents.

Chairman Kralik asked about the clarification of the fee amount to participate in the lawsuit. Mr. King reported that he had confirmed that the Authority qualified as a "small" Authority and therefore would pay the lower fee of \$1,000.

It was moved (Muse) and seconded (Hellwig) to approve the Authority's participation in the lawsuit.

The roll call vote was as follows:

AYES: Commissioners Butler, Hellwig, Hill, Muse, and Chairman Kralik

NAYS: None

ABSENT: Commissioner Kelley

DEPARTMENTAL REPORTS

MILLS PARK TOWER

Jim King provided a brief overview of the Capital Fund Program(s) for years 2014 through 2017. He explained that each annual fund program can be open for up to four (4) years; with two (2) years to obligate the funds and another two (2) years to expend the funds. He stated that the 2014 fund program had just finished but could not be "closed" until an audit was completed. He explained that the 2015 fund program was currently underway with the obligation of funds for making several existing units fully accessible. He added that the organization is proactive in obligating the funds and that he anticipated the 2016 program funds would be obligated before the end of the year. He further explained that once each fund program is obligated at 90% it becomes 100% funded. He then summarized current obligations; adding that he had the ability to adjust those obligations as necessary.

Chairman Kralik asked about the reported nine (9) vacancies. Mr. King stated that 5 of the units were units out of service for remodeling. He added that generally a full remodel takes a month while a remodel for accessibility can take as much as three (3) months.

Mr. King asked for any further questions regarding the Capital Funds Program. There were none.

Mr. King briefly touched on other activities contained in his report including plumbing repairs and the recent purge of the waiting list by identifying individuals who were no longer interested and/or had found other housing.

Mr. King asked if there were any further questions. There were none.

HOUSING CHOICE VOUCHER PROGRAM

Ken Southward provided a brief review of his reports. He noted that there were five (5) new mainstream vouchers issued; one of which was issued to an individual who qualifies as "chronically homeless". Mr. Southward added that if this individual finds a suitable unit then the program will achieve full utilization of its five (5) vouchers designated for the chronically homeless.

Mr. Southward also reported that the number of bi-annual inspections will decrease as we move into 2018.

Mr. Southward asked if there were any questions.

Chairman Kralik asked about the process in identify new applicants from the waiting list. Mr. Southward detailed the invitation process which includes three (3) written attempts to contact and initiate participation. The final attempt includes notice to the individual that they will be removed from the waiting list or made "inactive" if they do not respond in fourteen (14) days. If no response is received then it is determined in a formal review to remove them from the waiting list. Mr. Southward clarified that the process provides close to two (2) months for the applicant to respond from initial contact.

Ms. Walz asked how long the voucher holder had to find a unit. Mr. Southward responded that the voucher holder has 180 days to find a unit.

OLD BUSINESS

Chairman Kralik reported that he had held off on writing a letter to the Village regarding the changes to the parking along Pleasant Place because he wanted to get more information and background on the situation. He stated that he would draft a letter for review by the Board within the next few days.

Ms. Neyfeldt reported that Village representatives would be coming out to the property on July 24, 2017 to discuss the parking issue further and hopefully identify possible solutions. Mr. Pope and Mr. King both stated they would attend the meeting.

Mr. King brought up the issue of the replacement of the Federal Pacific Electrical Panels at Mills Park Tower; cited as a potential fire hazard by our property insurance provider, Middle Oaks Insurance. It was explained by David Pope that these panels have been identified as having a fire risk that is twice that of other panels and that they need to be replaced.

Mr. King reported that he would be going out for bids on the replacement of these panels and would present a resolution for approval of the execution of a contract for the work at the next board meeting. Mr. King added that he believed MPT had appropriate funding for the entire project but would know one way or another after the bidding process. He indicated that the project might have to be completed in two (2) stages depending on the cost.

Chairman Kralik asked if there was a ballpark figure on the project and Mr. King responded that they had been given a single estimate of \$290,000, but anticipated that that number would drop substantially through the bidding process.

Mr. King reported that in accordance with the PPH Plan he would be scheduling the annual resident meeting in the near future and that Chairman Kralik had previously mentioned that some of the Board members may want to attend.

Chairman Kralik stated that he felt that despite the open monthly meetings and the opportunity for public comment he felt that many residents did not feel comfortable coming to the monthly board meetings and sharing concerns. He stated that the annual resident meeting would be an excellent opportunity to interact with the residents the organization serves. He encouraged the board members to attend if they were available.

Chairman Kralik brought up the matter of moving the monthly meeting date back to the 2nd Tuesday of each month. It was agreed that this would be made effective with the September meeting and that a resolution to do so would be presented at the next meeting. It was also agreed that the meetings would continue to start at 7:45 A.M.

Chairman Kralik asked if there was any further old business. There was none.

NEW BUSINESS

None

PUBLIC COMMENTS

None