

MINUTES OF THE REGULAR MEETING
OF THE ST. CLAIR COUNTY HOUSING AUTHORITY (SCCHA)
BOARD OF COMMISSIONERS
1790 SOUTH 74TH STREET, BELLEVILLE, ILLINOIS
9:00 A.M., WEDNESDAY OCTOBER 10, 2018

ROLL CALL

The Chairman called the meeting to order and upon roll call the following Commissioners and others were physically present:

Commissioners Present

Eugene Verdu, Chairman
Dan Barger, 1st Vice Chairman
Sr. Julia Huiskamp, 2nd Vice Chairman
Billie Jean Miller, Secretary
Vivian Cash, Treasurer

Others Present

Larry McLean, Executive Director
Nancy Schmidt, Director of Finance
David Wright, Director of Modernization
Keith Hausman, Director of Maintenance
Pamela Jackson, Programs Director
Phyllis Pearson, Director of Asset Mgmt.
Carol Easterley, Administrative Director
Phillip Rice, SCCHA Attorney
Annette Hill, Executive Secretary

Commissioners Absent

None

Others Absent

None

PUBLIC COMMENTS

There were no public comments.

MINUTES

Consider approving Minutes of the Regular Meeting held on September 12, 2018.

Commissioner Barger made a motion to approve the minutes as presented. The motion was seconded by Commissioner Cash. The motion passed by unanimous consent.

FINANCE MATTERS

Consider approving Finance Matters for the month of August 2018, including General Disbursements – All Projects, Payroll Disbursements, Treasurer’s Report/Investment Register, Schedule of Miscellaneous Receipts, Comparative Income/Expense Reports and Electronic Payment Transactions (for the month of September 2018). Copies attached.

Commissioner Barger made a motion to approve the Finance Matters. Commissioner Miller seconded the motion. The motion passed unanimously upon roll call.

TENANT MATTERS

Review and discuss reports related to Tenant Matters for the month of September 2018. These include Public Housing Tenant Accounts Receivable Report, Public Housing/Section 8 Occupancy Report, Public Housing Move-Out Report, Public Housing Move-In Report, Section 8 Move-Out Report, Section 8 Move-In Report, HCVP Location Report, Waiting List Demographic Report and Wait List Summary by Program / Location Report. (Copies attached)

The reports are for informational purposes only and do not require any action.

Commissioner Huiskamp requested an update regarding the status of public housing vacancies.

Mr. McLean reported that at the start of September there were fifty-four (54) vacant units, the start of October there were fifty-five (55) and as of yesterday there were sixty-seven (67).

Commissioner Huiskamp asked if there are any particular developments that have the most vacancies. Mr. McLean replied that the most vacancies are in the two Centreville developments [Private Mathison Manor and the Ernest Smith Sr. Apartments (ESSA)] and the Thomas Terry Apartments in Brooklyn, adding that this is because these are SCCHA's largest developments comprising around sixty-percent (60%) of SCCHA's public housing inventory. Mr. McLean commented further that unfortunately all AMPs (asset management property-groupings) are experiencing higher than normal vacancies.

When asked about the reasons for the vacancies, Mr. McLean said there are several. He noted that Keith Hausman, Maintenance Director, shared with him that the maintenance staff has heard that several families indicated that the "no smoking" policy that went into effect July 1st influenced their decision to move. Mr. McLean noted that this has not been verified or confirmed through other sources or means, but could be one reason for the higher than normal move-out activity. Mr. McLean commented that a more traditional reason for increased move-outs relates to the strong economy. He explained that when the economy is better more residents are working, which is a good thing, but their rents go up and as a result many choose to move out. Mr. McLean reminded the Commissioners that the flat (or maximum) rents in public housing are much higher than they used to be because of the calculation method required by current federal law. Mr. McLean also noted that it is not uncommon for a family who decides to move because of an increase in their monthly rent to stop paying their rent to SCCHA the last two or three months of their occupancy because they need to save the money to cover the high cost of moving, most notably the large security deposit required in the private sector rental market.

Mr. McLean said that a review of the move-out report for the month of September that is included in the meeting packet as agenda item #5D illustrates the varied reasons for residents moving out. Of the thirteen (13) move-outs:

- Four (4) or 31% were related to health issues or death of the resident;
- Three (3) or 23% involved households moving to another federal housing provider;
- Three (3) or 23% of the residents indicated they no longer needed or wanted assistance, and;
- Three (3) moved prior to eviction for unpaid rent or other lease violations.

Chairman Verdu commented that he would be curious to know if families moving from our public housing locations mirror an overall trend of families moving from areas of poverty and minority concentration to less impacted areas that provide better opportunities in terms of jobs, schools, public transportation, shopping and other amenities that are desired by all families. Mr. McLean responded that is exactly why he and the staff are carefully trying to assess the long-term viability of the Ernest Smith Sr. Apartments in Centreville, noting that the ESSA development typically has the most vacant units with many public housing applicants choosing not to apply for the ESSA location and/or if they apply subsequently declining a move-in offer. Commissioner Huiskamp commented that families want to live in safe neighborhoods.

Mr. McLean concluded the conversation by noting that SCCHA faces many challenges in reducing the number of vacant units but noting that he is both hopeful and optimistic that through the hard work on the part of the staff involved in wait list, applicant screening, management and maintenance activities SCCHA will be able to turn the corner and bring vacant units down to a more normal level.

OLD BUSINESS

Mr. McLean reported that he along with several staff members and our contract engineer recently participated in a conference call with HUD officials related to our potential submission of an application for demolition of the thirty-two (32) unit Adeline James Building (designated for senior citizens) along with twenty (20) family units [five (5) buildings] in the portion of the 30-08 public housing development that is located on South 46th Street in Centreville. The hope is that the buildings would be approved for demolition with “tenant protection vouchers” being received to facilitate resident relocation with no reduction in the number of federally assisted units. Mr. McLean said that the conference call was informative and useful, but raised serious concerns whether the buildings would qualify for demolition with one-for-one replacement with tenant protection vouchers (TPVs). Mr. McLean explained that to qualify for demolition with the receipt of TPVs SCCHA would have to demonstrate to HUD’s satisfaction that immediate repair needs (defined as items that are broken now and need immediate repair

or the need for repair is imminent---within no more than three years) would cost at least 57.14% (or 62.5% for elevator buildings) of the HUD-established Total Development Cost (TDC) for newly developed units in the same geographical area. Mr. McLean further explained that certain needed improvements are not eligible to be considered in the calculations. For example, “end of useful life” replacements or improvements do not count. Mr. McLean illustrated the point by noting that the cost to replace a twenty year old boiler system, not unlike the one that provides the heat and hot water at the AJB, may not be an eligible cost factor if the boiler is operational with no indication other than age that it is in imminent danger of failure within the next three years.

Commissioner Huiskamp asked if the high rise building is empty. Mr. McLean replied “no” adding that it is mostly occupied with only two (2) vacant units as reflected on the report included in the board packet.

Commissioner Verdu asked if SCCHA would be responsible for re-locating the tenants. Mr. McLean replied “yes” clarifying that a full “Tenant Relocation Plan” is a required component of a demolition application.

Mr. McLean said that he would keep the Commissioners advised of significant developments as they occur related to this very important matter.

NEW BUSINESS

7-A Consider Approving Execution of The 7th Amended and Restated Intergovernmental Cooperation Agreement with Assisted Housing Risk Management Association (AHRMA)

Commissioner Miller made a motion to approve the execution of The 7th Amended and Restated Intergovernmental Cooperation Agreement with the Assisted Housing Risk Management Association (AHRMA). Commissioner Barger seconded the motion.

Commissioner Verdu requested clarification regarding the intent and purpose of this document. Mr. McLean explained that this is the agreement by which SCCHA is a member of a group of public housing authorities that is “self-insured.” Entering into the agreement allows SCCHA to access the various insurance coverages provided by AHRMA. Mr. McLean added that as indicated by the title the agreement has only been revised seven times in the thirty or so years that AHRMA has been in existence, so the document does not come before the Board very often.

Mr. McLean further explained that the changes to the document are minor in nature and are those shown on the cover e-mail that was received from the CEO of AHRMA

Upon roll call the motion passed unanimously.

7-B Consider Approving a Three-Year Contract for Elevator Maintenance Services with Kone Elevator of St. Louis, MO

Commissioner Barger made a motion to approve a three-year contract for elevator maintenance services with Kone Elevator of St. Louis, MO in the amount shown on the bid tabulation and the recommendation memorandum contained in the meeting packet as agenda item #7B. Commissioner Miller seconded the motion.

Upon roll call the motion passed unanimously.

7-C Consider Approving a Three-Year Contract for Trash Pickup and Disposal Services with Waste Management and Republic Services

Commissioner Barger made a motion to approve a three-year contract for trash pickup and disposal services with Waste Management and Republic Services as shown on the bid tabulation and the recommendation memorandum included in the meeting packet agenda item 7C. Commissioner Cash seconded the motion.

Upon roll call the motion passed unanimously.

7-D Consider Approving Contract with Tenmast Software (an MRI Company) for Housing Software System and Services Subject to Concurrence of Terms and Conditions by Legal Counsel

Commissioner Barger made a motion to approve the contract with Tenmast Software (an MRI Company) for housing software system and services subject to concurrence of terms and conditions by legal counsel. Commissioner Miller seconded the motion.

Mr. McLean explained that the Commissioners had previously approved a recommendation to award the bid for housing software and related services to Tenmast (and MRI Company) and authorized the Executive Director to negotiate the contract. However, the recommendation and the approval did not specifically authorize the Executive Director to execute the contract. Mr. McLean noted that he was acting with an abundance of caution by bringing the contract before the Board for approval. He also noted that Attorney Philip Rice remains in dialogue with the attorneys for the software provider regarding certain terms and conditions in their standard form contract that cause him concern.

Upon roll call the motion passed unanimously.

OTHER BUSINESS AND REPORTS BY THE EXECUTIVE DIRECTOR

8-A Contract Status Report (October)

There were no questions or discussion regarding the Contract Status Report.

8-B Resident Correspondence


Mr. McLean reported that he was pleased to share with the Commissioners a letter that was received recently from the son of an elderly resident who was moving out of her public housing apartment after thirteen (13) years of occupancy to an assisted living facility. The letter was very complimentary toward Debbie Royer, the Property Manager, along with Mary Miller, the Senior Services Coordinator and Jackie Johnson, the Senior Services Program Secretary. Mr. McLean added that he was fortunate to know Arlene Bieri on a professional basis through her years of service on the Resident Advisory Board (RAB).

The Commissioners were informed that the Ernest Smith Sr. Apartments (ESSA) development (AMP 3) was scheduled for a second REAC (Real Estate Assessment Center) inspection on October 23rd – 25th. Mr. McLean explained that the ESSA development had a REAC inspection earlier in the year which was conducted by a contract inspector, but the inspection results were not accepted by HUD. The upcoming inspection is considered a “Quality Control” inspection and will be completed by HUD staff.

Mr. McLean reported that the annual independent financial audit that is conducted on behalf of the Board and in accordance with HUD regulations is scheduled for the week of October 15th. The audit will cover financial and other activities occurring during the period from July 1, 2017 through June 30, 2018. The audit will be completed by the firm of Rector, Reeder & Lofton, PC as authorized by the contract awarded by the Board in 2017.

ADJOURNMENT

Being no further business to be considered by the Board, Commissioner Barger made a motion to adjourn the meeting. The motion was seconded by Commissioner Miller. The motion passed by unanimous consent.



Eugene Verdu (Chairman)



Billie Jean Miller (Secretary)

The Next Regular Board Meeting is Scheduled for November 14, 2018.