

**Menard County Housing Authority  
Board of Commissioners Meeting  
Tuesday, August 14, 2018**

The Board of Commissioners of the Menard County Housing Authority met in regular session on Tuesday, August 14, 2018 in the Board Room of the Management & Maintenance Building at 101 W. Sheridan Rd, Petersburg.

The Chairman of the Board, B.R. Boston, called the meeting to order at 4:00 pm. The following commissioners were present: B.R. Boston, Paul Brown, C.J. King and Jeffrey Stott. Commissioners Absent: Brian Ogden, James Reed and Elizabeth Roberts. The following were also present: Anne Smith (Executive Director), Jason Race (Bedrock Housing Consultants) and Meggann Bell (Regional Housing Development).

There were no public comments.

The minutes of the Annual Meeting June 12, 2018 were reviewed and approved and ordered filed. The motion was made by Commissioner Stott and seconded by Commissioner Boston.

The meeting continued with a review of the revised Housing Management Agreement between Regional Housing Development and Menard County Housing Authority. The revised agreement updated the developments RHD is providing property management and maintenance for, the management and management fees, incentive fees and development fees. The agreement would be effective September 1, 2018.

After discussion, Commissioner Stott introduced and read in full the following resolution:

**RESOLUTION 2190**

**RESOLUTION TO APPROVE AMENDED HOUSING MANAGEMENT AGREEMENT BETWEEN REGIONAL HOUSING DEVELOPMENT AND MENARD COUNTY HOUSING AUTHORITY**

WHEREAS, MCHA believes it is more economical and in the best interest of the agency to contract with a management company to handle the operations, administration and maintenance of its housing units; and

WHEREAS, RHD desires to accept the duties of operations, administration and maintenance of MCHA's housing units; and

WHEREAS, MCHA has selected RHD pursuant to the experience and expertise of its staff and pursuant to its procurement policy and the HUD Procurement Handbook 7460.8 REV 2; and

WHEREAS, MCHA is authorized to execute this Agreement with RHD pursuant to Section 8.5 of the Illinois Housing Authorities Act (310 ILCS 8.5); and,

NOW THEREFORE, the Regional Housing Development (RHD) and the Menard County Housing Authority (MCHA) hereby agree to the following:

1. RESPONSIBILITIES OF RHD. RHD will provide MCHA with housing management services for the following developments:
  - County Estates – 68 units in Petersburg, Greenview, and Athens, IL (management and maintenance)
  - Prairie Place – 20 units in Petersburg and Athens, IL (management and maintenance)

- Parkside Homes – 33 units in Athens, IL (management and maintenance)
- Menard County Homes – 126 units in Petersburg and Athens (management and maintenance)
- Scott County Homes – 20 units in Winchester, IL (management)
- Hershey Tower Senior Village – 139 units in Taylorville, IL (management)

\* From time to time, RHD may undertake housing management services for additional developments, which shall be identified in an addendum to this Agreement.

2. SERVICES. Housing management services provided by RHD shall be those typically performed in the course of the administration, management and maintenance of low-income housing developments including, but not limited to the following:

- Receiving and Processing Applications
- Leasing & Lease Enforcement
- Annual and Interim Re-certifications
- Inspections
- Perform or oversee all maintenance work, including but not limited to, work orders, vacancy prep, preventative maintenance, and capital improvements.
- Compliance
- Financial Reporting

3. PAYMENT. In exchange for providing services to MCHA under this Agreement, RHD will receive the following compensation:

- Monthly payment equal to 70% of administrative fees and 100% of maintenance fees, received by MCHA, for management of the properties listed in Section 1 of this agreement, payable on the first day of each month; and
- One-third (1/3) of property management fees collected by MCHA.
- Two-thirds (2/3) of incentive management fees (et al.) collected by MCHA.

4. RESPONSIBILITIES OF MCHA. MCHA shall cooperate with RHD and provide all necessary documents as requested by RHD necessary to deliver appropriate administration, management and maintenance services under this Agreement.

MCHA will ensure RHD manages all properties, covered under this agreement, in compliance with HUD, IHDA, or other federal, state & local regulations pertaining to affordable housing occupancy and management.

5. TERM OF AGREEMENT. The initial term of this Agreement shall be one (1) year. The Agreement will automatically extend for additional one (1) year terms on each anniversary date of this Agreement unless terminated in writing by either party. The maximum length of all initial and renewal terms of this contract shall not exceed five (5) years. Either party may terminate this Agreement at any time upon sixty (60) days written notice.

6. INDEPENDENT CONTRACTOR. RHD acknowledges that it is an independent contractor and its employees are not employees of MCHA. Further, MCHA acknowledges it shall not directly supervise RHD staff, other than to provide assistance and request information, as necessary from time to time.

7. INDEMNIFICATION. Each party shall indemnify, defend and hold harmless the other party and its directors, officers, agents and employees, with respect to any and all liabilities, losses, claims, suits, damages, taxes, charges, judgments or expenses including, but not limited to, reasonable attorney's fees

and litigation costs, and demands of any kind and nature by any party which the indemnified party may incur or suffer as a result of any cause of action relating to or arising out of the indemnifying party's negligent acts or omissions. The indemnifying party shall not have an obligation to indemnify, defend and hold harmless the indemnified party for any liabilities, losses, claims, suits, damages, taxes, charges, judgments or expenses including, but not limited to, reasonable attorney's fees and litigation costs, and demands of any kind or nature arising out of any negligent acts or omissions of the indemnified party. Both parties agree to extend indemnification following termination of the Agreement for those activities performed during the term of this agreement.

8. INSURANCE. Both parties agree to maintain an acceptable level of insurance throughout the term of the Agreement, to protect against claims of loss or property damage.
9. SEVERABILITY. If any of the provisions of this Agreement prove to be invalid or void, that shall in no way affect any other provision, and all other provisions of this agreement shall remain in effect.
10. COMPLETE AGREEMENT. This is the complete agreement and supersedes all prior and contemporaneous understandings and agreements relating to the subject matter hereof, may not be amended or modified except in writing by authorized representatives of RHD and MCHA, and shall be governed by the laws of the State of Illinois.
11. ASSIGNMENT. This Agreement shall not be assigned by RHD to any other firm or individual without expressed written consent of MCHA.
12. SECTION 3. RHD agrees to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 as amended and set forth in 24 CFR Part 135 by the Secretary of HUD which requires that to the greatest extent feasible, opportunities for training and employment be given lower income residents of the Project area.

Commissioner Stott moved that the foregoing resolution be adopted and introduced, which motion was seconded by Commissioner Boston and upon roll call the "AYES" and "NAYS" were as follows:

AYES: Boston, Brown, King & Stott

NAYS: None      ABSTAINING: None      ABSENT: Ogden, Reed & Roberts

The Chairman thereupon declared the motion carried and said resolution adopted.

Next on the agenda was to review the amounts on the Capitalization Policy. The Capitalization Policy was established for the purpose of stating capitalization criteria in determining, distinguishing and recording expendable and non-expendable equipment either purchased or acquired. The \$1,000 amount needs to be increased to \$2,000.

Commissioner Boston introduced and read in full the following resolution:

### **RESOLUTION 2191**

#### **RESOLUTION TO APPROVED UPDATED CAPITALIZATION POLICY**

Whereas, the Capitalization Policy had not been updated in over 5 years and the \$1,000 amount for expendable and non-expandable equipment needed to be increased to \$2,000.

Be it resolved, to approved the revised Capitalization Policy increasing the amounts from \$1,000 to \$2,000.

Commissioner Boston moved the foregoing resolution be adopted and introduced, which motion was seconded by Commissioner Stott and upon roll call the “AYES” and “NAYS” were as follows:

AYES: Boston, Brown, King & Stott

NAYS: None ABSTAINING: None ABSENT: Ogden, Reed & Roberts

The Chairman thereupon declared the motion carried and said resolution adopted.

Next, Anne Smith explained to the Board that since the Housing Agreement was approved then the current Incentive Pay Plan for the Executive Director needed to be revised. Since MCHA no longer has public housing (no longer will receive capital funds) and the Public Housing Assessment System can no longer be considered in the Pay Plan. She recommended removing PHAS & SEMAP section and just have SEMAP (Section Eight Management Assessment Program) section. The percentage would be changed to be based on the total administrative fee. The Development Fees Section percentage for an incentive award would change to 30% of the Authority’s portion of all development fees paid to the Authority or one of its instrumentalities from the development of a Low Income Tax Credit project.

After discussion, Commissioner Boston introduced and read in full the following resolution:

**RESOLUTION 2192**

**RESOLUTION TO REVISE THE EXECUTIVE DIRECTOR INCENTIVE PAY PLAN**

WHEREAS, since the Housing Authority no longer has public housing and PHAS and capital fund award;

AND the Housing Agreement between RHD and MCHA has been revised and the development fees section changed to allow MCHA and CIS to retain all development fees (without splitting with RHD);

BE IT RESOLVED TO revise the Executive Director Incentive Pay Plan to remove PHAS language and add a SEMAP section and revise the percentage paid to the director based on the total Section 8 Administrative Fee earned for the fiscal year for which the scoring applies and change the percentage paid to the Executive Director from 75% to 30% since there is no longer a split of the fees with RHD.

Commissioner Boston moved that the forgoing resolution be adopted and introduced, which motion was seconded by Commissioner Stott and upon roll call the “AYES” and “NAYS” were as follows:

AYES: Boston, Brown, King & Stott

NAYS: None ABSTAINING: None ABSENT: Ogden, Reed & Roberts

The Chairman thereupon declared the motion carried and said resolution adopted.

The Employee Incentive Pay Plan also needs updated to reflect no longer having public housing and PHAS and the fact the Authority will not be receiving capital funds. The Director also would like to implement a range for the incentive pay for employees to allow more flexibility.

After discussion Commissioner Brown introduced and read in full the following resolution:

**RESOLUTION 2193**

**RESOLUTION TO REVISE THE EMPLOYEE INCENTIVE PAY PLAN**

WHEREAS, since the Housing Authority no longer has public housing, PHAS and capital fund award so the PHAS/SEMAP section of the pay plan needs to be changed to SEMAP.

AND, the section on excess nonprofit cash flow from operations no longer applies and the development fee section needed to be updated to allow the Executive Director to pay an incentive award equal to an amount ranging from 5-15% of the Authority's portion of all development fees paid to the Authority or one of its instrumentalities from the development of a Low Income Tax Credit project.

BE IT THEREFORE RESOLVED to revise the Employee Incentive Pay Plan and revise with the for mentioned changes.

Commissioner Brown moved that the forgoing resolution be adopted and introduced, which motion was seconded by Commissioner Boston and upon roll call the "AYES" and "NAYS" were as follows:

AYES: Boston, Brown, King & Stott

NAYS: None ABSTAINING: None ABSENT: Ogden, Reed & Roberts

The Chairman thereupon declared the motion carried and said resolution adopted.

Menard County Homes, under RAD, must establish an Operating Reserve Account to put excess residual receipts in. The account will have the same signors as the other accounts at the National Bank of Petersburg for Menard County Homes.

After discussion, Commissioner Stott introduced and read in full the following resolution:

#### **RESOLUTION 2194**

#### **RESOLUTION TO APPROVE OPENING AN OPERATING RESERVE ACCOUNT FOR MENARD COUNTY HOMES**

WHEREAS, THE Menard County Housing Authority Board has been advised that an operating reserve account is required to put excess residual receipts in.

THEREFORE, BE IT RESOLVED, to authorize the

Anne R. Smith

B. R. Boston

Jeff Stott

James Reed

BE IT FURTHER RESOLVED, to open the Operating Reserve Account for Menard County Homes at the National Bank of Petersburg.

Commissioner Stott moved that the forgoing resolution be adopted and introduced, which motion was seconded by Commissioner Brown and upon roll all the "AYES" and "NAYS" were as follows,

AYES: Boston, Reed, Roberts, & Stott

NAYS: None ABSTAINING: None ABSENT: Brown & King

The Chairman thereupon declared the motion carried and said resolution adopted.

The MCHA Grievance Policy has a requirement to have a hearing officer appointed to be able to make decision in regard to a grievance by an applicant or a participant of one of our programs under MCHA Margaret Barkley has agreed to serve a two-year period.

After discussion, Commissioner King introduced and read in full the following resolution:

### **RESOLUTION 2195**

#### **RESOLUTION TO MARGARET BARKLEY AS HEARING OFFICER**

WHEREAS, the MCHA Grievance Policy establishes criteria for the selection of a hearing officer;

AND Margaret Barkley, Executive Director of Macoupin County Housing has agreed to serve for a two-year period.

BE IT RESOLVED, to appoint Margaret Barkley as Hearing Officer for MCHA for 2 years beginning July 1, 2018 to July 1, 2020.

Commissioner King moved that the forgoing resolution be adopted and introduced, which motion was seconded by Commissioner Boston and upon roll all the “AYES” and “NAYS” were as follows,

AYES: Boston, Brown, King & Stott

NAYS: None    ABSTAINING: None    ABSENT: Ogden, Reed & Roberts

The Chairman thereupon declared the motion carried and said resolution adopted.

Executive Director Smith continued the meeting by informing the Board that Danielle Gerndt will be attending Nan McKay’s HCV Financial Management Training in St. Louis, MO on 9/18/18 – 9/20/18, Anne Smith, Teresa Sexton and Pam Spoor will be attending the NeighborWorks Training Institute in Louisville, KY August 19-24/2018 and Anne Smith plans to attend the IAHA Meeting in Fairview Heights, IL 9/19 to 9/21/2018.

After discussion, Commissioner Boston introduced and read in full the following resolution:

### **RESOLUTION 2196**

#### **RESOLUTION TO APPROVE OVERNIGHT TRAVEL FOR MCHA STAFF**

WHEREAS, The Board believes it to be in the best interest of the Authority for MCHA staff to attend the aforementioned training,

THEREFORE, BE IT RESOLVED, to approve overnight travel expenses for Danielle Gerndt who will be attending Nan McKay’s HCV Financial Management Training in St. Louis, MO on 9/18/18 – 9/20/18, Anne Smith, Teresa Sexton and Pam Spoor will be attending the NeighborWorks Training Institute in Louisville, KY August 19-24/2018 and Anne Smith plans to attend the IAHA Meeting in Fairview Heights, IL 9/19 to 9/21/2018.

Commissioner Boston moved that the forgoing resolution be adopted and introduced, which motion was seconded by Commissioner Stott and upon roll call the “AYES” and “NAYS” were as follows:

AYES: Boston, Brown, King & Stott

NAYS: None    ABSTAINING: None    ABSENT: Ogden, Reed & Roberts

The Chairman thereupon declared the motion carried and said resolution adopted.

Anne Smith presented to the Board a list of tenants who had vacated their units but had not paid their balances nor had they arranged repayment plans. The amounts owed have been deemed uncollectible.

After discussion, Commissioner Stott introduced and read in full the following resolution.

**RESOLUTION 2197**

**RESOLUTION TO WRITE OFF UNCOLLECTIBLE TENANT BALANCES**

WHEREAS, the Authority has attempted to collect remaining balance from two (2) vacated tenants with the breakdown of amounts owed as follows:

Menard County Homes \$3372.21

THEREFORE, BE IT RESOLVED, to write off the two (2) uncollectible accounts as of August 14, 2018 and refer them to a debt collection agency or the Illinois Debt Recovery Offset Program.

Commissioner Stott moved that the forgoing resolution be adopted and introduced, which motion was seconded by Commissioner Boston and upon roll all the “AYES” and “NAYS” were as follows:

AYES: Boston, Brown, King & Stott

NAYS: None    ABSTAINING: None    ABSENT: Ogden, Reed & Roberts

The Chairman thereupon declared the motion carried and said resolution adopted.

The meeting began with a review of the SEMAP submission and the associated scoring criteria including wait list, rent reasonableness, HQS inspections, payment standards and rent calculation/re-examination.

After discussion, Commissioner Boston introduced and read in full the following resolution:

**RESOLUTION 2198**

**RESOLUTION TO APPROVE MENARD COUNTY HOUSING AUTHORITY’S SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION**

WHEREAS, The Board has reviewed the certification attesting to the overall performance of the Menard County Housing Authority and has found no deliberate or intentional falsification,

THEREFORE, BE IT RESOLVED, the certification is to be approved as presented and the Executive Director to certify where indicated and submit to HUD.

Commissioner Boston moved that the forgoing resolution be adopted and introduced, which motion was seconded by Commissioner Stott and upon roll all the “AYES” and “NAYS” were as follows:

AYES: Boston, Brown, King & Stott

NAYS: None    ABSTAINING: None    ABSENT: Ogden, Reed & Roberts

The Chairman thereupon declared the motion carried and said resolution adopted. The Board then reviewed the monthly financial reports and received an update on developments and pending projects.

The Director reported that a contract had been entered with Heat Seekers to conduct HQS inspections and UPCS Engineering to conduct UPCS inspections. Sentinel Pest Control was also awarded a contract to provide pest control services. RFQs for Developers and RFPS for LIHTC Audits are being sent out.

The next regular meeting was scheduled for 4:00 pm on September 18, 2018.

There being no further business to come before the Board, it was moved by Commissioner Stott and seconded by Commissioner Roberts to adjourn at 5:25 pm.

Respectfully submitted,

Anne R. Smith, Secretary-Treasurer

Approved

---

---