
**MINUTES OF THE
REGULAR VIRTUAL BOARD MEETING OF THE
BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE CITY OF FREEPORT
MARCH 17, 2021**

The regular virtual meeting of the Board of Commissioners of the Housing Authority of the City of Freeport was held on Wednesday, March 17, 2021, at the Housing Authority of the City of Freeport Administrative Office in the Empowerment Center located at 1052 W. Galena Avenue, Freeport, Illinois at 6:00 p.m. Vice Chair Smith-Norman called the meeting to order at 6:04 p.m.

PURSUANT TO EXECUTIVE ORDER 2020-07 SIGNED BY GOVERNOR PRITZKER AND GUIDANCE PROVIDED BY LEGAL COUNSEL, THE HOUSING AUTHORITY OF THE CITY OF FREEPORT MAY CONDUCT ALL OR PORTIONS OF THIS MEETING BY USE OF TELEPHONIC OR ELECTRONIC MEANS WITHOUT A PHYSICAL QUORUM PRESENT IN THE BOARDROOM.

II. ROLL CALL

The following members were present via GoTo Meeting portal and responded to roll call:

Present

Vice-Chair Smith-Norman
Commissioner Richter
Commissioner Shirley
Chair Harrell

Staff Present

Babette Jamison-Varner, CEO
Bernadette Mekalska, Executive Coordinator
Faniqua Hughes, Director of Operations
Tom Cassidy, Director of Maintenance

Consultants

Mike Bainbridge, Chief Financial Officer

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was conducted.

IV. APPROVAL OF AGENDA

Commissioner Shirley moved, second by Commissioner Richter to approve the agenda for March 17, 2021 regular meeting, as presented. On voice vote, the motion passed unanimously.

V. APPROVAL OF PREVIOUS MINUTES – Regular Board Meeting February 17, 2021.

Chair Harrell moved, second by Commissioner Richter to approve the regular virtual meeting minutes of February 17, 2021. On a voice vote, the following members voted:

Harrell:	Aye	Smith-Norman:	Aye
Shirley:	Aye	Richter	Aye

VI. PUBLIC COMMENT

None.

VII. FINANCIAL REPORT

Chief Accountant, Mike Bainbridge, discussed the FY 2022 Operating Budget and presented financial reports for the January 2021 for the Operating Budget.

The resolution of approval of the FY 2022 Operating Budget was discussed. The resolution will be presented at the Special Board Meeting. Once approved, the prepared FY 2022 budget will be submitted to HUD by April 1, 2021.

The agency was \$309,225 better than budget through January. Based upon that, it's currently expected that actual operating net income at fiscal yearend will be at least \$350,000 higher than the originally budgeted amount of \$14,325.

Operating subsidy revenue was approximately \$401,900 better than budget. That is slightly due to an increased proration percentage from HUD, and primarily due to the additional operating subsidy awarded through the CARES Act (which was \$158,783 in total) and the recognition of shortfall funding totaling \$232,500 in January.

It was budgeted for the Brewster/Hosmer management agreement with Winnebago Co. H.A. to be renegotiated to a higher fee amount effective April 1, 2020. The issue was resolved early October 2020, so the related Other Income was approximately \$91,700 below budget. A large portion of that budget figure has been offset by reduced COCC salary and benefits expenses from October onward, at which time the Brewster/Hosmer employees who had been paid by FHA were transferred to Winnebago Co. H.A.

It was originally budgeted that Asset Management fees would be charged by the COCC to AMP 1 but not AMP 2 due to a lack of excess cash at AMP 2. However, HUD has now allowed asset management fees to be charged to AMP 2 as well in order to shift some of the CARES Act subsidy from the AMPs to the COCC to cover COVID-related expenses. Because of that, both COCC Asset Management Fee revenue and AMP Asset Management Fee expense were approximately \$18,770 higher than budget.

The regulations promulgated by HUD as part of the CARES Act subsidy funding require expenses to be allocated to the CARES Act funds in order to justify drawdown of those funds. Because of that, all AMP salary and benefits expenses have been reclassified from regular salary and benefits expense accounts to a CARES Act allocated expense account. If not for that, salary and benefits expenses would be approximately \$104,500 below budget due to reduction of one maintenance staff member earlier in the fiscal year and the elimination of the employees previously leased Winnebago County H.A. for the management of Brewster/Hosmer in October.

Tenant Other Income was higher than budget by approximately \$51,000 due to work on cleaning up outstanding tenant balances in May, July and August. There were several move outs with

charges that had not previously been entered. Also, rental revenue was better than budget by approximately \$12,900.

Unit turnaround contract costs for AMP2 have been well above budget as the Authority has worked to make units ready for occupancy. Some of that additional cost was due to the Authority being down one maintenance employee from the budgeted amount. The Authority also incurred additional office cleaning costs as a result of COVID 19. Because of that, Other Contract Costs were approximately \$69,300 higher than budget.

Legal expense was approximately \$140,900 higher than budget due to legal expenses in October and in January related to all the work in recent months on the ongoing investigation of the previous administration.

Office expense was approximately \$13,900 lower than budget due to the elimination / renegotiation of some administrative costs, and a focus on keeping office costs as low as possible.

Insurance expense was approximately \$12,000 lower than budget due to reductions in workers comp insurance expense resulting from decreased staff. Also, a rebate was received on the property and casualty policy due to a correction of an error in the policy coverage by the insurance company.

VIII. CEO REPORT, Babette Jamison-Varner

a. PHAS Recovery Work Plan Update

March 31, 2021 marks the end of HACF's recovery plan with majority of HACF's goals completed.

b. Tenant Protection Vouchers Status

The partnership with Menard County HA has begun and everything is starting to move quickly. Thus far, we have more than 5 people who had their vouchers issued. The HACF's role is to ensure that people with vouchers receive orientation and have access to advisory services to guide them with finding safe and decent places to live.

IX. RESOLUTIONS

- a. Resolution 032021-01: Resolution Authorizing Approval of the Housing Authority of the City of Freeport Internal Control Standards.
- b. Resolution 032021-02: Resolution Authorizing Approval of the Housing Authority of the City of Freeport Cash Management, Internal Control and Investment Policy.

X. APPROVALS

- a. Resolution 032021-01 Authorizing Approval of the Housing Authority of the City of Freeport Internal Control Standards.

Commissioner Richter moved, second by Commissioner Shirley to approve the Internal Control Standards. Roll call was as follows:

Shirley:	Aye	Richter:	Aye
Smith-Norman:	Aye	Harrell:	Aye

Vice Chair Smith-Norman declared the motion passed

- b. Resolution 032021-02 Authorizing Approval of the Housing Authority of the City of Freeport Cash Management, Internal Control and Investment Policy.

Chair Harrell moved, second by Commissioner Richter to approve the Cash Management, Internal Control and Investment Policy. Roll call was as follows:

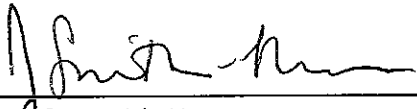
Richter:	Aye	Shirley:	Aye
Smith-Norman:	Aye	Harrell:	Aye

Vice Chair Smith-Norman declared the motion passed.

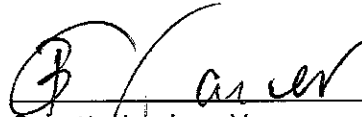
XIV. ADJOURNMENT

There being no further business to be conducted at this regular virtual meeting of the Board of Commissioners of the Housing Authority of the City of Freeport, Commissioner Shirley moved, second by Chair Harrell to adjourn. The motion carried unanimously, and at 7:12 p.m., Vice Chair Smith-Norman declared the meeting adjourned.

ATTEST:



Jennifer Smith-Norman
Vice Chair of the Board of Commissioners
Housing Authority of the City of Freeport



Babette Jamison-Varner
Chief Executive Officer & Secretary
Housing Authority of the City of Freeport