

**ANN ARBOR HOUSING COMMISSION
REGULAR BOARD MEETING
June 18, 2008
MINUTES**

The meeting took place in the AAHC Conference Room, 727 Miller, Ann Arbor, MI 48103. Vice Chairperson *Levy* convened the meeting at 6:03 p.m.

ROLL CALL: Commissioners present: Alan Levy, James Jackson, David Parent, and Dwayne Seals
Deborah Gibson: excused.
Staff Present: Elizabeth Lindsley, Mirada Jenkins, and Betsy Cornellier.
Residents: Travis Peterson
Others: Stanley Jordan, City Works Inspections

I. **APPROVAL OF AGENDA** - Commissioner *Parent* moved and Commissioner *Jackson* supported to approve the agenda. *Lindsley*: proposed amending the agenda to move up Auditor presentations (IV B 1) above New Business Resolutions; and also to delete Resolution FY08-31. The Agenda as amended was approved 3-0.

II. **PUBLIC COMMENTARY** - *none*

III. **APPROVAL OF MINUTES** - Commissioner *Jackson* moved and Commissioner *Parent* supported the approval of the minutes of May 21, 2008. The minutes were approved 4-0.

IV. **NEW BUSINESS**

B. Discussion Items

1. Auditor Presentations:

Commissioner Levy asked about efforts to solicit other auditing proposals. Lindsley responded that 6 other firms were contacted and the proposal was e-mailed to all. The firms contacted were provided by other PHAs or came off a HUD website. None of the firms called or responded. Mr. Seals suggested that this is probably due to the short time to respond and the relative closeness of the audit, that firms were already scheduled out for the period that would be desired to conduct the audit. Having received no inquiries, Lindsley contacted both firms, who previously responded, to come to the Board meeting.

Alan Panter, CPA of Abraham and Gaffney – provided background on his background and the firm. He has been a CPA for 19 years, with previous software and private sector experience. The firm is currently the auditor for the City of Ann Arbor, including the DDA and Pension offices, and Mr. Panter acknowledged the independence and separation of AAHC from the City. He indicated that the firm, Abraham and Gaffney has an audit practice only (no tax or consulting sectors) and they specialize in government and non-profits only, having more than 100 government clients and 50 non-profits. They are a relatively small firm, but have 3 offices, including East Lansing, which would service AAHC, St. Johns and Rochester Hills. The firm prides itself on customer service, and does not charge for phone consultation. They engage principals and managers in field operations; average fee rate is \$65/hour. Not to exceed cost estimate for 1st year is \$14,500.

Commissioner questions:

- How long with the City of AA? – 2 years
- Other Public Housing clients? – no
- Scheduling for this audit? – due to decision delay, team make up and timing would have to be re-examined and negotiated.

Andy Zenk, CPA of Zenk and Associates – provided background on himself and his firm. He has been CPA for 16 years, starting with a Sylvania , OH firm doing HUD audits, but started his own firm in 1997. He currently has 6 PHA clients and stays current with CPE governmental training requirements. He is a member of the Affordable Housing Association of CPAs, which focuses solely on HUD multi-family, section 8, public housing accounting and auditing. Mr. Zenk stressed the uniqueness of HUD programs and filings like FDS, and that HUD regulations are ever changing.

Commissioner questions:

- How many years auditing AAHC? – 9
- How did you hear about RFP? – may have been notified by City procurement office; but also checks web-site
- How large is firm? – 5: 2 CPAs, office staff and a affiliated CPA for review.
- What other PHAs? – Flint, Manistee, McDonough and Henry Counties; plus several in Illinois.

B. Resolutions

1. After the departure of the auditors, the Board discussed the audit contract award. *Jackson* felt this was not his area of expertise, and it was a draw between the desires for “new eyes” and specialized HUD experience. *Seals* indicated that he was ok with Zenk for one year. He questioned why we had solicited for three years versus just one or two. *Levy* expressed his ok for Zenk, but reiterated that “best practice” encourages periodic change of auditor. He recommends that staff be prepared to solicit next year for auditing services in mid to late fall, to allow more time for proposal response. *Parent* requested that Panter be contacted and explain about the timing issue and that AAHC would be open to future proposals.

FY08-36: To Approve Award of Contract for Auditing (\$14,000) *Parent* moved, and *Seals* supported the award of contract to Zenk and Associates for

one year, with the condition that the contract will be rebid no less than 6 months before the beginning of the next fiscal year. Motion passed 4-0.

2. FY08-32: To Approve Award of Contract for Section 8 HQS Inspections to Multi-County Property Services (\$NTE \$81,000)

Motion by *Parent*, second by *Jackson*. *Mirada Jenkins* provided background information of the solicitation. *Seals* spotted a mistake in the evaluation on one contractor and raised concern about the validity of the whole evaluation process. Questions were asked about the length of the contract: one year, commencing 7/1/08 to 6/30/09. How estimated annual costs were arrived at – taking unit rate for each type of inspection times the projected number of inspections. The motion carried 3 to 1.

3. FY08-33: To Approve Award of Janitorial Services Contract to Willis Janitorial (\$31,020)

Lindsley explained that this solicitation was also posted on the City's procurement web site and garnered 21 respondents. A pre-bid conference was held and a walk through of the various apartment complexes and administrative areas designated for servicing was conducted. *Weneshia* tabulated the responses, made reference calls on the top 8 firms with the lowest cost estimates and ranked firms using the evaluation criteria published in the RFP, which included cost, references, capacity (staff & equipment), and M/WBE or Section 3 considerations.. There was concern raised that two firms were evaluated at 1 point higher than the one recommended. *Lindsley* responded that she had made that call because of the cost differential resulting in a \$6,000 savings. She indicated that historically janitorial bids were strictly low bid; however, we had not given a priority weighting to price in evaluating this year. This will be corrected henceforth. *Levy* asked if there were a fixed hourly rate that was contracted for, should additional cleaning services be requested. *Lindsley* indicated that that had not been incorporated in this RFP, but was a good suggestion for future bids. She did indicate that several addendums had been issued to the RFP including the request for alternate price quotes for special cleaning tasks for Miller Manor that the manager requested. Motion carried 4 to 0

4. FY08-34: To Approve Award of Contract for PH-REAC Inspection Services to U.S. Contracting, Inc. (\$ 3328)

Motion by *Jackson*; support by *Parent*. *Lindsley* explained that AAHC had directly solicited 5 firms listed on the internet that related to UPCS inspection work. All five firms responded with proposals ranging in price between \$3000 and \$5600. Last year's contract was \$4600. Two staff evaluated the proposals separately, and both came up with the same rank order. Reference calls were made on both firms and both had excellent references. Staff recommended going with the lower priced firm. The issue of a one-point difference in ranking was again highlighted; and *Lindsley* accepted responsibility for again giving "greater weight" to the cost criteria. She noted that in fact, given the dollar value that this bid did not even need to come to the Board for approval. Motion carried 4 to 0.

5. FY08-35: To Approve Transfer of S8NC Reserve Funds to PH-West

Lindsley reminded the Board that Ms. Williams has continuously been expressing concern about the structural integrity of AAHC facilities. She has identified several pressing issues at Maple Meadows that came to her attention during the winter months, after the CFP 5 year plan had been completed. Concerns focus on poor roof conditions/leaks at S. Maple and basement flooding due to drainage problems. Additionally, PH-W has been operating, with executive awareness and approval, at an operating deficit. Lindsley is recommending the transfer and use of \$85,000 from S8 NC reserves, which has a current balance of \$178,000 as of the end of last year. Lindsley indicated that this reserve had been tapped to assist PH-E with its fire suppression system repair earlier in the year. *Cornellier* confirmed that the \$178,000 reserve balance was the valid balance even after the previous transfer to PH-E. *Seals* inquired as to whom or how it was decided what to bid out. Lindsley responded that managers have purchasing prerogative up to a certain level, mainly related to operational needs. These purchases are handled via purchase orders. Certain operations contracts (lawn care, snow removal, janitorial, inspections, audit) are bid out yearly or on a bi-yearly basis. Larger capital improvements or emergency issues, are generally handled utilizing the CFP funds, where the identified work items are packaged and bid out by an architect. This process is under review and seems to be changing a bit this year, with the new PH managers. Not all the kinks have been worked out yet. *Levy* expressed concern for greater quality control and that “warranty” matters be incorporated in bids and contracts, as it appears that the roof work done at Maple Meadows has not lasted as long as it should have. Motion passed 4-0.

V. OLD BUSINESS

A. Discussion Items

1. Executive Director – performance review

Levy explained that two part form approved for use when e-mailed out, was missing 3 pages. He promised to get the complete form distributed, and requested that they be returned to him via e-mail attachment or fax (734) 615-7355 by 7/11/08. *Levy* will aggregate the returned data, and that compiled data will be issued to Board members in advance of a closed meeting scheduled for Wednesday, July 23 at 5pm. [It was determined that the next Regular Board meeting would be July 16, which is during Art Fair and so it was agreed that the Regular meeting would be deferred a week, when all board members would be better able to attend starting at 5pm for Closed Session and Regular session starting at 6pm].

VI. COMMISSIONER SUB-COMMITTEE REPORTS

A. Personnel – *Levy & Jackson* reported out that they had met with the two PH managers and later with the Executive Director. They felt that both meetings were constructive. *Seals* inquired if matters had been resolved. He recommended that there be a fuller discussion of issues raised at previous meetings, when the commissioners met in closed session, regarding personnel matters. This was agreed to.

VII. COMMISSION REPORTS

A. Executive Director: Lindsley highlighted several items: the filing of several Civil Right discrimination claims – one has been dismissed; two have been responded to and do not have merit; and one was withdrawn. She noted that given gas prices and wage issues, most staff was eagerly embracing a 4 -10hr workweek, which will run for the summer and be evaluated before September. She also mentioned the hiring of three new maintenance staff on PH-E side.

VIII. ADDITIONAL PUBLIC COMMENTARY

A. Travis Peterson – resident of Green Baxter Court

Read a typed statement of complaint by a number of residents at Green Baxter and Hikone concerning the AAHC PH-E, Baker Commons office. A copy of the statement was given to the Commission. He also expressed that there seemed to be tension when dealing with this office site. Additionally, he wanted to go on record to express his continued concern over the 7-day guest policy, which was raised and discussed at the Annual Plan Public Hearing earlier in the year.

IX. ADJOURNMENT

The meeting adjourned at 9:03 p.m.

Commissioner Alan Levy, Vice-Chair

Elizabeth Lindsley, Executive Director