



CITY OF ANN ARBOR, MICHIGAN

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ANN ARBOR HOUSING COMMISSION

**Ann Arbor Housing Commission
March 31, 2010
REGULAR BOARD MEETING
MINUTES**

The meeting took place in the AAHC Community Room, 727 Miller, Ann Arbor, MI 48103. Interim Recording Secretary Novak convened the meeting at 6:39 PM

ROLL CALL:

Commissioners present: Mark McDonald, Jayne Miller, and Marta Manildi
Staff Present: Marge Novak, Nick Coquillard, Monica Moore and Weneshia Brand
In Attendance: Deborah Gibson, Travis Peterson, Kevin McDonald, Tony Derezinski, Brigitte Burke, Karen Wanza, John Wismat, Yvonne Nelson, Joan Doughty, Nick Nightwine

- I. **APPROVAL OF AGENDA** - Commissioner *Manildi* moved and Commissioner *Miller* supported.
Reopen of Agenda: *Miller:* request to adding a discussion item for scheduling an orientation and strategic planning under new business. Moved by *McDonald*; Second by *Manilidi*. Approved: 3 - 0.

- II. **ELECTION OF OFFICERS** - *Novak:* new elections will be held in May for reappointments. Tonight's election will assign officers among the new members. *Manildi:* motion to elect Jayne Miller for President. *McDonald:* supports. *Manildi:* suggest Miller as president due to knowledge of Commission and Public Housing - also instrumental in leading the efforts during the past year including developing a transition plan, temporary staffing, negotiations with labor unions, prompted the importance of appropriating funds for a consultant report for operational needs and for physical needs assessment. Other efforts have proven that Miller is good to serve as president as she understands the problems and needs of the Commission. Motion to approve Miller as president. Approved: 2-0.
Miller: suggests Manildi as Vice-President; bringing the next level of experiences regarding the Commission's most recent events. *McDonald:* support. Motion to approve:

2-0. *Manildi*: City Council made the decision to dissolve the previous Board, then reappointed Gibson and myself. Gibson has put forth her resignation. Personally I have learned and benefited from the previous members and extends gratitude to former Commissioners who applied hard work with a good spirit. *Miller*: conquers with Manildi and mentions that the work to date could not have been completed without the efforts of the Commissioners: Gibson, Jackson, Seals, and Levy, and also with the efforts of liaison Derezhinski. *Miller*: motion to reopen the agenda. Motion by *McDonald*, support by *Manildi*. Approved: 3-0

III.

PUBLIC COMMENTARY

- A. Resident Organizations – *Wanza* (Member of Miller Resident Council): inquired of Gibson's resigning as Commissioner and clarified that Gibson's term had two years remaining, however the Mayor issued a thirty (30) day reappointment; question regarding the terms of the Board members. *Peterson* (Member of Green Rd. Resident Council): welcomed the new Commissioners; expressed compassion for Gibson's resigning. Expressed his concern that a lack of communication resulted in the City Council decision to dissolve the Board; fears that due process was not exercised and questions whether fair play was applied. Mentions that Gibson posed integrity and commitment to residents and in turn residents observed and listened; the residents expect better communication, welcome new vision and change, and request solutions to the Commission's challenges.
- B. Others Requesting to Speak – *Nelson*: mentions that Gibson illustrated honesty, integrity, and patience and inquires why the previous Board was retired if it accomplished so much, and also inquires if the consultant's report is available to the public (AAHC residents). *Lalonde*: mentioned that Gibson influenced residents; speaks of past situations, guided the resident election, and cares for residents; mentions that the new Resident Commissioner should share those same qualities, and inquires of what the new Resident Commissioner screening process will be like. *Gibson* indicates she is being represented as a resident rather than a Commissioner for the first time in eight years; mentions concerns of City Council's lack of communication to and disrespect of residents; the resolution to dissolve the Board undermined the integrity of the Commission; the reappointment of a thirty (30) day term was insulting. The Commissioners were terminated without respect; the residents and Commissioners were not made aware that this was happening. My decision to resign was not easy, the Commissioners' responsibilities were more than approving resolutions, and what has been displayed is a cynical manipulation of the process. *Nightwine* (AFSCME President): mentions concern of consultants' recommendation to outsource maintenance. The recent decision to dissolve the Board appears suspicious and the AFSCME union will contend any contract to outsource maintenance duties. The recommendation does not suggest a cost savings to the Commission. AFSCME is prepared to petition residents and to take other measures to prevent outsourcing maintenance. The previous public housing managers had no knowledge and provided no direction. In the past year, Nick and Marge have increased the morale of the employees. The discussion to contract jobs has since decreased the morale of employees; if there is an issue regarding the

quality of work, it has not been reported. Expresses that a contractor will not perform to the level that is displayed by the current maintenance staff. Mr. Nightwine reassures his attendance at all upcoming Board of Commission meetings and states he will attempt to obtain support of residents and staff. *Kevin McDonald* (Senior Assistant City Attorney): provides introduction of himself.

IV. APPROVAL OF MINUTES –

- A. Regular Board Minutes – February 18, 2010.** Commissioner *Manildi*; supported by *McDonald*. *Manildi*: inquires of majority rule regarding agenda items: Page 5 of bylaws (Article IV Section 5). *Kevin McDonald*: clarifies that his role is not as attorney representing the AAHC. *Manildi*: mentioned technical notes the require correcting. Minutes approved: 3-0.
- B. Special Board Minutes – March 10, 2010.** Commissioner *Manildi*; supported by *McDonald*. Minutes approved: 3-0. *Miller*: inquires clarification of voting rule per Commission by-laws. *McDonald*: mentions that the bylaws are silent, therefore Roberts Rules would govern (majority of those present).

V. NEW BUSINESS

A. Resolutions

- 1. FY10-26: To Approve Annual Agency Plan for FY10-11 –** Motion by Commissioner *Manildi*; seconded by Commissioner *McDonald*. *Novak*: the five year plan, with annual updates is required of all PHA's. The last submission was in 2009, which represents the first year of the five year plan. This resolution requests approval for second year (annual update). HUD provides topics to include in the Plan; the majority of the document provides reports to HUD on the capital fund grants activity (two years to obligate four year to expend). The plan requires reporting on open grants and projecting use of future grants; physical needs assessments, obligations of the stimulus grant and operational needs assessments were mentioned in the five year plan. A 45 day public commentary period was provided, a public notice was issued, and a public hearing was held (decent turnout) and the Commission responded to resident comments within the Annual Plan document. The Board must approve the Plan and then the document is electronically submitted to HUD. *Miller*: inquires if there were significant changes. *Novak*: the operational needs assessment update was the most significant change. *McDonald*: inquires of the deadline. *Novak*: April 16th, along with signed certifications. *Manildi*: staff should be praised regarding the timely reporting submissions to HUD. *McDonald*: concurs. *Novak*: the 2009 report was submitted without signature and not accepted, the Commission was notified nine months later and the five year plan was re-submitted; the Commission just recently received approval of its five year plan which was originally submitted in April 2009. *Miller*: we are working to fundamentally improve strategic planning, to meet HUD requirements, and to move the organization forward. Approved: 3-0.

2. **FY10-27: To Approve Contract Renewal for Audit Services for FY10-11** – Motion by Commissioner *McDonald*; seconded by Commissioner *Manildi*. – *Novak*: Zenk and Associates was the Commission’s auditor for some years; the past Board recommended a new auditor to obtain a new perspective. Martin, Arrington, Desai, and Meyers Inc., was awarded the contract in CY2009. Monica Meyers is the point person. The 2008 financial audit was not completed until August 2009. The 2009 audit was submitted on March 25th, due by March 31st and now awaits HUD approval. A draft audit was presented to the prior Board and the Commission is pleased with new auditor’s work, therefore staff recommends renewal of their contract for one year. *Miller*: inquires of concerns. *Novak*: no real concerns; the firm does not have extensive background with PHA’s however has worked with several PHAs; the Commission’s Financial Manager supports this renewal. *Manildi*: clarifies that Meyers was not the prior auditor. *Novak*: correct. *McDonald*: inquires of Commissioners’ acceptance of auditor’s presentation. *Manildi*: as recalled, the presentation was sufficient. *McDonald*: inquires of noted deficiencies. *Novak*: the findings were regarding file management, since then the staff has taken file management training and this is an area the Commission is working to improve. Approved 3-0.
3. **FY10-28: To Approve Contract Renewal for Lawn Care Services (KBK)**. Moved by *McDonald*, supported by *Manildi*. *McDonald*: inquires if firm is local. *Brand*: yes. *Novak*: the resolution requests a renewal of the existing contract. Approved 3-0.
4. **FY10-29: To Approve Final Payment to EMG for PNA & Energy Audits**. Moved by *Manildi*, supported by *McDonald*. *Miller*: payment made subsequent to training, suggest making payment after assuring training is satisfactory. Motion: to amend resolution to read “satisfactory completion of training”. *Miller*, moved; *McDonald*, supported. Approved 3-0.

B. Presentation:

1. **Section 8 Programs** – *Coquillard*: quarterly each manager will present and distribute a document encompassing: staff/department performances, goals, and accomplishments. Expresses praise for staffs’ service, commitment, and hard work; then acknowledges attendance of Monica Moore of the Section 8 Department; provided a hand-out to the Board members. The S8 department was facing potential termination of families for HCV (Housing Choice Voucher) program and as a result stopped the leasing process. The SEMAP FY09 report was completed and submitted to HUD; based on a conversation with Rick Wears, the Commission’s HUD Detroit office point of contact, the Commission anticipates moving out of troubled status. *Miller* – inquires of a written confirmation. *Coquillard*: was due by end of February, however it has not been received which limits the Commission’s ability to apply for other funding. The lease-up of Pear St project-based vouchers program has been completed. Fair Market Rents (FMR) as they relate to payment standards are analyzed annually; the previous Board supported maintaining the standard at 100% of FMR’s, which

results in reduced HAP payments made by the Commission; tenants will not be impacted for 24 months, unless relocating prior to recertification. *Miller*: inquires if the impact affects internal relocation within the community (complex) or by unit. *Moore*: by unit. *Coquillard*: notification has been approved and will be sent to landlords. *Miller*: inquires of the Commission's relationship with landlords. *Coquillard*: positive feeling overall. *Moore*: first-time landlords are less experienced. *Miller*: asks if orientations are provided for landlords. *Coquillard*: the Commission is looking to provide these in the future. *Moore*: documentation is provided to new landlords. *McDonald*: fears that there are misconceptions about HCV. *Miller*: encourages the Commission to hold orientations. *Coquillard*: currently not in the lease-up process therefore, this allows time to develop such an orientation; new information leads us to believe that we may lease up soon. Currently we are looking to strategically plan for future lease-up. *Manildi*: inquires of timing for lease-up. *Novak*: determined by HUD funding levels. First must complete the clean-up of the waitlist by checking files and sending update letters; this must be completed prior to pulling from the waitlist. *Miller*: inquires of last update of waitlist. *Brand*: 2008. *Coquillard*: announces that the Section 8 Manger position was filled by an internal City employee transfer, Jeff Ellis. *Miller*: expresses gratitude to staffs' hard work and Coquillard for management of Section 8 and PH.

C. Orientation and Strategic Planning Discussion:

1. *Miller*: suggests scheduling time with Commissioners for orientation, training, finance discussion, and desire for ONA consultants to present their report to new Board members; discuss two retreats for orientation and strategic planning. Expresses appreciation for residents' concerns and comments regarding the Commissioner replacements, then suggests meeting with staff and residents and organizing a facility tour for the new Commissioners. *McDonald*: concurs. *Manildi*: agrees then mentions that she has ideas and looks to present concerns and brainstorming regarding the approach to the consultants' report. The former Commissioners voted, but were under time constraints; there were a series of questions and the Board was well-educated on the recommendation and satisfied with decision rendered. *Miller*: the consultants' report and work of the prior Board was not a lost effort; indicates she will contact the Mayor regarding the timing of the remaining appointments. *Manildi*: inquires of the time frame for filling the Resident Commissioner vacancy. *Novak*: expect to fill vacancy by the end of April. Mailing was sent to roughly 1,500 participants, which included a job description, application, and cover letter mentioning the process and deadlines. The Mayor makes recommendation to City Council; the applications are due by 4-12-10 with the intention of nomination by April 19th and appointment on May 3rd. *Miller*: inquires of other Commissioner vacancy. *Novak*: unaware of the status at this time. *Manildi*: suggests postponing the orientation until the appointment of new commissioners. *Miller*: suggests the Board continue to discuss current concerns; however should postpone the retreat until the final appointments. Follow-up regarding the appointments can be directed to Tony Derezinski.

Manildi: requests brochure for Open Meetings Act. *Wanza*: provides comment. *Novak*: currently looking into obtaining such literature.

VI. COMMISSION STAFF REPORTS for February 2010

A. Interim Executive Director – *Novak*: provides explanation of report presentations. Stimulus Funding: Commission received over \$700K, fully obligated, 16 of 18 properties received work, little work remaining, extended contract until April. HUD conducted an on-site and desk review; concerns were identified; documentation still being reviewed by HUD to determine if any funds are at risk. MASS submission: (Nick spoke of SEMAP a comparable report), completed, submitted, HUD reported one error and allowed resubmission. PH Operating Funding: the calendar year funding is received months afterwards; therefore it is important to have reserves. S8: department worked very hard in lease-ups which resulted in exceeding the budget authority, the Commission had significant Section 8 reserves (like many other PHAs) and therefore HUD decreased the budget authority forcing the draw-down of reserves. The Commission was projecting a \$450K deficit in Section 8 by December 2009, therefore we are monitoring this on a monthly basis, and reviewing the expense per voucher, HUD requires reporting monthly (such indicators as reserve levels). Calendar year 2010 funds are in good shape at the existing lease-up level (No anticipation of immediate lease up at this time). The reserves are estimated to last approximately 14 months, and the Commission may be in position to lease up at some point during 2010 in small increments. *Manildi*: inquired of management of reserves *Novak*: previously, HUD held the reserves then they were transferred to PHAs, but many PHAs were not monitoring such reserves carefully. *Coquillard*: previously we were receiving full payment for allocated vouchers, and then the process changed and payments were reduced. *Novak*: VASH – currently administer 70 vouchers with supportive services in cooperation with the Veterans Affairs Dept; AAHC is managing these reserves also which are restricted for use only for the VASH program. Maintenance: (MOA with AFSCME expired). AAHC is not allowed to employ temporary staff in the maintenance positions because they have exceeded the allowable time-period. The Commission was recently informed that AFSCME will not grant an extension to the MOA; staff are currently working on an RFP and scope of work for outsourcing maintenance work; we have met with other PHA's to mimic services and we are in process of issuing bids. *Manildi*: inquires of expected cost. *McDonald*: inquires if the scope is to service all properties. *Novak*: trial of four properties with a cap of \$25K. *Miller*: suggests the Commission work quickly to obtain bids. *Coquillard*: attempting to get three quotes. *Manildi*: expect overtime until an award is made. *Miller*: it seems the Commission's hands are tied, we must consider filling positions full-time (as AFSME positions) or contracting work. *Manildi*: mentions that that suggestion is contrary to the Board decision. *Miller*: inquires if the Commission has sufficient information to evaluate this. *Manildi*: this is an opportunity to gain experience and re-evaluation is feasible. *Novak*: we are working to implement the consultant recommendation, which is what the Board passed. *Manildi*: inquires the risk of not receiving sufficient bids. *Coquillard*: confident that we will. *Manildi*: inquires if any action is needed from the Board. *Miller*: confirms that no action is required of the Board. *Novak*: Board is not required to approve the RFP. *Miller*: Commission

administration has authority to issue contract under \$25,000 and extensions of contract. *Manildi* – mentions that there is disconnect between residents and Commission regarding the expectations resulting from the maintenance contract; we must make aware to residents the expectations of commission from contractors. *McDonald*: expresses the importance of resident awareness and enforcing expectations. *Miller*: mentions a communication gap and encourages the Commission to improve resident communication. *Novak*: Those expectations are mentioned in the RFP. *McDonald*: suggests that we inquire of maintenance contractors' staff turn-over rates. *Miller*: mentions that McDonald is a great resource in the property management field. *Coquillard*: we are getting interest from providers with experience with our population; Suhmedh Bahl (at the City) is also a great resource for offering experience. *Miller*: propose the Board review the actual RFP, since it poses such significance. *Novak*: the Commission will move forward with issuing a short-term contract. Also, suggests that the Board focus on posting the Financial Analyst position recommended by the consultants. *Miller*: clarifies expectations of Board. *McDonald*: suggests that the Mayor is notified of the urgency to make appointments. *Miller*: concurs. *Novak*: in closing– the obligation of the 2008 capital fund grant has high priority. *Miller*: inquires if we are confident to obligate the entire grant timely. *Novak*: very confident, although we may re-allocate by moving particular charges to other line items, such as operating line item. Currently the Commission is fully staffed.

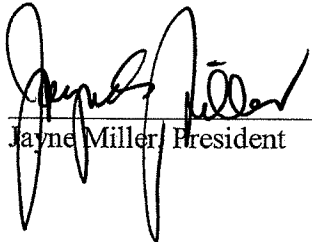
- B. Financial Manager – as submitted; no comments or questions.
- C. Interim Section 8 Report – as submitted; no comments or questions
- D. Interim PH-West – as submitted; no comments or questions.
- E. Interim PH-East – as submitted; no comments or questions.
- F. Security Reports – as submitted; no comments or questions.

VII. DISCUSSION: EXECUTIVE DIRECTOR SEARCH: *Burke* – (distributes a handout) HR recommends that the information be reviewed by Commissioners. John Hurt and Marge Novak remain interested candidates. Section 1 includes: timeline from January 18 – present, a schedule of dates for candidacy, staff feed back, and overview of process. Section 2 includes: documentation of requisition, the posting started Jan 21st, on Jan 6th the wage decision was determined, the job description (an exercise was suggested – however not accepted), comments of individuals, the selection criteria (weighted for each candidate), interview guide (not all questions were asked), reference verifications (Alan Levy conducted by phone), and secondary verifications (completed by HR). Section 3 includes: information (knowledge and qualities) for John Hurt and Marge Novak. *Manildi*: inquires of backup documents. *Burke*: interview guides are included for both candidates. *Manildi*: inquires of reference verifications. *Burke*: the information is provided by both reviewers for both candidates. *Miller*: inquired of Marta's knowledge of the presentation and exercise. *Manildi*: Alan made recommendations regarding the hiring process of the Executive Director due to its urgency; other factors obligated Marge to fill all other vacant positions. *Miller*: proposes that the Board review the information provided, re-interview both candidates, and have each candidate complete the exercise (120 day action plan) and the online profile. *Manildi*: inquires the time commitment to complete the profile. *Burke*: 15 min. *K. McDonald*: mentions that the City understands the importance of the Executive Director selection, however expresses that the Board is expected to take as much time as

needed to assure a fair opportunity. *McDonald*: concurs. *Manildi*: concurs. *Miller*: asks that HR contact the candidates to conduct the exercise and profile testing. *Manildi*: inquires if the interviews will be conducted in open session. *Miller*: requests that Brigitte remain the conduit throughout the process. *Burke*: inquires if it's the Board's desire to require the candidate to complete the exercise. *McDonald*: suggests reviewing all of the information prior to a decision. *Miller*: provides an overview of exercise. *Burke*: proposes to coordinate with the Board at a later date.

VIII. ADDITIONAL PUBLIC COMMENTARY : *Gibson*: apologizes for short notice of resignation and makes mention that no other residents participated in the Executive Director interview. Suggests the Commission notify residents prior to next Executive Director interviews. Inquires if the consultant's report has been made available to the public. *Manildi*: clarifies that remarks were made making implication that Commission must relate and communicate the Commission expectations of the maintenance contracts. *LaLonde*: suggests that the contractors should have experience working with a specific population; then mentions his concern that the Commission may be relinquishing the maintenance department to dissolve a union relationship; and finally, suggests that in the future the Commission make decisions that include the input of residents as opposed to making decisions and then forcing them on residents.

IX. ADJOURNMENT: at 9:09 pm. Approved: 3-0.


Jayne Miller, President


Marge Novak, Interim Recording Secretary