

**WINNEBAGO COUNTY HOUSING AUTHORITY
MINUTES OF THE OCTOBER 21, 2021
REGULAR MEETING OF THE BOARD OF COMMISSIONERS**

Call to Order, Roll Call, Pledge of Allegiance

Chairman Getty called the meeting to order at 5:37 p.m. In light of the COVID – 19 pandemic and consistent with Governor Pritzker’s Executive Orders, Disaster Proclamation and Senate Bill 2135 (that was signed into law and became effective on June 12, 2020), the meeting was held via video conference and/or telephone conference. Following the call to order, roll call was taken.

The following Board Members participated:

Present:	Chairman Dina M. Getty Vice Chairman Alanna D. Conard Commissioner Ronald E. Ballard Commissioner Danielle J.A. Potter Commissioner Tasha N. Reddic Commissioner Fred S. Wescott
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Absent:	Commissioner Mustafa Abdall
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Also participating: Executive Director Alan Zais, Finance Director Vickie Huwe and James R. Pirages of AGHL Law.

Executive Director Alan Zais and Finance Director Vickie Huwe participated both via video conference and in person at the Winnebago County Housing Authority (WCHA) offices at 3617 Delaware Street, Rockford, IL, so as to allow for public attendance (if any). Commissioner Wescott was also present at that location.

Inasmuch as the meeting was held via video/telephone conference, the Pledge of Allegiance was not recited.

Introduction of Guests

Executive Director Alan Zais introduced Brandy Lofton. Brandy Lofton noted that she is with the firm of Rector, Reeder & Lofton, the audit firm that completed this year’s audit of the WCHA.

Changes to Agenda

Attorney Jim Pirages asked that the “New Business” matters, Items X(A) and X(B) on the Agenda, be moved to this portion of the meeting. The consensus of the Board was to agree to this request.

New Business

Attorney Pirages then suggested to the Board that it consider suspending a by-law provision. Specifically, he cited to provisions of the by-laws (Article IV, Section 4) which provide that the

“physical presence of four (4) Commissioners shall constitute a quorum for purposes of conducting its business”. He asked that a motion be considered to suspend that requirement in keeping with the provisions of Governor Pritzker’s Executive Orders, Disaster Proclamation as well as Senate Bill 2135. A motion to suspend that by-law provision was made by Vice Chairman Conard and that motion was seconded by Commissioner Potter. The motion was passed by unanimous roll call vote of the six (6) Commissioners present with none against and one (1) Commissioner absent.

Brandy Lofton presented an overview of the audit conducted of the WCHA. She noted that a copy of the audit report had been previously submitted. She added that she and her colleague, Dale Rector, had reviewed and completed the work papers and that Dale Rector had been on-site for the audit. She thanked the Board for selecting her firm to complete the audit and noted that she had a great experience with the WCHA’s staff which she indicated had been helpful and had done a good job.

She then proceeded with a review of the 50 page report. She said that seven (7) of those pages were the most important. She pointed out that compliance with GAP requirements, Federal guidelines and the absence of any misstatements form the basis for the “opinions” set forth in those seven (7) important pages. She noted that the WCHA had a “clean audit” as a result and pointed to page 31 of the report which indicated that there were no “findings” and that it was a “clean audit”. She also pointed out that the WCHA has been characterized as being “low risk” inasmuch as there have been no findings during the past two (2) years.

She went on to explain that there were insignificant changes that had been recommended as a result of their review during the audit. She said that there were \$21 million in notes receivable applicable to the WCHA’s tax credit partners. She said that in that regard the materials making up the audit reflected a huge change from the prior year with regard to “restricted” versus “unrestricted” amounts. She said that this change was necessary so that HUD knows that the vast majority of those funds are reserved (i.e., “restricted”) for something else and that the “unrestricted” funds are only approximately \$1.6 million.

The other change which she noted that had been made was on page 12 of the report were the programs are summarized. She said that last year’s report did not include Winnebago Homes Association but that her firm had found that WHA is really a “blended component” unit and, therefore, should be presented with the audit report. By contrast, she noted that Champion Park TC-I Limited Partnership, Collier Garden, LLC and Northern Winnebago, LLC are all discrete component units. While they are discrete component units, their financials are reflected on page 9 as discrete component units but are not included in the Winnebago County Housing Authority’s financials. She went on to add that her firm did not audit the three (3) discrete component units.

She next pointed to page 37 of the report which shows a schedule of awards received. She highlighted the amount of COVID funding (approximately \$300,000.00) and reminded the Board that the COVID money needs to be expended by the end of 2021.

She also noted that the “capitalization threshold” set forth on page 14 of the report (\$750.00) was, in their opinion, quite low and would cover a significant number of items. She suggested raising the capitalization threshold from \$750.00 to an amount between \$2,500.00 and \$5,000.00 and that the WCHA should expense items that are below such amounts.

Brandy also advised the Board that they had reviewed 55 tenant files and found very few issues. She added that the waiting lists should be evaluated to have a better line of waiting lists to avoid future questions. She said that this was not a finding but, instead, was a comment.

Lastly, she pointed to the Cash Flow Statement on page 10 of the report which shows where the WCHA's money had been spent. She said that \$294,000.00 had been added to the WCHA's cash as compared to the previous year (which she commented was close to the amount received through the COVID award).

In closing, she said that it was overall a great audit and that Finance Director Vickie Huwe had been very responsive. She noted her appreciation for the staff's assistance and noted her firm's availability for questions should there be any in the future. Executive Director Alan Zais noted that the WCHA had already accepted the recommendations for the wait list procedures and had previously approved a capitalization policy to incorporate the recommendations noted above. Chairman Getty congratulated Finance Director Vickie Huwe and Executive Director Alan Zais thanked Brandy for her work.

Public Comments

There was no one present from the public and, therefore, no public comments.

Executive Director's Report

Executive Director Alan Zais referred the Board to his written report that had been separately submitted to the Board for its review. He also noted that various staff members had submitted their own written reports that were part of the Board packet. Chairman Getty asked the Commissioners if there were any questions; none were asked.

Consent Agenda

Chairman Getty noted that there was one (1) item on the Consent Agenda (approval of the September 16, 2021 Regular Meeting Minutes). A motion to approve the one (1) Resolution (Resolution No. 21 R 36) on the Consent Agenda was made by Vice Chairman Conard and that motion was seconded by Commissioner Potter. The motion to approve the item on the Consent Agenda was approved by unanimous roll call vote of the six (6) Commissioners present with none against and one (1) Commissioner absent.

Financial Report

Finance Director Vickie Huwe noted that the Financial Report had accompanied the Board packet. Chairman Getty asked if any of the Commissioners had questions regarding the report; no questions were noted.

Old Business

None

Commissioner Comments

Vice Chairman Conard complimented Finance Director Vickie Huwe on the audit report which she noted involved a lot of intense work. She also questioned whether the WCHA had spent the COVID funding. Vickie Huwe responded by noting that all of the COVID money had been spent during the last fiscal year.

Commissioner Wescott commented that he had surpassed making 2,000 veteran plaques which he noted was a milestone that he never thought would be hit.

Executive Session

None

Action Taken from Executive Session

None

Adjournment

A motion to adjourn the meeting was made by Commissioner Potter and that motion was seconded by Commissioner Ballard. The motion passed by unanimous roll call vote of the six (6) Commissioners present, with none against and one (1) Commissioner absent. The meeting adjourned at 6:02 p.m.

Respectfully submitted,

Danielle J.A. Potter, Recording Secretary