



BOARD OF DIRECTORS MEETING

WORKING SESSION

1449 Jericho Circle, Aurora, IL 60506 – AHA Board Room
July 23, 2018 at 4:30 p.m.

Present: Joe Grisson III, Chairman
Meloyne Wimbley, Vice Chairman
Frank Johnson, Commissioner
Sherrill Dodson-Lewis, Commissioner
Jackie Gibson, Commissioner

Also Present: Ralph Jordan, Executive Director
Judy Maisonet, Finance Director
Maria Godinez, Public Housing Director
Ana Garcia, Finance Specialist

The meeting was called to order at 4:34 p.m.

AGENDA ITEMS COVERED

- Roll Call
- Public Comments
- Old Business
- New Business
- Executive Session
- Adjournment

PUBLIC COMMENTS

There were no public comments.

OLD BUSINESS

No old business.

NEW BUSINESS

Introduction of new Executive Director, Ralph Jordan

Mr. Grisson began by praising Mr. Jordan's efforts and willingness to jump in and get things done from day one.

Mr. Jordan, who stepped into the Executive Director position on July 2nd, began by updating the board on the items that have caused the Aurora Housing Authority to be in troubled status. On July 3rd, 2018, Mr. Jordan learned that neither the 2017 audit nor the unaudited financials had been submitted on time. HUD scored AHA a 0 due to the audit not being submitted. The accountants and auditors were contacted and pressured to get the work done. Mr. Jordan continued, saying there is a completed draft ready for submittal. Mr. Jordan decided that the best



course of action would be to bring in Brian from BDO to work on AHA's finances. Unaudited financials would be ready to submit to FDS the week of July 29, 2018.

On the second week of Mr. Jordan's employment he had a conversation with HUD regarding the findings of the audit submissions for the past year that led AHA into troubled status. Nine concerns were identified and would be discussed further at the July 25th board meeting. Mr. Jordan's goal for the AHA is to create a corrective action plan to tackle these items after the audit submissions are completed. One of the biggest concerns, Mr. Jordan points out, is that AHA has not converted to financial asset management. Mr. Alten is very familiar and knowledgeable in converting housing agencies to asset management and will be assisting the agency in this process.

The last topic covered by Mr. Jordan is the operating budget. AHA currently does not have a budget to work with and it should have been presented to the board back in March of 2018. Mr. Jordan explains that once the audits are submitted and once it has been determined if it will be feasible to convert to asset management, the agency will work on a budget plan for the current fiscal year. Mr. Jordan closes by stating that he has met with most employees at the agency and will meet with maintenance department on Thursday. Multiple items are being tackled at once and it is his goal to round everything up and get things moving along in the right direction.

BDO, Brian Alten

Ms. Gibson inquired on the line items on the agreed contract between AHA and BDO. Based on the items that need to be worked on, as discussed by Mr. Jordan, Ms. Gibson pointed out that these were not listed. Mr. Jordan clarified that the dollar amount of the contract could change based on the items that Mr. Alten runs into in the process. Mr. Jordan reiterated that he acts on the principle of full disclosure. If there are items that come up that would cause the contract to change, the board would know of such changes, as these changes would be necessary to get AHA out of troubled status.

The board pointed out that in the past there have been issues when submitting items to HUD. Maria Godinez explained that there have been issues in the past but she expects that this will not be the case moving forward. Mr. Jordan added that the way HUD works, they may inquire on items submitted, but it is the responsibility of the agency to provide answers to keep the process moving along. He admits that he is not aware of the on-goings regarding the way things were done before but he would like to focus on moving forward without pointing fingers. Mr. Alten contributed, saying that the way the process works for one agency is not always the same for an agency similar in size. He mentions that HUD assesses housing agencies and assigns levels of risk to that agency. This assignment of risk determines the process of submissions for the agencies. Mr. Alten continues saying that all 4,000 housing authorities face similar challenges in the process, but these are items that can be corrected. He suggests that AHA submit the audit and unaudited financials and guarantees that FARS will find items that are easily correctible.

The board inquires on the current standing of the agency and whether there are current items set



in place that benefit the agency in accomplishing its goals. Mr. Alten answered that it is too early to tell, as he has only begun the process of looking at the organizational chart. It is suggested that it will take some time before BDO can provide a more accurate estimate of costs to AHA. The conversation segues into an explanation of asset management. Mr. Alten explains that with asset management each project will have its own budget, accounting, and finances. With the Central Office Cost Center, the COCC will have the ability to bill the programs individually depending on what work gets done that pertains to that project. BDO will be looking over what has been done already here in the agency, what has been assigned to AMP 1 and AMP 2 and move forward. There were no further questions regarding this matter.

Meloyne Wimbley voiced her concern regarding the feasibility of meeting the August deadlines to submit the unaudited financials. Mr. Jordan answered that the unaudited financials would be submitted by the following Friday as this would show HUD that the agency is willing to comply. This will prevent the agency from being targeted further and allow AHA to move on and work on other concerns. Ms. Wimbley questioned whether switching to asset management would be best in the long run. Mr. Jordan responded that if it is determined that asset management is not feasible for the agency, then the agency would go back to using cost allocation. Either way it goes Mr. Jordan assures the board saying he has a plan to get financials in place by reconciling finances at the end of every month as opposed to reconciling finances at the end of the year.

Mr. Grisson asked whether the agency would need to look into getting a CFO or a Finance Director. Mr. Jordan said that once the agency is halfway through the process with BDO, he would come back and address this question. First, the agency needs to determine how complicated the situation is and then find a way to move forward. Mr. Jordan continued saying that AHA may need to move forward without some people as the housing authority would be holding people accountable for the work that was not turned in on time. Mr. Jordan expressed his confidence that Mr. Alten would determine the money the agency currently has and where the money has gone in the past.

Mr. Alten added that regardless of the method that is best for the AHA, there would be a plan in place that would entail better financial reports for the board. BDO would assist the agency in setting up these reports to be generated straight from the Emphasys software that the agency utilizes in day to day functions minimizing the possibility of human error.

It was determined that the board would not have to vote on a resolution for the BDO contract given the dollar amount agreed upon is less than \$30,000.00.

Mr. Jordan presented the board with the idea of using Mr. Stanford's services to notify the press of HUD's concerns regarding the agency. Mr. Jordan aims to keep the City of Aurora informed.



Along with keeping the City of Aurora informed, Mr. Jordan aims for the Aurora Housing Authority to aid and meet the city's housing goals. In the process, and while holding communication with Mayor Richard Irvin, the AHA will develop and incorporate these ideas and values into a new mission statement.

Due to the current influx of information regarding AHA transitioning out of troubled status, it was agreed that the board will continue having working sessions to keep everyone informed.

No further questions, comments, or concerns were voiced.

EXECUTIVE SESSION

The board did not enter into an executive session.

ADJOURNMENT

A motion was made by Meloyne Wimbley and seconded by Frank Johnson to adjourn the Working Session. Four ayes, zero nays.

Working Session adjourned at 5:23 p.m.