

Housing Authority of the City of Laredo
Regular
Board of Commissioners Meeting
LHA Conference Room
2000 San Francisco Ave.
Laredo, Texas 78040
Friday, January 12, 2018
2:00 p.m.

A-18-R-1

Minutes

January 12, 2018

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 2:07 p.m.
2. **PLEDGE OF ALLEGIANCE** Bulmaro Cruz, Director of Modernization and Development, led them in the recital of the pledge.
3. **ROLL CALL AND DECLARATION OF QUORUM** Melissa Ortiz, Acting/Interim Executive Director, proceeded with roll call.

Commissioners Present

Jose L. Ceballos, Chairman
Dr. Sergio Garza, Vice-Chairman
Marcela Alvarez, Commissioner
Dr. Marisela Rodríguez, Commissioner
Anita Guerra, Commissioner

Commissioners Absent

Staff Present

Melissa Ortiz, Acting/Interim Executive Director
Christy Ramos, Administrative Assistant
Bulmaro Cruz, Director of Modernization and Development
Bertha Galvan, Interim Section 8 Administrator
Jennifer Barrientos, Interim Director of Finance
Jose Collazo, Special Projects Coordinator
Robert Peña, IT Coordinator
Alma Mata, Community Programs Director
Frank Lopez, Procurement Officer
Rafael Vidaurri III, Director of Housing Management
Alina Rios, Quality Control
Leticia Sosa, Office Clerk
Attorney Doug Poneck

Others Present

Eli Mendoza, Auditor
Monica Bautista
A B Barrera
David Vasquez

Rosy Rios

4. CHAIRMAN'S COMMENTS

There were no comments.

5. CITIZENS COMMENTS

This is the opportunity for visitors and guests to address the Board of Commissioners on any issue. The Board may not discuss any presented issue, nor may any action be taken on any issues at this time. There will be a 3-minute limitation per speaker. (Texas Attorney General Opinion-JC-0169)

There were no comments.

6. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Ms. Rios, Central Resident Council President, presented to Board, wished everybody a Happy New Year and mentioned that they had a meeting to prepare for the 5-year plan which had been very effective and they had organized their priorities by considering all the requests for improvement that were recommended by all the different Developments. Ms. Rios thanked the Commissioners for considering their requests.

Chairman Ceballos thanked Ms. Rios and also everybody that had participated in the meeting. He stated that he attended the meeting with the residents and it had been very positive in terms of the 5-year plan which he hoped they would approve.

Chairman Ceballos stated, for the record, that Commissioner Dr. Marisela Rodriguez was joining the meeting and Commissioner Anita Guerra was on her way to the meeting, that she had changed her plans and was coming to the meeting.

Chairman Ceballos thanked the residents that had participated in the meeting for the 5-year plan as well as the staff and mentioned that he had gone by South Laredo and had noticed there was a light in the parking lot behind the office that was not working and he also noticed that it was very dark in the north side, other than that the lighting, South Laredo was good, so he recommended Mr. Rafael Vidaurri to look into it and added that he believed it was a LHA light, not an AEP light and asked Ms. Rios to inform Ms. Gonzalez from South Laredo that he had already looked into it the same day they had the meeting.

7. PRESENTATION ITEMS

- A.** Presentation of the Housing Authority of the City of Laredo Audited Financial Statement for Fiscal Year Ending 03/31/2017 by Garza, Gonzalez & Associates.

Mr. Eli Mendoza from Garza, Gonzalez & Associates presented to the Board and mentioned that he had worked along with the LHA staff in the Fall and then in December

and they had completed the audit as required by the standards, so the Financial Statements were able to be submitted to HUD by the due date, December 31, and that all the reports had gone in regardless of the challenges that were encountered, so he was pleased to provide a review of the Audit. He provided a summary that presented the highlights and stated that as he would go through it, if they would like more details he would certainly do it, but would try to make the presentation brief and would be happy to answer any questions.

In regards to the Financial Statements for the year ending March 31, 2017, Mr. Mendoza mentioned that they issued a modified opinion, which is a clean opinion about the financial statements which means that the financial statements included in the report are fairly stated in all material respects, so basically what it means is that they performed the Audit in accordance with the auditing standards generally accepted in the United States and governmental auditing standards since LHA received substantial funds from federal agencies, particularly HUD, so they are required to abide by those standards. The overall opinion in regards to the financial statements is that it is an unmodified report and they are comfortable with the report. They are also required to provide a report on internal controls and compliance where they had one material weakness which has to do with financial reporting that required audited financial adjustments to bring the financial statements to date. Mr. Mendoza stated that before the meeting they had met with staff and also with the Chair and had gone over the details of the report regarding the weaknesses they had noted and that with regards to significant deficiencies, other than the one material weakness, they had none and they had two other minor items they reported on a separate report. With regards to compliance over each major program on internal controls and over compliance required by uniform guidance, there was no material weaknesses. There is one deficiency that dealt with Section 3 programs summary report and it has to do with the accuracy and the timeliness of those reports.

As far as the major programs, Mr. Mendoza stated that they audited Section 8 Housing Vouchers and also the Public Housing Capital Fund and as far as the highlights on the financial statements, they included discretely component units, which was the River Bank Village Project, which is audited by a different accounting firm and that information was combined in the report. He stated that as far as the current assets, they have current and restricted assets of \$30.8M, capital assets of \$6.5M, current liabilities of \$3.8M, non-current liabilities of \$2.2M and the net position is \$31.3M in total and of that amount, the unrestricted is \$24.4M, and said they should keep in mind that the \$24.4M included unrestricted assets of about \$7.M that belonged to the Facilities and Opportunities Corporations and other Corporations they have and mentioned that their position at the end of the year was better off by \$56,000 compared to the year before. He said the assets had grown close to \$4.5M, so compared to the assets and liabilities, they are financially better off this year by a little bit over \$50,000. Mr. Mendoza mentioned that he wanted to highlight that the bottom line number is about \$56,000 which meant they are pretty stable even though they had some projects and were in the middle of developing projects, but at the end of March 31, 2017, they were at that level. With regards to the Statement of Revenues, Expenses and Changes

in Net Position there are Total Operating Revenues of \$15.5M, Total Operating Expenses of \$15.2M, Net Other Revenues & Expenses of \$210K, so the Change in Net Position is \$450K and \$448K of that is Public Housing. Mr. Mendoza stated that it was a quick overview of the financial statements and that the findings he is referring to are on the Schedule of Findings and Questioned Costs.

Chairman Ceballos asked Mr. Mendoza if he would explain both of the findings to the Board. Mr. Mendoza stated that basically material weakness meant that there were some deficiencies in internal controls of significant errors that would likely occur if the deficiencies were not addressed, so they did break it down in detail for the areas they found that needed addressing. Mr. Mendoza explained that for example on the criteria, the requirement they would be looking at under generally accepted accounting principles they would have to prepare the financial statements to make sure that the numbers would be fairly stated and then they would be required to submit financial information to HUD based on information derived from those reports and the balances on the general ledger needed to be reviewed on a monthly basis and reconciled on a monthly basis and basically the condition would show in detail what it was that was not done in regards to maintaining the books reconciled and said that some of the errors had to do with not properly bringing in balances from the prior year, not making sure the cash balances were correct and that the inner fund transactions were properly recorded.

As far as the recommendations, Mr. Mendoza stated that the general ledger should be reviewed on a monthly basis to ensure it properly reflects the reconciled cash balances, interfunds in inter companies, off-setting balances and making sure that all other balances appear reasonable. The general ledger should be used as the basis for the financial statements so that on any reports prepared, the information should flow directly from the financial statements, there should not be other worksheets used to compile the numbers. He mentioned that there are other recommendations regarding practices, but overall they felt staff needs to receive more training on the accounting for housing authorities and regulations. In addition, they recommended developing checklists so that Management reviews the financial information to make sure the financial statements are correct. With regards to the causes, Mr. Mendoza mentioned that they felt staff in key positions did not have all the training and experience that is required to do the work, which is one of the contributing factors that was serious and needed to be addressed and stated that Chairman Ceballos would be able to provide more detail and that he also provided his input on how to correct the deficiencies.

Chairman Ceballos stated that essentially there were a number of systems that had to come together in order to balance and reconcile, that some of the regular checks were not being done, that months had gone by and things were not being reconciled to bring the accounts back to accuracy, so Chairman Ceballos mentioned that he would be asking the auditing firm to do, at least for next year, for the next audit, to come in and assist at least quarterly and help monitor and during the process they would educate the staff to be able to oversee the reconciliations.

Vice-Chairman Dr. Garza asked who keeps the ledger. Ms. Ortiz mentioned it was Finance Department. Vice-Chairman Dr. Garza asked about the person that could go to the Finance Director and express whether something is missing or to check on somebody that could be reporting the information. Ms. Ortiz mentioned that it would be the Accountant. Commissioner Ms. Guerra asked whether there could be a monthly presentation on the reconciliation. Chairman Ceballos stated that the Independent Auditor offered to help do it, but there can be separate services to specifically come in to ensure the reconciliation is done, so Chairman Ceballos asked Mr. Mendoza if it is something they could do. Mr. Mendoza responded that they can perform audit services, training services, but they could not make entries for them, they can review and provide technical assistance which is kind of what they are doing as they were doing the work. Chairman Ceballos asked if they can do it on a monthly basis for the next six months. Commissioner Ms. Guerra mentioned that maybe after that it can be every two months. Mr. Mendoza mentioned that they can arrange for those services and try to work those details, but that at that point they only have three more months because the year will end in March, so what they can do would be to come in and make an assessment as to the conditions of the year. He said that as they were working with the staff and addressing the deficiencies, they were kind of guiding them along on how to make the corrections and with the Holidays he would not know how much was accomplished, so they would have to first make an assessment and then make suggestions. Chairman Ceballos asked if they could do it during the current month. Mr. Mendoza responded that it would be more like in February.

Commissioner Ms. Guerra asked about the training he had in mind. Mr. Mendoza mentioned that the training they find to be more useful would be hands on, for example a bank reconciliation where maybe the staff would not be familiar with the accounting systems, as opposed to the classroom and locked environment, because the classroom environment would not be as productive because it would be more of a lecture, so it would be more of a hands on training. Commissioner Ms. Guerra asked about the time whether it would be a week or two days. Mr. Mendoza responded that it would be reviewing certain tasks again like a bank reconciliation. The staff will prepare a bank reconciliation and if it would not reconcile to the general ledger, they would look at the problems that staff might be having whether it would be software related or technical, or whether it would be lack of understanding accounting, so based on that, they would give the guidance that would be needed. Mr. Mendoza said there is staff with experience that has done certain parts, but they had a lot of turnover in the key positions, so once the key positions are filled, then they can work with those individuals because it might not be an issue with the staff performing the day to day transactions, the issue is more with the person at the accountant level, the person that oversees and reviews the general ledger because they did not see any issues with accounts payable or payroll, it was more the presentation on the financial statements and on the reports going to HUD. He said it is more of a higher technical level of understanding that is required because he said HUD is not an easy federal agency to work with, that it is probably one of the most complicated, so his recommendation is for them to come in February and do an assessment and do a timeline and the tasks that need to be accomplished because the year will end and they would not want to be in the same

position they were the previous year and he said that it might be that they need to bring in some accountants, but he thought it had been difficult to find somebody. Ms. Ortiz confirmed.

Ms. Ortiz mentioned that if they come in February, they could go back to April and make sure the balances are current. Commissioner Ms. Guerra suggested that it would be good to do it once they have the new Finance Director and asked if they had an idea how soon they would hire one. Chairman Ceballos responded that it would be as soon as possible and recommended that it would be good to train other people even if they are not managers, to train them in multiple managerial roles. Mr. Mendoza mentioned that they found people that have worked for the Agency for many years in a position that might be knowledgeable, but might not have been given the opportunity to function at those levels and depending on the requirements they would have for qualifications and experience, they might be able to perform some of the tasks.

Chairman Ceballos mentioned that as they had said earlier concerning the checklist, that before they come before the Board every month to present the statements, they should have someone that works on the checklist that was recommended before they close the books for the month. Chairman Ceballos asked that if they need an Accountant to assist ahead of February, then they should procure and get him involved so he could assist. Mr. Mendoza said they would recommend it and that if they procure, to find somebody that is qualified and has experience in doing the type of work required to do because as he said earlier, the auditors would provide assistance, but would be limited to training because if they perform audit procedures, they would not be able to perform entry procedures, their standards would not allow it because in essence they would be reviewing their own work and they want to remain independent as their auditors.

Commissioner Ms. Guerra mentioned about Mr. Mendoza stating they had difficulties with Accountants in the past. Mr. Mendoza mentioned that it will take a while for key positions to catch up because if they do not have experience in Public Housing they would have to spend time learning about the requirements and then if they are not familiar with the software which could be very powerful or they do not know how to use it, there could be a certain box that is not checked which would give total different results which he thought was one of the problems with reconciliation and said that the reconciliations were being performed, but then there other entries that were done afterwards, so the lack of knowledge of the software affected the accuracy of the books.

In regards to the other findings, Mr. Mendoza mentioned that it is not as significant compared to what they had just discussed, it is more of a compliance finding that has to do with a performance report required to be filed and related to reporting Public Housing performance information dealing with the type of jobs and contracts awarded and the information had not been properly completed, but they had a deadline extension that was granted which would not affect any funds being granted, so they still have time to address the issue. Ms. Ortiz mentioned that the deadline is December 31st. Chairman Ceballos asked if it had been completed. Ms. Ortiz mentioned that it was completed, but that they have some issues with the reporting timeline which was

changed from calendar year to fiscal year, so they asked HUD to open the previous years to be able to make corrections, so they submitted the data for 3/31/16 and 3/31/17. Chairman Ceballos stated that at the previous meeting they had said they would assign one person to be responsible and asked if the person had been assigned. Ms. Ortiz responded that they had not assigned anybody yet because they had some turnover and stated that some staff had just come back from Section 3 training and the three persons that went had just come back the previous day, so hopefully, she would be able to make the decision soon. Chairman Ceballos stated that whoever that person is, that person should be a Section 3 specialist responsible for the reporting, because even though Ms. Ortiz would have people cross trained, there has to be one person responsible, so it would be helpful to inform the Board who the person responsible would be.

Mr. Mendoza informed that the findings from previous years had been addressed and that two of the findings were cleared and the one related to PILOT was still being worked on. Chairman Ceballos mentioned that he was glad it had been brought up because they still had Webb County, UISD and LCC to work through and asked if it would be a finding if they were to run it to the next fiscal year. Mr. Mendoza responded that if it was not fully addressed, that they would continue to report it as a prior year finding still in progress. Chairman Ceballos stated that they would do their best to conclude it, but there are only so many monthly meetings with the governmental entities that they might only have two meetings to get them all Board approved because Webb County meets twice a month, UISD and LCC probably meets only once a month, so they might not be able to get them, but they would be working on them.

Mr. Mendoza stated that the main point is that Chairman Ceballos had addressed it, had conversations with HUD and had established a plan of action and he concluded his presentation by stating that other comments are highlighted in the summary which are not of significant nature, but are recommendations and suggestions for improvement. Mr. Mendoza mentioned that they appreciate the Commissioners and LHA for allowing them to be their Auditors to help them and that they would address whatever needs to be done.

Chairman Ceballos and Commissioner Ms. Guerra thanked Mr. Mendoza.

B. Executive Director's Report

Chairman Ceballos mentioned that he would not go into detail on the Executive Director's Report and stated that he noticed Farm Labor is losing tenants, but that it is due to uncontrollable circumstances. He also mentioned that as a highlight on the Director's Report, the TDHCA timeline for Casa Verde construction had been met which is very important and that it was based on the Certificate of Occupancy for each of the buildings and that Bibliotech, as per Alma, had turned out to be an expensive endeavor and would probably have a report on cost by February.

Chairman Ceballos entertained a motion to move up Item 8D and stated that he would abstain on the Item due to one of the proponents worked with him, so Vice-Chairman Dr. Garza would conduct the presentation of the item.

Vice-Chairman Dr. Garza moved to move up Item 8D.
Commissioner Ms. Guerra seconded.
Motion carried unanimously.

8. ACTION ITEMS

- A. Discussion and possible action to adopt the Violence Against Women Re-authorization Act of 2013 (VAWA) Policy and the Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and adopt Resolution No. 18-R-1 for Public Housing.

Chairman Ceballos stated that they will look at Items 8A and 8B together and asked whether they are both either updates or policies.

Mr. Rafael Vidaurri, Director of Housing Management, presented to the Board and stated that they are actual updates to the existing plan and as a little background he stated that the Act protected applicants, residents, participants and affiliated individuals, victims of domestic violence, dating violence, sexual assault and stalking from being denied housing assistance, evicted or terminated from housing assistance based on acts of such violence and that the policy was required by Violence Against Women Reauthorization Act of 2013; therefore, it is an update and contained all the mandatory protections and remedies afforded to applicants, residents, participants and affiliated individuals, victims of domestic violence, dating violence, sexual assault and stalking. Mr. Vidaurri mentioned that the recommendation from Public Housing staff and for Section 8 too is that the item be approved.

Chairman Ceballos asked where the language had come from. Mr. Vidaurri responded it was from the consultants at Nelrod.

Chairman Ceballos moved to approve the Policies on Items 8A and 8B as prepared by the consultants, the Nelrod Company, and as recommended by staff.
Commissioner Ms. Guerra seconded.
Motion passed unanimously.

- B. Discussion and possible action to adopt the Violence Against Women Re-authorization Act of 2013 (VAWA) Policy and the Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking and adopt Resolution No. 18-R-2 for Section 8 Housing Choice Voucher (HCV) and Project-Base (PBV) Program.

Item 8B was approved together with Item 8A above.

- C. Discussion and possible action to finalize and adopt the Public Housing Agency Plan and the 2018-2022 PHA 5-Year Action Plan, as presented by staff and in consideration of all public input, to become effective April 1, 2018 and adopt Resolution No. 18-R-3.

Bulmaro Cruz presented to the Board and stated that the revision for 2018 Capital Fund, 2017, 2016 and the 2018-2022 5-Year Plan were included in the Commissioners' packet and mentioned that as Ms. Rios had mentioned during the Central Resident Council presentation, they had a workshop with some of the Resident Councils, the only one missing was Asherton, they had representatives from Senior Home, Carlos Richter, Ana Maria Lozano, Meadow Acres, South Laredo and Colonia Guadalupe.

Chairman Ceballos mentioned that during the workshop, which lasted close to three hours, they went over each active grant, each work item and they had re-prioritized items the residents said were their priorities to which Chairman Ceballos and the staff agreed, so they had three active grants, 2015, 2016 and 2017. Mr. Cruz mentioned that in the packet they have 2016 & 2017 with budget revision. Chairman Ceballos mentioned that in the 2016 grant they had not spent any money and he would like the Board to know that the one thing they had agreed is to pilot and test the air conditioning and electrical upgrades at every project. If at Colonia Guadalupe they would need electrical upgrade, there was a significant amount of money that had been re-programmed for electrical upgrades and said that Mr. Cruz had come up with \$8k per unit which Chairman Ceballos thought is high, so they would do a pilot to establish how much it would be whether it would be \$4K or \$5k and after that, not in the near future, it would take time because they would not have enough money even with the four years funding, but they would be starting and for Colonia Guadalupe they would have \$300K for electrical upgrade and then for 2017 it would be over \$500k for electrical upgrade for Colonia Guadalupe and added that Russell Terrace had some money for HVAC, so they established priorities in every project and if it would be electrical or HVAC, they would do a pilot on at least one unit to establish the cost and mentioned that the problems in the restrooms would not be a significant cost with ventilation and paint, but would look into it to figure it out through the pilot system and that the residents present at the meeting all agreed to pick the largest unit, the most expensive, which would probably be the four-bedroom unit in every project, so next year they would do the workshop in the summer and if they need to adjust, they would do so in December, but they would be ahead six months in the planning.

Chairman Ceballos mentioned that all the residents were very cooperative about putting more money in Colonia Guadalupe and as they would know on the financial aspect, Colonia Guadalupe is the project that would fund the most, it is where they really make the money, so it is important that it be maintained. Some projects already have air conditioning, Carlos Richter project does not, so their biggest requests were air conditioning and washer and dryer hook ups. Commissioner Ms. Alvarez stated that they do not have cable outlets. Chairman Ceballos did not know whether it had been raised as a priority and mentioned that probably Time Warner or DIRECT TV could provide it. Commissioner Ms. Alvarez mentioned that the cable companies cannot drill on the wall that it has to be Housing and that in order for Spectrum to provide internet

service, they need to have the outlet. Chairman Ceballos mentioned that some issues are considered to be maintenance, that when people need an outlet for cable, they should have a system to do a work order to drill and install the box, so that when Spectrum comes, they only come and set the service. It should not be considered a CFP expense; it should be maintenance and they should have a system. Ms. Ortiz can let them know and even if it costs the tenant some money it would be fine if it is not something they do as a routine, so even if they charge \$10, it should not be Capital Fund, it should be maintenance and also in reference to DIRECT TV, tenants have been told not to set things on the roof. Chairman Ceballos mentioned that he disagreed and stated that they should come up with a way to design something in order for tenants to get the service and be allowed to put it on the roof. Commissioner Ms. Alvarez mentioned that they had come to her house and at the office they were told it would be ok because all they needed to do was to install a base and the resident would pay for it which would be \$85 and she was told it was allowed. Chairman Ceballos mentioned that he had heard in the past from staff that if there was a rod where they would put a base on the roof, it would be fine and they could also install the base like they do in Asherton, on the ground which is ok and as long as it is not a tripping hazard, it can be done. Commissioner Ms. Alvarez mentioned she was told it had to be on the roof. Chairman Ceballos stated that depending on the location, that would be where it would go, but his point about planning is that they would define those solutions to maintenance.

Commissioner Ms. Alvarez asked what was it that they meant by electrical upgrade. Chairman Ceballos stated that it is changing the panel or any wiring that would be outdated or at risk and that was what they would find out with the pilot and how old the wiring might be because it was probably done in the 70's or 80's, so they did not know whether it was grounded and whether the panel box would have enough capacity to add a washer and a dryer, so they would find out how much it would cost and they can probably have wiring for cable and telephone in the same contract as a complimentary package, but something they clarified is that it should be maintenance should, not Capital Fund.

Mr. Cruz mentioned that all the Housing properties had cable outlets in the living room only and nowadays they like to have TV's in the bedrooms also and they were not allowing drilling on the outside. Commissioner Ms. Alvarez mentioned that when she moved to Housing, Spectrum could not set the cable and internet service. Alina Rios, Quality Control, mentioned that what they did at Russell Terrace when she was there was that they generated a work order to maintenance and then they would run the cable through the attic from the outside into the units to the outlet where they would need it inside. Commissioner Ms. Alvarez mentioned that Spectrum has new technology and wiring in Housing is not compatible and also when AT&T installed her home telephone, the wiring was not good any more. Ms. Rios mentioned that maintenance had re-wired everything through the attic into the living room. Chairman Ceballos asked Ms. Rios if they had charged for the service. Ms. Rios responded that they had not. Commissioner Ms. Guerra asked what Chairman Ceballos feelings were about it and Chairman Ceballos responded that he was fine with it, that he really thought it is a

service and that it also happened at a new project he was working with where they could not get Time Warner service and it had taken for ever to get it and that now there are ways of getting service through Wi-Fi and Bluetooth, so they should model something that would work because the walls are very thick. Ms. Ortiz mentioned that they would analyze the units that were upgraded and by now they would probably need to upgrade what was already upgraded. Chairman Ceballos mentioned that there might be circumstances where the work might be excessive and they would need to take it on a case by case basis. Commissioner Ms. Guerra wondered whether it would be very expensive. Ms. Ortiz stated that it was the reason they would do the pilot. Commissioner Ms. Alvarez mentioned that she noticed that there is also cable being set up by residents without the permission of the Cable Company or Housing. Chairman Ceballos agreed and stated that it can get expensive if the family would want an outlet in every room, so they would need to set a standard of getting one in the living room and one in a bedroom. Commissioner Ms. Guerra added that if they want extra outlets, then there would be a fee.

Chairman Ceballos mentioned that if they are not allowing the provider to drill, then they should do it because they would be depriving the family of the service. Ms. Rios stated that in reference to the dish, it is stipulated in the contracts that they are not allowed to make any alterations to the buildings, so when it would come to that, the issue would need to be solved properly. Chairman Ceballos stated they would have to change the policy and that the problem is that the installers are terrible with installation which would cost them REAC points, so Chairman Ceballos suggested developing a system and the mechanism to install where they would just come in and do it and staff would just supervise the installation because as he had mentioned it happened to him that before they knew it, there were six lined up which would be a hazard and they would lose REAC points because it would be a tripping hazard, so they would have to come up with a system that would work in different projects. Commissioner Ms. Guerra recommended having somebody supervising because it might be that they would do things in a way that would be convenient for them. Chairman Ceballos commented about not strapping the wires. Mr. Cruz mentioned that normally they ask permission to the resident and the Manager.

Ms. Rios stated that the Manager should check once the installation is done. Chairman Ceballos mentioned that it could be considered technical for the meeting, but that they called it the saddle, they would saddle the roof so that they would just come and install and they would not touch anything else, they would prepare the unit that way as opposed to letting them nail and destroy the roof. Chairman Ceballos mentioned that he had seen some on a post by DIRECT TV which would be safe because they would not trip over them, they could be seen and would be high enough that it would not hit anybody on the face which maybe a solution and can be modeled as to so many feet away, but the problem would be that it would have to point a certain direction and might not work everywhere, it would have to be high enough, so that it would not be obstructed. Commissioner Ms. Alvarez asked whether the screws on the roof were from DIRECT TV. Chairman Ceballos responded that they were probably left over from previous installations.

Commissioner Dr. Rodriguez mentioned that when she looked at the agenda item, the financial cost said \$1,275,085 but it did not specify the year. Mr. Cruz stated that it was for 2018. Ms. Ortiz stated that it is subject to change once HUD publishes the 2018 Capital Fund and they would put it back later with an amendment. Chairman Ceballos mentioned that one of the things they had talked about is to make a graphic for the website that setting the agreed priorities by the Central Resident Council with a timeline and a number so that residents can see that if they really want something, they need to participate in the workshops and do it for every grant and he then asked about the ventilation in the restrooms. Chairman Ceballos mentioned about the problem of mildew in the restrooms, and particularly in Colonia Guadalupe and said that mold would occur in organic materials, but Colonia Guadalupe has very little organic materials, it is mainly concrete, steel and paint, but what would actually be happening is that there is very little ventilation, so humidity stays blocked inside and based on what they had discussed, maintenance staff might not be using mildew resistant primer, so as they would come back to make the apartment ready, they just paint over it.

Commissioner Ms. Alvarez mentioned that the paint would sweat, that when they touch the wall, it would be wet and to her it is a health hazard, that mildew is more important than anything else. Chairman Ceballos mentioned that it would be something they would assess when they do the pilot and added that he would not know whether they would completely cure the interior sweat because of the type of construction, but that it would not be mold and stated that just like when it is hot inside and cold outside, the wall would sweat because the buildings were not built with insulation in between, they were built with an isolation air pocket to help with that exchange to go out the system and stated that it was kind of technical, so he suggested that when they do the first pilot, they do it at Colonia Guadalupe where they would probably be spending the most money so they would look into that, but his concern is even though he is not an engineer, if they would introduce insulation, they would potentially introduce an organic product and if it would sweat and would not function because it was built with different technology or construction standards, so then they would have just added a problem to the issue. Chairman Ceballos mentioned that they may be getting to the HVAC system sooner so they could change that air so that the hot air would not stay in the unit and would circulate the way it does in homes that have a centralized air condition system, but before they get to it, they need to get the hot air out and they did not have extractors like they ones they have in the restrooms, that it would be what they need, so that when they take a shower, the exchange in the air does not happen immediately as the extractor is turned on. Commissioner Ms. Alvarez stated that how come even during the summer there is mildew in the house. Chairman Ceballos responded that he would not know and Commissioner Ms. Alvarez stated that it had started to grow in September, that the wall was wet, that it was not the restroom, but the stairs, and also in other Colonia Guadalupe units she had been and in her neighbor's unit too and she added that it is pretty dangerous, that it would even grow inside the lungs if exposed to it. Chairman Ceballos mentioned that they could test the mildew and should do it, that he did not have the answers to all her questions, but would work towards getting the solutions and figure out what it would be and said that logically they project was from

the 1940's and built in a way that did not have a lot of organic material, but would sweat if it would be colder or hotter outside, that difference will cause that moisture and stated that he is not trying to convince Commissioner Ms. Alvarez, it was just his assessment, but they would study it and if there is mildew they could test it to see if it is mold or just a product of condensation.

Commissioner Dr. Rodriguez moved to adopt Item 8C as presented and to include the pilots for the work items that had been identified in the Plan.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- D. Discussion and possible action to award RFP No. LHA2017_1224_1 Marketing Consultant and authorize the Acting/Interim Executive Director to negotiate and/or contract with the top evaluated proposer(s).

Ms. Ortiz mentioned that for the marketing consultant, they are seeking marketing and consulting efforts to be developed for some of the concepts that include the Laredo BiblioTech Digital Library, the Inner City Revitalization, Mobile Application for Tenants Services and other projects as they would develop and stated that three proposal had come in which are Monica Bautista, PMDG, and Grow Laredo, were evaluated and proposed negotiating with Monica Bautista for the digital aspect of the proposal on digital graphic design work and printed materials and for on-line services and website development she proposed Grow Laredo or David Vasquez to work in conjunction with Monica Bautista. Ms. Ortiz stated that neither PMDG nor Monica Bautista proposed on the on-line services, so she would propose Monica Bautista and David Vasquez to work together on the design of on-line services.

Vice-Chairman Dr. Sergio Garza asked if both parties had been contacted and whether they had agreed to work together. Ms. Ortiz responded that they could ask them, that both Monica and David were present at the meeting. Vice-Chairman Dr. Garza asked Ms. Monica Bautista to come forward who stated that she had not had the pleasure of working with Mr. Vasquez, but would be willing to partner with him for the project and mentioned that she had worked with other projects in that capacity by somebody else providing the web programming and then she doing the visuals and the graphics. Vice-Chairman Dr. Garza asked Ms. Bautista what she would propose to do for LHA. Ms. Bautista responded that in the different projects, the BiblioTech and the Inner City Revitalization she could develop collateral material or any digital for web or online uses and even if there would be some need for PR, she could definitely provide it as well and in terms of the tenants' mobile application, she would not provide programming services, but would provide content and for all other projects she could provide content in terms of copywriting of all the texts and the image development.

David Vasquez presented to the Board and mentioned that he appreciated their vote of confidence and opportunity. He said he was excited about the projects personally because he grew up in Russell Terrace, on 707 E. Ash, playing basketball on the basketball courts behind some of the homes, so that project is dear in his heart and it

just happened that LHA needed help with the web aspect and the mobile application which would be a huge opportunity to not only free of resources and manpower, but a reduction in cost for LHA, so in terms of web mastering and optimizing the website and bringing up the speed in conjunction to make it work with the application would be a huge opportunity for LHA. He mentioned that in his proposal he had also offered some suggestions for creating additional revenues for LHA through the applications where LHA would have a second source of revenue, though he did not know where it would fall in terms of legality, but it would be an opportunity for the organization, so working with Monica would be like two heads working together is better than one, so it would be an opportunity to branch out and give a different perspective for not only the website, but for the digital when they would come together and match, so he would not have a problem working as a team.

Commissioner Ms. Guerra asked who would be providing the insurance carrier on the liability and what the timeline would be. Mr. Vasquez responded that it would take about a week. Commissioner Ms. Guerra then asked Mr. Vasquez what he specifically envisioned for the applications. Mr. Vasquez responded that most importantly one of the key issues is with the payment portal, creating an online payment portal for residents or tenants, giving them the opportunity to pay online and save time and manpower and also instant notifications for anybody that would hold the application on their phone and said that almost everybody has a smart phone and even those with flip phones would be able to receive notifications. He also proposed to provide training to the residents so they can learn the technology and extend it to the staff as a general incentive because he said training is essential especially with technology and in order to become successful with the application. He would also establish a form of communication between the residents and the staff and vice versa, so everybody would be communicating and connected with the application and they could even establish e-mail for residents so residents can have their personal e-mail and will be able to receive all types of communication.

Ms. Ortiz mentioned about the recent wind advisory when two trees fell and one door blew out, so in those cases, they could make the residents aware and if there would be an issue, residents could text and report it. Mr. Vasquez mentioned that if they would have the application on their phones they could e-mail instantly to alert residents about any type of advisory, news or events. Commissioner Ms. Alvarez asked about submitting documentation for lease renewals, whether it would work for that. Mr. Vasquez responded that anything within the scope of LHA regulations can be done like adding an application to apply for housing can be done in the format LHA decides to be within LHA regulations and they would work on creating a form, for example digitizing a PDF form, a form that they can fill out and that would be in the same form as if they would come into the office, so instead of going to the office, residents would be able to do it directly from a smart phone, a computer or a tablet.

Commissioner Ms. Guerra asked Mr. Vasquez about any apps that he had created and that he is particular proud of and how special it is that he would be so proud. Mr. Vasquez mentioned that it is one in particular with some dealerships having to do with

credit applications where information could be very sensitive, so they could download the application and even look at inventory available. He mentioned he is very proud because it is user friendly, impersonal and allows them to communicate more efficiently and faster and stressed that time is of the essence for everybody these days. Commissioner Ms. Guerra mentioned about apps not being in compliance when smart phones get upgraded, so Mr. Vasquez mentioned that it would be like a garden that constantly needs to be tended, the website will also need to be tended constantly, monitored and updated.

Vice-Chairman Dr. Garza asked how quick they would be to provide support to the staff when needed. Mr. Vasquez responded that they would be a text or call away. Vice-Chairman Dr. Garza then stated that they could count on him to which Mr. Vasquez responded that absolutely, that as soon as he learned about the project, he started researching about it and as far as availability he said it would be something that would take most of his time and that he would be fully dedicated to it.

Ms. Bautista mentioned that she had collaborated in two different projects with LHA and she thought it had been very successful; it had been with creating the logo for the organization and also with the event for the Russell Terrace demo and groundbreaking. She mentioned that her method of working is to work together with the client to find out exactly what the needs and expectations would be, that it is always a process because they would not usually get it right the first time, but it had worked well with LHA and some of her other clients before.

Commissioner Dr. Rodriguez mentioned that since the RFP was for one marketing consultant, she wondered if they need to bring the item back on the separation. Attorney Poneck mentioned that the RFP, Section 5.1 allows for multiple awards, so they can award to more than one firm or more than one person. Commissioner Dr. Rodriguez mentioned that she is just making sure whether they need to bring the item back. Attorney Poneck said they did not have to. Ms. Ortiz mentioned that they still have to negotiate with them. Commissioner Ms. Guerra mentioned that it is very important due to the cost of tending to the mobile app and the website and the need for continued support and continuity of services.

For the motion structure, Attorney Poneck recommended that they word it as moving to approve staff recommendation related to the two areas they would be working. Commissioner Ms. Guerra recommended that it be with the caveat especially with the mobile app which will constantly need updating. Attorney Poneck added that for clarity he would say to refer more specifically to the recommendation made by the staff. Commissioner Ms. Guerra specified that she would like to have what is pending on the insurance to be submitted as part of the contract negotiation and also that they be required to update the apps. Attorney Poneck recommended the motion to be made to approve the Executive Director's recommendation with the stipulations offered by Commissioner Ms. Guerra.

Vice-Chairman Dr. Garza asked Ms. Guerra for her recommendation. Commissioner Ms. Guerra mentioned that it would be that they would provide the general professional liability insurance in time, which is pending, within a week if possible and that they also include in the negotiations for the technical assistance to update the app as needed because Apple seemed to update quite often and the apps might become non-functional if they would not tend to them as needed.

Vice-Chairman Dr. Garza moved to approve the Interim/Acting Executive Director's recommendation to award multiple awards on RFP No. LHA2017_1224_1 as discussed and subject to Commissioner Ms. Guerra's recommendations which would be 1. To provide insurance and 2. To provide technical assistance as needed.

Commissioner Ms. Guerra seconded the motion.

Motion passed.

Chairman Ceballos mentioned they would go back to Item 8A.

- E. Discussion and possible action to award RFP LHA2017_0720_7 Senior Citizens Home Unarmed Security Guard Services and authorize the Acting/Interim Executive Director to negotiate and/or contract with the top evaluated proposer.

Ms. Ortiz presented to the Board and stated that based on the tabulation and overall ranking, she is proposing to negotiate with Praetorian Security & Investigations, based mostly on the cost, for the Senior Citizens Home Unarmed Security Guard Services and said that as a little bit of background the Senior Home is the center point that all residents would call after hours if there would be an emergency with a unit and also with the elevator system, that there are elevators only at the Senior Home and at the Section 8 Administrative Building and if anybody would get stuck, the calls would go to the Senior Home, so they will be the ones taking the calls after hours; therefore, they need somebody from 8 p. m. to 8 a. m. almost every day. She mentioned that there is a security guard working with LHA, so the person will be an additional person when LHA staff is not there.

Commissioner Ms. Guerra asked if it was the services they had before. Ms. Ortiz responded that it is not the firm they currently have, that currently they have Eyeview Investigations and Security is a new firm they would like to negotiate with. Commissioner Ms. Guerra asked if they had ever had them before. Ms. Ortiz responded that they had called them for other services, they had been to Board meetings and had done some security surveillance services after hours at other locations. Commissioner Ms. Guerra asked if everything had gone well with them. Ms. Ortiz responded that they were satisfied with their work. Commissioner Ms. Guerra asked if they knew the person, if they could still vote and if there is any conflict. Attorney Poneck stated that just knowing somebody was not a bad thing, that they were not getting something personally from him or financially, or related to him some way.

Chairman Ceballos moved to accept the Executive Director's recommendation to go with Praetorian Security and Investigations and to negotiate the contract. Ms. Ortiz stated that it is a one-year contract to see how it goes.

Chairman Ceballos moved to approve Item 8E as discussed.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- F. Discussion and possible action to make LHA-representative Board appointments to Metro Affordable Housing Corp.

Chairman Ceballos stated that Metro used to be an affiliate of LHA some time back and that the Board had separated over some disputes and that there had been a settlement agreement through the court system which is included in the packets and through the settlement agreement Metro Affordable Housing Corp. agreed to allow an appointment from LHA and what had happened is that Chairman Ceballos ran into one of their members who reminded him that there is this void in the terms of the appointment and recommended somebody Chairman Ceballos thinks very highly of, John Villarreal, who works with IBC Bank and who would do a great job serving, so Chairman Ceballos mentioned that he talked to Mr. Villarreal who would like to serve and who has been involved with Metro Affordable through different projects.

Chairman Ceballos mentioned that he had also learned about two other persons from LHA that Mr. Collazo had provided him the names. Chairman Ceballos wanted to have it on record that Yolanda Martinez who lives in the Lozano Development and Delfina Acosta who lives at Senior Home, and while talking to Mr. Larry Dovalina, who he believes is the Chair at Metro Affordable, he had Mr. Collazo make sure that Ms. Martinez and Ms. Acosta would have regular attendance, so Chairman Ceballos wanted to acknowledge that they were serving on behalf of LHA and would also like for the Board to consider appointing John Villarreal to the Metro Board.

Chairman Ceballos stated that they did not have ongoing business with Metro nor any ongoing projects and that the relationship was strained, but not anymore, that Attorney Poneck and his team had negotiated the settlement agreement through the current Board on September 13, 2016. Attorney Poneck mentioned that it had been an amicable and not a lengthy settlement agreement to cease the litigation instigated by prior Board and Staff. Chairman Ceballos mentioned that he used to abstain from this item because he used to lead the organization as a staff member when he was with LHA, so he was not even aware of the settlement because he was not involved in those meetings, until recently that he had been approached.

Chairman Ceballos moved to appoint John Villarreal.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

Chairman Ceballos stated that he would like to take both items 9A and 9B in Executive Session and that no action would be taken in Executive Session.

Chairman Ceballos moved to go into Executive Session.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

9. EXECUTIVE CLOSED SESSION IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE

The Board of Commissioners for the Housing Authority of the City of Laredo reserve the right to adjourn into Executive Closed Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, including Sections 551.071 (consultation with attorneys), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.086 (economic development).

- A. Discussion related to Executive Director search, recruitment and employment.
- B. Discussion and consultation with legal counsel related to possible real estate acquisition.

Chairman Ceballos called all the Board of Commissioners, Melissa Ortiz, Interim/Acting Executive Director and Attorney Poneck to enter into Executive Session.

The Board entered into Executive Session at 3:40 p.m.

The Board reconvened from Executive Session at 5:05 p.m.

10. ACTION ON CLOSED SESSION ITEMS (IF ANY)

Chairman Ceballos mentioned that they were not taking any action on Item 9A.

In reference to Item 9B Chairman Ceballos stated that he wanted to make a motion to initiate a feasibility study on the property located at 2503 E. Saunders, the motel formerly known as Motel 9 and to request that Mario Jasso would lead under his current Consulting Contract and to report back next steps both going back to the bank with a bid, working on an appraisal and a rescue analysis of the building and anything else that would relate to establishing the value as well as looking at problematic operations for different Housing uses including transitional housing.

Chairman Ceballos moved to initiate a feasibility study on property located at 2503 E. Saunders, Laredo, Texas as presented and requested.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

11. ADJOURNMENT

**Chairman Ceballos moved to adjourn the meeting.
Vice-Chairman Dr. Garza seconded the motion.
Motion passed unanimously.**

Meeting adjourned at 5:10 p.m.



Jose L. Ceballos, Board Chairman



Melissa Ortiz, Acting/Interim Executive Director