

Housing Authority of the City of Laredo
Regular Board of Commissioners Meeting
LHA Board Room
2000 San Francisco Ave.
Laredo, Texas 78040
Friday, May 17, 2019
3:00 P.M.

A-19-R-5

Minutes

May 17, 2019

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 3:04 p.m. and thanked the Commissioners, the staff, the residents present and Attorney De Anda for attending the meeting on a Friday.
2. **PLEDGE OF ALLEGIANCE** Chairman Ceballos led them in the recital of the pledge.
3. **ROLL CALL AND DECLARATION OF QUORUM** Chairman Ceballos asked Ms. Mata to do roll call and she proceeded with roll call

Commissioners Present

Jose L. Ceballos, Chairman
Dr. Sergio D. Garza, Vice-Chairman
Dr. Marisela Rodriguez, Commissioner
Anita Guerra, Commissioner

Commissioners Absent

Chairman Ceballos mentioned that Commissioner Ms. Guerra will be coming in a few minutes. Ms. Mata stated that there is a quorum.

Staff Present

Alma Mata, Executive Director
Christy Ramos, Administrative Assistant
Melissa Ortiz, Director of Compliance and Quality Assurance
Maria De Lourdes Hernandez, Procurement Specialist
Bertha Galvan, Interim Director of Section 8
Jennifer Barrientos, Interim Finance Director
Bulmaro Cruz, Project Specific Manager
Alfonso Treviño, Project Specific Manager
Rosie Ortiz, Property Manager
Leticia Sosa, Office Clerk
Monica Rivera, Property Manager
Ana Martinez, Finance Clerk
Juan S. Mendive, Planning and Systems Administrator
Albeza Gonzalez, Human Resources Manager
Jessica Martinez, Program Coordinator
Federico Rangel, Accountant
Alina Rios, Property Manager

Eduardo Palacios, Project Specific Manager
Sara Vicharelli, Leasing Specialist
Alfonso F. Herrera, Facilities Specialist
Victor Reyes, III, Project Specific Manager
Robert Peña, IT Director
Ricardo De Anda, Attorney

Others Present

Rosie Rios

4. CHAIRMAN'S COMMENTS

Chairman Ceballos mentioned that there is something in the pipeline with HUD that all need to be informed about and asked Attorney De Anda to brief them and to cover the mixed family proposal that is out there because HUD is pushing a big regulatory change. Mr. De Anda mentioned that the HUD regulations we work under authorized persons that are otherwise ineligible to receive assistance to live in one of our units, so at least one member of the household is eligible, so it will not only include persons that are undocumented but it will also include caregivers for older people for example or care providers for disabled people as he understands, but for the most part it covers, in the case of the Agency, undocumented residents of the housing units and said that HUD is proposing to change the regulation to where all of the tenants would have to qualify. Mr. De Anda mentioned that people who are not qualified to live in our housing units, but are nonetheless living there because someone in their family is qualified are not part of any of our grants, so if they are in a mixed use unit.

At this time Chairman Ceballos mentioned that Commissioner Ms. Guerra had just joined the meeting.

Mr. De Anda mentioned that if two of the tenants are qualified and two are not, only two of the tenants will receive assistance and the other two will not, the non-qualifying tenants are not receiving assistance, they are simply allowed to live there because they are part of the family, so the rule changed and would affect a large number of tenants nationwide and it is expected to affect us and he understands that Ms. Mata is already looking into it and in effect if the regulation were to change, the regulation is in the public comment period right now, so if it happens it is not going to happen for some time; if the regulation is changed, there will be legal battles; therefore, we are not likely to see it anytime in the near future, but now is the time to comment on it publicly and recommended that they should encourage people they know to do it and said is very simple to comment.

Mr. De Anda mentioned that what it looks like for them as the Housing Authority is that it will divert their resources from maintenance and serving the tenants to figuring out who is ineligible and engaging in eviction proceedings and it will take up an important amount of their time dealing with removing families that would otherwise be ineligible to live in our housing units and stated that it would like if a father who is ineligible, but the mother is eligible and so are the children, the father could leave and the family would be living within the regulations which, of course, it will tear up families; if the mother and the father were

ineligible, but the children were because they are citizens, then their only choice would be to leave the housing unit. He stated that it would also have quite a bit of a budgetary effect on HUD because as it is whatever tenants they house who are not eligible are not receiving subsidies and said that if they suddenly evict a unit that has two eligible tenants and two ineligible tenants who are receiving subsidies for two people and would replace them with four tenants that are eligible then the subsidy doubles and as per his understanding HUD does not have the funding to do that and stated that those were the issues the Board should know with respect to the regulations.

Chairman Ceballos stated that from his standpoint, the thing to watch for educators would be the impact to the children when they have undocumented parents or undocumented siblings and the parents having to make the tough decision about leaving or staying and stated that very likely they will make some formal comments during the comments process, but he thinks they would want to join some coalitions that may be formed during this period and stated that it is a HUD proposed change and the comment period will end the first part of July and then they will see what happens, so there are already coalitions or residents groups or others that are getting kind of ready to speak. Vice-Chairman Dr. Garza that for children they cannot ask for social security and said that if the parent would be sent back obviously the children are not going to stay here. Chairman Ceballos mentioned that he did not want to miss the opportunity to let them know about the important piece of legislation or regulatory change and stated that they will send the link so that they can read the proposals and as they draft their comments, they could read them and also submit their proposals and stated that he does not know where it will take them, but he thinks they should take a stand and they are going to keep them posted and stated that he asked Ms. Mata to coordinate a meeting with the three attorneys, in particular with Mr. Rod Solomon since he is in D.C. to see what he is hearing, maybe it is going to die or it is going to fade and they will not have to do a formal comment and stated that it was just information, that they were not taking any action, he just wanted to let them all know about it and stated that he was surprised to see it and stated that it probably had just come out and some people that have seen it have been calling him.

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 the time. There will be a 3-minute limitation per speaker. (Texas Attorney General Opinion-JC-0169)

Chairman Ceballos stated that there were no comments.

6. DISCLOSURE OF CONFLICTS OF INTEREST

Chairman Ceballos mentioned that there were none.

7. APPROVAL OF MINUTES

A. Approval of Minutes for Board of Commissioners meeting on February 22, 2019.

Chairman Ceballos moved to approve the minutes as prepared by staff.
Commissioner Dr. Rodriguez seconded the motion.
Motion passed unanimously.

8. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Rosie Rios, Central Resident Council President, presented to the Board and stated that they have new Resident Councils and also for the Central Resident Council; they were elected with 28 votes and mentioned that the only Council pending is the one for South Laredo and added that they are considering having a meeting during the week in South Laredo to see if they can establish a new Resident Council. Chairman Ceballos asked for which Colonia. Ms. Rios responded that it is South Laredo.

Chairman Ceballos menciono que iba a repetir en Español lo que mencionaron antes porque es muy importante que La Señora Ríos lo comprenda y dijo que existe un cambio regulatorio para verificar la documentación legal, el estatus legal de migración de personas que están en programas de vivienda de HUD lo cual es una propuesta que no ha pasado pero el impacto que puede suceder a las familias que residen en los programas se está evaluando y al momento de evaluarse se les estará informando a las mesas directivas para ver qué tipo de comentarios se necesitan hacer pues está en proceso de comentarios hasta principios de Julio y así como vayan formando un posición, se les ira informando para que también estén informados dentro de la Mesa Central. La Sra. Ríos pregunto si se iba a manejar conforme a las reglas de migración. Chairman Ceballos respondió que es una regulación de Vivienda y que una de las propuestas era porque hay miembros en la familia que no tienen un estado legal y no se les permitiría residir y recibir asistencia. La Sra. Ríos pregunto si sería en lo sucesivo o retroactivo. Chairman Ceballos menciono que sería retroactivo, en toda la re-certificación de las familias, así que en el momento que lleguen a la renovación, allí se evaluaría la clasificación de los miembros de la familia y agregó que no es para alarmar sino para informar que hay una propuesta y para no sorprendernos si existe un cambio y que hay que empujar fuerte, primero para entender el impacto y segundo para ver que reacción deben de tener como Agencia y como grupo de residentes y de administración también como organización. También menciono que los abogados están obteniendo información para tenerlos bien informados. La Sra. Ríos menciono que mucha gente si está en proceso de migración o alcanzan el derecho, pero es por falta de ingresos no siguen los procesos para llegar a su residencia legal y tal vez allí se podría apoyar a residentes que estuvieran en esa situación. Chairman Ceballos menciono que son temas complicados y le pediría a la Sra. Rios que cuando les informara a los grupos, invite al personal para ayudarle a hacer la presentación y así se les daría la información más actualizada. La Sra. Ríos menciono que esperaría la información cuando ya estuviera lista. Chairman Ceballos menciono que sería aproximadamente en dos semanas que sabrían que pasos van a tomar y agradeció a la Sra. Ríos por su asistencia al igual que la Sra. Ríos agradeció al Chairman Ceballos por su información.

9. PRESENTATION (No Action to be taken)

A. Executive Director's Report

Ms. Mata presented to the Board and stated that she would keep her presentation brief, because they have a long agenda and if anybody had any questions, to go ahead and make them and mentioned that they continued with the staff development as they could see that the training for the last month was lengthier than what they had seen and stated that the staff has taken advantage of the training opportunities which is good to see. Ms. Mata mentioned that they had a couple of new hires; they filled the position for facilities coordinator with Mr. Herrera who comes with a lot of construction background that the Housing Authority could use at the facilities level and building homes and they also filled the receptionist position in Section 8.

Chairman Ceballos mentioned that Mr. Herrera was present in the back and would want to introduce him to everybody, so he asked Mr. Herrera to stand up and stated that as Ms. Mata had mentioned, Mr. Herrera is someone who has spent a lot of time and knows a lot of construction and Chairman Ceballos mentioned that he does not think they could teach him anything; that there is a lot they could learn from Mr. Herrera and stated that they are excited for him and thanked Mr. Herrera for accepting the position and for doing the good work of serving the public and asked him to come to the front. Mr. Herrera introduced himself and stated that his name is Alfonso Herrera, but a lot of people call him Poncho and mentioned that like Chairman Ceballos had stated, he thinks he knows a thing or two about construction since he had retired from the City five or six year ago and stated that he was with the City for almost 25 years; he was with the Building Inspections Department and then moved to the Community Development Department managing the Housing Rehab deficiencies there and after he retired he worked for almost five years with NeighborWorks Laredo doing something very similar to the duties in Housing except that it was in a smaller scale and said that he is here and honored to be part of the team and if he could help anybody in any way to just let him know.

Ms. Mata mentioned that in the Finance Department they continue to finalize the unaudited financial statements for REAC which are due at the end of the month and stated that they are on target to meet that deadline and they continue to do the bank reconciliations for the month of April and are very near to finalizing them and be able to present to the Board on the prior month versus several months before. Ms. Mata also mentioned that they are taking steps to put a financial policy in place based on the findings they had at the prior audit and they look forward to presenting it to the Board in the near future as well.

Ms. Mata stated that in the Public Housing Department the PIC score is at 100% and mentioned that the tenant visits have increased and they have the Managers engaging the tenants. Chairman Ceballos asked Ms. Mata if she could introduce them to the dashboard, so Ms. Mata mentioned that what they have in their packets is what they typically have been presenting to the Board all the information in writing, however, the Planning and Systems Administrator has put together the dashboard indicator and it will basically give them the same information the report used to have, but it will give

them the information for the prior months as well, so they should be presenting the information with three months at a time, the current month and two prior months so that they can compare what the changes have been. Vice-Chairman Dr. Garza mentioned he had a question in regards to the tenant visits and stated that some amps had seven or nine visits and Carlos Richter and Ana Maria Lozano only had four visits each. Ms. Mata mentioned that they encourage the Managers to visit as many as they can and are able to visit during the week. Chairman Ceballos asked about the highlights about the dashboard. Ms. Mata mentioned that the Public Housing Department is doing well and they also could see the work orders in the graphs and on the right side it shows they have a couple properties they are having issues with turnaround time with work orders and stated that they are already addressing those issues and they should see that reflected at the next Board meeting with a change. Chairman Ceballos asked that once they have a Compliance person doing that they will waive that part of the dashboard. Ms. Mata confirmed and mentioned that it is just the work in progress they want to present to the Board just yet, but it is the format that they are looking to follow. Chairman Ceballos stated that he liked the chart because it gives them a snapshot.

Ms. Mata mentioned that they have the three construction projects they are currently working on and stated that Russell Terrace is on track with the demolition at the end of June and stated that they continue to make progress with the Bernal Sunrise Court and mentioned that if anybody had a chance to drive by they would see they already working on the exterior and then on the interior pretty soon and in reference to the third project which is the Balcones Apartments Ms. Mata mentioned that on those they are taking a little bit slower because they want to put their efforts to Russell Terrace and Tiny Homes, but they are still making advance.

Chairman Ceballos mentioned that they need to make sure they do another quality to make sure before they seal the sheetrock to run another air quality and record it for Los Balcones.

B. Unaudited Financials for the month of February 2019.

Jennifer Barrientos, Interim Director of Finance, presented the Financials for February, 2019 and stated that she would like to say that they are on a profit for the month and that for the next Board meeting they will present the ones for the month of March and hopefully for April as well, but for March they will go ahead and ask for a budget revision so that they could keep it at a profit for some of the sites. Chairman Ceballos asked if it was for Capital Outlays. Ms. Barrientos confirmed and stated that it was for some expenses they had for the amps. In reference to the COCC they will ask for a transfer of reserves and mentioned that the amounts could change due to the reconciliations they are doing and the corrections for the prior fiscal year, so the amounts shown could change a little or significantly and mentioned they have the COCC more revenues than expenses in February and they also have Colonia Guadalupe as well the revenue is more that the expenses so they have a profit and stated that on line 22, profit or losses, they could see the year to date of \$368 for COCC, AMP 1

\$290K, AMP 3 \$361K, Senior Home \$167.04, Meadow and South Laredo is \$46K and Asherton is \$710. She mentioned that Section 8 and Farm Labor also had a profit of \$5K for Section 8 and Farm Labor \$105.

Ms. Barrientos mentioned that they are requesting for the next Board meeting if they will be using reserves; they will probably use some for COCC, AMP 4 Senior Home, AMP 6 Asherton, Section 8 and Farm Labor. Chairman Ceballos asked if it was for that meeting or the next meeting. Ms. Barrientos stated that it was for next meeting and said that some of the changes she would propose because they over expended on some line items in the budget and some were under expended so they will shift around the money.

Chairman Ceballos mentioned that they made a trip to Senior Home during the week and stated that they already gave authorization to address the generator as they see it fit, so for the record, he stated that they need to replace the generator and not try to fix it and retain a consultant that would help them redesign it or resize the generator will be important and stated he wanted to inform the Board because the last time it was an emergency and it is an emergency because the generator they have is very aged, they could probably fix it, but he would not feel comfortable because it is so old and for the organization that Housing is, fixing something that old will just not represent them, so they just need to do it right and size it right and stated that it would be Capital Outlay, it will not be budgeted; they will need to bring it back to the Board and they will ratify it.

Vice-Chairman Dr. Garza asked Ms. Barrientos about the way the amounts were presented in the report who mentioned he noticed there were some differences in the balances. Ms. Barrientos mentioned that she had rounded off the amounts in the reports. Vice-Chairman asked with all due respect, how he would verify that the numbers are correct. Ms. Barrientos stated that he could go to Section 8 in the Budget Report for that item in particular. Chairman Ceballos mentioned that it was Section 8 and that it should match and asked if Jenny's worksheet matched the Summary. Ms. Barrientos stated that she rounded off in the report and that next time she will show the two decimals. Chairman Ceballos asked Ms. Barrientos to point out the number that should be the same in Section 8. Ms. Barrientos stated that if they would go to the second page the \$1.09M at the bottom on the second page should be the ending balance and the \$10701M she mentioned was a little different because they have the Voucher Program Administrator, so the \$10701M she said is the opening balance on the top part. Chairman Ceballos mentioned that Excel does not always rounds off correctly. Ms. Barrientos mentioned that she could show more to Vice-Chairman Dr. Garza. Vice-Chairman Dr. Garza mentioned that he thought she had rounded off and thanked Ms. Barrientos.

10. CONSENT AGENDA: Resolutions

All of the items may be acted upon by one motion. No separate discussion or action of the items is necessary unless desired by a Commissioner.

- A. Authorizing Executive Director to enter into an inter-agency agreement with South Texas Food Bank to continue serving as a food distribution site.

Chairman Ceballos stated mentioned that they had several items could be taken as a block and are items that are more administrative being reported to them which are items 10A – 10D.

Chairman Ceballos moved to approve Consent Agenda.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- B. Authorizing Executive Director to enter into a Memorandum of Understanding between agencies participating in Homeless Coordinated Entry program in Laredo, Texas, as recommended by staff.
- C. Ratifying agency overnight travel expenses for staff and Board of Commissioners incurred as of April 1, 2018, pursuant to Personnel Policy, Section 11 (B) (2).
- D. Authorizing the newly hired Executive Director as an authorized signer on bank signature cards and all HUD online systems.

11. ACTION ITEM

- A. Discussion and possible action to renew the Blue Cross Blue Shield employee group health insurance plan, for the period of June 2019 to May 2020, as recommended by staff.

Ms. Mata presented to the Board and stated that they are recommending the Board the renewal of Blue Cross Blue Shield Group Health Insurance Plan and mentioned that currently they do not have any increases to the plan and mentioned that staff have been using the insurance the way it should be and doing a lot of preventive visits and they have not seen any expenses in the last two years, so last year they did not have an increase and this year they have not had an increase as well. Attorney De Anda asked if there was no increase. Ms. Mata confirmed.

Vice-Chairman Dr. Garza asked if they would double the rate next year for any unforeseen reason. Ms. Mata responded that they base themselves on the loss ratio depending on what is paid to the insurance and depending on what the insurance pays out in claims would be how they determine if they would a need to increase the rate. Vice-Chairman Dr. Garza asked if they were way under. Ms. Mata responded that right now they are at 48%. Vice-Chairman Dr. Garza asked if they would get a reduction and Attorney De Anda asked about the co-pay. Ms. Mata responded that they are the same. Chairman Ceballos asked what the amounts for the co-pay is. Ms. Mata responded that one plan the cop-pay is \$40.00 for the office visits and there is also a vital plan that allows to pay into it by-weekly through payroll and they would have a lower co-pay. Vice-Chairman asked if co-pays could go down because his

personally at one time had a \$40.00 copay for a special doctor and then it had gone down to \$30.00 and asked if they could provide something like that in case somebody has to go to a special doctor. Ms. Mata responded that the plan they have to maintain the cost they have budgeted they would have to stay the same and the employee has the option to do a bio if he foresees any medical needs in the future and they can buy up during the month of June when they renew, so that will help with the copay. Commissioner Ms. Guerra asked if the \$40.00 was for both the primary and any specialist. Ms. Mata responded that it was different and stated that it was probably \$60 or \$65.

Vice-Chairman Dr. Garza moved to approve the renewal of the Blue Cross Blue Shield employee health insurance plan, for the period of June 2019 to May 2020 as recommended by staff.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

B. Discussion and possible action to award Request for Qualifications (RFQ) No. 190401-1A, Annual Audit Services.

Ms. Barrientos asked Maria Hernandez, Procurement Specialist, to introduce herself and Ms. Barrientos, Interim Director of Finance, presented to the Board and stated that they had advertised for the RFQ which is a request for qualification for the annual audit coming up for March 31, 2019 and mentioned that they received two responses, Garza Gonzalez and Associates who are the previous auditors from last year and they also got another proposal from Rubino Company and the proposals are part of the packet which was what they submitted with their qualifications and stated that she talked to both submitters, one in person and one over the phone. The Rubino and Company are from Maryland, so they had to do it over the phone. Commissioner Ms. Guerra asked how many she had sent out. Ms. Barrientos mentioned that she was not sure because it had been sent out by the previous Procurement Officer, so she did not know many he had were solicited for. Commissioner Ms. Guerra mentioned that it was interesting that they only received two. Ms. Mata mentioned that it had ran twice. Commissioner Ms. Guerra asked how long they had Garza. Ms. Barrientos responded that they had done the March 31, 2016 and last year they had extended their contract and stated that they are recommending to continue with Garza and Gonzalez because they are in Texas, so they came and they talked to them in reference to some issues that had happened in the past for them to correct and also about having more communication.

Commissioner Ms. Guerra mentioned that she remembered when she and Vice-Chairman Dr. Garza took some training they had recommended to switch the external auditor periodically and stated that with the County it is approximately maybe every four years. Ms. Barrientos stated that she thinks it is every five years.

Vice-Chairman Dr. Garza mentioned that in the case of Rubino, his concern would be in regards to how hands on they would be and asked if they had done work for any

Housing Authority and wondered if that had been asked. Ms. Barrientos mentioned that they did not and that when they talked to Rubino they stated they were consultants for them and they said they would come down at least a week on site and then most of the other communication would be through the internet and client servers, uploading documents, calls and e-mails between them and need be he would have to come again for an onsite visit, but at least one week. Commissioner Ms. Guerra mentioned that she knows they work hand in hand and asked if they did extra services and if what they were able to provide was what Laredo Housing Authority needed. Ms. Barrientos mentioned that they had done some auditing for another Housing Authority, but in Texas it was just like a consulting work. Commissioner Ms. Guerra mentioned she was asking about the Garza Gonzalez that had done work previously, if they had worked hand in hand. Ms. Barrientos responded that they were very helpful and also they guided them with the corrections if they needed; they could not physically do the corrections, but they could guide them, so Commissioner Ms. Guerra mentioned that they were able to be of assistance. Ms. Barrientos confirmed.

Chairman Ceballos mentioned that they had covered this before and hoped they understand his concern particularly that they do not get that alarm call in December that they would not able to meet something and the last time that Garza and Gonzalez were here the Board gave them specific instructions to do quarterly onsite reviews and to work with staff and he wants to make sure that it is in the contract and that it gets done and that it is addressed with them and stated that obviously they did not get any respondents and stated that he knows for a fact that there are not folks in Laredo doing that type of audit work; it is very specialized, but at the same time they want to make sure that they are getting the right team to work with the audit for the organization and stated that he knows that separately from the meeting he made his comments known to Ms. Barrientos about that group and stated that now they have an opportunity that if they have a team that would not work with them all, they now have an opportunity to switch the team or tell them what they do not like before they sign on the dotted line and make sure they will be getting what they need.

Vice-Chairman Dr. Garza stated that it was he who had requested the RFQ because of the fact that they had to submit the work three times and if they had experience why get angry; it is not like they are doing it for free; they are paying them and then they come with an attitude and he does not think it is right and bottom line he asked if they are working with them asked if they were answering their phone calls. Ms. Mata mentioned that they met with them prior to making the recommendation to clear any issues they had with the prior audits and any concerns they had and mentioned that Ms. Barrientos seems to work well with the team that comes on site and they had one of their senior partners come and attend the meeting and they are willing to make the change to staff as needed to satisfy the needs they have. Chairman Ceballos asked who was part of the meeting. Ms. Mata responded that it was Elias Mendoza and Mr. Rene Gonzalez and mentioned that they are willing to make the changes they request and if the Board approves the recommendation they will meet with them again to set the schedule and mentioned that they have been advised regarding the

communication, so they will be having communication directly with the senior partner and they are going to set up a schedule as to when they should be coming in and how often they will need to be reporting prior to the submission of the audit. Vice-Chairman Dr. Garza asked if they would be going into executive session. Chairman Ceballos responded that they will and if they would like to defer the item until they discuss it, they could. Vice-Chairman asked if they could. Chairman Ceballos asked Attorney De Anda if they could pull item 11C, about the audit into executive session. Mr. De Anda confirmed. Chairman Ceballos mentioned that they would defer the item because they will need to discuss it, so they will defer the item and roll it into executive session. Vice-Chairman asked if they will bring it back. Chairman Ceballos confirmed. Commissioner Dr. Rodriguez mentioned that she had a question about how they tally the companies, if she had just missed it. Ms. Mata mentioned that they did not have the tabulation and that it was reviewed by Ms. Barrientos and Ms. Mata and that it was done prior to Ms. Barrientos taking over, so they had put it together so that they could award because they did not want to delay the auditing. Vice-Chairman Dr. Garza asked who was in charge before Ms. Barrientos took over, if it was Melissa Ortiz. Ms. Mata mentioned that prior to Ms. Barrientos in regards to the procurement it was Frank Lopez. Vice-Chairman Dr. Garza asked in reference to working with the prior audits, if it had been always with Ms. Barrientos and if it was always with her. Ms. Barrientos confirmed and mentioned that the first audit they had work with Mr. Del Barrio. Chairman Ceballos mentioned that Ms. Barrientos had been in different department and the audit they run it through the Finance Director. Commissioner Ms. Guerra asked if Ms. Barrientos could pull it from the files as to how many solicitations were sent out. Ms. Barrientos responded that she could do it and bring the information. Chairman Ceballos mentioned that what Commissioner Dr. Rodriguez was asking as the tally for the scoring criteria, so Ms. Barrientos might be able to pull out the RFP. Ms. Barrientos mentioned that she will do that. Chairman Ceballos mentioned that they will move on and bring the item back.

- C. Discussion and possible action to award a Quote for Small Purchase (QSP) for the Public Housing Physical Needs Assessment (PNA) reports and authorize Executive Director to negotiate and/or contract with the firm, as recommended by staff.

Ms. Barrientos presented to the Board and stated that they solicited a quote for the Small Purchase for the Public Housing Physical Needs Assessment reports and they got three respondents: A E & I Consultants, MG and Terracon; they will need to do a physical needs assessment for Colonia Guadalupe, Ana Maria Lozano, Carlos Richter, Senior Home, Meadow Acres, South Laredo, Farm Labor and Asherton and mentioned they had the tabulation in the packet. Commissioner Ms. Guerra mentioned that it was a big difference. Chairman Ceballos mentioned that they had the quote and they did not have any other criteria, so they will have to award based on the price. Ms. Barrientos confirmed and mentioned that they all are experienced and that they had used AE & I Consultants before with the RAD properties doing the physical needs assessment and also in prior years. Chairman Ceballos asked Bulmaro if it was the same group that did Senior Home. It was mentioned they were not, so Chairman Ceballos who the group was. Bulmaro mentioned that A E & I was the group that

helped with the RAD conversion for Russell Terrace. Chairman Ceballos asked if they are doing Russell Terrace also. Bulmaro responded that they did Russell Terrace and they also helped with the one for Meadow Acres and Meadow Elderly.

Chairman Ceballos asked Ms. Mata if they were doing it because they want to get an assessment. Ms. Mata responded that they want to get an assessment because typically they have been doing it every five years and stated that the last Physical Needs Assessment they have on file was done in 2009, so it is well overdue and that way they can assess the facilities. Vice-Chairman Dr. Garza stated that there is such disparity between all three of them and his concern is that what \$73,300 is offering them that \$19,000 is not. Bulmaro mentioned that he had not seen the proposal, but said that the one Ms. Mata was referring to that was done in 2009, he believes it cost around \$14,000 back then. Commissioner Ms. Guerra asked if he approved their performance back then. Bulmaro confirmed. Vice-Chairman Dr. Garza asked if they were adding to the price depending on the number of people needed to do the assessment. Ms. Mata mentioned that they submitted according to the evaluation of the work needed to be done and gave a final number and they do not necessarily have a breakdown of how they are charging; it is just the amount. Vice-Chairman Dr. Garza asked if they know how much personnel would be involved. Bulmaro responded that they normally send two or three guys to do different inspections of the property, one to do the mechanical electrical, one to do just the envelope of the buildings, so Vice-Chairman stated that each have their own area. Bulmaro confirmed.

Commissioner Dr. Rodriguez mentioned that she noticed MG was the only one that did not break down the rates by properties and wondered if it was to say that they did a fair analysis. Ms. Barrientos mentioned that they provided the units of each project, so on the scope of work it tells exactly how many units for each project they will be assessing. Commissioner Dr. Rodriguez stated that she did not understand how one company could charge a fee of \$2,000 or \$3,000 versus \$10,000 - \$13,000 and if there were any specific details behind that justification on the rate. Ms. Mata mentioned that not that they submitted, but previously what they had seen on another type of testing is that they might have a local firm that does the testing or the gathering of the testing material and then they have to send it out to a lab separate from theirs so they incur a third party charge and a lot of times that increases the quote. Chairman Ceballos mentioned that AEI office is in Boston, but they have someone in San Antonio and wondered if he was confusing the firm. Bulmaro mentioned that it was Raba Kisdner from San Antonio that did Senior Citizens Home.

Chairman Ceballos asked Ms. Mata if she felt comfortable that the scope of work is clear. Ms. Mata responded that she did and also that she feels comfortable with the recommendation as well for AEI and stated that she worked with them personally during the RAD conversion and stated that she cannot say the same for the rest of them, but they were all given the same information and added that she feels comfortable with the rate they are receiving and the work they have done. Vice-Chairman Dr. Garza mentioned that he was looking at the numbers back to back for AEI and Terracon and for example for Asherton AEI is charging \$1873 and Terracon

charges \$6,400 and it is so high for all of them. Chairman Ceballos mentioned that Terracon is one of the pricier firms; they are very good, but they are pricy and stated that they used them in Russell Terrace for testing and they are very good, but just their travel is expensive and said that a lot of the specialized testing and expertise will have to be out of San Antonio. Mr. De Anda asked what he meant by very good. Chairman Ceballos stated that their engineering is specialized, they have forensic issues, or rain issue, or air issue, they have specialized teams that focus on that and have engineering degree that specializes in that and they have specialized laboratories and people here do not sign off on anything that is specialized; it would go San Antonio whether it would be designing a sidewalk to designing or evaluating a system, so beyond his comments he wants to make sure they feel comfortable that they will actually going to do a full scope of the evaluation and mentioned that they are much cheaper and it could be that the people know HUD and the price is based on their system and stated that he does not know because he has never worked with them.

Commissioner Dr. Rodriguez moved to approve AEI as consultant for the Public Housing Physical Needs Assessment (PNA) reports.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

- D.** Discussion and possible action to award plumbing contract for the Russell Terrace Revitalization Project in reference to Request for Proposal (RFP) No. 170401-2, as recommended by staff.

Jennifer Barrientos presented to the Board and stated that they opened the RFP for the units left over for the plumbing at the demolition site for the plumbing trade and mentioned that they had two bids: Hilario Gonzalez and Orozco Plumbing and said that he attached a breakdown of the pricing. She stated that Hilario Gonzalez is lower and mentioned that there is pending work for 15 units that had been started already, but need to be finished to be completed and he bid \$67,900 and Orozco did not bid for the 15 pending and even with the 15 pending and the price that he is coming to for the duplex plumbing, the rest of the units are 33 units, he is still lower than Orozco. Chairman Ceballos mentioned that he understands this is for the partial that he is available for work and they will re-bid as they go on or whether it will cover the entire project. Ms. Mata mentioned that it covers the rest of the project.

Chairman Ceballos asked if they feel comfortable that they will not have to change. Vice-Chairman Dr. Garza mentioned that Mr. Gonzalez is doing the work and should be added 66 more units. Ms. Mata confirmed and said it was 33 duplexes. Vice-Chairman Dr. Garza asked if they thought Mr. Gonzalez would be able to finish. Chairman Ceballos mentioned that it was basically the same question if they entertained action it would give him the ability and once they award it he gets the whole deal which is what he had before and mentioned that it would be however Ms. Mata would want to do it because obviously she was recommending Mr. Gonzalez who is already doing the work and he is doing ok. Ms. Mata mentioned that he is doing a good job and based on the prior Board authorization for them to be able to

spend the \$250,000 on the item and mentioned that they reached that limit; therefore, they need to award the rest of it and they can award it partial and she would be comfortable with awarding part of it and having the ability to introduce a second plumber maybe just to facilitate the speed at the project. Chairman Ceballos mentioned that it is entirely up to Ms. Mata how she would want to recommend it and if she would want to have the option to switch or add another plumber she would not be able to do it the way it is; she would have to cancel the contract and bring it back, so however Ms. Mata would want to do it and stated that for him he is fine because he is doing good work to give him the whole work, so however she wants to do it. Commissioner Ms. Guerra mentioned that he has capacity. Vice-Chairman Dr. Garza mentioned that he was fine with him too, that he is just concerned whether he would be able to finish on time and asked if he is doing his work on a timely fashion. Chairman Ceballos asked Bulmaro if he could talk about quality and time. Bulmaro mentioned that Mr. Gonzalez is doing good work and in a timely fashion, but his concern is the speed they need and said that Mr. Gonzalez is able to work in three duplexes at a time and they might need to add another plumber just to be sure they would complete and stated that he did not see how the recommendation was written, but he would like to have the option to add.

Chairman Ceballos mentioned that they could do it subject to the director deciding and she could award as they go on and if they decide they need somebody else because he does not have enough speed then they can bring somebody or Ms. Mata could use the 3% threshold the Board gave her, so that way they would not commit him to what is left if he cannot pick up the speed. Vice-Chairman Dr. Garza mentioned that he agreed. Commissioner Dr. Rodriguez asked if they did not need to vote on the additional 15 units which were prior to a previous RFP. Ms. Mata mentioned that it is work that he initiated, but he has broken down his work at each unit into three phases, so he has gone through phase 1, phase 2 and is pending to complete phase three which will put them over the \$50,000 threshold, so they would have to award that. Chairman Ceballos asked if it answered Commissioner Dr. Rodriguez question and stated that they had given authorization for up to \$50,000 and Ms. Mata cannot authorize more work, so she has to bring it back and the only way to bring it back is if it is more than \$50,000 to create and RFP which is what she did.

Commissioner Dr. Rodriguez stated that her second question would be if Orozco Plumbing understood about the 15 units because she noticed they did not bid and wondered if they knew they were part of the whole bid. Vice-Chairman Dr. Garza asked if those 15 units belonged to a prior bid he got and are pending. Ms. Mata confirmed. Commissioner Dr. Rodriguez mentioned that no bid was provided for the 15 units. Chairman Ceballos mentioned that they were not competing for the 15 units because they had already been awarded, so Chairman Ceballos stated, for the record, that the 15 units are not part of the RFP, those were prior awarded competitively through procurement. Chairman Ceballos mentioned that Orozco does good work, but his price has been unable to compete unfortunately and mentioned that he thinks he is doing some work, but not Russell Terrace. Ms. Mata confirmed.

Chairman Ceballos moved to approve the award to be awarded at the discretion of the Executive Director at the intervals based on progress and for her to have the discretion to make changes to retain a separate plumber competitively if need be. Commissioner Ms. Guerra seconded the motion. Motion carried unanimously.

- E. Discussion and possible action to ratify payment for audit services for Fiscal Year Ending March 31, 2018, by Garza Gonzalez & Associates, in the amount of \$116,041.00.

Jennifer Barrientos presented to the Board and stated that on July 20, the Board of Commissioners approved to extend Garza Gonzalez and Associates to conduct the independent audit services for an estimated \$84,000, but when they got the bill she stated they got four bills and said that the first three were for last year and then they gave them a final bill for \$32,941.00 and adding the total of the bills, it comes out to \$116,041 and she wants to ratify the whole amount. Attorney De Anda asked if there was additional work that they gave them that caused that increase. Ms. Barrientos stated that they looked more specifically into the books, the corporations, the amps and everything, so it was more work. Attorney De Anda asked Ms. Barrientos if she had asked them to do more work. Ms. Barrientos responded that it was part of the audit. Chairman Ceballos asked if last year they had paid around \$80,000 as well. Ms. Barrientos responded that she would have to check because she thought it was a little higher than \$80,000. Chairman Ceballos asked Ms. Barrientos if she feels everything was properly earned or if she just wanted to inform the Board. Ms. Barrientos confirmed and stated that she wanted to inform the Board since it was higher than the Board had approved for.

Chairman Ceballos mentioned that when they come back because they are going to discuss this, one of the things is that they are not going to leave it open ended for additional work; they are going to cap not to exceed so much and they would have to sign it because they cannot have it open. Vice-Chairman Dr. Garza mentioned that \$116,000 was a little too much money and asked if they had provided information as to why they were charging the additional amount. Ms. Barrientos stated that she had asked them with the last bill, but they still had not sent her anything and mentioned that the person that would usually breaks down the information was not available due to a death in the family, he was out of the office and Ms. Barrientos stated that she was not sure if he was the only one that could give her that information. Chairman Ceballos stated that Ms. Barrientos' diligence will force her to collect that information before she pays, that she is not going to pay unless they show her what they did. Ms. Barrientos responded that they had already paid, but they could ask for a reimbursement because it was a prior period expense and they had to have it in the books.

Chairman Ceballos mentioned that they had an unclear issue. Ms. Mata mentioned that she had brought it up during their meeting earlier in the week and stated that they had discussed the fact that the contract was signed for \$84,000 for the audit

services and their response to that was that there were additional accounting services that were done at the end of it and then again it was part of the miscommunication that occurred the previous year.

Chairman Ceballos moved to accept ratification of the payment of \$116,041 as requested by staff

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

Chairman Ceballos asked Ms. Mata that she will make sure the issue will be discussed. Ms. Mata confirmed and stated that moving forward they will be separating everything that is outside the audit services to have the true cost of what audit service was and if they require additional services from them, those will be billed under a separate authorization of the contract. Chairman Ceballos mentioned that it is very super micro managing, but said that he would suggest Ms. Mata would tell them before that it is the summary of the report they want as to what they did by week or by month or whatever as opposed to just the invoice they gave them.

- F. Discussion and possible action to ratify the Russell Terrace Resident Relocation services provided by Vartta Group Svc's DBA Wee Move Movers in the amount of \$27,375.00, as recommended by staff.**

Ms. Barrientos presented to the Board and stated that they solicited moving companies for the residents at Russell Terrace while doing the demolition so they could move them from house to house and said that they did two and then the final one and in the past they would see the breakdown of who they contacted and stated that they are using the Vartta for the first round for the 55 hours that was awarded to them and the 120 hours they also awarded to Vartta and for the 180 hours they are also recommending to award to Vartta who provides a bigger and larger moving truck, a 26 ft. moving truck and the Handsome Muscle Movers provide a 16 ft. moving truck which Ms. Mata mentioned was relevant because it requires more time to move the tenant and Ms. Barrientos mentioned that sometimes they would charge additional. Chairman Ceballos asked Ms. Barrientos to explain why they were ratifying it, why it was coming back to them. Ms. Barrientos mentioned that because it goes over the \$15,000.00 for that one vendor with the whole total it is \$27,375.00. Chairman Ceballos asked if it needed to come back. Ms. Barrientos responded that they have not finished the 180 hours and they will need to come back and do an RFQ again and invite them to bid and other competitors and if it goes over the \$15,000 they will bring it again.

Commissioner Dr. Rodriguez moved to approve the item as presented.

Commissioner Ms. Guerra seconded the motion.

Motion carried unanimously.

- G.** Discussion and possible action to authorize the newly hired Executive Director to obtain an agency credit card in her official capacity with a credit amount to be determined by the Board of Commissioners, for agency travel and business purposes.

Chairman Ceballos asked Ms. Mata what the previous amount was and if that amount still works. Ms. Mata responded that it is \$10,000.00 and that it still works. Ms. Barrientos mentioned that they were bringing it back to the Board only because Ms. Barrientos went to talk to the Bank to try to change the previous Executive Director's name on the credit card to the new Executive Director, but they have to close the account since she was the primary account holder, so they had to close it and re-apply again. Chairman Ceballos asked again if it was working ok. Ms. Mata responded that it works fine because she said that any expense they make Ms. Barrientos make the payments and they always have a balance available.

Chairman Ceballos moved to approve the item as presented.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

- H.** Discussion and possible action to authorize Executive Director to proceed with RAD conversion requirements related to Meadow Acres Phase II (Meadow Acres & South Laredo), as recommended by staff.

Ms. Mata presented to the Board and mentioned that back in 2015 the Board authorized an application for RAD conversion for that property which consists of Meadow Acres and South Laredo and mentioned that they submitted the application and they received a charter letter from them approving the application, however, they are pending to finalize the submission including the financing plan to go through with that conversion, so Ms. Mata is asking authorization for them to continue to review something that they want to pursue and if it is and they find that it is beneficial for the Housing Authority to convert those properties into the RAD program that Ms. Mata be authorized to be able to submit any required documents and stated that they have a financing plan that needs to be submitted by July 6 if they choose to continue with it, so Chairman Ceballos mentioned that they do not know yet if it is financially; they are just beginning to study that. Ms. Mata confirmed. Chairman Ceballos mentioned that if they decide that it would benefit the Agency, it allows them access for several things and one of the things is that it allows access to the Reserves to be used to improve the property or leverage to finance and it would be a matter of looking at their net income based on tenant rents. Ms. Mata mentioned that Ms. Barrientos has already started to conduct that analysis.

Chairman Ceballos moved to approve to authorize Item 11H as recommended and to submit in the best interest of the Housing Authority considering their financial interest and the tenant's interest as well and to bring it back to the Board.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

- I. Discussion and possible action to approve the establishment of an Employee Recognition Program to promote and sustain exemplary employee performance and positive morale.

Chairman Ceballos mentioned that this items had originated from him some time back and mentioned that he thinks is the right time for it and stated that once they create the policy it will be handed to the staff and he said he would go through some highlights; it will basically create a process to recognize an employee based on customer service, innovativeness, leadership, performance and growth, exemplary team member and for staff to set up a committee that looks at diverse committee of all the categories of employees and board members have an option to be in the committee, up to two, non-voting, so if they would like to participate and be part of it, but it is essentially a staff geared committee, by lottery and stated most of it came from him, although, he got staff to give him feedback and mentioned that they are welcome to change it or approve it and stated that he would like to start it because it has been in the back burner since last year in the summer. Commissioner Ms. Guerra asked what he meant by lottery. Chairman Ceballos mentioned that the HR person will make sure that each category of employees from maintenance to administrator has an opportunity to be on the committee and they get randomly selected, so if they have 15 maintenance people, one of their category will sit and select based on submission of nominations an employee that is deemed deserving of some sort of recognition based on the categories. Vice-Chairman asked if they were for a lottery to be on the committee or a lottery to be recognized. Chairman Ceballos responded that it would be a lottery to serve on the committee and the selection will be based on the nominations that are received, so if there are four peers, they will nominate one and there will be a form that will be used and then that committee will sit, decide and select. Commissioner Ms. Guerra mentioned that anybody can nominate anybody. Chairman Ceballos confirmed and stated that one trivial part is that it is easy to communicate at the top, but the lower tier staff, it would be the job of the HR person to make sure that there is enough notification that they are coming up to submit.

Commissioner Dr. Rodriguez mentioned that it is a great thing to do to always recognize employees and asked if as part of the recognition they could give personal days off additional than what the City allows because where she works they cannot give additional personal days, so she is asking if it adheres to the local City requirements, and it is not that she is against it, but she does not want to violate anything that the City does not allow and also asked about the \$75.00 which she knows it is not coming from federal and again she mentioned that she is not opposed to it, she is just making sure it does not violate any of the local or if they have to use other appropriate funds that are not in any violation to the local or federal regulations.

Chairman Ceballos mentioned that he ran it through Attorney Poneck, but he thinks they can get an opinion specific on the document on her two questions and stated that Mr. Poneck cleared the policy and gave them his recommendation to keep it ongoing and Chairman Ceballos thinks it is a great recommendation, but they can get

those on a documented opinion, both of those, because they cannot have a gift of funds. Commissioner Dr. Rodriguez mentioned that it was the reason she was asking because she wishes she could, but she cannot because her attorneys told them they could not. Chairman Ceballos mentioned that all came from him, but if Attorney Poneck renders an opinion that allows it they can use it, but if he says they really should not; then, they will pull it out. In reference to No. 2 LHA goodie bag Chairman Ceballos mentioned he added it to be used in the workplace and added that they can document those two questions and get a legal opinion on those. Vice-Chairman Dr. Garza asked where exactly the marked parking space would be and what happens to someone that parks in that space. Chairman Ceballos mention it would be something staff would have to figure out. Ms. Mata confirmed and stated that it also depended on who the recipients of the award are it could be a different locations, not necessarily designate one spot here because they will not necessarily be here.

Chairman Ceballos stated that, in retrospect, the other piece that is missing is that it has to be entirely voluntary so that nobody feels like running them through some process that even if they give them recognition some people do not want to be, so it has to be entirely in the nomination form that the person accepts and also mentioned that he does not want the spirit of it to become negative and said that they have to ask those questions. Vice-Chairman Dr. Garza asked if they could look back at #3, the \$75.00, if it had to be a lunch or dinner, if it might be a gift certificate too. Chairman Ceballos mentioned that there has to be more clarity and mentioned that he did not want to put Mr. De Anda on the spot, but they would have to research it, so they will meet together for sure. Commissioner Dr. Rodriguez mentioned again that she was not opposed to it and stated that she appreciated all the staff. Chairman Ceballos mentioned that it has to be in conformance, otherwise, they could get in trouble.

Vice-Chairman Dr. Garza asked in reference to the types of awards; customer service award, innovation award, leadership award, and asked if based on who get chosen if it would be one award each time. Commissioner Ms. Guerra mentioned that it would be depending on the merits and that they will not give five awards each quarter. Chairman Ceballos mentioned that it is a takeoff and as the committee learns maybe there are gaps and maybe they will stick to customer service because that is where they grow. Vice-Chairman stated that customer service could be in any department because they need to cut the grass, they need to make sure the buildings are in order and that everything is fixed, so it is customer service in a sense.

Chairman Ceballos mentioned that his biggest worry is that maintenance and the lower tier staff does not get nominated because they are not in an office, near a computer or near a phone and maybe their writing skills are not worth. Vice-Chairman Dr. Garza mentioned that he wants to be fair because he feels that they deserve it because it takes the entire village because everybody in the entity is very important. Commissioner Ms. Guerra mentioned that they do very important work. Commissioner Dr. Rodrigues recommended to remove the term customer and just do a service award. Commissioner Ms. Guerra mentioned that maybe they could have a metric of criteria the committee can develop as to what exactly are the points that

would merit a service award or innovation, what specific definitions so that they will know.

Chairman Ceballos mentioned that maybe he did not give them an opportunity to do that, maybe he did not give them enough time to come up with that, the Board has an opinion, but the staff knows about the service. Commissioner Dr. Rodriguez mentioned that the approval of the concept and the procedures is up to the staff. Chairman Ceballos mentioned that one of the tricky parts is that the Director needs to approve on employee recognition approval in good standing, so if they are recognizing someone that perhaps is going through a growth could work both ways because someone that is problematic should not go through the process and HR involvement would kind of help and mentioned that the Executive Director needs to be approving all the process to begin with for that the person to participate. Vice-Chairman Dr. Garza mentioned that they need to be careful because if they approve a growth plan and one may think they cannot participate. Chairman Ceballos mentioned that the Executive Director needs to say the person is ok to participate in the program.

Vice-Chairman Dr. Garza stated, with all due respect, that he did not agree all with that. Chairman Ceballos asked Vice-Chairman Dr. Garza what he would propose. Vice-Chairman Dr. Garza stated that if he was in the growth plan and is being nominated and feels that he is showing improvement on what he has been told to do, so he would feel that he should receive that chance. Chairman Ceballos mentioned that it would be at the discretion of the Executive Director and in fact it is perfect, he should be someone that should go through the system because he is showing growth, so if they look at the category exemplary performance and growth he would be very fitting as a nominee, but if they have someone that has just gone through a reprimand the Executive Director will probably not be able to approve it.

Vice-Chairman Dr. Garza mentioned it would be fine and stated that they just need to be very careful and said that he agrees with Chairman Ceballos, but they just need to be cautious about it and stated that he was looking at the scoring criteria, your sustainability and similar service or performance going forward should rate higher than the event reasoning for nomination and stated that he if being understandable and is doing his work and continuously showing and contributing and what he has to do, he is sustaining and the agency on keeping afloat as a result of that. Commissioner Ms. Guerra mentioned that she was not sure what event detail was, if it refers to what they did. Chairman Ceballos mentioned that they could have all kinds of circumstances, so if they want to level them off or leave it to the staff to do it and stated that he had to give something to the Board at the meeting because he wants it to start, but they can leave it to the committee to finalize that piece of the scoring criteria to pull it out of the policy because he could give them an example and it would be different from a maintenance person to the Section 8 receptionist, but the event could be that somebody went out of their way and prevented an emergency from becoming a huge problem or it could be somebody that went the extra effort and worked through the weekend to produce a report, so it could be so many scenarios, so to adopt the policy, if they feel that the criteria needs more detail they could give

to the staff to develop it, to the HR department to develop it and it would be different with every employee and asked if they would want the growth to work more. Vice-Chairman Dr. Garza responded that it would be whatever Chairman Ceballos would decide.

Chairman Ceballos stated that they could make it all even. Commissioner Ms. Guerra stated that it would be fine. Chairman Ceballos mentioned they could give 60 points to everybody, 20 points to those three categories. Vice-Chairman Dr. Garza stated that he agreed with Chairman Ceballos that they could give it to HR and a group of people can come together and look at the point system. Chairman Ceballos mentioned that sometimes the staff needs to take the opportunity to provide the input so that the Board does not get into the micromanagement and stated that what they could do was to offer that the scoring criteria be developed by staff. Commissioner Ms. Guerra mentioned that also the description of the types of awards as to they would be looking at under each category, like a metric. Vice-Chairman Dr. Garza mentioned that he concurred with Commissioner Ms. Guerra as to what exactly they are looking for and that at the same time they would not want it to narrow it. Chairman Ceballos mentioned that it is very broad and if they want more detail, they can come up with any kind of award within those five categories.

Juan Mendive stated that they could get some feedback and that he has a template of a nomination form that he shared with the HR Manager and thinks that there is more detail on the different awards and mentioned that there is something Ms. Mata provided and they just briefly spoke about the awards they should have and the type of things they want to focus on as an agency strategically like customer service. Vice-Chairman Dr. Garza mentioned that all awards would work and stated that they are all wonderful ideas and the titles are all great. Mr. Mendive mentioned that there needs to be more work and just on the criteria internally the committee has something that they can develop further and break it down exactly as to what would entail qualifying for the customer service award or the innovation award, so that is something that they can do internally as staff and stated that he feels comfortable that they can do it.

Commissioner Dr. Rodriguez moved to approve the establishment of the Employee Recognition Program to promote employee performance and positive morale, however, to review the items in regards to promote the recognition the honoree will receive and to let staff develop a fair system on the ratings of the description of the type of award plus the scoring criteria to be recommended by the staff.

Chairman Ceballos mentioned so that it would be clear, that she was asking for a legal opinion on the items related. Commissioner Dr. Rodriguez mentioned that it was about what the honoree is going to be entitled, which was the personal day and the \$75.00. Chairman Ceballos mentioned that also for the staff to complete. Commissioner Dr. Rodriguez stated that it was basically the types of awards that Commissioner Ms. Guerra brought up and for them to develop a scoring criteria and what the staff recommends

Commissioner Dr. Rodriguez' motion to approve Item 11I as discussed above was seconded by Chairman Ceballos.

Motion passed unanimously.

- J. Consideration and approval of amendment to the Conflict of Interest section of the Personnel Policy (to explicitly prohibit any employee's continued employment if the employee is (1) related, by blood to the 4th degree of consanguinity or by marriage/affinity to the 2nd degree, to any resident or any individual seeking to be a resident and (2) the employee fails to immediately meet formal disclosure and waiver requirements).

Ms. Mata presented to the Board and stated that there is a copy of the Conflict of Interest policy in the packet from the personnel policy and the yellow portion is the portion that they are asking the Board to approve to add as part of the Personnel Policy Conflict of Interest. Commissioner Ms. Guerra asked if there was a specific waiver form that they would sign and submit to Ms. Mata. Ms. Mata mentioned that there is a waiver process that HUD has for people to be able to request approval on those instances and it would be submitted to them and they will get documentation that they approved the waiver or if it is not required they will let them know. Mr. De Anda asked Ms. Mata to tell them again about the disclosure and waiver requirement. Chairman Ceballos asked Mr. De Anda if he could comment. Mr. De Anda confirmed and stated that they can avoid being removed from the job if they submit a formal disclosure and waiver. Ms. Mata mentioned that are forms s that they will be developing internally to have them submit and formally disclose any conflict of interest. Chairman

Mr. De Anda asked Ms. Mata to tell them again about the disclosure and waiver requirement to submit. Chairman Ceballos asked Mr. De Anda if he could comment. Mr. De Anda confirmed and stated that it says they can avoid being removed from your job if you submit a formal disclosure and waiver. Ms. Mata mentioned that those are forms they will be developing internally to have them submit and formally disclose any conflict of interest. Commissioner Ms. Guerra asked if Mr. Poneck would develop the form. Ms. Mata confirmed and mentioned that they will develop a form and they will have Mr. Poneck.

Chairman Ceballos mentioned to Mr. De Anda that the first section prohibits the continued employment, that there has to be some real good reason. Mr. De Anda mentioned that if one has been working for ten years and an aunt applies, if one submits a formal disclosure and waiver requirement and if it is approved they would be able to continue to be employed. Chairman Ceballos mentioned that it depends on the function of the employee; if he is not directly involved in the department there could be that possibility, but if they are directly involved in the decision making, it would not be allowed. Commissioner Ms. Guerra asked if it is in the policy.

Chairman Ceballos mentioned that the first section says that in addition to the federal, state and local law it is explicitly prohibited to continue employment if there is a

relationship that is the strongest part of that. Commissioner Ms. Guerra mentioned that it does not differentiate from somebody who supervises the program. Chairman Ceballos stated that the federal regulation does that. Mr. De Anda mentioned that it says that an employee cannot work for the Agency if the employee is related to a resident and fails to meet the formal disclosure and waiver requirements and as an example Mr. De Anda mentioned that if it is a maintenance worker and an aunt is applying, obviously it does not have anything to do with it and Chairman Ceballos mentioned, as an example, that he would not know, so at the point that he finds out that is when he would have to disclose it. Mr. De Anda mentioned that it seems to him that they need to spell out the waiver requirements and stated that they need to say that an employee shall not have a relative living in the Housing Authority and said that if he is a maintenance worker he would not have to worry if one of the relatives or extended family apply, but if he works in finance or if he works with the waiting list. Chairman Ceballos mentioned that it is what it would do, it will actually create that disclosure, so they would disclose it and if it goes through the system and there is no actual conflict; then it gets documented and is fine, but if he works in a department that is assisting his own family it is not going to be clear and it is intended to do that and now the regulation says that there is a waiver process that HUD has established and said that what they are doing is creating the disclosure at the lowest level. Vice-Chairman Dr. Garza asked that if an employee knows of another employee who is or may be related to a resident or an applicant for residency and stated that he knows people that are related to people and they have no earthly idea that they are related, so he asked if they pretend it would be true, what would happen if that would be the case. Chairman Ceballos stated that the regulation says that they determine if they have the ability to influence the process, but if they do not, it would be no problem, it would be ok, but if you are in a department that is going to assist that relative and you knowingly did not disclose it, you have a problem. Vice-Chairman Dr. Garza mentioned that his question is that they had no idea they were related, so they would be ok. Chairman Ceballos mentioned that they should disclose it, that it is the key issue and stated that they have ongoing departmental issues which is why it is being brought to the Board and mentioned that it was written by Mr. Poneck and the staff will have more information coming as it relates to it and stated that it is an opportunity to clarify whatever needs to be clarified.

Commissioner Dr. Rodriguez moved to approve the Conflict of Interest Section of the Personnel Policy.

Chairman Ceballos seconded the motion.

Motion passed unanimously.

Vice-Chairman Dr. Garza asked if they were ready to second the motion and if they had a clear say so going back to what Mr. De Anda had mentioned and asked Mr. De Anda if there should be more clarification. Mr. De Anda mentioned that it would be easier for employees if they knew and if you are an administrator, they need to carry it to make sure, but if you are not an administrator, but a maintenance worker for example. Chairman Ceballos mentioned that are a couple of things that are legal issues that the does not want to discuss and asked if they would want to take the item

to executive session they could do so. Vice-Chairman Dr. Garza and Commissioner Ms. Guerra mentioned they would like to. Chairman Ceballos mentioned that they have a department that unfortunately, has issues with relatives being assisted where employees are in that department and residents are being assisted knowingly and it has a public impact how they deal with the safeguards for the employee and for the tenant; it has implications both administratively and legally, so they can roll it as another item into executive session.

Mr. Juan Mendive wanted to make a comment that the way he reads it in regards to the employee if they knowingly knew that their relative is assisted and stated that if an employee has a cousin who is a resident and he does not know and based on that he failed to disclose it and the reason is because he did not know they were living in housing, so by reading those two sentences in the clauses it would seem that his employment would be terminated. Mr. De Anda mentioned that he would have to show that he knew. Chairman Ceballos mentioned that there is a process so that nobody panics and mentioned that it says may, so that when they submit a form it is going to be reviewed by staff and it is going to be reviewed by the Board and it will be established if the nature turns into HR and said that one of the other things is that if they put knowingly and said if he were on the other side, to debate it he would say that he did not know, so they will put may and if somebody discloses it, it will say by the administration and by the Board and nobody is going to know and stated that the determination says may and stated that they could discuss it more fully.

Chairman Ceballos stated that there was no action on Item 11J and stated that they will take 11J and 11B to executive session and asked Mr. De Anda about the parliamentarian to detract a motion. Mr. De Anda mentioned that they will detract it and that way they leave it open, so Commissioner Dr. Rodriguez retracted her motion and Chairman Ceballos detracted his second and stated that there was not action to be taken.

- K. Discussion and possible action seeking approvals to allocate funding and initiate building design and construction of the BiblioTech and afterschool program conversions for A. Maria Lozano, Carlos Richter & Russell Terrace.

Ms. Mata presented to the Board and stated that in an effort to expand the BiblioTech initiative she mentioned that in previous meetings they had presented a photo type of what they were looking at for Ana Maria Lozano and are now at the point of allocating some funds so that they can continue the expansion of the initiative at the three properties being Ana Maria Lozano, Carlos Richter and Russell Terrace. Chairman Ceballos asked if they had something to establish the cost and if they are integrating the staff and also if they would be using Project Reserves for Ana Maria Lozano, Project Reserves for Carlos Richter. Ms. Mata confirmed and then Chairman Ceballos asked about Russell Terrace. Ms. Mata mentioned that part of it will come from the construction and said that they have some money allocated for the office building for site improvements and they would have to finance the rest of that conversion. Ms. Mata presented them with the probable cost for Ana Maria Lozano and stated that

they anticipate Laredo with some funds that District V will be allocating and they are still working through that to get an MOU in place for those funds as well. Commissioner Dr. Rodriguez asked if they have a projected cost for the other two projects. Ms. Mata responded that for Carlos Richter and Russell Terrace Ms. Mata mentioned that they are still on the design phase of it. Vice-Chairman Dr. Garza asked that when she is talking about the construction cost if she is talking about the building of everything. Ms. Mata responded that it would be the building and the re-design of the interior. Vice-Chairman Dr. Garza asked what they will be using to re-design the space already being used as computer center. Ms. Mata mentioned that there will be some redistribution of that area. Commissioner Ms. Guerra asked if operations included personnel and if it is a per year cost. Ms. Mata mentioned that it was a yearly cost. Vice-Chairman asked how many people in operations, if it was just one. Ms. Mata responded that it is two plus any operations incurred from the property and said that not all of that is salary. Commissioner Ms. Guerra asked if it was supplies. Ms. Mata responded that it was the supplies, the fax machine and any services that they have coming out of it. Commissioner Ms. Guerra asked if tablets too. Ms. Mata confirmed. Chairman Ceballos mentioned that they have two part-timers and mentioned that the City was also participating and asked with how much. Ms. Mata responded that the City is contributing \$165,136.00 to Ana Maria Lozano. Commissioner Ms. Guerra asked if it was through a particular Council person. Ms. Mata responded that it was District V Councilwoman Nelly Vielma. Chairman Ceballos mentioned that it was just for Ana Maria Lozano and asked Ms. Mata that they are asking approval for funding to initiate building design and stated that they know the funding required for Ana Maria Lozano, so Ms. Mata will bring back the information for Carlos Richter and Russell Terrace. Vice-Chairman Dr. Garza asked who the Councilwoman is. Ms. Mata responded that it is Nelly Vielma. Chairman Ceballos stated that she did a good job allocating those funds. Ms. Mata mentioned that when they presented to the City Council, they had interest from the other council members as well, so once they have the designs in place they will reach out to them because they already showed interest in wanting to meet regarding the sites at their district. Commissioner Ms. Guerra asked which districts those would be. Ms. Mata responded that it would be District II and VI, so they will be reaching out to the council member for Carlos Richter. Chairman Ceballos asked Ms. Mata to repeat for the record how she wants the amounts to be established and asked if it would be \$399,148. Ms. Mata mentioned that it would be from Reserves. Chairman Ceballos mentioned that it would be minus the \$165K from the City. Ms. Mata mentioned that it would be \$234K in Reserves. Vice-Chairman Dr. Garza asked if the \$234K would also be used for Ana Maria, Carlos Richter and Russell Terrace. Ms. Mata responded that it would be solely used for Ana Maria Lozano. Vice-Chairman Dr. Garza asked about Russell Terrace. Ms. Mata responded that they are still in the design stage, so it would be brought back to the Board.

Commissioner Ms. Guerra moved to approve Item 11K as presented by staff.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

- L. Discussion and possible action to approve the certification of the Section 8 Management Assessment Program (SEMAP) for the Fiscal Year ending March 31, 2019, as recommended by staff, and authorize Executive Director to submit the SEMAP Submission Certification to the U.S. Department of Housing & Urban Development (HUD) and adopt Resolution No. 19-R-8.

Bertha Galvan, Interim Director for Section 8, presented to the Board and stated that she would like to present and ask for authorization from the Board to submit the SEMAP certification for Fiscal Year ending March 31, 2019 for the HCV and PBA programs and mentioned that after reviewing the 14 required indicators they will be getting 140 out of the 150 possible points scoring a 93% and they will be expecting to be rated as high performers. Chairman Ceballos mentioned that it has been a lot of work and thanked everybody and all the departments that helped with it. Ms. Mata mentioned that she wanted to thank the staff for the work they did and stated that she knows that they had some late nights putting together the SEMAP certification which takes a lot of information that needs to be pulled out of the files to put the information together and is happy to report that they will be high performers.

Chairman Ceballos moved to approve Item 11L as presented by staff to submit the certification.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- M. Discussion and possible action to review and approve amendment to the Operating Budgets for fiscal year period ending March 31, 2020, for the Housing Authority of the City of Laredo and adopt Resolution No. 19-R-9, as recommended by staff.

Jennifer Barrientos presented to the Board, provided some revisions to the Board and stated that with the recommendations last time they brought it to the Board they changed the COCC positions and some of the positions went into CFP and the AMPs and Section 8, so with that being balanced they went over the wish list with all the AMP Managers to see what would be approved and mentioned that the only one that does not have a wish list that could be approved is AMP 5 because they do not have enough money, but they wanted to ask if maybe they would have the CFP 2019. Chairman Ceballos asked which is AMP 5. Ms. Barrientos responded that it is South Laredo and Meadow Acres. Chairman Ceballos mentioned that they have a cash flow of \$13K. Ms. Barrientos mentioned that the majority of the wish items that they want is roof shingle replacement. Chairman Ceballos asked which AMP was the one that converted. Ms. Barrientos responded that it was Meadow Elderly and said that what they want at South Laredo they want the roof shingles and remodel of the countertops and stated that they confirmed with the foreman at the property and mentioned that at Meadow Acres they are asking for fencing, remodel of kitchen countertops, asphalt in the parking area and the office, removal of shrub trees and tree trunks and the main entrance door knobs. She mentioned that they do not have enough money to purchase those items and stated that the 2019 funding that was released by HUD they have additional funding, so maybe they could use some of that

money for their wish list items. Chairman Ceballos asked how much it would be. Ms. Barrientos responded that she would have to verify, but that it was probably a little more than \$100K and they will have to bring it to the next Board meeting. Chairman Ceballos mentioned that they are having a needs assessment done and asked Ms. Mata if she wanted to wait until they have the needs assessment is completed. Ms. Mata responded they could wait until the needs assessment is completed. Commissioner Ms. Guerra asked when they would have the needs assessment. Ms. Mata stated that once they sign the contract she believes they have 60 days. Ms. Barrientos mentioned that the fiscal year barely started in April and they have until March 2020. Chairman Ceballos asked them if Alfonso Herrera had an opportunity to review the items. Ms. Mata responded that he had not. Chairman Ceballos mentioned that in reference to Farm Labor, he did not see the window siding there and he would say it is one of the priorities that needs to be done. Ms. Mata mentioned that Mr. Herrera is still conducting his own assessment of the properties as well. Ms. Barrientos mentioned that they could bring back the budget. Chairman Ceballos asked if the wish list was already plugged in. Ms. Barrientos confirmed, so Chairman Ceballos mentioned that technically they could just agree on the items. Ms. Barrientos confirmed and stated that any revisions they would make they will bring them back to the Board. Chairman Ceballos mentioned that Farm Labor just got inspected, so they would want to make sure that the items that were pick up during the inspection are addressed and asked Ms. Mata how she would want to handle it. Ms. Mata recommended to approve the budget as is being presented and if there is a need to any change any of the items once they have the physical needs assessment they could make those changes and bring them back to the Board and mentioned that as Ms. Barrientos had mentioned that the items had already been plugged in to the budget and are balancing and stated that the only one they will require for authorization for reserves is AMP 5. Ms. Barrientos mentioned that it would be Farm Labor only and that for AMP 5 they can use the 2019 CFP, but they can wait on that until they get the physical needs assessment. Chairman Ceballos mentioned that they have enough expertise to get ahead of the needs assessment and to just let him know to get it reviewed.

Commissioner Dr. Rodriguez moved to approve the item as presented and if there are any addendums that need to be made in the future to bring them back to the Board.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- N.** Discussion and possible action to approve hiring recommendation by the Executive Director, for any management positions requiring Board consultation. This item may be discussed in closed session pursuant to Texas Government Code, Section 551.074.
- O.** Discussion and possible action to ratify Executive Director Employment contract. This item may be discussed in closed session pursuant to Texas Government Code, Section 551.074.

12. 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).

Chairman Ceballos stated that they will take Items 11A & 11J into executive session. Attorney De Anda mentioned that those items would be in executive session under personnel matters and also consultation with legal counsel.

Chairman Ceballos moved to go into executive session. Ms. Barrientos mentioned that to clarify it would be 11B instead of 11A. Chairman Ceballos stated that to clarify it would be Items 11B, 11J, 11N & 11O.

Commissioner Anita Guerra seconded the motion.

Motion passed unanimously.

Chairman Ceballos called the Board of Commissioners, Attorney Mr. De Anda, Ms. Mata, and Jennifer Barrientos for the audit discussion into executive session.

The Board went into executive session at 5:00 p.m.

The Board reconvened from executive session at 6:04 p.m.

Chairman Ceballos stated that no action was taken in executive session.

Chairman Ceballos mentioned that on Item 11B for the Request for Qualifications (RFQ) No. 190401-1A, Annual Audit Services he would ask Ms. Mata for her recommendation. Ms. Mata mentioned that they recommend the Board authorize them to award Garza, Gonzalez and Associates for the Annual Audit Services. Commissioner Ms. Guerra mentioned with the recommendations on the contract. Ms. Mata mentioned that it would be as specified in executive session.

Chairman Ceballos moved to award Item 11B to Garza Gonzalez and Associates with the condition that they establish quarterly reviews and not to exceed items for all work done so that they will know what they are budgeting and Ms. Mata will negotiate.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

On Item 11J consideration of approval to the amendment to the Conflict of Interest Section.

Vice-Chairman Dr. Garza moved that they amend the conflict of interest section of the personnel policy as presented and adding that any conflicts be reported and any submissions be reported to the Board on a monthly basis.

Chairman Ceballos seconded the motion.

Motion passed unanimously.

On Item 11N discussion and possible action to approve hiring recommendations Chairman Ceballos asked Ms. Mata to make her recommendations. Ms. Mata mentioned that for the Director of Finance she recommends Jennifer Barrientos and for the Section 8 Administrator Ms. Mata recommends Melissa Ortiz.

Chairman Ceballos moved to approve Item 11N as recommended by the Executive Director.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

On Item 11O Chairman Ceballos moved to ratify the Executive Director employment contract.

Chairman Ceballos moved to ratify the employment contract with the changes as discussed in executive session.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed.

13. ADJOURNMENT:

Chairman Ceballos moved to adjourn.

Commissioner Anita Guerra seconded the motion.

Motion passed unanimously.

Meeting adjourned at 6:08 p.m.



Jose L. Ceballos, Board Chairman



Alma D. Mata, Executive Director