

**Housing Authority of the City of Laredo**  
Regular  
Board of Commissioners Meeting  
LHA Board Room  
2000 San Francisco Ave.  
Laredo, Texas 78040  
Thursday, December 20, 2018  
11:15 a.m.

A-18-R-9

Minutes

December 20, 2018

---

1. **CALL TO ORDER** Chairman Ceballos welcomed everybody present and called the meeting to order at 11:23 a.m.
2. **PLEDGE OF ALLEGIANCE** Chairman Ceballos led them in the recital of the pledge.

**ROLL CALL AND DECLARATION OF QUORUM** Ms. Mary Gaona, Executive Director, proceeded with roll call.

3. **Commissioners Present**

**Commissioners Absent**

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

Marcela Alvarez, Commissioner

Ms. Gaona, mentioned that Commissioner Marcela Alvarez, who is not present, did not respond to e-mails. Chairman Ceballos stated that they had a quorum.

**Staff Present**

Mary Gaona, Executive Director  
Bertha Galvan, Interim Director of Section 8  
Monica Rivera, Property Manager  
Esmie Leyva, Property Manager  
Denise Guzman, Property Manager Assistant  
Sandra Barrera, Property Manager Assistant  
Manuel Hernandez, Property Manager Assistant  
Bulmaro Cruz, Project Specific Manager  
Esmeralda Martinez, Property Manager  
Melissa Ortiz, Director of Compliance and Quality Assurance  
Sara Vicharelli, Leasing Specialist  
Tomas Martinez, Facilities Specialist  
Jennifer Barrientos, Interim Finance Director  
Roberto Peña, Director of IT  
Alma Mata, Interim Director of Community & Economic Development  
Christy Ramos, Administrative Assistant

Leticia Sosa, Office Clerk  
Griselda Resendez, Property Manager  
Juan G. Gonzalez, Executive Administrator  
Attorney Ricardo De Anda  
Attorney Doug Poneck

**Others Present**

Rosie Rios, Central Resident Council President

**4. CHAIRMAN'S COMMENTS**

Chairman Ceballos stated that he would reserve his comments due to some people needing to leave by 1:00 p.m., so he continued with the next item.

**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)

Chairman Ceballos stated that there were none.

**6. APPROVAL OF MINUTES**

A. Approval of minutes for Board of Commissioners meeting on November 2, 2018.

**Commissioner Dr. Rodriguez moved to approve the minutes as presented.**

**Chairman Ceballos seconded the motion.**

**Motion passed unanimously.**

**7. PRESENTATION BY CENTRAL RESIDENT COUNCIL**

Ms. Rosie Rios, President of the Central Resident Council, presented to the Board and stated that it was the end of the year and they were looking forward to the start of the New Year with the new Central Resident Council and said that nominations would take place in February. She also stated that they will organize their agenda the last week in January and then they will hold elections for each of the resident councils to be submitted for approval. Chairman Ceballos mentioned that the BiblioTech Program is of the utmost importance for next year for the Colonias that are waiting for that program and recommended that she would report the information to the Central Resident Council and the residents. Ms. Rios mentioned that Jessica Martinez had provided a presentation to all the colonias, which the children had been reading and enjoying and also stated they were waiting on a tour that had been planned which she said will probably start in January. Chairman Ceballos mentioned that the architect would be starting on the model for the Colonias which would be a little different due to the difference in the buildings, but it would still be something more modern and will have more academic programs for the children. Ms. Rios stated that everything

for the children is welcomed and said that they were willing to support in whatever would be necessary and thanked them for the Christmas event that was provided for the residents. Chairman Ceballos expressed good wishes during Christmas and the New Year for the residents on behalf of the Board.

## **8. PRESENTATIONS (No Action to be taken)**

### **A. Executive Director's Report**

Chairman Ceballos stated that it was a very complete report and mentioned that they had added some items and asked Ms. Gaona to provide the highlights. Ms. Gaona mentioned that there had been some new hires. Mr. Juan Gonzalez, Executive Administrator, had come in and had already been with the Agency for over a month and that there were some vacant positions they would need to address and said that Ms. Barrientos would provide information on the financials. Ms. Barrientos mentioned that they were working on the submission of the audit for March 31, 2018 which they had completed the day before the meeting and were fixing any errors they see and are communicating with the auditors so they can meet the dateline which is December 31, 2018. Ms. Barrientos said that they had a call with the auditors the day before to let them know of any findings they would have in the submission for REAC and they had gone over them in detail. Chairman Ceballos mentioned that he was part of that meeting and asked Vice-Chairman Dr. Garza for comments about it. Vice-Chairman Dr. Garza stated that last time they had submitted the audit three times due to some mistakes and said that he hoped it would not happen again this time. Ms. Barrientos mentioned that it was their goal when she talked to Mr. Mendoza, the auditor who said he would go over it carefully, so they would not have a rejection.

Chairman Ceballos mentioned that the auditor had copied him on an e-mail to Ms. Gaona during the week and Chairman Ceballos had joined them on a conference call and stated that there would be findings, all of them on the finance area, the same findings they had last year and it covers the period from March 31, 2018 which is the last completed fiscal year and said that they added another item which might not end up being a finding, but it is a resident participation contract which in the past it was a contract that distributed funds and stated that there were issues apparently on how the staff was booking inter funds and particularly the non-profit accounts on how they were posting the cash balances and according to Ms. Gaona they were posting going back to 2012 and everything in between and they are the same issues that appeared in the last report having to do with timely reconciliations and it has to do directly with cash balances, so if the cash balance on one account was off four years ago, it will be off until it gets fixed and the question he brought up was in reference to where was the auditor when they were trying to clear it up when he started auditing and stated that the auditor explained the complications of trying to correct something in the current year which is what he is looking at and not looking into prior years which is fine, but said that ultimately after this year neither the auditor nor the staff would have any excuse to get the cash positions the way they are supposed to be, so the auditor has indicated in his preliminary report that it is a combination of staff issues and oversight issues in that department and Chairman Ceballos stated, to Jennifer Barrientos and Ms. Gaona's credit who spent a lot of time trying to address it and said that the cash positions are not a new issue, but they take a lot of research by trying to find where they

would be off in those accounts and what happened with the corporations and said that they know what happened, but the bookkeeping or the accounting for that period goes back several years, so ultimately in that conference call they all agreed that after they close it, they are all in agreement that the cash positions represented in the statements will be accurate.

Vice-Chairman Dr. Garza asked if all the information needed was given to the auditor because he mentioned that in the school districts the Superintendent does not give all the accounts that should be given to the auditor, they are kind of hidden. Ms. Gaona stated that they are also given access to the computer software and everything is there. Chairman Ceballos mentioned that in terms of accountability, the comfort level they saw last time was all the funding being in place and all the funding was in place, but it was the way they booked the cash positioning that is off and it will continue to be off until it gets completely reconciled and fixed and he would agree that there was some staff turnover and unfortunately the last finance director they had was not the skillest of folks in the system, but the issue goes back multiple periods, so when they said that some of the books were not closed, if they made changes in prior years, they affected not only the year that was fixed, but everything going forward, so the books need to be closed and the auditor needs to certify that he has reviewed books that are closed and stated that basically it was the conclusion from the conference call they had because, otherwise, what good would an audit be that would say prior years had few errors because the cash positions were a little different; they are representing statements that they reviewed, so Chairman Ceballos mentioned that he told the auditor directly that it is also their responsibility to assure that they are reviewing accurate books and said that they do not manage nor do the entries, it is the staff that make the entries, but at some point the auditor needs to certify that the entries are correct and that books are closed, but no one is messing with prior entries because he gives the adjustments to bring the entries back to where they need to be. Commissioner Ms. Guerra mentioned that it is very complicated and she knows they have to be very vigilant about things like that and they need to be checking on them constantly because when they go back if they had an audit for 2016 everything that was done by then is already done and it is hard to retrace and said that she was not trying to defend the external auditors and asked if there were internal auditors to be vigilant within the organization or whether it was something that would not work. Chairman Ceballos mentioned that they had asked the auditor to have quarterly visits and wonder what might have happened and then stated that it probably should not be this auditor, but somebody different because in retrospect he has not proven to have the initiative and he knows they assist, but they need to know that they are actually assuring quarterly. Commissioner Ms. Guerra mentioned that it is very hard to go back after the books have been closed and it would be a cascading effect. Vice-Chairman Dr. Garza asked if Chairman recommended they would come during different periods or just to come unannounced. Chairman Ceballos mentioned that the last time the auditor came he was asked to make sure that it would be in his agreement that he would be coming in and he will be coming in to do an audit, but it is too late, he needed to have come in to meet with staff to see what issues are popping up for the future audit and it should not be him, but a different firm. Commissioner Ms. Guerra mentioned that they need to have that accountability in the contract and it might not be the same person, but somebody that would spot check or to do it more periodically, so they would not have a mess at the end. Chairman Ceballos mentioned that he had suggested that instead of him getting an e-mail in mid-December like he did last year and again this year and it sounds like a state of panic that they will not be able to meet the deadline of December

31, he recommended Ms. Barrientos that by contract they would set a final date ahead of December where the auditor would present to the Board or submits a report that he is completed because he does not like the feeling that he needs to be involved because there are all those loose ends. Commissioner Ms. Guerra recommended to look into it at mid-year and wondered if it would be too in advance and then again at  $\frac{3}{4}$  of the year into the year. Vice-Chairman Dr. Garza recommended doing it quarterly. Commissioner Ms. Guerra mentioned that it was what they had recommended the previous year, but it did not happen. Ceballos mentioned that it would be somebody else doing it. Ms. Gaona mentioned that in reality it should not be in December because the books should close in March and should be doing all the reviews by July internally. Chairman Ceballos mentioned that they were not ready to do it because there was too much discrepancy with funds that they were not ready to do it and the auditor is waiting and waiting and they wait until December. Chairman Ceballos stated that there was a way to manage it and they would not dispute they identified issues which are the same ones and said that in other areas they did very well, but he places a little bit of responsibility on the auditor and mentioned it to him and the auditor already warned them that because of the inter funds issues, they might get kicked back again because when something does not match with HUD and the Agency, the audit might bounce back and it would be fine because those issues get resolved, but the auditor already warned them that it could happen.

In reference to the resident participation Chairman Ceballos asked Ms. Barrientos how much money they had spent. Ms. Barrientos responded that they had spent \$165,200.00 which included salaries and materials. Chairman Ceballos stated that HUD would say they would have \$25.00 per housing unit, about \$25,000.00 that they would have to use for resident services and the spirit of that action was to get tenant resident councils to organize and have communication and Mr. Ceballos stated that they have excelled in that area and this particular auditor is interpreting that they should be a transaction with the resident councils and what staff have told him is that they have spent way more than \$25,000.00 and the way they do it is by providing after school centers with staff that is paid by the Agency, so he asked Ms. Gaona to inform about her conversation with HUD on it. Ms. Gaona mentioned that she had talked to Mr. Pohler with HUD who said that he can't really force the auditor to remove the finding and recommended to write the contract and to provide a narrative of all the services and they will discuss it in the management letter once he sends it to management but in reality the liability would have been \$13,826 that was received from HUD that the auditor is saying they should have given back.

Chairman Ceballos stated that in their standpoint they have comfort in knowing that they have invested 10 times that amount in resident services and they should be proud of it and they should contest it through HUD because he thinks HUD will agree with them that what they have is a better program than just \$13,000.00 in services that would hardly pay for one site coordinator and mentioned that there is an expired agreement that was used which called for residents to submit requests and there are no requests being submitted for obvious reasons because they are spending more money than they are actually getting and in the past, the resident services coordinator's salary was how they complied with it. Chairman Ceballos stated that he thinks HUD will agree, but again he stated that those were new things that should not be appearing from an auditor that has been with the Agency for a couple of years and Chairman Ceballos stated that he knew it would be on record, but it is his opinion because they show

\$100,000.00 over \$13,000.00 and they put a finding in a report that gets memorialized into the record.

Commissioner Ms. Guerra asked if they were supposed to switch external auditors after every so many years, whether after three or five years. Chairman Ceballos stated that the existing contract allows up to five years just as in any professional services contract. Commissioner Ms. Guerra mentioned that the best practice when it comes to external auditors is that they should not get too comfortable with the staff because they get very comfortable with the staff and the staff gets very comfortable with the auditor and stated that she was not saying it would be the case. Chairman Ceballos stated that it was the opposite, that the comfort level was not there and he was trying to see if there was any friction, but it does not seem to be friction driven, it is just an audit stylistic issue with what they look at and mentioned that there were other things they will see in the audit that have to do with the public housing department where, unfortunately, there are some findings with the files such as inspection reports missing and missing signatures, things that were legitimate issues that staff had to accept; they are not findings, they are called conduct related, basically the recommendations for the Commissioner's knowledge as the Board that there are some issues to address in terms of management which did not rise to the level of findings.

Chairman Ceballos mentioned that it is was a valuable experience for Ms. Barrientos to see. Ms. Barrientos stated that is was an experience as far as preparing in getting ready for the audit and knowing what to expect, specially since it was new to her because she was not part of it the previous year and mentioned that they were working on the funds and making sure they will not have the same problems for the next audit. Chairman Ceballos asked Ms. Barrientos if she could share the draft report, if it would be appropriate, to share it with the entire Board, it would be fine, if she had a final preliminary one, to please share it and stated that they were still working on the draft. Ms. Barrientos mentioned they had sent it the night before. Chairman Ceballos asked Ms. Barrientos that maybe they could share that one. Ms. Barrientos agreed.

Chairman Ceballos asked Ms. Gaona for any highlights. Ms. Gaona mentioned that the Compliance and quality assurance was also part of the audit and they will see in the preliminary the Section 3 reporting which they are addressing in the compliance area.

Chairman Ceballos mentioned that on the separate handout, the Browns had notified them, and said that it was no surprise because they had known that the dateline to demolish the 138 units at Russell Terrace is in red which is July 2019 and stated that what he hears from staff is that it would be doable and he would be pushing staff and the project managers to get ahead with that and maybe complete it by May and said that there is a lot of work to do and it has been difficult and said he did not need to go into much detail, but that it had been very difficult for all the obvious reasons and it triggers for the developer to be released of responsibilities for the project received the 8609's forms which are essentially tax forms that the investors use to take the tax credit so that they can get the tax breaks they will get and it runs them through December which is when they mature the interim loan and then they will proceed with a permanent loan.

Chairman Ceballos asked Ms. Gaona if there was anything else she needed to add. Ms. Gaona mentioned that everything looked good except for the fact that they had advised them that they were changing management companies and added that they have not had any problems with UAH, the property management company, and hopefully everything would continue the same.

Chairman Ceballos asked Mr. Pena to show the Bernal Sunrise apartments renderings which is a tiny home project located where a previous building used to be a bar and mentioned that he met the day before with Deacon Bernal and his daughter who were extremely happy and said that he knows a lot of the staff has been working on the project, which is not a big project, but it is something that is very meaningful to a lot of them, especially Chairman Ceballos who had been saying tiny homes for years and ultimately it is a reality and said that it did not look as pretty because it was just a rendering and added that they went to planning and zoning and got approval on a few variances that were accepted with the whole support of planning and zoning vote which was unanimous and stated that there is a tremendous amount of people that would like to see it happen including the Bernal family. The team decided on naming the project the Bernal Sunrise Court and then also naming each of the buildings. Chairman Ceballos mentioned that Deacon Bernal had done intensive ministry work and that he is also a veteran and that the property had been in the family for 74 years, so it would be a special way to keep their name which was one of the conditions in the sale and they are happy to do it and mentioned that it was the update and said that they will be going to City Council on the 27<sup>th</sup>.

Vice-Chairman Dr. Garza mentioned about the tiny home projects they had seen in Austin and in Houston and asked if they would be asking for donations for furniture in the newspaper and save some money. Chairman Ceballos agreed and stated that there will be a committee that would decide who would move into those houses and in the concept they had talked about a veteran, a single former homeless individual, an elderly and a family who would be either former homeless or in the transition process, so that committee could also work to see if they can get some furnishings and since the place will be small, the furnishing will also need to be small and the challenge for the team would be to do it in the least cost so that they can do more on the private sector site and not so much as Housing Authority, but for other people to rebuild the inner city using our model; the city will run it through that criteria and if they can show that they can build it for under \$20,000.00 and they are hoping to do the smallest one under that amount and it will make it very realistic for somebody to be able to do something like that and the way they work it with the architect was that the floor plan becomes public and available to the community, with both architects Rick Solis and Hickey Peña did it, but also Mario Jasso did some renderings as well and they all are in agreement that they provide the floor plans for the community to use.

Vice-Chairman Dr. Garza mentioned that what makes it attractive is the color scheme like the work at Russell Terrace is very nice and is different, there are not all the same. Chairman Ceballos stated that a lot of work had been done to select everything from the hardware, the colors, the stoves, the refrigerators, the sinks, so they learned from Russell Terrace that they have to spec everything to their liking and their budget.

## 9. ACTION ITEMS

**A. Discussion and possible action to finalize and adopt the Public Housing Agency Plan and the 2019-2023 PHA Five Year Action Plan, as presented by staff and in consideration of all public input, to become effective April 1, 2019 and adopt Resolution No. 18-R-12.**

Chairman Ceballos stated that they had closed the public hearing at the last Commissioners' meeting and prior to it they had a meeting with the Resident Council leadership and gave the staff direction to finalize the plan.

Ms. Melissa Ortiz, Director of Compliance and Quality Assurance, presented to the Board and stated that as Chairman Ceballos had stated, the planning had begun in mid- September and they had meetings with the Central Resident Council and also with the individual resident councils, the only ones that did not participate were Colonia Guadalupe and South Laredo, so they received input from all the other residents which by no coincidence it was already in the Five Year Plan, so they were requesting mostly the same items from the previous year and said that the public hearing was held on November 2, 2018 when they basically received the comments and they were able to finalize the Five Year Plan working with Ms. Gaona and Alma Mata; therefore they provided the Board with the 2019 plan, from 2020 all the way to year 2023 which will complete the five years. Chairman Ceballos asked Ms. Gaona for any highlights on it or whether it was very similar. Ms. Gaona mentioned that it was very similar and that they had just adjusted some amounts that were a little off, other than that the items remained the same. Vice-Chairman Dr. Garza inquired why they were a little off. Ms. Gaona mentioned that they were trying to see what the expense was going to cover and they had a little bit of overage in one of the restrooms and they thought they could adjust the medicine cabinets once they had price them, so they made that change. Vice-Chairman stated that it was nothing major. Ms. Gaona confirmed. Chairman Ceballos mentioned that it was not awarded yet, that it was for the future and said that it comes to them every year, so if they wanted to change something they could do it the next year. Ms. Gaona mentioned that once the funding is released for 2019, they will probably come back to the Board again for approval, when they know the exact amount of funding because all of it was based on estimated funding.

**Chairman Ceballos moved to adopt item 9A as presented.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed unanimously.**

**B. Discussion and possible action to award Quotation for Small Purchase (QSP), for Resnet HVAC Compliance Testing Services at the Russell Terrace Revitalization Project as per the International Energy Conservation Code (IECC) adopted by the City of Laredo Building Department to the lowest most responsible bidder.**

Mr. Frank Lopez, Procurement Officer, presented to the Board and stated that the Resnet testing is for HVAC compliance according to the IECC standard adopted by the City of Laredo which is necessary in order to calculate the efficiency of the building envelope and duct leakage for applying for AEP rebates. Chairman Ceballos stated that the reason this had come up was because AEP had approach them about qualifying for rebates and Chairman Ceballos asked if the savings would be more than what they would be spending to test. Ms. Gaona stated that

it should be, but that it was also a requirement, so Chairman Ceballos asked if it was a requirement and Ms. Gaona confirmed. Ms. Mata mentioned that the initial reason they had brought it up was because there might be some savings through AEP, however, when they were trying to obtain the certificate of occupancy for the buildings, they were being required to have the testing done before they could receive it, so regardless of the savings, it is a requirement for them to obtain the certificate. Ms. Gaona stated that they had found out after they had received the seal for the first two model homes. Chairman Ceballos mentioned that he knew they were trying to start on it before the meeting they had re-scheduled and asked if they had gotten it started. Ms. Mata responded that they had procured the first phase of the project and now they are procuring for the remainder of the project. Chairman Ceballos asked if they were local. Ms. Mata responded that all of them were local except for LGO Services and also said that currently they have Premier Property Inspections doing the work of the first phase because when they procured it they came at the lowest bidder. Chairman Ceballos asked what the recommendation was and asked Mr. Lopez if they were required to go with the lowest bidder. Mr. Lopez responded that it was a specific test with specific specifications that should not vary from proposal to proposal, so Chairman Ceballos asked if that was a yes, that they needed to go with the lowest bidder. Mr. Lopez responded that they should and that it was what was being recommended. Chairman Ceballos stated that it would change the provider. Ms. Mata stated that staff was recommending to go with E-Square Home Energy Rating Services and their fee is \$175.00 per test and they are waiving the re-testing fee in case it is needed. Chairman Ceballos asked if they had met the contact person. Ms. Mata responded that Mr. Lopez had. Chairman Ceballos asked if Mr. Lopez feels fine with their presentation and reliance. Mr. Lopez stated that they were not given a presentation, but he had met with him at an AEP luncheon and stated that they are certified.

**Chairman Ceballos moved to award Item 9B to the lowest bidder E-Square Home Energy at the amount presented for 122 units at \$21,350.00.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed unanimously.**

At this time Attorney Poneck mentioned there needed to be a correction on the previous item, the period described in the agenda was 2018-2022 and really the approval should be 2019-2023 and stated that there should be another motion that clearly approves 2019-2023. Chairman Ceballos mentioned that it was a typo error on Item 9A, on the first page of the agenda, so he moved to correct it for the record as represented, that the correct Five Year Plan period is 2019-2023, not 2018-2022.

**Chairman Ceballos moved to make the correction to Item 9A as mentioned above.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed unanimously.**

**C. Discussion and possible action on authorizing UAH to open a security deposit account at BBVA for the BAH Casa Verde Apts, Ltd.**

Ms. Barrientos mentioned that UAH had contacted them in reference to opening a money market account to secure deposits at Casa Verde and they need a Resolution from Laredo

Housing Opportunities Corporation, therefore, so they needed to bring it to the Board for approval.

**Vice-Chairman Dr. Garza moved to approve Item 9C.**

**Commissioner Dr. Rodriguez seconded the motion.**

**Motion passed unanimously.**

D. Discussion and possible action to approve an update to the organizational chart and hiring recommendations by the Executive Director, for any management-positions requiring Board consultation. Possible Closed Session pursuant to Texas Government Code, Section 551.074.

Chairman Ceballos mentioned that they would take the organizational chart part of Item 9D which needed to be discussed in public and the second part of Item 9D in regards to hiring recommendations by the Executive Director will be taken in executive session along with Items 9E and 11A.

Ms. Gaona mentioned that the Planning and Systems Administrator position has a title change and stated that a new job description had been incorporated to that position. Chairman Ceballos mentioned that it was the title and also the roles had changed. Ms. Gaona also mentioned that they had discussed the Licensed Professional Counselor, but they had not put in the organizational chart and she also asked to add an office clerk to be below the property manager and the assistant property manager. Chairman Ceballos asked which the new clerk position was. Ms. Gaona mentioned it was office clerk right under the Director of Housing and Management, office clerk. Vice-Chairman Dr. Garza stated that she already had an office clerk and asked if she was adding a position. Chairman Ceballos asked if it was under Housing Management. Ms. Gaona confirmed and stated that it was under the Property Manager and the Assistant. Chairman Ceballos asked if it was to assist multiple areas. Ms. Gaona responded it was to assist multiple areas and that it would be budgeted under one specific property. Chairman Ceballos asked if it would be to serve that property or multiple properties. Ms. Gaona stated that for now it would be to serve that property and then they would make adjustments if need be to serve others and the office clerk on the top under the receptionist would be to serve multiple. Chairman Ceballos asked if that was a new position too. Ms. Gaona confirmed. Commissioner Ms. Guerra asked if there was any particular reason for the clerks, if she saw a need. Ms. Gaona responded that they had the need because of the locations, that maybe one of the property managers would be out and the assistant is at a different property, the same amp, but at a different property, so there is nobody to cover because of the different locations and said that at Colonia Guadalupe there is no problem because it is one property, but where they have two properties, it becomes a problem. Chairman Ceballos stated that it was like Meadow and South Laredo, if there is a manager out, the assistant is in South Laredo. Ms. Gaona mentioned it is the same thing at Ana Maria Lozano and Carlos Richter if the manager is out, the property has to close because the assistant is at Carlos Richter; the assistant can't cover. Commissioner Ms. Guerra mentioned that the residents would have issues. Chairman Ceballos asked who would be filling in that role, if it would be the clerk under housing or the one under the directorship. Ms. Gaona responded that it would be the one under the directorship, but eventually they would want that position also in housing. Chairman Ceballos mention the housing position. Ms. Gaona confirmed.

Commissioner Ms. Guerra asked if there was any particular reason it would be that way, if she would want to train them first. Ms. Gaona confirmed and said that she would like to work them into the different properties. Chairman Ceballos asked Mr. Poneck how much of the item they could take into executive session. Attorney Poneck stated that the general rule is if they would be talking about structure in reference to the positions, it would be in open session and if they would be talking about particular employees it would be in closed session. Vice-Chairman Dr. Garza mentioned that it was not employees. Mr. Poneck stated that it would be in open session. Chairman Ceballos stated that he thought what Ms. Gaona was trying to do was not to commit a clerk to a property because it would be very hard to remove them and asked if that was what Ms. Gaona was trying to do. Ms. Gaona confirmed. Commissioner Ms. Guerra asked if they were talking about it financially. Ms. Gaona mentioned that they were talking about structurally wise. Chairman Ceballos mentioned that he would have a concern in regards to budgeting to certain property, because at the property they would say the clerk belonged to them and stated that it would be better to cost allocate them and have them work for multiple properties and said that it was what Vice-Chairman Dr. Garza was trying to figure out; why they would not commit them to a property because if they would give Carlos Richter team one, why not the other ones and stated that Ms. Gaona was not ready to do it. Ms. Gaona confirmed and said that she wanted to try it and see how it helps; otherwise, it might be the floater that when Juanita would go on vacation, the floater would go and replace Anita and when Jose would go out or Mary would go out, the floater would go and replace them and is not tied to one property. Chairman Ceballos asked if they had funding for it. Ms. Gaona confirmed. Commissioner Ms. Guerra asked if there had the salary for the positions. Ms. Gaona stated that it would be \$12.00 an hour. Chairman Ceballos mentioned that they had two positions that they would discuss in executive sessions and Commissioner Ms. Guerra would then get answers to those questions. Commissioner Dr. Rodriguez stated that she would trust Ms. Gaona to go with her recommendation because obviously Ms. Gaona knows the ins and outs of the operations and they would not want to micromanage and would let Ms. Gaona do what she needs to do on what she was recommending. Vice-Chairman Dr. Garza asked if Casa Verde personnel report to Ms. Gaona or to Casa Verde Management. Ms. Gaona responded that the Management Company reports to Housing, but the employees report to the Management Company and said that they were not their employees. Chairman Ceballos stated that Vice-Chairman Dr. Garza made a very good point. Vice-Chairman Dr. Garza mentioned that it was his concern. Chairman Ceballos stated that Ms. Gaona did not manage the staff, but they manage the managers.

**Commissioner Dr. Rodriguez moved to approve the item as discussed.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed unanimously.**

**Chairman Ceballos mentioned that the changes are as reflected in the Chart and as clarified in discussion.**

**Chairman Ceballos moved to go into executive session to discuss item 9D, 9E and 11A.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed.**

Chairman Ceballos called the Attorneys, Ms. Gaona, the Board and possibly other staff that might be interviewed to join him in executive session.

E. Consideration of succession planning following departure and relocation of current Executive Director, including restructuring her role into a consultant/Executive staff support position until a complete Executive Director transition can be accomplished.

#### **10. 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).

**The Board entered into executive session at 12:08 p.m.**

**The Board reconvened from executive session at 1:05 p.m.**

Chairman Ceballos called the Attorneys, Ms. Gaona, the Board and possibly staff that would be interviewed into executive session.

#### **11. ACTION ON ANY CLOSED SESSION ITEM**

A. Section 551.071, the Board will consult with its attorney regarding a proposed settlement with Apolonio Flores, Flores Residential, related parties et al.

Chairman Ceballos stated that they would start with item 9D as it relates to recommendations by the Executive Director to fill management positions requiring Board consultation and asked Ms. Gaona to make the recommendations.

Ms. Gaona stated that staff was recommending to hire Juan Sebastian Mendive for the Planning and Systems Administrator position.

**Chairman Ceballos moved to approve the recommendation.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed.**

**On the matter of Licensed Professional Counselor Chairman Ceballos moved to allow the Executive Director to continue meeting with the different applicants, make a determination and hire with future ratification to the Board on the hiring.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed unanimously.**

Chairman Ceballos stated that there would be two motions on Item 9E, the first motion having to do with the interim appointment.

**Chairman Ceballos moved to appoint Alma Mata as Interim/Acting Executive Director.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed.**

In relation with the agreement with the Executive Director in the succession, for the record Chairman Ceballos mentioned that it was extremely important that they have some overlap in the transition and some additional assistance from the Executive Director who had done a great job and stated that they are definitely at a loss seeing her change the role, but is happy that she will be in some role over the next year and they will have a more official celebration at the right time because she will not be leaving, which is part of the next motion and stated that they appreciate and are very grateful for what Ms. Gaona has done for the organization over the short period.

**Commissioner Dr. Rodriguez moved to allow Chairman Ceballos, the Attorneys and the current Executive Director to negotiate her terms as a Consultant.**

**Vice-Chairman Dr. Garza seconded the motion.**

**Motion passed unanimously.**

**Chairman Ceballos stated for the record, that on this and the previous motion, the effective day is January 1, 2019.**

**On Item 11A Chairman Ceballos moved that they accept the mutual release and settlement agreement as discussed in executive session and that they execute that agreement pursuant to their discussions as reflected in a subsequent document that will be executed.**

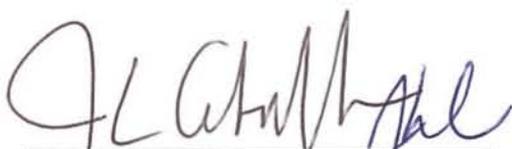
**Commissioner Dr. Rodriguez seconded the motion.**

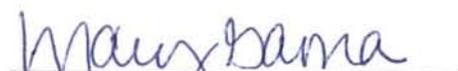
**Motion passed unanimously.**

Chairman Ceballos asked if there was any additional discussion. Attorney Poneck advised that they would have to do the same for each of the non-profits and once all the approvals have been voted on he would like for each of the appropriate officials for each of the entities to sign in front of a notary, so that they can finalize the agreement. Chairman Ceballos stated, for the record, that any funds used in the mutual release and agreement are to be unrestricted local funds and not non-federalized funds.

## 12. ADJOURNMENT

**Meeting adjourned at 1:10 p.m.**

  
\_\_\_\_\_  
Jose L. Ceballos, Board Chairman

  
\_\_\_\_\_  
Mary Gaona, Executive Director