

MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY
September 16, 2014

The Commissioners of the Chicago Housing Authority held its Regular Meeting of the Board of Commissioners on Tuesday, September 16, 2014 at approximately 8:55 a.m. at the CHA Corporate Offices, 60 E. Van Buren, 12th Floor Loft in Chicago, IL.

In the absence of Chairwoman Z. Scott, Vice Chairman Rodrigo Sierra called the meeting to order and upon roll call, those present and absent were as follows:

Present: Dr. Mildred Harris
 Harriet Johnson
 Jack Markowski
 Bridget Reidy
 Rodrigo Sierra
 Francine Washington

Absent: Matthew Brewer
 Mark Cozzi
 Z. Scott

Also present were Michael Merchant, Chief Executive Officer, Scott Ammarell, Chief Legal Officer; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Upon Motion made by Vice-Chairman Sierra and properly seconded by Commissioner Washington, the Commissioners adjourned to Executive Session. Vice-Chairman Sierra announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one hour to discuss personnel related matters; purchase, sale and lease of real estate property; pending, probable or imminent litigation; review of closed minutes and audit reviews.

The Commissioners subsequently reconvened in Open Session at approximately 9:50 a.m. and upon roll call, those present and absent were as follows:

Present: Z. Scott
 Dr. Mildred Harris
 Harriet Johnson
 Jack Markowski
 Bridget Reidy
 Rodrigo Sierra
 Francine Washington

Absent: Matthew Brewer
 Mark Cozzi

There being a quorum present, the meeting duly convened and business was transacted as follows:

Based on CHA By-Laws, and in accordance with the Open Meetings Act, if a quorum of the Commissioners is physically present at any meeting, a majority of the quorum may allow a Commissioner to attend a meeting by electronic means if the Commissioner is prevented from physically attending due to personal illness or employment purposes. Since Commissioners Brewer was unable to be in attendance at the meeting, upon motion made and properly seconded, Commissioners voted unanimously to allow Commissioner Brewer to join the meeting by telephone.

After Motion made by Commissioner Markowski and seconded by Commissioner Reidy the Minutes for the Regular and Closed meetings of August 13, 2014 were unanimously approved as submitted.

Commissioner Mildred Harris then presented the report of the Tenant Services committee. Per Commissioner Harris, the Tenant Services Committee held its regularly scheduled meeting on Wednesday, September 10, 2014 at approximately 1:05 p.m. at the CHA's Corporate Offices, 12th Floor Loft. In addition to Commissioner Harris, the following committee members were present as well: Commissioners Brewer, Johnson, and Washington. Committee members then discussed, voted, and recommended for approval the resolutions for Items 1 and 2.

On behalf of the Tenant Services Committee, Commissioner Harris then presented an Omnibus Motion for approval of Items 1 and 2.

(Item 1)

The resolution for Item 1 approves the second one-year option of Contract No. 11155 with Illinois Action for Children (IAFC) in an amount not-to-exceed \$222,298.00 to provide a fitness and wellness program for CHA youth. This action will increase the aggregate not-to-exceed contract value to \$914,322. To encourage youth fitness and wellness, CHA has contracted with IAFC since 2012 to provide the ReCharge program for youth ages 6 to 13, which utilizes a fitness and wellness curriculum designed to work with the National Institutes of Health We Can! Curriculum. The Curriculum focuses on positive messaging for youth and families by utilizing a variety of teaching methods including, but not limited to art, literacy, and physical activity. CHA proposes to continue this program for 2015 at ten CHA sites that operate the Summer Food program so that youth who come for meals can be engaged in a positive, healthy experience throughout the day. The ReCharge program engages more than 350 youth during the summer months.

RESOLUTION NO. 2014-CHA-90

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 10, 2014 entitled "AUTHORIZATION TO EXERCISE THE SECOND ONE YEAR OPTION WITH ILLINOIS ACTION FOR CHILDREN TO PROVIDE YOUTH WITH FITNESS AND WELLNESS OPPORTUNITIES";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to exercise the second one-year option of Contract No. 11155 with Illinois Action for Children ("IAFC") in an amount not-to-exceed \$222,298 to provide a fitness and wellness program for CHA youth. The new aggregate not-to-exceed contract value is \$914,322.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3, and insurance requirements.

(Item 2)

The resolution for Item 2 approves a contract with EverFi, Inc. to provide a cloud based financial education platform for CHA residents for a two-year base term in the firm fixed fee amount of \$150,000.00, with three one-year options exercisable at the discretion of the CEO or his designee, subject to funding availability and satisfactory contract performance, in the firm fixed fee amount of \$75,000.00 per each one-year option, for an aggregate contract value of \$375,000.00. CHA's Resident Services Division is charged with supporting adults on the path to self-sufficiency, which includes making financial education available to adults and seniors. Financial education is a crucial skill set for all adults. Minimizing financial risk and exposure and maximizing sound financial decisions help to provide stability to households and empowers families to take ownership over their personal finances. Depending on where residents are in terms of their goals, financial education can help individuals maintain lease compliance, reduce their dependence on subsidies and increase self-sufficiency. EverFi offers cloud based financial education tools to communities across the nation and is the established provider of financial education programs for youth participating in many programs associated with the Mayor's Summer of Learning initiatives that CHA also partners in, such as the Summer Youth Employment Program. The turnkey curriculums to be provided by EverFi will be available to up to 10,000 CHA users (youth, adults and seniors) per year and will provide a digital badge to all successful completers. Additionally, EverFi's program tracking will provide measurable impacts of participants' knowledge gains by using pre- and post-assessments, completion statistics and attitudes and behavior around specific personal finance topics.

RESOLUTION NO. 2014-CHA-91

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 10, 2014 entitled "AUTHORIZATION TO ENTER INTO A CONTRACT WITH EVERFI FOR CLOUD BASED FINANCIAL EDUCATION SERVICES FOR CHA RESIDENTS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee enter into a contract with EverFi, Inc. to provide a cloud based financial education platform for CHA residents for a two-year base term in the firm fixed fee amount of \$150,000.00, with three (3) one-year options exercisable at the discretion of the CEO or his designee, subject to funding availability and satisfactory contract performance, in the firm fixed fee amount of \$75,000.00 per each one-year option, for an aggregate contract value of \$375,000.00.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.

The Motion to adopt resolutions for Items 1 and 2 was seconded by Commissioner Johnson and the voting was as follows:

Ayes: Matthew Brewer
Dr. Mildred Harris
Harriet Johnson
Jack Markowski
Bridget Reidy
Z. Scott

Rodrigo Sierra
Francine Washington

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Commissioner Bridget Reidy then presented the report for the Joint Operations and Real Estate Development Committee. Per Commissioner Reidy, a joint meeting of the Operations and Real Estate Development Committee was held on September 10, 2014 at approximately 1:30 p.m. at the CHA's Corporate Offices, 12th Floor Loft. Commissioner Reidy chaired the meeting and there was a quorum for both committees. For the Operations Committee the following committee members were present: Commissioners Harris, Markowski, and Washington. For the Real Estate Development Committee the following committee members were present as well: Commissioners Brewer, Harris and Markowski. Commissioner Johnson was also present but was not counted as part of the quorum. The Committee then discussed, voted and recommended for approval the two items appearing on the agenda.

On behalf of the joint Operations and Real Estate Development committees, Commissioner Reidy presented an Omnibus Motion for the approval of Items 3 and 4.

(Item 3)

The wait list registration lottery is the primary tool the CHA uses to identify low-income families in need of housing assistance. The wait list resolution that the Board of Commissioners approved in July 2014 included authority to: *“amend contracts and increase the compensation amounts with existing vendors, as deemed necessary, to provide additional services, including a call center, development and hosting of an online registration form...and other goods and services that may be necessary or appropriate.”* The CHA initially anticipated that it would utilize an existing vendor to perform these services, but in subsequent conversations, that vendor indicated that it would not be able to do so. The CHA also explored using other existing CHA contracts for this project, but could not identify any existing contracts that included a similar scope of work. As a result, the CHA issued a small-order bid for the website design and configuration services in August 2014. The CHA's initial independent cost estimate for these services was \$86,000, based on the costs for similar services in 2010. As such, the CHA did not anticipate needing Board authority to enter into a contract. Of the two bids received, NTT Centerstance, Inc. was deemed to be the lowest responsive bidder. The wait list registration is planned to open in October 2014. To ensure adequate time to design, develop, and test the web-based registration form, the CHA must enter into a contract with NTT Centerstance, Inc. as soon as possible. Accordingly, the resolution for Item 3 approves award of contract with NTT Centerstance, Inc. for website design and configuration services for the 2014 wait list lottery registration. The value of the contract is \$151,370.

RESOLUTION NO. 2014-CHA-92

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 16, 2014 entitled “WEBSITE DESIGN AND CONFIGURATION SERVICES CONTRACT FOR 2014 WAIT LIST LOTTERY REGISTRATION”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer (“CEO”) or his designee to enter into a contract with NTT Centerstance, Inc. in the amount of \$151,370 for website design and configuration services for the 2014 wait list lottery registration.

(Item 4)

The resolution for Item 4 approves three Demonstration Programs/Special Initiatives in order to clearly articulate current initiatives and to establish the new process through which all such future demonstration programs and special initiatives will be approved. Moving On is a demonstration program which targets persons living in permanent supportive housing who are ready to move into affordable housing options in the community. The CHA provides a tenant-based voucher to assist with their housing transition. The Housing Choice Voucher Deinstitutionalization Initiative is a demonstration program that targets Colbert or Williams class members to assist in their transition from living in an institution to living in the community. The initiative is a partnership with the State of Illinois. Applicants who are referred to the CHA by the State of Illinois or by an agency approved by the State may receive a voucher to assist in their transition from institutional living. The Access Living Family (ALF) Voucher Initiative is a special initiative that targets families with one or more disabled members and disabled individuals who are working with Access Living to secure permanent affordable housing. Families and individuals referred to CHA by Access Living may receive a tenant-based voucher.

RESOLUTION NO. 2014-CHA-93

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 10, 2014 entitled “AUTHORIZATION TO APPROVE THREE DEMONSTRATION PROGRAMS/SPECIAL INITIATIVES”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to approve the Moving On Demonstration Program, the Housing Choice Voucher Deinstitutionalization Initiative, and the Access Living Family Vouchers Initiative, as described in the “Chicago Housing Authority Demonstration Program and Special Initiatives Overview” document attached hereto.

The Motion to adopt resolutions for Items 3 and 4 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Matthew Brewer Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Rodrigo Sierra Z. Scott Francine Washington
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Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

In the absence of Committee Chair Mark Cozzi, Commissioner Jack Markowski then presented the report for the Finance & Personnel Committee. Per Commissioner Markowski, the Finance & Personnel Committee meeting was held on Wednesday, September 10, 2014, at approximately 2:25 p.m. at the CHA Corporate Offices, 60 E. Van Buren, 12th Floor Loft. After presentation by staff, discussion and vote on Item 5, commissioners adjourned to closed meeting to discuss Item 6. Commissioners then returned to open session and approved Item 6. Item 6 was also discussed in today's closed meeting.

On behalf of the Finance & Personnel Committee, Commissioner Markowski then presented an Omnibus Motion for the approval of Items 5 and 6.

(Item 5)

The resolution for Item 5 approves the purchase of the following insurance coverage for the CHA for the period of October 1, 2014 through September 30, 2015, for an aggregate amount not-to-exceed \$1,211,162 through its insurance broker of record, AON Risk Services Central, Inc. (AON): (1) All-Risk Property written through Lexington, in the amount not-to-exceed \$873,262; (2) Excess Liability coverage written through Allied World Assurance Company (AWAC) in an amount not-to-exceed \$53,087; (3) Auto Liability written through Housing Authority Insurance Group (HAIG) in an amount not-to-exceed \$39,670; (4) General Liability coverages written through RSUI in an amount not-to-exceed \$31,422; (5) Public Officials E&O written through Ironshore for \$103,600 and Ace for \$57,191 in an aggregate amount not-to-exceed \$160,791; (6) Fiduciary written through National Union in an amount not to exceed \$15,779; (7) Employed Lawyers Errors and Omissions Liability written through Chartis / Illinois National in an amount not-to-exceed \$13,754; (8) Crime written through Berkley Regional in an amount not-to exceed \$9,015; and (9) Employment Practices Liability written through Chartis / National Union in an amount not-to-exceed \$14,382. Aon directly and indirectly (through one wholesaler) solicited requests for insurance premium quotes from 28 carriers (most with the ability to quote multiple lines of coverage) in July 2014. This year, Aon received quotes from several new carriers that were more competitive than incumbent carriers. After reviewing the responses, AON and CHA staff recommended that the above mentioned insurers provide the required insurance coverage for CHA for the Period October 1, 2014 through September 30, 2015.

RESOLUTION NO. 2014-CHA-94

WHEREAS, The Board of Commissioners has reviewed the memorandum dated September 11, 2013 entitled "AUTHORIZATION FOR THE CHA TO AWARD CONTRACTS FOR ALL-RISK PROPERTY, EXCESS LIABILITY, AUTO LIABILITY, GENERAL LIABILITY, PUBLIC OFFICIALS LIABILITY, FIDUCIARY LIABILITY, EMPLOYED LAWYERS ERRORS & OMISSIONS, CRIME AND EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to purchase the following insurance coverage for the CHA for the period of October 1, 2014 through September 30, 2015, for an aggregate amount not-to-exceed \$1,211,162 through its insurance broker of record, AON Risk Services Central, Inc. ("AON"): (1) All-Risk Property written through Lexington, in the amount not-to-exceed \$873,262; (2) Excess Liability coverage written through Allied World Assurance Company (AWAC) in an amount not-to-exceed \$53,087; (3) Auto Liability written through Housing Authority Insurance Group (HAIG) in an amount not-to-exceed \$39,670; (4) General Liability coverages written through RSUI in an amount

not-to-exceed \$31,422; (5) Public Officials E&O written through Ironshore for \$103,600 and Ace for \$57,191 in an aggregate amount not-to-exceed \$160,791; (6) Fiduciary written through National Union in an amount not to exceed \$15,779; (7) Employed Lawyers Errors and Omissions Liability written through Chartis / Illinois National in an amount not-to-exceed \$13,754; (8) Crime written through Berkley Regional in an amount not-to exceed \$9,015; and (9) Employment Practices Liability written through Chartis / National Union in an amount not-to-exceed \$14,382.

(Item 6)

The Board is required to ratify the selection, appointment and removal of employees below Grade 72. Accordingly, the resolution for Item 6 ratifies the following personnel actions: offer of employment to two applicants for Procurement Specialist; offer of employment to an applicant for Assistant General Counsel I; offer of employment to an applicant for Benefits Specialist and termination of employment for one employee. The CEO certifies that all these actions were properly vetted and evaluated pursuant to established CHA protocols.

RESOLUTION NO. 2014-CHA-95

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 10, 2014, entitled “Approval of Personnel Actions”:

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the requested personnel actions.

The Motion to adopt resolutions for Items 5 and 6 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Matthew Brewer Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Z. Scott Rodrigo Sierra Francine Washington
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Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Chairwoman Scott then presented the report of the Audit Committee. Per Chairwoman Scott, on Monday, August 25, 2014, at approximately 9:00 a.m., the Audit Committee held a special meeting at the CHA Corporate Offices, 60 E. Van Buren, 12th Floor Loft. Commissioner Brewer chaired the meeting and the following committee members were present: Commissioners Brewer, Cozzi, Johnson and Scott. The purpose of the special meeting was to review closed meeting minutes and discuss in closed meeting certain audit review matters and investigatory matters with the Internal and External auditors and with the Inspector General pursuant to the Open Meeting Act 5 ILCS 120/2 under the following exceptions: (c)(21); (c)(29) and (c)(11). The special meeting was also called to vote on two matters in Open Session. There being a quorum present, committee members adjourned to closed

session to discuss the matters mentioned above and subsequently returned to open session. In open session committee members discussed, voted and recommended for approval Items 7 and 8.

On behalf of the Audit Committee members, Chairwoman Scott then presented an Omnibus Motion for the approval of Items 7 and 8.

(Item 7)

HUD requires public housing authorities to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles and (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The 2013 Single Audit reports on the Authority's compliance with federal regulations as promulgated its federal funders for major programs. For the year ended December 31, 2013, the Authority engaged Ernst and Young to audit its results and issues the Comprehensive Annual Financial Report (CAFR) in accordance with HUD requirements. The Authority is required to submit both the Single Audit and CAFR reports to HUD by September 30, 2014, nine months after the end of its fiscal year (December 31). The resolution for Item 7 accordingly approves the submittal of the 2013 Single Audit Report, Financial Statement Audit and Comprehensive Annual Financial Report for the Year Ended December 31, 2013 to HUD.

RESOLUTION NO. 2014-CHA-96

WHEREAS, this Board of Commissioners has reviewed the Board Letter dated August 25, 2014 entitled "Recommendation to Accept and Submit to HUD the Chicago Housing Authority's 2013 Single Audit Report, the 2013 Financial Statement Audit and the Comprehensive Annual Financial Report for the Year Ended December 31, 2013, attached hereto;

THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT The Board of Commissioners hereby accepts the Authority's 2013 Single Audit Report; 2013 Financial Statement Audit and Comprehensive Annual Financial Report for the year ended December 31, 2013; and

THAT the Board of Commissioners grants authorization to the Chief Executive Officer or his designee to submit the 2013 Single Audit Report and Financial Statement Audit to the U.S. Department of Housing and Urban Development.

(Item 8)

In June 2014, the CHA released a solicitation for independent professional auditing services. Of the four proposals received and evaluated, two respondents were identified and placed in the competitive range by the first evaluation team. The second evaluation team reviewed and scored the two proposals submitted from the top two respondents. Additionally, Oral Presentations were heard and scored by the second evaluation team. Based on the overall scores of the final two respondents, Ernst & Young, LLP was the recommended awardee. Ernst & Young has a proven track record with the CHA. The incumbent firm has consistently provided excellent service relating to the financial and A-133 audits while providing the Authority with professional guidance when implementing new Governmental Accounting Standard Board pronouncements and HUD reporting regulations. Accordingly, the resolution for Item 8 approves award of contract to Ernst & Young, LLP, for a firm fixed fee in the amount of \$1,597,600 for independent auditing services.

RESOLUTION NO. 2014-CHA-97

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 25, 2014 entitled “Authorization for the CHA to enter into a contract with Ernst & Young, LLP for Independent Auditing Services “;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a two-year base term contract with Ernst & Young, LLP for a firm fixed fee in the amount of \$1,597,600.00, with three (3) one year extension options reserved to the CHA.

This award is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE, Section 3 requirements, and insurance requirements

The Motion to adopt resolutions for Items 7 and 8 was seconded by Commissioner Reidy and the voting was as follows:

Ayes:	Matthew Brewer Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Z. Scott Rodrigo Sierra Francine Washington
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Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Michael Merchant, Chief Executive Officer then presented his monthly report to the Commissioners.

Chairwoman Scott then invited residents and the public at large to address the Board.

There being no further business to come before the Commissioners, upon Motion made and seconded the Regular board meeting of September 16, 2014, was adjourned.

s/b: Z. Scott
Chairwoman, Chicago Housing Authority

s/b: Lee Chuc-Gill, Secretary
Custodian and Keeper of Records