



**JOURNAL OF THE PROCEEDINGS OF THE FINANCE COMMITTEE OF THE
BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF COOK COUNTY
REGULAR PUBLIC SESSION
THURSDAY, DECEMBER 5, 2024 10:30 AM**

ROLL CALL:

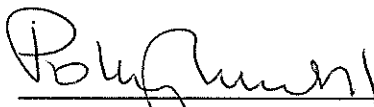
COMMISSIONERS PRESENT	
Polly Kuehl – Vice-Chair	In Person
Eric L. Slaughter – Commissioner	In-Person
HACC STAFF PRESENT	
Danita W. Childers, Executive Director	In Person
Bernina Moore, Board Advisor	In Person
Kathleen Grady-Peralta, Comptroller/Treasurer	In Person
Bernard Muhammad, Property Accounting Manager	In Person
Legal Counsel	
Jon A. Duncan, General Counsel	In Person
Public Attendees	
None in Attendance	None in Attendance

- I. **Call to Order:** Vice Chair Polly Kuehl called to order the Finance Committee Meeting of the Board of Commissioners at approximately 10:32 p.m.
- II. **Roll Call:** Bernina Moore called the roll. Commissioners Polly Kuehl and Eric Slaughter attended the meeting in person and were present for the roll call. A quorum was established.
- III. **Public Comments:** Based on HACC’s public participation rules, public participants are given three (3) minutes to address the Finance Committee. Vice-Chair Polly Kuehl opened the floor to public comments. No public comments were made.

- IV. Review of Finance Committee Draft Charter:** The HACC Finance Committee reviewed the draft charter, which is loosely based on the Chicago Housing Authority model and outlines the committee's purpose, authority, membership criteria, and operating principles. During the discussion, members proposed incorporating the review of operating and development pro formas as part of the budget review process. The committee also emphasized the importance of clarifying its composition to ensure that all members are HACC Board Commissioners while allowing external experts to provide input without serving as committee members. Additionally, there was a recommendation to adjust the timelines for disseminating meeting documents to improve review efficiency. Revisions to the draft charter will be made to reflect these updates, with a follow-up review planned to finalize and approve the document prior to the Jan. 9, 2025 HACC Board of Commissioners Meeting.
- V. Discussion of Proposed Resolutions: HACC FY2023 Financial Audit:** The committee discussed the resolution ratifying the submission of the FY 2023 audited financial statements to HUD, which will be presented to the Board on Dec. 12, 2024. The Executive Director received a report from Rich Larson of Novogradac & Co., LLP, on Nov. 21, 2024, which included the audited financial statements for FYE 2023. Key discussion points included providing a detailed breakdown of large accounts for transparency at the Board meeting, addressing one audit finding related to internal processes and procedures, with plans to strengthen these areas, and implementing strategies to streamline future audits and prevent delays. The committee supports the resolution and efforts to improve the efficiency and accuracy of the audit process.
- VI. Review of Property Financial Statements:** The Committee reviewed financial statements of several properties (Richard Flowers Community Housing, Southern County Community Housing, and South Suburban Senior Living). Concerns which were identified during the reviews included high vacancy rates, low debt service coverage ratios, and elevated debt and interest rates. Additional issues were noted with vendor management and billing discrepancies, particularly with vendors such as HD Supply (maintenance and janitorial services) and Home Depot. Inconsistencies between budgeted and actual figures also impacted the accuracy of property cash flow assessments. To address these challenges, the committee discussed proposals to improve vendor billing processes and enhanced procurement practices to mitigate vendor-related issues.
- VII. Proposed COCC, LIPH and HCV Budget vs. Actual Reporting:** Budget reporting formats examples were presented for feedback. Key improvements emphasized including a column for projected numbers for the remaining months, clearly indicating the months included in year-to-date actuals, and better labeling of account numbers and categories. The importance of consistent comparisons between year-to-date and annual budget figures, as well as the inclusion of estimated future expenses for a more complete financial picture, was also highlighted.

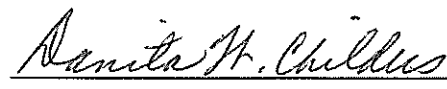
In addressing administrative and strategic issues, the committee discussed operational challenges such as budget allocation for insurance and benefits, delayed vendor payments, high vacancy rates affecting property performance, and anomalies in debt service coverage ratios. Initiatives were proposed to improve vendor management processes and implement stronger controls using the Yardi system.

- VIII. Other Business – Discussion of Schedule of 2025 Finance Committee Meetings:** The committee reviewed proposed 2025 Finance Committee meeting dates, which are scheduled approximately two (2) weeks before the HACC Board of Commissioners Meeting.
- IX. Executive Session:** General Counsel, Jon Duncan, went on record to state the following, “That the Executive Session is for the purposes of discussing the status of collective bargaining negotiations and pending litigation pursuant to section 2(c)(2), and 2(c)(11) of the Illinois Open Meetings Act. Commissioner Kuehl made a Motion to go into the Executive Session and Commissioner Slaughter seconded the Motion. The motion carried with all “ayes,” and the Finance Committee went into Closed Session approximately 12:11 p.m., for which separate minutes are kept. The Open Meeting reconvened at 12:19 p.m. No votes were made during the Closed Session.
- X. Adjournment:** The meeting was adjourned at approximately 12:20 p.m.



Polly Kuehl
Vice-Chair

January 23, 2025



Danita W. Childers
Executive Director and Secretary

January 23, 2025