

MINUTES OF A REGULAR MEETING
- OPEN SESSION -
OF THE SPRINGFIELD HOUSING AUTHORITY
HELD ON MARCH 17, 2015

The members of the Springfield Housing Authority met in Open Session at the Conference Room of the Springfield Housing Authority at 60 Congress St., Springfield, Massachusetts at 4:30 PM on March 17, 2015.

A copy of the Notice of Meeting, pursuant to Section 23B of Chapter 39 of the Massachusetts General Laws, as amended, with the Certificate as to Service of the Notice, was ordered spread upon the minutes of the meeting and filed for records.

NOTICE OF MEETING


Notice is hereby given in accordance with Section 23B of Chapter 39 of the Massachusetts Laws, as amended, that a Regular Meeting of the Board of Commissioners of the Springfield Housing Authority will be held at 4:30 PM on Tuesday, March 17, 2015 in the Conference Room of the Springfield Housing Authority at 60 Congress Street, Springfield, MA 01104.

SPRINGFIELD HOUSING AUTHORITY
/s/William H. Abrashkin, Executive Director
March 13, 2015

CERTIFICATE AS TO SERVICE OF THE NOTICE OF MEETING

I, William H. Abrashkin, the duly appointed and qualified Secretary of the Springfield Housing Authority, do hereby certify that on March 13, 2015 I filed in the manner provided by Section 23B, Chapter 39 of the Massachusetts General Laws, as amended, with the Clerk of the City of Springfield, Massachusetts, a Notice of Meeting of which the foregoing is a true and correct copy.

Attest:



William H. Abrashkin/Executive Director/
Secretary to the Board

Chairman Warren called the meeting to order at 4:30 PM, and those present upon roll call were as follows:

PRESENT

Raymond Warren
Willie Thomas
Thomas Labonte
Angela Robles
Jessica Quinonez

ABSENT

ALSO PRESENT

William Abrashkin
Michelle Booth
Nicole Contois

Michele Decoteau
Fidan Gousseynoff (arrived at 4:34 pm)
John Healy
Wallace Kisiel
Mary Ellen Lowney
Mike Petro
JoAnn White

The Board reviewed the Minutes of February 17, 2015. Upon a motion made by Commissioner Labonte, seconded by Commissioner Robles, it was unanimously

VOTED: To approve the Minutes of February 17, 2015.

Executive Director Abrashkin started his introduction to the presentation about SHA's operating budget by explaining how complex and complicated this issue is and why it is hard to provide a simple and clear picture of the expenditures and the balance. He brought an example of the money spent on converting some units into handicap accessible apartments, explaining that the agency uses budgets from different years for the project. Referring to Chairman Warren's request sent earlier via email to provide a narrative on the operating budget to support all the charts, and graphs presented, Judge Abrashkin stated that in general the agency's budget is in a good shape especially when compared to many other housing authorities in the country. The SHA is capable to meet its obligations to the residents and employees, also the agency has been able to put money into some deferred maintenance items and equipment. As per Executive Director Abrashkin, some of the agency's accounts are running in surplus and this positive picture can be projected for the next 5 years unless the funding significantly decreases. The main negative factor is the deferred need for investments in SHA's properties which is a lurking problem that accumulates year by year. Judge Abrashkin said that about \$20 million was spent on renovating some properties during federalization but the agency still needs much more funds to invest into modernization of other properties.

Mike Petro started his presentation on the operating budget by stating that the SHA's budgets are balanced. He mentioned the importance of the subsidy for the budget since the 30% rent is not enough to cover the expenses. Mr. Petro explained that the current subsidy for calendar year 2015 is estimated to be prorated at 84% for public housing and 74% for Section 8. He said that even though these numbers represent a big cut, the SHA is still able to balance its budget without any staff cuts and, moreover, with potential salary increases planned. Taking into consideration a larger level of profits in some AMPs, the agency has been able to allocate \$720000 towards purchasing some equipment and other items requested by the maintenance over the years. Even though it represents only 20% of the \$3.6 millions requested by the maintenance staff it is still a very positive factor taking into account that many housing authorities all around the country have been forced to reduce their expenditures considerably because of the large cuts in subsidy. Mr. Petro supported Judge Abrashkin's prognosis that the agency will be able to keep status quo for at least next five years even with a

conservative approach (overestimating expenses and underestimating revenue) used for the budgeting. If the subsidy will continue to decrease, the staff will be looking into ways of decreasing its expenses and if the subsidy increases, the agency will be able to invest into capital improvement projects.

Referring to the documents provided to the Board members, Mr. Petro stated that the agency expects getting \$1.6 million less in subsidy for the public housing and \$813,000 less for the Section 8. Mike Petro explained that the 84% and 74% proration amounts are estimated amounts and the exact number will be announced by HUD only in October. He described this uncertainty with subsidy proration as one of the biggest challenges for budgeting.

Mr. Petro praised the practice used by the Springfield Housing Authority's COCC that gives more opportunities to AMPs to balance despite continuing subsidy cuts. He explained that unlike COCCs at other housing authorities he works with, the SHA's COCC does not charge their AMPs all 100% of fees, but sets up fees at the same rate as the expected subsidy proration (84% this year).

Mike Petro brought to the Board's attention a spreadsheet that contains detailed budget schedule describing it as a very useful tool to be used to get an idea on how each project operates and how each project affects others.

Mary Ellen Lowney left the Conference Room at 4:46 pm.

Answering Chairman Warren's question Mr. Petro confirmed that capital funds are received separately from the operating funds and he explained why Capital Funds Financing Program (when a part of capital money is borrowed for operating budget) is not a best solution. Judge Abrashkin and Wallace Kisiel supported him stating that this can be an option if there is a critical need for cash, however the agency's current financial condition allows avoiding borrowing from the capital money.

John Healy left the Conference Room at 4:50 pm.

Mr. Petro also explained that no deficit is anticipated and the new operating budget does not project using the reserves except for the Section 8 where only a small amount is projected to be taken out from the reserves. Such a projection, as Mike Petro explained, is based on his conservative approach to budgeting and if the leasing is done at a good level the program may gain \$45000 instead of losing it at the expense of the reserves.

Chairman Warren inquired how does the agency project its expenditures in a situation like the one with Jenny Lane Apartments where some changes are expected with regards to the parking lot and other zoning changes around the development. Wallace Kisiel explained that usually the Capital Fund money cannot be used for this purpose and only money from the operation funds can be used, however the agency had had included some changes projected for Jenny Lane parking lot into its 5-year capital improvement plan.

John Healy returned to the Conference Room at 4:58 pm.

Upon a motion made by Commissioner Thomas, seconded by Commissioner Labonte, it was unanimously

VOTED: To adopt Resolution #9628 to accept the 2016 Operating Budget.

Michele Decoteau, JoAnn White, Nicole Contois and Mike Petro left the Conference Room at 5:01 pm.

JoAnn White and Nicole Contois returned to the Conference Room at 5:02 pm.

The Board reviewed the materials and a recommendation to award Contract to RAC Builders Inc. to renovate 16 handicapped accessible apartments at Riverview. Wallace Kisiel stated this is a new phase of the final stage of the project that will bring the agency into compliance with the Voluntary Compliance Agreement. Answering William Abrashkin's request Mr. Kisiel provided a clarification on the number of units to be renovated and also on an issue of the VCA numbers miscalculated by HUD. He stated that the agency disagrees with HUD's numbers on the total number of units to be converted into handicap accessible apartments in order to comply with the VCA requirements and this issue will be a subject of future discussions with HUD. In response to Commissioner Robles's request to provide more clarification on the number of units to be renovated, Mr. Kisiel explained that 16 small one-bedroom units in four one story buildings will be converted into 10 larger apartments and six more units have already been converted into handicap accessible apartments.

Upon a motion made by Commissioner Quinonez, seconded by Commissioner Robles, it was unanimously

VOTED: To award a contract in the amount of \$2,898,454.00 to RAC Builders Inc., 12 School Street, Agawam, MA 01101, to renovate of sixteen (16) handicapped accessible units at Riverview apartments, utilizing funds from the 2012, 2013 & 2014 capital grant program, and \$100,000 from the Riverview apartments (AMP #1, MA35-1); appoint Executive Director William H. Abrashkin as the contracting officer, authorizing him to execute the contract, subject to the review and approval of the Department of Housing and Urban Development (HUD).

The Board reviewed the materials and a recommendation to accept the Certificate of Substantial Completion from Inglewood Development for renovating 6 units at Riverview. Wallace Kisiel informed that the project that started in April of 2014 was completed on January 19, 2015 and a Certificate of Occupancy is available. Upon a motion made by Commissioner Thomas, seconded by Commissioner Labonte, it was unanimously

VOTED: To accept the Certificate of Completion notification from Inglewood Development Corp., to renovate six (6) handicapped

accessible units at Riverview apartments under contract #G 2014-3-1, hereby accepting the partial completion of the project effective at noon on 19 January 2015.

William Abrashkin left the Conference Room at 5:11 pm and returned at 5:12 pm.

The Board reviewed the materials and a recommendation to approve the 2015 Capital Improvement Plan for DHCD. John Healy explained to the Board what the color codes on the provided spreadsheet stand for and what projects are closed, active and need approval. In response to Chairman Warren's inquiry about the total amount to be approved Mr. Healy stated that no total information is available but Mr. Kisiel said that usually the agency receives \$330,000 - \$340,000 every year. As per Commissioner Thomas's request John Healy confirmed that the amounts on the spreadsheet represent total amounts requested for each project for each year and the current plan to be approved is for four years. Answering Chairman Warren's question on how the numbers on the spreadsheet are calculated John Healy explained that he uses different tools including surveying the property managers and foremen; previous experience and data; site visits as well as a special software called Capital Planning System. Upon a motion made by Commissioner Labonte, seconded by Commissioner Robles, it was unanimously

VOTED: To approve the 2015 Capital Improvement Plan for DHCD

The Board entered into discussion with regards to approving Contract for supplemental police services. Michelle Booth explained the importance of renewing the contract which has been working well for the last years. She indicated that the officers have been very responsive, the record keeping and following has been efficient and easy. The Contract stipulates providing night patrol services at the SHA developments from Tuesday through Saturday as well as other days of the week if required. In response to Chairman Warren's inquiry Ms. Booth explained that Exhibit 1, which is a part of the Contract but was not provided with the Board materials package, lists over-time hours of the police officers.

Judge Abrashkin indicated that the Police Contract is also a part of the PILOT negotiations the agency has been holding with the City of Springfield. If both sides come to an agreement the Springfield Housing Authority might be able to get the services from the Police Department at no charge however at this point it is very important that the Board authorizes spending \$150,000 for this Contract.

Upon a motion made by Commissioner Labonte, seconded by Commissioner Quinonez, it was unanimously

VOTED: To approve the SHA entering into a contract for supplemental policing services, in the amount of \$150,000, with the City of Springfield Police Department and authorizes the Executive Director to execute the contract. The period of the contract is 4/1/15 - 3/31/16.

The Board reviewed the materials and a recommendation to certify that the Springfield Housing Authority is in compliance with the Lead Paint Notification laws. Judge Abrashkin explained that this was a subject of a long standing controversy with the EPA about some paperwork defects and missing documentation. Mr. Abrashkin stated that as to the best of his knowledge the process of correcting errors has been completed, though it took a long time, hard efforts and hiring extra people.

In response to Chairman Warren's inquiry Nicole Contois explained that two managers did not have to certify the compliance because they supervise properties for the elderly and the law requires notifying only tenants living in family developments built before 1978. Following Commissioner Labonte's question Ms. Contois confirmed that these Certifications of compliance do not mean there is no lead paint. Answering Commissioner Thomas's question Wallace Kisiel confirmed that the agency does provide all new tenants with the Lead-based Paint Notification. Judge Abrashkin indicated that the Lead Paint Regulations do not require 100% elimination of lead paint which just needs to be properly capsulated. The executive Director assured the Board that the agency takes an issue of lead paint very seriously and so far no claims of injury from lead based paint have been received.

Upon a motion made by Commissioner Thomas, seconded by Commissioner Labonte, it was unanimously

VOTED: To certify that the Springfield Housing Authority is in compliance with state and federal lead-based paint notification laws

On the subject of solar credits Nicole Contois informed the Board that the Springfield Housing Authority is working with Tina Miller, an energy consultant for the Cambridge Housing Authority, who as per her request had been provided with copies of recent electric bills and some other information. Tina Miller is supposed to get back with some review on what will be the most profitable option for the SHA - getting credits from solar companies or buying futures. The agency will also be considering an option of paying electric bills for the family units (which currently get billed directly) in order to get more credits and save on utility allowance. In response to Chairman Warren's question if the 29% electric rates increase is reflected in the new budget Ms. Contois explained that is not reflected because the budget is calculated by using a special formula based on consumption data for the last 3 years multiplied by current electric rate.

The Board reviewed the mural sketch for 60 Congress Street. In response to Commissioner Thomas's comment that all the kids on the sketch represent minority Judge Abrashkin explained that it reflects the situation in Springfield schools where 90% of students represent minority. In response to his inquiry about metrics in SHA developments Michelle Booth stated that minorities make about 75% of all SHA residents but promised to get more exact information by the next Board meeting. Chairman Warren expressed his preference for the mural to be painted on the wall in the hall outside the Conference Room.

The Board reviewed the materials and a recommendation to authorize spending \$140,000 of operating reserves to replace over 20 years old boilers at Gentile Apartments. Nicole Contois explained that Gentile Apartments is a state owned property funded by the project based federal Section 8 program. The amount of subsidy received for this development is meant to build up operating reserves to pay for capital improvement projects. Ms. Contois informed that Gentile currently has an operating reserve of \$950,000 which is more than is required for operating expenses. Ms. Contois stated that the quote includes cost of all parts and the labor. Wallace Kisiel explained that the agency is using internal system that had been properly procured and bidden - the installation is a part of the HVAC contract with BJ Mechanical and the boiler purchase is a part of the state contract. Mr. Kisiel confirmed that the new boilers will be much more energy efficient.

Upon a motion made by Commissioner Thomas, seconded by Commissioner Quinonez, it was unanimously

VOTED: To approve the use of up to \$140,000 of operating reserves to replace boilers at Gentile Apartments.

Judge Abrashkin started his Executive Director's report by providing information on recent discussion with HUD with regards to Marble Street. He informed that HUD's position on disposition application is encouraging and supportive and more details will be discussed during a conference call scheduled for the next day between the SHA team, Mike Petro and a Demo specialist. The agency will assess various opportunities for a successful application and if necessary will be negotiating with the City an option of taking the property at Marble Street by eminent domain on the terms that are profitable to the SHA. Judge Abrashkin indicated that the fair market value of the property is estimated at \$1,5 mln. He stated that as per HUD the SHA can be reimbursed by the City for the rebuilding costs but instead of rebuilding the units the agency intends to provide the residents with Tenancy Relocation Vouchers, an option which is considered as more preferable by the tenants since it gives them much more flexibility.

Chairman Warren praised the efforts of Michelle Booth, William Abrashkin and other team members who have been dealing with this complicated issue.

The Executive Director continued his report by providing an update on the fundraising efforts for TRS! He informed that a new employee has been hired to focus on grant applications and fundraising efforts. A phone call with HUD and another one with the Boston based Strategic Partners Organization has been scheduled to discuss potential opportunities for funding the program and the agency will continue working with the legislature representatives to get their support.

Judge Abrashkin informed that a new Undersecretary for DHCD Chrystal Cornegay has accepted the SHA's invitation to visit the Springfield Housing Authority on May 5th.

Wallace Kisiel left the Conference Room at 5:45 PM.

Judge Abrashkin invited Michelle Booth to provide an update on recent changes to the Section 8 staff that would help Section 8 residents explore some beneficial programs and opportunities. Ms. Booth informed the Board that the Participant Services department has been established under the supervision of Loleta Collins who has more than 20 years of experience in working in the social services sphere. Ms. Booth also informed that a former Robinson Gardens resident was hired as a new Family Self-Sufficiency Program Coordinator. The plan is that he will be working with 25 families for 4-5 years with the ultimate goal to make them free of any form of public assistance by the end of that period. Ms. Booth also informed about plans of reviving activity of the Project Steering Committee which has been dormant during recent years but now will continue assisting Section 8 residents with exploring new employment and economic opportunities.

John Healy left the Conference Room at 5:50 PM.

Ms. Booth said that apart from the Family Self-Sufficiency Coordinator, a part-time Homeownership Coordinator and a Mobility Counselor have been hired. The Mobility Counselor will be working on assisting Section 8 residents with finding housing outside neighborhoods where poverty and segregation levels are too high. She also explained that having tenant Participation Department will make SHA eligible for some HUD grants which require having family self-sufficiency programs in place. In response to Commissioner Thomas's question Michelle Booth confirmed that the SHA will be providing relocation counseling to all the families at Marble Street.

The Board was informed that the agenda for Mass NAHRO conference has not been posted yet and once available will be presented to the Board. In response to Commissioner Labonte's comment that the conference dates conflict with the May Board meeting date, Chairman Warren stated that the meeting can be re-scheduled if necessary.

The Board accepted the Letter of Acceptance of the FY2011 Choice Neighborhoods Final Transformation Plan.

On the Accounts Payable report Chairman Warren inquired about \$117,000 paid to an architect. He asked to provide more information about for what type of services the agency had to pay such a big amount and questioned if the architect designed a project for the SHA. JoAnn White promised to check the records and provide details after the meeting.

Commissioner Labonte inquired about check #8514 in the amount of \$1000 paid for settlement removal. Michelle Booth explained that this payment was made in order to settle a legal case with a tenant who filed a claim because the fence she had had on her backyard for many years was removed and destroyed by SHA maintenance crew during federalization. Judge Abrashkin suggested that this payment was only a partial payment and the rest might have been paid by the DHCD as a part of usual insurance proceedings related to state units.

Michelle Booth and JoAnn White left the Conference Room at 6:00 PM.

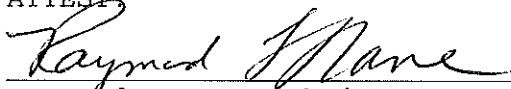
Chairman Warren asked for the Board's consideration to enter into Executive Session. Upon a motion made by Commissioner Labonte, seconded by Commissioner Thomas, it was by a roll call vote (Warren - Aye, Thomas - Aye, Robles - Aye, Labonte - Aye) unanimously

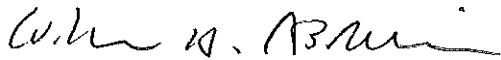
VOTED: To enter into Executive Session to negotiate contract(s) with nonunion personnel and to not reconvene in Open Session.

There being no further business to come before the members of the Springfield Housing Authority, upon a motion made by Commissioner, Labonte, seconded by Commissioner Thomas, it was unanimously

VOTED: To adjourn the Open Session of a Regular Meeting of the Springfield Housing Authority at 6:01 PM.

ATTEST:


Raymond Warren, Chairman


William H. Abrashkin, Executive Director

