

MINUTES OF THE ANNUAL MEETING
- OPEN SESSION -
OF THE SPRINGFIELD HOUSING AUTHORITY
HELD ON SEPTEMBER 20, 2016

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 September 20, 2016.

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 the Annual Meeting of the Board of Commissioners of the Springfield Housing Authority will be held at 4:30 PM on Tuesday, September 20, 2016 in the Conference Room of the Springfield Housing Authority at 60 Congress Street, Springfield, MA 01104.

SPRINGFIELD HOUSING AUTHORITY

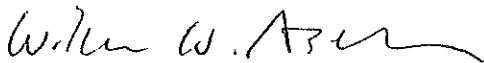
/s/William H. Abrashkin, Executive Director

September 15, 2016

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 September 15, 2016 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 Thomas called the meeting to order at 4:30 PM, and those present upon roll call were as follows:

PRESENT

Willie Thomas
Thomas Labonte
Jessica Quinonez
Angela Robles
Raymond Warren

ABSENT

ALSO PRESENT

William Abrashkin
Michelle Booth (arrived at 4:32 pm)

Nicole Contois
Henry Figuerido, Sodexo
Tim Gray, Springfield Public Schools
Fidan Gousseynoff
Mike Guyder, Guyder Hurley, PC
John Healy (arrived at 4:40 pm)
Mark Jeffrey, Sodexo
JoAnn White
Pam Wells

The meeting started with paying tribute to Sodexo for all their support to the SHA kids. Director of Resident Services Pam Wells told the Board that Sodexo initiated a new summer lunch program for three SHA developments - Reed, Robinson Gardens and Sullivan. Over the summer vacation time they provided free lunches to kids living in those developments and also provided food and free backpacks to all kids at Sullivan and Robinson Gardens, which was a part of the TRS initiative. Mark Jeffrey, District Manager from Sodexo introduced his colleague Henry Figuerido, Client Relations manager and Tim Gray, Food Service Administrator of Springfield Public Schools. Mr. Jeffrey stated that Sodexo is proud to support the SHA projects which is an important part of supporting the community and acknowledged Ms. Wells for her leadership.

Mark Jeffrey, Henry Figuerido, Tim Gray, and Pam Wells left the Conference Room at 4:37 pm.

Chairman Thomas gave the floor to Mike Guyder from Guyder Hurley, PC. Mr. Guyder informed the Board that he and his team are working on site to conduct FY16 audit. He informed the Board about major changes in the audit system this year, specifically about Agreed Upon Procedures and implementing GASB-68 [Government Accounting Standards Board's Statement #68]. The statement requires all housing authorities recording their portion of unfunded pension liability and for the SHA it is estimated to be in the amount of 30 million dollars. Mr. Guyder stated that it is the most significant change the agency has ever gone through in terms of financial statements. He explained that the liability has always existed but never has been reflected in the financial statements. He indicated that once the statements are finalized they will be provided to the Board and representatives of the audit firm will be available upon request to present them at the Board meeting. In response to Commissioner Warren's question Mr. Guyder provided brief explanation of the Agreed Upon Procedures which is a state requirement that came out of the Housing Reform Bill. Answering Chairman Thomas's question he confirmed that his firm is conducting a single audit, reviewing compliance of the agency's federal projects with the federal requirements; reviewing financial statements for both state and federal programs, and reviewing compliance of the state projects with the Agreed Upon Procedures. Answering Judge Abrashkin's question Mr. Guyder indicated that due to the changes there are many housing authorities in the state whose overall equity number is negative however he is not aware about any cases when new regulations caused short-term cash problems. Finance Director JoAnn White indicated that there is a concern about 14% of postemployment liability increase which is expected in the next two years. Mr. Guyder explained that unlike many other retirement systems in the State, the Springfield Retirement system is only funded on 25% which is a

major problem for the Springfield Housing Authority. The way the agency is funded does not allow any mechanisms for additional funding to help facing all the increasing pension expenses - there is only an opportunity to appeal for additional operating subsidy through a DHCD waiver but the chances of getting an approval are very low and in any case it will cover only state projects. Answering Commissioner Warren's question on what may have caused all the current significant changes, Mr. Guyder stated that he is not aware why historically the SRS was only funded at 25% (while, for example, the retirement system in Worcester is funded at 65%) and whether the problem was due to not bringing in enough money in terms of appropriations or due to improper distribution of the funds between investors. He also explained that the pension funds are projected to be funded at 100% after a certain number of years of operations so in the future the situation might improve for the Springfield Housing Authority. He also informed that in the future the agency will be required to record another liability - the OPEB [Other Than Pension Postemployment Benefits] liability which also has existed for a long time but has not been reflected in the financial statements.

Chairman Thomas thanked Mike Guyder for his presentation. Mr. Guyder left the Conference Room at 4:51 pm.

Chairman Thomas informed the Board about moving item E-9 - Election of Officers to the top of the New Business Agenda. Upon a motion made by Commissioner Warren, seconded by Commissioner Labonte it was unanimously

VOTED: to move item #9 to be 1st item on the New Business Agenda.

Election of Officers of the Springfield Housing Authority took place. Commissioner Warren suggested adopting the same slate of officers as in 2015-16. Upon a motion made by Commissioner Warren, seconded by Commissioner Labonte, it was unanimously

VOTED: to re-appoint Willie Thomas as Chairman; to re-appoint Thomas Labonte as Vice Chairman; to re-appoint Angela Robles as Treasurer; to re-appoint Jessica Quinonez as Assistant Secretary, and re-appoint Raymond Warren as Commissioner.

The Board reviewed the Minutes of August 16, 2016. Upon a motion made by Commissioner Labonte, seconded by Commissioner Robles, it was unanimously

VOTED: to approve the Minutes of August 16, 2016.

The Board reviewed materials and a recommendation to authorize Board Chairman Thomas and Vice-Chairman Labonte to execute the Contracts for Units A & B. Executive Director Abrashkin indicated that the changes are similar to those for units C & D. Commissioner Labonte inquired on the date when the reduction of sick time goes into effect because the Contract says 4/1/16 but the Contract was only ratified in August. Judge Abrashkin and Michelle Booth stated that this question has not been discussed and will be addressed upon Union's request. Upon a motion made by Commissioner Labonte, seconded by Commissioner Quinonez it was unanimously

VOTED: to adopt Resolution #9671 to authorize Chairman Willie Thomas and Vice-Chairman Thomas Labonte to execute the contracts for Unit A and Unit B.

The Board reviewed the materials and recommendation to adopt revisions to the Transfer Policy. Michelle Booth explained that it was decided to revise many SHA Policies and the 1st one brought to the Board's approval is Transfer Policy because there were most questions raised about several elements of the existing policy. The old policy has two general categories - Administrative and Good Cause and its language creates an impression that only the management can initiate transfers and the Policy itself has no clear identification on how reasonable accommodation transfers are to be addressed. The new policy suggests three categories: emergency; non-emergency reasonable accommodation and accessibility, and non-emergency transfers. Ms. Booth explained how the new policy clarifies how the SHA classifies transfer applications and how it selects various categories of applicants from the waiting list. The new policy removes priority for current SHA residents in the transfer list thus giving an opportunity to people who qualify for emergency housing to get an apartment first and reducing workload for the maintenance staff. Michelle Booth gave credit to the members of Transfer Policy revision Committee comprised of Applications Manager Jacque Banks, Assistant Property Manager Brad Fink and Property Manager Kevin Kleczyznski who volunteered their time to review the Policy and brought great input. The Policy was reviewed by Attorney Chesky. Ms. Booth requested to make the new Policy effective 10/15/16 so that the staff will have enough time to get trained. Chairman Thomas inquired on how the tenants will be notified about the revisions. Michelle Booth responded that a copy of the revised Transfer Policy will be displayed in each District management office. Commissioner Robles suggested including information about the revisions to the next Newsletter.

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

VOTED: to adopt Resolution #9672 to approve the revised Federal Public Housing Program Transfer Policy and authorize it to be inserted into the SHA's Admissions and Continued Occupancy Plan for Federal Public Housing in place of the current policy.

The Board reviewed the materials and a recommendation to approve new Utility Allowance Schedule for the Housing Choice Voucher Program. Michelle Booth explained that the numbers in the schedule were generated by Happy Software based on energy consumption data. The schedule provides data for different types of dwelling units. Ms. Booth indicated that the allowances have decreased in comparison with 2015. Upon a motion made by Commissioner Warren, seconded by Commissioner Robles it was unanimously

VOTED: to adopt Resolution #9673 to approve the Summary Allowance for Tenant-Furnished Utilities and other Services prepared by Happy Software.

The Board reviewed materials and a recommendation to approve new Fair Market Rents for the Housing Choice Voucher Program. Michelle Booth explained that the Resolution consists of two parts - the first one is to

approve the FRMs released by HUD and the second is to adopt the SHA's FMRs. Ms. Booth stated that HUD allows each housing authority to establish its own FMRs as far as it's within a basic range - between 90 and 110% of the HUD's rents for each unit size. The current standard of the SHA rent for studio apartment is 89% so it is mandatory that this standard must be increased up to at least 90%. Ms. Booth reported that the feedback received from the RAO staff shows that leaving FMRs at the current level for other size apartments would put the SHA Program participants at a great disadvantage at the private market. The SHA is finding that a growing number of participants are reporting on having difficulty in finding apartments at current payment standards level and some, even after extension, are turning their vouchers in. Landlords prefer to work with other housing agencies having higher payment standards (Chicopee Housing Authority set payments at 100% and HAP Housing at 105%). During her recent visit to Springfield Tracey Johnson-Mack from the HUD's Regional office also discussed the issue of low FMRs of the SHA and suggested increasing them in order to address problem of poverty de-concentration.

Ms. Booth stated that according to the information received from Mike Petro and Maryann Hallas from the Section 8 Accounting Department, with the anticipated funding levels and \$2 million in the SHA's Housing Assistance Payments reserves, the agency can afford to increase the FMRs. Commissioner Warren asked to provide a number of vouchers turned in due to low FMRs. Ms. Booth stated she does not have an exact number. Commissioner Warren inquired is the \$2 million reserves are the same funds that the agency was planning to obligate for other project and Executive Director Abrashkin responded that the funds for the real estate project will be coming from another pool - from the administrative reserves. In response to Commissioner Warren's question on how HAPs higher FMR standards affect poverty concentration Ms. Booth stated that high standards can contribute to poverty de-concentration because they give people an opportunity to rent an apartment or house in some cities with higher rents and less poverty rates like Agawam. Commissioner Warren expressed his concern that higher payment standards encourage landlords to increase their rents. Upon a motion made by Commissioner Labonte, seconded by Commissioner Robles it was by a majority vote 4:1 (Commissioner Warren opposed)

VOTED: to adopt Resolution #9674 to

1. Adopt HUD's new Fair Market Rents schedule for FY 2017 as follows:

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
FY 2017	\$701	\$844	\$1,057	\$1,322	\$1,568	\$1,803	\$2,073

2. Approve new SHA Housing Choice Housing Choice Voucher payment standards, effective for October 1, 2016 - September 30, 2017, at 100% of the FY 2017 HUD FMR as follows:

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
FY 2017	\$701	\$844	\$1,057	\$1,322	\$1,568	\$1,803	\$2,073

The Board reviewed materials and a recommendation to accept amendment #7 to the DHCD Contract. John Healy explained that the award amount includes \$163,134.00 for the abatement costs for the replacement of zone valves at Forest Park and Carpe Diem Apartments and \$20,000 for the planning of unit

renovation at project 689. Mr. Healy indicated that the unit is handicap accessible but must be brought into accordance with the DHCD standards. Upon a motion made by Commissioner Warren, seconded by Commissioner Labonte it was unanimously

VOTED: to adopt Resolution #9675 to accept the amendment #7 to the Formula Funding Contract with an award of \$183,134 in funds to pay for the planning portion of the accessible unit renovation at one of the SHA's 689 units and abatement costs for the replacement of Zone Valves at Forest Park and Carpe Diem Apartments. The funds will come from DHCD Accessible Unit Initiative.

The Board reviewed materials and a recommendation to award a contract to H.M.Nunes & Sons Construction for site renovations at Morgan Apartments. Mr. Healy explained that the SHA has been having issues with flooding and mold at Morgan Apartments for many years because of the site's terrain. The Contract is for upgrading driveway, parking lot and for repairing the drainage system. The project will be funded through the Federal Capital Fund. If the project cannot be completed before winter because of the Contractor's schedule it will start next spring. Answering Commissioner Warren's question John Healy informed that there are 52 units at Morgan. Upon a motion made by Commissioner Labonte, seconded by Commissioner Quinonez, it was unanimously

VOTED: to Award a Contract to H.M. Nunes & Sons Construction Inc. of Ludlow, MA, in the amount of \$134,927.00, for site renovations to improve the parking/driveway areas at Morgan Apartments, utilizing Capital Grant funds; appoint Executive Director, William H. Abrashkin as the Contracting Officer authorizing him to execute the contract.

The Board reviewed materials and a recommendation to accept the Certificate of Substantial Completion from BG Mechanical Contractors for Zone Valve replacement at Carpe Diem and Forest Park Apartments. John Healy informed that the project is almost done, all zone valves are in, the system is operable and insulation work are almost completed. Once the final list is finalized the Certificate of Final Completion will be brought to the Board. Upon a motion made by Commissioner Warren, seconded by Commissioner Robles, it was unanimously

VOTED: to accept the Certificate of Substantial Completion from BG Mechanical Contractors for FISH #281110, hereby accepting the project, effective on September 7, 2016.

Commissioner Labonte informed the Board that he had contacted the Ethics Commission to check if there was any conflict of interest because he works as a Consultant for the City going through Union negotiations process. Mr. Labonte stated that it is not a paid position. The Ethics Commission's lawyer informed him that there is no Conflict of Interest and Mr. Labonte is not obliged to disclose information about his work for the City. Chairman Thomas thanked Mr. Labonte for sharing this information with the Board.

Judge Abrashkin started his Executive Report by returning to the issue of increasing pension. He emphasized how much impact the anticipated increase - 14% for the first two years, 8% the next three year -will have on the financial state of the agency. In response to his inquiry on how much those numbers represent, JoAnn White referred to the document in Old Business distributed to the Board and told that the pension contributions will increase up to \$2,740,224 in 2018 and up to almost \$3,5 million in the following years. Ms. White reported that the Pension Board is projecting that by 2035 the fund will be 100% funded based on how estimated income from the investments will go. She indicated that in five years the contributions will continue growing which will put the agency in even more difficult position. In response to Commissioner Warren's question Judge Abrashkin explained that SHA, together with the City and the Springfield Water & Sewer Commission are the only elements of the Springfield Retirement system which is an independent Pension agency which has to follow some State regulations.

Judge Abrashkin expressed his frustration that the increasing pension payments, together with decreasing HUD allocations, and aging equipment and vehicles create so many challenges for already struggling agency. He provided the Board with the list of the SHA equipment most of which are 15 years old and, according to estimations it would cost \$300,000 to replace it. Answering Michelle Booth's question he confirmed that the next step will be determining priorities in replacing the equipment. The Executive Director stated that the staff will be looking into a possibility of hiring a Consultant to advise on cost saving measures. He indicated that if the situation does not change, the agency might need to start reducing its workforce even though laying off even two or three people will not help much taking into account all the growing expenses and depleting resources while creating more challenges because of the huge workload the staff has to deal every day.

Michelle Booth told that cost saving measures have already been a subject of discussions with the maintenance crew and many staff members suggested some ideas that might help reduce expenses, for example, using one of the electricians certified in alarm systems to work on alarm repair work orders thus saving thousands of dollars to each District even if another electrician will be hired to do electrical jobs.

The Executive Director continued the report by informing the Board that after the application for Marble Street was approved, the SHA's application for Tenancy Protection Vouchers has been approved as well though a written confirmation is still pending. He characterized it as a last administrative hurdle to be overcome and indicated that the relocation process will take a lot of time and effort. The agency is planning hiring a consultant to assist families with relocation. The legal work on conveying the building to the City for demolition will finalize the entire process.

Judge Abrashkin provided an update on the Carew Street Project. He noted that due to financial difficulties discussed at the meeting earlier the agency is now looking into finding extra sources of funding for the project. The SHA and DevelopSpringfield are looking for some funding opportunities through MassMutual (partner of DevelopSpringfield), the City's Community Development Grant Program, the City's Façade Improvement

Grant, Tax credits etc. Judge Abrashkin emphasized that increasing contribution to the Pension System from the RAO (around \$60,000) and HUD's new administrative fees do not allow spending more than \$1,5 million on the project so it is absolutely necessary to get the extra sources of funding or use a completely different approach. In response to Commissioner Warren's inquiry he confirmed that rent is being taking out the discussion.

The Executive Director's report was continued by an update on TRS funding. Judge Abrashkin informed that the earmark in the amount of \$75,000 was vetoed by the Governor, then the Congress over-wrote it. No funds have been received yet because the state budget has yet to be finalized and it will be clear by October 15th if the TRS funding will be a subject of so-called 9C cuts which allow the Governor to cut from the final budget appropriated funds to balance the state budget. Apart from the earmark, there is also a \$50,000 grant from the Funders Collaborative for Great Level Reading (Davis Foundation) contingent upon receiving funding from the state.

Completing his report Judge Abrashkin expressed his frustration over the general situation with public housing all over the country - tens of thousands of public housing units are disposed annually without being replaced and the funding for remaining units keeps decreasing every year.

The Board reviewed the letter from the DA office regarding supporting the Springfield Job Fair & Basketball Tournament; the most recent Mass NAHRO Community Update and proposed amendments to DHCD Regulations.

The Board accepted the Accounts Payable report for the month of July 2016 and Financial Statements for the months of June and July 2016.

The Board accepted the Communications / Community Relations quarterly report.

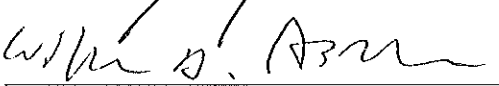
There being no further business to come before the members of the Springfield Housing Authority Board, upon a motion made by Commissioner Warren, seconded by Commissioner Labonte, it was unanimously

VOTED: To adjourn the Open Session of a Regular Meeting of the Springfield Housing Authority at 6:26 PM.

ATTEST:



Willie Thomas, Chairman



William H. Abrashkin, Executive Director