

MINUTES OF A REGULAR MEETING
- OPEN SESSION -
OF THE SPRINGFIELD HOUSING AUTHORITY
HELD ON JUNE 20, 2017

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 June 20, 2017.

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

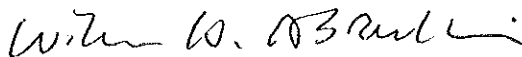
Notice is hereby given in accordance with Section 23B of Chapter 39 of the Massachusetts Laws, as amended, that a regular Meeting of the Board of Commissioners of the Springfield Housing Authority will be held at 4:30 PM on Tuesday, June 20, 2017 in the Conference Room of the Springfield Housing Authority at 60 Congress Street, Springfield, MA 01104.

SPRINGFIELD HOUSING AUTHORITY
/s/William H. Abrashkin, Executive Director
June 16, 2017

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 June 16, 2017 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

Vice-Chairman Labonte called the meeting to order at 4:39 PM, and those present upon roll call were as follows:

PRESENT
Thomas Labonte
Jessica Quinonez
Angela Robles
Raymond Warren

ABSENT
Willie Thomas

ALSO PRESENT
William Abrashkin
Michelle Booth
Wallace Kisiel

Jaleace Lindsay
Mary Ellen Lowney
Azariah Mabry
Jimmy Mitchell

The Board reviewed the Minutes of June 14, 2017. Upon a motion made by Commissioner Robles, seconded by Commissioner Quinonez, it was by a majority vote (Commissioner Warren abstained)

VOTED: to approve the Minutes of June 14, 2017.

Jimmy Mitchell provided brief information about the scholarship named after his father, Farris Mitchell, who lived in public housing and raised 10 children. After his father passed away, Jimmy Mitchell who was able to get a college degree, initiated a scholarship together with the Springfield Housing Authority to assist residents living in public housing to pursue their dreams to go to college - in 20 years the scholarship has helped 27 young men and women. Mr. Mitchell introduced the recipients of this year's scholarship award - Jaleace Lindsay and Azariah Mabry. Ms. Lindsay expressed her gratitude for the scholarship and stated that she is planning to study psychology at Fitchburg State University. Ms. Mabry also thanked Mr. Mitchell and the SHA and informed that she will be attending Hampton University majoring in psychology.

Jaleace Lindsay, Azaria Mabry and Mr. Mitchell left the Conference Room at 4:45 pm.

The Board reviewed materials and a recommendation to approve Change Order #1 to Contract with Diversified Construction in conjunction with the work to build four units, as a part of the replacement of the tornado damaged property at 425 Central Street. Wallace Kisiel reminded that 14 months ago the Board approved the Contract in the amount of \$1.4 million dollars and this proposed Change Order increases the contract amount on 3.3% which is within HUD guidelines as HUD allows contract increases up to 10%. Mr. Kisiel explained that the proposed changes will allow to make the newly constructed building as maintenance free as possible. Commissioner Labonte commented that he has recently seen the building and it looks really good. Mr. Kisiel stated that the SHA wanted to make sure that it blends with the neighborhood, for example, porches were added.

Judge Abrashkin stated that the staff has recently learned that certain forms, reports and other documents must be submitted to HUD in order to get the new units added to the SHA portfolio even if the newly constructed units are a replacement of those destroyed by tornado. Michelle Booth provided brief update stating that John Healy and Mike Petro are working on this.

Commissioner Warren asked how the project at 425 Central Street is funded and Mr. Kisiel responded that all the expenses are covered by the proceeds from the insurance policy. After the Change Order, there will be \$160,000 leftover that will go back to the AMP. Upon a motion made by Commissioner Warren, seconded by Commissioner Quinonez it was unanimously

VOTED: to approve Change Order No.1 to Contract # G-2016-2-1, in the amount of \$48,739.11, making the new contract amount \$1,532,684.61, while extending the Substantial Completion date to 31 May 2017, authorize the Executive Director to accept the completion of the contract and approve Periodical Estimate for Partial Payment #14 releasing the contract retainage of \$152,613.57.

Executive Director Abrashkin informed the Board that it was the last Board meeting for Wallace Kisiel who is retiring on July 23rd.

Wallace Kisiel left the Conference Room at 4:51 pm.

The Board reviewed materials and a recommendation to approve participating in the second litigation challenging the operating reserve offset imposed by HUD and Congress on 2012 operating subsidies. Judge Abrashkin indicated that based on the first round of the litigation, the Springfield Housing Authority has some chances to obtain money damages. Upon a motion made by Commissioner Warren, seconded by Commissioner Robles it was unanimously:

VOTED: to participate in the second lawsuit challenging the operating reserve offset that Congress and HUD imposed on its 2012 operating subsidies; authorize the expenditure of \$3,000 for the cost to participate from non-federal funds be paid to Operating Reserves Litigation c/o PHADA 511 Capitol Court NE Washington DC 20002; authorize Executive Department Manager Fidan Gousseynoff to be the contact person for the SHA (fgousseynoff@shamass.org or 413-785-4514)

The Board reviewed materials and a recommendation to adopt new income limits. Michelle Booth explained that each year DHCD and HUD make an analysis of income limits for public housing and make adjustments. PHAs are required to formally adopt new income limits. Upon a motion made by Commissioner Quinonez, seconded by Commissioner Robles, it was unanimously

VOTED: to adopt Resolution #9696 to approve new income limits for state and federal public housing.

The Board reviewed the SHA Public Records Access Policy. Judge Abrashkin stated that this is a regulatory change and the SHA has always responded to all requests for public records in full and at no charge. Upon a motion made by Commissioner Warren, seconded by Commissioner Labonte it was unanimously

VOTED: to adopt Resolution #9698 to adopt the SHA Public Records Access Policy.

Judge Abrashkin informed the Board that he has recently received a letter from the City's Elections Department stating that all Springfield landlords need to provide information about its residents which raises a question of how such a request interfaces with the privacy laws. The SHA is willing to support the City's efforts on increasing number of people

registered to vote however classified information about its residents including names, date of birth and public benefits they receive is considered as personal information of highly sensitive nature. Mr. Abrashkin informed that he contacted the office of the registrar to leave a message explaining the SHA's position.

William Abrashkin started his Executive Director's report by informing the Board that TRS Program has expanded to Duggan Apartments. HUD approved placing a unit off-line for special use, the IT has just finished its work here, the unit will be soon painted and furniture delivered so it is expected that by the end of the week the office will be ready. Daisy Gomez, a long-time Resident Services Department employee will be working there. The commencement event was attended by Mayor Sarno.

Mr. Abrashkin informed the Board that Davis Foundation has recently sent a check for \$38,000 that would assist the agency with paying salary of TRS Outreach Coordinators Zenaida Burgos and Lynn Cimino who is transitioning from the REB to SHA. The SHA is working with Partners for Healthier Community on assessing the IT platform for TRS metrics.

Judge Abrashkin continued his report by providing information about a new big project involving Brookings School, Springfield Public Schools and some large foundation planning to create an Educare facility which will provide high quality education to children from birth till age 5. This partnership is interested in acquiring the SHA property at Eastern Avenue.

Michelle Booth provided an update on Marble street. She informed that all the tenants have been issued vouchers and are currently in the process of looking for new apartments. Commissioner Warren questioned about the City's plan for the demolition and Ms. Booth stated that the City officials were informed that the vouchers have been issued and the residents have 120 days to relocate so the building will be vacant by the end of September - 1st week of October. In response to Commissioner Warren's question Judge Abrashkin stated that the SHA does not have a Purchase and Sale Agreement with the City and he is not sure if one is needed as there is an agreement about the price. Mr. Abrashkin has been keeping the Mayor, Gerry McCaffety and Congressman Neal informed about the project and if any other steps are required, Attorney Chesky and Ed Pikula [the City Solicitor] will notify him.

Michelle Booth stated that the SHA is working with the tenants to encourage them to move into areas of opportunity though some of the residents want to stay in the neighborhood.

The next item on the Executive Director's report was an update on the Facilities and Capital Improvement Department after Wallace Kisiel's retirement. Judge Abrashkin explained that several years ago when the agency was involved into implementing a few big projects, Mr. Kisiel's position was upgraded to the position of Deputy Executive Director. It was decided to eliminate this position due to lack of money as well as because federalization projects were completed. John Healy now will combine responsibilities of the Purchasing Manager and Capital Projects

Manager. Together with Howard Coro, Naomi [DeChristopher] and Siobhan [Cauley] he will be able to manage the Department's business and it will allow to save about \$165,000. The new changes will go into effect on Monday [June 26th].

The Executive Director continued his report by providing information about situation with the deficit in its state public housing program. He reminded the Board that the state PH program has been carrying a major deficit of \$2.2 mln for many years. He explained that when the agency was starting its federalization project, it was awarded a \$20 million grant by the State. DHCD assigned one of its specialists, James Marathas to provide assistance and guidance with the federalization process. The agency ended up overspending the grant and failed to request additional funds from DHCD hoping it would be able to carry the deficit into its federal portfolio after all three properties were federalized however HUD did not allow to do it. For the number of years the SHA has been carrying the equity deficit in its books and in the last four years Nicole Contois and Mike Petro have been reviewing opportunities to address this problem. Judge Abrashkin informed that two weeks ago he, Ms. Contois and Mr. Petro met with the DHCD team in Boston and DHCD agreed to review the expenditures to make sure all the extra expenses were for the federalization project and possibly issue funds to neutralize or reduce the deficit. For the last couple of weeks the Accounting Department's staff members were collecting the records and were able to retrieve proof of spending \$1.9 million for the federalization. The records have been just submitted to DHCD - the volume of the information to be transferred was so huge, a dropbox account had to be set up for that purpose.

Commissioner Warren expressed his concern that he has not been aware about overspending. He stated that for many years he thought that the deficit was caused by lack of funding from DHCD for the state project and it has never been brought to his attention that the deficit was connected to the federalization project. He indicated the importance of finding out how it could have happened and what controls were in place to authorize so many expenses over the grant limit.

Judge Abrashkin explained that the federalization was a huge project with so many people involved, it was taking place right after the corruption probe and the Accounting and Finance Department was going through transitional period after its director Deb Barton passed away. He stated that the staff was also relying on the guidance from James Marathas, spending lots of money on stuff like reviews, reports and other efforts to make sure that the federalized properties meet HUD requirements. The fact that DHCD agreed to review the records about expenditures and consider providing extra money shows that its staff agrees that they share responsibility with SHA for not monitoring the expenses properly.

Commissioner Labonte inquired how it happened that those staff members who were in charge of tracking expenses for federalization, did not flag that the federalization funds are running low and the amount of expenses significantly exceeds the allocated funds. Michelle Booth stated that, to the best of her knowledge, DHCD did not just provide money to the SHA but was reimbursing for the expenses so there were no proper mechanism in place to track the balance. Ms. Booth also added that the SHA staff was

meeting with Paul McPartland from DHCD regularly to review the project and he did not flag the overspending.

Commissioner Quinonez inquired if there is any plan B in case DHCD decides not to refund SHA for the extra expenses and Judge Abrashkin responded that there is no any other option. In response to Commissioner Robles's question about when DHCD's decision is expected, Judge Abrashkin stated that Sarah Glassman promised to review the records before she leaves the agency in 10 days.

Commissioner Warren emphasized the importance of undertaking measures to monitor all expenses properly to make sure no grant money is overspent and asked what has been or will be done to prevent problems with exceeding the limit of funds. Judge Abrashkin stated that the agency has taken proper steps with reorganizing the Finance Department to make sure it runs in much higher accountable and responsible way.

The next item on the Executive Director's report was Adult Basic Education program. Judge Abrashkin explained that about 5 years ago the State Department of Elementary Education awarded a grant for adult education to an organization called Mass Career Development Institute. After that organization ceased its existence the consortium consisting of Holyoke Community College, Springfield Technical Community College and the Springfield Housing Authority won the grant. The HCC has been running English as Second language Program at its campus and the adult basic education element has been run by SHA (at Sullivan Apartments) and STIC (at its campus). The program headed by a talented member of the SHA team, Sarah Carbone, has been very successful and has a waiting list of 600 people. The program was entering its last year of the grant when the SHA was informed by STIC that, due to the funding being cut by the State by 7%, the program at Sullivan is to be eliminated. The SHA did not agree with the STIC position and insisted that each component of the program must be cut by 7%. The SHA has been recently informed that both colleges and the SHA will share the 7% cut and that will allow to keep the program at Sullivan and pay Ms. Carbone's salary.

Judge Abrashkin completed the Executive Director's report by providing information about a new project, Accountable Care, that came up in the last month and was brought to his attention by Behavioral Network and Baystate Hospital. The idea of the program is to develop a new model of healthcare that would focus on providing preventative services to forestall or reduce risks of some health conditions like prediabetes, obesity, asthma, hypertension, depression, [attention] deficit disorder. The major goal is to provide high quality health care services and preventative measures and to reduce health care expenses. Frank Robinson, the Vice President for Community Health of Baystate has suggested that the SHA will be a great place to start the pilot program since most of the residents have Medicare and Masshealth. Judge Abrashkin informed that he and other members of his team will be meeting with Mr. Robinson to discuss details of the pilot project. Baystate staff and a few students will start with so-called "mapping" and by the end of the year will make a proposal to the State Health Department and, if the proposal is approved, the pilot program will run for 5 years. The project is funded by Baystate and the SHA is only contributing its staff time without

incurring any other expenses. Judge Abrashkin stated that the SHA is delighted to participate in this program that has a great potential for its residents.

Commissioner Quinonez expressed her concern that not all tenants will be willing to share information about their insurance or health condition. Judge Abrashkin indicated that there will be long education process and he hopes that most people will understand that this model is in their best interests.

Michelle Booth informed that a Special meeting might be required and Judge Abrashkin suggested calling a regular meeting in July instead of August.

The Board reviewed a copy of letter from FEMA regarding denying the 2nd appeal with regards to the tornado units.

The Board reviewed a copy of email from PHADA regarding cuts. Judge Abrashkin expressed his concern about projected 74% fee proration which is considerably lower than the current 84%. Michelle Booth stated that the SHA's budget was projected for 80% and with continuing cost saving measures the agency is expected to be capable to overcome decreasing funding.

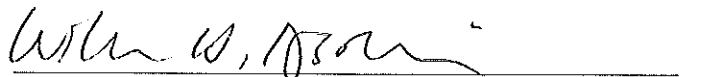
Referring to discussions at previous Board meetings Vice-Chairman Labonte asked to provide a clarification on the subject of authorizing legal expenses. Ms. Booth explained what measures have been undertaken to make sure that all the communication goes through the Deputies. Mr. Abrashkin added that amending the legal contract, which is now based on a flat fee not an hourly rate, will also help to ensure that all requests for legal services are authorized by the supervisors.

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 Quinonez, it was unanimously

VOTED: To adjourn the Open Session of a Regular Meeting of the Springfield Housing Authority at 6:12 PM.

ATTEST:


Thomas Labonte, Vice Chairman


William H. Abrashkin, Executive Director

