

MINUTES OF A REGULAR MEETING
- OPEN SESSION -
OF THE SPRINGFIELD HOUSING AUTHORITY
HELD ON JANUARY 15, 2019

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 January 15, 2019.

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, January 15, 2019 in the Conference Room of the Springfield Housing Authority at 60 Congress Street, Springfield, MA 01104.

SPRINGFIELD HOUSING AUTHORITY
/s/Denise R. Jordan, Executive Director
January 10, 2019

CERTIFICATE AS TO SERVICE OF THE NOTICE OF MEETING

I, Denise R. Jordan, the duly appointed and qualified Secretary of the Springfield Housing Authority, do hereby certify that on January 10, 2019 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:


Denise R. Jordan Executive Director/Secretary to the Board

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

PRESENT

Thomas Labonte
Jessica Quinonez
Angela Robles
Willie Thomas (arrived at 4:32 pm)
Raymond Warren

ABSENT

ALSO PRESENT

Mark Buzzell, Siemens
Priscilla Chesky, Lyon & Fitzpatrick
Hellen Exposito
Brad Fink
Paul Giguere, GDS Associates
Fidan Gousseynoff
John Healy

Denise Jordan
Steven Monteiro
Ivette Otero
Marieli Roman
Lisa Sanford
Lisa Schoonerman, Siemens
Sandra West (arrived at 4:37 pm).
JoAnn White

The Board reviewed the Minutes of December 18, 2018. Upon a motion made by Commissioner Warren, seconded by Commissioner Robles it was unanimously¹

VOTED: to approve the Minutes of December 18, 2018.

Commissioner Thomas entered the Conference Room at 4:32 pm.

The Board accepted the 5-year Capital Fund.

Chairman Labonte welcomed the District C manager Lisa Sanford and the foreman Steve Monteiro. Ms. Sanford explained that the overtime numbers include all hours worked on REAC, snow removal, vacancies, and night calls. Finance Director JoAnn White clarified that \$52,000 was spent from April through December of 2018. Lisa Sanford noted that in the months of October through December most of the over-time hours were spent on vacant apartments. She explained that District C has the biggest amount of units and bedrooms in its portfolio, so turning in 3, 4 and 5 bedroom apartments takes much longer time. Ms. Sanford explained that even at Riverview, which used to be a family development and now has 304 units for the elderly, the majority of apartments are 3-bedroom. She added that over-time has recently been reduced and is being used only for night calls and snow removal. Chairman Labonte asked to provide information on how many hours were spent on night/ weekend calls and Steve Monteiro explained that the software does not allow to break the numbers.

Sandra West entered the Conference Room at 4:37 pm.

Answering to the question about how many days it takes to turn in a unit, Mr. Monteiro stated that the 21 day timeframe required by HUD is not realistic and for his crew the average turn-around time is 38 days. He noted that such a long time is explained not only by the large number of bedrooms and big square footage of the apartments in the District's portfolio but also by the fact that vacant apartments get upgraded, including installing new electrical wires, outlets, plumbing fixtures, backsplashes, tiles, sometimes replacing cabinets and countertops - it saves the crew time on fixing everything when the unit is occupied, helps with annual inspections and also helps to meet the new Code requirements. Steve Monteiro noted that one of the reasons that the units cannot be turned in quickly is because all work orders related to electrical systems (even replacing an outlet) require a license and the in-house electrician is very backed up. Another major problem is that all vacant units need to be painted and the painting crew's schedule can be backed up too if their supervisor is absent. Ms. Sanford added that the turn-around time also depends on the condition of the apartment and most family units are

¹ Commissioner Thomas was absent at the time of the voting

usually in bad shape and it takes more than one day to paint units with many bedrooms especially if more than one layer is required. It is also not under the control of the SHA if the Sheriff's crew shows up with just two people thus extending even more the time to paint an apartment.

Lisa Sanford indicated that the number of vacancies has been growing for various reasons - families downsizing, residents getting a Section 8 voucher, transfers, evictions. In average the District has about 2 transfers a month.

Steve Monteiro stated that 50% of his crew is new to the job or to the development and he became a foreman not a long time ago, so it takes some time to learn the developments and become more efficient. In response to Commissioner Warren's question he explained that there are 8 people in his crew with 2 employees assigned to Sullivan Apartments (96 units), 6 employees working at Riverview (344 units), and both crews share Morgan (52 units). If there is an emergency, many employees' schedule and work plans for the day need to be readjusted.

Ms. Sanford stated that in order to save time and make work more efficient, Sullivan became a separate site recently so those employees who work there do not have to start and finish at Riverview and then drive to Nursery Street - they now have their own computer and a space to keep their truck.

Commissioner Warren agreed that it is a challenging task to maintain so many units in old buildings with having not too many employees. Mr. Warren and Mr. Monteiro expressed their hope that the new software will allow to better reflect the needs and track the expenses.

Steven Monteiro provided brief explanation on the number of work orders and stated that some orders listed in the document provided to the Board have been closed. He noted that one of his goals is to close as many P.M.s (work orders from annual inspections) as possible.

In response to Commissioner Labonte's question both the property manager and the foreman stated that all employees are working as a team and even if there is disagreement on certain issues, they work together to find solutions to many problems.

Chairman Labonte asked to provide information on how the foreman purchases parts and equipment and if the warehouse is used. Mr. Monteiro explained that sometimes it can be easier (for example, ordering a part from Amazon) but sometimes it takes a lot of time and efforts on finding a right item, obtaining quotes, submitting a requisition, taking more than one trip to a store. He noted that in the past more items (for example, lumber) were stocked at the warehouse but it was very expensive and not always efficient, so he cannot utilize the warehouse very often now. He stated that before purchasing something he personally does not check with the Accounting if there is enough money in the budget because he assumes that if there are issues with not being able to pay the invoice, the requisition would be rejected by the property manager or DED or the Purchasing Department.

When asked about the wish list Lisa Sanford responded that she would like to reinstate the practice of having a separate inspection unit because currently it takes a lot of time to inspect each unit annually, complete long forms, generate work orders for the maintenance and work with the residents to get tenant related deficiencies resolved. She expressed her hope that if an outside vendor would be conducting annual inspections she and Assistant Property Manager Hellen Exposito would have more time to work on lease enforcement.

On the subject of the elevators at Riverview Ms. Sanford and Mr. Monteiro noted that it is one of the hardest problems for the District and expressed their regret that the vendor does not do preventative maintenance. They explained that most parts are hard to find, and since the maintenance person from the elevator company lives in Vermont the response time for most calls can be pretty long.

Chairman Labonte and Commissioner Thomas expressed their gratitude to all District C staff for their hard work.

Lisa Sanford, Steven Monteiro, Ivette Otero, Brad Fink, Hellen Exposito left the Conference Room at 5:10 pm.

The Board reviewed materials and a recommendation to approve the Energy Service Agreement. John Healy introduced Lisa Schoonerman, Senior Account Executive and Mark Buzzell, Project Developer from Siemens. Ms. Schoonerman provided explanation on some acronyms used in the presentation. She explained what is Energy Performance Contract and how energy cost savings from reduced energy consumption are used to repay the cost of using energy conservation measures.

Ms. Schoonerman provided information about project evaluation team (including managing officials from the SHA, Attorney Chesky, Mr. Giguere and HUD representatives); historical utility consumption and cost, project facilities and improvements, including installing over 10,000 interior and exterior LED fixtures (the number will be higher if Congress Street is added), weatherization (sealing of doors, attics, windows, overhangs, floor-wall junctures), installing hi efficiency hot water boilers (32 at Reed and 10 at Robinson Gardens), and water conservation measures. Reviewing the Measurement and Verification slide Ms. Schoonerman explained that Siemens guarantees savings of \$409,1708 annually and will be reporting to the Board on was actually was saved. Total amount to be spent by the SHA is \$3,501,894. Ms. Schoonerman reviewed the proposed project financials. In response to the Finance Director questions she explained that the savings listed are only 85% of potential savings guaranteed by Siemens and actual savings might be more.

Commissioner Warren inquired whether a study or inspection has been conducted to evaluate if the new equipment can be installed in old buildings without causing extra capital expenses for the SHA. Mark Buzzell explained that 180 units have been audited and there was a mock at Moxon and no issues have been identified. Responding to another question from Mr. Warren, JoAnn White explained that the difference between utility expenses in Siemens presentation and the audit report is explained that the latter also includes data for state units too.

Chairman Labonte questioned how the agreement will work if the energy service company goes out of business, and Ms. Schoonerman responded that Siemens is one the oldest energy companies in the world and is not expected to leave the market. The Finance Director stated that even though she has not had an opportunity to review all the numbers presented by Siemens, she believes that the Contract potentially can provide good opportunities for the SHA. She noted that normally if there are less utility expenses, the subsidy decreases but because in case with the EPC the rates are locked, it will not be a concern. General Counsel Priscilla Chesky expressed her opinion that the EPC is beneficial to the SHA even though not everything will be upgraded, but it will save money, allow to invest savings into some capital needs and potentially can reduce the number of emergency calls and time spent on work orders.

Commissioner Quinonez shared her opinion that this is a good project, but her concern is that there are not enough savings to upgrade all equipment and also that the new fixtures might not be suitable for the old buildings. Ms. Quinonez also questioned whether there will be a capacity to replace or repair any malfunctioning parts or fixtures. Lisa Schoonerman explained that the project includes replacement costs for some of the equipment. Mr. Healy added that HUD also will be reviewing the agreement. Mr. Buzzer indicated that the Project will allow to replace the existing aluminum boilers with high efficiency stainless steel boilers. Mr. Healy explained that many boilers are not too old and are considered high efficiency but due to manufacturing and engineering flaws are failing and even though the cost of savings is not too high, the replacement will be very beneficial.

Ms. Schoonerman provided brief timeframe of the project which can be delayed by the shutdown and it can take several months for HUD to approve it but as per now it is expected that the financing of the project will be completed by mid-June.

Mark Buzzell noted that Siemens has been providing services to 8 large housing authorities and have great references. He also suggested looking into the improvements done at Moxon. He indicated that the Contract will allow to replace fixtures and equipment that are 30 years old and have more standardized equipment (for example there will be 8 types of light fixtures instead of current 50), which is easier to stock and reorder.

In response to Commissioner Warren's question Lisa Schoonerman explained that apart from 3.5% interest based on which Siemens Finance lends money for this project, there are no extra fees.

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

VOTED: Authorize the Executive Director to negotiate and execute the Energy Services Agreement (ESA) with Siemens, including financing proposals for a financing agreement not to exceed \$10 million, and to submit and execute the negotiated ESA with Siemens and any and all required HUD documentation to HUD for review and approval of the ESCO and Section 30 plan.

John Healy, Mark Buzzell, Lisa Schoonerman and Paul Giguere left the Conference Room at 5:55 pm.

Denise Jordan provided brief information on the DHCD PMR Review Action Plan reporting about her discussions with the foremen regarding ensuring better communication to make sure there is a proper protocol to issue and complete work orders for the deficiencies identified during DHCD inspections.

Ms. Jordan started her Executive Director's report by informing the Board about one of the biggest issues on the agenda - re-submitting the state budget to DHCD. She informed that one of the staff members at the Finance Department has submitted her resignation and a new employee will have to be trained quickly to fill the gaps. Another issue the Accounting Department has to deal with is that the Vouchers Management System reporting cannot be completed due to the shutdown.

John Healy returned to the Conference Room at 6:00 pm.

Ms. Jordan continued her Executive Director's report by informing that one of the biggest issues identified at the recent Foremen meetings is transfer/ vacancy problem. Foreman Thompson drafted a policy which will be discussed at the Managers and foremen meeting to be held soon. Ms. Jordan noted that the painting crew is still behind in fulfilling all work orders and after conducting an analysis it was determined that going back to the practice of having an in-house painting crew will not help to keep painting work orders up-to-date.

Denise Jordan provided information about meeting with the managers to discuss some finding of the recent management and occupancy review by DHCD. Following the DHCD recommendation the Executive Department manager scheduled a training on managing project-based vouchers to be conducted in late April.

Marieli Roman left the Conference Room at 6:14 pm.

The Executive Director reported that she has informed all managers and foremen that all issues need to be communicated not only to the Deputy Executive Director but also to her directly. She also noted that she is reviewing a possibility of establishing a Committee to work on updating policies and procedures. She informed the Board that on February 6th Attorney Chesky will be conducting a training session on assisting animals.

Ms. Jordan continued her report by informing about the Tenant Council meetings she has attended and about the discussions about staffing needs at the Executive Department that will be reoccurring once Nicole Contois is back. She also told that reminders about parking policy have been distributed among the residents. The Executive Director reported about her meeting with the Capital Improvement staff and the situation with the roofing project at Reed Village. Mr. Healy provided a quick update on the project and explained that the contractors were concerned about starting their work because of the cold weather which could affect the manufacturers' warranty. In response to Commissioner Thomas's question he

confirmed that there are currently no leaks at Reed Village and some roofs which were in worst condition were patched.

Ms. Jordan reported about a Notice received from HUD regarding the shutdown. Commissioner Thomas questioned how the SHA would handle a situation if a tenant, who is affected by the shutdown, cannot pay the rent, and Attorney Chesky explained that the SHA will process a rent change which will be in effect until the person starts receiving the salary again.

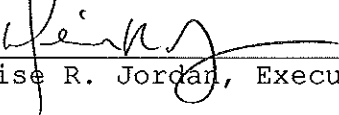
The Finance Director explained to the Board that the SHA has to submit a new budget to DHCD and needs a special meeting to be called so that the Board would approve it. It was decided to schedule a special meeting for January 24th. The Board was also informed that Mike Petro has left BDO and will not be working as the SHA financial consultant anymore.

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

VOTED: to adjourn the Open Session of a Regular Meeting of the Springfield Housing Authority at 6:34 PM.

ATTEST:


Thomas Labonte, Chairman


Denise R. Jordan, Executive Director

