

**LOWELL HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING HELD ON
WEDNESDAY, AUGUST 11, 2021 AT 5:00 P.M.
MERCIER CENTER, 21 SALEM STREET, LOWELL, MA**

The meeting was called to order at **5:00 p.m.** by Chairman Shea. Upon direction of the Chairperson, the Secretary called the roll of membership which resulted as follows:

Present: Commissioner Var, Commissioner Bernes, Chairman Shea
Absent: Commissioner Marr, Vice Chairman McMahon

MINUTES FROM THE MEETING HELD ON JULY 14, 2021

A motion was made by Commissioner Var and seconded by Commissioner Bernes

A roll call vote was taken with the following results:

Yeas: Commissioner Var, Commissioner Bernes, Chairman Shea
Nays: None

The Chairperson declared the motion carried and the vote adopted.

Chairman Shea indicated that General Counsel, Attorney Kevin Murphy was present at the meeting by phone for any questions that may arise during the meeting.

RESIDENT CORRESPONDENCE

None

RESIDENT ORGANIZATION

None

SUB-COMMITTEE REPORTS

There were no subcommittee reports. However, Chairman Shea indicated that the Finance Subcommittee which consists of himself as Chairperson and Commissioner Mony Var, will be holding meetings with the staff. He also received an email for Sherry Giblin, CFO seeking input from the Board with respect to the budget. Chairman Shea expressed that receiving that email was a professional gesture. Further, he stated that the Board of Commissioners are the Authority. It is the Commissioners who create the budget for the employees to do the work. Commissioners may have different preferences as to budget priorities. He appreciated the grass being cut at North Common Village. The Finance Committee will be meeting with the Director, staff, and the Chief Procurement Officer. The Authority may go to zero-based budgeting. Chairman Shea acknowledged the property managers and assistant property managers and will be seeking their input with respect to the budget. Chairman Shea expressed the anything that is said by him publicly at these meetings is also discussed with the Director. He acknowledged the efforts of Sherry Giblin, CFO and Adam Garvey, COO with respect to budgeting. He indicated that he would like to see better job performance reviews to reward staff who do a good job and penalize those who don't.

The next meeting will be postponed from September 8th to September 15th to accommodate these series of budget meetings with the agency. He thanked Sherry Giblin, for inviting the Board to participate in the preparation of the budget. Chairman Shea indicated to the Board that any budget priorities identified by the Board should be presented to the Director. Chairman Shea reported that he no longer wants to get into disputes or question what is said in the minutes; he just wants to be helpful. Chairman Shea spoke with Commissioner Var and Commissioner Bernes about postponing the meeting to September 15th to give the Board more time to consider the budget and any potential pay raises to non-union employees. The Board will propose those staff entitled to pay raises. He requested a copy of the employees and salaries for consideration. Chairman Shea would like to speak with the supervisors with respect to the performance of their staff and would like to do consider the budget in this way for full transparency. Chairman Shea expressed that he will be the Chairman until next March, and he was elected by the Commissioners to provide direction.

Chairman Shea asked for a motion to move the meeting from September 8th to September 15th.

A motion was made by Commissioner Bernes and seconded by Commissioner Var.

A roll call vote was taken with the following results:

Yeas: Commissioner Var, Commissioner Bernes, Chairman Shea

Nays: None

The Chairperson declared the motion carried and the vote adopted.

Chairman Shea recognized Sherry Giblin, Chief Financial Officer to provide a finance report.

FINANCE REPORT

The Authority's operating statements for the period ended June 30, 2021, are enclosed for the Board's review. To date, most programs remain revenue producing and are exceeding budget estimates. The main drivers of the operating gains continues to be operating subsidy eligibility, proration levels, and CARES Act Funding.

Preceding each operating and financial statement, the Board will find an explanation of any material budget variance by category. Rent and subsidy estimates across all four federal AMPs are being met or exceeded. Operating subsidy proration levels remain at 96%. This is above budget estimates of 94%. In addition, subsidy eligibility for calendar year 2021 is \$8.6 million. This is above budgeted estimates of \$7.7 million. Solar net meter credit revenue is under budget due to the reversal of prior year accruals. Net meter credit rates decreased at \$0.18 in June. Interest remains under budget through June, due to historically low interest rates.

Most expenses across all AMPs are within budget tolerance through June. Administrative expenses are within budget tolerance in all programs except AMP 2. Administrative expenses in AMP 2 are over budget due to relocation expenses incurred as part of the scattered site dispositions. These expenses will be funded through the sales proceeds. Maintenance expenses are exceeding budget estimates in AMPs 1, 3 & 4, as well as our Central Office Cost Center. AMP 1 is over budget in contracts due to a security camera upgrade that was recently completed. This project was funded using CARES Act Funds. AMP 3 is over

budget in labor; however the amount is highly immaterial. AMP 4 is seeing overages in maintenance labor and supplies. Labor is over due to forced account labor to complete community room renovations and a technician that was temporarily promoted to mechanic. Utilities remain under budget in most programs, except for AMP 2. Utilities in AMP 2 are over budget due to the scattered sites that have not closed yet. Insurance and benefits are over budget due to force account labor benefits and unemployment claims. Our other general expense category is also under budget across three of the four AMPs due to collection loss deferral until year end and protective services.

As Chairman Shea indicated, the finance department is in the process of preparing the FYE September 30, 2022 operating budgets. Ms. Giblin reported that she sent out some correspondence to all commissioners inviting feedback on any budget items that the Board would like to discuss or initiatives the Board would like included in the budget. Ms. Giblin welcomed any questions from the Board of Commissioners.

Commissioner Var asked that the draft budget be forwarded to him. Ms. Giblin explained that she sent out a draft budget via email to staff this afternoon.

Chairman Shea questioned the \$6M Authority surplus with the Assistant Executive Director and was told it was related to the COVID-19 pandemic. Chairman Shea expressed that with a budget, he always felt that expenditures should match the revenue coming into the Authority. The Authority should not have a large surplus even when factoring for depreciation. The Commissioners set the priorities each year, so he questions why a \$6M surplus is good for the Authority. Chairman Shea asked what happens to the surplus each year. Ms. Giblin reported that any surplus goes into the housing authority's reserves at the end of the year. However, each year eligibility calculations by HUD change. This year with the pandemic, the eligibility for funds increased to address COVID-19 related expenses. Ms. Giblin indicated that in her professional opinion, this will change in future years. The proration levels are going to begin to decrease. The agency will then need the reserve levels to maintain the agency's services and workforce. Ms. Giblin also expressed that \$6M doesn't go far. Chairman Shea expressed that that the agency can take advantage of Capital Funds too. Chairman Shea would like to see the experience of the maintenance staff being used to their full advantage and would like to see the reserves being used to fund services for residents.

REPORT OF THE CHAIRPERSON

None

REPORT OF THE EXECUTIVE DIRECTOR

The Chairman recognized Gary Wallace, Executive Director. Mr. Wallace reported that due to the rise of COVID-19 cases in the last month, the agency is monitoring the local Board of Health and the CDC with respect to safety protocols and the agency is reiterating this information to staff and residents. This includes social distancing, mask wearing, and personal hygiene. The agency is also restocking personal protective equipment and strongly encouraging all employees and residents to be vaccinated.

Chairman Shea asked if the Director believed that it will be inevitable that all residents would have to be vaccinated. Mr. Wallace reported that it likely won't be required that all residents be vaccinated, but there

is a possibility that all staff may have to be vaccinated in the future. Currently 95% of the staff have been vaccinated.

Mr. Wallace reported that the agency is taking advantage of Subsidized Housing and Emergency Rental Assistance Funds (SHERA) through the State. The agency is applying for up to \$100,000 in debt relief from nonpayment of rent.

Chairman Shea thanked Mr. Wallace for his report.

7.1.1 MOTION TO ACCEPT CLOSEOUT DOCUMENTATION, IFB 2020-3, NORTH COMMON VILLAGE SITE IMPROVEMENTS, AND APPROVE FINAL PAYMENT IN THE AMOUNT OF \$11,230.52 TO, FAMILY PAVING, INC., 1734 LAKEVIEW AVENUE, UNIT 317, DRACUT, MA 01826

Chairman Shea recognized Laura Watts, Capital Asset Manager to provide an explanation of the motion for the Board.

Chairman Shea referenced the number of delays and change orders that appear to be all too common with construction projects, and asked Ms. Watts to explain the delays associated with this project. Ms. Watts reported that the project was supposed to begin on April 15, 2020, but everything shut down. The Housing Authority was in a position to get the project done in a timely manner, but the contractors and the supply chain for materials was greatly impacted by COVID-19, particularly concrete. Delays across the country created a backlog in projects once work resumed. The Housing Authority's project was pushed to the winter months. The agency made the decision to resume the project in the spring instead. Concrete can be poured in the winter months, but the cold weather does not present optimal conditions for longevity. There was also a delay in obtaining the standardized aluminum fencing used across North Common Village in the past.

Chairman Shea asked if Family Paving would be a strong contractor for future projects at LHA with respect to their ability to perform the work. Ms. Watts explained that she would hesitate to recommend Family Paving for projects of the same size as the North Common Village site improvements because of their communication skills. Family Paving showed up without notice. The agency likes to inform residents of work to be performed and this became a challenge on a couple of occasions. Other times, the agency was expecting Family Paving on site, and they weren't on site. Ms. Watts believes that contractors are doing the best they can with limited resources. Family Paving did a decent job, but the project may have been a little large for their capacity.

Chairman Shea asked if the performance is documented once the final payment is made to the contractor. Ms. Watts reported that there are daily field reports, weekly meeting reports, and instances that are not acceptable. A report is then submitted to DPM. Contractors have to maintain a minimum score in DPM to continue to be eligible for a project of the same size and scope as this project. The Authority is not in a position to withhold any funds because there were not any liquidated damages associated with this project. In this case, there were extenuated circumstances.

Chairman Shea would like to have performance reported in the record and suggested Ms. Watts inform the Director about contractor performance.

A motion to accept was made by Commissioner Var and seconded by Commissioner Bernes

A roll call was taken with the following results:

Yeas: Commissioner Var, Commissioner Bernes, Chairman Shea

Nays: None

The Chairperson declared the motion carried and the vote adopted.

8. OLD BUSINESS

None

9. NEW BUSINESS

Chairman Shea asked about \$560 paid to an ice cream company. Ms. Giblin reported that money was paid for the Authority to provide an ice cream truck for the City's National Night Out event. The ice cream went to North Common and Highland Parkway. The agency is also working on coordinating events for residents. Dates were sent for resident events, however after speaking with the Board of Health it was advised that the agency may be putting the community at risk holding such a large event. The housing authority is still considering a contingency plan to acknowledge residents.

ADJOURNMENT

A motion to adjourn was made by Commissioner Var and seconded by Commissioner Bernes

A roll call was taken with the following results:

Yeas: Commissioner Var, Commissioner Bernes, Chairman Shea

Nays: None

The Chairperson declared the motion carried and the vote adopted.

Meeting adjourned: 5:45

Secretary