

Brookline Housing Authority  
Regular Meeting Minutes  
March 12, 2010  
90 Longwood Avenue  
9:00 AM

The meeting was called to order by the Chairman, Mr. Trietsch at 9:05 AM. Those present included Ms. Dugan, Mr. Jacobs, and Ms. Berman.

Mr. Cloonan reported that the BHA needs to obligate ARRA money before the March 17 2010 deadline. He would like the Board to award base contracts and a not to exceed amount. He understands that this is an unusual request. However, this would be done in the interest of obligating 100% of the money and incorporating a contingency for expenses such as change orders. The federal capital fund money that is awarded to the BHA each year provides for a 10% contingency. Mr. Cloonan asked HUD if the ARRA funds carry a contingency and they said no. He asked HUD how the BHA would handle change orders and they gave no answer. Complicating the matter is the fact that if existing capital fund money is used to supplement ARRA funds, the money from the capital fund will have different procurement requirements. Mr. Cloonan would like to obligate as much of the ARRA money as possible, rather than return unspent money to HUD.

Mr. Trietsch said that he agrees in principle with this concept as long as the not to exceed percentage isn't excessive.

Mr. Cloonan said that the not to exceed percentage in the ARRA awards was calculated at 10%.

Mr. Trietsch suggested separate votes for the consent agenda items. **On a motion from Ms. Berman and a second from Mr. Jacobs, the minutes of the regular meeting held on February 16, 2010 were unanimously approved.**

**On a motion from Ms. Dugan and a second from Mr. Jacobs, the award of a contract for the Sussman House façade renovations to Lambrian Construction at a base bid of \$174,300 including alternate #1, and a not to exceed price of \$191,730, was unanimously approved.** Mr. Cloonan thanked Mr. Trietsch and LPBA for their support at the Planning Board meeting where the copper façade material was debated and ultimately accepted.

**On a motion from Mr. Jacobs and a second from Ms. Berman, the award of a contract for the Col. Floyd Apartments unit and community room window replacement to Trembley Construction at a base bid of \$169,774 including alternates #1, #2, and #3, and a not to exceed price of \$186,751, was unanimously approved.**

**On a motion from Mr. Jacobs and a second from Ms. Berman, the award of a contract for the site seal coating and site improvements at the Walnut Street Apartments, the Sussman House, the O'Shea House, and the Kickham Apartments to Northeast Landscape in the amount of \$64,780, including alternate #1, was unanimously approved.**

**On a motion from Ms. Dugan and a second from Mr. Jacobs, the award of a contract for carpet replacement at the Kickham Apartments to PAC Flooring in the amount of \$18,823.56, including alternates #1, #2, and #3, was unanimously approved.**

**On a motion from Mr. Jacobs and a second from Ms. Berman, the award of a contract for paving at the Morse Apartments to N Sacca and Sons in the amount of \$39,128, was unanimously approved.**

**On a motion from Ms. Berman and a second from Mr. Jacobs, the award of a contract for consulting services to develop a Limited English Proficiency Policy as per their proposal dated January 25, 2010 to Tandem Care, Inc., with a price not to exceed \$19,500, was unanimously approved.**

**On a motion from Ms. Dugan and a second from Mr. Jacobs, the inclusion as proprietary items to the exclusion of all other products in the Trustman Apartments kitchen modernization, heating upgrade, safety/security improvements and deleading bid documents, as follows: Best Lock System; Chicago Faucets; Symonds Shower Valves, In Sink Erator Garbage Disposals; and Honeywell Zone Valves and Thermostats, was unanimously approved.**

Mr. Trietsch welcomed the representatives from Steps To Success and invited Karin Miller, Chair of the Advisory Committee to speak. Ms. Miller thanked the BHA for partnering with the Brookline Schools and Steps To Success from the inception of the program. She has learned that what is happening in Brookline is not happening elsewhere. This understanding was reinforced at the symposium on housing authority and school department partnerships held at UMass Boston last fall. There were over 300 attendees at the symposium including many housing authority executive directors and school superintendents. Most had never met with each other before.

Ms. Miller reminded the Board of the Fenway fundraising event on March 31, 2010 and said that she hoped they would all be able to attend. The event will be especially noteworthy, as Steps To Success will be celebrating its 10<sup>th</sup> year. The student leadership team continues to grow. A parent council has been established and they are spearheading a needs assessment. There are growing community collaborations with private foundations, non-profits, and institutes of higher education.

Janet Selcer, Director of Steps To Success, explained that as the School Department has repeatedly faced gaps in funding, the financial support from the BHA has been critical for the stability of the program.

Ms. Miller said that the Steps To Success Advisory Committee is hoping to step back this fall and look strategically at its goals with an eye towards sustainability. In this regard, they would like the input from the BHA Board.

Ms. Miller explained that Steps To Success is embarking on a College Success Initiative pilot program financed by private grants. They have hired a part time employee who will be following students when they enter college and who will be available to help with school financing issues and other matters that can derail a college career. The goals of Steps To Success have included: getting kids to attend Steps To Success; getting them to graduate high school; enhancing their academic experience; and getting them into college. Now it's having them graduate from college. The ultimate goal is to break the cycle of poverty.

Mr. Trietsch said that Steps To Success continues to be one of the BHA's priorities. He said that the Board looks forward to continuing this partnership into the future.

Mr. Jacobs said that there was a lively discussion at the Housing Advisory Board meeting regarding the upcoming November ballot question to repeal Ch. 40 B. He believes that if this ballot question passes, future development of multi-family affordable housing in the suburbs will cease. About 2,500 affordable units currently in development will not go forward if they do not have building permits by January 1<sup>st</sup>. He hopes that the Town will fight against repeal. He said that HAB voted against the repeal with some help from Agnes Rogers, BHA Town Wide Resident Association President, who made a strong statement at the HAB meeting.

Mr. Trietsch suggested that the BHA might want to take a position on the issue, especially if it would help the Board of Selectmen to oppose the repeal. Mr. Jacobs pointed out that it is very rare to have chief elected officials in communities support Ch. 40 B. However, he would like to consider the issue at the next BHA Board meeting.

Mr. Trietsch said that the BHA is in the position to support the development of affordable housing. If there are less affordable housing options elsewhere, it will put extra pressure on BHA programs. He believes that the BHA should take a strong position on the issue.

Agnes Rogers said that she has no problems to report. Everyone seems content.

Mr. Cloonan reported that he has been very busy getting the ARRA money obligated. He appeared before the Town's CDBG Committee last night. There have been discussions about the BHA applying for a pool of money as a multi-year request, with pre-approved work items. He conveyed to the CDBG Committee how helpful their financial support has been, especially with respect to Col. Floyd federalization and improvements to our special needs residences. He has also been busy with budgets and the Annual Plan. Staff has been working hard to keep the BHA moving ahead.

Mr. Trietsch felt that it was time for celebration and recognition.

Mr. Jacobs thanked Mr. Cloonan and Matthew Baronas, Assistant Executive Director, for the monthly rent report and the clarification memo. He suggested that it would be helpful in the future to include the names of the developments in addition to the project numbers.

Mr. Cloonan introduced John Marotto, CPA for the BHA since the late 1970's, along with his assistant, Shaun O'Keeffe. Good fee accounting is the backbone of the Agency, especially during tough financial times for the housing authority industry. Fee accountants help to interpret and implement new rules and regulations. It is impressive how few comments and findings occur in such a regulated environment.

Mr. Marotto said that when GAAP was implemented, \$365,000 in benefit accruals had to be booked. This negatively affected BHA's reserve levels even though it was an accounting transaction and not actually related to cash on hand. Complicating matters is the fact that is once again cutting subsidy levels. There was a 4.7% cut implemented in October (approximately \$42,000) and a 4.7% cut will need to be implemented this year as well. At the same time, group and health insurance costs have risen to approximately \$1 million. It is impossible to operate without adequate subsidy, as rents are fixed. In spite of these difficulties, the BHA has done a good job keeping reserves as high as they are.

Mr. Cloonan said that the BHA will have the opportunity to create higher reserves in the central cost center, where the most flexibility in spending is allowed.

Mr. Trietsch asked for some more context as to the BHA's financial shape. Mr. Marotto explained that the state programs have always been a problem. There is never enough operating subsidy or capital funding. The federal operating subsidy is better and federal capital funding is formula based and can be planned. Fortunately, the state is moving to a formula capital funding system as well.

Mr. Marotto said that state operating reserves continue to be below minimum. The state consolidated program had \$181,000 to start and will end the FY at around \$171,000. There is no non-routine spending planned, therefore, the reserves are projected to rise next year to \$215,000. This is still below the minimum level required. To put things in perspective, there are LHAs that have no reserves and some that have negative reserves. Some of these LHAs have had to request exemptions regarding their reserve levels.

Mr. Cloonan said that at the end of the fiscal year, the BHA might actually show no loss. The BHA has taken steps to lower spending from January through the end of this fiscal year.

Mr. Marotto said that federal reserve levels are in much better shape, at \$533,000, although technically these are \$165,000 under the minimum. OPEB (Other Post Employee Benefits) or accrued (non cash) benefits are supposed to be booked at a level of \$394,000 per year. This is in addition to rising employee benefits. These factors make the reserve levels look worse than they actually are.

Mr. O’Keeffe said that everyone recognizes these benefits as an unfunded liability. 1999 salaries are used to calculate the benefit accrual which includes everything except the actual retiree pension. Mr. Cloonan added that the BHA knows what this liability is, but it has to continue to conduct business.

Mr. Marotto said that the Ch. 689 program for special needs residences is seeing a rent increase for the first time in many years. This will help with the reserve levels.

Mr. Cloonan said that he is asking the Board to approve the state and federal budgets. As Mr. Marotto explained, the federal reserves are in good shape. Moving reserves to the central office cost center will allow for greater spending flexibility – even allowing expenditures for state programs. The state budgets should also be helped by Chris DeMaio from the BHA modernization office and Dick Jones from the BHA Maintenance Department being moved from the state operating budget payroll onto the state capital improvement budget while they administer the Trustman modernization work. This will help the BHA greatly in implementing the \$43,000 budget cut next fiscal year.

Mr. Cloonan said that the projected \$40,000 budget surplus for the state program next fiscal year does not allow for any extraordinary maintenance expenses. Therefore, the surplus will likely amount to nothing. In actuality, this budget like those preceding it is not realistic, particularly with the cuts in funding imposed by the state. Assessments for things such as insurance and retirement cannot be controlled.

Mr. Cloonan added that the budgets factor in a higher subsidy for the Col. Floyd Apartments beginning in October, as a result of federalization. If the subsidy begins earlier, the budget can be adjusted accordingly.

**On a motion from Mr. Jacobs and a second from Ms. Dugan, adoption of the fiscal year ending 2011 budgets for the Section 8 and federal conventional programs was unanimously approved.**

**On a motion from Ms. Dugan and a second from Ms. Berman, adoption of the fiscal year ending 2011 budgets for state conventional, special needs housing, and MRVP programs was unanimously approved.**

Mr. Cloonan said that he will need signatures on the budgets in April.

Mr. Trietsch confirmed that the next regular meeting is scheduled for Tuesday, April 13, 2010 at 4:30 PM at the Morse Apartments.

**On a motion from Ms. Berman and a second from Ms. Dugan, the Board voted unanimously to adjourn the meeting at 10:15 AM.** Mr. Trietsch was not present for this vote.