

West Hill Gardens

May 20, 2015

Attending: Chairman Josh Howroyd
Robert Shanbaum
Susan Holmes
Joseph D'Ascoli, Executive Director
Absent: Paul Rubin

I. Meeting Called to Order

Chairman Howroyd called the meeting to order at 6:30 pm.

II. Adoption of Minutes – Meeting of March 11, 2015

Ms. Holmes moved to adopt the minutes of March 11, 2015. Mr. Shanbaum seconded. Motion passed 3-0.

III. Correspondence

Mr. D'Ascoli shared the Manchester Housing Authority received a thank you letter from the Town of Manchester for their participation in the Senior Health Fair.

IV. Accounts Payable

- A. March 2015
- B. April 2015

Mr. Shanbaum asked about payment to Department of Housing (DOH). Mr. D'Ascoli explained that last year the former auditors had missed some information. The (MHA) have new auditors (Roy & Associates) and they found errors from the past. Unfortunately, the MHA had received excessive monies from the Department of Housing (DOH) which we were not spent and in which we needed to reimburse the monies back to the department.

Ms. Holmes referred to the expense for trash hauling and had asked if the MHA utilizes the same contract that the Town of Manchester uses. Mr. D'Ascoli explained that MHA is currently using USA Hauling and their contract is expiring at the end of August 2015. The MHA is putting together an RFP to be published within the next month so that it can be distributed to all trash contractors and award the new contract to a contractor by the beginning of September of 2015. MHA has counted the number of trash bins and that information was put in the RFP so the bidders will know exactly what we have and what they are contracting for.

Chairman Howroyd explained the MHA used to have separate contracts for each of our different sites. They all had different terms, renewal times and unless they were given 30 or 60 days notices they were automatically renewed. MHA was able to get them on the same cycle and we did try to piggyback with the Town. We may need to get our contract the same as the Town it may be worth asking the Town.

V. Executive Director Report

- A. Financial Statements
 - March 2015
 - April 2015

Mr. D'Ascoli reviewed the financial statements. He reported in March there was a loss of about \$125k but the YTD gain we are at \$81k. The majority of that loss is due to Section 8

program and HUD cut backs. One month they cut back money and the next they increase it. On the proration that has come through we will be at about 83% which is better than last year. Financially we are in good shape and at the end of the fiscal year we will balance out. We will begin to see a decrease in the heating costs due to the summer months and in the near future hopefully we will begin to see a decrease in our electricity costs.

Mr. D'Ascoli shared we have hired an additional maintenance person and we were able to eliminate a couple of the lawn maintenance contractors. We are trying to see where we can initiate cost saving measures.

Chairman Howroyd asked for a motion to suspend the rules to take agenda item 5 C-1 Siemens Presentation. Mr. Shanbaum moved and Ms. Holmes seconded the motion passed 3-0.

Ms. Lisa Schoonerman, Account Executive from Siemens shared Mr. Carroll will be joining via the telephone and he will be available to answer any questions.

Ms. Schoonerman thanked MHA for selecting Siemens as MHA's Energy Performance Contractor (EPC). She took the Board through the overall process of reducing MHA's energy costs. HUD's regulatory incentive is to save energy and the energy saving measures are financed by an outside entity and HUD must approve this. The cost savings are based on the determination that payments are going to be funded by anticipated guaranteed energy savings through oil, gas, electricity, water and sewer. Those guaranteed savings will off set the cost to MHA. EPC's will help get technical things done to initiate energy cost saving measures.

Ms. Schoonerman shared Siemens first step has been to perform an energy audit throughout MHA's properties where cost saving measures can be implemented. MHA has voiced an interest in solar energy and has the space. A typical performance contract has three components; working with ESCO and in this case Siemens, with a financial institution and HUD. If Siemens does not meet the agreed savings amount Siemens will take the cost.

Ms. Schoonerman shared the preliminary analysis shows a potential savings of \$108k. This figure gives MHA a picture of what they will need to finance. There is probably about \$1.6m worth of savings opportunities that MHA can fund through savings. If we can find additional savings or gain additional utility rebates through this audit process it is MHA's benefit. If MHA can include solar energy Siemen's thinks it can move it up to a \$2m program. Due to the size if solar energy is used it would be an owned asset rather than working through a PPA (Power Purchase Agreement). The annual savings broken down would be approximately \$77k for AMP I and \$32k for AMP II. It is about a 23% overall utility cost reduction. Typically Siemen's sees between 15% and 30% reductions on projects.

Mr. Shanbaum shared solar energy was mentioned he asked how other savings can be accomplished. Ms. Schoonerman explained the savings would be found with improvements to water usage, lighting, boiler improvement, new more energy efficient stoves and refrigerators. Mr. Shanbaum asked about windows and insulation. Ms. Schoonerman explained that weather stripping and caulking around windows and doors would help. Mr. Sweet mentioned that HUD does not recommend replacing windows because it would take so long to recoup the payback it would not be a good investment.

Chairman Howroyd shared that the type of savings, like solar might work well here at West Hill Gardens but not at Mayfair or Pascal Lane. Mr. Sweet remarked that here at West Hill Gardens a solar field could be utilized. MHA has provided Siemens with a lot of data collected from the business office, some residents for light usage. Monitors were placed in these locations and they collect information on times the lights were used while the office is occupied and unoccupied. This information will help them determine the kind of energy savings that could be used. The data collected will calculate how much water and electricity is being used. Ms. Schoonerman reported that with all those specifics on the base line Siemens can understand what is being consumed with lighting and water consumption. Once the improvements are made MHA should begin to see those 23% savings. Mr. Sweet added we are negotiating with Eversource on getting gas lines run into Mayfair and putting meters on every unit. It would allow us to have a gas fired heating system.

Chairman Howroyd asked about the savings measures for AMP I and II and asked if the numbers had been transposed because AMP II is bigger. Mr. Sweets stated that AMP I includes Mayfair and that is all electric.

Mr. Shanbaum asked if this will exclude the scattered sites. Mr. Sweet said yes because the scattered sites pay their own utilities there is no incentive.

Chairman Howroyd asked what the anticipated time table for the next steps. Ms. Schoonerman explained Siemens should be finishing up the detailed audit in early August. It takes approximately 90 to 100 days for us to collect all the information and HUD then sent to HUD for approval. HUD's approval can take as long as 6 months because it depends on the size of the project and the size of the authority.

Mr. Carroll commented it depends on when we get the information to HUD. If we were to submit today, the market is not that busy right now and does not see them having many projects over the next few months. They say they approve it in 60 days once they pick it up. It just depends on how long it takes them to pick it up.

Mr. D'Ascoli added he has built up a good rapport with the HUD field office and he can make some telephone calls.

B. Vacancy Reports

- March 2015
- April 2015

Mr. D'Ascoli reviewed the vacancy reports. One unit on Horace Street is at 109 days required some major renovations had to be done. Another unit 21E took us quite a while to remove things from the unit and had to call a company to come and take the stuff out due to family members not wanting to take the things.

Mr. D'Ascoli noted HUD wants units turned over in 21 days and MHA is at 97.28% which is good news; HUD wants to HA above 97% which MHA is. MHA's maintenance crew does an excellent job.

Mr. D'Ascoli added MHA has a maintenance agreement with the Town for North Elm Street property. We are still working on a management agreement because the existing one expired several years ago. He, Gary Sweet and Robert Counihan have met with Tim O'Neil and Gregg Simons from the Town and they okayed that any repairs that need to be done in those units we will outsource that work. He also added that Tim O'Neil would like them to attend a BOD Breakfast to talk about this situation and work on the management contract. Chairman Howroyd added there is a lot of Capital Needs and capital needs assessment and about \$3/4m worth of renovations needs to be done on those units. The age of the buildings is showing and the Town has not put any money into the buildings that they own free and clear.

Mr. D'Ascoli said that this winter caused lots of roof leaks. At this point in time it was decided that when a unit becomes vacant that anything over \$10k needs to go to the Town for approval. We will have an outsource team come in to rehab the unit. He added the rents will be increased \$25 effective July 1. Rents have not been increased in several years. The original schedule for rental increases was not followed. There are 20 units in this complex and adjacent house which will be taken down. Chairman Howroyd asked how this space will be utilized, parking or something else. The Town was thinking of selling it and they did ask MHA if they wanted to purchase the 20 units. Mr. D'Ascoli said if the price were \$1 then maybe it could be considered. With house that is being knocked down that we did mention that once we form the non-profit that we could possibly build 4 units for some type of special housing needs possibly for veterans. Chairman Howroyd shared that the Town does need affordable housing.

C. General Information

- Presentation from Richard Carroll – Siemens (Awarded the EPC Contract) – See above
- Public Housing Assessment System (PHAS) score as of 3/30/15
Mr. D'Ascoli mentioned we received notice that MHA scored 88 out of 100 on PHAS. This is a report card that we receive from our HUD officials. HUD comes out and does a physical, financial, management and capital assessment of MHA. In order to be a high performer the score needs to be 90, we missed it by 2 points. Basically we lost points on our physical properties, management and financial. We will be inspected again next year due to the score being below 90. Once we get "high" performer they come out every two years.

Mr. D'Ascoli also reported we get a second report card Section Eight Management Assessment Program (SEMAP) which is for Section 8 Program. SEMAP takes place at the end of the Fiscal Year.

- Roy & Associates Audit Report as of September 30, 2014
Mr. D'Ascoli shared we had a high performance review. There were three minor findings.
 1. Section 8 Program – Please refer to Page 21 of Audit Report
 2. Public Housing - Please refer to Page 22 of Audit Report
 3. Public Housing - Please refer to Page 23 of Audit Report

- Summer BBQ @ the Congregate
Mr. D'Ascoli extended an invitation to the Board to stop by and enjoy the BBQ.
- Modernization Report Update
Mr. D'Ascoli updated the Board on what has been happening and how the money is being spent.

Mr. Shanbaum asked about handicapped shower expense. Mr. D'Ascoli explained that came out of Capital Funds. He added MHA is below the 5% threshold for units being ADA compliant.

Chairman Howroyd asked about the ice melt system on the roof. Mr. D'Ascoli explained we did the front side of the building closest to the main entrance but the other side leaked during the winter. We are looking to install the system on that side as well.

Mr. Shanbaum asked about the new office partition layout. Mr. D'Ascoli reported the plans for new office layout is on hold because Siemens and Spencer Village are coming all at once.

- NERC-NAHRO Conference June 21-24, 2015 – Falmouth, MA
Mr. D'Ascoli asked if any Board members are interested in attending this conference to let him know as the rooms go quickly. Mr. D'Ascoli also shared with the BOD that he has been nominated to be the incoming president of NERC NAHRO.
- NAHRO Summer Conference July 30 to August 1, 2015 – Austin, TX

VI. Chairman's Report

Chairman Howroyd reported he and Ms. Holmes attended the Community meeting with residents at the Congregate and it was well attended. The April 29 meeting at West Hill Gardens was attended by only two residents.

Chairman Howroyd shared the suggestion is before we go too far into the planning of Spencer Village project we would like to schedule a Community meeting with the residents. This will help to defuse rumors and have tenants taking an active part in the planning process. We don't know what the plans will be. There will be some disruption because it will be a construction schedule at their site and there may be relocations. We want to give the residents assurances. We may be adding to the size from 80 to 160 units, building two three story buildings with a walkway connecting them. We could possibly have some space available for a Visiting Nurse Association, maybe a little convenience store to assist the individuals there. The State has assigned us a contractor called TAG Associates to work with us. The one issue that we may have is with the Town over the definition of "elderly and disabled" and they want us to tweak what that language is and we gave them the definition as stated by the Federal Statutes. WE ay have to go before the Town zoning Board and what the use is and will be. One requirement is that we need to have a Tenant Association involved.

Ms. Holmes asked why add to this property. Mr. D'Ascoli explained shortly after arriving at MHA he got a call from the Department of Housing. They explained they had a problem with our two State Developments, Pascal Lane and the Congregate. After that conversation Mr. Sweet was

hired as the MOD coordinator for MHA. If we went to a brick style three story with an elevator there would be more life span out of a building like that. We have all that land there and if we get 160 units it would be more economical and would generate more money. Chairman Howroyd added the State is going to finance a big part of this and this will be done with a lot of blended financing. All non profit tax credit money and will have all these different investors. It will have to have a business model and be sustainable. The Congregate has 37 units and we projected that if we want to break even we would have to have 42 units. So we would put 8 units, 4 on the first floor and 4 on the second floor which would take us from 37 to 45 units. Chairman Howroyd shared it would not tax the staffing levels but it would generate more income.

Chairman Howroyd reported he has forwarded names to the Town Board of Directors to appoint a Tenant Commissioner to the MHA Board of Directors at their next Board Meeting.

VII. Old Business

- A. Discussion about RFP for Attorney Services – Mr. D’Ascoli shared he received five bids to the RFP, one is out of town. He will be scheduling interviews with 4 of them and will let Board members know the schedule.

VIII. New Business – See above for comments

- A. Resolution 2015-5 – Move Funds from the COCC to the Congregate – Mr. D’Ascoli explained the Congregate does not have the funds to pay the COCC for the services rendered to them. A portion of staff salaries, maintenance should be charged back to the COCC, but they have not been paying money into it but we have been charging them an expense. As of 4/30/15 the Congregate owes the COCC \$155,934.87. We will never get repaid. Mr. Counihan recommends that we write off this expense and it will mean that the overall retained earnings for the Congregate will go from a negative \$121K to a positive \$34k. Whatever earnings we have at the end of June, which is the Congregates FYE, we can put that into the COCC as a break even point. We have two fire doors that need to be replaced, they cost \$2,500 each and we do not have the funds to cover the cost.

Mr. Shanbaum shared it does not make any difference one way or the other to handle this. Mr. D’Ascoli shared doing this will make it cleaner on the Audit Trail to officially write it off.

Mr. Shanbaum moved to approve Resolution 2015-5 to Move Funds fro the COCC to the Congregate, Ms. Holmes seconded. Motion passed 3-0.

- B. Resolution 2015-6 – Update Utility Allowance Schedule – Mr. Shanbaum moved to approve Resolution 2015-6 Update Utility Allowance Schedule, Ms. Holmes seconded. Motion passed 3-0.

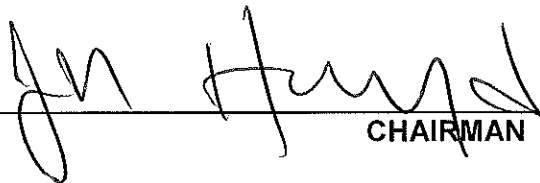
IX. Items for Future Agenda

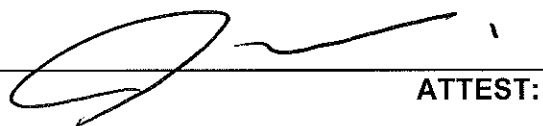
Mr. D’Ascoli asked members to please email him or Chairman Howroyd.

X. Executive Session - None

XI. Adjournment

Chairman Howroyd asked for a motion to adjourn the meeting. Ms. Holmes moved to adjourn the BOD meeting at 8:42 pm. Mr. Shanbaum seconded. Motion passed 3-0.


CHAIRMAN


ATTEST: