

AGENDA
NEEDHAM HOUSING AUTHORITY
REGULAR MEETING
MONDAY, JANUARY 28, 2019 7:30PM
5 CHAMBERS STREET – COMMUNITY ROOM

ROLL CALL TO CONVENE THE REGULAR MEETING – 7:30pm

COMMISSIONERS:

Chairman Scott Brightman - present
Vice Chair Karen Hughey - present
Treasurer Reg Foster - present
Commissioner Peter Pingitore - present
Commissioner Penelope Kirk - present

NHA STAFF:

Bernhard Kirstein, Int. Executive Director

RESIDENTS:

Adequate notice of this meeting has been provided by the Secretary of the Needham Housing Authority (NHA) by preparing a Public Notice dated January 24, 2018 setting forth the date, time and place of this meeting. Said notice was filed with the Clerk of the Town of Needham and provided to persons requesting it.

DISCLOSURE WITH RESPECT TO RESIDENT COMMISSIONER:

RESIDENT/PUBLIC INPUT:

Sue B. from Seabeds: She has not had a rent recertification since 2016. She was able to resolve her issue with Steve Lavoy. Since she has not had a rent recertification from 2016, is she going to be responsible for the money that HUD lost due to the mistakes of the previous leasing director? Int. Executive Director says she will not be responsible. At the time of recertification, NHA will review if mistakes have been made and they won't make the resident responsible for previous rent due to those mistakes. Another question is what happened to the paperwork over the last two years that they submitted but did not end up in their file? Int. Executive Director says they are going through process of rebuilding all of the files. If any new information is necessary, they will ask for it. Sue asks if the previous leasing agent will be held responsible. Int. Executive Director says that is not up to them, but they are submitting paperwork as needed.

Eileen Hoffman: The biggest, current issue is noise level in 28-30 is increasing and inexcusable. Previous executive director replaced the floors with linoleum instead of carpeting recently and she would like that decision reversed. It is causing problematic noise issues. The noise issues have caused the police to be called. She can hear TVs from apartments two and three doors down.

Scott Brightman: This is a policy board. This is more of an issue for the Int. Executive Director.

Commissioner Pingitore: This was a decision made by the Executive Director prior to Paul. It was found that it is more cost efficient when turnovers occur.

Int. Executive Director: It is a DHCD standard to replace with linoleum. It is safer to travel over, it avoids allergens trapped in carpeting, and it is standard practice.

Commissioner Brightman: Asks Int. Executive Director to look into this issue more.

Eileen Hoffman: We are supposed to be notified when the gas company is coming in and doing work. She woke up the other morning to a huge hole and a truck digging outside her apartment. She wasn't made aware that there was a leak or that they were coming. She had been complaining about the heat for a while. Her apartment was filled with the smell of smoke so she left.

Commissioner Pingitore: This is something you should talk to the Int. Executive Director with.

Eileen Hoffman: She has not received any feedback from the Int. Executive Director so she feels it is a waste of time to go to him. Nothing gets followed up on. The Int. Executive Director said there is a monthly newsletter that goes out. They did not receive the newsletter until January 17th. The meeting with the Needham Board of Health was not included in there. She feels the newsletter does not have useful information and is hard to read. She has heard that people view the Resident Services Coordinator as an enemy than an advocate and won't go to him for anything.

Cheryl – 237 Linden St: Two years ago she was in the hospital for lung surgery. She had to have a social worker call for her rent certification. Once she got back to her apartment, she was told it was online. She had to go see Steven, who explained everything to her. She was told her paperwork, including much of her medical records, were shredded. She just wants to let the Board know that a lot of people were screwed by these actions.

Chairman Brightman: The Board also wants to get the answers. The Board understands and shares their concerns. There's a lot of things that the Board doesn't know.

Commissioner Foster: I am profoundly sorry that you folks had to go through all of this. It is not something that came to the Board's attention over the years. I missed it and I'm sorry it has happened. If our positions were reversed, I would be incredibly frustrated. I hope you continue to come to our meetings. We have to get to the bottom of this and we have to make ourselves better.

Thomas: When the old fashioned trash cans were removed from the houses, they said nice soil and grass would be put down. Instead, they put down rocks. The maintenance director that he spoke with said that was before he got here. He has lived here since 1995 and he can only remember them washing their apartments twice. He doesn't feel like that is an appropriate use of resources. His shed is discolored and sinking. The valuables are going into the ground. He has asked about getting soil to regrade yard. He remembers years ago housing would drop off soil. He has spent \$500 beautifying his yard and wants to know if NHA can partner with businesses in Needham to help.

Chairman Brightman: I appreciate the pride you have in your home. As a volunteer board, a top priority is improvement and we discuss a lot with regards to funding sources and plans. We will certainly look into it.

Thomas: I used to be a Town meeting member and I saw Parks and Forestry cutting a private tree. Could the NHA work with Ed Olsen to get some work done?

Int. Executive Director: Site work is certainly needed and he would like to incorporate that in any modernization phase. We can start to get a design ready until funding becomes available.

Chairman Brightman: Our Int. Executive Director is an excellent administrator and a decent man. Do not hesitate to go to him like he is going to be around for the long term. That is not the way that he operates.

Sue B: A lot of people feel that they have been used as pawns from previous directors and yessed to death. She thinks people feel like they are being manipulated, used, and lied to, especially due to this recertification issue.

Chairman Brightman: The board hears you.

Commissioner Pingitore: I appreciate when you are here and I encourage you to start another resident association. He recognizes that people are feeling the breach of trust.

Sue B: People are scared to go into the office.

Ross Donald: The last time there was a resident election was three years ago and the whole process took four months. If we're going to have elections in June, we should get started on that soon.

Bobbi M: I tried to get in here for eight years and was told there were no places. She would come by and see empty houses. She was next on the list for eight years.

Chairman Brightman: When it was his turn to be chair, his top priority was fair housing and integrity on the wait list. I sincerely apologize and am also outraged. We don't have all the answers but it is our job to make sure that has integrity.

Bobbi M: I have been here for five years. My front lawn becomes a swimming pool and covers the whole walk way and I can't get in my house. I've called and written notices. Nothing has been done in four years.

Chairman Brightman: A top priority for this board is improvement. We do recognize that systemically there is a lot of room for improvement.

Int. Executive Director: Things weren't done the way they were supposed to in the past. Things weren't done according to the rules, there was favoritism, and now they have to fix everything. This is why we want to start doing internal audits.

CHAIRMAN'S ANNOUNCEMENTS:

DISCUSSION ITEMS

1. Jaime Berryman: Seabrooks Solutions in Newton. She is starting compliance review for voucher program. Int. Executive Director has asked her to come in to discuss a policy audit with the Board. She has questions for the Board:

- a. Do you want a 100% file audit?
- b. Do you have an idea for frequency?

Chairman Brightman: We are looking for recommendations. We try to be compliant and then some. Our intent has always been to have integrity. What would be your recommendation to have integrity within our budget?

Jaime: There is an independent public audit coming out in a few months. They wouldn't be as inclusive as she would be. She would start with a smaller percentage review (5-10%) of files. Typically she can tell from a small number what direction you should go. Then she would develop a strategy moving forward. A 100% file audit is tough because it is labor intensive so the price goes up. She could find targeted areas through the 5-10% audit. The Board is already aware of some of the issues, so she wouldn't have to make them aware of it.

Commissioner Hughey: The question has come up, how did the independent auditor miss this? Who picks the files for review?

Jaime: The auditor picks the files. They do give advance notice on what files they are going to give.

Int. Executive Director: He would also like an instructive audit to help improve staff.

Commissioner Kirk: The last two years, some bad things have surfaced. If you had to choose files, they should be the ones that were completed over the last few years.

Commissioner Foster: They have all been clean audit reports. Any issues were not as severe as current issues being faced and did not hint at systemic weakness. He wants to assume all of the personnel completing the audits were competent and did their job. He is looking for Jaime to come in and analyze root cause of vulnerabilities and gaps. There are basic audit principles like separation of duties and checks and balances. He wants her to analyze those and come up with recommendations. There are two issues: catching up and getting files back to where they are and to deal with the gaps and vulnerabilities. On a regular basis, NHA should have a supplementary audit so that this doesn't happen again.

Jaime: She's not sure what the audit firm reviewed – how many files or what they looked at. She came in previously to come up with a new checklist for staff. She would want to start with pulling a handful of files to see how complete or incomplete they are. This will show her a lot relatively quickly and can speak to what those holes are. She will ask a lot of questions of the staff and they tend to tell her where they feel they have vulnerabilities. She has a lot of in depth knowledge of management software that is used at NHA. She would want to do a 10% review and spent some time with the NHA staff. She can tell a lot from these two things. Many times when she's doing file reviews, she spends time with staff one on one showing them the correct way to do things.

Commissioner Pingitore: He would also like her to be able to identify what the organization as a whole can do when a problem arises outside of staff not knowing what to do, like misconduct.

Chairman Brightman: One bad individual can open up a vulnerability within the organization.

Commissioner Pingitore: He would like NHA to be in the position to minimize the risk of a rogue employee.

Commissioner Foster: He would encourage Jaime to talk to other auditors and see what their scopes were. He would like to understand what the current records retention is and what it should be.

Jaime: The state has different records retention guidelines than the federal government does. At the end of the day, the housing authority needs to set the records retention guidelines. She recommends choosing the more stringent of the two and utilize that across the board. She recommends the main tenant file has at least three years rent recertification. Anything over three years should go in an overflow file. The most stringent policy is the state policy, which is seven years. Anything beyond seven years can't be revisited based on statute of limitations and doesn't need to be kept.

Commissioner Foster: There is no policy for records retention.

Commissioner Hughey: She feels the Board must have missed something because all of the audits looked good. There should be something in place to prevent this.

Jaime: When she does a file review, she provides the Executive Director with all of the detailed information. She can provide the Board with a redacted version, hiding the personal information.

Chairman Brightman: Is the best practice to have the same auditor or switch it up?

Jaime: She can't speak to that. Usually when she's brought in, they want her to provide a pre-audit to prepare them.

Commissioner Foster: In the private sector, it is common practice for the board to have an audit committee. How do we do that here?

Commissioner Hughey: Is the auditor looking at the same things every time they come? Can the board guide the auditor to what they want the auditor to look at?

Jaime: The board is looking to go more in depth than what an independent audit will provide. For an audit committee, there would be no more than one or two board members, the director, and the person doing review. She doesn't see too many of those. She has not had any discussions with anyone from Wellesley. There are no standards for public housing audits. She would do something much more intensive than what an independent auditor would do. She would look at rental recertifications and make sure that they translated to rent fees.

If the tenant overpaid they will get their money back and if they underpaid they don't owe.

Jaime: She can provide a price for a 10% review. Then the board can decide where they would like to expand upon. A proposal can be prepared within the next two weeks and she can add it to her schedule in March or April.

2. Richard Chi, CPA. The budget presented in December was under the assumption that the split was going to occur January 1. This is version 2 of the budget. This budget has the assumption that NHA would manage Wellesley for the first three months of the year. There are a lot of unknown variables, but he was able to include what is known. This is to get the state funding in. He estimated Section 8 admin fee because the federal government hasn't released it yet. He will be back in February to go over yearend financial statements. The reserves are the key thing here. He is projecting the reserve to be \$150,000 more. The salaries decreased because the Assistant Director position was eliminated. Last year there was a 10% increase in spending to budget some of the turnover costs in operating budget. Subsidized housing authorities lose money each year because of turnover costs. DHCD recognized that and is bumping everyone up. Now NHA can cover some of the turnover costs in their operating budgets to avoid taking as much out of reserves. The way to increase revenue is to take 10% as admin fee. Due to the recertification situation, the lawyer fee was increased by 25%. He budgeted for the maximum Executive Director schedule. The current Int. Executive Director is billed as other as opposed to salary. He put in an exemption to the budget for DHCD to pay for a portion of the van. Increase in employee benefits is because of the retirement bill. Assumption of \$12,000 for formula funding jobs. DHCD says if you go below 35%, NHA will need to get permission to use money before moving forward. Every year DHCD did a management review and there was financial criteria that had to be followed. All of those parameters have been removed. When Dedham manages program, they are getting 60% of admin fee. Technically they are doing more than 60% of the work. The Executive Director salary is for Needham alone. If they will continue with Wellesley, the number would increase. Salaries are based on union negotiated amount. The Director of Leasing is the same as what the previous person was hired at. Sandy's salary was increased due to increased responsibilities. Maintenance and industry employees will get an increase April 1 in line with standards. He also built in overtime. He builds in increase in overtime because otherwise it will get kicked back. Also covered in the budget is equipment. There's almost \$50,000 in Matthews House reserve. Changes in federal program are very similar. \$59,000 of non-routine costs is budgeted. Management fee includes time for Executive Director, Carol, and Gary. Some of those fees may continue even if Wellesley hires an Executive Director. Int. Executive Director has a sense DHCD would approve these. The CPA match fund lines will need to be edited.

7. Needham CPC Applications: Int. Executive Director should be receiving questions from CPC with respect to application. Director of Community Alliance will give a presentation at the next CPC meeting. Commissioner Foster will attend. There will be consultation with the finance committee during the first or second week of March and Chairman Brightman and Commissioner Foster should be there.

3. Facilities Master Plan: Section A has been distributed to everyone. Section B has had 15 meetings and presentations. Section C – submitted three CPA applications, withdrew two, one remaining. Section D – There are four fundable projects and all four of the federal projects have money out there. [Need four projects]. Major modernization of Linden/Chambers and Redevelopment of Linden/Chambers – no money to do those. Overall summary of feedback is being built into final draft. Feedback: In the right direction; funding is poor; Needham Public

Schools will struggle to accommodate additional students; need to hire the correct Executive Director; consider submitting a RAD program application ASAP. Commissioner Foster has a final draft of Facilities Master Plan. HUD consultant can help answer the necessary questions. In second half of the year, the Board will fill out a three page application. At the beginning stages, you should look at everything at the same time. Any RAD applications must be approved by Board and resident approval. You can submit a RAD application and change it afterwards.

Commissioner Pingitore would like the Int. Executive Director to confirm questions with CPA prior to budget submission.

Int. Executive Director would like to engage a consultant for the Leasing Director search.

So far there are eight candidates for the Executive Director.

2/13 CPC meeting – CPA Alliance Representative & NHA Presentation.

3/20 Consultation with Finance Committee

3/27 Public Hearing

Commissioner Kirk: concerned about lack of discrepancies found by auditors that was then found by DHCD. She has discovered that there are some residencies that are listed as unoccupied that are actually occupied without rent payments. She would like a more thorough review. She suggests firing the auditors.

RESOLUTION #2018-75

Approving the Minutes of the December 6, 2018 Special Meeting

Upon a motion duly made by Commissioner Hughey and seconded by Commissioner Pingitore, the motion to table the resolution was approved by the following vote: 5-0.

RESOLUTION #2019-1: Approving the Minutes of the December 13, 2018 Special Joint DHCD/NHA/WHA Meeting

Upon a motion duly made by Commissioner Hughey and seconded by Commissioner Pingitore, the motion to table the resolution was approved by the following vote: 5-0.

RESOLUTION #2019-2: Approving the Minutes of the December 20, 2018 Regular Meeting

Upon a motion duly made by Commissioner Hughey and seconded by Commissioner Pingitore, the motion to table the resolution was approved by the following vote: 5-0.

RESOLUTION #2019-3 Approval to include \$5,000 of the NHA Management portion of the 2019 Annual Budget for the operations of the CRCD After School Program.

Upon a motion duly made by Commissioner Kirk and seconded by Commissioner Hughey the motion to approve was approved by the following vote: 5-0

RESOLUTION #2019-4: Approval of 2019 Annual Budget.

Upon a motion duly made by Commissioner Kirk and seconded by Commissioner Hughey the motion to approve was approved by the following vote: 5-0

RESOLUTION #2019-5: Approval to extend NHA/WHA management agreement on a month to month basis

Upon a motion duly made by Commissioner Pingitore and seconded by Commissioner Hughey the motion to approve resolution as amended was approved by the following vote: 5-0.

Authorize Chairman to execute an agreement consistent with this provision. There is an agreement in place. The Board will amend the agreement and change the terms instead of rewriting the agreement. This will memorialize what the current agreement is. The Board needs a very short agreement or a letter agreement signed by both Wellesley and Needham.

RESOLUTION #2019-6: Approval to provide current Bookkeeping services at a monthly cost to WHA if management agreement is canceled

Upon a motion duly made by Commissioner Pingitore and seconded by Commissioner Hughey the motion to approve as amended was approved by the following vote: 5-0.

RESOLUTION #2019-7: Approval to provide current Maintenance Supervision services at a monthly cost to WHA if management agreement is canceled

Upon a motion duly made by Commissioner Pingitore and seconded by Commissioner Hughey the motion to approve as amended was approved by the following vote: 5-0.

RESOLUTION #2019-8: Approval of Application for a Waiver to allow the current Elected Resident Commissioner to remain in office under the new House Bill

The motion is withdrawn until it passes. If it passes the House tomorrow, whoever's term is up in April is done.

RESOLUTION #2019-9: Approving payment of the bill roll/check roll on the January 28, 2019 Warrant

Upon a motion duly made by Commissioner Hughey and seconded by Commissioner Kirk the motion to approve was approved by the following vote: 5-0.

The board approved purchase of truck as part of budget. How did arrive at purchasing the truck at Liberty? There were four bids.

Is there an arrangement to purchase gas from Needham? There is an arrangement through Department of Public Works.

Abacus final 99% payment is in there. They are close to being finished. ED and Foster will hold check until approved.

MOTION TO ADJOURN: Upon a motion duly made by Commissioner Brightman and seconded by Commissioner Hughey, the motion to adjourn was approved by the following vote: 5-0.

UPCOMING NEEDHAM HOUSING AUTHORITY MEETING DATES

Thursday February 21, 2019 7:30pm Regular Meeting 34 Seabeds Way