

**TOWN OF PEMBROKE  
MASSACHUSETTS  
HOUSING AUTHORITY  
MEETING MINUTES**

**February 13, 2018 at 5:30 PM**

**Attendance.**

- A. The following commissioners were present  
Carolyn Crossley, Chair  
Judith Parks, Member  
James Muscato, Vice Chair
- B. The following commissioners were not present  
Henry Daggett, Treasurer  
JoAnna Letourneau, Vice Treasurer
- C. Also present:  
John McKeown, Executive Director  
Richard Shaw, CPA – Mile, Shaw & Robillard

**I. Announcement:** Ms. Carolyn Crossley, Chair, stated the meeting will be recorded.

**II. Minutes:** Chair asks for discussion, edits by the members? Hearing none, the Chair makes one edit to add the following language with respect to “JoAnna’s concerns” on page 3. A motion to approve was made by Judy Parks, seconded by Jim Muscato and all were in favor, 3 – 0.

The Chair, (out of order) recognizes Fee Accountant Richard Shaw and moves to **New Business** to take up the **FY2018 Budget** presentation.

Rick Shaw begins. Good evening everyone. I have here the Summary Packages the board is accustomed to receiving. We go over any changes, year over year. Typically, you will see me in October and these ‘year to dates and budgets’ are more of an estimate. What happened is, we are 8 months into the fiscal year, which started on July 1. The reason why is the Budget guidelines just came out in January so instead of using estimates we are using actuals. We already know what our expenses are running. I know what the maintenance expenses are, insurances, retirement, etc. Judy reiterates so this our FY18 budget that began back in July. Rick said yes.

So, 70% of the housing authorities are subsidized. Their income doesn’t cover their budgeted allowable expenses, minus utilities. They do not make money. DHCD subsidizes them so that they break even. That is not the case with Pembroke Housing Authority.

Every year this state program makes between \$ 80-110,000 per year. When our reserves get too high, we restrict for various projects. Even with that, we are projected to have more than \$400,000 , way above the maximum and that gives us flexibility. Part of that flexibility is being

able to fund another position such as an assistant executive director. Carolyn asks Rick if you can confirm that we can afford an assistant executive director going forward. We've heard from John on this and want to confirm that we can and that moving forward, we can do that. Rick said yes and that's on the next page. Judy asks what the state's portion of that salary is and Rick says up to 70%.

Rick asks to go over the changes from last year first and on the next page we will go over the new position. So, looking at the employees Karen is getting a 5% increase, John is based on the new executive director's salary schedule. This is probably the 8<sup>th</sup> budget I have done this year and all of the authorities that can afford to pay it have voted to do so. It's going to be it for a couple of years - before the state comes out with another salary schedule. Basically, in the last year you have turned over your entire staff and haven't missed a beat. Now, that never happens. I can attribute that to John because I don't know how else that could happen. We come the first Friday of every month and do the books. Even after Anne-Marie left and others came, that process and readiness was never jeopardized. Everything was always ready on time and everything always is. Right now, what you have is a well-oiled machine just like it always was. I think that's pretty good; to have all that turnover and not miss a thing and, if anything you've probably gained some things. The contract for fee accountant services is up this year and typically renewed every two years and requests an extension with a 5% increase even though the cap increase is 10%, given all the new requirements that we are facing and the board agrees.

Purpose for the assistant executive director I'm assuming, is to be able to perform at an even higher level, to manage other programs and perhaps 3 more housing authorities. The idea of increasing revenue streams will in itself be able to additionally fund the expense. What you can do in the interim, John is already doing: Getting admin fee for the modernization projects, drawing down 10% of the capital fund for operations on the federal side and I am working with John to be sure we do that. There continues to be plenty of money in the programs for the position. Maintenance materials we bumped up, we have to be realistic about these things, employee benefits increased, so did retirement, health, and I am only charging the new position to the public housing (the 400-1 and the federal). Leased housing programs cannot afford positions. They are not money-makers. We earned \$10,000 in subsidy for a tech allowance. That's in there (for new computers, software, trainings, etc). This will help with all the new requirements expected of us. The state program is as good as a state housing program can be. We manage 70 housing authorities and your reserves are the best! Over max, even restricting \$200,000 we are still way over max reserves.

Now looking at the Salary Schedule: John's increase is based on that new schedule that took 2 years to develop and after a national survey. The second position is the assistant's position. Its listed as \$ 65,000 and I am only putting in a quarter, given we are 3/4's into the fiscal year. The old Lynne position which is now Kim, which is a \$ 10,000 decrease in cost and then the part time Anne-Marie position we split into two-part time positions: (1) 10 hours, (1) 12 hours, for a net savings of \$2,000.00 plus benefits and healthcare savings. Then Karen is in there for a 5% increase, which is standard and what everyone, everywhere is doing. Maintenance is set by the Dept. of Labor & Industries and on April 1 they will get another increase. Judy asks if it is an automatic increase, not based on merit. Rick said yes.

Page 3 is the Non-Routine. The ford explorer is not a budgeted cost, it's an actual now. We are 8 months into the year. We have some turnover costs and with the new PMR, if we under run our budget it's a problem. If we over spend it, it's ok. Makes no sense. Judy makes point about inventory going into disrepair so she can see some merit in it. The state is bumping up all authorities to a minimum of 50% reserve levels and will write a check to those that are under-reserved. We won't be getting a check.

The 689 Program is on page 4, you can see the reserve. That was a negative up until 3 years ago and now its making money. Your last state budget is the MRVP Program: 7 units and we budget what we can to get the admin fee up there and our reserve is \$6,000 which is much more than most authorities in the state.

Our State programs are always going to make money and the federal went up and has gone up \$6, 8 to \$10,000 every year and this year its effected due to a ton of turnovers and heat repairs. Nevertheless, our reserves are the highest anywhere. Section 8 is under a lot of pressure and getting less funding and is likely to continue.

The last page is the Management Program. Over the years beginning with section 8 in Holliston and then Halifax we now have \$62,000.00 in there and that is the authority's money. So, we can explore other opportunities or development and the money is there. If more revenue comes your way, that's where the money will go. You have a management business. Overall, Leased housing program is tight and they're tight everywhere. Everything else is fantastic and on a great path. Judy asks when do you begin developing the budget? John and Rick state we are always working with projected and actual numbers monthly and while planning out the next year(s). Carolyn stated that we assume the status quo for funding and we are ready for when the guideline comes out. All are concerned about HUD and public housing being harder for residents to keep. In the end, Rick said your concerns for the federal funding are real. He adds, that if it hurts you even a little bit, I have about 70 housing authorities that will be toast. There is no chance they will be able to handle it. Rick concludes and the board says thank you for the presentation.

Chair: Having just concluded the Budget Presentation, asks that we go to **New Business** for a few moments to approve the budget:

**On a motion** by James Muscato, that the Operating Budget for State Aided Housing of the Pembroke Housing Authority **Program Number 400 – 1** for fiscal year ending 6/30/2018 showing total revenue of \$ 715,500.00 and total expenses of \$ 644,455.00 thereby requesting a subsidy of \$ 10,000.00 be submitted to the Department of Housing and Community Development for its review and approval and seconded by Judy Parks; All were in favor, 3 – 0.

**On a motion** by James Muscato, that the Operating Budget for State Aided Housing of the Pembroke Housing Authority **Program Number 689 - C** for fiscal year ending 6/30/2018 showing total revenue of \$ 51,180.00 and total expenses of \$ 45,503.00 thereby requesting a subsidy of \$ 0.00 be submitted to the Department of Housing and Community Development for its review and approval and seconded by Judy Parks; All were in favor, 3 – 0.

**On a motion** by James Muscato, that the Operating Budget for State Aided Housing of the Pembroke Housing Authority **Program Number MRVP** for fiscal year ending 6/30/2018 showing total revenue of \$ 3,360.00 and total expenses of \$ 3,622.00 thereby requesting a subsidy of \$ 0.00 be submitted to the Department of Housing and Community Development for its review and approval, seconded by Judy Parks; All were in favor, 3 – 0.

The Director re-presents the Fee Accountant extension:

**On a Motion** by Judy Parks, to approve the 2 - year contract extension with **Milne, Shaw & Robillard** as fee accountants, at a 5 % increase, seconded by James Muscato; All were in favor, 3 – 0.

Chair instructs all to resume in proper order with the agenda, next item.

**III. Correspondence:** None.

**IV. Executive Directors Report:**

It has been a very busy month since the last meeting. Unit Turnovers continue to be the greatest challenge facing us. We have 3 more vacancies coming up the end of this month, but we will get them done and manage the day to day activities, as well. Last week, I petitioned the Community Preservation Committee for an additional \$55,000 for the new Fire Alarm System, here at Kilcommons Drive. The Committee voted unanimously in favor of it, and it is off for a Town Meeting vote, next. As you recall the Budget Guidelines came out last month, more than half way into the fiscal year and our Fee Accountant, Rick Shaw was here this evening to present the Budgets.

**V. Old Business:**

Upon review of the Assistant Executive Director's Job Description, and the noted additions regarding the management of other housing authorities, being seated on the non-profit board, attend board meetings, etc. Judy asks what the status of the non-profit is and Chair briefly describes that it is still in process and is in concept. A motion to approve the assistant executive director's job description was made by Jim Muscato, seconded by Judy Parks. All were in favor, 3 - 0.

Upon review of the Executive Director's Job Description, and the noted additions regarding the management of other housing authorities, some of their programs, being seated on the non-profit board and 40B monitoring: A motion to approve was made by Judy Parks, and it was seconded by James Muscato. All were in favor, 3 – 0.

**New Business, resumed:**

A discussion regarding the generator project for Lydia Ford Road was held. The MacRitchie Engineering design and administration contract in the amount of \$ 19,928.00 was discussed vigorously. Judy Parks was deeply concerned with the proposed engineer's fee for an 8-unit Group Home. The Board, collectively called the amount absurd, they are flabbergasted and that

it appears to be a seriously inflated fee and tabled the matter. The Director was told to take the matter up with DHCD and seek a better approach to this, including amending our capital plan for example: put a design-build bid proposal out, directly. The Director will report back in March.

**Adjourn.**

A motion to adjourn at 6:30 p.m. was made by Judy Parks, seconded by Jim Muscato and was unanimous, 3 – 0. The Chair thanks all for a wonderful board meeting.