



MINUTES
REGULAR MEETING – June 4, 2018

The Franklin County Regional Housing and Redevelopment Authority Board of Commissioners conducted the regular meeting of the Authority on **June 4, 2018** at the Franklin County Regional Housing & Redevelopment Authority located at 180 Turnpike Road, Turners Falls, MA.

1. **CALL TO ORDER**

Commissioner Cottrell called the meeting to order at 5:22 PM

Commissioners Present: L. Brown S. Hamdan
 J. Tuttle S. Cottrell
 M. Slowinski J. Atwood
 D. Prest

Commissioners Absent: B. Parkin

Staff Present: F. Pheeny J.Carey L. Cornish

Guest: Mike Guyder (by phone)

2. **FY17 Audit Presentation by Mike Guyder:** Commissioner D. Prest and Commissioner L. Brown made a motion to table the voting of the audit until the July board meeting as it would allow the board members to have more time to review it, with the understanding that the details of the report will not change.

All Commissioners were in agreement with tabling the vote.

Mr. Guyder reviewed both the Report on the Agreed-Upon Procedures and the FY17 financial statement.

Agreed-Upon Procedures (AUP): M. Guyder explained to the board that the 2014 legislation requires all housing authorities receive an AUP audit. The AUP is a collection of different procedures which requires reporting on the result of those procedures. He stated that his company has personally worked closely with DHCD in assisting them with designing the format of the AUP.

M. Guyder began reviewing the AUP's categories that had some exceptions. He began by informing the board that the exceptions found in the categories of Rent Collection/Tenant Accounts Receivable/ Account Write Offs and Accounts Payable/Disbursements, HRA was already aware of these issue and had implemented procedures to address those matters however the procedures were implemented in FY 18 and the AUP is for FY 17.

Lisa Cornish addressed the exception found in the category of Inventory (Fixed Assets) HRA will, within the next fiscal year, undertake a project to identify and assess inventory values and reconcile to the general ledger so a depreciation listing can be reviewed on an on-going basis.

Mr. Guyder informed the board that the final, yet more significant exceptions found, were within the four sub-categories of the Annual Rent Calculation and Compliance category. F. Pheeny informed the board that the findings were identified in-house before the AUP was conducted.

M. Guyder directed the board to review the last page of the AUP where they would see that it is noted that HRA staff and management identified all of the issues prior to the audit and had already implemented DHCD procedures to correct all of the items. Presently staff is implementing recommendations concerning rent redetermination and recertification on a timely basis. Unfortunately this audit was for a time period prior to the new staffing and implementation of the procedures.

F. Pheeny stated that the current Property Management director, T. Dowd, began with the Agency in July 2017. Next year's AUP will reflect the organization and implementation of policy and procedures that are done on a consistent basis.

FY17 Financial Statement: M. Guyder informed the board that the audit had 1 finding: Internal controls over financial reporting which resulted from significant staff turnover during the fiscal year and the accounting department, at times, was not appropriately staffed with qualified and experienced personnel during the fiscal year. F. Pheeny will implement all of the auditor's recommendations regarding internal controls, chart of accounts to be revised and account reconciliation which will be completed by September 30, 2018.

L. Cornish spoke on behalf of the chart of accounts project. She informed the board that there are several data bases used to keep track of business units and projects separately which makes it difficult to do allocations. She also stated that the current chart is 23 characters long and she's looking to shorten those characters to 14.

F. Pheeny informed the board that the accounting manual is almost done and should be ready to present to the members at the July board meeting. The original manual

submitted to HUD was not approved. She also stated that at the July board meeting there will be discussion around the personnel and internal control policies.

Commissioner Prest inquired as to how long the chart of accounts will take L. Cornish to revise.

L. Cornish stated she hopes to be completed in October and involve other departments as much as possible so there's consistency with the entered documentation.

F. Pheeny also stated that she'll be scheduling some consulting time with HAB.

3. EXECUTIVE DIRECTOR'S REPORT: F. Pheeny deferred her report to after the voting of the actions in order to allow M. Guyder sufficient time to do his audit presentation.

4. ACTIONS

Minutes: Commissioner Brown moved and Commissioner Tuttle seconded a motion to approve the minutes of the April 2, 2018 regular meeting of the Board as prepared.

No discussion

17-166 Vote 7 in favor; 0 opposed; 0 abstaining

Minutes: Commissioner Tuttle moved and Commissioner Brown seconded a motion to approve the minutes of the May 2, 2018 special meeting of the Board as prepared.

No discussion

17-167 Vote 5 in favor; 0 opposed; 2 abstaining

AP Warrant: Commissioner Atwood moved and Commissioner Slowinski seconded a motion to approve the accounts payable warrant for April and May 2018.

No discussion

17-168 Vote 6 in favor; 1 opposed; 0 abstaining

Certificate of Substantial Completion Commonwealth of Massachusetts Department of Housing & Community Development RCAT Project by and between Clayton D. Davenport Trucking, Inc. (Contractor) and the Franklin County Regional Housing

Authority: Commissioner Tuttle moved and Commissioner Atwood seconded a motion to authorize the Executive Director, as contracting officer, to approve the Certificate of Substantial Completion by and between Clayton D. Davenport Trucking, Inc. (Contractor) and the Franklin County Regional Housing Authority for acceptance of Development Number 667-3 for use and occupancy for the installation of a rear exit walkway at Winslow Wentworth, 60 J Street, Turners Falls, MA 01376 effective 12:00p.m (Noon) on the Fifteenth day of May, 2018.

F. Pheeny informed the board that this walkway is ADA compliant and is a safe way for the tenants to use in case of an emergency. She stated that it recently got used as tenants had to evacuate the building due to a small stove fire in a kitchen, and its use was successful.

17-169 Vote 7 in favor; 0 opposed; 0 abstaining

Way Finders Agreement for Division of Banks Funding: Commissioner Tuttle moved and Commissioner Atwood seconded a motion to authorize the Executive Director, as contracting officer, to execute an agreement for services entered between Way Finders, Inc. a non-profit Massachusetts corporation and the Franklin County Regional Housing and Redevelopment Authority (FCRHRA) effective as of January 1, 2018.

F. Pheeny informed the board members that for the past 2 years the Agency has been in agreement for services with Way Finders, Inc. The Agency receives funding from the Division of Banks to implement foreclosure prevention services. They also provide the Agency with staffing resources that have more experience in foreclosure counseling.

F. Pheeny informed the board that previously there haven't been a lot of foreclosures in Franklin County; however she expects that to increase over the year as the foreclosure moratoriums that are in place will be ending.

Commissioner Prest questioned whether or not the offered prevention services being underutilized. F. Pheeny replied that the services are, however, our HCEC Housing Counselor has needed to increase her hours as more prevention trainings and services are being requested by the public.

Commissioner Brown inquired as to how people are notified when in foreclosure.

F. Pheeny informed the board that the banks give legal notification to those heading to foreclosure and provide contact information for all HUD Approved Housing Counseling agencies.

17-170 Vote 7 in favor; 0 opposed; 0 abstaining

FY18 GASB 75 Retirement Valuation: Commissioner Tuttle moved and Commissioner Prest seconded a motion to authorize the Executive Director, as contracting officer, to enter into a contract by and between Odyssey Advisors GASB 75/OPEB Valuation Pricing for MA Housing Authorities and the Franklin County Regional Housing and Redevelopment Authority for a new retirement valuation report covering the 2 year cycles going forward which includes fiscal year ending September 30, 2018 and will also include the necessary disclosures for FY19 at a fee of Three Thousand Eight Hundred Fifty Dollars (\$3,850.00).

L. Cornish advised the board that every 2 years the Agency needs to have a retirement re-evaluation report. She stated that Odyssey Advisors is quoting us at a reasonable price. They will also do any updates needed for the next year.

17-171 Vote 7 in favor; 0 opposed; 0 abstaining

HUD Income Limits: Commissioner Tuttle moved and Commissioner Prest seconded a motion to adopt and implement the new HUD income eligibility limits for all of HRA's programs effective April 1, 2018.

F. Pheeny informed the board that these income limits are required to be used by the Agency. She also informed the board that K. Reardon, Director of Leased Housing is out on maternity leave, and A. White is acting supervisor in her place and is doing a great job meeting all of the additional work duties.

17-172 Vote 7 in favor; 0 opposed; 0 abstaining

5. EXECUTIVE DIRECTOR'S REPORT: F. Pheeny shared with the board that she and the staff love the new building, stating it was a smooth transition with only some minor setbacks. She informed the board that the cost of moving budget will be presented at the July board meeting.

F. Pheeny informed the board that a bid for construction work was put out to bid. The only company to respond was Renaissance Builders. Initially RCAT estimated the electrical work to be around \$30-\$40,000, however the work came back to be around \$68,000. Due to the significant cost difference, DHCD will now work directly with B. McHugh and F. Pheeny. DHCD will not ask the Agency to put this back out to bid.

F. Pheeny provided more building updates.....

* There will not be any public meetings held at the Agency until the ADA compliant ramp is installed.

*A large storage shelter was recently ordered and will be placed on the Agency property. It will house maintenance equipment, which is currently being stored at different sites.

F. Pheeny informed the board that she will be taking time off in July and August. She also informed them that A. Watson is now Manager of HCEC while Glen is the director. This modification was put in place when the HCEC Director left in April.

L. Cornish reviewed the FCRHRA year to date actual budget. She went through the actual and variance page noting that as funds are obtained it needs to show as income regardless if it's capitalized or not. She informed the board that it appears that fee's earned in the CDBG department will probably be \$200,000 down from last year's budget. She stated that the drop in earnings is due to the process of receiving a project but it not being approved right away which then pushes it off to the future so it can't be reflected as income until that point. L. Cornish posed a question as to what can be done with contracts to be approved by 9/30.

F. Pheeny informed the board that the current noted expenses don't reflect that each department will be carrying a portion of cost to subsidize the new building. When the initial budget was done for 10/1/17 it wasn't anticipated that the Agency would be moving so those costs are not reflected in this budget. They will be reflected in the June budget.

Commissioner Slowinski inquired about the notation of fraud income. F. Pheeny stated that there are situations where clients falsify documents or have people living with them that shouldn't be and the Agency needs to pursue those clients for fraud.

F. Pheeny informed the board that October of this year is HRA's 45th Anniversary. She stated that it's a time to really celebrate all of HRA's accomplishments. She asks for volunteers from board members to assist with planning this event. This will also be combined with the ribbon cutting ceremony for the new building.

F. Pheeny stated that this will be a great opportunity for the Agency to go out to the community and rebrand itself, be proud of our accomplishments.

6. OTHER BUSINESS

Leslie Brown RDI Update: Commissioner Brown reported that the RDI Board of Directors met on April 10, 2018. There wasn't a meeting held in May due to the Agency moving to its new location.

She reported that Ashfield House has a settlement for the tax assessment value. It will go up 3% annually for the next 3 years, ending 2020. A rebate will be issued for 2017 and 2018. The cost for this settlement was less than \$3,000 since it didn't have to go to a hearing.

Commissioner Brown also gave an update on the Sunderland Senior Housing Project. The zoning board met this week. There's a concern from an abutter who purchased her house after the project began. F. Pheeny informed the board that a full packet of the project was provided to the realtor; however the realtor never disclosed the project to the buyer.

Board Member contact information:

No changes

7. Staff Report:

No Discussion

The HRA Board of Commissioners presented F. Pheeny with a card and gift to purchase 2 picnic tables to have on the grounds for all staff to enjoy during their breaks, as a thank you to all HRA for their hard work during the Agency relocation.

8. OTHER BUSINESS NOT REASONABLY ANTICIPATED 48 HOURS IN ADVANCE

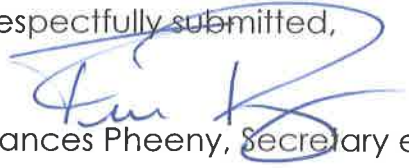
9. DOCUMENTS USED

- Minutes of the regular meeting held April 2, 2018
- Minutes of the special meeting held May 2, 2018
- AP Warrant for April and May 2018
- Draft FY17 HRA Financial Statements and Agreed Upon Procedures (AUP)
- Certificate of Substantial Completion Contractor, Clayton D. Davenport Trucking, Inc.
- Way Finders Agreement for Division of Banks funding
- FY18 GASB 75 Retirement Valuation Contract
- HUD income limits for FY2018
- HRA financials worksheet
- Staff Report
- NERC NAHRO April 2018 Newsletter
- NAHRO May 2018 Newsletter
- Newspaper article- Franklin Regional HRA moves to former Hallmark building

10. ADJOURNMENT

There being no further business, Commissioner Slowinski moved and Commissioner Brown seconded a motion to adjourn the meeting at 7:09 PM. The next regular meeting of the HRA Board of Commissioners is scheduled for July 9, 2018 at 6:00PM located at Franklin County Regional Housing & Redevelopment Authority, 241 Millers Falls Road, Turners Falls, MA.

Respectfully submitted,



Frances Pheeny, Secretary ex officio