

Housing Authority of the City of Laredo

Board of Commissioner Meeting
1st Floor Conference Room
1110 Houston Street
Laredo, Texas 78040
Wednesday, March 16, 2016
12:00 Noon

A-16-R-1

MINUTES

March 16, 2016

1. **CALL TO ORDER** Chairman Jose L. Ceballos called the meeting to order at 12:00 noon.
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL AND DECLARATION OF QUORUM** Roll call and declaration by Melissa Ortiz, Acting/Interim Executive Director/Secretary.

Commissioners Present

Jose L. Ceballos, Chairman
Dr. Sergio Garza, Vice-Chairman
John Solis, Commissioner

Gina Magallanes, Commissioner

Commissioners Absent

Joe Aranda, Commissioner

Staff Present

Melissa Ortiz, Acting/Interim Executive Director
Bulmaro Cruz, Director of Public Housing
Orlando Guerrero, Interim Finance Director
Jose Collazo, Resident Services Coordinator
Robert Peña, MIS Coordinator
Maria De Lourdes Hernandez, Asst. Dir. of Public Housing
Alma Mata, Administrative Assistant
Christy Ramos, Administrative Clerk
Cindy Cortez, Section 8 Supervisor
John Gloria, Purchasing Agent
Doug Poneck, Counsel

Others Present

Rosa Perez, Central Resident Council
Miriam Villarreal, Central Resident Council

4. CHAIRMAN'S COMMENTS

Chairman Ceballos informed the board that changes had been made to the agenda format and an Executive Directors Report was added along with an item for presentation by Central Resident Council. He stated that the items that were taken to the Board in December were still being reviewed and analyzed for purposes of public record and should be ready in the 30 to 60 days.

5. CITIZENS COMMENTS

No comments.

This is the opportunity for visitors and guests to address the Board of Commissioners on any issue. The Board may not discuss any presented issue, nor may any action be taken on any issues at this time. There will be a 3-minute limitation per speaker. (Texas Attorney General Opinion-JC-0169)

6. APPROVAL OF MINUTES:

- A.** Approval of minutes for Special Board of Commissioners meeting on January 27, 2016.

Chairman Ceballos called for a motion.

Commissioner Solis motioned to approve the Item 6A.

Vice-chairman Garza seconded the motion.

Motion passed unanimously.

- B.** Approval of minutes and notes from the Board of Commissioners Special Meeting and Workshop of February 10, 2016.

Chairman Ceballos called for a motion.

Vice-chairman Garza motioned to approve the Item 6B

Commissioner Magallanes seconded the motion.

Motion passed unanimously.

7. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Mrs. Rosa Perez stated that the Resident Council elections at the projects have concluded and new officers have been elected. She stated that the nominations for new officers of the Central Resident Council were being accepted and the election would take place in the next weeks and they would inform the board of the results.

Chairman Ceballos stated that part of the efforts of the Central Resident Council is to fundraise for resident youth activities. He asked that with the assistance of Mr. Jose Collazo, Resident Service Coordinator, the Central Resident Council present to the board a concept where they can have a store front type of location to sell the goods donated by the housing authority to them. He stated that the housing authority donates goods that are being disposed of to the resident council to sell for the purpose of reinvesting in the centers and its youth and they currently don't have a location to store or make the goods available to the public for purchase. He stated that the Family Planning building is a possibility.

Mrs. Perez stated that the Resident Council board had some ideas and they would set up a meeting with Mr. Collazo to discuss and bring it to the board.

8. EXECUTIVE DIRECTOR'S REPORT, including presentation of waiting list reports.

Mrs. Melissa Ortiz stated that she was working with the South Texas Food Bank nutritionist Andrea, who works with our youth at the community centers, and are discussing a community garden at possibly all the community centers.

She stated that the modular unit that was donated to VASH was moved to their location with no incident with the support of the Sheriff's Office.

Chairman Ceballos stated that it was pleasant to see the housing authority receive positive press.

Mrs. Ortiz stated that she is continuing to work with the Veteran Affairs Department and LHA no longer has to attend weekly phone conferences with the VA and HUD as the relationship has improved. LHA is no longer on a watch list due to our systems not tying.

Chairman Ceballos informed the board that LHA had been placed on a watch list and Mrs. Ortiz had been working to correct the issue and was successful. He also stated that the city had recently made a trip to D.C. and was asking for additional VASH vouchers and they might allocate some to LHA if awarded.

Mrs. Ortiz stated she was appointed and sworn in to the Laredo Homeless Assistance Committee but has not attended any meeting and will keep the board up to date as soon as she does.

Mrs. Ortiz stated that the RFQ's for the consultant and audit are posted in the website.

Chairman Ceballos stated that he asked Attorney Doug Poneck to give the board guidance on how to become involved in the process and was advised that the best way to do that was to post any committee meetings

Attny. Poneck stated that anytime three board members meet it is considered a board meeting and must be posted therefore; if a committee is created and more than two board members attend it needs to be posted. He stated that it is a safe practice and they recommend posting all committee meetings for transparency.

Chairman Ceballos stated that if any board member would like to be part of the committee to advise him or Mrs. Ortiz.

Chairman Ceballos stated that LHA needed access to the website in order to make changes and have a portal for RFQ's and the awards of those. He stated that this will provide transparency to our vendors and it is something that needs to be done electronically.

Mr. Robert Peña, MIS Director, stated that he is currently working on developing something similar and will meet with Mrs. Ortiz to discuss.

Mrs. Ortiz stated that she has been interviewed candidates for the positions of Human Resource Manager, Section 8 Administrator, Section 8 Inspector, MIS Assistant, and Finance Clerk.

Mrs. Ortiz stated that the 3/31/2015 audit had been rejected and was resubmitted in February and is still in review. She explained that it was rejected by HUD because there was too much of a difference between the unaudited financials and the audited financials therefore clarification was needed.

Chairman Ceballos asked if there were specific items that needed clarification or was it overall.

Mr. Orlando Guerrero, Interim Finance Director, stated that the unaudited financials submitted in May did not have the information on the Riverbank property and when the auditors conducted the audit they required that it be included and that is why they required clarification.

Mrs. Ortiz stated that the 2012 Capital Fund Program Grant was 100% obligated and expended by March 7, 2016 and he grant for the amount of 1.18 million dollars.

Mrs. Ortiz stated that she is proposing that all payrolls be bi-weekly by April. She explained that currently the Capital Fund Program is on a weekly payroll as of 2012.

Chairman Ceballos asked why CFP was on this type of payroll.

Mrs. Ortiz replied that it had been switched to weekly in 2012 because it was thought that they had to comply with Davis Bacon Act.

Chairman Ceballos asked if any employees were being paid less than Davis Bacon requires.

Mrs. Ortiz replied no.

Chairman Ceballos recommended that we review the positions and salaries based on Davis Bacon to ensure that staff is being compensated appropriately.

Mrs. Ortiz stated that the Section 8 Program had been working on auditing files and that is giving them a better understanding of where to find regulation.

Mrs. Ortiz stated that she had signed three letters of support one for SCAN in support of homeless youth. She also signed one for South Texas Food Bank for a curriculum for mothers with children within the ages 1-5. Lastly she signed a letter of support for the city for the Promised Zone.

Chairman Ceballos stated that the Promised Zone is a federal designation to develop a particular section of the city.

Mrs. Ortiz stated that in conjunction with Commissioner Canales and Army Reserves in the Veteran's Village to develop a village for homeless veterans.

Chairman Ceballos informed the board that the Veteran's Village is a project that utilizes "man camp" housing from the Eagle Ford Shale to provide housing to veterans at risk of homelessness or that are already homeless. The location of this village would be in the Peñitas area.

Mrs. Ortiz stated that she also attended the Homeless Coalition meeting with Mr. Collazo to get involved and network with other agencies.

Chairman Ceballos stated that he is the Chairman for that organization and the purpose of it is to connect all the homeless providers.

9. PERSONNEL ITEM:

Discussion and possible action related to the grievance requested by Elizabeth Martinez. This item may be discussed in Executive Closed Session, pursuant to Texas Government Code Section 551.074 (personnel matters).

Chairman Ceballos called for a motion.

Commissioner Solis motioned to postpone Item 9.

Commissioner Magallanes seconded the motion.

Motion passed unanimously.

10. PRESENTATIONS (No action to be taken on these items)

A. Presentation on Procurement Policies and Procedures.

Mrs. Ortiz stated that small purchases is under \$50,000.00, petty cash purchase was under \$200.00, micro purchase is between \$200.00 and \$2,000.00.

Chairman Ceballos asked who keeps petty cash.

Mrs. Ortiz replied that all developments and administration keep petty cash.

Chairman Ceballos asked how frequently they are reconciled.

Mrs. Ortiz replied that it is done monthly at every development and audits are done periodically.

She stated that any purchase between \$2000.00 and \$5000.00 requires three signatures; anything above that amount requires four signatures including the Executive Director's.

Chairman Ceballos asked whose signatures are required.

Mrs. Ortiz replied the Department Head, Purchasing Agent, Finance Director and when above \$5000.00 the Executive Director's signature is needed.

She stated that if the purchase is over \$50,000.00 board approval is required. She mentioned that the threshold was \$15,000.00 until 2010 when it was changed to \$50,000.00.

Chairman Ceballos asked if these policies were available online.

Mrs. Ortiz replied no.

Chairman Ceballos asked that they be made available online.

Chairman Ceballos asked the RFQ process for purchases over \$50,000.00 to be explained.

Mrs. Ortiz stated that the RFQ is advertised at least twice in the newspaper; bidders have about a month to respond at which point a committee scores the submissions on a point scale and makes a recommendation to the Board for approval.

Chairman Ceballos stated that they are still unsure if the PFC's have to comply with the agencies Procurement Policies.

Attny. Poneck replied that their recommendation is that they do comply with it because they are instrumentalities of the larger organization and it is not advisable to do otherwise.

Chairman Ceballos stated that it needs to be enforced with all PFC's and placed on their next agenda as an item.

Vice-chairman Garza asked if the agency has a vendor list that they refer to for purchases.

Mr. John Gloria, Purchasing Agent, replied that yes there is a vendor list that is used to solicit bids.

Chairman Ceballos stated that the list can be a problem because only those vendors get an opportunity to bid. He stated that if we move to a vendor portal then it is available for anyone who chooses to bid.

Mrs. Ortiz stated that the agency also has a membership with a state bidding program to piggy back on purchases.

Chairman Ceballos asked if that meets all our requirements and if it is included in our Procurement Policy.

Mr. Cruz replied yes.

Attny. Poneck stated that state law allows you to have cooperatives.

B. Presentation and discussion of the CY 2015 Section 8 Voucher Program over leasing and budget expenditure.

Mrs. Ortiz stated that the budget authority for the program was \$7.3 million.

Chairman Ceballos asked that she explain what the budget authority is and how it is determined.

Mrs. Ortiz replied that the budget authority is what HUD grants in funds based on the programs prior years expenses and according to what Congress has allocated for the program. 100 percent funding is rare and it is usually between 98-99 percent funding.

Mrs. Ortiz stated that they were allowed to spend \$7.3 million and they spent \$7.69 million. Funding is not confirmed until mid-year therefore accommodations need to be made until funding is confirmed and at that point adjust to either attrition or lease up. 16,596 vouchers are issued per year and they need to be divided throughout the year. Approximately 98 percent of these vouchers are used per year

Chairman Ceballos asked what happened that caused the reserves to be spent in the amount of \$316,000.00.

Mrs. Ortiz stated that it was a combination of expenditures throughout the year however in the spreadsheet they have it only reflects in the last three months because it was until then that the funds awarded were confirmed.

Mr. Ceballos asked that the report be adjusted to reflect the overage every month once the funds have been confirmed to show a true picture. He asked how the program is doing now that we are aware of the overage.

Mrs. Ortiz stated that the program is no longer leasing.

Chairman Ceballos asked if reserves were still being used to fund the program and is it projected that the program will be within budget by the end of the year.

Mr. Orlando Guerrero stated that yes reserves were still being expended to operate the program but he anticipates that they will be within budget by the end of the year.

Ms. Ortiz stated that HUD should be funding the program at \$7.6 million and they will work with that budget to ensure that reserves are no longer expended.

Mr. Ceballos stated that the Finance Dept. needs to establish communication with that program and inform them when they are reaching their budget thresholds.

- C. Presentation and discussion of draft of the proposed Operating Budgets for Fiscal Year ending March 31, 2017 for the Housing Authority of the City of Laredo's Central Office Cost Center, Assets Management Projects 1-6, Farm Labor Project, and the Section 8 Housing Choice Voucher.

Mrs. Ortiz stated that all the budget lines are balances however \$60,000.00 will be moved from AMP 1 and AMP 2 each to AMP 4.

Chairman Ceballos asked to clarify AMPs.

Mrs. Ortiz replied AMP 1 is Colonia Guadalupe, AMP 2 is Russell Terrace, AMP 3 Carlos Richter and Ana Ma. Lozano, AMP 4 is Senior Home and Meadow Elderly, AMP 5 is Meadow Acres and South Laredo and AMP 6 is Asherton.

Commissioner Ceballos asked where the non-routine requests per AMP are derived from.

Mrs. Ortiz replied that it is each AMP meets with its staff and puts together a list that is then turned in to administration for need assessment.

She stated that some costs for staff cost was moved from AMP 4 and AMP 5 to the COCC. The warehouse positions are prorated for all AMPS and AMP 4 and 5 could not afford them.

Chairman Ceballos asked why the net cash flow for Section 8 was only \$6,461.00.

Mrs. Ortiz replied that HUD only funds us for the units that we have leased therefore the administrative fee are not being accrued.

Chairman Ceballos ask if this was because of the over leasing or the payment standards being so high.

Mrs. Ortiz replied yes it was because of the over leasing and because we are at attrition. She stated that the Section 8 budget is fully strained.

- D. Presentation and discussion on Organizational Chart and proposed changes.

Mrs. Ortiz presented the current Organizational Chart and stated that the chart does not reflect all the currently budgeted position. She also presented the changes she proposes which included reclassification of titles for the MIS Director to IT Director.

Chairman Ceballos informed the board that the agency is operating with an under qualified department head base and it is going to take time to rectify that and fill those positions with qualified personnel. He also stated that the board should think about considering having a Deputy Director, its pros and cons and if it is a route the board wants to take.

Chairman Ceballos asked if the Director of Modernization and Development position was a new position.

Mrs. Ortiz replied no but it had never been filled.

Chairman Ceballos stated that he had recommended the position of Director of Planning and Community Affairs not to oversee Resident Services being that Mr. Collazo is managing that department very well but more so to be in contact with other non-profits, social services, and the media.

11. ACTION ITEMS

- A.** Discussion and possible action to approve the Capital Fund Program Amendment to the Consolidated Annual Contribution Contract for Fiscal Year 2016 and adopt Resolution No. 16-R-1.

Mrs. Ortiz stated that they were awarded in February in the amount of \$1,337,000.00 which was an increase of \$47,000.00.

Chairman Ceballos asked at what point the commissioners will be involved with the selection of items on the Annual Plan.

Mr. Cruz replied that the process for public hearings starts in September and that the Board will be informed.

Mrs. Ortiz advised the

Chairman Ceballos asked what the Demolition for \$159,000.00 covered.

Mr. Cruz replied that it is to cover the cost of relocations, studies, and demolitions.

Chairman Ceballos asked if the item can be amended and what the process was.

Mr. Cruz replied yes it can be amended and reprogrammed.

Chairman Ceballos stated that relocation cost does not apply to Russell Terrace and page 3 needs to be corrected.

Chairman Ceballos called for a motion.

Commissioner Solis motioned to approve Item 11A subject to corrections.

Commissioner Garza seconded the motion.

Motion passed unanimously.

- B.** Discussion and possible action to award procurement of programmatic review and audit of the Section 8 Housing Choice Voucher Program to The Nelrod Company.

Mrs. Ortiz stated that Section 8 will have a HUD review for the submission of VMS and the agency wants to conduct an internal review prior to the scheduled HUD review. She stated bids were requested and The Nelrod Company came in with the lowest bid at \$16,335.00.

Chairman Ceballos stated that he deems it necessary as the Administrative Plan has many amendments and being that they are they company wrote it they should be the ones to clean it up and draft a clean copy of it. He also asked that they make a presentation to the board once the audit is complete. Nelrod will also be looking into the over leasing issue in Section 8.

Chairman Ceballos called for a motion.

Commissioner Solis motioned to approve Item 11B.

Commissioner Garza seconded the motion.

Motion passed unanimously.

- C. Discussion and possible action to award bid from Stanley Security Solutions Inc. for the replacement of obsolete hardware (100) with up to date lever action cylindrical locksets (card reader type) at AMP 4 Senior Home in the amount of \$75,859.95 thru TXMAS-7-84080 (Piggy-Back Contract) State of Texas via Texas Comptroller of Public Accounts.

Mr. Gloria stated that TXMAS is a Texas Municipal Award Scheduled Contracts under the State Comptroller and the vast majority of these contracts are from the GSA (General Service Administration) contracts therefore they follow the state and federal procurement.

Chairman Ceballos asked how it is determined when to use the state bid method.

Mr. Gloria stated that it is a decision made by the party ordering the item and the director of operations and administrative staff. He stated that in this case Stanley Security is the sole supplier for this product.

Chairman Ceballos asked if this meets bidding and solicitation requirements for the agency.

Attny. Poneck replied that yes it meets both state law and federal law and it is allowed because basically the state has already done the solicitation and bidding process.

Chairman Ceballos asked if possible to advertise to local vendors and give them the opportunity in the future.

Chairman Ceballos called for a motion.

Commissioner Solis motioned to approve Item 11C.

Chairman Ceballos seconded the motion.

Motion passed unanimously.

- D. Discussion and possible action to award purchase of one (1) 2016 Ford Transit Connect and two (2) 2016 Ford F-150 pick-up trucks to Sames Motor Co., the lowest price as per specifications.

Mr. Cruz stated that Sames Motor Co. had the lowest bid for the specifications required.

Chairman Ceballos motioned to approve Item 11D.

Commissioner Garza seconded the motion.

Motion passed unanimously.

- E. Discussion and possible action to approve changes to the Procurement Policies and Procedures, requiring that all 1) procurements or purchases \$15,000 and over in any fiscal year require Board of Commissioners approval, and 2) procurement solicitations and awards with amount and vendor be posted on the agency website.

Chairman Ceballos stated that while the agency is going through transition the board should have oversight of large purchases. He also stated that posting solicitation and award on the website will train vendor to use the site and give reassurance to them that process are being followed.

Chairman Ceballos called for a motion.

Commissioner Solis motioned to approve Item 11E.

Vice-chairman Garza seconded the motion.

Motion passed unanimously.

- F. Discussion and possible action to approve changes to Personnel Policies, requiring all manager and director proposed new hires be approved in advance by the Board of Commissioners.

Chairman Ceballos stated that this will be a restraint to the Interim Director but being that the agency has an under qualified directorship the board needs to be involved and know who is filling these positions.

Chairman Ceballos called for a motion.

Vice-chairman Garza motioned to approve Item 11F.

Commissioner Solis seconded the motion.

Motion passed unanimously.

Chairman Ceballos called for a motion.

Vice-chairman Garza motioned to enter into Executive Session .

Commissioner Solis seconded the motion.

Motion passed unanimously and Board entered into Executive Session at 1:51 p.m.

12. EXECUTIVE CLOSED SESSION IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE

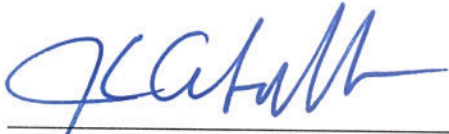
The Board of Commissioners for the Housing Authority of the City of Laredo reserve the right to adjourn into Executive Closed Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, including Sections 551.071 (consultation with attorneys), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.086 (economic development).

- A. Discussion related to the South Laredo new housing development project.
- B. Discussion with legal counsel related to agency expenditures and administrative actions currently being reviewed and audited.
- C. Discussion with legal counsel related to ongoing legal matters resulting from action of Board of Commissioners actions from December 2015.

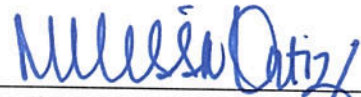
Board returned from Executive Session at 2:43 p.m.. No action was taken.

13. ADJOURNMENT

Chairman Ceballos called for a motion.
Vice-chairman Garza motioned to adjourn.
Commissioner Solis seconded the motion.
Motion passed unanimously.
Meeting adjourned.



Jose L. Ceballos
Board Chairman



Melissa Ortiz
Acting/Interim Executive Director