

Housing Authority of the City of Laredo

Board of Commissioner Meeting

LHA Board Room

2000 San Francisco Ave.

Laredo, Texas 78040

Wednesday March 29, 2017

4:00 p.m.

A-17-S-2

Minutes

March 29, 2017

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 4:03 p.m.
2. **PLEDGE OF ALLEGIANCE** Alma Mata, Modernization Coordinator, lead them in the recital of the pledge.
3. **ROLL CALL AND DECLARATION OF QUORUM**

Commissioners Present

Jose L. Ceballos, Chairman
Dr. Sergio Garza, Vice Chairman
Anita Guerra, Commissioner

Gina Magallanes, Commissioner

Commissioners Absent

Dr. Marisela Rodriguez, Commissioner

Staff Present

Melissa Ortiz, Acting/Interim Executive Director
Christy Ramos, Administrative Assistant
Alma Mata, Modernization Coordinator
Frank Lopez, Procurement Officer
Jennifer Barrientos, Interim Section 8 Administrator
Maria Hernandez, Assistant Director of Housing Management
Cesar Vasquez, Human Resources Manager
Roberto Peña, IT Coordinator
Mauricio Del Barrio, Director of Finance
Jose Collazo, Special Projects Coordinator
Bulmaro Cruz, Director of Modernization and Development
Alfonso Trevino, CFP Coordinator
Julia Orduña, Planning & Community Affairs Specialist
Mario Jasso, Consultant
Doug Poneck, Attorney
Ricardo De Anda, Attorney

Others Present

Rosa Rios, Central Resident Council

4. CHAIRMAN'S COMMENTS

Chairman Ceballos stated that the focus of this meeting would be the budget for the demolition. He also informed that the fire department had contacted him to ask for permission to use their buildings for purposes of mock training as the demolition is being planned. To which he answered to the Chief that there was no problem with doing that since there would be no fire involved, just mock training of entrances, exits, and the use of ladders. The Chief just requested to notified a couple of days before the demolition so he could train his entire department. This was not registered in the agenda so there would be no action taken about this, however he wanted to let the Chief know that they all agree with this. This matter would be brought back next meeting. Chairman Ceballos concluded saying that he had nothing else to say and invited the citizens to make their comments.

5. CITIZENS' 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 three-minute limitation per speaker (Texas Attorney General Opinion-JC-0169)

Ms. Melissa Ortiz offered an apology to the Chairman and the Board of Commissioners for not inviting them personally to the events they had the past week, specifically the press conference taken place in the city of Laredo the past Monday and the Big Event that happened on Saturday which was a collaborate event between the City of Laredo, TAMU, LHA and Neighbor Works of Laredo. She stated that she and the staff acknowledged they contribute a lot of time and effort and reassures that this will not happen again.

Chairman Ceballos thanked and appreciated her comments and mentioned that they look forward to joining them for the following events.

6. APPROVAL OF MINUTES

A. Approval of minutes for the Board of Commissioners on March 1, 2017.

Vice-Chairman Dr. Garza motioned to approve minutes as presented.

Commissioner Guerra seconded the motion.

Motion passed unanimously.

7. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Rosa Rios, President to the Central Resident Council introduced herself and mentioned that the nominations were taking place in which she is being nominated as president. She stated that the elections are on Friday and thanked this opportunity to announce the residents.

Chairman Ceballos mentions that he had the opportunity to visit the South Laredo Project and he noticed that the park is almost finished with the exception of the entrances and exits. He also stated that some benches were being installed and a bigger lamp to enhance the illumination.

8. ACTION ITEMS

- A. Discussion and possible action to approve the Architectural/Engineering Design Services Contract for the Russel Terrace and the Rental Assistant Demonstration (RAD) Project to Architects Plus, Inc. pertaining to RFQ No. LHA 2016_1218_02.**

Chairman Ceballos mentioned that the documents are still under revision.

Attorney Poneck informed that there is a standard agreement that architects typically use that they borrow from the American Institute of Architects since they are an association of architects that is written in favor of architects. He explained that the process traditionally is that they propose a series of amendments to make it more owner friendly and that he anticipates that they will reach a mutually acceptable agreement with Architects Plus, Inc. but that it will take some time, so he asked the Board to approve entering to a contract with this company subject to the late review and later finalize the contract with the signature of the Executive Director.

Vice Chairman Dr. Garza asked how much time it will take to do this method.

Attorney Poneck answered that it will take around one or two weeks since they will first develop the amendments, give time for revision and then reach an agreement.

Mario Jasso asked if the financial terms will be modified.

Chairman Ceballos answered that the financial terms will not change, it will only be a matter of having the legal team make a revision of the contract, since they have not had the time to do so.

Chairman Ceballos motioned to approve subject to legal review conclusion about a week or two weeks.

Vice Chairman seconded the motion.

Motion passed unanimously.

Chairman Ceballos moved to take item 8C.

Vice Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- B. Discussion and possible action to approve Operating Budgets and Update Organizational Chart for Fiscal Year Ending March 31, 2018, for the Housing Authority of the City of Laredo and adopt Resolution No. 17-R-8. This item may be discussed in closed session as personnel matters pursuant to Texas Government Code, Section 551.074 (personnel matters).

Mr. Mauricio Del Barrio, Director of Finance, mentioned that in the last meeting there were some proposals made about changes in the budget of which all of them were taken into consideration and for which he was happy to announce that the budget that they are presenting today was balanced. The majority of the items purchased for the communities in the past fiscal year were no higher of \$15,000.00.

Chairman Ceballos asked what are such items, to which Mauricio Del Barrio explained that in the package of each book there was a wish list or list of equipment required and it was divided between what will be purchased this year and what will be purchased next fiscal year.

Chairman Ceballos asked which would be the empty lot space that will be fenced at Ana Maria Lozano. He mentioned that they solicited architects so they can help with the walkability and suggests that before spending more funding in fencing, to please consult it with Ms. Ortiz and Mr. Jasso, who will coordinate the architects just to make sure that they do not put a fence somewhere it is going to be removed.

Chairman Ceballos informed that there is a problem behind one of the developments since a lot of kids are walking through there and there had been some complaints about them walking through it at all kinds of hours.

Chairman Ceballos asked about the phone system upgrade, he mentioned that it can be divided in Section 8 and COCC.

Chairman Ceballos asked if this included the geometrics.

Mr. Robert Peña stated this is not integrated into this phone upgrade.

Ms. Ortiz mentioned that there are no capital funding for this and it will probably be available by the end of this year, or by the following year of 2018, since the geometrics required an additional funding of \$20,000.00.

Chairman Ceballos asked Mr. Del Barrio if the required item list would be purchased with this year's budget, to which Mr. Del Barrio replied that the top portion of the list corresponds to the items that were intended to be purchased for the next fiscal year, March 31, 2018 and underneath that is the portion of the items that were intended to be purchased this fiscal year of March 31, 2017.

Ms. Ortiz informed that there will be a revision to the current fiscal year around May to bring these items.

Chairman Ceballos stated that Journal Entries would be done for both fiscal years. That they see AMP 1 as an example of the division of Capital Fund non-capital expenses.

Vice Chairman Dr. Garza asked if the refrigerators that we have in the warehouse were no longer eligible to be used in the housing projects or what was the reason that if they have some in stock there is a request to purchase more.

Ms. Ortiz stated that they are eligible for use, but that all the refrigerators that are in-stock are accumulative, therefore some of them are designated for a specific location so an additional twenty refrigerators were required. She continued by saying that the Assistant Director of Housing Management goes with the managers and make sure that what they are requesting is accurate and sufficient for them to continue the next fiscal year.

Vice Chairman Dr. Garza asked how can they know if that amount will be accurate. He stated that he trusts the employees, but wants to know what method is used to measure the accuracy of this information.

Ms. Ortiz replied that the procurement team has an inventory of the stock that they have and based on the dispositions that they have on a yearly basis, they can estimate how many they need for the upcoming fiscal year. This is how the Housing Management side and the procurement side can be checked.

Vice Chairman Dr. Garza asked if the refrigerators are replaced in a certain amount of time or when they break down. Ms. Ortiz replied that only when they break down.

Chairman Ceballos stated that the Board had agreed on the Farm Labor items pending and Mr. Del Barrio would bring these pending items back.

Vice Chairman Dr. Garza asked what exactly does the phone system upgrade consist of.

Mr. Peña replied that the phone system upgrade consists of making an update to the system since the one that is currently being used is from the 90's and he cannot guaranteed how much longer it is going to last. Therefore, the proper procedure would be to upgrade the system to a modern system, something that can be managed from a desktop. In the current system, the only way to customize it is by contacting the vendor and when the waiting list is open to have the public call in and take up spaces on

the waiting list, it is necessary to have the vendor come in, reprogram the phone system, and after the event is over the vendor must be asked again to reprogram the system back to its original position. This is something that the IT Department should be able to handle if they had the ability to do so. As mentioned before, the system is so old that it is almost impossible to get vendors to work on it since they do not want to touch it. The idea would be to obtain a new system that could be worked on by network which also needs to be upgraded.

Chairman Ceballos appreciated the explanation and informs that going back to the budget overview that is showing a positive net cash flow for the year ending of \$385,000.00, but they still do not know the funding level that they are going to get. He also asked if they received a funding between 70 and 80 percent, where would that put them. To which Mr. Del Barrio replied that they will be below 78%. Chairman Ceballos stated that he would want to be a little more conservative than 84% since Ms. Ortiz informed that in the past year the level of funding reached 88%. He also asked Mr. Del Barrio if he could do the calculation once again just to make sure they are not overestimating the revenue.

Mr. Del Barrio informed that there is a balance of budget for 2018 and that the only place that reserve funding would be used will be in Farm Labor. Calculations were made to find the balance between expenses and how COCC would be affected. Conclusion is reached that the current budget is very tight.

Chairman Ceballos asked Jennifer if she had the sufficient amount necessary for the personnel based on that budget, to which she replied that she cannot afford to hire someone else, but it is enough to manage with the current personnel.

Chairman Ceballos asked what percentage was the increase of the medical insurance expense of Blue Cross Blue Shield, to which Mr. Vasquez answered that it was a 19 percent based on what is returned to the provider.

Chairman Ceballos asked the Commissioners if they had any questions or concerns about the previous information shared about the budget and expenses to make sure that every department counts with the sufficient amount. He mentioned that having a positive cash flow is something good.

Chairman Ceballos motioned to enter into Executive Session.

Chairman Ceballos stated they will be entertaining Organizational Chart in Executive Session.

Vice Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

Chairman Ceballos called all Board of Commissioners, Attorney Doug Poneck, Attorney Ricardo De Anda, Director of Finance Mauricio Del Barrio, and Acting/Interim Executive Director Ms. Ortiz to enter into Executive Session.

Board entered into Executive Session at 4:50 p.m.

Board returned from Executive Session at 6:03 p.m.

No action was taken in Executive Session.

Chairman Ceballos asked Mr. Del Barrio for suggestions regarding the administration of the budget balance they have of 77 percent, to which Mr. Del Barrio responded that his first suggestion would be to identify the expenses that can be reduced. The second suggestion would be to start using the reserve funds before impacting the personnel funds. Ms. Ortiz gave the approval to start using the reserve funding.

Mr. Del Barrio mentioned that around \$895.00 would be required to balance the budget.

After reviewing the budget, the list of items and the expenses that could be reduced, nobody had any more questions.

Chairman Ceballos motioned to approve to budget AMP 5 with the adjustment to balance under the non-routine expenses in the amount of \$4,416. He also notified that there will be no changes done to the organization chart at this moment until the level of the Federal Government funding is known.

Vice Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- C. Discussion and possible action to approve a one year extension to Garza/Gonzalez & Associates to conduct the Independent Audit Services for fiscal year ending March 31, 2017.**

Chairman Ceballos mentioned that this was the firm that was hired last year. Their services were solicited under competitive recruitment and this would be their second audit. The contract is renewed yearly up to five years, of which this would be their second and starts in April 1st, 2017.

Vice Chairman Dr. Garza motioned to approve one year extension with Garza/Gonzalez & Associates.

Commissioner Guerra seconded the motion.

Motion passed unanimously.

9. 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 (personnel matters), 551.076 (deliberations about security devices), and 551.086 (economic development).

10. ADJOURNMENT

Chairman Ceballos entertained a motion to adjourn.

Vice Chairman Dr. Garza moved to adjourn.

Commissioner Guerra seconded the motion.

Motion passed unanimously.

Meeting adjourned at 6:30 p.m.



Jose L. Ceballos, Board Chairman

Melissa Ortiz, Acting/Interim Executive Director