

Housing Authority of the City of Laredo
Regular
Board of Commissioners Meeting
LHA Board Room
2000 San Francisco Ave.
Laredo, Texas 78040
Tuesday, April 10, 2018
12:00 p.m.

A-18-R-4

Minutes

April 10, 2018

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 12:04 p.m.
2. **PLEDGE OF ALLEGIANCE** Chairman Ceballos led them in the recital of the pledge.
3. **ROLL CALL AND DECLARATION OF QUORUM** Ms. Mary Gaona, Executive Director, proceeded with roll call.

Commissioners Present

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

Commissioners Absent

Marcela Alvarez, Commissioner

Chairman Ceballos mentioned that Resident Commissioner Marcela Alvarez is absent, but will continue serving until replaced and thanked the Commissioners for attending and taking time from their schedules for the meeting and said that they have a couple of important items and he would try to get everything wrapped up by 2:00 p.m.

Staff Present

Mary Gaona, Executive Director
Christy Ramos, Administrative Assistant
Roberto Peña, IT Coordinator
Esmie Leyva, Project Manager
Monica Rivera, Project Manager
Esmeralda Martinez,
Bulmaro Cruz, Director of Modernization and Development
Manuel Hernandez, Assistant Project Manager
Jennifer Barrientos, Interim Director of Finance
Mary De La Rosa, Interim Human Resource Assistant
Leticia Sosa, Office Clerk
Rafael Vidaurri, Director of Housing Management
Jose Collazo, Special Projects Coordinator
Alma Mata, Community Programs Director
Irma I. Martinez, Assistant Project Manager

Yvette Pond, Project Manager
Sandra Barrera, Assistant Project Manager
Frank Lopez, Procurement Officer
Rosie Ortiz, Project Manager
Alina Rios, Quality Control

Others Present

Rosa Lilia Rios
Mario Jasso

4. CHAIRMAN'S COMMENTS

Chairman Ceballos mentioned that it was not for action, but he wanted to show the logos they had been working on in reference to the Inner City, but would like to go through the Citizens Comments first.

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 3-minute limitation per speaker. (Texas Attorney General Opinion-JC-0169)

There were no Comments

Chairman Ceballos showed the Commissioners the Inner City logos they have been working on and stated that all the efforts including Russell Terrace revolved around the idea of working in the Inner City and all of the Housing Projects with the exception of the Tax Credit Projects which are Casa Verde and River Bank and maybe future projects are within what the master plan calls the Inner City, which is essentially the grid which goes as far as Arkansas and far north as Markley which is north of Chicago St. and then all the way to the river, so the idea is that as they do more projects and they will hear about three today in executive session because they involve real estate transactions, the idea is to brand the campaign to give them both an appeal, but also to sell to the community the idea of investing in the Inner City and stated that he did not think he had to speak too much or at length about why they would invest in the Inner City with this group and said that they had learned what probably nobody in the city had learned when they try to void people of the community by displacing them, it does not quite work, the social engineering idea that sometimes HUD will even sell to them does not work, people believe that they belong to a community and live by that standard and also there is an economic impact around themselves, so he thinks that all have seen what happened with Russell Terrace, so he said that they do not need official action, he just wanted to show them and wanted to get their preference on the logos and mentioned that they had three options, that the background is rethink, reinvent and revitalize, that the grid is represented and that they were developed by Monica Bautista who was hired to help with marketing. Logo # 3 kind of brings back their brand and said that there is no real theme except for the words, so going back to logo #1, he stated that it is the one he preferred because of the heartbeat in terms of revitalizing because it kind

of emphasizes revitalizing and stated that it is what they would see in all the trucks and if they are doing construction, they will put it on all their signs and although they had been kind of focused on Russell Terrace, this year they will see potentially another two projects that will capture attention and ultimately it is about involving the community and they will talk about one project in Executive Session that is very community oriented, a property that is very well known and could do a lot for that neighborhood like Russell Terrace probably will do. In reference to design #2 Chairman Ceballos stated that as per Monica it was about bringing new colors, they have a tiny home concept and will add the idea of a tiny home brand with the orange and the red.

Chairman Ceballos asked Alma to provide information about the concept. Alma Mata, Community Programs Director, mentioned that the concept is just bringing the colors tying into the projects they are currently working on and putting them together because overall it is the Inner City Revival initiative they have. Chairman Ceballos stated that Monica had mentioned to him over the weekend to not be so abstract and he takes it as a good point and asked for Commissioner Dr. Rodriguez' opinion who said she personally did not like that logo and stated that her preference would be logo #1, then logo #3 and #2 her last choice. Chairman Ceballos asked if there were any more comments and said that if they did not feel it, then they would go back to the drawing board. Vice-Chairman Dr. Garza suggested the words rethink, reinvest and revitalize be bold and the word rethink to pop up. Commissioner Ms. Guerra also liked the same logo and the recommendation on the letters and ask if there was a reason why they did not include a family, children or trees to human center it or if they wanted to keep it more abstract.

Chairman Ceballos mentioned that the words rethink, reinvest, revitalize had come from him and that there is a follow up that has education, health, and community and this was just to kind of takeoff. Commissioner Ms. Guerra mentioned that it was fine and that she was just thinking about representing the community, but if they wanted to keep it abstract it would be fine with her. Chairman Ceballos stated that they could come back with something including Commissioner Guerra's recommendations. Vice-Chairman Dr. Garza suggested going with the Inner City Revival the way they have it, but adding something that represents the community and leaving the grit because it looks nice and goes with the diversity of the things that are going on within the agency which he thinks is very important. Commissioner Ms. Guerra stated that maybe adding a child, a tree, a little house or something that would represent the community and mentioned that whatever Chairman Ceballos would like would be fine with them. Chairman Ceballos mentioned that they had heard the feedback which is to come back with logo #1 and include community and maybe some icons and said that it is what they see in bigger cities that have fence covers when they are in construction. Vice-Chairman Dr. Garza and Commissioner Ms. Guerra both mentioned they really like the rethink, reinvest, revitalize idea, but maybe with different colors and bolder and Commissioner Ms. Guerra mentioned that especially where it gets progressively bolder. Chairman Ceballos stated that they had enough feedback and they will work with logo #1 and then asked for Ms. Gaona's input. Ms. Gaona mentioned that her idea was logo #3 just because of the Housing logo and if she were to see it on a vehicle, she could relate back to the Housing Authority, that it is connected to Housing.

Chairman Ceballos stated that he agreed and related to a story having to do with him going to his parents' house on Sunday and mentioned that his parents went to buy barbacoa at the new place on Saunders that used to be Narvaez and then they went to buy pan de dulce at a location two blocks from Russell Terrace, so he said that when you move 200 people out and you rethink and say you are going to displace them and think of the economic impact, he thinks it is easy for them to put the Housing hat, but people are about economics and his parents proved that to him and they made the point that they shop where they consume, so the message is that they should think about how they move forward and the impact on the neighborhood is not just about housing, it is really about the rest of the community and when you look at downtown, he stated that they need housing downtown and need people to live there because they cannot keep a store and mentioned that they just lost a big huge store, so housing is a big component, but then where do the people shop because they do not have transportation there, so it is like going in circles and stated in reference to the logo he liked that it has housing, colors and is simple, but that it was moving the message past housing because the community leaders see it just as housing, but they learned that housing is more and now it is a digital library, so that was his feedback.

Vice-Chairman Dr. Garza asked about the price on logo #2 with the several colors in reference to printing. Chairman Ceballos mentioned that the price would not change, but that to him the abstract part is that nobody gets it and it was Monica's point. They get it because it comes from them, but the general public will just look at it like kind of a diamond with different colors. Commissioner Ms. Guerra mentioned that the rainbow means something different to the majority. Chairman Ceballos mentioned they had enough feedback to work on logo #1 so that the words pop up and bringing community somewhere in the theme and added that it was not for action, but just guidance for staff to follow up.

6. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Ms. Rosie Rios, Central Resident Council President, presented to the Board. Ms. Rios thanked the Board for the invitation to the meeting and stated that they are in the process of electing the officers for each of the neighborhood councils and stated that the councils remained with the same officers as well as her as the Central Resident Council President. She mentioned that Russell Terrace was pending and she was discussing with Mr. Collazo to see how they will handle it. Ms. Rios stated that they were all wondering about Dia Del Niño, whether they would celebrate it each Council separately or one celebration altogether like last year that they had one celebration for all Councils in the parking of the LHA Administrative Building because the parents were asking about the activities. Chairman Ceballos asked Ms. Gaona if they would do one celebration for all the Councils. Ms. Gaona responded that Mr. Collazo was considering having one celebration for all Councils altogether, but it was something she and Mr. Collazo were pending to discuss. Chairman Ceballos mentioned that it was coming up the last day of the month. Ms. Rios confirmed. Chairman Ceballos stated that they were planning to have the property management to be independent and mentioned that it would be beneficial for the Councils to coordinate and not be completely independent and stated that Russell Terrace should continue with a group of residents and said that management will change, that it will not be centralized, the planning will be centralized, but the administration will be by property, so it does not mean that residents cannot coordinate something altogether. Ms. Rios stated

that people had expressed concerns in the previous Central Resident Council meeting and said that Mr. Collazo was considering the possibility of Ms. Gaona attending the next meeting to clear those issues. Chairman Ceballos stated that most likely the Resident Council at Russell will change because it will not be Public Housing and it will just be a technicality, so the name might change, but the way of doing the activities should continue.

Ms. Rios mentioned that they used to do one celebration for all the Councils because not all the Councils have funds, so Mr. Collazo used to plan a general celebration and they want to know if they could do the same this time because the only Council that has funds is Carlos Richter. Chairman Ceballos stated that each Council needs to have their own funds per property and then also the Central Resident Council could have its funds and that Central Resident Council cannot control Russell Terrace, so there needs to be an adjustment in the organization, but in regards to activities, it should continue the same, except that now the manager will supervise the personnel in charge of the After School Program and stated that the change has not been implemented yet, but it was what they are planning. Chairman Ceballos thanked Ms. Rios and congratulated her for being elected to continue as the Central Resident Council President.

Mr. Collazo, Special Projects Coordinator, stated that they are going through elections at Russell Terrace Council and said that residents did not want to be nominated and the same officers did not want to continue, but decided to continue through the next meeting when they will have the elections for Russell Terrace and will continue with the same activities. Chairman Ceballos mentioned that since it is not Public Housing, it would be up to them in regards to the organization.

7. ACTION ITEMS

- A.** Discussion and possible action to approve the write-off of non-collectable accounts in the amount of \$15,387.21 for vacated units from October 1, 2017 through March 31, 2018.

Rafael Vidaurri, Director of Housing Management, presented to the Board and stated that they had brought this item for the write-offs in the amount posted and said that they had included an individual breakdown by amp. Chairman Ceballos asked if there was anything striking and said that there were some amounts in Colonia Guadalupe, for tenant R.V. in the amount of \$1,086.00 and asked if he had the history on it. Mr. Vidaurri mentioned that he had the information and that also the manager was present, so either he or the manager could provide the information. Chairman Ceballos stated that Mr. Vidaurri could provide the information. Mr. Vidaurri informed them that Ms. R.V. was behind for some time. Attorney De Anda recommended to use initials only in reference to the name of the tenant. Mr. Vidaurri mentioned that Ms. R. V. had been behind quite a bit and in her file they have her as being late up to ten months and they went through the eviction process and stated that some of the accounts were evictions and some were abandonments. Chairman Ceballos asked if it was the same situation in Meadow Acres, Unit 10-022, because he wanted to make sure that people owing over \$1,000.00 had a good reason for it. Commissioner Ms. Guerra made reference to the percentage that went from .29 last time to 1.43. Mr. Vidaurri mentioned that this cycle was higher and

stated that in regards to unit 22, they had filed an eviction suit, but then the unit was abandoned when they had started the process. Chairman Ceballos asked if there was anybody on the list that was still a tenant and owed them money. Mr. Vidaurri mentioned that they were abandonments or evictions. Chairman Ceballos asked Vice-Chairman Dr. Garza if he had any comments.

Vice-Chairman Dr. Garza asked Ms. Gaona at what point in the lease will they approach the tenant for not paying and what recourse will they take or look into the issue as to whether the person is ill, if there is a catastrophic illness which is hard, but why does it get to so much and stated that he knows Ms. Gaona is new, but wondered why it gets to such high amounts. Ms. Gaona mentioned that usually the Managers should begin the process after 30 days as far as reviewing the files and said that it should not get to that high level of amount due. Vice-Chairman asked why they were allowing the Managers to get to that point and what they were doing with the Managers that allowed it to happen. Mr. Vidaurri stated that one of the things that make it difficult is that rental amounts vary, so they could have a family paying \$100.00 rent and another one paying \$800.00, so by the time they get to the second month cycle and doing the eviction process, they are already looking at \$1,600 or \$1,700 which adds up really fast. Chairman Ceballos asked if all the Managers were present. Mr. Vidaurri responded that they were present at the meeting. Mr. Ceballos recommended Ms. Gaona that once it gets past two months that they inform Ms. Gaona so that they will not see the jump from \$600 to maybe \$1,500 and asked Mr. Vidaurri if it was already happening, whether he was being alerted. Mr. Vidaurri confirmed and said that they were working on it and that it was his responsibility and said that currently they have two cases they have under legal, which are in the process and he was hoping they did not have to, but they might be coming for write-offs in the future on those two as well as on a third case, they are entering the grievance process, so he wanted to warn them that it might probably happen again. Chairman Ceballos mentioned that this year was more than last year and said that there was probably a reason for it, but his advice is that maybe it is something Ms. Gaona could include in her monthly report, so that it is something she will always be looking at and that will help her manage the situation. Vice-Chairman Dr. Garza asked what the Managers do, if they give tenants some kind of warning when they do not pay their rent. Mr. Vidaurri mentioned that tenants are given notices of termination of their lease. Commissioner Dr. Rodriguez said that she had a question and stated she assumed they had procedures and it could be something they should do, to evaluate the procedures because she noticed some were brought from September and some were more recent, so if they were procedures, there will be more consistency on how they treat each of the tenants. Mr. Vidaurri mentioned that they will do that during their staff meetings and make sure they are correcting the policy as well as training because they might have a tenant coming back with questions, so he will make sure it will be covered. Chairman Ceballos recommended reporting it to the Credit Bureau and that most people do not pay, but at least it gets reported and asked whether they had a policy. Ms. Gaona mentioned that they should have a policy on reporting. Chairman Ceballos asked if they could review it. Vice-Chairman Dr. Garza stated that when people are looking for housing, it is not unusual to ask where they were living before and why they left and to follow up and then asked the period of time the \$50,000.00 covered.

Mr. Vidaurri mentioned that it was over the last six months. Vice-Chairman Dr. Garza also asked if they had a policy on deposits and if tenants were asked for a deposit. Mr. Vidaurri responded that they do ask for a deposit and it is applied to the balance. Vice-Chairman Dr. Garza asked if the amounts presented were after the deposit had been deducted. Mr. Vidaurri confirmed. Chairman Ceballos asked if the deposit was based on flat and how much the deposit was. Ms. Gaona confirmed and stated that the security deposit is \$200.00

Chairman Ceballos moved to approve the write-off of non-collectable accounts and asked that the Executive Director would come back with the policy and procedures at the next meeting to inform the Board. Commissioner Ms. Guerra added about Ms. Gaona reporting to the Board on a monthly basis and specifying the months each tenant is behind, so Chairman Ceballos stated that Commissioner Ms. Guerra's recommendation on reporting uncollectible accounts by month be added to the motion.

Chairman Ceballos moved to approve Item 7A as recommended and discussed above. Vice-Chairman Dr. Garza seconded the motion. Motion passed unanimously.

- B. Discussion and possible action to adopt the Public Housing Flat Rents effective June 1, 2018 and adopt Resolution No. 18-R-8.**

Rafael Vidaurri, Director of Housing Management, presented to the Board and stated that the item was brought up to the Board because they do changes and modifications based on the flat market rents published by HUD on a yearly basis and mentioned that in the analysis of the fair market rents for this year there were not any changes for any of the local, only in Asherton and said that the rates from last year are still within the 20% threshold of what was published for this year except for Asherton where there was an increase. Chairman Ceballos asked how they justified the increase or what was the basis for the increase. Mr. Vidaurri responded that there were guidelines published by HUD and they must adhere to them. Commissioner Dr. Rodriguez mentioned that she noticed some discrepancies. Chairman Ceballos stated that it does not quite make sense. Commissioner Ms. Guerra asked if Mr. Vidaurri had any idea. Mr. Vidaurri mentioned that it was HUD doing the analysis and that he personally had a different opinion. Vice-Chairman Dr. Garza asked if he had an idea why it was so much in Asherton. Mr. Vidaurri responded he did not know, but because Asherton is an area that is part of the Eagle Ford Shale sometimes they have some variations, they have a rush of people looking for housing and then it tends to cycle down and all of the sudden they will have some vacancies. Chairman Ceballos mentioned that the reporting had probably not caught up to the decline.

Chairman Ceballos moved to approve Item 7B as presented. Commissioner Ms. Guerra seconded the motion. Motion passed unanimously.

- C. Discussion and possible action related to payment-in-lieu-of-taxes (PILOT) agreements with taxing jurisdictions.

Ms. Gaona presented to the Board and mentioned that they provided and insert with the agreements that have been signed, the payments that have been issued out and the refunds that have been received to date and said that they are pending the UISD agreement that was just signed on March 21, 2018 and they issued the check prior to the March 31 year end and they have until July 31st to return it. Ms. Gaona stated that they were guaranteed that they will get it this month or by the first of next week. Chairman Ceballos asked what she had billed for, if it was for BiblioTech cost. Ms. Gaona responded that she was not asked to bill anything and said that they just submitted the payment for the years and were asked just to have it on file, so they will be doing any educational cost and will be reporting it. Chairman Ceballos asked if they had asked for an invoice. Ms. Gaona responded that they were just asked to have it on file.

At this time the Project Managers present were leaving the meeting and Chairman Ceballos thanked them for their work and stated that he appreciated them making the time to attend the meeting.

Chairman Ceballos mentioned that it was City, UISD and LISD and were still working on LCC and the County and asked if there were any questions and stated that Vice-Chairman Dr. Garza had asked him earlier about the UISD arrangement, so he stated that it will all go to education. Chairman Ceballos asked Ms. Gaona if they needed to ratify the UISD agreement. Ms. Gaona confirmed.

Chairman Ceballos moved to acknowledge the entities with whom they have agreements and ratify the agreement that has been put in place with UISD which was included in the information and asked if Commissioner Dr. Rodriguez had any questions. Vice-Chairman Dr. Garza stated that he was just curious that UISD is such a huge school district and one of the largest in Texas compared to LISD and wonder about the amount. Chairman Ceballos mentioned that it was based on number of units in their school district and that they only have 106 units in Ana Maria Lozano which is the only project and mentioned that the formula is based on the units and the rents they collect and it is a percentage of that. Vice-Chairman Dr. Garza asked about Meadow and also the project by the mall. Chairman Ceballos mentioned that Meadow was LISD and the one by the mall was Ana Maria Lozano which is the only project with UISD and that Casa Verde and River Bank are UISD, but are exempt from taxes.

Chairman Ceballos moved to approve Item 7D as discussed.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

- D. Discussion and possible action to approve the purchase of a 2018 Ford F-150 Crew Cab in the amount of \$25,046.00.

Frank Lopez, Procurement Officer, presented to the Board who stated that they were asking to approve the purchase of the 2018 Ford Super cab pick-up, four door, in the amount of \$25,046.00 to be procured through the Texas Multiple Award System. Chairman Ceballos mentioned that it was kind of a rush purchase. Mr. Lopez confirmed. Chairman Ceballos stated that he would normally ask that they purchase from local vendors, but this is part of the CFP procurement that has to happen by April 12th within two days and asked what they called that network. Mr. Lopez stated that it was Texas Multiple Awards System which is a Corporate Agreement based on previously successfully bid solicitations that were awarded and contracted. Chairman Ceballos asked if there were any questions. There were no questions.

Chairman Ceballos moved to approve Item 7D.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

- E. Discussion and possible action to amend the Architects Plus, Inc. Architectural/Engineering Design Services Contract for the Russell Terrace Revitalization Project.

Alma Mata presented to the Board and stated that back on March 29, 2017, the Board approved the architectural contract with Architects Plus and their fee was going to be 3% of the construction cost, but they have to increase the cost because of the contracts they have with River City for abatement and with O'Connor for oversight of that abatement contract, so they are asking for the Board to approve the increase. Chairman Ceballos mentioned that it was not because they increased cost, but because they added supervision responsibilities to Architects Plus that increased the construction cost that he was overseeing, so the cost for the additional work was already in the budget, but he was signing off because the bank required him to review work and draws that came from the asbestos remediation and the supervision, so that is what they are adding to the same percentage. Chairman Ceballos asked if there were any questions. There were no questions.

Vice-Chairman Dr. Garza moved to approve Item 7E as discussed.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

Chairman Ceballos thanked Mr. Jasso for doing the work ahead of the agreement being in place.

- F. Discussion and possible action to award Invitation for Bids IFB #180329-2 for the CFP No. TX59P011501-16 and TX59P011501-17 work item, Electrical Upgrade at Colonia Guadalupe Public Housing Development, as per IFB specifications and authorize the Executive Director to negotiate a contract with the recommended firm.

Frank Lopez, Procurement Officer, presented to the Board and stated that after reaching out to 13 viable firms eligible to bid and that would possibly bid, they received two bids

which were from ACDC Inc. and ALCE Construction Inc. Chairman Ceballos informed Attorney Poneck that it related to the construction issue that they do not have sufficient folks with bonding capacity in the City, so they have 11 electrical contractors and very few of them can get bonded, so he knows it is a federal requirement, but for future aspects when they do things outside Public Housing, they really need a vehicle to be able to get good pricing and stated that they know it and that is why they get these disparities in pricing because they know there is no competition and said that the reason ACDC is coming much lower is because they are doing the Russell Terrace work and they already know the Agency. Chairman Ceballos asked how much it is per unit and Bulmaro Cruz responded that it is \$2,100.00 per unit and the alternate is \$2,945.00 per unit.

Chairman Ceballos informed as background that the work involves replacing all the panel capacity, the exterior, interior, and master panels to be able to hold all electrical upgrades, so if they ever put HVAC, electric water heater, or electric dryer, it would be 200 amp upgrade which should be more than enough to handle it and mentioned that it will be done in phases. Ms. Gaona confirmed that it will be done in phases and mentioned that it will come out of CFP FY 2016 and FY 2017. Chairman Ceballos asked how many units they could afford with the 2016 CFP and stated that frankly his inclination is to include the rewiring and be done with the unit. Bulmaro Cruz stated that if they use both grants CFP FY 2016 & FY 2017, it will be \$800,078 which is more than enough to complete both tasks and Ms. Gaona stated that they will have money left over for anything that might come up. Chairman Ceballos mentioned that it is exciting for the tenants because they can get their washer and dryer and said that the reason they were doing it is because they do not have capacity if they wanted a dryer in the house because the breaker might be popping up and if they want to put AC in the future, with this upgrade they can put it in there, so this is one of the items that should have been done many years ago before doing windows or front doors and stated that this is infrastructure.

Chairman Ceballos moved to approve Item 7F as presented and to include the alternate and that they keep track to conclude all the units and that they report progress on a monthly basis once it starts. Vice-Chairman Dr. Garza seconded the motion. Commissioner Dr. Rodriguez mentioned that just to be clear she stated that staff is recommending ACDC and for the roofing she was not sure as per the agenda whether they would consider it as a whole or individually. Chairman Ceballos stated that the motion was only on the electrical and asked if there was a question on the electrical. There were no questions.

Chairman Ceballos moved to approve Item 7F as discussed.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- G. Discussion and possible action related to possible modifications resulting from negotiations of the February 9, 2018 award of IFB No. LHFC 171202, Construction Materials for the Russell Terrace Revitalization Project.

Bulmaro Cruz presented to the Board and mentioned that initially on February 9, 2018, when they awarded some of these materials, they just considered roof shingles and underlining and they decided that the best option was for a system where all the components of the roof will be the same brand name in order to get warranty and went back to the vendor that provided pricing and asked him for assistance and stated that the three that provided pricing were McCoy's, Zarsky, and Home Depot, unfortunately McCoy's did not submit pricing on all the items, Home Depot provided pricing on different components, but not the same brand name and the only one that provided with the same system was Zarsky and it is a little bit more, but is less than the original amount that was awarded. Chairman Ceballos explained to the Board that when they say systems it is the shingles, the underlayment, the ridge vent shingles and the starter shingles and they are all from the same manufacturer and the manufacturer extends the warranty to the seller.

Mario Jasso, Housing Development Consultant and Project Director for Russell Terrace, mentioned that the systems include not only materials from the same vendor, but also training to the installers who become certified by the particular manufacturer which will give a better overall product because they stand behind not only on the material but the workmanship which is an intangible benefit to the owner and said that often time when they purchase the materials, they look at the cheapest price, but in this instance they are the general contractors and also the owner, so it is recommended to look at the best value on what they will get for their money and in this case Home Depot could not match the warranty they will get from Zarsky, and there is a bit of a price difference, but he thinks it is money well spent because it safeguards future problems.

Chairman Ceballos asked about the previous award number so that they could establish the savings and also what was the additional warranty they will be getting. Mario Jasso stated that the warranty on the roofing as it was explained was going to be for 15 to 20 years in terms of replacement, but unfortunately they received communication a couple days ago where the manufacturer says that because the units are not owned individually, they cannot go to the 20, they will go to 15, but the fact is that the installation will be a normal 20 year replacement because of the additional warranty that the installer is certified to do and in our case because they are a public entity and it is not privately owned single family, they cannot go to the 20 years, but they do get a benefit of 15 years full replacement prorated to 30 years and they also get a refund for using the same manufacturer for everything which amounts to about \$10,000.00 at the end of the project. Chairman Ceballos asked who gets the refund whether the owner or the contractor. Mr. Jasso responded that the contractor gets part and the owner half of that. Chairman Ceballos recommended that they keep track of the refund.

Bulmaro Cruz stated that the amount was \$231,744.00 and now is \$166,000.00, so Chairman Ceballos stated that it was \$66,000.00 in savings. Mr. Jasso mentioned that it was savings, better quality, better installation and better warranty, so it is a pretty good deal. Chairman Ceballos asked if the product was not a new product and if it had been tested in this area. Mr. Jasso confirmed. Chairman Ceballos asked if there was a down side to it because it sounded too good to be true. Mr. Jasso stated that there was not,

so Chairman Ceballos asked if there were any more questions on the roofing and then continued with HVAC.

Mr. Jasso mentioned that with the HVAC it was a similar situation, they have two vendors that bid on materials and one vendor that bid on the installation and on the materials and by looking at that particular case of the installer, there is a vendor that combined the materials through the installer and becomes responsible not only for the installation, but for the actual materials, so in this case he will extend the normal one year warranty installation to two years which will cover two years additional warranty on the equipment, so again it is one of the intangible benefits that will save effort and time if there is a problem and said that there is a little bit of expense, but the plus side is that the installer will end up buying the equipment from the same vendor that would have been lower if bought directly from them.

Chairman Ceballos asked Attorney Poneck if they procured the equipment and awarded it to Insko, do they have to make continuance that this installer purchase from Insko in the motion and what if he decides that it is not Insko anymore and can get a better price down the street, is there a legal issue with how they awarded it. Attorney Poneck stated that there is a legal issue if they are concerned with getting stuck with the procurement they made and said that he was not entirely sure why they would have that freedom. Chairman Ceballos stated that they do not have a contract with Insko yet, he said they awarded it, but they do not have a contract. Mr. Jasso mentioned that the material and installer bid the same product that they are buying from Insko, so instead of buying directly from Insko, let's buy it from the vendor who buys it from Insko and then get the additional award on the installation and the equipment. Chairman Ceballos stated that the motion will have to be to buy it from Insko. Attorney Poneck mentioned that what Mr. Jasso meant is that they have to buy it from Insko because it is in the bid and said that he will put it in the motion. Chairman Ceballos asked what the upcharge was, the answer was \$20,000.00, so Chairman Ceballos stated that it was \$20,000.00 more, but they will get one more year in warranty. Mario Jasso confirmed and stated that if there is a problem they will call the installer. Chairman Ceballos mentioned that it will cost \$20,000.00 more, but they will get another year of warranty and asked if there were any questions from the Board and also if there was something Ms. Gaona would like to add. Ms. Gaona said that she was just concerned about the award from the last meeting.

Chairman Ceballos moved that they make the roofing change to the warranty product, Iko roof shingles, with the vendor being Zarsky for a savings in that change and for better warranty and also moved that on the HVAC they award the equipment procurement to Sunbelt for Insko specifically in the amount of \$244,570 totaling equipment and installment and that the warranty be the two years.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

Chairman Ceballos mentioned that they will go to item 7I.

- H. Discussion and possible action related to the acquisition of real estate properties in the inner city. (This item may be addressed in executive session pursuant to Texas Government Code Sections 551.071 and 551.072.)

The Board came back from discussing Item 7I.

Chairman Ceballos mentioned that he would like to discuss this item in Executive Session because it involves both legal counsel and real estate transactions and moved to go into Executive Session at 1:02 p.m.

Chairman Ceballos moved to go into Executive Session.

Vice-Chairman Dr. Garza seconded the motion.

Motion carried unanimously.

Chairman Ceballos called all the Commissioners, the Executive Director Ms. Gaona, Alma Mata, Attorney Doug Poneck, Attorney Ricardo De Anda, Bulmaro Cruz and Mario Jasso into Executive Session.

- I. Discussion and possible action related to the formation of additional affiliates, instrumentalities, or independent entities for the development and construction of affordable housing and economic development purposes.

Chairman Ceballos stated that they were not taking any action on this item, but wanted to inform the Board that they have three non-profits and have only one that does not have a project and said that they have one that owns River Bank, one that owns Casa Verde and actually it is the same that owns Casa Verde and then Laredo Housing Facilities owns Russell Terrace, so they are left with Laredo Housing Development and the name may be different, but it is a Development Corporation that does not have a project, so he said he would like to begin discussions with Attorney Poneck on how to figure out and the Commissioners could also join in because they are getting to the point that some of the projects carry liability even though they are partnerships and the entity can roll into some liability if something ever happens where they have liability, so the idea of creating additional non-profits will be a conversation and would probably would like to have a couple hours' worth of workshop to figure out what they would want to do and the other side is that there are grant funds that come with certain types of organizations such as Community Housing Development Organization which the Housing Authority used to have many years ago as Metro Affordable and mentioned that those kinds of organizations can go after grant monies that are solely dedicated to that organization. Chairman Ceballos mentioned that other things as they get into Executive Session is the things that other developments that have nothing to do with so much housing, but have to do with multi-purposing a building that get beyond housing whether they should be single purpose or whether they should be in one of the other non-profits run by the Housing Authority, so Chairman Ceballos wanted them to begin a conversation on what other organizations they should be forming ahead of when they need to form them because recently the government created opportunities zones and that brings in the tax entity side or IRS side of potential funds which in an e-mail to

Attorney Poneck, they are called Community Development Entities, so it is to kind of alert them as to where they might be headed because they are running out of non-profits and they can start layering projects on other non-profits, but then the assets could be exposed or if they have an issue if somebody sues, so he mentioned that those are things they would probably want to discuss more thoroughly in a separate workshop and stated that he had asked Attorney Poneck to start looking getting the background and then they will coordinate a workshop to hammer up the type of entities and stated that he noticed the City put out a request for proposals for what used to be CHDO and they took CHDO out and he does not know whether it was an error or that they are just accepting non-profits now, but that is \$200 plus thousands for housing development.

Chairman Ceballos asked if there were any more questions or comments and said that they will come back with a meeting so that they could work through it and the last thing he said was that they were finding with construction, which had been Mr. Jasso's point overtime that they are paying a premium and that there are not people that can be bonded to the projects and bonding does not necessarily set delivered quality on a product, it delivers assurance that the bonding company will pay for completing the job which does not necessarily mean you get a better product altogether, but what they do get is higher cost to a project, so an idea of forming a non-profit building corporation that focuses on building exclusively that is not an instrumentality of the Housing Authority so that they do not have to get all those bonds and they could build their own stuff and stated that they could have had more of the savings if they had a building company, a non-profit builder on Russell Terrace and even though they have huge savings the way they are doing it, but they could even have greater savings and still have good quality, so he said that on the construction side they have all those requirements because they are still an extension of the Housing Authority and all the non-profits are instrumentalities, so forming a separate one might be something they would want to do. Chairman Ceballos mentioned that they would go back to Item 7H.

8. 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).

The Board entered into Executive Session at 1:02 p.m.

The Board reconvened from Executive Session at 1:56 p.m.

9. ACTION ON ANY CLOSED SESSION ITEM

Chairman Ceballos mentioned that there was no action taken in Executive Session.

Chairman Ceballos stated that as it related to the real estate property located at 820 E. Price he moved to authorize the Executive Director to continue negotiations and finalize an agreement with the seller as discussed in Executive Session.
Commissioner Ms. Guerra seconded the motion.
Motion passed unanimously.

Chairman Ceballos stated that with regards to the property located in Central Laredo, the apartments, Chairman Ceballos moved to authorize the Executive Director Ms. Gaona to finalize and act on an agreement as authorized in Executive Session.
Vice-Chairman Dr. Garza seconded.
Motion passed unanimously.

Chairman Ceballos stated that as it relates to the Bender Hotel he moved to authorize the Executive Director Ms. Gaona to negotiate and finalize an agreement with the seller and other parties involved as instructed in Executive Session.
Commissioner Ms. Guerra seconded the motion.
Motion passed unanimously.

10. ADJOURNMENT

Vice-Chairman Dr. Garza moved to adjourn the meeting.
Chairman Ceballos seconded the motion.
Motion passed unanimously.

Meeting Adjourned at 1:57 p.m.



Jose L. Ceballos, Board Chairman



Mary Gaona, Executive Director