DRACUT HOUSING AUTHORITY

BUDGET COMMITTEE MEETING

DECEMBER 8, 2014

971 MAMMOTH ROAD

DRACUT, MA 01826

6:00 P.M.

The Budget Committee consisting of the Board of Commissioners of the Dracut Housing Authority met at a budget meeting on December 8, 2014 at 971 Mammoth Road, Dracut, MA 01826. Chairman Russell Taylor opened the meeting at 6:00 p.m. and upon roll-call vote those present were as follows:

PRESENT: Brian J. Bond

Debra DeWitt Ahern

Russell Taylor

George M. Nangle

Jesse Forcier

The Director informed the Board that the 2015 Budget was emailed to the entire Board. The Director and the Fee Accountant worked on this budget together. The Director had previously given the Board the 2015 Budget Guidelines. Based on those guidelines the Director informed the Board that DHCD is allowing a 3% cap in the amount of non-utility spending. The Director also informed the Board that this budget included a 3% administrative salary increase for the administrative positions. This percentage of salary increase was also approved by DHCD. The Director informed the Board that the maintenance labor rates are set by the Department of Labor and Industries and those new rates will be effective April 1, 2015. We never know what the percentage increase will be for the maintenance staff but we have incorporated a 3% increase for maintenance as well. The Section 8 administrative fees are only being funded at .79%, this impacts our Section 8 funding. We are hoping that HUD will increase that percentage which has happened in the past. The Director has also taken into account the 37% increase in electricity that has been projected by National Grid. This is one of the many reasons that we are looking to offset our costs with a virtual solar program. As an FYI the Director apprised the Board to the substantial increases in retirement and health insurance costs due to an upcoming staff person who will be retiring. The Director also let the Board know that this budget included a full time Maintenance position.

The Director stated that based on the discussion at the last Board Meeting the majority of the Board wanted to see a full time maintenance staff person hired. The Director informed the Board that right now we are paying $120,000 in health benefits for employees and retirees. We are currently paying $101,000 annually for retirement. Commissioner Bond wanted to know how many retirees we have. The Director stated four and that number will go to five in January 2015. Commissioner Nangle gave a projection sheet from the Middlesex Retirement. Commissioner Bond inquired about the Replacement of Equipment which was budgeted at 6,000 last year and 176,000 this year. The Director stated that these numbers could be transposed and she would talk with the Fee Accountant about this. The Director stated that we pay $69,000 for condo fees at Coventry Garden and the state gives us a $55,000 exemption. Chairman Taylor stated that at some point in the future he would like to see us replace the condos with new units.

Chairman Taylor asked if we could systematically go over the budget. The Director started at the first page and explained each line item which included income and expenses. Each of these line items are prorated across each budget, the 400-1, 689, 667-1, FED, and Section 8. The Director reported that the Fee Accountants will also get a 3% raise this year too. That has been the norm. The Director stated that water usage at 971 Mammoth Road went down by approximately $5,000. Commissioner Bond inquired about the amount next to fuel oil which was $113,000. He stated that was quite a bit of money and didn’t appear to be right. He thought that number was really high. The Director stated that she would find out about that number.

It was explained that interest expense was budgeted at $60,864. The Director informed the Board that we are still paying off a debt for 971 Mammoth Road. We have approximately four more years to pay off this debt. Commissioner Bond thought that it was probably just principle that we are paying for. Commissioner Nangle asked if we could pay that amount off now. The Director stated that she would have to talk with the Fee Accountant to find out about this line item.

The Director also went over the Schedule Of Administrative Costs Other Than Salaries, the Schedule of Maintenance Materials & Supplies & Contract Costs, Schedule of all Positions and Salaries, Insurance and Employee Benefit Costs. The Director also reviewed the projects that the housing authority would like to do over the next year.

Chairman Taylor said that we will vote on the budget at the December 15, 2014 meeting. The Director stated that if we are going to hire a maintenance staff person we will need to advertise soon. Commissioner Bond asked if we are going to hire a plumber or electrician. The Director stated that the salary costs associated with those positions are high. The Director is trying to get some information on the salaries. Chairman Taylor stated that he is not in favor of part time. He would like to see someone get a full time job with benefits. Chairman Taylor does not believe that we have the money to hire a position for a plumber and electrician. Commissioner Bond asked if we were concerned about maintenance doing plumbing and electrical work. The Director stated that the contractors do most of that work.

The Director informed the Board that the Fee Accountant will meet with the Board prior to the December 15th meeting. It was decided that the Fee Accountant will meet with the Board at 5:00 p.m. on Monday, December 15, 2014.

Commissioner Forcier made a motion to adjourn. Said motion was seconded by Commissioner Nangle. All members were in favor.