

**MCDA Board Minutes**

Minutes of Marlborough Community Development Authority  
Regular Meeting – Thursday, August 30<sup>th</sup>, 2018  
Meeting Opened: 8:45 a.m. | Meeting Closed: 9:48 a.m.

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**Attendance of Regular August 30<sup>th</sup>, 2018 MCDA Board Meeting**

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| 1. Mayor/Chair Arthur G. Vigeant                               | 2. Paul Sliney (Tenant Representative) |
| 3. Stefanie Ferrecchia (Real Estate Rep.)                      | 4. Renee Perdicaro (Regular Member)    |
| 5. David Morticelli (Fin. Rep)                                 |  |
| 6. Douglas M. Bushman, Executive Director                      |  |
| 7. Diane Smith, (City Auditor) – Non Voting Member             |  |
| 8. Brian Doheny, (City Comptroller/Treas.) – Non Voting Member |  |
| 9. Chad Carter, MCDA Employee                                  |  |
| 10. Sue Honeycutt, CPA   |  |
| 11. Attorney Aldo A. Cipriano                                  |  |

**Summary of Motions**

**General**

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| 1. Motion to Approve Minutes for August 9 <sup>th</sup> , 2018 Meeting | (Approved) |
| 2. Motion to Approve Payables for All Programs                         | (Approved) |
| 3. Motion to Approve Fiscal Year End 2018 Financials                   | (Approved) |

**A. Housing**

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| 1. Motion to Approve Amendment #13 to Capital Imp. Work Plan | (Approved) |
| 2. Motion to Approve Revised 170060 Financial Agreement      | (Approved) |
| 3. Motion to Approve Change Order #1 FISH 170075             | (Approved) |
| 4. Motion to Approve Change Order #2 FISH 170075             | (Approved) |

**B. CDA**

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**It is moved, in conformance with MGL c. 30A, § 21(a)(3), that the MCDA conduct an executive session for the purpose of discussing strategy and seeking advice from legal counsel in pending litigation concerning MCDA vs. Charles M. Randall and Lisa M. Randall, Superior Court Docket 1681CV03590, as an open meeting may have a detrimental effect on the litigating position of the MCDA, and the chair hereby declares that an open meeting may have that effect. It is further moved and stated that the MCDA will re-convene in open session after the executive session.**

The Board Meeting took place on the fourth floor at City Hall in the Mayor's Conference room on Thursday, August 30<sup>th</sup>, 2018 with the meeting starting at 8:45a.m.

Board member Paul Sliney noted some minor changes in the minutes from the August 9<sup>th</sup> board meeting. FISH 170060 should be changed to FISH 170075, and the paragraph concerning the NSP Management Plan needs some added language. Board member Paul Sliney motioned to approve Minutes for August 9<sup>th</sup>, 2018 Meeting. *The motion was made carried and approved with no abstentions.*

Paul Sliney motioned to go into Executive Session. Mayor and Chair, Arthur G. Vigeant noted that pending litigation matters will be discussed and asked for a roll-call vote. Board members Paul Sliney, Renee Perdicaro, David Morticelli and Stefanie Ferrecchia all voted aye.

#### **Executive Session begins 8:48am**

Ongoing legal litigation strategy was discussed.

#### **Executive Session ends 9:12am**

Board member Paul Sliney motioned to approve Payables for All Programs. *The motion was made carried and approved.*

Executive Director Douglas Bushman introduced Sue Honeycutt, CPA. Fiscal year 2018 went very well financially. The operating subsidy helped, but the operations were still good not counting the subsidy. The MCDA ended the year with around \$361K in reserves – which is very good. The Section 8 program did not as well because only paid about 70% of the admin fee, and one time expenses related to the updated Admin Plan and Five-Year Plan which were last updated in 2004. Mayor Vigeant added that he wants to memo on why this happened and a plan for it not to happen again. Executive Director Douglas Bushman added that he will have one for the next board meeting, and the reason why the expenses increase was due to the Admin. Plan and that this unforeseen cost was not budgeted for. Board member asked what account the Admin. Plan was allocated to. Sue Honeycutt, CPA stated it was added to the Admin. Other line item – which includes advertising, cross-training, etc. Board Member Paul Sliney asked if the employee contributions line item was related to retirement, and Sue Honeycutt, CPA, noted that it was. Mayor Vigeant asked how much control we have with the vouchers. Executive Director Douglas Bushman noted that the contract can be cancelled, but 90% of the vouchers on the program are located in Marlborough and they won't disappear and will likely be re-allocated to other agencies. Mayor Vigeant asked if the reimbursement will be larger if we change and Executive Director Douglas Bushman answered, not a significant amount. Sue Honeycutt continued and noted that the admin fees are tough to predict because the percentages change every month. Executive Director Douglas Bushman added that because of the tight rental market in Marlborough the MCDA has increased the payment standard. This means less vouchers to issue but more money for rents. Mayor Vigeant opened it up for any questions. There were none. Sue Honeycutt mentioned the documents that the State requires be signed. One is a certification that the financials were presented to the board & the Top 5 Compensated Employees Form. Paul Sliney motioned to approve Fiscal Year End 2018 Financials. *The motion was made carried and approved with no abstentions.*

Executive Director Douglas Bushman continues by thanking Mayor Vigeant for the wonderful interns this summer. It has been a great program for the MCDA.

The MCDA has multiple audits coming up including the Agreed Upon Procedures (AUP), Section 8, Performance Management Review (PMR) and the City's. These will hopefully be completed by early November.

An updated invoice has been sent to THRIVE which includes payments missed since June of 2017. They have reached out to DDS to ask for more money. There was a meeting in June with THRIVE, but there has not been much follow up since then. Mayor Arthur Vigeant added that THRIVE hasn't paid their rent in over a year. The board wants the outstanding balance now, and then continue with negotiations. A letter will be sent to THRIVE regarding this issue, Mayor Vigeant wants to be cc'd.

Amendment #13 has been submitted for approval by DHCD in the amount of \$411,392.98. Ex. Dir. Bushman stated that these funds concern the formula fund and CIP programs of DHCD. Board member Paul Sliney motioned to approve revised financial agreement. ***The motion was made carried and approved with no abstentions.***

The MCDA has reached a conclusion on the Pleasant St. discussions with DHCD. They have increased their commitment which meets about 90% of our overall scope. This doesn't address the parking lot, landscaping and lighting. The windows are an alternate, but there is a special allocation for the Community Building. DHCD's reasoning is that Marlborough has reached far beyond any other community in terms of the HILAPP award. Board member Paul Sliney asked about the blank space under the 12<sup>th</sup> line item on Attachment E (3 Accessible Units). The MCDA will check if this is a typo or is missing from the scope of work. He asked if the motion was for the total award. Executive Director Douglas Bushman noted that it was. The plan is to get this out to bid early next year and have ground breaking by the summer. Board member Renee Perdicaro asked, "Are you confident they won't budge? Is this it?" Executive director Douglas Bushman answered affirmatively. DHCD is not looking to give any more. Marlborough is already receiving well beyond any other City/Town. Mayor Vigeant can't believe the amount per unit cost. He wanted to build another floor and add 10 units, but DHCD said this would bring the total cost to ~\$15 Million. He is glad that DHCD heard his argument which increased the total award. The sources of funding include the \$400K from the City but is silent on any bonding possibilities. Mayor Arthur Vigeant motioned to approve revised financial agreement with DHCD/FISH 170060 DHCD-HLAPP. ***The motion was made carried and approved with no abstentions.***

The windows for FISH 170075 | Bolton St. Window Replacement Project have been miscalculated. The work is starting next week. The MCDA has raised the question of who will be eating the extra cost. The MCDA believes since DHCD approves of the Architect they should eat the cost. There were 12 windows missing from the scope. This project has an estimated completion date of late October. Board member Paul Sliney motioned to approve change order #1 and #2. ***The motion was made carried and approved with no abstentions.***

Nault Architects (FISH 170081 | Pleasant St. Roof, Siding & balcony Repair) is having issues with the balconies at Pleasant St. and believes they should not be touched. MCDA wants them to be replaced because they present a falling hazard to small children and others. Mayor Vigeant brought up the issue of the definition of "disturbing", and whether the new improvements fall under the new guidelines. The project will go out to bid soon.

47 Highland St. is nearing completion with the painting being done, and a few details left in the scope. The downspouts, minor landscaping and the painting of the deck still remain. The monies expended by the MCDA have been secured via a Mortgage. The MCDA has sent out more applications for the CHRP program.

The NSP Management Plan is still being drafted with helpful comments and suggestions from DHCD. Marlborough is the only City that is the landlord, recipient, coordinating a Section 8 tenants. It is very difficult to maintain a property with around \$100/month. The MCDA is reviewing emails and regulations and will have a finalized Plan for next board meeting. Mayor Vigeant added that he thought this process was clear. Executive Director Douglas Bushman mentioned that that is the only minor issue.

The MCDA met with the Lane's to review their file with them. Three (3) months after signing the loan documents, they transferred their interest into a trust which puts the loan in default. This was explained to them in detail and it was agreed that a repayment agreement would suit the best interest of both parties.

The Zisler case had a disagreement on the allonge amount that was previously never settled. The MCDA has met with Korina Peltak on this matter and agreed to draft a Modification of Mortgage in the amount of \$5,206.34. The legal issue is – if they sell their interest in the Partnership, does this trigger a payoff? Mayor Vigeant noted that it must. If there is a substantial change in ownership, then yes it triggers a payoff.

Mayor Vigeant continued with an update on the Land Transfer Request of 74 Main St. & 2 South Bolton St. Sem Aykanian is under the impression that he doesn't have to pay anything. He made a good purchase for \$9K, the City allowed him to build, and now it's a buildable lot. He looked at comparables to determine that the lot should have been worth ~\$33K back then. Sem believes he can tear down both buildings and build a McDonald's if he wanted to without triggering anything. He wants to come to the next board meeting to discuss this in further detail. It is a question of releasing the property or pulling the restriction. Sem will go back to his partners and go from there. He is simply looking for a good deal that both parties can walk away happy from. The lot wasn't intended to be a buildable lot when it was sold, but the City later allowed him to build on it. Board member David Morticelli asked if he was to sell both properties – would this trigger anything? Mayor Vigeant noted that he will have more information on this matter for next meeting. He asks for any questions.

Board member Paul Sliney motioned to adjourn. *The motion was made carried and approved with no abstentions.*

Meeting Closed: 9:48am