

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE BOROUGH
OF HIGHTSTOWN, NEW JERSEY
HELD ON WEDNESDAY, May 16th, 2018 AT 7:00 P.M.**

Chairperson James Eufemia called meeting to Order at 7:03PM

Open Public Meetings Act Statement: In compliance with Chapter 213 of the Public Laws of 1975, notice of this Meeting was given by way of the Annual Notice published in the Trenton Times, Princeton Packet and are posted on the calendar at The Hightstown Borough Municipal Building by the Authority and posted in a public place reserved for such announcements in the lobby of the Community Building of the Housing Authority Office.

Roll Call: showed that those present and absent were as follows:

Present: Allen Keith LePrevost, Executive Director, Commissioner James Eufemia, Chair, Commissioner Yolanda Swiney, Commissioner Brent Rivenburgh, Commissioner Christopher Moraitis. Late arrivals include: Commissioner Pascale Emmanuel, Vice Chair,

Also, Present:

Absent:

Commissioner Monique Wilson
Council Liaison Lee Stultz

Approval of Minutes: Regular Meeting Minutes of January 18th, 2018.

Open Public Meeting: At this time the public is invited and encouraged to participate in open forum. It is requested by the Chairman of the Board and the Commissioners of the Housing Authority that all comments and opinions be relevant and timely and be expressed in a manner which contributes to and advances the orderly progress of the meeting and for all concerned. The Chairman or presiding Commissioner may determine that it is necessary to limit the amount of time allotted to speakers from the public.

No Members of the public were in attendance.

Borough Council Liaison Report: No Report.

Resident Council Report: Keith discussed the Easter Egg hunt (photos provided in packet) and the expanded resident gardens and new Children's gardens.

Resolutions:

- **2018-2 To Establish a relationship with First Commerce Bank.** Keith discussed the process we went through and how we chose First Commerce. Keith and Carole are signatory on the account as they are on our operating count. Keith assured the board that we are maintaining a significant amount of money in 1st Constitution, due to the fact all of our government payments and receipts, state payroll and other electronic transfers are tied into this account. Keith noted the interest income alone will substantially fund our resident services fund. The resolution was unanimously approved.
- **2018-3 To approve the receipt of bids for the boiler construction project.** Keith discussed the bidding process that was undertaken for the boiler project. Our project was redesigned this year to provide us with some flexibility in the bidding and allow us to pick and choose

which boiler rooms we do this year. The new design will eliminate our current domestic hot water boilers. The new boilers will work together and provide both heating and hot water. Keith was impressed with the closeness of all the bids and the quality of the contractors. This resolution is to accept the 4 bids, the following resolution will be to accept Estock Piping as the principal contractor. Keith discussed the funding of the project, including utilizing Capitol fund 15, 16, 17 and some of 18. He has reviewed the project and funding with our fee accountant and the funds are available for our use. The alternate chimney lining was discussed and why the alternate was needed. Our attorney has provided an opinion on the bid packages and bid process. He approved the bids and gave the OK to move forward. The resolution was unanimously approved.

- **2018-4 To award Estock Piping, LLC the contract for construction of boiler room #1 and number 4.** Commissioner Rivenburgh questioned whether changing one or more boiler rooms will put any undue stress on the others. Keith explained that each operates independently and will have no impact on the others. Timing was questioned, and disruptions to the tenants. Keith explained the process that we will go through and how we will handle any disruption to the tenants. The monthly savings were discussed, and Keith explained the majority of our savings will be during the mild seasons, with outdoor temperatures between 40 and 55 degrees. Keith is estimating we may see \$6-8,000 dollars per year. Warranty was discussed and who would service the equipment in the long term. The resolution was unanimously approved.

Discussion Items:

- **Annual NAHRO Poster Contest:**
 - The board reviewed the 6 posters that were submitted by our kids. The winners are Angelina Figueroa, and Amin Malik. All the posters are great and deserve recognition.
 - The board had a long discussion on the finances and the Earned Income Credit. Commissioner Swiney volunteered to provide literacy training and education for our residents. Keith will follow up with her.
- **Membership-Board of Commissioners:**
 - The board discussed Commissioner Moraitis retiring at the end of his term this year and the importance of considering replacements and presenting them to the Mayor and Council for consideration. The board will come back at the next meeting with some recommendations.

Executive Director Report:

- We are currently at 98% occupied. We have had one death and one couple has moved to another community due to a change in their family status. Both are one-bedroom units on the senior side that will fill quickly.
- The Federal Government has passed a budget for 2018 that includes large increases in military and discretionary spending. This is trickling down to Public housing operating and capital funds. Our April subsidy has increased by almost 50%, which is also compensation for shortfalls during the first 3 months. May subsidy is also well above our budgeted levels, which provides some financial relief. It appears we should be receiving almost \$3,000 per month more than budgeted for the balance of this year.
- The new generator has been installed. We are fortunate we had the temporary generator, as the power was out for several hours during the recent storms. The

insurance company has been great and covered the entire loss except for \$497.00. We have also installed 3-6-inch steel bollards near the generator, so hopefully that will warn or slow someone down before hitting this one.

- We have completed most of the work orders from our recent inspections. Some of the final orders are outdoor masonry projects that must be done in the warmer weather.
- We have been working on “Air-Sealing” all the windows on the property. We have completed approximately 70 units. Some units, due to the way the windows were installed will have to be done either on turnover or from the exterior. We will address them this summer. To date we have invested 12 days of staff time and \$694.36 in materials for the project. I am confident it will more than pay for itself in a short amount of time.
- The maintenance staff has completed our “Cycle painting” projects. We decided to have our staff complete the painting projects instead of using our outside contractor. Due to the weather, the guys need inside work, and they are able to work in the resident’s apartments easier than an outside vendor.
- I have met with our boiler plant engineer to work on revising the bid documents. Value engineering has been applied so that hopefully we will be able to complete all 3 plants. The bid packages have been completed and published. We are looking to complete the process by the end of this month and award a contract in May for an early summer start. Bids are due on May 4th, which will be reviewed for comment at our meeting.
- The truck is going in for its annual service next week.
- I have met with First Commerce Bank, First Constitution Bank, Provident Bank and PNC bank regarding our cash management. We have moved \$500K into First Commerce Bank at a minimum rate of 1.3% for 6 months. We have boosted our interest income by approximately \$450 per month by making this move.
- Our annual pest control baiting and inspections were done last month. As a community we are in good shape, with only a couple apartments with persistent issues that have been treated and follow-ups continue.
- We removed 2 large pin oaks from the front of Building 6 last fall due to disease. We will be replacing those 2 trees with one specimen tree. We have ordered a “Carya-glabra” or Pig Nut Hickory to replace them. The tree has been dug and transplanted in front of building 6. It is a beautiful unique tree that will produce small fruits that benefit birds and squirrels.
- We have ordered 2 new rear tires for the Kubota tractor. We use the tractor for snow removal, grading the parking lot and moving heavier materials.
- We have been working with our neighbor who is building the 3-unit apartment house on Church Street. Our parking lot is the closest access point to the site, so

during the heavy part of construction we blocked off several parking spots so that they had easy access to the work area. (And protect our resident cars from any debris or material that may fall). Grading, fencing and landscaping will continue in the spring.

- I attended meetings next week in Washington with representatives of PHADA and HUD to review prospective changes to several HUD regulations. HUD is reaching out to the trade organizations to hold working meetings to review policy before releasing new or updated rules to the general public. PHADA invited me to help represent the small agencies in the meetings. There were 6 agency directors from around the country and several representatives of the trade associations. From HUD, the Assistant Secretary, several PIH officials, 4 attorneys, staff writers, policy analysts, etc. All together we met for over 4 hours and hashed out several policy positions that we feel will work for the small agencies.
- I attended a PHADA conference this month in New Orleans. Important topics of discussion included: operating and capitol fund cuts in the 2019 budget, RAD conversions, overhaul of major regulations, rent reforms, Section 30, transition and succession planning. The concept paper that I wrote last year was a major topic of discussion, due to HUD's newest initiative "Turn over the Keys" which does basically the same thing. The concept was discussed, and many HA's dislike the concept and feel it is not possible. PHADA will maintain the concept paper as a policy initiative that is feasible for some HA's.
- There is a new, national accreditation program for affordable housing that has been launched. I have been following it since the concept was unveiled about 3 years ago. It is similar to what is being used for other industries, healthcare, senior housing, long term care, etc. The goal is to provide a baseline standard of quality in both physical condition and operational excellence. We have been asked to join a pilot group to work through the process and become certified. I will be starting the process and will update you as we progress.

Financial Update: April, 2018

In review of the financial reports for the month of January, February and March, 2018, the Hightstown Housing Authority completed the months with positive results. We had negative cash flow for March by maintain positive cash flow for the year in spite of the cuts in operating funds from HUD. We have received our 1st quarter 2018 funding, which is on target with our budgets. We anticipated cuts of around \$2000 a month in 2018 based on discussions at HUD. The new budget agreement will give us some flexibility for the balance of the year. We are hopeful the additional funds continue to come in and are not re-appropriated. This year March was especially costly. Our annual Pension payment is due, it was a 3 pay month and the quarterly water bills arrive. We are anticipating a check from the insurance company that will reimburse "extraordinary maintenance" back to nearly zero.

Income:

- Residential income has come in slightly over budget for the period and the year.
- Interest income has changed significantly in the last 6 weeks. We should be back on budget by the summer.
- Laundry income is slightly under budget for the period.
- Subsidy income is over budget for the year. The two-year spending bill passed by congress has increased our subsidy above budgeted levels. We are hopeful this trend will continue into the 2019 budget.

Expenses:

- Administrative and Maintenance salaries are slightly over budget for the year due to the 3 pay month in March.
- Legal expense is slightly under budget for the period and for the year.
- Staff training is over budget for the period due to conference registration.
- Telephone is over budget due to renewal of phone system lease.
- Travel is slightly under budget for the period.
- Sundry Administrative is slightly under budget.
- Misc. Office Expense is under budget.
- Electric is under budget for the period and under budget for the year.
- Natural Gas is over budget for the period. We had two, 30-day periods that were the coldest 30-day periods in the last 10 years we have been tracking weather and natural gas usage.
- Maintenance materials is over budget due to apartment renovations, cycle painting (where we are replacing fixed lighting to LED) and air sealing projects.
- Misc. Maintenance materials is over budget due to purchase of interior doors and exterior storm doors.
- Plumbing Contract cost are over budget due to repairs in building 4. (aging water lines that developed several pin hole leaks).
- Electrical contract cost is over budget due to generator repairs and maintenance.
- Grounds maintenance is over budget due to snow removal, mulching and tree trimming.
- Trash removal (recycling) is over budget due to a price increase this year. We will be looking into other vendors going forward. I spoke with our hauler, and the office person could not figure out why we had such a price increase. They adjusted our account and lowered our service cost. I will continue to monitor this over the balance of our contract.
- Extraordinary maintenance. This account was used to pay the generator costs and was reimbursed by the Insurance company.

The enclosed financials include: Income Statement for the Current Period- January 1 to April 30, 2018 (VS Budget), Cash Flow and General Ledger-Cash account.

Executive Session: Not needed. The board discussed the waiting list question from January. Keith explained the guidance in the HUD operation manual and our ACOP. The procedures are very well documented and we have been following our guidelines.

Next meeting is scheduled for June 20th 2018 at 5:00 pm

Respectfully Submitted by:

Allen Keith LePrevost, Executive Director