

**MINUTES OF THE REGULAR MEETING OF THE HIGHTSTOWN HOUSING
AUTHORITY BOARD OF COMMISSIONERS OF THE HOUSING
WEDNESDAY, June 18 AT 7:00 P.M.**

Call to Order: Chairperson James Eufemia called meeting to order at 7:00 P.M.

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: by Keith LePrevost showed that those present and absent were as follows:

- **Present:** Allen Keith LePrevost, Executive Director, Commissioner Esther Velázquez, Commissioner James Eufemia, Chair, Commissioner Carole Nelson, Vice Chair, Commissioner Robert Hung, Commissioner Christopher Moraitis, and Commissioner Yolanda Swiney.
- **Also Present:** Seth Kurs, Council Liaison, Residents Bill Moody, Chester Diaz, Susanne Ames, Bill Miller, Pat Albanese, Kian Greenwood, Mary Shilling, Yvette Rhome.
- **Absent:** Commissioner Brent Rivenburgh

Approval of Minutes: Regular Meeting Minutes of March 19th, 2014

The minutes were moved by Commissioner Nelson, and seconded by Commissioner Velázquez. The minutes were approved.

Committee Reports: None at this time.

Resolutions:

- **Resolution 2014-2** To adopt the capitalization policy as per the auditors recommendations. Keith discussed the policy which changes the dollar amount the Housing Authority uses from \$500 to \$1000. Any item purchased at a cost of less than \$1000 will be expensed and not included on the depreciation schedule.
 - **The motion to approve the resolution was forwarded by Commissioner Nelson and seconded by Commissioner Hung. The resolution was approved.**
- **Resolution 2014-3** To adopt the proposed 2014 Capitol plan as proposed by the Executive Director. The total budget for 2014 is \$102,500 being spent on kitchen cabinets, landscape and sidewalk repair and replacement, drainage and sealing and painting of balconies and facades. There was a discussion regarding the budget and the items with details provided by the Executive Director.
 - **The motion to approve the budget was forwarded by Commissioner Hung and seconded by Commissioner Nelson. The resolution was approved.**

Discussion Items:

- **Redevelopment Authority:** Keith provided the commissioner with a copy of the study he was asked to perform and present to the Borough Council on the ways to put together a redevelopment authority. The board discussed the report, the recommendations and the council's comments. The board agrees it is better to remain independent of the Borough and continue to focus on our core mission.

The Commissioners feel we can be more effective focusing on acquiring other properties in the area to refurbish and manage.

- **Well Baby Clinic:** Keith discussed the well-baby clinic and the meeting he has set up to discuss the cost of the renovations and propose a new lease arrangement.
- **Lochinvar Storage tanks:** Keith discussed the hot water storage tanks. They were installed in 1999 and are nearing the end of their useful life. One tank has developed a leak and has been replaced. A second tank is showing signs of leaking and we will keep our eye on it. The cost is around \$7500 per tank to replace, so Keith recommends we budget for this expense in the coming years.
- **Flat Rent Schedule:** HUD has changed the rules regarding the Flat rents (maximum rents charged) for all Housing Authorities. The new rule puts the flat rent at: at least 80% of the market rent of comparable units. We have always set our flat rents at 100% of area market, so we do not have to change our policy or modify our leasing paperwork.
- **2014 Audit:** Keith discussed our recently completed 2013 Audit.

Executive Director Report:

Keith discussed the following items:

- We are currently at 100% occupancy. We evicted a tenant in March and have renovated the unit. The unit was leased the unit for May 1st.
- The radiator valve project is 100% complete. We have compiled a punch list of units with valve issues that will be addressed by the contractor. We installed additional air vents on several radiators to assist in the bleeding process at an additional cost. We also had 7 additional radiators over the original estimated amount that we will be billed for.
- I have continued the process of completing the GPNA for the Housing Authority. All 100 units have been re-examined and the data has been refined in the GPNA to include exact purchase dates on all capitol items. I have begun the process of reviewing the site and building exteriors for input into the GPNA. HUD has not published the final rule yet on the GPNA, and is considering eliminating it all together, meaning we will not be responsible for completing the study. I will keep you up to date.
- We have received our REAC (Real Estate Assessment Center) inspection and resulting updated 2013 final PHAS (Public Housing Assessment Score). Our physical plant and apartment inspection lasted 6.5 hours and included 21 apartments and almost every inch of the property. We scored a 90/100 on the physical plant side. On the PHAS score, the physical plant translated into a 36/40. We scored 60/60 for management, financial, occupancy and Capitol fund utilization, giving us a total score of 96/100. We are now a high performing Housing Authority which entitles us to increased funding for Capitol fund, and reduces our inspection frequency to 3 years.
- The lawns and gardens have been cleaned up and mulched for the season. We will be starting the planned drainage project behind building 6 later this month

which will take the rain water away from the building and stop the flooding issues in that crawlspace. Once we have that crawlspace dried up, we will begin the process of removing the mud and soil that has accumulated over the years from that crawlspace. We are also looking at landscape projects in front of building 2 to eliminate ponding, and in front of building 3 to eliminate rainwater from flooding the crawlspaces.

- The well baby project has been bid and I am meeting with and negotiating with the chosen contractors to work the prices into our budget. The entire project remains well over our anticipated budget. The total cost at this point is coming in slightly over \$90K. Our lease on the Well Baby Clinic expires in December of this year. I have sent a letter to the administrators of the 3 municipalities requesting a meeting to discuss the lease, the space and how we can build out a permanent home for the clinic. If we can increase the lease rate from the current \$1837 dollars per year to a more reasonable \$10K per year we can justify moving forward with the project and realize a reasonable rate of return on the investment we are making. This will bring the lease rate up to approximately \$18 dollars per square foot, which is still over 30% below market value for the space.
- As requested, we have purchased and installed a “Suggestion Box” for the residents in the lobby. This was advertised in the newsletter and hopefully residents will use it. We have received a couple suggestions that have been scanned and emailed to the commissioners.
- We have a hot water storage tank in building 4 that is starting to leak from both the bottom of the tank and from the dielectric union at the top of the tank. Our boiler contractor, Mack Industries has provided a price of \$7,291.00 to remove and replace the tank with the same make and model. I researched the tanks, and the best price I could get on the tank alone is \$6600 delivered. That does not include the installation, hoisting (it weighs 648lbs) and disposal of the other tank. Due to condition and increased leakage, we have signed the contract for Mack Industries replace the tank. Tank was installed on June 3rd. This item is covered in our 2014 Capitol Fund budget.
- I have included the proposed 2014 Capitol Fund budget. Please refer to the last page for review of the budget.
- I have sent our Disaster plan to Jim Sidelinger who is the Borough of Hightstown’s head of the Office of Emergency Management for review and comment. I will report when I hear back from him.
- We have completed our 2013 Annual audit with positive results. We have addressed the 4 comments provided, while the auditor was on site.
- The 4 generators have been serviced for the spring. Minor repairs were done including replacement of some hoses and one belt. The radiator fluids were changed.

- I attended the PHADA conference in June. I participated on the Small Housing Authority meetings and committee. I have been asked to join the committee and participate on a regular basis. I think it is a good opportunity to share our experiences and represent the NJ area small housing authorities on a national committee.
- I am working on completing the paper work for a HUD, Safety and Security Grant. This grant is available for security upgrades including cameras, doors and fencing. We will be applying for money for fencing and a new security camera system. I am waiting for pricing, but anticipate we will be applying for between \$75-100K. This is a competitive grant cycle, so letters of support and compelling documentation are essential. The police director has been very helpful, and a letter from our board chair will complement our submission.

Financial Update: March/ April, 2014

In review of the financial reports for the period of March 1 to May 31, 2014, the Hightstown Housing Authority completed the months with mixed results. Despite having one of the coldest March and April on record, our costs are below budget. Cash flow is down due to the annual insurance payments, Annual pension payment, Boiler repairs and extraordinary maintenance costs incurred. Highlights include:

Income:

- Residential income has come in slightly below budget due to incomes of new residents.
- Laundry income is on budget for the year.
- Interest income is below budget, but will come into line with the annual dividend checks being issued in June.
- Subsidy income is above budget due to the Federal 2014 budget.

Expenses:

- Salaries are below our budgeted levels- May was a 3 pay month and we will have another 3 pay month in October.
- Staff training is over budget for the year due to registrations for a Rutgers courses.
- Sundry Administrative is over budget due to the registration for the PHADA conference, staff uniform shirts, sweat shirts and rain jackets, software registration and anti-virus renewals.
- Tenant services expense is over budget due to the timing of the expense. The Dawes park program and the Methodist Madness basketball camps all begin later this month.
- Water is under budget, with the quarterly bill arriving at the end of June.
- Gas is under budget for the month, and under budget for the year. We will continue to monitor our gas costs going forward to judge the impacts of our energy management projects.

- Electric is under budget for the year. The lighting project and the laundry upgrades payback are ahead of plan.
- Water is well under budget for the year. This is due to the laundry upgrades and other water conservation measures.
- Boiler contract costs are over budget and will stabilize over the coming months. We have completed most of the major work on our boiler plants and now will be completing smaller projects designed to improve efficiency and reliability.
- Electrical Contract costs are over budget due to the installation of new lighting.
- Grounds maintenance is over budget due to seasonal plantings, mulching, tree trimming and lawn repair work.
- Pension expense is over budget due to annual payment into the pension system.
- Extraordinary maintenance is over budget due to the additional costs incurred during the radiator valve project. They included some additional valving and Auto vents (for air bleeding from the system)

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.

- Kian Piquet spoke regarding the lack of hot water in the laundry.
- Pat Albanese spoke about the need for hot water in the laundry.
- Chester Diaz discussed the radiator valves, and how he feels they were a waste of money.
- Pat Albanese asked why they could not have remote thermostats.
- Mary Schilling asked if the balcony on building 2 was going to be repaired and painted this year.
 - **Keith discussed the thermostats and explained it was a function of cost. It would have added an additional \$60 thousand dollars to the project to add remote valves. Commissioner Eufemia asked Keith to begin purchasing remote valves and installing them in some units.**
 - **The Laundry will be on July's agenda as a discussion item.**
 - **Keith discussed the painting and concrete repair. He responded the concrete work will be done on building 2 this year, and possibly painted. He discussed the possibility of the staff painting some of the balconies.**

Announcements: The next meeting is scheduled for July 16th, 2014 at 7:00 pm.

Adjournment: The meeting was adjourned by a motion made at 9:15 PM to move into Executive Session.

Respectfully Submitted by:

Allen Keith LePrevost, Executive Director