

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE BOROUGH  
OF HIGHTSTOWN, NEW JERSEY  
HELD ON WEDNESDAY, April 17<sup>th</sup>, 2019 AT 5:00 P.M.**

Chairperson James Eufemia called meeting to Order at 7:00PM

**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 Eva Teller, Commissioner Carole Nelson and Commissioner Pascale Emmanuel, Monique Wilson, Resident Commissioner (arrived late) and Lee Stultz, Council Liaison

**Also, Present:**

**Absent:**

**Approval of Minutes:** Regular Meeting Minutes of March 20<sup>th</sup>, 2019.

**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:**

- As of today, the Mill project has gone to closing with the new developer. They are also working on purchasing and closing on the Willis property. There will be new changes to the project which they will present to the public before they go to Planning and Council. There goal is to be complete with the entire project, including the Lakefront by 2022. Council will entertain expanding the Redevelop area to encompass the Willis property and the First Aid squad.
- We had a visioning meeting on the new Borough hall, we are expecting the initial concept drawings coming back to us next week. The goal is to have the plans finalized and final cost estimates by the early fall, with construction starting shortly after.

**Resident Council Report:**

**Discussion Items:**

- Banking and Finance: Keith discussed the process we went through last year when we reinvested our reserves. He interviewed 4 local banks and chose the one that offered the highest amount. Keith stressed the importance of having the best return on this money, as we

are current earning 1.77%, or \$800 per month. We need to come up with a policy for this money, as we need to set up a new account going forward call “Reserves for Replacement” Commissioner Swiney stated we should always consider rate, but also be conscious of our local bank. Commissioner Teller stated First Constitution always tries to match the current rates offered by other banks, except for “promotional rates” some banks use to gain deposits. Keith states we need to follow a proper public process to make sure we are being fair to the banks and not creating a conflict of interest. Commissioner Rivenburgh agrees we need to be consistent with our process, whether we bid it out yearly, two or three years bid it out to several banks. Commissioner Swiney and Commissioner Teller think we should avoid the back and forth with competing banks. It was agreed that we will move look at this process again at the end of the year when we make the conversion, and bring it to the commissioners for a vote.

- Affordable Housing Meeting with Borough. On May 13<sup>th</sup> Brent, Mickey and Keith will meet with the affordable housing committee. The Borough officials will be joined by the Affordable housing attorney and Borough attorney. The goal first is to discuss the Cooperation agreement, and secondly discussing where we may be able to help the Borough with the affordable housing commitment in the future. Keith questioned whether we should go into the meeting with our own attorney. Commissioner Rivenburgh feels we are not committing to anything, so we probably don’t need him. The committee will report back to the Commissioners at our next meeting.
- RAD update. Keith updated the board on what we have accomplished over the past month. We are still on track for an October closing.
- Revised Cooperation Agreement. Keith discussed the current Cooperation Agreement which was signed in 1962. A lot of the agreement no longer applies to the HA, as the site is owned, fully built out and there are no debts, liens or other encumbrances. The new agreement basically lays out the responsibilities of the Borough to provide the HA with all services that are available to the general public in exchange for a PILOT agreement. We have structured the PILOT to be 5% of shelter rents as opposed to the current 10%. Keith explained that we have invested over \$750K in energy and water saving improvements as well as increasing our efforts to capture all of our resident’s income. These two items, dramatically increased revenue, with utility expenses reduced by approximately 37% have almost doubled the historical PILOT paid to the Borough. The savings if approved by the Borough would be placed into reserves to bolster our capitol program.

#### **Resolutions:**

- **Resolution 2019-6 To** award Suburban Consulting Engineers a contract to perform our Phase 1 Environmental study. We did an RFP and had 3 engineers respond with prices ranging from \$10,875 to \$25,000. Keith believes the cost difference in the asbestos testing. The resolution was unanimously approved.

#### **Executive Director Report:**

- We are currently at 99% occupancy. We have one tenant that gave us notice to move by April 30<sup>th</sup>. That one bedroom will be filled by downsizing a current tenant. We will then renovate the 2-bedroom for a new family. We have also received notice for a 4-bedroom unit that will come back to us in the beginning of May. We have families on the waitlist for those units.
- We have done some hot water system repairs in building 2 and 3. We had some older valves that were broken and limiting the flow of water.
- All work orders are up to date.

- We had a major sewer clog outside building 2. The line was blocked by plastic bags, baby wipes, grease and diapers. We included a note in the newsletter and a specific note to the residents on what can and cannot go down the drain.
- A meeting has been set to meet with the Borough affordable housing committee including the Borough planner. We have two members attending that meeting on May 13<sup>th</sup>.
- Our annual audit was completed on April 8<sup>th</sup>. The final report is due later this month and will be distributed for review at our May meeting. There were no findings or recommendations.
- Our annual termite inspection was completed and we are certified termite free.
- Our attorney is drafting a new cooperation agreement and PILOT agreement for the Borough. This is required with the RAD conversion. We will be discussing this with the Borough along with our PILOT payment, which hopefully will give us more flexibility in our long-term capital budgets.
- We have received our updated title search and clearance report. There are no outstanding issues.
- We have selected an environmental engineer to complete the required Phase 1 study of the property.
- Our attorney has completed a draft of the Cooperation agreement for review. This will be presented to Council in the coming weeks.
- The property has been edged and mulched. Spring fertilizer and treatments have been done.

#### **Financial Update: January, February 2019**

In review of the financial reports for the month of March, 2019, the Hightstown Housing Authority completed the month with negative results due payments for the hot water system in building 7, our Property needs assessment study, and a 3-payroll month.

#### **Income:**

- Residential income has come in over budget for the period and the year, mostly due to increased resident incomes and actively monitoring new hires and tenant work status. We have increased our budget expectation in this category for 2019, but are still exceeding that expectation.
- Excess Utility is below budget for the period and over budget for the year.
- Interest income is slightly above budget for the period. We are monitoring interest rates and will renegotiate our savings rate as warranted.
- Other Operating receipts are slightly above budget for the period.
- Laundry income is under budget for the period.
- Operating Subsidy income is under budget for the year. Although the two-year spending bill passed by congress has increased our subsidy above budgeted levels, the government's inability to pass a final budget, the shutdown and HUD's slow recovery process is leaving us with temporary spending prorations. They are estimating we may have a final 2019 budget by June.

#### **Expenses:**

- Administrative and Maintenance salaries are over budget for the period due to the 3-payroll month.
- Legal expense is slightly under for the year.
- Staff Training is over budget due to registrations for conferences.

- Sundry Administrative is over budget due to Accounting and Tenant management software renewals earlier this year.
- Water is on track for the year.
- Electric is under budget for the period.
- Natural Gas is slightly over budget for the period. This is due to the extended cold weather. We are now fully under our new boiler in all but 2 of our buildings. We will begin tracking our usage compared to previous years to determine current and projected savings.
- Maintenance Labor is over budget for the period due to the 3-payroll month.
- Maintenance materials is under budget for the period.
- Maintenance contract cost are well under budget.
- Plumbing Contract costs are over budget due to drain cleaning emergency.
- Grounds maintenance is over budget due to the scheduled
- Extraordinary maintenance. This amount is for the domestic hot water boiler in building 7 and the Capitol Needs assessment for the RAD application.

**Next meeting is scheduled for May 15<sup>th</sup>, 2019 at 7:00**

The meeting was adjourned by a motion made by Commissioner Swiney.

Respectfully Submitted by:

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Allen Keith LePrevost, Executive Director