

MINUTES OF A REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SALEM
July 25, 2019

A regular meeting of the Salem Housing Authority (SHA) Board of Commissioners was held on Thursday, July 25, 2019 at the Broadway Tower Community Room. 205 Seventh St. in Salem, NJ. The meeting convened at 5:00 pm.

Chairwoman Ferguson announced the Sunshine Law Requirement had been met, properly posted and advertised.

Karen Chiarello proceeded to call the roll at this time. Present were: Chairwoman Rebecca Ferguson, Commissioner Kathy Lanard, Commissioner Robert Lanard, Commissioner James Smith, Executive Director/Secretary Paul Dice. Also present were Solicitor Adam Telsey and SHA staff.

Chairwoman Ferguson asked for a motion to approve the minutes from the May 23, 2019 meeting. Commissioner Cathy Lanard made a motion and Commissioner Robert Lanard seconded. All present were in favor.

Financial Summary

For the month of June 2019, the SHA posted \$20,949 in positive net income. The SHA maintains \$100,371 in positive year-to-date net income.

Occupancy Rates

Our occupancy rating was 96% as of the writing of the ED report and 97% as of the time of board meeting. We are moving in the right direction.

Audit

We did well with the testing of compliance with our federal programs. There are not findings of any material issues. Page 70 from the audit states, "In our opinion, Housing Authority of the City of Salem complied, in all material respects, with the types of compliance requirements...on each of its major federal programs for the year ended September 30, 2018...We did not identify any deficiencies in internal control compliance that we consider to be material weaknesses."

Budget

The budget has been prepared and is ready to be submitted to the New Jersey Local Finance Board. We have an anticipated surplus of \$30,480 in net income compared to \$20,645 the previous year. We came in much better on the previous budget than what was projected. We have not used any of the funds that have been put in reserve to cover expected expenses.

Commissioner Robert Lanard asked what the zero was for the Total Unrestricted Net Position Utilized. He also asked what the Non-Dwelling revenue is. This is the money collected from tenants for excess utilities, i.e. air-conditioning charges.

Change in Electric Energy Supplier

Jersey Energy has changed to a brokerage company. The sent-out bids for us to get the best electrical rates. Freepoint Energy came back with the lowest rates. Executive Director Paul Dice recommended a 2-year contract. Commissioner

Lanard asked what would happen to the contract if West Side Court (WSC) is torn down before then end of the contract. Paul did not see that being an issue.

Proposed Demolition of West Side Court (WSC) & Transfer of Tenants to Sections 8 Program

Paul gave a presentation to the City Council on 6/17/19. Paul advised the council that the SHA had approval from the U.S. Department of Housing and Urban Development (HUD) for demolition and issuance of Section 8 vouchers. He explained that the SHA could handle the necessary debt refinancing and tenant relocation costs. However, we would never be able to afford the estimated \$405,000 demolition expense. Paul then asked the City to fund the demolition.

Paul explained that his request may seem outlandish, the city could feasibly recover such an expense if they were given first position on any future sale or conveyance of the property. This would be particularly true if the port of Salem is revitalized.

The only question Paul received during his presentation was from Councilman Gage. He asked what the WSC property was worth as vacant land. We do not have a figure for that currently. We have ordered a revised appraisal.

Chairwoman Ferguson told the board that Paul did a very good job of presenting the information to the City. He explained where we are in the process. It was a good change for the council members to ask questions. They weren't reaching for the checkbooks but it was a very good opportunity to talk and show ourselves. Commissioner Smith also attended the presentation and said it was excellent. He also stated that he had received an email regarding the waterfront redevelopment. He would report back once he had a chance to read the full report.

The bond refinancing has been put on hold. Do not want to spend \$20,000 in refinance fees and \$114,00 to pay down the debt, if the project is not moving forward.

Renovation of West Side Court

Even though we have received approval from HUD for demolition, Paul has revisited this position one more time. He maintains that it is not the ideal option. However, he has asked the architect to determine what would need to be invested today to keep the development viable for 15-years. This could be an option since you can get money for renovations that you cannot get for demolition. Commissioner Lanard thinks that we should be able to sell the property. Paul had met with Ron Rukenstein and John Bibeau earlier in the day. They have a development in Salem, the Nelson House. They have units that need to be sold, we would have tenants with vouchers, maybe an arrangement could be made. They could possibly help with demolition costs. There could be other developers out there that could assist us. Commissioner Smith said that Nelson house is deed restricted for 5 years. But that this is a guy who can get money. It was asked if we would get into a RAD situation if Bibeau could get the needed tax credits. Paul said yes, it would be a redevelopment process. RAD rents are much higher right now, so we would not need to come up with as much alternate funding.

We are waiting on the accountants to give us the amount of debt we can carry. HUD has calculated the amount for the entire housing authority, we need the amount for just WSC. Paul has applied for tax credits in the past but has never been able to get them. Rukenstein and Bibeau have done more with preservation and had greater success. We would have to send it out to bid, but we need to see what developers have to offer by way of assistance. It would be worth pursuing RAD at this point because the rates are higher now than they've ever been. Congress is not going to give housing authorities more money. They want to give incentives for them to go after the money on their own.

Resolutions

Chairwoman Ferguson advised that there were resolutions to approve.

Resolution #16-2019

Approving the Payment of Bills for June

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner C. Lanard

Roll Call: Unanimous

Resolution #17-2019

Approving the Payment of Bills for July

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner C. Lanard

Roll Call: Unanimous

Resolution #18-2019

Approving the Annual Budget for FY ending 9/30/2018

Roll Call Vote:

Motion: Commissioner C. Lanard

Second: Commissioner R. Lanard

Roll Call: Unanimous

Resolution #19-2019

Approving the Budget for FY 10/1/19-9/30/20

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner C. Lanard

Roll Call: Unanimous

Resolution #20-2019

Authorizing SHA Administration to Switch Utility Provider

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner C. Lanard

Roll Call: Unanimous

Resolution #21-2019

Approving a Closed Session for Personnel Matters

Roll Call Vote:

Motion: Commissioner Smith

Second: Commissioner R. Lanard

Roll Call: Unanimous

Resolution #22-2019

Approving Salary Adjustments for SHA Staff

Roll Call Vote:

Motion: Commissioner C. Lanard

Second: Commissioner Smith

Roll Call: Unanimous

Chairwoman Ferguson asked if there was any old business. There was not.

Chairwoman Ferguson asked if there was any new business. Karen Chiarello advised the board members that an updated website would be ready for the September meeting. There will be more details to follow.

Chairwoman Ferguson asked if there was any public comment. There was not.

The August board meeting is cancelled. Paul will be out of town. The next meeting will be on Monday September 23, 2019 at 5 pm.

At 6:10 pm Chairwoman Ferguson asked for a motion to adjourn the meeting. Commissioner R. Lanard made a motion, Commissioner C. Lanard seconded. All present were in favor.

Paul Dice – Secretary

Date