

MINUTES OF A REGULAR MEETING OF THE COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE BOROUGH OF
HIGHLAND PARK



The Commissioners of the Housing Authority of the Borough of Highland Park met in a Regular Session in the Community Room of the S.J. Kronman Apartments located at 242 South Sixth Avenue, Highland Park, NJ at 6:30 PM on January 10, 2019, the hour and date duly established for the holding of said meeting.

The meeting was called to order by Chairman Chudnick.

Housing Director Sriwardena read the Notice of Compliance with the Open Public Meetings Act P.L. 1975, C.231 which provided that notice of this meeting of the Board of Commissioners of the Housing Authority of the Borough of Highland Park was provided in the following manner:

On September 18, 2018, a copy of the notice of this meeting setting forth the date, time and location of this regular meeting was posted on the Housing Authority's official designated bulletin board located at 242 South Sixth Avenue, Highland Park, NJ, sent to Borough Hall for posting and was faxed to the Home News Tribune and Star Ledger and posted on the website.

The pledge of allegiance was recited.

Upon roll call, those present and absent were as follows:

PRESENT

Commissioners:

Steve Chudnick, Chairman
Raysa Martinez, Commissioner (6:35 PM)
Regis Methven, Commissioner
Donald Monk, Commissioner
William Rainwater, Commissioner
Evelyn Sedehi, Commissioner

Administration:

Donna Brightman, Executive Director
Runi Sriwardena, Housing Director
Mike Yannuzzi, Maintenance Mgr. WHA

Other:

Bill Katchen, Accountant (7:10 PM)

ABSENT

Commissioners:

Diane Reh, Commissioner

Authority General Counsel:

Terrence Corriston, Esq., Breslin & Breslin

Council Liaison:

Matthew Hale

Minutes:

A motion to approve the minutes of the regular meeting held on December 13, 2018 was made by Commissioner Sedehi and seconded by Commissioner Rainwater and upon roll call the vote was as follows:

ROLL CALL: Chudnick Martinez Methven Monk Rainwater Reh Sedehi
AYES: Chudnick Martinez Methven Monk Rainwater Sedehi
NAYS: None
Abstain: None
Absent: Reh

The Chair thereupon declared said motion approved.

Public Comment I: None

New Business: None

Communications: None

Attorney's Report: None

It was noted that Counsel Corrison was stuck in traffic and expected to arrive at 7:30 PM.

Chairman Chudnick excused him from the meeting.

Account's Report: none

Executive Director Brightman stated that Bill Katchen is also stuck in traffic and will be here shortly to discuss the budget.

Executive Director's Report:

Executive Director Brightman stated that the new first floor carpet was installed.

Commissioner Sedehi asked if we were going to put mats at the entrance.

Executive Director Brightman responded that we were.

Commissioner Methven stated that we should scotch guard the carpet.

Commissioner Rainwater asked if this will resolve the problem.

Executive Director Brightman said, hopefully, but the other replacements were due to floods which can't be controlled.

Executive Director Brightman stated that there was a problem with the bathtub replacement at Park as the tub surround was no longer readily available. The contractor and A/E are involved in selecting a replacement product. The prototype should be completed next week.

Commissioner Rainwater asked if we found a cap lock for the thermostats.

Executive Director Brightman responded, not yet.

Commissioner Monk asked if we are making any repairs that were to be completed with RAD dollars due to the closing not taking place.

Executive Director Brightman replied that some items are being addressed, such as PTAC units, but no major items such as the roof as there are no funds available for that.

Commissioner Methven stated that currently there are no roof leaks.

Commissioner Rainwater asked if the Authority is receiving its federal money due to the shutdown.

Executive Director Brightman responded, yes, we are receiving our funding from HUD.

Staff Reports:

Commissioner Methven inquired as to whether or not we are able to recoup funds from the damage done to the Park Terrace apartment by the illegal occupant.

Commissioner Monk asked if we could file a small claims action.

Executive Director Brightman said she would check with Counsel Corrison.

Chairman Chudnick commented that Joe Thurston's report was good and provided relevant information.

Chairman Chudnick noted that the bulk trash was really building up at Park Terrace.

Housing Director Sriwardena said it was collected in December and that the next date is April.

There was a discussion about how to approach this with the Borough.

Commissioner Martinez commented that the Authority is treated as a private entity rather than as a Borough partner.

Chairman Chudnick stated that he will be meeting with the Mayor on Tuesday and will discuss the bulk pickup with her and report back to the Board.

Commissioner Sedehi asked if the roach situation at Park Terrace was resolved.

Housing Director Sriwardena said, yes, at the present time.

Committee Reports:

Tenant relations: Commissioner Sedehi stated that she attended the tenant meeting earlier today. It was very well attended, a full house. She said that there was a laundry list of items discussed: personal relations, bullying, squirrels, smoking and so on.

Building & Grounds: none

RESOLUTIONS

a) Reso #2019-1 –Reso Adopting Monthly Bill List for December 2018

Motion moved by Commissioner Rainwater and seconded by Commissioner Sedehi to adopt Resolution #2019-1.

Discussion

Commissioner Methven commented that the cable bill for the community room was high.

Commissioner Monk stated that Christina Smolder tried to get other providers but it was not cost effective as some treat us as a business instead of residential which results in a higher rate.

Commissioner Rainwater noted that optimum just increased its prices.

ROLL CALL:	Chudnick	Martinez	Methven	Monk	Rainwater	Reh	Sedehi
AYES:	Chudnick	Martinez	Methven	Monk	Rainwater	Sedehi	
NAYS:	None						
Abstain:	None						
Absent:	Reh						

The Chair thereupon declared said motion approved.

b) Reso #2019-2 – HPHA Operating Budget Reso Approving the Budget for FY Beginning 4/1/19

Motion moved by Commissioner Rainwater and seconded by Commissioner Sedehi to adopt Resolution #2019-2.

Discussion

Bill Katchen stated that this budget is based on the 124 units. He stated that we can expect \$553,860 in rental income. He noted that this is the last year we can charge for excess utilities (20,450) as it is prohibited by RAD.

The budget allows for a staff salary increase of \$1,000. All the other items such as water, electricity, gas, etc. are based on the actual costs in 2018. He noted three exceptions: Insurance – JIF increased its premiums, healthcare increased and the general expense line item includes \$10,560 of reserve funds for Park Terrace as required by RAD.

He stated that he anticipated a surplus of \$70,347. He also commented that he used a conservative approach in anticipating that we would receive 90% of the operating amount from HUD. Last year it was 93%.

Mr. Katchen also noted that this budget will have to be amended upon Kronman’s RAD conversion.

Commissioner Monk commented that this budget will not come true as it will change drastically once we convert.

Commissioner Martinez asked if there was anything we needed to be concerned about with this budget.

Mr. Katchen answered, no. He went on to comment that there are a lot of moving parts until the Kronman conversion is completed. He added that next year we would have three budgets: a HUD budget, a state budget and a budget for the limited partnership.

ROLL CALL: Chudnick Martinez Methven Monk Rainwater Reh Sedehi
AYES: Chudnick Martinez Methven Monk Rainwater Sedehi
NAYS: None
Abstain: None
Absent: Reh

The Chair thereupon declared said motion approved.

c) Reso #2019-3 –HPHA Budget Reso for FY 4/1/19 to 3/31/20 (introducing state budget including capital budget)

Motion moved by Commissioner Sedehi and seconded by Commissioner Methven to adopt Resolution #2019-3.

Discussion

Mr. Katchen stated that this is more of an informational document. This budget includes Section 8 and the Capital Fund whereas the operating budget is just the 124 units.

He directed the BOC to F-2 (revenue schedule.)

He noted that we can expect to receive 1,450,000 from HUD in Section 8, PBV, and administrative fees.

Our total revenue with all programs is 2,519,577.

He went on to schedule F-4 (appropriations schedule.)

He again noted that insurance increased by 11% and health costs by 2%. All other costs remained flat.

Chairman Chudnick inquired as to where/what line item the RAD expenses were being taken from.

Mr. Katchen responded that the RAD expenses are being paid out of the Capital Fund, some of which the Authority will get back when Kronman closes. He also noted that the Authority can expect to receive a developer's fee.

Mr. Katchen noted that in preparing this budget he again used a conservative proration percentage of 75%. Last year HUD funded at 80%.

He directed the BOC to F-6 which outlines the terms of the NJCDC loan to Park Terrace.

Commissioner Monk asked about the amortization schedule.

Mr. Katchen stated that it was not available from NJCDC so he did his own but the numbers are correct.

Mr. Katchen then directed the BOC to F-8.

He stated that the Authority has an unrestricted, undesignated net position of 613,951 and the Kronman RAD conversion is using 602,000 of that amount which leaves a very tight budget of 11,000 left.

He went on to add that if we receive a 2019 Capital Fund, depending on when we close, it can be added in as well as the developer's fee and any increase proration percentages from HUD.

Commissioner Rainwater asked what we could expect to receive in a Capital Fund.

Mr. Katchen responded about \$100,000.

Commissioner Monk asked if all funds will be fungible as he is concerned that the funds get to the proper entity – Kronman LP, HPAHC and HPHA.

Mr. Katchen stated that the RAD rules change daily and we have to take a wait and see position at this time in terms of any 2019 Capital Fund allocation.

Commissioner Monk stated that he is concerned about the prolonged closing of Kronman and what affect it will have on the cost of construction and whether or not the reserve fund could absorb those increases.

Executive Director Brightman stated that so far, from what we are being told, cost increases are between 10-20 percent.

Commissioner Monk stated with such a tight budget this is a real concern.

Mr. Katchen again stated that the \$11,000 surplus will increase once we close as we will be reimbursed for costs incurred from consultant, A/E, etc.

He re-emphasized that once we convert to RAD these budgets need to be redone.

ROLL CALL:	Chudnick	Martinez	Methven	Monk	Rainwater	Reh	Sedehi
AYES:	Chudnick	Martinez	Methven	Monk	Rainwater	Sedehi	
NAYS:	None						
Abstain:	None						
Absent:	Reh						

The Chair thereupon declared said motion approved.

Old Business: none

Public Comment II

Angela Perone, 1J, and Karin Jackson both stated that they love the new hallway carpet and that we needed mats down as soon as possible for people to wipe their feet.

ADJOURNMENT

Motion by Commissioner Sedehi and seconded by Commissioner Methven to adjourn at 7:55 PM.

All commissioners present voted in favor.

Donna Brightman, Exec. Director/Secretary