

MINUTES OF A REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF MILLVILLE

A regular meeting of the Millville Housing Authority (MHA) Board of Commissioners was held on Tuesday, August 25, 2020. The meeting was held virtually through the Go To Meeting platform. The meeting convened at 5:00 pm.

Chairwoman Santoro announced the Sunshine Law had been met, properly posted, and advertised and conducted under the Open Public Meeting Act.

Karen Chiarello proceeded to call the roll at this time. Present were: Chairwoman Heather Santoro, Commissioner Kristina Townsend, Commissioner Charles Flickinger, Commissioner Winfield Pettit, Commissioner Jaclyn Haas-Benner, and Executive Director Paul Dice. Also present were Solicitor Arnold Robinson, Accountant Tony Polcari and MHA staff.

Chairwoman Santoro asked for a motion for the approval of the June 23, 2020 minutes. Commissioner Townsend made a motion and Commissioner Flickinger seconded. All present were in favor.

Financial Summary

The MHA posted \$98,636 in positive net income for July 2020. The MHA maintains \$394,957 in positive net income for the fiscal year to date (10/1/20 to 7/31/20).

The Holly City Family Center (HCFC) posted \$14,816 in negative net income for July. The HCFC year to date net income for the fiscal year to date is negative \$61,996.

Occupancy

The staff is continuing to do a great job leasing apartments. Our occupancy has continued to rise and is now 97%.

Coronavirus Cases

We have no reports of any positive test results.

Ongoing Public Housing and Section 8 Operations

The staff is continuing to work primarily from home. We are increasing our time in the office.

Requests for Proposals (RFP)

1. Maurice View Plaza – Replacement of the shingle roof over the Cumberland County Department of Health's Mulberry St. offices. This bid incorporates alternative work that we have elected to forego. Factoring in the final price once the alternative work is deducted, the lowest responsible bidder is NDP Construction at \$79,000 (\$99,000-\$20,000).
2. Maurice View Plaza, Riverview West, Riverview East – Exterior main door replacements – Levy construction is the bidder at \$105,000.

3. Riverview West – Roof replacement – Winchester Roofing is the lowest responsible bidder at \$215,000.

Accountant, Tony Polcari verified that the MHA does have the capital fund balances sufficient to cover these costs.

Though not under consideration for this meeting, we are in the process of preparing an RFP for replacement of the roof on Riverview East. This will likely cost between \$225,000 and \$250,000. We hope to have the bid results for the September 2020 board meeting.

Commissioner Pettit asked about a check for \$105,000 on the check detail report for August. This was the cost of the architect fees for the three RFP's listed above.

Changes to the MHA Personnel Policy

We have two proposed changes for your consideration. Both changes are temporary due to COVID 19.

1. Unless superseded by an employment agreement, our personnel policy states that employees can only carryover 6 vacation days from one year to the next. They cannot carryover any personal days. Given that the pandemic has kept many people from using both benefits, we propose a provision to allow employees to carryover any unused vacation and personal time earned during calendar year 2020 into calendar year 2021. Under this amended Policy, any Vacation and Personal Time earned during calendar year 2020 will be forfeited if not used by 12/31/2021. This policy will end effective 12/31/21.

2. New Jersey has instituted a 14-day quarantine travel advisory for certain states. We have employees who have traveled to some of those states for personal matters. Since they must quarantine themselves upon their return to New Jersey, they obviously are precluded from coming to work. We propose a personnel policy change to the effect that employees who can work from home will be expected to do so and be compensated as usual. However, if an employee cannot perform their duties from home, they will also be compensated as usual. This policy has been reviewed by legal counsel.

The Commissioners asked what money would cover this expense. Tony explained the CARES Act funding and what it can be used for. Commissioner Pettit stated that he did not agree with employees essentially getting 3 weeks of vacation, but if the expense was covered it was ok.

Annual Budget

You will find next year's proposed budget in your packets. Fundamentally, it is very similar to last year's budget. This one also includes a healthy projected positive net income of \$172,429. It also includes a 3% Cost of Living Adjustment for all employees (same as the last budget) and salary adjustments to reflect changes in job duties for select employees. It accounts for the possible loss of the Wildwood Housing Authority Shared Services Agreement. Tony Polcari prepared the budget and will answer any questions you may have.

Tony explained that the Public Housing surplus through July includes \$187,000 of Cares Act funding. This give us a \$78,000 favorable variance in excess of what we budgeted. With \$2.8 million budgeted, we are within \$25,000 of budget. The excess of expenses in the COCC is non-federal money and can be used to help the HCFC. We also have the revenue from the shared services agreement. The proposed budget considers the fact that Wildwood might not renew their contract.

Holly City Family Center (HCFC)

We are continuing to only operate the pool section of the facility. The remainder is closed for all community program and gym activities.

Despite opening the pool to daily walk ins (non-members), demand for the pool is very low. Between 7/13/20 (opening date) and 8/19/20, the average number of people using the pool during an entire day is only 12.

Our total revenue for the period 7/13/20 to 8/19/20 is less than \$1,000. That includes the 28 members who reinstated their memberships. The HCFC continues to be fully subsidized by non-federal funds from the MHA's Central Office Cost Center for all financial shortfalls. We are recording the subsidy as an account payable to the MHA.

To increase business, we have widely advertised pool availability via our website and Facebook account. We have also distributed advertising flyers to all MHA public housing and section 8 tenants, and other local groups, e.g., Shine, Police Athletic League, Big Brothers and Big Sisters, and Holly City Development Corporation's Play Street program members. We have also directly contacted people that we know have, or might have, interest. Despite those efforts, the increase in daily traffic overall has been negligible to date.

Another factor impeding our ability to increase business is fear of contracting Covid19 from within the facility. Many members have expressed this concern.

Absent the ability to generate enough revenue, our Facility Director – Andrea Vanaman – recently implemented additional cost savings measures totaling **\$8,951/month**. The following are the actions taken and a breakdown of that figure:

1. Change in facility hours: \$4,179/mo.

After evaluating the timing of the membership usage, we found we had a substantial amount of unused facility time. To reduce costs and meet the current membership demand more efficiently, we changed the facility hours to Monday through Friday from 7:00 a.m. to 5:00 p.m. We are closed on the weekends, as there was little to no usage. If demand increases for more hours, we will adjust accordingly.

2. Reduction to 3 pool lanes: \$2,310/mo.

Shutting down one lane in the pool put our total surface area under 2,000 sq. ft. By doing so, New Jersey regulations permit us to have only one lifeguard on duty instead of two.

3. Laid off part-time Assistant Manager: \$882/mo.

4. Stopped paying Instructors for virtual fitness classes: \$722/mo.

We are fortunate that our instructors offered to continue running the virtual classes for free. We are very grateful for their commitment.

5. Facility Director will cover the front desk 3 afternoons a week rather than pay part-time staff: \$858/mo.

The following are additional cost savings measures that Andrea Vanaman implemented. We will be able to quantify the savings after we compare future monthly bills:

1. We blocked access to all locker rooms except the 2 family changing rooms for bathroom use only.

2. All locker room light switches have been switched to automatic lights and will go out automatically after 10 minutes.
3. Almost all lights have been switched over to less energy consuming LED bulbs, including the main lights inside the pool area. By going to LED lighting in the main pool area, we turned off all the other pool area lights because the LED are so strong.
4. All the lights in the facility that are not needed at this time will remain off unless required by law, e.g., night lights. We have taken one bulb out of each night light to help reduce cost. These are now all LED lights.
5. All cardiovascular equipment, refrigerators, fans, stereos, televisions, microwave, toaster oven, hair dryers, and tanning beds have been unplugged.
6. All thermostats in all areas have been raised to 85 degrees except in the hallway that has the pool entrance and exit doors. We are routinely measuring all areas with psychrometers to monitor the humidity. We need to maintain the relative humidity at 70% to keep mold from growing.
7. We have lowered the pool temperature from 84 degrees to 80 degrees.
8. Boiler temperatures have been lowered. We only have warm water so that members can wash their hands. Showers are not permitted at this time.
9. The flow rate for the pool filtration process has been lowered (We are still within regulation.) and will soon be set on a timer. When the pool is not open, we will save energy by running at a lower turnover rate. To offset expenses even further, we also reviewed the idea of my serving as the HCFC's facility director and using MHA labor. For the following reasons, we do not believe that this is a viable course of action:
 - State regulations preclude my serving as the facility director as I do not have the required state pool management certifications. Andrea Vanaman is the only staff member in the MHA and HCFC employee populations who has all the necessary certifications and experience.

NOTE: We have the ability to fill in for Andrea for short terms, e.g., vacations, sick and personal days. Were she to be out for an extended time, we would need to contract with a third party for coverage.

- The MHA does not have workers' compensation, general liability, employment practices liability or directors and officer's liability insurance coverage for the actions of MHA employees performing daily HCFC operations. MHA personnel are only covered for the work they perform as HCFC's landlord, e.g., maintenance. I believe we would be inviting significant uninsured liabilities if we mixed the employee populations.
- Our U.S. Department of Housing and Urban Development (HUD) operating subsidies and grants do not provide for paying MHA employees to perform daily HCFC operations, myself included, without compensating the MHA. We can work the shared services agreements with Wildwood and Salem

because the MHA receives revenue directly for services rendered. But the HCFC would not be paying the MHA in this situation.

- Even if we could commingle the employee populations without running afoul of legal, regulatory, and risk management issues, I do not have the human resource capacity within the MHA to task people with HCFC duties.

Tony Polcari, in conjunction with the staff, prepared a proposed HCFC Operating budget. It was not possible for us to present a balanced budget given the HCFC's dire financial situation. Without MHA assistance, we calculate that the HCFC will post \$65,514 in negative net income between 10/1/20 and 9/30/21. That assumes that a high percentage of HCFC members reinstate their memberships after 1/1/21 and our larger accounts, e.g., Millville and Cumberland Regional High Schools reinstate their contracts. The high school swim coaches have registered concern over the limited number of people that can be in the pool at any given time due to social distancing requirements. That would significantly alter their training procedures, so much so that they have not yet committed to returning. Hopefully, they will change their minds.

Should the Board wish it so, the MHA could cover the HCFC's \$65,514 deficit with non-federal revenue that we generate through shared services agreements, contract fee for service revenue for the HCFC to provide part-time personnel to the MHA (Tony Polcari will discuss this at the meeting.) and other allowable Central Office Cost Center revenue.

It is important to keep in mind that the state minimum wage is rising at a rate of \$1/yr. through 2024. The incremental increases take effect every January 1st. By 1/1/24, we will be paying part-time employees \$15.00/hr. That is a huge jump from the \$8.44/hr., we were paying in 2017. By 1/1/24 our payroll and related expenses will have increased over \$100,000/yr. This is a monumental financial hurdle to overcome.

We do have some good financial news, though. Andrea Vanaman just finished negotiating a \$20,000 pool rental contract with the Newfield Aquatic Club. Andrea worked hard on this account and did a great job closing the deal.

Andrea Vanaman has also proposed offering a School Camp for children not attending school and whose parents must work. I think it is a good idea and support the initiative. It would fill a community need and allow us to start generating meaningful revenue. This program would be similar to the design of our Summer Camp. We believe we would be able to offer it to up to 30 children. I seek Board authority to start the School Camp in early September.

Andrea is also working with the Holly City Development Corporation and the City of Millville to provide fitness instructors for an outdoor children's kick boxing and Zumba program at Riverfront Park. This 8-week program will begin in mid-September.

We will continue growing our community center operations and searching for grants. And as soon as we possibly can, we are going to bring back the following community programming that we had been offering before the pandemic:

1. Summer Camp – Approximately \$52,932/yr.
2. Spring Camp – \$2,000/yr.
3. Newfield Aquatic Club – They used the pool before the pandemic on a very limited basis. The new \$20,000 contract with them is much more expansive and lucrative.

4. Salem County Special Services – ½ Pool Rental for 24 visits - \$1,200.00/yr.
5. A-Plus Education and Performing Arts Inc. – 17 dates for shower use - \$2,210.00/yr. (new)
6. Birthday pool party rentals - \$180 for members; \$200 for non-members
7. Swim with Santa - \$5/child
8. Pool Rentals from the YMCA of Vineland - \$75/hr. – They rent the deep end for lifeguard classes.
9. HCFC Lifeguard classes - \$250/class for non-members and \$200 for members.
10. HCFC CPR classes - \$45/pp.
11. Maurice House Chair Exercise – ½ hour every Wednesday - \$35.00 per visit
12. Pineland Learning Center – usually 6 pool rentals throughout the year - \$140.00/hr.
13. Holly City Family Success Center – 1 Family Membership - \$564.00
14. Cumberland Vocational – 6 Senior Memberships - \$1,656.00/yr.
15. Police Athletic League – 10 visits - \$750.00/yr. (new)
16. Police Athletic League – Water Safety Class - \$75.00/visit
17. Boy Scouts – Water Safety Pool Rental - \$75.00/visit
18. Girl Scouts – 3 Saturdays for an hour
19. Big Brothers, Big Sisters – 1 date, pool/room party, no revenue (new)
20. Family Health and Wellness Program – 8 weeks - \$1,543 total (new)
21. Connecting Families – HCFC memberships - \$1,131 total (new)
22. Play Streets – Volunteer work with Holly City Development Corp. (new)
23. NJ Food Bank Summer Kids Grab and Go Feeding Program – no revenue generated or even available. (new)
24. Our Future First – 3 dates offered for group meetings – no revenue generated (new).
25. Rise and Shine – no funding for HCFC overhead costs. (new)
 - a. Monday – Friday 4:00pm-6:00pm
 - b. Mom’s Life Group – Monday 6:30pm-8:30pm
 - c. Women’s Group – Tuesday 6:30pm-8:30pm
 - d. Teen Groups – Thursday 6:30pm-8:30pm
 - e. Teen Movie Night – Friday 6:30pm-8:30pm
26. Swim Team Clinic starting March 16th. 3 days a week for 8 weeks.
27. Cumberland Regional Swim Team – Nov.- Jan. - \$7,717.50/yr.
28. Millville Swim Team – Nov.-Jan. - \$36,000.00/yr.

Here are some of the other classes designed for specific community groups and which were offered before the pandemic:

Aquatic – Classes can be purchased individually. HCFC membership is not required:

1. Swim Lessons for ages 6 months to 100
2. Aqua Fit – 2 days a week
3. Deep Water Walking – 3 days a week
4. Deep Water Cardio – 2 days a week
5. Arthritis – 3 days a week

Land based classes - included in memberships but also available for walk-ins at \$5/class:

1. Senior Fitness Class – 3 days a week (new)
2. Pilates – 3 days a week
3. Yoga – 1 day a week

4. Fit Rx – 5 days a week (Boot Camp type of Class)
5. Zumba – 4 days a week
6. Tabata – 2 days a week (High Intensity Interval Training)

The following is a list of additional grants that we have worked on, or are still in process, that relate specifically to community center projects:

1. 2019 Community Development Block Grant (CDBG) for Rise and Shine - \$6,578.21 for 2019. The HCFC has not realized any operating revenue. The MHA paid the \$1,800 insurance increase that the HCFC's insurance company demanded for Rise and Shine's activities. The MHA also paid for office furniture, supplies and a refrigerator. Hopefully, the MHA will be able to recover some of those expenses through the CDBG grant.
2. 2020 CDBG for Rise and Shine – awaiting award. The administrative funding that will come from this will likely be allocated to payroll for its director and for direct program costs rather than facility operating costs.
3. Cumberland County Prosecutor's Office – We applied for a \$5,000 grant for Rise and Shine to run a Life Skills program at the HCFC. This will not provide any significant revenue for the HCFC's facility operating costs.
4. NJ Department of State, Office of Faith Based Initiatives – We have applied for a \$10,000 grant for Rise and Shine to run an after-school tutoring and homework assistance program at the HCFC. I have been told award decisions have been delayed given the state's financial issues. Like the other grants above, this will not provide any significant operating revenue.

It is also worth noting the Millville Housing Authority (MHA) sponsored an anti-gang initiative at our Holly Berry Court facility called the Phoenix Program. The MHA hosted the program for 35 weeks. While the HCFC was not directly involved in that program, it became a feeder program for the community-based programs at the HCFC.

My concern for the HCFC going forward is its revenue generating approach. The facility will likely always be a hybrid membership based and community center entity. However, memberships will never cover all the expenses. And while we can certainly add more community center programs, there is a limit to how many programs we can add given facility size limitations. As for grants, I believe we will need to search for more than those which offer the traditional 10% to 15% for administrative costs. Those percentages will never be enough to cover the overhead of the facility, especially the high cost of running a pool and offsetting the skyrocketing minimum wage. With these limitations in mind, it is my opinion that HCFC must ultimately consider a long-range plan to secure large scale grants and contributions from sources such as philanthropic minded community members in a position to help, the City of Millville, the County of Cumberland and institutional donors with an interest in the city and the HCFC's mission. These funds need to be dedicated solely, or at least primarily, to funding the pool operations of the center.

Chairwoman Santoro advised that there were resolutions to approve.

Resolution #17-20 Resolution Approving the Payment of Bills for July & August 2020

Roll Call Vote:

Motion: Commissioner Townsend

Second: Commissioner Pettit

Roll Call: Unanimous

Resolution #18-20 Resolution Approving the Budget for Fiscal Year 10/1/20-9/31/21

Roll Call Vote:

Motion: Commissioner Townsend

Second: Commissioner Flickinger

Roll Call: Unanimous

Resolution #19-20 Resolution Approving the Late Filing of the Budget

Roll Call Vote:

Motion: Commissioner Townsend

Second: Commissioner Flickinger

Roll Call: Unanimous

Resolution #20-20 Resolution Approving the Carry Over of Additional Vacation & Personal Time

Roll Call Vote:

Motion: Commissioner Townsend

Second: Commissioner Flickinger

Roll Call: Unanimous

Resolution #21-20 Resolution Adopting a Change to the Vacation Policy

Roll Call Vote:

Motion: Commissioner Townsend

Second: Commissioner Flickinger

Roll Call: Unanimous

Resolution #22-20 Resolution Approving a Contract for Roof Replacement for RVW

Roll Call Vote:

Motion: Commissioner Townsend

Second: Commissioner Flickinger

Roll Call: Unanimous

Resolution #23-20 Resolution Approving a Contract for Roof Replacement for MVP

Roll Call Vote:

Motion: Commissioner Townsend

Second: Commissioner Flickinger

Roll Call: Unanimous

Resolution #24-20 Resolution Approving a Contract for Electric Door Replacement for RVE, RVW & MVP

Roll Call Vote:

Motion: Commissioner Flickinger

Second: Commissioner Haas-Benner

Roll Call: Unanimous

Resolution #25-20 Resolution Authorizing the ED to Sell E. Broad St. Vacant Lots

Roll Call Vote:

Motion: Commissioner Flickinger

Second: Commissioner Townsend

Roll Call: Chairwoman Santoro Abstained. All others were in favor.

Resolution #26-30 Resolution Approving a Closed Session

Roll Call Vote:

Motion: Commissioner Flickinger

Second: Commissioner Pettit

Roll Call: Commissioner Townsend abstained. All others were in favor.

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

Chairwoman Santoro asked if there was any new business. Commissioner Pettit asked if we could expand on the sale of the vacant lots that had just been voted on. He had recently toured several of the vacant houses that the MHA owns. He expressed his opinion of the need to sell these as well. The sale would relieve the following expenses: taxes, lawn maintenance, building maintenance liability to trespassers, all of this with no income from the properties. The demolition cost for the properties exceeds the income from selling them. They are only going to continue to deteriorate.

There was a motion made to sell:

- 202 N. Sharp Street
- 309 W. McNeal Street
- 643 Buck Street (1/2 Double)
- 907 Buck Street (1/2 Double)
- 519 E. Pine Street (1/2 Double – occupied. We would transfer the family to a different unit)

Commissioner Townsend asked why, if the board had said no before, is it a viable option now? It was explained that we do not have any definite buyers, but we would like to continue to look for one. Solicitor Arnold Robinson explained that we had offered the properties for free to the City and to Habitat for Humanity. They both declined the offer. Betsy stated this would just be the first step in the process. We need to apply to HUD for the disposition of the properties before anything else can be done. Paul stated that HUD is motivated at this time to do this. Therefore it might not be a difficult process. Chairwoman Santoro stated she had and still has reservations about selling the properties. She does not want to create a worse situation in the community. She would be more supportive of demolishing the properties and selling the vacant lots. The cost to demolish is \$35,000 to \$50,000 per property, and we can not do this for the ½ doubles that we own. Solicitor Arnold Robinson explained that this is only a motion to get the process started. The vote was not carried.

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

At 6:31 pm Chairwoman Santoro asked for a recess to conduct the HCFC business prior to the closed session. Commissioner Townsend made a motion and Commissioner Flickinger seconded. All present were in favor