

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

February 23, 2021

A regular meeting of the Millville Housing Authority (MHA) Board of Commissioners was held on Tuesday, February 23, 2021. The meeting was held virtually through the Go To Meeting Platform. The meeting was convened at 5:00 pm.

Chairwoman Santoro announced the Sunshine Law had been met, properly posted, and advertised and conducted according to the Open Public Record Act.

Karen Chiarello proceeded to call the roll at this time. Present were: Chairwoman Heather Santoro, Commissioner Charles Flickinger, Commissioner Winfield Pettit, Commissioner Jaclyn Haas-Benner, Commissioner Kim Ayres, Commissioner Heather Garrison (arrived late), 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 January 26, 2021 minutes. Commissioner Flickinger made a motion and Commissioner Haas-Benner seconded. All those present were in favor.

**Financial Summary**

The Millville Housing Authority (MHA) posted \$48,643 in positive net income for January 2021. The MHA maintains a very healthy \$241,273 in positive net income for the fiscal year to date (10/1/20 to 1/31/21).

Gaining some financial ground due to swim team pool rental income and slightly improved membership, the Holly City Family Center (HCFC) posted \$(4,288) in negative net income for January 2021. The HCFC maintains (\$37,310) in negative net income for fiscal year-to-date (10/1/20 to 1/31/21.) We believe we will eliminate that negative fiscal year-to-date amount once we receive forgiveness for the funds that we received through the federal Payroll Protection Program. We are in contact with Ocean First Bank now to make that happen. We currently have 38% of our membership back.

**Occupancy**

Our occupancy rate is 96% The following are the number of vacant units in each development:

**Millville Housing Authority Personnel**

We had to terminate one maintenance employee this month. We are actively interviewing candidates for replacement. We also had one maintenance employee resign.

## **Wildwood Housing Authority**

The Wildwood Housing Authority issued a cancellation notice. Their contract will now end 2/28/21.

## **Housing Choice Voucher (HCV) Waiting Lists and Website Portal Creation for Millville and Salem**

It was determined that both the MHA and SHA waiting lists for the HCV programs were unacceptably low. To address the problem, the staff created the online applications process available through both authorities' websites. Neither authority had ever accepted online HCV applications before this. Both had been receiving public housing applications online for years. But the work had never been completed for the HCV programs. The work is now complete. All applications for both authorities must now be submitted electronically. We no longer accept paper HCV applications.

The MHA and SHA websites have portals connected to our property management operating system – PHA-Web. Once we completed the HCV application portal work, we opened both waiting lists from 2/1/21 at 9:00 a.m. through 2/15/21 at 4:00 p.m. In keeping with U.S. Department Housing and Urban Development (HUD) regulations, we advertised the openings in the newspapers.

When we first opened the HCV waiting lists, we received little response. Given the high demand for vouchers, we realized we needed to do more to get the word out than just advertising in newspapers. So, we started advertising at libraries, county offices and social service agencies. We were successful. The number of applications rose dramatically, though still not quite as high as we anticipated. Ultimately, we received 605 applications for the MHA and 870 for the SHA. We are accepting 250 applications for the MHA's waiting list and 60 for the SHA. It is a sad fact that vouchers are in great demand nationwide and hard for people to obtain given program size limitations.

To make the waiting list process fair, we are selecting the applications via a randomized, electronic lottery process. We have used this approach in the past with good results. The last time we had an HCV lottery, we outsourced the process. This time, we were able to run the lottery ourselves as PHA-Web has the function programmed into their software. We will soon be sending out letters this week to all applicants advising them whether they were selected.

By way of background, HCV program size is limited by the annual HUD budget. Public Housing Authorities (PHA) must determine how many vouchers they can afford to issue given the funding provided. Additionally, each PHA has a cap on the number of vouchers they can issue regardless of the HUD funding they receive. The MHA's voucher cap is 191. Given the current level of funding we receive, we can only afford to issue 180 vouchers. The SHA's voucher cap is 30, which is also the number of vouchers we have issued for them.

The numbers of vouchers issued cannot exceed the voucher cap limits. However, the numbers of voucher holders in the programs at any given time is variable. That is due to factors such as attrition, varying rental rates, fluctuating HUD funding, varying payment standards, etc.

While working on the HCV waiting lists, I also seized the opportunity to work with the staff to complete three other HCV projects that had stalled. We successfully added website portals to the MHA and SHA websites that will now allow:

- HCV landlords to look up the monthly payments made by the MHA or SHA to their accounts.
- Other PHA's to review payments made to them by the MHA or SHA for port-outs.

NOTE: Housing Choice Vouchers are portable. Tenants can use them anywhere in the United States. If a tenant of ours moves from our area to another location, we call that a "Port Out." The PHA in that new area must then administer the voucher. We, then pay that PHA an administrative fee.

- Prospective tenants to view where they are on either the Public Housing or Housing Choice Voucher waiting list. We hope that this will dramatically cut down the numerous calls we receive for this information.

These technological advances are helping us increase our productivity by reducing the amount of time staff members must spend on each case. We are also working on a process that will permit tenants and prospective tenants to complete their case forms online. We also hope to move to a fully paperless file system. Though that is a longer-term project.

We assist people who lack the hardware to navigate our systems or who have their own devices and are just having difficulty navigating the system.

**Physical Needs Assessment of the MHA Housing Stock (Scattered Sites Notwithstanding)**

Below is a table to advise you what we would need to invest today and, in the near future, to fully modernize our housing stock. The architect updated our 15-year physical needs assessments. Scattered sites notwithstanding, the estimated cost to maintain our buildings over the next 15 years is as follows:

<b>Development</b>	<b>Total</b>
Cedarview Court	\$ 3,854,586
Ferguson Court	\$ 3,963,426
Holly Berry Court	\$ 4,528,404
Jaycee Plaza	\$ 6,820,279
Maurice View Plaza	\$ 4,744,248
Riverview East	\$ 7,100,000
Riverview West	\$ 7,682,582
<b>Total</b>	<b>\$38,693,525</b>

The above amounts represent hard costs only. The soft cost associated with the type of funding that you will ultimately need will add soft costs that could easily add another 30% to the above numbers.

It is important to note that while our buildings are very much in need of capital improvements, we have been able to invest heavily in significant modernization efforts over the years. Here are just a few examples of the work that we have accomplished:

- Approx. \$1,000,000 to fully modernize all the elevators in the three high rises,
- Over \$250,000 invested in roof replacements,
- Over \$100,000 invested in new doors,
- Approx. \$150,000 in closed circuit security systems.
- And more...

Some people have questioned why the physical needs of our buildings are so high when our income statements reflect such large amounts of positive net income. The answer is that we are a unique Public Housing Authority that generates a considerable amount of revenue from non-subsidized sources, e.g., Shared Services Agreements with other housing authorities and commercial rent from the Cumberland County Department of Health. We also generate rent and operating funds from our contracts with the company that manages the Assisted Living Program in all three high rises - Caring Inc. The positive net income from all these sources does not go into savings accounts for the future. We invest it right away in projects like those listed above.

### **Holly City Family Center – Historical Overview**

I have been asked to provide a brief historical overview of the HCFC. Not having access to the historical financial records at the time of this writing, much of the financial information is based on memory and verbal accounts from staff members.

The HCFC was initially a trade name of the MHA's wholly owned not-for-profit – Holly City Development Corporation (HCDC). It remained that way until the MHA divested itself of the HCDC in 2016. The MHA maintained control of the HCFC operation, though. To reestablish the HCFC completely outside of the HCDC's organizational structure, the MHA set up the HCFC as a New Jersey Not-for Profit with 501(c) 3 status that is wholly owned and operated by the MHA. It remains that way today.

The building within which the HCFC is situated is bounded by East Vine St., Buck St., Mulberry St. and approximately one third of a city block between Buck St. and High St. The entire structure housed the former Millville YMCA until it ceased operations in 1991, or somewhere thereabout. The building then stood vacant for many years ultimately becoming derelict.

Sometime in the mid to late '90's, the MHA purchased and renovated the building for public housing, fitness center and office space purposes. I have been led to believe, but do not have confirmation in hand at the time of this writing, that the initiative was financed, at least in part, by funds secured through the Casino Reinvestment Development Authority and the MHA. There may have been, and likely were, other funding sources as well.

Once renovated, the building housed the following:

- Thirty HUD subsidized one-bedroom apartments on three floors for disabled persons ages 18 to 50 on the East Vine St. and Buck St. sides of the building.
- MHA administrative offices on the two floors on the Mulberry St. and Buck St. sides of the building
- In between the above areas, the HCFC fitness center included the following:
  - Pool,
  - Aerobics room 1 – new addition in the rear of the building which was then called the “Annex”,
  - Aerobics room 2 – current first floor office space occupied by the Cumberland County Department of Health,

- Child watch area,
- Basement gym,
- Basement tanning booths,
- Locker rooms on the ground floor and basement level.

It is important to note that the entirety of the renovated building, including all its diverse operational areas, are owned by the federal government. The facility is held in trust (Declaration of Trust to be specific) by the Millville Housing Authority. HUD subsidizes the 30 apartments, but no other part of the building. In HUD terminology, the entire structure is connected to a HUD Asset Management Project (AMP). As such any revenue from any operation within the building, HCFC and office space included, must be used for that AMP.

HCFC opened the pool to the public in 2000. It opened the entire facility in 2001. Operationally, the HCFC started as a membership-based organization open to everyone but with discounted rates for Millville citizens. Those not seeking full membership could purchase day passes and individual programs, e.g., swim lessons.

Initially, the HCFC contracted with the Vineland YMCA to staff and manage all its operations and administrative functions. HCFC terminated the contract with the YMCA in 2007. HCFC personnel then assumed responsibility for all operational and administrative functions.

In the early years, exact time frames unknown, the City of Millville contributed financially to the HCFC's operating costs. The High School also played a key financial role by contracting for Kindergarten swim lessons and swim team training time for the Millville High School. Based on verbal staff accounts, the City of Millville was contributing approximately \$60,000/yr. Both school contract services are at \$36,000/yr. today. I am not sure what the original cost was. Nonetheless, the City of Millville apparently stopped contributing any funds in the early years of operation. The school contract, however, remains intact to this day.

The HCFC was never financially successful and could never fully cover all its expenses without the MHA's assistance. Further, by 2008, a multitude of factors bore down on the HCFC forcing it into an even more perilous financial position, e.g., years of cessation of funding from the City of Millville, growing commercial competition, being overstaffed, and maintaining a business model that did not generate enough revenue. However, the City of Millville's cessation of funding was quite a blow to the operation.

Paul Dice was hired in May of 2008 to turnaround the struggling MHA and HCFC. Shortly thereafter Paul declared the HCFC bankrupt and recommended closing the facility. That prompted an outcry from many community members and elected officials. Paul was called into a meeting and asked what would be needed to keep the facility open. He told those in attendance that he would need \$200,000 and 6 months. Well, we never received the \$200,000. But we did get approximately \$60,000 from the Cumberland County Improvement Authority (CCIA) and roughly another \$40,000 from other sources – one of them a private citizen. My team and I went to work streamlining and re-building the organization, and we ultimately stayed in business.

The cash infusion we received in 2008 to keep the HCFC open, is ultimately a small part of the financial resources we used to keep the facility open. Cost of construction notwithstanding, hundreds of thousands of non-federal dollars have been used to keep the facility open during its span of its existence. For example, my first week on the job I was visited by bank managers wanting to know how I was going to pay back the \$130,000 (This is an approximation.) that had been drawn down via a Line of

Credit. It took a bit of doing, but we finally settled the debt in full using MHA resources. The MHA also loaned HCFC approximately \$50,000 for locker room renovations. That loan had to be written off. The MHA also assisted in the financing of a \$280,000 aerobics room addition.

The financial pressures on the HCFC have only grown since 2008. The competition in the local fitness industry has grown fierce over the last decade. More recently the rising state minimum wage has cut deeply into profitability. And the COVID 19 pandemic was the final blow. The pandemic shut us down last March and decimated our revenue streams. We are only operating at 35% capacity today given State restrictions.

Since the COVID 19 pandemic, the MHA is essentially carrying the HCFC almost in its entirety. Some significant revenue has started to be realized, e.g., swim team pool rentals. However, the HCFC cannot stand on its own without the MHA. The HCFC's January 2021 Balance Sheet contains the following debts to the MHA:

- \$17,287 – General operational support
- \$99,747 – General operational support
- \$73,357 – Pool re-grouting and purchase of exercise equipment  
\$190,391

#### **Riverview West – Laundry Room Plumbing Issues**

After finishing the plumbing work to address the water overflow issues, we replaced 4 of the washers.

#### **84 and 86 West Main – Major Repairs**

The work has not yet commenced to repair the porch roof and pillars on these properties. Fabbri should be starting the work within 2 weeks.

#### **New Exterior Doors**

Riverview West, Riverview East, and Maurice View Plaza now have new exterior doors. They are functioning well.

#### **New Spare Compactor Dumpsters**

We have installed the new dumpsters that are fitted specifically for our compactors for Riverview East, Riverview West, and Jaycee Plaza. We were going to keep the original dumpsters that are not fitted as backups. I have changed that and am in the process of getting quotes for three more fitted units.

#### **Department of Homeland Security**

Eight agents from the Department of Homeland Security teamed up to serve a warrant at one of our locations on 2/10/21 at 6:00 a.m. I met and gave them access to the building. Other than providing me with a copy of the warrant, they could not disclose any case details. No one was arrested that morning. I do not have any further details.

### **Request from 3 Employees to Cash out Accrued Vacation Time**

In 2016, the MHA Board of Commissioners authorized a change in the personnel manual providing a onetime offer for employees to freeze their accrued vacation time rather than lose the time as the policy stated. The agreement is that the employees will only get the money if they are terminated, resign, or retire, become disabled or upon their death.

We entered into agreements with those involved. The three people that this affects have requested to receive their money. The combined accrued time is valued at \$22,911.83. I told them I would take the matter to the board.

I have asked the employees to advise the board why they wish to receive their accrued time.

Chairwoman Santoro advised that there were resolutions to approve.

#### **Resolution #14-20** Resolution Approving the Payment of Bills for February 2021

##### Roll Call Vote:

Motion: Commissioner Flickinger

Second: Commissioner Haas-Benner

Roll Call: Unanimous

#### **Resolution #15-21** Resolution Approving a Closed Session

##### Roll Call Vote:

Motion: Commissioner Flickinger

Second: Commissioner Pettit

Roll Call: Unanimous

#### **Resolution #16-21** Resolution Approving the Payment of Frozen Accrued Vacation Time to 3 Employees

##### Roll Call Vote:

Motion: Commissioner Ayres

Second: Commissioner Pettit

Roll Call: Unanimous

Chairwoman Santoro asked if there was any old business. Commissioner Pettit brought up the status of the scattered sites. He discussed the fact that the cost of renovations exceeds HUD requirements so we should be able to demolish them. Renovations are 63% of what the cost of new construction. Having

them unoccupied hampers our occupancy statistics. With them we can never reach 100% occupancy. There are costs to retain the properties. WE could do a study to see what the best course of action with these properties would be. Commissioner Flickinger asked if this would be an internal or external study. Commissioner Pettit made a motion to do an in-house study. Commissioner Ayres seconded. All those present were in favor.

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

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

At 5:51 pm Chairwoman Santoro asked for a motion to recess the MHA meeting to conduct the HCFC meeting before closed session. Commissioner Ayres made a motion, Commissioner Flickinger seconded. All those present were in favor.

At 5:54 pm the meeting reconvened and the Commissioners approved a closed session.

At 6:30 pm the Commissioners came back from closed session to vote on Resolution #16-20.

At 6:35 pm Chairwoman Santoro asked for a motion to adjourn the meeting. Commissioner Flickinger made a motion and Commissioner Ayres seconded. All those present were in favor.

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Paul Dice - Secretary