

Brookfield Housing Authority

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Tuesday, July 8, 2014 - Board Meeting Minutes

Rm. 133 at Brookfield Town Hall

1.0 **Call to order:** *The meeting was called to order at 1:10PM by Rolf Enger*

2.0 **In Attendance:** *Richard Groski, Executive Director*

Commissioners: Rolf Enger, Michael Steele, Shirley Gervasoni, Dick Sturdevant and Ronnie Smith.

Guests: Jeanette Holliday from Social Services and Ron Jaffe

Residents: Iris Fiske, Arlene David and Beverly Bartram.

Rolf Enger led the Pledge of Allegiance to the flag at 1:11PM

Rolf voiced his feelings regarding the recent passing of Ellie Bossone, who was 90 years old, one of Brooks Quarry's well loved residents. He expressed how Ellie's presence will be missed, a really super lady, with a ready smile. How so many people showed up for Ellie's memorial service bringing such a warmth into the room. He mentioned that the Reverend at the ceremony was very compassionate and very warm to the folks who were there. Rolf said he has a CD with Joan Oberg, Ellie, Ed Brandon, Rita, Lil, Bud and others on it and he wanted to know when it would be a good time to show it, whether at a board meeting or the August BBQ. He remarked that it tugs at the heart to see these sweet people who have either moved to assistant living or who have passed on. He said it would be a nice gesture to get together and watch it. Everyone agreed.

Arlene remarked that Ellie had left a very big space at Brooks Quarry especially because of the kind of person she was; she was friendly with everybody.

Rolf mentioned that BHA has a full agenda and Michael is going to go through the 5 year financial plan, which Rolf thinks was an extraordinary effort Michael had made with the projection and a lot of base lining which BHA needs to go through.

Rolf also brought up that a strategic board meeting with the Board, and residents are welcome to attend, will again be held in room #133 at the Town Hall on July 15, 2014 at 9AM. It is a very important meeting. Much staff work has been done by Michael, Richard, and himself and with all that information and a lot of interfacing that BHA has had with the Connecticut Housing Financial Authority along with the Department of Housing, it is now time for the Board to put it all together, put together what BHA thinks is good strategy tactics and what BHA is going to do from this point forward and whether the Board needs to go to see the CHFA and the DOH people as well as the Town people and raise our hand and say BHA is concerned and we are insolvent. It is very important today; there are no bad answers right or wrong and BHA will get more into that next week. There are some recommendations today, they are just ideas and the Board is going to do a lot of 'What if's' and the beautiful part of what Michael did, Rolf believes that the methodology that Michael put together, BHA could put in some different numbers and come up with some different 'What if's'. Ultimately, BHA will have a very good model of where BHA is today and in the next five years. This meeting and the meeting next week are most likely the two most important meetings, so Rolf hopes that some of the residents will come.

Iris spoke up to say that there had been several residents who had wanted to come to today's meeting but they had no car. Michael said they could have called a Sweetheart bus.

- 3.0 **Action Items - Open:** Richard listed the Open Items still open. The **Marketing Plan** which opened in October of 2013, but Shirley says this has been completed. The **Application Selection Process** since January 2014. **Drainage** problem in buildings #2 and #5 and an air exchange fan, since March. **Electronic Keypad** for Community Room which opened in April marries up to the **Panic Alarm** in the Community Room. Richard asked if Rolf wanted to discuss this now, so Rolf took up addressing the subject of security for the Community Room because it remains open around the clock and it would be too easy for someone Brooks Quarry didn't know to walk in, and it would cause a resident to hitting the panic alarm. Rolf and Richard talked to the alarm people and some other folks. They can adapt the panic alarm to the keypad. There is only one keypad and that is over near the mailroom. To install a second keypad, over by the TV, it can be reconfigured because right now there is an electronic board that needs to be changed in the keypad which would run BHA an additional \$500. So, if BHA wants to do it the \$500 will cover the panic alarm and the keypads at both ends. Shirley spoke up to say that so far Brooks Quarry has been safe and OK the way it is now and wants to leave it as is. She said a few residents are in the Community Room sometimes as late as 8:00 or 9:00PM. Brooks Quarry has insurance if something should happen to the big TV. She wants to forget

about the \$500. Richard interceded to say exactly how much money BHA needs to spend there, because even if we don't have a panic alarm he still feels that BHA needs to be cognizant in locking the Community Room and having that keypad out there that opens the door. Richard said one doesn't need the keypad to get out, just to get in. Rolf remarked it is just for the safety of Brooks Quarry residents. Arlene mentioned that the police drive through the complex quite often, and she said that if anyone tries to run off with the television, it couldn't happen without someone noticing. Rolf asked Richard if the cost was \$1,500 for the outside keypads and BHA would give all the residents a password like maybe their birthday and they could open the door just by putting in their password. Rolf went on to say that the residents are BHA's customers and his proposal at this point is that the Board asks the residents what they would like instead of BHA making the decisions, since it is for them. They can make the decisions whether it is right or wrong. The total bill would be around \$2,000. Rolf asked if BHA just did the panic alarm. He continued by saying BHA is looking at grants and donations and some other elements that maybe what BHA does is to tie it to the request the Board has for additional support. Richard spoke up to say he would like to see if HASIP has \$5,000 available. He continued with the other open action items. Unit 2-1, educate Barbara Locke on how to control the Heat **Pump Vanes** was fixed in June after Barbara came back from vacation. **Parking signs, and Building # Identification** are still open. **No Smoking** in the complex. This month Gerry put up a preliminary note that says by January 1, 2015 Brooks Quarry will be a no smoking complex, but there is a lot of work left on that. Michael asked when the Smoking Cessation Program sponsored by the hospital, is going to take place. Richard said he has to speak to them about it. Arlene questioned why the program is needed. Michael responded, "To help people stop smoking". She replied she didn't want to. Michael said that she has to because the smoking can burn the place down. "Outside?" she asks. Michael said it is a health hazard. Shirley interjected with, the cost to refurbish these apartments that smokers are in, is phenomenal. She couldn't believe how much it cost for Elyse Dalton's apartment. Arlene continued with her argument. Rolf interrupted by saying the Board has agreed that they will implement a No Smoking policy. To do that, the State says that BHA needs a six month window and part of that parcel is the Board put together a smoking cessation program for those who are interested. At the end of six months Brooks Quarry will be a No Smoking facility. Rolf spoke directly to Arlene and told her that if she would like to smoke, and she wants to go in her car and drive to the end of the property where the tea company is, she can smoke to her heart's content. The board will be checking with another housing authority to find out the exact specifics smokers are allowed near any of the buildings.

Newington had put the Smoking Cessation Program in place and Rolf suggests dealing with them. Richard had already spoken to the Danbury Hospital, BHA has some literature and there are a lot of support people.

Jeanette Holliday asked if the State looked at it from a legal standpoint. Rolf answered yes.

Richard said in May the Board attended a meeting up at CONN-NAHRO and talked about having an **Asset Review**, looking at how to implement that. He is working with Dick Sturdevant on this and it is stalled for now.

Dick said the Board needs to talk about the Budget first. He doesn't think it will increase the cost to the residents to any really significant extent. It is something the Board has to do to comply with the laws.

Richard spoke of **BBQ with the Board**. He notified the Brookfield Lions that our best date is August 9, 2014. The board meeting with the Brookfield Lions has moved from July 3rd to July 15th. He will not find anything out until July 15th. **Bagels with the Board**, there was a follow up with Shirley and Ronnie, what went right and what went wrong and how to do better. Iris asked what time the BBQ with the Board will begin. Richard responded with around 11AM to noon.

Michael said that is going to take place before the next board meeting and inquired as whether there was going to be a discussion on the Communication Plan which Shirley and Ronnie were handling. The residents may bring a guest, but the resident needs to tell Shirley so the guests can be included in the number of people expected to attend. Gerry is planning on putting a sign up sheet out in the Community Room.

The Action Items in June that there were going to be **Unit Inspections**. They began June 23rd. The project is half way done. Richard said that there is a **Unit 3-1 drain problem** in the tub. Arco-Rooter cleared that up. The **Landscaping Dust at the windows**. The landscaping company was pointing their machines toward the buildings causing a buildup of dust on the sills. Richard spoke to Sunburst and he was told that they would have Pete speak to the mowers. Richard said that Dick wanted to **identify the Financial Reports for the Board Review**. Richard had sent out pretty much everything that was agreed on. The only thing Richard didn't do was the Cash Book. He worked on it for four and a half hours. Rolf spent only a half an hour. Not Richard's 'forte'.

4.0 **Resident Open Forum:**

Beverly complained about vicious rumors being said about her, that has been spread around at Brooks Quarry. Beverly, who was very upset, said it has got to stop. Rolf suggested to Beverly that the two of them get together, perhaps the following day and discuss this problem. Beverly readily agreed. Jeanette tried to calm Beverly down with suggestions on how to cope.

Rolf needs a copy of the grievance process.

Arlene inquired about the area that was suggested where smoking residents were allowed to smoke, if one of the gazebos could be moved to that area so that they have a place to sit. Richard said that once BHA goes through their plan, it could be a possibility that it would be considered.

- 5.0 **Approval of the June Minutes:** Ronnie motioned to accept the minutes. Rolf seconds it. No discussion. All were in favor.

Rolf thanked Iris for a doing a great job.

- 6.0 **Treasurer's Monthly Report:** Fiscal year ended June 30, 2014

Total Income Budgeted	\$166,268
Actual Income Received	<u>153,870</u>
Shortfall	< \$12,398 >

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Total Expenses Budgeted	\$166,268
Actual Total Expenses	<u>187,189</u>
Expenses Over Budget	\$ 20,921
Total Amount Over Budget	\$ 33,319

Dick said the reason for this is because of unit vacancies that cost BHA \$13,000 in revenue. The other expenses were abnormal charges for Accounting Services this year which were almost \$3,300 over budget. The office expenses had increased to \$3,400 and Contractual Services generally \$8,500. So BHA spent more money last year than they thought they would. Hopefully, all the money that was spent was worthwhile. He is sure it was.

Major drivers of budget imbalance -

Rental Income in Excess of Base	<\$ 11,084 >
Dwelling Vacancy Loss	<u>12,590</u>
Sub Total	\$13,674

Expenses Over Budget

<i>Accounting Fees</i>	<i>\$ 3,292</i>
<i>Total Other Office Expense</i>	<i>3,391</i>
<i>Contractual Services</i>	<i><u>8,536</u></i>
<i>Sub Total</i>	<i>\$15,229</i>
<i>Total</i>	<i>\$28,893</i>

Shirley commented that there are two more rents now left by Augie and Ellie.

Arlene says she is surprised that unit 1-4 had not been filled. Several people, who have been on the waiting list, have refused the apartment. She doesn't understand why because she said it is a beautiful apartment with new floors and a step in tub.

Richard said a woman had moved in for twelve days and then left abruptly without taking her furniture or belongings, but had written Richard a check to pay the monthly fee for May, but stopped payment on that check. She later sent another check to pay for the rent in May and another check for three quarters of the month of June. Richard has someone who will be moving into that unit beginning July 16.

Michael questioned that, because she had signed the 30 day lease she could bail? He thinks the lease should be for 60 days instead of 30 days. Richard explained that they sign a yearly lease which expires June 30 every year. The lease states that the office needs 30 days' notice if they decide to move.

Dick asked why a tenant could not give a month's payment up front. CHFA does not allow that to be done.

Rolf would like to take action to increase the lease to 60 days and does BHA have that option? He said he would support Michael's proposal.

Michael asked if the lease has been reviewed by Larry Marks. Is it consistent with what other housing authorities are doing?

Richard said that he hasn't had the lease updated or looked at. He has Milford's lease. He hasn't looked at it yet. He still has to glance through it.

*Rolf said there are **two action items** that the Board needs: Can we extend 60 days to our current lease and look at leases of other housing authorities and let's update the lease to the most current requirements?*

Rolf thought BHA should ask Jermika to see if she has a model. Michael responded by saying that she wouldn't have anything, but maybe CONN-NAHRO. He said he is going up there next week.

Richard asked if Rolf had the Cash List. Yes. He sent it out to rest of the Board. This is work in progress. BHA started this a couple of months ago trying to get our Cash Book reconciled. The Cash Book is the monies BHA has in a savings account in the Savings Bank of Danbury.

Rolf stressed again that this meeting and the next meeting is very important so that the Board understands a lot of what the data is saying here. BHA has to make some heavy duty decisions and it would be helpful to understand where they are with the checking book. The first section shows the checking account from June. In the first column it says June 2013. Rolf asked to be given about ten minutes on this.

A year ago BHA had almost \$131,000 in the checking account in the bank. Good news. In May of 2014 BHA had \$156,000 in the bank, but that includes the \$80,000 that was received from Dakota. If Rolf backed away that \$80,000, which is a kiss, nice surprise money, BHA basically states they drew down the checking account by \$81,000 which is the bottom line number. So the reality of it is, and that builds on what Dick is saying, you look at the income BHA has gotten, and you look at the overspending, BHA spent \$21,000 more than they should have at \$10,000 in shortfall in income, you marry it, it is very reflective in the checking account. In that number, \$156,000, BHA owes to Accounts Payable, which is up to about \$15,000, so BHA has \$16,000, at least as Rolf understands it from talking to Janet Wortman. Janet is on vacation right now and unavailable, and Rolf does not know the specifics. Rolf said the amount is most likely for insurance, taxes and a couple of other things. Richard remarked that he looked at Accounts Payable, for the time of the year being June; Accounts Payable should be \$0. Rolf asks, "What is that \$15,000?" Michael said it might be a transfer from RM&R. Rolf said no.

Rolf switched to the second column which is listed RM&R. RM&R is money that BHA puts away to do refurbishing of the facilities. Every month, BHA takes \$12,225 out of the money received from the residents and puts it in the RM&R account. Capital stuff. Through June, BHA spent \$60,000 in RM&R. If you take the \$1,225 that is put away a month, a total of \$13,000, BHA is spending a heck of a lot more on refurbishing putting in new floors, new vanities, new bathrooms with step in showers, and each of those is about \$4,000 and a turnover of ten people, \$40,000 is spent that quickly. The month of April, BHA spent \$16,000 just on RM&R, \$5,000 in May and this June the bracket is over and above what was put away. BHA deposited through June this past year \$16,000 and

if you look at the full year what was spent versus the deposits, BHA spent \$44,000. Basically, money is coming in but BHA is shoveling more money out than taken in.

In the monies that BHA has, \$35,000 must be kept for emergencies. There is \$47,000 in the checking account at the end of June dedicated to RM&R. They have to back away from the \$35,000 because they cannot touch that, it is for emergencies, which leaves only a big \$12,200 that theoretically, BHA can spend on capital. However, the money from Dakota was not put in those numbers, so from the \$80,000, BHA can take a chunk of that and put it in the RM&R account. June wasn't that bad a month from an income and expense point of view, a lot better than some of the previous months. BHA didn't spend as much money in RM&R and surprises.

On the next page, Cash Receipts shown in June is listed. Actual rental was \$12,498 and that does not include the cable bill and the plan was for \$13,214, so BHA was in the hole for a \$1,000 for this month of June. That includes two vacant apartments. BHA received \$200 on one and \$220 on the other. The good news is, those apartments now will be replaced with people who are going to give in rent, one for \$400 and the other \$460. So instead of having \$400 and \$420 in income, BHA will have \$460 and \$400, that's \$860. A \$400 improvement in a month. Multiply by twelve that is over \$4,000 good money coming in. A great decision to up the base rents.

Rolf asked Michael regarding the WPCA, if the work they did, included the study they did for BHA. No. BHA spent \$1,900 in six months. WPCA, replied Richard, charges \$3,800 a year. Rolf said BHA had agreed to with the Accountant, BHA is no longer going to take and get these big bucks. They are going to accrue the money. So when you look at a line item that says Sewer, and BHA spends in year, \$3,800 divided by twelve, three hundred and some odd dollars, and we see an expense line and a budget line and then we will accrue the money.

Next week, Rolf would like to propose that the Board discuss the possibility of seeing if there is a cheaper service out there. That would be one of the 'What if's'. Michael said he had proposed those five months ago. Rolf responded to say perhaps BHA wasn't ready for the proposal. He asked Michael if they can discuss this next week. Michael said yes.

To CL&P, BHA pays \$1,200 every two months.

The IRS is paid \$2,000 for Quarterly Taxes.

7.0 **Executive Director Update:** *Ellie passed away on June 20, 2014.*

Richard started yearly apartment inspections.

He cleaned out apartment 1-4.

He met with an Electric Company representative about getting free power in the Community Room. That will be talked about that at next week's meeting.

Rolf addressed Jeanette Holliday regarding the Energy Assistance Program. He said he had spoken to CL&P and was told that if a resident was on a monthly payment schedule and that person applied through the Town for Energy Assistance, CL&P would match that. She responded by saying, "Up to the balance remaining on the bill". She continued with, "Many times when one gets energy assistance and that goes on the bill, they give that person a credit so there isn't a balance due. So CL&P is not going to match their payments because they don't have a balance due. CL&P sends out these letters telling people that they will match it if they have a balance due and if they apply for energy assistance. It depends on the person's usage and the amount of credit given from Energy Assistance."

Michael asked if he understood what Jeanette was saying. "Many people have a credit on their electric bill, such that they don't have to pay anything?" She said, "They could. Correct. If the onetime payment goes on in May, and it is \$585, they can choose to do the Match Payment Program and continue to pay a fixed amount in the event they have a balance due and CL&P will match it and wipe out the balance due. If it is such that they are never going to use up that credit, then there is no reason for them to do the Match Payment Program." Jeanette finished by saying she had some handouts, so that the Board can digest the information later.

Continuing with Richard's update - Residents files for fiscal year 2013 - 2014 were closed out.

Richard concentrated on the turnaround of units 1-4, 6-2 and 7-4.

The final Management Plan was approved by CHFA.

A meeting was held at the Town Hall on June 24, 2014 to review a proposed 5 year plan data.

Richard vetted two potential residents for Brooks Quarry and they both are moving in 6-2 and 7-4, respectfully.

There was one ambulance call in June.

Apartment 7-4 was renewed to livable conditions.

Richard met with the accountant regarding quarterly reports and list of accounts.

There has been a \$3 increase in the Charter cable charge starting in August to the amount of \$23 monthly.

Gerry had a Gift Bag Building Craft Workshop for 10 units using the HASIP funds.

It was agreed that new flooring and the step in tub will be installed in the two apartments 4-4 and 8-1. **Update: New residents will be asked if they would like the step installed.**

Correspondence- Richard said the only correspondence he received was for Rolf from the US Bank, and Richard needs to sign the signature page for the Management Plan that Jermika approved.

8.0 **Old Business:**

Marketing Plan- the PDF on the DOH site. Richard is aware that Ronnie found a lot of mathematical errors. The percentages were wrong. Ronnie, Shirley and Richard will meet on July 14th to make the corrections. Shirley is having surgery on the 15th and cannot attend the meeting at the Town Hall on that day.

Application Selection Process- Richard sent to Shirley and Ronnie the Application and Selection Plan. Shirley said it had been edited and then Gerry had typed it up. Richard said he reviewed it and gave it back to Shirley.

Commissioner Status- Ronnie is retiring in September. Shirley has two candidates for the position. Ronnie will send her letter of resignation to the First Selectman.

Rolf asked Shirley if her two candidates were ready to come in for an interview. She said she hadn't heard back from them. Rolf urged her to get in touch with them as it had been three weeks since Shirley agreed to do this. She said she will make some calls when she gets home.

Dick said if they are interested they should talk to Chris(**who is Chris???**). Shirley agreed. She said they have to go to the First Selectman to fill out a form and whatever he decides they either go to the Democrats or Republicans to be sworn in. Michael said they usually get interviewed by the Chairman of the Board. Rolf said the intent being to let them know what the job is all about.

Michael remarked the BHA wants the help desperately, but the people that come on should know the level of time and commitment that the Board is experiencing so they have a chance to make a conscientious decision. BHA found that computer literacy with the Microsoft Suite is essential if the Board is going to operate effectively as an organization. Those are the kinds of things BHA needs to insure the candidate be aware of.

9.0 **New Business:**

Janet Wortman meeting update- Rolf spoke up to say that Richard, himself and Janet had a meeting and the whole intent was to get the Management Plan, the P&L, the Cash Book and the Quarterly Report to have the same line items, the same accounts, so that when you looked at the P&L or you looked at the Management Plan, or you looked at the Quarterly Report, they all said the same thing and the budgets would be on a quarterly basis and the Actions on a quarterly basis and have apples to apples and we would understand where we are without these gyrations. Janet said it is an easy thing to do and it would take four hours. She showed Richard how to do it, so Richard took on the responsibility and will save BHA \$400. Rolf asked Richard if he would have it ready by next week. Richard said he had started on it already but he found out that if he sends a file to Janet for quarterly closing, the file closes down. Richard cannot make any updates. Dick asked Richard, that what Janet sends Richard are 'Read Only Copies'? Yes. Richard can generate checks and invoices, but he cannot fool around with the names or some categories of chartered accounts. Rolf wants to know when he will have it done. Richard says when Janet sends the files back to him. Michael asks that they are BHA's Quick Books, but Janet locks them down? Richard says **he** locks them down when he sends Janet an Accounts copy. So Michael remarked that we cannot make any changes. He continued to say, that we cannot design the reports? Richard said he can design the reports but he cannot change the account that goes into it when the system is locked down, so he can't create a new account. Michael, said, "But you can decide where the accounts will show up in the port." Yes.

Rolf asked Richard if he could talk to Janet and ask her to tell BHA when.

Residents participation in HA Redevelopment- June 19th meeting at Rocky Hill, CT. Going to put together a Housing Authority Association. It could be five or eight people and the BHA is actually going to teach them how to be participative and much more involved than they currently are, because as we do this transition, the State will actually move people out of their current apartments into temporary apartments while they are rebuilding and refurbishing the apartments that the current residents live in depending on what was previously done to them.

Michael asked Rolf that the Housing Authority at Rocky Hill, is telling BHA, they have to form an association? He said, even though, then BHA will be subject to a lot of different rules and regulations and what that association is powered to do. Rolf said there is actually a document, Public Act No. 11-22, which substitutes Senate Bill No.1076 and actually defines very clearly that before you get any transition money, you'll put together an association, and we would be taught how the association shall work. It's an empowerment. They want the residents to be more empowered in the decision making

process. Most importantly on this transition, as an example: We have 35 people and we are going to renovate their apartments, they will help build a timeline. Say Iris, you are the first one to go, or you may volunteer to be the first one to go, or you may say I can't, so the part of this whole association will be, to build who is going to go first, where that person is going to go. The State funds all of this. They fund the training of the association; they fund the moving of the people into these temporary locations. Michael asked, BHA has to make an application for a grant to CHFA, and Rolf ended with, and it is called Predevelopment. Dick said he knows predevelopment. Michael inquired; BHA needs an Association to get predevelopment money? Yes. Rolf said it is a whole big elaborate thing with CONN-NAHRO, who went through a whole four hours of a presentation. Newington, who is going to help BHA with the No Smoking, has gotten RAP (Rental Assistance Program) money and are currently going through the Predevelopment and this Redevelopment or Association, they are all in the process. One of the recommendations for next week is to set up a date and meet these folks and see how they did it. Shirley said that Brooks Quarry needs simple little things, not to be moving people from one apartment to another. She said to have kitchens ripped out is not necessary, painted maybe but not ripped out, no, and she had been in most of the apartments. Rolf responded with, that wouldn't be Shirley's decision. Shirley said that if they put her on a committee that is going to be doing it. Rolf said no, no. Michael and Shirley almost simultaneously said, "That is exactly what that's about". When it's turned over to the association. They make the decisions. Rolf argued that the plan is that whatever is put into the transition plan, is going to happen. Michael continued with, "The Association is going to decide what we are going to do." Rolf conceded that he had misspoke. Michael said that if Rolf is talking about a valid Tenant Association, they have a load of power. They select who the new commissioner is, they select all that stuff. Rolf said all he could say, that was non-negotiable while he listened to the presentation. Michael said that was the first he heard of it. Richard said that's why you have to go to those meetings. Richard also said they hide all that stuff. Rolf said they don't hide it. Richard recalled that Jermika didn't tell them about doing this to get money. Christine Quinn hasn't called Richard or sent out a note to anybody saying that BHA needs this to get any money. Rolf said he used the word 'association'. It could be loosely associated, it doesn't have to be with a specific resident. It could be a gathering of - let's say, we have nine sets of buildings and have a representative in each of those building sections, to participate and understand, on what's going on. That would be BHA communications. So, that person like you (referencing Iris) for example, might be talking to someone like Bill or Grace and some of the other folks over there. Or you may choose not to do that. That could be part of it. It helps them to be involved during the transition. As Rolf read through the plan, it sounded pretty supportive to him. Sounded

like a good thing. Shirley said it wasn't going to happen. Richard asked why she has to be so negative. He feels the Board should push forward and make it better. Dick asked if they will be speaking about this next week too. Richard said yes. Rolf doesn't want to discuss this in next week's meeting. He suggested having Richard make copies of the package with all the indexes, and the Board can look at it. Rolf is just giving the introduction to it and he can do a pre-reading and give a full blown presentation on it if they like.

Michael says he is talking about something different than the Organization sited in the Public Act 11-203, which is starting a selection den of Commissioners. It talks about associations being formed, elections for members of the associations, all of that. Rolf responded with, "That's if the residents choose to do that. They don't have to do that." Michael said, "You just told us they have to do that." Rolf said no. He continued to say they have to have an organization to help with the transition. Michael interjected by saying, "It could be a Committee?" Rolf agreed 'Committee' is a better choice of words. It could be a Committee or an Association. Michael calmly said an Association has bigger implications. He said that the Board has to be cautious and be clear about what they mean. Rolf says the residents have the option to doing what they would like to do. "So", Michael says, "the tenants run it, the board doesn't do anything?" Rolf responded with, the tenants are now referred to as residents. Michael responded by saying, "The residents, why have the board"? Rolf said the State would like more participation on the part of the residents, to get more involved with the decision making effecting this transaction. Michael asked, "Input or decision making?" Rolf replied, "Input and decisions as to who goes first kind of stuff." Rolf also said that the State will pay for consultants if needed. He talked to this gal in Newington named Melinda, who said she gets \$100,000 a year in RAP money and has been getting it for years. Michael asked if Lynn Krozier-Crane said that BHA has to fill out an application. Rolf said that Lynn referred him to Jermica. "And", Michael interjected, "Jermica talked to Lynn and came back and said there is an application to fill out." Rolf remarked, "To fill out an application, you must first justify the need. Which then gets into your presentation and BHA's whole management plan and what we want to do?" Rolf continued to say that BHA has such a great strategic tactical plan, that when the Board is finished laying out here, he thinks they have a nice escalation where BHA talks to the town (Scribner), and then go to the State and get an understanding of what is going on. Rolf feels very positive of the steps that are taking place where we're getting a very good work process and where we're going, which he says BHA never had before.

Dick inquired if the Board could get that in electronic form. Rolf said he asked for it that way. June 19th, Rolf asked Catherine Stebbins, and she said she would get it to him electronically.

State sponsored Housing Portfolio Update- A soft copy of this was given to the Board. In Rolf's opinion, this is one phenomenal document. BHA does not have any money from RAP. In the back of this letter, there is this little form. In 2012, Governor Malloy proposed a \$3,000,000 capital investment, which the board knows. Malloy also proposed a incremental increase of \$1.5 million dollars each year in appropriation for rent assistant RAP program subsidies to subsidize approximately 150 units. That's \$10,000 per unit. Rolf is trying to reach Lynn to understand the letter, which Rolf says is a powerful letter. Down further, he reads Predevelopment Loans. By the way, that's when the transition will be done in 2019. To do that, Brookfield Housing has to fill out all kinds of forms. The State gives you money to help you fill out the forms, but you have to apply for the money. On the document that Rolf was looking at, it says they awarded Predevelopment funding of \$7,425,000 year one and two. Then it goes on, in collaboration with CEFIA and SSHP, copies will assess and recommend installation of solar. Rolf said that BHA applied for that. There is a second one which is called 'Critical Capital Needs Funding'. In coming months, owners of SSHP, that's us, copies that have later year transactions, like Brooks Quarry's sewers, may be able to apply for funding to complete urgent capital projects that impacts health and safety. Between that and a small grant, BHA stands a pretty good chance. Janet Wortman sent this document to Rolf.

Sewer Update- Michael wanted to discuss the sewers before the five year forecast. He presented a small map on the large screen which showed the Housing Authority, Laurel Hill Rd, Quarry Rd. where the tea company is, and the Bypass. When Brooks Quarry's sewers were put in, the squiggly lines, each building had a massinator pump and it went out to a line that went down and connected to the sewer here, but there was the massinator pump here and pickups here and pickups here, all of these places are pickups, as he pointed out those areas. Richard asked what Michael meant by pickups. Where one picked it up from the building. When the massinator pump pumped it up to a line that went down into the sewer. What was proposed, with the gravity feed, they will come down the middle of Brooks Quarry Rd. with a six foot deep sewer line and every building will gravity feed into that line. That line will gravity feed down to a pump house that they are going to build. The pump house will take all the gravity feed and will put it on a low pressure feed right back up again into the sewer. Rolf said no massinators. Michael agreed. That was how it should have been installed to begin with. Nelson asked about these other buildings. Michael answered that BHA was ready

to go, but they found there was a 100 year old flood plan. Nelson told Michael that BHA could push back on that. There hasn't been a flood there in 100 years. Michael asked Nelson what it was going to cost. A proposal for the cost estimate, which was given by the firm that did this, is \$336,000. That was the way Michael left it. Rolf said the State will pay for it. Michael is going to a meeting with the WPCA and formally acknowledge the receipt of this estimate. Nelson said they still have about \$5,000 of BHA's money that he didn't spend. If Michael wants to, he could have this firm develop a Bid Book, which is a thick document that Nelson sends out to get bids, which he said Michael would have to do because it is over \$100,000. Michael asked Nelson if it was considered shovel ready when you get that kind of stuff. Nelson replied yes. Rolf asked would it cost BHA the \$5,000 to do that? Michael said Nelson thinks he can do it for \$5,000. Rolf pointed out that this falls under Critical Safety and Health. A win win situation. Michael proposed that he except the thing, but would like to ask the price of the Bid Book. He doesn't want to commit to doing it yet. He wants to know how much the Bid Book is going to cost. Rolf suggested that Michael ask Nelson how long it would take to put the Bid Book together for him. Michael didn't think it would be long. Michael inquired of Nelson, that if he had the green light and the money, how long would it take to do this. He said we would probably tie into it which would defray BHA's costs. Michael continued on to say that when there is a sewer line that goes down there, they must tie into it. Even if they didn't tie into it, they get assessed, because the value of their property had gone up because the sewer line is there. Nelson says that's part of the study that has to be done. Rolf asked Michael to make an assessment and he would support Michael's judgment to make a call, and if Michael thinks that he should go ahead with the Book. Michael wants to go ahead with the Bid Book. Rolf authorized and ask Ronnie and Dick and we record, that we gave Michael the authorization to go with the Bid Book if he sees and determines that at the next WPCA meeting and it's reasonable. He asked if everyone agreed with that. Dick said he would make a motion to that effect. Ronnie second it. All in favor.

Rent Increase- Dick said to Michael that Michael was jumping the insurance costs up to \$9,960 from \$14,000. Dick wanted to know how he got the insurance so high. Rolf said that Michael will walk it through with the Board on Screen. Michael told Dick that Dick submitted the plan to the State, with \$14,670 for insurance. Workman's Comp is \$600, Umbrella Policy is \$12,870, and Miscellaneous, Director's and Offices is \$1,200. Michael said this is an actual budget. Fiscal year end number. Richard said it had all worked out when they were doing the spread sheet with CHFA.

Michael says this whole thing starts when calculating a rental income. Potential Income is BHA's rent. This assumes that we take our current base rents with an annual rental

increase that grandfathered the efficiency apartments at 6% and the annual rental increase for the market rate, units at 3%. The reason for that is that BHA has a lot of ground to go at grandfathered rates to market rates. This would take over a 15 year period to reach market rates. The suggestion of CHFA on guidance on budgeting, is to assume the 3% increase annually in costs as well as rents. That is what Michael built into this thing. Also built into that, annual turnover of efficiencies would be three, and annual turnover for one bedroom units would be one. There will be four turnovers a year. Three would be efficiencies and one will be one bedroom. When they turnover, they go to market rate, obviously. They won't all turnover in January or a year, so on average, Michael is saying, BHA will get six months additional rent out of the ones that turnover on average. When Michael plugs that in, he comes up with a number of units that we've got, zero bedroom, base rent which reflects the current rent, plus 6%. He added the market rate units that we have, and added to that the turnover units that we have, the average rent for twenty seven units is \$204 a month. Michael said he could jiggle these numbers as 'what if's' forever, but what it shows on screen here, is the rental income we should anticipate for 2014's fiscal year, which is from July 1st of this year to June 30th of next year, BHA should have made \$110,000 of income. These numbers go up based on the assumptions that have been made. All of these numbers go into Management Plans. There is a Management Plan in place for every year that Michael talked about. The short thing, is looking for summary of what we have when he does that. If he highlights this particular field right here; this is the fiscal year that just expired, and we're projecting the net operating loss that BHA is going to have, is \$16,792. That's the fourth provision. With provision at 65, we are going to come in at \$33,000 over budget. That is all ready reflected in the Cash Flows. Someone has already paid that money. If you look at next year, the total income is applied, it rises to \$174. Expenses go up. Richard, Dick and the Board already agree that this has already been submitted to CHFA. The big difference in income is that this is the potential income that BHA can get, \$110,000. The excessive base is going to go down a little bit because as the base rent goes up he took the excessive base rate down by 3%. The big swing on this is BHA is holding a truant vacancy loss at \$4,500 a year. This year, Michael calculates that it was somewhere around \$11,000. If BHA can hold it down to that amount of money, and we hold the expenses the way that it had been orchestrated, we are going to have tax free operating income of \$11,600. When you apply RM&R to it, it comes out with a total for operations minus \$621. If he put in the large rental loss, we wouldn't have the rental income.

If Michael looks at the bottom line for 2015-16, \$23,000. After provision, it's plus \$10,005. 2016-17, the numbers go up through fiscal year 2018, we have positive for operations, \$52,000. After provision, we have \$38,378 positive cash flow. Michael

showed everyone what that looks like. In Cash Flow, this has now been updated to reflect the closing cash flow of the fiscal year of 2013 cash balance of \$135,010. The Capital Account was \$47,265. Look at the Capital Account, BHA is required to have \$35,000 on hand and we have available to spend \$12,265, which Michael says is the number Rolf came up with also. Capital contributions from Retained Earnings, \$50,990. This is again, fiscal year 2013. Total available for Capital needs, was \$53,377. Our Capital needs were \$770,000, so we are essentially additional capital required, \$752,000 for the fiscal year just closed. If Michael looks at the fiscal years of 2014-15,16,17,18, right on through, see our available capital dwindles. The contribution from Retained Earnings gets greater every year because of the things we have in Operations. The additional Capital that is required year by year starts to fall, and you add the five year total, we are going to be short \$964,000. If you look at the 20 year horizon, which they do, our Capital Needs will be short by 5 billion 1.5 million.

Rolf asked Michael what the Recap Report said that BHA needed in monies? Remember? For 20 years? Michael replied, "\$1.3 million", he thought. That information is in his other book. Michael said that Capital Needs came directly from the Onsite/Insight notebook.

Richard asked about Capital Gifts. The \$5,000? Rolf said that is an assumption on Michael's part. Michael replied, "We have \$8,122 according to our courtant." When Michael gets all said and done with it, BHA should be aware from a solvency standpoint, this also involves the \$60,000, that's upgrading the four units that turn over every year. So we have, what appears to be, plenty of cash. This includes the ADK from Dakota. We are going to get a positive cash flow in the year 2015 for \$10,000. BHA will have a tough time screaming insolvency for our short term cash needs. We are going to actually say when we turn the corner in 2015, we are going to have positive cash flow that our Net, after our Capital Needs, is negative. We are back again to sitting down with them and saying, we have capital requirements that haven't been addressed and we have to address them and we have to have money to do it. What they are going to say is, Michael predicted, hold off until 2019. Well, we can say we have some health and safety issues that have to be addressed immediately and we might prevail on getting a half a million bucks to do the sewers or something like that.

Richard asked Michael that when they do sewers, do they do water too? Michael said no. It would nowhere near as expensive. All they do is take the water main and bring it in, so it not building pump stations and all of that. Michael says he doesn't know where the water connects. It is certainly something to ask about. What it says, we need to be careful how we characterize this through CHFA. Part of is like the RAP subsidies. Michael

says he doesn't know if they would give us RAP, if BHA shows a positive cash position based on the current rent.

Rolf inquired of Michael, that when he does the increase in the base rents, from \$200, to \$212, to \$224, the \$12 for each change, the 6% and the 3%, what would it take, if Michael took the residents themselves, the people that have the least income, who usually pay the lowest rent, and those are the ones BHA is passing onto, the increase in the rents. An awful lot of these people that Rolf has looked at their current percent of income, their total income versus what percent they are paying BHA in rent, it is very high at the low end. Obviously, it is very high on the low end because they have very low income. Then when you come through 6% and 6%, and you do it for the next five years, it has a significant impact on them. For those people who are excess of base, it is not a big deal because they don't see anything happening to their income other than BHA has moved the excess income to more of a base.

Michael said you take a zero bedroom unit and BHA has gone from \$12 to \$68 and recognized, of the current 24 units Brooks Quarry has, that are grandfathered, BHA has only 12.

Rolf would seriously, and it ties to the RAP, like to do some 'what if's' and change it, maybe for three of them, to no increases for the next five years. What we would see then is the change in the apartments going from a \$200 apartment to a \$400 apartment, from a \$220 to a \$460. Just by the people that are leaving, and new people coming in, they would be paying the higher rent and therefore, BHA would get more income, that would be an income stream. His position is that as he looks at the current folks here, and he went through every individual, and looked at people that would be giving BHA the increase. Every year, nine people and it gets up to thirteen, that keep getting this increase. Even though BHA has transition apartments folks are going to go up, as an example, on the \$200, are going to go up \$68 in the next five years. If they have a marketing bedroom at \$400, it will go up \$64. That's the math. He isn't saying it is right or wrong, it is the reality. The one bedroom that is grandfathered, by the way, he did the \$220 and \$230, and when you mix it, one is handicapped and the other is for couples. Michael interjected by saying it shouldn't be discriminatory. Rolf says it is what it is and it goes a little higher. He did the math off the actuals. Rolf addressed Michael and said that when he did the math, Michael worked off the higher number. Michael said he did. When Rolf did the math, the person who is in that \$220 apartment has much more increase in the rent. When Rolf did that, he said to himself, if one is making \$15,000 a year and one is paying 35% or 40% of one's income a year, that's a significant amount of money that one is contributing. This is where the RAP comes in for Rolf. He is

of the mindset, that we look at models next week and we say zero increase as a model and changes in the apartments would be a factor. Then we say let's do a 3% for the \$200 guy and 3% for the \$400 people, and maybe we do it not every year but every other year and we look at the monies that come out. Let's say BHA does this, we wouldn't be solvent. Michael agreed. Michael went over what Rolf had been saying, that zero increase in the rent for those who have been grandfathered, one bedroom, zero rent increase for the bedroom. This year it will be \$2,900. Next year, instead of \$11,000 it will be \$3,600.

Rolf asked Michael, why would he do any rent increases? Michael said that BHA is committed to do rent increases, why not? RAP rent is the difference one can pay and the base rent. If the base rent stays low, we are never going to get out. Rolf asked Michael if he had just rerun the numbers and basically, assuming the turnover, assuming there are no increases, and what it says, we are solvent with the exception of \$450. That assumes the turnover of about four apartments, and it assumes \$5,000 in donations. Michael said that \$5,000 was capital and it had been removed. This model just shows BHA's cash flow over a period of time, could be. There is less cash balance because we have less in the bank. Rolf is a little confused on the RAP. Why couldn't Rolf compromise a little bit and not be quite so aggressive in the rent increases, since the folks that can least afford the increases would be the ones more qualified for RAP?

Michael would like to qualify what RAP is. RAP is the difference between 30% of one's income and the base rent. When the base rent is low, RAP is low. Rolf needed to understand the formula. Michael said it was very clear. Base rent is 30%. If it had been available, we could have and would have raised everyone's rent to the market rate at the same time, and gotten RAP. That is what onsite/insight is based on. You raise the rent to \$500 and the State matches the difference between 30%. Rolf said what if you raised the money up here, and we have quite a few people above 30%, are we going to the State and saying we need RAP money? That's the whole thing, agreed Michael. He said you have to have a case to need RAP money. Yes, here is what we need to do. Here are the people that are paying 30% of base rent and we need a commitment to help those people pay the difference of what 30% is and the base rent. The bigger the base rent, the higher the RAP payments are going to be.

Richard asked Michael, how much in the first year does BHA add that 6% to those folks? Richard is talking about the few folks that are under water. Rolf said, income goes from \$45,000 to \$61,000. Richard said that BHA has in the account, we have in Rental Assistant Program authorized \$6,030. Richard said this money hasn't been spent, it is just sitting there. Michael looked at the plan that had been submitted and noted that

RAP was written down for \$1,296. Every year, said Richard, BHA puts money into the RAP account. What is done, BHA takes the money out of there. Rolf and Michael said that is State Subsidy. Richard went on to say that Rita and Elise died and BHA still has their money which is put into an account. Even though they passed away they chose to give BHA the money until the end of the year. Starting in 2015, BHA does not get their money, so that is sitting in a account. Michael said, then there is a surplus. Richard said there is the \$6,000 available if BHA wanted to do their own RAP. Rolf said that is a 'what if'. No idea is a bad idea.

Rolf addressed Michael saying that Michael is suggesting, by doing that, the folks here would be well over 30%, many of them. Richard said that BHA goes up to 34%. Rolf asked when RAP kicks in. What percent of the resident's income entitles them to receive RAP? Michael said it's the formula again. It's 30%, minus utilities, minus medical costs for each individual. You find out what that is, and the difference between that and base rent, is RAP. Rolf said, that we need to understand, that under Michael's math, the amount of people that would be eligible for RAP. Michael said that we have that calculation already.

Richard spoke up to say, we would have some folks at the \$400 and the \$460 apartments, they are paying 50%, some of them. Michael said they would be qualified for RAP too. RAP is a multi commitment every year.

Michael said they are going to talk to Jeanette Holliday about rental rebates. What about Rap? Rolf said they spoke to Jermika on that. Rolf has a phone call into Lynn.

10.0 **Comments:**

Actions-

BBQ with the Board presented by Brookfield Lions Club is scheduled for August 9, 2014 pending outcome of Brookfield Lions Board meeting beginning around 11AM. Residents may bring a guest.

Transition in 2019. (RAP) Rental Assistance Program. No increases for next five years. Bigger base rent= Bigger the (State Subsidy) RAP payments.

Shirley left the meeting at 3PM.

Ronnie left at 3:45PM.

11.0 **Adjournment:** The meeting was adjourned at 4:32PM. Richard motioned to adjourn. Rolf second it. All in favor.

Respectfully submitted by Iris Fiske