

MINUTES OF A REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SALEM
March 27, 2013

A regular meeting of the Salem Housing Authority Board of Commissioners was held on Wednesday, March 27, 2013 at the Salem Housing Authority Broadway Tower Community Room, 205 Seventh Street, Salem, New Jersey. The meeting convened at 5:03 p.m. Chairwoman Moore announced the Sunshine Law requirement had been met, properly posted and advertised. She proceeded to call the roll at this time. Present were: Commissioner Evelyn Jones, Commissioner Rev. Dr. Holland Fields, Commissioner Tyrus Davis, Commissioner Juan Rosario and Chairwoman Moore. Commissioner Rev. Dr. Elmer Brown was absent. Also present was Solicitor Adam Telsey.

Chairwoman Moore asked for a motion to approve the February 28, 2013 minutes. Commissioner Fields made the motion and Commissioner Rosario seconded. All present were in favor.

EXECUTIVE DIRECTOR REPORT

For fiscal year-to-date (10/1/12 to 02/28/13) the Salem Housing Authority posted a negative net income of \$19,179. This is a \$1,833.00 loss for the month. SHA is currently depleting reserves in order to remain in operation. Mr. Dice advised that management has made several adjustments to address the loss only to have our federal operating subsidy cut even further as of March 1st, 2013. Funding did increase slightly since we came back from our trip to Washington. The funding is now at 82%. It had been at a 77% operating fund proration. Section 8 went to 70% of admin and HAP (Housing Assistance Payments) are at 94%. Executive Director Dice advised the budgets have been revised. The SHA Board of Commissioners will see that SHA has gone from a projected loss in the original budget of \$3,555.00 for the year to a positive income of \$24,218.00 for the year. This is being achieved primarily through the reduction of staff that already took place. The reduction in staff resulted in a savings of \$151,000.00 for the remainder of this fiscal year (\$209,000 annually).

Executive Director Dice introduced Tony Polcari, our fee accountant. Tony explained how HUD determines funding for all housing authorities. HUD determines how much they need and then Congress only gives HUD a portion of that amount. This is called proration and it was instituted in order to treat everyone equally. Let's say in 2012 the SHA needed 1 million dollars to run our agency. With proration, we only received \$900,000. This week that funding ratio has been reduced even more – to 80%, or \$800,000. Obviously we are now \$100,000 deeper in the hole from where we started. HUD often looks at how much money housing authorities have in reserves. Salem does not have any reserves. We are considered a low performer because we do not have money in reserves and it drives our MENAR score down. Salem received zero points out of a possible eleven. Executive Director Dice advised there are only two ways to improve our MENAR score. One is to generate revenues. The other is to drive down operating expenses.