

MINUTES... REGULAR MEETING... MARCH 13, 2023

The members of the Bethlehem Housing Authority met in a regular session Monday, March 13, 2023, at 4:00 P.M. (IN PERSON MEETING). Those present and absent were as follows:

PRESENT

Mrs. Iris Linares, Chairperson
Mrs. Valerie McLendon, Vice Chairperson
Mrs. Lindsey A Clifton
Mr. Rogelio Ortiz
Mr. J. Marc Rittle

ABSENT

Also present were: William W. Matz, Jr., Esq., Solicitor; John Ritter, Secretary-Treasurer; Diana Moreno, Assistant Secretary; Staff Members and members of the general public.

The Minutes of the Regular Meeting of February 13, 2023 were presented. Mrs. McLendon made a motion to accept the minutes of January 12, 2023. Mr. Rittle seconded the motion.

Roll Call: Ayes - Clifton/Rittle/Ortiz/McLendon/Linares; Nays - None

Under the monthly bills Mr. Rittle said that he's still trying to get familiar with the check register details and asked for clarification on the charges for Attorney Matz, which presumably is for representing client evictions and the Authority.

Attorney Matz stated that it's an itemized bill each month based on the time spent in the activity and or the file related to the commissioners, the tenant or the activity. Mr. Rittle said he likes having the details.

Mr. Rittle made a motion to approve the monthly bills for February 2023.
Mrs. Clifton seconded the motion.

Roll Call: Ayes - Clifton/Rittle/Ortiz/McLendon/Linares; Nays - None

Under the financial report Mr. Rittle asked about the Section 8 utilization, if we have 513 units available and presumably are not public housing but Section 8 only. Mr. Ritter answered that's correct, we have 513 vouchers available for Section 8 units. Mr. Snyder added that a voucher gives the client the authority to find a unit that accepts Section 8. Mr. Rittle asked, "so that's what the 513 is but as of today there are only 373 vouchers in use, and 72% is the typical percentage in a community. Mr. Snyder stated that years ago we had a little over 90%, and when sequestering years ago with a lot of funding cuts there were a lot of changes and we went down to 87%, now we keep on dropping. The problem is there are no available units. Mr. Rittle noted that he understands it's difficult to find units. Mr. Snyder said Ms. Mirella Snow, our Section 8 coordinator, could tell him it's difficult for our tenants to find affordable units. Mr. Rittle said it's a challenge placing people or attempting to all the time at New Bethany. Mr. Snyder said it's a nationwide problem, it's not just us.

Ms. Snow said we have 33 vouchers on the street right now. It's very difficult finding affordable housing right now in Bethlehem, so they're having a really rough time finding units. Mr. Snyder added that there's a fair market rent that comes out, and HUD determines what our rent should be and from that that's the maximum we can give them. If you get a \$300 to \$400 rent increase, we might just be able to give them \$50 or \$100 if we're lucky. We have the money to spend, it's just that we don't have the units now.

In addition, the other problem is that every year that we don't spend we're subject to losing money. Now you start to try to put units on and you're losing money so now you have the other side of it. We really need Section 8 landlords. Mr. Rittle said he understands and thanked Mr. Snyder.

Mrs. Clifton asked Mr. Ritter we have 513 vouchers, but we don't have the funding for all, so what is cap that we could afford to actually pay out for vouchers. Mr. Ritter replied with between 425 and 445 vouchers. Mr. Snyder added there's a two-year tool, which allows us to get the latest figures on what we're spending based on what the cost per unit is. Mrs. Clifton asked, so that's financially. Ms. Snyder answered yes. The average is like 800 but if you start leasing four or five bedrooms that number will come down. Mrs. Clifton thanked Mr. Snyder.

Mrs. Clifton made a motion to approve the Financial Report.
Mrs. McLendon seconded the motion.

Roll Call: Ayes - Clifton/Rittle/Ortiz/McLendon/Linares; Nays - None

Nothing reported under Courtesy of the floor.

Under Old Business Chairman Linares reported one item. She thanked Ms. Sara Satullo for offering Bethlehem Housing Authority to conduct their board meetings in the town hall. She added that Bethlehem Housing Authority's main office is here. All the business is done here, and we feel that the board meetings should be conducted here in the place of business, because staff attend, some residents and it's not feasible for everybody to go to town hall.

Under Old Business Mr. Snyder reported an item regarding the first part of GASB statement No.75. An actuarial Valuation report was given to the board. Mr. Snyder reference back to October of 2022, when it was proposed that we do a personnel change from ages 65 to ages 75, as people retired where they would be allowed to basically get a two hundred a month for Medicare benefits. One part has to do with an existing personnel policy that allows an employee that has 20 years or more of service to retire at age 55 or older with the benefit of health insurance until they reach 65, which then they would get on Medicare. The first part of this GASB statement No. 75., is the cost right now is \$93,000. It's a liability that we set up and every year that liability will change as people come and go. What I recommended to Mr. Ritter is that they amend the policy to allow all those people who are currently here to grandfather in and eliminate that benefit moving forward because this can cost a lot of money.

The other part had to do with Mr. Jay Schuster, our former Executive Director who had requested Medicare benefits, originally it was like two-hundred dollars a month for the first year then there's inflation factors included. And that's a period of 10 years, which allows someone to take that money and pay their medical supplement. If that goes into effect and we adopt that as was presented that would add another \$400,000 or more to this. I was also told if both came into scenario, and everyone did it, it could be over \$2 million that would be the liability. That doesn't necessarily mean we have to pay that money out, but we have to put that liability on our books. So, I would highly recommend that you don't approve this.

Also it was very unclear how it would be handled because there's different inflation factors that can be used which you want to have in the first year. It's two-hundred and it goes up or down when someone comes on ten years later. Do they start it with the minimums being paid down for tracking that would be easier but there's also going to be monthly cost because you have to be a third party vendor who's going to have to track all this stuff, so that's involved and the prices. Mr. Schuster had worked with HR administrators and that right now would run \$450 a month per employee.

In addition, we also have an FSA program benefit for employees to enroll. We've been with that for several years and that runs a little over \$3 per person. We haven't had anything in the past when someone retires. Several other Housing Authority opted out of this plan and so he recommends we do the same. But he recommends we continue the first one, but they may want to consider amending it to change it that there will be no longer the 55 to 65 paid health insurance but that you may want to change that either that to 62 or even 65 for everyone coming in that anyone who's here would all be grandfathered into it. So, you won't take away from the current employees, but any employee hired after today or whatever day to adopt this would no longer be eligible for that.

Mrs. Clifton said for clarification it looks like the recommended resolution is to eliminate the early retirement healthcare coverage benefit altogether, but instead potentially changing the age from 55 to a higher, so can you clarify? Mr. Snyder said personally he feels we should just eliminate it completely, but that's my personal opinion. Mr. Ritter said he recommends recommended from 62 to 65 would be covered. Mr. Snyder said that would be at least the Social Security age, but once again he recommends, we just eliminate it completely. He doesn't see any benefit from doing it early. At one time, he thought it was an option because it was a way of saving money for health insurance because it was low. But, with the current cost of health insurance if someone retires at 62 and you pay their health insurance for three years, you may have to hire another person to replace them, but you may be paying single coverage for that person, or you could be paying family coverage, we'll actually pay more out. So, needless to say, if someone wants to retire just let them retire.

Mrs. Clifton asked do we have a financial breakdown of the difference between the two different proposals, to eliminate and to change the age, she wants to know the numbers. Mr. Snyder said he has to go back and re-work the numbers. Because then that all falls under this GASB, it's an actuarial who does this and it's very complicated. Mr. Ritter suggested the ages 62 to 65 years is a good option, but that 55 to 65 years old that's a burden on the Housing Authority. Mr. Linares agreed. Mr. Snyder stated that single coverage now runs like \$14,000 a year. So, we're talking like \$144,000 compared to what three years \$55,000 to \$60,000. But it would be less than half if you amend it to that. And with the stipulation that the employee has twenty years of service with BHA.

Mr. Rittle added that it would help to see the first difference between 55 to 65 so there needs to be some kind of case for each point of view and then a resolution would have to come to us. Mr. Ritter said we can take care of that. Mr. Snyder said he can give the board a rough price and then we can go back to them. It did cost the Authority about \$5000 just to get the report so to go back to them to amend its going to cost. Mr. Rittle said he appreciates the work he has done because it's an important issue.

Mr. Snyder said that would change all the numbers. Chairperson Linares asked Richard how many people actually retire at 55? Mr. Snyder stated that the number that we're using is like 15% right now, if people decide to retire at 55 that liability is going to go up. Right now, we have eight to ten people who in the next year or so could take early retirement. Mr. Rittle reiterated to Mr. Snyder, so you suggest that we rid of it altogether except for grandfathering. But Mr. Ritter suggests we just change it from 55 to 62. Mr. Ritter replied yes, this would just be for new employees after a certain day.

Mrs. Clifton requested an age comparison costs report. Mr. Rittle thanked Mr. Snyder for doing the research, he really appreciates it. Mr. Linares asked if it would be for new hires. Mr. Ritter replied yes, we'll have to come up with an effective policy date.

Mr. Snyder concluded that if we continue with the first one that's grandfathered it's a liability of \$93,000 compared to the second one from HR Administrators - Medicare benefit of \$400,000 or more for employees ages 65 to 75 if it's approved. I would recommend that you have someone come up with a better plan because it's so unclear. We have to work with percentages of whether we're going to use Social Security as the COLA or whether you're going to use some other kind of cost of living. The way it was presented to us before was 3 to 5 percent, and so there are different scenarios you would have to use to rework the numbers if you really want to go forward with it. But he recommends it not to be approved, that way we won't owe anything to anybody after 65.

Chairperson Linares noted that we don't need a motion now, they'll just wait for Mr. Snyder to come back with the report.

Another item Under Old Business the terms for the Executive Directors RFP report. Attorney Matz said he submitted the RFP to the Chairperson, and it's been prepared. Chairperson Linares added that they should have an executive session to discuss the RFP and then bring it to the board meeting. Mrs. Clifton suggested everyone get a copy and review it. Chairperson Linares agreed. Mrs. Clifton said they should review it and have a discussion at the next public meeting. Mr. Rittle agreed.

Mr. Rittle said a discussion to move forward on the process. Attorney Matz reported that you can't deliberate on it unless you're in an executive session. We can deal with it by public hearing or public open meeting, to say that we have an RFP that's for the purposes of reviewing or hiring a consultant and putting it on the record, or you can do it by way of executive session. Mr. Rittle said he would be in favor of holding a public session on the topic an approving this in a week or two. Attorney Matz added as long as you conform with the notice requirements to the public. You're also going to have to add to it something that circulates to the public not just social media but the public in general.

Mrs. Clifton thinks that that the benefit of having a publicly engaged process throughout is that it helps both foster connectivity and communication and it also buys some community support for the work that they as a board are doing. "Let's engage the public as much as we can within the confines of this being a personnel-related matter and get feedback where we're able because there will be other parts of the process where we're not able to get public feedback".

The board agreed to a public meeting for Monday, March 27, 2023, at 4:00 P.M., single agenda item to discuss the RFP. Ms. Moreno will send the public hearing notice to the Morning Call.

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Under the Interim Executive Directors' report, Mr. Ritter reported three items. Firstly, since last month's approval of Nan McKay doing reexaminations for the Family Development Office, we are anticipating the remote services to be fully operable for Marvine and Fairmont re-examinations effective April 1st. That will encompass 509 re exams. Secondly, our monthly meeting with the BHA community police officers will be held Wednesday, March 15th at 9:00 AM. At that time, we will review any drug and criminal activity occurring on our properties. Mrs. Clifton asked if the board members can attend the Drug and Criminal meetings. Mr. Ritter replied sure, the meetings are held at the Monocacy conference room on the 4th Floor.

Lastly, Mr. Ortiz will be happy to know that finally the dump truck, the new Ford F-350 dump truck that we ordered back in November of 2021 will finally arrive this Thursday. Mr. Ortiz said thanked Mr. Ritter.

Under Committee Reports, Scholarship Committee, Ms. Moreno reported that the BHA Scholarship applications mailing went out to the high school seniors and eighth graders. In addition, we received three applications for the PAHRA Scholarship.

Nothing reported under the Finance or Personnel Committee.

Under the Resident Advisory Board Mr. Rittle asked how many RAB meetings we have a year. Ms. Moreno said there are three meetings per year to discuss our five-year plan goals with the RAB members. Right now, we have a Section 8, member and Lynfield. We're working on filling in and getting members for the other developments. Mr. Rittle asked them to get an update from the committees once they're up and running. He is sure Ms. Flores, FSS Coordinator, is going to be successful in doing this. He would like to start hearing what the other tenant councils are doing with the community. The most powerful part of doing this work is hearing from the residents. That Mr. Ortiz updates are phenomenal, and but he would like to hear about the other developments. Chairperson Linares said they have tried to get the resident councils going in the developments. Mr. Rittle said he understands and believes Mrs. Flores will be successful.

Ms. Snow added that Mrs. Flores is trying to get all the Marvine, Pembroke, Fairmount developments together. Bartholomew, Leibert, and Litzenberger and doing a good job. Most likely elections are next week for Monocacy. Mr. Rittle thanked Ms. Snow for the information. Attorney Matz added that there's a template organizational document that's similar once you have it there's an organizational process election of officers, two- year terms.

UNDER RESOLUTIONS - RESOLUTION NO. 2560 OF 2023 - APPROVING OF THE NEW POLICE SERVICE AGREEMENT WITH THE CITY OF BETHLEHEM FOR THE PERIOD OF APRIL 1, 2023-MARCH 31, 2025.

NOTE: (Resolution is entered separately as a part of these minutes.)

Ms. Clifton made a motion to approve the new police service agreement with the City of Bethlehem. Mr. Ortiz seconded the motion.

Roll Call: Ayes - Clifton/Rittle/Ortiz/McLendon/Linares; Nays - None

Chairperson Linares stated that police officers are doing a fantastic job and they deserve getting an increase. Mr. Ritter said this is the cap, it all depends on the hours submitted.

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UNDER RESOLUTION - RESOLUTION NO. 2561 OF 2023 - APPROVING OF THE CONTRACT FOR MOVING/RELOCATION FOR PEMBROKE DEVELOPMENT.

NOTE: (Resolution is entered separately as a part of these minutes.)

Mrs. Clifton made a motion to approve the contract for the moving/relocation for the Pembroke Development

Mrs. McLendon seconded the motion.

Roll Call: Ayes - Lindsey/Rittle/Ortiz/McLendon/Linares; Nays - None

Mrs. Clifton asked for information on the renovation contract. Mr. Kichline reported that the renovation is out for bid right now. The renovation consists of gutting, kitchen cabinets, floors, windows, some electric work, and plumbing. Mrs. Clifton asked, "is the complex wide at Pembroke? Mr. Kichline replied yes, but due to the size and the amount of money, Pembroke's got 196 units and the project bid now is for 24 units. Mrs. Clifton replied so it's done in phases. Mr. Kichline replied yes.

Chairperson Linares asked when will the renovations start. Mrs. Kichline said the bid will be on the agenda for the next board meeting and then by the time the contracts and bonds and documents are back and forth will be at the end of April. And once the contract is executed then we have to vacate the first eight units of the first building so the work might not actually start until the end of June, depending on how long it takes to vacate 8 apartments. Chairperson Linares asked where the tenants are placed. Mr. Kichline stated that the people that are in the first building, whether they're in a two or three bedroom when two or three vacate units come up they can earmark them, that's where they go. The people in the second building are moved into the first building when the first building is done. People in the third building move into the second building when the second building's done and then the third building will either get transfers in it or new residents.

UNDER RESOLUTION - RESOLUTION NO. 2562 OF 2023 - APPROVING OF THE CONTRACT FOR THE REFUSE COLLECTION FOR ALL DEVELOPMENTS.

NOTE: (Resolution is entered separately as a part of these minutes.)

Mr. Ortiz made a motion to approve the contract for the refuse collection for all developments.

Mr. Rittle seconded the motion.

Roll Call: Ayes - Lindsey/Rittle/Ortiz/Linares/McLendon; Nays - None

Mrs. Clifton asked where will we get the funds to cover the increase for this service. Mr. Snyder replied it comes out of the operating reserves that we have sitting in the AMPs right now. Then we'll do a regular budget revision, we budgeted \$400,000.

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UNDER RESOLUTION - RESOLUTION NO. 2563 OF 2023 - APPROVING OF THE WRITE-OFF VACATED TENANTS ACCOUNTS RECEIVABLE TO COLLECTION LOSS.

NOTE: (Resolution is entered separately as a part of these minutes.)

Mrs. McLendon made a motion to approve the write-off vacated tenants accounts receivable to collection loss.

Mr. Rittle seconded the motion.

Roll Call: Ayes – Lindsey/Rittle/Ortiz/Linares/McLendon; Nays – None

Mr. Rittle asked if there is something that accounts for the difference. Mr. Ritter replied that normally we're between thirty to forty thousand a year. Over the past few years, it's been lower due to COVID because everyone was in place, so they were paying their rent or getting help through the ERAP (Emergency Rental Assistance Program). Now that COVID's breaking and it's becoming a thing of the past people are starting to move around a little bit and when they move, they leave with an owing balance. Chairperson Linares said that we do try to recuperate the money. Mr. Ritter added that if they ever want to come back into public housing anywhere in the United States they have to pay the owed balance. Attorney Matz added that the numbers of outstanding rent have increased.

Under New Business, Mrs. Clifton mentioned that some housing authorities have community development corporations as sort of a separate entity through which they can sort of engage in new development kinds of projects and I didn't know do we have this? Mr. Ritter replied we have a nonprofit we're just looking into that I don't really know much about it at this point, but we do have a nonprofit set up for that purpose.

Nothing under Miscellaneous Reports, Other Business – Board Members, Solicitors, and Staff.

Under Public Comments, Stephanie Mathers, Unit 302 reported some maintenance issues. Mr. Ritter replied that Chip Jablonski, Maintenance Supervisors will follow up on her work orders.

Chairperson Linares noted that the next regular board meeting will be held on Monday, April 10, 2023 at 4:00 P.M. at the Monocacy Tower, community room.

There being no further business to transact, Chairperson Linares declared the meeting adjourned.

John Ritter

**John Ritter
Interim Executive Director**