

**PRINCETON HOUSING AUTHORITY
MINUTES OF THE WORKSHOP MEETING
April 30, 2018**

The members of the Board of Commissioners of the Princeton Housing Authority met at a workshop meeting to review the State budget at the Henry F. Pannell Learning Center, 2 Clay Street, Princeton, NJ.

The meeting was called to order at 1:00 p.m. by Chairperson Newlin and upon roll call, those present and absent were:

Present: Commissioners Newlin, Sippelle, McGowan, Pannell, Tuck-Ponder and Weiss,
Attorney Cochran

Absent : Commissioner Logan

Guest: Tony Giampaolo, Accountant

Guest by Phone: Diane Johnson, Consultant

Opening Statement

A motion to open the meeting was made by Ms. Sippelle and seconded by Mr. Pannell. All were in favor

The following is an accurate statement concerning the providing of notice of this meeting:

Adequate notice to the public of the time, date and place of this workshop meeting of the Board of Commissioners of the Princeton Housing Authority to be held on Monday, April 30, 2018 at 1:00 p.m. at the Henry F. Pannell Learning Center, 2 Clay Street, Princeton, New Jersey was given by:

1. Providing notice of the same to the Municipality of Princeton, 400 Witherspoon Street, Princeton, New Jersey, for posting on the bulletin board reserved for notices of public meetings, at least 48 hours in advance of the meeting; and
2. Providing notice to and causing to be published in the Princeton Packet, official newspaper of the Princeton Housing Authority, notice hereof; and
3. Filing notice hereof with the Clerk of the Municipality of Princeton at 400 Witherspoon Street, Princeton, New Jersey.

This announcement of the Board of Commissioners' compliance with the notice provisions of the Open Public Meetings Act shall be duly entered in the minutes of the meeting.

I. Public Comment Period

None.

II. State Budget Approval.

Mr. Giampaolo presented an overview of the State budget for the fiscal year ending 2018. Mr. Giampaolo explained that the State budget is simply a streamlined, condensed version of the HUD approved budget which the Board had previously approved. Mr. Giampaolo advised that the HUD budget is extremely detailed, itemizing each and every expenditure, while the State budget groups expenditures into broader categories. Accordingly, to fully answer questions regarding salaries, specific maintenance expenses, "tenant services", etc., reference needs to be made to the HUD budget. Unfortunately, Mr. Giampaolo did not have a copy of the HUD budget with him, but assured the Board that he could email a complete copy the following morning.

Several members of the Board expressed concern in that they did not recall reviewing the HUD approved budget. Mr. Cochran reminded the Board that, as had been the custom for many years, at the time the HUD budget was discussed at the regular meeting, Mr. Parsons presented an overview of it and that the Board had relied upon his guidance. Ms. Johnson advised the Board that as a result of the pending termination of the Shared Services Agreement, and going forward the Board was going to have to carefully review the HUD budget and reiterated Mr. Giampaolo's observation that the only way to understand the State budget was by reference to the HUD budget.

Mr. Giampaolo next addressed the matter of the HUD correspondence regarding the 2018 subsidy proration which was discussed at the April 17, 2018 regular meeting. At the time of the preparation of the budget, and in light of the uncertainty regarding federal government appropriations to HUD for the upcoming fiscal year, certain assumptions regarding the level of HUD subsidy funding were required to be made. At that time subsidy funding was over 90% and an assumption was made that it would continue for the coming year at between 90-95%. In April, 2018, after the budget was prepared, PHA (and all other HUD funded authorities) received notice from HUD that subsidies were temporarily being reduced to 85%, subject to later adjustment when the HUD federal budget was finally established.

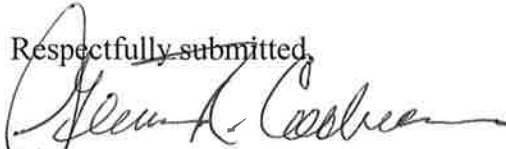
Mr. Giampaolo advised that the current HUD budget included a surplus of projected revenue over expenditures. Mr. Giampaolo reported that, due to an increase in tenant family incomes, there was a concomitant increase in rent revenue which created this surplus. He reminded the Board the PHA has been and continues to be rated a "High Performing" authority. He cautioned, however, if the subsidy remains at 85%, the surplus would evaporate and that a slight deficit would arise. However, he stressed that the Board should not be alarmed as he had been very generous in his budgeting estimates and that the resultant "deficit" from continued reduced subsidy funding could be erased through cost savings without sacrificing tenant services.

Following Mr. Giampaolo's presentation and question and answer period, the Board

unanimously agreed that it would address the State budget adoption at the regular May 2018 meeting provided that Mr. Giampaolo sends the HUD budget sufficiently in advance. Mr. Giampaolo again agreed to email the HUD budget during the morning of May 1, 2018.

There being no further regular business, a motion to adjourn the meeting was made at 2:00 p.m. by Ms. Sippelle and seconded by Mr. Weiss. All were in favor.

Respectfully submitted,



Glenn R. Cochran (Acting Secretary)