

# Bethel Housing Authority

25 Reynolds Ridge

Bethel, CT 06801

Minutes

Special Meeting

C.J. Hurgin Municipal Center

December 28, 2015

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TOWN OF BETHEL  
TOWN CLERK

Attendance: Gail Slifkin, Tim Beeble, Lou Walsh, Mary Gert McCollam, Linda Ryan

Chairman Gail Slifkin opened the meeting at 2:00 p.m.

Chairman Slifkin stated she called this Special Meeting to address the substantial deficit in Reynolds Ridge E-166 project that contains 40 apartments for the elderly and disabled tenants. She reported that she had assigned Assistant Treasurer Tim Beeble to work with her over the past few months to investigate the options to eliminate the deficit by means of privatizing the management of Reynolds Ridge and reducing other expenses. The 2014 Reynolds Ridge Audit showed a \$37,151.47 deficit for E-166. During this period the Chairman also consulted with the Authority Treasurer Linda Ryan on the deficit and potential for cutting expenses by engaging a property management firm to balance the E-166 budget. Three property management firms were invited to provide fee proposals, including NP Rentals and Management, Hallkeen and New Neighborhoods, Inc. The lowest fee bid was received from NP Rentals and Management, Mark Nolan, Principal.

Assistant Treasurer Tim Beeble reviewed the history of the 2014 Audit for E-166 showing that expenses exceeded rental income by \$37,151.47. The 2013 Audit found a \$46,067.02 deficit for E-166. In addition, beginning 2013, only 25% of the staff costs were being paid by E-166 while E-133, the newer 40 apartment section of Reynolds Ridge, was absorbing a disproportionate 75% share of staff costs. This property, which has been providing affordable housing for 30 years, must be operated in a sustainable fashion so that it will continue to provide affordable housing to Bethel's elderly into the future.

The members discussed how E-166 was constructed with a grant from the State but the rents are limited by the state to \$300 for studio apartments and \$350 for one-bedroom apartments. E-133 was subsequently developed under a federal loan program that provides rent subsidies to allow rents of \$780 for studio apartments and \$915 for one-bedroom units.

Assistant Treasurer Beeble reviewed the current 2016 Budgets for E-166 and E-133. He then reviewed the scenario in which the Housing Authority had no employees but instead engaged NP Rentals and Management LLC to provide property management of Reynolds Ridge. In this case, the 2016 projected deficit for E-166 was greatly reduced. There would also be savings realized for E-133, providing an improved cash flow for that project.

The Authority members discussed the proposed Property Management Agreement that is in substantially the same form in effect between the Authority and Mark Nolan's firm for the management of the Authority's Phineas Park Apartments. The members discussed the layoff of the Authority's three employees and reasonable severance pay offers.

MOTION by Tim Beeble that effective December 29, 2015, the Housing Authority of the Town of Bethel engage NP Rentals and Management LLC for the management of Reynolds Ridge, enter into the one (1) year Property Management Agreement; and that the Authority layoff its three employees and offer them three-week's severance pay according to the terms contained in the Severance Agreements. Seconded by Linda Ryan. Motion Approved 3:1:1 with Lou Walsh voting "no," and Mary Gert McCollam abstaining.

Motion to Adjourn at 2:55 p.m. by Mary Gert McCollam, seconded by Tim Beeble, unanimously approved.

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