

Housing Authority of the City of Cape May

REGULAR MEETING

January 23, 2012

At 4:00 PM, Chairperson Thomas Hynes **Called to Order** the January 23, 2012 Regular Meeting of the Board of Commissioners of the Housing Authority of the City of Cape May. The meeting was held in the Conference Room of the Housing Authority located at 639 Lafayette Street, Cape May, NJ 08204. **Roll Call** was taken and the following Commissioners were present:

Chairperson Thomas G. Hynes
Vice-Chairperson Patricia M. Swain
Commissioner Jean Capilli
Commissioner Thomas White
Commissioner John Lord, III
Commissioner Tony Williams

The following individuals were also present: Carol Hackenberg, Executive Director, Christopher Gibson, Esquire, Solicitor from the firm of Barry, Corrado, Grassi and Gibson, Linda Avena from Avena, Inc. CPA, Frank T. DeFroda, Auditor from the firm of Barbacane Thornton & Company and Maryellen Francke.

Chairperson Hynes read the “**Statement of Compliance – Sunshine Law**” and led the Pledge of Allegiance.

Chairperson Hynes called for approval of the December 19, 2011 regular meeting minutes. Commissioner Williams made a motion, seconded by Commissioner Lord to accept the 12/19/11 minutes as submitted. Commissioner Williams asked that the minutes reflect that discussions were held on the need to develop a plan to address the future economic status of the Housing Authority.

It was noted that the November 21, 2011 minutes addressed this issue as follows: Commissioner Williams asked if any plans were being developed to address the potential economic problems as a result of the severe funding cuts that are more than likely to happen within the next two years. The E.D. suggested that the Authority look into a tax credit program. The E.D. indicated another way to increase revenue is to install a Laundromat or other such service. Commissioner Capilli told the Board at one time there was a Laundromat but the Authority had to remove the equipment because some of the residents were breaking into the machines and stealing the money. After some discussion it was agreed that the E.D. will prepare a proposal for using other methods to increase the revenue. It was also agreed that a special meeting of the Board of Commissioners would be scheduled to devise a plan of action in the event the Authority could not maintain the housing units.

The following vote was taken to approve the December 19, 2011 minutes.

Chairperson Thomas G. Hynes	(Yes)
Vice-Chairperson Patricia M. Swain	(Yes)
Commissioner Jean Capilli	(Yes)
Commissioner John Lord, III	(Yes)
Commissioner Tony Williams	(Yes)
Commissioner Thomas White	(Yes)

A copy of the approved Minutes will be forwarded to Mr. Bruce Macleod, City Administrator.

AUDITOR'S REPORT:

Chairperson Hynes asked Frank DeFroda of Barbacane & Thornton to review the Report on Audit of Financial Statements and Supplemental Information for FYE September 30, 2011 and 2010. A copy of the report was distributed to the Board of Commissioners. Mr. DeFroda's review of this document is as follows:

1. The 2012 Audit is a draft as noted on page 1 of the report. The Auditor's responsibility is to express an opinion on the financial statements based on the audit.
2. The management discussion and analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted (GAAP) in the United States of America.
3. The assets of the Authority exceeded its liabilities as of September 30, 2011 by \$1,779,815 (net assets).
4. The Authority's cash balance as of September 30, 2011 was \$886,681, representing a decrease of \$86,689 from September 30, 2010.
5. Total assets increased by \$17,463 (0.90%). Other assets decreased by \$1,909 (19.53%) due to a decrease in interest receivables. Total liabilities increased by \$93,117 (111.69%) due primarily to a deferred subsidy of \$81,260, increase in accounts payable of \$7,211 and an increase in accrued utilities of \$7,991. HUD operating grants increased by \$21,932, (5.22%) due to a slight increase in HUD funding. Interest income decreased by \$7,809, (69.30%) due to the combination of lower cash and investment balances maintained throughout the year along with lower interest rates. Administrative expenses increased by \$50,296, (29.25%) primarily due to an increase in salaries and benefits.
6. Statement of Revenues, Expenses and Changes in Assets – Total Operating income for 2011 was \$763,268 compared to \$735,717 for 2010. Operating expenses for 2011 was \$842,381 versus \$791,988 for 2010.

Mr. DeFroda indicated that it is a "clean" report and thanked the management employees for the cooperation in gathering the data needed for the Auditors to complete their report. He also indicated that the Board should consider spending some of the excess reserves.

Chairperson Hynes asked when the Authority would know the overall PHAS rating for the Authority. Mr. DeFroda stated he was not sure but it should be within the next three months.

The Board accepted Mr. DeFroda's Audit Report.

COMMITTEE REPORTS.

None

Old/New Business:

The **Accountant's Report** – The Board reviewed the 3-month Financial Report as submitted by Linda Avena, CPA. The bottom line as of December 31, 2011 showed a profit of \$5,314.00.

a. Executive Administrative Report

Ms. Hackenberg reported the following:

The Cape Weatherization Program: On Wednesday, January 25, 2012 the Cape Weatherization people will return to Broad Street Court to continue with the weatherization work. They intend to complete insulation work in crawl spaces and caulking/weather stripping work in some of the units. Once this is completed, some of the residents will be receiving new refrigerators depending on the energy rating of their existing equipment.

The Broad Street Court Units – Mold & Standing Water: As a result of a complaint from the tenant in unit #8, MDG Environmental conducted a comparative test in units #7 & #8. The result of the testing in Unit #7 is as follows: "Based on the results of the initial mold inspection, it can be stated with a reasonable degree of professional certainty that no evidence of suspect fungal amplification (mold growth) was observed on exposed surfaces throughout unit #7". With respect to unit #8: they recommended additional work which has been scheduled with both the tenant and the Contractor. It should be noted that pets exist in each of the units which are known allergens.

The Authority, with the Board's approval, will begin preparations for the remaining work proposed by the Architect and outlined in his previous letters in September and October 2011. The E.D. will continue to work with Charles Collins to finalize the work on Broad Street and Osborne Courts to deal with the mold and standing water issues.

On January 19, 2011, the Authority received a check in the amount of \$1,151.42 from JIF which represented reimbursement for the cost to repair damages from the water leak at #28 Broad Street Court. The Authority also received an additional check from JIF in the amount of \$1,000.00 representing the deductible reimbursement for the replacement of a light on Osborne Court that was knocked down by one of the tenants.

The E.D. completed the mandatory State of N.J. Pension and Benefits Training on January 11, 2012 via on-line training.

Investments: The C.D. Investment maturity is as follows:

\$300,000.00	02/9/2012	@ .25%
\$147,000.00	02/13/2012	@ .10%

Electric Savings: the savings for the past month was \$1,481.10 based on the EMEX/Hudson Energy Contract.

PILOT Payment: The Accountant has calculated the 2011 PILOT payment in the amount of \$470.10 which has been paid.

Pest Control Services: The E.D. finalized the contract with APM Pest Control Services who began their serves on January 11, 2012.

Personnel Staffing: As a result of Willie Hicks' retirement, until other arrangements are in place, the E.D. and Robert Martin are on call, after hours, in the event of an emergency. The E.D. is checking messages from home. Because Bob is temporarily on call for emergencies the E.D. has authorized him to take the CMHA truck home. Also, a local property management company, WKR, has been contacted to possibly provide supportive maintenance services as needed. Recommendations or information about other such companies is welcomed.

Management Computer Services: The CMHA has entered into a new contract with Management Computer Services who provides software support for the PHA-Web System. The Company has also notified CMHA that there was a 3.5% increase effective January 1, 2012. The new quarterly rate is \$1,688.00.

Operating Fund Program 2012: It is anticipated that HUD will publish a final decision for operating reserve exclusion requests on or before January 31, 2012.

Energy Audit & Survey: By letter dated December, 2005 HUD requires all PHAs to perform an Energy audit every five years. The E.D. will solicit services via an RFP, as the files show the last one was performed in September 2006.

Winter Resident Activities: In an effort to draw our senior resident population out and together, the E.D. recently purchased a DVD player for the community room and plans to show a weekly/monthly movie. A notice will be going out polling the residents as to their selections/preferences. Also, the K-Kids plan to visit around Valentine's Day to do an activity with the senior residents.

Consulting Services Contract: The E.D. will publish an RFP soliciting grant writing services so that we will be ready for any HUD grants that become available.

Potential Board Member: The E.D. was asked by a Dr. Keith Lafferty, Emergency MD at Shore Memorial Hospital, who lives in Cape May, about potentially becoming a Board Member of the Housing Authority. Chairperson Hynes questioned whether he is a resident of the City of

Cape May or an outlying area. Attorney Gibson will review this matter and the CMHA By-Laws.

New Equipment: The Authority has purchased a new Scanner/Copier/Printer/Fax Machine. This will enable the Authority to copy color documents such as the newsletter, which previously had to be sent to a slow color copier. Also, to scan file documents to the computer as backup copies.

WEBSITE: Chairperson Hynes asked about the status of complying with the N.J. State requirement for the Authority to establish a website. The E.D. reported that she has been in contact with Duff Technology about beginning to publish 3 years of financial reports, agendas and minutes. The Chairperson requested that the Authority begin to move on this project.

The E.D. distributed articles on the Rise in Unemployment resulting in an increased need for low income housing and an article from the PHADA Advocate about what Authorities can do to increase their revenue.

Commissioner Williams again requested that the Authority put together a plan of action for increasing income. He asked that the E.D. contact other Authorities to find out what plans they have put in place to increase their income to make up for the loss of HUD money.

Resolutions:

#2012-01– Resolution Approving Regular Monthly Expenses:

Chairperson Hynes called for a motion to pay the monthly expenses. Vice Chairperson Swain made a motion to pay the bills, seconded by Commissioner Lord. The following vote was taken:

Chairperson Thomas G. Hynes	(Yes)
Vice-Chairperson Patricia M. Swain	(Yes)
Commissioner Jean Capilli	(Yes)
Commissioner Thomas White	(Yes)
Commissioner Tony Williams	(Yes)
Commissioner John Lord, III	(Yes)

#2012-02– A Resolution To Enter Executive Session:

Chairperson Hynes called for a motion to enter Executive Session to discuss a tenancy matter. Commissioner White seconded the motion. The following vote was taken:

Chairperson Thomas G. Hynes	(Yes)
Vice-Chairperson Patricia M. Swain	(Yes)
Commissioner Jean Capilli	(Yes)
Commissioner Thomas White	(Yes)
Commissioner Tony Williams	(Yes)
Commissioner John Lord, III	(Yes)

#2012-03– A Resolution Approving Software Maintenance & Support Services Agreement

Commissioner Williams called for a motion, seconded by Commissioner Lord to approve the resolution. The following vote was taken:

Chairperson Thomas G. Hynes	(Yes)
Vice-Chairperson Patricia M. Swain	(Yes)
Commissioner Jean Capilli	(Yes)
Commissioner Thomas White	(Yes)
Commissioner Tony Williams	(Yes)
Commissioner John Lord, III	(Yes)

At 4:45P.M. Chairperson Hynes called for a motion to enter Executive Session seconded by Commissioner White.

At 4:55P.M. the regular meeting was convened by Chairperson Hynes.

Chairperson Hynes asked if there was any further business to conduct.

There being no further business before the Board or public present for comments, at 4:56 PM Chairperson Hynes called for a motion to **adjourn**. Commissioner Williams made the motion; seconded by Commissioner White and the following vote was taken:

Chairperson Thomas G. Hynes	(Yes)
Vice Chairperson Patricia M. Swain	(Yes)
Commissioner Jean Capilli	(Yes)
Commissioner Thomas White	(Yes)
Commissioner John Lord, III	(Yes)
Commissioner Tony Williams	(Yes)

Respectfully submitted,

Carol Hackenberg
EXECUTIVE DIRECTOR