

Housing Authority of the City of Cape May

REGULAR MEETING

July 17, 2017

At 4:00 PM, Chairperson Thomas G. Hynes **Called to Order** the July 17, 2017, 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 Frank Acker
Commissioner Patricia Hodgetts
Commissioner Dr. Keith Lafferty
Commissioner Diane Hutchinson

Commissioner Thomas White was not present at the meeting.

The following individuals were also present: Carol Hackenberg, Executive Director, Joseph Culligan, Site Manager, Charles W. Gabage, Solicitor from the firm of Eisenstat, Gabage & Furman, Linda Avena, from Avena CPA's. Mr. Frank DeFroda, CPA and Mr. Steven Kutsuflakis, CPA from Barbacane Thornton & Company, via telephone.

Chairperson Thomas G. Hynes noted that there were no members of the public at the meeting.

Chairperson Thomas G. Hynes read the "**Statement of Compliance – Sunshine Law**" and led the Pledge of Allegiance.

Following the roll call of Commissioners, Chairperson Thomas G. Hynes declared there was a quorum present.

Chairperson Thomas G. Hynes called for a Motion to accept the June 19, 2017 Regular Meeting Minutes.

Vice-Chairperson Patricia M. Swain made the Motion, seconded by Commissioner Frank Acker to accept the June 19, 2017, Regular Meeting Minutes.

The following vote was taken to approve the June 19, 2017 Regular Meeting Minutes.

Chairperson Thomas G. Hynes	(Yes)
Vice-Chairperson Patricia M. Swain	(Yes)
Commissioner Frank Acker	(Yes)
Commissioner Patricia Hodgetts	(Yes)
Commissioner Dr. Keith Lafferty	(Yes)
Commissioner Diane Hutchinson	(Abstain)

ACCOUNTANT'S REPORT:

The Accountant's Report – The Board reviewed the 9-month Financial Report as submitted by the Accountant. The bottom line for the nine months ending June 30, 2017 showed a loss of \$1,264.00.

AUDIT REVIEW:

Auditors from Barbacane Thornton Company, Frank Defroda & Steven Kutsuflakis, addressed the Board in response to the discussions held at the last Board Meeting on June 19, 2017 concerning the potential deficit for the Authority for fiscal year ending September 30, 2016.

The Auditors reviewed page ten of the Report on Audit of Financial Statements and Supplementary Information September 30, 2016. They explained there was not a loss of \$105,000.00. The operating loss noted on page 10 includes depreciation expense of \$134,025 and accrued pension liability of \$97,080.00. Although the expenses are listed the Authority does not outlay any cash for these items. The Accrued Pension liability is a required listing under GASB68 for the Authority's potential pension liability. Consequently, without these accrued liabilities the Authority experienced a break-even for the 2016 fiscal year end.

Ms. Avena noted the Board of Commissioners will be asked to sign Resolution #2017-35 which is a certification that the Board has reviewed the Audit including any comments and recommendations. The Auditors indicated that because there were no findings in the Audit there was no need to record any comments or recommendations. Ms. Avena noted that the Board had reviewed the results of the Audit at the May 2017 Board Meeting.

The E.D. reported that the Audit has been submitted to HUD.

BUDGET:

The Accountant, Linda Avena, reviewed the Proposed Budget for the Year ending September 30, 2018. The revised Budget includes the new Capital Fund Grant of \$100,230.00, the elimination of expenses for non-routine legal matters and potential bad debts. This should result in an anticipated profit of \$4,710.00.

COMMITTEE REPORTS:

There were no committee reports.

a. Executive Administrative Report

Ms. Hackenberg reported the following:

Investments: The C.D. and Money Market Investment schedule is as follows:

<u>MONEY MARKET</u>	
<u>TOTAL</u>	
\$282,196.29	Money Market (Sturdy Bank)
<u>TOTAL</u>	<u>\$282,196.29</u>

Energy Savings:

The energy savings for this month was approximately \$1,378.70 or 22.11%

RAD APPLICATION:

By e-mail dated June 12, 2017 from RADapplications@HUD.gov the Authority was advised that "given your position on the waiting list, HUD has determined that it is able to make awards to the Cape May Housing Authority following successful submission of a RAD application, Portfolio Award, or Multi-Phase Award. The Authority, following the Federal Register Notice, must submit a completed RAD Application, Portfolio Award or Multi-phase Award for the number of units identified in the Letter of Interest (Lafayette and Osborne and Broad Street Ct 30). Failure to do so will result in a forfeiture of the Authority's position on the waiting list and they would need to reapply if they are still interested in participating in RAD". It is understood the initial approval is for the 30 family units, per the CMHA's request.

The E.D. explained that the Authority is not looking to use vouchers for the RAD conversion because of the associated complications to implement this type of program. The alternative is Project-Based Rental Assistance (PBRA).

On June 28, 2017 the Authority advertised for Consultants/Developers to submit proposals for consulting services to evaluate the feasibility and applicability of implementing a Rental Demonstration Program (RAD), and preparation of an application to HUD.

The Authority received 4 proposals that were reviewed on July 17, 2017. A summary of the proposals is as follows:

<u>NAME OF PROVIDER</u>	<u>WORK TO PERFORM SUMMARY</u>	<u>PRICE</u>	<u>COMMENT</u>
Nassau Capital Advisors Princeton NJ	Financial review, create financial model. Prepare letter of intent to submit application for RAD. Funding transaction/housing tax credits. Assume lead role interfacing with various companies and agencies. Including other tasks as noted in the RFP.	RAD applications – fixed fee – prepare formal RAD applications for two portfolios, submit to HUD -- <u>\$5,000</u> /per portfolio or a total of <u>\$10,000.00</u> . RAD financing Plans – bill for work on a time basis. Hourly rate ranges between \$285.00/hr and \$225.00/hr. RAD financing plans – fixed fee – retainer <u>\$15,000.00</u> .	<u>No maximum cost provided.</u>
Brooke Group Galloway NJ	Provide services requested in the RFP.	Separate Conversion 85 units, billed hourly rates “not to exceed” <u>\$60,000.00</u> . Hourly rates between \$120.00 and \$40.00. Not to exceed does not include Construction Mgmt., Procurement of developer/New Project owner; Project with LIHTCs	<u>Maximum Cost \$60,000.00</u>
The Glendower Group Sleepy Hollow NY	Technical expertise,determine feasibility and structuring of the project of participating in RAD. Monitor, oversee and submit required application. Documentation to meet HUD required CHAP. Participate in communication with CMHA, HUD, RAD staff. Financing Plan and RCC issuance processes. Facilitate RAD closing process.	Lump sum fixed fee basis – 30 Units - <u>\$80,000.00</u> 85 Units - <u>\$120,000.00</u> 85 units - <u>\$150.00/hour</u> not to exceed 1.25% - <u>minimum \$50,000.00</u> Travel to Cape May billed at \$75.00/hour each way.	<u>Percent fee based on cost of project (1.25%)</u> <u>No maximum provided:</u> <u>Example:</u> <u>\$5,000,000 – Project = \$62,500.00.</u> <u>\$10,000,000 – Project = \$125,000</u> <u>\$15,000,000 – Project = \$187,500</u>
Execu-Tech, Inc Manahawkin NJ	Evaluate financially feasible. Assist in preparation of RAD. Meet with residents,local officials,etc. including drafting of letters to all comments.	30 units \$150.00/hour not to exceed 1.25% of the total development costs –	<u>Percent fee based on cost of project (1.25%)</u> <u>No maximum</u>

	Assist in revising Annual & five year plan. Prepare necessary requests for proposals. Review all profomas and budgetary information. Meet with HUD officials.	minimum \$50,000.00. 85 units - \$150.00 per hour not to exceed 1.25% of the total development costs. Minimum \$50,000.00. Travel \$75.00/hr.	provided. Example – <u>\$5,000,000 Project =</u> <u>\$62,500.00</u> <u>\$10,000,000 – Project</u> <u>= \$125,000</u> <u>\$15,000,000 – Project</u> <u>= \$187,500</u>
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The E.D., Chairperson Thomas G. Hynes and Commissioner Frank Acker will meet on Monday, July 24, 2017 to review the proposals and recommend the Company who should be awarded the work.

PHYSICAL NEEDS ASSESSMENT:

The Board will be asked to approve the memorializing Resolution awarding the work to Charles Collins. On June 28, 2017, Mr. Collins was on site to perform the Physical Needs Assessment. A draft report will be available within 30 days.

PROPERTY REPORT:

The Authority requested quotes for installing a chain link fence by the dumpster area on the Lafayette parking lot to stop neighbors from dumping their trash in the Authority dumpster. The following quotes were received:

- | | | |
|----|--------------------|------------|
| 1. | Dennisville Fence | \$962.00 |
| 2. | Murphy’s Fence Co. | \$1,175.54 |

The Authority has issued an authorization form to Dennisville Fence to begin the installation.

COMMISSIONER TRAINING:

Commissioners Dr. Lafferty and Ms. Hutchinson have scheduled training in September, October and November 2017.

Insurance:

The E.D. and the Marsh McClellan representative, Jen Modica, will be working on the JIF renewal application, updating the information for the next year of coverage. The Board will be asked to sign the Resolution approving this renewal of the third year of a three year agreement.

SENIOR RESIDENT COUNCIL:

The Senior Resident Council is actively planning activities and will get their annual HUD allotment in August 2017.

Miscellaneous:

1. The Site Manager attended training on June 30, 2017.
2. The TV that Commissioner Lafferty donated to the Housing Authority is installed and the first “Movie Day” for the Broad Street Children was held on Monday, July 17, 2017.
3. The E.D. is preparing the submission of the Annual Plan to HUD which is due on July 17, 2017.
4. The Snap-Ed Coordinator, again, contacted CMHA after a couple of years. Their funding and programs are now able to host some cooking classes for CMHA residents.

Resolutions:

#2017-28 – A Resolution Approving July Monthly Expenses

Chairperson Thomas G. Hynes called for a Motion to approve the resolution. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Patricia Hodgetts. The following vote was taken:

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Chairperson Thomas G. Hynes (Yes)
Vice-Chairperson Patricia M. Swain (Yes)
Commissioner Frank Acker (Yes)
Commissioner Diane Hutchinson (Yes)
Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

#2017-29– A Resolution Approving Executive Session

Not Needed

#2017-30 – A Resolution Approving Audit Review Certificate

Chairperson Thomas G. Hynes called for a Motion to approve the resolution. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Frank Acker. The following vote was taken:

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Chairperson Thomas G. Hynes (Yes)
Vice-Chairperson Patricia M. Swain (Yes)
Commissioner Frank Acker (Yes)
Commissioner Diane Hutchinson (Yes)
Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

#2017-31 – A Resolution Approving Joint Insurance Fund – 3rd Year

Chairperson Thomas G. Hynes called for a Motion to approve the resolution. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Keith Lafferty. The following vote was taken:

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Chairperson Thomas G. Hynes (Yes)
Vice-Chairperson Patricia M. Swain (Yes)
Commissioner Frank Acker (Yes)
Commissioner Diane Hutchinson (Yes)
Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

#2017-32 – A Resolution Approving Physical Needs Assessment (PNA) Services

Chairperson Thomas G. Hynes called for a Motion to approve the resolution. Commissioner Keith Lafferty made a Motion to approve the resolution, seconded by Vice-Chairperson Patricia M. Swain. The following vote was taken:

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Chairperson Thomas G. Hynes (Yes)
Vice-Chairperson Patricia M. Swain (Yes)
Commissioner Frank Acker (Yes)
Commissioner Diane Hutchinson (Yes)
Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

#2017-33 – A Resolution Approving FY 2017-2018 Budget

Chairperson Thomas G. Hynes called for a Motion to approve the resolution. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Frank Acker. The following vote was taken:

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Chairperson Thomas G. Hynes (Yes)
Vice-Chairperson Patricia M. Swain (Yes)
Commissioner Frank Acker (Yes)
Commissioner Diane Hutchinson (Yes)
Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

#2017-34 – A Resolution Approving 2017 Capital Fund

Chairperson Thomas G. Hynes called for a Motion to approve the resolution. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Frank Acker. The following vote was taken:

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Chairperson Thomas G. Hynes (Yes)
Vice-Chairperson Patricia M. Swain (Yes)
Commissioner Frank Acker (Yes)
Commissioner Diane Hutchinson (Yes)
Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

#2017-35 – A Resolution Approving Certification of the Annual Audit

Chairperson Thomas G. Hynes called for a Motion to approve the resolution. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Frank Acker. The following vote was taken:

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Chairperson Thomas G. Hynes (Yes)
Vice-Chairperson Patricia M. Swain (Yes)
Commissioner Frank Acker (Yes)
Commissioner Diane Hutchinson (Yes)
Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

#2017-36 – A Resolution Approving Updating Procurement Policy

Chairperson Thomas G. Hynes called for a Motion to approve the resolution. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Frank Acker. The following vote was taken:

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Chairperson Thomas G. Hynes (Yes)
Vice-Chairperson Patricia M. Swain (Yes)
Commissioner Frank Acker (Yes)
Commissioner Diane Hutchinson (Yes)
Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

There being no further business before the Board, at 4:55PM Chairperson Thomas G. Hynes called for a Motion to **adjourn the meeting**. Vice-Chairperson Patricia M. Swain made the Motion; seconded by Commissioner Patricia Hodgetts and the following vote was taken:

Chairperson Thomas G. Hynes	(Yes)
Vice-Chairperson Patricia M. Swain	(Yes)
Commissioner Frank Acker	(Yes)
Commissioner Diane Hutchinson	(Yes)
Commissioner Patricia Hodgetts	(Yes)
Commissioner Dr. Keith Lafferty	(Yes)

Respectfully submitted,

Carol Hackenberg
EXECUTIVE DIRECTOR