

Housing Authority of the City of Cape May

REGULAR MEETING

June 19, 2017

At 4:00 PM, Chairperson Thomas G. Hynes **Called to Order** the June 19, 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 Thomas White (via telephone)

Commissioner Diane Hutchinson 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.

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 May 15, 2017 Regular Meeting Minutes.

Vice-Chairperson Patricia M. Swain made the Motion, seconded by Commissioner Frank Acker to accept the May 15, 2017, Regular Meeting Minutes.

The following vote was taken to approve the May 15, 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 Thomas White	(Abstain)

ACCOUNTANT'S REPORT:

The Accountant's Report – The Board reviewed the 8-month Financial Report as submitted by the Accountant. The bottom line for the eight months ending May 31, 2017 showed a loss of \$17,654.00.

Ms. Avena reviewed the Proposed Budget for the Fiscal Year Ending September 30, 2018. The budget includes an estimate of rental income and the HUD Operating Subsidy. The subsidy was calculated at 90% of the 2017 subsidy. The expenses include an increase in utilities (water/sewer @2%), employee benefits and contract costs. Attorney Gabage suggested that the expenses for non-routine legal and bad debts be eliminated from the budget. The E.D. concurred, that they both be at least reduced, as she had previously suggested. Ms. Avena indicated the budget would be revised and presented to the Board at the July meeting.

Attorney Gabage also pointed out to the Board that the Authority had a \$105,000.00 loss according to the Auditor's report and that the Authority is using The Capital Fund money to cover operating expenses resulting in the fact that they do not have any money available for capital improvements. The Board understands all Capital Funds are spent on "Operations", and the E.D. stated that is the way CMHA has been submitting their CFP Budgets for many years. The E.D. also noted that both the Accountant and the Auditor indicated the "loss shown was just "on paper" based on the increased pension liability and depreciation. The E.D. will seek clarification for the Board by the July meeting.

Commissioner Dr. Keith Lafferty inquired whether if the Authority could develop a fund-raiser to cover some of the operating expenses to put toward Capital improvements. The E.D. explained that since the Authority is subsidized by HUD it probably couldn't secure funding from outside sources; however, she will review the HUD regulations and check with HUD on this issue and report back to the Board at the July 2017 Meeting.

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>	Money Market (Sturdy Bank)
\$282,196.29	
<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 we would need to reapply if we 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).

Attorney Gabage advised the Board that due to the complicated nature of the RAD application, the Authority should secure a professional consultant to complete the process. He also noted that a feasibility study must be conducted to determine if RAD would be an option for the Authority. The E.D. explained that was in the process of being done, the RFP was in "DRAFT" form.

SOLAR PROJECT:

On May 31, 2017, Joseph Culligan tuned in to a webinar on Solar Project Development for Public Housing Authorities. He summarized for the Board, the contents of the webinar. He indicated there is a lot of paperwork

involved before the Board could approve a solar project, such as getting prior approval from HUD, preparing and advertising a Request for Proposal to secure a Solar Services Provider and obtaining approval from Atlantic City Electric.

The E.D. advised that this project would be put on hold until the Physical Needs Assessment was done and the RAD Application was in process.

PHYSICAL NEEDS ASSESSMENT:

On June 14, 2017 the Authority received the following proposals for a Physical Needs Assessment:

<u>NAME OF PROPOSER</u>	<u>WORK TO PERFORM</u>	<u>PRICE</u>
Lothrop, Red Bank NJ	Field investigation & documents; Draft Physical Condition Assessment; Final Physical Condition Assessment; Inspection All vacant units & 10% of occupied units. Does not include Hazardous material survey, energy audit	Lump Sum Fee Proposal <u>\$14,900.00</u>
EMG, Mathew Munter Owings Mill, MD	Assessment-update general assessment of the physical needs and cost improvements. Walk through inspection – 10% of scattered sites & 100% of common areas. 15-year capital plan based upon the PNA. Identification work necessary to return vacant units to occupied status. Identification of work necessary to comply with Federal, State and local requirements and codes. Cost reasonableness analysis of projects planned for future modernization. Ranking of work items in recommended priority for action.	Lump Sum Fee Proposal - \$3,750 each site Total <u>\$11,250.00</u>
Charles J. Collins, Jr. Medford, NJ	Physical examination of HA’s sites and buildings; Examination includes: structural, mechanical, plumbing and electrical systems.	Fixed Fee <u>\$2,700.00</u>

The E.D. requested that the Board approve awarding the contract to Charles J. Collins, Jr. as the most responsive and responsible proposer. She also noted that as part of the RAD application, a physical needs assessment would need to be performed.

The Board approved award of the contract to Charles Collins, with a Resolution to be prepared for signature and submitted at the July 2017 Meeting.

HUD DEPUTY REGIONAL ADMINISTRATOR:

On Friday, May 26, 2017, Cory Chu, Contractor Industrial Relations Specialist, was on site to conduct a labor standards compliance review. The Auditor did not find many issues; however, he did make a few recommendations for the Authority to follow in the future. By letter dated June 6, 2017 HUD issued a Federal Labor Standards Monitoring Review Summary: the Authority must submit assurance that procedures have been implemented and active contracts have been amended within 30 days from the date the report. The E.D. is preparing a response.

ANNUAL AUDIT:

The Authority received the Final Audit report on June 13, 2017 which must be submitted to HUD by June 30, 2017. The Board of Commissioners voted to accept the Auditor’s report and the E.D. will submit a Resolution for this approval at the July 2017 Board Meeting.

SMOKE-FREE POLICY/LEASE ADDENDUM:

The Housing Authority has issued the Smoke-Free Lease Addendum to all residents; the policy goes into effect as of September 1, 2017. A third briefing session by the State Tobacco-Free Representative will be scheduled before then.

COMMISSIONER TRAINING:

New Commissioners need to begin to schedule further training from the Rutgers Spring Catalog; neither the Summer nor the Fall Catalog is available yet.

Miscellaneous:

1. PTAC Unit Preventative Maintenance – The Maintenance Staff has completed the PTAC preventative maintenance for all of the Lafayette Court units. They are currently performing this work on Osborne Court. This is a thorough cleaning and scrubbing process.
2. HUD Annual Inspections – the Maintenance Staff is performing the HUD Annual Inspection of units this month.
3. Maintenance Labor – Joseph Culligan has advised Willie Hicks that he will not be working for the remainder of this year; additionally he will not be included in the 2017-18 budget.
4. August Board Meeting – the Board Meeting has been cancelled.
5. September Board Meeting – Election of Officers – Chairperson & Vice-Chairperson.

Resolutions:

#2017-26 – A Resolution Approving April 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:

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

#2017-21– A Resolution Approving Executive Session

Not Needed

There being no further business before the Board, at 5:10PM Chairperson Thomas G. Hynes called for a Motion to **adjourn the meeting**. Vice-Chairperson Patricia M. Swain made the Motion; seconded by Commissioner Frank Acker and the following vote was taken:

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

The meeting was re-opened at 5:15PM to approve Mr. Collins' contract for the Physical Needs Assessment. Chairperson Thomas G. Hynes called for a motion to approve awarding the Contract to Mr. Collins, Vice-

Chairperson Patricia M. Swain made the motion, seconded by Commissioner Patricia Hodgets, the Board unanimously agreed to award to contract to Mr. Collins.

There being no further business before the Board, at 5:17PM Chairperson Thomas G. Hynes called for a Motion to **adjourn the meeting**. Vice-Chairperson Patricia M. Swain made the Motion; seconded by Commissioner Frank Acker and the following vote was taken:

Chairperson Thomas G. Hynes	(Yes)
Vice Chairperson Patricia M. Swain	(Yes)
Commissioner Frank Acker	(Yes)
Commissioner Thomas White	(Yes)
Commissioner Patricia Hodgets	(Yes)
Commissioner Dr. Keith Lafferty	(Yes)

Respectfully submitted,

Carol Hackenberg
EXECUTIVE DIRECTOR