

Housing Authority of the City of Cape May

REGULAR MEETING

February 26, 2018

At 4:00 PM, Chairperson Thomas G. Hynes **Called to Order** the February 26, 2018, 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 Diane Hutchinson
Commissioner Dr. Keith Lafferty

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, and Linda Avena, of 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 January 22, 2018 Regular Meeting Minutes.

Commissioner Diane Hutchinson made the Motion, seconded by Vice-Chairperson Patricia Swain to accept the January 22, 2018 Regular Meeting Minutes.

The following vote was taken to approve the January 22, 2018 Regular Meeting Minutes.

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

ACCOUNTANT'S REPORT:

The Accountant's Report – The Board reviewed the 4-month Financial Report as submitted by the Accountant. The bottom line for the four months ending January 31, 2018 showed a loss of \$13,990.00. Ms. Avena noted that last month there were several large bills, such as, the snow removal bill of over \$12,000.00 and several prior payments under Sundry like the RAD payment, PHA Web and Xpress Computer services. The increase in employee contributions is due to a pension shortage billing and payment. However, there was no actual shortage so the Authority expects to receive a credit for an overpayment once the State reconciles their 4th quarter 2017 records.

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)
\$282,527.38	
<u>TOTAL</u>	<u>\$282,527.38</u>

The Board reviewed the Investment Policy which limits the avenue of investment based on HUD Guidelines. It was agreed that the E.D. would explore investments that could yield a higher return.

Energy Savings:

The energy savings for this month was approximately \$961.76 or 17.32% (average for the fiscal year about 19%).

The Housing Authority has received an electric bill of \$42,744.83. The reason for the high billing is that the Authority did not renew the contract with Respond Power. Consequently, the Authority was charged the market rate for that month, which also was the coldest month of the season. The E.D. contacted Respond Power they have agreed to reimburse the Authority \$7,700 towards this bill since the Authority has secured another contract with an Energy provider as of February 1, 2018.

The one month of being “out of contract” ate up much of the annual savings from the time CMHA was under contract.

COMMISSIONER:

Commissioner Patricia Hodgetts has been enrolled in the following courses – Ethics May 15, 2018 and Design Principles for Redevelopment March 3, 2018. After completion of these courses, Ms. Hodgetts will have completed all of the required Commissioner Training.

RENTAL ASSISTANCE DEMONSTRATION (RAD):

The Authority is awaiting a response from HUD concerning their Interest Letter to convert the remaining 55 units on Lafayette and Osborne Courts.

The CMHA is on the waiting list for a 30-unit conversion and CHAP thus far, after having submitted the initial RAD application prepared by the Brooke Group.

WATER/SEWER:

Currently there is a City of Cape May Ordinance that provides for a flat rate for water/sewer usage equal to the sum of \$80,000.00 beginning in the 2011 calendar year, based on existing conditions at that time. It also states that “Beginning in the 2012 calendar year and continuing for each calendar year thereafter, the rate will increase by two percent annum, subject to further adjustments as determined by the Mayor and Council and implemented by ordinance from time to time”. (Note: current quarterly payment is up to \$22,523.25 and \$90,093.00 annually).

The E.D. has spoken to the Mayor and is awaiting confirmation of a meeting date. However, the City Manager did send an email stating that Carl Behrers in the Cape May Water Department will perform a cost analysis and then a meeting will be scheduled with the CMHA.

ENVIRONMENTAL:

The State has issued the Annual Remediation Fee which was submitted to Attorney Gabage who has written a letter to JCP&L requesting that the bill be paid by them. Attorney Gabage is awaiting a response from JCP&L.

Payment of the invoice (Annual Remediation Fee) is still on hold status. Attorney Gabage wrote another letter to the DEP on 1/15/2018.

By e-mail, JCP&L has advised CMHA that they have commenced Phase 3 of their Remediation Project.

Attorney Gabage provided the Board with a summary as follows:

1. Prior history of the soil contamination on Osborne Court. In July 2016, JCP&L was required to do soil sampling. During the course of that sampling it was determined that there is contamination at two different sites on Osborne Court. A meeting was held with City of Cape May representatives, The City of Cape May Housing Authority Representatives, Charles Gabage and several representatives of JCP&L. At that meeting it was determined that both the City of Cape May and JCP&L would assist the authority with this issue, which included the City assigning a LSRP to temporarily advise the Authority on appropriate actions needed by the Authority. This included notification to the NJ DEP and residents of the contamination.
2. The sampling indicated two different sites that are contaminated; the one site which was caused by JCP&L - JCP&L is requesting the CMHA sign a Deed Notice that would be recorded with the County of Cape May and the NJ DEP. This is simply a document that once registered would be notification to any future buyer that there is soil contamination. JCP&L would provide some type of monetary payment to the Authority for the Deed Notice.

The second site contamination, according to JCP&L it is not their responsibility because the contamination can't be linked back to them. According to JCP&L it is the Authority's responsibility to remediate this site. However, Attorney Gabage, in previous conversations with JCP&L and the LSRP Representative, had been advised that this is the result of historic contamination and the Authority's defense would be that of an "Innocent Purchaser".

3. Attorney Gabage has discussed this matter with Rick Ginetti, RAD Consultant, with respect to how the contaminated sites would affect any plans to proceed with this conversion. Mr. Ginetti has advised that this should not have any impact on the RAD conversion.
4. Attorney Gabage also advised the Board that there are grants available for this type of remediation for which the Authority could apply. JCP&L's attorney has offered to assist.
5. The \$800.00 bill from NJ DEP should not be paid at this time.
6. Attorney Gabage will continue to be in contact with JCP&L and advise the Board of what action needs to be taken.

ANNUAL AUDIT:

The Annual Audit was conducted between December 4 and December 7, 2017. The Authority has received good results of that audit verbally; they are just awaiting the State of NJ GASB figure for the audit report to be submitted and presented at a Board Meeting.

SNOW REMOVAL BILLING:

The Board followed up on the discussion from the prior meeting concerning snow removal. The Board agreed that these discussions would supersede prior discussions on the matter and that going forward snow removal decisions will be handled on a case-by-case basis rather than incorporating a standard policy.

PHAS SCORE REPORT:

The Housing Authority has received the PHAS Score Report. The final score of 94 means the Housing Authority will maintain its designation of “High Performer” which means the Authority will not be subjected to another REAC inspection until 2020.

NONPROFIT STATUS:

Commissioner Dr. Keith Lafferty suggested that the Board explore the possibility of forming a Nonprofit Corporation. Attorney Gabage explained that filing for Nonprofit Status with the State of NJ is a simple process. Volunteers will be needed to start the process and he would write the required purpose statement and complete the required forms.

However, if the process would include applying for a 501-3-C Non Profit (to accept tax deductible donations) this would be a more complicated process.

Chairperson Thomas Hynes asked the Board for approval to begin this process. The Board approved and a Committee was assigned to include Thomas G. Hynes, Keith Lafferty and Patty Hodgetts.

MISCELLANEOUS:

1. The tenant who received an eviction notice for failure to make timely and accurate rent payments has been notified that all personal possessions must be removed by March 17, 2018.
2. Unit #23 Board Street Court has been taken off line because of the amount of work that will be required to complete the refurbish.

Resolutions:

#2018-08 – A Resolution Approving February Monthly Expenses

Chairperson Thomas G. Hynes called for a Motion to approve the resolution to pay the February expenses. Commissioner Diane Hutchinson made a Motion to approve the resolution, seconded by Commissioner Vice-Chairperson Patricia M. Swain. 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)

#2018-09– A Resolution Approving Executive Session

There was no requirement for an Executive Session

#2018-10 – A Resolution Approving Medicare Part B Premium Reimbursement for Retirees

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.

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 5:20PM Chairperson Thomas G. Hynes called for a Motion to **adjourn the meeting**. Commissioner Frank Acker made the Motion; seconded by Commissioner Diane Hutchinson 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