

Housing Authority of the City of Cape May

REGULAR MEETING

July 16, 2018

THESE MINUTES COULD NOT BE APPROVED BECAUSE OF THE CHANGE OF COMMISSIONERS (4) WHO ATTENDED THIS MEETING – UNABLE TO GET A QUORUM ON THE APPROVAL.

At 4:00 PM, Vice-Chairperson Patricia M. Swain **Called to Order** the July 16, 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:

Vice-Chairperson Patricia M. Swain
Commissioner Thomas White (via telephone)
Commissioner Frank Acker
Commissioner Patricia Hodgetts
Commissioner Diane Hutchinson
Commissioner Dr. Keith Lafferty (via telephone)

Chairperson Thomas G. Hynes 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, of Avena CPA's, , and Richard Ginnetti, The Brooke Group.

Vice-Chairperson Patricia M. Swain noted that there were no members of the public at the meeting.

Vice-Chairperson Patricia M. Swain read the “**Statement of Compliance – Sunshine Law**” and led the Pledge of Allegiance.

Following the roll call of Commissioners, Vice-Chairperson Patricia M. Swain declared there was a quorum present.

Vice-Chairperson Patricia M. Swain called for a Motion to accept the June 18, 2018 Regular Meeting Minutes, Commissioner Diane Hutchinson made the Motion, seconded by Vice-Chairperson Patricia M. Swain to accept the June 18, 2018 Regular Meeting Minutes.

The following vote was taken to approve the June 18, 2018 Regular Meeting Minutes.

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

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, 2018 showed a loss of \$12,598.

Ms. Avena reviewed the proposed October 1, 2018 to September 30, 2019 Budget, that includes a slight increase in rental income, and both operating and capital funding. It also includes an increase in administrative and maintenance expenses, particularly contract costs. The projected profit for the year is \$3,270.00. Ms. Avena pointed out that again, as for the last several years; the Authority will be operating under a breakeven budget.

The Board approved the budget; Ms. Avena will forward all necessary documents to the State of New Jersey.

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:

MONEY MARKET

TOTAL

\$282,759.70

Money Market (Sturdy Bank)

TOTAL **\$282,759.70**

Energy Savings:

The energy savings for the month was \$1,030.16 or 19.62%%.

The Authority is still awaiting a response from HUD regarding the RRI approximate saving figures to the Authority.

COMMISSIONER:

The Board will elect officers at the September 24, 2018 Board Meeting. The Authority is still awaiting word from the City of Cape May on the Commissioner renewals and the replacement for Ms. Swain and Commissioner Thomas White; however Commissioner White has agreed to continue as a Commissioner until his replacement has been appointed. Chairperson Thomas G. Hynes had the E.D. submit a name for City Council’s consideration as a potential new Board Member.

RENTAL ASSISTANCE DEMONSTRATION (RAD):

On March 15, 2108 the Authority received notification from HUD that the Authority’s application to convert the 30 Broad Street Units to RAD PBRA was approved. The Authority also received a Commitment to enter into a Housing Assistance Payment Contract (CHAP award) provided the Owner meets all the requirements. The letter also indicated that HUD reserves the right to revoke or amend its commitment any time prior to closing if HUD, in its sole judgment determines that the Authority has not met all of the required conditions, including it not being financially feasible.

On June 4, 2018, the Authority received an e-mail indicating that the Authority’s request for an exemption from the Choice Mobility requirement has been approved and this approval has been formally documented on the RAD Resource Desk.

Rick Ginnetti is currently completing the necessary paperwork to submit an application to convert the remaining 55 units (the senior units on Lafayette and Osborne Courts).

Mr. Ginnetti reported that it would not be cost effective to convert the 30 Family Units on Broad Street because the Authority would not be able to continue maintaining the senior units based on the current method used by HUD to fund these units. Although the Authority does not separate the sites in its management, HUD separates the units for funding purposes, i.e., funding (including anticipated rental income) 4-bedroom unit is \$1,319.00, 1-bedroom unit is \$511.00. Mr. Ginnetti also advised the Board that HUD would prefer the conversions to be based on a Voucher Program that would give the Tenants the chance to move to other areas, although the Voucher would not be associated with the Housing Authority Unit, and issued by another entity.

When HUD approves the application to convert the 55 senior units, the Authority will be obligated to hold two-resident meetings and the Board will approve the RAD resolution. CMHA will also have to revise the Annual Plan update due to this being a “significant amendment” according to HUD rules.

Attorney Gabage questioned whether the contamination on Osborne Court will affect the HUD decision on approving the RAD conversion. Following much discussion Mr. Ginnetti cautioned the Authority about agreeing to a Deed Notice as these documents can contain restrictions on what the Authority can do to the site after the conversion. He also noted that regardless of the RAD conversion and despite the Authority's claim of an "Innocence Purchaser" the Authority may ultimately be responsible for remediating the site. He also noted that the Government currently has grants available for this type of remediation and most LSRP's will be able to complete the necessary paperwork to apply for a grant.

Attorney Gabage indicated that the Authority does not have an LSRP, but has been using the City of Cape May LSRP. Mr. Ginnetti questioned why HUD has not become involved in assisting the Authority with this issue. He suggested that the Authority send a second notification to HUD and request their help.

It was agreed that Attorney Gabage and Mr. Ginnetti have follow up discussions concerning the signing of a Deed Notice and acquiring someone to assist with the process of applying for a remediation grant.

WATER/SEWER:

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 per 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).

A meeting was held on Thursday, June 2, 2018 with Chairperson Thomas G. Hynes, Neil Young, City Manager, Carl Behrens and Carol Hackenberg to discuss the calculation (actual use vs. flat rate) of the Authority's water/sewer bill. In accordance with the letter of request from Carol Hackenberg to Honorable Mayor Clarence F. Lear, III, the City of Cape May will begin to bill the Housing Authority based on actual usage, provided the City Council approves amending the 2011 City Ordinance.

ENVIRONMENTAL HISTORY:

Attorney Gabage updated the Board as follows:

By e-mail dated June 25, 2018 to the Board of Commissioners Attorney Gabage summarized the background history and the status of the environmental issues at Osborne Court. He will continue to communicate with the DEP concerning an extension to the July 18, 2018 cutoff date for the IRE to be prepared by an LSRP. He will also maintain his contact with JCP&L concerning this matter.

NONPROFIT:

The next Board meeting is scheduled for September 2018.

STORM DAMAGE:

The Nor'easter Storm, Riley, that occurred on Friday, March 2, 2018, resulted in damage to the cupolas on one of the roofs on Lafayette Court. The E.D. requested that the Site Manager, Joseph Culligan do a follow up inspection on all cupolas. He found there is extensive damage on both Lafayette and Osborne Courts cupolas.

The initial broken cupola has been repaired and re-installed. Through Charles Collins, Architect, the Authority will be seeking quotes to repair/secure the remaining cupolas.

ANNUAL PLAN:

The Audit has been mailed to the State of New Jersey and HUD and posted to CMHA website and advertised in 3 newspapers in accordance with HUD and State of NJ requirements.

REPAIR OF CUPOLAS:

Charles Collins, Architect assisted by CMHA in soliciting informal quotes for the Cupola repairs on Lafayette & Osborne Court; MD Remodeling was the lowest responsible bidder at a cost of \$14,875.00; the Board approved awarding the work to this contractor to commence ASAP due to hurricane season being upon us.

SIDEWALK REPAIRS:

Quotes were also being solicited by Charles Collins, to be performed before Fall Season ends.

SIGNAGE:

All new signs were installed on July 3, 2019 to identify buildings and units by number with reflector strips.

COPIER MACHINE:

The Board agreed to enter into a contact with Heritage Business Systems, Inc. for a new copier machine. The agreement is for 60 months at a cost of \$146.87 per month and \$100.50 quarterly payment for service. The Heritage Company will also issue a check to the Authority so that CMHA can continue to make the remaining 11 payments on the current Cannon copier lease.

PARKING POLICY:

The Board approved the revisions to the Parking Policy that will be distributed to all Residents.

MISCELLANEOUS:

1. The Workers Compensation Payroll Audit will be performed on August 10, 2018 by a JIF contractor.
2. The Senior Resident Council hosted a picnic on July 4th; invitations were also extended to the Broad Street Families.

Resolutions:

#2018-32 – A Resolution Approving July Monthly Expenses

Vice-Chairperson Patricia M. Swain called for a Motion to approve the resolution to pay the July expenses. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Frank Acker; the following vote was taken:

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

#2018-33– A Resolution Approving Executive Session

There was no requirement for an Executive Session

#2018-34 – A Resolution Approving Fiscal Year 2018-2019 Operating Budget

Vice-Chairperson Patricia M. Swain called for a Motion to approve the resolution to approve the Budget. Commissioner Diane Hutchinson made a Motion to approve the resolution, seconded by Commissioner Patricia Hodgetts; the following vote was taken:

Vice-Chairperson Patricia M. Swain	(Yes)
Commissioner Thomas White	(Yes)
Commissioner Frank Acker	(Yes)
Commissioner Diane Hutchinson	(Yes)

Commissioner Patricia Hodgetts (Yes)
Commissioner Dr. Keith Lafferty (Yes)

#2018-35 – A Resolution Approving N.J. Public Housing Authority Joint Insurance Fund

Vice-Chairperson Patricia M. Swain called for a Motion to approve the resolution for the annual renewal. Vice-Chairperson Patricia M. Swain made a Motion to approve the resolution, seconded by Commissioner Frank Acker; the following vote was taken.

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

#2018-36 – A Resolution Approving MD Remodeling Contract – CUPOLAS Repairs

Vice-Chairperson Patricia M. Swain called for a Motion to approve the resolution. Commissioner Diane Hutchinson made a Motion to approve the resolution, seconded by Commissioner Patricia Hodgetts; the following vote was taken.

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

#2018-37 – A Resolution Approving Heritage Contract – Copier Machine

Vice-Chairperson Patricia M. Swain called for a Motion to approve the resolution. Commissioner Diane Hutchinson made a Motion to approve the resolution, seconded by Commissioner Frank Acker; the following vote was taken.

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

#2018-38 – A Resolution Approving Parking Policy Revision

Vice-Chairperson Patricia M. Swain called for a Motion to approve the resolution. Commissioner Diane Hutchinson made a Motion to approve the resolution, seconded by Vice-Chairperson Patricia M. Swain; the following vote was taken.

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

#2018-39 – A Resolution Approving Drawn Down of Reserves

Not Needed

There being no further business before the Board, at 05:08PM Vice-Chairperson Patricia M. Swain called for a Motion to **adjourn the meeting**. Vice-Chairperson Patricia M. Swain made the Motion; seconded by Commissioner Frank Acker the following vote was taken:

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

Respectfully submitted,

Carol Hackenberg
EXECUTIVE DIRECTOR