

Housing Authority of the City of Cape May

REGULAR MEETING

March 19, 2018

At 4:00 PM, Chairperson Thomas G. Hynes **Called to Order** the March 19, 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, Linda Avena, of Avena CPA's and Richard Ginetti of the Brook Group.

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 February 26, 2018 Regular Meeting Minutes.

Vice-Chairperson Patricia M. Swain made the Motion, seconded by Commissioner Diane Hutchinson to accept the February 26, 2018 Regular Meeting Minutes.

The following vote was taken to approve the February 26, 2018 Regular Meeting Minutes.

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|------------------------------------|-------|
| 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 | (Yes) |

ACCOUNTANT'S REPORT:

The Accountant's Report – The Board reviewed the 5-month Financial Report as submitted by the Accountant. The bottom line for the five months ending February 28, 2018 showed a loss of \$10,104.00. Ms. Avena explained some of the loss can be attributed to the large electric bill last month and the snow removal bill. The E.D. reported that this week the authority did receive a reimbursement from Respond Power for the large electric bill last month. Additionally, the Authority received reimbursement from the Pension Fund for an overpayment, for a total of \$11,000.00 which should reduce the current month's loss.

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:

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|----------------------------|----------------------------|
| <u>MONEY MARKET</u> | |
| <u>TOTAL</u> | Money Market (Sturdy Bank) |
| \$282,527.38 | |
| <u>TOTAL</u> | <u>\$282,527.38</u> |

Energy Savings:

There was no energy saving this period because the contract with MP2 did not begin until February 1, 2018.

COMMISSIONER:

Commissioner Patricia Hodgetts has been enrolled in the following course – Ethics May 15, 2018 after completion of this course, 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.

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.

Richard Ginetti, from the Brooke Group advised that the post-award estimated RAD income is about \$11,000 higher than the income estimation in the original application submitted to HUD. Mr. Ginetti then provided an outline of some actions that will occur as the Authority goes forward with the conversion:

- The Authority has been assigned a RAD Transaction Manager – who will schedule a kick off call.
- The Authority must within in 30 days confirm their acceptance in RAD PIC
- The Authority will supply to HUD a 20 year financial analysis.
- HUD will require the CMHA to conduct a Physical Needs Assessment of the property.
- HUD will require the CMHA to perform an RAD environmental assessment of the property.
- There will be a property title search
- The Authority will have to prepare an amendment to the 5-Year Plan.
- The Authority will have to schedule meetings with the Broad Street Residents to advise them that the Authority has received the approval to begin the RAD conversion.
- The Authority will have to produce 3 years of financial reports.

Mr. Ginetti then indicated that the Authority has some options with the type of RAD that they choose, such as:

- Project-Based Rental Assistance (PBRA) – this option will not include Section 8 portability, which are the Section 8 Vouchers. With PBRA the Authority will continue to perform all of the administrative functions and the assistance remains with the unit, (unless the Contract Administrator for the PBRA offers portability in the future).

- Project-Based Voucher (PBV) – this option means the Authority would not join with another Housing Authority and stays independent or joins with another PHA to offer Section 8 Vouchers to Tenants. The administrative functions of the vouchers, annual inspection of the units and other functions concerning the Tenant including the annual re-certification would be done by the partnering PHA. The other Authority would receive the money from HUD and then forward the money to the Cape May Housing Authority.
- Mr. Ginetti mentioned the Authority would not receive much from the Tax Credit Program, so they should explore the possibility of securing a loan from a Bank or Tax Exempt Bonds. The HA will own the property unless there are Tax Credits. Tax credits work better after all 85 unit are included.

Mr. Ginetti will continue to work with the Housing Authority through the various steps to complete the conversion.

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 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.

The E.D. has made several reminder calls to the City Water Department, re: the analysis and the City Manager’s response is to set up a meeting soon – Chairperson Thomas G. Hynes expressed his intent to also be present. Coordination of schedules has been difficult.

ENVIRONMENTAL HISTORY:

In January the State had issued the Annual Remediation Fee billing which was forwarded to Attorney Gabage. Mr. Gabage 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 reiterated the information provided at the last meeting concerning the \$800.00 bill from NJDEP and JCP&L’s desire to help the Authority with applying for grants to remediate the contaminated site on Osborne Court and in return JCP&L’s requirement that the Authority sign a Deed Notice for which the Authority would receive a monetary payment.

Attorney Gabage advised the Board at this time there is no need for an immediate answer to JCP&L’s request for the signing of the Deed Notice. However, he did point out that regardless of what the Authority decides they are still going to have to deal with the contamination issue that needs to be resolved. He indicated that he is not an expert with respect to these matters and would cost a good sum of money to get an environmental attorney involved which at this time the Authority may not be able to afford.

Attorney Gabage will continue speaking with JCP&L and advised the Board when action needs to be taken and had instructed the E.D. to assemble paperwork that the J.C.P. &L. Attorney needed to assist with a defense.

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 68 figure for the audit report to be submitted and presented at a Board Meeting.

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.

Commissioner Dr. Lafferty is in the process of preparing a Purpose Statement and naming the members of the Board.

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. Joseph Culligan did a follow up inspection and found there is extensive damage on both Lafayette and Osborne Courts cupolas.

The E.D. contacted Charles J. Collins to perform emergency Architectural related services to assess the damage and propose a plan of action to repair this damage. The Board was asked to approve a Resolution approving the emergency engagement of Mr. Collins.

LAWN CARE:

The Authority has advertised for lawn care services to begin May 1, 2018.

MISCELLANEOUS:

- 1. Two Tenants have ended their tenancy – one on Osborne Court and the other on Broad Street Court.

Resolutions:

#2018-11 – A Resolution Approving March Monthly Expenses

Chairperson Thomas G. Hynes called for a Motion to approve the resolution to pay the March expenses. 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) |

#2018-12– A Resolution Approving Executive Session

There was no requirement for an Executive Session

#2018-13 – A Resolution Approving Emergency Architect Services

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.

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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) |

#2018-14 – A Resolution Approving Compliance – Commissioner Training

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.

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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 5:25PM Chairperson Thomas G. Hynes called for a Motion to **adjourn the meeting**. Commissioner Patricia Hodgetts made the Motion; seconded by Commissioner Diane Hutchinson and 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) |

Respectfully submitted,

Carol Hackenberg
EXECUTIVE DIRECTOR