

Housing Authority of the City of Cape May

REGULAR MEETING

September 24, 2018

Attorney Gabage advised the Board that before the meeting could be opened he needed to swear in the new Commissioners so that there would be a quorum present.

Attorney Gabage swore in the new Commissioners as follows:

Commissioner Carol Boyd
Commissioner Victor Faison
Commissioner Dr. Christopher Traficante
Commissioner Helen Meier

At 4:30 PM, **Carol Hackenberg, Executive called to order** the September 24, 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:

Commissioner Dr. Keith Lafferty
Commissioner Patricia Hodgetts
Commissioner Carol Boyd
Commissioner Victor Faison
Commissioner Helen Meier
Commissioner Dr. Christopher Traficante

The following individuals were also present: Carol Hackenberg, Executive Director, Charles W. Gabage, Solicitor from the firm of Eisenstat, Gabage & Furman, Linda Avena, of Avena CPA's.

Commissioner Dr. Keith Lafferty stated at this time he would like to publicly thank former Chairperson Thomas G. Hynes for the manner in which he carried on the meetings, specifically with elegance, professionalism and his dedication to the City of Cape May Housing Authority. Additionally, that it is going to be a big loss for the Board of Commissioners and more so for the Housing Authority.

Attorney Gabage advised the Board that the Board needs to elect a Chairperson and Vice-Chairperson. He called for nominations. Each of the new Commissioners indicated they did not feel they had enough experience to fill the position and Commissioner Faison stated he was involved in other obligations plus he is aware of other issues that are going to arise on the housing side and other areas and because of this he would have to recuse himself on those issues in the future.

Attorney Gabage stated that a Commissioner could nominate themselves; he then asked Commissioner Dr. Keith Lafferty if he would accept the position. Commissioner Dr. Keith Lafferty stated that he also has a number of commitments, including chairing the Non-Profit Organization, Cape May Cares. He also stated he didn't feel that he was in a position to do the position justice, that is, to perform the function as it needs to be performed. He also questioned whether his position of Chairperson of the Non-Profit Organization Cape May Cares would be a conflict if he were to accept the Chairperson position for the City of Cape May Housing Authority.

Attorney Gabage said that it would not be an issue because typically many housing authorities have nonprofits and very typically the boards are interlocking, in fact HUD has encouraged that there be interlocking boards.

Commissioner Dr. Keith Lafferty indicated he would accept the nomination on a tentative basis.

Each of the Commissioners vowed to assist Commissioner Dr. Keith Lafferty in any way possible to ensure that he was successful in filling the duties of this position.

Commissioner Carol Boyd made a motion to appoint Commissioner Dr. Keith Lafferty as Chairperson; Commissioner Victor Faison seconded the motion.

Following a roll call of Commissioners, Commissioner Dr. Keith Lafferty was appointed Chairperson of the Board of Commissioners of the City of Cape May Housing Authority.

Attorney Gabage then called for nominations for Vice-Chairperson. Chairperson Dr. Keith Lafferty nominated Commissioner Patricia Hodgetts. After some consideration Ms. Hodgetts accepted the nomination. Following a roll call of Commissioners, Commissioner Patricia Hodgetts was appointed Vice-Chairperson of the Board of Commissioners of the City of Cape May Housing Authority.

Each of the appointments will be for a one-year term, September 2018 through September 2019.

The E.D. noted that there were no members of the public present at the meeting.

The E.D. read the “**Statement of Compliance – Sunshine Law**” and led the Pledge of Allegiance.

The new Board of Commissioners were unable to approve the July 16, 2018 Regular Meeting Minutes. Therefore the July 16, 2018 Regular Meeting Minutes will stand as submitted.

ACCOUNTANT’S REPORT:

The Accountant’s Report – The Board reviewed the 11-month Financial Report as submitted by the Accountant. The bottom line for the eleven months ending August 30, 2018 showed a profit of \$294.00.

Commissioner Faison questioned the difference between the budgeted and actual amounts. Ms. Avena stated that because of the uncertainty in the HUD funding, because it is not a set amount, and the incurrence of other expenses, such as RAD and the snow removal cost in January 2018 of \$12,000.00, the budget was fluid.

Commissioner Faison requested an item-by-item cost charged to the sundry account and the budget for the past 3 years. The E.D. advised the Commissioners the budgets for the priors years are on the Housing Authority Website.

The E.D. also explained that the higher electric expense for January and February was due to the lapse in the electric provider contract because the Board did not want to renew that contract due to the potential implementation of the RAD Program. If the utility expenses are reduced, then the HUD subsidy payment is reduced.

Commissioner Faison indicated he will be reviewing all of the financial information and going forward he would expect that the budget should be prepared using the generally accepted projected estimate of between 2.5 to 3% and that the Board and the Authority be more proactive.

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>	
\$282,900.72	Money Market (Sturdy Bank)
<u>TOTAL</u>	<u>\$282,900.722</u>

Energy Savings:

The energy savings for the month was \$706.55 or 12.15%

The Authority is still awaiting a response from HUD regarding the RRI approximate figures to the Authority for the calculation of the 2019 operating subsidy.

COMMISSIONER:

Attorney Gabage reminded the Commissioners that the required training must be completed within 18 months of their appointment. The E.D. re-distributed the Rutgers Training Guide. The Commissioners are required to take 4 required courses (Ethics, Financial Issues and Procedures, Public Housing Assessment and Section 8 Management) and 1 elective. Rutgers publishes 3 catalogs, (Fall, Spring and Winter) that provide the dates and locations of the courses. In response to the question if the courses can be taken on-line, the E.D. responded that it is not available that the Commissioners must physically attend the courses.

HUD FUNDING:

The E.D. reported that it is anticipated that the HUD Operating Subsidy will be higher next year. Also the Authority has received the 2018 Capital Funding of \$153,000.00 (this includes an extra \$7,000 for being a High Performer). Therefore, the Authority is moving ahead with two projects that are needed to pass the HUD physical inspection, sidewalks and window wells, these repairs will begin in October 2018. Also, the repair of cupolas should be completed by the end of September 2018.

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 September 6, 2018 the Authority received a letter from HUD acknowledging that they were in receipt of the Authority's request to voluntarily withdraw their existing RAD CHAP Award for the 30 Broad Street Units and to request a new RAD application for the Authority to convert all 85 units (Broad Street Court (30 units), Lafayette Court (27 units) and Osborne Court (28) units).

On August 31, 2018 a new application was submitted to HUD for the conversion of all 85 units.

As required by HUD, two meetings were held with the Lafayette and Osborne Court Residents on August 29, 2018 and August 30, 2018.

The next stage is for the Authority to have a RAD needs assessment performed and submit a 20 year financial plan and an environmental study. HUD will not let the Authority proceed with the RAD implementation if they deem it is not financially feasible.

WATER/SEWER:

HISTORY:

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).

As a result of a meeting with the City of Cape May Manager, Chairperson Thomas G. Hynes and Carol Hackenberg to request relief from this Ordinance, at a City Council Meeting held on July 17, 2018, an Ordinance was passed whereby beginning with the billing cycle that began on July 1, 2018, and thereafter until adjusted by ordinance, the Cape May Housing Authority will be billed for water and sewer on a consumption/usage basis.

ENVIRONMENTAL HISTORY:

Attorney Gabage updated the Board as follows:

There are two environmental issues at Osborne Court. One caused by JCP&L and the other that JCP&L claims was not caused by them but more than likely caused by historical fill.

JCP&L ISSUE:

They had to do testing for contamination for the property they had contaminated years ago. The Board is eventually going to have to make a decision about whether it will agree to JCP&L’s offer of leaving the environmental problem on the Housing Authority property and being paid \$15,000.00 for a Deed Notice.

JCP&L has also agreed to continue paying Mr. Gabage’s legal fees, and up to \$2,500.00 for the Authority to engage an Environmental Attorney and \$2,500.00 for the Authority to engage an Environmental Consultant. These individuals will review the Deed Notice documents and advise the Board on the environmental contamination.

HISTORIC FILL:

The Authority has already claimed an “Innocent Purchaser” defense. The Board has several decisions to make, whether to remove the contaminate or take no action. This decision will depend on what the DEP rules. Perhaps apply for a grant to remove the contamination. JCP&L has offered their help in completing the necessary paperwork to apply for this grant.

The problem with the Authority removing the contamination is that it does not have the money for this type of expense (estimate cost - \$30,000.00-\$50,000.00).

Attorney Gabage advised the Board he is not an environmental attorney and therefore this is not his area of expertise.

CONTAMINATION:

The contamination does not cover a large area and is not in great quantity. The greatest quantity contains lead as a result of possible historic fill. The City’s former environmental consultant (LSRP) advised the Authority this could just be covered over because it is not that high of a quantity and it is in the ground not on the surface. The area was covered over with gravel given to CMHA by JCP&L.

The Commissioners expressed concern for the safety of children that may in the future reside at this site. It was suggested that the Authority partner with the City of Cape May to address the issue. It was also stated that the Mayor more than likely would be willing to attend any type of meeting to review the information and discuss a potential solution.

It was further noted that many years ago tanks were dropped in this area and that former sites included gas stations.

The Board questioned whether the issue had been investigated. Attorney Gabage stated that the City of Cape May’s former LSRP did investigate the matter and put together a plan to remove the contamination, which the Authority could not do unless they received a grant.

The question was asked about the effect on the RAD conversion. Attorney Gabage indicated he had questioned the RAD Consultant about this issue and an answer has yet to be provided.

After much discussion Attorney Gabage stated the Board needed to get their arms around the problem by hiring the environmental attorney and consultant to help advise them on what is the best course of action. That it is going to be a slow moving process and that he will continue to work on the matter and keep the Board updated.

NONPROFIT:

The Organization has selected all of the Board Members which include two members of the City of Cape May Housing Authority, Dr. Keith Lafferty (Chairperson) and Patricia Hodgetts with Carol Hackenberg acting as the Executive Director. The next quarterly meeting is scheduled for October 11, 2018. Also on that date Dr. Lafferty has scheduled a “Meet and Greet” with all of the residents.

Chairperson Dr. Lafferty noted that the purpose of the “Meet and Greet” is to determine how to allocate funds and since the Broad Street Residents do not have a Resident Council, this is the best way to get their feedback. He also noted that the intention is to use some of the funding for a Social Worker to come and talk to the residents once a month. Also the nonprofit would like to install playground equipment and establish a tutoring program.

BUDGET:

The State of NJ has approved the Authority’s budget for fiscal year 2018-2019 which was approved by the Board of Commissioners on July 16, 2018.

PROVIDER PROPOSALS:

A. **Sidewalk Alterations**

Below is a summary of the bids received for this project:

<u>BIDDER</u>	<u>BASE</u>	<u>ADD PLANERS REFACING</u>	<u>ADD RETAINING WALL REMOVAL</u>	<u>ADD WINDOW WELL REPAIRS</u>	<u>DEDUCT BOND</u>
Abhzeen Design, Inc.	\$91,200	\$15,560	\$8,000	\$19,750	\$3,100
Cardinal Contracting	\$79,405	\$18,710	\$8,820	\$32,065	\$2,697
Diamond Construction	\$68,400	\$34,000	\$38,000	\$40,000	\$5,000
Marandino	\$60,000	\$7,000	\$3,400	\$38,000	\$2,500
M.D.	\$60,000	\$7,000	\$3,400	\$38,000	\$1,700
Ocean Construction (Marmora)	\$59,000	\$1,700	\$2,400	\$375.00	\$1,200

By letter dated August 24, 2018, Charles Collins, Architect after review by the Attorney of the bid documents, sent Ocean Construction, LLC (Marmora), their Notice of Award of Contract for the Alterations to the Concrete Sidewalks of Lafayette Court, Osborne Court and Broad Street Court. The successful Base Bid of \$59,000 has been accepted along with all Alternate Bids Numbers 1, 2, 3 and 4 for a total contract cost of \$62,275.00.

- B. **Legal Services:**
One bid was received from Eisenstat, Gabage & Furman – One Year Agreement – No increase in current rate - \$12,600.00 annual rate.
- C. **Accounting Services:**
One bid was received from Linda M. Avena, CPA – One Year Agreement – no increase in current rate - \$10,000 annual rate.
- D. **Auditing Services:**
One bid was received from Barbacane & Thornton & Company – One Year Agreement – no increase in current rate - \$9,600.00 annual rate.

Commissioner Faison asked if the three professional contracts were put out for bid, the E.D. responded yes it was advertised in three papers.

Commissioner Faison asked if the Legal Firm is the same one that is representing the Non-Profit Organization, because it could cause a conflict of interest. Attorney Gabage responded yes, but that the work was done pro-bono to help get the organization up and running but his firm has not been officially appointed as Counsel to that Organization.

- E. **Trash Removal Services:**
One bid from Waste Management –
Option for 3 year agreement
- | | |
|-----------|-------------|
| 2018-2019 | \$18,559.00 |
| 2019-2020 | \$19,166.00 |
| 2020-2021 | \$19,690.00 |

EMPLOYEE WAGES:

The E.D. advised the Board that each year at the September meeting the Board enters into Executive Session to discuss employee wages for the upcoming fiscal year. She also noted that the new wages were incorporated into the new 2018-19 budget that the Board approved on July 16, 2018.

MISCELLANEOUS:

1. The Authority may be required to update the Occupancy Policy for some HUD required changes to include the new regulations on over-income families and “flat rents”. The new regulations will provide that tenants earning over the Income Limits will not be permitted to go on a “flat rent” schedule and they will not be eligible to remain in public housing.
2. Commissioner Meir questioned when repairs were completed on certain areas as follows:
Roof Repairs – the E.D. responded the roofs were replaced in 2010
Bathroom Repairs – the E.D. reported new bathroom vanities were installed on Lafayette/Osborne in 2005
Kitchen Repairs – the E.D. responded new kitchen cabinets were installed in 2010 on Broad Street
Heaters – the E.D. reported water heaters are replaced on as needed basis
Efficiency windows – the E.D. reported that windows are replaced on as needed basis

The E.D. advised the Board the Authority has applied for a Safety and Security Grant, and if awarded, the money will be used to provide new doors and locks.

Resolutions:

#2018-40 – A Resolution Approving August/September Monthly Expenses

Commissioner Victor Faison stated for the record that the new Commissioners could not approve August 2018 expenses. The E.D. Noted that Board approval was obtained by a phone vote before the bills were paid. Attorney Gabage stated that this is not an uncommon practice since many boards do not meet on a monthly basis.

Chairperson Dr. Keith Lafferty made a Motion to approve the resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-41– A Resolution Approving Executive Session

Chairperson Dr. Keith Lafferty made a motion to enter to Executive Session. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-42– A Resolution Approving Architect of Record

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-43 – A Resolution Approving Sidewalk Alterations – Ocean Construction

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-44 – A Resolution Approving Bank Account Signatories

Chairperson Dr. Keith Lafferty made a motion to approve the resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-45 – A Resolution Approving Uncollectable Accounts

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-46 – A Resolution Approving Trash Removal Services

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-47 – A Resolution Approving Employee Wages

Employee wages were approved based on the changes made in the Executive Session.

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-48 – A Resolution Approving Professional Services - Legal

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-49 – A Resolution Approving Professional Services – Fee Accountant

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-50 – A Resolution Approving Professional Services – Auditor

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-51 – A Resolution Approving RAD Application

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

#2018-52 – A Resolution Approving State NJ Approved Budget

The new Commissioners indicated they would approve the Resolution because the State Accepted the Budget, but with the understanding they were not part of the Board approval at the July 2018 Board Meeting.

Chairperson Dr. Keith Lafferty made a motion to approve the Resolution. Vice-Chairperson Patricia Hodgetts seconded the Motion to approve the resolution, the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

At 6:25pm Chairperson Dr. Keith Lafferty suspended the open public meeting and the Board entered into Executive Session to discuss a personnel matter and employee wages.

At 6:35pm the open public meeting was reconvened.

There being no further business before the Board, at 7:00PM Chairperson Dr. Keith Lafferty called for a Motion to **adjourn the meeting**. Commissioner Carol Boyd made the Motion; seconded by Vice-Chairperson Patricia Hodgetts the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Carol Boyd	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Helen Meier	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

Respectfully submitted,

Carol Hackenberg
EXECUTIVE DIRECTOR