

**Housing Authority of the City of Cape May**

**REGULAR MEETING**

**June 17, 2019**

At 4:00 PM, **Chairperson Dr. Keith Lafferty called to order** the June 17, 2019 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 Dr. Keith Lafferty
- Vice-Chairperson Patricia Hodgetts
- Commissioner Victor Faison
- Commissioner Dr. Patricia Ann Martz
- Commissioner Dr. Christopher Traficante

The following Commissioners were not present at the meeting: Carol Boyd and Helen Meier.

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

City of Cape May Mayor Clarence F. Lear III, and Deputy Mayor Patricia Hendricks attended the first portion of the meeting.

Chairperson Dr. Keith Lafferty noted their presence and introduced them.

Chairperson Dr. Keith Lafferty read the **“Statement of Compliance – Sunshine Law”** and led the Pledge of Allegiance.

Following the roll call of Commissioners, Chairperson Dr. Keith Lafferty declared there was a quorum present.

Chairperson Dr. Keith Lafferty called for a Motion to accept the May 20, 2019 Regular Meeting Minutes, Vice-Chairperson Patricia Hodgetts made the Motion, seconded by Commissioner Victor Faison to accept the May 20, 2019, Regular Meeting Minutes.

The following vote was taken to approve the May 20, 2019 Regular Meeting Minutes.

- |   |       |
|---|-------|
| Chairperson Dr. Keith Lafferty          | (Yes) |
| Vice-Chairperson Patricia Hodgetts      | (Yes) |
| Commissioner Victor Faison              | (Yes) |
| Commissioner Dr. Patricia Ann Martz     | (Yes) |
| Commissioner Dr. Christopher Traficante | (Yes) |

Chairperson Dr. Keith Lafferty welcomed Mayor Clarence Lear and Deputy Mayor Patricia Hendricks to the meeting. He indicated that Commissioner Carol Boyd invited them to the meeting regarding the environmental issues. Deputy Mayor Hendricks indicated that was correct, but this was also an opportunity for them to let the Board know how much they appreciate their hard work.

Chairperson Dr. Keith Lafferty stated that although the Authority is in the process of converting to the RAD program and that there will be a time and place to discuss that process, and he would like to limit today's discussions with the City Officials to the environmental issues and have them to share their knowledge and experience concerning them.

With respect to obtaining a Deed Notice from JCP&L, Deputy Mayor Hendricks reported that JCP&L has been very cooperative with them and they have taken all the necessary steps towards completing that process.

The Board updated the guests on the status of the environmental issues, specifically the lead issue, and the contamination of the soil in some areas. Also, regarding the Authority's negotiations with JCP&L and their offer of a deed notice. The RAD Consultant reported that he once again has notified HUD of the lead. What was recommended/suggested by HUD was to perform a Phase I and possibly a Phase II Environmental Study to determine the cost to remediate the area with the lead contamination.

Mayor Clarence Lear stated that the City looks forward to working with the Authority in the planning and conclusion of the RAD Program conversion because it will be a core base for the families in Cape May.

Mayor Clarence Lear and Deputy Mayor Patricia Hendricks left the meeting after the above discussions.

**ANNUAL INDEPENDENT AUDITOR REPORT:**

The Auditor distributed a DRAFT of the Report of Audit of Financial Statements and Supplementary Information as of September 30, 2018 for the City of Cape May Housing Authority. It was explained that the report was in draft form because the State of New Jersey has not issued the GASB68 Pension Liability Report which is needed to finish the Audit. It is anticipated that the information will be submitted by the end of the month. There is also a new report entitled GASB75 that deals with benefits provided to retirees that needs to be captured and included in the calculation of the Authority's net pension liability. If the Audit is not submitted by June 30<sup>th</sup> the Authority will have to submit an appeal to HUD to avoid scoring penalties.

In summary, the audit shows a net operating loss of \$159,894 however, if you deduct out the depreciation of \$119,000 and the Pension Liability of \$52,000, the net operating figure would be a profit of \$12,000. Overall, the audit did not identify any deficiencies in internal controls that would be considered material weaknesses.

Commissioner Victor Faison stated that the Board should have had the Draft Audit Report before the meeting and that he would be taking the time to review it. If there are any questions he will contact the Auditor.

The E.D. apologized and explained the DRAFT was received earlier in June and she was expecting the Final Version to be ready before the Board Meeting. When that didn't happen, she circulated it the morning of the Board Meeting, via email.

**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, 2019: Income was over budget by \$58,008, Total Expenditures was budgeted at \$535,648 actual \$510,543 under budget by \$25,105. Profit was budgeted at \$85,293 and actual was a profit of \$83,113 minus capital expenditures equaling a loss of \$11,124. Contract costs have been high due to a large amount of necessary property improvements and some RAD expenses.

Ms. Avena distributed a copy of the Sundry Expenses to the Board.

**COMMITTEE REPORTS:**

No Reports

**ADMINISTRATIVE REPORT:**

Ms. Hackenberg reported the following:

- a. **Investments:** The C.D. and Money Market Investment schedule is as follows:

**MONEY MARKET**

**TOTAL**

\$218,278.24

Money Market (Sturdy Bank)

**TOTAL** **\$218,278.24**

The E.D. reported that the money drawn down from the Money Market Fund due to the RAD conversion can remain in the checking account, and the account would only lose a bit of interest.

b. **ENERGY SAVINGS:**

The energy savings for last period was \$1,531.08 or 20.29%.

**COMMISSIONER:**

The Commissioners are continuing to schedule their required training. The E.D. will distribute the Fall Schedule as soon as it is published.

Commissioners Victor Faison and Dr. Patricia Martz reported that the Procurement for Commissioners Training which they attended was very informative, and they realize they are responsible to ensure that the Authority is following all of the required procedures. Chairperson Dr. Keith Lafferty requested that a copy of the Procurement for Commissioners Manual be forwarded to all of the Board Members since this is not a required course.

**RENTAL ASSISTANCE DEMONSTRATION (RAD) SUMMARY STATUS:**

On December 11, 2018 the Authority received a second CHAP Award from HUD which is a commitment for the 55 senior units on Lafayette and Osborne Courts in addition to the 30 units on Broad Street Court. The Board was given a copy of the Executive Summary of RAD Conversion that was prepared by the Brooke Group, Rick Ginnetti.

With the 2<sup>nd</sup> CHAP, the 2019 rental rates for the Cape May Area from HUD were increased. The gross project income for the Authority will increase from \$785,062 to \$852,000. This makes it a viable endeavor.

The PCNA Consultant has completed the site survey and the Authority has received a DRAFT report of the Physical Needs Assessment. Mr. Ginnetti and the E.D. have been reviewing it and making some corrections.

The E.D. reported that the Authority has submitted all of the required reports and information to HUD. The Authority still has to arrange the required tenant meetings and complete the environmental review.

The E.D. reported after conferring with the RAD Consultant, Rick Ginnetti, the Authority will be issuing an RFP for a Phase I Environmental Survey. HUD is now involved and may also require a Phase II environmental survey in order to delineate the lead and determine the cost to remediate the site.

**ENVIRONMENTAL HISTORY:**

There are two environmental issues:

1. Historic Fill – responsibility of the Authority to decide what to do. Application for exemption has been filed with the DEP; awaiting a response. The Board will need to make a decision whether or not to remediate the site even if the exemption is granted. If remediation is in order, then the Authority may hire an environmental consultant to help with completing an application for grant money.
2. JCP&L issue – currently in the hands of the Environmental Consultant (LSRP). The report has been shared with the Board. The Board reviewed the information to determine what course it needs to take with respect to the Deed Notice and requiring JCP&L to perform further remediation of the site(s). Recently, Mr. Toder (LSRP) from Mott MacDonald had explained the issue in more detail with the Board of Commissioners.

The other consideration discussed was whether or not HUD will require the remediation of both sites as part of the RAD conversion. The Authority needs to get a response as to what HUD will require.

Attorney Gabage suggested that the Board arrange a face-to-face meeting with JCP&L so that the Board can ask as many questions as needed. This to ensure they are comfortable and that all of their questions and concerns have been addressed.

Chairperson Dr. Lafferty agreed, and a meeting with JCP&L will be scheduled for August 2019, with a preview of all documents in July 2019.

The Board also authorized Charles Gabage to release Mr. Toder's report to JCP&L.

**RESIDENT COUNCIL:**

The E.D. reported that the Broad Street Family Resident Council has been established. A follow-up meeting will be scheduled with both Councils to brainstorm together.

Chairperson Dr. Keith Lafferty reported that he has made arrangements for both Resident Councils to attend the Cape May Cares meeting following the CMHA meeting.

**NON-PROFIT:**

Chairperson Dr. Keith Lafferty reported the following activities have been initiated for the Broad Street Children:

- Free Tutoring to begin on July 8th –approximately 7 children have signed up for this activity.
- Free Tennis Lessons – approximately 9 children are participating in this event.
- Free Sailing Lessons – approximately 5 children have signed up for this activity
- Nature Center Day Camp – approximately 5 children have signed up for this activity.
- Swim Lessons – to be announced

The June 14, 2019 End of School Ice Cream Buffet was an enormous success with approximately 50 family residents and 17 senior residents participating.

**JIF INSPECTION:**

On May 29, 2019 JIF Representatives along with the E.D., Charles Collins and Robert Martin walked the property. There were only a few issues that needed to be addressed which have been corrected. Future playground information was discussed. The JIF Representative offered to provide guidance.

**ONGOING PROJECTS:**

- Repairs Osborne Court #7-window well to keep out rain and fix undermined footing in the crawl space. Raise the down spout to discharge drain away from the building.
- Installation of an Infiltration Trench at Lafayette Court –installation of stone infiltration trench along the south side of the sidewalk between Buildings 6 and 9 and along the south side of the driveway to alleviate flooding.

**Resolutions:**

**#2019-40 – A Resolution Approving June 2019 Monthly Expenses**

Chairperson Dr. Keith Lafferty called for a Motion to approve the resolution to pay the June 2019 expenses. Vice-Chairperson Patricia Hodgetts made the motion to approve the resolution; seconded by Commissioner Dr. Christopher Traficante the and following vote was taken.

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Dr. Patricia Ann Martz	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

**#2010-41– A Resolution Approving Executive Session**

Not Needed

**#2019-42– A Resolution Approving Certification of Annual Audit**

On Hold – Audit Report is on hold because the State of New Jersey has not issued the GASB68 Pension Liability Report.

**#2019-43 – A Resolution Approving Audit Review Certificate**

On Hold – Audit Report is on hold because the State of New Jersey has not issued the GASB68 Pension Liability Report.

**#2019-44 – A Resolution Awarding General Contractor Services Contract – Osborne Court #7**

Chairperson Dr. Keith Lafferty called for a Motion to approve the resolution. Vice-Chairperson Patricia Hodgetts made a Motion to approve the resolution, seconded by Commissioner Dr. Christopher Traficante, the following vote was taken.

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Dr. Patricia Ann Martz	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

**#2019-45 – A Resolution Awarding General Contractor Services Contract-Infiltration Trench Lafayette Court**

Chairperson Dr. Keith Lafferty called for a Motion to approve the resolution. Commissioner Victor Faison made a Motion to approve the resolution, seconded by Vice-Chairperson Patricia Hodgetts, the following vote was taken.

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Dr. Patricia Ann Martz	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

**#2019-46 – A Resolution Approving Grant Writing Services-HUD Family ROSS (Self-Sufficiency Program)**

Chairperson Dr. Keith Lafferty called for a Motion to approve the resolution. Commissioner Victor Faison made a Motion to approve the resolution, seconded by Dr. Christopher Traficante, the following vote was taken.

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Dr. Patricia Ann Martz	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

There being no further business before the Board, at 5:35 PM Chairperson Dr. Keith Lafferty called for a Motion to **adjourn the meeting**. Commissioner Victor Faison made the Motion; seconded by Commissioner Dr. Christopher Traficante the following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patricia Hodgetts	(Yes)
Commissioner Victor Faison	(Yes)
Commissioner Dr. Patricia Ann Martz	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

Respectfully submitted,

Carol Hackenberg  
EXECUTIVE DIRECTOR