

HOUSING AUTHORITY OF BERGEN COUNTY
One Bergen County Plaza, FL 2
Hackensack, NJ 07601

MINUTES OF THE MEETING OF JANUARY 30, 2014

THESE MINUTES ARE NOT VERBATIM BUT ARE INSTEAD A SYNOPSIS OF WHAT TRANSPIRED AT THE REGULAR MEETING OF JANUARY 30, 2014.

PRESENT:

Chairman Bruce Walenczyk
Commissioner Kay Nest
Commissioner Steven Kopf
Commissioner Mark DiPisa
Commissioner Joanne English Rollieson
Domingo Senande, Executive Director
Lynn Bartlett, Deputy Director
Charlotte Vandervalk, Director of Development
Julia Orlando, Director, BC Housing, Health & Human Services Center
Terrence Corriston, Esq., Counsel
William Katchen, CPA
Esther Gatria, Human Resources Manager
Heather Wei, Executive Assistant

ABSENT:

Commissioner Andrew Rudman

NOTICE OF MEETING

Mr. Domingo Senande read the following statement:

Consistent with the Byron M. Baer Open Public Meetings Act: P.L.1975c231, all meetings of public bodies shall be open to the public at all times. Notice of the regular meeting was provided to The Record and the Jersey Journal on January 19, 2014, and was provided to the County Clerk for posting at the County Administration Building, at which time the date, time and place were set forth. The minutes of the regular meeting will be available following the next regularly scheduled meeting.

The meeting was called to order at 5:06 p.m.

PLEDGE OF ALLEGIANCE

Chairman Walenczyk led the Board in the Pledge of Allegiance.

REORGANIZATION

Commissioner Kopf moved on a motion nominating Commissioner Bruce Walenczyk as Chairman, the motion was seconded by Commissioner DiPisa.

VOTE: AYES: All Present Commissioners (5)
 ABSENT: Commissioner Rudman (1)

Chairman Walenczyk moved on a motion nominating Commissioner Steven Kopf as Vice Chair, the motion was seconded by Commissioner Nest.

VOTE: AYES: All Present Commissioners (5)
 ABSENT: Commissioner Rudman (1)

Chairman Walenczyk moved on a motion nominating Commissioner English Rollieson as Treasurer, the motion was seconded by Commissioner Kopf.

VOTE: AYES: All Present Commissioners (5)
 ABSENT: Commissioner Rudman (1)

HDC BOARD APPOINTMENTS

The following Commissioners have been appointed to the HDC Board of Trustees: Commissioner DiPisa, Commissioner Kopf and Commissioner English Rollieson.

CHRB BOARD APPOINTMENTS

The following Commissioners have been appointed to the Community Housing Resource Board of Southern Bergen County: Commissioner DiPisa, Commissioner Kopf and Commissioner English Rollieson.

BUDGET/PERSONNEL COMMITTEE

The following Commissioners have been appointed to the Budget Committee: Commissioner DiPisa, Commissioner Kopf and Commissioner English Rollieson.

APPROVAL OF MINUTES

A motion was made by Commissioner Nest to approve the minutes of the meeting of December 30, 2013. Motion was seconded by Commissioner Kopf.

VOTE: AYES: All Present Commissioners (5)
 ABSENT: Commissioner Rudman (1)

EXECUTIVE DIRECTOR'S REPORT

Domingo Senande publicly recognized and thanked Jason Rooney, Property Manager for Boiling Springs Gardens, East Rutherford and Carucci Building, Lyndhurst. As well as

Richard Goddin, Jr., Property Manager for Brookside Garden, Bergenfield and Ridgecrest Apartments, Ridgewood.

Mr. Senande reported that Jason Rooney personally put out a fire in a tenant's apartment, avoiding any major damage and most importantly keeping the tenant safe.

Mr. Senande further reported that Mr. Goddin took part in a yearlong investigation with the Bergenfield Police Department. The investigation involved a Bergenfield tenant and the possible sale of narcotics out of the building. Due to the diligent work of Mr. Goddin and the Bergenfield PD, the tenant has since been arrested on drug related charges, and eviction process will start.

Mr. Senande thanked both men for their dedication to the tenants and the Housing Authority.

Mr. Senande then introduced Kawadwo "Kojo" Asa Awuku. Mr. Awuku has worked for the Housing Authority for 29 years as a Housing Quality Standards Inspector.

Mr. Awuku questioned the Board as to why at the end of 25 years of being with the HABC and paying into the State insurance plan, retirees were not granted health benefits?

Chairman Walenczyk stated the matter would be looked into and an answer would be provided.

HHH:

Julia Orlando reported that the Teach for Life program had its 4th graduation, with its largest class of nine students. She stated that twenty-eight people have graduated from the program thus far and fourteen of them have secured employment.

Ms. Orlando further reported that the Center was full and is over capacity for the first time since opening.

Lastly, Ms. Orlando reported that she had prepared a contingency plan for the Superbowl in anticipation that there may be an increase in sex trafficking. The plan will be in effect 3 days before the Superbowl and 3 days after.

Audit:

Mr. Senande introduced Anthony Polcari, CPA and the Auditors for the HABC.

Mr. Polcari reported that the HABC Audit of Financial Statements for the FY March 2013 was completed. Mr. Polcari explained that the HABC Audit differed from public and private sectors in that in addition to issuing an Opinion on Financial Statements, it was also required to prepare a report on compliance and internal control over financial reporting, as well as each major federal program.

Mr. Polcari explained that they look at both the HCV program and PH program. He

further explained that as the Auditors they look at specific transactions to make sure that HABC is in compliance with all federal requirements. For example, they looked at all acquisitions with capital funds to make sure that the proper competitive proposals/bidding procedures were followed. They also look at recertifications to make sure each recert and inspection is done in accordance with HQS. They make sure all income of all tenants is verified. Taking all of this into consideration, Polcari & Associates issued a report (Audit, pgs. 30-31) in which they confirm that the HABC is in compliance with all major requirements of each program.

Mr. Polcari also discussed internal control (Audit, pgs 28-29) which measures the safeguards the HABC has to take to ensure that cash is properly handled and all assets are properly managed.

Mr. Polcari further explained that the Balance sheet (Audit, pg. 10) is a comparative statement of net position and that the most important note is that the HABC has an unrestricted net position or unrestricted net assets of \$4.7M. This means that there is \$4.7M to use to support operations that are unencumbered by any outside agency. Mr. Polcari explained that these numbers were important to look at in relation to the annual operating expenses. He explained that there was \$46M in operating expenses, \$36M of which are housing assistance payments. The HABC has about \$10M in annual expenditures and \$4.7M in reserves. Mr. Polcari explains that this shows that the HABC is in a very healthy financial position.

Next, Mr. Polcari reported on the HDC audit. He stated that the Net Assets (Audit, pg. 3) of the HDC are \$25.9M. All of which is the value of HDC properties and equipment, plus a cash amount of approx \$6M. The statement of activities (Audit, pg. 4) shows that the HDC has an operating income of \$368,000. In addition, the HDC received donations in the amount of \$527,000.

Mr. Polcari explained that when an audit is done, it is done by assessing risk and taking a look at the entity and types of transactions that entity is involved in. They assess risks that might affect the reporting and safeguarding of those assets and have designed their tests to address those risks. In doing so, no internal control deficiencies were found.

Financials:

Kevin McCann reported on the HABC financials.

Operating cash accounts decreased by \$350,295. Major changes occurred because Public Housing decreased by \$155,724 due to:

- Annual PILOT payments were made in January - almost \$93,000; and
- The balance due on the Dumont remediation project was paid - \$192,000

COCC increased by \$204,000 mainly due to:

- More timely payoff of interfund balances; and
- Received money back on Housing Works 1 and Advanced Sciver Grants, which had been waiting for HUD approval and are now up to date.

Mr. McCann noted that cash will increase again at the beginning of April because of a \$400,000 payment towards the pension plan.

HHH - cash decreased by \$78,544 due to:

- Quarterly billing

HCV - cash decreased by \$264,938 due to:

- Bringing down reserves

Other HABC grants – cash increased by \$27,000 due to:

- Housing Works 1 and Advanced Sciver grants being reimbursed.

HDC Operating cash increased by \$198,370 – mainly due to:

- HDC main operating acct increased by \$34,000 – received funds from two development projects; refund on Saddle Brook project of \$33,000 from the NJHMFA fees; and \$43,000 for the East Rutherford grant for demolishing 105 Main Street; and
- Additional expenses of \$8,000 for Saddle Brook project and \$7,300 for St. Anthony's project; and
- Remaining because the payoff of interfund balances.

Budget:

Mr. Katchen explained the HABC Budget to the Board. He explained that the budget is prepared based upon actual numbers from the previous year, couple with year to date amounts, and then adding what HUD has provided as a result of their formula. Mr. Katchen further explained that it is Important to know that this first budget only includes AMPS and COCC. It does not include HCV, Shelter Plus Care, or any other programs. It is only the operations of the public housing program.

Mr. Katchen further reported that the Budget (pg. 2) shows a reduction in the operating system by 15% or \$259,215. He further stated that they could not know what the final HUD proration was going to be but it was 82% in 2013. He explained that they've approved a budget at congress and it is expected that sequestration may go away, based upon this information proration should be close to 85-88%.

As a result of this, the Budget anticipates a surplus of \$51,939, a combination of COCC and the AMPS. Since these two are merged, the asset management fee and bookkeeping fee have been netted out because it is an expense on one side and revenue on the other.

Mr. Katchen then reviewed the State budget. He explained that the HCV funding numbers are based on 2013 expenditures. He stated that there was a good chance the funding will be based on last year's spending; funding should be 99% of last year with hopefully 3% inflation. Unfortunate the numbers do not come out until May.

Mr. Katchen explained that the "Other programs" category included funding for the HHH, Shelter Plus Care, Garden House, MLK Center, and HOPWA; adding another \$2,518,461

is funding for all programs. He also explained that category "administrative salaries" showing an amount of \$460,333.40 – also includes a share of HHH salaries.

Mr. Katchen stated that the anticipated funding for HCV program is \$2.7M; 3 years ago it was \$3.6M.

Mr. Katchen further stated that due to the HABC relocation to Hackensack, a reduced rent, and staff changes, the HA was able to project surplus of \$51,939. He also reported that the HA started the year with \$4,740,112 in unrestricted surplus which is synonymous with retained earnings.

Finally, Mr. Katchen explained that the resolution was only for the introduction of the Budget. If approved by the Board, the Budget is then executed, and sent to the State for their approval. The State will then send it back in 2 months for consideration by the Board for official adoption.

Development:

Mr. Senande reported that new to the packet was the Development Report. The report is a breakdown of all the projects and different stages each one is at. The report is constantly changing and each month it will be updated for the packet.

Mr. Senande also reported that the 9% Tax Credit applications will be due in September rather than December. He explained that the HA would be reapplying for the Saddle Brook project. Mr. Senande further stated that while it was a short period of time, he believed that they would also be able to apply for the Franklin Lakes project.

Charlotte Vandervalk reported that HA would be moving forward with the Metzger site and the potential for 14 units of special needs housing, while the Bonnebel site would now be going to private sector.

Ms. Vandervalk further reported that the Emerson project has been selected by HUD to be the subject project for its inaugural nationwide design competition titled "Innovation in Affordable Housing (IAH) Student Design and Planning Competition." On March 13th, selected graduate student teams will travel to the site to tour the property and building. Later in the spring, the design teams will present their ideas at HUD Washington. The winning team receives \$10,000 and the 2nd place team receives \$5,000.

Mr. Katchen reported on Grove Gardens in South Hackensack. He explained that because of the holdup of the CO, which caused the leasing up of units to be delayed, further causing a less than 80% leasing level level at the first year, the HA was looking at a \$650,000 shortfall in funding from the limited partner. However, as a result of many negotiations back and forth, it was eventually determined that CO date that should have been used would have been the CCO date which was October 2010. As a result of this, the State has come back and assured the HA that they were going to issue a 8069 form which establishes the date in which a tax credit building starts to depreciate. The shortfall of \$650,000 is now being reduced to \$250,000.

Other:

Mr. Senande reported that the HABC was 109 on the wait list for RAD applications. He does not believe it will be available to the HA at this time, but is hopeful for the future.

Mr. Senande explained to the Board that it was very difficult to build affordable housing without project based vouchers. Without vouchers for Franklin Lakes, the project would more than likely not be funded. Same holds true for the Emerson project. Mr. Senande asked the Board's permission to draft an RFP for project based vouchers for their review. Chairman Walencyzk, as well as the rest of the Board, approved the creating of a draft RFP.

Mr. Senande further reported that the NAHRO membership dues in the amount of \$5,000 are due. He further reported that JIF had completed the re-appraisals of all buildings and documentation showing results should be distributed shortly. Mr. Senande also reported that the ACOP approval was on for resolution, which the Commissioners had received at the September 2013 meeting.

Mr. Senande also reported that the resolutions passed at December's meeting regarding the changes to the HDC Bylaws and Articles of Incorporation, were on the Agenda for reversal. He explained that after speaking with the Chairman, it is important to take a step back and analyze all decisions made by both Boards. Mr. Senande suggested a half day retreat for both the Commissioners of the HABC and the Trustees of the HDC to get together to discuss and strategize what direction they would like to see the HA go. The Board expressed that they all thought it was a good idea and a date for the meeting would be scheduled.

Chairman Walencyzk requested more information on the resolution regarding the Organizational Chart changes. Mr. Senande explained that the Administration Department and the Purchasing Department would now directly report to Lynn Bartlett, Deputy Executive Director.

He explained that Kevin McCann would remain the Accounting Manager and internal promotions have occurred to develop a stronger Finance department.

Mr. Senande further reported that the Director of Property Management position remains open but an Assistant to the Director of Property Management has been named. He is currently a Property Manager, who has spent time in Assisted Housing, Purchasing and now the Field. He has a vast knowledge of each department which is detrimental. Besides managing the Yardi implementation, he will oversee the Quality Assurance Specialist and the two carpenters.

ATTORNEY'S REPORT

Mr. Corrison reported that he went to Court on Landlord/tenant matters. Three of which went into Default and another one having been paid. He also reported that he appeared on a prerogative writ matter, case in litigation having to do with the termination of a Section 8 participant. The trial has been set for March, unless it is

resolved before then.

Mr. Corrison further reported that he has reviewed and submitted a proposed Option Agreement to the counsel for the American Legion in Emerson, along with a proposed lease.

Finally, Mr. Corrison has been working with Ms. Orlando on revising the policies and procedures for the HHH.

PUBLIC COMMENTS

A motion to open the meeting to the public was made by Commissioner English Rollieson and seconded by Commissioner DiPisa.

VOTE: AYES: All Present Commissioners (5)
 ABSENT: Commissioner Rudman (1)

No Public Comments

A motion to close the meeting to the public was made by Commissioner English Rollieson and seconded by Commissioner Nest.

VOTE: AYES: All Present Commissioners (5)
 ABSENT: Commissioners Nest and Rudman (1)

CONSENT AGENDA

A motion to approve the consent agenda was made by Commissioner English Rollieson and seconded by Kopf.

VOTE: AYES: All Present Commissioners (5)
 ABSENT: Commissioner Rudman (1)

- A. Resolution 2014-01
Resolution approving the routine expenditures for the HABC for the period of 12/19/13 – 1/16/14.
- B. Resolution 2014-02
Resolution approving the routine expenditures for the HDC for the period of 12/19/13 – 1/16/14.
- C. Resolution 2014-03
Resolution adopting the meeting dates for the Board of Commissioners.
- D. Resolution 2014-04
Resolution appointing three trustees to serve on the board of the Housing Development Corporation of Bergen County.

- E. Resolution 2014-05
Resolution appointing three trustees to serve on the board of the Community Housing Resource Board of Southern Bergen County.
- F. Resolution 2014-06
Resolution appointing three trustees to serve on the board of the Budget/Personnel Committee.
- G. Resolution 2014-07
Resolution approving changes to the HABC organizational chart.
- H. Resolution 2014-08
Resolution introducing the Annual Budget and Capital Budget for the FY 04/01/14 – 03/31/15.
- I. Resolution 2014-09
Resolution adopting the Cash Management Plan.
- J. Resolution 2014-10
Resolution adopting the Annual Agency Plan for submission to the US Dept of Housing and Urban Development for approval.
- K. Resolution 2014-11
Resolution rescinding the amendments to the Housing Development Corporation of Bergen County's Certificate of Incorporation.
- L. Resolution 2014-12
Resolution rescinding the amendments to the Housing Development Corporation of Bergen County's Bylaws.
- M. Resolution 2014-13
Resolution amending and updating the Admissions & Continued Occupancy Policy for the Public Housing Program.
- N. Resolution 2014-14
Resolution authorizing the contract with Luxury Floors Inc., for the carpet and flooring installation on an "as needed" basis.
- O. Resolution 2014-15
Resolution approving a contract with Aris Painting Company for the painting of occupied and vacant apartment interiors at various locations.

Commissioner DiPisa moved that the meeting be adjourned. Commissioner Kopf seconded the motion.

VOTE: AYES: All Present Commissioners (5)
 ABSENT: Commissioner Rudman (1)

Meeting adjourned at 6:48 p.m.
Minutes prepared by: Heather Wei