

Housing Authority of the City of Ocean City

**Regular Board of Commissioner Meeting Minutes
August 20, 2019 – 5:00 p.m.**

The regular meeting of the Housing Authority of the City of Ocean City was held on August 20, 2019, at 5:00 p.m. at the Administrative Offices – 204 4th Street, Ocean City, New Jersey 08226.

The meeting was called to order by Chairman Barr. Chairman Barr requested everyone to rise for the Pledge of Allegiance.

Chairman Barr read the Sunshine Law.

Upon roll call those present were:

Commissioner Robert Halliday	
Commissioner Patrick Mumman	
Commissioner Beverly McCall	
Commissioner Robert Henry	
Commissioner Patricia Jackson	<i>(Absent)</i>
Commissioner Brian Broadley	
Chairman Robert Barr	

Also present were Jacqueline Jones, Executive Director, Wendy Hughes, Assistant Executive Director, Charles W. Gabage, Esquire – Solicitor and Linda Cavallo – Accountant.

Chairman Barr read the Sunshine Law.

Minutes

Chairman Barr requested a motion to approve the Regular Meeting minutes from June 18, 2019. A motion was made by Commissioner McCall and seconded by Commissioner Halliday. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Abstain)
Chairman Robert Barr	(Yes)

Chairman Barr requested a motion to approve the Regular Meeting minutes from July 16, 2019. A motion was made by Commissioner Halliday and seconded by Commissioner McCall. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

Chairman Barr indicated the agenda will be moved around a bit this evening. The meeting will move to new business with the audit presentation from Mike Garcia of Ford-Scott & Associates, LLC. Mr. Garcia stated he will be present the audit for the year ended September 30, 2018. The presentation is a little later than he would have liked, but there is certain information that the State had to provide. It is important to know the audit was filed with HUD by the statutory June 30th deadline. Part of any governmental audit that is conducted there are two phases. One phase is confirming and verifying the numbers and the second phase is to determine whether the Authority is following the rules and regulations that the federal and state government impose on housing authorities. If there are areas of error, problem and/or exception the auditor is required to write a finding and recommendation for the Authority to review, address and correct. The good news is the OCHA audit is clean with no findings or recommendations. There have been no findings for 2 years in a row. The audit prior to that FYE 2016 and 2015 had findings and recommendations. It has been at terrific turnaround on the functional side to making sure the rules and regulations are being followed. That is obviously a credit to Jackie, Wendy and the entire VHA group that has really facilitated that change. The financial end of it has been just as strong as the procedures. Mr. Garcia concentrated on the Statement of Revenues and Expenses and change in net position comparing 2018 vs. 2017. He addressed and highlighted the important numbers regarding total operating revenue, which increased due mainly in part to rental income. This is majorly attributed to the 2017-2018 recertify/verify correct rents being charged to the tenants. The total operating expenses have decreased as well as administrative salaries and wages have decreased. Benefits have been reduced and specifically because of the accounting charge made for the pension cost based on the State actuary calculations. The total increase in net position is \$179,452 as compared to the prior year it was loss of \$299,000. There has been a significant improvement in operations related to the fact that revenues went up because rent collections are now being charged properly and expenses went down. There was a question regarding the capital grants under non-operating revenues. Mr. Garcia explained the OCHA received more HUD grants in the 2017-2018 year vs. the prior years. It is labeled as capital grant from HUD, but since the OCHA is considered a small housing authority it can draw all that money into operations. Mrs. Jones explained that this does not mean the OCHA does not use the funds for capital improvements. The 2017 statement was due to a new accounting pronouncement that affected the Authority's liability for other post-employment benefits. This means the Authority provides health insurance to certain retired employees and is required to have an actuary calculation on what the accumulated cost of that is. Between year 2017 and 2018 the accounting rules changed on how that is to be presented. Chairman Barr thanked Mr. Garcia and his team.

Treasurer's Report

Mrs. Cavallo reviewed the Financial Report for the ten months ended July 31, 2019. Motion to approve the Treasurer's Report made by Commissioner McCall and seconded by Commissioner Mumman. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

Executive Director's Report

Mrs. Jones indicated in her report that the funds due to the City of Ocean City is being presented tonight in a resolution for the board to consider. This payment will be the final payment to the City as reimbursement for funds used to assist the Authority with refurbishing units damaged due to Hurricane Sandy.

Mrs. Jones stated last month the OCHA hoped to have the NJHMFA settlement by the end of this year or by the end of the quarter. This was a misunderstanding on her part. All the paperwork is being prepared for NJHMFA to get on the NJHMFA's board meeting to get the approval of the construction funds. This is currently being worked on now to try to get on the next board meeting of the NJHMFA. Once the NJHMFA's board approves the construction funds then NJHMFA will work with the RAD information the Authority has to incorporate the RAD documents into the NJHMFA documents for the final closing. There will be one closing. NJHMFA has worked with the RAD documents in the past. Once the Authority gets through all the paperwork with NJHMFA then the paperwork will go to the RAD attorney at HUD for review.

The information will go back and forth until HUD is satisfied with the Authority's responses and documentation. Mr. Gabage will be involved in this process as well as the consultant, Rick Ginnetti to work toward the "closing". Mrs. Jones is hoping closing will take place sometime at the end of the first quarter or the beginning of the second quarter of next year. There are a lot of moving parts in this transaction because of the RAD conversion, the new building be built and the funding from NJHMFA.

There is an addition on the agenda, Resolution # 2019-36. This is amending the shared services agreement with the City of Ocean City. This resolution was initially passed in October 2018; however, this resolution basically clarifies there are 32 units for Speitel Manor and not 34 units. This resolution cleans up the other resolution. This new resolution is the one being presented to the NJHMFA.

Commissioner Henry asked if the HFMA loan is negotiated on the basis the OCHA will convert to RAD. Mrs. Jones stated yes. The NJHMFA loan, the City funds and the RAD conversion will occur simultaneously. Mrs. Jones stated next month Rick Ginnetti will present an update to the Board in regards to RAD, NJHMFA and City funds.

Commissioner Halliday asked for an explanation of the list of reimbursable expenses from the NJHMFA. Mrs. Jones referred to the Cash Report reviewing the specific predevelopment expenses reimbursable from NJHMFA. These invoices were sent to Rick Ginnetti with a summary of all the bills that have not been paid to date and he will be submitting them within the next 30 days to NJHMFA for reimbursement.

With no further discussion, motion to accept the Executive Director's Report made by Commissioner McCall and seconded by Commissioner Mumman. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

Committee Reports – None

Old Business – None.

New Business – Mr. Gabage stated the Executive Director asked him to do a presentation to the Board regarding the limitations which are imposed upon board members by the ethics law. He discussed and explained the Conflict of Interest Laws in the State of New Jersey as they may apply to a Commissioner. Most of these requirements apply while you are board member and also one year thereafter. Mr. Gabage stated there is an Ethics Board should questions arise if he is unable to answer them. Should there ever be an area a commissioner is concerned about he suggests very strongly the commissioner speak to the solicitor or the State people. When something doesn't seem exactly right the board needs to be careful. There is a concept of an appearance of impropriety. If something has the appearance of impropriety, which Mr. Gabage considers it the "smell test" you want to walk away from it. Commissioners cannot enter into a contract with the Housing Authority. It goes further than just contractors, but also sub-contractors. Commissioners cannot use their position to secure advantages for yourself or others. Other rules are basically Commissioner should not put themselves in a position where they are not going to be objective. Mr. Gabage stated if any Commissioner would like a copy of the ethics law he would be happy to provide them with one. Chairman Barr asked Mr. Gabage to review the rules when it comes to Executive Session. Mr. Gabage stated all meetings of a public organization have to be open and if a meeting needs to be closed there is a statute stating an executive session can be entered only for specific reasons. The executive session resolution follows the statute indicating the Board will enter into executive session and the reason for the executive session. Executive Session meetings are confidential and the Board cannot discuss what is discussed in the executive session. Mr. Gabage state he feels discretion is very important in regard to all meetings.

With no other discussion in related matters the Chairman moved to the Resolutions.

Resolution #2019-31
Resolution to Approve Monthly Expenses

Chairman Barr called for a motion to approve the monthly expenses in the amount of \$278,990.77. A motion was made by Commissioner Halliday; seconded by Commissioner McCall. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

Resolution #2019-32
Resolution Certifying the 2018 Fiscal Year Annual Audit as Prescribed by the New Jersey Local Finance Board

Chairman Barr called for a motion to approve Resolution #2019-32. A motion was made by Commissioner McCall; seconded by Commissioner Mumman. Mrs. Jones stated this resolution is required by the Local Finance Board and states that as a Commissioner you have received the audit, reviewed the audit and where given the opportunity to ask questions of the auditor regarding the audit. Each Commissioner will be asked to sign this resolution. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

Resolution #2019-33 - 2018 Capital Budget
and
Resolution #2019-34 - 2019 Capital Budget

Chairman Barr called for a motion to approve Resolution #2019-33 and #2019-34. A motion was made by Commissioner McCall; seconded by Commissioner Halliday. Mrs. Jones explained the 2018 and 2019 Capital Budget is being passed and the funds are being moved to the operating line item as discussed to enable a simplified way of managing the funds. Mrs. Jones reviewed the capital budget amounts for 2018 and 2019. Once the Authority converts to RAD the Authority will no longer receive Capital or Operating Funds. Under RAD, the Authority will be converted to a housing assistance payment contract with HUD, which is to represent a combination of operating subsidy and capital fund money. It is likely 2020 will be the Authority's last Capital Budget. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

Resolution #2019-35

Resolution Authorizing Final Payment to the City of Ocean City for Repayment of Hurricane Sandy Funds

Chairman Barr called for a motion to approve Resolution #2019-35. Mrs. Jones reviewed and explained the funds owed to the City as well as the PILOT payment. Chairman Barr once again thanked Jackie and her team, but also expressed much gratitude to the Mayor of Ocean City and the City's team. A motion was made by Commissioner Halliday; seconded by Commissioner McCall. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

Resolution #2019-36

Resolution Authorizing the Execution of an Amendment to the Shared Services Agreement with the City of Ocean City for Construction of Thirty-Two (32) Affordable Senior Rental Units at Speitel Commons at Bayview Manor, Demolition at Peck's Beach Village, North and the Rehabilitation of Bayview Manor

Chairman Barr called for a motion to approve Resolution #2019-36. As Mrs. Jones stated in her report earlier, this resolution cleans up the resolution that was passed in 2018. A motion was made by Commissioner Broadley; seconded by Commissioner McCall. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

Resolution #2019-37

Resolution Authorizing Utilization of Vineland Housing Authority Maintenance Staff to Supplement the Ocean City Housing Authority Maintenance Staff

Chairman Barr called for a motion to approve Resolution #2019-37. A motion was made by Commissioner McCall; seconded by Commissioner Halliday. Mrs. Jones stated there was a resolution that was passed in May authorizing \$11,000 for VHA maintenance staff to work at OCHA for April, May and June for turnovers and other maintenance related tasks. It ran slightly over the \$11,000 at \$12,416.25. This resolution authorizes the correct amount and going forward for July, August and September authorizes the amount of \$12,375 as an estimate. The billing will be based on actual hours required. Commissioner Halliday stated in the ED reports the efficiency on performance in time and money there is a vast improvement. The following vote was taken:

Commissioner Robert Halliday	(Yes)
Commissioner Patrick Mumman	(Yes)
Commissioner Beverly McCall	(Yes)
Commissioner Robert Henry	(Yes)
Commissioner Patricia Jackson	(Absent)
Commissioner Brian Broadley	(Yes)
Chairman Robert Barr	(Yes)

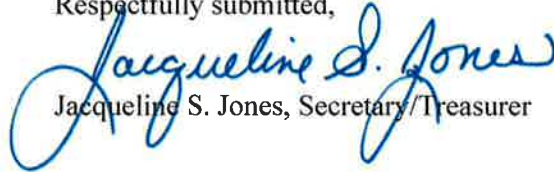
There is no need for Executive Session tonight.

Mrs. Jones commended Commissioner Henry for completing all of the commissioner courses required and presented him with his Rutgers Certification of Completion of the required courses.

Public Comments: No public present. No further comments from any Board Commissioners.

With no further business to discuss, Chairman Barr entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Halliday; seconded by Commissioner McCall. The vote was carried unanimously by the Board Members present. The Regular Meeting of the Board of Commissioners was adjourned at 5:51 p.m.

Respectfully submitted,



Jacqueline S. Jones, Secretary/Treasurer