

HOUSING AUTHORITY OF THE BOROUGH OF CLEMENTON
SPECIAL MEETING
APRIL 27, 2017

Chairman Schmidt called the April 27, 2017 Special Meeting of the Housing Authority of the Borough of Clementon to order at 6:00PM. This meeting is being held in accordance with the New Jersey Open Public Meetings Act, N.J.S.A. 10:4-6, also known as the Sunshine Law. This meeting has been legally advertised in accordance with the law on April 21, 2017 law in the Courier Post, the South Jersey Times, the Central Record, on the Clementon Housing Authority website and correspondence with the Municipal Clerk. The meeting was held at the John Leshner Senior Center located at 49 Berlin Road, Clementon, New Jersey.

Chairman Schmidt announced that the purpose of this meeting is to hire an interim accountant for the 2017-2018 Budget to comply with New Jersey State contract laws and to make a change to the 2016-2017 Meeting schedule.

Salute to flag.

Chairman Schmidt asked that everyone remain standing for a moment of silence for Joseph E. Kavanaugh, the Housing Authority's accountant for the past 18 years, who passed away from cancer.

Upon roll call the following were present: Vice-Chairman Cater (via telephone), Commissioner Casella, Commissioner Closs, Commissioner Watson, and Chairman Schmidt. Also present at this meeting were: William J. Harris, Executive Director, Anthony H. Ogozalek, Jr., Solicitor, and Barbara J. Murray, Secretary. Absent: Commissioner Armbruster.

NEW BUSINESS

Hire Interim Accountant for 2017-2018 Budget

Mr. Harris reviewed with the Board his memorandum regarding the quotes that he received for an interim account:

- 1) Scott Schaeffer, CFO of PRD Management – they have been managing the Gloucester City Housing Authority and other HUD assisted buildings and tax credit properties for over 20 years; they are highly familiar with the HUD and State Budget format.
- 2) Holmes & Company, our new accounts, are familiar with the State Budget format as far as Authority Budgets are concerned, but not specifically Housing Authority Budgets; they are new to the HUD Budget submission.
- 3) Joseph W. Bowley & Company is a local accounting and auditing firm that does accounting work for the Fair Share Housing Center which owns HUD assisted buildings and they have also been the Auditors for the Gloucester City Housing Authority for a long time.

Mr. Harris advised that he gave all three firms the same information that he had given to Joe Kavanaugh to prepare the budget; he also interviewed all three firms over the past ten days.

Mr. Harris advised that his recommendation to the Board is to hire PRD Management to complete the 2017-2018 Budget.

Chairman Schmidt said that for the \$100 difference in price he would rather have a smooth transition and bring in Holmes & Company. A discussion followed.

Commissioner Watson said that he would rather have someone who is familiar with the HUD process and we also would be saving possibly \$400; hire PRD Management as the interim to complete the Budget for 2017-2018 and Holmes & Company can start July 1, 2017 and have a year to learn and become familiar with the HUD process.

Chairman Schmidt said that we would be saving the money that we are not paying an accountant for the months of April, May, and June plus March and whatever we will pay to Joe Kavanaugh to date minus \$1000; he agrees with Vice-Chairman Cater that by hiring Holmes & Company to complete the Budget it would be a smoother transition. Mr. Harris said that he did not understand what a "smooth transition" means exactly when we are in a bind and need to have the Budget submitted by June 1, 2017. Chairman Schmidt said that at the last Board meeting, it was the opinion of the Board if Holmes & Company could complete the Budget if our circumstances changed, we should have them do it and if not go to option 3. Mr. Harris added that when he and Chairman Schmidt discussed the matter, Chairman Schmidt said that it was Mr. Harris' call. A discussion followed.

Mr. Harris said that he is responsible for getting the budget done and intentionally asked Chairman Schmidt, because he is the Chairman, this is what he is proposing and did he have any objections; Chairman Schmidt said he did not. Mr. Harris also said that he persisted with contacting Holmes & Company, went to Bowley & Associates, and spoke with PRD Management.

Chairman Schmidt asked if anyone had any other questions or comments. Commissioner Watson said again that he would not be comfortable with Holmes & Company completing the budget because they do not have experience with HUD budgets. Commissioner Closs asked if we had any of Joe Kavanaugh's work papers. Mr. Harris explained that he spoke to Joe's son, Sean, who said that he is meeting with a colleague of his father to help him go thru the files and find what belongs to Clementon and that he would download everything onto a USB drive and have Bill sign a document accepting delivery of the files and that the Housing Authority would Sean harmless from any of its content; Mr. Harris has not heard back from Sean yet. Mr. Harris also said that he told Sean that it was his Dad's billing practice to bill us at the end of his contract, not on a monthly basis; and that we would have to review what was done and negotiate a fair dollar amount to be paid.

Commissioner Casella said that if we did hire PRD Management to complete the budget that may be a chance that we may want to hire them at a later date. Chairman Schmidt said that he would never hire PRD Management for anything, only as a last resort. Mr. Harris asked Chairman Schmidt if there was any reason that he believes there were any errors or omissions or that they committed any criminal act that would make them disqualified. Chairman Schmidt said no, not to his knowledge; he does however question their management practice and if our incoming accountant did not submit a quote he would reluctantly vote to hire them (PRD).

Chairman Schmidt asked for a motion to hire an interim accountant to complete the 2017-2018 Budget.

Commissioner Watson, seconded by Commissioner Casella, made a motion to hire PRD Management to complete the 2017-2018 Budget.

Chairman Schmidt made a motion to hire Holmes & Company to complete our 2017-2018 Budget. There was not a second to the motion; the motion did not carry.

Chairman Schmidt asked for a roll call vote to the motion to hire PRD Management. Roll call vote: Ayes: Commissioner Casella, Commissioner Closs, and Commissioner Watson. Abstain: Vice-Chairman Cater and Chairman Schmidt. The motion did not carry.

A discussion followed.

Chairman Schmidt asked again for a motion to hire an interim accountant to complete our 2017-2018 Budget.

Commissioner Casella, seconded by Commissioner Watson, made a motion to hire PRD Management to complete our 2017-2018 Budget.

Chairman Schmidt made a motion to hire Holmes & Company to complete our 2017-2018 Budget. There was not a second to the motion; the motion did not carry.

Chairman Schmidt asked if anyone had any questions. Vice-Chairman Cater asked what the hesitation is with Holmes & Company and what the issue is with PRD Management. Chairman Schmidt said that Holmes & Company's rate was a flat \$1,000 and they never did a HUD Budget so the thought is it might be better to give them time to get experience. PRD Management's rate was \$600 to \$900 with a billable hourly rate of \$150 and they have prepared HUD budgets before and they manage HUD properties. Chairman Schmidt asked if PRD's quote included them attending two meetings; Mr. Harris said that for them to attend the meetings would be an additional fee. Chairman Schmidt added that he has been in litigation with PRD Management in the past and would only hire them as a last resort, he does not think they are ethical. A discussion followed.

Solicitor Ogozalek advised that even though we do not follow Roberts Rules, only Chairman Schmidt or Vice-Chairman Cater can make a motion to reconsider the motion to override the last vote and it has to be done during this session. Vice-Chairman Cater, seconded by Commissioner Casella, made a motion to reconsider the original motion to hire PRD Management to complete the 2017-2018 Budget. Chairman Schmidt asked if the \$900 included the preparation of the State and HUD Budget and attendance at the Finance Committee meeting and the Board meeting. Mr. Harris said no, that only includes the preparation of the budget. Chairman Schmidt said that would change things because he thought that included everything. Mr. Harris said no it did not and he addressed that question earlier in the meeting. A discussion followed.

Chairman Schmidt called for a roll call vote to hire PRD Management as the interim accountant to complete the 2017-2018 Budget. Roll call: Ayes: Commissioner Casella, Commissioner Closs, Commissioner Watson, and Vice-Chairman Cater. Abstain: Chairman Schmidt. The motion carried.

Change in the 2016-2017 Meeting Schedule

Chairman Schmidt said that because it will take some time to complete the budget, he would like to have a special meeting for the budget on May 30, 2017 and have the June meeting at this time also. Solicitor Ogozalek advised that when you have a special meeting, you can only address what is on the agenda for that meeting; when we advertise our meeting schedule for the fiscal year, it is pretty much set in stone. The Board agreed to have the special meeting for the Budget on May 30, 2017 and the June meeting as

scheduled, June 7, 2017. Chairman Schmidt asked Mr. Harris to wait two weeks before advertising for the special meeting in case anything else would need to be discussed at that time.

PUBLIC

Chairman Schmidt opened the meeting to the public. Ms. Alesia Watson introduced herself to the Board; Ms. Watson is our Hearing Officer.

Commissioner Casella, seconded by Commissioner Watson, made a motion to adjourn at 6:40PM. Voice vote: All ayes.

Respectfully submitted,


William J. Harris
Secretary