

**HOUSING AUTHORITY OF THE BOROUGH OF CLEMENTON
BOARD OF COMMISSIONERS MEETING
AUGUST 20, 2014**

Salute to flag.

Chairperson Nicholson called the August 20, 2014 meeting of the Housing Authority of the Borough of Clementon to order at 4:40PM and announced that the meeting has been properly advertised and posted pursuant to N.J.S.A. 10:4-6, The Open Public Meetings Act. The meeting was held in the Community Room of Wooster Towers located at 22 Gibbsboro Road, Clementon, New Jersey. Upon roll call the following were present: Commissioners Cater, McKelvey, Nicholson, and Schmidt. Also present at this meeting were William J. Harris, Executive Director, Lilia Londar, Attorney, Barbara J. Murray, Secretary, and Jonathan Fisher, Councilman for the Borough of Clementon. Absent: Commissioners Casella, Porter, and Watson.

Chairperson Nicholson advised that Ms. Lilia Londar was substituting for Anthony Ogozalek, Jr. today and asked if we would observe a moment of silence for Anthony's recovery at this time.

MINUTES

Commissioner Cater, seconded by Commissioner McKelvey, made a motion to approve the minutes of the July 16, 2014 Board of Commissioners Meeting as submitted. Roll call vote: Ayes: Commissioners Cater, McKelvey, Nicholson, and Schmidt. The motion carried.

Bills

Commissioner McKelvey, seconded by Commissioner Cater, made a motion to approve the payment of all Public Housing and Section 8 bills with proper certification dated August 1, 2014 thru August 31, 2014. Roll call vote: Ayes: Commissioners Cater, McKelvey, Nicholson, and Schmidt. The motion carried.

Commissioner Schmidt questioned the hiring process for Joseph DeNardo. Mr. Harris stated that he has known Joe for about 20 years and that he was recently laid off by Our Lady of Lourdes Hospital where he worked in their maintenance department. Mr. Harris further stated that Mr. DeNardo was not hired as an employee but as an independent contractor; he made this decision based on the fact that for the last month our part-time maintenance man, Tom Williams, has been out on medical leave due to surgery. Commissioner Schmidt asked if the Board needed to approve this. Mr. Harris stated in his opinion no because he is responsible for the day to day operations of the Authority. Mr. Harris said Tom's unanticipated absence left Walt Keebler to maintain a 70-unit building solo and that he (Mr. Harris) helped out where he could. Also, we had two units that needed to be prepped for occupancy, one for mid-August and the other for September 1st, plus and the recent plumbing problems resulting from the incident on July 20th. For these reasons Mr. Harris believed it was necessary to hire someone on a temporary basis until Tom returns. Mr. Harris also advised that Tom stopped in this week and said that his doctor has not released him to return back to work.

Mr. Harris also said that before he was hired the Board took away from the Executive Director's position the right to be the appointing authority. He stated that in his opinion that pertains to employees who are under the New Jersey Pension System. Mr. DeNardo was hired as an independent contractor. Mr. Harris further stated that he does not anticipate paying Joe more than \$17,500.00 for the year which

is the public bidding threshold.

Commissioner Schmidt said that he is not saying that this was not warranted, but if this were a contract, shouldn't we have gotten at least three quotes. Mr. Harris said he does not consider this to be part of the public bidding process. Commissioner McKelvey stated that he knew with condo associations that the manager can approve work under a certain dollar amount. Commissioner Schmidt advised that the state has what they call an at-will employee who is hired on an as needed basis not to exceed 944 hours in the fiscal year and that maybe we could do something like that. A discussion followed.

Commissioner Schmidt, seconded by Commissioner McKelvey, made a motion to authorize William Harris to hire for a position of hourly maintenance worker not to exceed 944 hours within the fiscal year based on personnel needs and budgeting issues as he feels deemed appropriate. Roll call vote: Ayes: Commissioners Cater, McKelvey, Nicholson, and Schmidt. The motion carried.

Chairperson Nicholson turned the meeting over to Mr. Harris at this time.

MANAGEMENT

Financial Report

Mr. Harris distributed a revised Profit & Loss statement to the Board and our Accountant, Joe Kavanaugh, explained the adjustments to the Profit & Loss statement to the Board and the reasons for the increased costs and deficit. Mr. Kavanaugh explained that at year end certain adjustments must be made to be in compliance with state and federal laws as well as HUD regulations. These adjustments included tracking our compensated absences and providing a liability for current absences, during the transition of Sheila Wooster to William Harris there were a few months of double payroll for the Executive Director position, a payment to Mrs. Wooster for her compensated leave time, and HUD's reduction of our subsidy by almost \$42,000.00. Mr. Kavanaugh further explained that there is nothing on the Profit & Loss statement that is an arbitrary use of money, all the expenses are justified. When you get to the contract section, Mr. Kavanaugh explained that it is much more costly to run a multi-floor building such as ours than it is to run garden apartments, townhouses, or scattered sites. Mr. Kavanaugh stated that if you look at income vs. expenses and the fact that we had a loss in subsidy and duplicate payroll for a short time, in his view we had a break-even year. Mr. Kavanaugh added that we are finished with most of the heavy rehabilitation costs.

Mr. Kavanaugh advised that there are provisions for small housing authorities like ours which permits all the Capital Funds (these are the funds that are approved for specific projects) to be put into an account for operations and to flow thru the operating budget to assist the housing authority in paying operating costs. Mr. Kavanaugh recommended that for the next couple of years we allow the Capital Funds to flow thru the operating budget to cover our projected losses and to bring the reserves up. Mr. Kavanaugh added that at any time the money can be put back in the Capital Funds. Commissioner Schmidt asked that if we replace our reserves would HUD reduce our amount even more. Mr. Kavanaugh said yes and that is why he is only recommending that we do this for two years.

Commissioner Schmidt asked about the pension payment. Mr. Kavanaugh explained that this is an annual fee to the employer.

Energy Conservation

Mr. Harris advised that we have received 417 LED light bulbs through the NJ Clean Energy Grant and have installed them in the apartments on four floors to date. Mr. Harris added that this should help with our electric costs.

Occupancy/Tenant Relations

Mr. Harris advised that we had two vacant units and that one was leased on August 8th and the other is scheduled to be leased as of September 1st.

Mr. Harris also advised that we are in the process of evicting a tenant for alleged criminal activity and that this matter will be discussed in closed session.

Rental Payments/Late Payments

Mr. Harris advised that as discussed at our July meeting we have about six tenants who receive their Social Security checks later in the month. Mr. Harris stated that he has sent these tenants a notice reminding them that rent is due the first of the month. Mr. Harris advised that past practice has been to allow these tenants to pay their rent without incurring a late fee, which at this time is \$5.00. Mr. Harris feels that this is not fair to the tenants who pay their rent on time. Effective November 1, 2014, this practice will no longer be allowed. Mr. Harris has given these tenants a three month grace period before late fees will be incurred allowing them time to budget for this change. Mr. Harris also added that most of these tenants have already started complying and only one has objected to it.

Commissioner Schmidt asked when we would be changing the amount of the late fee from \$5.00 to \$25.00; Mr. Harris advised that he would be making a recommendation that by November 1, 2014 that the late fee will be changed from \$5.00 to \$25.00 when their lease is renewed. A discussion followed.

Commissioner Schmidt, seconded by Commissioner Cater, made a motion that effective October 1, 2014 the late fee is changed from \$5.00 to \$25.00. Roll call vote: Ayes: Commissioners Cater and Schmidt. Neys: Commissioners McKelvey and Nicholson. The motion did not carry.

Section 8/HCV Program

Mr. Harris advised that we are currently serving 44 Section 8 clients, two of the five additional disabled applicants found apartments within the HUD-imposed 60-day time frame. Mr. Harris also advised that we will not be issuing anymore vouchers until HUD gives us more funding.

Mr. Harris advised that Section 8 has been in a small hole financially in the amount of about \$3,400.00 and that he had a phone conference with some people from HUD who gave some direction on how to resolve this. The 2014 deficit has been eliminated because we were able to get the Delaware County Housing Authority to absorb the tenant who we ported out. HUD also shared with us information from their income verification system that some people were under reporting their income. Prior to that we had completed some file reviews and had scheduled appointments with six people, one of whom has already agreed to a \$1,300.00 repayment plan. Four or five others are "over-housed." One landlord has agreed to accept the one- bedroom payment for an apartment that has one-bedroom and a den, rather than the two-bedroom payment that they have been receiving. Mr. Harris advised that HUD also suggested raising the minimum rent from \$25.00 to \$50.00. This change will affect six tenants who

receive subsidies for 100% of their rent plus a portion for their utilities. Mr. Harris stated this change requires an amendment to our Section 8 Plan and is requesting that the Board approve Resolution HA14-08 to implement this recommendation. These actions will more than cover the projected 2015 deficit of \$14,783.00,

Plumbing Problem

Mr. Harris advised on July 20, 2014 an emergency plumbing problem occurred that was the result of emergency maintenance work on the water line under Gibbsboro Road by the Borough's Public Works Department. Mr. Harris was informed by our maintenance supervisor, Walt Keebler, that he had spoken with the Public Works staff. He was told that the water lines were not flushed prior to the water being turned back on. This resulted in sediments that were in the lines to be flushed into the building and caused about 17 toilets to malfunction. Tom Williams was called in early Sunday morning to shut off the fire alarms and to clean up the water which resulted in over-time costs. We had to bring in outside plumbers to repair the toilets; Walt and Mr. Harris came in on Sunday to assist with the clean-up. Mr. Harris stated that we incurred about \$1,900.00 in unanticipated staff over-time, materials and plumbing expense. He requested reimbursement from the Borough for these costs. Mr. Harris said that he was given a letter today from Ms. Jenai Johnson, Municipal Clerk/Administrator, informing him that the Borough would not be reimbursing the expenses to the Housing Authority. Chairperson Nicholson advised that it was the opinion of the Borough Solicitor and agreement from Council that the Borough cannot set a precedence of paying for repairs deemed necessary from emergency repairs that have gone wrong. Chairperson Nicholson also said that the Public Works supervisor advised that they could use a back-flow preventer in the future to hopefully prevent this from happening again.

Commissioner Schmidt asked Mr. Harris who sent him the letter; Mr. Harris said that Chairperson Nicholson gave him a copy of the letter. Chairperson Nicholson said that the original was in the mail to Mr. Harris. Commissioner Schmidt asked Chairperson Nicholson if he was acting as Mayor or Chairperson in this matter. A discussion followed.

Commissioner Schmidt asked Chairperson Nicholson if he was active in a discussion regarding this matter either here at the Housing Authority or at the Borough of Clementon and also why he did not recues himself. Chairperson Nicholson advised that he did not think it was a conflict of interest. Commissioner Schmidt said that he was not saying that the two offices were incompatible but in the future, if an issue comes up where we are an adverse party to the Borough, the Chairperson Nicholson should recues himself. Chairperson Nicholson stated that it was a point well taken and that he would look into the matter. Chairperson Nicholson added that there are times when he does recues himself, but he did not think for this situation it was necessary as it was not something that was voted on.

401K Plan

Mr. Harris advised that Paychex has approached us about offering our employees a 401K Plan. A discussion followed. Mr. Harris said that he would look into getting a couple other quotes for this and report back to the Board.

Alternate Board Members

Chairperson Nicholson advised that he had asked Mr. Harris to research whether or not we could have alternate Board members for times when we do not have a quorum. Mr. Harris reported that State law on housing authorities does not allow for alternates to be appointed.

NEW BUSINESS

Comment from Commissioner McKelvey

Commissioner McKelvey commented that it has been a very nice transition and that Mr. Harris is doing a good job trying to save the Housing Authority money and keeping everyone well informed.

Approve Resolution HA14-08 – Raise Minimum Rent from \$25 to \$50

Commissioner Schmidt, seconded by Commissioner Cater, made a motion to approve Resolution HA14-08 to raise the minimum rent from \$25 to \$50 and to make the amendment to our Section 8 Plan. Roll call vote: Ayes: Commissioners Cater, McKelvey, Nicholson, and Schmidt. The motion carried.

Security Camera Maintenance Contract

Mr. Harris advised that we do not have a maintenance contract in place for our security cameras and that he solicited quotes from three firms:

1. Signal Electric of East Brunswick (the original installer)
2. RFP Solutions of West Deptford
3. Security 21 of Deptford

Signal Electric stated they were not interested due to the distance from their office; Security 21 bid \$11,735 and RFP Solutions bid \$5,510. Mr. Harris recommended that we have our solicitor draft a contract with RFP Solutions for a one-year contract to provide this service. Commissioner Schmidt asked if RFP was a reputable company; Mr. Harris advised that yes they were and that he had requested references from both companies. Mr. Harris advised that he did not have the references with him but could send them to Commissioner Schmidt the next day for his review. Commissioner Schmidt asked the attorney if we could approve something conditionally while we are reviewing it to make sure we are satisfied. Ms. Londar replied no because we would have to vote on it again; Mr. Harris advised that the issue could be tabled. A discussion followed. Commissioner McKelvey, seconded by Commissioner Cater, made a motion to approve the hiring of RFP Solutions to provide a maintenance contract for our security camera system which would also include a few upgrades. Roll call vote: Ayes: Commissioners Cater, McKelvey, Nicholson, and Schmidt. The motion carried.

PUBLIC

Chairperson Nicholson opened the meeting to the public; seeing no public, Chairperson Nicholson closed the public portion of the meeting.

Councilman Jonathan Fisher left the meeting at this time.

Commissioner Schmidt, seconded by Commissioner Cater, made a motion at 5:55PM to adopt Resolution HA14-09 enter into Executive Session not to last more than 20 minutes to discuss a landlord-tenant matter and a personnel/potential contract negotiation with our Executive Director. Roll call vote: Commissioners Cater, McKelvey, Nicholson, and Schmidt. The motion carried.

Commissioner Schmidt, seconded by Commissioner Cater, made a motion at 6:15PM to close the Executive Session and re-enter into Regular Session. Roll call vote: Ayes: Commissioners Cater, McKelvey, Nicholson, and Schmidt. The motion carried.

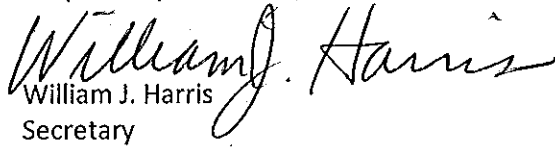
EXECUTIVE SESSION DISCUSSION

Tenant/Landlord Issue

Mr. Harris brought to the attention of the Board that there is a tenant in the building who has violated the "One Strike and You Are Out" policy and that the Housing Authority is seeking eviction. The Board unanimously agreed that Mr. Harris is correct in doing so.

Commissioner Schmidt, seconded by Commissioner McKelvey, made a motion at 6:20PM to adjourn.
Voice vote: All ayes.

Respectfully submitted,


William J. Harris
Secretary