

**HOUSING AUTHORITY OF THE BOROUGH OF CLEMENTON**  
**BOARD OF COMMISSIONERS MEETING**  
**MARCH 2, 2016 (Revised: April 6, 2016)**

Chairman Schmidt called the Housing Authority of the Borough of Clementon to order at 6:00PM and announced that the meeting has been properly advertised pursuant to N.J.S.A. 10:4-6, the Open Public Meetings Act. The meeting was held at the John Leshar Senior Center located at 49 Berlin Road, Clementon, New Jersey.

Salute to flag.

Upon roll call the following were present: Commissioner Armbruster, Commissioner Casella, Commissioner Closs, Commissioner Watson, Vice-Chairman Cater, and Chairman Schmidt. Also present at this meeting were William J. Harris, Executive Director, Anthony Ogozalek, Jr., Solicitor, and Barbara J. Murray, Secretary. Absent: Commissioner Nicholson (resigned 2/8/16).

**MINUTES**

Chairman Schmidt asked for a motion to approve the minutes of the February 3, 2016 Regular Meeting and Closed Session in block. Commissioner Watson, seconded by Vice-Chairman Cater, made a motion to approve the minutes of the February 3, 2016 Regular Meeting and Closed Session as submitted. Voice vote: All ayes. The motion carried.

**BILLS**

Chairman Schmidt asked if there were any questions on the bills. Commissioner Casella asked what the travel bill was for Chairman Schmidt; Chairman Schmidt advised that it was for a meeting that he attended here at Wooster Towers with Mr. Harris, Mayor Weaver, and Assembly 4<sup>th</sup> District representatives to inquire about possibly getting some funding from the State for a replacement generator.

Chairman Schmidt was concerned that with our plumbing bills we might be getting close to the threshold where we might have to go out for proposals. A discussion followed. Solicitor Ogozalek suggested that in the future we call and get a couple of quotes and go with the lowest quote.

Commissioner Casella, seconded by Commissioner Closs, made a motion to approve the payment of bills dated February 4, 2016 thru February 29, 2016 with proper certification. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Closs, Commissioner Watson, Vice-Chairman Cater, and Chairman Schmidt (with abstention from his travel payment). The motion carried.

**OLD BUSINESS**

**Resolution HA16-04**

Chairman Schmidt signed Resolution HA16:04, authorizing Closed Session for February 3, 2016.

**Finance & Administration Committee Report – FY2016 Professional Services Contracts**

Chairman Schmidt advised the Board that the Finance & Administration Committee met to review the RFP responses for professional services contracts. A discussion followed. Commissioner Watson asked to look at the Auditor bids and questioned how the Board could justify reducing someone's salary by \$6.00 an hour but we are willing to pay twice as much for an audit that has no gray area; they audit money, performance, and office procedures. Commissioner Closs said that in the past there have been discussions

regarding communication, the specificity of what was given in the past and she would like to see something more. She went on to say that she agrees that the price is high, but she would rather go with the higher priced audit; she feels there will be clearer communication, better understanding, and maybe a little more insight. Commissioner Watson said he feels that it is the Board's responsibility to research something if we do not understand it, not the Auditor come in and explain it to us. Commissioner Closs said that she would feel better having the person who performed the audit explain what we don't understand.

Commissioner Casella pointed out that the higher priced audit is for more days, 3 or 4, as opposed to one. Commissioner Watson said that the audits are done, submitted to HUD, and HUD approves them; Commissioner Casella said this is true but we might not get the information that we want. Commissioner Watson asked if we can afford to hit not just the minimum standards and what are we going to gain; are they going to tell us how to save or increase our income.

Commissioner Armbruster said that we would have done better in looking for a more comprehensive audit to put a specification as to what exactly we wanted audited. He went on to say that a good auditor will give recommendations on how to do things, give an idea of our financial well-being, and how to manage our money in the years ahead.

Commissioner Casella agrees with Commissioner Watson that now is not a good time to do this but there will never be a good time. Chairman Schmidt said that the auditor with the lower price only has experience with 1 housing authority and the other has multiple housing authorities.

Commissioner Watson asked if it was spelled out in the contract that they will give us recommendations; Chairman Schmidt said that we do not know what they are going to find; it is in the contract that they will meet with the committee, the staff, the Board and they will outline what they find, how we can do better and the ways we should approach these things.

#### **NOMINATIONS FOR PROFESSIONAL SERVICES**

##### **Auditor – Resolution HA16-07**

Chairman Schmidt advised the Board that we received two proposals for Auditor for FYE 06/30/16, one from Holman, Frenia, & Allison, P.C. and the other from Joseph W. Bowley. A discussion followed.

Chairman Schmidt asked for a nomination to appoint the Auditor for FYE 06/30/16. Vice-Chairman Cater nominated Holman, Frenia, & Allison P.C. for the position of Auditor for FYE 06/30/16 for a fee of \$11,500. There being no other nominations, Chairman Schmidt asked for a roll call vote. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Closs, Vice-Chairman Cater, and Chairman Schmidt. Nays: Commissioner Watson. The nomination carried.

##### **Solicitor – Resolution HA16-06**

Chairman Schmidt advised the Board that we received two proposals for Solicitor, one from Anthony Ogozalek, Jr., Esq, our current Solicitor, and the other from Eric M. Bernstein & Associates. Chairman Schmidt said that we are happy with our current Solicitor and that he is local. A discussion followed.

Chairman Schmidt asked for nominations for Solicitor for FY 2016-2017. Commissioner Armbruster nominated Anthony Ogozalek, Jr., Esq. for position of Solicitor for FY 2016-2017 with a contract effective

date of July 1, 2016 thru June 30, 2017. There being no other nominations, Chairman Schmidt asked for a roll call vote. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Closs, Commissioner Watson, Vice-Chairman Cater, and Chairman Schmidt. The nomination carried.

#### Fee Accountant – Resolution HA16-08

Chairman Schmidt advised the Board that we received one response for Fee Accountant from Joseph E. Kavanaugh, who is our current accountant. Chairman Schmidt said that he thinks his response is "s###, that is my specific word, it is absolute s###; he gave a list of people he serviced." Commissioner Casella asked what the alternative is; Chairman Schmidt said to reject the proposal and go out to bid again, but he is only one person and the recommendation is to hire Joseph E. Kavanaugh. A discussion followed.

Chairman Schmidt asked for a nomination for Fee Accountant for FY 07/01/16 thru 06/30/17. Commissioner Armbruster nominated Joseph E. Kavanaugh for the position of Fee Accountant FY 07/01/16 thru 06/30/17. There being no other nominations, Chairman Schmidt asked for a roll call vote. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Closs, Commissioner Watson, and Vice-Chairman Cater. Nays: Chairman Schmidt. The nomination carried.

Mr. Harris asked the Board to please refrain from all the cross-talk that goes on as it makes it difficult for Barb to transcribe the minutes when everyone is talking at once.

#### Resignation of Commissioner Nicholson - Resolution HA16-05

Chairman Schmidt made a motion, seconded by Commissioner Casella, to adopt Resolution HA16-05 to accept the resignation of Commissioner Nicholson. Voice vote: All ayes.

#### PUBLIC

Chairman Schmidt opened the meeting to the public; seeing no public, Chairman Schmidt closed the meeting to the public.

#### MANAGEMENT REPORT

##### Budget – FYE 06/30/17

Mr. Harris reported that since the last meeting he has been working on ways that we could reduce our spending by 7%, which is about \$38,740; and although he was unable to come up with the entire amount, he was able to reduce our spending by about \$33,500 with the following:

- 1) Reducing the maintenance supervisor's hours from 40 to 35 hours per week
- 2) Contract with a less expensive elevator company
- 3) Reduce part-time maintenance worker's hours from 20 to 15 hours per week
- 4) Cutting grass "in-house"
- 5) Going out to bid for trash removal
- 6) Increase our deductible for property insurance

Mr. Harris advised that some of these things have already been implemented and others will be reflected July 1, 2016 and going forward.

Mr. Harris stated the in looking into where we can get more revenue he has had some discussion with different brokers who are involved with the roof leasing business; we currently receive two payments a month, Sprint - \$1,500 and AT&T - \$1,156. He went on to say that there is some capacity on the roof from

when AT&T removed their equipment and we should be able to get at least \$1,500 per month from that space. If we take this point in time and move it forward to July 1, 2016, we have the potential to save a little over \$50,000. Mr. Harris said that he is about three quarters of the way finished with the trash proposal and if the Board did not have any objections, he would tell our part-time maintenance worker the change in his hours. Mr. Harris said that both men understand the situation and he feels that it is less negative impact to reduce someone's hours as opposed to their compensation.

Commissioner Armbruster said that if the Board did not have any objections, he would approach Council to see if the Borough could cut our grass at no charge; he feels it is not right to put more work on them and take hours away at the same time. Mr. Harris said that is a good idea.

Chairman Schmidt asked if we could operate with the part-time position being 15 hours per week; should we make it 16 hours so that it would be four 4-hour days. Mr. Harris told Chairman Schmidt to let him do this and see how it goes over the next month. He went on to say that we will be looking at the sanitary and cleanliness aspects of the building and address routine work orders (which are typically closed out within 24 hours but there is no rule saying that they have to be done that quickly) to see if there is any down time. Mr. Harris also said that he reserves the right that if Walt is on vacation or sick and there is an emergency, he will call Tom in for after an hours emergency and he will be paid his hourly rate. If maintenance is called in after hours for an emergency, the minimum payment is two hours at their hourly rate.

Mr. Harris encouraged the Board to stop in at any time to see what goes on at the building on a daily basis.

The Board thanked Mr. Harris for all of his efforts on reducing our spending and ways to get additional revenue.

Chairman Schmidt advised that there is a meeting on March 23, 2016 with the Finance & Administration Committee to discuss the budget so that it will be available for the April board meeting.

#### Meeting with Gabe DiMedio

Mr. Harris reported on a recent meeting with three Commissioners, Mr. DiMedio and two other gentlemen, either his partners or financial backers. Mr. DiMedio repeated his request for help from the Authority in marketing units at the proposed development. Mr. Harris suggested that the Authority may be able to do so by sending fliers to the applicants on our waiting for a fee to be agreed upon.

Mr. Harris added that Mr. DiMedio took advantage, which was his right, of the COAH situation in New Jersey and filed suit against the Borough of Clementon for its alleged failure to have an affordable housing plan that met the test of the Fair Housing Act. Mr. Harris said that he does not know all the details, but in exchange for that there was a settlement reached.

Mr. Harris said that it is a 180 unit development. Based on the plaintiffs' litigation, the Borough of Clementon has an obligation to provide for the construction or development of 19 units of affordable housing, some rentals and some owner occupied; they cannot all be senior units. Based on the COAH rules no more than nine can be for seniors.

Mr. Harris advised the Board that there is a concept under COAH rules known as "Administrative Agent." This is where a municipality that was under the jurisdiction of COAH or the courts hires a third party to administer the tedious work of monitoring affordable units; not just the move-ins but also keeping them

affordable each year. Mr. Harris gave the Board something to review which is actually a template from the COAH website for a contract between a municipality and an administrative agent for a specific affordable housing project. Mr. Harris said that it would be something to think about because if we were to work with this developer or any other developer, the Housing Authority could make a fee in the range of \$500 or \$600 per unit to screen applicants and to refer the qualified applicants to a developer into a development wherein the Borough gets credit for those units that are so occupied to address their affordable housing obligation.

Commissioner Watson asked if this was the property on Brand Avenue. Commissioner Armbruster said that it is the Brand Avenue property and that Mr. DiMedio has a few more hurdles he has to overcome that he does not seem to understand. He went on to say that he received approval in 2007 to build 180 units of condo style senior housing but when the economy crashed he put a hold on everything. He could not get anyone interested in building on the property so about a year and a half ago he filed suit against the Borough under a builders remedy lawsuit that we did not meet our obligation of fair share housing. We have been in litigation and were confident that we were not going to win because we did not meet our COAH obligation for the town because COAH changed its' requirements in the early 2000's where the Towers used to count for the COAH obligation but they pulled that part because they consider those to be portable licenses and we fell below our required numbers. Now that COAH is disbanded there is no set number but there is an ongoing theory of what you are supposed to meet. With that in mind, the Borough was considering buying the property because under Mr. DiMedio's litigation he was looking at building an apartment complex instead of what was originally approved. Commissioner Armbruster said that back in September or October Mr. DiMedio withdrew the lawsuit because he found a developer to develop the building as senior housing; now he is saying that it is going to be age restricted apartments. He does not have approval for apartments; he would have to come before the Planning Board to get that approval, which most likely would be turned down. Commissioner Armbruster said that if it was done correctly, the Housing Authority may want to be involved because there would be fees to be made which would help the Authority's financial position. A discussion followed.

Commissioner Armbruster said that he supports Mr. Harris' ideas if we can make some money from this long term for the Housing Authority, but there are a lot of hurdles to overcome before we get to that point.

Mr. Harris asked Commissioner Armbruster if the Borough wants to move forward to get a commitment to get the units built; Commissioner Armbruster said that the Borough has a legal obligation to do this but it is a matter of how it is done. He went on to say that there may be other ways to meet the COAH obligation in town by possibly getting ownership of some of the foreclosed properties in town, have them improved and controlled by a public entity and fill them with some of the Section 8 voucher people. A discussion followed.

#### CDBG Funds

Commissioner Armbruster advised the Board that he spoke to the Borough engineer at the Council meeting and that sometimes the CDBG has money left over and they look for "shovel ready" projects. Commissioner Armbruster asked if they would fund a \$160,000 project if it met the criteria and the engineer said there is a good possibility especially for a senior building. Commissioner Armbruster said that we need to get together with someone from the CDBG to see if a replacement generator would be an eligible project and if it is maybe the Borough engineer would be willing to put together some specifications so that if the funds become available, we could apply for it.

Special Meeting for Budget FY 07/01/16 thru 06/30/17

Chairman Schmidt asked how we want to handle the meeting in April for the budget. Mr. Harris said that he would call Joe Kavanaugh to see which meeting he would possibly be able to attend, the committee meeting on March 23<sup>rd</sup> or the special meeting on April 6<sup>th</sup>. Mr. Harris said to keep in mind that Mr. Kavanaugh is a one-man operation, we are not his only client, and it is tax season; Chairman Schmidt said that he should come when it is convenient for the Authority. A discussion followed. The Board unanimously agreed to have a Special Meeting at 5:30PM on April 6, 2016 to discuss the budget, prior to the Regular Meeting.

Chairman Schmidt asked for a motion to adopt Resolution HA16-09 to enter into Closed Session at 7:23PM to discuss litigation between the Housing Authority and a Section 8 client not to last more than 30 minutes. Commissioner Casella, seconded by Commissioner Closs made a motion to enter into Closed Session to discuss litigation between the Housing Authority and a Section 8 client. Voice vote: All ayes.

Commissioner Armbruster, seconded by Vice-Chairman Cater, made a motion at 7:46PM to return to open session. Voice Vote: All ayes. The motion carried.

Commissioner Armbruster, seconded by Vice-Chairman Cater, made a motion at 7:47PM to adjourn. Voice vote: All ayes. The motion carried.

Respectfully submitted,

  
William J. Harris  
Secretary