

**BERKELEY TOWNSHIP HOUSING AUTHORITY
REGULAR MEETING:**

These Minutes are not verbatim, but a condensed version of what transpired at the Berkeley Township Housing Authority Board of Commissioners Meeting held on October 30, 2018, at 4:10 PM in the Community Room, located at the Administration Building at 44 Frederick Drive, Bayville NJ.

PRESENT: GRACE DEKKER, EXECUTIVE DIRECTOR
JUDY NOONAN, CHAIRPERSON
KATHLEEN NUNN, VICE CHAIRPERSON
NILDA GARIBALDI, COMMISSIONER
ANGIE FRATIANNI, COMMISSIONER
JENNIFER BACCHIONE, COMMISSIONER
KELLY GROSSE, COMMISSIONER
DENISE PELLECCIA, COMMISSIONER
TERRENCE CORRISTON, LEGAL COUNSEL
BOB DEKKER, MAINTENANCE SUPERINTENDENT
ABSENT: JANET MALANGA, TRANSCRIBER

CALL TO ORDER: Public Meetings Act, adequate notice of this meeting has been provided in the following manner; on January 12, 2018 a notice of all meetings was provided to the Township of Berkeley Clerks Office, the Asbury Park Press, and was posted on the Authority official public bulletin board at the BTHA's Administration Buildings as well as the BTHA's Website.

PLEDGE OF ALLEGIANCE: All those present recited the Pledge of Allegiance.

A moment of silence was observed.

ROLL CALL: Roll call was read as listed above.

AUTHORIZATION BY THE BOARD TO APPROVE THE MINUTES FOR THE SEPTEMBER BOARD MEETING: Commissioner Bacchione asked it to be noted that she abstains and will not be present for everything having to do with Operation Schoolhouse presently or previously. A motion was made to approve the September Board meeting Minutes. All were in favor with the exception of the new Commissioner Pelleccia.

NO CLOSED SESSION MINUTES TO APPROVE No Closed Session to approve.

AUTHORIZATION BY THE BOARD TO APPROVE FOR PAYMENTS POINTS A THROUGH C: A motion was made to approve the payments by Commissioner Nunn. The motion was seconded by Commissioner Fratianni.

REPORTS TO THE BOARD:

LEGAL COUNSEL- Legal Counsel said that they had another round in court this week with a couple of tenants that were for non-payment. He addressed a new law applicable for sick leave and part timers. The HA already has paid sick leave (full time) and part-time employees will now be paid sick leave at the rate of one hour for every 30 hours worked according with the "new law."

EXECUTIVE DIRECTOR-The Executive Director welcomed the new commissioner Denise Pellecchia and wished her good luck. Rich Larsen, the auditor and Bill Snyder who is the RAD Coordinator and Dave Ciarrocca the HA accountant were all there to speak to the Board. The HA has been in touch with Mr. Camera from the town and he had a couple of questions, so we thought it was a good idea to have them all come in sooner than later for any questions the town had about our operations or budgets.

The fee accountant's contract is enclosed in the packet. This was his second term on his one-year contract. This is the option to extend. Rich Larson will go over the audit. There is a letter from Commissioner Noonan she would like to go over. Proud to announce another resident from Magnolia is purchasing a home. This is the fifth one in five years. The HA helped her become more self-sufficient.

Rich Larson said that there were three reports in the package. He reviewed page one of the Independent Auditor's Report. That is where they give an opinion on the HA's financial statements. The good news is they received an unmodified opinion which is the highest level of assurance they give. An unmodified opinion means there are no modifications that need to be made to the financial statements. The second report is the Independent Auditors Report in accordance with government auditing standards. Every governmental agency in NJ regardless of size will have an audit in accordance with government standards. The first part is where they look at internal control. The good news is they did not identify any deficiencies which is also the highest level they give. The second part is compliance and if all rules and regulations were followed. They did not find any non-compliant issues. The last part of their audit/report an opinion has to be made if the HA complied with the federal programs. They selected the Housing Choice Voucher as the major program this year to test if we were in compliance. The unmodified opinion is that in their opinion the HA complied.

The HA had no findings. Housing Authorities are measured by their liquidity and by how well they can pay the bills when they come due. The HA has twelve months of reserves. Pension liability is something new. This is unfunded pension liability \$1,032,000 that has been charged against the HA surplus. Having a surplus after that charge is rare.

The HA has reported depreciation expense of \$126,000 that is a non-cash charge but HAs have not purchased capital assets with operations they have got grants in the past and that number should be added back. HUD requires you to use up to about \$5000 of housing assistance payment reserve. One-time RAD expenses should be added back as well. With all that taken into consideration the loss is about \$100,922. The HA and Director made a great decision to convert to RAD program. Board members were given

the opportunity to ask any questions. They can email him, and his cell number was provided as well.

There was a question about pension and who pays for it? It is similar to all the employees of the town and then the state sends the check. The net position in the beginning of the year was \$1,155,000 total net position at the end of the year was \$830,000.

Bill Snyder then spoke to the Board. He was hired by the HA to help with the RAD conversion. He advised the Board of his credentials and his background. He became aware and spoke around the state about the Rental Assistance Demonstration program. Since then his firm is handling the conversion of over twenty housing authorities. He spoke about the program. The RAD program provides budget certainty. It converts it from Public Housing to Section 8 and is project based. It also allows housing authorities to recapitalize and it allows you to attract investors. He rates authorities by their needs and does a physical assessment. BTHA had very low capital needs because it has been taken care of all these years. This program follows a schedule of everything that needs to be done over the next twenty years. HUD provides administrative fees if you do project-based housing. BTHA continues to go in the right direction as opposed to those who have not converted. The program provides positive cash flow. He stated that the HA has fulfilled all the requirements for this program. The non-profit corporation is mostly a paper entity. The HA cannot be the administrator of the HAP contract. Judy, Seitz, Mary Jo Grasso, Ann Levine, Carol Stalowski administrators for corp. Mr. Seitz recently resigned. The people were chosen when applying for RAD.

Legal Counsel explained the reason for the formation of the non-profit. HUD implemented a Rental Assistance Demonstration program in order to allow housing authorities to be in the same position as owners of Section 8 Project based properties. Because those properties are often funded by low income housing tax credits, when HUD has to cut spending due to insufficient funding, it usually reduces funds to public housing in a greater amount than section 8. HUD came up with a plan to allow housing authorities to move from Public Housing to Project Based Voucher and avoid the more serious public housing cuts. HUD is still using the HAP contract to implement assistance. Two parties need to sign. Since a housing authority cannot sign as owner and manager, HUD allows you to contract with another entity that serves as the role of the owner. This entity must perform inspections and set rent reasonableness, but is otherwise just a Pass Through to enable the execution of the HAP.

Dave Ciarrocca, Accountant explained that this is the 1st step of a 2 step process for the Budget. The DCA reviews the budget, before we can proceed. We are introducing the budget. It was briefly reviewed explaining revenues and identifies variances, and a chance for questions was offered. The HUD budget is a beast all in its own. If anyone thinks of a question or would like me to go over anything please email me and his cell was given. He will be here next month again to go over anything anyone may need clarification on. Dave explains that the HA has a surplus budget.

At this time, many were speaking over each other, their comments were very difficult to decipher through the tape.

Judy Noonan spoke about her concerns and said that people come up and say things. She felt that it would be best to bring this to the Board's attention. Commissioner Noonan said that there are a lot of innuendos and it all came to a head this time. We are here to support the HA and Staff and Residents. People hear something and then react to it.

Commissioner Grosse said that she reads everything and is prepared for the meetings. She was surprised to read the letter. She also called Mr. Ebenau when she saw the emails from Grace going back and forth regarding budget.

Commissioner Bacchione stated she asks questions when she needs to, as she has a right to. Further she stated that she does not answer to or report to anyone regarding the HA. She also prepared a letter to Judy's letter, and handed it out.

John Camera from the town spoke about the appointment and whether it should be of non-political people and wanted to answer that. Based on the letter he wanted to correct a few things. It is not a goal of the township to appoint commissioners; it is their obligation and their duty and that is the only way the HA can exist. The fact that the township wanted to see resumes from the candidates rather than relying solely on recommendation from the HA Director, he said he feels just as you do, the director should have input and other people should have input. Taking other resumes only shows the township's desire to consider multiple candidates. He said that the township recognizes this is not a political seed, however, the HA should also recognize that the governing body in the township appoints board members, just as it does with all other agencies.

He said he has been given many documents from Grace that he has requested. The Township has the right and obligation to remain abreast of all facets of township-related business including that of independent agencies and authorities. They have internally audited not only township departments. They have asked Fred Ebenau to do that for the sewerage authority, utility authority and have asked for the housing authority. The township has responsibility for mismanagement. The Township understands that all funding comes from HUD. Budget over-expenditures caused concern. He said there also appears to have been raises to key employees' base salaries. Additionally, there was a Corporation formed and Grace was the agent for RAD and it raised red flags. That is why the town looked into it and asked questions and asked for an audit of the HA.

Bill Synder stated this is how HUD wanted it set up, not Ms. Dekker. Grace said that she would set up a meeting if needed after this meeting; anyone needing more clarification about budgets, or the corporation. We could have Commissioners attend, as well as, Bob, Mr. Camera, Mr. Ebenau, the HA accountant and the HA attorney.

Bill Synder and his organization stated they will be looking into a post RAD type of training for commissioners.

Grace stated that all raises are approved by the board. Grace stated that all audits and budgets are on line. If there was any mismanagement the professionals would be explaining that year after year. Everything here is transparent. Asking for information on what happened 1 year or 10 years ago in the HA is not effective. What we have in place works for the HA, staff and residents and HUD has no issues and frankly, in all these years, the township hasn't either. Any commissioners can ask anything, I have never had any commissioner in all the years I have been here had any issues with my performance. If there is something we can change please let me know.

We need to move forward. And everyone here has listened to the HA professionals and can clearly see the HA has functioned without incident for many years.

There was also a question that was asked about if the HA goes under, who would pick it up. Mr. Ebenau, seems to think the township would. He agreed to provide him with the citation for this regulation. Some of our Professionals asked where you are reading this and would like to see it. Legal Counsel stated HUD would get involved and not the township, Legal Counsel said this HA would not be one to go under.

Legal Counsel spoke and stated that a lot of assumptions about the HA have been made which are not factual. Hopefully, better communication between the Commissioners, Director and HA professional will put any disagreements behind. And move forward for the HA and its mission.

There was a woman who spoke in public portion. She stated that this was her first meeting and that she was a resident in Bayville for over 40 years and just recently retired. She said that she wanted to thank all the commissioners and Bob and Grace and all the professionals as well. She said that recently her son's mother in law moved into the HA and she absolutely loves it. She stated that the HA should be a model complex for the other areas in the township, and listening to the meeting and all the professional everything works here, if nothing is broke why fix it.

Commissioner Pellecchia said that she wanted to make a statement for the record that after hearing everything she thinks that you people think she was appointed politically, and she thinks that her resume got her this appointment. Legal Counsel welcomed her.

Ann a resident, wanted to thank Grace and Bob and staff. She said that last week there was an incident and anytime there is a neighbor or resident at either site that is in need the staff is always there. She said this budget stuff that you guys talk about goes in and out one ear and she cannot thank the staff enough and they are forever grateful for all that they do.

MAINTENANCE SUPERVISOR – Explained that they just completed a remodel of a 1 bedroom at Site A apartment. Inspections are continuous for re exams and all exterminations were getting done. We are heading into leaf season. Many apartment turnovers coming up.

APPROVE RESOLUTIONS- Any member who wishes to have a matter removed from the consent agenda may do so. All other matter will be voted on by a Consent agenda Vote.

- 2018-10-1 Approve Fee Accountant Contract
- 2018-10-2 Approve Annual Audit for 2017
- 2018-10-3 Approve State Budget 2019 (Introduced)
- 2018-10-4 Approve HUD operating budget

Consent motion was made by Nunn and seconded by Fratianni.

Commissioner Pellecchia abstained, from Audit approval
Comississnier Bacchione ,Grosse and Pellecchia voted nay on state introduced budget.

UNFINISHED BUSINESS –None

NEW BUSINESS – None

CLOSED SESSION – None

MOTION TO ADJOURN –A motion was made to adjourn at 5:50pm for the evening from Commissioner Fratianni. The motion was seconded by Commissioner Grosse.