

MINUTES FROM A REGULAR MEETING ON DECEMBER 15, 2011

The Regular Meeting of the Board of Commissioners was called to order at 6:10 p.m. on December 15, 2011 in the Community Room at Washington Manor, 340 Thomas Blvd, Orange, New Jersey.

The Executive Director advised that all requirements of the Sunshine Law were met.

A roll call was taken as follows:

Present

Chairman Clifford Ross
Commissioner Joseph Juliano
Commissioner Lillie Davis
Commissioner Joseph Seneca
Commissioner Coram Rimes entered the meeting at 6:30 p.m.
Commissioner Evelyn Hudson
Commissioner Ernest Williams left the meeting at 7:10 p.m.

Also Present

Walter D. McNeil, Jr. Executive Director
Ernest Booker, Esq., Feinstein, Raiss, Kelin & Booker
Several Tenants
Several Employees

The Pledge of Allegiance was said

Chairman Ross called for a motion to adopt the agenda. Commissioner Williams moved to adopt the agenda. Commissioner Davis seconded the motion.

Chairman Ross called for discussion?

No discussion.

A roll call was taken.

All Commissioners voted in favor.

Chairman Ross called for a motion for the adoption of the Minutes from a Special Board meeting on October 12, 2011 and a Regular Board meeting on October 20, 2011. Commissioner Hudson moved to adopt the agenda. Commissioner Davis seconded the motion.

Chairman Ross called for discussion?

No discussion.

A roll call was taken.

All Commissioners voted in favor.

Treasures Report

Mr. McNeil said every two months the Accountant put together our expense report. This expense report ends October 31, 2011. Page 3 of the report is a consolidated statement of the net assets. This tells you about where we are in terms of our net assets of \$6,783,000.00. Obviously this is a consolidated statement. Mr. McNeil said consolidated statements of operating revenue are what he's most proud of. He said some of it is directly due to the advocacy of this Board of Commissioners, working with City Hall to forgive us for certain things that really wasn't our expense, particularly the water bill and also working with HUD to forgive us for advances that they gave to us in previous years. Mr. McNeil said year to date actual is \$5,730,000.00 that is what we earned in income as of October 2011. He said we spent \$5,238,000.00. Mr. McNeil said it's showing a net positive in our cash flow of \$292,000.00. He said my anticipation after November 2011 we are going to see an even more positive situation because we have been controlling our expenses. He also said there are areas we need to look at more closely like HAP subsidy is \$3,708,000.00 for this month. The Housing Assistance Payments were \$3,528,000.00 so we got a lot more subsidy than we did in terms of expense. He also said that the central office cost was at a positive \$177,000.00 at the end of this period. Mr. McNeil said we are due to get \$389,000.00 in subsidy for the old Walter G. Alexander Complex. He said Washington Manor net increase was \$152,000.00, the voucher program was an increase of \$208,000.00 and the rental properties, Mr. McNeil said he's most proud of this year is the fact that we are collecting 100% in income.

Chairman Ross said you want to tell them how many scattered sites we have.

Mr. McNeil said were renting 11 units right now and collecting about \$12,000.00 to \$13,000.00 each month.

Chairman Ross said we haven't had to do any major repairs for these properties?

Mr. McNeil said we did have to do some repairs like a boiler or a roof might have leaked but minimum compared to the money we collect each month.

Chairman Ross said Lance Hammond, Maintenance Superintendent is responsible for the maintenance on these scattered sites?

Mr. McNeil said he's responsible for organizing the maintenance on the site. For those sites we bring private contractors to work on them.

Chairman Ross said we have no deficiencies?

Mr. McNeil said we still are working on HUD to forgive us for the \$1.2 million in over subsidy. When they forgive us for that we are going to be in a much better financial position.

Chairman Ross asked when the last time you spoke to HUD was.

Mr. McNeil said today. They said they got everything they need and we should be hearing something soon.

Chairman Ross said I would like Mr. Policari, Accountant for OHA to come to our next meeting he's suppose to be here quarterly.

Mr. McNeil said no problem.

Mr. McNeil said in your packets is a copy of the Audit for the fiscal year. Frank Glein, Auditor is here to present our audit findings.

Frank Glein said I've been doing the Audit for the Orange Housing Authority for the past few years. I'm here tonight to present the Audit for March 31, 2011. This is the report required by HUD and OMB133. It's a report on your financial statements, your compliance, internal control, financial reporting in accordance to the government auditing standards and your major programs in accordance to OMB133. Starting with the financial statements if you look at the 3rd paragraph it gives you what my opinion is. It states your statements are fairly stated in all material specs in accordance with general accepted accounting principles. If you don't read anything else please read the Management Discussion and Analyst over the past year. That tells you exactly what went on in the Authority in this past year. Mr. Glein said just to highlight a few things that Mr. McNeil already eluded to your net assets increased by over \$1million. Primarily that was due to your settlement of the utility bills that were over charged in prior years. You also had a positive operating income this year. Last year you had a \$36,000.00 operating lost this year you have a profit of \$400,000.00. He said that was due to your reduction in cost, maintenance cost went down, utility cost wend down because of the demolition of Walter G. Alexander. Mr. Glein said Internal Control over Financial Reporting and compliance with laws and regulations. This is a report required in government and auditing standards. There were no material weaknesses. There were no significant deficiencies. There was one instance I felt need to be report which is in my report on your major programs your compliance in your internal control over OMB133. These programs are your Public Housing, Housing Choice Voucher and Capital Funds. As far as compliance is concerned there were two exceptions that I noted. He said mostly there were similar to what I noted in the prior audit. Mr. Glein said his opinion is that we complied in all material respects with the compliance requirements of this program. He was satisfied with our internal control over compliance. The last part of the audit is the actual exceptions. I checked the

ledger balances to see if they reconciled and what I notice was there were some checks that were issued in prior periods that have not been cashed and need to be resolved. They should be voided and put back in cash. The next two items I want to bring to your attention is this is my findings on your two major programs. Low Income Housing and Section 8 Program. This year we tested more files than we had in the previous years. But I found fewer exceptions. Out of 30 files I check on the Low Income Housing Program there were 4 files that had exceptions. One file didn't have evidence of income, two files showed evidence of the inspection was not performed timely and one was not recertified in on a timely basis. I don't consider this a material noncompliance but it's something that I saw, I'm required to report it.

Chairman Ross said where these issues in your last audit?

Frank Glein said not the same ones. I think one may have been repeated. These were all new on the Low Income Housing. Section 8 I think one was repeated. Again I tested more for Section 8 this year and found fewer errors. One file didn't contain documentation that a recertification was performed and one file didn't show income was verified and the HAP payment was calculated incorrectly. Again these are nonmaterial instances of noncompliance. As far as my testament shows, you complied in all material instances with the requirements of the programs.

Commissioner Rimes asked did you look at the timing in which we pay the bills. Were bills not paid on time?

Frank Glein said I did a test of accounts payable. My work is done on a test basis so it is possible that there could have been something like that but it didn't show up in the samples that I tested. I think I tested 40 disbursements and some other expenses.

Executive Director Report

Mr. McNeil said we have completed the construction with Walter G. Alexander. The sample unit we put together is ready. Were not due to rent these units until July but we believe that we will be able rent these units sometime in mid January to early February 2012. I think the same is going to happen with the family units. They are pretty much completed. We are making incredible progress. There are a couple of issues with the gas and electric connections. I thank you for being supportive and this Board has been nothing but professional. We only got 80 applications for the senior units. We have 48 units to rent out. Two of those units are Public Housing. The Alpert Group and the OHDC hired Faith Moore as the Manager of the buildings. She is a very talented young lady and working on filling those units. We are looking for a Superintendent of Maintenance. The Alpert Group was responsible for hiring the Manager were responsible for hiring the Maintenance Superintendent. We are going to put an ad in the newspaper shortly.

Chairman Ross said did you have the opportunity to interview and help with the selection?

Mr. McNeil said yes. I met with her and spoke with her. She knows what she is doing. She was in our office today interviewing people. She has a great personality she works very well with the staff. She has been working with Marianna DeVincentis, Shanda Hammond and Lance Hammond to find out how we do things here. She is going to be an asset to us. I want everyone to come by and see the units.

Commissioner Seneca said who pays her salary?

Mr. McNeil said they are paying her salary and being reimbursed by the Alpert Group. Mr. McNeil went on to say we were awarded \$560,000.00 to redo Oakwood Avenue burnout properties. I want to sit down and talk to you in detail about this plan. We have 19 to 20 lots most of them have some problems. The HVAC Grant is going really well.

Chairman Ross said how many students?

Marianna DeVincentis said 23.

Chairman Ross said where is the training being held?

Marianna DeVincentis said at the YWCA. They are going to try to repair the air-conditioned for the YWCA.

Chairman Ross said when will the training be completed?

Marianna DeVincentis said August 2012.

Chairman Ross said will they be tested and completely certified and job ready?

Marianna DeVincentis said yes.

Mr. McNeil said we had the tax lien sale purchase in July. We purchased two liens. We purchased 10 more in December and all the liens we purchased were very strategic because they were next to properties that we owned. Purchase of Oakwood Avenue properties we have completed 205,209 and 207 we have a contract on 213 and 197 Parrow Street. 99% lease up at Washington Manor, 99% lease up with Section 8. We just sent out the RFQ. Energy Conservation bids is out. We should be awarding that to a program soon. We are waiting for our new engineer from HUD to give us some background on that. We are going to work on re-

modeling the store so it's much more consistent. We have the food stamp and the ATM machine. We plan to update the laundry facility. We have painted the compactor rooms, we did the rooftop extension. Our Christmas Party is tomorrow and it begins at 6:00 p.m. at Bella Italia. We are going to have a silent auction so bring your check books.

Public Session

Hycynthia Curtis tenant of 340 Thomas Blvd Apt 2-Q said her door was busted open.

Chairman Ross said tell me actually what happened.

Shanda Hammond said the exterminator was here doing monthly extermination. It is in the lease that extermination must be done monthly. It is required that all tenants get their unit done. If you're not home we go in regardless. Ms. Curtis stated she heard a knock on the door but when she went to the door maintenance was talking to the neighbor.

Hycynthia Curtis said he knocked on the door again by the time I got to the door the door was busted open. He opened it with the key.

Mr. McNeil said come into my office. Make an appointment with my secretary and ill talk to you about that situation. I apologize for the inconvenience. We will discuss this in detail with you. We don't want you to feel violated.

Mary Graves Battles tenant of 340 Thomas Blvd. said the exterminator only did my kitchen.

Commissioner Davis said if you want the exterminator to do anything else all you have to do is ask him. He'll do it for you.

Theresa Young tenant of 340 Thomas Blvd Apt 2-K asked why she has to keep asking for the exterminator for bedbugs if you have a problem. Why can't they just come? Why should I have to call every time there is a problem?

Mr. McNeil said did you speak to the manager.

Theresa Young said yes, I already mentioned it to the office. The other issue is when maintenance come to my apartment I need them to put things back in place because I'm visually impaired and need things to stay in place. I need things to be safe for me.

Resolutions

Chairman Ross called for a motion to adopt Resolution No. 5143-11 Resolution of the Board of Commissioners of the Housing Authority of the City of Orange Approving Bills Resolution No. 1834. Commissioner Seneca moved to adopt. Commissioner Rimes seconded.

Chairman Ross called for discussion?

No discussion

A roll call was taken

All Commissioners voted in favor

Chairman Ross called for a motion to adopt Resolution No. 5144-11 Resolution of the Board of Commissioners of the Housing Authority of the City of Orange to select banking institutions for 2012 calendar year. Commissioner Hudson moved to adopt. Commissioner Davis seconded.

Chairman Ross called for discussion?

No discussion.

A roll call was taken.

All Commissioners voted in favor

Chairman Ross called for a motion to adopt Resolution No. 5145-11 Resolution of the Board of Commissioners of the Housing Authority of the City of Orange to select official newspapers for 2012 calendar year. Commissioner Seneca moved to adopt. Commissioner Hudson seconded.

Chairman Ross called for discussion?

No discussion.

A roll call was taken.

All Commissioners voted in favor

Chairman Ross called for a motion to adopt Resolution No. 5146-11 Resolution of the Board of Commissioners of the Housing Authority of the City of Orange regular meeting dates for 2012 calendar year. Commissioner Seneca moved to adopt. Commissioner Davis seconded.

Chairman Ross called for discussion?

No discussion.

A roll call was taken.

All Commissioners voted in favor

Chairman Ross called for a motion to adjourn the meeting. Commissioner Seneca moved to adjourn the meeting. Commissioner Rimes seconded.

Chairman Ross called for a discussion?

No Discussion

A roll call was taken.

All Commissioners voted in favor.

The meeting was adjourned at 7:44 p.m.

Respectfully submitted,

Walter D. McNeil, Jr.
Executive Director/Secretary