

## **MINUTES FROM A REGULAR MEETING ON APRIL 21, 2011**

The Regular Meeting of the Board of Commissioners was called to order at 6:24 p.m. on April 21, 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**

Commissioner Clifford Ross  
Commissioner Kerry Coley  
Commissioner Lillie Davis  
Commissioner Coram Rimes  
Commissioner Joseph Seneca  
Commissioner Evelyn Hudson  
Commissioner Ernest Williams

### **Also Present**

Walter D. McNeil, Jr. Executive Director  
Several Tenants  
Several Employees

The Pledge of Allegiance was said.

Chairman Ross called for a motion to adopt the agenda. Commissioner Rimes moved to adopt the agenda. Commissioner Williams 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 on page 2, Consolidated Statement of Operating Revenue, we had net income year to date of \$8,000,000, we had expenses of \$8,929,000, and we had expenses of \$8,392,000 with a surplus cash of \$546,000. Mr. McNeil said it's a little bit deceptive in terms of \$546,000.00 because there's still a couple of thousand dollars out there in Section 8 Vouchers that we bill for. We haven't actually leased those units up, but it's only off a little bit. Mr. McNeil said we've been doing as in each fiscal year for the last 4 years, operating wise

financially were very strong, but our net assets are still showing below our net liability. The reason why is because of the \$1 million that we over billed HUD back in 2004 and the other issue with the City of Orange. Those things are slowly but surely getting squared away. We're still waiting for Mr. Mason to get to us so we could put together a plan to pay the City back. We've been putting these things in accounts payable. What you see on our statement of net assets is what you get.

Chairman Ross said what was it we had to pay back? \$50,000.00 a month

Mr. McNeil said, we talked about \$50,000.00 a month.

Commissioner Coley wanted to know why it is taking so long for the agreement.

Mr. McNeil said I wish I could explain the reason. It took us so many years to get an agreement in the first place. Mr. McNeil said with the help from the Board he is hoping for the best.

Chairman Ross said what your plans are for the \$1 million that we owe HUD.

Mr. McNeil said were going to sit down with HUD very shortly. It's due to an over billing that we did back in 2004. Mr. McNeil said it's been on the record for the last 6 to 7 years. The issue with this is over billing for Public Housing purposes. Our regional office tells us that they don't have a place to take the money back into. It's a good opportunity that they would forgive us. Now what they did do 3 or 4 years ago they set up a payment plan. But the payment plan doesn't do anything as far as our financial statements. They payment plan was for 60 years at \$28,000.00 a year with no interest. That means nothing in terms of our financial statement. Basically, that is the reason we are sub-standard financially for the last 4 to 5 years we've been operating in the black. HUD is never going to come in and take \$1 million away for us. Their not into the business of bankrupting Housing Authorities. But it does have an impact on our standards.

Commissioner Ross said if their not going to hurt us, why they are making us sub-standard

Mr. McNeil said they only care about what the numbers are. If your net assets are less than your net liability, which they have been over the last 6 to 7 years then you got an issue and your sub-standard. Mr. McNeil thinks were going to be evaluated very shortly. He said in fact on July 20<sup>th</sup> we have the Physical Inspection of our building here which I feel confident that we will do well at, but we will also very shortly after that we have some sort of review of our management activities. If you look at the letter that was sent to me we scored 28 out of 30 in regards to management. Our financial numbers were 6 out of 30. Then as far as the expendable fund balance is concerned you will never get a score above 0 as long as your fund balance is low. I'm

hoping this is a year we will resolve that. Mr. McNeil said it took so long for HUD, because that's their process.

Chairman Ross said isn't there a certain amount of years you can be substandard then HUD wants to take over.

Mr. McNeil said no, they review you very closely in terms of what's making you sub-standard. They already did a review of us in order to get to this point where they are saying were in a 60 year \$28,000.00 a year agreement with them.

Commissioner Seneca said the money was spent for housing is there any recourse, no arbitration.

Mr. McNeil said, they didn't want to hear anything they just wanted to put together a repayment agreement. We appealed to REAC, we are waiting for a decision.. Mr. McNeil said this process is going to be a good process when we go through our review in July. He also said that he would like to disclose to you they may make us pay a larger portion of our developer's fee for the new development to them to pay them back. I'm just saying it may be a possibility. If they do we will be in perfect financial condition.

Chairman Ross asked if Mr. McNeil said he had a meeting scheduled with HUD to discuss this matter.

Mr. McNeil said yes, 1:30 p.m. on Tuesday.

Chairman Ross said will they be the ones to talk to the National Office about this.

Mr. McNeil said yes, the local office has to sign off on the sale of the lease of the land.

Chairman Ross said is that your feelings on what's going to happen.

Mr. McNeil said no, I really don't know. It can go anyway. But I don't think their going to come in and say your operating so horribly that were going to take your agency. It's more so your financials are not up to par. Your liability is not exceeding your assets for two reasons the water bill and the over payment. He also said he spoke with Tony Policari, and were going to change the May Board meeting from May 17, 2011 to the following week. I want to have a financial meeting maybe the day before to discuss the year end. There are not going to change to much more. The other thing Tony wanted me to remind people of is that were getting paid at 70% subsidy for Walter G. right now next year will be 50% subsidy. It is suppose to help us with closing that building down we'll have some other residual expenses like the community center. Mr. McNeil said he would be remits in telling you that were also going to get a management fee

for managing the new development. It will be less than the subsidy we now receive for Walter G. Alexander Complex.

Chairman Ross said that's why we have to be more creative and innovative in making money. I see you put the ATM machine out there, the store and we're buying properties.

Mr. McNeil said essentially were decreasing our expense by \$100,000.00 in terms of utilities we'll be upgrading the toilets, showers, windows, doors and other areas in this building. Were also going to be dedicating some of our monies from Walter G. Alexander to buying properties around the Walter G. Alexander Complex to either knock them down or fix and rent to Section 8 tenants. Mr. McNeil said things are coming together we should be proud of what we accomplished as of this point.

### **Executive Directors Report**

Mr. McNeil said the Washington Manor report we got 96% reporting rate to PIC, rent collection \$63,000.00, 243 units occupied, 7 vacancies we had a couple of deaths this month which contributed to the vacancies, 48 people on the wait list, 98 work orders received 98 work orders completed 12 people on the Congregate Housing Program, 80 people on the Food Bank Program 24 on the Food Bank waiting list 20 participants in the Saint Barnabas Program, our waiting list is still open.

Chairman Ross said I like this report but I would like to see on the rent collection what the delinquency rate is.

Mr. McNeil said ok, I will make sure to include that next time. We did write off a significant amount of accounts two months ago. Right now it's very low compared to what were speaking of for the last couple of years. It's like \$14 thousand and we have 6 people in court. As far as the Section 8 monthly report, 50 recertification's, 19 seniors were recertified, 618 program participants, 81 units was inspected, 1 person was terminated, 104 portables, we collect about \$10 thousand from the scattered sites a month. That's pretty well

Chairman Ross said can you update the Board on the redevelopment at Walter G. Alexander.

Mr. McNeil said I am excited to see the development go up as fast as it is. I've sent pictures around. They have the foundations for all of the units down; it's kind of scary because we haven't closed with HUD yet. We probably owe about \$2 million out to different people. It's due to close on May 14, 2011. No one has complained they've just been working. They know the money is going to get to them eventually. At the rate their going right now by August you will see those structures up, at least the outside structure. They work fast. AJD is probably one

of the best contractors in the state of NJ. They have hired 3 people from the training that live in the community.

Chairman Ross said we're not going to close until the end of May. The people we owe money to understand this and are okay with it.

Mr. McNeil said they know that the money is eventually going to be there. They understand. Joe Alpert did come up with another \$150,000.00 to pay the architect and other expense.

Chairman Ross said, I don't want any work stoppage.

### **Public Session**

Councilman Corbitt said I want to commend you on the work that you've done so far in the City. I don't think you get enough credit for what you do. He said he said in a Council meeting and he'll say it again that he like the mix that is at the Housing Authority, the personalities seem to work well together. He said he knows there are some terms that are up and he believes that if it's not broke don't fix it. He hopes that's not falling on death ears. His question was do you have any plans outside of the Walter G. Project to partner with the City or branch out on your own.

Commissioner Seneca said we would love to partner with the City of Orange.

Commissioner Seneca said as the Director previously stated we are buying scattered sites all around the City. A long term goal is we are looking at the Hospital. We are taking baby steps and look to be a developer in the City.

Councilman Corbitt said he thinks that needs to happen. He thinks the City needs to get behind you whatever you guys are trying to accomplish. The hospital site had been an eyesore for us for a long time. If that's in your future and in your vision we need to sit down and talk. The Councilman thanks the Board for their time he appreciates it.

Councilman Hassan Rasheed said with respect to the Orange Housing Development Corporation he wanted to know if the meetings are open to the public.

Mr. McNeil said it's a non-profit and it's not necessarily open. It will be open to you if you ask to participate in or be at a meeting. The reason we had Council people make appointments is because we wanted the City to feel that they are fully involved with developing through the Housing Development Corporation.

Katherine Plumber, tenant 340 Thomas Blvd Apt 9-B said she has mice in her apartment, and her balcony door is broken. She said she put in a work order and nobody came to fix it.

Chairman Ross asked Mr. Lance Hammond to address these issues.

Lance Hammond, Maintenance Superintendent said, he would address it at a later date. I'm not going to say she did or did not put in a work order.

### **Resolutions**

Chairman Ross called for a motion to adopt Resolution No. 5108-11 Resolution of the Board of Commissioners of the Housing Authority of the City of Orange Approving Bills Resolution No. 1828. Commissioner Coley moved to adopt. Commissioner Rimes seconded.

Chairman Ross called for discussion?

A roll call was taken

All Commissioners voted in favor

Chairman Ross called for a motion to adopt Resolution No. 5109-11 Resolution of the Board of Commissioners of the Housing Authority of the City of Orange amending the Section 8 Administrative Plan to include a Housing Choice Voucher Homeownership Program option and a Housing Counseling Program Commissioner Hudson moved to adopt. Commissioner Davis seconded.

Chairman Ross called for discussion?

A roll call was taken

All Commissioners voted in favor

Chairman Rimes said this document is in contractual language. It says the agreement was made on the 20<sup>th</sup> of May we haven't voted this in yet so there's the presumption on the part of the owner. There's also no back up who this owner is and what his qualifications to do the job is. I think that should be forthcoming in any type of document we get. There shouldn't be a signed contract until after it's approved by the board, then signed by the Director then go back for the signature of the contractor. He's presuming we're going to approve his contract.

Mr. McNeil said I'll let Marianna explain about the program

Mrs. Marianna Diventis, Section 8 Program Director said there is a large familiarity that we have with them. This came to us not more than two days ago that's why we didn't put their qualifications. It's about an opportunity to apply for a grant that will help out the residents and participants on our program. Susan Moore is constantly going through different web sites to find great opportunities that relate to us. This is a grant from the New Jersey Department of Labor.

It's for \$190 thousand for an 18 month program. It's to teach people over the age of 20 a skill. It targets women and minorities to participate in this grant. We will have two types of training. Mo Shea did the training before; we were very satisfied with the results. That training was in 2009 – 2010. We have worked with them to apply for various other grants. But this is one that we really feel we will be able to get. We don't want to go out for a grant unless we feel really confident that we'll be awarded. If we get this grant it will start in July and last for 18 months.

Commissioner Rimes said were will this training be held

Mrs. DeVincentis said we have a few ideas of who we can partner with to do the training

Commissioner Rimes said at the conclusion of the training what will they get

Mrs. DeVincentis said they will be trained and certified in air conditioning

Commissioner Rimes said for me to make an informed decision all documents need to be present in the future.

Commissioner Hudson said is there a targeted group we have lined up for this training

Mrs. DeVincentis said our FSS participants initially then we would offer to anyone else who qualifies. These people have to be 20 years and older and have a high school diploma or GED

Chairman Ross called for a motion to adopt Resolution No. 5110-11 Resolution of the Board of Commissioners of the Housing Authority of the City of Orange approving the Annual Plan for Fiscal Year 2010. Commissioner Williams moved to adopt. Commissioner Hudson seconded. Chairman Ross called for discussion?

A roll call was taken

All Commissioners voted in favor

Chairman Ross called for a motion to adopt Resolution No. 5111-11 Resolution of the Board of Commissioners of the Housing Authority of the City of Orange Authorizing the Executive Director to sign an Agreement with Moe Shaea Corporation to prepare a competitive proposal for the New Jersey Utilization Initiative Diversity Grant in the amount not to exceed \$4,000 upon completion and timely submission of the Grant Application and an additional \$6,000 upon receipt of the Grant Award. Commissioner Rimes moved to adopt. Commissioner Williams seconded.

Chairman Ross called for discussion?

A roll call was taken

All Commissioners voted in favor

## **Unfinished Business**

Commissioner Williams said where we in terms of getting invitations out for the golf are outing.

Mr. McNeil said we got the initial save the date out though email, electronic mail and phone calls. I think at the next meeting we'll make a decision about the invitations. We will be asking for names. It's going to be at the Rock Spring Country Club in West Orange. We also need to deposit \$4,000 to hold that date September 19, 2011.

Commissioner Williams said everyone is invited to my Memorial Day cook out.

## **New Business**

Mr. McNeil said I received a memo from Reverend Rice. He asked if we would support this application to a letter. I wrote back to him. It's a letter of support, so he could apply for a Second Chance Act Technology Career Training Demo Project. I don't know how much money it is. It's for ex-offenders to be re-integrated into the community. We are not committed to provide housing to the people. I know that was one of the questions. We are not committing to anything except for saying it's a good idea.

Chairman Ross said compose a letter of support and submit it to the Board for approval.

Mr. McNeil said you got it. All you have to do is say either it's ok for to send it out.

Chairman Ross called for a motion to adjourn the meeting. Commissioner Davis 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 8:22 p.m.

Respectfully submitted,  
Walter D. McNeil, Jr.  
Executive Director