

MINUTES
SUMMIT HOUSING AUTHORITY
December 11, 2013

Chairman Dennis White called the meeting to order at 5:05 p.m. in the Janet Whitman Room in the Summit City Hall. The following Commissioners were present:

Chairman Dennis White, Commissioner Richard Poole, Commissioner Pam Kuhn, Commissioner Steven Spurr, Commissioner Jeffrey Halverstadt and Commissioner Mary Zimmermann were present. Commissioner Coalter Pollock was absent. Also present were Joseph M. Billy Jr., Executive Director, Peter Polcari CPA and Michelle Salazar Office Administrator.

Mr. Billy read the Open Public Meetings Act Notice, "Adequate notice of this meeting has been provided by the Secretary of the Housing Authority of the City of Summit by preparing an amended Annual Notice dated December 12, 2012, setting forth the date, time and place of this meeting. Said notice was filed with the Clerk of the City of Summit, forwarded to newspapers of local circulation and to the persons requesting it.

Mr. Billy led those in attendance in a salute to the flag.

MINUTES – September 18, 2013: The minutes of the 9/18/13 regular meeting were tabled to the next meeting due to not enough commissioners are in attendance tonight who attended the 9/18/13 meeting to vote for their approval.

October 23, 2013: Commissioner Kuhn and Haverstadt moved and seconded approval of the minutes. Upon roll call, all members voted in the affirmative and the minutes were approved.

CHAIRPERSON'S REPORT:

Chairman White reflected on the past year of 2013 and the improvements that the housing authority has come by especially with the additions of Mr. Joseph M. Billy, Jr. and Michelle Salazar. Mr. White also discussed the reorganization of the housing authority and how those changes have made for a positive future for the authority. Chairman White also mentioned that although there were some challenges along the way he is very pleased with the management and direction in which the authority is headed.

REPORT OF EXECUTIVE DIRECTOR:

Mr. Billy updated the Board on the following topics:

- Mr. Billy addressed the ongoing bed bug treatments. Of the original 24 units, 23 have been treated with the final unit being treated by end of the week December 13, 2013.
- The Senior Holiday luncheon will be held Wednesday, December 18 at the 12 Chestnut Community Room. There will be lunch and entertainment at the event. Mr. Billy also mentioned that there will also be a door decorating contest for the holidays at all the

developments thanks in part to American Legion Post 321's generous donation of \$300 towards prizes. We will be able to award prizes to 15 residents recognizing their decorating talents.

- The housing authority received a JIF premium dividend for 2013 for roughly \$3,700 and that amount was up from last year.
- Our CD from Union County Savings was renewed and earned about \$5,400 in interest for the past term. The new renewal rate was 1.2% and is down a little from the previous rate of 1.25%.
- Mr. Billy then discussed some non-routine items on the bills list such as:
 1. Action Termite for the bed bug treatment at 12 Chestnut and Weaver Street for \$12,000
 2. Legal fees for \$2,650 for work on evictions and habitual late payees
 3. Administrative agent fee for Vito Gallo
- Mr. Billy then mentioned that some resolutions included in the board meeting packet are for professional services such as legal services, fee accountant, and the annual audit. The budget final adoption is also included with this month's meeting packet.
- The snow removal went well for last week's snow fall. Three day workers were hired from among our family site residents for \$10 per hour. The men were equipped with shovels and two men were paid \$50 and the third was paid \$55.

Mr. Billy then entertained any questions from the Board.

- Commissioner Poole asked if we are going to be hiring anyone to replace the other full time maintenance position and Mr. Billy replied not at this time. The employee is currently out on medical leave, possibly due back by mid-January 2014. We already hired a temporary part-time person to fill in for some of those duties.
- Chairman White asked how the evictions were going. Mr. Billy said that there is one more eviction pending at Glenwood Place and that court date is for January 2014. To date, there have been about 4 evictions due to habitual late payment and in January there will be a resolution to write off those uncollectable balances.

RE-ORGANIZATION: ELECTION OF OFFICERS:

Mr. Billy assumed the Chair of the meeting and defined the election process in accordance with the bylaws. A general discussion took place.

OFFICE OF CHAIRMAN: Commissioner Spurr nominated Commissioner White. Seconded by Commissioner Haverstadt. There being no other nominations, Commissioner Haverstadt moved to close the nominations, seconded by Commissioner Poole.

Upon roll call, all commissioners voted in the affirmative to elect Commissioner Dennis White as Chairman for the 2014 session.

OFFICE OF VICE-CHAIR: Commissioner Poole nominated Commissioner Kuhn. Seconded by Commissioner Zimmerman. There being no other nominations, Commissioner Haverstadt moved to close the nominations, seconded by Commissioner Zimmerman.

Upon roll call, all commissioners voted in the affirmative to elect Commissioner Pamela Kuhn as Vice-Chair for the 2014 session.

RESIDENT ASSOCIATION REPORTS: None.

COMMITTEE REPORTS:

Operations: Commissioner Kuhn started by discussing the Housing Manager's report and that Glenwood and Weaver are at full capacity. 12 Chestnut is down two vacancies and this has been a reoccurring issue for the properties due to tenants with illness, some that move to assisted living and others who move in with family. The budget to actual was report was favorable. The HUD operating subsidy was drawn down in October and leaves the housing authority above budget for the year. We are still waiting for the capital fund to be drawn down at the end of December. Commissioner Kuhn also mentioned that as she was going over the bills list, she believed there is discrepancy or missing bill from JCP&L because the monthly bill is lower than in the past. The housing authority's fee accountant Peter Polcari mentioned that the reason the bill is low is because a bill was double paid a couple month's back. Commissioner Kuhn then mentioned that the JCP&L bills seemed to have a bill missing for the month of October. Mr. Billy then discussed that Michelle had double paid a bill a while back and that also due to the quantity of different JCP&L bills that we receive with all different dates, she initially had a bit of an issue with the dates and we decided to use one date for all of the JCP&L bills. Peter mentioned that it is vital to get the individual dates for each JCP&L listed on bills list and to be recorded on the Utility Log for the purpose of submitting this data to HUD later on in the year. Commissioner Poole asked if there was any way that the accounting system could allow to be set up where you can view bills for each property and consumption. Mr. Polcari said there is a way to set up the accounting system that way but it would require an individual who is only dedicated to bookkeeping duties. Mr. Polcari suggested that we just call JCP&L and make sure that they keep current with our bills and if we can get all of the invoices together. Commissioner Kuhn mentioned that the dates and bill amounts have been an issue going back for three years. Mr. Billy suggested that Michelle would create a subsidiary list providing more details of the utility bills as an attachment to the bills list each month to give some more information on those accounts.

Affordable Housing: Commissioner Poole stated that the Our House project at Glendale Avenue has been moving along slowly and that the town has filed suit against the COAH people to approve the spending plan so it can be released to be used. The spending plan was approved so that council can now release the funds to be used. The Franklin Place project is back in front of the planning board and the hearing was extended. There is no real clarity on where the project is headed right now. There has been conversation about the Franklin Place project being taken over by the housing authority and Mr. Billy is having the housing authority attorney look into the matter as well the related HUD regulations.

Personnel: None.

Residents Committee: None.

Public Relations: None.

Buildings & Grounds: None.

PUBLIC COMMENT:

Chairman Dennis White acknowledged Peter Polcari, the fee accountant for the housing authority for the past several years. Mr. Polcari distributed a letter to the board and with that provided an outline of things he wanted to discuss. After reading his letter, Commissioner Halverstadt asked if the decision of switching to a new fee accountant had to absolutely be made tonight which Mr. Billy responded by saying that the current contract for the fee accountant expires on December 31, 2013, so the decision would have to be made soon. Chairman White stated that the board was only receiving the letter from Mr. Polcari this evening and that they didn't have adequate time to go over it. Mr. Polcari mentioned that he had just heard this past Monday that he would no longer be the fee accountant for the housing authority and that's why it was drafted last minute. Chairman White replied by asking if Mr. Polcari was aware of the process of publishing an RFP in the newspaper for accounting services every year to which Mr. Polcari said yes and that he had submitted a proposal as well.

Mr. Polcari went on to discuss some of the issues mentioned in his letter. He said he didn't know who had reviewed the submitted RFP proposals and how they were rated and ranked but he felt they might not have been done fairly. Mr. Billy replied that he had conducted the ratings. Mr. Polcari said that he had received a call from Mr. Billy stating that of the three proposals the authority had received, Mr. Polcari's had the highest fee, roughly \$8,000 annually higher than the lowest submitter. Mr. Polcari said that he knows that the housing authority does not have to go with the lowest proposal, that there is room for negotiation. He said he increased his fee 2 ½% to \$31,800 for accounting services for the year because the RFP had significantly changed from last year and things that he normally didn't do were now going to be his responsibility. He mentioned that he may be willing to reduce his fee to the 2013 level, but not enough to match the lowest submittal. Chairman White agreed with the fact that the fee accountant should be the one to manage all of the listed financial & reporting responsibilities. Mr. Polcari went on further to put into question the capabilities of the new staff that replaced the former bookkeeper who retired. He stated that the authority no longer has a staff member with the necessary bookkeeping experience, in his opinion. Additionally, Mr. Polcari questioned the experience and integrity of the fee accountant who will be awarded the contract, Mr. William Katchen. Mr. Polcari related that Mr. Katchen was previously the fee accountant for the authority a number of years ago and was replaced by the former Executive Director, Mr. Gallo. Furthermore, he related Mr. Katchen's relationship with the Passaic Housing Authority when it was taken over by HUD some years ago and that Mr. Katchen was debarred for five years. Mr. Billy responded that he was personally familiar with the Passaic situation since he was an employee there for 27 years starting in 1980, and observed firsthand the circumstances when HUD took over the authority in 1990. He mentioned that a number of people were caught up in the Passaic situation and were made an example by HUD. He noted that Mr.

Katchen's suspension was for 2 years. In the many years since, Mr. Katchen is respected as one of the foremost accounting professionals in the state. He serves as the fee accountant for 15 housing authorities and teaches the financial training courses at Rutgers required for newly appointed commissioners. Mr. Polcari continued to mention that after his years with the authority he was simply here out of the best interest of the housing authority and its future and that it was a pleasure serving the agency. Chairman White thanked him for his comments.

Further discussion continued with the Board requesting Mr. Billy to reach out to Mr. Gallo to find out the circumstances regarding Mr. Katchen's former association with Summit.

OLD BUSINESS: Mr. Billy commented on the ongoing dispute with Hayden regarding liquidated damages, and, the issue of the laundry equipment and the SAHC.

NEW BUSINESS: The status of the temporary part time maintenance man was discussed.

CORRESPONDENCE: None.

RESOLUTIONS:

Commissioner Poole moved for a Consent Agenda for:

- 13-11-12-1: Resolution Confirming Approval of the Payment of Invoices for the period of 10/24/13 to 11/26/2013
- 13-11-12-2: Resolution Approving the Payment of Invoices for the period of 11/27/2013 to 12/11/2013
- 13-11-12-3: Resolution Adopting the 2014 Regular Meeting Schedule Of the Board of Commissioners of the Housing Authority of the City Of Summit
- 13-11-12-4: Resolution Designating Official Newspapers for the Publication of Public Notices and Advertisements for the Housing Authority of the City Of Summit
- 13-11-12-5: Resolution Designating the Financial Institutions for the Banking Needs of the Housing Authority of the City Of Summit
- 13-11-12-6: Resolution Adopting the Annual Budget for the Fiscal Year January 1, 2014 to December 31, 2014
- 13-11-12-7: Resolution Authorizing the Award of A Contract To Fallen & Larsen LLP of Toms River, NJ to Perform the Annual Financial & Compliance Audit for the FYE 12/31/2013 in an Amount Not To Exceed \$8,080.00
- 13-11-12-8: Resolution Authorizing The Award Of A Contract To William Kitchen, CPA of Cliffside Park, NJ For Fee Accountant Services For The One Year Period Of January 1, 2014 Through December 31, 2014 For An Amount Not To Exceed \$24,000.00
- 13-11-12-9: Resolution Authorizing The Award Of A Contract To The Law Offices Of William R. Connelly, LLC Of Mendham, NJ For General Legal Services For The One Year Period Of January 1, 2014 Through December 31, 2014 For An Amount Not To Exceed \$15,000.00
- 13-11-12-10: Resolution Appointing Joseph M. Billy, Jr. As A Fund Commissioner to the New Jersey Public Housing Authority Joint Insurance Fund for Fund Year 2014

Commissioner Haverstadt seconded the Consent Agenda.

Upon roll call on the Consent Agenda, all members voted in the affirmative and the resolutions were approved unanimously.

COMMON COUNCIL LIAISON: None.

EXECUTIVE SESSION: None.

There being no further business before the Board, Commissioners Kuhn and Spurr moved and seconded adjournment. The motion passed by unanimous voice vote and the meeting was adjourned at 6:32 p.m.

UPCOMING SUMMIT HOUSING AUTHORITY MEETING DATES & TIMES

Next Meeting

WEDNESDAY, January 22, 2014
JANET WHITMAN ROOM, SUMMIT CITY HALL
SUMMIT, NJ 07901
7:00 PM

Respectfully submitted,
Joseph M. Billy, Jr., Executive Director