

MINUTES OF A SPECIAL MEETING OF THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE TOWNSHIP OF WOODBIDGE



The Commissioners of the Housing Authority of the Township of Woodbridge met in a Special Session in the conference room of WHA Administration Office, 20 Bunns Lane, Woodbridge, NJ at 6:02 PM on June 25, 2015, the hour and date duly established for the holding of said meeting.

Kathy Blaha read the Notice of Compliance with the Open Public Meetings Act P.L. 1975, C.231 which provided that notice of this meeting of the Board of Commissioners of the Housing Authority of the Township of Woodbridge was provided in the following manner:

On June 9, 2015, a copy of the notice of this regular meeting setting forth the date, time and location of this regular meeting was posted on the Housing Authority's official designated bulletin board located at 20 Bunns Lane, Woodbridge, NJ, sent to Town Hall for posting and was faxed to the Home News Tribune and Star Ledger.

Upon roll call, those present and absent were as follows:

PRESENT

Commissioners:

Terri Briante, Commissioner
Gregg Ficarra, Chairman
John Kenny, Commissioner
Betsy Rudowski, Commissioner
Ketan Shah, Commissioner

Administration:

Donna Brightman, Executive Director
Kathy Blaha, Housing Director

Councilwoman:

Lizbeth DeJesus, Councilwoman

ABSENT

Commissioners:

Mark Barbee, Commissioner
Pedro Rosario, Commissioner

Authority General Counsel:

Terrence Corrison, Esq., Breslin & Breslin

Administration:

Larry Stecker, Maintenance Director
Maureen Guiney, Executive Asst.
Mike Yannuzzi, Maintenance Manager

Chairman Ficarra thanked everyone for coming to the meeting.

NEW BUSINESS

- a) Reso #2734 – Township of WHA Budget Reso Fiscal Year 10/1/15 to 9/30/16 (State Budget including Capital Budget)

Bill Katchen, accountant, said the State budget has remained the same since 1992; however, with the passage of the State of NJ Transparency Act recently, the budget has now transformed from a financial document to an informational one adding at least ten more pages.

It also requires that PHA's maintain a website and requires that certain documents be posted such as minutes, budgets, audits, etc. If you do not comply the State will not approve your budget.

If you turn to page N3 and N4, you see that it lists key staff and commissioners. Someone actually checks this through the Asbury Park Press by putting in key names and checking for conflicts of interest, that's why we must list sources of income from public entities. N5 is the health benefits which went up 8% and another 5% is projected for January. The employees' share of payment went from \$77,818 to \$81,589. This of course includes active and retired employees. Just note the cost of family coverage is over \$32,000. Page N6 is the compensated absences annuity to \$206,235. Page N7 is the shared services agreements with Highland Park and Perth Amboy. F1 is the budget summary, the total revenue is \$10,690,956. There is a project deficit of \$103,064. This will be taken from surplus as the state requires a break even budget. The deficit is caused by HUD's reduction in operating subsidy from 89% to 84%. The loss would have been greater if not for shared services and roof top antenna rentals. PHA's were last funded at 100% six years ago. Page F8 shows the Authority's surplus of \$3,543,735.

Commissioner Rudowski stated that she thought the surplus was 1 million dollars.

Mr. Katchen said this is the surplus of the voucher program.

Commissioner Kenny asked if HUD will take these funds back as a result of RAD.

Mr. Katchen stated that three years ago HUD did recapture surplus and the WHA lost \$600,000. HUD was taken to court and lost; now they just fund authorities at lesser levels.

Executive Director Brightman stated surplus can be used in RAD if it is budgeted in the financial plan.

Commissioner Rudowski asked when the Transparency Act was passed.

Mr. Katchen responded that it was the fall of 2014.

Chairman Ficarra said not only do have to be an accountant but now a novelist.

Mr. Katchen said most accountants have increased their fees by \$5,000 because of all the new data required.

Mr. Katchen reminded the Board that this Reso only authorizes Executive Director Brightman to send the budget in, and after the State accepts it, the Board will have to adopt it.

ROLL CALL: Barbee Briante Kenny Rosario Rudowski Shah Ficarra
AYES: Briante Kenny Rudowski Shah Ficarra
NAYS: None

Abstain: None
Absent: Barbee Rosario

The Chair thereupon declared said motion approved.

b) Reso #2735 – Township of WHA Operating Budget Reso Approving the AMP Budget for FYE 9/30/16

Motion moved by Commissioner Shah and seconded by Commissioner Kenny to adopt Resolution #2735.

Discussion

Mr. Katchen said since the WHA is a high performer the resolution is sent to HUD which tells them the agency did a budget. The actual budget does not get submitted. Mr. Katchen stated that the operating budget reflects a rent roll based on 99% occupancy. Line 3690 is \$648,190 which reflects additional income from shared services and rooftop rentals. He pointed out that insurance costs went up slightly. He also noted that employees are paying more towards their pensions.

Mr. Katchen said the WHA is healthy and he can recommend this budget.

Commissioner Kenny noted that South Amboy needs to be changed to Woodbridge.

ROLL CALL: Barbee Briante Kenny Rosario Rudowski Shah Ficarra
AYES: Briante Kenny Rudowski Shah Ficarra
NAYS: None
Abstain: None
Absent: Barbee Rosario

The Chair thereupon declared said motion approved.

c) Reso #2736 – Resolution to Approve Section 8 Woodbridge Garden Apartments Preference Points

Motion moved by Commissioner Kenny and seconded by Commissioner Shah to adopt Resolution #2736.

Discussion

Chairman Ficarra said the WHA recently opened up the Section 8 waiting list.

Housing Director Blaha said over 1,500 applications came in of which over 600 were Woodbridge residents.

Commissioner Rudowski asked if this will give the residents of WGA extra points.

Housing Director Blaha stated that it will and this is being done to allow WGA residents to move out if they choose to.

Chairman Ficarra stated that the intent is to create vacancies at WGA prior to the demolition.

Executive Director Brightman stated that we want to limit relocation so that new buildings will be built and residents will move into them prior to any demolition.

Housing Director Blaha stated that HUD requires the PHA to build the same number of units and bedroom sizes.

ROLL CALL: Barbee Briante Kenny Rosario Rudowski Shah Ficarra
AYES: Briante Kenny Rudowski Shah Ficarra
NAYS: None
Abstain: None
Absent: Barbee Rosario

The Chair thereupon declared said motion approved.

d) Reso #2737 – Resolution to Approve Loan of \$500,000 from WHA to Owner of Phase I WGA Redevelopment

Motion moved by Commissioner Kenny and seconded by Commissioner Briante to adopt Resolution #2737.

Discussion

Chairman Ficarra stated that we are not going to vote on the Developer's agreement this evening because there are too many unresolved issues. We are just going to vote on one aspect of the agreement which is to grant Ingerman a \$500,000 loan. The terms of the loan still have to be negotiated. This will also allow Ingerman to build new offices for the staff above the community building.

Executive Director Brightman stated that the loan of \$500,000 will get Ingerman points on the tax credit application.

Executive Director Brightman stated that the WAHC is involved in the deal as they are giving Ingerman 2.5 million and in return they are getting 15% of the developer's fee and 30% of the cash flow. Negotiations broke down because I wanted the management fee and Ingerman does not want to share the fee; therefore, the WHA will not receive any cash in this deal. We will lease our land for a nominal fee. The land value is over 7 million dollars. In addition, Ingerman wants an additional \$500,000 for Phase II so the total is 1 million dollars.

Executive Director Brightman also stated that Ingerman wants us to pay for our new office construction plus a seven percent fee for construction.

Executive Director Brightman continued and stated that if we agree to this, the Authority will lose over \$728,000 as a result of giving up AMP I. This would mean we will have to lay off employees. The WHA would receive about \$100,000 for administering the 150 vouchers. Therefore, the Authority would just have the 415 vouchers from the senior buildings.

Commissioner Shah asked who owns the buildings.

Mr. Katchen explained that we do, but they have liens on them. When we go to RAD those liens are released by HUD which then allows the Authority to borrow money against them.

Executive Director Brightman also mentioned that the senior buildings have capital leveraging and ESCO debt as well.

Executive Director Brightman asked the Board what direction they want her to take; do you want me to turn over the entire WGA to Ingerman or negotiate for money.

Chairman Ficarra stated that the Board trusts her to negotiate in the best interest of the WHA.

Executive Director Brightman stated that there are two myths: one is that public entities cannot manage tax credits.

Mr. Katchen stated there are so many checks and balances and he has never seen an issue whereby tax credits had to be repaid. He stated that investors check files as well as HMFA.

Executive Director Brightman stated that our 415 senior units will be tax credits and Maple Tree was tax credit and we never had an issue.

Executive Director Brightman stated that the second myth is that private entities can manage better than public entities. This is not accurate as both only have the State laws to follow.

Commissioner Rudowski asked if the WAHC went out to bid or did they just select Ingerman.

Commissioner Shah asked if the WHA disappears when we convert to RAD.

Mr. Katchen replied, no, you still have an Authority.

Commissioner Shah asked if we would continue to have a surplus.

Mr. Katchen said that it will be unlikely.

Commissioner Shah stated that private management might be more cost effective.

Mr. Katchen stated that by leaving the units vacant at WGA, the Authority losses about \$1,352 per month and this will affect the budget as well.

Mr. Katchen also stated that a reduction in force would be necessary as AMP 2 cannot handle all the staff costs.

Commissioner Shah asked how many employees we have.

Mr. Katchen answered, 34. He said it seems most of the impact would be on maintenance and that the Authority's benefits are very costly.

Commissioner Kenny asked that Executive Director Brightman and Mr. Katchen get a budget together, per Phase, so that the Board can assess the impact to the Authority.

Commissioner Kenny asked if an insurance policy could be purchased to protect the tax credit investor.

Mr. Katchen stated that you can pay a company to review the files; however, your staff already is ahead of the game as you did Maple Tree Manor.

Commissioner Kenny stated that we are commissioners and we have to abide by our mission.

Commissioner Rudowski stated that the tax audit application is going to be submitted so our only opportunity to receive funds will be from the management fee.

Commissioner Rudowski then asked if the WAHC had an interest in the project.

Executive Director Brightman stated that they have right of first refusal from Ingerman on the buildings.

Commissioner Rudowski stated that we should meet to discuss this further.

Chairman Ficarra stated that right now we are only voting on the loan, nothing else.

ROLL CALL:	Barbee Briante Kenny Rosario Rudowski Shah Ficarra
AYES:	Briante Kenny Shah Ficarra
NAYS:	None
Abstain:	Rudowski
Absent:	Barbee Rosario

The Chair thereupon declared said motion approved.

- e) Reso #2739 – Resolution Authorizing the Executive Director to Amend the Rental Assistance Demonstration Commitment to Enter into a Housing Assistance Payment Contract

Motion moved by Commissioner Kenny and seconded by Commissioner Shah to adopt Resolution #2739.

Discussion

Executive Director Brightman stated that RAD was on hold until new regulations were published, which they were last week. Shortly, we will have a call with our RAD transaction manager, in which I will have to ask for amendments to our CHAP.

She stated that originally when she submitted the WGA RAD application, it was rehabilitation project not a demolition and new construction project. There were no phases, no relocation and no subdivisions. In addition, the original application was for 4% tax credits and assumed the Authority would continue to pay utilities.

Executive Director Brightman stated that this resolution gives her the authority to make the above amendments and whatever additional amendments that might be needed in order to move forward with the WGA RAD.

ROLL CALL: Barbee Briante Kenny Rosario Rudowski Shah Ficarra
AYES: Briante Kenny Shah Ficarra
NAYS: None
Abstain: Rudowski
Absent: Barbee Rosario

The Chair thereupon declared said motion approved.

Resolution #2740 (Appointing Two Commissioners from the WHA to the Towers and Gardens Housing Corp.) was pulled.

Commissioner Kenny noted that Commissioner Rosario was not listed as a public employee in the budget.

Mr. Katchen thanked him.

ADJOURNMENT

Motion by Commissioner Kenny and seconded by Commissioner Shah to adjourn at 7:50 PM.

All commissioners present voted in favor.

Donna Brightman
Executive Director/Secretary