

**Newark Housing Authority
Board of Commissioners
October 11, 2017
Revised 12/13/2017**

Summary of Meeting Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order at 5:00 pm by the Board Vice-Chair, Kevin Heitzenroder in the absence of Board Chair, Lloyd Harris Sr.

I. Roll Call:

Board of Commissioners present: Kevin Heitzenroder, Sharon Smith, Peter Hartranft and Nikki Lane. Marene Jordan; Executive Director and Donald Gouge Jr. NHA's attorney were also present.

Absent: Lloyd Harris Sr., Donna Shand and Janaki Ram Ray

II. Guest Edmund Fosu-Laryea, CPA; Manager from Barbacane, Thornton & Company

The Vice-Chairperson opened the floor to our guest. Mr. Fosu-Laryea asked if everyone had a copy of the FYE 3/31/2017 Audit. The board members present acknowledged receiving a copy. He also provided a copy of a summary report of the audit results.

Some Key points mentioned as a Audit Summary for Fiscal year 2017 included:

- On-site completion of field work. As a result of the completed work, Barbacane, Thornton & Company was able to issue an unmodified (CLEAN) audit opinion. The auditing firm was also able to issue an unmodified opinion on compliance related to the authority's internal controls over compliance and the authority's compliance with federal award program rules and regulations.
- The field work tested internal control systems surrounding the processing of transitions including cash receipts, cash disbursements and payroll) all designed and operating effectively.
- The field work tested the authority's housing choice voucher program to ensure compliance with federal rules and regulations (a single audit).

Some Financial Highlights:

- Cash and Cash equivalents of \$558 thousand compared to \$571 thousand as of 3/31/2016
- Investments of \$99 thousand as of 3/31/2017 and 2016
- Capital assets of \$1.2 million compared to \$1.3 million as of 3/31/2016
- Current liabilities of \$88 thousand compared to \$113 thousand as of 3/31/2016
- Unearned revenue of \$375 thousand compared to \$408 thousand as of 3/31/2016
- Total revenues for the FYE 3/31/2017 was \$1.58 million compared to \$1.62 million as of 3/31/2016
- Decrease in net position of \$42 thousand in current year

Summary of Required Communications:

- The scope and timing of the audit is consistent with the plan communicated to management in the planning memo dated March 9, 2017
- Barbacane, Thornton & Company LLP has issued an unmodified opinion on the authorities financial statements and supplementary information for FYE 3/31/2017
- Barbacane, Thornton & Company LLP is not aware of any significant accounting policies used by the authority in controversial or emerging areas of which there is a lack of guidance
- There were no uncorrected misstatements for FYE 3/31/2017
- There were no material weaknesses or significant deficiencies in internal controls identified

At the conclusion of the presentation, Mr. Fosu-Laryea opened the floor for questions.

Question:

Mrs. Lane asked: how many tenant files were pulled and reviewed?

Answer:

Mr. Fosu-Laryea responded, usually they pull 10% of agencies files depending on program size. In this case, we pulled approximately 20 files. The files were reviewed for compliance with HUD compliance forms, HAP contracts, HAP disbursements, inspections, etc.. If there was an issue, we would have pulled additional files.

Mrs. Jordan added: There was a recommendation. It was suggested that NHA review its capitalization of equipment policy. Specifically, the useful life of depreciated capital items such as: buildings, building improvements and computers.

In closing Mr. Fosu-Laryea informed the last items to be completed are:

- The audited FDS submission n to HUD's Real Estate Assessment Center
- The single audit data collection form to be submitted to the Federal Audit Clearinghouse

The Vice-Chairperson thanked Mr. Fosu-Laryear for the presentation.

III. Approval of Minutes:

(a). Minutes from September 13, 2017

The Vice-Chairperson asked for approval of the September 13, 2017 meeting minutes. Mrs. Lane made a motion to approve the minutes. The motion was 2nd by Mr. Hartranft.

Aye 4 (Mr. Heitzenroder, Mrs. Smith, Mr. Hartranft, and Mrs. Lane)
Nay 0
Motion passed, Vote: 4 to 0
Abstain: 0

IV. Report of the Executive Director:

(a). Staff Report:

The Chairperson asked for approval of the September 2017 Staff Report. Before any action was taken, Mrs. Jordan mentioned the following as an update:

Operating Reserve Litigation:

I am pleased to report that HUD did not appeal the court's decision of damages awarded as a result of the operating reserve litigation. The funds will be disbursed shortly and will be wired into our general fund account.

SEMAP:

HUD has acknowledged receipt of the corrective action plan submitted for the section 8 program. The first quarterly report is due by October 30th.

ACC Waiver or Section 8 Exception for a Conflict of Interest Prohibition:

HUD has not provided an opinion yet.

Resident Advisory Board Member:

On behalf of NHA's Resident Advisory Board Members, they have appointed a new board member from Alder Creek. Mrs. Aderline Alicea was voted as a member on September 5th and will occupy the seat as Secretary.

Operating Subsidy Award:

NHA received final notice of our 2017 Operating Subsidy Award for CY 2017. NHA will receive \$164,394 for this calendar year.

Curb and Concrete Improvements:

The City of Newark curb and concrete improvements began on September 18th at Independence and Delaware Circle and is expected to be complete by September 20th. The repaving of the asphalt is expected within the next couple of weeks.

Environmental Review:

NHA's Environmental reviews for eligible work activities associated with the 2017 Capital Funds are completed. The reviews will be submitted to HUD for their review and approval. Once approved NHA will have access to the funds.

City of Newark Notice of Storm-water Management Inspection:

NHA was notified by the City of Newark's Public Works & Water Resource Department of an annual inspection of the Storm Management area was performed at Alder Creek as a part of the DNREC's annual inspection. The inspection revealed no maintenance or repairs were needed at this time.

City of Newark's CDBG Process of Appointments:

NHA is waiting on a response.

CDBG Application:

NHA’s application was recommended for funding. However the amount is not confirmed.

The Vice-Chairperson asked for approval of the Staff Report. Mrs. Smith made a motion to accept the Staff Report. The motion was 2nd by Ms. Lane.

Aye 4 (Mr. Heitzenroder, Mrs. Smith, Mr. Hartranft and Mrs. Lane)
Nay 0
Motion passed, Vote: 4 to 0
Abstain 0

V. Committee Reports:

A. Report of Policies & Procedures & Compliance & Personnel Committee – Chairperson (Mrs. Smith):

The Chairperson of this sub-committee, Mrs. Smith, reported the following:

a). **Executive Director Review:**

Mrs. Smith reported receiving minimal responses from the board since the last board meeting. She asked if any board members have any concerns or comments regarding the annual evaluation to forward them to her as the committee plans to meet with her on Monday, October 30th. The results of the review will be discussed during closed executive session at the next board meeting.

b). **On Boarding Informational Manual:**

Mrs. Smith informed the board of plans to change the name of the manual to the Policy and Procedural Manual. With this change, the manual may be used more often as a reference rather than as a reference as a new board member. The renaming of the manual will also include the following:

- Include NHA’s website on the cover page
- Include the process and procedure of performing the Annual Evaluation/Contract Renewal of the Executive Director (under tab#12)
- Update the Process in Filling Board Vacancies
- Update the Process for Re-appointments of Board Members

Mrs. Smith asked if any board members have any recommendation/suggestions regarding the manual to let her know.

B. Report form Development Committee – Chairperson (Mr. Heitzenroder):

The Chairperson of this sub-committee, Mr. Heitzenroder, was present for the meeting. He mentioned he was not able to attend the tour but was informed the tour of Elkton Senior Building took place and was attended by the RAB members. He asked Mrs. Jordan to share any additional updates.

Mrs. Jordan added the tour went well. Ms. Shand, Mrs. Smith and the attorney was able to tour the property. This property is independent of Elkton Housing Authority as previously thought and is a senior

(62 years of age or older) tax credit property with no waiting list managed and maintained by Ingerman. All visitors must be buzzed in for added security. Floor plans show 4 stories of 60 units of which 56 are 1 bedroom units and 4 are 2 bedrooms. There is a community room on the lower level. Each floor has a sitting area for the residents to meet and greet. There is a computer learning center and a fitness center. Each stairwell has an emergency button for the residents to access in case of an emergency. The property has a lot of green amenities, gardens and outside sitting areas for the residents to enjoy.

Mrs. Jordan mentioned the only opposition received from the RAB members after the tour, was they expressed no interest in changing the current setting of Independence/Delaware Circle. Mrs. Jordan replied change is needed.

Mr. Heitzenroder asked Mrs. Jordan is there any updates on the properties? Mrs. Jordan replied yes.

26 N. Chapel Street:

She informed NHA received notice from HUD the application for a tenant protect/relocation voucher and associated funding was approved for the family at 26 N. Chapel Street. We have targeted the month of November as a potential lease-up if there is movement of the offers received. Mrs. Jordan added the issues with the students surrounding this property have escalated and hopefully we will be able to assist the family with the move within the next couple of months.

101 New London Road:

The final version of the MOA was circulated on September 28th. All signatories (NHA, HUD and the DE SHPO office) will sign the agreement and an executed copy will be circulated to the Advisory Council on Historic Preservation. Mrs. Jordan called the BOC members attention to page 3 of the MOA, Sub-section: Stipulations I. Treatment of Adverse Effects to Historic Properties. This section outlines NHA's agreement in addressing the adverse effects.

- Within two (2) years of the MOA, NHA shall fund the fabrication and installation of one interpretive sign to disseminate information about the history of the New London Road Historic District.
- Within two (2) years of the MOA, NHA or its consultants shall craft an abbreviated narrative on the history of the New London Road Historic District and the House at 101 New London Road and any details of the undertaking and post the narrative on the website for at least 2 years.

In collaboration in addressing the adverse effects, HUD, DE SHPO and NHA's consultants will work collectively. This concludes the reviews. Once the copy is signed it becomes a public document. NHA is seeking clarification from HUD if we can list the property publicly for sale.

Mrs. Lane asked will some of the families that lived in the community of 101 New London Road be a part of process in creating the narrative on the history?

Mrs. Jordan replied a public meeting was held on March 22, 2017 and those in attendance will be able to provide input that may be used in creating the sign and/or narrative.

Mrs. Jordan added at some point she will solicit the service for a consultant/an advisor to assist with the redevelopment of the remaining housing stock.

C. Report of Finance Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand, was not present in her absence Mrs. Jordan provided the the financial reports to the board.

(a) Monthly Financials

In presenting the monthly financial reports (Budget vs. Actual Report) for the period covering April – August of 2017 for the LIPH program, the report show a net income of slightly above \$26,000. The budget appears to show consistency from the previous months.

In presenting The Profit Loss report for the Section 8 program for the same reporting period, the reports illustrates a negative net income. The monthly lost is attributable to administrative work associated with the property at 26 N. Chapel Street and related management of this program.

Strategic Planning Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand, was not present in her absence Mrs. Jordan reported the committee members are scheduled to meet on November 1st at NHA.

VI. Attorney Issues:

As a follow-up from last month discussion regarding the recording of Executive Session Meetings, Mr. Gouge reported further case studies that indicate they should. The meeting minutes should be generic as to document a meeting was in fact held. He added since our meetings are tape, he suggested a separate tape should be used and reflect as such for proper record keeping.

In the event Mrs. Jordan is not present during the Executive Session meeting, he informed someone from the board will have to take minutes.

Mr. Gouge made reference to board member attendance. He mentioned for the last couple of months the board members in attendance are not able to attend to the business of the authority for various reasons even though there a quorum to hold meetings. He reminded the board members of their responsibilities.

VII. Old Business:

- A. From the other Commissioners: None
- B. From the Executive Director: None
- C. From Legal Counsel: None: None

VIII. New Business:

- A. From Commissioners: Executive Session, Annual Review of Executive Director (if applicable)
- B. From the Executive Director: Public Vote on real estate transaction (if applicable)
- C. From Legal Counsel:

The Vice-Chairperson referenced there will be no need to hold an Executive Session during today's meeting. Both items will be tabled until next month.

IX. Visitors and/or Petition:

Mrs. White was in attendance. She asked will former residents who lived in the community of 101 New London be afforded an opportunity to provide some history, make comments regarding the signage or the narrative for the website?

Mrs. Jordan responded: everyone who attended the public meeting held on March 22, 2017 maybe able to offer input.

Mrs. White stated: she attend that meeting and was not sure if any families who lived in the area attended that meeting.

Mrs. Jordan responded: NHA's consultant completed the research on 101 New London Road and the surround area. She added the research did reveal the names of some families that lived in that area so detail of this undertaking will be part of the treatment for the adverse effects.

X. Executive Session – No Executive Session was held.

XI. Adjournment:

The Vice-Chairperson asked for a motion to adjourn the meeting. Mr. Hartranft made a motion for the board to adjourn. The motion was 2nd by Mrs. Lane.

Aye 4 (Mr. Heitzenroder, Mrs. Smith, Mr. Hartranft and Mrs. Lane)
Nay 0
Motion passed, Vote: 4 to 0
Abstain 0

Meeting adjourned at approximately 6:10 PM

Minutes Submitted by: Marene M. Jordan, Executive Director