

**MINUTES**

**REGULAR MEETING**

**DECEMBER 12, 2012**

A Regular Meeting of the Gloucester Township Housing Authority was held on December 12, 2012 at the Community Center located at Gloucester Township Senior Campus I, Gloucester Township, New Jersey.

Opening statements were made by Board Chair Carlamere.

The meeting was called to order by Board Chair Carlamere at 7:14 p.m. A roll call for attendance was taken:

COMMISSIONER FONTANEZ	EXCUSED
COMMISSIONER MATTHEWS	PRESENT
VICE CHAIR PICCOLO	PRESENT
COMMISSIONER WASHINGTON	PRESENT
BOARD CHAIR CARLAMERE	PRESENT

Also in attendance were: Roy E. Rogers-Executive Director, Debbie Calabrese-Operations Manager, and Amy Shotmeyer-Attorney.

**PLEDGE OF ALLEGIANCE**

Board Chair Carlamere: At this time we're going to table the reading of minutes from June and September. I would like to entertain a motion to approve the minutes from October please.

**MOTION TO APPROVE MINUTES:**

Commissioner Washington made a motion to approve the minutes of the Regular Meeting of the Board held on October 17, 2012. Vice-Chair Piccolo seconded the motion.

A roll call was taken:

COMMISSIONER MATTHEWS	YES
VICE-CHAIR PICCOLO	YES
COMMISSIONER WASHINGTON	YES

BOARD CHAIR CARLAMERE YES

Board Chair Carlamere: At this time I would like to entertain a motion to approve the Executive Session minutes from October 17, 2012.

**MOTION TO APPROVE EXECUTIVE SESSION MINUTES**

Commissioner Washington made a motion to approve the Executive Session Minutes of the Board Meeting held on October 17, 2012. Vice-Chair Piccolo seconded the motion.

A roll call was taken:

COMMISSIONER MATTHEWS	YES
VICE-CHAIR PICCOLO	YES
COMMISSIONER WASHINGTON	YES
BOARD CHAIR CARLAMERE	YES

Board Chair Carlamere: I'd like to entertain a motion to approve the Regular Meeting minutes from November 14, 2012.

**MOTION TO APPROVE MINUTES**

Commissioner Matthews made a motion to approve the minutes of the Regular Meeting of the Board held on November 14, 2012. Commissioner Washington seconded the motion.

A roll call was taken:

COMMISSIONER MATTHEWS	YES
VICE-CHAIR PICCOLO	YES
COMMISSIONER WASHINGTON	YES
BOARD CHAIR CARLAMERE	YES

Board Chair Carlamere: And last but not least the Executive Session minutes from November 14, 2012. I'll entertain a motion.

**MOTION TO APPROVE EXECUTIVE SESSION MINUTES**

Commissioner Matthews made a motion to approve the Executive Session minutes of the Board Meeting held on November 14, 2012. Commissioner Washington seconded the motion.

A roll call was taken:

COMMISSIONER MATTHEWS	YES
VICE-CHAIR PICCOLO	YES
COMMISSIONER WASHINGTON	YES
BOARD CHAIR CARLAMERE	YES

**PAYMENT OF BILLS**

Board Chair Carlamere: Roy is that the final bill or is there still more?

Executive Director Rogers: I wish it was. The contract I think was something like fourteen-thousand-five-hundred.

Board Chair Carlamere: Not to exceed that.

Executive Director Rogers: Not to exceed, but they've already given us a billing through November the sixteenth that said it's sixteen-thousand, right Deb?

Debbie Calabrese: They gave us a breakdown of hours and a total and it's almost sixteen-thousand dollars.

Executive Director Rogers: But I'm not recommending we consider them at all. This will be the third year. One year they had a thirteen-thousand dollar contract and they charged us thirty-nine-thousand.

Board Chair Carlamere: I wouldn't mind if there was a not to exceed on there.

Executive Director Rogers: And actually it should be less than that because...

Vice-Chair Piccolo: Are we going to approve the progress billing or send them a separate bill?

Board Chair Carlamere: I would assume so because, I don't have a breakdown on it. It's just a total billing. But their contract from last year is not to exceed fourteen, either fourteen or fourteen-five, I don't remember. Any questions? If there aren't any questions, I'll entertain a motion to approve.

**MOTION TO APPROVE PAYMENT OF BILLS**

Vice-Chair Piccolo made a motion to approve the payment of bills.

Commissioner Washington seconded the motion. A roll call was taken:

COMMISSIONER MATTEWS	YES
VICE-CHAIR PICCOLO	YES
COMMISSIONER WASHINGTON	YES
BOARD CHAIR CARLAMERE	YES

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director Rogers: Okay first of all I have a thank-you note from Commissioner Fontanez. His Mother-in-Law passed and the Board sent him flowers. I sent out a report on the...well first of all the Executive Director's Report went to all the Commissioners Friday and I hope you had a chance to review it and if you haven't I've got some additions here. One of them is, we received the RFP's for the year 2013 and we have to make sure that we approve the insurance coverage so that we can go ahead and pay that before the date.

Board Chair Carlamere: That's a one-one date isn't it?

Executive Director Rogers: Yes.

Board Chair Carlamere: Do you know when it expires?

Executive Director Rogers: December thirty-first. As I noted in my Executive Director's Report we've been working with the boy scouts Troop #811. They were here again this afternoon to finalize some things. I'm happy to say, in fact here's a sample of the carpet going on the bocce-ball court. They've done an excellent job. Worked really well with our staff. I can't express enough admiration for the Troop #811 personnel. They came by this afternoon and gave us a set of horse-shoes and put in the bars that go into the sand pits. They've got two other projects already lined up for us and one of them is to put pavers all the way around the gardens out there. The gardens are complete and two of them are full of soil already. We put treks, artificial composite lumber, on the top of the rail of the garden so that when people go out there to plant they won't get splinters or anything. It won't be hot because we've got a color that reflects. Everybody put a lot of effort into it. They're going to come back next year and one of the Eagle Scout projects

is going to be to finish this patio out here that we've always promised the residents. Another project they are thinking about is putting pavers around the garden areas. We've got an area that's handicap accessible so somebody with a wheelchair can roll right up and plant a garden. By putting pavers all the way around, it will be a lot cleaner. You won't have to put your boots on to go out and garden. We also designed it so we could use our existing sprinkler system. So the residents won't have to water it. It will automatically be watered for them. I can't commend the scouts enough. If you happen to see any of them, please thank them. They even commented that they had some constructive suggestions from the seniors on how to do the project. Dave Alexander gave them a very good suggestion that saved them a lot of man hours. And that was how to dig holes. I just found out about that today, but they really appreciated it.

Vice-Chair Piccolo: What was the suggestion, throw the dirt outside the holes?

Executive Director Rogers: What happened is they were out there digging the hole and then putting the four-by-four in there and then measuring, and taking it back out and cutting the four-by-four. Dave said just go ahead and dig a bunch of holes...

Dave Alexander, Apt.-326: Just put the post in, you got them lined up, line it all up, have it all set, once it gets hard you come along with a saw and cut them all off.

Executive Director Rogers: Which is what they did. It saved a lot of time. With that in mind, this Board approved the money for the boyscout projects. They presented me a final invoice because the scout leader, one of the leaders, Joe Connell had some out-of-pocket, and he's got all the original receipts here and everything. I would appreciate it if we could just go ahead and pay that. It wasn't on the bill list because it came in this afternoon.

Boar Chair Carlamere: How much is it?

Executive Director Rogers: Six-hundred and some dollars.

Board Chair Carlamere: And you have all the receipts?

Debbie Calabrese: Everything is right here.

Board Chair Carlamere: And that's under the Authority or the L.P.?

Debbie Calabrese: The L.P.

Executive Director Rogers: The residents are having a holiday celebration dinner on December the twentieth. All sales are final, no guests, no children. They are inviting,

they are limiting the outsiders to the Commissioners this time because of the lack of room ect...and I hope the staff right? I would like to pass these out. If you would like to plan on attending it would be nice if you'd let us know by tomorrow at five-o'clock.

Board Chair Carlamere: Thank you for the invitation.

Executive Director Rogers: Getting back to the audit, I have some concerns, but it looks like it's going to be a letter come out that there's a scope limitation because they can't find our records. Some of the records they can't find, what was it four boxes or five boxes?

Debbie Calabrese: I think it was six boxes.

Executive Director Rogers: Six. Last year, in January of 2012 we got a request from HUD to transfer all of our records. That's right, I'm sorry. They notified us in advance they were canceling the contract. In that letter they stated that they wanted us to take all the records and send them to the HUD office. We had six boxes. I made a decision not to copy them and HUD approved not copying them. We transferred them to HUD. HUD then transferred them to the New Jersey Housing Finance Mortgagees. In the process it appears some of the records were lost when it went to HUD, or let me put it this way, the HMFA claims they cannot find them all. That was in response to our auditors trying to locate the records. I'm not so sure that the records are that important to the audit process right now because they want documentation that we monitored the Franklin Square operation. They have also requested information from Franklin Square and they can't seem to get it. So don't be surprised if a letter doesn't come out with a scope of limitations on it. I wanted you to understand why.

Board Chair Carlamere: Did they sign off on the six boxes? Were they signed off on when they left your possession?

Executive Director Rogers: HUD received the six boxes.

Board Chair Carlamere: So somewhere between HUD and New Jersey Housing.

Executive Director Rogers: Yeah, but HUD could have sent all six boxes and then they could have...or they could still be there but they don't want to look through them.

Board Chair Carlamere: So couldn't, and this is for Bowman?

Executive Director Rogers: Yes.

Board Chair Carlamere: So couldn't they rely on the audit...no I guess you couldn't rely on the auditor...

Executive Director Rogers: Again, I'm not so sure it's that important. I may ask our accountant to comment on that a little bit later. Regardless there may be a letter come out that puts a scope limitation, I just want you to know what it is. It's not because we didn't give them information.

Board Chair Carlamere: So what kind of impact will that have on the Authority?

Executive Director Rogers: It shouldn't have any impact. The true impact should be that the audit costs should come down because they don't have the records to audit. I just wanted everyone to be aware of it. And then you got my recommendations for the professionals. At this time I would like to just comment...evidently there's a shared services agreement with the Township that's going to be discussed a little bit later. I have given this consideration and as the Executive Director I would like to have the respect of the Commissioners to just let me comment on it. I'm really concerned about switching from the experienced CPA to an accounting department. I think that's a decision that would make me very uncomfortable. But the switch is being made evidently to save approximately nine-thousand dollars per year. I have pointed out in the last year several areas where we could save lots of money, we could save lots of nine-thousand dollars just on professional fees alone. But the real concern I have is the increased possibility of providing inaccurate data, missing deadlines, appearing as a non-expert to the investor, all this could contribute, I'm just putting it out there, it could contribute to the possibility of losing our tax credit status. If we let one person in this building that's not qualified, we lose up to eleven-million dollars. That's an IRS project and that's the way they enforce it, and there's no exceptions. I just can't believe that we would risk, for nine-thousand dollars, we would risk eleven-million and then all of our seniors that reside here if we lose tax credit status, they'd have to move. But additional concerns are did anyone consider the learning curve, cost of the Gloucester Housing Authority Personnel to work with another organization, another individual, and also its learning cost of the Township's Accounting Department to learn tax credit accounting been considered. The worse case scenario I think we have to have some transitional training costs because I'm not a CPA, I can't talk to another accountant. I've got an

Associate's Degree in accounting, but that's twenty years old, so I know how to manage a tax credit building and follow the accounting rules but I have to have somebody explain to me the accounting rules. Also I'm concerned about the time schedule priorities. Who's got priority, the Township or the Housing Authority? I'm surprised that the shared services agreement was not discussed with any of us prior to going before the Council. In addition I've got an audit report here for the Township dated March the fourteenth of two-thousand-twelve and Senior Campus I is mentioned in here and it's the first I heard of it was this week. They've got pictures of our hallways and everything in here. And HUD found some fault with the way the Township is doing their accounting and that was never conveyed to me. I would really suggest that we don't at this point in time want to associate Senior Campus I tax credit building with based upon what I've seen in this audit report. In addition...

Board Chair Carlamere: Which audit report is that Roy?

Executive Director Rogers: Audit Report March the fourteenth and it's the Township people talking with the Mayor, and the Township people, Joan Eller agreed that they were at fault and they were going to change the way that they do things. What happened is they got some of the stimulus funds back in two-thousand-nine. They gave us fifty-thousand for the hand rail. The HUD guy was here visiting me at least three times. I didn't know what it was about. I gave him all the respect of course I told him all the facts, the truth. We're not found at fault here, it was the way that the Township handled the funds that was at fault. Luckily we did in fact install handrails, we did in fact spend fifty-thousand on it which is the money we got.

Board Chair Carlamere: The internal handrails? Inside the building?

Executive Director Rogers: Yes. But there's pictures of them inside the report and it just really concerns me. In addition I got two letters here. I did not solicit these letters. One is from Greg Hall who is the auditor for our L.P. which the investor approved his firm as the auditor from day one. He's saying fortunately we have not had any projects that have lost credits, however I can assure the Board that your work, he talked about the accountant's work is first-rate and you, the accountant is easy to work with. I would only comment if the investor isn't happy with the work. That should be reason enough not to change. The investor is the one most at risk and that's the eleven-million I'm talking



about. It is important that management keeps the investor happy particularly if they want to do additional projects with First Sterling. Also a change in accountants could be and might possibly have to be, I'll have to look at my contract, but they may want to participate in that decision, the investor. And they definitely, if I change auditors, they'd reverse that. And then I have another letter from the investor. And I know this lady very well, she's been on the property. We have a very, very good working relationship with her. And she's writing an email regarding the property accountant, Theresa Colaizzo. It has recently been brought to my attention that the Gloucester Township Housing Authority Board of Trustees is seeking to terminate her service as a third-party consultant at the end of the year. She is a licensed CPA who has been a property accountant since it was placed in service in two-thousand-ten. The level of service provided by her over the past two-years has been superior. She has always provided financial reports in a timely manner, she is meticulous in her attention to detail and her response to our inquiries has been excellent, thorough and concise. It is my understanding that the accounting functions for property would be performed possibly by less qualified individuals. That's not my words that's her words. First Sterling, a limited partner in this investment project does not support this decision and feels that the current level of financial reporting and service to us would be jeopardized by this change. As an asset manager with more than seventy properties in my portfolio, I have seen the negative impact on a property when it does not have the proper level of accounting support. I'm presenting this information again because I'm concerned.

Board Chair Carlamere: I'm sorry, who was that from?

Executive Director Rogers: That's from Suzanne Hausdorff. From the investor. I've got just a couple more pieces of information that I need to discuss with you, but before I do I'd like to ask Theresa, do you have any comments?

Theresa Colaizzo: PLEASE SEE ATTACHED LETTER.

Vice-Chair Piccolo: I'm sorry, I don't mean to interrupt, but I'm not sure what you're talking about. Did we discuss this at the last meeting?

Theresa Colaizzo: At the Town Council Meeting at Gloucester Township this decision was raised.

Theresa Colaizzo: Boy that was almost like an obituary.

Board Chair Carlamere: Thank you Theresa. Do you have anything further Roy?

Executive Director Rogers: No. The rest is for the L.P.

Board Chair Carlamere: Then I would ask if you would supply me with copies of the information you have?

Executive Director Rogers: Sure.

### **SOLICITOR'S REPORT/ EXECUTIVE SESSION**

Amy Shotmeyer: I have no items to report. I do have two items for the Executive Session. Number one will be discussing the ongoing Franklin Square litigation. Number two will be discussing matters of attorney-client privilege in connection with the Executive Director's contract.

Board Chair Caralamere: Should we go into Executive Session now. It's a little bit further down on the agenda but...

Amy Shotmeyer: Sure we can. Yes. Should we entertain a motion to enter Executive Session?

Board Chair Carlamere: I will do that. I will entertain a motion.

### **MOTION TO ENTER EXECUTIVE SESSION**

Commissioner Matthews made a motion to enter Executive Session.

Commissioner Washington seconded the motion. All Ayes.

Executive Session was entered at 7:48pm to discuss the ongoing Franklin Square litigation and matters of attorney-client privilege in connection with the Executive Director's contract.

Executive Session was exited at 8:16pm.

### **OLD BUSINESS**

Board Chair Carlamere: Okay next on the agenda under old business we have the issue of RFP's. For the Solicitor for the Gloucester Township Housing Authority we have two references. We have DeCotiis, Fitzpatrick and Cole our present Solicitor. We also have Archer Griener for Special Counsel. We'll do one at a time. So my first thought would

be a recommendation for Counsel for the Housing Authority. For Solicitor for the Gloucester Township Housing Authority.

Vice-Chair Piccolo: I think the Executive Director made a recommendation to elect for the proposal that was submitted without a retainer. I would like to speak in favor of the proposal that had the lower hourly rate, with a retainer. I feel like a retainer is a good thing. I don't like the idea of retaining an attorney at a higher rate basically on a material basis. We get a break on mileage, we get a break on basic services on a monthly basis through the retainer. I appreciate the retainer and I appreciate the lower hourly rate, so I'd like to speak in favor of DeCotiis for Solicitor.

Board Chair Carlamere: Is that a motion?

Vice-Chair Piccolo: No. But I think if we're discussing it now, I don't know if any of the other Commissioners have any other comments or anything to add.

Board Chair Carlamere: I'll add my two-cents then and I do know with regard to the eighteen-five retainer, that does cover the oprah as well and my personal preference would be for, as a solicitor, to stay with the DeCotiis Firm. We've had good response from their firm all year round and I'm very pleased with their, just their all in all responses to us.

Commissioner Washington: I agree. With everything that's going on, I agree with Steve on the lower hourly rate and retainer.

Board Chair Carlamere: Okay.

Commissioner Matthews: I would tend to agree with them. You have to look at the cost that you're paying as well as the retainer.

Board Chair Carlamere: Okay. Then I'll entertain a motion.

**MOTION TO APPOINT DECOTIIS AS SOLICITOR**

Vice-Chair Piccolo made a motion to appoint DeCotiis as Solicitor for the Gloucester Township Housing Authority. Commissioner Matthews seconded the motion.

A roll call was taken:

COMMISSIONER MATTHEWS	YES
VICE-CHAIR PICCOLO	YES
COMMISSIONER WASHINGTON	YES
BOARD CHAIR CARLAMERE	YES

Board Chair Carlamere: And then also for Special Counsel we have two submissions as well. We had DeCotiis Firm and Archer & Greiner. Presently Archer & Greiner has been handling our Special Counsel work and the attorney doing most of the work from Special Counsel is Vincent Sarubbi. From my experience we've had very good experience with Mr. Sarubbi and my thought would be to stay with Archer & Greiner because in my opinion they are doing a good job and have what I suspect is everything under control with the litigation. I don't see that they would be, at the very end with the one litigation.

Vice-President Piccolo: Well, yeah I think the Executive Director recommended allowing them to continue to handle that litigation. Frankly I don't personally think that we necessarily need a Special Counsel once that litigation is concluded. I don't know that I would actually want to appoint two special counsels. I only feel the need to continue with one.

Board Chair Carlamere: Archer is Special Counsel

Vice-Chair Piccolo: I know but actually the recommendations by the ED were that we would continue to allow Archer & Greiner to act as Special Counsel for Code Electric litigation and then recommend DeCotiis to serve as Special Counsel, I guess for any other emergent matters, but I don't even feel, I don't think we need to appoint DeCotiis as an additional Special Counsel.

Executive Director Rogers: Well they're doing the Franklin Square litigation.

Vice-Chair Piccolo: They're already our Solicitor so I don't think we need to appoint them. If they're our solicitor I don't think we need to appoint them special counsel for litigation with Authority matter.

Board Chair Carlamere: I would suspect. I would recommend they stay on to finish the project up, the litigation that DeCotiis is working on.

Vice-Chair Piccolo: Agreed, but if they're already our Solicitor do we need to name them as Special Counsel too? Is that necessary?

Board Chair Carlamere: My thought was that we would keep DeCotiis as we have as our Solicitor. And then for special matters out of the scope that DeCotiis can handle, we need to appoint Special Counsel in case there's a need for something...

Vice-Chair Piccolo: Right so Archer & Greiner appointed as Special Counsel if there were something that DeCotiis could not handle on our behalf. That's fine. I don't think that we need to additionally appoint DeCotiis as Special Counsel too.

Executive Director Rogers: DeCotiis absorbed the Code Electric Special Counsel from Archer & Greiner.

Board Chair Carlamere: Because of the conflict.

Executive Director Rogers: Right.

Board Chair Carlamere: We're not appointing two special counsels, we're just appointing one from...

Vice-Chair Piccolo: Archer & Greiner. Right I'm fine with that.

**MOTION TO APPOINT ARCHER & GREINER SPECIAL COUNSEL**

Vice-Chair Piccolo made a motion to appoint Archer & Greiner as Special Counsel for the Gloucester Township Housing Authority. Commissioner Washington seconded the motion.

A roll call was taken:

COMMISSIONER MATTHEWS	YES
VICE-CHAIR PICCOLO	YES
COMMISSIONER WASHINGTON	YES
BOARD CHAIR CARLAMERE	YES

Board Chair Carlamere: To the insurance we have one company, Willis of New Jersey, who's presently doing our package.

Vice-Chair Piccolo: No that's actually a second. Isn't that a separate proposal?

Board Chair Carlamere: Roy I'm sorry, I don't understand what you have under...

Executive Director Rogers: It's two separate proposals. The only difference is there's a five-thousand dollar deductible for public officials insurance through Darwin. And if we go through Ace, it's only twenty-five-hundred dollars deductible and the costs go down slightly. So I'm recommending the lower cost. The broker's the same, it's the insurance that's a little different.

Board Chair Carlamere: So you've looked at both packages then?

Executive Director Rogers: Right.