

1 PATERSON HOUSING AUTHORITY
2 PATERSON, NEW JERSEY
3 MONDAY, NOVEMBER 20, 2017
4 COMMENCING AT 5:32 P.M.
5 WORKSHOP MEETING

6 THERE BEING PRESENT:

7 REV. MICHAEL McDUFFIE, CHAIRPERSON

8 PETER RENDINA, VICE CHAIRPERSON

9 REV./DR. DOUGLAS L. MAVEN, COMMISSIONER

10 BRENT NATION, COMMISSIONER

11 ROBERT F. GUARASCI, COMMISSIONER

12 BERNARD M. JONES, JR., COMMISSIONER

13
14 ALSO PRESENT:

15 IRMA GORHAM
16 EXECUTIVE DIRECTOR

17 DALE JONES
18 ASSISTANT EXECUTIVE DIRECTOR

19 LYNETTE WARREN
20 RECORDING SECRETARY

21 DELINDA HOLMES
22 ASSISTANT PURCHASING AGENT

23 VANESSA SIFFORD
24 DEPARTMENT OF PLANNING & GRANTS

25 **KIM O. FURBACHER, C.C.R., R.M.R.**
P.O. BOX 213
ROCHELLE PARK, NJ 07662
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ALSO PRESENT (cont'd):

JOHNNIE JACKSON
DIRECTOR OF LEASING & OCCUPANCY

ILEANA KMECH
PERSONNEL OFFICER

THERESA MIMS
COMPLIANCE OFFICER

TERI DIAS
DEPARTMENT OF MODERNIZATION & DEVELOPMENT

RICHARD LARSEN, CPA
NOVOGRADAC & COMPANY
PHA AUDITOR

M A N A G E R S P R E S E N T :

IAEISA MONDESIR, MANAGER
ALBERTA BOULWARE, MANAGER

A P P E A R A N C E S :

ROGUT McCARTHY TROY, LLC
BY: PATRICE HEW, ESQ.
COUNSEL FOR THE PATERSON HOUSING AUTHORITY

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1 CHAIRPERSON McDUFFIE: Good evening.

2 ALL: Good evening.

3 CHAIRPERSON McDUFFIE: Good evening.

4 How is everybody? All right?

5 ALL: All right.

6 CHAIRPERSON McDUFFIE: The

7 Commissioners of this Housing Authority of the City
8 of Paterson are hereby called to this Regular Meeting
9 here at the offices, 60 Van Houten Street, Paterson,
10 New Jersey, on Monday, November 20, 2017, to discuss
11 and transact upon the following matters listed below.

12 ROLL CALL

13 CHAIRPERSON McDUFFIE: Roll call.

14 (At this point in the proceeding roll
15 call is taken with Commissioners Guarasci, Maven,
16 Nation, Vice-Chairperson Rendina, and Chairperson
17 McDuffie present.)

18 MR. JONES: This is a duly advertised
19 Regular Meeting of the Board of Commissioners of
20 Housing Authority of the City of Paterson.

21 Notice of this meeting was given to a
22 local newspaper. A copy of this notice was filed
23 with the City Clerk of Paterson. These things were
24 done to comply with the Open Public Meetings Law.

25 PRESENTATION BY RICHARD LARSEN, CPA, AUTHORITY

1 AUDITOR

2 CHAIRPERSON McDUFFIE: We're going to
3 ask that the auditor come up. Let's hear that first,
4 due to the time.

5 MR. LARSEN: Sure.

6 CHAIRPERSON McDUFFIE: Come forward at
7 this time.

8 MR. LARSEN: Okay.

9 Good evening. My name is Rich Larsen.
10 I'm a partner with Novogradac & Company. I'm your
11 independent auditor.

12 I met with the Finance Committee before
13 this meeting for about an hour, where we went over
14 the audit report and your financial statements in
15 detail.

16 I can briefly give you some highlights.

17 Of our three audit reports, we gave an
18 unmodified opinion on the Authority's financial
19 statements. Basically, an unmodified opinion is the
20 highest level of assurance that we can give.
21 Basically we're saying the financial statements that
22 are presented in the report present fairly the
23 financial condition of the Authority and they present
24 in accordance with Generally Accepted Accounting
25 Principles, so that's a very good outcome.

1 We also gave an opinion on the
2 Authority's compliance with their major programs here
3 at the Authority. That is required by law that we do
4 that. It is a part of the federal audit
5 clearinghouse requirements.

6 We had three findings within the
7 voucher program. We found that there were material
8 weaknesses in that program. The good news is the
9 Housing Authority already has begun taking corrective
10 action to correct those issues. So that's something
11 we want to avoid in the future, and have a clean
12 opinion and compliance next year, because the
13 compliance findings can cost the Authority money. It
14 could cost you fines and increased oversight and so
15 forth. We talked about the Corrective Action Plan
16 that the Authority is implementing, and we will test
17 that next year when we do the audit.

18 As far as the financials go, you know,
19 despite the fact that there has been significant HUD
20 cutbacks over the years, the Authority has managed
21 their finances relatively well.

22 The Authority has about 10 months'
23 worth of operating expenses in reserves. You know,
24 when I talk about "reserves," I mean in liquidity
25 basically. It's not technically surplus, it's

1 liquidity. It's your ability to pay bills as they
2 become due. It's about 10 months' worth of reserves,
3 and that is pretty good for a Housing Authority of
4 this size.

5 HUD would like you to have about four
6 months of reserves. So, having 10 months of reserves
7 shows very good financial management.

8 You know, the good thing about that is,
9 you do have those reserves. The bad thing is, those
10 reserves are in federal programs, so you really are
11 restricted by what you can do with those reserves.
12 You're restricted for use within those federal
13 programs, you know, the Public Housing Program, the
14 Voucher Program, so forth, that's where most of that
15 liquidity is.

16 So, all in all, financially the
17 Authority is doing well.

18 On the compliance issues, there is some
19 work, there is corrective action that needs to be
20 taken.

21 I do have to compliment the staff you
22 have here at the Authority. You know, we come here,
23 we have the run of the place. We ask for tenant
24 files, we ask for checks, we ask for contracts.
25 Everything that we ask for is put out in the

1 conference room. My guys don't have to clear
2 anything to pull a document. They go to the drawer
3 or they will ask one of the staff people, hey, we
4 want to see this file, they go and take it out of the
5 draw and give it to us. We don't wait three days to
6 get something. It doesn't get checked out. So
7 they're very open and transparent with us, and,
8 financially, it was a relatively good audit report.
9 And the voucher program, I think we're on our way
10 with the corrective action being taken.

11 If anybody has any questions, I am glad
12 to take them.

13 I mentioned to the Finance Committee,
14 you can read the report, you can email me questions,
15 if you like. You know, this report is addressed to
16 the Board. I am providing this report to you as part
17 of your oversight of the Authority.

18 MR. GUARASCI: Well, I'll just make a
19 statement.

20 I think none of us, as members of the
21 Board, are happy, I think, that we have a report with
22 material weaknesses, but, as I found out when I asked
23 questions in the Finance Committee, first of all,
24 many of the findings are related to the Housing
25 Authority simply being an agent on behalf of third

1 party operators, outside agencies for whom we provide
2 vouchers. And it's actually their files and not the
3 Housing Authority's files that, in many cases, were
4 deficient, and the management here has, I think, a
5 good plan in place to address that situation.
6 Everything I heard in the Finance Committee suggests
7 that management has a grip on the issues and a plan
8 to deal with them in a way that I think should
9 provide us with some comfort so that next year's
10 audit is devoid of these material weaknesses.

11 CHAIRPERSON McDUFFIE: Anybody else?

12 (No response.)

13 CHAIRPERSON McDUFFIE: Okay. Thank you
14 so much.

15 MR. LARSEN: Thank you very much,
16 everybody. Have a great night.

17 CHAIRPERSON McDUFFIE: Okay. We're
18 still waiting for our Commissioner, right?

19 EXE. DIR. GORHAM: Yes.

20 BIDS/CONTRACTS

21 CHAIRPERSON McDUFFIE: Department of
22 Modernization & Development, bids and contracts.

23 MS. DIAS: Hello. Modernization has
24 two resos.

25 One is for the 2016 Capital Fund

1 Program and the 2015 Capital Fund Program.

2 They're for budget revisions.

3 Whereas, some of the work items have
4 resulted in a shortage and/or excess of funds in the
5 approved budget.

6 Now, therefore, be it resolved by the
7 Board of Commissioners of the Housing Authority that
8 they hereby authorize staff to revise the budgets in
9 accordance with the attached narratives.

10 Be it further resolved, all proposed
11 changes within those budgets are in accordance with
12 the Housing Authority's approved Five-Year Plan, and
13 the revised budget will be submitted to HUD upon
14 approval.

15 CHAIRPERSON McDUFFIE: Questions,
16 comments?

17 Mr. Rendina.

18 COMMISSIONER RENDINA: My apologies,
19 I'm going to have to leave for a little bit. I'll be
20 back in time for something, but I was appreciative of
21 -- I'll be back -- I'm appreciative of what Bob said
22 about the audit.

23 I have to do something, I apologize,
24 and the rest of you too, I apologize. Have a cup of
25 coffee.

1 (Whereupon, Vice-Chairperson Rendina
2 exits the conference room.)

3 CHAIRPERSON McDUFFIE: Let's do the
4 supplements at the end.

5 Operations.

6 MR. JACKSON: Good evening.

7 CHAIRPERSON McDUFFIE: Good evening.

8 MR. JACKSON: I have one resolution.

9 Whereas, Nan McKay and Associates,
10 Inc. will hold their Housing Choice Voucher and
11 Public Housing Rate Calculation Meeting on
12 December 12th-14th, 2017, at Charlotte, North
13 Carolina.

14 And, whereas, this training will help
15 provide key essentials to performing the day-to-day
16 operation and responsibility, and assist with the
17 Section 8 and public housing tenants.

18 Now, therefore, be it resolved by the
19 Board of Commissioners of the Housing Authority for
20 the City of Paterson that they hereby approve Nyesha
21 Sanford to attend the Nan McKay Housing Choice
22 Voucher and Public Housing Rate Calculation training
23 December 12th-14th in Charlotte, North Carolina, and
24 current expenses in the amount of \$975 for
25 registration, hotel accommodation at \$515.17, airfare

1 of \$158.90, and per diem of \$169.

2 CHAIRPERSON McDUFFIE: Questions,
3 comments?

4 (No response.)

5 CHAIRPERSON McDUFFIE: Okay. Planning
6 & Grants.

7 MS. SIFFORD: Good evening.

8 Department of Planning & Grants has two
9 resolutions.

10 The first resolution is to reject and
11 readvertise the RFP for After-School Program for
12 Riverside Terrace and Sojourner Douglass Homes.

13 Whereas, the Housing Authority of the
14 City of Paterson advertised requests for proposals to
15 provide an After-School Program for youth ages 5 to
16 12 residing at Riverside Terrace and Sojourner
17 Douglass Homes.

18 And, whereas, the scope of services and
19 general service requirements were obtained on the
20 Authority's website and at the Housing Authority's
21 Central Office.

22 And, whereas, 12 sets of specifications
23 were downloaded from the HACP website and two sets of
24 specifications were picked up, with one proposal
25 being submitted by the October 24, 2017 deadline.

1 Now, therefore, be it resolved by the
2 Board of Commissioners of the Housing Authority of
3 the City of Paterson that they hereby authorize staff
4 to reject and return the single proposal received
5 from New Destiny Community Development Corporation of
6 Paterson, New Jersey, and readvertise as soon as
7 possible.

8 CHAIRPERSON McDUFFIE: Questions,
9 comments?

10 (No response.)

11 CHAIRPERSON McDUFFIE: Go ahead.

12 MS. SIFFORD: The second resolution is
13 to approve annual hosting services for Tracking
14 At-A-Glance.

15 Whereas, the Housing Authority entered
16 into an initial contract on September 27, 2011, with
17 Community and Supportive Services Case Management
18 with Designing Success Tracking At-A-Glance web based
19 software system under the HOPE VI program.

20 And, whereas, the HACP has renewed the
21 TAAG contract annually under the HOPE VI program
22 until the grant closed out on September 30, 2017.

23 And, whereas, the Housing Authority of
24 the City of Paterson facilitates a ROSS Service
25 Coordination program for residents living at the

1 Authority's family and elderly disabled site that
2 also utilizes TAAG for case management and
3 performance management.

4 And, whereas, the ROSS program will
5 continue using the TAAG database for ongoing needs
6 assessments, service planning and
7 monitoring/evaluation.

8 Now, therefore, be it resolved by the
9 Board of Commissioners of the Housing Authority of
10 the City of Paterson that they hereby approve
11 contract for a one year annual maintenance and
12 support hosting services for TAAG with Designing
13 Success of Deerfield Beach, Florida, in an amount not
14 to exceed \$15,300 for the period retroactive
15 September 20th, 2017 through September 19, 2018.

16 CHAIRPERSON McDUFFIE: Any questions or
17 comments?

18 (No response.)

19 (Mr. Bernard M. Jones, Jr. is now
20 present.)

21 OATH OF OFFICE ADMINISTERED TO BERNARD M. JONES, JR.

22 CHAIRPERSON McDUFFIE: Let me
23 acknowledge the arrival of incoming Commissioner,
24 Mr. Bernard Jones, Jr.

25 EXE. DIR. GORHAM: Let's do it now.

1 CHAIRPERSON McDUFFIE: We're going to
2 swear our new Commissioner in at this time.

3 EXE. DIR. GORHAM: For the
4 Commissioners, this is Bernard Jones, Jr.

5 Mr. Jones has an extensive background
6 in real estate and property management. He's
7 currently working at the Paterson Help Center as
8 Director, right?

9 MR. JONES: No, Manager.

10 EXE. DIR. GORHAM: As Manager.

11 He's been appointed by Councilman
12 Mendez, and we welcome him to the Board.

13 (Applause.)

14 (At this point in the proceeding the
15 Oath of Office is administered to Bernard M. Jones,
16 Jr.)

17 (Applause.)

18 CHAIRPERSON McDUFFIE: Welcome,
19 Commissioner Bernard M. Jones, Jr.

20 COMMISSIONER JONES: Thank you so much.

21 MR. GUARASCI: Welcome.

22 MS. JONES: Thank you so much,
23 Commissioner.

24 CHAIRPERSON McDUFFIE: Okay.

25 EXE. DIR. GORHAM: Let's continue.

1 MR. GUARASCI: I'm not the rookie
2 anymore.

3 BIDS/CONTRACTS

4 CHAIRPERSON McDUFFIE: Department of
5 Administration, Bids and Contracts.

6 MS. HOLMES: Good evening.

7 CHAIRPERSON McDUFFIE: Good evening.

8 MS. HOLMES: The next resolution is for
9 the furnishing and delivery of plastic bags.

10 Whereas, the Housing Authority of the
11 City of Paterson did advertise for the receiving of
12 bids for the furnishing and delivery of plastic bags.

13 And, whereas, 11 sets of specifications
14 were downloaded from the website and three bids were
15 returned.

16 And, whereas, the bid received from All
17 American Poly of Piscataway, New Jersey, was received
18 late and will be returned to the vendor unopened.

19 Now, therefore, be it resolved by the
20 Board of Commissioners of the Housing Authority of
21 the City of Paterson that they hereby authorize staff
22 to enter into a one year contract with Central Poly
23 of Linden, New Jersey, who returned the lowest
24 responsive responsible bid for items No. 1 and 4, and
25 to Interboro Packaging of Montgomery, New York, for

1 items No. 2 and 3, in a combined amount not to exceed
2 \$30,000, with an option to extend for a second year.

3 CHAIRPERSON McDUFFIE: Questions,
4 comments?

5 (No response.)

6 CHAIRPERSON McDUFFIE: Okay.

7 MS. HOLMES: The next resolution is to
8 reject and readvertise for an RFP for Internet
9 service provider.

10 Whereas, the Housing Authority of the
11 City of Paterson did advertise for the receiving of
12 Requests For Proposals for Internet service provider.

13 Whereas, eight sets of proposals were
14 downloaded from the PHA website, resulting in one
15 return.

16 Now, therefore, be it resolved by the
17 Board of Commissioners of the Housing Authority of
18 the City of Paterson that they hereby authorize staff
19 to reject the one proposal received from Lightpath,
20 out of Edison, New Jersey, and readvertise as soon as
21 possible.

22 CHAIRPERSON McDUFFIE: Questions,
23 comments?

24 COMMISSIONER MAVEN: Who is our present
25 provider?

1 MS. HOLMES: Currently we have our
2 Internet service and our phone service together with
3 EarthLink, who is now Windstream, and we plan on
4 separating the two of them.

5 COMMISSIONER MAVEN: All right.

6 COMMISSIONER NATION: EarthLink or
7 Windstream didn't apply at all?

8 MS. HOLMES: They did not at all, no.

9 COMMISSIONER NATION: Okay.

10 CHAIRPERSON McDUFFIE: All right.
11 Personnel.

12 MS. KMECH: Good evening.

13 CHAIRPERSON McDUFFIE: Good evening.

14 MS. KMECH: Compensation for excess
15 over 30 annual leave days.

16 Whereas, the policy of the Housing
17 Authority of the City of Paterson allows staff to
18 carry no more than 30 unused annual days into the new
19 year.

20 And, whereas, some employees will have
21 accrued in excess of over 30 annual days at the end
22 of 2017.

23 And, whereas, the PHA in previous years
24 allowed employees with less than 30 days to be paid
25 up to 10 days of accrued annual time.

1 Now, therefore, be it resolved by the
2 Board of Commissioners of the Housing Authority of
3 the City of Paterson that those employees having
4 accrued in excess of over 30 annual days by year end
5 be compensated for all such accrued annual days over
6 30, and those employees with less than 30 days be
7 paid up to 10 days of accrued annual time.

8 CHAIRPERSON McDUFFIE: Questions?
9 Go ahead.

10 MR. GUARASCI: Do you know what the
11 total amount is that that winds up costing the
12 Authority, if you know, altogether?

13 MS. KMECH: I don't have that with me
14 right now, but I guess we can get it to you.

15 MR. JONES: It's approximately
16 \$106,000, Commissioner.

17 MR. GUARASCI: Okay. Thank you.

18 CHAIRPERSON McDUFFIE: Go right ahead.

19 MS. KMECH: Renewal of Employee
20 Benefits - Dental Plan.

21 Whereas, the current Dental Service
22 Plan for both active and retired employee will have a
23 new renewal date of January 1st, 2018, as approved on
24 October 16, 2017, Resolution #123, through provider
25 Delta Dental of New Jersey.

1 And, whereas, after further discussions
2 with the Delta Dental representation, the Housing
3 Authority was advised to add the Delta PPO Plus Plan
4 to the existing Delta Premier Plan. This action will
5 result in a more cost-effective rate structure for
6 the Housing Authority, and Delta Dental of New Jersey
7 has proposed a one year renewal of the new Delta
8 Dental PPO Plus Premier, at a rate of \$34.77, and a
9 new DMO plan will be offered to active staff at a
10 rate of \$36.62 per employee per month.

11 Now, therefore, be it resolved by the
12 Board of Commissioners of the Housing Authority of
13 the City of Paterson that they hereby award a one
14 year contract to Delta Dental of New Jersey for the
15 period January 1st, 2018 to December 31st, 2018.

16 CHAIRPERSON McDUFFIE: Questions,
17 comments?

18 (No response.)

19 CHAIRPERSON McDUFFIE: Okay.
20 Department of Administration, Operations, that's you
21 too.

22 MS. KMECH: Prescription Plan
23 Administrator renewal.

24 Whereas, the self-insured prescription
25 plan currently operated by the Housing Authority of

1 the City of Paterson will expire on December 31st,
2 2017.

3 And, whereas, the prescription plan is
4 a self-financed, self-insured plan, which only
5 requires facilitation by the Plan Administrator,
6 (Benecard Services, Inc.).

7 And, whereas, Benecard Services
8 provided a renewal proposal to the Housing Authority
9 for the same service at the current contracted
10 administrative fee structure rate of \$0.85 per claim;
11 \$0.70 for new staff add-ons, and \$1.00 for new cards
12 for the new contract year beginning January 1st,
13 2018, and projected that the Housing Authority will
14 spend approximately \$215,000 for prescription costs
15 for the renewal period of January 1st, 2018 to
16 December 31st, 2018, which represents approximately
17 8 1/2 percent higher than the current contract year.

18 In addition, this contract complies
19 with The Affordable Care Act that requires the
20 Housing Authority to implement an out-of-pocket limit
21 to protect individuals from excessive out-of-pocket
22 expenses on all essential health benefits on or after
23 January 1st, 2018.

24 The Housing Authority prescription plan
25 out-of-limits are \$1,470 for individuals and \$2,900

1 for families.

2 Now, therefore, be it resolved by the
3 Board of Commissioners of the Housing Authority of
4 the City of Paterson that staff be authorized to
5 renew the prescription drug plan administered by
6 Benecard Services of Lawrenceville, New Jersey, for
7 the period of January 1st, 2018 to December 31st,
8 2018.

9 CHAIRPERSON McDUFFIE: Questions,
10 comments?

11 Mr. Guarasci.

12 COMMISSIONER GUARASCI: Yes, just so I
13 understand this.

14 So, the Housing Authority pays the
15 actual cost of prescriptions, and this entity simply
16 administers that for us, they act as our agent to do
17 that?

18 MR. JONES: Yes.

19 MS. KMECH: Yes.

20 MR. GUARASCI: And the total amount
21 that it is estimated that the Authority will spend on
22 employee prescriptions is \$215,000?

23 MR. JONES: Correct.

24 MS. KMECH: Uh-huh.

25 MR. GUARASCI: Okay. Thank you.

1 CHAIRPERSON McDUFFIE: Okay.
2 Department of Administration.

3 MR. JONES: Good evening,
4 Commissioners.

5 The next resolution is the adoption of
6 the Housing Authority audit for the period ending
7 March 31st, 2017.

8 The resolution recites that the
9 independent auditor issued a draft report dated
10 November 13, 2017 for the fiscal year ending
11 March 31st, 2017, and the audit was contracted by
12 Novogradac & Company LLP, Certified Public
13 Accountants.

14 Whereas, the auditor's report on the
15 Internal Controls and Report on Compliance with
16 Requirements applicable to each major program for the
17 audit year under review revealed the following
18 findings, as listed on the Audit Report, pages 42
19 through 54.

20 There was a finding on internal control
21 over financial reporting, which showed that we had
22 some material weakness, and noncompliance in the
23 reporting on the financial statements, as well as a
24 material weakness on the federal awards section of
25 the audit.

1 Now, therefore, be it resolved by the
2 Board of Commissioners of the Housing Authority of
3 the City of Paterson that they hereby adopt the
4 auditor's report.

5 The report will be forwarded, along
6 with the affidavit and audit synopsis, to the
7 Department of Community Affairs and to the U.S.
8 Department of Housing & Urban Development.

9 CHAIRPERSON McDUFFIE: Questions,
10 comments?

11 (No response.)

12 CHAIRPERSON McDUFFIE: Okay.

13 MR. JONES: The next resolution,
14 Commissioners, is for the renewal of the Housing
15 Authority Fidelity Insurance Coverage.

16 The Housing Authority Insurance Group,
17 out of Chester, Connecticut, is under contract to
18 provide the Housing Authority for all our insurance
19 needs.

20 The current three-year Fidelity policy
21 that is provided through Travelers Casualty and
22 Surety Company of America will expire on
23 December 31st.

24 The Housing Authority Insurance Group
25 provided the Housing Authority two options. The

1 Housing Authority's staff has recommended option #2
2 rather than option #1, which would provide us with a
3 better coverage at a cost of \$7,573.77 for a
4 three-year policy renewal period beginning
5 January 1st, 2018 and ending January 1st, 2021.

6 Now, therefore, be it resolved by the
7 Housing Authority of the City of Paterson that the
8 Commissioners hereby authorize the Executive Director
9 to execute the required renewal documentation for
10 this Fidelity Insurance policy option #2 provided
11 through Travelers Casualty and Surety Company.

12 CHAIRPERSON McDUFFIE: Questions,
13 comments?

14 COMMISSIONER MAVEN: Just, longer
15 periods than they have in the past coverage? Is this
16 period longer?

17 MR. JONES: No. This is normally a
18 three-year contracted period, but we pay one year at
19 a time.

20 COMMISSIONER MAVEN: All right.

21 CHAIRPERSON McDUFFIE: Okay.

22 MR. JONES: The next resolution,
23 Commissioners, this is another insurance renewal
24 through the Housing Authority Insurance Group for
25 commercial property coverage and the commercial

1 liability coverage.

2 The resolution recites that the
3 contract will expire on December 31st, 2017, and HAI
4 provided the renewal quote beginning for January 1st,
5 2018 through December 31st, 2018, at a renewal cost
6 of \$270,039, which represents an approximately
7 21 percent increase over the current year.

8 Now, therefore, be it resolved by the
9 Board of Commissioners that they hereby authorize the
10 Executive Director to execute the required
11 documentation for the renewal period for commercial
12 liability through HAI of Chester, Connecticut.

13 MR. GUARASCI: I would like to know if
14 this is something that we ever put out for bid?

15 MR. JONES: No.

16 MS. HEW: No.

17 COMMISSIONER GUARASCI: Okay. Because,
18 you know, with an increase in our insurance rates of
19 over 20 percent, you have to wonder, you know, is
20 there potentially a better deal out there for the
21 Housing Authority? So I'm curious how come we don't
22 to go out to bid on insurance?

23 MR. JONES: In the past, the Housing
24 Authorities generally don't go out for bid, for the
25 most part, for insurance. HUD provides a waiver.

1 There are two main carriers; the
2 Housing Authority Insurance Group, which is owned by
3 Housing Authorities across the nation; and we have in
4 New Jersey the local New Jersey Joint Insurance Fund.

5 Until 2012, we were insured by the New
6 Jersey Joint Insurance Fund. Our policy premium up
7 to that time was over half a million dollars. We at
8 that time went to HAIG. We were with HAIG prior to
9 2000, and we got a better rate through HAIG.

10 The driving force behind the increased
11 premium, Commissioners, has to do with our loss ratio
12 over the last three years, and I don't know that we
13 would get a better rate if we were to advertise. We
14 probably will get a lot of interest, but
15 traditionally the private market does not insure
16 Housing Authorities.

17 I think more recently, because Housing
18 Authorities are branching out into private/public
19 partnership, there may be, you know, opportunity in
20 the open market for that type of insurance coverage,
21 but, traditionally for the Housing Authority, the
22 risk is so great.

23 MR. GUARASCI: Do I understand you
24 correctly that the same insurance coverage for which
25 we're going to pay \$270,000, we once paid over

1 \$500,000?

2 MR. JONES: Yes.

3 MR. GUARASCI: Okay.

4 Yeah, I'd probably stick with this too
5 then.

6 EXE. DIR. GORHAM: We had to make a
7 change, and it was major.

8 MR. GUARASCI: Yes.

9 EXE. DIR. GORHAM: Because, you know,
10 we're one of the larger Housing Authorities, but we
11 just had to, it was just too much.

12 MR. GUARASCI: No, it's a good deal
13 then.

14 EXE. DIR. GORHAM: Yes.

15 MR. JONES: In line with that
16 resolution, Commissioners, I'm just going to jump to
17 the Supplemental.

18 Because of our experience and our loss
19 ratio, we have been identified by the insurance
20 company to participate in a Risk Management Plan. So
21 we have a resolution that shows our commitment. We
22 are presenting a resolution that shows our commitment
23 to improving our operation by adopting the plan that
24 the Housing Authority Insurance Group has issued to
25 us voluntarily, which would allow us to work with

1 them to implement some training and some new policies
2 that will improve our loss ratio.

3 The resolution recites that in order
4 for us to participate and to improve our loss ratio,
5 the Housing Authority and HAI will implement this
6 Risk Management Plan.

7 (Vice-Chairperson Rendina is now
8 present.)

9 MR. JONES: And our staff will be
10 required to do ongoing training, as well as our
11 residents, in terms of fire prevention. And we have
12 some timelines that we have to comply with here.

13 We are seeking the Commissioners'
14 approval to adopt this Risk Management Plan that we
15 will enter into, hopefully will show over time our
16 willingness to work to reduce our losses.

17 COMMISSIONER MAVEN: Is there a cost
18 with this?

19 MR. JONES: No.

20 The insurance company provides
21 training. It's free to our staff, as a member of the
22 insurance company.

23 So, most of the training will be done
24 in this room here, which is over the -- they have an
25 HTV in their network that they allow us to watch.

1 The next resolution, Commissioners, is
2 bill list #1 and bill list #2. The backup is on the
3 Supplemental to those.

4 MR. GUARASCI: Just a question. Empty
5 Building Security, \$18,000.

6 MR. JONES: Empty Building Security,
7 Commissioner, if you drive by the Riverside Terrace
8 Development, you will notice those metal coverings
9 that we have over the doors and the windows. We've
10 used those to secure the apartments as they become
11 vacant. It's a very expensive proposition. However,
12 based on our experience in the past, we have not had
13 a fire since we've implemented that process. And we
14 had a meeting with the insurance carrier earlier this
15 year where they were concerned with the vacant units,
16 and when we took them on a site visit, our coverage
17 remains the same. They were about to drop us for
18 that site, because they were concerned with all the
19 vacancies that we are exposed to vandalism and so
20 forth. So it is expensive. It's a lease. So, as
21 the buildings start to demolish, that will go away,
22 those costs will go away, but as the units are
23 vacated, we board them up.

24 MR. GUARASCI: SMAC Corporation,
25 \$133,000.

1 MR. JONES: That's a modernization
2 contract under the Capital Fund Program. I think
3 they're doing -- SMAC, where is SMAC working now,
4 Teri?

5 MS. DIAS: I think they're done. They
6 were doing balconies at nine.

7 MR. JONES: Joseph Masiello Homes.

8 MS. DIAS: And at Sojourner Douglass,
9 they were doing siding and roofs.

10 COMMISSIONER GUARASCI: And, lastly,
11 \$9,100, U.S. Inspection Group.

12 MR. JONES: Yes, that's a company that
13 we use to do our annual inspection, as required by
14 HUD. So we contract that out to a third party, and
15 that's for the inspection of all our public housing
16 units. So instead of us doing it ourself, we get a
17 third party to do it.

18 COMMISSIONER GUARASCI: Okay. Thank
19 you.

20 CHAIRPERSON McDUFFIE: Okay.

21 MR. JONES: The next resolution,
22 Commissioners -- hold on a second, let me see if I
23 can get to it -- is seeking your approval for the
24 Executive Director to attend the Invest Health
25 Conference held December 4th through 8th. It's on

1 the Supplemental List.

2 The resolution recites that this
3 conference is a new initiative that brings together
4 diverse leaders from mid-sized U.S. cities across the
5 nation to develop new strategies to increasing and
6 leveraging private and public sector investment.

7 Whereas, United Way of Passaic County
8 was awarded an Invest Health grant for the City of
9 Paterson, and the Housing Authority is a
10 collaborating partner along with other city entities
11 on this initiative.

12 And, whereas, on December 4th-8th,
13 Invest Health will convene in New Orleans to provide
14 grant participants with continued opportunities for
15 shared learning, strategy building, and hands-on
16 workshops regarding tools relevant to the Invest
17 Health initiative.

18 Now, therefore, be it resolved by the
19 Board of Commissioners that they hereby approve --
20 this was supposed to be the Executive Director, so
21 there's a typo -- this is approve the Executive
22 Director, Irma Gorham, to attend the conference from
23 December 4th-8th, at a cost of \$217 per diem. United
24 Way of Passaic County will assume the responsibility
25 of hotel accommodations and airfare.

1 CHAIRPERSON McDUFFIE: Questions,
2 comments?

3 (No response.)

4 MR. JONES: The final one that I have
5 on the list and the other one is for Personnel.

6 There is a retroactive resolution for
7 Commissioner Pete Rendina and Executive Director Irma
8 Gorham, that they attended recently the New Jersey
9 NAHRO Training and Networking Conference in Atlantic
10 City.

11 And, whereas, the Board approved
12 Resolution #17-10-129, approving Irma Gorham and Pete
13 Rendina to attend the 102nd Annual New Jersey State
14 League of Municipalities Conference.

15 And, whereas, on November 13th through
16 16th, New Jersey NAHRO hosted their 2017 Training and
17 Networking Conference in Atlantic City.

18 Now, therefore, be it resolved by the
19 Board of Commissioners that Resolution #17-10-129 be
20 withdrawn, and the approval of this resolution be
21 retroactively approved for the replacement for the
22 Director and Commissioner Rendina, who attended the
23 conference, at a cost of \$590 combined for
24 registration, hotel at a cost combined of \$612,
25 separate rooms, and per diem of \$102 each.

1 CHAIRPERSON McDUFFIE: Questions,
2 comments?

3 (No response.)

4 COMMISSIONER MAVEN: I'm just curious,
5 how that worked out? You attended so many late
6 sessions and NAHRO sessions at the same time.

7 EXE. DIR. GORHAM: Well, this time
8 around they changed it a bit. We had the NAHRO all
9 in the morning until after lunch.

10 VICE-CHAIRPERSON RENDINA: And then in
11 the afternoon for that.

12 EXE. DIR. GORHAM: They didn't have a
13 lot of, right, sessions. We had 4 or 5 major
14 sessions in the morning, you could select, and in the
15 afternoon, you went to the League of Municipalities.

16 This time was much better. It was
17 wonderful. Actually, sessions were great and the
18 timing was put together really good.

19 COMMISSIONER MAVEN: Okay.

20 CHAIRPERSON McDUFFIE: Okay. Go ahead.

21 EXE. DIR. GORHAM: I'll do this one.

22 Wilfredo Vazquez Retirement

23 Recognition.

24 Whereas, Wilfredo Vazquez, an employee
25 of the Housing Authority of the City of Paterson for

1 over 35 years, from October 10, 1983 to
2 November 30th, has faithfully and effectively served
3 the Authority in various functions, with the last
4 20 years having served as Director of Modernization
5 and Development.

6 Whereas, the Modernization and
7 Development Department has effectively carried out
8 the mandated mission of the redevelopment efforts of
9 the Housing Authority and the City of Paterson, as
10 well as the major repairs of the Housing Authority's
11 existing developments.

12 Now, therefore, be it resolved by the
13 Board of Commissioners of the Housing Authority of
14 the City of Paterson that Wilfredo Vazquez be
15 "congratulated" by the Board of Commissioners, the
16 administration, and his coworkers for an exceptional
17 job truly performed, and be blessed with good health
18 and fortune in his retirement years.

19 And be it further resolved that as a
20 measure of the Board and the Authority's
21 appreciation, this resolution, along with a keepsake,
22 to be presented to Wilfredo Vazquez in recognition of
23 his many years of service.

24 CHAIRPERSON McDUFFIE: Thank you.

25 MR. GUARASCI: I don't have a question,

1 but I would like to amplify the sentiments of the
2 resolution simply from my perspective, not only as
3 having served on this body for a year now but knowing
4 Fred for many years prior to that, really I wish to
5 congratulate him and thank him deeply for the
6 extraordinary job that he's done for 35 years on
7 behalf of the residents of this city. I think that's
8 an extraordinary accomplishment, and I'm very pleased
9 that this city has had the benefit of his dedication
10 for so long, and his contributions here will endure
11 for many generations. And I say, from my
12 perspective, thank you, Fred.

13 COMMISSIONER MAVEN: As Chair of the
14 Development and Residents Committee, I certainly want
15 to go on record saying "Thank you, Fred," for his
16 expertise. He's been on top of every project every
17 second, and he's had the best interests of the
18 Housing Authority and the residents of City of
19 Paterson the whole time. He will be missed, but
20 certainly he won't be forgotten for the work that
21 he's done.

22 CHAIRPERSON McDUFFIE: Okay. Is it
23 possible to do the Consent Agenda before we do the
24 public portion?

25 EXE. DIR. GORHAM: Yes.

1 CHAIRPERSON McDUFFIE: He has to leave.

2 VICE-CHAIRPERSON RENDINA: I do too.

3 CHAIRPERSON McDUFFIE: So let's do that
4 first.

5 MS. HEW: That's fine.

6 CHAIRPERSON McDUFFIE: So let's get a
7 motion to close this portion.

8 VICE-CHAIRPERSON RENDINA: Motion to
9 close.

10 COMMISSIONER MAVEN: Second.

11 CHAIRPERSON McDUFFIE: Roll call.

12 (At this point in the proceeding roll
13 call is taken and the motion to adjourn the Workshop
14 Meeting is passed by a unanimous vote.)

15 (Whereupon, the Workshop Meeting is
16 adjourned at 6:14 p.m.)

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C E R T I F I C A T I O N

I, KIM O. FURBACHER, License No. XIO1042, a Certified Court Reporter, Registered Merit Reporter, Certified Realtime Court Reporter, and Notary Public of the State of New Jersey, hereby certify that the foregoing is a verbatim record of the testimony provided under oath before any court, referee, board, commission or other body created by statute of the State of New Jersey.

I am not related to the parties involved in this action; I have no financial interest, nor am I related to an agent of or employed by anyone with a financial interest in the outcome of this action.

This transcript complies with Regulation 13:43-5.9 of the New Jersey Administrative Code.

KIM O. FURBACHER, CRCR, CCR, RMR
License #XIO1042, and Notary Public
of New Jersey

My Commission Expires:
7/11/19