

ALLENTOWN HOUSING AUTHORITY

REGULAR BOARD MEETING

January 26, 2017

The Board of Commissioners was called to order by Mr. Donald Senderowitz, Chairman, and upon Roll Call, those present and absent were as follows:

PRESENT:	Mr. Alan Jennings	Secretary
	Mr. Fred Bañuelos	Assistant Treasurer

Also present at the Board Meeting were Mr. Daniel R. Farrell, Executive Director; Mr. Eric Reinert, Comptroller; and Mr. Christian Perrucci, Esquire. Mr. Donald Senderowitz and Mr. Julio Guridy were not in attendance, but participated by phone during the meeting. Mr. John Sherry was absent. Ms. Mandy Heagy from Clifton Larson Allen, LLP was also present.

The board meeting started at 9:10am.

PUBLIC COMMENTARY

Mr. Jennings introduced Ms. Mandy Heagy, the Audit Principal for our audit. She introduced herself and handed out the presentation of the audit summarizing the results to the Board. She started by reviewing the financial statements which include the Auditor's report, the Management Discussion and Analysis, the footnotes and supplementary information which includes the Single Audit and the Financial Data Schedule that HUD requires. Ms. Heagy reviewed the Balance Sheet and the changes that occurred during the year, especially with Cumberland Gardens Phase 3 as described on page four of the handout. She next discussed the Income Statement and pointed out changes in the Net position, which showed a loss of \$1.3 million at the end of the year. The Board discussed the decrease of revenue due to absorption of portability tenant vouchers compared to the previous year. Ms. Heagy discussed the RAD conversion at Cumberland Gardens and how that was reported. Mr. Farrell mentioned to the Board that the separate audits of the Cumberland Partnerships are reflected in this audit. Mr. Bañuelos stated that while we have them as separate audits, we should look at the Management letter to the audit reports. Mr. Farrell replied that when all three Cumberland audits are done we will put them together in a packet for the Board to review. Ms. Heagy reviewed trend analysis of the Housing Choice Voucher program with regards to Administrative Revenue versus Administrative Expenses. She continued by reviewing the HCVP HAP and discussed the revenue versus the expenses; next she discussed Public Housing and again reviewed revenue and expenses. Ms. Heagy discussed with the Board the monthly trends of AHA disbursements and who the highest paid vendors were in 2016. The last part of her presentation was reviewing the Single Audit report. She explained there were no single audit findings in the Housing Choice Voucher program they tested and no financial statement findings. She went on to discuss the Auditor Communication Letter that goes to the Board and explains the audit standards. She added that the next step is to submit a REAC submission by

March 31, 2017 after the Board approves the audit at the February 23 board meeting. The audit portion of the meeting ended at 9:50am.

The board discussed changing the meeting date for the February meeting to February 13. It was decided that it would be too soon to have any financial information ready for the Board to review. The board also discussed changing the March meeting to March 30 as Mr. Farrell would be unavailable on March 23 due to a conflict with his schedule. It was decided the February meeting would stay at February 23 and the March meeting would be moved to March 30.

#### APPROVED MINUTES

A motion was made by Mr. Bañuelos and seconded by Mr. Senderowitz to approve the Board minutes of the December 15, 2016 Board Meeting.

Ayes 4 – Senderowitz, Guridy, Jennings, Bañuelos  
Nays 0

#### BILLS AND TREASURER’S REPORT

Mr. Reinert discussed the financials by stating that Conventional Housing showed income for the month, partly due to reimbursement for legal costs for lease up at Cumberland Gardens. He stated that for the month of December we are showing net income for NSA, Housing Choice Voucher program, and Cumberland Gardens Phase 1. He discussed the year to date figures for Conventional Housing stating that there was a net loss, but for the NSA, Housing Choice Voucher program and Cumberland Gardens Phases 1 and 2 there was net income. He discussed the cash investments and asked if the Board had any questions. Mr. Senderowitz asked if we are going to break even with the budget or have a deficit this year. Mr. Reinert stated we are in better shape now than we have been in prior years. He added that we are only at a loss of about \$13,000 for six months. Mr. Jennings asked if the Board could get a quarterly projection of the budget. Mr. Reinert replied that he would look into it and what would be required to present accurate and usable information. Mr. Jennings stated that it’s the midpoint of the year it’s an appropriate time to look, before we have to make adjustments. Mr. Farrell stated he would look at this with Mr. Reinert.

A motion was made by Mr. Bañuelos and seconded by Mr. Guridy to approve the financial reports.

Ayes 4 – Senderowitz, Guridy, Jennings, Bañuelos  
Nays 0

## COMMUNICATION REPORT

Mr. Farrell brought up last month's discussion regarding establishing subcommittees. He continued that he put together three subcommittees he felt would be beneficial. A Finance Committee, which would meet at a regular time; a Personnel Committee, to review staff issues, organization, discipline issues, and civil service, to meet as needed; and an Asset Committee to look at capital planning and projects we have on the boards to meet on a regular basis. The committees would consist of not more than two board members and some staff as regular contacts. We would set up meeting times and decide how close to the regular board meeting to meet. Mr. Jennings asked if we could rename the Asset Committee to the Quality of Life Committee that would look at the condition of the properties from the perspective of the people who live there as a decent place to live and what is going on in those neighborhoods as enhancements to their quality of life there. Mr. Farrell agreed that would be a good idea. The subcommittees were formed with Mr. Guridy and Mr. Senderowitz on the Finance Committee; Mr. Bañuelos and Mr. Sherry will be on the Quality of Life Committee and Mr. Jennings will be on the Personnel Committee.

Mr. Farrell discussed the MOR review for the NSA property which received a below average rating and we are working through the corrective actions for this review. Mr. Guridy left the meeting at 10:10am.

## OLD BUSINESS

There was no old business.

## NEW BUSINESS

Mr. Farrell reviewed Resolution 2500 for the Operating Budget for Cumberland Gardens Phase 3 from last month's board meeting and explained the modified changes made to the approved resolution. The Board discussed that since the AHA is not the direct owner of Cumberland Gardens Phase 3, do we have a broker of record for this property. Mr. Farrell replied we do not have one, but we need to research this issue.

### Resolution 2502 – Award contract for Architect and Engineering Services

A motion was made by Mr. Senderowitz to approve the resolution and seconded by Mr. Bañuelos. Mr. Farrell explained this is for three Capital Fund projects. He continued that we have received proposals for the Walnut Manor roof project and we recommend Hamel Associates; for the exterior building restoration at the 700 Building we recommend Lammey & Giorgio Architects and for the Gross Tower's parking lot and storm sewer improvements we are recommending Barry Isett and Associates.

Ayes 3 – Senderowitz, Jennings, Bañuelos

Nays 0

Mr. Perrucci briefly discussed the AHA versus Excalibur/HARIE Insurance lawsuit for breach of contract with regards to a fire that occurred at one of our properties on Linden Street several years ago. He continued that the judge ruled in favor of Excalibur/HARIE and the Housing Authority has decided we will not go further in pursuing this lawsuit.

Mr. Jennings adjourned the meeting at 10:35 am.

ATTEST \_\_\_\_\_