

**WILMINGTON HOUSING AUTHORITY
REGULAR MEETING OF THE
BOARD OF COMMISSIONERS**

February 25, 2019

**400 N. Walnut Street
6:00 p.m.**

MINUTES OF MEETING

Present Representing the Board of Commissioners

James Spadola, Chairman
Steven Washington, Secretary
Earl Jeter (arrived 6:08)
Vincent White
Betty Pinkett
Maureene LaFate
Matthew Heckles (arrived 6:40)
Jane Vincent (arrived (6:10)
Ben Cohen, Treasurer (via conference call)

Barry Willoughby, General Counsel

Present Representing WHA:

John Hill, Executive Director
Karen Spellman, Deputy Executive Director
Rosemarie Bizune, Finance Director
Roger Turk, Development Director
Sandi Rosmini, Housing Management Chief
Kathi Sulsky, HR Chief
Christine Arnold, Special Assistant/Scribe

Donna Starkey-Ford, Section 8 Chief
Laverne Hanson, Procurement Chief
Vibhuti Talwar, Finance
Denise Miller, Manager
Yolanda Durant, Security
Irmina Williams, Resident Services Chief
Darniece Hampton, Resident Services

The Chairman called for the roll. A quorum was established to proceed with the Public Session.

PUBLIC SESSION:

Ms. Lisa Davis, Crestview Resident, shared the following concerns:

- Apartment is leaking water
- Had a situation with the security guard after a fire incident occurred

Commissioner White asked that she provide information regarding the incident with the guard. She shared that a fire occurred in one of the apartments on the 5th floor on Friday, February 22nd. She is a floor captain and she was trying to make sure that everyone got off of the floor safely and Mr. Simpson, Security Guard cussed her out and gave her a hard time. The incident was reported and requested a meeting with Yolanda Durant. Ms. Rosmini will follow-up.

1. NOMINATION AND ELECTION OF CHAIRMAN OF THE BOARD

Mr. Willoughby shared that Article 2 Section 7 of the by-laws states that if there is a vacancy during the term of an existing officer that at the next meeting that vacancy will be filled. This will fill the vacancy until the next Annual Board Meeting in April. The process that is used is to open up the nominations to the floor of the Board, if there is only one nomination we do a voice vote. If there is more than one, we do a roll call.

Commissioner White nominated Commissioner Spadola for Chair. Commissioner Spadola accepted the nomination.

With no further nominations, the Chairman called for the vote. Motion carried.

Commissioner James Spadola is elected as Chairman of the Board.

2. MINUTES OF MEETING

The Chairman called for a motion to approve the Minutes of the January 28, 2019 Board meeting. Commissioner White made the motion and Commissioner Pinkett seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.

Minutes of the January 28, 2019 Regular Meeting adopted unanimously.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Hill provided highlights from his report which is included in the Board Book.

The Chairman called for a motion to accept the Executive Director's Report. Commissioner White made the motion and Commissioner Washington seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.

Executive Director's Report accepted unanimously.

4. RESPONSE TO INQUIRIES FROM PUBLIC COMMENTS

Ms. Spellman and Ms. Rosmini provided an overview of the report which is included in the Board Book.

Commissioner White asked that a memo be provided to the Board sharing any additional information pertaining to these cases that is not included in the "Response to Inquiries from Public Comments". These complaints were made to the commissioners and a copy of the responses should be sent to the Board to have a complete record.

Commissioner White asked what is the policy regarding complaints and are they required to be put in writing. Ms. Spellman responded that there is an incident report form that the resident should complete and turn into their manager. If they are unable to write the report themselves we can provide assistance.

5. RIVERSIDE REDEVELOPMENT REPORT

Ms. Spellman provided an update sharing that the Community meeting that occurred last month was a success. We also met with the Community Engagement Board. Mr. Hill and all of the Resident Services staff attended that meeting that is chaired by Senator Margaret Rose Henry. She elected to take a vote to include all of the Resident Services staff to the Board to participate in the resident engagement and outreach activities at Riverside.

Ryan Bailey, Pennrose Properties, provided a presentation on the Riverside Redevelopment Project which is included in the Board Book.

Commissioner Washington commented that WHA is asked to put \$1,500,000 into the project. How much is Kingswood contributing. Mr. Bailey replied Kingswood is not contributing any monies; however, REACH Riverside has secured \$1,000,000 from the City for housing. WHA funds are not going towards to anything that REACH Riverside or Kingswood is doing. The Housing Authority is not paying for their pre-development dollars. They are separate pots of money; they are raising all of the funds that they need to design and build Kingswood and the teen warehouse center. They have secured, including the donation by Capital One for the teen warehouse, \$8,100,000.

Commissioner Jeter asked if Mr. Bailey knows the projected size of the new Kingswood Community Center. Mr. Bailey replied he believes the current size is 17,000 square foot and they want it to be slightly larger than that, perhaps 20,000 – 22,000 square feet range. It will be located on their property. The Housing Authority has made it clear that they are not interested in a land swap. The master plan is focused on potentially putting them right next to where their building is now or on the northern most baseball field that they own.

Chairman Spadola asked what the projection date of the project is. Mr. Bailey replied that he anticipated receiving the tax credit award in July and close all of the financing this time next year as it takes several months with the State to close everything. We would start construction on Phase 1 this time next year in 2020 and it would 12-14 months of construction to complete that phase.

Commissioner Vincent asked if there are any investments going into the warehouse property. Mr. Bailey replied Christiana Care gave them \$1,000,000 as well. Mr. Hill added that in tab 4 of the Board Book it shows REACH Riverside's outreach and the results of those outreach end results of those in a letter from Mr. McDowell.

Commissioner Vincent asked if a market analyst has been engaged yet and if so, have the results been received yet. Mr. Bailey replied we have and anticipate the results for the submission of the LIHTC application in April.

Commissioner White mentioned in Mr. Lamb's email dated 2/11/2019 he asked about phase 1 development and requested who the consultant manager is for \$10,000, is that per month. Commissioner White would like to know who the consultant is and what he/she is doing. Mr. Bailey responded that he will look into it and get back to him regarding his question.

Commissioner White continued. It also states in that email that the operating expenses are conservatively underestimated. Mr. Bailey responded that a conservative number would be a higher operating expense. We wanted to come in with a realistic number. He does not want to show a very "skinny" budget that will not be able to properly operate the development. The biggest question mark

will be that we are going to the City to talk to them about a pilot. We are attempting to decrease operating expenses through a negotiation of a pilot with the City.

There were discussions about the potential land swap and Commissioner Washington asked about the browns field located in Riverside. Mr. Bailey assured him that if there are any issues with the browns field they will be addressed prior to construction. Mr. Hill asked that Mr. Turk provide a document to the Board about the browns field and that relationship with Kingswood and if there are any monies there to address the situation.

Chris Lamb, Pepper Hamilton, provided an update on the Riverside Pro forma. He received it mid-January and gave Mr. Bailey a number of comments. He addressed them except the one that Commissioner White brought up. A revised pro forma was provided. There are a still a few concerns that he has about the pro forma and the operating expenses are a bit high and he would like to see them reduced. This would allow the project to borrow some additional money, perhaps take less of our money and ensure that we have a fully funded project when we get to the finish line.

Site work number is \$3,000,000+. It has been refined a little but in his opinion the number is high for the size of the site. Overall, the pro forma is competitive and in line with what he has seen in prior years with prior projects. The operating expenses will be higher because it is a partial public housing project and not just a straight low income tax credit project.

Commissioner White asked what the site improvement costs per acre are. Mr. Bailey replied the first phase it is 2.3 acres. We were able to decrease the site work from \$3.1 to \$2.8 million. He can break that down per acre.

Commissioner White continued. \$400,000 - \$500,000 per acre for site work is normal. Is there something in particular about the site work that will be above that number? Mr. Bailey replied that everything will be new including sidewalks, street lighting, landscaping. Absolutely nothing there can be reused. A big cost is storm water. Under the parking lots there will be underground infiltration beds, which are huge beds of stone that will collect the water before being put out into the sanitary. That is a huge number which is a hidden cost. On March 4th there is a design meeting scheduled where several designs will be discussed. There will also be plenty of time to attack that number. We will not close on the deal until it is right.

6. FINANCE REPORTS

Commissioner White made the motion to waive the reading of the Finance Report and Commissioner Heckles seconded the motion.

Commissioner Cohen mentioned that we are not going to vote on Resolution 19-18 authorizing the approval of WHA's operating budgets; however, he asked Mr. Hill to leave it on the agenda and do the presentation highlighting the changes. Commissioner Cohen asks that the Board members review the budget and provide any questions. It will be reviewed at the next Finance Committee meeting which will be scheduled within the next few weeks where Ms. Bizune and Mr. Hill will be able to answer those questions.

Rosemarie Bizune provided the overview of the Financial Statement which is included in Board Book.

7. RESOLUTIONS

Consent Agenda Resolutions:

Resolution 19-12 Awarding a Contract to GE Appliances for Energy Efficient Appliances for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

Resolution 19-13 Awarding a Contract to American Cabinetry, LLC for Kitchen Cabinets, Countertops, and Vanities for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

Resolution 19-14 Awarding a Contract to Pierce Phelps, Inc. for HVAC Equipment for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

Resolution 19-15 Awarding a Contract to Ferguson Enterprises, Inc. for Tankless Water Heaters for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

Resolution 19-16 Awarding a Contract to Collins Supply Company, Inc. for Windows for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

Resolution 19-17 Awarding a Contract to N. Mallari G.C Corporation for Roof Replacement for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

Mr. Hill provided a briefing about the "consent agenda" process. Commissioner White shared that he is in favor of consent agenda but not in favor of it without education on the part of the BOC's. With discussion come clarity and there is accountability on our part that we would read the resolutions and be prepared to vote in the affirmative or the negative.

Chairman Spadola replied that he agrees that the introduction to the consent agenda and the matter of doing business could have been presented to the Board perhaps a little better; however, he believes that we have what we have now. He asked if anyone had any concerns about these specific consent agenda items.

The Chairman called for a motion to adopt Consent Agenda Resolutions 19-12 to 19-17. Commissioner Heckles made a motion and Commissioner Spadola seconded the motion. The Chairman asked for questions on the motion.

Commissioner White stated that at this time he would be voting against the motion because he feels that the BOC's should get more education on the process and their responsibilities by agreeing to a consent agenda, understand that any item could be pulled out and discussed. He would like it to be

deferred for at least 30-days to give the BOC's an opportunity to make certain that we all understand our accountability.

The Chairman replied that he agrees with Commissioner White's sentiments; however, the reason he will vote for the motion is by looking at the specific agenda items he does not see a reason to prolong the vote.

With no questions from the Board, the Chairman called for the vote. Commissioner White requested a roll call vote.

AYES

Steven Washington
Earl Jeter
Betty Pinkett
Maureene LaFate
Matthew Heckles
Jane Vincent
James Spadola

NAYS

Vincent White

ABSTENTIONS

Consent Agenda Resolutions 19-12 to 19-17 adopted.

Resolution 19-11 Amending Wilmington Housing Authority's Public Housing Smoke Free Policy

Ms. Rosmini provided a summary. This resolution is to amend the current Wilmington Housing Authority Public Housing Smoke Free Policy. The commissioners adopted the policy on April 23, 2018 which permitted smokers to smoke 25 feet from WHA property. The amendment will allow smokers to smoke 25 feet from all buildings and administrative offices. The change is not considered a substantial deviation and does not affect the non-smokers but is a more reasonable imposition to the smokers. This change is in compliance with the HUD mandated smoke free policy.

Commissioner Heckles called for a motion to adopt Resolution 19-11 and Commissioner White seconded the motion. The Chairman asked for questions on the motion.

Commissioner White asked if this policy is for everyone. Ms. Rosmini confirmed it is for all Public Housing properties and administration buildings. Commissioner White asked if it is for all smoking issues, no matter what people are smoking. Ms. Rosmini replied that marijuana is illegal. This policy is for cigarettes, vaping, hookahs, etc.

Commissioner LaFate asked who maintains the clean-up of cigarette butts 25 feet from the building. Ms. Rosmini responded WHA maintenance staff. We used to have urns for the smokers but took them up when this policy was adopted. We will need to put the urns back outside for them.

With no questions from the Board, the Chairman called for the vote.

Resolution 19-11 adopted unanimously.

8. BOARD COMMITTEE REPORTS

Finance - No Report

Development - No Report

By-Law Ad Hoc

Commissioner White shared that this Agency, present company excluded, has a history of some BOC's acting in an unlawful, unethical manner and as a result as someone who sat through that process for two changes of BOC's it was very frustrating and embarrassing to myself and staff and very unprofessional. It casted a poor light on us, our residents, and our ability to serve our residents were hampered for almost 2-3 ½ years by the actions of some BOC's.

He made a proposal almost 18 months ago to start a by-laws revision and have made it every year since he has been on the Board serving on behalf of the Governor. Thanks to the current Chair we got the by-laws and ethics committee started. He thanked all of the BOC's for seeing that this is important. Commissioner Heckles and Commissioner White are on the committee and both have worked on by-law revisions for a couple State agencies.

He met with Mr. Hill over the course of the past three weeks to develop some proposed by-laws and a standard of conduct for the BOC's which includes non-disclosure requirements. He will be hosting a peer-to-peer workshop, inviting all of our stakeholders including our residents. The workshop is scheduled for March 12th and March 13th. Commissioner White passed out a flyer for the commissioners and encouraged them all to attend.

He shared that they have looked at Mr. Hill's and Commissioner White's past experiences, modeled the proposed by-laws and ethical conduct based on some other agencies. They are not reinventing the wheel. There is some fine tuning that needs to be done that is particular to us. These proposed by-laws were done directly and largely to keep us from going through what we have gone through for the last 8 years.

He provided some specific past experiences of the BOC which included:

- A Chair that publicized an employee's salary.
- Members of the Board who actively engaged in buying WHA assets after being told that they could not.
- BOC's who actively solicited payment from WHA for some of their events.
- Commissioners met in a quorum to discuss matters not in front of the public.
- BOC's that have intimidated or threatened employees.

The BOC members are only as good as their governance. We need to make certain that we have by-laws that ensure the integrity of the organization, the staff and our residents.

Chairman Spadola questioned what the formal method for approving the by-laws is. Commissioner White responded that he proposes that we do two (2) readings of the by-laws

and adopt them at the third meeting. The workshops will occur in March, brought up for discussion at the March BOC meeting and voted on in April.

The Chairman added that he sees this as “altering our constitution” and suggests to not just have a majority approval but 2/3 majority approval. Commissioner White responded that after this, that is the requirement; however, we do not have that requirement now. To clarify, after the adoption that is the requirement to change the by-laws.

9. OLD BUSINESS

Resolution 18-19, Rental Demonstration Program (RAD) application for Lincoln Towers

Commissioner White called for a motion to waive discussion and Commissioner LaFate seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.

10. NEW BUSINESS

Mr. Hill reviewed his presentation of the 2020 Budget which is included in the Board Book.

There was concern that there will not be enough time for the BOC’s to review the budget, raise their questions and concerns, and be ready to approve it in March. This is only 30-days. The Chairman shared that there will be a Finance Committee meeting held prior to the March Board meeting.

Mr. Willoughby suggested that a Board Workshop be held which means there is discussion but no voting. The Budget Workshop could be held in lieu of the Finance Committee meeting so the entire Board could attend and ask questions. The Chairman agreed this is a good idea and that he would “Doodle” the BOC members to coordinate the workshop.

11. ADJOURNMENT

With no further business to come before the Board, the Chairman called for a motion to adjourn the meeting. Commissioner Heckles made the motion and Commissioner LaFate seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.

The meeting was adjourned at 8:04 p.m.

ADOPTED March 25, 2019

Respectfully submitted,


Steven Washington, Secretary