

**MINUTES OF THE BOARD MEETING**  
**Wednesday, April 22, 2015 - 4:00 P.M.**

**THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY**  
**1333 Atlantic Avenue, Suite 700**  
**Atlantic City, NJ 08401**

In accordance with the provisions of the Open Public Meetings Act (N.J.S.A. 10:4-10) the Regular Board Meeting of the Atlantic County Improvement Authority Board of Commissioners was called to order by Chairperson Foster at 4:02 p.m. in the 7<sup>th</sup> Floor Conference Room at the Atlantic County Improvement Authority, 1333 Atlantic Avenue, Suite 700, Atlantic City, New Jersey 08401.

**COMMISSIONERS IN ATTENDANCE**

Roy M. Foster, Chairperson; Robert Tarby, Sr., Vice Chairperson; Neil McPeak, Treasurer; Mayor Don Guardian, Commissioner (arrived at 4:11 p.m.); Edwin G. Blake, Secretary; Robert Gross, Commissioner; and Joseph Ingemi, Commissioner, attended.

Rev. Milton Hendricks, Asst. Secretary, and Mayor John Armstrong, Commissioner, were absent from the meeting.

**OTHERS IN ATTENDANCE**

Bonnie Lindaw, Atlantic County Treasurer and Randy Lafferty, General ACIA Counsel.

Also in attendance were the following guest speakers:

- ACIA Auditors -Holman, Frenia, Allison, PC: Bob Allison, Partner, and Brian Waldron, Audit Manager.
- Pleasantville Housing Authority (PHA): Vernon Lawrence, Executive Director; Ivy Melendez, On-Site Manager of Barlinvis Apartments; and Dave Caracciolo, Operating Manager for the PHA/Community Development Corp.

**STAFF IN ATTENDANCE**

John C. Lamey, Jr., Executive Director; Lori Riggs, Program Manager; Joseph J. Giraldo, Program Administrator for Housing Rehabilitation; Timothy Edmunds, Project Manager; Robert McGuigan, CDBG Program Coordinator; and Lisa Duffner, Administrative Assistant.

## **I. OPENING STATEMENT AND ROLL CALL**

Chairperson Foster read the Notice of Public Meeting and the roll was called.

## **II. PRESENTATIONS**

### **A. 2014 Audit**

Mr. Lamey introduced Bob Allison, of Holman Frenia and Allison P.C., who presented the results of the Authority's 2014 audit. Mr. Allison and Mr. Waldron met with the Authority's Finance Committee prior to the Board Meeting to discuss those results. Mr. Allison said that they issued an unmodified opinion and had no findings or recommendations. The Authority's net position stood at \$618,386 at the end of 2014 representing an increase of \$65,687.00 over 2013. Mr. Waldron thanked the staff for their assistance and responsiveness during the process.

### **B. Barlinvis Progress Report**

Mr. Lamey then introduced Vernon Lawrence, Executive Director of the Pleasantville Housing and Redevelopment Corporation, management Agent for the Barlinvis Apartments. Mr. Lawrence presented on their experience so far with the facility. He said that the two pressing issues that need to be addressed regarding Barlinvis are the roof system on each of the 8 buildings and windows. Mr. Ingemi asked Mr. Lawrence if he is putting a budget together for capital improvements. Mr. Lawrence said that, along with staff of the Authority, we will commission a Physical Needs Assessment that will identify the issues and the projected costs. From there, we will develop a capital plan to address the issues. Ivy Melendez addressed a question regarding the number of residents in Barlinvis and if there are any vacancies. Ms. Melendez said that vacant units are not a problem since there is currently a waiting list to get into Barlinvis and the next eligible residents have been on the list since 2011.

### **B. CONTRACTS AWARDED - Authorized by Executive Director**

There were no contracts authorized by the Executive Director for an amount under the public bidding threshold (\$17,500) as established pursuant to P.L. 1985 Chapter 469.

## **III. MINUTES**

### **A. Minutes of the March 18, 2015, Board Meeting**

The Board was asked to approve the Minutes of the March 18, 2015, Board Meeting. A motion was made by Mr. Blake, and seconded by Mr. McPeak, to approve the Minutes of the March 18, 2015 Board Meeting. By a vote of 7-0-0, the Minutes were approved.

**IV. FINANCIAL REPORT**

**A. Financial Report from January 2015.**

The Board was asked to approve, by Resolution, the expenditures contained in the Financial Report from January 2015.

A motion was made by Mr. Tarby, and seconded by Mayor Guardian, to approve the Resolution. By a vote of 7-0-0, the Resolution was approved.

**B. Financial Report from February 2015.**

The Board was asked to approve, by Resolution, the expenditures contained in the Financial Report from February 2015.

A motion was made by Mr. Tarby, and seconded by Mayor Guardian, to approve the Resolution. By a vote of 7-0-0, the Resolution was approved.

**C. ACIA Annual Audit/Audit Review Certification**

The Board was asked to certify to the Local Finance Board that pursuant to N.J.S.A. 40A:5A-17 they have each reviewed the annual audit report for the fiscal year, which ended December 31, 2014, and, specifically, the sections of the Audit report entitled “General Conditions” and “Recommendations.”

A motion was made by Mr. Ingemi, and seconded by Mr. Gross, to adopt the certifying resolution regarding the 2014 Audit. By a vote of 7-0-0, the certification was approved.

**V. AUTHORITY UPDATE**

**REDEVELOPMENT AND BOND COUNSEL**

On September 17, 2014 by the Board appointed a pool consisting of Fleishman Daniels Law Offices LLC; McManimon, Scotland, & Baumann LLC; and Kraft and Capizzi, Attorneys-at-Law, to provide bond counsel and redevelopment services as requested in matters relating to the issuance of public debt instruments including bonds and bond anticipation notes of the Authority and as legal representative of the Authority related to redevelopment activities. The resolution also authorized the Executive Director to select a firm from that pool which is best suited for a particular issue and the needs of the Authority related to that issue based on the aforementioned criteria for the period from September 1<sup>st</sup>, 2014 to August 31<sup>st</sup>, 2015.

Accordingly, the Executive Director has engaged two of the firms to provide advice and services on certain projects.

1) McManinon, Scotland & Baumann, LLC, was engaged to provide services for three projects:

- A. Investigate a specific Atlantic City issue to determine if there is a role for the Authority to assist in resolving the issue.
- B. Advise on the potential role of the Authority in the acquisition and redevelopment of certain properties in Atlantic City, and
- C. Provide assistance in the implementation of the redevelopment program being undertaken by the Authority.

2) Fleishman Daniels was engaged for the following purpose:

- A. To provide an opinion on the effect of the rating terms of the \$12.8 million loan from CRDA to the Authority for the additional components of the Boardwalk Improvement Project.

Mr. Lamey provided an update on other projects that the Authority is working on.

#### **BOB McGUIGAN – CDBG PROGRAM COORDINATOR**

Mr. Lamey introduced Bob McGuigan to the Board. Mr. McGuigan was hired on 3/30/15 to fill the position of CDBG Program Coordinator.

## **VI. RESOLUTIONS**

### **A. ADMINISTRATIVE**

#### **1. Amendment to the Agreement with Cooper Levenson**

The Board was asked to amend the previous agreement with Cooper Levenson for Legal Services extending the term of the agreement to May 15, 2015, and to provide an additional \$25,000 for a total amended amount not to exceed \$62,000.00.

On March 12, 2014 the Board authorized a Professional Services Agreement with Cooper Levenson, Attorneys-At-Law, to serve as Counsel to the Authority, for the period from March 1, 2014 to August 31, 2014, for a gross contract not to exceed \$12,500.00. On August 6, 2014 the Board authorized an amendment to that contract for an additional amount not to exceed \$7,500.00 for a total amended contract not to exceed \$20,000.00. On September 17, 2014, the Board authorized the renewal of the agreement for an additional amount of \$17,000.00 for a total not to exceed amount of

\$37,000.00 for the period through February 28, 2015.

During the period, the costs incurred for routine general services was \$10,823.00. However \$50,899.50 of additional costs were incurred due to the need for additional legal services in the resolution of various non-routine projects. The cost incurred for those services exceed the amount by approximately \$25,000.00 for the period.

Staff has reviewed the invoices and determined that they appear to be in order and the charges are justified. County Counsel has also reviewed the invoices and concurs that they appear to be reasonable and appropriate for the level of services provided.

A motion was made by Mr. Gross, and seconded by Mr. Tarby, for a Resolution to amend the previous agreement with Cooper Levenson for Legal Services, for the reasons stated above. Mayor Guardian and Mr. Ingemi abstained from the vote. By a vote of 5-0-2, the Resolution was approved.

**2. Amendment to the Agreement with Youngblood, Franklin, Sampoli & Coombs, P.A.**

The Board was asked to amend the agreement for Special Council with Youngblood, Franklin, Sampoli & Coombs P.A., extending the term of the agreement to June 30, 2015, and to provide an additional amount of \$7,500.00 for a total amended amount not to exceed \$22,500.00 for costs incurred and anticipated to be incurred as required to bring the Barlinvis matter to conclusion.

The original agreement was authorized March 12<sup>th</sup>, 2014, with Youngblood, Franklin, Sampoli and Coombs, P.A., to serve as Special Counsel to the Authority to provide services specifically to bring the matter of the acquisition of the Barlinvis Apartments to conclusion for the period from March 1, 2014 to June 30, 2014, for an amount not to exceed \$10,000.00. On August 6, 2014, the Board authorized an amendment extending the term through completion of the acquisition and any necessary legal follow up for an additional not-to-exceed amount of \$5,000, for a total amended amount of \$15,000.00.

Certain anticipated and some unanticipated issues arose during the course of the acquisition that required the additional participation of Special Counsel to protect the interests of the Authority.

Staff is requesting an amendment to the contract for an additional \$7,500 to bring the total not to exceed amount to \$22,500.00.

A motion was made by Mr. Ingemi, and seconded by Mr. Blake, for a Resolution to amend the previous agreement with Youngblood, Franklin, Sampoli & Coombs, P.A., for the reasons stated above. By a vote of 7-0-0, the Resolution was approved.

**3. Amendment to the 2014 Consultant Contract with Mullin & Lonergan**

The Board was asked to amend the agreement for Community Development Consulting Services to extend the term to 12/31/15.

On February 5, 2014, the Board authorized an agreement with Mullin & Lonergan Associates, as Consultant for the 2014 HOME Consortium Program, and the 2014 Community Development Block Program, for an amount not to exceed \$35,300.00, through February 28, 2015. There is a balance on the agreement of approximately \$6,800, and there remains open projects initiated with the help of the consultant during that period that still may require some assistance. Staff is requesting authorization to amend the agreement extending the term through December 31, 2015, to allow the utilization of the existing funds as needed.

A motion was made by Mr. Ingemi, and seconded by Mr. Blake, for a Resolution to amend the agreement for Community Development Consulting Services to extend the term to 12/31/15. By a vote of 7-0-0, the Resolution was approved.

**4. Amendment to the Financial Management Services Agreement with Jane Lugo**

On January 14th, 2015 the Board authorized an agreement with former Atlantic County Treasurer Jane Lugo to review and provide recommendations regarding the policy and procedures of the Authority's Financial Management System. The initial scope of services included review and recommendations of accounting procedures, reporting format and protocol, computer software, as well as providing assistance and training to the Senior Accountant for \$40.00 per hour for a total not to exceed amount of \$3,600.00, and

During the course of her engagement, Ms. Lugo, the Senior Accountant, and the Executive Director, identified the need for additional services to ensure the integrity of the Authority's systems and increase the Authority's efficiencies in ensuring the accuracies related to the execution of accounting methods, reporting, protocols and procedures of the Authority's Financial Management System.

The additional activities included creating a Financial Management Procedures Manual, the preparation of 2014 year end audit schedules, the analysis of existing agency, grant and bond accounts, assistance in the preparation of year end journal entries, participation in the transition to the new Accounting Software System and providing recommendations regarding the distribution of accounting functions.

In light of the recent transition to a new Senior Accountant which allowed for limited interaction with her predecessor, the importance of the review performed and the recommendations put forth regarding the accuracy, procedures and methods pertaining to the financial systems are paramount to ensuring the integrity of the organization.

A motion was made by Mr. Ingemi, and seconded by Mr. Gross, for a Resolution to amend the agreement with Jane Lugo for assistance in streamlining and improvement the Authority's financial management system for an additional \$6,400.00 for a total not to exceed \$10,000.00. By a vote of 7-0-0, the Resolution was approved.

## **B. PROJECT MANAGEMENT**

### **1. Atlantic City Demolitions**

As part of the Atlantic City Demolition Program, the Authority advertised for bids for four (4) properties on March 30<sup>th</sup>. Included were 2701 Fairmont Avenue, 5 South New Hampshire Avenue, 21 North Sovereign Avenue and 40 South Madison Avenue. The City requested that we withdraw 40 South Madison Avenue at this time.

Five contractors: Transformation, Earth Tech, Yanuzzi, Hudson Valley Environmental and Site Enterprises had picked up bid packages. The responses were received on Friday, April 17, 2015, with the results as follows:

**a) 2701 Fairmount Avenue** - Responses ranged from \$39,600.00 to \$69,080.00. Upon review of the responses staff recommends awarding to Transformation Enterprises as the lowest responsive bidder for an amount not to exceed \$39,600.00.

A motion was made by Mr. Gross, and seconded by Mr. Blake, for a Resolution to authorize the Executive Director to execute an agreement with Transformation Enterprises for the Demolition of 2701 Fairmont Avenue, Block 380, Lot 12 in Atlantic City. By a vote of 7-0-0, the Resolution was approved.

**b) 5 South New Hampshire Avenue** - Responses ranged from \$37,290.00 to \$64,901.00. Upon review of the responses, staff recommends awarding to Transformation Enterprises as the lowest responsive bidder for an amount not to exceed \$37,290.00.

A motion was made by Mr. Blake, and seconded by Mr. Gross, for a Resolution to authorize the Executive Director to execute an agreement with Transformation Enterprises for the Demolition of 5 South New Hampshire Avenue, Block 83, Lot 18 in Atlantic City. By a vote of 7-0-0, the Resolution was approved.

**c) 27 North Sovereign Avenue** - Responses ranged from \$29,197.30 to \$50,667.10. Upon review of the responses, staff recommends awarding to Earth Tech Contracting as the lowest responsive bidder for an amount not to exceed \$29,197.30.

A motion was made by Mr. Blake, and seconded by Mr. McPeak, for a Resolution to authorize the Executive Director to execute an agreement with Earth Tech for the Demolition of 21 North Sovereign Avenue, Block 263, Lot 30 in Atlantic City. By a vote of 7-0-0, the Resolution was approved.

## **C. COMMUNITY DEVELOPMENT**

### **1. Inspection Services - Pleasantville Housing Authority**

The Board was asked to authorize the Executive Director to execute a shared services agreement with the Pleasantville Housing Authority for the ACIA to provide Housing Quality Standard Inspections to provide them with Housing Quality Standards Inspections in accordance with the following fee schedule: : \$60.00 for each Annual Housing Quality Inspection, \$40.00 for each Re-inspection; \$40.00 for each Special Inspection, \$15,00 for each Inconclusive, No Show with the provision that additional work not defined in the scope will be billed at an hourly rate of \$55.00.

A motion was made by Mr. Ingemi, and seconded by Mr. Gross, for a Resolution to authorize the Executive Director to execute shared services agreement with the Pleasantville Housing Authority, as stated above. By a vote of 7-0-0, the Resolution was approved.

## **VI. EXECUTIVE SESSION**

There was no Executive Session.

## **VII. OLD BUSINESS**

No old business was discussed.

**VIII. NEW BUSINESS**

No new business was discussed.

**IX. OPEN SESSION**

There was no Open Session.

**X. ADJOURNMENT**

A motion was made by Mr. Tarby, and seconded by Mr. Ingemi, to adjourn the meeting at 5:10 p.m. All were in favor.

Respectfully,

Edward G. Blake  
Secretary