

**PRINCETON HOUSING AUTHORITY
MINUTES OF THE EXECUTIVE SESSION MEETING
March 27, 2018**

The members of the Board of Commissioners of the Princeton Housing Authority met in executive session at the Henry F. Pannell Learning Center, 2 Clay Street, Princeton, NJ.

The meeting was called to order at 7:30 p.m. by Chairperson Newlin and upon roll call, those present and absent were:

Present: Commissioners Newlin, Sipprell, Logan, McGowan, Tuck-Ponder and Weiss,
Attorney Cochran; Liaison Liverman
Absent: Commissioner Pannell
Guest: Diane Johnson, former Director of HUD- Newark, NJ

Upon motion made by Ms. Sipprelle and seconded by Mr. McGowan, a resolution approving the exclusion of the public from the executive session pursuant to *N.J.S.A. 4:10-12(b)(7)* was unanimously adopted by roll call vote.

Chairperson Newlin began the executive session by briefly reviewing the circumstances which lead to the voluntary withdrawal of Mr. Parsons as a “service provider” under the terms of the Shared Services Agreement. Mr. Newlin related that a certain tenant had been caught altering Social Security documents demonstrating monthly income which resulted in a lesser rent being charged to the tenant under HUD guidelines. Upon discovery, notice was sent to the tenant demanding repayment of the amount of rent fraudulently underpaid. Following the demand for repayment, but prior to agreement by the tenant to repay, Attorney Cochran was instructed to send the tenant notice of lease termination for the fraud committed. Between the time of the mailing of the notice from Attorney Cochran and the tenant’s receipt of the notice, the tenant made restitution in full of the underpaid rent. Upon receipt of the notice of lease termination, the tenant went to the Mayor of Princeton to complain. The Mayor, in turn, contacted liaison Liverman, who, in turn, contacted Mr. Newlin. After a brief discussion with a staff member, liaison Liverman was advised that the underpaid rent was fully repaid. Liaison Liverman so advised Mr. Newlin who, in turn, advised the Mayor that the tenant would not be evicted.

Attorney Cochran recommended that the Board focus upon both a short term and a long term solution to the current situation. Mr. Cochran advised that he was prepared to put forth a short term solution, but would defer to the expertise of Ms. Johnson to explain various long range options.

Attorney Cochran then advised the Board that the terms of the Shared Services Agreement specifically provided that the Princeton Housing Authority (“PHA”) had the contractual right to immediately cancel the Agreement in the event of a change of either of the designated “services providers” (*i.e.*, Scott Parsons and Mary Jo Grauso). However, the Lakewood Housing Authority (“LHA”) was required to provide at least 120 days advanced written notice if it elected to cancel the Agreement. Accordingly, LHA was still contractually bound to perform its duties under the

terms of the Agreement. Mr. Cochran then reported that he had spoken both with Mary Jo Grauso and counsel for LHA regarding the situation. He related that LHA, although having raised the issue of PHA being in “breach” of the Agreement due to the incident giving rise to Mr. Parsons withdrawing as a service provider, LHA’s counsel acknowledged that it did not wish to litigate the issue and would accept its responsibility to provide the 120 days written notice to cancel. Mr. Cochran then advised the Board of his very candid conversation with Ms. Grauso wherein she acknowledged that she was not as capable as Mr. Parsons in handling the required reporting tasks and responsibilities of the Agreement and that, in fact, Mr. Parsons was handling those duties for LHA as well. Mr. Cochran explained that he had made a detailed inquiry of the abilities of the existing staff to assume some or all of the duties previously handled by Mr. Parsons only to learn that Mr. Parsons nearly singlehandedly undertook all of the day-to-day reporting responsibilities, was the only one with knowledge of critical systems and passwords and that no one else was capable of immediately assuming the role he fulfilled.

Attorney Cochran then detailed the substance of his negotiations with counsel for LHA, Terrence Corriston, which resulted in the March 12, 2018 letter from LHA counsel to him which was included in the packet of materials given to each Commissioner. Mr. Cochran stated that it was his unqualified recommendation that the Board approve the terms of the March 12, 2018 letter in order to have Mr. Parsons resume the reporting responsibilities and cooperate with the exchange of necessary system information to his successor. He related that this recommendation was based upon the fact that, with Ms. Johnson’s assistance and guidance, a replacement for Mr. Parsons could be readily obtained within the 120 day contractual withdrawal period and that the critical reporting duties of PHA would not be compromised or neglected. Moreover, PHA could cancel the Agreement at any time in the event that the transition took less than 120 days.

Ms. Johnson advised the Board that a replacement for Mr. Parsons was necessary and that the need for it was relatively immediate. However, she concurred with Attorney Cochran that it was critical to secure the cooperation of Mr. Parsons in the transition in order to avoid catastrophe damage to PHA. Ms. Johnson advised that she had a few potential candidates in mind that could step in, and with the basic cooperation of Mr. Parsons in relinquishing information known only to him (*e.g.*, passwords, proprietary software access, etc.), could be functioning seamlessly with weeks. Ms. Johnson stressed that what PHA had was not “an acting Executive Director”, but a Shared Services Agreement with LHA to which LHA, not the named individuals, was bound. She further stressed that PHA needed to make clear its intention of enforcing its rights under that Agreement in order to ensure a smooth transition.

Ms. Johnson also briefly addressed the issue of the RAD conversion. She noted that RAD conversion was almost an economic necessity and that she was a strong proponent that PHA should continue with the process. She stated that she could assist in securing a reasonable delay in the closing date in order to coordinate the transition from the Shared Services Agreement and an orderly RAD closing.

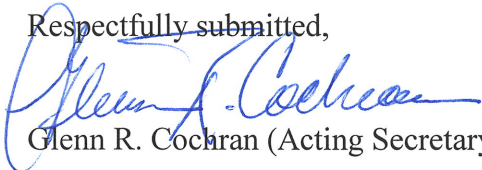
Ms. Johnson concluded her remarks and presentation by advising that she would be willing to work as an hourly fee consultant for PHA to guide it through and oversee the transition process. Several Commissioners expressed concern about how many hours of her time it would take to

perform the proposed work. Ms. Johnson advised that she needed 24 hours to consider all of the issues in order to present the Board with a realistic estimate.

Discussion then moved to the adoption of a resolution authorizing Attorney Cochran to communicate to LHA counsel the Board's acceptance of the terms of the March 12, 2018 letter to return Mr. Parsons as a "service provider" during the withdrawal period. After a brief discussion, the Board directed Mr. Cochran to negotiate a qualification to condition #1 with counsel for LHA with the understanding that the Board would hold a special meeting of the Board of Commissioners on Wednesday, April 4, 2018 to adopt a resolution to accept the letter with the proposed modification.

At 9:20 pm, a motion to adjourn was made by Ms. Sippelle and seconded by Mr. McGowan. All approved.

Respectfully submitted,



Glenn R. Cochran (Acting Secretary)