

The stated meeting of the Public Affairs Committee of the Board of Commissioners of the Township of Abington was held on Wednesday, December 2, 2015 at the Township Administration Building, Abington, PA., with Commissioner Spiegelman presiding.

**CALL TO ORDER:** 8:29 p.m.

**ROLL CALL:** Present: Commissioners SPIEGELMAN, FARREN, SCHREIBER, SANCHEZ, JONES

Township Manager LEFEVRE  
Township Solicitor CLARKE  
Director of Parks and Recreation WENDELL  
Community Director STROTHER

Also Present: Commissioners LUKER, KLINE, BOWMAN, KALINOSKI, ZAPPONE, HECKER, DiPLACIDO, MARKMAN, MYERS, GILLESPIE

**MINUTES:** Commissioner Spiegelman made a MOTION, seconded by Commissioner Farren to approve the minutes of the October 28, 2015 Public Affairs Committee Meeting.

MOTION was ADOPTED 5-0.

Parks and Recreation Report:

Director of Parks and Recreation, Mr. Doug Wendell announced that there will be a trip to the show at the Radio City Music Hall in New York City and tickets were sold out.

Abington Township's Reimbursement to HUD

Commissioner Spiegelman made a MOTION, seconded by Commissioner Schreiber to approve Abington Township's reimbursement to HUD, with non-Federal funds, in the amount of \$125,130.14 for noncompliance with federal regulations. HUD issued two-(2) findings during its onsite monitoring visit conducted on January 26-29, 2015, which are: 1.) The 2013 After-School program fell below the minimum standard and the Township has to reimburse \$16,500.00 and 2.) The Owner-Occupied Housing Rehabilitation program could not provide proof of cost reasonableness for contract modifications of six-(6) properties in the amount of \$108,630.14 from Fund Balance.

Commissioner Spiegelman called on Mr. Strother for further explanation.

Mr. Strother explained that in January 2015, officials from the U.S. Department of Housing and Urban Development (HUD) performed a routine onsite monitoring of several Township programs funded by CDBG funds. The results were received in March with two findings and the Township responded to the majority of them; however, in mid-October, HUD asked for the remaining items to be completed. At that time, he sent a response letter to officials of HUD requesting a three-month period to review the larger item of the Owner-Occupied Housing Rehabilitation program where there was documentation missing on projects that were performed before his time in this position and it will take some time to do a forensic accounting and review. He has not received a response from HUD on the extension.

The item of the after-school program fell below the minimum standard of 51% of attendees that have to be from low-to-moderate income households and that will need to be reimbursed.

The motion before the Board is approval for funds to be reimbursed to HUD for this claim of noncompliance. Best case scenario would be that the Township would only have to pay \$16,500.00; worse case scenario would be that the Township would have to pay \$125,130.14.

Commissioner Spiegelman clarified that the situation has been remedied going forward in terms of the Township incurring any costs in the future. Is that correct?

Mr. Strother replied that is correct.

Commissioner Spiegelman clarified that it will take three months to find out what penalties the Township will be subject to. Is that correct?

Mr. Strother replied no. He requested three months to investigate the files and go onsite and speak with the contractor to document the reasonableness of the false modifications that were performed during construction.

Manager LeFevre added that these discrepancies in recordkeeping occurred prior to Mr. Strother's employment with the Township and he has been actively working to reconstruct those files. The reason for the motion this evening is that in the event that the Township has to reimburse funds to the Federal government, we are requesting that funds come from this year's (2015) allocation.

Additional information was obtained this week in the Finance Department in relation to these six properties that may be helpful in our appeal. We are cautiously optimistic that the Township will not need to reimburse the entire amount of \$125,130.14.

Commissioner Spiegelman asked for any comments from Commissioners.

Commissioner Jones questioned whether there could be a waiver since it was only one percent.

Mr. Strother replied although, it was only one percent; there were 28 participants at the beginning of the year, and at the end of the year, it was the same amount. Survey forms were given to each participant and 14 were eligible and 14 were not eligible, thereby, it was one percent below the minimum requirement.

Commissioner Sanchez questioned whether there is an appeal process beyond HUD, if necessary.

Mr. Strother replied the Federal government is very clear on the release of Federal funds that is well-documented and includes a tremendous amount of regulations.

Commissioner Luker questioned whether change orders are permissible for HUD properties.

Mr. Strother replied yes, change orders are permissible, but there is a specific, prescribed way on how it is executed. However, the Township could not produce the documentation filed for the six homes.

Commissioner DiPlacido questioned whether the funds listed in the motion were submitted to the Township and then spent and now has to be repaid, or are they fines?

Mr. Strother replied they are not fines. They were funds given to the Township that were released, but protocol was not followed for the contract modifications.

Commissioner Hecker clarified that these funds would be taken from any surplus derived from the year 2015. Is that correct?

Manager LeFevre replied that is correct, if necessary.

Commissioner Kline asked Mr. Strother if he is purely concerned about lost documents or will he look into all other possibilities.

Mr. Strother replied it is not lost documents, it is the absence of documenting the event during construction, but he will look at all other possibilities.

Commissioner Spiegelman asked for any public comments.

Lora Lehmann, 1431 Bryant Lane, asked how are people chosen for these homes?

Mr. Strother replied there is a waiting list with a two-three year wait time to enter the program. A packet is sent out to the individual to verify whether or not they are income-eligible.

MOTION was ADOPTED 5-0.

Commissioner Spiegelman asked for any general comments relating to Public Affairs.

Lora Lehmann, 1431 Bryant Lane, commented that she feels “communication needs to improve.”

**ADJOURNMENT:**            8:49 p.m.

Respectfully submitted,

Michael LeFevre, Township Manager

sev