

**MINUTES OF THE APRIL 19, 2023  
SPECIAL MEETING  
OF THE HOUSING AUTHORITY  
OF THE TOWN OF PHILLIPSBURG**

A Special Meeting of the Housing Authority of the Town of Phillipsburg was held on April 29, 2023 at 6:30 P.M. at the Phillipsburg Housing Authority Community Building, 535 Fisher Avenue, Phillipsburg, New Jersey 08865.

The meeting was called to order at 6:30 P.M. by Chairman Corcoran and upon roll call the following members were present: Commissioners Corcoran, Shelly, VanWhy, Hay, and Scerbo. Also present were Executive Director Tom McGuire, General Counsel, Katharine Fina, Esq., and the Authority's Accountant William Katchen, CPA. Commissioners Lewis and Pierce were absent.

Chairman Corcoran announced in accordance with the Open Public Meetings Act, notice of the meeting was delivered to the Express-Times, Municipal Clerk, posted in the Municipal Building, posted in the Housing Authority Lobby and on the Housing Authority website. Chairman Corcoran directed said announcement to be entered in the minutes of the meeting.

**PUBLIC COMMENT**

None.

**NEW BUSINESS**

Bill Katchen provided a presentation regarding RAD Financing. Mr. Katchen reported that on February 22, 2023, the Authority received proposals for RAD financing. A summary of the Financing Proposals was provided to the Board. The Authority received 5 proposals from Berkadia, Bedford Lending, Unity Bank, Provident Bank, and Lakeland Bank. Mr. Katchen reported that several meetings were held between the Authority and its consultants to discuss the proposals. On April 14, 2023, the Authority and its consultants held a meeting with Provident Bank and Lakeland Bank to further discuss their proposals. The Authority's consultants are recommending an award to Lakeland Bank.

Mr. Katchen advised that, generally, an authority would only receive one or two proposals. However, due to the PHA's balance sheet and debt service ratio, the Authority received 5 proposals. Mr. Katchen reported that both Berkadia and Bedford Lending were offering FHA loans. Mr. Katchen stated that a positive of these two banks is that they provide fixed rates. Although Mr. Katchen believes they are both solid, good proposals, he advised of the negatives of FHA loans, including the fact that FHA requires a lot of belt and suspenders requirements, including additional insurance requirements and no prepayment option. He also advised that it may take a year to close on a FHA loan.

Mr. Katchen advised that Unity Bank was offering a tax-exempt rate. However, they are new to the market and have never financed a RAD conversion previously.

Mr. Katchen reported that Provident does have prior experience with one project. He also reported that Provident is great to work with.

Mr. Katchen reported that Lakeland Bank is offering the best rate and they allow a pre-payment of up to 10% without penalty. They would also provide a quicker closing date than a FHA loan, with closing in the next 5 to 6 months. Mr. Katchen did advise that Provident is in the process of purchasing Lakeland, so, ultimately, the Authority would be working with Provident. However, the Lakeland employees would continue to handle the account after the acquisition.

Following Mr. Katchen's presentation, several commissioners asked questions and there was a discussion regarding the payment process.

There was discussion regarding the next steps. It was stated that the next step is for the Board to award the contract at its May 2023 meeting. Afterwards, hopefully the Authority can close on the loan by the end of summer or early fall. Then, construction could commence early 2024. Mr. McGuire reported that the Authority already has an engineer working on the specifications.

#### **COMMISSIONER COMMENT**

None.

#### **EXECUTIVE SESSION**

None.

#### **ADJOURNMENT**

There being no further business to come before this Authority, Commissioner Shelly moved at the call of Chairman Corcoran to adjourn the meeting, which motion was seconded by Commissioner Scerbo. Meeting adjourned at approximately 7:00 P.M.

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**THOMAS F. McGUIRE**  
Executive Director/Secretary-Treasurer

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**T. KENT CORCORAN**  
Chairman