

STATE OF NEW JERSEY
SECAUCUS HOUSING AUTHORITY
700 COUNTY ROAD
SECAUCUS, NEW JERSEY

January 26, 2017

This is a condensed transcription of the taped minutes as taken on Thursday, January 26, 2017 at Kroll Heights, 700 County Road, Secaucus, New Jersey.

Executive Director Christopher Marra welcomed everyone and called the meeting to order.

SWEARING IN OF NEW COMMISSIONER

ED Marra requested incoming new Commissioner Antonio Suarez tells everyone about himself. Commissioner Suarez explained he moved to Secaucus about four years ago and originally is from Bayonne. His background is in finance and real estate with an MBA, doing courses in CMFO, and has knowledge of finances for government. His wife is the attorney for Town of Secaucus.

(At this point in the proceeding, James Burke, Esq. swore Antonio Suarez in as Commission of the Secaucus Housing Authority.)

ED Marra noted it was wonderful to have seven Commissioners and to have seven in attendance this evening.

ROLL CALL

Present: Chairman Michael Harper
Vice-Chairman Michael Schlemm
Treasurer Richard Fairman
Commissioner Michael Grecco
Commissioner Antonio Suarez
Commissioner Patricia Mondadori
Commissioner Carmen Rivera

Also Present: Executive Director Christopher Marra
Deputy Executive Director James Naszimento
James Burke, Esq., Counsel to the Authority
William Katchen, CPA

OPEN PUBLIC MEETINGS ACT – Chairman Harper read the following:

“Adequate notice of this meeting, as required by the Open Public Meetings Act, has been provided by the filing of a Regular Meeting Notice with the Municipal Clerk, the posting of said notice on the official bulletin board in the Municipal Government Center, and delivery of same to the Jersey Journal and Secaucus Homes News on December 16, 2015. This body wishes to advise you that, in accordance with N.J.S.A. 26:3D(1), et seq. (Smoking in Public Buildings), smoking is prohibited while this body is in open or closed session.”

FLAG SALUTE

(At this point in the proceeding, the Pledge of Allegiance was led by Commissioner Suarez and recited by all present.)

APPROVAL OF MINUTES – DECEMBER 8, 2016

Motion to approve minutes from December 2016 made by Commissioner Grecco; seconded by Commissioner Schlemm. There were no questions or comments.

VOTE: AYES/All Present Commissioners (6)

Abstain: Suarez

PAYMENT OF CLAIMS – December 2016 & January 2017

Motion to approve payment of claims for December 2016 and January 2017 made by Commissioner Schlemm; seconded by Commissioner Mondadori.

VC Schlemm asked about Cortes & Hay. ED Marra said it's a title insurance company that did work on closing for RAD deal. Commissioner Mondadori asked about Hi Touch Office Supplies for \$2,200. ED Marra answered it's a company like Staples supplying multiple products. They show up on SHA bills about four times a year.

Commissioner Fairman asked about Thyssen Krupp, is that bid out. Mr. Marra said they have a 3-year contract and it is bid out. They get paid an annual and an hourly rate that they get paid. There have been major issues with the elevator at The Towers, probably the majority of that bill; and some issues at The Elms with their elevator. One elevator was down for a week there waiting for a part.

VC Schlemm asked about camera replacement. ED Marra answered one of the cameras broke – SMS. The amount is \$1300. He said it was not at The Elms. On the January bill there was \$2,800 for SMA also. Two years ago SHA signed a \$2,800 contract with SMS, and were under the impression that meant \$2,800 for 24 months, but it didn't mean that. It meant \$2,800 a year, but for two years you'd get that rate. SHA paid the first year; in the second year SHA didn't pay the \$2,800 because SHA thought it was for 24 months. ED Marra had many emails going back and forth between DED Naszimento and a man at SMS, who retired. ED Marra deals with the owner, Steve (inaudible). The \$1,300 was a charge from early in 2016 when the camera did break and for some work that they did outside of the \$2,800, which SHA

held the payment the entire time. Basically, Steve said to SHA: you don't pay us the \$2,800 for the year; you pay the \$1,300 and SHA will sign a new contract with SMA for \$2,800 for 2017, which was ok with the owner. That \$1,300 is for a damaged camera which probably happened in April-May 2016, but because everything was going back and forth, payment was held. VC Schlemm asked if this was under warranty. ED Marra said this was beyond the warranty year.

VOTE: AYES/All Present Commissioners (7)

Chairman Harper informed Commissioner Suarez that he does a voice vote, but if at any point the Commissioner should require an individual vote, the roll will be called.

MISCELLANEOUS

ED Marra invited Caitlin Salomar (phonetic), whose Mom lives in this building. Caitlin called the office and informed them she'd like to volunteer once a week to do recreation activities with the residents. Carmen has been helping her as well. Caitlin explained to the Commissioners she moved to Secaucus 4 years ago. Her mother lives here and Caitlin works for the Board of Ed as a school bus driver, part-time. Caitlin realized there were no activities here, so she volunteered her time. Chairman Harper thanked Caitlin. ED Marra said on Thursdays they have games, talk about different things. Today there were 9-10 people in her group that came down. It is difficult to get people to come, and she is only doing it in this building. ED Marra said they'll try it one more month here, February, and then sending to Caitlin to The Elms for a month. Everybody wants to do something at The Elms. People come out to Commissioners' meeting, but not so here. Mr. Marra will have more time next month to promote it more. ED Marra asked Commissioner Rivera what she thought about it. Commissioner Rivera said The Elms' tenants participate more in everything that goes on. Kroll Heights, they're too lazy. Caitlin acknowledged she's only at Kroll one day a week, and asks permission of ED Marra for anything she plans. Chairman Harper thanked Caitlin once again. (Applause.)

RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD)

ED Marra informed the Commissioners in their folders were the final sources and uses of funds used in this program - \$3,617,714 both in sources and uses. Another sheet of paper talks about billing through January 20, 2017. SHA is all done with Execu-tech, EMG, but he is not sure if SHA is all done with NW Financial. When Mr. Marra read the contract, NW Financial is supposed to get 1% of permanent mortgage financing, which he thought was on top of what they were billing per hour with a cap of \$130,000. He expects at the end of January for \$25,000 on top of whatever they bill per hour. DeCotiis bill is at \$75,000, still doing some small things in January. DeCotiis is capped at \$85,000. Their bill was not anticipated and more than doing the PCA, which was \$28,000 for the surveys, metes and bounds, redo surveys over again because they had to be endorsed. SHA lucked out because ED Marra found out there is an Altech Survey, which would have been \$56,000, which in HUD's and

Bogota's documents, they both said an Altech survey is needed. Mr. Marra called them up, questioned that, and they said the boundary survey was okay.

New Jersey Housing Mortgage Finance Agency – their bill is \$27,000 to do the closing. VC Schlemm asked about the Cortes Hay's bill of \$9,000; ED Marra said it is not included here. Mr. Marra further explained SHA has put \$942,000 into Wells Fargo, which they're holding in a cash account earning no interest. On May 1st, they will pay some of the bond; November 1st they'll pay off the bond. It's held in escrow; you couldn't pay the bond off for 10 years. Some people were concerned there was not enough money put aside, and thought the SHA may need to buy a "SLGs" to actually earn some interest. SHA does not need to do that. New Jersey Housing Mortgage Finance & Wells Fargo would not have let SHA do this without putting enough money aside.

There is no memorandum on SHA's RAD conversion changes which occur in 2017, but the final document is the final property leasing and management agreement between Leased Housing Corporation and SHA. It still has \$20,000 in there and it is a little bit confusing in terms of what they will be doing vs. the SHA. Now it appears that SHA is doing the inspections, which would be great if SHA could do them as SHA has 3 men who are HQS certified, but there may be a reason SHA is not allowed to do them. Mr. Marra is working on getting that defined. SHA may have to go out and do an RFP for the units to be inspected by a 3rd party, which all has to do with issues of ownership of buildings versus the HAP contract. ED Marra will discuss this later in the Finance Committee. They are trying to take something that worked in the private sector and use it for the public sector.

The memorandum on SHA's RAD conversion and changes: SHA closed on December 30th, 30 days later than SHA was scheduled to close, 30 days later than HUD's final deadline in order to receive different funding in 2017. SHA must be in full compliance as a RAD Project Based Voucher (inaudible), the money SHA is getting is just the operating subsidy and SHA's capital fund. SHA is drawing down the operating subsidy and capital fund as if SHA was in public housing. There is no admin fee and no HAP payment. The capital fund you draw down, you're allowed to draw the whole thing down and use it for the operations of the housing authority, because in effect you're using that money to pay \$11,000 back to Bogota Savings Bank every month, about \$120,000. The other \$55,000 would be used to make the 1st year payment into the Initial Deposit Replacement for Reserve, getting you to \$180,000. Mr. Marra doesn't know what the pass through is this year, but he figures about 270. Supposedly SHA is just allowed to use that for operations, as he knows it today.

Basically, next January 1st, 2018, SHA will get an admin fee and a HAP payment; they will not be received in the calendar year of 2017. ED Marra did send a memo to the Commissioners in November stating we missed this thing, and this is what is going to happen, which was discussed at December 8 meeting. Mr. Marra added if no one has any questions regarding RAD, Mr. Katchen will do his budget presentation. Commissioner Fairman asked re: who wrote the management document. ED Marra answered DeCotiis wrote it and they had an attorney on the other side – Waters,

McPherson. Commissioner Fairman asked if Waters, McPherson is counsel to Leased Housing. Mr. Marra said special counsel just on that document, which is very limited. Commissioner Fairman asked about under the Uses, the future agency fees - \$10,000, what is that designed to do and is that covering a multi-year period. Mr. Marra said if you look at NJHMSA, B-B-B-B-B verification consultation fee that equals \$27,000 that he talked about, a one-time amount. VC Schlemm asked if Mr. Marra sends whatever information to Hudson County Local Financial Board; he said yes, SHA is all taken care of with them.

(At this point in the proceeding, William Katchen discussed the budget, as follows:)

Mr. Katchen informed the Commissioners tonight is consideration of HUD form of budget and introduction of State of New Jersey budget. The budget is different this year and a lot different next year because added to it is debt service on the RAD loan and contribution to the reserve for repair and replacement. The capital fund is now considered as 100% operational revenue because post-RAD conversion any capital improvement SHA does will be funded from the reserve for repair and replacements.

Next year you will see an administrative fee income; rents that are going to 3% higher because RAD rents are higher combined with the operating subsidy. As a result, the public housing budget anticipates a surplus of \$14,963, assuming 85% receipt of funds from HUD in the operating subsidy side. Mr. Katchen thinks SHA will end up with closer to 90, only because his client authorities that have closed post-December 30th, HUD emphasized that the level of funding in the year were you don't receive admin. fee or you don't receive RAD rents, you will receive what you received the year before. In 2016, SHA's level of funding was 90%, but from a conservative standpoint, he used 85%. 5% of \$600,000 is another \$30,000. So that \$14,000 could result in being 44,000.

Turn to Page 3 of 4 of HUD budget – in the center is **Provision for An Estimated or Actual Operating Reserve**. Mr. Katchen highlighted for the Commissioners the audited number at 3/31/16 in surplus was a negative \$133,655. Where do we get the money to convert to RAD? He showed the Commissioners on the State Budget the money they had to convert to RAD was as a result of the negative number backing out the non-cash OPEB, the present value of the future retirement benefits and the GASBY 68, which is SHA's unfunded pension liability. This is a form of HUD budget (indicating) which SHA will continue to do; it moves from public housing to Project Based Vouchers. Hopefully, next year the numbers will be higher on the revenue side. The debt service will still be there; the reserve for repair and replacement, which will be 2-1/2% higher next year because the RPCA, which had to be done for HUD, requires that there be an increase in that amount every year by 2-1/2% - what goes into the reserve. (There were no questions on the HUD form of budget.)

Moving to the State Budget: the difference between this budget just talked about and State Budget is that the State Budget takes into consideration also the Housing Choice Voucher Program/Tenant Based Voucher Program. This budget has gone

from a financial document to an informational document with a little bit of financial information. Turning to Page F1 (landscape) – the left side is Public Housing converted to RAD. Next year on the State Budget, they'll have a column for RAD. Center column is Housing Choice Voucher Program; column to the right is Total of All Operations. The budget to the right, SHA actually has a net loss of \$2,066. Mr. Katchen doesn't believe SHA will be at that, and not concerned about it because it's not a material number; SHA has the cash surplus to cover that.

Looking at Principle Payments 49,422; Interest Payments 83,207; \$55,000 for reserve & replacements. Turning to Page F8 – this is the page State representatives go to – Analysis & Surplus. The top line by program is Audited Surplus as of the end of 2016. Down the center you see Plus Accrued Unfunded Pension Liability. Even though SHA has to account for it, the State understands it's a non-cash number so they tell SHA to add it back. The number below that is the OPEB. So when SHA gets done, considering current year activity, your public housing program is anticipated to have at the end of next year \$960,081. A lot of that was put into the R&R, but some is still there as Unrestricted Surplus.

The voucher program has very little unrestricted net surplus, but by virtue of next year converting to Project Based, that should grow because there will be administrative fees earned in the voucher program. At the end of the year, the Unrestricted Net (inaudible) Surplus on a cash basis, if everything holds true to form, would be \$1,130,000. A lot of that is sitting now in a reserve for repair & replacements, but it's SHA money, it didn't go anywhere. Commissioner Fairman asked about the last line, Net Cash, the line says (inaudible) decision. Mr. Katchen said Line 4 – 9-75-0-45 and the 1-55-0-63. If New Jersey didn't think those were going to be Non-Cash Expenditures, they wouldn't be on the budget as an "add back". They would require that you raise the money, but SHA can't raise money. You're a non-taxable body. The results are on accounting records, SHA is in a deficit position, but in terms of available cash to fund operations, to capital improvements, unforeseen deficiencies, SHA is in very good financial position. Commissioner Schlemm asked: everyone would have to retire at the same time for SHA to take that hit? Mr. Katchen answered retirement is different. There are 2 different numbers here: unfunded internal liability. What that means is: every year Mr. Marra in January receives a bill. That bill says based upon the State's actuarial estimate, SHA owes X, and they pay it by April 1st. That liability goes right up to the top in that it's a hair cut off what SHA's true liability is. Local government agencies pay on average 65% of their true liability; police/firemen 45% of true liability. On the web is the GASBY 68 report, 150 pages listing every political subdivision in New Jersey. You could pay double what it is to the State, they'll take it, but it won't go to your credit. The OPEB liability is the present value of today if everyone did retire, what it would cost you annually.

Mr. Katchen said the Board could discuss down the road, when there are new hires, they're eliminating retiree health benefits because SHA cannot bear that burden going forward. SHA pays every month a retiree health benefits, as New Jersey is a pay as you go state, but this is required as the present value of future obligations.

They take Jake and Chris, whether they're married or not, put it into a computer, future value the cost, how long they're expected to live and then they bring it down to present value. Next year or in 2 years, the State is going to be required to give SHA this number. SHA pays an outside actuary to do it @ \$1,500. ED Marra added it takes about 20 minutes. Commissioner Fairman asked where the beginning cash number would be compared to the 1-1-3-0 on F8. Mr. Katchen answered: in the middle Plus Estimated Income or Loss on the Current Year - \$70,296 – that was SHA's projected loss in the current year, which would equal \$1.2 million at the beginning of the year. Actually, the current year projected deficit is 2,000; last year it was 70.

Mr. Katchen told the Board if they consider this resolution for approval, it authorizes ED Marra to send it to the State and the State reviews it, tells SHA they can adopt it and we schedule it for adoption in March. Commissioner Fairman asked if the budget has to be submitted to Bogota Bank. Mr. Katchen didn't think so. Commissioner Fairman said everything in the budget would comply with whatever covenant SHA has to comply with for Bogota? Mr. Katchen said yes.

RESOLUTION #2017-1 – BOARD RESOLUTION INTRODUCING AMP BUDGET

RESOLUTION #2017-2 – FY 2016-17 BUDGET INTRODUCTION

Motion to approve Resolutions #2017-1 and Resolution #2017-2 made by VC Schlemm; seconded by Commissioner Suarez.

VOTE: AYES/All Present Commissioners (7)

ED Marra asked Commissioners to look at Monthly Account Balance reports. He highlighted in red what the balances were as of 1/20/17. The configuration of the accounts has changed. He explained to Commissioner Suarez the TD Bank account is known as "laundry account". It contains about \$30,000/year, which is from washers/dryers of the 3 buildings. Mr. Marra discussed with Bill this account. Account #1 at Bogota is in the \$800,000 – now it is \$53,000. AMP1 where SHA pays the "RAD Operating Budget" and third account is Payroll. At the bottom is an account with \$1.4 million; another with \$1 million. Theoretically, the account with \$1.4 million should be 0 in 2 years. It's the money that SHA has for the 4 projects. The \$1 million account is the one SHA adds \$55,000 to every year. Theoretically, SHA shouldn't use too much money in the course of the next 2 years. One of the questions posed is: what can SHA do with the \$1 million or a portion to potentially earn more money. Commissioner Fairman asked if they can't be invested. ED Marra said they will use theoretically some of the \$1.4 million – roofs and air handlers should be completed in 2017, taking half the money. Mr. Marra spoke with Mr. Katchen about the money and what can they do. Mr. Katchen answered all the funds are locked into Bogota Savings Bank during the term of the loan. He doesn't believe SHA has the ability through the escrow agreement for holding the reserve for repair/replacements in the rehab accounts, that SHA could move any of those funds outside of Bogota. Their commitment to SHA at the interest rate provided that all of SHA's operating accounts

also remain with them. The question is what SHA can do with Bogota to ratchet up SHA earnings. #1, whoever you have your money with, is required to report to two masters: State of New Jersey as far as GUDPA, which provides collateral that the State requires and from a HUD standpoint, and Mr. Marra knows before he closed with RAD, they wanted the document provided to HUD for their review; a general depository agreement between Bogota and between the Authority that says once you exceed the FDIC limit of \$250,000, they have to provide separate collateral.

Now Bogota currently provides a Federal Home Loan Bank line of credit that they renew on a 90-day period. That FHLB line of credit is based on the amount of money that is in your accounts. HUD does not acknowledge GUDPA because it's a State requirement. It costs the bank about 15 bases points, .15, for the FHLB. So what Bogota is paying SHA at the .45 interest rate is about where most of Mr. Katchen's other clients are on shorter term investments, up to 6-9 months. Once you push that out a little further, they're interested in possibly giving you a higher rate, but they're always going to back it down from what you see in the newspaper, because of that cost of separate collateral. Mr. Katchen has another client and they are using "CEDARS", another collateral program allowed for government agencies where they distribute to different banks across America all your money not to exceed \$250,000. The cost to "CEDARS" is 1.25 bases points and although his client had \$5 million, they would only give them .6 for 9 months. Perhaps SHA can request Bogota on the IDRR to push a lot out to 9-12 months, but they will push back a bit because of their cost of collateral because the collateral is over the \$250,000. Commissioner Fairman said under the 250 there's no cost to them. Mr. Katchen has clients on the not-for-profit side. On FHA insurance, you have to follow the requirements that don't let you get even 1/10th of a percent on those kinds of funds. It must be in ready, every day cash. HUD won't let you do it. His only recommendation is to try to push out the \$1 million; the 1.4 you might be able to do six months and six months. On the Operating Funds, you have to have it readily available. The .45 collateralized is not too bad. Discussion between Commissioner Fairman and Mr. Katchen about the .045 followed, a little less than one-half of a percent. Commissioner Fairman wasn't happy with the numbers. Mr. Katchen will double-check. Commissioner Fairman asked the accounts 1-4 are largely, probably locked into that. He remembers discussing it because he was concerned about that issue since this is a self-funded loan. The \$1 million and \$1.4 million is where he's concerned about getting this invested alternatively at a more market rate because of the duration and the size. He found in a financial institution 1.26 for 6-month money yesterday and it's within the 250. If the money is split a little bit, and maybe it's not worth it, but there's a big difference if its .046 and the 1.26. Commissioner Fairman said it's Banco Popular and FDIC covered. They'll pay you that for 180 days if it's new money. If SHA did 250 here and 250 at Santander, all local New Jersey banks. ED Marra will look at the paperwork and talk to everyone tomorrow. Commissioner Fairman recalls calling attention to that language in that second big document.

Mr. Marra asked Mr. Katchen: if you look at this amount of money, when SHA gets audited in August and Policari looks at SHA's reserve, is he going to say SHA doesn't

have enough reserve. If the 1 million and 1.4 is not for payroll, it's restricted money, housing authorities, as Mr. Marra knows, do not have the same rules as municipalities and Board of Ed. By law you have to have 3-5 percent of your budget in reserve. HUD knew exactly what SHA would be left with, at least the person that reviewed it. Mr. Marra asked Mr. Katchen if he thought Policari would say SHA doesn't have enough reserve. Mr. Katchen answered the only reason he would cite that is a finding if SHA had a going concern issue, which would mean regardless of the conversion to RAD, did you have a large loss in operations that if it continued would result in a potential that the Authority would not be able to continue to operate. SHA has cash reserves over \$1million. Mr. Katchen doesn't expect it to be an issue. Commissioner Fairman asked if it was possible to purchase Treasury bills bought through their debt, because 6 month Treasury bills would be 60 bases points today. Mr. Katchen asked they send the document to him and then they go visit Bogota's CFO who handles all their investments and talk. SHA could threaten on a bad public policy that they're not investing SHA funds.

(At this point in the proceeding, Mr. Katchen left the meeting.)

MONTHLY SAVINGS REPORT ON ELECTRIC CONSORTIUM FROM NJSEM

ED Marra reported there are no savings with NJSEM and has been in contact with the company Gable Associates. He has sent them an email and SHA's bill. SHA is down \$10,000. Gable is not super responsive to Mr. Marra, but sent him an email on 1/25 stating there is a billing discrepancy with South Jersey Energy and they are hashing it out. The bill is paid on PSE&G, so they get their money through PSE&G. Next month ED Marra will have more information for the Commissioners.

ED Marra gave the Commissioners a copy of insurance bill. Half is paid in one fiscal year and other half in the other fiscal year, which is what the auditors want SHA to do.

POLICY COMMITTEE

ED Marra handed out a Committee Assignments list this evening. He has not had a Policy Committee during his tenure at SHA. Commissioners Rivera and Suarez are on it. Three things must be done: 1-Create non-smoking policy; 2-There is a document called ACOP that Commissioners attended when they first came on board. ACOP is Admissions Continued Occupancy Policy which describes all the things about public housing – SHA is not public housing any more, that document goes away. What guides SHA now? SHA has a Section 8 – a 21 chapter book and now Chapter 22 will be created; basically, ACOP – how you manage the waiting list, how people become eligible which will be in this chapter. Mr. Marra has a draft, but not a complete draft of it. It will be passed out and probably adopted in March; to be finalized and part of everyday operations. 3-Two things need to be changed. One is in Chapter 22 – the other in Pet Policy. Historically, the security deposit was never changed since 1975. It's \$150 minimum or 1 month's rent. If your rent was \$125, you

paid \$150. SHA is going to propose a policy of minimum security policy is \$300, which doesn't help when they ruin the rug and leave. He'll show you what other housing authorities do, so you'll realize SHA isn't too low or high.

The Pet Policy was written a long time ago, never changed, when rents were low. It says you have to leave a minimum of 1 month's security for your pet. If your rent is \$600, you're leaving SHA \$600 security/\$600 for the pet; that's a little crazy. SHA wants to lower the overall pet policy to \$300 as there are not a lot of pets. In Mr. Marra's 5-1/2 years here, no pets have destroyed an apartment. It will be a \$300 across-the-board pet policy. If someone is a flat renter, they're paying that for security in any event. There might be 25 people who pay \$125/month rent, only giving \$150 deposit; more is needed, which is the reason Policy Committee needs to get together.

RESOLUTION 2017-3 – ANNUAL AUTHORIZATION TO ATTEND CONFERENCES

RESOLUTION #2017-3 **(Authorization to Attend Conferences)**

WHEREAS, the Housing Authority of the Town of Secaucus attempts to remain current on issues that affect the administration of its housing programs; and

WHEREAS, there are several industry recognized organizations that conduct seminars and conferences that are of importance and interest to the staff and Board of Commissioners of the Housing Authority;
NOW THEREFORE

BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the Town of Secaucus that those interested Commissioners and staff are hereby authorized to attend the following conferences:

PHADA Annual Convention & Exhibition
April 30-May 3, 2017 Chicago, IL

PHADA Legislative Forum
September 10-12, 2017, Washington DC

PHADA Commissioner's Conference
January 7-10, 2018 San Diego, CA

NJAHRA Annual Conference
September 2016 - Atlantic City, NJ

NJNAHRO-Conference
April 3-5 2017, Atlantic City, NJ

NAHRO Legislative Conference
March 26-28, 2017 Washington, D.C.

NAHRO Summer Conference
July 16-18 2017 Indianapolis, IN

NAHRO National Conference
October 27-29, 2017 Pittsburgh, PA
January 26, 2017

Commissioners	Ayes	Nays	Absent
Chairman Harper			
Vice Chairman Schlemm			
Commissioner Fairman			
Commissioner Grecco			
Commissioner Mondadori			
Commissioner Rivera			
Commissioner Suarez			

Motion to approve made by Chairman Harper; seconded by Commissioner Grecco.

AYES/All Present Commissioners (7)

BUILDINGS & GROUNDS

ED Marra explained this is Resolution #2017-4, which talks about 8 services, but the resolution only counts for 6, because SHA is not yet awarding tonight the carpet extraction nor the preventive maintenance for standby generators, as he has controversy on the carpet extraction; and only two proposals received for the standby generator. The last two companies that did it did not submit a proposal; the current company didn't know about it and the proposals given to SHA are much higher than what SHA is currently paying.

The plumbing service went up from 65 to \$80/hour; HVAC contracts did the same; exterminating contract went down a dime; interior painting service is \$445 for a 1-bedroom going up \$30 – he's been the painter for the Authority for 15 years; carpet tile installation is Optimum Flooring - \$1.00 more than last year.

RESOLUTION #2017-4 – AWARD OF CONTRACT FOR VARIOUS SERVICES

**Resolution: #2017-4
(Award of Contract for Various Services)**

WHEREAS, The Housing Authority of the Town of Secaucus has need for various services in order to adequately manage its housing stock at an acceptable standard; and

WHEREAS, the Housing Authority Procurement Policy requires that the Housing Authority solicit for proposals in order to obtain a high level of service at the best possible and reasonable price; and

WHEREAS, the Housing Authority publicly advertised for various services and requested written proposals for these services; and

WHEREAS, numerous vendors provided quotations for their services which were tabulated (attached) and reviewed by the Executive Director;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the Town of Secaucus that the following contracts hereby be awarded for a term of 24 months commencing on January 1, 2017 to:

Plumbing Service: Plumb Tech Services
690a South Main Street, Phillipsburg, NJ 08865
Hourly Rate Plumber: \$80.00 per hour
Hourly Rate- Helper: \$45.00 per hour
Material Markup 10% Overhead 10% Profit

HVAC Contract: Able Mechanical, Inc.
280 Route 35
Red Bank, NJ 07701
732-495-3800
Price for basic Maintenance Service: \$950
Hourly Rate: \$115 per hour

Exterminating: Emergency Pest Control, Inc.
715 Scotland Road
Orange, NJ 07050
973-676-2847

Price per Bi-Monthly Inspection of Unit: \$.70 per unit
Price for Building perimeter ant control: \$40
Price per unit for Bed Bug Inspection: \$No Charge
Price for Bed Bug treatment per unit:
Chemically Treated \$141
Heat Treated \$145
Cold Treated \$155

Interior Apartment Painting Service: Aris Painting Co.
52 Campbell Avenue, Edison, NJ 08817
Studio Apartment: \$374
1-bedroom Apartment: \$445
2-bedroom Apartment: \$584
Hourly Labor Rate: \$58.00

Carpet/Tile Installation (Turnovers): Optimum Flooring, LLC
414 Monroe Street
Hoboken, NJ 07030
201-725-1021

Price Per Square Yard for Carpet: \$17.00
Price Per Square Yard for Padding: \$ 3.50
Price per Square Foot for VCT: \$ 2.60
Price per Square Foot for Sheet Flooring: \$ 2.85

January 26, 2017

Fire Alarm Service

Haig's Service Corp.

211A Route 22, Green Brook, NJ 08812 (T) 732-968-6677

1/1/17 to 12/31/17 – \$1,600.00

1/1/18 to 12/31/18 – \$1,600.00

Hourly Rate - \$110.00

Commissioners	Ayes	Nays	Absent
Chairman Harper			
Vice Chairman Schlemm			
Commissioner Fairman			
Commissioner Grecco			
Commissioner Mondadori			
Commissioner Rivera			
Commissioner Suarez			

Motion to approve made by Commissioner Schlemm; seconded by Commissioner Fairman.

VOTE: AYES/All Present Commissioners (7)

VC Schlemm asked is there just one standard carpeting. ED Marra said yes for all three buildings, except The Elms needs padding. Commissioner Fairman asked why that is, and Mr. Marra said he didn't know, as they're all concrete slab buildings, even when an entire building is carpeted.

UPDATE ON RAD PROJECTS

ED Marra sent the Commissioners copies of emails from Architects Coppa Montalbano working on their projects. Charles Collins, Jr. came about roof replacements and he's working on the plans. Their packet also contained emails from MaGrann Associates who were here on 1/3/17 and this goes to questions about the conversion. One project was to convert The Elms, an all electric building, to gas heat in the 100 apartments. Lan Associates did a report that it would cost \$800,000, saving \$80,000/year. At the same time Mr. Marra was in Mayor Gonnelli's office speaking about converting The Elms, does PSE&G have any programs. Mr. Marra spoke with Rich Dwyer at PSE&G, sent him the report and followed up with emails. Months go by and in October he receives an email from Rachel Fredericks, Multi-Family Housing Program at PSE&G. Mr. Marra sends her the report, she puts Mr. Marra in touch with MaGrann Associates who is contracted with PSE&G to do these services. He fills out an application for this program. This program in effect needs a 15-year payback. They find a program that will save you money, \$40,000/year, but costs \$500,000. SHA lays out no money up front. They lay out the entire \$500,000; PSE&G pays for 50-60% of the program and over the next 15 years, SHA pays the

balance in their PSE&G bill, no interest. They look at SHA's idea and liked it a little bit, but it was expensive for them. They're trying to find a less expensive project – solar panels on the roof, solar panels across the street over the parking lot that would offset some costs, and you can see there are 3 things they're looking at: gas boiler with hydronic baseboard heating system as proposed by Lan; a ductless multi-zone mini-split system heat pump plus intrusive lower costs and all electric and provide more efficient cooling; a gas boiler hydronic system with a chiller and sand coil units, which gives the option of heating and (inaudible).

People came on January 3, 2017 – apartments were viewed, they're writing a report, SHA will wait for that report before SHA gives out a contract for this other project. It might not be the project that SHA wants, but if it saves money and less layout, SHA can direct some of the funds designated for that to other repair projects in the buildings - \$1.4 million. FYI: Pat Mondadori works for PSE&G and has sat next to Rachel Fredericks for the past 5 years.

In regard to the roof: there is a solarium/greenhouse on the roof . Most have come to a consensus that the greenhouse should go. When ED Marra spoke with Mayor Gonnelli he informed him the greenhouse would be taken down. He didn't care. It will help with the terms of the solar panels, if needed, and make it easier for the roof to be managed over the years of the warranty by not having it there any more.

Mr. Marra noted there is a proposal for L&S Engineering - \$5,500. The Elms has 4-5 units that leak when it rains and it's a northeaster, although it didn't leak the other night. L&S Engineering did a study on it in 2010-2011, gave SHA the report, did a support infiltration report for Kroll Heights & The Elms. SHA followed their recommendation for Kroll Heights and funded it. It doesn't leak any more. At The Elms, SHA didn't follow their recommendations because basically it said change all the windows, because SHA didn't have enough money for that. We crossed our fingers and that doesn't work – it still leaks after 5 years. Mr. Marra brought the company back, took them into the units, and SHA has Mike Malpere, who does a good job, but needs direction. We just can't say fix the leaks when we don't know where they are. Mr. Marra said in a week or so B&G needs to sit down and discuss the problem, talk to the architect and physically not spend more than \$40,000. After giving the figures to the Commissioners this evening, unless something is falling down or on fire, he doesn't want to spend the money. Can the money be pulled out of the \$1 million or \$1.4 million account; he'll talk to the engineer. When 5 refrigerators and 3 stoves are purchased this year, at the end of the year they'll draw down the money from the \$1 million. SHA needs to be sure the \$40,000 can be drawn out of the big sums of money, not operating.

HOUSING CHOICE VOUCHER PROGRAM

DED Jake Naszimento reported for the month of January the total amount of funds spent was \$179,125, hoping to always get to \$185,000, so we're low. Currently, there are 28 families currently in various stages of apartment searches anywhere from

about to lease up for February 1st to just getting a letter from him letting them know they should contact him, that their name is at the top of the list. He hopes to get to 185 by next month; 28 are a lot more than normal. On January 5th Riverside Station, which is Exchange, returned half monies for 12 tenants totaling \$1,565 for money paid to them via rent increases, which were not actually authorized by COAH, which is in disarray in the State, and had some freezes on who was allowed to request rental increases. We didn't know that, they returned that money to us. It did not affect any tenants, only us. COAH has not made any new rulings on whether or not rents for affordable housing units may be increased in 2017; they are at 2015 numbers right now. VC Schlemm asked if they bumped that on their own. DED Naszimento answered in the years prior they were allowed to, and sent the same boilerplate letter to him. We did not know the rule had been changed. Bill Snyder let him know about it, it did not affect the tenants; we got our money back. Mr. Burke said they're pressing the issue and think it's unfair that they're not allowed to raise rents two years in a row. Unfortunately, he thinks it's a Court matter. The Housing Body cannot advise them to raise their rents.

CORRESPONDENCE

ED Marra handed out a letter dated 12/15, which is a review of the Public Housing Files, which are done every year. It indicates lots of no findings and a good report in terms of SHA files with a notation at the end that next year it will be Project Based Voucher files or a slightly different review.

Verizon called Mr. Marra today because they would like to come in to 600 & 700 County Avenue and replace the copper lines with fiber optic. They say they're doing this around Secaucus. Mr. Marra said it might be the beginning of people getting access to Fios. He will be giving the paperwork to Mr. Burke. Commissioner Suarez was approached on properties he owns by Verizon. They offer you the services of bringing Fios to the property, but the one component you have to designate a certain common area where Verizon can put in their equipment, and you have to pay for the electricity to run that. Mr. Marra said in terms of tenants in the building, he doesn't know how that is going to work. He got Fios in his house and got rid of it in 60 days – horrible service, but he still has a white box in his cellar, unplugged. There are 100 units here. Commissioner Suarez said they would stick something in the basement and that would feed all of the building. His question to them was who is going to pay for the electricity that is drawn down on a monthly basis. Verizon didn't know how much. Commissioner Fairman asked what that provides to the building. Discussion ensued amongst the Commissioners regarding Fios. Mr. Marra said they'd come in, survey the property, etc. VC Schlemm said they're on Meadowlands Parkway and probably trying to get rid of the underground copper wires and up above, as they can't maintain them any more. Osprey and Exchange do have Fios. Commissioner Fairman thought the town agreement with Comcast was expiring and up for new negotiation. Where he lives, they're working on negotiations to create a bulk rate from the provider for broadband, cable, etc. Mr. Marra said in this building either Verizon telephone or Comcast telephone, but cable is strictly Comcast, no Fios or

satellite dish. VC Schlemm asked if Comcast provided the copper work when the building was being constructed. Mr. Marra said SHA has Comcast for internet. There is a duct in The Elms above all the doors and is where the wires are, but not here, perhaps next door though.

ADJOURNMENT

Motion to adjourn made by VC Schlemm; seconded by Commissioner Rivera.

VOTE: AYES/All Present Commissioners (7)

Respectfully submitted,

Deborah L. Alvarez
Secretary/Transcriber