

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

January 24, 2019

This is a condensed transcription of the taped minutes as taken on Thursday, January 24, 2019 at Kroll Heights, 700 County Road, Secaucus, New Jersey.

Vice-Chairman Michael Harper announced to those present it was Executive Director Christopher Marra's birthday.

ED Marra welcomed everyone and called the meeting to order.

ROLL CALL

Present:

Chairman Michael Schlemm
Vice-Chairman Michael Harper
Commissioner Antonio Suarez
Commissioner Richard Fairman

Also Present:

Executive Director Christopher Marra
Deputy Executive Director Jake Naszimento
Charles D'Amico, Esq., Counsel to the Authority
William Katchen, CPA to the Authority

Absent:

Commissioner Patricia Mondadori
Commissioner Carmen Rivera
Commissioner Michael Grecco

OPEN PUBLIC MEETINGS ACT

"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 on December 19, 2019. 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

Pledge of Allegiance recited by all present.

APPROVAL OF PREVIOUS MEETING MINUTES – December 13, 2018; Special Meeting of Saturday, January 12, 2019; Closed Session Minutes of September 27, 2018

Motion to accept minutes made by Commissioner Harper; 2nd by Commissioner Fairman. Prior to voting, Commissioner Harper noted Commissioners walked through the buildings as a courtesy inspection regarding upkeep of buildings. In each building, Commissioners stopped by a resident; every apartment visited was meticulously kept. People were welcoming and receptive. By visiting the buildings, Commissioners noted what should be done in each of the buildings in the future. Chairman Schlemm agreed it was interesting in visiting compactor rooms, lower floors, inner workings, walking around outside of buildings, hoping in the future to keep up high standards SHA already has.

VOTE: AYES/All Present Commissioners (3) Abstain: Suarez – 1/12/2019
AYES/All Present Commissioners (4) 12/13/2018; 9/27/2018
Absent: Mondadori/Rivera/Grecco

PAYMENT OF CLAIMS

ED Marra explained Commissioners' packets contained list of bills for December/January. Please look at list. Chairman Schlemm decided list and Payment of Claims would be discussed after Mr. Katchen speaks about budget.

FINANCE COMMITTEE

ED Marra noted SHA's fiscal year begins April 1st. Budget will be introduced tonight; will be adopted tonight; then send to State of New Jersey; send to HUD also. State of New Jersey reviews budget; approves it; sends back and at March meeting, SHA adopts it. Year begins on April 1st.

ED Marra has discussed one change in this budget with those Commissioners present this evening, involving taking a position, which is now entitled "**Custodian**" and changing it to "**Maintenance**", increasing cost of that position by about \$10K. Also by changing **Custodian** to **Maintenance**, SHA would then hire a full-time 5/day a week custodial company, which they did have from 2006 to 2011. Question is: why do it at a cost of \$50K, where are savings? Main savings by taking this person from Custodian to Maintenance, in The Elms there is an ongoing issue with hot water heaters underneath kitchen sinks; originally installed somewhere 2004-2007 range. Monthly or 2 times a month, they give

out; usually after hours at 11 P.M. Water goes from 3rd floor to 2nd floor; maintenance gets a call, clean it up and next morning a plumbing company comes and replaces hot water heater, usually taking 6 to 8 hours with 2 men working, to replace hot water heater - \$88 hour and \$44 hour to replace it totaling \$800 to replace a 30-gallon HW heater. Approximately 50 HW heaters still exist in The Elms – 10 to 12 years old. Maintenance man would now change HW heaters preemptively. Along with replacing them, a pan will be installed and a HW monitor that will shut it off when leakage begins. When they begin to leak, it just keeps filling; if person isn't home or asleep, it could be hours that water is leaking onto the floor and ceiling below it.

In 2009 100 new HW heaters were installed in 600 County Avenue, and they have been breaking but not at the same pace; perhaps 1 every 3 months. It is known in the office that by August 2020, that maintenance person will have retired. This person would go in and fill in for that man. Now how it works, when a maintenance man goes on vacation, having worked for SHA a long time, accumulated a lot of time, although it is known one man never takes vacation, and there is approximately 8 weeks vacation over a year between the other 2. Mr. Marra takes that custodian and makes him a maintenance man for those 2 weeks, paying at a different rate because he has different responsibilities. Recently, Unicorn did his responsibilities for the week he wasn't here.

Beginning from April 1st to the end of August, both maintenance men will take their usual time, and custodian will be maintenance man. Money will be saved, but it is not washing out the \$50,000 with change of HW heaters. It will be about a \$30,000 savings; if more changed in Rocco, maybe it will be closer to \$40,000. He can accomplish job in one day, whereas it takes them 2 days to finish the job, and getting paid more. This all is reflected in budget Mr. Katchen is introducing tonight: change in position and addition of contract for cleaning services.

ED Marra asked if Board wanted to discuss this all before or after Mr. Katchen presents the budget. Discussion followed and Mr. Katchen was asked to speak.

(This portion of Mr. Katchen's presentation is verbatim to the best of Secretary's ability, as follows:

MR. KATCHEN: "So, you have two budgets, you have a HUD form of budget, which relates to Resolution No. 2019-1 and that budget is solely the revenue – projected revenue and expenditures for the 275 units and 3 properties that have been converted to RAD. That budget anticipates, and I believe its conservative, a surplus for next year of \$259,117; on Page 3.

Now to go over with you how I arrived at some of the projections: on the page before that, (inaudible) rentals is based upon the current actual rent roll from tenants. So that's a reliable number. Interest is under-stated. It does (inaudible)

for consideration the ramp-up of interest rates that we are now experiencing with the increase in the Fed fund rate. The other income, the 175,080 is 30,000 for the antenna rental; laundry and vending, which is principal in laundry – 35,000; late charges are 10,000; 40,800 for the Patriot Commons management and 60,000 for the Brick Housing Shared Services (inaudible). That is on Page 2 of 4. Line No. 120. Administrative Salaries is based upon the union agreement and the other expenses below that are all based upon either last year's actuals or this year's projection; tenants services, salaries, recreation, publication, contract costs.

Now the way the pre-RAD, the way that you calculated utility expense, which is your largest expense, was the average consumption for the last 3 years and the average rate for the last 12 months. Well, you don't do that any more because under RAD, we're not subject to that completion of that formula. So the way that I calculated utilities for purposes in the budget is I take last years actual, I increase that number by 10% and I apply an inflation factor on that. So HUD's inflation factor last year was 5.32%, so I think I'm comfortable with these utility numbers considering they're 10% higher than last year and then added another 5.32% inflation factor.

The good part about it is, with RAD, if we spend less on utilities, HUD doesn't get that back, it goes into your surplus, your bottom line.

Next page, Maintenance Salaries, Line 1; the next 2 items – Materials and Contract Costs – are principally the same as the current year budget because your actuals last year and what we're spending this year are well within what the budget numbers are, with the exception of the (inaudible) contract, which we've added in the contract cost.

Insurance is up 12%. The JIF as a whole, the claims they've had, they have not increased rates in a long time, across the board, the Worker's Comp is flat, but the building – Board liability -- public officials liability is up. So that's why that number is higher this year. (Inaudible) formula, employee benefit numbers, are actually down because you had retirees who reached the Medicare age and at that point their health insurance number went down to about 25% of what you paid last year.

Collection Losses - \$1,000 – you probably won't even attain that. The number below that: Debt Service – has not changed; that's principal and interest. Reserve for Replacement Contributions is up 2-1/2% because the RPCA – fiscal needs assessment, that was done over 20 years, required that.

So, you have a net loss before HAP – rents to landlords, of which you are the tenant, and you are the landlord being paid by the Voucher Program of 6-56-9-9-9. Your HAP for the month of December was 9-16-1-16 annualized. That does not take into consideration an OCAF – Operating Cost Adjustment Factor –

which will need to be applied to give the Authority a 3.1% increase. That's the OCAF for this past year. So that number is going to be about \$30,000 higher – 9-16-1-16 – Line 650.

So with that, the projected surplus for the 275 units is 259,117 for next year.

(End of verbatim transcription of Mr. Katchen's explanation of the budget.)

Commissioner Fairman asked 2 questions: #1 is how this budget compares numbers-wise to the current budget that SHA is in as compared to a forecast, so run rate is running – compared to 2 periods. #2 is understanding the implications of showing a budget surplus of 259,117, thinking the current fiscal is also projected to have a budget surplus. His concern is how does that stand in the eyes of HUD – is SHA at risk of anything because SHA is showing these good, positive numbers? Mr. Katchen answered for purposes of budget to budget, current year to next year, move to the other budget, on Page N-1, the back page of N-1, State of New Jersey requires that whatever is in the current budget needs to be compared to proposed budget; if there's a variation of 10% or higher, they want to know why. SHA only has 3 categories that have variations. #1 is Laundry Commissions and Late Charges are higher, because SHA is now (inaudible). Other revenue sources are well within 10%. SHA is stable and constant in that regard.

In appropriations, 2 categories higher are specific to what ED Marra spoke of: #1 Contract costs are higher because SHA is adding a \$40,000 line item for cleaning contractor. #2 Maintenance and Operation Salaries are higher because person is being moved at a higher salary into a higher category of maintenance. Absent that, there are no variations that exceed 10%. It is a State number.

Mr. Katchen did budget actuals as of November 30th. Your surplus in the 275 units as of 11/30 is \$502,000 – double over 9 months of what the projection was. Budgeted surplus was 2-98. SHA is substantially better than what SHA budgeted. The good news is being converted to RAD, SHA has less of a chance of claw back, like 8 years ago, as far as a recapture of reserve for many reasons: #1 SHA revenues are dedicated to a loan, which HUD promulgated. #2 SHA can now use Business Activities vs. Public Housing, so it's more on the non-governmental side to the governmental side. #3 Since SHA receives a HAP vs. an Operating Subsidy, which is solely based upon an annual appropriation, then it's like a set it and forget it. Because SHA is conservative, running a very efficient shop, this bottom line is there for SHA to pay down the loan, to do capital projects, to increase some reserve with no foreseeable recapture pile on.

Commissioner Fairman asked what if HUD doesn't give the HAP – Mr. Katchen said is 918,000 – going back to 2nd term of George Bush, Jr., HUD put in place this

system that you're going to get next year for the Section 8 program, which now you've rolled the public housing units into Section 8, whatever you spent in the previous year with an inflation factor determined by HUD – if there is a cut in appropriations, which results in a hair cut to that, the 9-66 could potentially be 900,000. SHA has a HAP contract, HUD is 3rd party to that, and if there was a cut in appropriations, which would not allow SHA to pay 100% of the rents, you have law suits because there's no provisioning, but anything is subject to Federal appropriations. The fact that SHA is budgeting with surplus of almost \$259,000, it would have to be a deep cut before that number becomes red.

Commissioner Fairman's concern is source and use, and thinks from a Federal spending point of view, SHA will be facing a budgetary issue that's going to cause a lot of cutback and issues about these kinds of programs. He's waiting for the shoe to fall, and is concerned about giving HUD legitimacy in their mind as to how to take away from SHA. Mr. Katchen answered the Section 8 Program, which SHA is now a part of, encompasses the Public Housing side and the multi-family side, which is Private Owner Properties, which are generating surpluses like this for many years. HUD hasn't cut back that side one dollar.

The fact that SHA is budgeting a surplus of almost \$300,000 does give SHA some level of comfort that SHA has a long way to go before you start to see a negative number. This budget 8 years ago was \$13 million, Housing Choice Voucher Budget; this year 19.5 billion, over about 12 years. Landlords want a rent increase every year.

(Verbatim transcription of Mr. Katchen regarding 2nd budget.)

MR. KATCHEN: The 2nd budget is a combination of the Housing Choice Voucher Program and the Public Housing Program converting to RAD. This budget, if you turn to F1, that's landscape page, this budget with the HCV Program anticipates a surplus of 300,664 or \$1,308 more than the current budget. The biggest numbers we're comfortable with. Again, your biggest appropriation is utilities, we went through that approach, how we calculated that. And on the revenue side, the biggest numbers are rents from tenants, which are based on your December rent roll, your current HAP that you're paying without an OCAF increase in it, and we're comfortable that this 300,664 at the bottom will be obtainable in the next year.

Now if you can, turn to Page F8. This is the page the State's going to look at first thing, and this is your Surplus Analysis. So the top line is your Surplus as audited last year, 3-31-18. The next line is invested in Capital Asset Surplus. That's brick and mortar. So if you need that surplus, you can't touch it because it represents your net building. The 4 million 8-80 – 2-89, that's the brick and mortar surplus. That's not a cash convertible surplus.

The next line, Other Restricted Net Position, 2 million 1-99 9-3-7 is the money the Authority is holding that was principally borrowed, the Reserve for Repair and Replacements. To the right of that, the 1-63-5-66 is money SHA is holding that really belongs to HUD that is dedicated to pay rents to landlords. Those get deducted from there to arrive at your Net Surplus numbers at March 31, 2018.

Then State says, well, look, in the foreseeable future, you are not going to have to fund the Unfunded Pension line item, that's that hair cut that every year the State does not make you pay because if you had to pay it, every other government agency would have to pay; so in your case the Public Housing or the RAD converted is 1 million 2-02 9-6-7. The voucher program is 2-50 and the line below that is the current value of the future value of the retiree's health benefits. Again, you're paying that on a pay as you go, every month you pay that.

In addition, your Current Year Surplus is estimated at what the budget number is. Now, I think this is conservative. It looks like your surplus next year, not including the projected surplus in the budget is 1 million 1-32 0-0-7 in the RAD converted units and 1-81-1-35 in the Housing Voucher Program for total surplus of 1 million 3-13 1-42. Now the 1-81-1-35, you cannot use for anything other than supporting the administration of the Housing Choice Voucher Program. The 1 million 1-32 0-0-7, you could use for capital projects; you could use to pay down the mortgage; you could use for any purpose at this point as it relates to the 275 units.

I think you guys are kind of healthy at this point and the State will be comfortable with this. “)

(End of Mr. Katchen's talk about the budget.)

Commissioner Fairman asked a question (inaudible). Mr. Katchen said it was before HUD recaptured about \$600,000 8-10 years ago.

ED Marra noted up until last year he didn't care for these meetings because SHA would be in deficit, and repeating what Mr. Katchen taught him, prior to last year there were 2 pots of money – one Public Housing Operating and other Capital. Together, they equal about \$900,000, but this was 2-50. It couldn't be used to pay anything other than Capital Improvements. Now SHA has \$900,000 in operating through HAP, which makes the budget not in deficit. Since going to RAD, these are the first 2 budgets not in deficit in 7-8 years.

Commissioner Fairman is concerned about any of the sourcing of that at risk to SHA? How can SHA effectively use that number or reduce that number by some special spending even in current budget all towards doing some things SHA would like to do, but they will be done somehow, but this way it helps bring number down. In his trying to reconcile back the cash – sort of source and use

type thing and feels SHA is better to budget significant spending outlay whether or not you can treat them as Fixed Asset or Operating – paint and carpet, which is where he's coming from.

Chairman Schlemm said there's \$1 million waiting to be used for The Elms for that project. Do we allocate or encumber that for that expense and that knocks \$1 million off? Discussion followed about numbers and budgetary points of view to reduce accounting surpluses, encumbering a specific project, to stay in compliance with the covenant and have accounting be able to paper SHA objectives.

Mr. Katchen answered if Commissioners want in the next 60 days from tonight to supplement a capital project or accelerate a capital project and instead of taking from R&R, takes it out of Operating, then budget can be amended and approved to include using \$250,000, which would reduce debt surplus to nothing. SHA wants to have a positive number but bring number down; then possibly on anniversary date of loan, use some of existing surplus -- \$1.3 million – and make an extraordinary payment on the loan.

ED Marra added HUD never sees this budget; SHA sends to them, it gets filed and they don't look at it. What HUD looks at is audit; they want to see at the end of October/November for 3-31-17. They're not looking at this budget, but at the audit. Commissioner Fairman asked doesn't this budget drive results of this? ED Marra answered yes. Commissioner Fairman said load up operating expenses in order to kill it in the audit. Mr. Katchen recommends you accelerate capital projects, think what you want to amend and approve budget with, so the number comes down on the adopted one; to be used for capital projects and secondly, talk about paying down \$250,000 for the mortgage, leaving SHA, without consideration of the current year's surplus, with \$1 million surplus. This loan has a 10-year adjustment – ED Marra said 5-year adjustment. Commissioner Fairman stated he would rather show a greater surplus than pay loan down. He doesn't care for idea of pre-paying, just a cash guy.

ED Marra asked, SHA can approve budget and then amend it within 60 days; send out amended budget to Trenton, and still have time to do something for March meeting. Mr. Katchen noted Page CB-3, 4, 5 – a resolution that said SHA had 2-39 for capital projects; now having 490,000 for capital projects and it will show on the resolution a huge surplus to that instead. ED Marra inquired if it can be done at February 28th meeting, and still be sent to Trenton for March 28th meeting?

Chairman Schlemm requested Bill List be discussed at this point and Federal Government shutdown. Mr. Katchen just came from Bergen County Housing Authority meeting. An extensive discussion happened there and these are the recommendations: January is business as usual, funding there. If SHA was still public housing, it would not be business as usual. No funding for public housing

as of January 1 at all. Voucher Program is being funded. February 1st funding is there – February will be business as usual. March is another story. Nothing is known. There is \$1 million in surplus; monthly operating bills for Public Housing Program are 200,000/month. If need be with rents and other sources of revenue, SHA could use the surplus to carry on PHP for 5 months. Drain your surplus, but carry PHP.

On the Voucher side, that's problematic. Mr. Katchen found out today New Jersey is a "tenant protective state" meaning that as long as tenants on Housing Choice Voucher Program are paying their share of rent, and you're not getting HAP, a landlord cannot go to court to evict tenant. ED Marra added if the government is still closed February 1st, which is day landlords would receive their February check from SHA and it's still closed, SHA needs to send out letter to all landlords on February 4th that says "we're not sure you're going to get your March HAP." At the same time, a letter has to go out to all tenants saying "make sure you pay your portion of rent in March" and let it go from there until government reopens. Attorney D'Amico said it's the Anti-Eviction Act. ED Marra will tell the tenants that in a letter and a letter to the landlords as well. Attorney D'Amico said the letter was a good idea in telling the tenants to pay their portion. Vice-Chairman Harper added the letter to landlords was also a good idea. Both letters to tenants and landlords would go out on February 4th, Mr. Marra said, stating as long as tenants pay their share, they would be protected. Mr. Marra does have sample letters, which also state, please have your legal counsel review these letters before you mail them out. One source of letters is NARUC and a SAQ on government close down and also info from John Clark, Executive Director of New Brunswick HA, and President of PHADA nationally. Mayor Gonnelli will also receive a copy of the letter so he can anticipate any phone calls that he might receive.

Mr. Katchen spoke re: Housing Choice Voucher Program – SHA annual expenses there are administrative and HAP landlords excluding RAD units, which are about 200,000/month. If shutdown goes past March 1st, he suggests paying landlords or maybe not and borrow from RAD Public Housing Surplus for voucher program so that 5 months worth of surplus actually would become like 2-1/2 to 3 months, if we want to continue to run programs at 100%. Commissioner Fairman added or the landlord just doesn't get paid. Mr. Katchen said it's about 190,000/month, so if you didn't pay landlords and just covered admin expenses, then number becomes about 10,000/month.

ED Marra asked Mr. Katchen if SHA has any HUD held monies? Chairman Schlemm answered yes. Mr. Katchen explained under Cash Management procedure that HUD put in place 10 years ago, a pot of money is set aside for SHA and if you don't use it all by end of the year, some of it you may retain for cash flow purposes – that is the 1-65; but the rest HUD recaptures and holds because in accordance with Federal Accounting Regulations, SHA should not be holding any Federal dollars in excess of what they say you can. HUD sent out

a notice, which says, if this continues and you run out of money, that they will through a skeleton crew make available to SHA the HUD held funds. ED Marra gave them the info from Dominick Bloom, which speaks of that. ED Marra added that in letter to landlords, it won't say you're not getting your March payment, SHA is saying you might not get your March payment. Commissioner Fairman inquired as to if landlord doesn't get paid, could any actions be taken against SHA? ED Marra answered that in all HAP agreements it says where Federal appropriations are available.

Chairman Schlemm asked if SHA didn't want to use surplus, and tonight just paid major bills – loan, electric, pay accountant – does it make sense to do that? SHA has good will with all these vendors over the years, and pay them when SHA gets paid, not touch surplus, is that a thought? Mr. Katchen answered you're not touching surplus in January/February; it would be in March. We will discuss it again in March. Mr. Katchen strongly recommends paying bills at this point. There isn't a course of action with all monies that SHA has in surplus to not pay bills since you were fully funded in January. Discussion concerning March not being funded followed. Mr. Katchen's final recommendation to the Board is you pay all the bills for January and February.

Motion to approve Resolution #2019-1 and Resolution #2019-2 made by Commissioner Harper; 2nd by Commissioner Suarez.

VOTE: AYES/All Present Commissioners (4) Absent: Mondadori/Rivera/Grecco

Resolution #2019-2
2019 HOUSING AUTHORITY BUDGET RESOLUTION
Secaucus Housing Authority

FISCAL YEAR: FROM: April 1, 2019 TO: March 31, 2020

WHEREAS, the Annual Budget and Capital Budget for the Secaucus Housing Authority for the fiscal year beginning, April 1, 2019 and ending, March 31, 2020 has been presented before the governing body of the Secaucus Housing Authority at its open public meeting of January 24, 2019; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$5,725,706 , Total Appropriations, including any Accumulated Deficit if any, of \$5,425,042 and Total Unrestricted Net Position utilized of \$0; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$89,366 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$ 0; and

WHEREAS, the schedule of rents, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted

elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Secaucus Housing Authority, at an open public meeting held on January 24, 2019 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Secaucus Housing Authority for the fiscal year beginning, April 1, 2019 and ending, March 31, 2020 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Housing Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Secaucus Housing Authority will consider the Annual Budget and Capital Budget/Program for adoption on March 28, 2019.

_____ (Secretary's Signature)		_____ (Date)			
Governing Body Member:	Recorded Vote				
	Aye	Nay	Abstain	Absent	
Commissioner Schlemm	X				
Commissioner Harper	X				
Commissioner Fairman	X				
Commissioner Grecco				X	
Commissioner Mondadori				X	
Commissioner Rivera				X	
Commissioner Suarez	X				

Commissioner Fairman noted that Board is coming back to amend these budgets as part of the approval of tonight's budgets. ED Marra will send budget to Trenton tomorrow.

(At this point in the meeting, Mr. Katchen departed the room.)

PAYMENT OF CLAIMS

Motion to approve payment of claims for December 2018 and January 2019 made by Commissioner Harper; 2nd by Commissioner Suarez.

VOTE: AYES/All Present Commissioners (4) Absent: Mondadori/Rivera/Grecco

ED Marra noted tomorrow morning Carlisle is coming to The Elms to do inspection and declare roof completed and offer SHA 20-year warranty. They have completed inspection of 600 County Avenue and will offer that warranty. Carlisle will provide warranty on roof after an authorized installer has installed it; Carlisle comes to inspect and if they deem it was done correctly, they issue a 20-year warranty.

Commissioner Fairman was concerned about bill list during this period of uncertainty. He believes SHA should always pay the bills, but money in February should be restricted until there is further clarity during the course of that month. Asking people to go 30-60 days under these circumstances is prudent from a fiduciary responsibility. SHA should not use any surplus cash to meet a bill list under current conditions of Federal government. Discussion followed about money and February bill list in regards to shutdown, not spending money unless absolutely necessary. Commissioner Suarez said he's worried about the small individual people, PSE&G is fine. Commissioner Fairman noted all professional services should be suspended.

ED Marra spoke of update on installation of cell equipment on roof at 700 County. It is not in operation yet; a crane will be here one more time to put up more equipment, but by middle of February it will be done. Ronnie took Commissioner Harper up to the roof one day to meet the crew. Man in charge said they were impressed in viewing the common areas, and certainly as nice as any high end rental common areas.

Monthly account balances through December 31, 2018 were in packet. Monthly savings report was not available on NJSEMS. JIF bill for 2019 is \$65,611. JIF sent out no opportunity for dividend this year. Their rates went up 12% and JIF had some losses, Secaucus contributed to those losses last year.

No Professional Services, no Personnel.

RESOLUTION 2019-3 – AUTHORIZATION TO ATTEND CONFERENCES

Other than Atlantic City, Mr. Marra doesn't attend any others, but certainly Commissioners can attend, and named the conferences, dates & times. Commissioner Harper noted that the Board as a whole doesn't go overboard on attending many junkets; he does enjoy Atlantic City or Washington, D.C. when he can.

Motion to approve Annual Authorization to Attend Conferences made by Commissioner Harper; 2nd by Commissioner Fairman.

VOTE: AYES/All Present Commissioners (4) Absent: Mondadori/Rivera/Grecco

RESOLUTION #2019-3 **(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
June 2-5, 2019 Fort Lauderdale, FL

PHADA Legislative Forum
September 8-10, 2019, Washington DC

PHADA Commissioner's Conference
January 6-9 2020 Location To Be Determined

NJAHRA Annual Conference
September 2019 - Atlantic City, NJ

NJNAHRO-Conference
May 5-8 2019, Atlantic City, NJ

NJNAHRO Conference & Training
November 12-14, 2019, Atlantic City

NAHRO Legislative Conference
April 7-9, 2019 Washington, D.C.

NAHRO Summer Conference
July 11-13 2019 Boston, MA

NAHRO National Conference
October 10-12, 2019 San Antonio, TX

ED Marra added for February's meeting there will be a new Section 8 Administrative Plan, which the Commissioners will receive 2 weeks before to review, present at February's meeting and adopt it at March's meeting. It will cover Housing Choice Voucher Program and Project Based Voucher Program.

BUILDINGS & GROUNDS

The fire pump/motor jockey pump replacement at The Elms is still being worked on even after a year with Copamontebono. It is more difficult than anticipated. When ED Marra has more info in January, he will send it out to B&G Committee.

There was an email dated January 14th in package about reaching out to people at Carlisle; they will be here in 2 weeks; email this A.M. says they will be here tomorrow at 8:00 A.M. SHA is still holding \$134,000 check; Lee sent ED Marra email about contractor sending final bill and all close-out paperwork. SHA's letter will say send me all close-out paperwork and here's what we're deducting from final bill, which may end up being no final bill. ED Marra will pass letter to everyone before he actually mails it; you will see what number is and what SHA is taking off of the remaining bill.

HOUSING CHOICE VOUCHER PROGRAM – Deputy ED Jake Naszimento

DED Naszimento reported that under January \$189,228 was spent; broken down as \$162,329 being spent on residents residing in Secaucus; remaining \$26,899 is spent on families residing outside Secaucus. SHA is currently in process of purging the existing House Choice Voucher waiting list. Letters have been sent to all families requesting update on status. If letters are returned to the office, marked RETURN TO SENDER, those families are removed from waiting list. Families responding will remain on waiting list. After waiting list is officially reopened, eligible applicants will be properly ordered according to time and preference, letters will be mailed out then to all applicants informing them of their current position on waiting list. SHA will open waiting list from Monday, February 4th to Friday, February 8th, 2019.

ED Marra spoke about Supervisory File Review. Every year SHA is cited in this report for not completing a Rent Reasonable Study when either a new person rents an apartment or someone asks for a rent increase. Since using NORAD to help with administrative plan, they have a program called “Easy Reasonable Rent Determination Program”. SHA has signed agreement for 12-month contract, SHA builds its own data base, and they use zip code 0-7-0-9-4 and surrounding area – SHA is not letting people rent apartments that are beyond the Fair Market Rate – but you need to have something in the folder that says you compared it to other reasonable properties. When SHA gets this, every tenant will have this in their folder, because SHA doesn't have enough of them in the folder. So when 25 are picked randomly next year and EFA examines them, everyone will have the form. Other housing authorities in Hudson County and N.J. subscribe to this program; it will help SHA solve that.

Chairman Schlemm asked if its web-type set up. ED Marra said it will be on internet. Chairman Schlemm asked if address of new rental will compare to others in area.

OTHER

Under OLD BUSINESS, there is letter from law firm updating info on offset lawsuit against HUD. It looks positive, but now government is closed; it does look more positive.

Recently the cleaning of kitchen and bathroom exhausts at The Elms was completed. SHA is completing a record disposal project next Tuesday. SHA has 50 banker boxes worth of records; also doing it in conjunction with State of New Jersey and having it officially signed off by them about destroying of records.

NEW BUSINESS

There was a special meeting on January 12th, but due to length of budget discussions, we might wait until next meeting to discuss it.

ED Marra gave out NAHRO's Resource and Advocacy – it has FAQ and also sample of letter to be used to landlords; it is a difficult situation with 180 landlords – Bergen County has 4,000; Jersey City – 4,000 – and ED Marra has to send out to all of them.

REMARKS OF CITIZENS

LINDA CROWLEY, #304, thank you for washers and dryers.

MARIE, #315, building is cleaner than it was a few months ago. Also, 2 weeks ago there was a cold day and many complained about no heat, but none of them are here this evening. Marie spoke to Ronnie asking if heat was on timer; at 6 PM you could smell heat coming up. Monday, it was 9 degrees, 15 people complained about no heat, walls were cold, had to wear slippers, but 6 PM heat came up again.

ED Marra answered there was one call from Kroll Heights re: no heat, which Ronnie came to check. Heat runs 24-hours a day. It was 5th floor that called about heat. Marie put her oven on. ED Marra said if you don't have heat you need to call; on a 25-degree day are you having heat? No matter what the temperature is, you should have heat. There were 7 calls at The Elms and they have electric heat. Half were because they didn't work thermostat correctly. There was a problem at Patriot Commons; they called at 7 PM, it couldn't be fixed; plumber came at 10 PM. It was fixed and at 8 AM next morning, woman calls and says I have no heat. ED Marra and Ronnie go over, pilot light not lit; Ronnie can't fix it, plumber called again and there for 5 hours on Monday fixing furnace. Sometimes the baseboard is broken and needs to be repaired. ED Marra said they could just turn heat all the way up, as they're not paying for heat.

Chairman Schlemm responded to Marie's remark about lack of money at SHA. Entire idea of walk-through of buildings was to give Commissioners ideas of what needs to be done and how to plan for next 5 years – painting, flooring, etc. If heating is a problem, perhaps boilers and other things needs to be looked at. Marie answered Community Room was where everyone was huddling. Commissioner Suarez added please do not confuse issue of funding with issue of having to address heat; there is no correlation of whether heat is turned on or not. Commissioners are trying to say if there is a problem, it will be addressed. Marie said no one who complained about heat came to this meeting. ED Marra told the audience if no heat, call office and Magic Construction will

come and look at baseboards to see if they're broken. This is only building that has gas heat – boilers. Rest has electric heat.

Commissioner Suarez said there is maintenance, but occupants of each unit are primary source of knowledge for performance of that unit. Commissioners rely on them to advise Board of any issues that should come about.

PHILOMENA, #413, said her thermostat is on 90 degrees, but no heat comes through. Her windows and walls are ice cold. She covers herself with blanket in living room, but it's still cold.

ADJOURNMENT

Motion to adjourn made by Commissioner Harper, 2nd by Commissioner Fairman.

VOTE: AYES/All Present Commissioners (4) Absent: Mondadori/Rivera/Grecco

Respectfully submitted,

Deborah L. Alvarez
Secretary/Transcriber

Meeting adjourned at 8:40 P.M.