

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

December 8, 2016

This is a condensed transcription of the taped minutes as taken on Thursday,
December 8, 2016 at The Elms, Fifth Street, Secaucus, New Jersey
Commencing at 7:00 P.M.

Chairman Michael Harper welcomed everyone and called the meeting to order.

ROLL CALL

Present: Vice-Chairman Michael Schlemm
Commissioner Richard Fairman
Commissioner Patricia Mondadori
Commissioner Carmen Rivera
Chairman Michael Harper

Also Present: Executive Director Christopher Marra
Deputy Executive Director Jake Naszimento
James Burke, Esq., Counsel to the Authority
Frank Borin, Esq., DeCotiis

Absent: Commissioner Michael Grecco

Chairman Harper read the Open Public Meetings Act.

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 and Secaucus Homes News on December 26, 2016. 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 Fairman and recited by all present.)

RECOGNITION AND PRESENTATION

Executive Director Marra introduced Fran Pein, an employee of SHA for 20 year this past May. Fran does her job every day and aids in the running of the Authority so efficiently. As SHA is moving to Project Based Vouchers, Fran attended a two-day class in Atlantic City in this regard. National NAHRO was giving the class, entitled "Certified Specialist of Occupancy Housing Choice Vouchers Eligibility Income and Rent Calculation". Fran was one of over 40 in the class. At the end, there was a test and Fran scored 87 out of 100, one of the best scores. Many people did not pass the class. Whereupon, Chairman Harper presented Fran with a certificate and photos were taken.

INFORMATIONAL

The new SHA Commissioner, Antonio Suarez, was unavailable this evening and will be sworn in next month. Mr. Suarez lives on Blondel Drive and is married to Secaucus Town Attorney, which is not a conflict of interest for him to be on the Housing Authority. Mr. Suarez grew up in Bayonne and is in Seattle, WA at the moment.

APPROVAL OF PREVIOUS MEETING MINUTES – October 27, 2016

ED Marra noted there were 22 pages of minutes, but many were resolutions from DeCotiis. There also was a closed session, but you don't have them at this time. The closed session minutes will be adopted in January 2017.

Motion to accept minutes made by Commissioner Schlemm; 2nd by Commissioner Fairman.

VOTE: AYES/All Present Commissioners (4) Abstain: Harper
Absent: Grecco

PAYMENT OF CLAIMS

Commissioner Fairman had one question regarding the Tyco bill, and is it monthly. ED Marra explained it's a quarterly bill, which is possible for more than one quarter, about \$2,200, a monitoring fee for two of SHA buildings.

VC Schlemm asked about Faraldi Group, a certification for 254 Centre. ED Marra said they had to additional work on the other surveys as well, and refix some of the other surveys doing some metes and bounds work. Their entire bill is now on Professional Service Contract list.

Motion to approve payment of claims for November made by Commissioner Fairman; 2nd by Commissioner Schlemm.

VOTE: AYES/All Present Commissioners (4) Absent: Grecco
December 8, 2016

RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD)

Mr. Marra introduced Frank Borin, who updated everyone about HUD approval process of the RAD conversion, going over terms and conditions of Bogota Savings Bank financing of \$2.5 million. On his way here Mr. Borin received an email from his office stating HUD had sent an email giving legal sign-off on all documents, which took a long time for HUD to give that approval, but the attorney has confirmed that she has forwarded her legal review memorandum to HUD Washington and the documents are scheduled to be executed by HUD on December 15th. They will be sent back to Mr. Borin under cover of an escrow letter and DeCotiis has advised HUD all documents will be signed on 12/29.

Mr. Borin said the only item, which is a contingency, is approval from other people at HUD on payoff of the leveraging debt. Everything has been submitted that was required to be submitted. In terms of defeasance documentation, just their approval is needed as well, but it is expected before closing. DeCotiis has taken care of all documentation. The HUD attorney does want to go through a few more things on the financing documents, which did not hold up her approval for HUD Washington.

With respect to financing, DeCotiis did try to get Bogota to agree to hold the terms that were in their commitment through the end of 2016, they agreed to hold the rate, but want the rate to be adjusted at 5 and 10-year intervals with a cap of 6%. After speaking with Commissioner Fairman and ED Marra, DeCotiis did go back and try to get Bogota to lower that cap, which they refused to do. His only comment on that is Fort Lee Housing Authority closed their RAD deal in November and had Bogota as well, at 3.75%; SHA is at 3.375%. Commissioner Fairman added 3.375 was a negotiated rate down from what they originally proposed. Mr. Borin thinks rates are trending up. Originally, they weren't going to adjust the rate for 10 years. Commissioner Fairman said considering all factors here, SHA did need to close and didn't want to see the 5 year, the fact that Bogota held the rate for SHA for the 5 year from an economics point of view, it is reasonable compared to what the alternative would have been. Mr. Marra explained Mike Harper and Dick Fairman met after Thanksgiving with Dan Marinello and Lisa Petrosky. Lisa and Dan presented a financial pro forma, the one that exists and one with Bogota Savings rate changing at year 6. Their pro formas always showed the worse case scenario. Year 6-20, the rate is 6% and subsequently called DeCotiis asking them to speak with Bogota tomorrow, see if they'd lower the rate in the first swipe to whatever number – 5-1/2, 5-1/4 and the next day Bogota came back and said this is the deal as it is. Mr. Marra said unfortunately, this is the best SHA can do. In his memo before Thanksgiving, Mr. Marra stated SHA just needs to close, convert and do it now as administrations are changing, SHA has no idea if this program will be halted next year. Hopefully, SHA will manage their way through it. Everything from this point until 12/29 is logistics, about establishing bank accounts, getting Mike Harper and I out there on the 29th, Bill Snyder and Carmen Ross, since SHA has agreement with Leased Housing Corporation; it's about the logistics of the New Jersey Housing Mortgage Financing

Agency. Their attorney (Tom Shelton) seems cooperative and willing to do whatever SHA has to do. VC Schlemm asked Mr. Borin if SHA closes and then pays the debt off the same day or next day. Mr. Borin answered, because of the volume of documents that are signed there is a pre-closing, where everyone comes in and signs, making sure the attorneys are comfortable with it all, all documents are held in escrow and the next day everything gets funded and released. All documents dated the 30th. There always little bumps, and you don't want to wait until the 30th. Pre-closing is the 29th just to make sure everything is solid. ED Marra said in January the new funding starts. Mr. Marra asked if there would be a half-payment on January 2nd into SHA's bank account. No, probably not. SHA might get double paid in February, but no half payment on 1/2/17. Some adjustments have been made and residents here know this, as in The Elms, residents pay \$13 extra on top of rent. Now, everyone in The Elms saves \$13/month going forward. HUD made up for that on the back end by upping rents, giving SHA an Excess Utility Charge, one of the amendments they made to their RCC – Rental Conversion Commitment. It's just logistics in the office. Mr. Marra said SHA is only receiving the half payment in 2017, not receiving the administrative fee, which will begin in 2018. Commissioner Fairman asked all documents, all papers, everything is submitted. Mr. Borin said all RAD conversion documents are on schedule with HUD to be signed on 12/15. The one piece they're waiting for is the memo from the attorney in Newark saying "I'm signed off." Everything will be signed by HUD on 12/15, mailed overnight to DeCotiis with a letter saying you have to hold those documents in escrow. We understand you're closing on the 30th. If for whatever reason that doesn't happen, everything is void.

Mr. Borin added SHA still needs to get from the other man at HUD to sign off on the defeasance, but DeCotiis has gone through that process before and he knows time is critical. VC Schlemm asked if SHA needs to do anything more? Mr. Borin said no further action needs to be taken. Just the Chairman and Mr. Marra need to be there to sign. Mr. Burke asked if his presence was required. Mr. Borin didn't think so.

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

RESOLUTION #2016-31 AND RESOLUTION #2016-32

Ed Marra mentioned Buildings & Grounds Committee, Commissioners Mondadori, Mike Schlemm and Chairman Harper interviewed several companies for the roof replacement and for the air handler replacement. No one was interviewed about the conversion of The Elms. At that meeting the roof replacement contract was recommended to go to Charles Collins; everyone thought he could do the roof job, and the lowest priced. Mr. Collins came in for the interview and a background check was done; his bid was \$5,000 lower, but after doing some due diligence, including speaking with Lee Mestres, who worked for Habitat, Lee indicated as did Perth Amboy, where he's working now on RAD projects, Lee indicated he would be able to do this job in terms of hiring contractor to do the two roof replacements at these two buildings - a sole owner.

The second item, #2016-32, is to change the air handler at Rocco Towers for the common area. The second highest priced company there after Charles Collins was Coppa Montalbano Architects out of Totowa. They are \$2,000 more than Collins and came in with one of their principles and came in with one of their engineers, who is also a sub, giving a good presentation about what they thought the air handler was, came on the tours of the buildings and Mr. Marra thinks they were more satisfactory and in terms of a professional service contract, and scoring them, while his price might have scored a point better than what they could come to the table with, their ability to do this project ranked higher than just Charles Collins on his own and his sub-engineer. Recommendation from committee is to award it to Coppa Montalbano Architects for \$11,900. Collins first number is \$9,600 to be the architect to design two roof projects and the air handlers with the idea there will be one contractor who will do both buildings. Lan Associates and DLB Associates were higher.

RESOLUTION #2016-31
(Award of Contract for A/E Services for RAD Project
Replacement of Roof at The Elms and Impreveduto Towers)

WHEREAS, the Secaucus Housing Authority (hereinafter referred to as SHA) has need for A/E services for Roof Replacement at Impreveduto Towers, 600 County Avenue and The Elms, 777 Fifth Street; and

WHEREAS, SHA is permitted to contract for such services, pursuant to both the New Jersey Redevelopment and Housing Law and the New Jersey Public Contracts Law; and

WHEREAS, pursuant to SHA's Procurement Policy Guidelines, the above contract was advertised for proposals in the appropriate newspapers; and

WHEREAS, SHA received nine (9) proposals from A/E firms, and

WHEREAS, the highest rated proposal was submitted by the firm of:

Charles J. Collins, Jr./Architect
575 McKendimen Road
Medford, NJ 08055-9774

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the Town of Secaucus that a contract for A/E services for Roof Replacement be awarded to:

Charles J. Collins, Jr./Architect
575 McKendimen Road
Medford, NJ 08055-9774

in the amount of \$9,600.00 and

BE IT, FURTHER, RESOLVED that a copy of the proposals are on file in the office of the Housing Authority of the Town of Secaucus and funds for this contract have been made available through a loan from Bogota Savings Bank arranged through the SHA's participation in Rental Assistance Demonstration Program

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

Motion to approve Resolution #2016-32 made by Commissioner Schlemm; 2nd by Commissioner Mondadori.

VOTE: AYES/All Present Commissioners (5)

Absent: Grecco

PSE&G RESIDENTIAL – Mr. Marra explained in the Commissioners’ packet there was a page (holding up page) and on back side are 2 emails called “PSE&G Residential Monthly Family Housing Program”. Rachael Fredericks works for PSE&G and Pat Bunn, MaGrann Associates, Mt. Laurel, NJ. Ms. Fredericks has authorized MaGrann Associates, meaning PSE&G is going to spend the money to have MaGrann actually write a report on The Elms, based upon the application that ED Marra submitted to them about The Elms. MaGrann inspected the building this morning, the roof, showed them sample apartments, and showed them the gas hook-up in the back. MaGrann’s point is that yes, gas conversion is going to save SHA money, and heard the entire story: Johnson Control story, buyer’s remorse with that, the history of The Elms, what SHA wants to do, about the air handler on the roof is gas for the first time; that SHA saw the difference in the electric bill for the first winter, yes, it went up but the electric probably went down more, and while there was an acknowledgement by these men that, yes, in the short term gas probably saves – what they’re really looking for is solar or renewables. Their statement was 4-5 years ago when SHA was doing this, the technology changes so fast, pricing changes so much, PSE&G says you can only fit in this program only if you have a 15-year or less payback. The fact that SHA showed them the 12-year was good, but they also want to see is there another program that can save as much money or enough or another item that could save enough money that there is less of a capital layout by PSE&G, with still the same savings for SHA. They will give SHA a report by the end of the month.

Mr. Marra didn’t tell them SHA bid anything out or SHA is doing this anyway, let’s see what they can do and figure out afterwards if they’ll do SHA’s project or something similar. PS might be able to fund half of it, SHA pay the other half through their bill so there is no outlay. Mr. Marra doesn’t know what the ramifications are with HUD if they don’t do it, does SHA need a waiver allowing SHA to pay the money back faster or HUD will say go back into your PCA and find some more projects to fund, which is what Mr. Marra thinks will be said. Mr. Marra says give them to the end of the month, if they don’t have anything by then, SHA will consider awarding a contract in January. VC Schlemm said if nothing else, it will be a different perspective. There is a Steven Winter audit of the building from 2009 or 2010 that Bill Snyder had done; a 5-

year history of electric/gas bill here; a lot of information on the property that Mr. Marra had to give them in the application. Commissioner Fairman asked if Lee Mestres would be involved in looking at that. Mr. Marra said no, SHA would have to hire someone, but MaGrann is actually hired by PSE&G and will give this report to PSE&G with a copy to SHA. Rachel authorized them to do this study and then ultimately, if they do something with SHA, it's MaGrann that becomes the architect engineer, PSE&G contracts with them.

ED Marra added the other documents in the packet under the RAD Program were a copy of the 30-day notification, which is what was sent to residents and also some new Project Based Voucher documents, so you get a sense of what is being signed and what had to be written in the letter. VC Schlemm asked when were the meetings. Mr. Marra said last week; each building got a different letter, as it was a different date at a different time. The last page lists Professional Service Contracts through December 2nd. DeCotiis is capped at \$85,000; November's bill was \$11,000 and approaching a total of \$50,000. December will be unbelievable getting them close to \$80,000.

Commissioner Fairman asked about NW. NW gets 1% of the permanent mortgage financing, not to exceed \$130,000; 1% of \$2.5 million is \$25,000, but they only get \$130,000, and they've been paid \$25,900. Commissioner Fairman said they are going to come for that remainder; it's a fee. Mr. Marra said if SHA got to 130 with them, and SHA closed at 2.5, they'd get no money, receive no funds, but they were billing SHA up to a point and then not to exceed \$130,000.

FINANCE COMMITTEE

RESOLUTION #2016-33 – Appointment of Jacob Naszimento as Fund Commissioner to NJPHAJIF

Resolution # 2016-33

(Resolution appointing Jacob Naszimento as its
FUND Commissioner for 2017 to the NJ Public Housing Authority JIF)

WHEREAS, the Secaucus Housing Authority (member) is a member of the New Jersey Public Housing Authority Joint Insurance Fund; and

WHEREAS, the bylaws of said Fund require that each member Housing Authority appoint a FUND Commissioner to represent and serve the Authority as its representative to said Fund; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Secaucus Housing Authority do hereby appoint Jacob Naszimento as its FUND

Commissioner for the New Jersey Public Housing Authority Joint Insurance Fund for the Fund Year 2017.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF A RESOLUTION ADOPTED BY THE BOARD OF COMMISSIONERS OF THE SECAUCUS HOUSING AUTHORITY AT A MEETING HELD ON DECEMBER 8, 2016

Christopher W. Marra, Executive Director

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

Motion to approve made by Commissioner Mondadori; 2nd by Commissioner Fairman.

VOTE: AYES/All Present Commissioners (5)

Absent: Grecco

Mr. Marra noted SHA received \$1,899 as a reimbursement from JIF, which is being applied to 2017 assessment. The monthly account balances are also there and new accounts start next month, including the \$1 million account for initial deposit.

Mr. Marra reported in regards to New Jersey SEM, Steve Sacco from JIF, who is in charge of NJSEM, was promoting this program to another Executive Director, and asked ED Marra if he was in that program, aren't you saving money. Mr. Marra said SHA saved money in the first year, but now SHA isn't saving money and explained how he made that determination and he looks at the PSE&G bill, which compares PSE&G to NJSEM, which indicates SHA is down about \$2,000. Mr. Sacco looked at Mr. Marra and then asked Mr. Marra to send him the information. ED Marra had already relayed them to Carol Friedman, who works for NJSEM, and asked if Carol got back in touch with Mr. Marra. He answered no. This week ED Marra got an email from Ms. Friedman, and he cannot explain to the Commissioners why there is no savings now, when there was savings through December of 2015; they will look at it and update him. The only thing Mr. Marra can go by is what is on the bill. In the past it was the transition months where there was savings – September to November – losing money in the cold – March-May you make it up again.

POLICY COMMITTEE

ED Marra noted last week HUD came out with its final rule to have smoke free public housing. He gave the Commissioners a copy of the 55-page final rule with the press relief. At some point in 2017 it has to be implemented no smoking in the building at all. There is a description in the 55-pages of how you do that. Most of it is already set up – 25' rule in front of the building; no smoking in any common areas, but you won't be able to smoke in your apartment either. There is no grandfathering under this. If you live here and smoke now, you won't be able to continue smoking. Mr. Marra has informed new applicants over the last year that you are going to be living in a no smoking building, so they can make their own determination about living here. It will be discussed going forward. Carmen Rivera, Mike Harper and someone else will be on that Policy Committee. The Policy Committee will meet in January or February and come back to the full Board and discuss ideas on how to implement that.

Commissioner Fairman asked what is the percentage of the population that smokes. ED Marra said no survey has ever been taken, so it's all anecdotal based upon who the office sees go outside who smokes. ED Marra's estimate is out of the 275 apartments, probably somewhere between 20-30 residents smoke, a little over 10%. Commissioner Fairman asked if this policy applies to Jake's voucher people. ED Marra answered no, which is what many people have asked, as well as the other kind of HUD-funded housing. This is specifically designated at public housing. Commissioner Schlemm noted if you read everything, they talk about all the benefits and the savings, but it does go over to the voucher based housing. When Leased Housing Corp. opened Colonial Court, it's in the lease you can't smoke in the units. In the 6-7 times year maintenance goes into Colonial Court, no one has detected smoking on the premises.

BUILDINGS & GROUNDS

ED Marra reported to the Commissioners in notes that work at The Elms was started on November 28th and they have 30 days to complete the job. The owner told Harry he thought it would be done in 2 weeks. They won't complete it by then. They needed to pour a new concrete slab outside, but today it was a big mud hole. The new piece of equipment is in there. The men worked in Unit 110, making the connection through the ceiling. Mr. Marra thinks the job will be completed next Friday, weather permitting – 12/16. There will be a holiday party here in the Community Room on 12/17.

The Commissioners have a report from Tecta America. It's the roof report for The Elms & Imprevduto Towers, further verifying the fact that SHA needs to (inaudible).

Resolution #2016-34 is not available tonight. Mr. Marra explained since dealing with the RAD, it took him 2 weeks to open up the bids and some of the companies that SHA has that didn't submit a bid, they missed it and SHA can throw those received out for no reason. SHA may want to do that for a couple of the items, because he

hasn't checked out the other companies yet. One company underbid by \$100. Mr. Marra is obligated to tell people through OPRA, when they ask what's your current contract, and he tells them. The contractor that SHA has, bid the same amount of money. He doesn't know if the lower bidder has a business registration from New Jersey, not called their references; don't know if they've ever done a housing authority, so he will do a little more investigation before he issues that resolution. They are 2-year contracts, all expiring 12/31. ED Marra added other than the painter, aren't going to happen between January 1st and the first meeting in January. Arris has had the contract here forever, and were low.

TENANT SERVICES/ISSUES – DED NASZIMENTO

DED Naszimento reported that the percentage dropped from November to December about \$4,000. In the meantime there are 20 families out searching for housing, 7 families elected immediately to go out of town. He's waiting to hear back from the receiving housing authorities on whether or not those families are going to be absorbed or administered. He also received back results of Supervisory Unit Inspections. 22 units were inspected, 3 fails. Letters have been sent to those landlords regarding repairs and have scheduled follow-up inspections. We were one of those 3 landlords – Patriot Commons unit failed because smoke detector wasn't working. VC Schlemm asked how long a time the landlords are given. DED Naszimento said 30 days. If they don't contact SHA, they won't get paid for January 1st.

OTHER

Mr. Marra said there is a 2017 meeting schedule for adoption, please look at it. Meetings are generally 4th Thursday of every month. No meetings in August or November and second Thursday in December. All meetings are at 7:00 P.M.

Also listed are the new market rents for 2016-17 resulting in the Board establishing a new flat rent for 2017 and it affects Section 8 also (inaudible). Mr. Naszimento said this year they're getting more so it will decrease tenants' rents who are Section 8.

REMARKS OF CITIZENS

One person spoke about bad elevators. ED Marra answered SHA is working on the elevator. Thyssen has come in and gave an estimate on replacing the mechanics of both elevators – not the car, but what operates the car, which is \$162,000. Mr. Marra has spoken with Mayor Gonnelli and the Town Administrator and he sent him an email this past Monday as a reminder, because there was another problem. This is about the time Secaucus starts talking to the County for Community Development money and asked him if there was any money they could find within their allotment that they could provide to SHA for this. \$161,000 is without an architect/engineer drawing up specs, putting it out to bid, having people bid on it with prevailing wages.

Yes, could we do that because it's in our PCA budget, of course, because it's a PCA project, but not for a couple of years. Do we want to do it out of the \$1 million, probably, but he's hoping to get money from the town to help offset it.

There is another issue here and B&G will have to reconvene over the next 2 weeks to discuss water infiltration in The Elms. About 5 apartments have issues again, and it hasn't been remedied in the past few years. It involves the east side of this building, specifically apartments from here down to Center Avenue.

A woman said someone had a problem with their hot water tank today. She has lived here six years and doesn't know how old her tank is. ED Marra answered the issue with hot water heaters in this building, as well as Rocco Towers – here they are so sequestered under the kitchen cabinetry that it's almost impossible to “regularly” check on them. When one breaks, the maintenance man comes and disassembles the kitchen cabinets; then the plumber comes in, replaces the hot water heater and maintenance puts kitchen cabinet back together again. Basically, what happens is: they break and maintenance fixes them, we don't fully replace them all at one time. They're probably like a home hot water heater with 10-12 year life span. A man interjected about the waterless hot water heaters. Mr. Marra said he didn't know if they'd work in a unit like this. The main answer is there is not an easy answer to check if your hot water heater is on the way out; there probably is a date on these, but it's difficult to see. All Mr. Marra knows is that they keep track of who has had one replaced, which is through the plumber's bill. Most of the time when it breaks, the person is home and it's caught before it makes it into 2-3 floors below. Today, the person was not home, no one knew anything until Apartment 405 or 403 began to get water. By the time maintenance got there 303 and 203 had water. The 30-gallon tank just empties out. Most of the time someone is home and they call the office immediately, and they stop it, but this was bad because person wasn't home.

Another woman asked how many animals are allowed in each unit? Mr. Marra said the lease says one. The office is working on that. There are complications because it's not just a pet, it's a service dog, but he's fully aware of what's going on.

ADJOURNMENT

Motion to adjourn made by VC Schlemm; 2nd by Commissioner Mondadori.

VOTE: AYES/All Present Commissioners (5)

Absent: Grecco

MEETING ADJOURNED AT 7:55 P.M.

Respectfully submitted,
Deborah L. Alvarez
Secretary/Transcriber