

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

June 22, 2017

This is a condensed transcription of the taped minutes as taken on Thursday, June 22, 2017 at Imprevduto Towers 600 County Road, Secaucus, N.J.

Chairman Michael Schlemm called the meeting to order.

**ROLL CALL – Executive Director Christopher Marra**

Present: Chairman Michael Schlemm  
Vice-Chairman Michael Harper  
Commissioner Richard Fairman  
Commissioner Antonio Suarez  
Commissioner Patricia Mondadori

Also Present: Executive Director Christopher Marra  
Deputy Executive Director Jake Naszimento  
Charles M. D'Amico, Esq., Counsel to the Authority

Absent: Commissioner Carmen Rivera  
Commissioner Michael Grecco

Chairman Schlemm 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 12, 2014. 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 recited by all present.)

## **APPROVAL OF PREVIOUS MEETING MINUTES – none available this evening**

## **PAYMENT OF CLAIMS – JUNE**

Motion to approve payment of claims made by VC Harper; seconded by Commissioner Mondadori.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Grecco

## **SCHEDULE OF COMMITTEE MEETINGS**

Mr. Marra spoke about scheduling committee meetings. Policy Committee consists of Pat Mondadori, Carmen Rivera and Michael Schlemm. Each committee should meet once a year. Finance and Professional Services Committees are the same members: Michael Schlemm, Antonio Suarez and Richard Fairman. Personnel Committee is three Mikes: Michael Schlemm, Michael Harper and Michael Grecco, which will be discussed later. Next week,

ED Marra asked Commissioner Mondadori and Chairman Schlemm for their summer schedules. Chairman Schlemm is available before the 20<sup>th</sup> of July; Commissioner Mondadori is available all month after the 4<sup>th</sup>. Mr. Marra indicated meetings would be after work, approximately one hour in duration. Chairman Schlemm is not available the week of August 21<sup>st</sup>. ED Marra asked about July 10-12 – settling on Tuesday, 7/11 – Policy Committee – 6 PM. ED Marra will reach out to Commissioner Rivera, she might be going to Puerto Rico.

ED Marra asked about Finance Committee: Commissioners Suarez, Fairman and Chairman Schlemm – July 10-13. Meeting will be July 13, Thursday, 6 PM – covering Finance and Professional Services.

ED Marra asked if Chairman Schlemm and VC Harper were available the last week of June. Personnel meeting will be June 29<sup>th</sup>, Thursday, 6 PM. ED Marra will send out an agenda to each committee member.

ED Marra spoke about a Section 8 Administrative Plan he must write. While working in his office from 8:30-4:30, whether he requests people not to interrupt him or not, it's very difficult to complete the task. Mr. Marra is contemplating working at the Borough Library for three days. Do the Commissioners have any objections to that? ED Marra would reserve one of the private rooms. The item to be written is for Policy Committee and needs to be done for the forthcoming  
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Policy Committee meeting. He will spend the entire day there except for, perhaps, the last half hour of the day.

Attorney Charles D'Amico talked about his meeting with 12 Verizon representatives, who are interested in putting antennas on the roof of Kroll Heights. It is quite involved with gas and electric lines going from bottom to top for the generator. ED Marra provided them with a CD of the building plans. They hope to install 12 antennas, 3 groups of 4 each in the north corner of the building; one on the west side; 2 groups on the east side. The team thought it was doable. There would be a sub-meter so no cost to SHA for electric/gas. SHA would get the bill and be reimbursed. The original proposal was 10 years with two extensions of 5 years. SHA said there'd be an increase in cost at some point.

Commissioner Fairman stated it is long-term decision and should benefit SHA. He is familiar with carriers and tower companies, etc. He would advise SHA to consider finding a small consultant practitioner to review the operative they have and does SHA want to engage that person on a fixed dollar level to advise SHA how to improve the economics. Commissioner Fairman noted this is a very developed cottage industry; if SHA is doing this ourselves, we could do better with a consultant and minimize the consultant by a flat consulting fee – no sharing, no revenue offsets or sharing, no annuity type thing. Here's what they're offering, here's what they want. The consultant is not very expensive. SHA would recoup that investment quickly. Mr. D'Amico said SHA made them an offer and they accepted, even though it wasn't voted on. To say at this point we changed our mind, we want this money. When Verizon gets in, they do all the work. Others are going to come here after Verizon does the work and just plug in. Commissioner Fairman asked if that precluded SHA from having multiple companies and is it stated in the contract. Mr. D'Amico said it doesn't preclude SHA from having multiple companies and will be in the document. Commissioner Fairman said he'd get some names. The cost might be \$4-5,000, but considering the money involved and length of time involved, it is good due diligence in entering into that kind of economics. ED Marra thought that would be good to discuss on July 13<sup>th</sup> – Professional Services Committee.

ED Marra noted everyone received a supplemental package today containing a letter from Brian McCourt, Executive VP of Bogota Savings Bank, not on their letterhead. This ties into the monthly account balance of SHA. Bottom line stated at March meeting with SHA, they'd review SHA bank accounts and try to do better with interest earnings. Today's letter from VP McCord stated SHA will maintain accounts bearing a minimum interest yield of .85% for checking. At this time, SHA accounts are earning .045%, meaning it went up 25 bases points. SHA doesn't have savings; 20% is rent security for tenants. The amount is good for a year. Mr. Marra doesn't believe a 3-year agreement was signed back in 2013. SHA has money in their money market account @ 1.23%. ED Marra sent it out to Finance Committee; it will be discussed at upcoming committee meeting.

Mr. Marra spoke about TD Bank account – balance on 6/30/2016 - \$199,428. On 5/31/17 – balance of \$228,658. On July 1<sup>st</sup> the cost of using washing machines will go from \$1.25 to \$1.75; reducing dryer time from 60 minutes to 40 minutes. ED Marra promised in a letter to residents, new equipment would be purchased for Rocco Towers and The Elms, because that equipment is now 17 years old, purchased in 2001. Mr. Marra added this account has turned into the “rainy day account” – emergency money. He would like to do better on this interest rate. \$250,000 is needed for money market interest rate. On a CD, TD Bank would give 1.24% for a 1-year CD, as of a week ago. Chairman Schlemm stated SHA doesn't have an extra \$50,000 lying around.

Commissioner Fairman talked about the letter from Mr. McCourt. He thinks it's disappointing, as SHA met with them in March and had to pound on them every month for a response in this regard. In his opinion it was strategically done, a pittance of \$420 for this \$965,000 deposited in their bank. The market on this should be close to \$9,000; and locked in for 12 months. Commissioner Fairman stated he will not vote in favor of a 12-month lock-up when there are going to be 4 rate increases between now and the end of that 12 month period. Conveniently, they addressed the \$2 million from the loan, which was a self-funded transaction and neglected to comment about the rip off for 3 years.

ED Marra said SHA has another year with NJSEM saving \$11,000. It was DED Naszimento that introduced SHA to this through his attendance at the QPA classes. SHA is in the JIF and didn't know about it.

ED Marra added Commissioner Fairman saved documents from OPEB report, which cost SHA \$3,500 and is done every 3 years. The highlights were given to the Commissioners, which will be incorporated into the final audit, which is August 21-August 22. Chairman Schlemm is not available on August 22<sup>nd</sup>. If Commissioners Suarez and Fairman are available on 8/22 that would be great, and any other Board member; three members are required – hopefully, Commissioner Rivera will attend. At the end of the audit at 4:00 PM, they go over the entire audit: how SHA is doing, were you in compliance, how is your reserve, etc. We can ask questions. Please mark down on your calendars. The audit is done by Policari. Chairman Schlemm noted it is so confusing in 2019 when SHA starts putting the \$500,000 liability back on the sheets, it will be more confusing. Mr. Ketchen speaks of it all the time. Commissioner Fairman added that number between now and 2019 is going to grow. The investment return that's available to the market is so much under historic assumption numbers that number is going to grow at an increasingly rapid rate over the next 2-3 years in his opinion.

## **POLICY COMMITTEE**

Mr. Marra said three documents need to be looked at: new non-smoking policy; administrative plan, which also incorporate a new lease and pet policies

and security deposits. ED Marra sent out a letter with one page synopsis of smoking survey to all residents. It stated if he can get 10 people to sign up for Smoking Cessation Classes, he will have the classes. Different organizations will come in; talk about different options – not just the patch or gum, acupuncture and perhaps other options. Some may have no cost, some covered under Medicare, some out of pocket. You must be a smoker to sign up for this. Right now he has 5-6 people signed up. The Elms' residents are not responding to any of this, and there are several smokers there. Chairman Fairman asked about designated smoking locations at each building. ED Marra said now smoking policy states 25 feet from front of entrance. It is being changed to 25 feet from building. The Elms and Kroll Heights are easy to identify the locations; The Towers is more difficult to define. At The Towers they smoke at the end or on the other side of the driveway. At Kroll they smoke 25 feet from the doorway, but people living on the first floor, when windows are open, smell the smoke. They are not allowed to smoke on patios.

## **BUILDING & GROUNDS COMMITTEE**

There are lots of activities involving B&G, Mr. Marra said. Rejection of bids for roof removal and replacement is one. One bid was \$759,350; other \$890,000. Two representatives from roofing companies were here when bids were opened. Chairman Schlemm and Commissioner Harper were in attendance also. Both spoke of reps having questions regarding construction of the greenhouse, in particular, there is plumbing that comes up from apartments, but don't know where; there are poured concrete walls. In order to knock them down, it's not knocking down a few cinder blocks. They would have to be jack hammered. There is electrical that needs to be disconnected and much that isn't known, that to cover themselves, the bidders put out a ridiculous number in order to protect themselves because of the risk. Chairman Schlemm said many options were discussed. Since that is the most expensive part of the bid, it will be taken out and SHA will do it ourselves. The architect suggested getting the electrician and plumber to get rid of plumbing and electrical in the bid. The carpenter can do the work on the door to the roof. SHA would look for a demolition company to take care of dismantling and taking 75 pavers off the roof. The game plan is to have greenhouse demolished and rebid just for roof work. HVAC work needs to be done also. The original location of some air handlers moved in order to configure the greenhouse, but they'll be placed back to their original configuration. That work will be done in-house as well. It is more complicated than having SHA people go up and watch this going on. SHA will award Mr. Collins, Architect, a bid to take care of handling this as its own project.

Mr. Marra added SHA will manage the plumber and electrician. SHA will also manage replacement of the air handler through the company now under contract – Able Mechanical, Plum Tech and the architect will guide them. Mr. Collins is writing bid for actual demolition of the greenhouse. Their bid is under

\$40,000 and since Jake is a QPA, he can sign off on that. No resolution, no special meeting or any new meeting or bring up July 27<sup>th</sup> for a resolution, as long as architect then verifies that he has all of his paperwork in order. They will need to submit certain papers: payroll, insurance, etc. Mr. Collins would be an advocate for SHA if issues come up. Apparently, 1975 drawings don't exist on the greenhouse. The Elms was built with a skylight and the greenhouse is right over that. At this time Chairman Schlemm said they don't know if it's reinforced concrete, any rebar in there – nothing. Commissioner Suarez inquired if they had a price for getting the roof debris down. ED Marra answered one man put in between \$55-60,000. Mr. Collins' position was every time we need a subcontractor, its more money. If the electrician needs to be there 4 hours, he's charging the contractor the entire day and 20% on top of that. Plumber, same thing. When ED Marra took them for the walk through, they complained the entire time – didn't want to demolish. The architect didn't know the cost but said it could come under \$40,000. Mr. Marra has a proposal for the electrician and plumber, but hasn't called mechanical yet. Commissioner Suarez surmised the biggest problem then is getting the material down off the roof, and is the same problem with removing the pavers and debris. ED Marra did bring a demolition company up there. On the north side of the roof facing Front Street, when you get to that part, there's a pretty straight drop down where you could put a dumpster and chute and material go down that way. Architect Collins is going to write the RFP to remove pavers and the greenhouse. There will be no pavers on the new roof. When the rebid is written, the company winning will remove the fence facing 5<sup>th</sup> Street.

There is a change regarding R.I. Towers also. The original proposal stated removing pavers and putting them back; removing all the rocks, but not putting them back. They didn't like not having an access and don't want a crane here because it's \$10,000/day, so they'd put up a hoist, which takes one minute up/one minute down – every time. When they take the pavers off, there will be no more access to the roof; pavers won't be put back on. Mr. Marra noted the other roofs that are on this building will not be replaced. Most of the time those roofs don't leak, it's just this level into someone's apartment. The roof above the Laundromat above the 3<sup>rd</sup> floor doesn't leak; roof above the compactor room doesn't leak. Tables, chairs, flower pots, etc. will be removed. History of the patio is: first 10 years there was no patio, no access to the roof. In 1996 Mr. Snyder got a lot of money, passes out surveys, people wanted access to the roof – thus the patio. There previously was a Tenants Association – 4<sup>th</sup> of July party out there to watch fireworks. In the past 4 years neither building has had a Tenants Association. No more parties. It was noted Town of Secaucus wants the river rocks. ED Marra said other issue is river rocks are holding down the roof. If 60 days go by when the river rocks are removed and someone starts working and there is a wind storm in between, rain in the wind storm, now there will be infiltration. Whatever happens here is either with a crane or a hoist. When people came to pick up the bid specs, they commented on the height of the building.

The day the air handler is changed, Mr. Marra will send out a notice so people have to move their cars out of the parking lot. At Kroll, he just had those who park in the front, move their cars to the stadium for a month.

Resolution 2017-22 is for rejection of the bids for roof removal and replacement. Resolution 2017-24A and 2017-24B are resolutions to hire Mr. Collins or amend his contract (in today's packet). One speaks of architectural contract for demolition of greenhouse at The Elms; other one is for approval for architectural contract for rebidding of roof removal/replacement at The Elms. Architectural/Engineering Services regarding demolition of green house at The Elms is \$4,610; 24B is also an adjustment amounting to \$2,450 on his bid. He is still owed \$2,160 for contract administration fees and \$600 for warranty phase.

Motion made by Vice-Chairman Harper to approve Resolutions 2017-22, Resolution 24A and Resolution 24B; seconded by Commissioner Suarez.

**RESOLUTION 2017-22**

**REJECTING BIDS FOR ROOF REMOVAL AND REPLACEMENT AT 600 COUNTY AVENUE AND 777 FIFTH STREET AND AUTHORIZING REBID**

WHEREAS, on June 6, 2017, the following bids were received for Roof Removal and Replacement at Impreveduto Towers 600 County Avenue and The Elms 777 Fifth Street:

Name of Bidder Bid Amount

- 1) Patwood Roofing \$759,350.00
- 2) Northeast Roof Maintenance, Inc. \$890,000.00

WHEREAS, the bids received for Roof Removal and Replacement at Impreveduto Towers 600 County Avenue and The Elms 777 Fifth Street exceeded the budgeted amount for this project.

NOW, THEREFORE, BE IT RESOLVED, by the Secaucus Housing Authority Board of Commissioners, that the bids for Roof Removal and Replacement at Impreveduto Towers 600 County Avenue and The Elms 777 Fifth Street are hereby rejected.

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to readvertise for and receive bids for Roof Removal and Replacement at Impreveduto Towers 600 County Avenue and The Elms 777 Fifth Street.

<b>Commissioners</b>	<b>Ayes</b>	<b>Nays</b>	<b>Absent</b>
Chairman Schlemm			
Vice Chairman Harper			
Commissioner Fairman			

Commissioner Grecco			
Commissioner Mondadori			
Commissioner Rivera			
Commissioner Suarez			

**Resolution 2017-24A**

**(Approval of Architectural Contract for Demolition of the Green House at The Elms)**

WHEREAS, the Housing Authority of the Town of Secaucus had entered into a contract for architectural services to replace roofs at 777 Fifth Street (The Elms) and 600 County Avenue (Impeveduto Towers) with Charles J. Collins, Jr/Architect; and

WHEREAS, after putting the project out to bid the Authority received bids that exceeded its budgeted amount; and

WHEREAS, after the Authority’s Buildings & Grounds Committee and Executive Director have reviewed the bids with the architect and have determined that one of the factors contributing to the high cost of the bids was the proposed demolition of the greenhouse at 777 Fifth Street (The Elms), as well as the removal from the roof of approximately 75 concrete slabs; and

WHEREAS, the Building & Ground Committee, Executive Director and architect believe the overall cost of the project can be lowered by removing the demolition of the greenhouse and removal of the 75 concrete slabs from the Roof Removal and Replacement Bid Package and separately bidding out that project; and

WHEREAS, the Secaucus Housing Authority is in need of architectural services to put prepare drawings, specifications, and bid documents; and

WHEREAS, the Secaucus Housing Authority 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, a professional services contract can be awarded without advertisement; and

WHEREAS, Charles J. Collins, Jr/Architect, is already familiar with the project having included the removal of the Rooftop Green House at The Elms as part of the original Roof Removal and Replacement Bid.

THEREFORE 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 Demolition of the Roof Top Green House at The Elms is awarded to:

Charles J. Collins, Jr. /Architect  
575 McKendimen Road

in the amount not to exceed \$4,610.00 and

BE IT, FURTHER, RESOLVED that 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

<b>Commissioners</b>	<b>Ayes</b>	<b>Nays</b>	<b>Absent</b>
Chairman Schlemm			
Vice Chairman Harper			
Commissioner Fairman			
Commissioner Grecco			
Commissioner Mondadori			
Commissioner River			
Commissioner Suarez			

**Resolution 2017-24B**

**(Approval of Architectural Contract for Rebidding of the Room Removal and Replacement at The Elms and Impeveduto Towers)**

WHEREAS, the Housing Authority of the Town of Secaucus had entered into a contract for architectural services to replace roofs at 777 Fifth Street (The Elms) and 600 County Avenue (Impeveduto Towers) with Charles J. Collins, Jr/Architect; and

WHEREAS, after putting the project out to bid the Authority received bids that exceeded its budgeted amount; and

WHEREAS, after the Authority's Buildings & Grounds Committee and Executive Director have reviewed the bids with the architect and have directed the architect to make changes in the bid documents in order to obtain a figure within our budget; and

WHEREAS, the Building & Ground Committee, Executive Director and architect believe the overall cost of the project can be lowered by removing the demolition of the greenhouse and removal of the 75 concrete slabs at 777 Fifth Street (The Elms) and by limiting the roof replacement at 600 County Avenue (Impeveduto Towers) to just the Community Room level and a small section on what has been identified as Roof B (on the original drawings) from the Roof Removal and Replacement Bid Package; and

WHEREAS, the Secaucus Housing Authority is in need of architectural services to prepare drawings, specifications, and bid documents; and

WHEREAS, the Secaucus Housing Authority 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, a professional services contract can be awarded without advertisement; and

WHEREAS, Charles J. Collins, Jr./Architect, is already familiar with the project having drawn up the original plans and bid specification package.

NOW THEREFORE 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 the Rebid of the Removal and Replacement of Roofs at The Elms and Impreveduto Towers is awarded to:

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

in the amount not to exceed \$2,540.00 for the work specified in #2 of his June 15, 2017 letter RE: Proposal for Additional Roof Design Work.

BE IT, FURTHER, RESOLVED, that Mr. Collins will still be under contract for two more items in the original scope of work: \$2,160 for Contract Administration Phase and \$600 for Post Construction Warranty Phase; and

BE IT, FURTHER, RESOLVED that 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

<b>Commissioners</b>	<b>Ayes</b>	<b>Nays</b>	<b>Absent</b>
Chairman Schlemm			
Vice Chairman Harper			
Commissioner Fairman			
Commissioner Grecco			
Commissioner Mondadori			
Commissioner River			
Commissioner Suarez			

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Grecco

ED Marra explained about Resolution #2017-23 regarding elevators at The Elms. Equipment needs to be upgraded. An RFP was sent out; two proposals were received. One from Coppa Montalbano and one from Charles Collins. Although Mr. Collins' price was lower, he is a sole practitioner and doesn't have the resources and extra personnel. Chairman Schlemm having spoken with Montalbano was impressed that he'd spoken to his men noting cooling would have to add to the new area, increase size of the area for new controls now that everything is computer controlled. Montalbano felt more things would need to be done than what was given to SHA from the elevator company that gave SHA the budgetary value there. Coppa Montalbano is doing the air handler and condenser also. They will be installed some time between August 22<sup>nd</sup> and September 5<sup>th</sup>. Chairman Schlemm stated they are more expensive,

but he feels it is money well spent in this regard. Mr. Marra added he likes Charles Collins, but the one engineer he uses is retiring.

Motion to approve Resolution 20017-23 made by Commissioner Harper; seconded by Commissioner Mondadori.

**RESOLUTION #2017-23**  
**(Award of Contract for A/E Services for Upgrade and Replacement of Equipment for the Elevators at The Elms rs)**

WHEREAS, the Secaucus Housing Authority (hereinafter referred to as SHA) has need for A/E services for the upgrade and replacement of equipment for the Elevators at 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 two (2) proposals from A/E firms, and

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

Coppa Montalbano Architects  
97 Lackawanna Avenue  
Totowa, NJ 07512

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 the upgrade and replacement of equipment for the Elevators at The Elms, 777 Fifth Street

Coppa Montalbano Architects  
97 Lackawanna Avenue  
Totowa, NJ 07512

in the amount of \$17,000.00 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

<b>Commissioners</b>	<b>Ayes</b>	<b>Nays</b>	<b>Absent</b>
Chairman Harper			
Vice Chairman Schlemm			
Commissioner Fairman			
Commissioner Grecco			

Commissioner Mondadori			
Commissioner Rivera			
Commissioner Suarez			

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Grecco

**MaGrann & Associates Report**

ED Marra explained again MaGrann is the company PSE&G hired, giving SHA a report on Variable Refrigerant Flow (VRF) systems that uses electricity but is energy efficient and would save SHA money, have a pay-back over 11.5 years (which went from 13.5). There are several items since the last meeting:

1. Mr. Ketchen said he knows of a place in South Amboy that has these, it took 3 months to have the man call Mr. Marra back. He went and it isn't exactly what SHA has. They were modular homes and variable refrigerant flow system is built into the wall and has a sleeve, which looks like an air-conditioner, plugged into the wall. No thermostat – one in living room; one in bedroom.
2. Mr. Marra talked to Doug Miller on the telephone re: this proposal, and there are several items to remember: he's estimating the cost of this to be \$770,000. Mr. Marra asked if this is prevailing wage. Mr. Miller thought so, but hasn't gotten back yet.
3. If you recall, The Elms has Federal Pacific Breaker Boxes in the wall. \$770,000 does not include the removal of 100 breaker boxes and installation of new breaker boxes, but it does include the temperature limiting thermostats. This report was good, but the Executive Summary that they wrote actually gives you all the information you wanted them to do: estimated savings, which went up from \$59 to \$69,000. MaGrann was instructed to do this, and Mr. Marra hopes they gave SHA the most conservative figures. The investment of \$770,000 is for the VRF systems and thermostats; also including the construction work that involves this installation. Chairman Schlemm added removing the air-conditions and sealing the holes.

Mr. Marra is not fully confident in that number, but confident about the construction component that involves hooking up pipes to roof, ground, maybe going through a wall to do that, but when removing the a/c and sealing the wall, wallboard, and painting, that's a number for at least 100 units. It's possible that the other number would approach \$1 million as well and only help with heating. It's a number in the budget for the four projects. Mr. Marra said he almost wants to wait for the PSE&G program to come back. SHA is also going to write a proposal where the engineering people are asked to be a partner in the Pay For Performance Program under the N.J. Clean Energy, where the grant is. Mr. Marra did ask Doug, noting they've done a lot of work here, will this help you in the response to the RFP, having done the analysis of what the savings would

be. Doug said yes, we've done a lot of work, but it hasn't been refined, kind of indicating that it should have a little bit advantage in giving SHA a number of what they're going to do, as they will submit a proposal. Mr. Marra informed them their reports are not going to be a part of the RFP. If SHA hires someone else other than MaGrann, yes, SHA will give them that report, but we're not going to give them the advantage of that report.

Chairman Schlemm said when he read the Executive Summary they spoke about the building heating value at 80 degrees and if SHA could get that to 72, there would be significant savings in that as well, which needs to be investigated. Chairman Schlemm added SHA is going from ¼ inch insulation on the roof to 4-inch, which will help with heating/cooling at least on the upper floors; correctly sealing off places and making sure the front of the building stays esthetically nice and neat, proper insulation. ED Marra answered the sleeve is not being taken out and sealing the outside of the wall, only sealing the inside; when the sleeve comes out, a piece of wallboard would be put there. Chairman Schlemm stated something has to be done to insulate and protect it. The Federal Pacific Boxes need to be changed and should be done. The split-type unit has been around for 20 years. Commissioner Suarez said he's been using the split-type units for four years in a commercial property he owns. The technology that exists today is more reliable than it was a few years ago, more efficient. They are speaking of 2 different sized units for bedroom and living area; perhaps 4 of these units are kept for emergencies. If one fails, just change out the unit; send it out for repair and it becomes the spare. Commissioner Fairman asked about the credibility of these vast numbers. Chairman Schlemm said heating costs drop from several hundred thousands to \$40,000 – 65% decrease. Chairman Schlemm said a split unit outside can have 8 units run off of it, more practical than having one big unit do everything.

## **HOUSING CHOICE VOUCHERS (HCV) PROGRAM – DED NASZIMENTO**

DED Naszimento reported this month \$191,665 was spent, but \$185,000 is a preferable number. SHA is 4 months out from when 25 vouchers were issued. Everyone is essentially leased up or timed out on the waiting list. SHA has no plans to issue any more vouchers for the next 5-6 months, letting attrition take hold. There is only one family remaining from last time vouchers were issued to a group of families. SHA also received a letter back from EFA Rental, who does the annual file review. DED Naszimento and ED Marra have reviewed the first half of their comments, and Jake will make the necessary corrections where necessary. DED Naszimento said housing authorities go about this in different ways, all correct, as it's through interpretation of the PIV certifications. Some do it one way, some another. He does welcome the annual file review and SHA has a healthy

Section 8 Program, but can always get better. Chairman Schlemm asked if the tenant is penalized for the no-show inspections or is that SHA's fault, what does it actually mean. ED Marra said tenants are sent a letter 10-days before and stuff happens. Tenants are selected randomly. SHA is charged \$21 for no-shows versus an actual inspection. DED Naszimento's comments were on the file review, but again thought the same applies to the inspections. There were a number of fails, which he went through today. A lot were because there was no CO detector in the unit, but for HQS regulations as much as he's looked into it, there are really only smoke detectors required. If you really look at the HQS regulations it does say **you should obey all local and State codes**, and State and local codes do suggest that you should have a CO monitor. Mr. Marra said it's like a stove or refrigerator, if you gave it to a tenant and it doesn't work, then you fail. If the tenants have a CO and smoke detector and a year later you check and one doesn't work, you fail. There is a caveat in HQS that says you are beholden to all local and State codes. ED Marra said now a letter will have to be written to landlords stating if your apartment failed for this reason in the inspection, you have 30 days to correct it. If you don't correct it, you won't get paid your rent. Mr. Marra added when he is rewriting the admin. plan, this will be part of it. Chairman Schlemm added it gives Mr. Marra the ability to write the letter: listen, you failed here and all new tenants coming in from now on will have the CO as well. DED Naszimento said he sent the letters out today and some are based solely on a CO fail.

## **OLD BUSINESS**

ED Marra gave the Commissioners the information regarding the settlement agreement in the matter of the determination of affordable housing obligation in the Town of Secaucus, Resolution #2017-25, which is to ratify the approval of participation in the Operating Reserve Offset Litigation. Basically, PHADA and NAHRO three years ago filed a law suit against HUD. The government is saying when you did this offset, you took this money, and you didn't distribute it in a fair and equal way. 3<sup>rd</sup> paragraph indicates that if they were to win this case, SHA would be entitled to \$140,562. They won the case and it says on the back of the letter if you wish to participate in the law suit, please indicate and sign in a letter the full formal name of your agency and email address and include a check made out to **Operating Reserve Litigation**. The letter also states we do not know if HUD will appeal the January 18<sup>th</sup> decision to the United States Court of Appeals Federal Circuit Court to which appeals in the Claims Court are made. We will let you know as soon as we possibly can. In the meantime, time is short and if you want to file suit to receive money damages, you should obtain Board approval to participate in the 2<sup>nd</sup> law suit and identify the non-Federal Funds you can use to pay legal fees as soon as possible. Even if HUD appeals this decision you will need to

participate in the law suit filed before November 18, 2017 to receive any money damages. SHA's fee would be \$3,000 and have to give it to them by August 15, 2017.

Mr. Marra went to NJNAHRO meeting today. There were only six people in the room before the meeting started and he asked the Director of Summit Housing Authority is it worth joining this law suit. Everyone indicated that it was. If SHA invests \$3,000, SHA might get \$140,000. When Mr. Marra just got here and Mr. Snyder retired, HUD decided in 2010-2011 that some housing authorities had too much reserve. They decided they were taking that reserve back, redistribute it to other housing authorities who had no reserves; argument being that all housing authorities that managed their money well were being penalized for the one that weren't.

Their law suit claims that according to your ACC agreement, they're supposed to be a prorated share of the monies. They didn't prorate that share equally to all the parties, which Secaucus was supposed to be part of that proration, but instead SHA probably got nothing. If it's okay, this can wait until July.

Motion to ratify the approval of participation in the Operating Reserve Offset Litigation made by Commissioner Suarez; seconded by Commissioner Harper.

**RESOLUTION # 2017-25  
TO RATIFY THE APPROVAL OF PARTICIPATION IN THE  
OPERATING RESERVE OFFSET LITIGATION.**

**WHEREAS**, the National Association of Housing and Redevelopment Officials "NAHRO" and the Public Housing Authorities Directors Association "PHADA" have joined together have litigated on behalf of any interested Housing Authorities for the return of operating reserves recaptured by the United States Department of Housing and Urban Development "HUD"; and

**WHEREAS**, the Housing Authority of the Town of Secaucus "SHA" had its 2012 subsidy reduced as a result of the operating reserve offset implemented by HUD; and

**WHEREAS**, only plaintiffs in the lawsuit proposed would be eligible to recover any funds previously recaptured; and

**WHEREAS**, the cost for the HACPA to join the litigation would be \$3,000 since the SHA has over 250 public housing units; and

**WHEREAS**, OMB Circular A-87 contains a prohibition against using federal funds to support litigation against the federal government meaning a PHA must use non-federal funds to pay for the cost of joining the lawsuit; and

**WHEREAS**, the SHA has a business activity through its management of Leased Housing Corporation of the Town of Secaucus two properties that would qualify as non-federal funds;

**NOW, THEREFORE BE IT RESOLVED**, by the Commissioners of the Housing Authority of the Town of Secaucus the following:

- 1) Approval to expend \$3,000 to join the litigation and said funds will be disbursed from the SHA's business activity reserves that are considered to be non-federal.
- 2) Authorization for the Director to forward the funds along with any other documentation needed to in order to join the ongoing litigation noted above.

<b>Commissioners</b>	<b>Ayes</b>	<b>Nays</b>	<b>Absent</b>
Chairman Schlemm			
Vice Chairman Harper			
Commissioner Fairman			
Commissioner Grecco			
Commissioner Mondadori			
Commissioner Rivera			
Commissioner Suarez			

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Grecco

Mr. Marra handed out an article from the Washington Post regarding Starret City – **Trump Seeks Sharp Cuts to Housing Needs Except for Program That Brings Him Millions.** Trump has sold off over the course of years, still having some small ownership, receiving \$5 million from them every year. Starret City is a Project Based Voucher Development. On Page 2 of the article, it tells you about the budget, which calls for 29% or \$1.8 billion cut from public housing, 5% drop from nearly a billion dollars in vouchers that allows Jake's program, where they'd have their own place to live. However, in contrast the program that directs money to Starret City and other privately owned housing, SHA would be involved in that, and SHA would see about a half percent reduction or \$65 million from its \$10.8 billion allocation. This will be going to Congress. There are no champions in the Republican Senate or House that are going to save housing.

**ADJOURNMENT**

Motion to adjourn made by Commissioner Harper; seconded by Commissioner Suarez.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Grecco

MEETING ADJOURNED: 8:27 P.M.