

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

October 23, 2014

This is a condensed transcription of the taped minutes as taken on Thursday, October 23, 2014 at Kroll Heights, 700 County Road, Secaucus, New Jersey.

Executive Director Christopher Marra called the meeting to order.

ROLL CALL

Present: Chairman Michael Harper
Vice-Chairman Michael Schlemm
Commissioner Richard Fairman
Commissioner Frances Jodice
Commissioner Arlene Kroll

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

Absent: Commissioner Roger Adriaenssens
Commissioner Michael Grecco

Mr. Marra 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 an Annual 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, 2013. 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.)

Chairman Harper welcomed everyone to the October meeting of the Secaucus Housing Authority.

APPROVAL OF PREVIOUS MEETING MINUTES

Motion to accept minutes made by Commissioner Schlemm; seconded by Commissioner Fairman.

VOTE: AYES/All Present Commissioners (5) Absent: Adriaenssens/Grecco

PAYMENT OF CLAIMS

Motion to approve payment of claims made by Commissioner Jodice; seconded by Commissioner Kroll.

VOTE: AYES/All Present Commissioners (5) Absent: Adriaenssens/Grecco

POLICY COMMITTEE

RESOLUTION #2014-30 – APPROVAL OF RECORDS DISPOSAL

Chris Marra began, by stating that seven years ago, the SHA did shred thousands of documents, in conjunction with the NJ Division of Archives and Record Management (NJ DARM). The SHA needs to follow two "Record Disposition Schedules." This first one is from NJ DARM and the second one is from HUD. When the SHA destroyed records in 2007, they did not pass a policy identifying the records which would be destroyed. Tonight's resolution establishes and outlines the specific types of records the SHA can dispose of now and in the future.

Once tonight's resolution is passed then Mr. Marra will submit forms to NJ DARM and the SHA's auditor Anthony Policari will sign off. Then a company will be hired to shred the records. The entire back half of Ronnie's office is filled with records right now. The last time this was done seven years ago, the warehouse across the street was rented and records stored there. Those records went back to 1968. Now they just go back to the late 1990 and the early 2000's.

Vice-Chairman Schlemm asked if this was a policy and would it be followed in the future. Mr. Marra said yes, these categories in this schedule would be what SHA would be disposing of in the future. Commissioner Schlemm asked if it should be worded every four years from now. ED Marra handed out the form in the office and told the staff, this is what we're looking for, everything from this date – 3/31/08 to 3/31/11 or whatever the year was. Mr. Marra said it might not be done every year, but every two years. Mr. Marra added there are things you cannot ever destroy: minutes of your organization; actual insurance policy – General Liability Policy has to be held for 20 years. Capital Improvement

Projects are being held on to. Copies can be destroyed, but not the originals, three years after the project is completed.

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

RESOLUTION #2014-30
(RECORDS RETENTION AND DISPOSITION POLICY)

WHEREAS, the Housing Authority of the Town of Secaucus deems it necessary that a policy regarding the retention and disposition of records is to be in effect and followed in accordance with local, state, and federal laws. Records will be retained in a manner consistent with HUD's and the New Jersey Division of Archives and Records Management (NJDARM) proscribed retention schedules.

NOW, THEREFORE, BE IT RESOLVED, that the included policy attached will establish the appropriate guidelines as required.

VOTE: AYES/All Present Commissioners (5)

Absent: Adriaenssens/Grecco

REVISION OF ADMISSIONS & CONTINUED OCCUPANCY POLICY (ACOP)

This was last revised 14 years ago in 2000. On August 20th, everyone received a PIH notice, talking about the Program Eligibility regardless of sexual orientation and gender identity or marital status as required by HUD's Equal Access Rule. This is just being introduced this evening. Mr. Marra wrote a memo to the Commissioners highlighting the areas that SHA specifically revised in the Policy. The other major change that would affect residents has to do with rent collection and late payment of rent. SHA was doing not what was written and that was a problem. The language will change in the lease as well. SHA is proposing: if you're late, meaning you hand your rent in on the 6th of the month, SHA can charge you a late fee of 5% of your rent or a minimum of \$25, and whichever is greater.

The other point is, and there are only a handful of people that notoriously do this, if you're late four times within 12 months, that gives SHA the right to commence eviction procedures. That has always been in the lease, but it wasn't clearly stated in the ACOP. The other part Mr. Marra significantly changed was the smoking policy. In 2006, the Housing Authority adopted a new smoking policy – you can only smoke in your room or 25 feet away from the front of the building. This ACOP said you could smoke in the Community Room, etc. This ACOP referred to a lot of terms that were not necessarily related to Senior Housing – children, child care support, etc. Mr. Marra is proposing to delete those sections. What is new is in italics – old has been deleted. The Policy Committee is Commissioner Kroll and Commissioner Jodice. Perhaps they can meet after work and go over this page by page. When the new policy is adopted, there will be a 45-day notice in the newspaper and on all the boards

in the three buildings. It will be adopted in December, then posted on the web site and become the official ACOP policy. It should be looked at sooner than every 14 years.

DED Naszimento said SHA is changing the Section 8 Admin Plan amending what constitutes preference point for any families applying to the list, if SHA were to open it up in the future. Basically, the "family member living in Secaucus" preference is being eliminated, because it's very hard to prove that and very few families actually qualify for that ultimately and it just wastes office time on the list, even allowing people to claim a preference for that and when it comes time for them to verify, they're unable to. The preference is simply a person working in Secaucus, living in Secaucus, or a Veteran. The news for Section 8 for this month is that every family on the list is going to be contacted that has a preference, about 160 families, and the SHA will try to issue vouchers to anyone who does still maintain that preference. Some of them have moved out since 2011; some of them no longer work or live in Secaucus and what-have-you. Ultimately, if they do maintain that preference, a lot move out and are absorbed by other Housing Authorities – Jersey City absorbs them immediately. The list will be gone through and then the Section 8 list will be opened up again, hopefully within the next two months, with the amended preference points and get some Secaucus residents and people who work in Secaucus as well to the top of the list, which is really needed right now. Commissioner Schlemm asked how many vouchers Mr. Naszimento was looking to issue. Mr. Naszimento said as many as they can. ED Marra said it's difficult to talk about in numbers, but easier in terms of money - \$10,000 more in vouchers. DED Naszimento said the average family is around \$800-815.

BUILDINGS & GROUNDS

CAPITAL FUND PROGRAM REPORT – through September 30th. Most of the money has been spent in the 2013 budget. Basically, the 2014 budget is going to be used for The Elms bathrooms.

Update on Elms bathrooms – The BID Documents for the renovation of 99 bathrooms at The Elms will be released on 10/28. There will be a non-mandatory pre-bid conference meeting at the site on 11/12. Finally the bids will be due on Tuesday, November 25. The one "sample" bathroom done by Bathfitter will not be done again. As part of that memo, Hudson County gave an additional \$11,526 from the Community Development Program because Westchester County failed to spend all their money.

Update on R.I.T waterproofing remediation – ED Marra put in everyone's folder a two-sided document from Malpere & Company two quotes – the first one being the one that was accepted; the second was something that Malpere brought up to Anthony Vandermark last week dated 10/17. Mr. Marra discussed it with Mr. Ketchen. SHA is prohibited under the New Jersey Procurement Law from

accepting the second proposal. It is beyond the \$36,000, which is what the maximum is, even when you have a qualified purchasing agent, and it would have to be bid again. Malpere has supplied Mr. Marra with over 30 photographs of the building of work – before/during/after photos of his work. He should be done next week with just the quote that he did.

Tree planting for The Elms – SHA has been working with the Shade Tree Commission, and Commissioner Fairman is also on the Shade Tree Commission. Mr. Marra supplied the Commissioners with photos of the trees and a map at The Elms. Two Bartlett pear trees are being taken down by a reliable tree company on the Center Avenue side of The Elms. Cost is \$995.00 and 11 new trees will be purchased. The town will plant them for the Authority. By Halloween or early November all the trees should be in.

MISCELLANEOUS

DED Naszimento informed the Commissioners that he passed his final two classes and will take his final exam on December 8th. (Applause.)

CORRESPONDENCE

SUPERVISORY FILE REVIEW RESULTS FOR PHA PROGRAM

The original letter dated October 15th from EFA Rental Resources and SHA's response – the person who does this review was at SHA last Thursday/Friday so Mr. Marra was able to speak with her directly. Of the 13 items cited, only two of them, one being a money issue and another an asset issue which the SHA didn't identify. In addition, there was also an issue of checking a box called "214" having to do with the citizenship, which SHA has been noted on in the past. A final item concerned an applicant qualifying for preference point. The SHA was able to demonstrate to the person doing the review that those documents were in the folder, proving that they would get a preference point. There is always some discussion about where these particular documents are in the folder, but they were there and she was shown them, and she just missed them. Using the family preference point – there has to be birth certificates, as well as proving that the family member lived in Secaucus for more than two years.

The next part of this review is that the person comes in November and actually inspects these 25 apartments to make sure that what our people are doing in regards to inspections are good. Commissioner Fairman asked about the "214" box and Mr. Marra said he thought it had been resolved, after a change in personnel. Commissioner Schlemm asked about the filing system for Section 8, referenced in the letter which the SHA using now. ED Marra said no and this is why – when Jake got here, he took his 200 Section 8 files and fixed them into a system that he had learned in his prior job, creating a file system that he had used in a previous work place. The person that was his supervisor at his previous

job happens to do SHA's supervisory file work. She likes that system, but ED Snyder paid more attention to Housing Authority files than Section 8 vouchers, letting two Deputy Executive Directors handle that area. DED Naszimento is 100 percent of the time dealing with those files. To change the existing 275 Public Housing files to that system would take many hours of staff time. The files themselves are not reviewed during this Supervisory File Review, but are also reviewed annually by the Authority's auditor.

NEW BUSINESS

ED Marra said Chairman Harper and Commissioner Fairman just attended the NAHRO Convention in Baltimore, Maryland for three days. Commissioner Fairman said it was outstanding, attended by 1300-1500 people from around the country that are Commissioners, Executive Directors and related legal, construction, etc. advisors. The programs run for three days with concurrent sessions about housing in general, financial matters, property management, asset management, regulatory issues, and relations with HUD. Commissioner Fairman attended mostly the financial seminars, RAD seminars, as well as the strategic planning seminar. He said it was very worthwhile and well-organized. It is the lead convention for the industry.

ED Marra said there are eight RFPs going out for services, having to be done every two years – painting, plumbing, etc. Mr. Marra received an email and relayed it to the Commissioners: all Housing Authorities have to do an annual plan, he sends in a civil rights certification and SHA requirements are met, because this is a high performer authority. Every authority has to produce a five-year and annual plan for all fiscal years. SHA needs to submit this 75 days before the fiscal year begins, which is April 1st here, and counting backwards, that is the middle of January. It's probably at December's meeting that the front part of a very large binder will be in the December agenda for the Commissioners. Commissioner Schlemm asked who generates the plan, Mr. Marra said staff and Mr. Snyder. Every year SHA gets a Capital Fund and part of that resolution, there is a budget attached to it, telling how much for admin, architectural fees, improvements, etc. It must be filled out every year for five years. SHA already knows 2014 is bathrooms; 2015 is bathrooms and the last three years will be discussed at a Buildings & Grounds meeting. Some money will have to be spent at The Elms over the next 4-5 years because as you go through the list of projects that have been done, during the five years prior to me starting here, there was a lot of work done at Kroll and Impreveduto Towers. It has been more than six years since anything was done at The Elms, probably just a paint job. They need kitchen replacement, bathrooms are being done, new rugs were put down more than 10 years ago. Rocco hasn't had new rugs in a while either. They did get new bathrooms and kitchen floors.

Commissioner Fairman asked ED Marra with the existing plan that SHA has, are there any things of significance in the next four years that today are different

than the last time this was done. Mr. Marra said he was not here when the five-year plan was written, 2011-2015, which was written in 2010. Joe Clark was doing it with Mr. Snyder back then. In terms of the actual projects, that's what would be discussed at Buildings & Grounds – Mr. Marra has a list of projects going back to 1990. You can't always put the numbers with that because you don't know what your capital money is going to be. This will be the first time that Mr. Marra is doing this – there is a template that HUD has – you fill out that template, a Q&A and then there's the budget. Commissioner Fairman asked if there was a disrupter in that five-year plan. Mr. Marra said no.

Mr. Marra then showed everyone the 2015 Housing Authority Budget put out by the New Jersey Department of Community Affairs. This document, even though it says Housing Authority Budget, the budget part is almost the same for every authority that you can think of in New Jersey: Secaucus Municipal Utilities Authority, Hudson County Improvement Authority, Sewer Authority of Jersey City, Water Authority of Bergen County, etc. Mr. Katchen does it, he explains it to us. There is now a 7-8 page narrative that needs to be completed that asks a tremendous amount of intrusive questions – asked of Commissioners – when did you travel, how much did you travel, who have you hired, how much are you paying them, was there any former Commissioner that's currently working for the Authority. Mr. Marra sent a memo to every Commissioner because he must list every Commissioner, key employee and at the end if you work for a public entity, any public entity – your name, title, name of entity and your salary has to be on this form for 2014.

RESOLUTION 2014-29 ADOPTION OF AUDIT

(The following portion is transcribed verbatim to the best of my ability. It is easier to transcribe completely than try to condense.)

MR. KATCHEN: Tonight you have the audit – and it's easy because you have no audit findings. So, your Resolution for consideration is that, one, you received the audit and, two, that you specifically reviewed the area entitled "The General Comments and Findings." There are none. The Finance Committee, the Audit Committee, Chris, myself, we met with the Auditor and went over any salient points or issues that he had and there were none. And, you've received what's called – no longer is called an Unqualified Opinion – it's now called an Unmodified Opinion. They changed the language, the Feds. I ask you, when you have an opportunity to please review the MD&A, the Management Discussion & Analysis in the front. The GASB34, the Government Auditing Standard Board, came out with this requirement that governmental audits have a management discussion and analysis. It's written in plain language for people who are on the Boards, they acknowledge that they're volunteers. You know they're not all finance (inaudible) types. And as you could see, the Auditor highlighted it with all kinds of nice colors and all kinds of stuff to talk about

comparisons, to talk about what's proposed in the next year and to talk about how we did for the year and if there are any material discrepancies, why.

You have the Unmodified Opinion. Your surplus at March 31, 2014 for both the Section 8 Housing Choice Voucher Program and Public Housing was \$1,307,142. That's both programs. You also had \$131,372 Restricted Surplus. That number represents your money that you're holding for HUD for HAP payments. Three years ago – two years ago, that was a million-two and HUD recaptured a lot of that – a lot of that; not anything you did wrong, but just that's the Federal Government regulations.

That's it. It's a clean one, both from a compliance standpoint and from the standpoint of compliance with regulations, compliance with Generally Accepted Accounting Principles. I'm happy to say that you don't have any (inaudible.) Anybody have any questions or comments?

(End of verbatim transcription.)

Commissioner Schlemm noted the money is going down, which will be a continuing trend. Mr. Katchen said yes, the surplus is going down. He added the Public Housing Program, the management of buildings went down because SHA used some surplus for the roof work, which was anticipated. On the voucher surplus, SHA level of funding was historically low last year for administrative purposes. It was upped this year. The Federal Government found \$40 million, so the level of administrative for this year is 79 percent of what you're entitled to. Mr. Katchen said as people retire, you can't replace them, which is the nature of the beast today with the Federal Government, with HUD programs. The Capital Fund went up four percent this year, last year it had gone down five percent. Your debt service on the leveraging debt now makes up about 15 percent of your capital. When you did it five or six years ago, it was a third of what the capital was. You have to do more with less. That's why you have to look at entrepreneurial areas – antennas on roofs, all kinds of stuff.

ED Marra said there are two items in the budget that are outside – laundry money and the \$45,000 a year with LHC Management. Mr. Katchen says every year there is an item on the books an "OPB" – Other Post-Employment Benefits" liability. "That was required as a result of GASBY45, which said that we want recorded on the financial statements what the present value is of the future value of your employees' retirement cost, that will be your obligation. So right here when Chris and Jake retire after 25 years or as many years as they're here, it's going to cost SHA some money because that's the New Jersey State Health Benefits Program. What's the present value of that cost based upon their life span and if they retire after 25 years. Well, that number now has to be accounted for and (inaudible). That number is on Page 13, \$156,110. Now from the state's standpoint when you do your budget this year, it gets added back to surplus cause New Jersey says we don't consider that to be a cash outlay so it's

a paper transaction. But beginning in two years, they've come out with a new standard, which says that pretty much we may have to start this (inaudible) for the future funding of this." "If you take that one-56, add it to the one million-3-0-7, we're at one-million-four-60 in surplus, which is pretty good for the size of your Authority."

Mr. Katchen added that if there was gas in all the buildings, the surplus would have gone up more, but because The Elms is all electric, electric rates have a flat line or gone up just a little bit, while the gas rates have gone half.

ED Marra thanked Mr. Katchen and his staff for all their hard work during the year. Mr. Marra will take the certificate that the Commissioners sign, send that Certificate with a copy of the audit down to DCA, put a notice in the newspaper, called a "synopsis" and then SHA will be in compliance.

RESOLUTION #2014-29

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made; and

WHEREAS, the annual audit report for the fiscal year ended 3/31/2014 has been completed and filed pursuant to NJSA 40A:5A-15; and

WHEREAS, NJSA 40A:5A-17 requires the governing body of each authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "General Comments" and "Recommendations" and has evidenced same by group affidavit in the form prescribed by the Local Finance Board; and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit and have specifically reviewed the sections of the annual audit report entitled "General Comments" and "Recommendations" in accordance with NJSA 40A:5A-11; NOW THEREFORE

BE IT RESOLVED that the governing body of the Housing Authority of the Town of Secaucus hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended 3/31/2014 and specifically has reviewed the sections of the audit entitled "General Comments" and "Recommendations" and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the secretary of the authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified copy of the resolution.

I, Christopher W. Marra, duly appointed
Executive Director of the Housing
Authority of the Town of Secaucus
Do hereby certify that the foregoing

Resolution is a true and correct copy
Of a resolution adopted a regular meeting
Of the Board of Commissioners held on
October 24, 2013

Motion to accept the SHA audit for the fiscal year 3.31.14 made by
Commissioner Schlemm; seconded by Commissioner Fairman.

VOTE: AYES/All Present Commissioners (5) Absent: Adriaenssens/Grecco

ADJOURNMENT

Motion to adjourn made by Vice-Chairman Schlemm; seconded by
Commissioner Jodice.

VOTE: AYES/All Present Commissioners (5) Absent: Adriaenssens/Grecco

Meeting adjourned at 8:05 P.M.

Respectfully submitted,

Deborah L. Alvarez, Transcriber