

STATE OF NEW JERSEY
HACKENSACK HOUSING AUTHORITY
65 FIRST STREET
HACKENSACK, NEW JERSEY 07601

THURSDAY, DECEMBER 13, 2012

4:00 P.M

This is a condensed version of the taped minutes of the Hackensack Housing Authority meeting taken on Thursday, December 13, 2012 commencing at 4:00 P.M.

Chairman AnnMarie Saccaro called the meeting to order and welcomed those present.

ROLL CALL

Present: Commissioner Anthony Stassi
Chairman Ann Marie Saccaro
Commissioner Michael D'Arminio
Commissioner Pargellan McCall
Commissioner Al Casamenti

Also Present:
Acting Executive Director John Bellocchio
William F. Snyder, Consultant
Gregory Asadurian, Esq., Counsel to the Authority

Absent: Commissioner Ralph Rivera
Commissioner Gino Tessaro

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 Building, and delivery of same to the Bergen Record & Star Ledger on 12/14/2011. 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

Chairman Saccaro asked all present to rise for the Pledge of Allegiance. A moment of silence was held in support of our Armed Forces and all victims still suffering from Hurricane Sandy.

APPROVAL OF MINUTES OF SEPTEMBER 13, 2012

Motion to approve minutes made by Commissioner D'Arminio; seconded by Commissioner Stassi.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

RESOLUTIONS #2012-22 through #2012-26 (see attachments)

1. #2012-22 – ADOPTION OF JOB DESCRIPTION & AUTHORIZATION TO ADVERTISE FOR EMPLOYMENT

Motion to approve made by Commissioner D'Arminio; seconded by Commissioner Saccaro.

Mr. Snyder explained at a Closed Session meeting earlier this year, it was discussed about hiring someone with appropriate credentials to hopefully, maybe, possibly be the Director of the Housing Authority. This is the official approval by the Board advertising for that person, who will be vetted.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

2. #2012-23 – CONTRACT AWARD FOR SPRINKLER SYSTEM MAINTENANCE

Motion to approve made by Commissioner Stassi; seconded by Commissioner McCall.

Mr. Snyder said there is a contract with a company that tests and maintains sprinklers in the buildings. An RFP was issued and five proposals were received. Lowest proposal was submitted by Cerullo Fire Protection for two years: \$5100 for 2012/\$5200 for 2013.

Commissioner D'Arminio asked where Cerullo is located. Mr. Snyder thought they were from Hudson County.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

3. #2012-24 – APPROVAL OF CHANGE ORDERS #3 & #4 FOR INTERIOR WORK AT ORATAM COURT

Motion to approve made by Commissioner D'Arminio; seconded by Commissioner Stassi.

Mr. Snyder stated this is for interior work at Oratam Court where work was done in the common areas. Two change orders were previously approved. There was a charge of \$2100 to adjust some piping where the lighting was because the lighting went through the piping. The other was Plexiglas was reduced in size in different areas because bicycles were doing damage to the walls. That was a reduction of \$5300, a net deduct of \$2800 or so. This brings the new contract amount with previous change orders to \$204,229, less than what can be exceeded in the original contract amount, up to 20 percent. The original change orders were higher in price because several items were added at that time: new mailboxes, etc.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

4. #2012-25 – APPROVAL OF CONTRACT FOR INTERIOR RENOVATION OF TWO ELEVATORS AT 65 FIRST STREET

Motion to approve made by Commissioner Casamenti; seconded by Commissioner Saccaro.

Mr. Snyder explained he always comments on the mustard color walls in the elevators. The interiors of the cars will be modernized and made cheerful. On two occasions no bids were received to do this renovation. The law allows the Authority to negotiate with a contractor, who does this work specifically, but he doesn't do public bid work. He does a lot of apartment buildings. A price was negotiated with him, because two times no bids were received. The amount is \$8,000 a car totaling \$16,000. It will include lowering the ceiling with recessed lighting and a stainless steel ceiling. Panels will be put in and Fritz tile on the floor.

Commissioner Casamenti asked what the \$8,000 includes. Mr. Snyder said: new flooring, totally new interior of the car. Commissioner McCall asked in regard to time lines, when will work begin? Mr. Snyder said they'd notify the man, sign a contract and most likely hold off until after the holidays, not wanting to disturb the residents until after the New Year. Mr. Bellocchio said the contractor was looking at the end of January. He'll order the material after the contract is signed. Each elevator will be down two days, he'll work longer hours on this project.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

5. #2012-26 – ADOPTION OF NON-SMOKING POLICY IN ELDERLY HIGH-RISE STRUCTURES

Motion to approve made by Commissioner Stassi; seconded by Commissioner Saccaro.

Mr. Snyder said several months ago residents came to meetings complaining about smoke coming through ventilation system in high-rise building at 65 First Street. Correspondence received from HUD indicated that they were encouraging HHA and all housing authorities to ban smoking, not only in common areas, but apartments and this was due to studies that they had done by health organizations indicating that second-hand smoke was detrimental to the apartments going through ventilation systems. HHA was required, before a policy was adopted, to notify all tenants and amend Annual Plan. Notifications were sent out to everyone soliciting their comments. The overwhelming comments were in favor of non-smoking and only one negative comment was received regarding changing the policy. The lease will be amended and actual date this will become effective is February 1, 2013. Everyone will be notified again that there is no smoking anywhere including tenant apartments. During the annual inspections of the apartments, it will be determined whether people are still smoking and if excessive complaints are received, it will be checked out as to who is doing the smoking and the Authority will act accordingly and turn it over to HHA attorneys.

Research was done on this subject by our attorneys, because HHA wasn't sure if they could do a non-smoking policy for old tenants, and found out there is no problem – new or old tenants. Commissioner McCall asked what the penalty is if they are found to be still smoking. Mr. Snyder said eviction. Mr. Asadurian said the tenant would receive a notice first saying "cease and desist", but if they continue to smoke, then eviction will be forthcoming. Fining will not take care of the problem. Mr. Bellocchio said this policy has been fairly well received and at 175 W. Railroad, tenants are going outside to smoke now. They know the change is coming and they're already complying. Commissioner Casamenti asked if signs would be put up. Mr. Snyder said notes would go out to tenants in English and Spanish saying that on this date there is no more smoking and the potential penalties.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

CORRESPONDENCE

Chairman Saccaro had a question on 7.1 – contract awarded to Tozour Energy. She asked if they were the people the Commissioners had met with previously. The \$25,000 is for them to do the energy study. Mr. Snyder said they're in a stall right now, as Mr. Asadurian

is working with their attorney. There are certain items each side wants and they have to be in the contract and the two attorneys are working it out.

PAYMENT OF CLAIMS

Motion to approve payment of claims made by Commissioner D'Arminio; seconded by Commissioner Stassi.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

MANAGEMENT REPORT & UNFINISHED BUSINESS

Mr. Snyder explained the State Association held a work shop on how to cope with bed bug pandemic that is being seen across the country. Mr. Bellocchio, Carmine and Dave attended the work shop along with Mr. Snyder. Because of the proactive measures that HHA has taken in the past regarding heat equipment and other things that HHA is doing to try to contain it, what came out of the program is that you have to be proactive and Mr. Snyder believes the entire staff is. Tenants have been and will continue to be notified and to be the eyes and ears of the Authority.

There was a problem with Wells Fargo Bank. They had HHA security deposits and several years ago money was moved out of there. Wells Fargo was charging a fee to HHA and within a few years, many of the tenants would not have a security deposit left. Mr. Snyder did not think that was appropriate. Immediately, the money was moved over to Mariner's Bank. Mr. Snyder is aware of some of the publicity that Mariner's Bank has gotten over the past few years, but HHA has additional protections that a private investor would not have. One being a "Governmental Unit Deposit Protection Act" which protects all deposits from a bank that participates. Banks form a conglomeration and that conglomeration puts in five percent of their deposits in the event that a member bank fails. In addition to that, HUD requires that HHA have a general depository agreement that sets aside in the same amount HHA has in that bank collateral in the form of treasury bills and other investments that are in our name. If that bank fails, those investments are in HHA's name and we can redeem them for the full amount. No matter what bank HHA is in, HHA has the General Depository Agreement.

Commissioner McCall asked about Wells Fargo Bank where they will charge HHA? Mr. Snyder said it's a Rent Security account. The money comes in, someone moves out, the money is moved to a Master Account and then take a prorated amount on any individual account. So your charge per month might be \$2, but if you have an 80 or \$75 security deposit, that's \$25/year so in the end you'll have no money left. Mr. Snyder had previously moved money from Wells Fargo because they were not paying a very good interest

amount on HHA investments. The fees will not be charged at Mariner's Bank. The interest, albeit small, will be added to the tenants' accounts each year.

Energy Performance Contract, Mr. Snyder already discussed. The actual contract document is being worked on to make sure it has everyone's concerns in it. Then they'll move forward with the actual Investment Grade Energy Audit.

Listed in Correspondence is the new budget and renewal for contract at 40 Passaic Street, which is managed by HHA for the County of Bergen. Mr. Snyder included a small escalation for the security officers who are working there as they have not had a raise in three years.

The only other capital project in progress is as a result of Superstorm Sandy. Mr. Bellocchio had noticed the generators were being stressed, excessively burning oil. Mr. Bellocchio is in the process of rebuilding one and looking at replacing the generators so they're all new to avoid having a power outage to the extent of the last one.

Mr. Bellocchio had nothing to add at this point in the meeting.

HACKENSACK POLICE DEPARTMENT REPORT

Officers Greg Zisa and Rob Carucci were in attendance. Officer Zisa reported Officer Carucci made his presence well-known during Hurricane Sandy and helped a great deal at Kansas Street. He made sure everyone had food. (Capt. Padilla was also in the room.) (Thank you and applause at this point in the meeting for the Officers.) It was reported that Officer Sirocco had a bad accident and was not able to be here. He will be unavailable for duty for a few weeks. Capt. Padilla said the report would be forthcoming on HHA activities and would be sent to the Commissioners. HPD was kept very busy during the hurricane. Capt. Padilla thanked the residents and said they were very cooperative. He added Officer Carucci went above and beyond in helping. Capt. Padilla added that all the police in HHA volunteer to be in that patrol, and there is a waiting list.

Capt. Padilla said he retiring at the end of next month and came to thank the Commissioners, Mr. Snyder and Mr. Bellocchio having worked with HHA for a while and started back when he was a Lieutenant. (Applause.) He also added there was a problem with a certain resident at Kansas Street, but it has been rectified.

BOYS & GIRLS CLUB OF HACKENSACK/LODI – SONIA VERDADE

Sonia reported 92 turkeys were delivered – 34 for Hackensack residents and Lodi took the rest. There was an article in the newspaper regarding the food giveaway. Sunday was

Breakfast with Santa and there is a photograph of the teenage volunteers with Santa Claus. In the back of the report is a sample of Kids College (attachment 4). The children will participate in a holiday gift wrapping store, were in attendance at tree lighting ceremony in Hackensack promoting the gift wrapping at 159 Main Street for a donation. FDU Athletic Department brought their mascot to the Club and made cards for the children and provided a photo for each child.

Everything is pretty much the same; the statistics are included in the report also. Chairman Saccaro complimented Sonia about a summary meeting she had attended. The children in attendance were articulate and very well-behaved. Chairman Saccaro said Sonia had taken the children to see a performance of the Toad and the Frog and how well they behaved and enjoyed it.

NEW BUSINESS

Mr. Snyder said that an employee, Roseanna Romero, assists Kathy Nielsen in terms of doing certifications for tenants (certifying that tenants are income eligible, Admission Continued Occupancy Policy). Mr. Snyder likes employees to actually be certified by one of the national associations in terms of knowing how to do this work. Mr. Bellocchio and Mr. Snyder would like to send Roseanna to Nan-McKay (one of the national training groups that deal specifically with Housing Choice Voucher Program), so she can get certified and become a Public Housing Specialist. The certification is in Florida, they rarely come to New Jersey. The course is May 20-May 24th and then there's an exam you have to pass. Cost is \$150 & \$850 and Mr. Snyder is requesting authorization of the Commissioners so she can be certified.

Commissioner Casamenti asked if Roseanna was interested in this and Mr. Snyder said she was very excited and down the road would probably be taking over in this area.

Motion to approve made by Commissioner Stassi; seconded by Commissioner McCall.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

REMARKS OF CITIZENS

SUSAN BROOKS, 60 Kansas Street, said Officer Carucci got one of the local churches to bring one meal a day during the Storm; otherwise nothing was available from Monday to Thursday for them. Ms. Brooks said no one from Housing went to see how difficult the situation was.

Ms. Brooks said on Thursday mornings, the bus goes to Kohl's. No one goes to Kohl's, they would like to go to Kmart in Lodi as there are other stores there: Burger King, Dollar Store, Mande's, perhaps they could alternate Kohl's with Wal-Mart. The last time Mr. Snyder did a survey for the tenants of where they'd like to go, maybe he could do that again.

Monday/Wednesday afternoons, the bus goes to Farmer's Market for two hours, but it's too long to just go there. Tuesday/Thursday afternoon is Target and Sears. Thursday morning is Kohl's. Friday mornings get switched around. People would like it switched around. Liquidators is two times a week.

Ms. Brooks said there is a serious problem with the heat in her building. It is either freezing or over 80 degrees. Last weekend it was 60 degrees out, her apartment was 81 degrees at 11 PM in the evening. She ran her air-conditioner. She thinks it's energy inefficiency. The tenants signed a petition and are requesting something be done – turn it off during the day and on at night. Ms. Brooks in speaking of the Petition said some were afraid to sign because they thought there would be repercussions; some didn't understand because they speak Spanish. (At this point in the hearing, the Petition was handed to Mr. Snyder and Mr. Bellocchio.) Ms. Brooks said since the new boiler went in, things have gotten worse. Mr. Bellocchio answered the boiler was put in 13 years ago. Commissioner Stassi asked if there were individual thermostats or one thermostat. Mr. Bellocchio said there's an exterior thermostat that turns it on according to the outside temperatures. There is a same problem at #164 and 40 Passaic. All the steam units are a problem. Commissioner Stassi added the energy audit will be looking into this problem and perhaps changing the entire system. Commissioner Stassi said it wasn't fair to say that the Authority doesn't care. Ms. Brooks said many of the people don't know what is going on. Mr. Bellocchio said if the people would look in the minutes, they would find out things. Commissioner McCall said not everyone comes to the meeting, and the Authority needs to find a way to notify everyone.

Ms. Brooks thanked Officer Sirocco for bringing her to the voting polls at 5:30 AM, he brought lunch and dinner also.

Mr. Snyder responded to Ms. Brooks' statements. He was in communication with Mr. Bellocchio during the storm and days afterwards. Mr. Bellocchio was at Kansas Street. Not all day long, but once each day. Dave Vanteen was also there, as the Authority has his work orders. With respect to the bus: the Office will do another survey. Ms. Brooks brought the same thing up a year ago, and a survey went out. The overwhelming majority of the tenants didn't want to change the schedule. He'll do it again, but the schedule can't be changed because one person wants to go to one place – majority rules.

With respect to the heat problems, about 11 months ago, tenants were at the meeting saying it was too cold. At that point, Mr. Snyder picked the tenants who said it was too cold and put thermometers in their apartments and found out the temperatures were not too cold. Granted...81 degrees is too hot. The Board members or the administrators cannot take the position that there is a problem. First it has to be verified. Sometimes people come to the meeting and they're exaggerating. Mr. Snyder will go to Ms. Brooks' apartment and some other people's apartments. They'll put up a thermometer and check it three times a day and take readings. Many times what people say is so, isn't. Steam heat is difficult to adjust and to make everyone comfortable. The heat goes on and off based on the outside temperature.

Mr. Snyder said the Authority is looking at a phone system, which will allow the office to capture the tenants' phone numbers from the computer program and the office can talk into a microphone at any time, make an announcement and will convert it to Spanish and will call all of the tenants starting at a certain time, ending at a certain time. For example, when the exterminator is going to come, power outage problem, snowstorm issues, making repairs, etc.

ISABELLA TILLERY – 65 First Street, 8B, thanked the Commissioners for taking an interest in the smoking problem, because it had been very bad for her on the 8th floor where her apartment is. The man next door to her smokes in the hallway. There is no circulation in the hallway either. Ms. Tillery is also asking about people smoking out front. Will there be a sign up? Mr. Snyder said he isn't a big sign person. The State law is that you cannot be within 50 or 100 feet. If someone is smoking there, the Office will have to say you can't move in this area. It will be for any entrance to the building.

MISCELLANEOUS

Commissioner McCall read a letter that came to Commissioner D'Arminio from the City of Hackensack: "The City Council at a recent meeting reappointed him to the Housing Authority for willingly serving. He will be reappointed on December 6 until the year 2017, five more years." (Applause.) "When he serves the other five years, he will have served as a Commissioner for 30 years."

Commissioner D'Arminio thanked everyone and said it was a great pleasure.

ADJOURNMENT

Motion to adjourn made by Commissioner Stassi; seconded by Commissioner McCall.

VOTE: AYES/All Present Commissioners (5)

Absent: Rivera/Tessaro

Respectfully submitted,

Deborah L. Alvarez, Secretary

No Smoking signs
50 feet of the
Building entrance

Diep nothing Susan Brooks →
for the storm

HACKENSACK HOUSING AUTHORITY
Proposed Agenda
12/7/12

Bus - Kahl's
New Survey ✓

1) Regular Meeting-Thursday, December 13, 2012 at 4:00 P.M.
Location: 65 First Street, Hackensack, NJ

2) Roll Call

3) Opening Statement:

"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 Building, and delivery of same to the Bergen Record & Star Ledger on 12/14/11. 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".

4) Flag Salute

5) Approval of Previous Meeting Minutes: 9/13/12

6) Resolutions:

✓ 6.1 **2012-22** Adoption of Job Description and authorization to advertise for employment

6.2 **2012-23** Contract award for sprinkler system maintenance

6.3 **2012-24** Approval of Change-orders #3 & #4 for Interior work at Oratam Court

6.4 **2012-25** Approval of Contract for interior renovation of 2 elevators at 65 First Street

6.5 **2012-26** Adoption of non-smoking policy in elderly highrise structures

7) Correspondence:

7.1 Notice of Contract Awards

7.2 Job Description-"Operations Manager"

7.3 9/4, OPRA Request from Bergen Record

7.4 9/7, Notice to residents regarding non-smoking policy

7.5 9/12, Capital Fund Program Status of work-items

7.6 9/17, Letter to Attorney regarding EPC Contract

7.7 10/5, RFP Sprinkler system maintenance

7.8 11/15, Letter to Bank about security deposits

7/9 11/19, Letter to Bergen County about 40 Passaic Street

7/10 11/26, 2013 Annual Meeting Notice

7/11 Non-smoking policy resident comments and notices

Thermometer
13 yrs old

Heat problem
81° at
night ✓

Phone System
Announcement

Kansas
Street

Grog Nitzberg 4J

Car with Goutale
↳ Inoperable

- 8) Payment of Claims: October, November & December
- 9) Management Report & Unfinished Business:
- 10) Old Business:
- 11) New Business: 0
- 12) Other Business:
- 13) Remarks of Citizens
- 14) Adjournment

STATE OF NEW JERSEY
HACKENSACK HOUSING AUTHORITY
65 FIRST STREET
HACKENSACK, NEW JERSEY 07601

THURSDAY, SEPTEMBER 13, 2012

(This is a condensed version of the taped minutes of the Regularly Scheduled Monthly Meeting of the Hackensack Housing Authority commencing at 6:00 P.M.)

Chairman AnnMarie Saccaro called the meeting to order.

ROLL CALL

Present: Commissioner Ralph Rivera
Commissioner Gino Tessaro
Chairman AnnMarie Saccaro
Commissioner Michael D'Arminio
Commissioner Anthony Stassi
Commissioner Pargellan McCall

Absent: Commissioner Al Casamenti

Also Present:

William F. Snyder, Consultant to the Authority
John Bellocchio, Acting Executive Director
Gregory Asadurian, Esq. Counsel to the Authority
Hackensack Police Officers Rob Carucci and Greg Zisa

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 building, and delivery of same to the Bergen Record & Star Ledger on 12/14/11. 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

Chairman Saccaro asked all to rise, recite the Pledge of Allegiance and remain standing for a moment of silence in support of our Armed Forces, and those that passed away on 9/11/2001.

APPROVAL OF PREVIOUS MEETING MINUTES – July 12, 2012

Motion to approve minutes of July 12th made by Commissioner Stassi; 2nd by Commissioner Rivera.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

RESOLUTIONS #2012-15 THROUGH 2012-22 (See attachments)

1. 2012-15 – ADOPTION OF BUDGET FOR FYE 9/30/13

Motion made by Commissioner Stassi; 2nd by Commissioner Tessaro.

Mr. Snyder explained this is the adoption of the budget introduced two months ago. It has been sent to State, they've approved original version. When adopted by this Authority, it goes back to State and they review it again and then final approval. It calls for total revenue of \$4,018,000 and expenses of \$4,200,000; utilization of fund balance of \$189,000.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

2. 2012-16 – AWARD OF CONTRACT FOR ACCOUNTING SERVICES

Motion made by Commissioner Rivera; 2nd by Commissioner Tessaro.

Mr. Snyder explained professional service contracts have to be done yearly. An RFP goes out annually. This is for accounting services, a one-year period being awarded to William Katchen, Cliffside Park, NJ in the amount of \$36,000.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

3. 2012-17 – AWARD OF CONTRACT FOR AUDITING SERVICES

Motion made by Commissioner Stassi; 2nd by Commissioner D'Arminio.

Mr. Snyder explained RFPs went out and several were received. This auditor is different than last year. Policari's price is \$5,900, substantially less than 2011 and it is the cheapest price paid since Mr. Snyder's been in-house.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

4. 2012-18 – AWARD OF CONTRACT FOR LEGAL SERVICES – FYE 9/30/13

Motion made by Commissioner D'Arminio; 2nd by Commissioner McCall.

Mr. Snyder explained numerous proposals were received. This contract is with the same firm as last year in the amount of \$36,000.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

5. 2012-19 – AWARD OF CONTRACT FOR RISK MANAGEMENT SERVICES

Motion made by Commissioner Tessaro; 2nd by Commissioner Rivera.

Mr. Snyder explained RFPs went out and several were received. This is going to the Scirocco Insurance Group as the Insurance Risk Manager in the amount of six percent, which is the standard fee in the Joint Insurance Fund.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

6. 2012-20 – AWARD OF CONTRACT FOR SOCIAL SERVICE PROGRAMS

Motion made by Commissioner Tessaro; 2nd by Commissioner D'Arminio.

Mr. Snyder explained this was for Social Services. The only bid was from current vendor, Boys & Girls Club of Hackensack in the same amount it was last year - \$50,000. Commissioner McCall asked if the YMCA submitted a bid. Mr. Snyder said no, they did not.

7. 2012-21 – AWARD OF CONTRACT FOR ENERGY PERFORMANCE CONTRACTING

Motion moved by Commissioner Stassi; 2nd by Commissioner Tessaro.

Mr. Snyder said this proposal is for an energy audit by Tozour Energy. A committee was formed that met with some vendors to talk about their proposals. Mr. Snyder is not thoroughly convinced this is the direction the Housing Authority wants to take. First, an energy audit will be done. That is \$25,120, expensive, but less than everyone else. Their price was less expensive on everything than anyone else. Tozour will give a list to the Authority of Energy Conservation Measures. Those ECM will range from replacing fluorescent tubes from T12's to T8's, putting aerators in sinks and showers to save on water, solar, geothermal. HUD is going to freeze the amount they give for utilities and then calculate what the savings is from installing all these energy conservation measures. The difference in that subsidy that the Authority will no longer be paying for gas, electricity and water can be used to issue debt to pay for all these improvements. It has to be done over a 15-year period.

Mr. Snyder has told these companies that are doing the energy audits their fees they are charging seem to be exorbitant. They range anywhere from 25 to 50 percent. If you do a \$2 million energy performance contract, the energy company gets 8 or \$900,000. HUD is pushing this and Mr. Snyder wants to move to the next step. The Committee will decide if they want to pay them that money. There are other options:

1. Is to not do it at all; 2. Is to do it ourselves. HHA goes out and gets their own financing and pay themselves the fee to do it, which is a lot of work, but would save HHA a lot of money.

Commissioner McCall asked if HHA chooses not to do it, will there be repercussions from HUD. Mr. Snyder said HUD allows you to do it either way.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

8. 2012-22 – AWARD OF CONTRACT FOR CUSTODIAL SERVICES

Motion made by Commissioner Rivera; 2nd by Commissioner McCall.

Mr. Snyder said Resolution first said "Best Maintenance". He corrected it and now says "R.B. Maintenance" because Mr. Bellocchio was checking references of lowest bidder and when Mr. Snyder did tabulations of lowest bids, he mistabulated numbers and had Best as being the low bidder. Mr. Bellocchio informed Mr. Snyder he was incorrect - \$20 difference over the year. The revised award has the correct numbers with the correct company - \$52,000.

The cleaning of Oratam Court is done by the outside custodial services. HHA does not have the manpower – sweeping, mopping, waxing all the flooring, cleaning handrails, etc. These people are here every single day, also doing the regular stripping and waxing of all of VCT around the buildings.

There is a day-to-day list of all chores to be done and the supervisors initial the work that's being done so that the Office knows it's being done. Times were adjusted to meet the schedules in the Boys & Girls Club.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

CORRESPONDENCE

Chairman Saccaro said Item 7.1 refers to the contract for Energy Performance Audit. There were no questions or comments. Chairman Saccaro thanked Commissioner McCall for her wonderful report about her conference in San Francisco.

PAYMENT OF CLAIMS FOR AUGUST AND SEPTEMBER

Motion to pay payment of claims for two months – August and September – as there was no August meeting made by Commissioner Stassi; 2nd by Commissioner D'Arminio.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

MANAGEMENT REPORT & UNFINISHED BUSINESS

Mr. Snyder said the Energy Performance Contract Committee – Mr. Snyder, Commissioner D'Arminio, and Chairman Saccaro – went to Cooper Union in New York City to actually see cogeneration in action. The cogeneration generates electricity and heat generated from that generation is then used for heating and air-conditioning. The Committee climbed out on the roof at Cooper Union, looked at the equipment, spoke with Maintenance Supervisor to find out how sophisticated it is. The next phase is to have the energy audit done and see where the Authority goes from there.

Under **Correspondence**, Item No. 7.5 – listing of Board members and their terms. The Clerks lose tracks of the terms, i.e., someone is appointed to the Board by the Mayor or Council and it is assumed that the date that they're appointed is where their five-year term starts. It doesn't work that way. The way it works is: starting with the first person that was appointed to the Board, which was maybe in the 1950's. One person serves a one-year term; two-year term; three-year term; four-year term; five-year term. Then you have one Mayor's appointment and one Department of Community Affairs appointment. Terms are that way so the entire Board doesn't expire all at once. Commissioner McCall is the Mayor's appointment. Mr. Snyder requested that each Commissioner get back to him that the information is correct.

Mr. Snyder met with the consultant regarding the Capital Fund Program, where the Authority is financially, what money is coming from HUD to make capital improvements. The Authority has pretty much spent out Capital Fund money. The elevators will be redone in all of the buildings. Hopefully, all of the roofs will be replaced and entrance doors at Oratam and everywhere and the magnetic locks.

The intercom system will be replaced at Kansas Street. Intercoms will also be replaced at Oratam.

Mr. Snyder also spoke about tenants' complaints, particularly at 65 First, about smoking conditions. All the rules were researched about smoking. Smoke in some apartments is going up through the ventilation system and it has been checked out. Wind blows down and the smoke is a serious problem for the tenants in that riser. HUD has given authorities statistical compilations that smoke in these buildings does affect the health of the other residents. In accordance with what was discussed at previous meetings, a memo has gone out to all residents. They have 45 days to respond on that memo; all comments will be tabulated, brought back to the Board and the Commissioners can decide what they want to do. At the present time it is only in the elderly units, not in the family sites. Mr. Snyder asked that the comments be in writing, a spreadsheet will be done and the Commissioners can then decide if they want to make that policy change or not.

HACKENSACK POLICE DEPARTMENT

Officer Greg Zisa introduced himself to the Commissioners and said not too much is going on. There is a problem with roof hatches at Newman-Railroad buildings, one was found open. Mr. Bellocchio said the latches could be changed, but they cannot be locked. One was left open during a rainstorm and there was a lot of clean-up afterwards.

Officer Zisa introduced Officer Rob Carucci, who has been on the force a while, but is new to the Housing Authority. Officer Merino was reassigned to the Youth Division.

BOYS & GIRLS CLUB OF HACKENSACK/LODI – Sonia Verdade

Sonia gave the Commissioners a quick summary of the summer, as the after school program has just started and gave each Commissioner a packet containing many photographs and information about the Summer Adventure 2012. The teenage youth attended a National Night Out on Main Street helping to promote the program (photographs).

The 1st Summer Olympics was done at the Hackensack Club, a torch run with the Bergen County Police (photographs). Student volunteers in the Keystone Program come as volunteers to Boys & Girls Club programming, about academic success and leadership skills. There was a lunch, breakfast and snack program (photographs). Four tutors came from Bergen Academies to tutor the students. Two students did a debate team with the older children. A Kids College was also started (computer based program on academics, language arts and mathematics). The average attendance was 90. Hours of operation were longer – 8:30 AM to 5:30 PM. Kohl's in Nanuet gave a \$500 donation to help out at the Olympics and brought their volunteers. Kohl's in Paramus gave a \$500 donation for activities with the children.

The packet contained numbers about each week. The program was closed the first week of September for maintenance. There was also a Back Pack Program which the Community Food Bank of N.J. donated food every Friday for the children to take home over the week-end. Mac & cheese, applesauce, milk, cereal, etc. There is a little summary about the CFB of N.J. 126 youth were served.

After School Program – the Keystoneers had to do a national project and decided on "Operation Goodie Bag" having to decorate bags for the troops filled with candy and the children wrote notes. Sonia will be sending it to a Paramus non-profit organization that does send the bags to the troops.

A back pack drive was held at the North Jersey Community Bank in Hackensack and all their branches. They donated a ton of back pack supplies: crayons, pencils, notebooks, etc. (photographs).

September 30th, the children are participating in the street festival and a community event at the middle school to promote Boys & Girls Club hopefully to increase membership.

The After School Program went out to all the districts. Many phone calls received about programming. Mr. Bellocchio asked if they would have room for all the children. Sonia said even though there are 126 registered, they never had 126 in attendance. Average is 50-60. The DPI Grant did get renewed for the 4th year, and she is recruiting children for that, which is free of charge. Mr. Snyder asked under "Fee" it said 40 and what is the YDI? Sonia said it's the "at risk grant", which is different from the Housing children.

Commissioner McCall asked about the Kids College? Sonia said it's an online tool that they pay for. Every child has to do it: language arts and mathematics, and it tells you based on the curriculum where they fall. Are they on what grade level – 1st, 2nd. Boys & Girls Club Hackensack has to follow programming based on Boys & Girls Club of America. The children did it all summer and they're starting again this year.

Chairman Saccaro announced that Commissioner Dr. McCall is being honored by the Boys & Girls Club on Thursday, October 11th at the Venetian in Garfield. Congratulations, Dr. McCall. (Applause) Commissioner McCall added she is selling tickets and ads. The ticket is \$100, deadline for the ads is tomorrow.

REMARKS OF CITIZENS

LUIS VARGAS, a 7-year resident, a 9/11 volunteer for three months, has now had 4 operations and major lung problems. His neighbor smokes so much, Mr. Vargas has had to go to the hospital to sleep because the woman smokes so much. He doesn't want to complain, but it is very difficult. In one month, he was in the Emergency Room 2-3 times with his lung problem. Mr. Bellocchio asked Mr. Vargas if he understood that the Authority is in the process of banning all smoking in the building, which would begin some time after the first of the year if everything works out.

ISABELLE TILLERY, 8B, spoke about her next-door neighbor, who is also a heavy smoker and sometimes smokes in the hallway. Her doctor gave her a statement stating she is on medication due to the smoke coming from next door.

Attorney Asadurian said he's spoke to HUD in Washington, D.C. about implementing a smoking ban in the buildings. They said certain procedures must be followed. (1) give everyone advance notice; (2) set a date of January 1, 2013 and let everyone know as of that point, or whatever the date is, you're not going to be able to smoke and if you do, we're going to evict. Your comments have been received by the Board, but tenants have rights too.

Ms. Tillery thanked the Commissioners for fixing the broken light she mentioned at the last meeting. Ms. Tillery asked the policemen to please come inside and look around. It makes her feel more secure.

Sonia Verdade asked if Commissioner Rivera spoke Spanish as some residents want to speak, but need an Interpreter.

(At this point in the meeting, Commissioner Rivera translated what the Spanish speaking tenants said.)

ALTA GRACIA PEREZ, 10A, suffers from asthma and serious allergy. Any strong odor aggravates her allergies. She used soaps, etc. without odors, fragrance free. Her neighbor is a heavy smoker. Because of the way the ventilation system is, if she smokes in her apartment, it comes into her kitchen, making her fatigued and this smoking is all hours of the day and night. Sometimes even in the middle of the night when she gets up to use the bathroom. There is no rest from the smoke.

Yesterday, the alarm in the next apartment went off early in the morning, Ms. Garcia-Perez called a different neighbor. That neighbor called 9-1-1 and the Fire Department came. Apparently, the woman has a smoke detector in her bathroom and that is what went off. Ms. Garcia-Perez does not know what happened after that in regards to HFD.

Mr. Bellocchio asked Commissioner Rivera to explain to the woman that the Authority is moving forward with this problem, but rules must be adhered to and HUD policies followed.

RAUL CONTRARA said a man in 8A smokes cigars and anyone walking in the hall has to cover their nose because the smoke is so bad. Commissioner Rivera also explained to this gentleman that HUD is involved and the Authority is following guidelines in order to make the problem go away.

(At this point in the proceeding, there was no more translations by Commissioner Rivera.)

LINDA RITTER, 1K, added that the smoke was coming in her window from the outside. Her window is on the front of the building.

YVONNE, 164 Beech Street, said when someone is smoking it does come in her apartment. Her 2nd complaint was with animals, but she requested that tenants keep them on the leash. One morning she walked out the door and the dog had "pooped" right in the middle of the doorway.

Mr. Bellocchio said there is a pet policy and people are allowed one complaint. If the person can be identified, they get a letter saying if there is another complaint, the animal must go. Mr. Snyder said call the office if the dog does it again, don't clean it up. Maintenance will come and get the owner to clean it up.

ADJOURNMENT

Public portion of meeting adjourned at 6:50 P.M. and Commissioners and Staff went into Executive Session.

Respectfully submitted,

Deborah L. Alvarez, Secretary/Transcriber

STATE OF NEW JERSEY
HACKENSACK HOUSING AUTHORITY
65 FIRST STREET
HACKENSACK, NEW JERSEY 07601

THURSDAY, SEPTEMBER 13, 2012

CLOSED EXECUTIVE SESSION

(This is a condensed version of the taped minutes of the **Closed Executive Session** of the Hackensack Housing Authority commencing at 6:55 P.M.)

Chairman AnnMarie Saccaro called the meeting to order.

PRESENT: Chairman AnnMarie Saccaro
Commissioner Ralph Rivera
Commissioner Michael D'Arminio
Commissioner Pargellan McCall
Commissioner Anthony Stassi
Commissioner Gino Tessaro

ABSENT: Commissioner Al Casamenti

Also Present:

William F. Snyder, Consultant
John Bellocchio, Acting Executive Director
Gregory Asadurian, Esq., Counsel to the Authority

Mr. Snyder said the Personnel Committee has been meeting since May or so. Its purpose is to hire a new, permanent Executive Director. Mr. Bellocchio is Acting Director. Several "generations of this" have taken place during this time.

Initially, Mr. Snyder wrote a memo to the Committee laying out the options.

1. Hire an employee, a person that can be trained to eventually become the Executive Director. Statutory requirements: minimum of five years experience and a four year degree (an accredited degree from a recognized college).
2. Go through the traditional search process. State of New Jersey has requirements, outlined at a previous meeting, which include under the Administrative Code & State Statutes that you do a national search, advertised in national trade publication, NAHRO and Public Housing Authority Director's Association. You review resumes, vet resumes, narrow them down, perform interviews and then select person that the Board thinks is best, generally done through Personnel Committee. Person would then meet entire Board.

Mr. Snyder presented pros and cons to the Board, same as he'd presented to Personnel Committee.

He stated that "The condition of the properties and entire system here at Hackensack is different than many other places. Hackensack Housing Authority's mission is pretty much driven through a social service program called "**Freedom Project**" which is to try and provide as many services as the Authority can to the children to help them break the generational cycle that exists in many places – where you see generation after generation after generation in public housing. Where young people have an opportunity to get up and out, Hackensack Housing Authority wants to help them and that is what this Authority is all about, and a model in doing that. The improvements made to our properties are all part of that concept. Way back Mr. Snyder gave a presentation about behavioral psychology: feeling good where you live.

Mr. Bellocchio told Mr. Snyder about someone being driven home to 230 Central in a cab, and the cab driver thought she lived on Prospect Avenue in one of the hi-rise buildings.

If the national search is used, the person should fit in here and carry that concept forward, not move it backwards. Mr. Snyder has seen others helping someone get a job and once they take over as Director, that person says, "I'm the boss, I'll do it my way." Everything unravels. It is also a process of making sure that things are moved forward in a positive manner for the benefit of the residents. In doing a national search, there may be some good people looking for an opportunity. You may get them, you may not. Because you're hiring a Director, the State has very rigid requirements in going through the search process.

If you decide to hire someone that can be trained and indoctrinated in the Authority's mission, it may take several years in order to be a position to determine if the person is qualified for the position. The person could be hired as an Operations Manager and be groomed to eventually take-over if they can prove themselves.

The Personnel Committee consisting of Commissioners Stassi, D'Arminio and McCall have been meeting and the consensus of the Committee would be to go through a search for an Operations Manager and train that person to ensure that they are capable of moving the Housing Authority forward in a positive manner and building on the existing successes. Mr. Snyder said it is up to the Committee in what direction they prefer to go.

Commissioner Stassi asked if Mr. Snyder was going to start taking resumes. Mr. Snyder said he produced job description for Executive Director and the advertisement to go with the option of doing it nationally. If the board goes with the option of grooming someone, the position would be advertised in accordance with the Personnel policy. Mr. Snyder said it would probably be a position that Mr. Bellocchio previously held – Operations Manager.

Commissioner Rivera asked if it was appropriate to use the network of people you know to solicit or recruit individuals? Mr. Snyder said because it's a coveted position, and he does not want to create dissention amongst the Commissioners, because everyone in the room probably knows someone, as Commissioners you are going to get phone calls from local people saying they have the best possible person. Whatever direction the Board takes, the resumes have to be vetted, interviews made and a unified decision about who should be hired, not a sheer personal or political decision. The person selected must be the best qualified individual.

If the Commissioners suggest Option 2, the Commission will cultivate their own person who is going to start at the ground up and gain experience over a series of years, they're going to be given every opportunity to start the way Mr. Bellocchio did – at the construction end, Capital Fund Program, learning the Public Housing Program, learning the finances, etc.

Commissioner D'Arminio asked Mr. Bellocchio if he's going to be here for the five years. Mr. Bellocchio said a minimum of two years. Commissioner Stassi said the Authority wants to continue the same trend. Mr. Snyder said he can also be here to teach the new person. The Commissioners are going to make sure that the new person follows the same trend. Chairman Saccaro asked is this person is going to have a degree and what will the degree be in. Mr. Snyder said yes, they must have a degree. It is important the person being a good thinker, whether they have a Liberal Arts or whatever – just a four-year degree.

Mr. Snyder said if the Commissioners are going with the choice of hiring someone and training them over the next few years, he needs to prepare a job description and bring it back to the Commissioners. It would include a plan of action for hiring and grooming the new person.

Mr. Snyder said you can always fall back on the national search if you are satisfied with the option 2 candidate or its not going the way you like.

The consensus of the members was to go with option 2. The Authority can always go back to a national search if option 2 does not workout.

Mr. Snyder said he'd develop a job description and a written plan of action in accordance with what was discussed. No action will be taken until everyone meets again. If anyone has any opposite feelings, when you all meet again, and says "I don't think we should go in that direction or what-have-you", you'll have another option.

The board reconvened its public portion of the meeting and no action was taken. There being no other business, the board moved for adjournment

ADJOURNMENT

Motion to adjourn made by Commissioner McCall; 2nd by Commissioner D'Arminio.

VOTE: AYES/All Present Commissioners (6) Absent: Casamenti

Respectfully submitted,

Deborah L. Alvarez, Secretary/Transcriber

SHP D/S

RESOLUTION #2012-22

(Approval of Job Description and authorization to advertise position)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Hackensack have determined that it has a need to hire a person to serve as "Operations Manager"; and

WHEREAS, the Housing Authority has requested that its consultant prepare and distribute a job description for this position for review and approval by the Board of Commissioners; and

WHEREAS, the job description has been prepared in accordance with the request made by the Board of Commissioners; NOW THEREFORE

BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Hackensack that the attached job description for the position of Operations Manager be hereby approved; and

BE IT FURTHER RESOLVED that the process for hiring this individual shall be in accordance with the Housing Authority's Personnel Policy and shall commence immediately; and

BE IT FURTHER RESOLVED that funds for this position shall be paid from the operating budget and Capital Fund Program

5/1/12

RESOLUTION #2012-23
(Contract for Sprinkler system testing & maintenance)

WHEREAS, the Housing Authority of the City of Hackensack has need to test, maintain and inspect all sprinkler systems; and

WHEREAS, the Housing Authority solicited for proposals in accordance with the New Jersey Local Public Contracts Law and received proposals on October 5th at 10:00 AM which were opened and publicly read aloud; and

WHEREAS, the Housing Authority received 5 proposals in response to its duly issued Request for Proposals which were reviewed by the Acting Executive Director who has determined that the contract should be awarded to the lowest responsible bidder;
NOW THEREFORE

BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Hackensack that a contract for sprinkler system testing and maintenance is hereby awarded to:

Cerullo Fire Protection

In the amount of \$5,100.00 2012
 \$5,200.00 2013

BE IT FURTHER RESOLVED that funds for this work shall be made available through the Housing Authority's Operating Fund.

Company	Service	Amount
Allstate Fire Technologies	Sprinkler System, Testing, Inspection & Maintenance	2012: \$ 7,850.00 2013: \$ 7,850.00 Hourly Rate: \$ 75.00
Oliver Fire Protection & Security	Sprinkler System, Testing, Inspection & Maintenance	2012: \$ 7,000.00 2013: \$ 7,000.00 Hourly Rate: \$ 185.00
Cerullo Fire Protection	Sprinkler System, Testing, Inspection & Maintenance	2012: \$ 5,100.00 2013: \$ 5,200.00 Hourly Rate: \$ 125.00
Total Fire Safety	Sprinkler System, Testing, Inspection & Maintenance	2012: \$ 5694.00 2013: \$ 5694.00 Hourly Rate: \$ 140.00
SimplexGrinnell LP	Sprinkler System, Testing, Inspection & Maintenance	2012: \$ 8,895.00 2013: \$ 8,895.00 Hourly Rate: \$ 118.00
	Sprinkler System, Testing, Inspection & Maintenance	2012: \$ 2013: \$ Hourly Rate: \$
	Sprinkler System, Testing, Inspection & Maintenance	2012: \$ 2013: \$ Hourly Rate: \$

RESOLUTION #2012-24
(Approval of Change-Orders #3 & 4 to the Contract for Interior renovations at Oratam Court)

WHEREAS, the Housing Authority of the City of Hackensack has entered into a contract with V&K Construction in order to renovate the common areas at Oratam Court in the amount of \$183,300.00; and

WHEREAS, the Housing Authority previously approved change orders #1 & 2 in the amounts of \$7,080.00 and \$17,000.00 respectively; and

WHEREAS, all work has been completed and accepted by the project architect and is ready for close-out; and

WHEREAS, it is necessary to approve two final change-orders which have been reviewed by the project architect; NOW THEREFORE

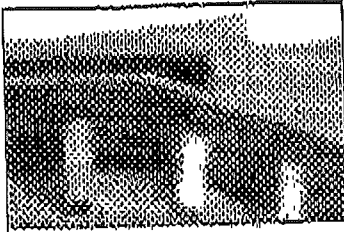
BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Hackensack that change-orders # 3 & 4 with the contract with V&K construction is hereby approved as follows:

Change-order #3	\$ 2,150.00	Adjust lighting to go under piping
Change-order #4	(\$5,301.00)	Reduce Plexi-glass and corner guards

Original Contract Amount	\$183,300.00
Change-order #1	\$7,080.00
Change-order #2	\$17,000.00
Change-order #3	\$2,150.00
Change-order #4	(\$5,301.00)

Total revised contract	\$204,229.00
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BE IT FURTHER RESOLVED that funds for this work shall be made available through the Housing Authority's Capital.



Minervini Vandermark Architecture

360 14th Street
Hoboken, New Jersey 07030
T 201-386-0637
F 201-386-0628

Fax Cover Sheet

Send to: V & K Construction	From: Minervini Vandermark Architecture
Attention: George Kounellis	Date: 5-9-12
Office Location:	Office Location: 360 14 th Street
Fax Number: F: 732-572-1797	Phone Number: 201-386-0637

Total pages, including cover: 1

- ☐ Urgent
- ☐ Reply ASAP
- ☐ Please comment
- ☐ Please review
- ☐ For your information

Comments: Final Inspections

Dear George,

Upon verbal notification by your field personnel they have deemed your company complete as of today May 9th, 2012. There are some outstanding issues that need to be addressed prior to closing you out.

1. As per the construction drawings all exposed corners are to receive corner 3'-0" high guards. Based on this, the exposed corner adjacent to the first stair riser is to receive a guard.
2. As per your base contract scope of work. The owner now wants the 36" wide x 96" high plexiglass wall protection behind the roof access ladder.
3. The owner wishes to take a credit on the remaining 4'-0" height for all corner guards. Your base contract was to install 8'-0" in height. As per today only 4'-0" below the chair rail has been done.
4. The owner wishes to take a credit for outstanding plexiglass sections that were not installed at all stair landings. Once again you installed 48" high x 72" wide sections. You were required to provide 72" in height.

If you have any questions regarding the information listed above please contact

TO: V & K

FROM: ANTHONY C. VAUSERHART
MV ARCHITECTURE

ATTN: GEORGE

GEORGE, SEE ATTACHED APPROVAL
OF CREDIT & CHANGE ORDER FOR HALLWAY
PROJECT. PROCEED WITH FINAL PAPERWORK FOR
LAST PAYMENT.

PROVIDE THE FOLLOWING:

RELEASE OF LIENS

" " DEBTS & CLAIMS

PERFORMANCE BOND

COMPANY WARRANTY FOR 1 YEAR OF WORK
DEC. 1, 2012 TO DEC. 1, 2013

FINAL HUD 51001 FOR PAYMENT

FINAL PAYROLL -

CC: JOHN BELLOCCHIO - 201-342-5044
HNA

3 - PAGES IN TOTAL

Schedule of Change Orders

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0187
(exp. 07/31/2014)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

This information is collected under the authority of Section 2(a) of the U.S. Housing Act of 1937 and HUD regulations. HAS are responsible for contract administration to ensure that the work for project development is done in accordance with State laws and HUD requirements. The contractor/subcontractor reports provide details and summaries on payments, change orders, and schedule of materials stored for the project. The information will be used to ensure that the total development costs, identified in the AGC, are kept as low as possible and consistent with HUD construction requirements. Responses to the collection are necessary to obtain a benefit. The information requested does not lend itself to confidentiality.

Instructions: Contractors use this form for reporting the details of approved Change Orders. Attach an original (or a copy) to each copy of the Periodic Estimate for Partial Payment (form HUD-51001) submission, and send to the Public Housing Agency. Complete all entries. Only Change Orders which bear the signatures required by the contract are to be recorded.

Name of Public Housing Agency HACKENSACK HOUSING AUTHORITY 65 FIRST ST. HACKENSACK, N.J.	Supporting Periodic Estimate (for Partial Payment Number)	Period From (mm/dd/yyyy) to (mm/dd/yyyy)
Location of Project COMMON AREA UPGRADES ORATAM COURT HACKENSACK, N.J.		Project Number
Name of Contractor VTK CONSTRUCTION INC. 37 BARTHA AVE HACKENSACK, N.J.		Contract Number

Approved Change Orders		Additions		Deletions
Change Order Number (1)	Dated (mm/dd/yyyy) (2)	Total Amount of Change Order (3)	Value of Work Completed to Date (4)	Total Amount of Change Order (5)
ADJUSTING HALLWAY LIGHTS IE TO THEY CAN NOT GO UNDER PIPE WITH JUNCTION BOXES, PIPE AND WIRING 8 BUILDINGS X 265 2,150		\$ 2,150 CO. #3		\$ 2,150
Totals		\$ 2,150	\$	\$ 2,150

Authorized Project Representative

Date (mm/dd/yyyy)

11.27.12

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Previous editions are obsolete form HUD-51002 (3/92)

ref. Handbooks 7417.1 & 7450.1

40140 2012

MARKETING

2013060628

11/28/2012 11:45

Schedule of Change Orders

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2597-0157

(exp. 01/31/2014)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

This information is collected under the authority of Section 6(c) of the U.S. Housing Act of 1937 and HUD regulations. HHS are responsible for contract administration to ensure that the work for project development is done in accordance with State laws and HUD requirements. The contractor/subcontractor reports provide details and summaries on payments, change orders, and schedule of materials stored for the project. The information will be used to ensure that the total development costs, identified in the ACC, are kept as low as possible and consistent with HUD construction requirements. Responses to the collection are necessary to obtain a benefit. The information requested does not lend itself to confidentiality.

Instructions: Contractors use this form for reporting the details of approved Change Orders. Attach an original (or a copy) to each copy of the Periodic Estimate for Partial Payment (form HUD-51001) submission, and send to the Public Housing Agency. Complete all entries. Only Change Orders which bear the signatures required by the contract are to be recorded.

Name of Public Housing Agency HACKENSACK HOUSING AUTHORITY 65 FIRST ST HACKENSACK, N.J.	Supporting Periodic Estimate for Partial Payment Number	Period From (mm/dd/yyyy) to (mm/dd/yyyy)
Location of Project COMMON AREA UPGRADES ORATAM COURT HACKENSACK, N.J.	Project Number	
Name of Contractor VTR CONSTRUCTION, INC. 37 BARTHA AVE EDISON, N.J.	Contract Number	

Approved Change Orders		Additions		Deductions
Change Order Number (1)	Dated (mm/dd/yyyy) (2)	Total Amount of Change Order (3)	Value of Work Completed to Date (4)	Total Amount of Change Order (5)
<u>REBATES</u>		<u>REBATE</u>		<u>REBATE</u>
1 36 WX 96'				
1 LEXI GLASS				
8 X 245 EACH		\$ 1960		\$ 1,960
1 CORNER GUARD		\$ 1,421		\$ 1,421
8 BUILDINGS				
1 48 X 72				
PLEXI GLASS		\$ 1,920		\$ 1,920
8 X 240				
Totals		\$ 5301		\$ 5301

Authorized Project Representative

Date (mm/dd/yyyy)

11.27.12

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 41 U.S.C. 3729, 9802)

Previous editions are obsolete. form HUD-51002 (3/92)

ref. Handbooks 7417.1 & 7450.1

00/00 0000

MMARCHITECTURE

2013860628 11:45 11/28/2012

RESOLUTION #2012-25
(Contract for Renovation of Elevator cars at 65 First Street)

WHEREAS, the Housing Authority of the City of Hackensack desires to renovate the interior of its elevator cars at 65 First Street; and

WHEREAS, the Housing Authority solicited for public bids, on two separate occasions, in accordance with the New Jersey Local Public Contracts Law and did not receive any bids; and

WHEREAS, the New Jersey Local Public Contract Law allows for the award of a contract in instances where the bids were advertised on 2 occasions and no bids were received (N.J.S.A.40A:11-5) with the approval of the affirmative vote of two-thirds of the authorized board membership; and

WHEREAS, the Housing Authority negotiated a price with Roy Elevator Cab corporation to renovate the elevators in accordance with the terms of the public bidding documents; NOW THEREFORE

BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Hackensack that a contract for elevator renovation at 65 First Street be awarded to:

Roy Elevator Cab Corp.
1134 Elder Avenue
Bronx, NY

In the amount of \$8,000 per car for a total of \$16,000

BE IT FURTHER RESOLVED that funds for this work shall be made available through the Housing Authority's Capital Fund.

Roy Elevator Cab Corp.

1134 Elder Ave, Bronx, NY 10472

Cell: (646) 523-7814

bbhagwant210@gmail.com

Date: December 1, 2012

Attn: John Bellochio – Acting Director
Anthony Vandermark - Principal

Re: **The Hackensack Housing Authority**
65 First Street
Hackensack, NJ 07601

We propose to furnish the necessary labor and materials to perform the following cab modernization on the two (2) passenger elevators located at the subject property:

Scope of Work:

Wall panel: Formica (selected by owner) 7054-60 WILD CHERRY over plywood as discussed. Panels will be held with aluminum extrusions and with 4830-07 laminate inserts.

- **Rear wall** will be 3 panels, **side walls** will be 2 panels each, and **front panels** will be 1 panel, for a total of 8 panels in each elevator.

Handrail: One 3/8" x 2" Stainless Steel handrails on rear wall.

Base: 2" Stainless Steel base below panel.

Drop Ceiling: Stainless steel #4 Satin finish and will hang 2" from top ceiling.

Lights: 6 LED lights with Stainless Steel protective lens.

Floor: Fritztile (selected by owner, samples will be provided if needed).

Door: Stainless Steel #4 Satin Finish

Also I will include:

- Pad buttons
- Corner mirror

The price per cab will be \$6,550.00 plus \$2,000.00 for both the ceiling AND door. The total per cab will be \$8,550.00.

Please note: I will beat any competitor's price by 10%.

Sincerely,
Roy Elevator

Terms and Conditions:

- This quote is binding for forty-five (45) days and will be subject to review after this date.
- Roy Elevator will not be held responsible for any item or feature not included in this written estimate.
- All work performed and all materials used shall be in strict accordance with code requirements.
- Roy Elevator guarantees all materials and workmanship for a period of six (6) months.
- We will include removal of the existing cab materials and carting.
- Our proposal does not include for any filing fees, necessary permits or sign-offs incurred due to lack of filing. These permits and sign-offs are mandatory to the building department and must be obtained.
- Roy Elevator will not be held responsible for any modifications to the elevator equipment in order to comply with balancing requirements due to any net weight change.
- Roy Elevator will not be held responsible for establishing proper clearances between car jambs and hoist way jambs and doors.
- Emergency lighting is not included in this proposal.
- Electrical disconnection of control panel may be required and you may have to require a quote from your Maintenance Company.
- Door must be removed by the elevator Maintenance Company; they may charge a fee.
- We will not begin work until we receive a PO and a signed proposal.
- We require uninterrupted use of the elevator.
- Price is based on performing the work on one elevator at a time.

Payment Terms:

Payment provisions are: 50% at signing, with the balance due upon completion of job.

We trust that the above meets with your request for pricing and we look forward to working with you on this project.

Sincerely,

Roy Elevator

utilized to acquire or upgrade non-proprietary hardware or to acquire or update non-proprietary software;

(ee) The management or operation of an airport owned by the contracting unit pursuant to R.S.40:8-1 et seq.;

(ff) Purchases of goods and services at rates set by the Universal Service Fund administered by the Federal Communications Commission;

(gg) A contract for the provision of water supply services or wastewater treatment services entered into pursuant to section 2 of P.L.2002, c.47 (C.40A:11-5.1), or the designing, financing, construction, operation, or maintenance, or any combination thereof, of a water supply facility as defined in subsection (16) of section 15 of P.L.1971, c.198 (C.40A:11-15) or a wastewater treatment system as defined in subsection (19) of section 15 of P.L.1971, c.198 (C.40A:11-15), or any component part or parts thereof, including a water filtration system as defined in subsection (16) of section 15 of P.L.1971, c.198 (C.40A:11-15);

(hh) The purchase of electricity generated from a power production facility that is fueled by methane gas extracted from a landfill in the county of the contracting unit.

(2) It is to be made or entered into with the United States of America, the State of New Jersey, county or municipality or any board, body, officer, agency or authority thereof or any other state or subdivision thereof.

~~2~~ (3) Bids have been advertised pursuant to section 4 of P.L.1971, c.198 (C.40A:11-4) on two occasions and (a) no bids have been received on both occasions in response to the advertisement, or (b) the governing body has rejected such bids on two occasions because it has determined that they are not reasonable as to price, on the basis of cost estimates prepared for or by the contracting agent prior to the advertising therefor, or have not been independently arrived at in open competition, or (c) on one occasion no bids were received pursuant to (a) and on one occasion all bids were rejected pursuant to (b), in whatever sequence; any such contract may then be negotiated and may be awarded upon adoption of a resolution by a two-thirds affirmative vote of the authorized membership of the governing body authorizing such contract; provided, however, that:

(i) A reasonable effort is first made by the contracting agent to determine that the same or equivalent goods or services, at a cost which is lower than the negotiated price, are not available from an agency or authority of the United States, the State of New Jersey or of the county in which the contracting unit is located, or any municipality in close proximity to the contracting unit;

(ii) The terms, conditions, restrictions and specifications set forth in the negotiated contract are not substantially different from those which were the subject of competitive bidding pursuant to section 4 of P.L.1971, c.198 (C.40A:11-4); and

(iii) Any minor amendment or modification of any of the terms, conditions, restrictions and specifications, which were the subject of competitive bidding pursuant to section 4 of P.L.1971, c.198 (C.40A:11-4), shall be stated in the resolution awarding such contract; provided further, however, that if on the second occasion the bids received are rejected as unreasonable as to price, the contracting agent shall notify each responsible bidder submitting bids on the second occasion of its intention to negotiate, and afford each bidder a reasonable opportunity to negotiate, but the governing body shall not award such contract unless the negotiated price is lower than the lowest rejected bid price submitted on the second occasion by a responsible bidder, is the lowest negotiated price offered by any responsible vendor, and is a reasonable price for such goods or services.

RESOLUTION #2012-26
(Adoption of Non-Smoking Policy)

WHEREAS, The Housing Authority of the City of Hackensack would like to implement as non-smoking policy at its elderly public housing sites; and

WHEREAS, the U.S. Department of Housing & Urban Development has issued HUD Notice PIH 2009-21 outlining the requirements for implementing non-smoking policies; and

WHEREAS, the Housing Authority has solicited comments from its' residents which have been reviewed and considered as part of the Housing Authority's Plan amendment in order to effectuate this change; and

WHEREAS, the Housing Authority recognizes the potential health related risks from inhaling secondhand smoke; NOW THEREFORE

BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Hackensack that a non-smoking policy is hereby adopted at its four elderly public housing complexes and it plan amended accordingly.

BE IT FURTHER RESOLVED that this policy shall become effective February 1st, 2013.

Hackensack Housing Authority

County of Bergen

State of New Jersey

Notice of Contract Awards

The Housing Authority of the City of Hackensack, New Jersey has awarded several contracts, without competitive bidding, as a professional service pursuant to New Jersey Local Public Contract Law. The contracts are available for public inspection in the office of the Authority, 65 First Street, Hackensack, New Jersey:

Awarded to: Tozour Energy
3606 Horizon Drive
King of Prussia, Pa. 19406
Services: Energy Audit
Fee: \$25,120.00
Time: Until Completion

Awarded to: William Katchen, CPA
Anderson Avenue
Cliffside Park, NJ
Services: Accounting
Fee: \$36,000.00
Time: FYE 9/30/2013

Awarded to: Nowell Amoroso Klein Bierman
155 Polify Rd
Hackensack, NJ
Services: Legal
Fee: \$36,000.00
Time: FYE 9/30/2013

Awarded to: Polcari & Co.
2034 Hamburg Turnpike
Wayne, NJ
Services: Auditing
Fee: \$5,900.00
Time: FYE 9/30/2012

Awarded to: Scirocco Insurance
777 Terrace Avenue
Hasbrouck Hts., NJ
Services: Risk Manager
Fee: 6% of the annual assessment
Time: FYE 9/30/2013

October 2, 2012

JOHN BELLOCCHIO
ACTING EXECUTIVE DIRECTOR

Instructions: Please publish this advertisement once. All
invoices should be sent to:

Hackensack Housing Authority
65 First Street
Hackensack, New Jersey 07601

Housing Authority City of Hackensack

65 FIRST STREET, HACKENSACK, NEW JERSEY 07601

TEL 201-342-4280

FAX 201-342-5044

TTY/TTD 800-545-1833 EXT. 844

October 3, 2012

MEMORANDUM

To: Personnel Committee
(Commissioners McCall, Stassi & D'Arminio)

From: William Snyder, Consultant

Re: Job Description

I have enclosed a copy of the "draft" job description for the position of Operations Manager as per the direction of the Board at last month's meeting. This is also being transmitted to the entire Board for their review and approval prior to advertising in accordance with the Personnel Policy. A resolution will be on the October agenda approving the job description and authorizing advertising for candidates.

Please feel free to contact me if you have any questions regarding this matter.

Enclose.
Xc: file

HACKENSACK HOUSING AUTHORITY

Job Description

Job Title: Operations Manager

Department: Administration

Reports To: Executive Director

Summary Assists the Executive Director in managing the daily operations of providing low-income public housing at the various sites owned and managed by the Hackensack Housing Authority.

Essential Duties and Responsibilities include the following. Other duties may be assigned.

Assists in developing and implementing plans for the maintenance of the housing project, including recommending policy changes.

Reviews occupancy reports to ensure that applications, selection of tenants and assignment of dwelling units are in accordance with the public housing rules and regulations (including PIC reports).

Conducts surveys of local rental rates and participates in setting the flat rental rate.

Conducts analyses of maintenance costs to determine areas where cost reductions can be effected.

Assists in planning long range schedule of major repairs on units such as re-roofing or painting exterior of buildings.

Studies occupancy and turnover rates and accommodation requirements to ensure full occupancy of all projects with a quick turnover rate (less than 30 days).

Promotes harmonious relations among tenants, housing project personnel, and persons of the community.

Assists in directing work activities of office and clerical staff in processing applications, collecting of rents and accounting for monies collected.

Works with the project managers in assigning building and grounds maintenance personnel to specific duties.

Coordinates and assists in ensuring that the annual UPCS inspections are being performed at all buildings.

Assists in recommending capital improvements at the various sites and works with the project architect to ensure that all work is accomplished on-time and in accordance with industry standards.

Manages the office staff in the absence of the Executive Director to ensure that a professionally motivated, customer friendly environment is being maintained.

Must attend the monthly Board of Commissioner meetings and report on the status of all on-going modernization projects including the status of the obligations and expenditures.

Other work as delegated by the Executive Director.

Supervisory Responsibilities

Manages two subordinate supervisors who supervise a total of seven employees at AMP1 and AMP 2. Assists the Executive Director in directing, coordinating and evaluating these units. Also supervises seven non-supervisory office employees. Carries out supervisory responsibilities in accordance with the organization's personnel policy and applicable laws. Assist the Executive Director in interviewing, hiring, training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.

Competencies

To perform the job successfully, an individual should demonstrate the following competencies :

Analytical - Synthesizes complex or diverse information; Collects and researches data; Uses intuition and experience to complement data; Designs work flows and procedures.

Design - Generates creative solutions; Translates concepts and information into images; Uses feedback to modify designs; Applies design principles; Demonstrates attention to detail.

Problem Solving - Identifies and resolves problems in a timely manner; Gathers and analyzes information skillfully; Develops alternative solutions; Works well in group problem solving situations; Uses reason even when dealing with emotional topics.

Project Management - Coordinates projects; Communicates changes and progress; Completes projects on time and budget; Manages project team activities.

Customer Service - Responds promptly to customer needs; Solicits customer feedback to improve service ; Responds to requests for service and assistance; Meets commitments.

Interpersonal Skills - Focuses on solving conflict, not blaming; Maintains confidentiality; Listens to others without interrupting; Keeps emotions under control; Remains open to others' ideas and tries new things.

Oral Communication - Speaks clearly and persuasively in positive or negative situations; Listens and gets clarification; Responds well to questions; Demonstrates group presentation skills; Participates in meetings.

Written Communication - Writes clearly and informatively; Edits work for spelling and grammar; Varies writing style to meet needs; Presents numerical data effectively; Able to read and interpret written information.

Teamwork - Exhibits objectivity and openness to others' views; Gives and welcomes feedback; Contributes to building a positive team spirit; Puts success of team above own interests; Able to build morale and group commitments to goals and objectives; Supports everyone's efforts to succeed.

Visionary Leadership - Displays passion and optimism; Inspires respect and trust; Mobilize others to fulfill the vision; Provides vision and inspiration to peers and subordinates.

Change Management - Communicates changes effectively; Builds commitment and overcomes resistance; Prepares and supports those affected by change; Monitors transition and evaluates results.

Leadership - Exhibits confidence in self and others; Inspires and motivates others to perform well; Effectively influences actions and opinions of others; Accepts feedback from others; Gives appropriate recognition to others.

Managing People - Takes responsibility for subordinates' activities; Makes self available to staff; Provides regular performance feedback; Develops subordinates' skills and encourages growth; Solicits and applies customer feedback (internal and external); Fosters quality focus in others; Improves processes, products and services.; Continually works to improve supervisory skills.

Quality Management - Looks for ways to improve and promote quality; Demonstrates accuracy and thoroughness.

Business Acumen - Understands business implications of decisions; Aligns work with strategic goals.

Cost Consciousness - Works within approved budget; Develops and implements cost saving measures; Conserves organizational resources.

Diversity - Demonstrates knowledge of EEO policy; Shows respect and sensitivity for cultural differences; Educates others on the value of diversity; Promotes a harassment-free environment; Builds a diverse workforce.

Ethics - Treats people with respect; Keeps commitments; Inspires the trust of others; Works with integrity and ethically; Upholds organizational values.

Organizational Support - Follows policies and procedures; Completes administrative tasks correctly and on time; Supports organization's goals and values; Benefits organization through outside activities; Supports affirmative action and respects diversity.

Strategic Thinking - Develops strategies to achieve organizational goals; Understands organization's strengths & weaknesses; Analyzes market and competition; Identifies external threats and opportunities; Adapts strategy to changing conditions.

Judgement - Exhibits sound and accurate judgment; Includes appropriate people in decision-making process; Makes timely decisions.

Motivation - Sets and achieves challenging goals; Demonstrates persistence and overcomes obstacles; Measures self against standard of excellence; Takes calculated risks to accomplish goals.

Planning/Organizing - Prioritizes and plans work activities; Uses time efficiently; Plans for additional resources; Sets goals and objectives; Organizes or schedules other people and their tasks; Develops realistic action plans.

Professionalism - Approaches others in a tactful manner; Reacts well under pressure; Treats others with respect and consideration regardless of their status or position; Accepts responsibility for own actions; Follows through on commitments.

Quality - Demonstrates accuracy and thoroughness; Looks for ways to improve and promote quality; Applies feedback to improve performance; Monitors own work to ensure quality.

Quantity - Completes work in timely manner; Works quickly.

Safety and Security - Observes safety and security procedures; Determines appropriate action beyond guidelines; Reports potentially unsafe conditions ; Uses equipment and materials properly.

Adaptability - Adapts to changes in the work environment; Manages competing demands; Changes approach or method to best fit the situation; Able to deal with frequent change, delays, or unexpected events.

Attendance/Punctuality - Is consistently at work and on time; Ensures work responsibilities are covered when absent; Arrives at meetings and appointments on time.

Dependability - Follows instructions, responds to management direction; Takes responsibility for own actions; Keeps commitments; Commits to long hours of work when necessary to reach goals.; Completes tasks on time or notifies appropriate person with an alternate plan.

Initiative - Volunteers readily; Undertakes self-development activities; Seeks increased responsibilities; Takes independent actions and calculated risks; Looks for and takes advantage of opportunities; Asks for and offers help when needed.

Innovation - Displays original thinking and creativity; Meets challenges with resourcefulness; Generates suggestions for improving work; Develops innovative approaches and ideas; Presents ideas and information in a manner that gets others' attention.

Qualifications To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Education and/or Experience

Bachelor's degree (BA/BS) from a four-year college or university with one to two years related experience and/or training.

Language Skills

Ability to read and interpret documents such as safety rules, operating and maintenance instructions, blueprints, specifications and procedure manuals. Ability to write routine reports and correspondence. Ability to speak effectively before groups of residents or employees of organization.

Mathematical Skills

Ability to calculate figures and amounts such as discounts, interest, commissions, proportions, percentages, area, circumference, and volume. Ability to apply concepts of basic algebra and geometry.

Reasoning Ability

Ability to apply common sense understanding to carry out instructions furnished in written, oral, or diagram form. Ability to deal with problems involving several concrete variables in standardized situations.

Computer Skills

To perform this job successfully, an individual should have knowledge of Microsoft Excel Spreadsheet software and Microsoft Word Word Processing software.

Certificates, Licenses, Registrations

Valid Driver's license

Other Skills and Abilities

Should have a good knowledge of construction techniques and procedures.

Other Qualifications

Must be able to travel between project sites in order to perform inspections and to review on-going construction work.

Physical Demands The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this Job, the employee is regularly required to talk or hear. The employee is frequently required to stand; walk; sit; use hands to finger, handle, or feel; reach with hands and arms; climb or balance and stoop, kneel, crouch, or crawl. The employee is occasionally required to taste or smell. The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception and ability to adjust focus.

Work Environment The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this Job, the employee is occasionally exposed to wet and/or humid conditions; moving mechanical parts and high, precarious places. The noise level in the work environment is usually moderate.

7.3

William Snyder

From: Julissa Capellan [JulissaC@Hackensackhousing.org]
Sent: Tuesday, September 04, 2012 9:47 AM
To: williams@hackensackhousing.org
Subject: FW: opra request--please confirm receipt

From: Rosanna Romero [mailto:Rosannar@Hackensackhousing.org]
Sent: Tuesday, September 04, 2012 8:52 AM
To: 'Julissa Capellan'
Subject: RE: opra request--please confirm receipt

From: Akin, Stephanie [mailto:Akin@northjersey.com]
Sent: Friday, August 31, 2012 3:27 PM
To: rosannar@hackensackhousing.org
Cc: Nostrand, Tim
Subject: opra request--please confirm receipt

August 31, 2012

To the Custodian of Records:

This is a request for information pursuant to the Open Public Records Act, N.J.S.A. 47:1A-1 etseq., and the common law right of citizens of the state to obtain access to public documents. South Jersey Publishing Co. v. New Jersey Expressway Auth., 124 N.J. 478, 487-89 (1991).

Please provide copies of the following government records:

- Vouchers or other documents showing all fees paid by your government entity to individuals and/or firms providing legal services, identifying both the recipients of the payments and the legal services rendered. Years requested: 2011 and 2012, to date.
- Copies of contracts between your government entity and vendors providing service relating to any and all types of insurance, including but not limited to brokers, sub-brokers, co-brokers, third-party administrators, agents, finders and companies providing coverage. Years requested: 2011 and 2012.
- Copies of all other contracts currently in force between your government entity and outside vendors, including but not limited to those for professional services and for repair and maintenance of buildings and other infrastructure.
- Copies or check registers showing all payments made by your government entity since 2005.
- Payroll, showing all elements of compensation, including but not limited to overtime, paid to all employees of your government entity, both full and part time. Relatedly, we also seek records showing banked compensatory, sick and vacation time. Years requested: 2011 and 2012.

If there are no records responsive to this request, please notify me, in writing, of this fact. If, however, there are portions of a record(s) which must be redacted, please identify the record that has been redacted and the legal basis for your contention that the redacted portion(s) is exempt from disclosure. If a record(s), in its entirety, is exempt from disclosure under OPRA, kindly notify me, in writing, of the exemption under OPRA which you are relying.

If the cost of copies for this request does not exceed \$25, proceed without further approval and send me an invoice with the records. Otherwise, please advise me of the costs before filling the request so that we can discuss arrangements.

Thank you for your attention to this matter and for your assistance. If you have any questions, please feel free to

9/4/2012

contact me at 201-937-5518.

Sincerely,

Stephanie Akin

Stephanie Akin
Reporter
The Record
(201)-937-5518/ fax: 201-457-2520
akin@northjersey.com

9/4/2012

September 7, 2012

IMPORTANT NOTICE

To: All Housing Authority Residents

From: John Bellocchio, Acting Executive Director

Re: Non-Smoking Policy

Please be advised that the Housing Authority previously adopted a non-smoking policy in all common areas of the buildings and in apartments for new residents. The Housing Authority has been receiving complaints regarding smoke which is traveling between apartments through the ventilation system. This condition has the potential for causing an unsafe and unhealthy condition for our other residents. Therefore, the Housing Authority is considering revising its policy regarding smoking in apartments.

This notice is being distributed to all of our residents in order to solicit your comments regarding the following change to our policy:

Lease agreement: Section 9M: "Tenants, family members or guests are not allowed to smoke cigarettes, cigars or any other tobacco related product in their apartment or building common areas. Failure to comply with this requirement will be considered a serious violation of the material terms of the lease and will be grounds for eviction in the event that the HHA determines that such abuse interferes with the health, safety or peaceful enjoyment of the premises by other residents."

This proposed change will apply to all residents in our elderly high-rise projects (65 First Street, 60 Kansas Street, 175 West Railroad Ave. and 164 Beech Street). Upon adoption of this policy, all residents would be prohibited from smoking anywhere in these buildings (including their apartments). All comments must be in writing and are due at the Housing Authority office by October 26th, 2012. The Board of Commissioners will consider adopting this policy change once all comments have been received, reviewed and considered.

HACKENSACK HOUSING AUTHORITY
 SEPTEMBER,12,2012
 FUNDS AVAILABLE FOR CAPITAL PROJECTS

WORK ITEMS PRESENTLY UNDER CONTRACT AND
 NOT YET COMPLETED

1) Common Area Upgrades at Oratam Court-V&K Contractors	\$38,369
Total Contract Price + Additions + \$207,380-Bal.	\$38,369
2) Entrance System at Oratam Court	\$15,800
SUBTOTAL	\$54,169

NEXT WORK ITEMS TO BE DONE (WITH ESTIMATED COSTS)

3) Upgrade Elevator Cars (5 cars) (est.)	\$25,000
SUBTOTAL	\$25,000

GRAND TOTAL \$79,169

MONIES AVAILABLE FOR CAPITAL PROJECTS AS OF 9/12/2012

1) 2011 and 2012 Capital Fund Programs	\$126,000 *
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* This figure was determined after meeting with Bill Katchen on 9/12/2012

NOTES:

- 1) After deducting the \$79,169 from the \$126,000 monies available the Hackensack HA has \$46,831 for additional work items. Some of the possible work items are 1)new locks and 2) patch/repair/recoat and stripe parking lots.
- 2) One main priority is replacement of the roofs at Oratam Court. At this time the HA is considering using funds from their 2013 CFP for this work item.

7.6

Housing Authority City of Hackensack

65 FIRST STREET, HACKENSACK, NEW JERSEY 07601

TEL 201-342-4280

FAX 201-342-5044

TTY/TTD 800-545-1833 EXT. 844

September 17, 2012

Victor J. Herlinsky, Esq.
Nowell Amoroso Klein Bierman, PA
155 Polifly Road
Hackensack, New Jersey 07601

Re: Contract for Energy Audit

Dear Mr. Herlinsky:

The Housing Authority of the City of Hackensack has solicited for proposals in order to enter into an Energy Performance Contract (EPC). We have completed our review of the proposals received and have determined that we would like to proceed with the first step in the process. A copy of the contract, with Tozour Energy Services, has been attached for your review and comment. This contract was awarded at the 9/15 meeting of the Board of Commissioners. We do not want to execute the contract until you have reviewed and approved it.

The first step in the process is the development of an investment grade energy (IGA) audit. The attached contract relates to this phase and is in the amount of \$25,120.00. The IGA will contain a list of energy conservation measures (ECMs) that we will consider and approve prior to entering into the Energy Performance Contract (EPC). If we are not satisfied with the ECMs, we will not proceed to the next step.

I have the following concerns relating to the attached contract:

- 1) We should own the completed audit and be able to utilize it for our own purposes including proceeding on our own. The "Proprietary and Confidential Information" section should specify that the IGA is owned by the Housing Authority,
- 2) There should be no financial obligation to Tozour Energy beyond the cost of the audit.
- 3) The Investment grade energy audit must comply with both HUD requirements and the State of New Jersey.
- 4) The contract should not be transferable to another vendor.

You may feel free to contact me if you have any questions concerning the enclosed contract.

With best regards, I remain

Very truly yours,

JOHN BELLOCCHIO
Acting Executive Director

Enclose.
Xc: file

ENERGY PERFORMANCE CONTRACT September 12, 2012

THIS AGREEMENT, effective September 12, 2012 by and between HACKENSACK HOUSING AUTHORITY ("Owner" or "HHA"), with principal offices located at 65 1st Street, Hackensack, NJ and Tozour Energy Systems, Inc. ("TES"), an S Corporation incorporated in Pennsylvania with principal offices located at 3606 Horizon Drive, King of Prussia, PA 19046. Hackensack and TES are generically and collectively referred to herein as "Party" and the "Parties".

WHEREAS, Owner wishes to implement an Energy Performance Contract and in connection therewith, requires the services of a Energy Services Company (ESCO) to develop and submit Investment Grade Audits for *Oratam Court, Ostrowski Family Highrise, Barasalona Court, Harry Berkie Gardens, Windall Tower and Dizenzo Court.*

WHEREAS, TES represents that it is qualified as an ESCO capable of and willing to perform such energy services; and or good and valuable consideration, Owner and TES agree, with the intent to be legally bound, as follows:

ARTICLE 1. DEFINITIONS

In addition to other definitions specified in this Contract (as defined below), the following definitions are hereby incorporated in, and made a part of, the Contract by this reference.

- a. "Contract" - The Contract ("Contract") consists of this written agreement between Owner and TES. The Contract represents the entire and integrated agreements between Owner and TES, and supersedes all prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a written Modification (as defined below).
- b. "Modification" - For the purpose of this Contract, a Modification is: (a) a written amendment to the Contract signed by Owner and TES; (b) a Change Order (as defined below) approved by Owner in writing; or (c) a written order for a minor change in the Work (as defined below) issued by the Owner in writing.
- c. "Contract Amount" - The cost of the Work (as defined below) to be paid to TES pursuant to this Contract, as adjusted as set forth herein, is collectively referred to herein as the "Contract Amount."

ARTICLE 2. WORK OF THE CONTRACT

- 2.1 TES and/or any of its employees, affiliates, subcontractors and/or agents shall fully execute the Work as described in the Contract, except to the extent specifically indicated in the Contract to be the responsibility of others. All Work performed by TES and/or its subcontractors shall be compliant with all applicable laws and regulations. In order to prevent shut-downs that will impact operations, TES will ensure there will be no single point of failure in any of the equipment/components during the performance of the Work. All Work completed by TES and/or its employees, affiliates, subcontractors and/or agents shall be performed in a

professional, timely manner, and such Work shall not interfere with the use and enjoyment of the property by the Owner, its employees, subcontractors, guests and/or invitees, and in no event shall otherwise interfere with the educational program provided at any of the Owner's facilities.

ARTICLE 3. SCOPE OF WORK

3.1 Scope of Work

Tozour Energy Services (TES) shall perform an Investment Grade Audit (IGA) for Hackensack Housing Authority (HHA). In order to implement an Energy Performance Contract (EPC), TES will develop an IGA that consists of one or more energy conservation measures. The plan shall:

- *Describe the energy conservation measures that will comprise the program;*
- *Estimate the greenhouse gas reductions resulting from those energy savings;*
- *Identify all design and compliance issues that require the professional services of an architect or engineer and identify who will provide these services;*
- *Include an assessment of risks involved in the successful implementation of the plan;*
- *Identify the eligibility for, and costs and revenues associated with the PJM Independent System Operator for demand response and curtailable service activities;*
- *Include schedules showing calculations of all costs of implementing the proposed energy conservation measures and the projected energy savings. Construction Costs, energy Savings and Incentives will be +/- 15% estimates;*
- *Identify maintenance requirements necessary to ensure continued energy savings, and describe how they will be fulfilled;*
- *If developed by an energy services company, a description of, and cost estimates of an energy savings guarantee.*
- *Submit Pay for Performance Applications*
- Evaluate compliance with HUD operating subsidy requirements found in 24 FCR 990 (Exhibit A)
- Evaluate compliance with HUD energy performance requirements found in 24 FCR 965 (Exhibit B)

3.2 Methodology

- **Investment Grade Audit (IGA)**

The IGA provides the required documentation to define the following:

- Project Description
- Existing Conditions and Initial Benchmark Report
- Conceptual Design Development

- Energy Conservation Measures (ECMs)

The final agreed-upon scope of work will be the submitted and approved Investment Grade Audit by the HHA and TES.

TES tailors an investment grade audit (IGA) for each facility to meet the HHA's goals. Our field and staff engineers and technicians analyze your key energy consuming equipment and systems to determine the following:

- Create a *SmartSelect* ECM evaluator for each facility showing by individual ECM:
 - Cost
 - Savings
 - Incentives
 - Impact on commodities (kWh, kW, Natural Gas Therms, Steam, Water, etc.)
 - Environmental Impact
- The ECM SmartSelect Evaluator will enable HHA to insert and remove ECMs from the project and in real time show the impact both as a project and by facility to:
 - Cost
 - Savings
 - Incentives
 - Commodities (kWh, kW, Natural Gas Therms, Steam, Water, etc.)
 - Environmental
 - Energy Use Index
 - Energy Cost Index
- Cash Flow Pro forma showing with the ability to modify
 - Annual Savings
 - Annual Maintenance Impact
 - Annual Debt Requirement
 - Incentive Amounts and expected time frame of receipt
 - Annual Cash Flow
 - Cumulative Cash Flow
 - Internal Rate of Return
 - Net Present Value
- The Cash Flow Pro forma will enable HHA to modify and see the project impact of
 - Interest Rates
 - Financing Term
 - Multiple lines of Financing
- Project Schedule
- Project Magnitude Report

3.3 Deliverables

The IGA shall identify the current energy use of any or all facilities and energy conservation measures that can be implemented to realize and maximize energy savings and energy efficiency.

In addition to the foregoing, In accordance with the September 15th, 2012 award, TES will be responsible for implementing the IGA once it is developed and approved, pursuant to a written contract which the parties hereto agree to negotiate in good faith.

ARTICLE 4. DATE OF COMMENCEMENT

- 4.1 The date of commencement of the Work shall be one (1) business day after TES receives a signed Contract from the Owner, unless otherwise specified and/or agreed by the Owner and TES.

ARTICLE 5. CONTRACT AMOUNT

- 5.1 The Owner shall pay (or cause to be paid) TES the Contract Amount in current funds in consideration of TES' performance of the Work as set forth in this Contract. This "break fee" price will be \$25,120 if the Owner decides NOT to implement with TES any proposed energy performance project that meets the 15-year self-funding requirements.

ARTICLE 6. CHANGES IN THE WORK

- 6.1 Work outside of the scope listed in the ECM descriptions set forth in Article 3 herein will be performed in accordance with the terms and conditions set forth herein. All additional work will require TES to issue a written proposal that will require the Owner's written acceptance before such work begins.

ARTICLE 7. DISPUTE RESOLUTION

- 7.1 All disputes shall be submitted to mediation prior to being submitted to a Court for adjudication. Except as otherwise provided herein, each Party shall pay its own costs incurred in connection with the mediation and any subsequent litigation. In the event that mediation is unsuccessful, either Party may commence a formal action in connection with the dispute in the New Jersey Superior Court, Monmouth Vicinage.

ARTICLE 8. PURCHASE ORDERS/CHANGE ORDERS AND ACKNOWLEDGEMENTS

- 8.1 TES will receive a purchase order for this Contract. No Work of any kind may be started without a written Owner purchase order and an accompanying acknowledgement copy.
- 8.2 An acknowledgement copy will accompany a purchase order or change order. The acknowledgement is to be signed by an authorized representative of TES no longer than five (5) business days after receipt and returned promptly to Owner. A signed acknowledgement is TES'

agreement to the specifications and terms and conditions of the specific purchase order or change order.

- 8.3 TES may request changes to specifications or other terms contained in purchase orders. Approval by Owner of any such request will be communicated to TES by the issuance of a written change order to the original purchase order. Additionally, Owner may at any time during the progress of the Work or services hereunder require additions, alterations, reductions, or deviations from the services described in the Plans & Specifications as long as it does not impact the energy savings. No change will be considered as an addition, alteration, reduction, or deviation from the products and services described in the specifications unless made pursuant to a written change order issued by Owner. TES will be entitled to compensation for services provided to Owner as set forth herein.
- 8.4 To request a change order, TES will submit a proposal to Owner that will include specific information regarding increases or decreases in the Contract Amount, changes in delivery dates and/or details, or changes in production and manufacturing schedules. Owner will, within ten (10) calendar days of receipt of the proposal, either:
- A. Accept the proposal, in which event Owner will issue a written change order directing TES to perform the change;
 - B. Accept some, but not all of the proposal, and issue a change order for the accepted change(s); or,
 - C. Reject the proposed change, in which event TES will proceed with the original services as described in the specifications.

ARTICLE 9. PROPRIETARY AND CONFIDENTIAL INFORMATION AND PROPERTY

- 9.1 "Proprietary and Confidential Information and Property" includes, but is not limited to, any trade secret materials, any information marked, labeled or identified orally or in writing by Owner to TES as "Confidential HHA" or by TES to Owner as "Confidential TES", any financial information; any proprietary or unpublished technologies, any respective information concerning research, development, design details and specifications, engineering, technology, computer programs (including source code), formulae, invention, techniques, processes, technical information, procurement requirements, purchasing, manufacturing, key personnel, suppliers, policies or operational methods, plans for future developments, business forecasts, sales and merchandising, methodologies, software programs, algorithms, or product concepts; and any product development or marketing plans; client or Owner lists.
- 9.2 Except as specifically permitted by this Contract, the Parties acknowledge and agree that any unauthorized use, reproduction or disclosure of Proprietary and Confidential Information and Property could result in irreparable injury to HHA or TES and further agrees that there is no adequate remedy at law for any breach of the obligations of the Parties hereunder, and upon any such breach or any threat thereof, the Party whose Proprietary and Confidential Information and Property is being or is threatened to be used, reproduced or disclosed without

authorization hereunder will be entitled to appropriate relief, including immediate injunctive relief, monetary damages and reasonable attorneys' fees resulting from a breach of the terms of this Article, as well as any other rights and remedies that may be available by law.

- 9.3 The Parties will limit access to and possession of Proprietary and Confidential Information and Property to personnel whose responsibilities under this Contract reasonably require such access or possession.
- 9.4 The Parties agree to use Proprietary and Confidential Information and Property solely for the purposes stated herein. Any other use will require the prior written consent of the Parties.
- 9.5 The Parties will not disclose Proprietary and Confidential Information and Property to any third parties. Upon request, all copies of Proprietary and Confidential Information and Property to the Party who originally made it available.
- 9.6 The Parties forever hold and cause its respective personnel to hold Owner Proprietary and Confidential Information and Property in strict confidence unless otherwise permitted or directed in writing.
- 9.7 The Parties may not alter, decompile, disassemble, reverse engineer, or otherwise modify any Proprietary and Confidential Information and Property received hereunder (except as authorized or directed in writing in connection with performing the Services hereunder).
- 9.8 All Proprietary and Confidential Information and Property is and will remain the property of the Party who produced or disclosed it. Nothing herein will be construed as granting or conferring any right by license or otherwise in Proprietary and Confidential Information and Property.
- 9.9 Proprietary and Confidential Information and Property will not include information previously known by the Parties or later lawfully obtained without obligations of confidentiality; information in the public domain; or, information later independently developed.

ARTICLE 10. TERMINATION OF THE CONTRACT

- 10.1 Nothing contained in this Contract shall limit the right of the Owner to recover any and all costs and damages resulting from TES' failure to perform the Work in a satisfactory manner.
- 10.2 Without prejudice to any other remedy, the Owner may terminate this Contract if TES and/or any of its subcontractors: (i) disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction; (ii) refuses or fails to supply enough properly skilled workers or proper materials; (iii) fails to make payments to subcontractors and material and equipment suppliers for materials or labor in accordance with the respective agreements between TES and its subcontractors; (iv) fails to maintain or produce any records required by the Contracts to be so maintained or produced; (v) fails to cooperate with the Owner where such cooperation is necessary for the implementation of the Contract; (vi) fails to obtain and properly maintain the level of insurance coverage outlined herein; (vii) assigns or transfers its obligations, privileges or rights under the Contract without the prior, written consent of the Owner; (viii) makes any misrepresentation or conceals any material fact; (ix) commences or has commenced against it

any action under the United States Bankruptcy Code or any state or federal insolvency law, the commencement of which, in the Owner's judgment, may effectively impair the ability of TES to perform its obligations under the Contract; or (x) violates or breaches the Contract or any provision or material term thereof. For all such causes of termination except those contained in subsections (viii) and (ix), the TES may avoid termination if, within seven (7) days of receipt of a written notice of termination, it commences correction of such default, neglect or violation, with diligence and promptness, fully curing same within the time prescribed by the Owner within the notice of termination. Failure to do so may result in termination of this Contract.

- 10.3 Any such termination shall be effected by delivery of a notice of termination specifying the extent to which the Work under the Contract is terminated and the date upon which such termination becomes effective.
- 10.4 Upon termination by the Owner, the Owner may, without prejudice to any other rights or remedies of the Owner, complete the Work that was required to be performed by TES by whatever methods the Owner may deem appropriate.
- 10.5 In the event this Contract is terminated for cause, the Owner reserves the right not to make any further payments to TES and upon a termination for cause, TES shall furnish to the Owner, at the Owner's expense, such copies of documents and materials as may be reasonably required by the Owner.
- 10.6 No action by the Owner pursuant to this section shall operate to waive or release any claims that the Owner may have against TES under this Contract.
- 10.7 In the event of a termination of the Contract by the Owner, TES does hereby assign, transfer and set over to the Owner all of TES' right, title and interest in, and TES' rights and remedies under, any and all of the licenses, permits and agreements by and between TES and all subcontractors, boards, agencies or departments (governmental or otherwise), relating directly or indirectly to the Work being performed under this Contract.

ARTICLE 11. MISCELLANEOUS PROVISIONS

- 11.1 The Owner's Designated Representative is:

Act ~~William F. Snyder~~ *John Bellochio*
Executive Director
65 First Street, Hackensack, NJ

- 11.2 TES' Designated Representative is:

Josh Costell, LEED AP, CEM
Executive Vice President and General Manager
Tozour Energy Services
3606 Horizon Drive, King of Prussia, PA 19406

- 11.3 TES' Designated Representatives, as identified above, are authorized to act on TES' behalf with respect to the Project.
- 11.4 Neither the Owner's nor TES' Designated Representative shall be changed without providing ten (10) days prior written notice to the other Party.
- 11.5 All insurance shall be procured and maintained by TES at its own expense. Prior to commencing any Work, and on an annual basis, if applicable, TES shall deliver to Owner a Certificate of Insurance evidencing the insurance coverage required pursuant to this Article, together with an endorsement adding Owner, its engineers and agents as an Additional Insured there under. Additional insured coverage shall apply as primary and non-contributory insurance with respect to any other insurance afforded to Owner. All coverage shall be placed with an insurance company duly admitted in the State of New Jersey and shall be reasonably acceptable to Owner. TES' insurance carriers must maintain an A.M. Best rating of "A-" or better. Coverage shall be afforded to the Additional Insured whether or not a claim is in litigation. Certificates of Insurance shall provide that the applicable insurance policy shall not be subject to material alteration, cancellation, or non-renewal without sixty (60) days' advance written notice to Owner. The insurance policy shall remain in effect until the Work, including TES' warranty obligations under this Contract, is completed, and the applicable statutes of limitation and/or repose have lapsed. If Owner so requests, it shall be allowed to examine the insurance policies and endorsements. Failure to maintain insurance as required, or provide Owner with evidence of same, shall be deemed a material breach of this Contract, and Owner shall have the right to terminate this Contract or pay for insurance required under this Contract and charge TES for such costs and related expenses. The foregoing insurance requirements are subject to reasonable modification pursuant to the requirements of Owner, Owner's lender and/or their insurance carrier(s). Notwithstanding anything to the contrary, neither Party shall be liable to the other for any special, incidental or consequential damages.
- 11.6 The Work shall be performed at the risk of TES and its employees, agents and subcontractors exclusively. TES, on behalf of itself and its subcontractors, agrees to defend (at TES' sole expense), indemnify and hold harmless Owner, and its affiliated companies, partners, joint ventures, representatives, members, designees, officers, directors, shareholders, employees, agents, successors, and assigns ("Indemnified Parties"), from and against any and all claims for bodily injury or death, damage to property, demands, damages, causes of action, suits, losses, judgments, obligations and any liabilities of every nature, including contractual liability, costs and expenses (including, without limitation, investigative and repair costs, attorneys' fees and costs, and consultant fees and costs; but excluding consequential damages) (collectively "Claims"), which arise or are in any way connected with the work performed, materials furnished or services provided under this Contract by TES, its employees, agents and/or subcontractors. These indemnity and defense obligations shall apply to any acts or omissions, negligent or willful misconduct of TES, its employees, agents and/or subcontractors, whether active or passive. TES shall not be obligated to indemnify and defend Owner for claims found to be due to the willful misconduct of the Indemnified Parties. TES' indemnification and defense obligations hereunder shall extend to Claims occurring after this Contract is terminated as well as while it is in force, and shall continue until it is finally adjudicated that any and all actions

against the Indemnified Parties for such matters which are indemnified hereunder are fully and finally barred by applicable laws. Owner is not waiving, nor shall it be deemed to have waived, by reason of this paragraph, any defense which it may have with respect to such Claims.

- 11.7 To the extent that any provisions contained in any Exhibits attached hereto, and part of, this Contract, conflict with the provisions contained in the main body of this Contract, the provisions contained in the main body of this Contract will control and supersede.
- 11.8 TES is authorized to use Owner as a reference. However, any other use of Owner's name promotionally or otherwise in connection with TES' business or the subject matter of this Contract is prohibited without the prior written consent of Owner. TES agrees to submit proofs of any promotional materials to the Owner for review and written approval prior to going into production.
- 11.9 This Contract does not include a trademark license. Except as allowed by law for limited informational purposes, Owner grants no rights to use any of its trademarks or service marks, for any purpose, without the prior and explicit written permission of Owner. Under no circumstances does Owner grant the right to use its corporate logos or signature in connection with the products or services that are the subject matter of this Contract or any related products or services.
- 11.10 This Contract shall be binding upon and inure to the benefit of TES and Owner and their respective heirs, successors, representatives, executors, administrators, transferees and assigns.
- 11.11 This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. An executed copy of this Contract transmitted by facsimile shall have the same effect as an executed original duly delivered.
- 11.12 TES and its subcontractors must comply with any and all Federal, State and local laws and regulations in effect or hereinafter promulgated that apply to performance of the Work by TES and/or its subcontractors. Each and every provision required by law to be inserted into the Contract shall be deemed to have been inserted therein. If any such provision has been omitted or has not been correctly inserted, the Contract shall be amended, upon application of either Party, to provide for such insertion or correction. If the Owner determines that TES and/or any of its subcontractors has violated or failed to comply with applicable Federal, State or local laws or regulations with respect to their performance under the Contract, the Owner may withhold payments for such performance and take such action that it deems appropriate until TES and/or its subcontractors have complied with such laws or has remedied such violation or non-compliance to the satisfaction of the Owner. TES and its subcontractors' compliance with the legal requirements set forth in this Contract as well as any other applicable laws, regulations or codes is mandatory and cannot be waived by the Owner.
- 11.13 Nothing in the Contract shall be construed to be a waiver by the Owner of any warranty, expressed or implied, or any remedies at law or equity, except as specifically and expressly stated in a writing executed by the Owner.

- 11.14 This Contract, and any and all disputes and/or litigation arising therefrom or related thereto, shall be governed by the applicable laws, regulations and rules of the State of New Jersey, without reference to conflict-of-laws principles.
- 11.15 In the event that any provision of this Contract shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.
- 11.16 In the event that any provision of this Contract should be breached by any Party and thereafter waived by any Party, such waiver shall be limited to the particular breach so waived by any Party and shall not be deemed to waive any other breach. Any consent by the Owner to a delay in TES' performance of any obligation shall apply only to the particular transaction to which it relates, and it shall not apply to any other obligation or transaction. Any delay in the Owner's enforcement of any remedy in the event of a breach by TES of any term or condition of the Contract or any delay in the Owner's exercise of any right under the Contract shall not be construed as a waiver.

IN WITNESS WHEREOF, the undersigned parties have executed this Contract to be effective on the date first written above.

TOZOUR ENERGY SYSTEMS, INC.

By: _____
Date: _____
Name: Josh Costell
Title: Executive Vice President and General Manager

Hackensack Housing Authority

By: _____
Date: _____
Name: _____
Title: _____

EXHIBIT A

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§ 985.108

the apparent reasons for the deficiencies, and recommendations for improvement.

(c) *PHA corrective action plan.* Upon receipt of the HUD written report on its on-site review, the PHA must write a corrective action plan and submit it to HUD for approval. The corrective action plan must:

- (1) Specify goals to be achieved;
 - (2) Identify obstacles to goal achievement and ways to eliminate or avoid them;
 - (3) Identify resources that will be used or sought to achieve goals;
 - (4) Identify an PHA staff person with lead responsibility for completing each goal;
 - (5) Identify key tasks to reach each goal;
 - (6) Specify time frames for achievement of each goal, including intermediate time frames to complete each key task; and
 - (7) Provide for regular evaluation of progress toward improvement.
- (8) Be signed by the PHA board of commissioners chairperson and by the PHA executive director. If the PHA is a unit of local government or a state, the corrective action plan must be signed by the Section 8 program director and by the chief executive officer of the unit of government or his or her designee.

(d) *Monitoring.* The PHA and HUD must monitor the PHA's implementation of its corrective action plan to ensure performance targets are met.

(e) *Use of administrative fee reserve prohibited.* Any PHA assigned an overall performance rating of troubled may not use any part of the administrative fee reserve for other housing purposes (see 24 CFR 982.155(b)).

(f) *Upgrading poor performance rating.* HUD shall change an PHA's overall performance rating from troubled to standard or high performer if HUD determines that a change in the rating is warranted because of improved PHA performance and an improved SEMAP score.

(Information collection requirements in this section have been approved by the Office of Management and Budget under control number 2577-0215)

[63 FR 48555, Sept. 10, 1998, as amended at 68 FR 37672, June 24, 2003]

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§ 985.108 SEMAP records.

HUD shall maintain SEMAP files, including certifications, notifications, appeals, corrective action plans, and related correspondence for at least 3 years.

(Information collection requirements in this section have been approved by the Office of Management and Budget under control number 2577-0215)

§ 985.109 Default under the Annual Contributions Contract (ACC).

HUD may determine that an PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC.

Subpart C—Physical Assessment Component [Reserved]

PART 990—THE PUBLIC HOUSING OPERATING FUND PROGRAM

Subpart A—Purpose, Applicability, Formula, and Definitions

- Sec.
- 990.100 Purpose.
 - 990.105 Applicability.
 - 990.110 Operating fund formula.
 - 990.115 Definitions.
 - 990.116 Environmental review requirements.

Subpart B—Eligibility for Operating Subsidy; Computation of Eligible Unit Months

- 990.120 Unit months.
- 990.125 Eligible units.
- 990.130 Ineligible units.
- 990.135 Eligible unit months (EUMs).
- 990.140 Occupied dwelling units.
- 990.145 Dwelling units with approved vacancies.
- 990.150 Limited vacancies.
- 990.155 Addition and deletion of units.

Subpart C—Calculating Formula Expenses

- 990.160 Overview of calculating formula expenses.
- 990.165 Computation of project expense level (PEL).
- 990.170 Computation of utilities expense level (UEL): Overview.
- 990.175 Utilities expense level: Computation of the current consumption level.
- 990.180 Utilities expense level: Computation of the rolling base consumption level.
- 990.185 Utilities expense level: Incentives for energy conservation/rate reduction.

Asst. Secy., for Public and Indian Housing, HUD

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990.190 Other formula expenses (add-ons).

SOURCE: 70 FR 54997, Sept. 19, 2005, unless otherwise noted.

Subpart D—Calculating Formula Income

990.195 Calculation of formula income.

Subpart E—Determination and Payment of Operating Subsidy

990.200 Determination of formula amount.

990.205 Fungibility of operating subsidy between projects.

990.210 Payment of operating subsidy.

990.215 Payments of operating subsidy conditioned upon reexamination of income of families in occupancy.

Subpart F—Transition Policy and Transition Funding

990.220 Purpose.

990.225 Transition determination.

990.230 PHAs that will experience a subsidy reduction.

990.235 PHAs that will experience a subsidy increase.

Subpart G—Appeals

990.240 General.

990.245 Types of appeals.

990.250 Requirements for certain appeals.

Subpart H—Asset Management

990.255 Overview.

990.260 Applicability.

990.265 Identification of projects.

990.270 Asset management.

990.275 Project-based management (PBM).

990.280 Project-based budgeting and accounting.

990.285 Records and reports.

990.290 Compliance with asset management requirements.

Subpart I—Operating Subsidy for Properties Managed by Resident Management Corporations (RMCs)

990.295 Resident Management Corporation operating subsidy.

990.300 Preparation of operating budget.

990.305 Retention of excess revenues.

Subpart J—Financial Management Systems, Monitoring, and Reporting

990.310 Purpose—General policy on financial management, monitoring, and reporting.

990.315 Submission and approval of operating budgets.

990.320 Audits.

990.325 Record retention requirements.

AUTHORITY: 42 U.S.C. 1437g; 42 U.S.C. 3535(d).

Subpart A—Purpose, Applicability, Formula, and Definitions

§ 990.100 Purpose.

This part implements section 9(f) of the United States Housing Act of 1937 (1937 Act), (42 U.S.C. 1437g). Section 9(f) establishes an Operating Fund for the purposes of making assistance available to public housing agencies (PHAs) for the operation and management of public housing. In the case of unsubsidized housing, the total expenses of operating rental housing should be covered by the operating income, which primarily consists of rental income and, to some degree, investment and non-rental income. In the case of public housing, the Operating Fund provides operating subsidy to assist PHAs to serve low, very low, and extremely low-income families. This part describes the policies and procedures for Operating Fund formula calculations and management under the Operating Fund Program.

§ 990.105 Applicability.

(a) *Applicability of this part.* (1) With the exception of subpart I of this part, this part is applicable to all PHA rental units under an Annual Contributions Contract (ACC). This includes PHAs that have not received operating subsidy previously, but are eligible for operating subsidy under the Operating Fund Formula.

(2) This part is applicable to all rental units managed by a resident management corporation (RMC), including a direct-funded RMC.

(b) *Inapplicability of this part.* (1) This part is not applicable to Indian Housing, section 5(h) and section 32 homeownership projects, the Housing Choice Voucher Program, the section 23 Leased Housing Program, or the section 8 Housing Assistance Payments Programs.

(2) With the exception of subpart J of this part, this part is not applicable to the Mutual Help Program or the Turnkey III Homeownership Opportunity Program.

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§ 990.110 Operating fund formula.

(a) *General formula.* (1) The amount of annual contributions (operating subsidy) each PHA is eligible to receive under this part shall be determined by a formula.

(2) In general, operating subsidy shall be the difference between formula expense and formula income. If a PHA's formula expense is greater than its formula income, then the PHA is eligible for an operating subsidy.

(3) Formula expense is an estimate of a PHA's operating expense and is determined by the following three components: Project Expense Level (PEL), Utility Expense Level (UEL), and other formula expenses (add-ons). Formula expense and its three components are further described in subpart C of this part. Formula income is an estimate for a PHA's non-operating subsidy revenue and is further described in subpart D of this part.

(4) Certain portions of the operating fund formula (*e.g.*, PEL) are calculated in terms of per unit per month (PUM) amounts and are converted into whole dollars by multiplying the PUM amount by the number of eligible unit months (EUMs). EUMs are further described in subpart B of this part.

(b) *Specific formula.* (1) A PHA's formula amount shall be the sum of the three formula expense components calculated as follows: [(PEL multiplied by EUM) plus (UEL multiplied by EUM) plus add-ons] minus (formula income multiplied by EUM).

(2) A PHA whose formula amount is equal to or less than zero is still eligible to receive operating subsidy equal to its most recent actual audit cost for its Operating Fund Program.

(3) Operating subsidy payments will be limited to the availability of funds as described in § 990.210(c).

(c) *Non-codified formula elements.* This part defines the major components of the Operating Fund Formula and describes the relationships of these various components. However, this part does not codify certain secondary elements that will be used in the revised Operating Fund Formula. HUD will more appropriately provide this information in non-codified guidance, such as a Handbook, FEDERAL REGISTER no-

tice, or other non-regulatory means that HUD determines appropriate.

§ 990.115 Definitions.

The following definitions apply to the Operating Fund program:

1937 Act means the United States Housing Act of 1937 (42 U.S.C. 1437 *et seq.*).

Annual contributions contract (ACC) is a contract prescribed by HUD for loans and contributions, which may be in the form of operating subsidy, whereby HUD agrees to provide financial assistance and the PHA agrees to comply with HUD requirements for the development and operation of its public housing projects.

Asset management is a management model that emphasizes project-based management, as well as long-term and strategic planning.

Current consumption level is the amount of each utility consumed at a project during the 12-month period that ended the June 30th prior to the beginning of the applicable funding period.

Eligible unit months (EUM) are the actual number of PHA units in eligible categories expressed in months for a specified time frame and for which a PHA receives operating subsidy.

Formula amount is the amount of operating subsidy a PHA is eligible to receive, expressed in whole dollars, as determined by the Operating Fund Formula.

Formula expense is an estimate of a PHA's operating expense used in the Operating Fund Formula.

Formula income is an estimate of a PHA's non-operating subsidy revenue used in the Operating Fund Formula.

Funding period is the calendar year for which HUD will distribute operating subsidy according to the Operating Fund Formula.

Operating Fund is the account/program authorized by section 9 of the 1937 Act for making operating subsidy available to PHAs for the operation and management of public housing.

Operating Fund Formula (or Formula) means the data and calculations used under this part to determine a PHA's amount of operating subsidy for a given period.

Operating subsidy is the amount of annual contributions for operations a PHA receives each funding period under section 9 of the 1937 Act as determined by the Operating Fund Formula in this part.

Other operating costs (add-ons) means PHA expenses that are recognized as formula expenses but are not included either in the project expense level or in the utility expense level.

Payable consumption level is the amount for all utilities consumed at a project that the Formula recognizes in the computation of a PHA's utility expense level at that project.

Per unit per month (PUM) describes a dollar amount on a monthly basis per unit, such as Project Expense Level, Utility Expense Level, and formula income.

Project means each PHA project under an ACC to which the Operating Fund Formula is applicable. However, for purposes of asset management, as described in subpart H of this part, projects may be as identified under the ACC or may be a reasonable grouping of projects or portions of a project or projects under the ACC.

Project-based management is the provision of property management services that is tailored to the unique needs of each property, given the resources available to that property.

Project expense level (PEL) is the amount of estimated expenses for each project (excluding utilities and add-ons) expressed as a PUM cost.

Project units means all dwelling units in all of a PHA's projects under an ACC.

Rolling base consumption level (RBCL) is the average of the yearly consumption levels for the 36-month period ending on the June 30th that is 18 months prior to the beginning of the applicable funding period.

Transition funding is the timing and amount by which a PHA will realize increases and reductions in operating subsidy based on the new funding levels of the Operating Fund Formula.

Unit months are the total number of project units in a PHA's inventory expressed in months for a specified time frame.

Utilities means electricity, gas, heating fuel, water, and sewerage service.

Utilities expense level (UEL) is a product of the utility rate multiplied by the payable consumption level multiplied by the utilities inflation factor expressed as a PUM dollar amount.

Utility rate (rate) means the actual average rate for any given utility for the most recent 12-month period that ended the June 30th prior to the beginning of the applicable funding period.

Yearly consumption level is the actual amount of each utility consumed at a project during a 12-month period ending June 30th.

§ 990.116 Environmental review requirements.

The environmental review procedures of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) and the implementing regulations at 24 CFR parts 50 and 58 are applicable to the Operating Fund Program.

Subpart B—Eligibility for Operating Subsidy; Computation of Eligible Unit Months

§ 990.120 Unit months.

(a) Some of the components of HUD's Operating Fund Formula are based on a measure known as unit months. Unit months represent a PHA's public housing inventory during a specified period of time. The unit months eligible for operating subsidy in a 12-month period are equal to the number of months that the units are in an operating subsidy-eligible category, adjusted for changes in inventory (e.g., units added or removed), as described below.

(b) A PHA is eligible to receive operating subsidy for a unit on the date it is both placed under the ACC and occupied. The date a unit is eligible for operating subsidy does not change the Date of Full Availability (DOFA) or the date of the End of Initial Operating Period (EIOP), nor does this provision place a project into management status.

§ 990.125 Eligible units.

A PHA is eligible to receive operating subsidy for public housing units under an ACC for:

(a) Occupied dwelling units as defined in § 990.140;

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(b) A dwelling unit with an approved vacancy (as defined in § 990.145); and

(c) A limited number of vacancies (as defined in § 990.150).

§ 990.130 Ineligible units.

(a) Vacant units that do not fall within the definition of § 990.145 or § 990.150 are not eligible for operating subsidy under this part.

(b) Units that are eligible to receive an asset-repositioning fee, as described in § 990.190(h), are not eligible to receive operating subsidy under this subpart.

§ 990.135 Eligible unit months (EUMs).

(a) A PHA's total number of EUMs will be calculated for the 12-month period from July 1st to June 30th that is prior to the first day of the applicable funding period, and will consist of eligible units as defined in § 990.140, § 990.145, or § 990.150.

(b)(1) The determination of whether a public housing unit satisfies the requirements of § 990.140, § 990.145, or § 990.150 for any unit month shall be based on the unit's status as of either the first or last day of the month, as determined by the PHA.

(2) HUD reserves the right to determine the status of any and all public housing units based on information in its information systems.

(c) The PHA shall maintain and, at HUD's request, shall make available to HUD, specific documentation of the status of all units, including, but not limited to, a listing of the units, street addresses or physical address, and project/management control numbers.

(d) Any unit months that do not meet the requirements of this subpart are not eligible for operating subsidy, and will not be subsidized by the Operating Fund.

§ 990.140 Occupied dwelling units.

A PHA is eligible to receive operating subsidy for public housing units for each unit month that those units are under an ACC and occupied by a public housing-eligible family under lease.

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§ 990.145 Dwelling units with approved vacancies.

(a) A PHA is eligible to receive operating subsidy for vacant public housing units for each unit month the units are under an ACC and meet one of the following HUD-approved vacancies:

(1) *Units undergoing modernization.* Vacancies resulting from project modernization or unit modernization (such as work necessary to reoccupy vacant units) provided that one of the following conditions is met:

(i) The unit is undergoing modernization (*i.e.*, the modernization contract has been awarded or force account work has started) and must be vacant to perform the work, and the construction is on schedule according to a HUD-approved PHA Annual Plan; or

(ii) The unit must be vacant to perform the work and the treatment of the vacant unit is included in a HUD-approved PHA Annual Plan, but the time period for placing the vacant unit under construction has not yet expired. The PHA shall place the vacant unit under construction within two federal fiscal years (FFYs) after the FFY in which the capital funds are approved.

(2) *Special use units.* Units approved and used for resident services, resident organization offices, and related activities, such as self-sufficiency and anti-crime initiatives.

(b) On a project-by-project basis, subject to prior HUD approval and for the time period agreed to by HUD, a PHA shall receive operating subsidy for the units affected by the following events that are outside the control of the PHA:

(1) *Litigation.* Units that are vacant due to litigation, such as a court order or settlement agreement that is legally enforceable; units that are vacant in order to meet regulatory and statutory requirements to avoid potential litigation (as covered in a HUD-approved PHA Annual Plan); and units under voluntary compliance agreements with HUD or other voluntary compliance agreements acceptable to HUD (*e.g.*, units that are being held vacant as part of a court-order, HUD-approved desegregation plan, or voluntary compliance agreement requiring modifications to the units to make them accessible pursuant to 24 CFR part 8).

(2) *Disasters.* Units that are vacant due to a federally declared, state-declared, or other declared disaster.

(3) *Casualty losses.* Damaged units that remain vacant due to delays in settling insurance claims.

(c) A PHA may appeal to HUD to receive operating subsidy for units that are vacant due to changing market conditions (see subpart G of this part—Appeals).

§ 990.150 Limited vacancies.

(a) *Operating subsidy for a limited number of vacancies.* HUD shall pay operating subsidy for a limited number of vacant units under an ACC if the annualized vacancy rate is less than or equal to:

(1) Three percent of the PHA's total unit inventory (not to exceed 100 percent of the unit months under an ACC) for the period July 1, 2004, to June 30, 2005, and

(2) Three percent of the total units on a project-by-project basis based on the definition of a project under subpart H of this part, beginning July 1, 2005.

(b) *Exception for PHAs with 100 or fewer units.* Notwithstanding paragraph (a) of this section, a PHA with 100 or fewer units will be paid operating subsidy for up to five vacant units not to exceed 100 percent of the unit months under an ACC. For example, a PHA with an inventory of 100 units and four vacancies during its fiscal year will be eligible for operating subsidy for all 100 units. A PHA with an inventory of 50 units with seven vacancies during its fiscal year will be eligible for operating subsidy for 48 units.

§ 990.155 Addition and deletion of units.

(a) *Changes in public housing unit inventory.* To generate a change to its formula amount within each one-year funding period, PHAs shall periodically (e.g., quarterly) report the following information to HUD, during the funding period:

(1) New units that were added to the ACC, and occupied by a public housing-eligible family during the prior reporting period for the one-year funding period, but have not been included in the previous EUMs' data; and

(2) Projects, or entire buildings in a project, that are eligible to receive an asset repositioning fee in accordance with the provisions in § 990.190(h).

(b) *Revised EUM calculation.* (1) For new units, the revised calculation shall assume that all such units will be fully occupied for the balance of that funding period. The actual occupancy/vacancy status of these units will be included to calculate the PHA's operating subsidy in the subsequent funding period after these units have one full year of a reporting cycle.

(2) Projects, or entire buildings in a project, that are eligible to receive an asset repositioning fee in accordance with § 990.190(h) are not to be included in the calculation of EUMs. Funding for these units is provided under the conditions described in § 990.190(h).

Subpart C—Calculating Formula Expenses

§ 990.160 Overview of calculating formula expenses.

(a) *General.* Formula expenses represent the costs of services and materials needed by a well-run PHA to sustain the project. These costs include items such as administration, maintenance, and utilities. HUD also determines a PHA's formula expenses at a project level. HUD uses the following three factors to determine the overall formula expense level for each project:

(1) The project expense level (PEL) (calculated in accordance with § 990.165);

(2) The utilities expense level (UEL) (calculated in accordance with §§ 990.170, 990.175, 990.180, and 990.185); and

(3) Other formula expenses (add-ons) (calculated in accordance with § 990.190).

(b) *PEL, UEL, and Add-ons.* Each project of a PHA has a unique PEL and UEL. The PEL for each project is based on ten characteristics and certain adjustments described in § 990.165. The PEL represents the normal expenses of operating public housing projects, such as maintenance and administration costs. The UEL for each project represents utility expenses. Utility expense levels are based on an incentive

system aimed at reducing utility expenses. Both the PEL and UEL are expressed in PUM costs. The expenses not included in these expense levels and which are unique to PHAs are titled "other formula expenses (add-ons)" and are expressed in a dollar amount.

(c) *Calculating project formula expense.* The formula expense of any one project is the sum of the project's PEL and the UEL, multiplied by the total EUMs specific to the project, plus the add-ons.

§ 990.165 Computation of project expense level (PEL).

(a) *Computation of PEL.* The PEL is calculated in terms of PUM cost and represents the costs associated with the project, except for utility and add-on costs. Costs associated with the PEL are administration, management fees, maintenance, protective services, leasing, occupancy, staffing, and other expenses, such as project insurance. HUD will calculate the PEL using regression analysis and benchmarking for the actual costs of Federal Housing Administration (FHA) projects to estimate costs for public housing projects. HUD will use the ten variables described in paragraph (b) of this section and their associated coefficient (*i.e.*, values that are expressed in percentage terms) to produce a PEL.

(b) *Variables.* The ten variables are:

- (1) Size of project (number of units);
- (2) Age of property (Date of Full Availability (DOFA));
- (3) Bedroom mix;
- (4) Building type;
- (5) Occupancy type (family or senior);
- (6) Location (an indicator of the type of community in which a property is located; location types include rural, city central metropolitan, and non-city central metropolitan (suburban) areas);
- (7) Neighborhood poverty rate;
- (8) Percent of households assisted;
- (9) Ownership type (profit, non-profit, or limited dividend); and
- (10) Geographic.

(c) *Cost adjustments.* HUD will apply four adjustments to the PEL. The adjustments are:

- (1) Application of a \$200 PUM floor for any senior property and a \$215 PUM floor for any family property;

(2) Application of a \$420 PUM ceiling for any property except for New York City Housing Authority projects, which have a \$480 PUM ceiling;

(3) Application of a four percent reduction for any PEL calculated over \$325 PUM, with the reduction limited so that a PEL will not be reduced to less than \$325; and

(4) The reduction of audit costs as reported for FFY 2003 in a PUM amount.

(d) *Annual inflation factor.* The PEL for each project shall be adjusted annually, beginning in 2005, by the local inflation factor. The local inflation factor shall be the HUD-determined weighted average percentage increase in local government wages and salaries for the area in which the PHA is located, and non-wage expenses.

(e) *Calculating a PEL.* To calculate a specific PEL for a given property, the sum of the coefficients for nine variables (all variables except ownership type) shall be added to a formula constant. The exponent of that sum shall be multiplied by a percentage to reflect the non-profit ownership type, which will produce an unadjusted PEL. For the calculation of the initial PEL, the cost adjustments described in paragraphs (c)(1), (c)(2), and (c)(3) of this section will be applied. After these initial adjustments are applied, the audit adjustment described in paragraph (c)(4) of this section will be applied to arrive at the PEL in year 2000 dollars. After the PEL in year 2000 dollars is created, the annual inflation factor as described in paragraph (d) of this section will be applied cumulatively to this number through 2004 to yield an initial PEL in terms of current dollars.

(f) *Calculation of the PEL for Moving to Work PHAs.* PHAs participating in the Moving to Work (MTW) Demonstration authorized under section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134, approved April 26, 1996) shall receive an operating subsidy as provided in Attachment A of their MTW Agreements executed prior to November 18, 2005. PHAs with an MTW Agreement will continue to have the right to request extensions of or modifications to their MTW Agreements.

(g) *Calculation of the PELs for mixed-finance developments.* If, prior to November 18, 2005, a PHA has either a mixed-finance arrangement that has closed or has filed documents in accordance with 24 CFR 941.606 for a mixed-finance transaction, then the project covered by the mixed-finance transaction will receive funding based on the higher of its former Allowable Expense Level or the new computed PEL.

(h) *Calculation of PELs when data are inadequate or unavailable.* When sufficient data are unavailable for the calculation of a PEL, HUD may calculate a PEL using an alternative methodology. The characteristics may be used from similarly situated properties.

(i) *Review of PEL methodology by advisory committee.* In 2009, HUD will convene a meeting with representation of appropriate stakeholders, to review the methodology to evaluate the PEL based on actual cost data. The meeting shall be convened in accordance with the Federal Advisory Committee Act (5 U.S.C. Appendix) (FACA). HUD may determine appropriate funding levels for each project to be effective in FY 2011 after following appropriate rulemaking procedures.

§ 990.170 Computation of utilities expense level (UEL): Overview.

(a) *General.* The UEL for each PHA is based on its consumption for each utility, the applicable rates for each utility, and an applicable inflation factor. The UEL for a given funding period is the product of the utility rate multiplied by the payable consumption level multiplied by the inflation factor. The UEL is expressed in terms of PUM costs.

(b) *Utility rate.* The utility rate for each type of utility will be the actual average rate from the most recent 12-month period that ended June 30th prior to the beginning of the applicable funding period. The rate will be calculated by dividing the actual utility cost by the actual utility consumption, with consideration for pass-through costs (e.g., state and local utility taxes, tariffs) for the time period specified in this paragraph.

(c) *Payable consumption level.* The payable consumption level is based on

the current consumption level adjusted by a utility consumption incentive. The incentive shall be computed by comparing current consumption levels of each utility to the rolling base consumption level. If the comparison reflects a decrease in the consumption of a utility, the PHA shall retain 75 percent of this decrease. Alternately, if the comparison reflects an increase in the consumption of a utility, the PHA shall absorb 75 percent of this increase.

(d) *Inflation factor for utilities.* The UEL shall be adjusted annually by an inflation/deflation factor based upon the fuels and utilities component of the United States Department of Labor, Bureau of Labor Statistics (BLS) Consumer Price Index for All Urban Consumers (CPI-U). The annual adjustment to the UEL shall reflect the most recently published and localized data available from BLS at the time the annual adjustment is calculated.

(e) *Increases in tenant utility allowances.* Increases in tenant utility allowances, as a component of the formula income, as described in § 990.195, shall result in a commensurate increase of operating subsidy. Decreases in such utility allowances shall result in a commensurate decrease in operating subsidy.

(f) *Records and reporting.* (1) Appropriate utility records, satisfactory to HUD, shall be developed and maintained, so that consumption and rate data can be determined.

(2) All records shall be kept by utility and by project for each 12-month period ending June 30th.

(3) HUD will notify each PHA when HUD has the automated systems capacity to receive such information. Each PHA then will be obligated to provide consumption and cost data to HUD for all utilities for each project.

(4) If a PHA has not maintained or cannot recapture utility data from its records for a particular utility, the PHA shall compute the UEL by:

(i) Using actual consumption data for the last complete year(s) of available data or data of comparable project(s) that have comparable utility delivery systems and occupancy, in accordance with a method prescribed by HUD; or

(ii) Requesting field office approval to use actual PUM utility expenses for

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its UEL in accordance with a method prescribed by HUD when the PHA cannot obtain necessary data to calculate the UEL in accordance with paragraph (f)(4)(i) of this section.

§ 990.175 Utilities expense level: Computation of the current consumption level.

The current consumption level shall be the actual amount of each utility consumed during the 12-month period ending June 30th that is 6 months prior to the first day of the applicable funding period.

§ 990.180 Utilities expense level: Computation of the rolling base consumption level.

(a) *General.* (1) The rolling base consumption level (RBCL) shall be equal to the average of yearly consumption levels for the 36-month period ending on the June 30th that is 18 months prior to the first day of the applicable funding period.

(2) The yearly consumption level is the actual amount of each utility consumed during a 12-month period ending June 30th. For example, for the funding period January 1, 2006, through December 31, 2006, the RBCL will be the average of the following yearly consumption levels:

(i) Year 1 = July 1, 2001, through June 30, 2002.

(ii) Year 2 = July 1, 2002, through June 30, 2003.

(iii) Year 3 = July 1, 2003, through June 30, 2004.

NOTE TO PARAGRAPH (a)(2): In this example, the current year's consumption level will be July 1, 2004, through June 30, 2005.

(b) *Distortions to rolling base consumption level.* The PHA shall have its RBCL determined so as not to distort the rolling base period in accordance with a method prescribed by HUD if:

(1) A project has not been in operation during at least 12 months of the rolling base period;

(2) A project enters or exits management after the rolling base period and prior to the end of the applicable funding period; or

(3) A project has experienced a conversion from one energy source to another, switched from PHA-supplied to resident-purchased utilities during or

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after the rolling base period, or for any other reason that would cause the RBCL not to be comparable to the current year's consumption level.

(c) *Financial incentives.* The three-year rolling base for all relevant utilities will be adjusted to reflect any financial incentives to the PHA to reduce consumption as described in § 990.185.

§ 990.185 Utilities expense level: Incentives for energy conservation/rate reduction.

(a) *General/consumption reduction.* If a PHA undertakes energy conservation measures that are financed by an entity other than HUD, the PHA may qualify for the incentives available under this section. For a PHA to qualify for these incentives, the PHA must enter into a contract to finance the energy conservation measures, and must obtain HUD approval. Such approval shall be based on a determination that payments under a contract can be funded from reasonably anticipated energy cost savings. The contract period shall not exceed 20 years. The energy conservation measures may include, but are not limited to: Physical improvements financed by a loan from a bank, utility, or governmental entity; management of costs under the performance contract; or a shared savings agreement with a private energy service company. All such contracts shall be known as energy performance contracts. PHAs may extend an executed energy performance contract with a term of less than 20 years to a term of not more than 20 years, to permit additional energy conservation improvements without the reprourement of energy performance contractors. The PHA must obtain HUD approval to extend the term of an executed energy performance contract.

(1) *Frozen rolling base.* (i) If a PHA undertakes energy conservation measures that are approved by HUD, the RBCL for the project and the utilities involved may be frozen during the contract period. Before the RBCL is frozen, it must be adjusted to reflect any energy savings resulting from the use of any HUD funding. The RBCL also may be adjusted to reflect systems repaired to meet applicable building and

safety codes as well as to reflect adjustments for occupancy rates increased by rehabilitation. The RBCL shall be frozen at the level calculated for the year during which the conservation measures initially shall be implemented.

(ii) The PHA operating subsidy eligibility shall reflect the retention of 100 percent of the savings from decreased consumption until the term of the financing agreement is complete. The PHA must use at least 75 percent of the cost savings to pay off the debt, *e.g.*, pay off the contractor or bank loan. If less than 75 percent of the cost savings is used for debt payment, however, HUD shall retain the difference between the actual percentage of cost savings used to pay off the debt and 75 percent of the cost savings. If at least 75 percent of the cost savings is paid to the contractor or bank, the PHA may use the full amount of the remaining cost savings for any eligible operating expense.

(iii) The annual three-year rolling base procedures for computing the RBCL shall be reactivated after the PHA satisfies the conditions of the contract. The three years of consumption data to be used in calculating the RBCL after the end of the contract period shall be the yearly consumption levels for the final three years of the contract.

(2) PHAs undertaking energy conservation measures that are financed by an entity other than HUD may include resident-paid utilities under the consumption reduction incentive, using the following methodology:

(i) The PHA reviews and updates all utility allowances to ascertain that residents are receiving the proper allowances before energy savings measures are begun;

(ii) The PHA makes future calculations of rental income for purposes of the calculation of operating subsidy eligibility based on these baseline allowances. In effect, HUD will freeze the baseline allowances for the duration of the contract;

(iii) After implementation of the energy conservation measures, the PHA updates the utility allowances in accordance with provisions in 24 CFR part 965, subpart E. The new allowance

should be lower than baseline allowances;

(iv) The PHA uses at least 75 percent of the savings for paying the cost of the improvement (the PHA will be permitted to retain 100 percent of the difference between the baseline allowances and revised allowances);

(v) After the completion of the contract period, the PHA begins using the revised allowances in calculating its operating subsidy eligibility; and

(vi) The PHA may exclude from its calculation of rental income the increased rental income due to the difference between the baseline allowances and the revised allowances of the projects involved, for the duration of the contract period.

(3) *Subsidy add-on.* (i) If a PHA qualifies for this incentive (*i.e.*, the subsidy add-on, in accordance with the provisions of paragraph (a) of this section), then the PHA is eligible for additional operating subsidy each year of the contract to amortize the cost of the loan for the energy conservation measures and other direct costs related to the energy project under the contract during the term of the contract subject to the provisions of this paragraph (a)(3) of this section. The PHA's operating subsidy for the current funding year will continue to be calculated in accordance with paragraphs (a), (b), and (c) of § 990.170 (*i.e.*, the rolling base is not frozen). The PHA will be able to retain part of the cost savings in accordance with § 990.170(c).

(ii) The actual cost of energy (of the type affected by the energy conservation measure) after implementation of the energy conservation measure will be subtracted from the expected energy cost, to produce the energy cost savings for the year.

(iii) If the cost savings for any year during the contract period are less than the amount of operating subsidy to be made available under this paragraph to pay for the energy conservation measure in that year, the deficiency will be offset against the PHA's operating subsidy eligibility for the PHA's next fiscal year.

(iv) If energy cost savings are less than the amount necessary to meet amortization payments specified in a

contract, the contract term may be extended (up to the 20-year limit) if HUD determines that the shortfall is the result of changed circumstances, rather than a miscalculation or misrepresentation of projected energy savings by the contractor or PHA. The contract term may be extended only to accommodate payment to the contractor and associated direct costs.

(b) *Rate reduction.* If a PHA takes action beyond normal public participation in rate-making proceedings, such as well-head purchase of natural gas, administrative appeals, or legal action to reduce the rate it pays for utilities, then the PHA will be permitted to retain one-half the annual savings realized from these actions.

(c) *Utility benchmarking.* HUD will pursue benchmarking utility consumption at the project level as part of the transition to asset management. HUD intends to establish benchmarks by collecting utility consumption and cost information on a project-by-project basis. In 2009, after conducting a feasibility study, HUD will convene a meeting with representation of appropriate stakeholders to review utility benchmarking options so that HUD may determine whether or how to implement utility benchmarking to be effective in FY 2011. The meeting shall be convened in accordance with the Federal Advisory Committee Act (5 U.S.C. Appendix) (FACA). The HUD study shall take into account typical levels of utilities consumption at public housing developments based upon factors such as building and unit type and size, temperature zones, age and construction of building, and other relevant factors.

[70 FR 54997, Sept. 19, 2005, as amended at 73 FR 61352, Oct. 16, 2008]

§ 990.190 Other formula expenses (add-ons).

In addition to calculating operating subsidy based on the PEL and UEL, a PHA's eligible formula expenses shall be increased by add-ons. The allowed add-ons are:

(a) *Self-sufficiency.* A PHA may request operating subsidy for the reasonable cost of program coordinator(s) and associated costs in accordance with

HUD's self-sufficiency program regulations and notices.

(b) *Energy loan amortization.* A PHA may qualify for operating subsidy for payments of principal and interest cost for energy conservation measures described in § 990.185(a)(3).

(c) *Payments in lieu of taxes (PILOT).* Each PHA will receive an amount for PILOT in accordance with section 6(d) of the 1937 Act, based on its cooperation agreement or its latest actual PILOT payment.

(d) *Cost of independent audits.* A PHA is eligible to receive operating subsidy equal to its most recent actual audit costs for the Operating Fund Program when an audit is required by the Single Audit Act (31 U.S.C. 7501-7507) (see 24 CFR part 85) or when a PHA elects to prepare and submit such an audit to HUD. For the purpose of this rule, the most recent actual audit costs include the associated costs of an audit for the Operating Fund Program only. A PHA whose operating subsidy is determined to be zero based on the formula is still eligible to receive operating subsidy equal to its most recent actual audit costs. The most recent actual audit costs are used as a proxy to cover the cost of the next audit. If a PHA does not have a recent actual audit cost, the PHA working with HUD may establish an audit cost. A PHA that requests funding for an audit shall complete an audit. The results of the audit shall be transmitted in a time and manner prescribed by HUD.

(e) *Funding for resident participation activities.* Each PHA's operating subsidy calculation shall include \$25 per occupied unit per year for resident participation activities, including, but not limited to, those described in 24 CFR part 964. For purposes of this section, a unit is eligible to receive resident participation funding if it is occupied by a public housing resident or it is occupied by a PHA employee, or a police officer or other security personnel who is not otherwise eligible for public housing. In any fiscal year, if appropriations are not sufficient to meet all funding requirements under this part, then the resident participation component of the formula will be adjusted accordingly.