

MORRISTOWN HOUSING AUTHORITY
BOARD OF COMMISSIONERS
31 Early Street
Morristown, NJ 07960
Monday, August 3, 2015
Commencing at 6:00 P.M.

RE: Regular Open Public Meeting

TRANSCRIPT
OF THE
PROCEEDINGS

M E M B E R S P R E S E N T:
MICHAEL A. CHERELLO, Chairman
DOROTHY HOLMAN, Vice-Chairman
MARION E. SALLY, Commissioner
MARY DOUGHERTY, Commissioner
FRANK VITOLO, Commissioner
JEANINE CRIPPEN, Commissioner

A L S O P R E S E N T:

ROY ROGERS, Executive Director
JEAN WASHINGTON, Accounts Manager
LIZETH TAVERAS, Administrative Specialist
AMY MORGAN, Gertrude & Co.
MICHAEL CARLON, Gertrude & Co.

A P P E A R A N C E S:

JOSEPH MANFREDI & ASSOCIATES, P.C.
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REPORTED BY:

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1 CHAIRMAN CHERELLO: I, Michael
2 Cherello, chairperson of the Board of
3 Commissioners of the Housing Authority of the
4 Town of Morristown, presiding officer at this
5 meeting hereby state it is now 6:04 in the
6 evening on August 3rd, 2015, and we are
7 convening at 31 Early Street, Morristown, New
8 Jersey, and do hereby announce publicly that
9 proper notice of this special meeting has been
10 provided in accordance with the New Jersey Open
11 Public Meetings Act.

12 Roll call, please.

13 (Roll call was taken with all members
14 noted being present.)

15 CHAIRMAN CHERELLO: Pledge of
16 allegiance to the flag.

17 (Flag was saluted.)

18 CHAIRMAN CHERELLO: We will now have a
19 moment of silence.

20 (A moment of silence is observed.)

21 CHAIRMAN CHERELLO: At this time we
22 will have our first public -- we're going to
23 have our only public comment. This is a special
24 meeting, only one public comment tonight. You
25 can speak about whatever you'd like. It doesn't

1 have to be just on the special agenda. Does
2 anyone have anything they'd like to bring up or
3 mention?

4 Seeing none we will move on to the
5 agenda for the special meeting. The first item,
6 I guess our first -- do we want to take A and B
7 together or separately for discussion?

8 MR. ROGERS: I've got them on the same
9 bid. You have copies of them?

10 CHAIRMAN CHERELLO: Why don't we talk
11 about them together since they're on the same
12 page?

13 MR. ROGERS: The lowest bidder was
14 bidder was \$103,000 for the air conditioning at
15 Ann Street, and \$54,450 for the air conditioning
16 at the residents center. Now, we have
17 approximately \$100,000 in the budget to do the
18 air conditioning. And also at Manahan Village I
19 should remind the board, or inform the board we
20 were just notified by -- REAC wrote us up for
21 having air conditioners in the windows of one
22 window bedrooms at Manahan Village, and it's
23 blocking the egress, and we have to get rid of
24 them. And I'm going to be putting a letter out
25 tomorrow to tell the residents that they can no

1 longer have an air conditioner in a one window
2 bedroom because of egress and fire code. So we
3 should address whether or not -- how much air
4 conditioning we want to replace, what do we want
5 to do at Manahan Village as far as that air
6 conditioning.

7 COMMISSIONER SALLY: I'm confused.

8 MR. ROGERS: There's several one window
9 bedrooms.

10 COMMISSIONER SALLY: I thought we were
11 discussing the bids for AC at 23 Clyde Potts
12 Drive and 29 Ann Street.

13 MR. ROGERS: Correct. But because of
14 the window problem at Manahan Village, I don't
15 know if I can recommend that we replace all this
16 air conditioning until we see what we want to do
17 with the one bedroom -- one window apartments at
18 Manahan Village.

19 COMMISSIONER SALLY: Most of the
20 apartments down there -- I think the biggest
21 problem is the three bedroom units, if I'm not
22 mistaken, there's one of the three bedrooms that
23 only has one window in that particular bedroom,
24 and the residents have been notified every year
25 that they cannot have an AC in that window

1 because it's only one window and there's no
2 means of egress if something happened. And I
3 think, Joe, you know we've sent letters, I don't
4 know how many times. And REAC, if they have it
5 in when REAC comes, then we definitely -- that's
6 a life-threatening situation.

7 MR. ROGERS: And we got wrote up for it
8 last time.

9 COMMISSIONER SALLY: And most of the
10 residents, some won't put them in in the
11 summertime, and the other 50 percent will do it,
12 and they do it every year.

13 MR. ROGERS: But I'm going to have a
14 weekly inspection to make sure they don't. But
15 the only reason why I brought this up is because
16 the housing authority has so much money in the
17 capital fund, and before you make a decision on
18 the air conditioning for Ann Street or the
19 residents center you should be aware of another
20 air conditioning problem that popped up. We're
21 not responsible for it, I just want the board to
22 be aware of it so there's no surprises.

23 COMMISSIONER SALLY: Okay.

24 COMMISSIONER DOUGHERTY: Thank you. So
25 may I ask a question on these bids, please? So

1 all together we only have \$100,000 in the
2 budget?

3 MR. ROGERS: Right now, yes.

4 COMMISSIONER DOUGHERTY: And the need
5 is for \$157,000 and change.

6 MR. ROGERS: Correct.

7 COMMISSIONER DOUGHERTY: But the one
8 need is for 29 Ann, which is residential, the
9 one for Clyde Potts, is that for the residents
10 center or for the residential areas?

11 MR. ROGERS: Residents center. Now,
12 one of the -- another consideration is if we
13 deferred the residents center until we get the
14 money like in March or April, we can still get
15 this done for the next air conditioning season
16 at the residents center if you wanted to go
17 ahead and do Ann Street. But that again, that's
18 up to the board.

19 CHAIRMAN CHERELLO: I think no matter
20 what we do, this air conditioning season is over
21 with.

22 VICE CHAIRMAN HOLMAN: Pretty much.

23 CHAIRMAN CHERELLO: Basically we're
24 talking about for next year.

25 VICE CHAIRMAN HOLMAN: And we're really

1 not responsible for Ann Street residents' air
2 conditioning units.

3 MR. ROGERS: This is for the common
4 area.

5 VICE CHAIRMAN HOLMAN: In the common
6 area, yes. They want this, which is going to
7 cost us an arm and leg to put this air
8 conditioning unit in, because they don't want to
9 use air conditioners in their apartments. So
10 Ann Street does not have air conditioning in the
11 hallway, and on one side you roast. So I don't
12 see a point in us spending this kind of money to
13 Ann Street when they can put air conditioners in
14 their apartments. I understand they pay their
15 bill, but this is a lot of money.

16 CHAIRMAN CHERELLO: The only thing
17 about the Ann Street air conditioning in the
18 common areas is that it was there. We had it
19 removed.

20 COMMISSIONER SALLY: Yes, it was
21 originally.

22 CHAIRMAN CHERELLO: So we are talking
23 about -- and again, I've had a conversation with
24 the mayor and the business administrator, and
25 they have pointed out the Ann Street air

1 conditioning unit problem to me, not that the
2 other things aren't a problem, they are, but
3 they have mentioned Ann Street on more than one
4 occasion. I understand, and that's -- we had a
5 problem with people propping their doors open
6 piggybacking off of our central air in the
7 common areas. That's something that if we did
8 it we'd have to address. They're not supposed
9 to do that. But I think the real rub here is
10 that it was built with air conditioning and it
11 was removed, which is totally different than
12 this building that common areas, for the
13 building next door, common areas were not air
14 conditioned right from the start.

15 VICE CHAIRMAN HOLMAN: Because the
16 buildings are much older.

17 CHAIRMAN CHERELLO: Yes, I agree with
18 you.

19 VICE CHAIRMAN OLMAN: It's not that
20 it's a big deal or big issue because the air
21 conditioner was removed from there, but if
22 you're going to accommodate one building, which
23 is a more modern building, than these two here,
24 that just outweighed -- one building outweighs
25 two buildings. These people here would like to

1 have central air in their lobby as well, which
2 they don't have, and they won't be able to get.
3 So why we going to invest this type of money in
4 one building, because the mayor is saying these
5 people need their air? I mean, put an air
6 conditioner in your window.

7 CHAIRMAN CHERELLO: They have air
8 conditioners in the windows here.

9 VICE CHAIRMAN HOLMAN: That's what
10 they're doing here, so why can't Ann Street do
11 the same thing.

12 CHAIRMAN CHERELLO: They have air
13 conditioning in their apartments.

14 VICE CHAIRMAN HOLMAN: What if they
15 don't want to use it, they want to get the air
16 from outside?

17 CHAIRMAN CHERELLO: We're talking about
18 the common hallways and areas.

19 VICE CHAIRMAN HOLMAN: I know you're
20 talking the common areas. They want to sit and
21 open their doors and get their air coming in,
22 they don't have to pay that extra expense on
23 their light bill. But the housing authority is
24 paying it. And then you going to spend all this
25 money to have it put in.

1 COMMISSIONER DOUGHERTY: I would say
2 actually replaced. Correct? Because wasn't it
3 the authority that ripped it out in the first
4 place?

5 COMMISSIONER CRIPPEN: How long ago was
6 that?

7 COMMISSIONER DOUGHERTY: I think we
8 were putting in some new furnace, something
9 couldn't fit.

10 CHAIRMAN CHERELLO: They ripped it out.

11 COMMISSIONER SALLY: They didn't rip it
12 out during my time. It was broken. It was
13 broke.

14 CHAIRMAN CHERELLO: It was before.

15 COMMISSIONER SALLY: If they ripped it
16 out they did it --

17 CHAIRMAN CHERELLO: It's gone again,
18 totally ripped out.

19 COMMISSIONER CRIPPEN: Is this also for
20 the -- is it all common areas, meaning the room
21 where the television is contained, hallway,
22 community room, everything?

23 COMMISSIONER SALLY: Community has AC.

24 COMMISSIONER CRIPPEN: This is simply
25 for the hallways?

1 CHAIRMAN CHERELLO: Hallways.

2 COMMISSIONER CRIPPEN: We don't think
3 ventilation would accommodate, if we examine
4 just ventilation, fans, circulation.

5 COMMISSIONER SALLY: I don't know. I
6 think it's like anything else. It was there
7 when people moved in originally in 1986, and it
8 was there for a very long time. And people got
9 spoiled. They got used to it. And when it got
10 broke we looked at trying to fix it. It was so
11 expensive at the time. And we had other issues
12 that were more pressing that we didn't fix it.
13 But it was there originally. And that's what
14 happens. It wasn't in these two buildings, not
15 that perhaps it shouldn't be at some point.

16 CHAIRMAN CHERELLO: No, and I think
17 just as we're trying to find a solution to the
18 hallways next door with some sort of, it
19 wouldn't be air, but it will be some sort of
20 fans in the hallways to move the air around. So
21 it's not as if we're not looking for solutions
22 for problems all the way around.

23 COMMISSIONER DOUGHERTY: Can I go back
24 to the bid for a second? Mr. Rogers, how many
25 bids were received, just the two?

1 MR. ROGERS: Two.

2 COMMISSIONER DOUGHERTY: And there's a
3 substantial difference in the cost. Can you
4 explain that a little bit? Is the Bill Leary
5 company thinking it's a full replacement at the
6 residents center but ACM thinking it's just a
7 repair?

8 MR. ROGERS: No, we had a walk-through,
9 and all bidders were aware what the scope of
10 work was. All I can say is the highest bidder
11 might have been very busy, and the bids at
12 highest still get the work, it's okay, but I
13 know the lowest bidder was in the ballpark of
14 the pre-bid estimate.

15 COMMISSIONER CRIPPEN: Were there any
16 time constraints placed on the bidder perhaps,
17 the bids, because we concede this as a project
18 that might get done this summer?

19 MR. ROGERS: Yes, I thought of that.
20 What I was going to do after I get direction
21 from the board that they want to pursue, I was
22 going to go back, and with Mr. Manfredi's
23 permission, and try to negotiate and say, okay,
24 we don't need these put in before March 31, or
25 something like that, how much could we save.

1 COMMISSIONER DOUGHERTY: And we're able
2 to do that legally without going out to the
3 second bidder also, you'll go to both?

4 MR. ROGERS: I'd have to get direction
5 from Mr. Manfredi.

6 MR. MANFREDI: We'd have to rebid it
7 with a different time frame on it because
8 obviously it might affect the price
9 dramatically.

10 CHAIRMAN CHERELLO: We'd probably have
11 to do that anyway. I think when we look at it
12 realistically, the cooling season is done. We
13 could approve these bids tonight, and they're
14 not going to be done until September, the end of
15 September. So perhaps we want to think about
16 just taking our time, doing a little bit more
17 research, and seeing if we can get a better
18 price.

19 MR. ROGERS: Would the board like me to
20 rebid it?

21 COMMISSIONER DOUGHERTY: I would.

22 COMMISSIONER CRIPPEN: Especially since
23 the price is so disparate.

24 MR. ROGERS: You might get more bidders
25 because it's the end of the season.

1 COMMISSIONER CRIPPEN: And they might
2 bid more aggressively as well.

3 CHAIRMAN CHERELLO: Would everybody be
4 comfortable with an installation deadline of May
5 1st for next year as guidelines for this? Is
6 that reasonable?

7 COMMISSIONER DOUGHERTY: Do you think
8 that might push them to be less aggressive in
9 their pricing again because it's coming into the
10 spring market?

11 CHAIRMAN CHERELLO: Well, they would
12 have time to do it in the winter. That's all
13 I'm saying. I want to make sure it's in place
14 for next year no matter what we do, cooling
15 season. Some of these guys may say, I don't
16 have much work to do in the winter, I'll do it
17 in the winter.

18 MR. ROGERS: The one for the residents
19 center will have to be done before November 1st
20 or after April 1st or March 1st because it's up
21 on the roof.

22 CHAIRMAN CHERELLO: Okay.

23 MR. ROGERS: Have to have a crane and
24 stuff. But still, in my opinion we probably
25 will end up with more bidders and possibly a

1 more competitive bid if we were to rebid it.
2 And if we rebid it even two weeks from now and
3 say installation no later than May 1st, the
4 contractor has a lot of flexibility.

5 COMMISSIONER DOUGHERTY: And Joe, as
6 far as the bid threshold on these things, is it
7 okay for us to do that, ignore these bids and go
8 back out to bid because we change the scope?

9 MR. MANFREDI: We would have to reject
10 the bid because the board has determined to
11 change a material aspect of the bid, which is
12 the time frame. We are allowed to change it,
13 change the material aspect of it and rebid.

14 COMMISSIONER DOUGHERTY: Do we need a
15 motion to reject these bids?

16 MR. MANFREDI: Yes, a motion to reject
17 for a change of material term.

18 COMMISSIONER DOUGHERTY: Chair, I'll
19 move to reject these bids on change of material
20 term.

21 COMMISSIONER SALLY: I'll second.

22 CHAIRMAN CHERELLO: Okay. Any other
23 discussion on this?

24 COMMISSIONER CRIPPEN: Not on the
25 change of bid, but just to go back again to the

1 air conditioning, the \$100,000 air conditioning
2 unit at 29 Ann. If we are required, is there a
3 -- Joe, do we know if there's any requirement to
4 replace the in kind air conditioner that the
5 building -- is there a legally binding reason
6 for us to replace that air conditioner that the
7 building was constructed with? I'm just giving
8 my personal opinion. I mean, if the community
9 room is air conditioned, I mean the hallways, I
10 have not seen the lease, rules, regs, the
11 hallway is not meant -- it's a place of public
12 accommodation, but you don't want loitering. I
13 don't understand the rationale about we need to
14 air condition the hallways. I think ventilation
15 of the hallways, this is my personal opinion, is
16 sufficient. The community room has air
17 conditioning. If the residents want to find a
18 cool place to go, the community room they have
19 access to. I don't understand the need for air
20 conditioning the hallways. It's an operational
21 cost on a monthly basis that we have to pay.
22 It's a big chunk of change. I just don't see
23 the benefit from it, whether it was my home or
24 anyone else's home. You walk through the
25 hallway and you exit the building. Just my

1 opinion.

2 VICE CHAIRMAN HOLMAN: I feel the same
3 way.

4 COMMISSIONER SALLY: Listening to what
5 Commissioner Crippen had to say, it just dawned
6 on me, we never really looked at like maybe fans
7 up in the ceiling, maybe three or four down each
8 long hallway on every floor. I think it might
9 be --

10 COMMISSIONER CRIPPEN: I'm imagining if
11 there was a preexisting air conditioning system,
12 there's duct work throughout the building. Why
13 not put roof fans on and pull ventilation
14 through the building through the duct work?

15 CHAIRMAN CHERELLO: Without going too
16 far off the reservation here, since we have a
17 concern in the hallways, next door and probably
18 here, can we look at the whole thing as far
19 as -- because we talked about fans up there to
20 move the air in those hallways in the upper
21 floors especially. Can we kind of work the
22 whole thing in together and see what air
23 changers or air movers for the three units will
24 do without -- and again, we don't want to go too
25 far off here and go in a total different

1 direction. But perhaps that would take care of
2 the concern of some of the commissioners of
3 treating some residents unfairly, versus others
4 that if everyone were on the same -- what do you
5 think about that, Mr. Rogers?

6 MR. ROGERS: I would respectfully
7 suggest if the board would allow me to write a
8 change order or get a proposal from LAN
9 Associates, because they're the one that came up
10 with the specs for the air conditioners, and add
11 on a ventilation system using existing duct work
12 or -- but are you talking about -- I know you're
13 talking about Ann Street and 39?

14 VICE CHAIRMAN HOLMAN: This one as
15 well.

16 MR. ROGERS: And 31.

17 CHAIRMAN CHERELLO: This would be a bit
18 more -- I know we had a concern, and we were
19 even thinking of putting down the end of the
20 hallways some sort of whole house fan to move
21 the air. And again, not to go too far off, can
22 we -- let's just look at the whole ball of wax
23 and what all our options are.

24 MR. MANFREDI: Maybe the best way to
25 proceed, Mr. Chairman, is have Mr. Rogers with

1 LAN, do a feasibility study of the most
2 effective way before we jump out to bids,
3 because we have a little window here, and the
4 board can determine what's the most cost
5 effective method to proceed in.

6 CHAIRMAN CHERELLO: One thing I do
7 want, I want to set a time on this.

8 COMMISSIONER CRIPPEN: I think the AC
9 unit, that's a must do. Can they proceed
10 separately on separate tracks?

11 CHAIRMAN CHERELLO: I think what we'd
12 like to do is revisit the entire situation, and
13 see what's what.

14 MR. ROGERS: Could be a combination air
15 conditioning/ventilation system. If we went out
16 to bid package like everybody, get a more
17 competitive price.

18 CHAIRMAN CHERELLO: Let's set a time
19 limit. I want to be able to tell people it
20 will -- whatever we're going to do, whether it's
21 ventilation or air conditioning, it's going to
22 be done. We're not just punting this.

23 MR. ROGERS: I feel by the November
24 board meeting I can give you guys all the detail
25 you need.

1 CHAIRMAN CHERELLO: So then it's up to
2 us. Let's shoot for that, and we will have all
3 our options in place, and we can make an
4 informed decision on -- and we will know what
5 our monies are. Maybe for the \$150,000 we can
6 put ventilation in all three buildings. So that
7 makes more sense. So let's just see what our
8 options are, get a price, and then we can --
9 because this year is over with. There's nothing
10 we can do now. This year is done.

11 COMMISSIONER VITOLO: So I missed --
12 the buildings in -- the individual rental units
13 in the apartments do not have air conditioning?

14 MR. ROGERS: Yes, they do.

15 CHAIRMAN CHERELLO: They all have air
16 or have the option to have air if they want.
17 We're talking about -- Ann Street used to have
18 air conditioning in the common areas. It was
19 removed. These two buildings don't because they
20 were put up before that. But they probably have
21 a greater problem on the upper floors with no
22 air movement. So to be fair to everybody, let's
23 address it, all three buildings. And even if we
24 have to put in at the end of the hallways whole
25 house fans to move the air around, then we're

1 being fair, and we are addressing the needs.

2 COMMISSIONER VITOLO: This room we're
3 sitting in doesn't have air conditioning?

4 CHAIRMAN CHERELLO: This room does.
5 The common areas in Ann Street has one of those
6 Yamaha units, and next door has air in the
7 community room.

8 COMMISSIONER CRIPPEN: All community
9 rooms --

10 CHAIRMAN CHERELLO: All community rooms
11 have air. The hallways don't. I think we're
12 under a little bit of pressure to do something.
13 Let's just back up. And not everybody will be
14 happy, but again, this year is over with. So
15 let's -- but we will have it done for next year.

16 COMMISSIONER SALLY: Very good.

17 COMMISSIONER DOUGHERTY: That was a
18 great suggestion, Commissioner Crippen. Thank
19 you.

20 CHAIRMAN CHERELLO: We have a motion
21 and second to reject these bids, and to go in a
22 different direction. Do we need a motion on
23 just with the direction, Joe?

24 MR. MANFREDI: No, just a resolution to
25 reject all bids.

1 CHAIRMAN CHERELLO: Can I have roll
2 call, please, on the rejection?

3 (Roll call was taken with all voting in
4 favor.)

5 MR. MANFREDI: Mr. Chair, let me ask
6 also, so we have a clean legal record, if the
7 board would consider another resolution to allow
8 the executive director to commission LAN
9 Engineering Associates to undertake a
10 feasibility study for cooling the three
11 buildings.

12 COMMISSIONER DOUGHERTY: Is there a
13 cost to that?

14 CHAIRMAN CHERELLO: Not cooling in
15 particular.

16 MR. MANFREDI: They're going to look at
17 the options, ventilating.

18 CHAIRMAN CHERELLO:
19 Ventilating/cooling.

20 MR. MANFREDI: Yes.

21 COMMISSIONER VITOLO: I'll move it.

22 COMMISSIONER DOUGHERTY: I'll second
23 it.

24 (Roll call was taken with all voting in
25 favor.)

1 MR. MANFREDI: Thank you.

2 CHAIRMAN CHERELLO: Now we'll address
3 -- Mr. Rogers, would you like to go over the
4 snow removal equipment?

5 MR. ROGERS: Yes. And I have to
6 apologize, I just realized that I gave my
7 administrative assistant the wrong proposal to
8 copy for you people. The proposal, you have got
9 All County Rental there, and all the equipment,
10 what this is, this is a John Deere tractor to
11 remove snow off the sidewalks, and it's
12 four-wheel drive, where we currently have a
13 tractor that has two-wheel drive. And the board
14 had authorized I guess last fall to buy snow
15 removal equipment, and it was a Bobcat. I
16 personally think a Bobcat is a little bit
17 difficult to operate compared to the
18 conventional tractor. And I discussed this with
19 Mr. Pounder, and he agreed. And he and I went
20 to a John Deere dealer and picked out a fully
21 equipped tractor. And the one quote you have
22 includes all the equipment we want. But we went
23 to the New Jersey bidders list, and John Deere,
24 and the quote you have is quoted at \$16,746, and
25 the quote I have is \$15,900. And that's from

1 Power Place. I apologize for giving you the
2 wrong bid. But the low bid is \$15,900.

3 CHAIRMAN CHERELLO: This is really
4 something that we approved last year, but we
5 didn't purchase, and now we've picked a
6 different model.

7 MR. ROGERS: And I'd like to get it
8 before the snow season so everyone is
9 comfortable with it.

10 COMMISSIONER DOUGHERTY: Can I ask who
11 would be driving it?

12 MR. ROGERS: Well, the maintenance
13 mechanics primarily. And we have three of
14 those. And the primary use for this will be at
15 Manahan Village because of all the sidewalks.
16 And I think it will be a big improvement.
17 You'll notice a big improvement in snow removal.

18 COMMISSIONER DOUGHERTY: Where will it
19 be stored?

20 MR. ROGERS: It will be stored up here.

21 COMMISSIONER DOUGHERTY: Always here on
22 our --

23 MR. ROGERS: Always stored here.

24 VICE CHAIRMAN HOLMAN: Are any of our
25 vehicles not stored here overnight?

1 MR. ROGERS: Yes, once in a while I
2 understand Mr. Pounder would drive the truck
3 home so he can get back during snowstorms. But
4 other than that, no vehicles go home.

5 CHAIRMAN CHERELLO: Does this piece of
6 equipment have any other options available than
7 snow blowing?

8 MR. ROGERS: Yes, I looked at all
9 those, and you can get a snow brush, but the
10 sidewalks are too narrow for that.

11 CHAIRMAN CHERELLO: It's primarily snow.

12 MR. ROGERS: Primarily snow, because we
13 farm out the landscaping. I may address that
14 one of these days. But right now --

15 CHAIRMAN CHERELLO: That's what I was
16 thinking, if it were something that we also
17 could get a pull-behind mower. Okay.

18 COMMISSIONER DOUGHERTY: That would
19 make how many for us if we purchase it?

20 MR. ROGERS: Two tractors and two
21 trucks, and I'm not sure how many snowblowers.
22 What's unique about this again, because of all
23 the sidewalks, it's got the blade that you can
24 tilt. And otherwise if you get one with a
25 conventional blade you can't use it.

1 CHAIRMAN CHERELLO: We do have the
2 ability to move these around, so they can do
3 Manahan Village, but if we need to clean up up
4 here or Ann Street, we have ramps to get it in
5 the truck or on a trailer?

6 MR. ROGERS: We'd just drive it.

7 CHAIRMAN CHERELLO: It has plates on
8 it?

9 MR. ROGERS: I'll check into it.

10 CHAIRMAN CHERELLO: Just in case we
11 want to clean up and want to bring it over to
12 Ann Street.

13 MR. ROGERS: I'm not sure if we have a
14 trailer.

15 COMMISSIONER DOUGHERTY: I'll move it.

16 CHAIRMAN CHERELLO: We have a motion.
17 Do I have a second?

18 COMMISSIONER SALLY: Second.

19 CHAIRMAN CHERELLO: Discussion we had.
20 Roll call, please.

21 (Roll call was taken with all voting in
22 favor.)

23 CHAIRMAN CHERELLO: I don't know if we
24 are going to make a presentation.

25 MR. ROGERS: With your permission I'd

1 like to introduce our accountants. This is Amy
2 Morgan and Mike Carlon. And they're with our
3 fee accounting firm. And they're here to answer
4 any questions you may have on the budget that --
5 first of all, I'd like to give a summary. The
6 way that the budgets are prepared, you have one
7 for the state and you have one for HUD, and
8 surprise, surprise, they're all different, but
9 the bottom line is the same. But you couldn't
10 even start to compare one budget to the other.
11 The one for HUD is just a record that we
12 maintain here, the one for the state we have to
13 send in tomorrow morning. Has to be in 60 days
14 before your fiscal year ends. And to summarize,
15 I want -- I apologize, this is a very detailed
16 budget. But you really -- the practice is you
17 can't prepare it too early because you don't
18 have the information to present the budget. If
19 I prepared this in June and gave it to you, some
20 of the information would be outdated. But I
21 want the board to understand any item that is in
22 this budget and the board decides they don't
23 want to do, we don't do it. In other words,
24 there may be a line item in here to let Mr.
25 Rogers attend a conference in Los Angeles this

1 fall, the cost of \$8,500. I would hope the
2 board would say, well, we're not going to do
3 that. And if you find -- my point is, if you
4 find something in this budget that you disagree
5 with, we can adjust the budget. We just can't
6 adjust the overall, but we can adjust line
7 items.

8 Also I want the board to be comfortable
9 with the fact that our revenue is close to the
10 same. We estimate that we're going to have a
11 \$50,000, approximately \$50,000 increase in our
12 reserves this year, and it looks like we're
13 going to have at least that if not more next
14 year.

15 COMMISSIONER DOUGHERTY: Why is that?

16 MR. ROGERS: Well, we're not operating
17 at a deficit, and a lot has to do with the board
18 has implemented this before I got here, a lot of
19 cost controls, and those are taking effect now.
20 We're getting rewarded for them.

21 COMMISSIONER DOUGHERTY: Terrific.

22 MR. ROGERS: And again, I want to
23 emphasize, I would appreciate the board would
24 approve the budget tonight, but if you have any
25 questions, if you want to take it home tonight

1 and tear it apart, I could provide answers. We
2 have the fee accounting staff here tonight to
3 answer any questions you may have, or if they
4 want to give a summary.

5 COMMISSIONER DOUGHERTY: I'd appreciate
6 a summary, just so I have a full understanding
7 of the budget. There's a lot of blacked out
8 areas throughout the budget. Can you help me
9 understand why?

10 MR. CARLON: Just a couple things, just
11 so you realize with the DCA budget this year,
12 they went to a new format for this year.
13 Basically they want the budget submitted on an
14 Excel spread, a formatted Excel spread sheet
15 that they provide. So they're looking for more
16 consistencies. So some of the blacked out --
17 the blacked out items are really -- the blacked
18 out areas are areas which may not apply.

19 MR. ROGERS: And they blacked them out?

20 MR. CARLON: Yes. So you can't put
21 input in those spots.

22 COMMISSIONER DOUGHERTY: Come to F-5
23 for me, just, you've got net principal payments
24 on debt service in lieu of depreciation blacked
25 out. But then you've got -- that's just one

1 page.

2 MS. MORGAN: The blacked out areas is
3 just the way this template that the DCA has set
4 up, it's the way they prepared the template. So
5 that blacked out area is per the DCA and how
6 they want it, so they blacked that area out.
7 They don't want that information shown on F-5,
8 the line you're talking about, they don't want
9 it shown by program, they just want to see it in
10 total. So if you look at that line item, you're
11 talking about net principal, you'll see a number
12 in the total column but nothing by program. And
13 that's just how they want it shown.

14 COMMISSIONER DOUGHERTY: Okay. So
15 that's pretty standard through the other pages
16 also?

17 MS. MORGAN: Correct. Wherever you see
18 the blacked out area is in the program detail.
19 But they have something there for the total
20 operations.

21 COMMISSIONER DOUGHERTY: Thank you.

22 MR. CARLON: Amy really did a lot of
23 the detail on the budget. But just overall
24 theory for us is we essentially started with the
25 nine months that we currently have, the actual

1 nine months projected out the last three months
2 to try to get where you're going to be at the
3 end of the year, made some adjustments for
4 things that may not project out on a three month
5 basis, like for instance utilities, utilities
6 may be high in this month, so projecting it out
7 for four months may not make sense. A lot of
8 the detail was going over the salaries too, and
9 increases, and any people that were going to be
10 off salary, that weren't there last year, and
11 then we compare it to last year's budget, and
12 last year's actual audit, and then try to come
13 up with changes, and a lot of it was through
14 discussions with Roy.

15 MR. ROGERS: And Jean and I had a lot
16 of input into this. But I should make mention
17 of the fact the salaries we put in the budget
18 for two percent cost of living increase across
19 the board, and we allowed for a two and a half
20 percent merit increase, but that's just in there
21 so in case the board -- we had several
22 promotions this year, and so those people would
23 be getting a merit increase, but the merit
24 increase is based on performance, so not
25 everyone will get a merit increase. But I had

1 it in there so if the board decides to give
2 those -- I don't want to go into detail.

3 COMMISSIONER DOUGHERTY: So we don't go
4 over actually?

5 MR. ROGERS: So we don't go over.

6 CHAIRMAN CHERELLO: It's just proposed
7 numbers, and we pretty much pick the top number.
8 And we're not obligated to that. We can
9 certainly be below it.

10 MR. CARLON: Correct. You're not held
11 to anything.

12 COMMISSIONER DOUGHERTY: I know that
13 the audit is off of his recommendations, about
14 what we should do internally as an authority to
15 change. Does the budget do the same on the
16 recommendations in the budget to keep us online?

17 MR. CARLON: No, he's really going more
18 into procedurally, what you should do
19 procedurally, and how your changes should be
20 done procedurally with the audit. But here we
21 are just putting -- the DCA requires a budget so
22 they know where everyone is at. And they
23 compare the budget each year to where you were,
24 where you projected. They're really just
25 looking for informational. So we're not making

1 any recommendations, other than we have a cost
2 here, and the cost may have been high last year
3 for actual, and you may want to bring it down,
4 or that the actual may have been higher than you
5 have been budgeting each year, you may consider
6 bringing it up.

7 COMMISSIONER VITOLO: I have couple of
8 specifics. We're showing a nearly 600 percent
9 increase on F-2 in late fees, commissions,
10 etcetera. What's that? We're doing \$12,000
11 current year, you're projecting \$68,000 for
12 2015? So 566 percent increase.

13 MS. MORGAN: That number we worked off
14 of the way the actuals had -- taking the nine
15 month number and annualizing it. We budgeted
16 about that annualized amount. So that includes
17 late fees, court, includes maintenance, and also
18 got laundry in there.

19 COMMISSIONER VITOLO: I'm not asking
20 about the laundry line. That's the next line.
21 I'm wondering, have we not been collecting late
22 fees? Is that the collection of late fees?

23 MR. MANFREDI: If I'm correct, we show
24 those as a write-off, but then we collect them
25 later on. Is that how you're showing it?

1 MR. CARLON: You're comparing it to the
2 basically the current year, your adoptive
3 budget, and that's essentially last year's
4 budget. And then the proposed budget is the
5 \$80,000 that we are proposing. What Amy is
6 saying is we're doing it more off of what you
7 have been actually running for this current
8 year. We're not exactly sure why last year's
9 budget was so low.

10 COMMISSIONER VITOLLO: That's what I'm
11 getting at.

12 CHAIRMAN CHERELLO: Why last year was
13 only 12. We're not sure why it was 12. We had
14 proposed I guess 80 the year -- last year and
15 proposing 80 again. So we're sticking with the
16 80 figure, but we don't -- but realistically it
17 was 12.

18 MR. CARLON: Last year's budget was 12.
19 We're projecting more off of what you have
20 actually incurred from nine months so far.

21 CHAIRMAN CHERELLO: Last year's budget
22 was 12.

23 MR. ROGERS: This year, the current
24 year budget was 12.

25 MS. MORGAN: The budget for the year

1 we're in right now is 12. I'd point out also
2 that I don't -- I didn't do the budget for last
3 year, but it almost seems like the numbers that
4 were budgeted, 12 and 58, were reversed.

5 Because when I look at the detail of your
6 records, the late fees, commissions and all
7 these fees that are being assessed, tends to be
8 the higher number, and income from the laundry
9 and vending tends to be the lower number. I'm
10 going to guess that --

11 CHAIRMAN CHERELLO: You're saying it
12 really should have been 68, not 12.

13 MS. MORGAN: Right. Maybe the numbers
14 last year in the budget were reversed when they
15 got inputted. I don't know the answer to that.

16 COMMISSIONER VITOLO: What is late
17 fees, commissions, etcetera?

18 MS. MORGAN: The tenants, if they pay
19 late, get assessed late fees. I know there's
20 some maintenance fees in there. Court, I guess
21 if they're not paying their rent, there's some
22 court fees they get assessed as well. So it's
23 primarily fees related to collecting the rent.
24 And there's also I guess maintenance. The
25 maintenance fees are if they damage their units,

1 and they get assessed a fee because you have to
2 fix it.

3 COMMISSIONER SALLY: Then that 12 is
4 about right.

5 COMMISSIONER VITOLO: What is the
6 projected budget for next year for that line,
7 80?

8 MS. MORGAN: 80 is the proposed based
9 upon me looking at --

10 COMMISSIONER CRIPPEN: You're saying
11 we're going to collect \$80,000 in late fees and
12 legal fees from our residents? What's our late
13 fee, \$10.00?

14 COMMISSIONER SALLY: \$30.

15 COMMISSIONER CRIPPEN: The number
16 doesn't make sense.

17 COMMISSIONER SALLY: I would say 12 is
18 probably more accurate for late fees, court
19 costs.

20 MS. MORGAN: We worked off of what's in
21 your -- the detailed account books and records.
22 So there might be some other things that get
23 posted there.

24 CHAIRMAN CHERELLO: Jean, does that
25 \$80,000 make sense to you?

1 MS. WASHINGTON: Yes, it does. The
2 late fees are \$30 a month, and goes up \$5.00
3 every week you're late up through the 25th. So,
4 yes.

5 COMMISSIONER CRIPPEN: And the
6 residents actually pay that?

7 MR. MANFREDI: Unless they're going to
8 get evicted they have to be pay it to be in
9 possession.

10 COMMISSIONER VITOLLO: Because we're
11 enforcing it now, is that the difference?

12 MR. ROGERS: I think it was always
13 enforced.

14 COMMISSIONER CRIPPEN: You can evict on
15 late fees?

16 MR. MANFREDI: Not late fees alone.

17 MR. ROGERS: But a way to avoid late
18 fees is because they're being evicted for some
19 other reason and they may not pay the late fees.
20 I'm surprised by the number of people who
21 habitually pay late knowing they're going to
22 have to pay the late fees. It comes natural for
23 them.

24 CHAIRMAN CHERELLO: Jean, you think
25 that's a realistic figure, \$80,000?

1 MS. WASHINGTON: Yes, I do. Late fees
2 are really -- court fees, maintenance fees, yes,
3 I think it's fine.

4 MR. CARLON: I think the bigger, I
5 don't want to say issue, but I think the problem
6 was if the -- the \$58,000 from the adopted
7 budget from last year should have probably have
8 been on the late fee line, and the 12 should
9 have been -- what we're trying to say is 12
10 should have been on the laundry. If you flip
11 those two around it makes a little more sense.

12 COMMISSIONER VITOLO: So the salaries
13 and wages, this is F-4, it's the first line,
14 salaries and wages, shows a reduction of 16
15 percent. Right? Top line. The first line.

16 CHAIRMAN CHERELLO: We have Ms. Gross
17 gone, which was \$120,000.

18 COMMISSIONER VITOLO: So even with
19 this, this includes a two percent cost of living
20 adjustment?

21 MS. MORGAN: Correct.

22 COMMISSIONER VITOLO: We're still
23 showing a 16.3 percent reduction. And then our
24 friend Joe, why are we showing a 164 percent
25 increase in legal fees. Is that just because --

1 what is that?

2 MR. ROGERS: Quite frankly, I took the
3 accountants in that direction because we are
4 still under budget, but I see we've got some
5 personal non-former employee lawsuits, and we
6 just have a lot of things pending. And I think
7 we're addressing evictions and things like that
8 in more timely manner right now, because we have
9 this staff to stay on top of it. And we have a
10 person on the accounting staff that has close to
11 one year experience now, so a little bit more
12 reactive, or offensive, whatever you want to
13 say. But the bottom line is we're going to have
14 a lot of legal expenses.

15 COMMISSIONER VITOLO: And travel, you
16 joked about it before, travel shows up 123
17 percent.

18 COMMISSIONER DOUGHERTY: Increase?

19 COMMISSIONER VITOLO: Yes. What's
20 that?

21 MR. ROGERS: I wanted to cover the
22 bases again.

23 COMMISSIONER VITOLO: Does that include
24 commissioner travel?

25 MR. ROGERS: Yes.

1 CHAIRMAN CHERELLO: I think it's
2 primarily.

3 MR. ROGERS: I haven't cleared one
4 dollar worth of travel yet.

5 COMMISSIONER VITOLO: So you're not
6 going to Vegas?

7 MR. ROGERS: What it is, again, we're
8 under budget for the projected year. And I
9 didn't want to --

10 CHAIRMAN CHERELLO: We're saying with
11 those increases we're still under budget?

12 MR. ROGERS: Yes.

13 CHAIRMAN CHERELLO: So we've figured
14 those to be unrealistically high, and we're
15 still under budget. Let me ask you this
16 question, on the \$80,000, if we only collected
17 \$40,000, that means then our true surplus --

18 MR. ROGERS: Goes down by \$40,000.

19 CHAIRMAN CHERELLO: So if these other
20 items held true, it would only be a \$10,000 --

21 MR. ROGERS: That's why with this
22 accounting firm they give us a monthly budget, a
23 year-to-date comparison, so the board and I can
24 make adjustments as we go along, rather than
25 wait until the end of the year.

1 COMMISSIONER DOUGHERTY: That's great.

2 CHAIRMAN CHERELLO: So again, this is
3 proposed. But it legally has to be adopted.
4 And we're not -- we can't go over but we can
5 certainly come under. Correct?

6 MR. ROGERS: Yes. We definitely can't
7 go over.

8 MR. CARLON: I mean, you can go over.
9 I mean, it's not -- if something happens you can
10 go over obviously, but --

11 CHAIRMAN CHERELLO: It's far easier for
12 us to stay under.

13 COMMISSIONER VITOLO: Without looking
14 specific, I didn't see here, but what is our
15 year over year change in rents collected for on
16 the revenue side, what are we projecting for
17 next year compared to this year for rents?

18 MS. MORGAN: That didn't change too
19 much.

20 COMMISSIONER VITOLO: 4.7 percent?
21 F-4, about halfway down, is that --

22 MR. MORGAN: F-2, up at the top. Up at
23 the top where it says rental fees, dwelling
24 rental. The budget for this year is 2.3 -- it's
25 up about \$10,000.

1 COMMISSIONER VITOLO: That's even with
2 those massive increases? Didn't we have those
3 increases? That's with those massive increases?

4 CHAIRMAN CHERELLO: They really weren't
5 massive.

6 COMMISSIONER VITOLO: So it was watered
7 down.

8 MR. ROGERS: What happens is we only
9 had 24 apartments that were affected. And what
10 happens though, it looks like it's a big
11 increase to our revenue, but HUD decreases the
12 subsidy so it's not an increase.

13 COMMISSIONER VITOLO: They do that
14 automatically?

15 MR. ROGERS: Yes.

16 CHAIRMAN CHERELLO: Also where we
17 should pick up some money hopefully is we're
18 going to have -- we lost a lot of rental money,
19 which as we all know hopefully that problem is
20 solved, we are going to have units online, so we
21 should generate more money.

22 COMMISSIONER CRIPPEN: You mean due to
23 vacancies?

24 CHAIRMAN CHERELLO: Yes. Hopefully the
25 two month turnover rates are a thing of the

1 past, or longer as we know. We had some for six
2 or eight. So hopefully that's over with. Which
3 means we're going to generate more money.

4 COMMISSIONER VITOLO: Okay.

5 COMMISSIONER DOUGHERTY: I'll move
6 this.

7 COMMISSIONER SALLY: I'll second.

8 CHAIRMAN CHERELLO: Okay. Just so we
9 have a clear understanding on the questions,
10 we're moving both state -- federal and state at
11 the same time. Correct?

12 COMMISSIONER DOUGHERTY: Yes.

13 CHAIRMAN CHERELLO: I have a motion to
14 move and second. Roll call, please.

15 (Roll call was taken with all voting in
16 favor.)

17 CHAIRMAN CHERELLO: Having taken care
18 of everything, right, motion to adjourn.

19 COMMISSIONER DOUGHERTY: Moved.

20 COMMISSIONER SALLY: Second.

21 (Proceedings were adjourned.)

22

23

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25