

**ERIE COUNTY HOUSING AUTHORITY
REGULAR MEETING
TUESDAY, SEPTEMBER 16, 2014 – 11:30 A.M.
ERIE COUNTY CONSERVATION DISTRICT
1927 WAGER ROAD
ERIE, PA 16509**

Chairman McGoey called the Regular Meeting of the Housing Authority of the County of Erie to order at 11:35 a.m., with the following present:

BOARD

James McGoey, Chairperson
Dave Robinson, Member
Ralph DeRose, Member

EXCUSED

Diane Madara, Vice-Chairperson

STAFF

Mike McNierney, Executive Director
Jarid Pettit, Controller
Beverly Weaver, HR Manager
Amy Clabbatz – Section 8 Coordinator
Rachel Petty, Administrative Assistant

OTHERS

Art Martinucci, Attorney
Mike Barko – Root, Spitznas & Smiley
John Orlando – Root, Spitznas & Smiley

MINUTES

On MOTION by Mr. Robinson, seconded by Mr. DeRose, the minutes of the Regular Meeting of July 15, 2014 and the Special Meeting of August 12, 2014 were approved as submitted. AYES: ALL.

PRESENTATION BY ROOT, SPITZNAS & SMILEY ACCOUNTING FIRM

John Orlando, Manager and Mike Barko, Partner of Root, Spitznas & Smiley provided information relative to the Department of Housing and Urban Development (HUD) Real Estate Assessment Center (REAC) filings and fiscal reports submitted for the year end report of December 31, 2013, stating there were no findings.

Mr. Orlando and Mr. Barko answered questions and detailed estimated cost savings by the full transfer of assets from Corry Housing Authority (CHA) to Erie County Housing Authority (ECHA).

Discussion was held relative to the accumulated balance owed by Corry Redevelopment Authority (CRDA) to the Revolving Fund and Mr. Barko stated he has communicated directly with CRDA about the past history of liability stating there has been no change in several years.

Mr. Orlando stated the liability was not a perceived issue previously because the authorities were following proper HUD procedure by establishing the Revolving Fund as a common fund to pay allocations from all authorities. He noted the liability was carried on the financial books for a number of years without concern until CRDA separated from the Housing Authorities.

Mr. McNierney advised that at different times, both he and the auditors have spoken with Rick Clayton, new auditor for CRDA. All concurred that there is no disagreement on Mr. Clayton's part that the money is owed and Mr. McNierney reminded the board of the CRDA Resolution adopted last November resolving to pay the debt. He noted that the leverage against the payment has been that CRDA is waiting for the completion of the 2013 audit which Mr. Clayton is producing even though Root, Spitznas & Smiley had been previously engaged to do it.

Mr. Orlando explained that Root, Spitznas & Smiley indeed had a multi-year letter of engagement to produce the reports; however, they agreed to step aside because a new auditor had been solicited by CRDA.

Attorney Martinucci stated he e-mailed a letter demanding payment from CRDA to their solicitor, Attorney Paul Carney and distributed copies to the board. He reviewed the letter and attachments; stating that because nothing has been resolved between the authorities, in theory; CRDA continues to owe for ongoing salary and benefit costs to the Revolving Fund.

Mr. Barko advised that they have had ongoing issues with CRDA and the issuing of the Management's Discussion and Analysis Audit because it was not clear as to who is authorized to sign on behalf of CRDA.

Mr. Barko stated future Financial Statements will be consolidated upon the full transfer of assets. Mr. Orlando advised that the housing authorities would merge together into one fund; and the auditors would seek direction from HUD as to how to manage Section 8, because of the different contracts. Mr. Barko advised the level of recording should be similar because the HUD threshold of 250 public housing units will not be met even with the assets of the two authorities combined.

FINANCIALS

ACCEPT FINAL 2013 AUDIT

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority accepts the Final 2013 Audit of Root, Spitznas & Smiley as submitted. AYES: ALL.

APPROVE BILLS

Mr. Pettit reviewed the expenses, noting the payment to Professional Underwriters Insurance is a one-time payment annually for Directors and Officers Liability Insurance.

Mr. McNierney advised ECHA had an agreement with Lawrence County for lead abatement; however, the agreement has expired. He stated Erie County Planning Department is involved with lead remediation through the Erie County Community Development Block Grant Program.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority approved the bills paid from July 1, 2014 to August 31, 2014. AYES: ALL.

2015 MINIMUM MUNICIPAL OBLIGATION (MMO) FOR PENSION PLAN

Mr. McNierney stated this matter does not require board approval; however, the worksheet must be submitted to Pennsylvania Municipal Retirement System (PMRS) by October 17, 2014.

Mr. Pettit reviewed the formula utilized to determine the estimated payment amount, stating the information was obtained from the first eight months of 2014 actual payroll and the final four months of 2014 estimated payroll of actual and retired employees as well as survivors covered under the plan.

APPROVE TENANT CHARGE OFF REQUEST

Mr. McNierney stated the only 2013 Charge Off Request was derived from a public housing tenant who had passed away.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority approved the Erie County Public Housing Tenant Charge Off Request in the amount of \$116.00 AYES: ALL.

DISCUSSION OF MEDICAL PLAN BUDGET

Mr. McNierney stated the authority will stay with Highmark, for group health insurance as they have offered the best rates. Rates continue to rise, year after year. He noted the initial increase this year was 26 percent over last year's premium.

He advised that in an attempt to save premium costs, 2 years prior, the authority increased individual deductibles to \$1,500. The employee must meet the first \$500 and the authority pays the remaining deductible. He said the authority paid approximately \$16,000 in deductibles two years ago and realized significant savings over the cost of purchasing higher premiums.

He stated the plan moving forward is to set aside a fixed amount for authority paid health insurance, and to reinstitute the \$1,500 deductible. He noted that dental, vision and life insurance are still provided at no cost to the employee.

ADOPT RESOLUTION AMENDING ECHA BYLAWS: TERMS OF MEMBERS

Mr. McNierney introduced the Resolution, reading the proposed amendment.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority adopted Resolution 2014-8, amending the ECHA Bylaws relative to the term of office of a member. AYES: ALL.

ADOPT RESOLUTION AMENDING ECHA BYLAWS: GENERAL MEMBERSHIP, ADDING CORRY RESIDENT

Mr. McNierney introduced the Resolution, reading the proposed amendment.

After discussion and ON MOTION by Mr. Robinson, seconded by Mr. DeRose, the Erie County Housing Authority adopted Resolution 2014-9, amending the ECHA Bylaws, to include at least one member to be a resident of the City of Corry. AYES: ALL.

ADOPT RESOLUTION AMENDING ECHA EMPLOYEE HANDBOOK: GIVING ERIE COUNTY PREFERENCE WHEN HIRING FROM THE PA STATE CIVIL SERVICE LIST

Ms. Weaver introduced the Resolution and explained the benefit of giving Erie County preference when hiring from the PA State Civil Service List.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority adopted Resolution 2014-10, amending reference to "Employment Applications" within the Employee Handbook. AYES: ALL.

ADOPT RESOLUTION REVISING COLLEGE VIEW APARTMENTS UTILITY ALLOWANCE

Mr. McNierney reminded the board that electric based Packaged Terminal Air Conditioners (PTAC) units have been installed in the individual apartment units, replacing the central natural gas boiler system as the primary heating system at College View Apartments. He stated the proposed utility allowance revision will defray new costs of the electric PTAC units to the tenants who previously paid related to the use of the natural gas boiler system.

Ms. Clabatz stated the revised utility allowances were derived by utilizing the formula provided by Section 8.

After discussion and ON MOTION by Mr. Robinson, seconded by Mr. DeRose, the Erie County Housing Authority adopted Resolution 2014-11, revising the Utility Allowances at College View Apartments. AYES: All.

DISCUSSION OF MANAGEMENT AGREEMENT WITH HOUSING CORPORATION OF CORRY (HCC)

Mr. McNierney provided an overview of the development of South Hills Apartments in Corry and reviewed the terms of the current agreement between HCC and CHA. He stated HCC meets again Thursday and will review the Project Owner's & Management Agent's Certification Multifamily Housing Projects Form and Housing Management Agreement. He noted neither agreement between HCC and ECHA will take affect until January 2015.

He said he has been in communication with Daniel McEldowney, President of HCC, and there is no reason not to go forward with the Management Agreement transfer to ECHA. He stated the building is mortgaged through Berkadia with the first mortgage to satisfy April 2017, with HUD mortgages behind that. He commented that the property is in good shape with a recent REAC Score of 96 percent.

Mr. Pettit advised the current management compensation is 7 percent of rents collected plus a portion of manager and maintenance salaries.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority authorizes Michael McNierney to sign the Housing Management Agreement and Project Owner's & Management Agent's Certification with Housing Corporation of Corry. AYES: ALL.

APPROVE BIDS FOR WEATHERIZATION MATERIALS

Ms. Weaver reviewed material bids for the Weatherization Program, stating the bids are for purchases made from October 1, 2014 through September 30, 2015. She stated many of the low bids received were from companies currently providing materials.

CELLULOSE INSULATION

She advised Green Fiber is the new apparent low bidder because even though their cost per bag is higher, the square footage per bag and overall cost for coverage of 1000 square feet is actually less than the other bidders. She noted that Dana Wood, Weatherization Coordinator, contacted references for Green Fiber and received only good references; stating they have no problems with materials or deliveries. She stated the price per bag has not changed and it is recommended the bid be awarded to them.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority awarded the bid for Cellulose Insulation to Green Fiber. AYES: ALL.

FIBERGLASS BLOWN INSULATION

Ms. Weaver stated the only bid received is from Blevins, Inc., who Weatherization has worked with the last several years and it is recommended the bid be awarded to them.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority awarded the bid for Fiberglass Blowing Insulation to Blevins, Inc. AYES: ALL.

MOBILE HOME REPLACEMENT PRIME DOORS

Ms. Weaver stated the apparent low bidder is Keystone Building Products, the same company currently used by Weatherization.

She noted the new bid prices from Keystone Building Products did not increase very much and it is recommended the bid be awarded to them.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority awarded the bid for Mobile Home Replacement Prime Doors to Keystone Building Products. AYES: ALL.

MOBILE HOME WINDOWS AND SELF-STORING STORMS

Ms. Weaver announced the apparent low bidder is Blevins, Inc.; the low bidder from last year. She explained that bids are based on last year's usage and it is recommended the bid be awarded to them.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority awarded the bid for Mobile Home Windows and Self-Storing Storms to Blevins, Inc. AYES: ALL.

MOBILE HOME VINYL REPLACEMENT WINDOWS

Ms. Weaver stated the apparent low bidder is Windows, Doors & More, with whom Weatherization has worked since the late 1990's. She noted they are a good contractor with a good quality product and it is recommended the bid be awarded to them.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority awarded the bid for Mobile Home Vinyl Replacement Windows to Windows, Doors & More. AYES: ALL.

HOUSE VINYL REPLACEMENT WINDOWS

Ms. Weaver stated the apparent low bidder is Interstate Building Materials; the low bidder for last year and it is recommended the bid be awarded to them.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority awarded the bid for House Vinyl Replacement Windows to Interstate Building Materials. AYES: ALL.

HOUSE EXTERIOR STORM WINDOWS

Ms. Weaver stated the only bid received is Interstate Building Materials and it is recommended the bid be awarded to them.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority awarded the bid for House Exterior Storm Windows to Interstate Building Materials. AYES: ALL.

REFRIGERATOR BIDS

Ms. Weaver announced the apparent low bidder is Morton's Satellite & TV, who also installs refrigerators for the Penelec WARM Plus Program. She advised the old refrigerator would have to be deemed inefficient to be replaced and the contractor is required by the state to remove the Freon. The recommendation is to award the bid to Morton's Satellite & TV.

After discussion and ON MOTION by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority awarded the bid for Refrigerator Replacements to Morton's Satellite & TV. AYES: ALL.

APPROVE AND SIGN PUBLIC HOUSING AUTHORITY (PHA) ANNUAL AND 5-YEAR PLAN DOCUMENTS

Ms. Clabatz stated the Annual Plan is submitted each year around this time and noted this year the 5-Year Plan would be submitted as well. She advised that the one significant amendment to the Annual Plan is the revision of the Flat Rent Schedule already approved by the board and reviewed the contents of the 5-Year Plan.

Mr. McNierney reviewed future capital improvements planned for the various public housing buildings over the next 5 years, including installation of electric panels, parking lot and lighting issues, installation of remaining PTAC units, insulation, replacement of entry doors, plumbing fixture upgrades, replacement of appliances and installation of gutters.

After discussion and ON MOTION, by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority approved the Housing Authority (PHA) Annual and 5-Year Plans and authorized the Chairperson to sign the documents. AYES: ALL.

STANDARD REPORTS

Ms. Weaver reviewed the Standard Reports, including vacancies, waiting lists, delinquencies, promissory notes and the Section 8 Housing Choice Voucher Program. She stated letters are going out to applicants and the waiting list is expected to re-open September 25, 2014.

HIGHLAND VILLAGE DEVELOPMENT

Mr. McNierney stated the development is complete and holds six Section 8 Project Based Vouchers. He noted that he and Ms. Clabatz toured the development about 2 weeks ago and there is need to initiate a separate project-based waiting list for this development.

Ms. Clabatz distributed a page from the Administrative Plan, noting the proposed changes state the Public Housing Authority (PHA) will establish and manage a separate waiting list for Project Based Vouchers.

Mr. McNierney stated a second invoice for \$10,000 has been mailed and an additional \$20,000 is still owed once the building is filled with tenants. He noted the experience has been positive and would not be opposed to doing it again.

After discussion and ON MOTION, by Mr. DeRose, seconded by Mr. Robinson, the Erie County Housing Authority approved the Policy Change within the Administrative Plan to include the establishment and management of a separate waiting list for individual project buildings that are receiving Project Based Voucher (PBV) assistance. AYES: ALL.

UPDATES

INSURANCE OVERPAYMENT

Mr. McNierney announced that he was contacted by Dan McGill from American International Group (AIG) Insurance that \$1,900 will be refunded from overpayment of a deductible.

CIVIL SERVICE CASE

Attorney Martinucci stated there has been no decision or movement in the current Civil Service case.

BARNETT BUILDING

Mr. McNierney advised the Barnett Building, located in Albion, will be going out to bid for snowplowing and lawn mowing because it will be more cost effective than continuing to pay the current tenant stipend to maintain the grounds with aging equipment.

WAYNE STREET PROPERTY CLOSING DELAYED

Mr. McNierney stated the real estate closing on the Weatherization Program warehouse at 319 Wayne Street in Corry has been delayed approximately 2 weeks and the landlord at the current warehouse has extended the rental contract by an additional month.

He stated further that Requests for Proposals (RFP) including installation of a driveway, parking and indoor painting at the warehouse have gone out to bid.

GREEN PHYSICAL NEEDS ASSESSMENT (GPNA) AND ENERGY AUDITS

Mr. McNierney provided status updates relative to Green Physical Needs Assessment and Energy Audits, stating draft reports have been received and that he expects to see finalized reports by the next meeting. He noted the process was done efficiently and the results were detailed. He reviewed various recommendations that were made, including replacement of light fixtures, reduction of 3 gallon toilets to 1.6 gallon sized, installation of LED exit signs; aerators in sinks and showerheads; and insulation.

TRANSFER OF FULL CHA ASSETS TO ECHA

Mr. McNierney stated the September 1, 2014 deadline was met and HUD has provided a step-by-step program for the authority to follow which includes monthly conference calls with representatives from the regional office in Pittsburgh and Christina Palmer, with whom he communicates with regularly.

He stated his letter formally requesting the full transfer of assets has been sent to HUD. Included was a letter from CHA, the Solicitor's opinion letter, and the original resolutions as requested by HUD.

TRANSFER TAX

Mr. McNierney advised that he signed an agreement to pay 1 percent transfer tax for the property located at 319 Wayne Street in Corry. He noted it is too late to renegotiate the contract; stating one party, that is not tax exempt, must pay the transfer tax and the Housing Authority will pay the \$570 in transfer taxes.

Attorney Martinucci stated there should be no transfer tax due when transferring properties from CHA to ECHA as they are all property tax exempt.

Mr. McNierney advised he is in the process of collecting certified copies of deeds and declarations of trusts for CHA properties and is working on determining the existence of various title insurance policies.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Mr. McNierney said he has provided assurance to both the Corry City Manager and Corry City Council that ECHA will continue to maintain CDBG and noted the new contract amount has decreased from \$300,000 to \$288,000.

EXECUTIVE SESSION

Chairman McGoey called for an Executive Session at 1:40 p.m. to discuss legal matters. All staff members were excused except Mr. McNierney.

ADJOURNMENT

There being no other business, the Erie County Housing Authority adjourned the regular meeting at 2:15 p.m. ON MOTION by Mr. DeRose, seconded by Mr. Robinson. AYES: ALL.