

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

THURSDAY, JULY 21, 2016

(This is a condensed version of the taped minutes of the Scheduled Monthly Meeting of the Hackensack Housing Authority commencing at 6:00 P.M. Meeting held one week later than usual due to lack of quorum.)

Executive Director Anthony Feorenzo called the meeting to order noting meeting is being held one week later than normal due to lack of quorum.

ROLL CALL

Present: Chairman Anthony Stassi
Commissioner Michael Allegretta
Commissioner Gino Tessaro
Commissioner Tasha Russell
Commissioner May D'Arminio

Also Present:

Anthony Feorenzo, Executive Director
William F. Snyder, Consultant to the Board
Gregory Asadurian, Esq., Counsel to the Authority

Absent: Commissioner Marie Dukes
Commissioner Blanche Stuart

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 12/4/2015. 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 Stassi led those present in recitation of the Pledge of Allegiance. A moment of silence was held in support of police officers, firemen and our Armed Forces.

APPROVAL OF PREVIOUS MEETING MINUTES – JUNE 9, 2016

Motion to approve minutes made by Commissioner Tessaro; seconded by Commissioner Allegretta.

VOTE: AYES/All Present Commissioners (5) Absent: Dukes/Stuart

RESOLUTIONS #2016-15 THROUGH #2016-17

1. RESOLUTION #2016-15 – APPROVAL OF FYE 9/30/17 BUDGET INTRODUCTION

There were no questions or comments regarding this Resolution. Motion to approve made by Commissioner Tessaro; seconded by Commissioner Allegretta.

VOTE: AYES/All Present Commissioners (5) Absent: Dukes/Stuart

2. RESOLUTION #2016-16 – APPROVAL OF FYE 9/30/17 HUD BUDGET

Motion to approve made by Commissioner Allegretta; seconded by Commissioner Tessaro.

Mr. Snyder explained the first resolution was for N.J. State Budget. One budget goes to State of New Jersey; one goes to HUD. HUD does not get the entire budget, just the Operating Subsidy Calculations; it is the formula that says how much money they will give HHA to subsidize your public housing units. Mr. Snyder approves as it goes specifically towards Public Housing Program, which operates all the buildings.

The other budget mirrors it. HHA does not have any other major programs whereas in some authorities there is a voucher program, Section 8, which would be listed there. HHA just has public housing units. The total revenue for both budgets was \$4,442,659 projected for fiscal year ending 9/30/17 and total appropriations or expenses of \$4,267,670. HHA is one of the few authorities, as is Secaucus, where there is a surplus in the budget. At this time, monthly the RAD conversion is being reported to the Commissioners. One important reason for the conversion is: with this budget, the Operating Subsidy Calculation that goes to HUD tells HHA how much money they're entitled to, but subject to annual appropriation from Congress. If Congress only appropriates 90 percent, the Authority only gets 90 percent of what is due. HHA is in 84 percentile now. For every million HHA does, they only get \$840,000

It is very difficult to budget in these times, and it is unusual to see an authority now with a surplus in the budget, because they are using their reserves to cover for the deficits that they're running because of this proration factor, which is another HHA is converting to RAD, because it stabilizes that funding. A rent will be set that includes all these items and every year it goes up a little bit. HHA is ahead of the curve, which means HHA is in good financial shape, because of being prudent financially. HHA has always had ratios – x number of units to x number of maintenance men; x number of units to x number of office employees. HHA has put money away for a rainy day.

Commissioner Allegretta spoke to people from Essex County, telling them about HHA and its financials. This man said they just keep on borrowing in Essex County. HHA is very fortunate to be in the position they're in, having been managed properly. Mr. Snyder added that with the RAD Program \$1 million will go back into the buildings to make them even better.

VOTE: AYES/All Present Commissioners (5)

Absent: Dukes/Stuart

3. RESOLUTION #2016-17 – APPROVAL OF CONTRACT FOR GENERATOR REPLACEMENT

Motion to approve made by Commissioner Allegretta; seconded by Commissioner Russell.

ED Feorenzo explained this is to replace the generator at 175 Beech and Kansas Street. Three bids were received: one came in late and disqualified; low bidder came in at \$138,000 which was thrown out because he forgot the bid bond. It will be awarded to Environcon for \$148,818 for bulk generators, which is still on budget. ED Feorenzo contacted Mr. Asadurian regarding the bid bond. He stated the bid could not be accepted because that is a fatal flaw. Commissioner Allegretta asked if it could be rebid, but Mr. Feorenzo said he'd rather spend the extra \$10,000 and get work done now and have generators completed. In his Management Report, the Commissioners will hear about the purchase of two generators from Hoboken. Mr. Snyder added if there was a major difference of 50-\$100,000 that would be one thing; the bidder thrown out could go to court and object costing more money than the \$10,000. Mr. Asadurian said if the lowest bid is not complete, then it is awarded to the lowest responsible bidder as long as it's within the budget. If all 3 were outside the bid, then it could go out again. Mr. Asadurian explained to Commissioner Allegretta about the bids. The architect did the budget and the bid specs, which was \$187,000 - \$189,000 and Environcon was \$148,818. Mr. Asadurian said if the lowest is not complete, but is accepted and the second-lowest bidder finds out, he could go to court. He would receive the difference, the bid and you might have to pay attorney fees plus.

VOTE: AYES/All Present Commissioners (5)

Absent: Dukes/Stuart

CORRESPONDENCE – nothing this month

PAYMENT OF CLAIMS – JULY 2016

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

Commissioner Allegretta inquired about the Hackensack Police Department invoice. ED Feorenzo said it is typically \$1,666 every month. Commissioner Russell asked about Mastek. ED Feorenzo said they do computer repairs and repairs on cameras.

VOTE: AYES/All Present Commissioners (5)

Absent: Dukes/Stuart

MANAGEMENT REPORT & UNFINISHED BUSINESS

ED Feorenzo reported on the two generators. He put an offer in after inspecting them in an enclosed parking lot. Carmine and Dave accompanied him. After looking at the two properties here, it was deemed they will fit and work there. Hoboken had a meeting last Thursday; Thursday morning Mr. Feorenzo spoke with their CFO, put an offer in for \$47,500 for a 200 KW generator and a 100 KW generator with two 800 amp transfer switches, which they accepted that offer. Two days ago ED Feorenzo had a meeting with Charlie Ayer, the Sub-Code Fire Official, Dave and Carmine, to make sure there were no issues putting the generators in. The only issue is set backs, which must comply with NFPA set backs unless the generator company can give HHA their fire rating on their generators.

ED Feorenzo spoke with the manufacturer, who stated those generators could be put right up against the building, but it is not in writing. Generators are self-enclosed case. Thus, they must be five feet off the buildings, which were Charlie's only criteria. Yesterday, Carmine and Dave met with PSE&G to make sure there is enough gas at 230 Central to give HHA the output for the generator. HHA believes it should be okay, as well as the plumber. We are moving ahead with that project. Mr. Feorenzo should receive an okay from PSE&G within a few days. He notified the architect HHA needs bid specs for a concrete pad and to have the generators installed by an electrician and a plumber to hook up the gas lines. Mr. Feorenzo will not bill it as one package, saving some money. Three RFPs – electrical, plumbing and concrete to a mason. He will obtain three prices from riggers, as they weigh 7-8,000 pounds each, coming from Hoboken to HHA and drop them on the pad sites when they are ready. Hopefully, Hoboken will hold them until everything is ready or HHA would have to store them somewhere and have the crane make a second trip, which isn't practical to HHA. Commissioner Russell asked about the set back. ED Feorenzo said if Hackensack requires it to be 5' from the building, and the Code is 5'. Commissioner Tessaro said the City set back might be the problem. ED Feorenzo said set back from the building for fire. There

are no specs; he spoke with the manufacturer, who stated the generator could be right up against the building. The NFPH and Mr. Ayer said the sub code is 5'. The one at 230 Central will be located by the dumpster in that parking area, as that is where the 4" gas line will be coming in. The one at 175 Beech, which is inside right now; new one will be right outside the building along where the other one was except outside 5'. The units are self-enclosed. Elevators and boilers will be powered should the power go out, wintertime there will be heat also, and emergency lights. If the bid is for 100 KW at 230 Central it would be about \$135,000; but 200 KW would be \$185,000. All will be done for about \$90,000.

Mr. Snyder knowing every Executive Director in every housing authority in New Jersey, Hackensack is fortunate to have someone, i.e., Mr. Feorenzo, with his experience because he's general contracting this project himself, saw the value in this and saving HHA 10s of thousands of dollars. He is acquiring the generators at a tremendous savings and no one else would ever take this on, which is a credit to him. Mr. Feorenzo thanked Mr. Snyder.

Commissioner Allegretta suggested Mr. Feorenzo get a bid for storage from the rigger also. ED Feorenzo said he's getting the bid two ways, but he believes Hoboken will allow them to stay in this parking lot in a holding pen. Commissioner Allegretta suggested he also try to get a bid from the electrician for the concrete also. Many times electricians will do the masonry work also. Mr. Feorenzo has spoken with several electricians, but it might be better to bid out individually.

Roof bids for 230 Central have been picked up, a bid walk-through for contractors looking to bid is July 26th, bids due back on August 9th. As there is no meeting in August, Mr. Feorenzo would like to poll the Board by telephone to go over the bids so he can get bid awarded. Once school starts, he can get successful bidder on board so the material can be in place. The roof being installed is EDPMI. Mr. Snyder added the bid can be formally ratified at September meeting.

ED Feorenzo spoke about RAD Program and redoing cabinets at Kansas Street and 65 First Street. Refinisher came in to sand down the cabinets; boxes are in great shape; countertops were redone. Mr. Snyder and Dave viewed the work and cabinets now look brand new. Countertop is more durable than Formica countertop. Because Mr. Feorenzo got a good price on that work, hinges can be replaced as well as knobs, thus saving \$2,500 a unit doing the work this way. Mr. Snyder said he was surprised how well they looked. Cost was about \$1,000 a unit including hardware. The plywood cabinets were sprayed inside also.

Commissioner Russell asked if 230 Central would be getting any cabinet work done or replacement of hinges, as that seems to be the only problem at 230 – the hinges. ED Feorenzo said maintenance can look at the hinges, but it is not in RAD. Carmine (maintenance) said problem had to do with hinge placement. Wrong placement would split the door down the middle.

Mr. Snyder spoke regarding RAD. HHA has a new Transaction Manager from HUD. He and Mr. Feorenzo thought everything was a-okay, but new person turned everything upside down. They've been addressing her concerns. He explained to the Commissioners that when the process began, a Physical Condition Assessment had to be prepared, which is a booklet with Excel spreadsheet explaining all of HHA current needs, called the Rehab Year, in all components of the building – grounds, exterior lighting, how much walkway, asphalt, concrete, interior lighting, etc. It is projected now and over the next 20 years. It came back and Mr. Feorenzo and Mr. Snyder went over it. A lot isn't necessary, e.g., had to replace range hoods – HHA has \$100,000+ in range hoods. HHA has no issue in replacing hoods, but they are saying according to Fannie Mae Useful Life, hoods must be replaced every 10 years. No private apartment owner does this every 10 years. When there is a problem, you replace as needed out of your normal annual Operating Budget. This is being debated with the Transaction Manager because she has just inflated the work that HHA needs to have done, based upon the experience of HHA, and money which has to be put away in order to compensate for these items that she thinks should be replaced over the next 20 years. It is contrary to the financial plan that HHA put together.

HHA's plan, because they've always been prudent, is that HHA has a 30-year term on a mortgage with a 20-year payout and HHA's goal on the budget is to have enough cash flow to pay the loan off in 10 years. Mr. Snyder continued: HHA's goal is to pay it off and put extra money aside. This Manager is saying money has to go into reserve for replacements so if you need items, you can take it out of that. ED Feorenzo and Mr. Snyder worked on it today and are attempting to compromise with her, but they may have to go above her head. They are hoping to close by the end of the year. Everything else is in place, environmental are done.

Mr. Feorenzo said the Phase II is done on three buildings and there are no oil tanks. All Phase II came back clean and there is no soil contamination at 230 Central; soil at 175 and Newman and Railroad are clean. Letter received saying no further action. Mr. Snyder said with it being summer and many at HUD taking vacations, but he hopes to have it wrapped up in the next few weeks. After coming to some reasonable agreement on both sides, they go to a committee in Washington, recommend approval and once that is done, they will give HHA an RCC letter – RAD Conversion Commitment letter and that will say HUD projects to close on this date and in order to close, you have to prepare the following documents. HHA already has Special Counsel, who knows how to do this. The architect will then start the process for preparing bidding documents, and HHA will start bidding out the work.

NEW, OLD OR OTHER BUSINESS – nothing at this time

REMARKS OF CITIZENS – nothing at this time

ADJOURNMENT

Motion to adjourn made by Commissioner Russell; seconded by Commissioner D'Arminio.

VOTE: AYES/All Present Commissioners (5)

Absent: Dukes/Stuart

Respectfully submitted,

Deborah L. Alvarez
Secretary/Transcriber