

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

THURSDAY, JULY 6, 2017

(This is a condensed version of the taped minutes of the Regularly Scheduled Monthly Meeting of the Hackensack Housing Authority commencing at 6:10 P.M.)

Executive Director Anthony Feorenzo called the meeting to order..

ROLL CALL

Present: Commissioner Michael Allegretta
Commissioner Blanche Stuart
Chairman Anthony Stassi
Commissioner Marie Dukes

Also Present:

Anthony Feorenzo, Executive Director
William F. Snyder, Consultant to the Board
Joseph Zisa, Esq., Counsel to the Authority
William Ketchen, Accountant to the Board
Sonia Verdade, Boys & Girls Club of Hackensack

Absent: Commissioner May D'Arminio
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 12/8/16. 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 in the Pledge of Allegiance. A moment of silence was held in respect and remembrance for police, firemen and Armed Forces.

APPROVAL OF PREVIOUS MEETING MINUTES – May 11, 2017

Motion to approve minutes made by Commissioner Stuart; seconded by Commissioner Dukes.

VOTE: AYES/All Present Commissioners (4)

Absent: D'Arminio/Tessaro

RESOLUTIONS #2017-22 THROUGH #2017-24

1. RESOLUTION #2017-22 – INTRODUCTION OF FYE 9/30/18 BUDGET

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

Mr. William Ketchen informed Commissioners there are two budget resolutions for consideration tonight. One is for approval of a HUD formal budget, reflecting a projected surplus of \$133,787 for year ending 9/30/18. Second budget is an introduction resolution for State of New Jersey, which authorizes ED Feorenzo, if Board so desires to approve the resolution, to send budget to State of N.J., who then reviews under their regulations for potential approval to adopt. They will look at surplus, former revenues, HHA's explanation for differences of an item from 10%. They do a detailed review of the budget. HHA always gets questions from them. This budget will be the last in this format as a result of the RAD conversion. Next year there will be debt service, the mortgage, contributions to a reserve for repair and replacement, a step-up in revenue as a result of the RAD rents. It's solid and fairly comparable to current year's actual. HHA is using a level of funding from HUD at 90%; HHA doesn't lose the 10% because of anything HHA has done. It's a result of the amount of money that Congress makes available to these programs.

Last year HHA used an 85% level of funding because HUD had provided 90% funding the year before. This year their level is actual 92%. Commissioner Allegretta asked Mr. Ketchen about his statement that budget was similar to last year. Does that mean anything? Mr. Ketchen said only from the standpoint that the revenue is rental income and it's in accordance with formula. There are very few changes in the rental income; Social Security increases, noting it was just announced the average increase for 2018 would be \$28/month. The tenants' share of the rent is 30% of that. Utilities, biggest part of HHA's budget, is based on formula – the average prior 4 years utility consumption x the average last year's utility rate. Mr. Ketchen explained about cost per kilowatt over a period of time to the Commissioners. Utilities is based on formula; insurance is based upon your actual 2017 JIF bill; employee benefits, health insurance, annual pension proration

bill is based on what you're currently paying and with a 2-1/2% increase in those. It is Mr. Ketchen's first time he's ever used that small a projected increase for health benefits. The majority of HHA expenses are flat; similar to the current year as well as the revenue source, except the HUD funding, where Mr. Ketchen is using the 90% proration estimate vs. 85% last year.

VOTE: AYES/All Present Commissioners (4)

Absent: D'Arminio/Tessaro

2. RESOLUTION #2017-23 – APPROVAL OF ANNUAL & 5-YEAR CFP PROGRAM

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

ED Feorenzo explained this is the last year for filing of 5-year plan, because as of today, HHA had the closing today with RAD. Next year HHA will be doing RAD projects.

VOTE: AYES/All Present Commissioners (4)

Absent: D'Arminio/Tessaro

3. RESOLUTION #2017-24 – APPROVAL OF FYE 9/30/16 AUDIT CERTIFICATION

Mr. Ketchen spoke about the audit, which over the past few years has been prepared by Policari & Company, Wayne, NJ. HUD regulations require that you do a competitive solicitation and rank the proposals. Their price and experience has been competitively ranked at the top. The audit is very important for HHA, because as unpaid policy makers, it gives a level of assurance from an independent third party as to whether or not HHA is complying with (1) accounting principles, the 1st opinion in the report; (2) government auditing standards, which is general auditing standards, the same as the City or BOE, who provide financial statements in accordance with government auditing standards; (3) in accordance with compliance requirements. They're required to look at 10% of all tenant files making sure that all third-party income verification, medical expenses tenants are claiming, etc.; that HHA staff is drawing the funds from HUD on an as needed basis, not drawing down in advance and banking it for the interest; in compliance with government auditing standards that Local Public Contracts Laws are being followed; that HHA is not purchasing products or procuring services not in compliance with most stringent of Federal or State regulations.

As a result of all that, there are no audit findings, which is important because the resolution that you are asked to consider is not the approval of the audit, the resolution asks to consider that is (1) that you received the audit; specifically that you've reviewed the section entitled Audit Findings and Recommendations.

Mr. Ketchen highlighted for the Commissioners (1) a section entitled Managements Discussion and Analysis. Government Auditing Standards Board about 15 years

ago under GASBY34 added this as a requirement for government audits, which means for unpaid volunteers of Boards, you're not supposed to know about finances and intricacies of these programs. It is plain language of comparison of one year to another. Mr. Ketchen requested the Commissioners read this at their leisure. They will see from one year to another how the Authority's done, highlight of the potential RAD transaction,

The page that the Resolution refers to: Audit Findings & Recommendations is Page 40, which is the last page, shows No Audit Findings that are disclosed that are required to be reported. So what the Resolution says is you Commissioners have received the audit, identified or reviewed any audit findings, and in compliance with that. Mr. Ketchen thought it important to note that ED Feorenzo and his Staff have in the last few years consistently had surpluses at the end of the year to the extent that HHA was able to fund \$3.5 million out of operating surplus into the RAD transaction and even after that have additional funds available. In today's environment where funding is at 90%, 85%, 79% a few years ago, it's very difficult for housing authorities to stay afloat let alone to generate surpluses.

Mr. Ketchen said there are three reports: Page 6-7 in Report on General Financial Statements; Reports on Pages 36-37 is on Compliance with Government Auditing Standards and Report on Page 38-39 is on Compliance and Internal Controls Specific to HUD Programs. Every one of those is called the Clean Opinion, the highest level of assurance that HHA could receive on a set of financial statements without any exceptions or findings. Commissioner Allegretta thanked Mr. Ketchen for his great work.

(At this point in the proceeding, ED Feorenzo handed out a document each Commissioner had to sign. ED Feorenzo will submit it to HUD when all Commissioners have signed the form.)

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

VOTE: AYES/All Present Commissioners (4)

Absent: D'Arminio/Tessaro

BOYS & GIRLS CLUB OF HACKENSACK – Sonia Verdade

ED Feorenzo stated HHA donated a bus to Boys & Girls Club of Hackensack, and had new lighting installed in the gym. Sonia handed out thank you notes to each Commissioner thanking them for the bus. Sonia updated Commissioners on After School Program. In September, she will report on summer activities. The children were very appreciative of the bus.

A Smart Girls 10-Week Program has been completed, ages 8 and 18. The program talks about self-esteem, becoming a woman, etc. 20 girls participated and they

have to do a pre-test before they start and then there is a post-test submitted to BCGA of America. An asthma program was completed regarding asthma awareness. 36 members participated in and completed this program, also having to do a pre-test before, then 12 sessions; then a post-test. Pre-test is what they know about the program or what is being taught to them; post-test is what they have learned throughout the programming.

On 4/26/2017 - Sonia distributed 2,840 flyers to Hackensack School Districts to promote summer camp. As of today's date, there are 70 attendees. 5/3/2017 - 15 Hershey volunteers came from Pennsylvania from 3:30-6:30 PM who hung out with the children, played, provided ice cream sundaes for kids and donated \$500 to HB&G, which was used to purchase art & gym supplies. Sonia overheard one attendee say, "Good bye best friend." It is amazing how a company comes to visit for a few hours and children build a strong relationship with them. 6/7/2017 - Girl Scout Silver Award honoree came and taught 20 members basic Zen Tango Method - a relaxing therapeutic coloring, gave them gifts of little bags with crayons, etc.

3 housing members were scholarshipped to go to FDU Basketball Camp, which they just completed. This was June 26-29 - 8:30 to 3:00. Each scholarship is \$300.

Summer camp started July 3rd, an 8-week program open 9-3. Children are served breakfast @ 9:30 free of charge; lunch at 12:30 free of charge; and leave at 3. They are all in groups by ages and going well. In order for HB&G to be in compliance with New Jersey Food Bank, food bank and nutritional lessons are given throughout the year.

Sonia also included a thank you to Commissioners for donation of the bus. They are excited to use it, and are waiting for a CDL licensed driver.

Hackensack B&G is required by Boys & Girls Club of America, once they do the asthma program, where they get paid per child, it is required Hackensack take comments from children on how the program was. Six children talked about the program and one was facilitator for the program. Children are being mentored all year-round. Sonia also included photographs of children doing various activities.

There were no questions, comments or concerns from the Commissioners.

CORRESPONDENCE

ED Feorenzo said an advertisement for an employee was noticed. Due to amount of work coming up, checking on maintenance men, seeing loads that they have, ED Feorenzo is looking for another low level maintenance worker to give these men a hand, as they're a little overworked. This summer HHA had 4 summer helpers. If there was another full-time person, it would eliminate one summer help

and one person, Gonzolo Lopez, has a problem with his rotator cuff and there is a possibility he could be leaving. He did go out on disability or could be retiring with his shoulder problem. When Gonzolo was out, HHA had a part-time person covering 25 hours a week. Commissioner Allegretta asked if the new hire would have a specific trade. ED Feorenzo answered light plumbing, changing a light switch, nothing major. He only received 6 applications after advertising in Star Ledger and The Record for a week. It isn't a high paying job.

Correspondence for 2017 Capital Fund Grant & Processing Requirements are listed and were voted on this evening. The 2016 Capital Fund Budget was revised per RAD requirements, which Mr. Snyder will speak about, regarding how HHA money is allocated to HHA because once the conversion took place, there was a possibility if not done correctly, HHA could lose any of HHA's money – it would be locked out.

Mr. Snyder explained: HHA closed RAD transaction today. Money from the bank and financing will be in accounts tomorrow (July 14). Staff is ending Public Housing Program and will move over to Section 8 Project Based effective August 1st. HHA won't get benefit of administrative money that goes with it until January 1, 2018, but HHA is officially Project Based. As part of the closing process, HHA and every other housing authority, 2017 Capital Fund Money – every year an Annual Statement goes to the Commissioners for their approval, breaking down into the various accounts what money is used for: new roofing, painting, doors, windows, etc. Because of RAD closing and transaction, HUD requires everything be moved into a separate account – Account 1504. Instead of being broken down there is one number and one account. HUD requires that and has to be done before closing, which HHA did.

Since HHA has closed, at some point, when money becomes available through electronic system, HHA will draw down the money, \$670,000, and put into the Operating Reserve for future use. ED Feorenzo reported HHA is now closed, which took 3-4 hours signing documents – Chairman Stassi and Mr. Feorenzo.

Mr. Snyder continued and explained Personnel Committee met, except for Commissioner D'Arminio, who is ill and not able to attend this evening. A memo went to the Personnel Committee, as the Executive Director's contract is expiring and Personnel Committee discussed renewing it. As part of that, the State requires HHA do an evaluation, which Mr. Snyder did and discussed it with Personnel Committee. There will be a contract renewal on the Agenda effective October 1, 2017 at the September meeting. Another memo will go out re: Personnel Committee meeting this evening, what was agreed upon, and everyone will receive a copy.

MANAGEMENT REPORT & UNFINISHED BUSINESS

1. ED Feorenzo met with architect several times. By end of August all HHA documents will be prepared and ready to go out to bid on all RAD work. He is anticipating having all RAD work done in one year, but RAD gave HHA 2 years. Drawings should be finalized. As ED Feorenzo stated at earlier meetings, he will be handling the General Contractor portion of it/oversee all the contractors, whether it be flooring, painter, etc.
2. The generator is finally done at Boys & Girls Club. Final inspection July 14th. Once completed, there is a 35 KW generator Carmine will take out of the garage, move over to Maintenance Shop and it will be hooked up there for an emergency. ED Feorenzo spoke with Mayor, who hopes to do a press release on this generator and will take to Office of Emergency Management for City of Hackensack to inform them a shelter will be available for emergencies if there is a power outage. Generator does Boys & Girls Club and also 8 buildings that HHA has at Newman & Railroad for emergency lighting.
3. The web site has been changed and a spot was added called Community Resource. If you look to the left of the site, it says Community Resource, you hit that link – first thing listed is Food Banks, if you need help, call this number. If you hit another link it will tell you locations for help with financing, shelter, food bank or any other type of organization that County or State would offer.
4. In cleaning out the basements at Newman & Railroad over the past 3 years with Carmine, 50-60 chairs and some tables are not being used. He contacted City Manager's Office and DPW. They are taking all the chairs and tables and they will be used in other facilities of the City along with obsolete filing cabinets.
5. HHA has successfully negotiated a lease with T-Mobile, attorney reviewed it; it was signed yesterday and T-Mobile will go up on 65 First Street at \$2,700 a month. With the 3 carriers: Verizon, AT&T & T-Mobile, \$100,000 a year comes in, which will help pay off the note quicker.
6. ED Feorenzo reported on apartment status: when he came on board, there were approximately 110 people on 1-bedroom waiting list; 2-bedroom could have been 108 for family units because senior building and disabled list is still open. 3-bedrooms were about 90. In purging the list and transfers – on the waiting list today, 1-bedroom is 24; 2-bedroom is 48; 3-bedroom is 31. It is slowing up now, but the Office Staff did a great job and in 2-3 years, the waiting list might have to be opened again.
7. ED Feorenzo had a meeting with the Mayor and City Manager regarding H-Cops. An agreement was reached, as Mayor and City manager were

under the impression HHA was Federally funded for the H-Cops. Mr. Feorenzo said no, we get nothing. We will now be getting H-Cops from 6 PM to 2 AM, one shift instead of during the day; they are not needed. HHA is saving another \$100,000 through that.

8. Bus donated to Boys & Girls Club; they will be using it to get to the pool.

Commissioner Stuart asked about the bedroom apartments, were they just for family units. He answered yes. The senior list is open with about 400-500 people on that. They move up with preferences: military, Hackensack resident and majority of the people moving in here at the senior buildings are going to be Hackensack residents, or the disabled.

There were no questions on ED Feorenzo's report. If there is a press release, he'd like to have the Commissioners there at the Boys & Girls Club. The Mayor would like his press people to do a release and have a photo in the newspaper.

OLD, NEW OR OTHER BUSINESS – nothing at this time

PAYMENT OF CLAIMS

Motion to approve payment of claims made by Commissioner Stuart; seconded by Commissioner Allegretta.

VOTE: AYES/All Present Commissioners (4)

Absent: D'Arminio/Tessaro

REMARKS OF CITIZENS – nothing at this time

ADJOURNMENT

Motion to adjourn made by Commissioner Allegretta; seconded by Commissioner Dukes.

VOTE: AYES/All Present Commissioners (4)

Absent: D'Arminio/Tessaro

Respectfully submitted,

Deborah L. Alvarez
Secretary/Transcriber

MEETING ADJOURNED AT 6: 35 P.M.