

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

THURSDAY, DECEMBER 13, 2018

(This is a condensed version of the taped minutes of the Regularly Scheduled Monthly Meeting of the Hackensack Housing Authority commencing at 5:00 P.M.)

Chairman Anthony Stassi called the meeting to order.

ROLL CALL – Executive Director Anthony Feorenzo

Present: Chairman Anthony Stassi
Commissioner Blanche Stuart
Commissioner Marie Dukes
Commissioner Marie D'Arminio
Commissioner Sarquis Pico

Also Present:
Anthony Feorenzo, Executive Director
Joseph Zisa, Esq., Counsel to the Authority
William Ketchen, CPA to the Authority

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 12/7/2017. 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 the Pledge of Allegiance. A moment of silence held in respect and remembrance for police, firemen and Armed Forces.

ANNUAL REORGANIZATION

ED Feorenzo requested nominations for Chair. Commissioner Pico made a motion and nominated Anthony Stassi; 2nd by Commissioner Stuart.

(No other nominations.)

(Verbal roll call taken: Commissioner Pico – Yes; Commissioner Stuart – Yes; Commissioner Dukes – Yes; Commissioner D'Arminio – Yes; Commissioner Stassi – Yes.)

(At this point in the meeting, ED Feorenzo turned the meeting over to Chairman Stassi.)

Chairman Stassi made a motion and nominated Blanche Stuart; 2nd by Commissioner D'Arminio.

(Verbal roll call taken: Commissioner Dukes– Yes; Commissioner Stassi – Yes; Commissioner D'Arminio – Yes; Commissioner Pico – Yes.)

APPROVAL OF PREVIOUS MEETING MINUTES – October 2018

Motion to approve minutes made by Commissioner Stuart; 2nd by Commissioner Dukes.

VOTE: AYES/All Present Commissioners (5) Absent: Allegretta/Tessaro

2019 BUDGET FOR 2019 – WILLILAM KETCHEN, CPA

ED Feorenzo introduced CPA William Ketchen; spoke about actual budget for 2019, which Mr. Ketchen will explain.

Mr. Ketchen stated: “As everybody knows, we converted July 1st of '17 to RAD – Rental Assistance Demonstration Program. For the first six months, July 1st, '17 through December 31, '17 you continued to be funded as if you were public housing. For the reason being that HUD (inaudible) to convert, they continued to fund you at public housing level and then January 1st of '18, even though the year starts October 1st, you then at that point switch over to the RAD form of HUD.

Now you know you went into the Shared Services Agreement with Edgewater, so every month Edgewater funds the rents to landlords and you receive an Administrative fee. Now if you take a look at this, and please go to the ACTUAL column, you'll see your total revenue for the 12-month period was \$6,094,954; 1,993,917 more than budgeted. The reason for that is there was an overlap of

some HUD funding, public housing, with the implementation of the RAD that was a million dollars and the RAD rents are higher than what you were getting before, so those two together contributed to – coupled with the sharing of the Administrative fee, contributed to the positive overrun in revenue.

You go down the line on EXPENSES, you were under on Administration; over on Tenant Services, but that's because of the added effort of the staff to assist the seniors and families; slightly over on Utilities (inaudible) to control; slightly over on Maintenance, but it's pretty much a wash and then on the area General Expenses to the better and on Non-Routine, you're over, but that's because when we did that budget, we weren't sure when we were going to close, so we didn't budget a new contribution to the Reserve Repair & Replacement. We didn't budget Debt Service – Mortgage that you took out in order to convert to RAD.

So be that as it may, your excess of Revenue over Expenses for the 12-month period is \$1,714,597 – that's a surplus; and with that, now we can sit down, Tony and I, and talk about advance paying mortgage. So your total surplus is slightly over \$3 million today.”

(Above portion of Mr. Ketchen explaining Annual Budget transcribed verbatim to the best of Secretary's ability.)

ED Feorenzo asked Mr. Ketchen who is HHA compared to other housing authorities he works with? Mr. Ketchen answered HHA is substantially above the curve in terms of generating surplus. Actions that HHA has taken over the last few years to reduce costs, to implement efficiencies have given rise to HHA generating decent surpluses everywhere, but this shows with the added amount of revenue that's coming in from RAD – what's happened is authorities the size of HHA with RAD rents have debt service payments, principals and interests that are substantially higher because the units are not in the condition that HHA's are in. HHA did not have to borrow at the maximum with the conversion to RAD. Long term debt is going to work to HHA's benefit.

ED Feorenzo noted HHA is every month putting away in reserves required by RAD something like \$8,000/month for the future renovations and repairs. ED Feorenzo is meeting with Mr. Ketchen next week and hoping to pay an initial payment on the mortgage of \$750,000 to Mariner's. If he can continue to do that and go over numbers with Mr. Ketchen, of course, HHA's mortgage will be paid off in 3-4 years. ED Feorenzo's goal was to be debt free in 7 years, but the way it's going, it might be 3-4 years.

Commissioner Stuart asked what is required payment, as ED Feorenzo is saying HHA is paying an additional sum. ED Feorenzo answered HHA is paying approximately \$15,000/month. Mr. Ketchen stated principal and interest. Along with the

additional payment, HHA is paying principal down. ED Feorenzo added to date \$187,327 has been paid.

Commissioner Dukes inquired if it is a violation or can HHA increase the 7-8,000 reserve for future repairs; can we increase it by a few thousand so that HHA will know in the future there will be a good amount for (inaudible). ED Feorenzo answered HHA is putting \$7,500/month away plus a reserve. Mr. Ketchen answered you could, but if HHA has a choice of having it in a restricted reserve for repair and replacements or in unrestricted, which gives flexibility of using the unrestricted, but you cannot use the restricted for the unrestricted; it's better to build it up in unrestricted.

Mr. Zisa asked Mr. Ketchen: HHA is paying \$15,000/month, does that include additional principal payment against (inaudible) what we owe? ED Feorenzo said yes, he believes it's a 20-year mortgage. Mr. Ketchen said it's a 30-year amortization, but it's an 18-year loan. Mr. Zisa asked how many years does HHA have if they didn't pay anything down? ED Feorenzo said 17 more years. Mr. Ketchen answered HHA has a fixed rate at 4.5, and only one other client of his has a fixed rate for that period. Mr. Feorenzo added its Mariner's Bank because all of HHA's holdings are with them.

Commissioner Stuart noted Administrative Salaries went down? Mr. Ketchen said there was a budget in there for employees that retired or left. It was left in place. If you look at '18-19 budgets, the salaries are lower, yes.

RESOLUTIONS #2018-33 THROUGH AND INCLUDING #2018-38

ED Feorenzo read:

1. Resolution #2018-33 – Approval of Contract to Replace Closet Doors
2. Resolution #2018-34 – Write-off of Uncollected Rent – FYE 9/30/18
3. Resolution #2018-35 – Cap on Co-pay for Employee Medical Benefits
4. Resolution #2018-36 – Revision to Personnel Policy – Part-time Employees
5. Resolution #2018-37 – Approval of Contract for LED Lighting
6. Resolution #2018-38 – Appointment of Joint Insurance Fund Commissioner

Motion to approve made by Commissioner Stuart; 2nd by Commissioner Dukes.

Commissioner Stuart asked about Resolution #2018-34, Uncollected Rents. ED Feorenzo explained it is for people who left without giving notice; people who passed away – these have to be written off the books. Mr. Ketchen explained there's no commitment not to attempt to collect; you go to court, get a judgment so down the road you might get money back if they are working or they do have another source of revenue, you could still take action to recover the money. Mr. Zisa noted it is not economical to do. Mr. Zisa tells his landlords, etc., if they can't pay the rent, they can't pay the rent.

Commissioner Stuart inquired why the first one is such a large amount? ED Feorenzo stated HHA tried to work with her, but to no avail, even with payment agreements. Commissioner Dukes asked if anyone was deceased on the list. ED Feorenzo said it was the last one; one is in a nursing home and not coming back.

ED Feorenzo spoke re: Resolution #2018-36 – Part-time Employees. There are 2 part-time workers – a young man just graduating college, employed by HHA for four summers in a row – 4-year degree and having difficulty getting a job, Hackensack resident. A hard-worker and ED Feorenzo wishes to give him more hours. The policy states up to 25 hours; he wishes to raise number to 29 hours. If there is no issue with it ED Feorenzo hopes the Commissioners will approve. Commissioner Dukes asked about benefits – anything 29 hours or under there are no benefits.

ED Feorenzo next spoke about Resolution #2018-35 – Cap on Co-pay for Employee Medical Benefits. Before he was hired, State of New Jersey mandated that employees for the government take out a percentage for benefits – a 4-year phase-in. The Law is off the books; phase-in is over with. In speaking with Mr. Ketchen, HHA is doing well. He does not want to eliminate HHA paying for benefits or Mr. Feorenzo putting in his portion of the benefits. He and Mr. Ketchen came up with “any increase of a medical benefit from Aetna, United Health Care or whoever they choose” – if it goes up 2%, instead of it coming out of their check, HHA will pick up that 2%. It freezes their exposure, the employees. It shows the staff HHA cares. He'd like to do more, but it follows protocol.

Commissioner Stuart inquired about Resolution #2018-37 – Approval of Contract for LED Lighting – how come amount was significantly different? ED Feorenzo said there were different bids, different lights in different buildings, but contract is for 62,855 on breakdown sheet. When completed, rebate from this company is \$46,688, so HHA net paying only \$16,187. Check already received from prior 3 jobs from State for rebates.

(Verbal roll call taken: Commissioner Dukes – yes; Commissioner Stuart – yes; Commissioner Stassi – yes; Commissioner D'Arminio – yes; Commissioner Pico – yes.)

CORRESPONDENCE – nothing at this time

PAYMENT OF CLAIMS – NOVEMBER/DECEMBER 2018

Motion to pay claims made by Commissioner Dukes; 2nd by Commissioner Stuart.

VOTE: AYES/All Present Commissioners (5)

Absent: Allegretta/Tessaro

MISCELLANEOUS

Annual meeting notices were handed out for 2019 to be advertised in Star-Ledger and The Record. January 17th; February, July and October – meetings are **3rd Thursday** not the 2nd Thursday. Everyone concurred.

MANAGEMENT REPORT & UNFINISHED BUSINESS – ED FEORENZO

Window projects will begin 3rd week of January; exterior paint completed at Newman & Railroad; banding bids received in neighborhood of \$168,000, \$158,000, \$159,000 to be replaced with green. Painting contractor came with Benjamin Moore Rep, who developed a special paint. In lieu of rebidding a Change Order was done for \$28,000. ED Feorenzo had banding repaired where dented, and was repainted with special paint that will last for years, saving about \$135,000 by not replacing, but rechalking it, which was figured in to replace. It looks fantastic.

There was a senior holiday luncheon at 175 W. Railroad last Saturday. Ruth Kennedy reported it was very nice. Carmine drove bus, picked up tenants from surrounding buildings, and there was a nice turnout. Boys & Girls Club put it on and food donated by Chit Chat Diner. Ruth said there was turkey, ham, stuffing, mac & cheese, cake.

Cabinet refinishing will be rebid in the middle of January and should come in under budget for that. Rooftop lease is completed for Kansas Street. They will be sending completed lease next week to Mr. Zisa for review along with ED Feorenzo's review. Once signed, it will go to Hackensack for approval, another \$2,400 month coming in.

Quick update for waiting list: 1-bedroom family units there are 69 on waiting list; 2-bedroom – 193 on waiting list; 3-bedroom are 102 waiting; 4-bedroom are 17. The list is purged all the time. Staff doing a phenomenal job.

Senior building and disabled: studios – 346 waiting, more than half do not have a preference; others have either military preference or Hackensack residence preference. Most people jump the list if either military or Hackensack resident. 1-bedroom – 1,000 with 200 with a preference. Rest have no preferences. 2-bedroom is 69 with 4 preferences.

Commissioner Stuart had a question: family unit waiting list – are they primarily from May registration because she recalls – ED Feorenzo said HHA was down to 21-22 – the new waiting list is from May registration. Commissioner Stuart asked about family units – is there a preference on those? ED Feorenzo said typically with veterans, HHA gets them for disabled and elderly. Commissioner Stuart said a tenant mentioned there were companies looking to bid the flooring at 230 Central

Avenue; tenant doesn't want it changed, people there love their floors. ED Feorenzo said no one is bidding floors over there.

OLD BUSINESS, NEW BUSINESS, OTHER BUSINESS – nothing at this time

Mr. Feorenzo thanked Ruth Kennedy for giving the report on the holiday party. Commissioner Stuart announced the Elks Club on First Street is having a senior luncheon between Christmas and New Year's from 12 to 3. She didn't remember the date, but will send a copy to the office. Mr. Feorenzo said Julissa will make a flyer and pass out to everyone.

ADJOURNMENT

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

VOTE: AYES/All Present Commissioners (5)

Absent: Allegretta/Tessarò

Respectfully submitted,

Deborah L. Alvarez
Secretary/Transcriber