

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

THURSDAY, FEBRUARY 11, 2016

(This is a condensed version of the taped minutes of the Regularly Scheduled Monthly Meeting of the Hackensack Housing Authority commencing at 6:00 P.M.)

Chairman Anthony Stassi called the meeting to order.

ROLL CALL

Present: Chairman Anthony Stassi
Commissioner Michael Allegretta
Commissioner Marie Dukes
Commissioner Tasha Russell
Commissioner Blanche Stuart
Commissioner Gino Tessaro*

Also Present:

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

Absent: Commissioner May D'Arminio

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 asked all to rise and repeat 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 – January 14, 2016

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

Commissioner Russell asked about 40 Passaic Street, mentioned on Page 6; what does HHA have to do with that address. ED Feorenzo stated it is a County-owned building. HHA has a yearly contract with the County and manages that property. HHA receives money for supervision and management.

VOTE: AYES/All Present Commissioners (5)*
Absent: D'Arminio/Tessaro*

INTRODUCTION OF NEW EXECUTIVE DIRECTOR OF BOYS & GIRLS CLUB – LODI/HACKENSACK

ED Feorenzo introduced Joseph Licata, Executive Director. Mr. Licata said Mike Nardino, former ED, retired. Mr. Licata began on January 1, 2016, having been with Boys & Girls Club almost seven years; Mr. Nardino's assistant and Development Director. The former Unit Director is relocating to South Jersey. Sonja Verde is back and will bring reports to the Commissioners. ED Licata plans on being at every other meeting, if possible.

Sonia Verdade, former and once again Unit Director. She is a Special Education Teacher, doing Boys & Girls Club part-time. Sonja handed the Commissioners a report containing statistics and photographs. She said there are 74 active members; 52 Housing members and 22 other residents in Hackensack. The programs are very structured every day. There are three Counselors/three Staff Members and work with ages 5-7. Not all children are together – separated by ages. One program is Power Hour – to achieve academic success by providing homework help and encourage members to become self-directed learners – 1 hour everyday/Monday-Thursday.

(AT THIS POINT IN THE MEETING, COMMISSIONER TESSARO ARRIVED – 6:10 P.M.)

Every program mentioned is a Boys & Girls Club program. Triple Play involves becoming physically active, taking place in the gym and everything a member does is recorded into the system. Triple Play Mind involves healthy habits curriculum designed to teach young people how to develop healthy habits. Triple Play Soul which is social/recreational activities involving Games Room. A mentoring program has begun. Each Counselor has 2 youths and 14 children are mentored with a grant that was received. It is similar to Counselor being a Big Brother/Big Sister talking about helping if they're struggling, academic behavior, socializing. The STEM Program is a group of students from Bergen Academies that do hands-on activities with the children – science, technology, engineering and

mathematics. LINKS is an African-American volunteer group that helps with the children. This time children were illustrating their own books – 25 members participated; 10 members from their chapter and children got to create their own books; now they are being edited and each child will receive their own copy.

Sonia works with the New Jersey Community Food Bank and that is how the children are served; giving nutrition lessons, which is required. Sonia mentioned numerous programs and events, which were all listed in the booklet she handed out with times, number of children participating, day of the week it is held. On Saturday, there is a karate program with 20-25 students. Flyers will be sent out in April promoting the summer camp. This is with the approval of the Board of Ed.

Commissioner Stuart asked what time the karate classes are. Sonia said they start about 9:30 and run to 12:30. Sonia did not have photographs in this booklet, but will next time she visits. Yesterday, 7 children from the Hackensack Club were given awards – Member of the Year/Male Mentee of the Year/Female Mentee of the Year/Teen of the Year/Kid Volunteer-Helper of the Year/A Student of the Year and Artist of the Year. 6 of those were Hackensack Housing children.

Commissioner Russell asked what is the qualifications and what training do the counselors receive for mentoring? Sonia said there is a coordinator at the Lodi site and she coordinates everything. There are certain brackets in the mentoring program – general assistance; social confidence; many brackets of how the child qualifies. Commissioner Russell said she was asking about the staff member. ED Licata answered it's a Boys & Girls Club of America program. Basically, all of the staff are trained in programming are mentors; an entire online web & R, tools, etc. Most of the mentors have been doing it since 2008, they receive work sheets from the Mentoring Coordinator who oversees the program. Mainly, it's sit down, talk, how's school, are you playing any sports, etc. Sonia said they try to set goals for the children, and help them achieve the goals as they go through the programming. Sonia started an At Risk Program in 2010 and has been doing this for 4-5 years. Boys & Girls Club of America has been doing these programs for over 10 years with two staff trainings every year. Each unit has their core lead trainings going over updates, etc. Programs come down from headquarters. They are licensed child care programs, following State laws, State statutes, etc. Mr. Licata added at least 7 staff members in both units were once a club member or high school member. Mr. Snyder asked how often background checks are conducted. Mr. Licata said every year by mandate of Boys & Girls Club of America and every three years all Staff are carried through the State of New Jersey Child Care Licensing Program, fingerprint background check again and an entire history received. All volunteers are background checked as well before hire.

Commissioner Russell thanked Mr. Licata and Sonia for attending. Mr. Licata invited the Commissioners to drop in at any time.

RESOLUTIONS #2016-6 THROUGH #2016-8

1. #2016-6 – APPROVAL OF CONTRACT FOR RAD A/E DESIGN SERVICES

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

VOTE: AYES/All Present Commissioners (6)

Absent: D'Arminio

ED Feorenzo spoke about getting RFP for architects and engineers going into the RAD program. Specs were tightened up for RFP for architects. Now they understand the scope of the work; what HHA is looking for. Mr. Feorenzo is recommending Minervini-Vandermark with a bid of \$36,500. They have worked with HHA in the past. Commissioner Allegretta asked what the work they bid on was. ED Feorenzo said it's for the RAD program; doing the specs for any projects that HHA needs to go out to bid and the RFPs. Commissioner Dukes was concerned about the big difference in bids received. Mr. Feorenzo said LAN Associates on high on everything they do. He added LAN bids on work for the Paramus Board of Education and they are always highest bidder. Mr. Snyder added lowest proposal has done a lot of work for HHA in the past. When RFP was tightened up, they were originally at \$98,000 and Mr. Snyder spoke with them. Now he thinks the \$36,500 is low, but they're stuck with it. When renovations were done at 230 Central and Oratam Court, this firm did all the work. ED Feorenzo said they also just did the specs for Newman and Railroad. There are never any change orders or extras. His attendance at job site was not needed and Mr. Feorenzo checked on progress himself. Commissioner Russell had concerns on 230 Central, but Mr. Feorenzo said Minervini-Vandermark was architect not contractor. Commissioner Allegretta said he'd question their bid, but if HHA has experience with them, then okay.

2. RESOLUTION #2016-7 – PERSONNEL POLICY REVISION ELIMINATING 15-YEARS MEDICAL INSURANCE AT RETIREMENT FOR FUTURE HIRES

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

VOTE: AYES/All Present Commissioners (6)

Absent: D'Arminio

Mr. Feorenzo told the Commissioners this is to eliminate any new hires of being entitled to benefits after 15-years of service or reaching the age of 62. Mr. Feorenzo and Mr. Snyder didn't realize it was listed, but to save money, any new hire will not be entitled to benefits 15-years of service. When reaching the age of 62, you have to have 25 years of service. Mr. Snyder said it doesn't affect anyone who currently works here, just new hires. It is an obsolete policy. People are living longer, so if you started working at HHA at 45 and you retired at 60, HHA would be

stuck paying all of the medical benefits for the rest of your life. People are living longer and it affects operations with all the money going out. In order to protect everyone, it's only fair to those already here and they're grandfathered in, but new people will know this up front. Commissioner Allegretta said, unfortunately, everyone is doing this more and more. He asked would they have an option to pay into it. Mr. Snyder said no.

3. RESOLUTION #2016-8 – APPROVAL OF RAD FINANCING PLAN SUBMISSION

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

VOTE: AYES/All Present Commissioners (6)

Absent: D'Arminio

Mr. Feorenzo explained an RFP was put out for financing. Five banks gave proposals, which were not to our satisfaction. The Consultant sent them back out asking each institution to give HHA their best and last proposal. Mariner's Bank came in with best proposal. On a recommendation from Financial Consultant because Mariner's Bank came in with an 18-year fixed loan, 30 year amortization at 4.25% and their closing costs are between 5-\$20,000. Mr. Feorenzo gave the spreadsheet completed by the Accountant to the Commissioners, hopefully to pay loan off between 8-9 years. Mr. Snyder said attached to the Resolution is financing plan, which gives Commissioners the information HHA has to submit to HUD. HHA is at the stage now in the RAD program where the firm commitment from the bank has to be uploaded to HUD. Once it's approved, HHA will sign the term sheet, upload it to HUD, HUD will review it. TD Bank offered a 20-year term at 4.45%, but not as good as what Mariner's offered and then TD Bank came back and raised rate to 4.75%. Mariner's is HHA current banking institution. Most of the other banks had adjustable rates every five years, which the cost of the loan over 20-year term was a lot more than Mariner's. HUD wanted an 18-year fixed rate, but would go with an adjustable rate as long as it has a ceiling, saying how much you could go up. Mr. Snyder pointed out the paper "Cash Flow Projection" to the Commissioners that tells HHA how much they're capable of borrowing. Looking at year 1, the detail is at the bottom of the box, which shows total rent to be collected once HHA converts to RAD program. Underneath are all the expenses HHA is projecting in first year of operation: you basically take revenue subtract expenses and the amount says "Income Available for Debt" which is actually net operating income. Mr. Snyder said you could use a portion or all of that for debt service, however, if you look at DSR (debt service ratio) banks require over the term of the loan that you have a DSR of 1.15. HUD requires it over 18 years, so HHA has to take a number, drop it in to show that that ratio going out to the end (18 years) is 1.15%. Reason being: bank wants to loan you money with understanding that as your revenues go up, and HHA is required to project revenue at 2% and expenses at 3%, so at some point they cross and you don't have as much money as you originally did because your expenses are going up. You start out with a debt

service ratio of 4.02, meaning that \$188,000 can be used out of cash flow of \$760,000 and then running that out during the course of the loan, at year 19 HHA is under the 1.15. HUD requires the loan for at least 18 years. ED Feorenzo and Mr. Snyder say this is a very conservative cash flow projection, reason being, that in looking at the top of the page, total income is net of what's called Vacancy Loss or Bad Debt, pertaining to people not paying their rent. HUD requires that you use 5%. Mr. Feorenzo said HHA doesn't even have 1%. Mr. Snyder added HHA is lucky if vacancy dollar-wise is \$30,000. They know right from get-go that they have an additional \$200,000 in other income. HHA is in very good shape financially. Mr. Snyder said most housing authorities are using Low-Income Housing Tax Credits to be able to provide money to do rehab work. Because of work done here and being conservative, not hiring people as people leave, getting the cell phone antennas, 40 Passaic Street – has resulted in HHA having net operating income of \$760,000. Most other housing authorities' financial statements, they're break even or negative because HUD subsidy is less and less every year. What it means to HHA is that they could go to a bank and borrow over \$3 million to make these repairs. HHA hopes to close this soon and start work right after that. Mr. Feorenzo and Mr. Snyder were on telephone today with HUD officials telling them where HHA is at. Mr. Feorenzo has spoken with Special Counsel, who is handling the RAD transaction compiling all the documents. When this is submitted and the financial plan, plus some other documents, a Financial Plan Template will be filled out; Mr. Feorenzo will certify everything that's been uploaded and cash flow projections are accurate to the best of his knowledge – it will go to HUD, HUD will get back to HHA if they have more questions. Then HUD will issue a CHAP – Commitment to Enter into Housing Assistance Payment Contract, which then converts HHA to Section 8. It will give HHA a list of items required for closing, which Mr. Feorenzo has $\frac{3}{4}$ finished. There are 30-days to respond to CHAP, giving them all documents required and then a closing date will be set up. In 2016, HHA will still be getting subsidy from HUD. January 1, 2017 when Section 8 contracts kick in, getting higher rents and additional subsidy. It will lock HHA into a subsidy level much higher than what everyone else is getting on the Public Housing Program, stabilizing HHA funding and every year HHA will get an OCA adjustment – Operating Cost Adjustment. This year it was 1.9%, which has been going down since Ronald Reagan, and projecting operating subsidy at 86%. In this program, HHA is probably close to 8-10% more in subsidy as a result on converting. Mr. Snyder thinks construction will start in 2016.

Commissioner Allegretta asked about the \$188,905 on Mr. Snyder's debt service? Mr. Snyder explained that's the annual amount that HHA will be paying to the bank for the money being borrowed. He is not too worried about that because they've sat down with Accountant and there is \$200,000 being set aside for bad debt, and socking it away. Mr. Snyder said that as part of the term sheet with the bank, HHA wants to prepay this loan at any time; the goal being to prepay this loan sometime before the 20-year mark.

CORRESPONDENCE

ED Feorenzo said at last meeting two tenants would be relocated, as they were over-housed. He is going through the list and getting those tenants settled. It is possible there are three others over-housed, which will free up the waiting list, that means tenants that are in 3-bedroom but qualify for 2-bedroom. Seniors and disabled tenants that should be in senior/elderly/disabled buildings and are still occupying a 2-bedroom in the family are being worked on to make it correct as much as possible. Some tenants refuse. They're allowed to refuse one time; after that they cannot refuse.

POLICE REPORT

ED Feorenzo reported there were no serious criminal activities in the buildings. The Class 2 officers are doing a really nice job. There is coverage during the night and day; no coverage on Sundays. Officers are no longer allowed to give Mr. Feorenzo any report. They just show him criminal activity, parking and medical, but no back-up material unless it's criminal, which he has to request. Commissioner Stuart asked if they were ticketing during the day. Mr. Feorenzo said they are ticketing at 65 First during the day, because it is employee parking only and people just don't care. If a tenant complains during the day, the car is ticketed. Commissioner Russell's building does not have a parking problem, except with certain services with the church.

MANAGEMENT REPORT AND UNFINISHED BUSINESS

Mr. Feorenzo contacted someone at Sprint hoping to see if they needed roof space for antennas. He has a meeting in two weeks with them. It brings in \$3,000 a month.

Maintenance crew worked really hard during the snowstorm. HHA has a joint venture with the City. In the past they did not salt, but used calcium on driveways. This year he purchased a salter, met with the City Manager and DPW, they gave HHA salt when needed for salter. In return, 1-2 of HHA trucks helped the City on small streets after HHA was taken care of. It worked out very well.

There was a Personnel Committee meeting today. Kathy is retiring, her last day is February 26. Mr. Feorenzo will bring Marcella back and training to handle the front window, which she's done a bit at Boys & Girls Club. Marcella will only be at 65 First. With RAD and the budgets, Mr. Feorenzo didn't feel it was necessary to hire someone. Jamie will be the head of Occupancy Department and Misha will help there also. She will sit up in the front and oversee the Cashier, and work for Occupancy Department and involved with purging the list. Misha will be helping Marcella if she has any questions. With Kathy retiring, and Mr. Feorenzo moving people around, \$25,000 approximately, will be saved annually plus benefits. If he

needs an extra person, there will be money available for that. Commissioner Russell asked how many people were handling the Occupancy List before besides Kathy. Mr. Feorenzo said two. Roseanne can also help.

PAYMENT OF CLAIMS

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

VOTE: AYES/All Present Commissioners (6)

Absent: D'Arminio

OLD BUSINESS – nothing at this time

Commissioner Stuart asked about benefits for the woman doing 40 Passaic Street, does she get medical benefits? ED Feorenzo answered she doesn't work for HHA. He said HHA has a maintenance person there on HHA payroll, but HHA is reimbursed by the County. The County staffs the building. Mr. Snyder added HHA gets a management fee for running the building. Whatever is spent is a direct reimbursement from the County.

Commissioner Russell asked that there were just 6 maintenance men for all the buildings and 40 Passaic Street. ED Feorenzo said there is one for each building, 1 for 75 units. She asked if those six men will install all of the sinks and toilets in all of the buildings. Mr. Feorenzo not sinks, faucets and minor plumbing, water savers in shower heads and faucets. Mr. Feorenzo keeps track of the work orders and logs. If they were overworked, he would get another person, but they're not overworked. Commissioner Russell said everything in her building is falling apart, and they were done six years ago. She commended Carmine (in the audience) as her shower fixture had fallen apart on Wednesday and he worked diligently to repair it.

Commissioner Allegretta asked about 7.1, is this a monthly list of what is purchased for maintenance for all the buildings, is it only \$1,200. Mr. Snyder answered no that is the work that HHA is going to be undertaking as part of RAD.

Commissioner Dukes asked what "sidewalk hand rails" are? ED Feorenzo said you have them outside and in the stairwells in the senior buildings.

NEW BUSINESS – nothing at this time

OTHER BUSINESS

Mr. Snyder spoke about Personnel Committee meeting and Occupancy Committee. There's been a slight change and he'll explain it to the Committee when they meet. The Occupancy Policy will be changed to Tenant Selection Plan

and also an Affirmative Marketing Plan, because there are two elections: (1) to do project based vouchers, which he explained last month. HHA thought they could do themselves, but HUD says you must team up with another housing authority – closest one being County, which means the County would have the contract – Housing Assistance Payment Contract – in their name. ED Feorenzo and Mr. Snyder thought it better for HHA to control their own destiny, you never know what's going to happen down the road. Instead HHA will go with Project Based Rental Assistance, which won't make any difference to residents or Commissioners, just a different funding mechanism overseen by the Housing Mortgage Finance Agency. The committee will go over in terms of residency preferences, all of those things will be incorporated into the new plan. Those items will be integrated into a Tenant Selection Plan. He's going to highlight the specific important items HHA wants to keep going from the old form into the new one. The committee will take into consideration suggestions and comments and perhaps more things you hope to change or put into the policy. Perhaps two meetings will have to be held next month. Old policy called OCA and new called TSP, because HHA will no longer be called Public Housing, but Multi-Family Housing.

REMARKS FROM CITIZENS – nothing at this time

ADJOURNMENT

Motion to adjourn made by Commissioner Stuart; seconded by Commissioner Russell.

VOTE: AYES/All Present Commissioners (6)

Absent: D'Arminio

MEETING ADJOURNED AT 6:50 P.M.

Respectfully submitted,

Deborah L. Alvarez
Secretary/Transcriber