

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

THURSDAY, JANUARY 14, 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.

OPEN PUBLIC MEETINGS ACT – read by Executive Director Feorenzo

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 12/1/15. 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

Flag salute and Pledge of Allegiance recited. Moment of silence held in support of Armed Forces, Police and Firemen everywhere.

SWEARING IN OF NEW COMMISSIONER

Mr. Asadurian, Esq., swore in new Commissioner Mike Allegretta at this time.

Mr. Feorenzo asked Commissioner Allegretta to tell Commissioners a bit about himself. Commissioner Allegretta said he's 52, lived in Hackensack for 15 years, his children graduated Hackensack High School, all have graduated college, proactive person, has been on other Boards in Hackensack, in construction and a Project Manager for one of the largest companies in New Jersey, married.

(Applause.)

ROLL CALL

Present: Chairman Anthony Stassi
Commissioner Mike Allegretta
Commissioner May D'Arminio
Commissioner Marie Dukes
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 Tasha Russell

APPROVAL OF PREVIOUS MINUTES – DECEMBER 10, 2105

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

VOTE: AYES/All Present Commissioners (6) Absent: Russell

RESOLUTIONS #2016-1 THROUGH AND INCLUDING #2016-5

1. RESOLUTION #2016-1 – AUTHORIZATION TO ATTEND CONFERENCES

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

VOTE: AYES/All Present Commissioners (6) Absent: Russell

2. RESOLUTION #2016-2 – INDEMNIFICATION RESOLUTION – CRIMINAL

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

VOTE: AYES/All Present Commissioners (6) Absent: Russell

3. RESOLUTION #2016-3 – INDEMNIFICATION RESOLUTION – CIVIL

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

VOTE: AYES/All Present Commissioners (6) Absent: Russell

4. RESOLUTION #2016-4 – APPROVAL OF CASH MANAGEMENT PLAN

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

ED Feorenzo explained this gives him the authority to make the choice of depositing money in the bank. Signatories are: Chairman Stassi; Commissioner Dukes; Commissioner D'Arminio and Commissioner Stuart.

VOTE: AYES/All Present Commissioners (6)

Absent: Russell

5. RESOLUTION #2016-5 – APPROVAL OF PROPERTY DISPOSITION

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

ED Feorenzo said HHA purchased a new pick-up truck. This is an old, beat-up truck. Two bids came in on it and it was sold at the highest bid of \$818. After this evening's approval, purchaser will bring money and take the truck.

VOTE: AYES/All Present Commissioners (6)

Absent: Russell

CORRESPONDENCE

Executive Director Feorenzo discussed 7.1 was disposition of truck advertisement. 7.2 is RAD financing, which Mr. Snyder will speak about. Financial consultant came up with RFP for financing and five proposals from five banks were received.

Mr. Snyder said RFP is for a term sheet. He further explained to new Commissioner Allegretta in great depth what RAD is about: Hackensack Housing is converting type of assistance HHA current receives to another form, going from Public Housing Program, Section 9 and moving to Section 8, project based vouchers for rental assistance. It means more money for HHA going forward, which allow HHA to pay down existing debt in terms of improvements 10 years ago. About \$2.7 million is owed at this time. Out of this conversion, \$2.7 million will be paid off, improvements made to buildings for another \$3.5 million, based upon physical condition assessment previously given to Commissioners. Certain documents have been prepared monthly for HUD, which get off-loaded to their web site. At this point, the engineer is telling HHA what needs to be done. ED Feorenzo and Mr. Snyder had discussions regarding what needs to be done and want to be done. Proposals via conference calls were solicited to banks to take out a loan to do the work. Five proposals received: Mariners, Bogota Savings, TD Bank, Love Funding and Lakeland. A spreadsheet is being prepared for comparisons of financing, terms, rates and full term of loan to see which is best. ED Feorenzo and Mr. Snyder will bring that back to Commissioners for approval; uploaded to HUD, which they

review on HUD time (60 days, but it might be six months). With their approval, a closing date will be set for closing on loan, hopefully in 2016, and construction can begin after conversion.

ED Feorenzo said there are approximately 40 housing authorities looking to convert. Mr. Snyder is involved in 20 of those conversions throughout the State, which is great for HHA.

Mr. Snyder said decision needs to be made whether it will be budget based vouchers or project based rental assistance. HUD said HHA would be able to do project based vouchers, if you're familiar with Section 8 Program, rent subsidy program, where housing authorities subsidize tenants' rents through the town. HHA does not have a Section 8 program. The biggest one in Bergen County is Bergen County – probably, 4,000 through the County. HUD originally said HHA could administer the vouchers; now HUD says no. HHA has to get into an arrangement with another housing authority – closest one is Bergen County – discussions are going back and forth at this time. Mr. Snyder has concerns in doing it with County, while it may be fine now, what happens five years down the road. It takes control away from HHA and City of Hackensack. He prefers to control own destiny. Mr. Ketchen will meet with Tony and Bill to discuss further. There is an administrative fee that goes along with the vouchers. HHA will receive all the funding it's currently receiving, but in addition, fee is about \$60 per unit/per month equaling \$300,000 a year in additional funding.

The other way: project based rental assistance – a similar program, but the contract administrator is the Housing Mortgage Finance Agency – contract in name of HHA. HHA does everything its doing now; but they come in review tenant files once a year, inspections on buildings, give reports and make suggestions. By next meeting, Mr. Snyder is hoping financing plan will be completed, on the agenda and he'll go over it in more detail. He'd like to bring in NW Financial to explain term sheets and what was received from banks. Mr. Snyder and ED Feorenzo like Mariner's Bank, where all HHA business is now. With small loans, if you switch banks, they want your business. If HHA selects another bank and their closest branch is Fort Lee, rent deposits are mostly cash; you have to drive to Fort Lee. A closer bank will pick up everything here.

Mr. Snyder said it was good to have Commissioner Allegretta and ED Feorenzo, who both have construction backgrounds as they can tell what's going on, getting value for HHA money, hitting right things that needed to get hit.

On the Physical Condition Assessment, a schedule goes out 20-years. First year is rehab year – whether replacing kitchens, bathrooms, roofs, elevators, etc., which will be addressed – about \$3.5 million. Then balance of other years, for example, a roof has 10-year life expectancy and replaced in 2016, under the schedule it will be replaced in 2026 at a cost of \$150,000 – you would see it in the schedule. How

will HHA pay for this? An initial deposit will be made to Reserve Replacement, and annually enough money will be put aside, to show over 20 years, that money is there to pay for other improvements. These numbers are being worked out with engineer now. ED Feorenzo added HHA cash flow is relatively strong, and HHA is looking to pay off loan in 10-12 years. A prominent bank was here today; they did not submit a proposal because it was public housing, but were taken aback when they saw the buildings of HHA and now want to do business here.

Mr. Snyder added some of his other clients have negative cash flow and spend every dollar they take in. They are working with declining Federal subsidies in the housing area. Subsidies going down, revenue going down, but their expenses are going up. Rent is locked in, people pay 30% of their adjusted annual income. HHA is the only housing authority Mr. Snyder knows of that is able to sustain one of these conversions by taking a loan to the magnitude HHA is. HHA could take on \$6 million, which is a testament to the fact that HHA was run like a business over the years and the rainy day was coming. ED Feorenzo solicited to companies for cell phone antennas, which brings in \$72,000/year here.

Mr. Snyder would like to have a ribbon cutting with all the Commissioners and a press release telling what all is going on. Commissioner Allegretta asked about the work that is going to get done. If a roof is leaking, will the critical items be done first? ED Feorenzo said critical items first, all within a schedule. HHA will do GC ourselves, hire people to do it, kitchens here need to be redone. One building needs new windows; 230 Central needs a new roof; at Newman & Railroad there was enough money this year and last year to put on 8 new roofs – 4 at a time were done. ED Feorenzo was GC, no extra money to architect, and it went very smoothly. There are six maintenance men on staff. Part of PCA is changing valves, faucets and toilets. These men are capable of changing toilets and faucets, which will save money. Commissioner Allegretta added that he doesn't think the City of Hackensack realizes the shape the Housing Authority is in. Mr. Snyder said that's why he thinks a press release with Mayor & Council would be advantageous.

Mr. Snyder explained when HHA prepares the budget every year; utility expenses are averaged for past three years. HUD reimburses HHA based upon that average. If HHA makes energy improvements: low-flow toilets, changing 12s to TA and LED, as that average goes on every three years, no benefit is received. HUD gives fewer subsidies. Now every dollar saved will go into HHA's pocket. If you save on water consumption, you also save on sewer charges.

PAYMENT OF CLAIMS

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

Commissioner Stuart asked about JIF for \$173,000. Mr. Snyder said it is property insurance and Workmen's Compensation. Commissioner Stuart asked if payroll is every listed. Mr. Snyder said it's listed on the annual budget. Most overtime is associated with Passaic Street and, ED Feorenzo said overtime is every weekend; the men alternate as garbage goes out Saturday and Sunday, besides every day of the week or the chutes would be filled. There is a cleaning budget for Boys & Girls Club, but HHA only cleans there during the week.

VOTE: AYES/All Present Commissioners (6)

Absent: Russell

ED Feorenzo thanked the Commissioners for approving purchase of the new truck, which was needed.

MANAGEMENT REPORT & UNFINISHED BUSINESS

ED Feorenzo said two older tenants were relocated from family units into senior units, which freed up two people on the waiting list for family units. There was no criminal activity according to Hackensack Police report. Most activity was police ticketing people who don't belong here, parking tickets.

Boys & Girls Club will be coming to next meeting. Joe LaCotta is now Director of Lodi and Hackensack Boys & Girls Club taking over for Mike Nardino. Joe will have a representative here every other meeting, he indicated.

OLD, NEW OR OTHER BUSINESS – nothing at this time

REMARKS OF CITIZENS

RUTH KENNEDY indicated the dryers have lots of lint and no matter what she does or how she cleans it, it doesn't help. Mr. Feorenzo said he will have dryer people come and fix that.

ADJOURNMENT

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

VOTE: AYES/All Present Commissioners (6)

Absent: Russell

Respectfully submitted,

Deborah L. Alvarez
Transcriber/Secretary