

**RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF RAHWAY**

**RESOLUTION NO. 1480**

**DATE OF ADOPTION: FEBRUARY 12, 2015**

**SUBJECT: RESOLUTION ALTERING MEDICAL RETIREMENT BENEFITS  
TO ENCOURAGE RETIREMENT DUE TO BUDGET  
CONSTRAINTS**

**THE FOLLOWING RESOLUTION** was presented by the Executive Director/Secretary at a Regular Meeting held on February 12, 2015:

**WHEREAS**, Congress passed and the President signed this year's Budget which provides an 83/84% proration to HUD Operating Funds; and

**WHEREAS**, this year's HUD Budget was based upon the Senate's version while under control by the Democrats which was better, in many ways, than either the President's proposal or the House of Representatives bill; and

**WHEREAS**, now with both houses controlled by Republicans, Congressional appropriations for HUD and as an extension, Housing Authorities Operating Funds, anticipation of funding levels are not expected to increase; and

**WHEREAS**, President Obama has just proposed lowering FHA fees required during the purchase of a home. FHA surpluses have always been used to supplement HUD budgets. With this new FHA fee structure, even if the congressional appropriations remain the same, there will be less funding for HUD to allocate to Public Housing; and

**WHEREAS**, currently RHA has lowered its expenses so that breakeven is at the current allocation of 89%. With the allocation expectation to be around 83/84%, RHA has to reduce expenditures by 44 to 55k per year; and

**WHEREAS**, RHA, at the request of the HUD Newark Field Office, has taken on the administration of 19 Project Based Vouchers in Elizabeth Towers in Elizabeth, NJ and will increase our net income (fees minus expenses) by about \$11,000; and

**WHEREAS**, even with the additional revenue of \$11,000 RHA needs to lower its expenditures by \$33,000 to \$44,000 per year in order to achieve breakeven; and

**WHEREAS**, one way to lower expenditures is to reduce staff; and

**WHEREAS**, RHA would rather encourage retirement than terminate staff. Early retirement for an individual who is already in the stages of planning

for retirement is much less of a disruption than terminating an employee with family, etc.; and

**WHEREAS**, RHA Personnel Policy, adopted by the Board of Commissioners in March 2014 set specific parameters to obtain retirement medical benefits; and

**WHEREAS**, the Executive Director is seeking permission to alter these parameters to encourage early retirement for a short and temporary period of time (no more than six (6) months); and

**WHEREAS**, any alteration presented to an employee must benefit the Housing Authority as well as the employee and the employee must voluntarily accept the proposed so that all necessary paperwork and submissions can be completed so retirement can be effective on or before June 1, 2015, with a possible extension of 30 days; and

**WHEREAS**, the offer to retire early with medical benefits will be presented to all staff members but it must benefit the Authority as well as to individual. This determination will be at the sole discretion of the Executive Director.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Rahway Housing Authority authorizes the Executive Director to alter the Personnel Policy guidelines concerning Retirement Medical Benefits for a period to June 1, 2015 with a possible 30 day extension.

**COMMISSIONER** Pekarofski made a motion to adopt the above resolution, which was seconded by **COMMISSIONER** Lesinski and on a roll call vote the Ayes and Nays were as follows:

**AYES**

Bailey  
DeJesus-Farrar  
Lesinski  
Parson  
Pekarofski  
Ragan

**NAYS**

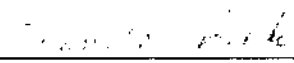
**ABSTAIN**

**ABSENT**

Thomas

**THE CHAIRPERSON** thereupon declared Resolution No. 1480 adopted.

I certify that the foregoing is a true copy of a resolution of the Housing Authority of the City of Rahway adopted on February 12, 2015

  
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Kenneth Pushko  
Executive Director/Secretary