

Housing Authority of the City of Vineland

REGULAR MEETING
Thursday, May 20, 2010
7:30 p.m.

The Regular Meeting of the Housing Authority of the City of Vineland was called to order by Chairman Robert A. D'Orazio on Thursday, May 20, 2010 at 7:30 p.m. at the office of the Authority located at 191 W. Chestnut Avenue, Vineland, New Jersey 08360. The following Commissioners were present:

Commissioner Joseph Asselta
Commissioner Samuel Levy
Commissioner Beatrice Corbin
Commissioner Carmen Nydia Diaz
Commissioner Vickie Burk
Chairman Robert A. D'Orazio

Also present were Jacqueline Jones, Executive Director, Wendy Hughes, Assistant Executive Director, Charles W. Gabage, Esquire -- Solicitor; Dan Avena and Linda Cavallo from the VHA's fee accounting firm and Gloria Pomales, Executive Secretary.

Chairman D'Orazio read the Sunshine Law.

Chairman D'Orazio welcomed the two new Commissioners. Chairman D'Orazio indicated since the Board's last meeting the Board has lost a couple commissioners and gained a couple of commissioners. Everyone is aware that Commissioner Baxter submitted her resignation. Her position on the Board was a State appointment so that seat is still open. In the meantime, we have Mr. Samuel Levy who is fulfilling the unexpired term of Mr. Chapman and Carmen Nydia Diaz who has replaced Sheila Saunders-Brown on the Board. Chairman D'Orazio requested that each of the new Commissioners tell the remainder of the Board a little about themselves. Mr. Levy stated he is a lifelong Vineland, his father was a dentist in Vineland for 52 years and he is very proud of Vineland. He would like very much to serve in anyway he can. Mr. Levy is active with Vineland Downtown Improvement District. He is thier public relations liaison. He also does some writing in press relations for several other organizations. Mr. Levy stated he is glad to serve in anyway to make it better for people in his home city. Ms. Diaz stated she has been a resident of Vineland for many, many years. She has served on the School Board for four years and has been very involved in the community. Ms. Diaz currently is employed with the Cumberland County Board of Social Services and when she was approached to be on the VHA Board she thought it would be a good experience. She is looking forward to learning more about the Authority and hopes to bring good work to the Authority as well. Chairman D'Orazio introduced everyone to the new commissioners.

The Chairman entertained a motion to approve the minutes of the Regular Meeting held on April 15, 2010. A motion was made by Commissioner Corbin and seconded by Commissioner Burk. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Samuel Levy	(Abstain)
Commissioner Beatrice Corbin	(Yes)
Commissioner Carmen Nydia Diaz	(Abstain)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

The Chairman entertained a motion to approve the minutes of the Executive Session held on April 15, 2010. A motion was made by Commissioner Asselta and seconded by Commissioner Burk. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Samuel Levy	(Abstain)
Commissioner Beatrice Corbin	(Yes)
Commissioner Carmen Nydia Diaz	(Abstain)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

The Chairman entertained a motion to approve the minutes of the Special Meeting held on May 3, 2010. A motion was made by Commissioner Burk and seconded by Commissioner Corbin. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Samuel Levy	(Abstain)
Commissioner Beatrice Corbin	(Yes)
Commissioner Carmen Nydia Diaz	(Abstain)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Chairman D'Orazio called for the Financial Report from Avena's office. Linda Cavallo presented the Financial Report for the seven months ending April 30, 2010 by reviewing the numerous line item figures.

Chairman D'Orazio requested the Executive Administrative Report. Mrs. Jones reported the elevator refurbish job at Kidston Towers will officially start on Monday. The elevators are being rebuilt. One elevator will be offline for the length of the refurbish of that elevator once that one is finished the other one will go offline. This will take several months to complete. The Kidston and Olivio site improvement is 100% complete according to our architect.

Work on the Budget for the year end 2011 has begun. There are a couple of things that are new as it relates to the health benefits. There was new legislation that was passed mandating public employees to pay 1.5% of their income towards their health benefit which will go into effect May 21st, 2010. All employees have been made aware of this new legislation and in the resolution section of the meeting tonight we are presenting a resolution for Board approval for this deduction. It has been discussed a couple of times about the VHA's health benefits, its post employment benefits and how that affects the financial statements. There is an accounting rule called GASB 45, which essentially states that we must indicate our liability of post employment benefits on the

VHA's financial statements. At this point, we do not have to fund it, but have to show the liability. This has been discussed in the past with the Board. The reason Mrs. Jones brings this up tonight is because the VHA is part of the health benefit plan through the City of Vineland so it is not a State run Health Benefit Plan. When you are through that type of plan you must show your liability, however the rule says that if you belong to the State Health Benefit Program you do not have to show that liability. The reason this could be important is as the VHA moves forward to hopefully continue to work on development projects this could affect us in the future for financing purposes due to this liability. Wendy Hughes has been working on a study of the State Health Benefits vs. the benefit program that we have now. Wendy will give a brief overview of what her study has revealed. Mrs. Jones stated it would be brought back in more detail next month to really sit down and talk about it as we move through this budget process.

Wendy reported currently VHA's employees have coverage through Horizon Blue Cross Blue Shied of New Jersey through the City's plan. The State Health Benefit Plan offers four different plans. The VHA also has prescription coverage through the City of Vineland, but the State also provides a prescription plan. She did an analysis of what the VHA currently pays and what the VHA would pay though the State Health Benefit plan and for every category basically the Housing Authority would save about \$50,000 a year. The only thing that has not been completed is to compare coverage between the two plans to see if there is a huge difference in the amount of coverage. This will be done going forward. Commissioner Corbin asked about the dental plan. The State Health Benefit Plan does not have one, but the VHA would continue with the dental plan that is currently has.

Mrs. Jones stated the other piece of this new legislation besides the 1.5% contribution of the employee's salary is an opt-out option which the Authority currently does not do. This would mean if an employee opted out of health benefits the Authority could reimburse them a maximum of \$5,000 or up to 25% of what their coverage would be. It is an incentive for employees who may have coverage elsewhere to not take the VHA's Health Benefits. This will be presented as well for consideration.

Mrs. Jones and Wendy attended a budgeting and accounting seminar last week with the Avena Firm. It was on advanced accounting based on asset management and the new rules. One of the things they learned last week is that in the Authority's Section 8 Voucher Program reserves can be used with Board approval for development purposes. Reserves are a result of funding that is not spent on housing assistance payments or when there is a reserve due to not spending all the administrative money over the years. It can be used to turn units into ADA Compliance. Mrs. Jones is going to determine what the VHA's reserve balance is and there are rules for different time periods before 2005 and post 2005. Mrs. Jones wanted to bring this up because in 2009 HUD made an adjustment in the funding they gave the VHA based on reserves that it already had. This happened across the country. HUD knew there were reserves out there and they wanted to cut their expenses in 2009. They did an off-set and said they were not going to give the housing authorities as much as it really needs so the Authority would need to go into its reserve in 2009 to fund the program. The VHA did this and spent down some of its reserve. The reason Mrs. Jones brings this up is because she thinks the Authority needs to seriously look at using Voucher reserve funding for some development purposes. Unfortunately, the housing authorities that have run well and have a reserve for a rainy day are the ones that get penalized. This is something to think about and we will talk about it more detail in the future.

Regarding the Authority's development re-development activity and the tax credit application. Mrs. Jones stated rather than getting into the details of this tonight she would like at some point in the

next month contact each commissioner and get together in groups of three to discuss this project in more detail since it is complicated.

Chairman D'Orazio asked if anyone had any questions on the Executive Administrative Report and explained the Program Statistic Report.

With no other discussion in related matters the Chairman moved to the Resolutions.

Resolution #2010-38
Resolution to Approve Monthly Expenses

Chairman D'Orazio called for a report from Commissioner Asselta. Commissioner Asselta reported he reviewed all the bills and recommended payment in the sum of \$686,295.04. Commissioner D'Orazio called for a motion to approve the monthly expenses. A motion was made by Commissioner Burk; seconded by Commissioner Corbin. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Samuel Levy	(Yes)
Commissioner Beatrice Corbin	(Yes)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2010-39
Resolution to Dispose of Furniture and Equipment Utilizing the Disposition Policy

Chairman D'Orazio briefly explained the Authority's Disposition Policy using GovDeals.com. Chairman D'Orazio called for a motion to approve Resolution #2010-39. A motion was made by Commissioner Burk; seconded by Commissioner Diaz. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Samuel Levy	(Yes)
Commissioner Beatrice Corbin	(Yes)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2010-40 Executive Session

Chairman D'Orazio entered a motion to hold an Executive Session. A motion died for lack of need.

Resolution #2010-41
**Resolution to Renew Membership in the New Jersey Public Housing Authority
Joint Insurance Fund**

Mrs. Jones briefly explained this is a self insurance fund that is available to housing authorities to be a member for all of its insurance purposes. It is a well run fund that the Authority actually receives dividends from at the end of the year. It is essentially a fund where the Authority does not have to go out for a public bid to procure insurance. It is fund just for housing authorities and it is approved by HUD for that purpose. Chairman D’Orazio called for a motion to approve Resolution #2010-41. A motion was made by Commissioner Asselta; seconded by Commissioner Burk. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Samuel Levy	(Yes)
Commissioner Beatrice Corbin	(Yes)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D’Orazio	(Yes)

Resolution #2010-42
Resolution Authorizing a Mandatory Payroll Deduction for Health Benefits Coverage

Chairman D’Orazio called for a motion to approve Resolution #2010-42. A motion was made by Commissioner Asselta; seconded by Commissioner Corbin. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Samuel Levy	(Yes)
Commissioner Beatrice Corbin	(Yes)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Abstain)
Chairman Robert A. D’Orazio	(Yes)

Chairman D’Orazio stated Mr. Gabage will explain to the new commissioner the hand out he provides the Board every month. Mr. Gabage explained the report he hands out is a report that his office prepares every month. His office has contact almost on a daily basis with the VHA. He stated if there are residents that are delinquent and require eviction they are put on the eviction list. Every month Mr. Gabage reports to the Board who was put on the list and the status of the eviction. The report also provides a Section 8 report. The Section 8 report provides information on cases that went back at least 10 years on people who for whatever reason owed money to the Authority because they had received more subsidy of the years than they were suppose to. An agreement was entered with these people that they would pay back the money over time. The report also provides a collection list.

Chairman D’Orazio stated there is no press present. There is someone from the public. Chairman D’Orazio requested the gentleman present if he would like to address the Board. The gentleman introduced himself as David Augustine and he is a landlord through the Section 8 Program. He stated he had a letter that was approximately 5 pages long and requested if he could read it to the Board. Mr. Augustine read his letter to the Board. In summary, he stated he has dealt with the City of Vineland for many years now and owns various properties in Vineland. He discussed his

various property projects ups and downs. He stated he has a property on 714 Plum Street, which recently underwent some renovations. His tenant, Lisa Stewart contacted him and explained that she needed to move into a 2-BR apartment to maintain her Section 8 Voucher. He did have a 2-BR unit available at that time. He agreed to let Ms. Stewart take the unit and then contacted Cori Goldsborough from the Housing Authority. Ms. Goldsborough informed him that she would schedule the apartment inspection immediately. After waiting one week with no further contact he contacted Ms. Goldsborough again. She stated to him that she was busy, but she would get to it. He suggested he drop off a key so the unit can be inspected and she agreed. Two more weeks passed since he had dropped off the key and still nothing was completed with regards to Ms. Stewart's paperwork or transfer into the 2-BR unit. Mr. Augustine again contacted Ms. Goldsborough and she stated she was too busy to get to it and she had lost the key, but then found it. She stated not to worry the unit would be approved. At that time, Ms. Stewart wanted very badly to move into her new home and since she was a good tenant I agreed to let her do this provided she put the utilities into her name as he normally has all his tenants do. Ms. Goldsborough finally came and inspected the unit. After this event she scheduled him and Ms. Stewart to complete the contract. At that point three weeks passed and finally the HAP contracts were signed and completed. Mr. Augustine stated he then received a phone call from Ms. Wilma Lopez, Section 8 Supervisor and she informed him that Ms. Stewart and Mr. Augustine needed to come back and redo all the paperwork completely over another time. She informed him the reason was because Ms. Goldsborough had made mistakes and she was very sorry for this inconvenience. Ms. Stewart and Mr. Augustine returned once again and redid all the paperwork as Ms. Lopez requested. Both Ms. Goldsborough and Ms. Lopez were apologetic for the mistake and acknowledge the poor service over that 3 week period it took to straighten this situation out. He did converse with Mrs. Lopez via email and attached copies of his correspondence stressing his confusion over the terms of the HAP Contract. One year later presently, Ms. Stewart's apartment has been inspected and passed by the Housing Authority. When Ms. Stewart was completing her new contract it was noted that she was paying utilities for the apartment and Mr. Augustine was suppose to be paying for the utilities for that unit. Ms. Stewart contacted Mr. Augustine about this and he then contacted the new Section 8 supervisor, Sandra Velez. Ms. Velez was quite clear in explaining to him that he was receiving more subsidy money than he was supposed to be receiving. To his complete surprise Ms. Velez then asked him what he suggested they do to fix this situation. Mr. Augustine stated to Ms. Velez, I beg your pardon. Ms. Velez once again asked the same question. Mr. Augustine stated he has never been spoken to in such a manner from anyone within a municipal organization so he was a little surprised and not sure what she was trying to accomplish with such a question. He stated he replied that he suppose that we should get the utility allowance corrected. Ms. Velez immediately scorned back at him stated he needed to pay that money back that he took without being entitled to it. Mr. Augustine stated he said he would do that if that is what needs to be done. He then asked her how she wanted to go about this. She said she need to speak to legal counsel about what had happened and she would get back to him. At that point in the conversation Ms. Velez began to further question him about why he did this so forth and so on. Mr. Augustine explained to her that he was in his truck driving, has many other rental properties and a faltering construction company in a bad economy and he was not sure once again on how to answer her very candid questions, but he would review the file once he got to his office. Once he did get home to his office, he realized the complete confusion from the year before when Ms. Stewart took possession of the apartment and had the utilities put into her name while waiting for the paperwork to get straightened out was the cause. At that same time a new situation was happening with Section 8 tenant named Miraslova Lopez. This lady wanted to move into another 2-BR unit Mr. Augustine owns that had been vacant. Mr. Augustine told Ms. Miraslova Lopez that he would contact Section 8 and arrange an inspection of the unit. When Mr. Augustine contacted Ms. Goldsborough in regards to inspecting the unit for Ms. Lopez, Ms. Goldsborough informed him that she could not deal with him as per Sandra Velez's orders. This

same information was given to Ms. Lopez who called him and was very disappointed to find out she could not have that unit. Mr. Augustine told Ms. Lopez this was a mistake, was being corrected on his behalf and not to worry. After three more days passed Mr. Augustine had still not heard back from Sandra Velez or received any correspondence or emails from her. Mr. Augustine contacted Ms. Velez. He asked her what he needed to do and where was this letter from the legal counsel she told me that was being drafted. Ms. Velez stated he needed to come to her with a check for \$1,776 to reimburse for the funds he had received and that would correct both situations. At that time he could proceed with contracts for both tenants at that point. The next morning Mr. Augustine went to the bank and got a cashiers check made to the Housing Authority. He brought it to Ms. Velez and she then accompanied him into another ladies office who was now handling Ms. Stewart's case. In reviewing the paperwork, Ms. Velez began to question why he had taken \$1,800 in security money on approved lease from Lisa Stewart last year. He informed her he did not know why. Ms. Velez then had very critical comments about how Wilma Lopez had previously run that department and how things were going to be much different with her in charge. She was very adamant about making this quite clear to him. Before finishing the paperwork, Ms. Velez told him what has happened here in the past is all in the past and she could promise him it will be handled differently in the future. In the future, Ms. Velez stated she will turn him in to the Attorney General's office for fraud so she wanted to make her position very clear to him. She went on to say Section 8 will continue to do business with him and we will enter into a contract with Miraslova Lopez and him. Mr. Augustine then asked to have the inspection scheduled so he could have his contractors complete only the necessary repairs for the unit to be found appropriate for the City of Vineland. Ms. Velez said that he should have them go in and do everything. In an effort to save money, he asked her again if he could please request to possibly have the report done first. Ms. Velez stated no. She stated to have them repaint, do all the repairs and then the Authority will go in to do the inspection. They shook hands on the agreement and Mr. Augustine left the office. The assistant in the office Elizabeth was still present and heard her say everything Mr. Augustine has documented. Mr. Augustine stated after he left the office he contacted his contractor and explained his situation. The price to get the unit ready for the tenant and reschedule his other work in order to get this done as soon as possible due to the scheduling issues Mr. Augustine has become accustomed to at Section 8, the contractor needed to charge him a premium of \$2,975 to get in and get the unit completed. Mr. Augustine authorized him to begin the work at once. All this occurred on Thursday, May 13, 2010. Over the past weekend most of the repairs and painting for the Miraslova Lopez unit were completed. Additionally, 15 applicants that were interested in that unit were told the unit was no longer available and his newspaper advertising was suspended. Basically, a lot of money was spent and potential tenants were turned away from that unit based on Sandra Velez's handshake and agreement with Mr. Augustine. Additional, Ms. Lopez was very happy to find out that she was getting the apartment after the initial disappointment and disgrace he felt on his part from the information given to her about him being her new landlord. On May 18th he received a telephone call from Ms. Stewart. She wanted to know why Mr. Augustine was not at the Section 8 office to sign her papers. Mr. Augustine asked her what she was talking about. Ms. Stewart asked if he was notified that he was supposed to do paperwork today. Mr. Augustine stated he was once again in total disbelief of the incompetence he was dealing with again at the Vineland Housing Authority Section 8 Department. He stated no one bothered to call him, send him a letter, an email or anything. He has had many correspondence email letters between the authority and himself, but no one bothered to inform him about this particular appointment. When Mr. Augustine called Ms. Velez to find out why this happened. He never heard back from her. After this incident he felt he better call Miraslova Lopez to make sure everything with her inspection was okay. When he contacted Ms. Lopez she stated she was not allowed to talk to him as per Ms. Goldsborough's orders. She explained that Section 8, Cori Goldsborough had once again contact her and she could not rent anything from him. Ms. Lopez made Mr. Augustine promise her that he would not inform Ms. Velez or Ms. Goldsborough that they had spoken or she might get into

trouble. Mr. Augustine immediately contacted Ms. Goldsborough to see if she was properly notified of the agreement between Ms. Velez and him. Ms. Goldsborough said Section 8 was no longer doing business with him as per Sandra Velez. He then called Sandra Velez and left her another message. He did not receive a returned telephone call. He called her again and she informed him that she was waiting for legal counsel on what to say to him. Mr. Augustine then asked her what about his restitution payment and the handshake and understanding between them. Ms. Velez stated he had done something since their last meeting that affected the agreement, but would not tell him what it was. Mr. Augustine explained to Ms. Velez that her actions had caused a severe and adverse financial hardship for himself and his family by turning away potential tenants that were previously advertised for, canceling his current advertising and the cost of having the unit prepared prior to the city inspection. Ms. Velez again stated she would contact him when she receives legal counsel. Through all of Mr. Augustine's successful dealing with the City of Vineland over the years this is without question this is the most disappointing situation he has ever been through. He very much values his reputation as a good landlord and all his tenants will attest to the excellent way he provides service to them. For Ms. Miraslova Lopez to be told twice she can not deal with him over this situation was handled inappropriate. For Ms. Miraslova Lopez to be intimidated by Section 8 and instructed not to talk to him is inappropriate. For Ms. Velez to shake his hand and make a promise to him on behalf of Section 8 and then go back on her word without explanation is in appropriate. For the general comments that Ms. Velez made about the conduct and handling of business matters by her predecessor, Wilma Lopez who he has never had any problems or difficulty with is inappropriate. For Ms. Velez to talk to him and question him in demeaning matter that she did after he spoke to her as a gentleman is inappropriate. In closing, Mr. Augustine stated he has paid hundreds of thousands of dollars into this community of Vineland in taxes and business revenue over the years. He likes Vineland and would like to continue doing business with the community. Mr. Augustine looks forward to many more years of harmony between himself and the Section 8 Program. He would like to resolve any differences that Ms. Velez has with him. He would like to work along with her in harmony. He would like for her to honor her agreement and immediately notify Ms. Miraslova Lopez that his apartment will be approved for her as soon as possible before Ms. Lopez finds another unit causing additional hardship on his family. He thanked the Board for their interest in his concern and thanks them for listening. Mr. Augustine handed his letter to Chairman D'Orazio. Chairman D'Orazio handed the letter to Mrs. Jones. Mr. Augustine had additional copies for other members of the Board.

Mrs. Jones stated she is aware of some of the details of this situation, but not all of the details. She understands that Ms. Velez is working on this case. Mrs. Jones apologized if Mr. Augustine felt as though he was talked to improperly. Mrs. Jones will speak to Ms. Velez tomorrow about the status of this case and will get back to him tomorrow. His contact information is listed in his letter.

Chairman D'Orazio requested any comments for any Board Member.

With no further business to discuss, Chairman D'Orazio entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Asselta; seconded by Commissioner Burk. The vote was carried unanimously by the Board Members present.

The Regular Meeting of The Board of Commissioners was adjourned at 8:16 p.m.

Respectfully submitted,

Jacqueline S. Jones
Secretary/Treasurer