

# Housing Authority of the City of Vineland

**REGULAR MEETING**  
**Thursday, May 19, 2011**  
**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 19, 2011 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	<b>(Absent)</b>
Commissioner Elizabeth Gordon	
Commissioner Beatrice Corbin	<b>(Absent)</b>
Commissioner Carmen Nydia Diaz	
Commissioner Mario Ruiz-Mesa	
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 and Dan Avena and Linda Cavallo from the VHA's fee accounting firm.

Chairman D'Orazio read the Sunshine Law.

Chairman D'Orazio introduced the Board's newest commissioner, Mario Ruiz-Mesa. Commissioner Ruiz-Mesa has been appointed by the Governor's/Community Affairs Office. Commissioner Ruiz-Mesa thanked everyone for giving him a warm welcome. He hopes that the Board will assist him in catching up and get up to speed so that he can be a constructive member of the Board. Commissioner Ruiz-Mesa knows the Board is doing an excellent job due to the Vineland Housing Authority having a good reputation. He stated he is an insurance agent and has owned an insurance agency in Vineland for over 40 years. He has been involved in many community organizations in the past. Commissioner Ruiz-Mesa hopes he can contribute to the VHA team.

The Chairman entertained a motion to approve the minutes of the Regular Meeting held on April 21, 2011. A motion was made by Commissioner Burk and seconded by Commissioner Diaz. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Yes)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Mario Ruiz-Mesa	(Abstain)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Chairman D'Orazio called for the Financial Report from Avena's office. Ms. Cavallo reviewed the Financial Report for the seven months ending April 30, 2011, by reviewing the numerous line item figures.

Chairman D'Orazio requested the Executive Administrative Report. Mrs. Jones reported based on the financial report the VHA is doing well. One of the reasons for this is because the Authority manages two other housing authorities, Buena and Glassboro. Glassboro Housing Authority brings in quite a bit of money for the VHA. This is really something that is helping the VHA right now. Mrs. Jones brings this up because of the lesser amount of funding the VHA is expected to receive this year. The VHA is going to receive over \$200,000 less. The VHA has not been able to calculate that number exactly because the forms are not ready from HUD on their website.

Mr. Avena did a preliminary budget which was reviewed. If everything stayed the same the VHA would have about a \$9,000 profit at the end of next year due to the funding cuts. The VHA is not use to that. The VHA is doing okay as far as profit wise this year and is building its Central Office Cost Center (COCC). Mrs. Jones does not anticipate this happening next year. The cushion we have in COCC is going to be important for next year. The financial statement looks great, but that is really going to be the VHA's savings for next year. Mrs. Jones does not anticipate that this lack of funding will require any lay-offs at this time. The VHA most recently has not replaced anyone if someone has retired or resigns. The VHA has been using part-time staff as much as possible. The VHA also tries to use technology in the best way possible to improve efficiencies.

Having discussed the preliminary budget, Mrs. Jones would like to talk about the protective services issue. It was discussed last month about the possibility of reducing the VHA's security cost as the VHA starts to prepare the next budget. The protective services costs this year was budgeted at \$65,000 and this was primarily for Tarkiln Acres and D'Orazio Terrace. No security for any other sites was ever planned. This amount was budgeted to come out of the Capital Fund this year not out of the Operating Budget. Keeping in mind the Capital Fund is being cut approximately \$177,000 Mrs. Jones is suggesting the VHA severely if not entirely eliminate the security at those two locations because the VHA can not afford it anymore. Mrs. Jones stated the VHA is over budget in protective services because it hired the security company to do additional security at Kidston Towers. There are some issues the VHA is trying to get under control at Kidston Towers. There are people living there that shouldn't be as well as having some trouble with the elevators when they were being refurbished. Mrs. Jones is not looking for a decision tonight, but is interested in the Board's comments and opinions. The VHA requested the calls for services from the police department for the VHA's sites to see what types of calls they are receiving. Mrs. Jones reported the quick analysis of the calls of services for the past 17 months received by the police department for VHA properties. Mrs. Jones feels the VHA does not have anymore calls than any other apartment complex would. As the VHA prepares the budget it is suggested to remove the protective services cost out of the Capital Fund, but Mrs. Jones recommends leaving some in their in case the VHA has a problem. Discussion ensued regarding this issue. In the past, there were major issues at Asselta Acres, but this has changed due to lease enforcement and tenant selection. Many housing authorities in the surrounding areas do not have security. Millville Housing Authority had a security force and they eliminated it due to the fund cuts last year. Gloucester County Housing Authority has security but they have high rises, which is interesting because high rises are the more secure properties to be in. Mrs. Jones does not know if Gloucester County is going to be able to afford it through this next funding cycle. In general, normally apartment complexes don't have security force. It is not a normal expense. The VHA pays a pilot as far as taxes as part of our Cooperation Agreement with the City and regular patrols are being paid for anyway. The VHA can speak with the police department and advise them of the elimination of security so they can make it a purpose to patrol our properties. The current contract with the security service company is on a month to month basis. It was discussed of possibly experimenting and using the security service in a different way for a month to see if anything changes. There may be some issues in tracking the security service at different locations because Tarkiln and D'Orazio are set up to be audited by a tracking system. Prior to finding out about

funding cuts, the VHA was thinking about rather than having two security guards that walk two sites like clockwork have someone that is mobile to check all the sites. Having someone mobile may not be costs effective either because you are involving a vehicle and there is a liability and expense that goes with that. Again, the VHA needs to keep in mind it is being cut \$177,000 from the Capital Fund and \$45,000 from the Operating Fund. The VHA wouldn't be having this conversation if its funding was being cut like that. Mrs. Jones anticipates the VHA is going to spend about \$80-\$90,000 on protective services before the year is out. If the VHA takes this amount from the Capital Fund it would mean that about \$100,000 in capital work to a building will not happen. The VHA has to deal with the cuts this year and if the need arises it does not mean the security can't be put back in place. Mrs. Jones explained the Capital Fund numbers and how it is allocated.

Part of the Capital Fund also goes to the Corbin Center, which provides after school programs and summer programs. This is running the Authority roughly \$80-90,000 a year. In regards to the Corbin Center, an RFP was issued to partner with an organization that might receive funding for a summer program for lower income children. The VHA's idea is to provide the building and indicate how many children we would like in the program. There were three responses and two of them were very costly. There was one organization that indicates they understood where the VHA was going with this. If the VHA can partner with an organization that is already receiving this funding the VHA can save \$70-80,000 on staff. The VHA is trying other avenues so it does not have to spend all of its Capital money on these types of programs. The one RFP that may be a possibility is being further reviewed. Mrs. Jones will be able to report further on this in June.

Mrs. Jones and the accountants will be working on the budget in the next month or so but may not be finalized by next month because the HUD forms may not be available.

Mrs. Jones indicated no decision needs to be made today regarding the security service, but something to think about. She suggested possibly switching security to Asselta from Tarkiln to see what happens.

Mr. Gabage commented that there has been some development within HUD to try to correct what is going on in some housing authorities with criminal activity. One of the things was the Weed and Seed Program. This program has now expired. The program was quite successful because it gave money to housing authorities to hire people to do criminal background checks and police what was going on in the authority. The Federal Government also passed the One Strike Policy. This policy stated if you committed any kind of serious crime or a drug related offense you do not get a second chance and are immediately evicted. Mr. Gabage's experience has seen drop off. When something good or bad happens the tenants seem to have a way of figuring it out quickly. The Weed and Seed Program followed up by the One Strike Policy along with the VHA's aggressive staff enforcing some the rules and regulations the tenants know to walk a much straighter line now. Mr. Gabage stated things are much better now and if there was ever a time to either reduce or eliminate security it is probably a good time right now.

Mrs. Jones wanted to begin discussion regarding an Energy Performance Contract. Housing Authorities are permitted to enter into Energy Performance Contracts with companies that can reduce energy costs and consumption. This has been around for several years, but housing authorities have stayed away from it. It is a somewhat complicated transaction, but it is becoming more popular. HUD is zeroing in on energy initiatives. One of the things they have mandated through a memorandum called PIH (Public & Indian Housing) Notices to authorities is if there is capability for the tenant to pay their own utilities then we should make that happen. Olivio Tower tenants pay for the electric that they use and the 72 scattered sites pay for their own utilities. The

VHA pay the utilities for every other tenant. It is a proven that if you do not pay for your energy usage you do not conserve, but rather consume. The VHA has been working on this for about a good year now. Some things have been done at Parkview with the ARRA Grant to convert the heat from electric to gas. This is almost complete. The VHA recently got a lot of work done by Tri-County through an ARRA grant through the government, but the major way to show savings and conserve energy is to upgrade our systems and to have the tenants be responsible for their energy usage. With the Energy Performance Contract the VHA would have to do an energy audit. The VHA is mandated to have an energy audit every 5 years. The VHA is due this year for the energy audit. Through the energy audit a company will advise the Authority what changes need to be made to be more efficient. Some examples are boilers, windows, etc. They also tell you what they think you can save. Once the VHA has the energy audit an RFP would be issued to see what energy performance contractors will respond. The contractors come back with very detailed responses on what we can do to save a certain amount of money. Mrs. Jones explained that the work may cost three million dollars as an example. The authority would get a loan for the amount and what will pay that loan is the savings that the contractor will guarantee from all the work being done. If the authority can't pay the loan because the savings were not as anticipated the energy performance contractor company will write the authority a check for the difference. This is a real process and is being done all over the country. There are several in process in New Jersey. It is the last way that housing authorities can save any money. It is the only way right now to be able to get the work done, financed and approved by HUD to be able to save the money. HUD is interested in these contracts because it is a way to at least upgrade the HVAC systems and save money on energy. There are very strict rules on how to procure these services and how to measure the savings afterwards which has to be done by third parties. Mrs. Jones reported the VHA has talked to a company or two about this and the process. The first step is the energy audit and this has to be performed any way. Mrs. Jones suggested the VHA do the energy audit as mandated. It will cost about \$25,000, which will come from Capital Fund. The next step would be to issue the RFP. Even if after we receive responses for the RFP the authority is not obligated to do anything. Mrs. Jones thinks this is something to explore. There would need to be a full presentation to the board for understanding the energy performance contract process before any contracts were entered in to. Some of the VHA's Board Members and professionals are familiar with Mr. Chapman. Mr. Chapman was a former board member here who is very knowledgeable in this area. Mrs. Jones has spoken to him about this and he feels it is a great idea to explore. Mrs. Jones would have him available at the presentation as well. Chairman D'Orazio asked if the companies that want to do this provide the energy audit as well. Mrs. Jones stated HUD will not allow them to do the audit because they want you to have a third party to do the energy audit. It can be the same party that checks that the energy audit performance contract was completed properly and the company doing the audit calculates and confirms the energy savings pre-audit because the energy performance contractor is the one doing the work. They are benefiting monetarily so HUD wants them out of the pre-audit part of it and the post-audit part of it. Mrs. Jones reported the VHA has already negotiated a reduced rate with the gas company, but is unable to negotiate with Vineland Electric. A preliminary figure indicates the VHA can save approximately \$25,000 a month in energy saving with an energy performance contract.

Mrs. Jones stated on the last page of her report she will list any upcoming conferences. Chairman D'Orazio stated for the benefit of the new commissioners the VHA's travel policy includes the allowance for Commissioners to attend one major conference per fiscal year. NAHRO and PHADA are two organizations that host two conferences per year. The conferences include training sessions, presentations and vendors. They are good learning experience and you get to meet other commissioners from other parts of the country as well as getting some additional training besides the mandatory NJ training. The conferences are usually a three day event. The VHA's

allowance will permit a Commissioner to attend the conference and all expenses for them only including airfare, hotel and per diem allowance providing original receipts.

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

**Resolution #2011-26**  
**Resolution to Approve Monthly Expenses**

Chairman D’Orazio stated it has been reported Commissioner Asselta has reviewed all the bills and recommended payment in the sum of \$378,954.61. Commissioner D’Orazio called for a motion to approve the monthly expenses. A motion was made by Commissioner Burk; seconded by Commissioner Diaz. The following vote was taken:

Commissioner Joseph Asselta	(Absent)
Commissioner Elizabeth Gordon	(Yes)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D’Orazio	(Yes)

**Resolution #2011-27**  
**Resolution Authorizing Payment under the Capital Funds Appropriations Program to Charles J. Collins/Architect**

Chairman D’Orazio called for a motion to approve payment to Charles J. Collins/Architect in the sum of \$7,064.26. A motion was made by Commissioner Burk; seconded by Commissioner Gordon. The following vote was taken:

Commissioner Joseph Asselta	(Absent)
Commissioner Elizabeth Gordon	(Yes)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D’Orazio	(Yes)

**Resolution #2011-28**  
**Resolution Authorizing Payment under the Homeownership Funds for Public Housing Programs to Levy Construction Co, Inc. for Alterations to D’Orazio Terrace**

Chairman D’Orazio called for a motion to approve payment to Levy Construction Co., Inc. in the sum of \$15,210.00. A motion was made by Commissioner Burk; seconded by Commissioner Diaz. The following vote was taken:

Commissioner Joseph Asselta	(Absent)
Commissioner Elizabeth Gordon	(Yes)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Vickie Burk	(Yes)

Chairman Robert A. D'Orazio (Yes)

**Resolution #2011-29**

**Resolution Authorizing Payment under the Capital Funds Appropriations Program to Straga Brothers, Inc. for Parkview/D'Orazio Improvements**

Chairman D'Orazio called for a motion to approve payment to Straga Brothers, Inc. in the sum of \$129,629.44. A motion was made by Commissioner Burk; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

Commissioner Joseph Asselta	(Absent)
Commissioner Elizabeth Gordon	(Yes)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

**Resolution #2011-30**

**Resolution Authorizing Payment under the Capital Funds Appropriations Program to TEC Elevator Inc. for Alterations to Elevators at Kidston Towers**

Chairman D'Orazio called for a motion to approve payment to TEC Elevator Inc. in the sum of \$14,433.60. A motion was made by Commissioner Burk; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

Commissioner Joseph Asselta	(Absent)
Commissioner Elizabeth Gordon	(Yes)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

**Resolution #2011-31 Executive Session**

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

**Resolution #2011-32**

**Resolution to Dispose of Furniture and Equipment Utilizing the Disposition Policy**

For the benefit of the new commissioners Chairman D'Orazio explained the GovDeal.com process. Chairman D'Orazio called for a motion to approve Resolution #2011-32. A motion was made by Commissioner Burk; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

Commissioner Joseph Asselta	(Absent)
Commissioner Elizabeth Gordon	(Yes)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)

Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

No comments from press, public and/or Board Members.

With no further business to discuss, Chairman D'Orazio entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Diaz; 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 8:29 p.m.

Respectfully submitted,

Jacqueline S. Jones  
Secretary/Treasurer