

Housing Authority of the City of Vineland

REGULAR MEETING
Thursday, July 19, 2012
7:00 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, July 19, 2012 at 7:00 p.m. at the office of the Authority located at 191 W. Chestnut Avenue, Vineland, New Jersey 08360. The following Commissioners were present:

Commissioner Elizabeth Gordon
Commissioner Carmen Nydia Diaz *(absent)*
Commissioner Mario Ruiz-Mesa
Commissioner Chris Chapman
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, Rick Ginnetti, The Brooke Group - VHA Consultant and Gloria Pomales, Executive Assistant.

Chairman D'Orazio read the Sunshine Law.

Chairman D'Orazio welcomed back Commissioner Chapman. For the courtesy of the new commissioners, Chairman D'Orazio asked Commissioner Chapman to summarize his history with the Vineland Housing Authority (VHA) as well as your personal life. Commissioner Chapman stated he was on the VHA Board for approximate 18 years and he resigned a year an half ago due to a conflict that he felt he wanted to avoid. There weren't any hard feelings when he resigned in any way. Commissioner Chapman stated things have changed since then. The request came in from the mayor's office asking if he would be willing to come back to the Board and he has accepted. Commissioner Chapman is happy to be back. Commissioner Chapman mentioned the other boards beyond the VHA that he is a member of, such as the Vineland Housing Development Corporation (VHDC) as well the Vineland Housing Solutions (VHS). Commissioner Chapman is President of the VHDC and VHS. Their roles have evolved and changed here at the Authority. Chapman explained that for the longest time the VHDC was an instrumentality of the VHA. VHDC being the not-for-profit model for the VHA. We have decided to change that and it was always something that was debated within the Authority. At this time, the VHDC is no longer an instrumentality of the VHA. Chapman will be at this point the member who will be on the VHA and on the VHDC Board, but they are two separate entities now with rules, guidelines and agreements back and forth between them. He will abstain from any votes that pertain to the VHDC.

Chairman D'Orazio added Commissioner Chapman was the Vice Chairman of the VHA previously, but we have since replaced him. Chairman D'Orazio stated Chapman brings a wealth of experience. He is a lifelong Vineland resident and had many years on the Board. He brings a variety of experience from business and his knowledge of housing the VHA board.

Commissioner Chapman stated that he is privately a developer and he as always maintained that he would never let that conflict with the VHA. He would never bid on a project or even entertain the idea of bidding on a project.

Approval of the minutes from June 21, 2012 was tabled for next month due to not enough members of the Board present to vote.

Chairman D'Orazio called for the Financial Report from Avena's office. Linda Cavallo reviewed the Financial Report for the nine months ending June 30, 2012. Mrs. Jones briefly explained the reason for the recapture section on the Financial Report.

Chairman D'Orazio requested the Executive Administrative Report. Mrs. Jones stated the few Capital Projects the VHA has are almost wrapped up and in the final stages of close out.

Mrs. Jones updated the Board regarding the Super Derecho storm of June 30th. She stated that FEMA was applied for by the lieutenant governor after a visit through the counties. Mrs. Jones was informed it was declared today, July 19th. A FEMA order was issued for public entities only, not private entities, at this point. It stated individual assistance is under review. Mrs. Jones stated the VHA had very minor building damage to its properties. The majority of the work for the VHA was down trees. Another category the VHA may fall into is hazard mitigation grant program which is assistance for action taken to prevent or reduce long term risk to life and property from nature hazards. At this point, of the VHA's 72 homes about 28 have down trees of some sort. The VHA anticipates the cost at about \$45-50,000 to clear the trees. Commissioner Gordon complimented Mrs. Jones and the staff for their efforts during the storm.

Mrs. Jones stated there are several Professional RFP's advertised and they will be presented for award next month. The painting bid is to be awarded tonight. There is another RFP that was issued since the last Board Meeting and that was for a qualified developer. The reason we issued this RFP is because of the relationship Commissioner Chapman just spoke of regarding the VHDC and VHA. VHDC is a separate entity at this point and for VHA to work with VHDC on this project it was felt the most conservative thing to do would be to issue an RFP for the project in a fair and open manner. Mrs. Jones stated Rick Ginnetti of the Brooke Group is in attendance to update the Board on the project.

Rick Ginnetti stated it was a fair and open RFP. The VHA put a proposal on the street for a developer to develop under this mixed finance system using housing authority participation. Multiple companies picked up the RFP although the only proposal submitted was from the VHDC. It was reviewed for completeness and scored from a different housing authority. If the VHDC is designated we will enjoy a relationship that it would have with any other vendor. Chairman D'Orazio asked who put the proposal together representing the VHDC. Mrs. Jones stated the consultant, The Brooke Group. Mr. Ginnetti stated it was submitted by the Vice Chair of the VHDC.

Mrs. Jones stated the staff and accountants are working on the Budget. There will be a budget committee meeting on July 30th at the Avena's office at 7 p.m. Chairman D'Orazio asked if Commissioner Chapman would be able to serve on the Budget Committee. D'Orazio explained Commissioner Diaz is on that committee, but will be out of the country. Commissioner Chapman stated he would let him know. At the meeting they will discuss the budget for 2012-2013 as well as discuss an adjustment to be made at the 2011-2012 for staff increases. This has not been addressed this year and there have not been any increases to staff salaries since the last budget year. The VHA was in the dark going into this year regarding what its funding was going to because of what was going on in Washington and the VHA's financial statement is pretty healthy right now. Mrs. Jones feels that it is a good time to address that issue with possibly a retro active increase to October 1, 2011. This would mean the Budget Committee would come back to the August meeting with recommendations to the board from the committee meeting.

Mrs. Jones reported the Audit is finished. The Audit was distributed to all the Board members to review over the next 30 days because next month the auditors, Bowman and Company, will attend

the Board Meeting to give a presentation and answer any questions the Board may have. Mrs. Jones stated the VHA received two findings. One of the findings was on the CFRC grant. A report is filled out for HUD online and the amount that was totally expended for the grant was \$656,000 and the amount Mrs. Jones entered was not the correct amount. The Authority is attempting to get this report fixed. Hopefully, it will get fixed in the next year. It has been difficult to get the report "opened" online to be able to fix the amount. The other "audit finding" is adjustments that had to be made at the end of the year to reflect correct financial statement figures. Some of this is a result of project based management and some asset declassification that had to be done.

Rick Ginnetti from the Brook Group provided an update on the Chapman Terrace Project. It has been given a different name and the project is now called Melrose Court. Mr. Ginnetti updated the Board on the application for the tax exempt bond financing. That application has been drafted and it is in the process of being completed and he would like to get it fully submitted by the end of August to make the NJ Mortgage and Finance Agency's September 28th board meeting. There are a few outstanding pieces required for the application. The application requires a resolution from the City passing a resolution that the project is needed and a P.I.L.O.T. resolution agreeing that once the project is built they will take payment in lieu of taxes instead of straight property taxes. Mr. Ginnetti reported Jackie and he met with the City's Administrator and some staff this past week. They reviewed the applications and they were very accepting of the project. There were no issues from the staff that the project was being converted from a home ownership project to a rental project. They did have a concern that the project could be built COAH compliant so it could be certified as a COAH project. It was agreed that the project would be built COAH compliant in so far as possible due to the current flux of the COAH rules. Overall the meeting with the city went well. Mrs. Jones and Mr. Ginnetti will be attending the city work session with city council next Tuesday to review everything so city council can get it on their agenda the following week.

In regards to the RFP for Qualified Developer, the VHDC presented a proposal to the Housing Authority through the RFP. Mr. Ginnetti feels that it may be the best laid out version of how this project works. Mr. Ginnetti discussed the preliminary designs for development. There are 17 single family homes, all one level and four of the homes will be fully accessible. The rest are adaptable. All of them can be converted to an accessible unit. The 17 homes will be affordable although 9 of the homes will be market affordable which means the rent will not be subsidized. The way this project is contemplated to be owned is through a new entity that will be established. The VHA and the VHDC will not own this project. It will be owned by a single purpose entity. There will be key members of this new entity. One will be the tax credit investor and the managing member will control the new entity made up of the VHDC 51% and the VHA 49%. The VHA will control the operations of the entity through an operating and management agreement between the VHDC and the VHA.

Mr. Gabage asked who else was involved in this project. The VHDC would be the developer if awarded tonight. The Brooke Group is a project consultant. In the proposal it lists the Brooke Group as a consultant and its capacity. It also states that the Brooke Group would manage its time by both the VHA and VHDC. There are no other entities involved except for the professional services such as an architect, possibly Fralinger Engineering as well as a tax credit investor, a mixed finance attorney and a mixed finance accountant.

Commissioner Chapman stated this is a complicated deal but the only thing that concerns him that we would not be able to obtain the tax credits and state financing with this still being 17 single family detached residential lots. Where this is at in the development process the ability to change that may be something you may want to consider. If Kathy from the City is on the same page then that is great. Commissioner Chapman feels it would be a good idea to have a conversation to have regarding the lots because he does not recall the plat being recorded. Mrs. Jones agreed that the plat had not been recorded. He suggested possibly changing it to be one piece of property

particularly now that you are committing it for rental housing but it is effectively a single family detached residential development. He would think you may want to consider changing that. Mr. Ginnetti agreed it may be worth considering putting this on one lot; however, he does not believe that there will be a problem with the financing as there are other mixed finance developments in the state where the homes were developed on individual lots. The retention basin was briefly discussed. There was a discussion of making the lots smaller. A possible park or community space briefly discussed if lots were made smaller. The residents in these homes are responsible for maintaining their own grass and maintaining the yard.

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

Resolution #2012-36
Resolution to Approve Monthly Expenses

Chairman D’Orazio called for a report from Commissioner Ruiz-Mesa. Commissioner Ruiz-Mesa reported he reviewed all the bills and recommended payment in the sum of \$840,770.74. Commissioner D’Orazio called for a motion to approve the monthly expenses. A motion was made by Commissioner Chapman; seconded by Commissioner Gordon. The following vote was taken:

Commissioner Elizabeth Gordon	(Yes)
Commissioner Carmen Nydia Diaz	(Absent)
Commissioner Chris Chapman	(Yes)
Commissioner Mario Ruiz-Mesa	(Yes)
Chairman Robert A. D’Orazio	(Yes)

Resolution #2012-37
Resolution Approval Annual PHA Plan

Mrs. Jones briefly explained the Annual Plan. Chairman D’Orazio called for a motion to approve Resolution #2012-37. A motion was made by Commissioner Chapman; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

Commissioner Elizabeth Gordon	(Yes)
Commissioner Carmen Nydia Diaz	(Absent)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Chris Chapman	(Yes)
Chairman Robert A. D’Orazio	(Yes)

Resolution #2012-38
Resolution Awarding Painting Services Contract to James Menone Painting

Mrs. Jones indicated this contract is based on need and budget availability. Chairman D’Orazio called for a motion to approve Resolution #2012-38. A motion was made by Commissioner Chapman; seconded by Commissioner Gordon. The following vote was taken:

Commissioner Elizabeth Gordon	(Yes)
Commissioner Carmen Nydia Diaz	(Absent)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Chris Chapman	(Yes)
Chairman Robert A. D’Orazio	(Yes)

Resolution #2012-39

Resolution Authorizing the Executive Director to Contract with Labor Relations Attorney

Mr. Gabage stated he doesn't really know much about the background other than that the maintenance employees want to unionize. Mr. Gabage advised Mrs. Jones this was not an area he had experience in and if she wanted to have legal counsel she should ask someone who has experience in that area. The attorney Mrs. Jones will contract with is the attorney from the Glassboro Housing Authority, Chris Orlando from Brown & Connery who has labor relations experience. Mrs. Jones briefly explained the process to unionize.. Chairman D'Orazio called for a motion to approve Resolution #2012-39. A motion was made by Commissioner Chapman; seconded by Commissioner Gordon. The following vote was taken:

Commissioner Elizabeth Gordon	(Yes)
Commissioner Carmen Nydia Diaz	(Absent)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Chris Chapman	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2012-40

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

Resolution #2012-41

Resolution to Enter into Contract with a Qualified Developer

Chairman D'Orazio called for a motion to approve Resolution #2012-41. A motion was made by Commissioner Ruiz-Mesa; seconded by Commissioner Gordon. The following vote was taken:

Commissioner Elizabeth Gordon	(Yes)
Commissioner Carmen Nydia Diaz	(Absent)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Chris Chapman	(Abstain)
Chairman Robert A. D'Orazio	(Yes)

Wendy Hughes, Assistant Executive Director explained the next two resolutions regarding the State Budget. Ms. Hughes explained that even though the State does not fund the VHA at all because the VHA is a public agency it is required to submit a State Budget to them two months prior to the fiscal year. The VHA usually does not know at that time what funds it will be receiving so it is hard to prepare the budget two months prior to the fiscal year. This is the reason why they require a resolution authorizing the late submission.

Resolution #2012-42

**Resolution Approving State Budget (Annual & Capital Budget)
October 1, 2011 to September 30, 2012**

Chairman D'Orazio called for a motion to approve Resolution #2012-42. A motion was made by Commissioner Chapman; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

Commissioner Elizabeth Gordon	(Yes)
Commissioner Carmen Nydia Diaz	(Absent)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Chris Chapman	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2012-43
Resolution Authorizing Late Submission of Operating Budget FYE 9/30/2012

Chairman D'Orazio called for a motion to approve Resolution #2012-43. A motion was made by Commissioner Chapman; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

Commissioner Elizabeth Gordon	(Yes)
Commissioner Carmen Nydia Diaz	(Absent)
Commissioner Mario Ruiz-Mesa	(Yes)
Commissioner Chris Chapman	(Yes)
Chairman Robert A. D'Orazio	(Yes)

No comments from the press and/or public. No comments from any Board Members.

Mrs. Jones mentioned the VHA received the CFRC grant and a lot of work was completed with the grant. Parkview heating and hot water was converted from electric to gas and the attics were insulated. At D'Orazio the hot water was converted from electric to gas. One of the reasons the VHA received the grant was because through our architect we estimated that we would save 25% on energy. The grant was competitive and we had to provide your estimated savings upfront. After the work is completed, HUD returns to audit the outcomes. The company who did the VHA's energy audit, EMG, reviewed our savings for these two projects and based on the information the VHA looks to save 15% at Parkview and 14% at D'Orazio on an annual basis. The VHA is estimating that to be about \$80,000 a year.

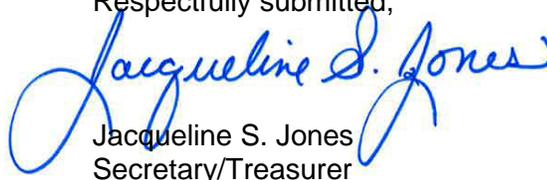
Mrs. Jones spoke about changing the format of the board packet and receiving it electronically. At board meetings we would use iPads to view the packet since the room is not set up to properly project anything on the walls. Cost was briefly discussed. This is just a suggestion. A presentation with the iPads will be made available next month to the Board. It was also discussed to be able to PDF all documents pertaining to the meeting on possibly the VHA portal for Commissioners to have access to past board packets.

Mr. Chapman mentioned that the State Legislator just passed a new law that pertains to public entities that combined with another law regarding solar. There was a discussion regarding doing solar.

There was a brief discussion regarding providing the families of Mr. Asselta and Mrs. Corbin a certificate of appreciation for their years of service. Mrs. Jones suggested some type of resolution and having it framed.

With no further business to discuss, Chairman D'Orazio entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Ruiz-Mesa; seconded by Commissioner Chapman. The vote was carried unanimously by the Board Members present. The Regular Meeting of The Board of Commissioners was adjourned at 8:37 p.m.

Respectfully submitted,


Jacqueline S. Jones
Secretary/Treasurer