

Housing Authority of the City of Vineland

REGULAR MEETING
Thursday, August 16, 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, August 16, 2012 at 7:00 p.m. at the office of the Authority located at 191 W. Chestnut Avenue, Vineland, New Jersey 08360.

Chairman D'Orazio turned the meeting over to Mr. Gabage. Mr. Gabage swore in the Authority's new commissioner, Brian Asselta.

The following Commissioners were present:

Commissioner Chris Chapman
Commissioner Elizabeth Gordon
Commissioner Carmen Nydia Diaz
Commissioner Mario Ruiz-Mesa
Commissioner Brian Asselta
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, Nina Sorelle and Elizabeth Dugan from the VHA's auditing firm, Rick Ginnett, The Brooke Group - VHA Consultant and Gloria Pomales, Executive Assistant.

Chairman D'Orazio read the Sunshine Law.

Chairman D'Orazio welcomed Brian Asselta as the Authority's newest commissioner. Brian Asselta was appointed in his father's position on the board. The Chairman requested Commissioner Asselta to tell the Board about himself. Commissioner Asselta stated he grew up in Vineland and spent a lot of time working at his father's meat market. He received his degree from St. Joseph's University in Food Marketing. He was a salesman for a while after college. For the past 13 years he has been the co-owner of Giovanni's Deli. Commissioner Asselta is married to his wife, Darlene, for many years and they have three children. He stated he has a real estate license. Commissioner Asselta is eager to learn and to serve the board well.

Chairman D'Orazio stated 20 years ago he replaced his father on the Board and hopes Mr. Asselta will be on the Board just as long.

The Chairman entertained a motion to approve the minutes of the Regular Meeting held on June 21, 2012. A motion was made by Commissioner Ruiz-Mesa and seconded by Commissioner Diaz. The following vote was taken:

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

The Chairman entertained a motion to approve the minutes of the Regular Meeting held on July 19, 2012. A motion was made by Commissioner Chapman and seconded by Commissioner Gordon. The following vote was taken:

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

Chairman D'Orazio indicated there is a revised agenda. If permissible with the rest of the Board Chairman D'Orazio would like to move the auditors up within the order of the Agenda.

Mrs. Jones introduced Nina Sorelle and Elizabeth Dugan from Bowman & Company. She stated everyone should have received and reviewed the audit. Ms. Sorelle reviewed the auditor's letter in regards to audit findings, difficulties encountered in performing the audit, disagreements with management, management representations, management consultations with other independent accountants, and other audit findings or issues. Overall the Financial Statements/Balance Sheets look better than last year. In the profit and loss statement the Authority has a \$48,000 net income as opposed to last year's \$570,000 loss. There was a brief discussion regarding possible new accounting regulations. The Declarations of Trusts need to be updated to be current. Every time the Authority does a capital improvement that is funded with HUD money the Declarations of Trust for that property has to be updated. Mrs. Jones suggested that they be updated every year and recorded. Discussion was had regarding the certification required on invoices. Ms. Sorelle mentioned procurement issues, but now since Ron Miller received training it will be beneficial to the Authority. Mrs. Jones stated Ron Miller passed the State test for Qualified Purchasing Agent.

Chairman D'Orazio called for the Financial Report from Avena's office. Linda Cavallo reviewed the Financial Report for the ten months ending July 31, 2012.

Chairman D'Orazio requested the Executive Administrative Report. Mrs. Jones reiterated that Ron Miller passed the Qualified Purchasing Agent exam which is a great accomplishment for him and a big asset for the Authority. The Authority understands that every local government will be required to have a Qualified Purchasing Agent in a couple of years.

Mrs. Jones stated the Authority has applied for FEMA funding in regards to the "Super Derecho" storm of June 30, 2012. This amount is reflected on the financial statement as a receivable at this point. There are more receipts that came through for August. The financial statements will be updated monthly on this. Right now it is in the \$40,000 range. The Authority received a phone call this past week that they are now allowing food reimbursement expenses, which was not included the first time.

The Request for Proposals will be discussed in the committee section in regards to all the professional services being awarded. Rick Ginnetti, the Authority's consultant, is present tonight to update the Board on Melrose Court project formerly known as Chapman Terrace. Mrs. Jones stated she has one new item of business she would like to discuss after Mr. Ginnetti's presentation.

Chairman D'Orazio moved to the Committee Reports. He stated the Budget Committee had a meeting a couple of weeks ago. The Budget Committee consisted of Commissioner Gordon, Commissioner Chapman and Chairman D'Orazio. Commissioner Gordon and Chairman D'Orazio met at the Avena's office and Commissioner Chapman was conferenced in via telephone. Linda

Avena reviewed the 2013 Operating Budget for the Fiscal Year Ending 9/30/2013. There was a brief discussion on the Operating Budget mainly pertaining to Ordinary Maintenance and Operation.

Chairman D'Orazio requested a report from the Contract Committee. Commissioner Diaz, Chair of the Contract Committee stated the Committee consisting of Commissioner Gordon, Commissioner Ruiz-Mesa and herself met prior to the Board Meeting. The Contract Committee recommended Linda M. Avena for Accounting Services, Bowman & Company for Auditing Services, Eisenstat, Gabage & Furman for Legal Services and The Brooke Group for Consulting Services. The Committee had a discussion regarding Architectural & Engineering. There are two companies J.W. Pederson and Calvin Hamilton. After reviewing the documents, the Committee's concern is the cost aspect. Calvin Hamilton is \$65 an hour and J.W. Pederson is \$125 an hour. The ranking and ratings were discussed. Cost is not a deciding factor in Professional Request for Proposals. Commissioner Diaz stated the rating points were not much different from one another. Her concern is the hourly rate cost. Wendy Hughes explained there was 4 staff members selected to review the RFP's. The packages were reviewed and ranking evaluation sheet which was then averaged. Mrs. Jones stated it is important for a Housing Authority architect to have experience with housing authorities. Mr. Gabage stated he deals with hourly rates all the time and there is a tremendous hidden cost that you have to take into consideration and that is the learning curve. Mr. Gabage suggested to the Board that you not be as much concerned about the hourly rate as you are with the ability with the person to deliver a product in an efficient and economical manner. Chairman Asselta asked if there was an issue with the current Architect, Charles Collins. Mrs. Jones stated she was not on the committee but stated there are not current problems with the current architect. Mr. Gabage asked if Mrs. Jones was pleased with his performance. Mrs. Jones stated in general the performance has been okay. Mrs. Jones suggested the Board could table this and award in September because the contract is not effective until October. Mrs. Jones stated since this is a professional RFP the Authority can go back and ask for their best hourly rate to get more competitive numbers if the Board desires. There was a discussion on the different hourly rates. Commissioner Chapman stated the hourly rates is a component of the decision of who to appoint, but should not be based entirely on that hourly rate. Mrs. Jones recommended the Board not act on awarding this tonight and have the VHA internal committee gather some more information from each of these firms especially who the person the Authority would be dealing with and what their rate would be. The Board decided they would prefer to receive further information and possibly award next month. Wendy Hughes reviewed the number of proposals received for Accounting, Auditing, Legal and Consulting Services.

Rick Ginnetti from the Brooke Group provided an update on Melrose Court. Approval was received from City Council for the Resolution of Need and the Pilot Agreement, which now makes the application eligible for the tax exempt bonds. The application for the tax exempt bonds has been submitted electronically and it has a \$2,500 application fee. Mr. Ginnetti is hoping to make the September meeting due to process changes at the State. He has been told that the Governor's administration is taking a more active role with all their authorities and their agencies which is slowing the process down. Having said that, it is possible we won't make October for the hearing to approve the application. The first approval is called a Declaration of Intent. The tax exempt funding which would be for the construction and permanent mortgage automatically earns you the right to obtain low income housing tax credits. The most difficult piece of this funding is you have to find investors to buy your tax credits. This would give the project equity. For a 17-unit project it can be very difficult to find interested investors. The VHDC has received a term letter from a local bank who is interested in buying tax credits. The term letter is under review. The application fee will need to be paid. Another component is the market study. The VHDC will need to procure a tax credit counsel to finalize the term letter and make sure everything is right. The single purpose entity will need to be set up. The general partner entity that manages the single purpose entity will need to be established to be made up of the VHA and the VHDC. These entities need to be set up

with proper management agreements so everybody's role and responsibility is spelled out. On the agenda tonight, one of the resolutions is for the approval of a predevelopment loan between the VHA and its developer, the VHDC. The items Mr. Ginnetti just spoke about are things that need to be funded through the predevelopment loan. The predevelopment loan will pay for all those activities that have to take place between now and closing. The predevelopment loan has an overall budget of \$312,500. This does not mean the VHA will transfer the full amount to the VHDC at one time. Every month, the VHDC will submit a draw by line item based on that budget. It will draw funds down off of the line items similar to a construction budget. It will have as backup the actual invoices that need to be approved by both the VHDC and the VHA. By setting up a loan that is tracked, it makes these expenses eligible for tax credit basis. The payment requests will be put on resolutions for the Board to pass.

Mrs. Jones has new business to discuss. Mrs. Jones passed out a property map of a piece of property located on S.E. Boulevard. The land is a little over 17 acres. This property has preliminary approvals for 42 units of multifamily housing. The owner of the property is looking to sell the property. He is working with his bank and the bank has agreed to offer this to the Housing Authority and only the Housing Authority for this cost, which we believe is for their CRA credits and it would be considered a short sale. They are agreeing to sell it to the VHA for \$150,000. Commissioner Chapman stated some of the Board may not be aware the Authority was approached regarding this property in the past. The City of Vineland did not have a multifamily zoning standard for 25 years. The City of Vineland had excluded any multifamily developments because it was COAH-compliant under the fair share statute, and so Vineland and the planners of the City of Vineland had been able to essentially eliminate multifamily developments in the City of Vineland for 25 plus years. In 2008, they designated three specific properties multifamily, including the S.E. Boulevard property. The gentleman who owned the S.E. Boulevard property received preliminary approval for 42 units of multifamily housing. In 2010, he approached the Authority for a number nowhere near \$150,000. Mrs. Jones stated this is a deal from the bank. Currently, the VHA does not know who the bank is. She is aware it was a former local bank, but they are no longer a local bank. Commissioner Chapman's opinion is that this is a good deal. He feels it is an opportunity to the Authority. Mr. Gabage asked if anyone knew the status of the permits. Commissioner Chapman stated they have preliminary, but not final approval. The final approval is only an administrative action. The building permit extension access is signed. It is an interesting piece of land that the Authority should strongly consider because the development of 42 multifamily units is unparalleled. Mr. Gabage stated mainly for the purpose of the new commissioners that the money that would be used is the money that is at risk to be recaptured by HUD. Mrs. Jones stated as far as HUD recapturing money; a few years ago HUD went after Section 8 money twice. Mrs. Jones' prediction is the next thing HUD is going to look at is COCC (Central Office Cost Center) money, which is the general account/corporate account basically. The VHA's COCC is healthy and HUD will see that next in Housing Authorities. They will say we are receiving too much in management fees and eventually, will probably go after homeownership money. Mr. Gabage's point is that if the Board agrees to buy this piece of property, it is being bought with money that is sitting around doing nothing at this point, other than earning very little interest and it is money that may end up being recaptured by HUD anyway. The worse thing that can happen is that the Authority spends \$150,000 on land that you may not be able to develop or sell for a while, but you are buying it with money that you may end up giving back to HUD anyway. Mrs. Jones stated if the Authority is able to acquire this property; her thoughts are to develop it as a 9% tax credit deal, which would be affordable housing. The Authority would have to procure a developer. Mrs. Jones and Rick Ginnetti had a conversation today with the attorney for this property. There are a couple of issues in regards to the property. One issue is a sewer issue and the other is how the Authority can legally procure this property with housing funds. The Authority has homeownership money, but it might not necessarily be the money that it may want to use. There is COCC money that may be considered a better source of income. The Authority has the money to acquire the property. Mrs. Jones would like to consult with a tax credit/housing authority attorney on the legalities on

how the Authority can purchase this property. Mrs. Jones stated that at the September 20th meeting she can provide additional information she has found out depending on the Board's comfort level with everything that has been discussed thus far. The only concern is the Authority does not want to miss out on this opportunity by letting it go too long. Mrs. Jones asked Mr. Ginnetti to discuss the sewer issues and HUD issues with purchasing land of this type. Commissioner Ruiz stated based on the 17 acres and the price he feels the Authority should move forward in purchasing the property. Mr. Ginnetti discussed the sewer issue and the possibility of being unable to connect. Mr. Ginnetti stated there are some due diligence and some things that need to be researched prior to purchasing the land. He is a little concerned with the acquisition fees of bringing the property into the housing authority and as Ms. Jones stated, the need to possibly speak with a tax credit/housing authority attorney. The Authority needs to determine what HUD will require. Mr. Ginnetti stated this property is clearly an opportunity, but clearly not in thirty days. The Authority needs to figure out how to stay HUD-compliant to make sure it does not violate any rules and regulations to move forward. Mr. Gabage stated the Board could approve going forward tonight with the understanding that there would be the necessary contingencies to protect the Authority as long as the seller agrees to that. Mr. Gabage suggested doing a motion authorizing the Executive Director and the Authority's consultant to move forward with negotiations to enter into an agreement with the bank and the seller for purchase of the property for \$150,000 subject to all contingencies that are necessary to give the VHA Board the confidence and the faith that it needs to say to move forward. He also recommended a general 90-day due diligence period that the Housing Authority can get out for any reason including that all contingencies would need to be resolved before going to closing.

Commissioner Ruiz-Mesa made a motion to move forward with negotiations to enter into an agreement with the bank and the seller for purchase of the property for \$150,000 subject to all contingencies necessary. Commissioner Chapman seconded the motion. The following vote was taken:

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

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

Resolution #2012-44
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 \$1,224,386.51. Commissioner D'Orazio called for a motion to approve the monthly expenses. A motion was made by Commissioner Diaz; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-45

Resolution to Dispose of Furniture and Equipment Utilizing the Disposition Policy

Chairman D'Orazio called for a motion to approve Resolution #2012-45. A motion was made by Commissioner Chapman; seconded by Commissioner Diaz. The following vote was taken:

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

Wendy Hughes explained the following three resolutions. Last month the Board passed and approved last year's State Budget, as well as, the late submission. The Authority will never be on time with the State Budget because the Authority does not know the subsidy number from HUD in time. The State Budget is due 60 days prior to the start of the fiscal year. In order to submit the State Budget the Authority has to submit a resolution authorizing late submission of the State Budget. The State Budget mirrors the Operating Budget which was presented tonight by the accountant's office.

Resolution #2012-46

Resolution Adopting Vineland Housing Authority Budget (State)

Fiscal Year: From October 1, 2012 to September 30, 2013

Chairman D'Orazio called for a motion to approve Resolution #2012-46. A motion was made by Commissioner Diaz; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-47

Resolution Authorizing Late Submission of Operating Budget FYE 9/30/2013

Chairman D'Orazio called for a motion to approve Resolution #2012-47. A motion was made by Commissioner Diaz; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-48
Approval of Operating Budget 2012-2013

Chairman D'Orazio called for a motion to approve Resolution #2012-48. A motion was made by Commissioner Diaz; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-49
Audit Review Certificate

Chairman D'Orazio called for a motion to approve Resolution #2012-49. A motion was made by Commissioner Chapman; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

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

Resolution #2012-50
Resolution Approving Retro-Active Staff Salary Increases for Budget Year 2011-2012

Mrs. Jones explained that at the Budget Meeting the Budget Committee discussed an increase for the staff for this current fiscal year, which is 2011-2012. There were no increases given at the beginning of the fiscal year because the Authority didn't know its funding from HUD. The Budget Committee is proposing a 2% retroactive increase for the staff and the amount is estimated at \$20,177. The retroactive increase is based on each employee's evaluation. Chairman D'Orazio called for a motion to approve Resolution #2012-50. A motion was made by Commissioner Diaz; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-51
Resolution Approving Redevelopment Loan

Commissioner Chapman briefly discussed the VHA and VHDC relationship and his role on the Boards. Chairman D’Orazio called for a motion to approve Resolution #2012-51. A motion was made by Commissioner Diaz; seconded by Commissioner Gordon. The following vote was taken:

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

Resolution #2012-52
Resolution Awarding Management Fee Accountant Services Contract

Chairman D’Orazio called for a motion to award Management Fee Accountant Services Contract to Linda M. Avena, CPA, PA. A motion was made by Commissioner Ruiz-Mesa; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-53
Resolution Awarding Auditing Services Contract

Chairman D’Orazio called for a motion to award Auditing Services Contract to Bowman & Company. A motion was made by Commissioner Ruiz-Mesa; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-54
Resolution Awarding Legal Services Contract

Chairman D’Orazio called for a motion to award Legal Services Contract to Eisenstat, Gabage & Furman. A motion was made by Commissioner Ruiz-Mesa; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-55
Resolution Awarding Architectural & Engineering Services Contract

Resolution #2012-55 tabled for next month.

Resolution #2012-56
Resolution Awarding Consulting Services Contract

Chairman D’Orazio called for a motion to award Consultant Services Contract to The Brooke Group. A motion was made by Commissioner Ruiz-Mesa; seconded by Commissioner Chapman. The following vote was taken:

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

Resolution #2012-57

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

No comments from the press and/or public. No comments from any Board Members. Mr. Gabage thanked the Board for his appointment as solicitor. Linda Avena also thanked the Board for appointment of fee accountant.

Commissioner Diaz asked how the additional information regarding the architectural and engineering proposal will be handled. Mrs. Jones stated the information will be forwarded to the Contract Committee.

Mrs. Jones asked how everyone liked the use of the iPads at the meeting to view their Board Packet. There was a positive response and brief discussion regarding the use of the iPads. It was agreed to try the iPads again at next month’s meeting to see how it goes.

With no further business to discuss, Chairman D'Orazio entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Chapman; seconded by Commissioner Ruiz-Mesa. The vote was carried unanimously by the Board Members present. The Regular Meeting of The Board of Commissioners was adjourned at 9:39 p.m.

Respectfully submitted,


Jacqueline S. Jones
Secretary/Treasurer