

Housing Authority of the City of Vineland

REGULAR MEETING
Thursday, June 20, 2013
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, June 20, 2013 at 7:05 p.m. at the office of the Authority located at 191 W. Chestnut Avenue, Vineland, New Jersey 08360.

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 from the VHA’s fee accounting firm and Gloria Pomales, Executive Assistant.

Chairman D’Orazio read the Sunshine Law.

The Chairman entertained a motion to approve the minutes of the Regular Meeting held on May 16, 2013. A motion was made by Commissioner Chapman and seconded by Commissioner Asselta. 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	(Yes)
Chairman Robert A. D’Orazio	(Yes)

Chairman D’Orazio called for the Financial Report from Avena’s office. Mr. Avena reviewed the Financial Report for the eight months ending May 31, 2013. Brief discussion regarding payment in lieu of taxes was had.

Chairman D’Orazio requested the Executive Administrative Report. Mrs. Jones reported she does not have an update for the funding for 2013. It has not been resolved yet. She has an update for funding for 2014, which is being discussed in Washington. It is even bleaker than 2013. Every line item that has been requested has been reduced by billions.

Mrs. Jones updated the Board in regards to Melrose Court. There will be a meeting with a vendor to discuss the proposal versus the budgeted amount to attempt to finalize a contract. The application for the 4% tax credit is up at the Housing Mortgage Finance Agency and they intend to put it on their August agenda. Everything is looking good and moving forward on this project.

Mrs. Jones reminded the Board about session tomorrow with Consultant, Robert Olszewski at 9 a.m.

In regards to the Oakview Apartments in Millville, which was discussed last month, the Authority is pursuing the contract administration for 119 units. This is in motion and the VHA staff has to recertify all those residents by August 1st before their new funding begins. All 119 units also have to be inspected. The VHA is currently about 95% complete on this project. The reason this process had to start so soon is because there is a lot of paperwork in recertifying everyone at that same time but the VHA also has to give them a list of repairs for units not passing Housing Quality Standards. This is a family project and there are a lot of repairs to be done. Chairman D'Orazio asked about the various technical rules we were working on to be able to enter into the agreement. Mrs. Jones stated this change in funding process is something Oakview has to do and they are mandated by HUD to do because of changes in this HUD program. They are on an extension from HUD to move to this new form of funding, however, we are not getting assistance from HUD regarding the process. We are working with Rick Ginnetti, VHA consultant, to work through the issues we are encountering. There have been a lot of bumps in the road with this project because this is a new program and all of the bugs are not worked out yet. The new type of funding is Rental Assistance Demonstration.

Mrs. Jones discussed the status of Colonial Bank. This will probably be published in a newspaper locally in the next couple of weeks. Mrs. Jones received some information in the last few days that Colonial Bank has been issued a cease and desist order by the OCC. The OCC is a federal regulator of Colonial Bank. Similar to the FDIC for state regulated banks. Colonial Bank has some problems and this concerns the VHA. Mrs. Jones has been told when this happens there could be several issues. It could be their lending ratios, their lending practices and/or their deposits. The VHA does have quite a bit of money at Colonial Bank. Colonial Bank has to comply with several items based on the notice. They signed a material definitive agreement on May 30th. Mrs. Jones has been told when this is signed you have no choice. If it is not signed they take over the bank. Colonial Bank always gave the VHA great interest rates. The VHA was getting .08% on its deposits currently. Wendy Hughes and Mrs. Jones have been working on this for the last couple of days. The Authority already has a relationship with Capital Bank and is currently forming a relationship with Century Bank. Their rates are .30. This is the standard rate. The Authority moved away from Sun Bank because they would not sign the depository agreement. Sun Bank wanted to alter the depository agreement. This is not allowed because it is a HUD depository agreement and it cannot be altered. Mrs. Jones found out today that Sun Bank got out of government banking completely. FDIC insurance is up to \$250,000. Mrs. Jones is told that banks that hold government funds have to have the government's deposits on hand at all the times. The VHA had a contact person at Colonial Bank and she has left the bank the end of March. It didn't alarm us at the time, but now it's a concern because there are few other people who have left the bank. Mrs. Jones coincidentally received a phone call today from her replacement. He just said that basically our relationship is going to change and due to the economy that they are changing the interest rate to .40%. Mrs. Jones gave him the opportunity to tell her what else was going on at that bank. He said everything was good. He continued to talk and Mrs. Jones asked him directly how everything else is. He still did not say that anything was wrong. Mrs. Jones feels that there should have been some conversation regarding the current cease and desist order.

Mrs. Jones is bringing this to the Board for discussion. She is not saying that we should take everything out of Colonial Bank but she thinks the Authority should move some large amounts of money to other banks that are paying the .30% to diversify deposits. Mrs. Jones did some research last night and there is a list on the web for troubled banks in the United States. They list them and give them a score (Texas Score). That is primarily a score that measures their lending practices. The highest one on the list has a score of 495 and then they go down from there to 1. Colonial has a score of 4. Anything that is 100 and above is in serious danger of collapse according to the website. 50 and above are vulnerable. Mrs. Jones believes they have 30 days to complete the items on the order.

Commissioner Diaz asked how many accounts the VHA has with Colonial. Mrs. Jones stated the VHA has 5 accounts with Colonial. Commissioner Diaz asked what the largest account was. Mrs. Jones stated the largest account is \$3.6 million. Commissioner Ruiz-Mesa asked if our accounts were only insured to \$250,000. Mr. Gabage stated banks have to insure government money. Mrs. Jones stated the VHA has their Central Office account there as well Section 8. The VHA has just over \$4 million on deposit at Colonial. Chairman D'Orazio stated what is involved in moving the money. Mrs. Jones stated it would not be a difficult process to move deposit to banks we already have accounts with. We would need signature cards completed for banks that we do not have accounts with. Commissioner Asselta stated if the Authority is going to move the money it should do it soon and establish relationships. Mrs. Jones is more concerned about the guarantee of the Authority's money in these banks. Mr. Gabage suggested getting something in writing in regards to how much is insured and with whom so the Authority can check to make sure it is legitimate that the insurance is going to cover everything. Mrs. Jones stated the Authority will continue to look into the different banks for the best rates, the best documentation and guarantees and be more diversified.

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

Resolution #2013-26 (REVISED)
**Resolution Awarding Contract for the Interior Flooring Improvements
for Kidston & Olivio Towers**

Mrs. Jones explained to be in compliance with the purchasing regulations that stating in the resolution that funding is available for the project as well as attach a certification stating funding is available is necessary. Commissioner D'Orazio called for a motion to approve revised Resolution # 2013-26. A motion was made by Commissioner Diaz; seconded by Commissioner Asselta. 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 #2013-36
Resolution Approving Change Order for Kidston Flooring

Mrs. Jones explained the flooring being replaced at Kidston Towers is tile. When the tiles were removed the thin-set was chipped up and created an uneven base for the new floor. If this was known prior to the spec being issued it would have been included in the spec and this amount would have been in the bid anyway. Chairman D'Orazio asked why it wouldn't have been in the specs. Mrs. Jones stated it was pointed out to the architect and the architect chose not to acknowledge that at the time of spec writing. Commissioner D'Orazio called for a motion to approve Resolution # 2013-36. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. 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 #2013-37
Resolution to Approve Monthly Expenses

Commissioner Ruiz-Mesa reported he reviewed all the bills and recommended payment in the sum of \$1,105,923.92. Commissioner D’Orazio called for a motion to approve the monthly expenses. A motion was made by Commissioner Asselta; 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 #2013-38
Resolution Awarding Contract Agreement with Wheat Road Cold Cuts

Mrs. Jones stated the Authority has been working with Wheat Road Cold Cuts for supplying meals for the Congregate Services program. As long as the Authority stays under the \$17,500 bid limitation the Authority is okay. However, the Authority is on the path this year to exceed that slightly. The Authority found out that Wheat Road Cold Cuts already contracts with the County for Meals on Wheels. The Authority is able to piggy back off of that contract and then comply with the purchasing rules by doing so. The resolution is for documentation purposes. Commissioner D’Orazio called for a motion to approve Resolution # 2013-38. 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	(Abstain)
Chairman Robert A. D’Orazio	(Yes)

Resolution #2013-39
Resolution to Dispose of 1993 Ford Box Van Utilizing the Disposition Policy and Write Off Equipment

Chairman D’Orazio questioned why this was not being sold through GovDeals. Mrs. Jones explained the Authority can dispose of property through GovDeals or as Ron researched for the Authority, based on the NJ law the Authority can sell it directly as long as the fair value does not exceed 15% of the bid threshold of \$17,500. This vehicle has no book value and it has not been used in years. Mrs. Jones also stated she is on the Board of the Cumberland County Habitat for Humanity and they are working on a Re-Store for Vineland. They are in a need of a truck or a van for the Re-Store. Commissioner D’Orazio called for a motion to approve Resolution # 2013-39. A motion was made by Commissioner Asselta; 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 #2013-40
Resolution Adopting Flat Rent Amounts for the Public Housing Program

There was a brief discussion regarding the percentage increase. Mrs. Jones stated these flat rent amounts have to be compared to the Fair Market Rent and HUD would like housing authority Flat Rents to be at least within 80% of the FMR's. The VHA's flat rents have been low and is working on getting the rents where they should be so that when HUD mandates the Authority to be at 80% of the FMR it won't be a dramatic change for the residents paying flat rent. Every year the tenants have the choice of flat rent or income based rent at their annual recertification. Commissioner D'Orazio called for a motion to approve Resolution # 2013-40. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. 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 #2013-41
**Resolution Approving Application for Payment No. 9
for Melrose Court Predevelopment Loan**

Chairman D'Orazio called for a motion to approve Payment No. 9 for Melrose Court Predevelopment Loan in the amount of \$29,102.97. A motion was made by Commissioner Asselta; seconded by Commissioner Ruiz-Mesa. 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 #2013-42
**Resolution Authorizing Payment under the Capital Fund Appropriations Program
to Levy Construction in the amount of \$92,761.42**

Chairman D'Orazio called for a motion to approve payment to Levy Construction in the amount of \$92,761.42. A motion was made by Commissioner Asselta; 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 #2013-43
Resolution to Enter Executive Session

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

Resolution #2013-44
PHA Certifications of Compliance with the PHA Plans and Related Regulations Board
Resolution to Accompany the PHA Plan

Mrs. Jones explained the Authority is required every year to file a PHA Plan with HUD. There is a 5 year plan and then every year it is updated. The Authority has to put in the plan anything it anticipates doing in the coming year and if it is not in the plan HUD can stop the Authority from doing it. Chairman D'Orazio called for a motion to approve Resolution #2013-44. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. 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)

No comments from the press and/or public. Commissioner Diaz stated in regards to the meeting be held tomorrow she will not be able to attend due to her working. Commissioner Gordon stated she had an appointment in the morning, but she would change it. Commissioner Diaz asked if it could have been done later in the afternoon. Chairman D'Orazio explained at last month's meeting there was some discussion about it, then an email went out asking for Commissioner availability and it was decided through consensus that a morning meeting would be best. Mrs. Jones stated she was provided some dates from the consultant and she contacted the Board first to see what dates would be best for the Board. Mrs. Jones stated there was one email suggested a particular date and she asked if everyone could make that date. The meeting will be held from 9 a.m. – 12 p.m. tomorrow on June 21st at the Administrative Offices of the Vineland Housing Authority.

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 7:55 p.m.

Respectfully submitted,


Jacqueline S. Jones
Secretary/Treasurer