

Housing Authority of the City of Vineland

REGULAR MEETING
Wednesday, September 25, 2019
7:00 p.m.

The Regular Meeting of the Housing Authority of the City of Vineland was called to order by Chairman Mario Ruiz-Mesa on Wednesday, September 25, 2019 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 Chris Chapman
Commissioner Rudolph Luisi
Commissioner Alexis Cartagena *(Absent)*
Commissioner Daniel Peretti
Commissioner Brian Asselta
Chairman Mario Ruiz-Mesa

Also present were Jacqueline Jones, Executive Director, Wendy Hughes, Assistant Executive Director, Charles W. Gabage, Esquire – Solicitor, Linda Cavallo – Accountant, Rick Ginnetti, Consultant – The Brook Group and Gloria Pomales, Executive Assistant.

Chairman Ruiz-Mesa read the Sunshine Law.

Chairman Ruiz-Mesa entertained a motion to approve the minutes of the Regular Meeting held on July 18, 2019. A motion was made by Commissioner Chapman and seconded by Commissioner Luisi. The following vote was taken:

Commissioner Chris Chapman	(Yes)
Commissioner Rudolph Luisi	(Yes)
Commissioner Andrew Fabbri	(* see below)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Abstain)
Commissioner Brian Asselta	(Abstain)
Chairman Mario Ruiz-Mesa	(Yes)

*Andrew Fabbri has resigned from the VHA Board of Commissioners – not in attendance and unable to vote.

Chairman Ruiz-Mesa entertained a motion to approve the minutes of the Regular Meeting held on August 15, 2019. A motion was made by Commissioner Asselta and seconded by Commissioner Chapman. The following vote was taken:

Commissioner Chris Chapman	(Yes)
Commissioner Rudolph Luisi	(Abstain)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

New Business: Chairman Ruiz-Mesa changed the order of the agenda and moved to New Business requesting the Audit Report from Bowman and Company, LLP. Mike Thilker introduced himself to the Board as the Senior Manager in charge of the audit. The delay in presenting the audit is due to the GASB 75 requirement, which was not published by the State in time for audit filing.

Mike Thilker thanked management for their assistance in the audit. He is happy to report the audit was a clean report with no findings. There wasn't a management letter this year. This means that management is doing their best to make sure everything is clean. Discussion on the GASB 75 (public post-employment benefits liability) and the GASB 68 (pension liability). Mrs. Jones stated the post-employment benefits liability which consists of just health benefits is \$5,748,552. This figure was added as a liability to the VHA's financial statement. This increased the VHA's long-term liabilities from \$3 million to \$11 million. This does not have to be funded but has to be recognized as a liability. The Pension liability is \$2.8 million at the end of 2018. Post-employment health benefits were eliminated for anyone hired at the Authority after June 18, 2015. For reference, currently there are about the same number of retirees on health benefits as full-time employees on health benefits. Mrs. Jones stated the post-employment health benefit is a real liability. It will be necessary to keep this liability in mind in connection with all future Authority transactions.

Chairman Ruiz-Mesa informed the Board of Commissioners that Mr. Andrew Fabbri resigned from the Board because of possible conflict of interest.

Chairman Ruiz-Mesa called for the Financial Report from the Fee Accountant. Linda Cavallo reviewed the Financial Report for the eleven months ended August 31, 2019. Mrs. Jones discussed the total profit number. She stated this number consists of about \$100,000 from the development fee from the RAD conversion for Tarkiln/Asselta and some for Parkview. Some of the other funds are from increased management services from Ocean City due to covering the office and phones utilizing the VHA staff as well as processing the payables. This has increased the shared services agreement contract and the operating subsidy was higher than anticipated.

Chairman Ruiz-Mesa requested the Executive Administrative Report. Mrs. Jones does not have much of an update from her written report. Rick Ginnetti will be presenting to the Board tonight. Mr. Ginnetti will update the Board on the RAD conversion update for Kidston and Olivio. He will also provide an update on the Scattered Sites. D'Orazio Terrace will be discussed in Executive Session.

The application Mr. Ginnetti worked on for Kidston and Olivio Towers through the Federal Home Loan Bank (FHLB) for \$2.2 million dollars was approved. This will assist with needed repairs for Kidston and Olivio Towers.

Committee Reports: None.

Old Business: None.

New Business continued: Rick Ginnetti updated the Board in regard to the Scattered Sites. The disposition process of the Scattered Sites has been going on for about 3 years. The Authority's first application 3 years ago failed because HUD suggested that scattered site rehab with RAD or with tax credits should be done. This cannot be done. It is not financially feasible because of the nature of the scattered sites program. Last year HUD issued a notice that everything the VHA had put in its original application now proved to be justified. The Scattered Site disposition is necessary because over the long run there will not be enough funding to maintain the homes in decent repair. The VHA reapplied by updating all the forms and resubmitted the application. The VHA attempted to have HUD issue waiver on the appraisals that had already been completed. HUD stated that new appraisals would need to be completed, but once the properties were appraised, the application would be approved. The

Authority awarded a contract for the updated appraisals and the appraisals are scheduled to be finished in October. HUD now suggests disposing of all scattered sites throughout the country. They have realized they are a burden to housing authorities and recognize the sales proceeds from the scattered sites can support the rehabilitation of other public housing units. The VHA would have the ability once, these properties sell, to use sales proceeds on RAD properties such as Parkview, Tarkiln and Asselta. Hopefully this application for disposition will get approved in October then the VHA can submit for tenant protection vouchers, update the relocation plan and get it approved and work out the sale of the homes. In the VHA's proposal to HUD, it was requested to be able to procure multiple realtors and list to sell the homes within a certain appraised value. The HUD field office thinks the VHA may have to do a public auction. Auctioning the scattered homes may not be the most efficient way to sell them. If procuring There are a significant amount of VHA Scattered Sites that are affected by the Kil-tone site which, cannot be sold until there is a resolution on the clean up on those houses. These sites will not be able to be disposed of until the EPA finishes the acceptable remediation on these sites.

Mr. Gabage stated under NJ Landlord Tenant Law, if a landlord is going to remove a unit from public use you have to give 18-month notice to the tenant. He stated this is not really the Housing Authority's problem, but it would be the buyers. Mr. Gabage wanted to make everyone aware of that and is unsure how it would work. Mr. Ginnetti stated it would all be work out. If the DCA requires it, the VHA will deal with it and give everybody an 18-month notice. Mr. Ginnetti anticipates the scattered homes will be a 24-36-month process. Mr. Ginnetti stated in the relocation plan there is a draft 18-month notice as well as required 90- and 30-day notices.

Mr. Ginnetti updated the Board in regard to Kidston and Olivio. As Mrs. Jones reported, the VHA was awarded today the \$2.2 million dollars through the FHLB. It is a loan, but it is a loan that you do not have to pay back. The loan self-amortizes over 15 years. The loan would have to be paid back if the Authority were out of compliance. It is a loan and is a mortgage that will get reported on the property, but it acts like a grant. With the FHLB loan the VHA will be able to address the roofs on both buildings, some window replacements and reseal/recoat the exterior of the buildings. Also, and most importantly, at Kidston Towers there are significant issues with the water lines both sanitary and domestic. An engineer provided an estimate for the water lines repair/replacement of approximately \$1.2 million dollars. The water lines are in the budget. There is another tier of work during the water line replacement of redoing the bathrooms at Kidston at the same time. It would be economical to align these activities, but a contractor is not procured at this time. Water filters need to be installed in both buildings. The goal is to get the buildings in good physical shape and if there is money available after that other items can be done. Mr. Ginnetti anticipate closing to be in the first half of next year.

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

Resolution #2019-50
Resolution to Approve Monthly Expenses

Chairman Ruiz-Mesa stated he reviewed all the bills and recommended payment in the sum of \$941,909.66. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Chris Chapman	(Yes)
Commissioner Rudolph Luisi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2019-51
**Resolution Certifying the 2018 Fiscal Year Annual Audit
as Prescribed by the New Jersey Local Finance Board**

Chairman Ruiz-Mesa called for a motion to approve Resolution #2019-51. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Chris Chapman	(Yes)
Commissioner Rudolph Luisi	(Absent)
Commissioner Alexis Cartagena	(Yes)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2019-52
Resolution Adopting State Budget

Chairman Ruiz-Mesa called for a motion to approve Resolution #2019-52. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Chris Chapman	(Yes)
Commissioner Rudolph Luisi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2019-53
**Resolution Approving One-Time Salary Adjustment to Certain Authority Employees Based on
Increased Hours and Responsibilities in Connection with the Authority's Shared Services
Agreements, Management Agreements and Housing Assistance Payment Agreements**

Chairman Ruiz-Mesa stated last year the Board approved one-time adjustment for the employees working at the Buena and Ocean City Housing Authority (OCHA). This is the same resolution for this year. Chairman Ruiz-Mesa called for a motion to approve Resolution #2019-53. A motion was made by Commissioner Asselta; seconded by Commissioner Chapman. The following vote was taken:

Commissioner Chris Chapman	(Yes)
Commissioner Rudolph Luisi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Mrs. Jones stated Buena H.A. converted to RAD about 2 years ago. Buena is doing very well and is building their cash reserve, which they would not be able to do without RAD. Mrs. Jones provided a little history on OCHA. In May 2017, when the VHA began working at the Ocean City Housing Authority (OCHA), it was known that there were some operational issues, but it was not known that a total \$452,000 was due to the City of Ocean City for funds provided to repair the units from Hurricane Sandy. The OCHA owed three years of pilot payments, which totaled \$72,000 and they also owed the State of New Jersey for an overpayment of FEMA funds from Hurricane Sandy. The pilot was on the accounting books, but the \$325,000 due to the City and the \$55,000 due to the State of New Jersey was not on the books. The reason it was never on the books is because the auditor was not informed of the liability and apparently the accountant at the time didn't know about these liabilities either. There was some lack of acknowledgement that the money was owed. Since May 2017, there have been a lot of changes at the OCHA. In August 2019, the entire balance due to the State and the City of Ocean City was paid off. The PILOT for 2018 has already been paid too. The OCHA is debt free and with about \$250,000 in the bank. The OCHA is moving forward on a RAD conversion with Rick Ginnetti's assistance as well as building a new building to relocate 20 of the residents that were affected by Hurricane Sandy. Future plans include building new family units.

Resolution #2019-54
Executive Session

Chairman Ruiz-Mesa called for a motion to approve Resolution #2019-54. A motion was made by Commissioner Asselta; seconded by Commissioner Chapman. The following vote was taken:

Commissioner Chris Chapman	(Yes)
Commissioner Rudolph Luisi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

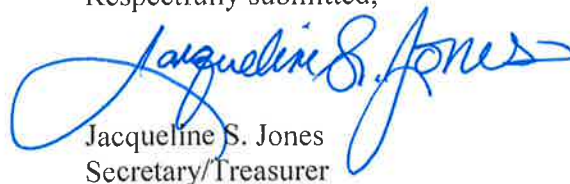
The Regular Meeting closed for Executive Session at 7:35 p.m.

The Regular Meeting reopened at 8:33 p.m.

Chairman Ruiz-Mesa asked for comments from the press and/or public. No comments. No additional comments from Board Members.

With no further business to discuss, Chairman Ruiz-Mesa entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. The vote was carried unanimously by the Board Members present. The Regular Meeting of the Board of Commissioners was adjourned at 8:33p.m.

Respectfully submitted,


Jacqueline S. Jones
Secretary/Treasurer