

**HOUSING AUTHORITY OF THE BOROUGH OF CLEMENTON  
MONTHLY BOARD OF COMMISSIONERS MEETING  
DECEMBER 4, 2019**

Vice-Chairperson Closs called the meeting to order at 6:05PM and stated that the meeting was being held in accordance with the Open Public Meetings Act, also known as the Sunshine Law, NJSA 10:4-6. Notice of the meeting was sent to the Courier Post and South Jersey Times on 12/2/2019 and published in the Post on 12/3/2019 and in the Times on 12/3/2019. Notice was also transmitted to the Borough Clerk on 12/2/2019 and posted on the bulletin board in Wooster Towers. The meeting was held at the John Leshner Senior Center located at 49 Berlin Road, Clementon, New Jersey.

Salute to flag.

Upon roll call the following were present: Commissioner Armbruster, Commissioner Casella, Commissioner Watson, Vice-Chairperson Closs, and Chairman Schmidt (via telephone 6:12PM). Also present at this meeting were Vernon Lawrence, Executive Director, Anthony H. Ogozalek, Jr., Solicitor, Barbara J. Murray, Secretary and Brent Lee, CPA. Excused: Commissioner Konrad.

**APPROVAL OF MINUTES**

Commissioner Watson, seconded by Commissioner Casella made a motion to approve the minutes of the November 6, 2019 Board Meeting as submitted. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Watson and Vice-Chairperson Closs. Abstain: Chairman Schmidt. The motion carried.

**APPROVAL OF PUBLIC HOUSING BILLS**

Commissioner Casella, seconded by Commissioner Armbruster made a motion to approve the payment of Public Housing bills from November 7, 2019 through December 4, 2019 with proper certification. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Watson, Vice-Chairperson Closs and Chairman Schmidt. The motion carried.

**NEW BUSINESS**

**Presentation of Audit FYE 6/30/2019**

Mr. Lawrence advised that we completed our audit for FYE 6/30/2019 and that our auditor, Brent Lee, is going to present the audit and address any questions we may have.

Mr. Lee advised that we received an unmodified opinion, which is the best opinion to receive.

- 1) Statement of Revenues, Expenditures and Net Position – our revenues exceeded our expenditures by \$33, 590

**Internal Controls**

- 2) Bidding process – when testing our bidding process there was one instance where the Authority was not in compliance (cost of the smoke guard replacements exceeded \$17,500 and because we did not have a QPA anything over that amount has to go out for bid) Chairman Schmidt advised that the original cost was under \$17,500 but after the job was started it was found that two more smoke guards needed to be replaced as well. Chairman Schmidt added that Mr. Lawrence, our current Executive Director, is a QPA as well.
- 3) HCV Program – It was noted that the same employee does the entire process from reviewing the application to printing the checks (this was a similar comment from the previous two audits). Mr. Lawrence advised that he has already made the changes to rectify this situation (HCV Program manager gives everything to Executive Director for review and then the checks are printed by the Public Housing Coordinator).
- 4) Payroll – It was noted that there were no formal internal controls to authorize employees' wages; in addition to approving the budget, there should also be a resolution approving employee salaries. Mr. Lawrence explained that the accountant put in the budget that the employees were going to receive an increase but there have not been any increases in a couple of years.
- 5) Purchase Orders – It was noted that there were 17 instances where the Authority did not have purchase orders available for review. Mr. Lawrence advised that the staff has been trained on filling out internal requisitions, purchase orders, accounts payable forms, contract usage forms. The proper form(s) that apply to each payment will be approved and attached to the check voucher so that the Auditor will have the entire packet.
- 6) Financial Disclosure form – It was noted that one Commissioner did not complete the Financial Disclosure form that is required by the State of New Jersey; this was due to the fact that this Commissioner is serving in the military and has been deployed and unable to do so.
- 7) Emergency Repair – It was noted that there was no approval in the minutes for an emergency repair to the hot water heater which turned into having to replace the hot water heater which cost over \$10,000 (this exceeded the quote limitations). Mr. Lee advised that there should be a ratification at the next Board meeting stating that it was an emergency and approve it.
- 8) HCV Program – It was noted that the income in three separate applicant files was computed incorrectly which resulted in the tenant underpaying their portion of the rent. It was also noted that in two separate applicant files the rent expense to the landlord was not updated during the annual recertification resulting in underpayment by the Authority for rent expenses. Mr. Lee advised that he and Mr. Lawrence discussed this and because the amount was around \$600 it was immaterial so no accounts receivable would be set up for this; he also again stressed the importance of segregation of duties.

Mr. Lee said that he had the full cooperation of everyone while performing our Audit and commended everyone because the Housing Authority made money.

Chairman Schmidt asked Mr. Lawrence if a side by side comparison between the audited and unaudited financial records could be provided to the Board in a reasonable amount of time so that the Board could understand the variances. Mr. Lawrence said that he could do that and reminded the Board that if the variances are too high according to HUD we will be penalized; he does not feel that there is anything major but he does not know what HUD is going to say.

**Resolution HA2019-22 – Approve Financial Audit FYE 06/30/2019**

Commissioner Casella, seconded by Chairman Schmidt made a motion to approve Resolution HA2019-22 – Approve Audit FYE 06/30/2019. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Watson, Vice-Chairperson Closs and Chairman Schmidt. The motion carried.

**Resolution HA2019-21 – Approve and Accept the Financial Audit FYE 06/30/2019 and Affidavit to be Submitted to NJDCA**

Commissioner Casella, seconded by Commissioner Watson made a motion to approve Resolution HA2019-21 – Approve and Accept the Financial Audit FYE 06/30/2019 and Affidavit to be Submitted to NJDCA. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Watson, Vice-Chairperson Closs and Chairman Schmidt. The motion carried.

Mr. Lee advised that the Audit still has to be inputted into the HUD system which has to be done by March 30, 2020; he will work with the Fee Accountant to get that done. Mr. Lee also said that he will submit the Audit to the State.

The Board thanked Mr. Lee for his time.

**PUBLIC HEARING for the FINANCIAL AUDIT FYE 06/30/2019**

Vice-Chairperson Closs asked if there were any members of the public wishing to address the governing body of the Housing Authority of the Borough of Clementon regarding the Financial Audit FYE 06/30/2019. Seeing no public, the Public Hearing for the Financial Audit FYE 06/30/2019 was closed.

**MANAGEMENT REPORT**

Mr. Lawrence reported the following:

- 1) HCV increased from 44 to 46.
- 2) Part-time maintenance tech resigned.
- 3) Effective 1/1/2020 we will be using one software program, PHA Web. For the past five years we have been paying for two software programs (PHA Web and QuickBooks). Once everything is finalized with the audit, we will be able to transfer the figures from QuickBooks to PHA Web; this will be a savings of \$699 per year.
- 4) Began the process for our repositioning.
- 5) Residents are have a Holiday party on December 16<sup>th</sup>.

Mr. Lawrence advised the Board that he will not be available for the January 9, 2020 Board Meeting and respectfully asked if the date could be changed.

**Part-Time Maintenance Position**

Mr. Lawrence advised the Board that before the part-time maintenance position is filled, he would like to amend the personnel policy for part-time employees.

Chairman Schmidt said that we have a personnel committee that could interview and recommend a new employee. A discussion followed.

Commissioner Watson, seconded by Commissioner Casella made a motion to authorize Vernon Lawrence and Thomas Williams to advertise, interview and hire for the part-time maintenance position. (Chairman Schmidt made a motion to table the matter; there was no second. Motion did not carry.) Roll call vote (motion by Commissioner Watson, seconded by Commissioner Casella): Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Watson and Vice-Chairperson Closs. Nay: Chairman Schmidt. The motion carried.

Chairman Schmidt asked if this authorization to the hiring policy is just for this one time; Solicitor Ogozalek advised that it is just for this one time.

**PUBLIC**

Vice-Chairperson Closs advised that any members of the public wishing to address the governing body of the Housing Authority of the Borough of Clementon may do so after being recognized by the Chair. Public comment will be limited to three (3) minutes per person. Anyone wishing to address the governing body again may do so for an additional three (3) and final minutes. Vice-Chairperson Closs asked if anyone wanted to address the governing body. No public was present; the floor was closed to the public.

Chairman Schmidt, seconded by Commissioner Casella made a motion at 6:51PM to enter into Executive Session to discuss possible litigation with a former employee. Roll call vote: Ayes: Commissioner Armbruster, Commissioner Casella, Commissioner Watson, Vice-Chairperson Closs and Chairman Schmidt. The motion carried.

Chairman Schmidt, seconded by Commissioner Casella made a motion at 6:58PM to adjourn from Executive Session and return to open session. Voice vote: All ayes. The motion carried.

Chairman Schmidt, seconded by Commissioner Casella made a motion at 6:58PM to adjourn. Voice vote: All ayes. The motion carried.

Respectfully submitted,



Vernon Lawrence  
Secretary