

**HOUSING AUTHORITY OF THE BOROUGH OF CLEMENTON
BOARD OF COMMISSIONERS MONTHLY MEETING
OCTOBER 26, 2016**

Chairman Schmidt called the October 26, 2016 Board of Commissioners Monthly Meeting to order at 6:08PM. This meeting is being held in accordance with the New Jersey Open Public Meetings Act, N.J.S.A. 10:4-6, also known as the Sunshine Law. This meeting has been legally advertised in accordance with the law in the Courier Post, the South Jersey Times, the Central Record, on the Clementon Housing Authority website and correspondence with the Municipal Clerk. The meeting was held at the John Leshar Senior Center located at 49 Berlin Road, Clementon, New Jersey.

Salute to flag.

Upon roll call the following were present: Commissioner Casella, Commissioner Closs, Commissioner Watson, Vice-Chairman Cater, and Chairman Schmidt. Also present at this meeting were William J. Harris, Executive Director, Anthony H. Ogozalek, Solicitor, and Barbara J. Murray, Secretary. Absent: Commissioner Armbruster.

MINUTES

Chairman Schmidt asked for a motion to approve the minutes of the September 7, 2016 Board Meeting as submitted. Commissioner Casella, seconded by Commissioner Watson, made a motion to approve the minutes of the September 7, 2016 Board Meeting as submitted. Voice vote: All ayes. The motion carried.

BILLS

Chairman Schmidt asked if there were any questions regarding the bills and also asked for the back-up documentation for the travel expenses for William Harris and Walt Keebler. After review, Chairman Schmidt asked for a motion to approve the payment of bills from September 8, 2016 thru October 21, 2016 with proper certification. Commissioner Watson, seconded by Commissioner Casella, made a motion to approve the payment of bills from September 8, 2016 thru October 26, 2016 with proper certification. Roll call vote: Ayes: Commissioner Casella, Commissioner Closs, Commissioner Watson, Vice-Chairman Cater, and Chairman Schmidt. The motion carried.

OLD BUSINESS

Resolution HA16-26 – Amend ACOP & Section 8 Administration Policies

Mr. Harris explained that this resolution has a two-part amendment:

- 1) A policy that the Board discussed when there is a difference of opinion between the Solicitor and the Executive Director over whether or not an eviction or termination of Section 8 subsidy proposed by the Executive Director is legal to resolve the differences where the difference exists.
- 2) The committee was given a memo at the September meeting requiring certain mandatory amendments to our A&O Policy as it regards such criminal matters such as criminal convictions, mandatory re-examinations, and things of that nature based on a HUD notice we received in April. As required, the notice was posted and a few of the tenants inquired about it.

Chairman Schmidt asked for a motion to adopt Resolution HA16-26 to Amend the ACOP & Section 8 Administration Policies. Roll Call vote: Ayes: Commissioner Casella, Commissioner Closs, Commissioner Watson, Vice-Chairman Cater, and Chairman Schmidt. The motion carried.

NEW BUSINESS

Contract with Equipment Marketers

Mr. Harris advised that over the past several months we have had problems with the washers and dryers; we use Brumbach Appliance for repairs when needed. The last time they were here was because the washer was leaving oil stains on the clothes; Brumbach told us that the motor was broken and that it would be less expensive to buy a new washer. Mr. Harris said that he did call GE Appliances, which is where we purchased the washers from, and they no longer are in the business of coin operated washers.

Mr. Harris said that he then contacted Equipment Marketers to see if we could buy a washer from them. He was told that the cost would be about \$1,100 for a washer and discussed leasing the machines to us. He said that they would pay us 60% of the profit and they would keep 40%; and that they would have to increase the cost to 50 cents per load to 75 cents per load. He also said that they would like the lease to be in effect for ten years. A discussion followed. Solicitor Ogozalek said that in his research the longest we could do a lease for would be 5 years.

Vice-Chairman Cater, seconded by Commissioner Watson, made a motion for the Housing Authority to enter into a contract with Equipment Marketers, Inc. to either take effect immediately at a 50/50 rate until January 1, 2017 and then the rate would change to 60/40 or to take effect January 1, 2017 at a rate of 60/40. Roll call vote: Ayes: Commissioner Casella, Commissioner Closs, Commissioner Watson, Vice-Chairman Cater, and Chairman Schmidt. The motion carried.

Change of Meeting Date for December Meeting

Due to scheduling conflicts, the December Board meeting is being changed to Wednesday, December 21, 2016 at 5:30PM.

PUBLIC

Chairman Schmidt opened the meeting to the public; there being no public, Chairman Schmidt closed the meeting to the public.

MANAGEMENT

Mr. Harris advised the Board that we received our new PHAS score of 93% which makes us a high performer; last year we were at 78%. Mr. Harris said that we are at 100% occupancy and thanked both Barb Murray and the maintenance staff for all their hard work in keeping the units occupied.

Mr. Harris advised the Board that the tenants' Christmas party is Monday, December 19, 2016 if they would like to stop by.

Mr. Harris advised that one of our vacant units was in need of a kitchen renovation due to damage to the cabinets and showed the Board pictures of before and after the renovation. Mr. Harris thanked Walt and Tom for all their hard work on this project.

Resolution HA16-28

Chairman Schmidt asked for a motion to adopt Resolution HA16-28 to enter into executive session for no more than 15 to 20 minutes to discuss Mr. Harris' contract renewal. Commissioner Casella, seconded by Commissioner Watson, made a motion at 6:43PM to enter into executive session for no more than 15 to 20 minutes to discuss Mr. Harris' contract renewal. Voice vote: All ayes. The motion carried.

Chairman Schmidt, seconded by Commissioner Closs, made a motion at 7:06PM to adjourn from Executive Session and resume the Regular Meeting.

Chairman Schmidt asked for a motion to renew Mr. Harris' contract for one year. Commissioner Casella, seconded by Commissioner Watson, made a motion to renew Mr. Harris' contract for one year to include a 3% increase in salary. Roll call vote: Ayes: Commissioner Casella and Commissioner Watson; Nays: Commissioner Closs and Vice-Chairman Cater. Abstain: Chairman Schmidt. The motion did not carry.

Chairman Schmidt made a motion to renew Mr. Harris' contract for one year with a 2.5% increase in salary. There was not a second motion; the motion did not carry.

Commissioner Casella, seconded by Commissioner Watson made a motion to adjourn at 7:15PM. Voice vote: All ayes. The motion carried.

Respectfully submitted,

A handwritten signature in cursive script that reads "William J. Harris". The signature is written in black ink and is positioned above the printed name and title.

William J. Harris
Secretary

HOUSING AUTHORITY OF THE BOROUGH OF CLEMENTON
SPECIAL MEETING
OCTOBER 26, 2016

Chairman Schmidt called the October 26, 2016 Special Meeting of the Housing Authority of the Borough of Clementon to order at 5:34PM. This meeting is being held in accordance with the New Jersey Open Public Meetings Act, N.J.S.A. 10:4-6, also known as the Sunshine Law. This meeting has been legally advertised in accordance with the law in the Courier Post, the South Jersey Times, the Central Record, on the Clementon Housing Authority website and correspondence with the Municipal Clerk. The meeting was held at the John Leshar Senior Center located at 49 Berlin Road.

Salute to flag.

Chairman Schmidt announced that Commissioner Armbruster's mother-in-law passed away earlier in the day and asked that everyone keep the family in their prayers.

Upon roll call the following were present: Commissioner Casella, Commissioner Closs, Vice-Chairman Cater, Commissioner Watson and Chairman Schmidt. Also present at this meeting were William J. Harris, Executive Director, Anthony H. Ogozalek, Jr., Solicitor, Barbara J. Murray, Secretary, Michael Holt and Brian Waldron from the auditing firm of Holman, Frenia, and Allison. Absent: Commissioner Armbruster.

Chairman Schmidt advised that the purpose of this meeting is to review audit FYE 06/30//16 with our Auditors and turned the meeting over to Michael Holt from Holman, Frenia, and Allison, P.C.

Mr. Holt advised that he is a partner of the firm Holman, Frenia and Allison and with him is Bryan Aldren, who is the manager and did most of the work on our audit. Mr. Holt stated that an exit conference was held on October 5, 2016 where they went through the report in detail, so this is just a broad overview of the audit process and where we stand as of June 30, 2016.

FINANCIAL HIGHLIGHTS

Mr. Holt advised that the Independent Auditors Report is given by the accounting firm on the financial statements of the Clementon Housing Authority as of June 30, 2016 along with the related notes. It goes through management's responsibility for the financial statements and the auditors' responsibility for the financial statements, which is to express an opinion on the financial statements. The unmodified opinion of the auditors is that the financial statements were and are respectively correct.

Mr. Holt said that on the statement of net position the one major thing that happened this year was the net pension liability that was not picked up as of June 30, 2015, so there is a restatement in these financial reports and that number is a little over \$500,000. It is important to remember that most of this \$500,000 is because of the net pension liability (PERS) and it is budgeted for every year and is paid in April; the employees and the Housing Authority are funding their share but the State of New Jersey is not.

Mr. Holt advised that the total operating revenues are \$965,000 which is an increase of almost 9% from the prior year (\$887,000); the operating expenses, including the depreciation of \$66,000, is \$971,000 which is down about \$36,000 from the prior year. The operating loss as of 6/30/16 is about a \$6,400 deficit; prior year operating loss was \$118,000.

Mr. Holt noted that the Housing Authority had some capital grants from HUD which totaled almost \$39,000 and a change in net position of \$32,296 as an increase and then we had the prior period

restatement because of the net pension liability that was not picked up last year. The net position of the Housing Authority as of June 30, 2016 is \$1,218,000, which is an improvement over the prior year.

MANAGEMENT LETTER

Bryan Aldren advised that the comments that are in the management letter are not meant to be negative comments, but rather things that the Housing Authority can utilize to strengthen management controls.

Mr. Harris advised that with regard to the certificate of availability of funds he did go on line and printed out a form that another housing authority uses and said that he and the Board need to discuss what the threshold should be for the use of this certificate of availability of funds.

Mr. Holt and Mr. Aldren both thanked the Board for allowing them to prepare the audit and to come to our meeting to make their presentation to the Board regarding the audit.


Chairman Schmidt asked the Board for suggestions on what would be a reasonable threshold; Mr. Harris said \$250.00 for goods and services. Vice-Chairman Cater asked if it was more or less work for the Authority whether or not we have purchase orders for when we are being audited; Mr. Harris said that it will save the Housing Authority money if we have them but also added that any auditor could come into the office and find whatever they need, even without a purchase order. He said that we do use purchase orders but we do not use them every time Walt buys cleaning or maintenance supplies; we do use them for larger purchases such as refrigerators and ranges.

Mr. Harris said that the statement made by the auditors that we do not use a numbered purchase order system was incorrect, we do use numbered purchase orders and it should have been noted that we do use them but here is a list of things that He also said that the only thing they asked about procurement was if we went out for bid for this calendar year, which we did not, they never asked to see the purchase orders, our capital fund expenses, if we paid prevailing wages, and they also did not look at one Section 8 file. A discussion followed.

Chairman Schmidt said that the Board only asked for them to look at Public Housing this year and if they had asked them to look at Section 8 they would have. Mr. Harris said that he disagrees with only looking at Public Housing because in this business there is more of a chance for fraud with Section 8 because income and household numbers change quite frequently with Section 8 clients. Commissioner Watson said that he was concerned that they spent 3 days at the office and never asked anything about internal controls; a phone call was made to the office the day after the audit was completed. Mr. Harris added that they only spoke to Barb Murray. A discussion followed.

Commissioner Closs, seconded by Vice-Chairman Cater made a motion to adjourn the Special Meeting at 6:05PM. Voice vote: All ayes. The motion carried.

Respectfully submitted,


William J. Harris
Secretary