

*These minutes are not verbatim, but a condensed version of what transpired at the Lakewood Housing Authority (LHA) Board of Commissioners Regular Meeting held on Tuesday, October 24, 2017, at 6:02 pm, in the Community Room at the Rev. Albert Clayton Administration Building, 317 Sampson Avenue, Lakewood, NJ.*

### **MEETING CALLED TO ORDER**

Mr. Stafford Smith called the meeting to order at 6:02 pm. Teresa Acosta announced that consistent with the Open Public Meetings Law: P.L.1975 c231, which requires that all meetings of public bodies shall be open to the public at all times, a notice of this meeting was provided to the clerk of the Township of Lakewood, the Ocean County Library, the Asbury Park Press, and the Star-Ledger on December 21, 2016 and was posted on the Authority's official designated public bulletin board at the LHA Administration Building.

### **ROLL CALL**

On roll call, attending Commissioners were:

Gregory Stafford Smith – *Vice Chairperson*  
Shabsi Ganzweig – *2<sup>nd</sup> Vice Chairperson*  
Nechama Heinemann - *Commissioner*  
Angela Caldwell – *Commissioner*  
Denise Douglas – *Resident Commissioner*

Also attending:

Mary Jo Grauso – *Executive Director*  
Scott Parsons – *Assistant Executive Director*  
Terrence Corriston – *Attorney*

Absent were:

Miriam Medina - *Chairperson*  
Joseph Weingarten – *Commissioner*  
Ray Coles – *Township Liaison*

### **REPORT BY RICHARD LARSEN**

Mr. Larsen, a Partner in Novogradac & Company, LLP, briefly reported on the LHA Financial Audit, FYE December 31, 2016. He reviewed the three reports conducted and signed off by his firm:

1. The Independent Auditor's Report on LHA Financial Statements. This report does not deal with compliance or internal controls. It simply addresses whether LHA financial statements present fairly in accordance with generally accepted accounting principles. The report received, once again, as in past years, an "Unmodified Opinion" which is the highest level of assurance that can be given by an auditor.
2. The Independent Auditor's Report in Accordance with Government Auditing Standards. According to Mr. Larsen, every Governmental Agency regardless of size is required to participate in this type of audit. It consists of two parts:
  - a. Internal control over Financial Reporting, which documents and tests an Agency's internal control structure over financial reporting; documenting and testing its payroll process, cash disbursements process, cash receipts process, procurement process, etc. No deficiencies were identified; a good outcome, another highest level of assurance an auditor can give.

- b. Compliance with contracts, grant agreements, New Jersey laws, regulations, everything from the filing of payroll taxes to following State of New Jersey procurement law. No instances of non-compliance were found. This is again the highest level of assurance we give.
3. The Independent Auditor's Report in Accordance with the Uniform Guidance and State of New Jersey OMB Circular 15-08. Uniform Guidance is Federal Law enacted by Congress. Any Government Agency that expends more than \$750,000.00 in Federal awards is required to have this audit. The Authority expended 13.9 million dollars of federal awards of which 12.8 was tested. This type of audit requires an opinion of the Auditor regarding Agency compliance with provisions of its major Federal programs. The LHA complied in all material respects with the requirements that could have an effect on its major programs. The Housing Choice Voucher Program is a complex program, which is audited every year. This year we give the Housing Authority an unmodified opinion on your compliance for The Housing Choice Voucher Program. Housing Authority Payments (HAP) are tested to verify that checks are sent to the proper landlord. Internal control over compliance is also tested, which is basically the processes in place in order to ensure compliance. No compliance issues were found.

Mr. Larsen stated that there were no findings among the three reports; nothing required reporting to HUD or the State of New Jersey. In addition, he pointed out that after paying off over \$910,000 worth of outstanding debt in the RAD conversion the Authority still has about 7 months of liquid reserves. The Authority is in good financial shape.

Mr. Larsen invited the Commissioners to contact him if they had any questions and thanked the LHA staff for facilitating the audit by providing whatever the auditors required in a prompt professional manner.

### **INTRODUCTION TO THE 2018 STATE AND HUD BUDGETS**

Thomas Furlong, the Lakewood Housing Authority Fee Accountant, introduced the proposed 2018 budgets to the Commissioners. The State requires the approved budget to be submitted 60 days prior to the beginning of the fiscal year. The NJDCA will then review/approve the budget and then the LHA will adopt the budget at the December board meeting.

Mr. Furlong presented in detail page F-1 (Budget Summary) which shows the 2018 proposed budget as compared to the 2017 adopted budget. The 2018 budget projects a 2.3% reduction in funding/HUD subsidy and a reduction in appropriations of 2.5% resulting in a projected surplus of \$185,000 which is needed to go toward the unfunded pension liability. The pension liability is \$4 million and the LHA has reserves of approximately \$3 million leaving \$1 million unfunded. If the liability does not increase significantly, the pension liability will be funded in less than 10 years. Mr. Furlong stated that the staff is great and it's a pleasure to work at the LHA. There was further discussion regarding the unfunded pension liability and HUD operating reserve recapture.

Mr. Ganzweig inquired as to how the decreased funding from HUD is projected. Mr. Furlong explained that he looked at the 2018 HUD appropriations to determine the projected amount of funding cuts. Ms. Grauso asked how the LHA ranks financially as compared to other Housing Authorities. Mr. Furlong stated that the LHA is one of the top Housing Authorities he works with.

Ms. Grauso and the Commissioners thanked Mr. Furlong for his presentation.

**READING OF MINUTES**

Minutes of the Regular Board Meeting of September 26, 2017 were reviewed. Motion to approve made by Mr. Ganzweig, seconded by Ms. Heinemann. On roll call approving, Mr. Stafford Smith, Mr. Ganzweig, Ms. Heinemann, Ms. Caldwell and Ms. Douglas. Minutes were approved.

**BILLS AND APPROVAL OF SAME**

Bills were reviewed. Motion to approve made by Ms. Heinemann, seconded by Mr. Ganzweig. On roll call approving, Mr. Stafford Smith, Mr. Ganzweig, Ms. Heinemann, Ms. Caldwell and Ms. Douglas. Bills were approved.

**CORRESPONDENCE - None****REPORTS OF COMMITTEES – None****EXECUTIVE DIRECTOR'S REPORT**

Ms. Grauso reported that there were three vacancies that are in the process of being renovated and anticipates having several more in the upcoming months due to call ins for the Mainstream vouchers.

The PBV Waiting List is currently being purged and a decision will be made if there is a need to advertise for applicants.

Ms. Grauso provided an update that Venture Tank removed the oil tanks and reported that there does not appear to be any contamination in the soil and is awaiting the official certifications. The Asphalt contractor will soon complete the paving of the area where the tanks were buried.

Ms. Grauso mentioned the Authority's continuation of resident services provided by Enable. There is an Enable staff member with an office set up in the Currey Building.

There are ongoing issues with the security company which was awarded the contract. Management has set a meeting with the company to discuss the recent issues.

The hours of the Community Room has been limited to the residents at the Currey Building. Recent events of non-residents coming in and out will be discussed with residents to try and rectify the problems.

Ms. Grauso stated that there will be a meeting with STEPS regarding their presentation. Three families will be referred to their program on a trial basis. If the outcome is successful, the housing authority will evaluate further interaction.

Ms. Grauso briefly discussed that the parking lot for across the street has been surveyed for grading. The next step is to have the plans approved by the Township to begin work on the project.

20 families from the Section 8 waiting list have been called in. All eligible families have been issued vouchers and are in the process of being leased up.

Two referrals have been received from the Family Unification Program for Youths. We currently have seven of the allotted ten slots leased. We should be fully leased in this program by years' end. We are the only housing authority in New Jersey that has this PILOT program.

**REPORT OF ATTORNEY**

Mr. Corrison indicated that he has nothing to report.

**REPORT OF TOWNSHIP LIAISON – None****OLD BUSINESS - None****NEW BUSINESS**

**Resolution 5202** - 2018 Lakewood Housing Authority Budget Resolution, Fiscal Year from January 1, 2018 to December 31, 2018. Motion to approve made by Mr. Ganzweig, seconded by Ms. Heinemann. On roll call approving, Mr. Stafford Smith, Mr. Ganzweig, Ms. Heinemann, Ms. Caldwell and Ms. Douglas. Resolution 5202 approved.

**Resolution 5203** - Resolution Approving Merit Payment for Key Administrative Staff. Mr. Parsons was asked to brief the board on the breakdown of the extra revenue brought in from administrating the vouchers for Princeton Community Village and Lakewood Plaza II. Motion to approve made by Ms. Caldwell, seconded by Ms. Heinemann. On roll call approving, Mr. Stafford Smith, Ms. Heinemann, Ms. Caldwell and Ms. Douglas. Mr. Ganzweig abstained. Resolution 5203 approved.

**Resolution 5204** - Tabled

**Email Policy:** Mr. Ganzweig expressed that he would like to have a written policy that states all official business should be done on business email accounts for business record purposes. Mr. Corrison stated he will prepare something for review at the next meeting.

**Email receipt by LHA from HUD regarding parental support:** Mr. Ganzweig stated that the email forwarded to him was very informative but doesn't seem to cover people that are enrolled in an institute of higher education, over 23 with dependent children as he believes these people fall into a separate category. Mr. Ganzweig's understanding is that family support, even if used for expenses other than paying for higher education tuition, is not considered income. Ms. Grauso stated the LHA does not count family support for higher education as income. However, family support that is used for paying anything other than qualified higher education expenses is counted as income regardless of the makeup of the family. Ms. Grauso stated that she would get further clarification from HUD.

**Meeting between LHA and LRRC:** Mr. Ganzweig would like to help facilitate a meeting with the LRRC to clarify that clients are receiving correct information from the LRRC on the housing authority's programs. Ms. Grauso stated that clients should be directed to go the housing authority with any questions to avoid misinformed information. Ms. Grauso asked Ms. Heinemann to email her the contact at the LRRC.

**Buildings & Grounds Sub-Committee – Administration building expansion:** Mr. Ganzweig would like to set a sub-committee meeting prior to start of the administration building expansion.

**MEETING OPENED TO HOUSING AUTHORITY CLIENTS - None****MEETING OPENED TO THE PUBLIC – None**

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**COMMENTS FROM COMMISSIONERS**

Mr. Ganzweig complimented the administration and the staff for a job well done on the financial end.

Mr. Parsons stated that Ms. Acosta deserves some of the credit for the ease of the audit as he took most of the requests from the auditor and turned them over to Ms. Acosta to handle.

Ms. Grauso formerly thanked staff for a job well done.

**ADJOURNMENT**

On motion by Mr. Ganzweig, seconded by Ms. Caldwell. All present voted to adjourn at approximately 7:14 pm.

*I hereby certify that the above is a true copy of the Minutes of the Regular Meeting of the Board of Commissioners of the Housing Authority of the Township of Lakewood, County of Ocean, State of New Jersey, as held on Tuesday, October 24, 2017.*

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Mary Jo Grauso, Secretary  
Executive Director