



# *Fort Lee Housing Authority*

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1403 Teresa Drive  
Fort Lee, New Jersey 07024  
Tel (201) 947-7400/7401  
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## HOUSING AUTHORITY OF THE BOROUGH OF FORT LEE

### MINUTES OF SCHEDULED MEETING

**NOVEMBER 6, 2024**

1. **MEETING** called to order at 6:06 pm by Chairperson, C. Blue, via a Hybrid Meeting on November 6, 2024.

2. Pursuant to the Open Public Meetings Act the Chair read the following statement:

Adequate notice of this meeting has been provided in the following matter:

On December 6<sup>th</sup>, 2023, a notice of this meeting, setting forth the date, time and location of this meeting was posted on the Housing Authority's officially designated public bulletin board at 309 Main Street, Fort Lee, New Jersey, the authority's website and provided to The Record, The Jersey Journal and The Clerk of the Borough of Fort Lee.

The Secretary is hereby directed to enter into the minutes of this Meeting this public announcement.

3. **Roll Call:**

PRESENT: Commissioners, C. Blue, S. Bauer, R. Sohmer, D. Steinberg, A. Yook,  
ABSENT: J. Blau, E. O'Neill

4. **Minutes:**

Motion made by D. Steinberg, seconded by S. Bauer, to approve the Minutes of the meeting of October 1, 2024.

Ayes: C. Blue, S. Bauer, R. Sohmer, D. Steinberg, A. Yook,  
Nays: None  
Abstain: None  
Absent: J. Blau, E. O'Neill

November 25, 2024



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## **5. Presentation of Audit, Richard Larsen**

Mr. Comiston introduced Rich Larsen of Novogradic & Company, LLP to present the Audit. Mr. Larsen introduced himself. He is a partner with the firm which specializes in auditing affordable housing, tax credit programs and housing authorities, auditing about 75 housing authorities across the country. He's been doing this work since 2000.

Mr. Larsen reviewed the audit. First, he stated that in their opinion the financial statements that they audited present fairly in all material respects the financial position of the authority as of December 31, 2023. It is an unmodified opinion – the highest level of assurance they can give as auditors. As is standard in the industry, there are a couple of reports they don't give an opinion on, for example, management's discussion on a narrative on the events of the year.

There is a schedule of federal awards and financial data schedule that they do give an opinion on, and they found that it presents fairly in accordance with generally accepted accounting principles. He said that is a great outcome.

He then discussed the audit that is addressed on p. 30 which is in accordance with government auditing standards. All governments in NJ are required to have this type of audit. There are two parts to this audit. The first part is where they have to document and test the internal control over financial reporting. This is the process to safeguard authority assets. He is aware of the issue with fraud that occurred over many years. He found that there was a lack of segregation of duties with the former deputy director – one person should not have control over an asset. They found a deficiency in internal control and that is addressed on p. 38.

The second part of the audit covers compliance with laws, regulations, and so forth. The report provides that they found no instances of noncompliance that are required to be reported. That is a very good outcome with that test.

The last report is on the audit in accordance with the uniform guidance which is federal law. This is required by the level of federal expenditures of almost \$8.6 million dollars of federal expenditures, the majority of which is for the housing choice voucher program. There are many strings attached to that money so they tested tenant files, making sure documents are included, calculating a tenant's income properly, looking at the wait list, making sure new participants are being pulled into the program correctly. They reviewed the Administrative Plan to confirm that it is in accordance with HUD rules and regulations. They looked at failed inspections to confirm that the Authority handled them correctly. The results are on page 32 which is the final report. On all compliance testing that was done, they give the authority an unmodified opinion that the Authority complied in all material respects with all those compliance requirements for the year ended December 31<sup>st</sup>. He said this was a fantastic outcome – no findings, no issues to be reported. That is a really good outcome and something to be proud of.





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Lastly, they also test internal controls over compliance. They test all those processes to make sure we are in compliance. They did not identify any deficiencies in internal control.

He also reviewed the financial statements of the Authority. The strength of the Authority is best measured by your ability to pay bills as they become due. We don't look at total assets but rather look at liquid assets, of which the Authority has over \$1.8 million, most of it sitting in cash. On page 11 you have a statement of net position which is like a balance sheet. They look at current assets less your current liabilities which gives you about \$1.8 million in working capital. That is strong for a housing authority of your size. You're spending \$87,000 per month in overhead. With \$1.8 million you have about 20 months. That is exceptional for a housing authority of your size. Looking at your statement of revenues and expenses and changes in net position you generated \$149,000 in operating income on almost 9 million in revenue. You are generating enough profit to pay your debt and make your R&R deposits. You have about \$300,000 net income to cover your debt services, your fixed debt service and your R&R deposits. And your fixed debt service and your R&R deposits is only about \$37,000.00 together which leaves you about \$262,000 operating income. That is a good number.

Mr. Larsen asked for any questions and said that members could email or call if they have any questions.

Mr. Larsen was asked why the FSS finding would not have affected the financial statements. He explained that since it was the FSS account they were able, as of 12/31 to reconcile the account to the balance in it. They tied out the balance and it's properly recorded in the financial statements. The finding had to do with internal controls and the process in that there was a lack of segregation of duties. The financial statements are unmodified because the audit reveals the numbers are reasonably stated.

Mr. Corriston commented that we actually did have a policy in place but that the former Deputy Director did not follow it. She signed checks she was not supposed to sign under the policy. He stated however, that additional safeguards have been adopted and are being carried out with the check writing policy that we implemented.

## **6. Presentation of Budget, Thomas Furlong**

Mr. Furlong reviewed the budget for the year starting Jan. 1, 2025. We will submit it to the state for review and they'll return it with any comments and then we adopt it at our January meeting. He was asked if HUD could recapture money since we have a surplus budget. He said that they could if there was a recapture, but the last time that happened they lost a lawsuit filed by the PHAs. Mr. Furlong discussed the possibility of a recapture but indicated that the amount would



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be closer to \$300,000 than the full amount of surplus and that we may need the surplus if we are underfunded in the future.

Mr. Furlong reviewed the budget worksheet. About seven lines down, you'll see total income. You'll see that this year's budget is calling for total revenue of \$9,901,000. So we're just a little bit under 10 million dollars. As far as what comes into the housing authority. And most of that money, as Rich says, is in the Section 8 program. They are rent subsidies for people on the program which make up 90% of our budget. Of that, about \$8 million is the payments to landlords and the other 700,000 is our fee. That's the fee that we get based on how many units get leased. That \$700,000 is what we use to pay our bills.

Other than that, the only other big item we have is the operating subsidy which is about \$200,000, which funds this building. We also have a grant for the FSS coordinator and income from the Borough for the rent-leveling services. He pointed out that interest income is currently substantially increased. The total revenue is up 8% but mainly because landlord payments are increased since rents are going up.

Mr. Furlong then addressed expenses and salaries. There are administrative salaries and maintenance/labor salaries which are for the maintenance staff. We propose a 4% increase in salaries across the board for administrative staff plus a couple of employees who are going to get additional amounts to bring them up to comparability. But due to the loss in staff, you are really not increasing by 4%.

Overall expenses are up 8.7%. Training was increased in the budget because of program changes HUD is implementing. We also increased the maintenance staff because the part-timer is working more hours. The Joint insurance fund is increasing premiums mainly because they are re-evaluating properties, so we are increasing the budget by \$10,000.00 HAP payments are increasing from \$7.9 million to \$8.6 million but HUD increases us dollar for dollar on that. Our debt service is staying the same. With everything, we are looking at about a \$91,375 surplus for 2025.

## **7. Executive Director's Report:**

Mr. Coriston advised the Board of the following:

- a. We received the insurance payment for the theft claim from the MEL fund. We're getting an additional \$47,500 from the GIF for a total of \$439,620 which is the full claim, less than \$25,000 deductible.

He said that Tom Furlong is working on sorting out the funds and that much of it will be returned to HUD.

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- b. We submitted our Annual and Five Year Plans to HUD.
- c. We submitted our renewal application for \$62,000 for the FSS Coordinator to HUD.
- d. We will be having a Thanksgiving luncheon for the seniors in the building on 11/25.
- e. We received approval for our CDBG grant in the amount of \$70,000.00 for FLHA to upgrade the fire alarm system. We were also approved for another \$70,000.00 for FLASH for roofing.
- f. Contractors are still addressing kinks in the new electrical for the fire standpipe upgrade.
- g. Our inspectors completed eighteen inspections in our building and twelve in tenant based apartments. Of the eighteen, three failed. Four of the twelve also failed. Two of the failures in the building have already been corrected. The third has to do with a tenant who seems unable to maintain her unit. We are working with her family.
- h. Housing Choice Voucher utilization is at is at 466 out of possible 490 vouchers. We cannot issue more vouchers because the cost per voucher is so high due to the high rents in Fort Lee. As such, we are holding off on opening the wait list. There is no point in opening it if we can't issue vouchers and are giving false hope to applicants. We will however, be working on the process of opening the list so we are ready when we can proceed. We will use our contract with Englewood Housing Authority which has reopened several times in the last few years.
- i. Work orders are up to date. We have one vacancy in this building for a tenant who moved on short notice. We are working on filling that.
- j. We have two vacancies at 8<sup>th</sup> Street. They are more difficult to fill because people who have vouchers can get a larger, more expensive apartment and still only pay their 30% share of the rent.
- k. We have two tenants who were served Notices to Cease for unauthorized persons in the apartment.



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- l. Under Old Business, on the Agenda you see the waiver resolution that was voted on last month. That is there for your information as it was already approved.
- m. The first Wednesday in January is on the 1<sup>st</sup> so I'd like you to approve the first meeting being held on the following Monday, which is January 6, 2025.

## **8. RESOLUTIONS:**

- a. A motion to adopt the following Resolutions by Consent was made by D. Steinberg and seconded by S. Bauer.

**2435-** Payment of Bills

**2436-** Accepting the Audit of the Housing Authority of the Borough of Fort Lee for the year ending December 31, 2023 prepared by Novogradac & Company, LLP.

**2437-** Adopting the Introduction of the Budget for FY 01/01/2025

Ayes:	C. Blue, S. Bauer, R. Sohmer, D. Steinberg, A. Yook
Nays:	None
Abstain:	None
Absent:	J. Blau, E. O'Neill

## **9. ADJOURNMENT:**

Motion made by A. Yook and seconded by S. Bauer to adjourn the meeting at 7:39 pm.

Ayes:	C. Blue, S. Bauer, R. Sohmer, D. Steinberg, A. Yook
Nays:	None
Abstain:	None
Absent:	J. Blau, E. O'Neill

Respectfully submitted,

Terrence Corriston  
Executive Director

November 25, 2024