

MINUTES OF A REGULAR MEETING OF THE
 COMMISSIONERS OF THE
 CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

The Commissioners of the City of Roanoke Redevelopment and Housing Authority met for a regular session on Monday, April 24, 2017, in the offices of the City of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike, NW, in the City of Roanoke, Virginia.

I. CALL TO ORDER – ROLL CALL

Chair Karnes called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT:	Commissioners Anguiano, Burruss, Garner, Karnes, Witten
ABSENT:	Commissioners Butler, Smith
OFFICER PRESENT:	Mrs. Glenda Edwards Goh, Secretary-Treasurer
ALSO PRESENT:	Jackie Austin, VP of Finance/CFO; Kathy Beveridge, Compliance and Quality Assurance Manager; David Bustamante, VP of Housing; Stephanie Cooperstein, Section 3 Employment Coordinator; Betsy Crow, VP of HR and Administration; John Garland, Roanoke City Council Liaison; Frederick Gusler, Director of Redevelopment and Revitalization; Crystal Hall, Community Support Services Director; Donald Jump, CPA, Jump, Perry and Company, LLP; Mark Loftis, Legal Counsel; Catina Lowery, Site Manager; Joel Shank, VP of Operations; Melissa Wills, Executive Assistant

Chair Karnes welcomed everyone to today's meeting.

II. REPORTS

1. Financial Report

Chair Karnes stated that Mrs. Austin provided a Financial Narrative along with a Financial Report.

Chair Karnes asked if there were any comments or questions. There were none.

2. Executive Director's Report

Chair Karnes asked for the Executive Director's report.

Mrs. Goh shared that the Continuing Resolution that expires at the end of the week appears likely to be extended since Congress has not been able to reach an agreement on appropriations for the remainder of the fiscal year. She said that according to what is being reported, they are still working on it and trying to resolve some disagreements in some areas, but no timeline has been given regarding when to expect resolution.

Mrs. Goh reported that on June 23, 2017, RRHA will participate in book distribution events sponsored by the partnership between the Campaign for Grade Level Reading and the U.S. Department of Housing and Urban Development (HUD) called Book Rich Environments. She said that the date of the event has been changed a couple of times, but she believes this is likely the final date. There will be a larger event at Lansdowne Park along with simultaneous events at each of the Public Housing sites. She explained that the primary focus of those events will be book distribution to children living in public housing and that there are approximately 2,000 books that have been donated from Penguin Random House for distribution. RRHA is working with the Roanoke City libraries. The libraries will be receiving the book donations and storing them until the date of the event. She told the Commissioners

that as more details about the events are received, she will pass that information on to them. She explained that the event at Lansdowne will include involvement by library personnel; however, RRHA staff, under Ms. Hall's direction, will be doing the book distribution events at all of the other sites so that children living at those sites will have the opportunity to receive the books also. She stated that 36 public housing authorities nationwide, including RRHA, have been invited to participate in the Book Rich Environments initiative.

Mrs. Goh reminded Commissioners that if any of them would like to attend the 2017 Housing Symposium sponsored by the Roanoke Regional Housing Network (RRHN) on May 4, 2017, there is still time to register and to contact Melissa in the Executive Office.

Commissioner Anguiano inquired if any type of communication had been received from the new HUD Secretary that gives any indication of what the future might hold. Mrs. Goh stated that nothing has been received and that Secretary Carson has been invited through two separate avenues to visit RRHA and other housing authorities across Virginia. She said that he will be getting a third invitation soon that is going to go out from the Virginia Association of Housing and Community Development Officials (VAHCDO) in the hope of getting Secretary Carson to visit Virginia as part of the listening tour that he is undertaking in his first few months on the job. She explained that Vice Chair Burruss and Ms. Crow were able to hear Secretary Carson speak at the National Association of Housing and Redevelopment Officials (NAHRO) conference in March and asked Vice Chair Burruss if she had any updated information as nothing has been released recently from HUD that gives any

indication of future direction. Vice Chair Burruss said that Secretary Carson reiterated his intent to do a listening tour but did not give any further details. She explained that while his speech had nice delivery, there really wasn't any new or substantive information.

Chair Karnes asked if there were any other comments or questions. There were none.

3. Staff Reports

Chair Karnes asked if there were any Staff reports, comments or questions. There were none.

4. Committee Reports

Commissioner Karnes reported that the Personnel Committee had met earlier to discuss some items; however, there were no policies to bring before the Board at this time.

Commissioner Anguiano reported that the Legislative Committee had also met earlier in the day to finalize language around what the charter will be and will have something to bring before the Board at the next meeting. He also explained that Mrs. Goh has reached out to some of the other housing authorities within the area and has found that there is some interest in creating a regional committee that would help to promote some shared interests. He said that they are exploring those opportunities as well.

Commissioner Garner reported that the Audit Committee met and discussed the draft audit with Mr. Jump by teleconference on April 14, 2017, and that Commissioner Garner and Mr. Jump met prior to today's Board meeting.

Commissioner Garner said that while Mr. Jump will go into more detail during his presentation of the audit, Commissioner Garner is happy to say that it is a good report and that his meeting with Mr. Jump was one of the most productive meetings he has ever had with an auditor. He explained that Mr. Jump talked about the people of RRHA who are functioning properly in their roles and how this helps to ultimately meet the objectives and mission of the organization, which is the primary purpose behind having a good audit and good financials. He went on to say that he received some really good information and insight from Mr. Jump that he will subsequently share with the Audit Committee regarding the oversight of the Finance Department and what input the Commissioners should be providing. He said that Mr. Jump explained that two months after the close of the year, RRHA is required to submit unaudited data to HUD and the auditors come in subsequent to that submission. This data that Mr. Jump referred to required very few adjustments that needed to be made in order for it to be submitted as the final audit. He shared that Mr. Jump was very complimentary of RRHA staff and the work they do. Commissioner Garner recognized Mrs. Austin for her excellent work and also Amy Brammer, who works for Mrs. Austin, as her name had been mentioned for her exemplary work. He congratulated the entire Finance Department for the fine job that they do on a continuous basis.

Chair Karnes asked if there were any other Committee reports. There were none.

5. Commissioner Comments

Chair Karnes asked if there were any Commissioner comments. There were none.

6. City Council Liaison Comments or Discussion

Chair Karnes asked if there were any City Council Liaison comments or discussion.

Council Member Garland said that on behalf of the City Council, he would like to thank the Board of Commissioners for what they do on a continuing basis in making difficult decisions for RRHA in regards to finances and the continual lack of enough financial resources. He also congratulated the staff for the work that they do and also acknowledged Mrs. Goh for being accessible as she has recently attended a couple of meetings with neighborhood groups from Golden Park and Hurt Park to answer questions. He stated that Northwest Roanoke, where some tenants of RRHA are located, is in a much better place due to good initiatives happening such as the Melrose-Orange Target Area (MOTA), and he hopes that the HUD funding will continue at the same level. He also referenced the move of the Melrose Branch library to Goodwill Industries' building, the former Mrs. Choc's building becoming the Feeding America Community Solutions Center, and the Peacemakers moving into the old No. 9 Firehouse as other examples of positive changes in the MOTA. He informed the Board about the Roanoke Neighborhoods Conference the City is hosting on Saturday, April 29, 2017, that involves some of RRHA tenants, particularly those at the Melrose Towers site. This conference for neighborhood groups will begin at 8:30 a.m. at the First Christian Church on Church Avenue. Council Member Garland asked that residents be encouraged to attend.

7. Residents or other community members to address the Board

Chair Karnes asked if there were any residents or community members who

would like to address the Board. There were none.

III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held
Monday, March 27, 2017.

RECOMMENDED ACTION: Dispense with the reading thereof and approve as recorded.

C-2 Monthly Operations Report for the month of March 2017.

RECOMMENDED ACTION: File as submitted

Commissioner Garner introduced a motion to approve the Consent Agenda.

The motion was seconded by Commissioner Anguiano and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes and Witten

NAYS: None

Chair Karnes thereupon declared said motion carried as introduced.

IV. REGULAR AGENDA

1. Presentation of Audit Draft – Donald Jump, Jump, Perry and Company, LLP

Mr. Jump gave a brief overview of the contents of the draft audit by referring Commissioners to the table of contents and made reference to the Management's Discussion and Analysis which explains the variance and changes between 2015 and 2016 and the reasons for those changes. This is followed by the statements and footnotes, which completes the section of the financial statement package, along with the Independent Auditor's report on the financial package.

Mr. Jump explained that there are actually two audits that take place in this

process. The first, he explained, is the report on the financial statement package where auditors look at the financial statements, the internal control of the financial statements, substantive information and offer their opinion on whether it reports appropriately in accordance with generally accepted accounting principles and governmental accounting principles. In the case of RRHA, it does and it is an unmodified and clean opinion, which is exactly the desired outcome.

Mr. Jump explained that the second audit, beginning with page 42 of the draft audit handout, focuses on internal control over the financial statements to ensure that the proper internal controls are in place so that the financial information that is provided is valid and appropriate. He went on to say that this is a requirement of any audit done in accordance with governmental auditing standards because of the funding from HUD. The second part of this report, he explained, is on compliance with major programs and these programs are rotated on an annual basis, with this year's program being the Housing Choice Voucher (HCV) Program. He said that HUD comes up with a list of different compliance areas that are required in order to operate that program and that there are seven areas for the HCV program that involve mostly pulling tenant files to examine things like eligibility, Housing Quality Standards (HQS), inspections, reinspections, activities allowed, cash management and reporting, both the monthly as well as individual. In doing this examination, he said that they also review the internal control over compliance because HUD wants to know that RRHA is not only complying with the program, but that internal controls are in place so that if compliance was not happening, it would be discovered and could be corrected. If there were any findings, they would be listed in this section but Mr. Jump said that he

was happy to report that there were no findings, no deficiencies discovered in internal control over financial reporting or compliance, and no compliance findings. He stated that these are also unmodified audit opinion reports, which is exactly what is desired.

Mr. Jump explained that the last section in the draft audit includes required supplemental information. The biggest component of that, beginning on page 51, is the financial data schedule that HUD requires to be uploaded to their system online. He said that this basically takes RRHA's financial statements and breaks them into every program and project so that each one has its own balance sheet and income statement on lines that HUD has directed, with totals that agree with the financial statements. The last report is the agreed upon procedures where the auditors indicate that they have read the Financial Data Schedule (FDS) and the other required supplemental information and that it agrees with the financial statements, which it does.

Mr. Jump reiterated Commissioner Garner's earlier statement that he had met by teleconference on April 14 with Mrs. Goh, Mrs. Austin, Commissioner Witten and Commissioner Garner to discuss the results of the audit and also met with Commissioner Garner prior to the Board meeting for further discussion. He said that it is his opinion that RRHA operates very smoothly and that the auditors are not only reviewing the Finance Department but, through the audits of individual programs, RRHA as a whole without finding any exceptions, which is tremendous.

Commissioner Garner reiterated that, as Mr. Jump pointed out, that it is a credit to the entire staff of RRHA how they adhere to the rules and procedures on a consistent basis, which is not always the case. Mr. Jump explained that the auditors

come as a team of four to five people and spend an entire week at RRHA and it is his opinion that the staff is very professional and accommodating, providing them with what is needed to make for an efficient audit. He expressed his appreciation for that.

2. Resolution No. 3917

Mr. Shank introduced Resolution No. 3917, requesting the Board to award a contract for replacement of heat pumps for Villages at Lincoln Phase I. He explained that this work involves the replacement of indoor and outdoor heat pumps for 69 units at Lincoln that were renovated during the HOPE VI project of 2000-2001 through HUD. He went on to say that two responsive bids were received, with the lowest being from S. J. Conner & Sons, Inc. and that he thoroughly reviewed the bid.

Responding to a question from Vice Chair Burruss regarding the average life span of a heat pump, Mr. Shank indicated that their estimate is approximately 15 years. When asked by Commissioner Anguiano if the bid was in line with the cost estimate, Mr. Shank indicated that it was considerably lower than his cost estimate which is why he spent time reviewing the bid with Mr. Conner and his staff to ensure that it covered everything. He went on to say that it averages to approximately \$4,300 per heat pump unit, which is a very good price.

Chair Karnes asked if there were any other comments or questions. There were none.

Commissioner Garner introduced Resolution No. 3917 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDED A CONTRACT FOR REPLACEMENT OF HEAT PUMPS FOR VILLAGES AT LINCOLN, PHASE 1, UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150116

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a grant from the Department of Housing and Urban Development (HUD) Capital Fund Program (CFP), grant number VA36P01150116 in the amount of \$1,996,769.00; and

WHEREAS, HVAC Upgrades for Villages At Lincoln was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150116, which was approved by the RRHA Board of Commissioners by Resolution 3882 on May 23, 2016; and

WHEREAS, RRHA needs a qualified contractor to complete Replacement of Heat Pumps for Villages At Lincoln, Phase 1; and

WHEREAS, RRHA issued an Invitation for Bid on March 19, 2017, with bids being due on April 11, 2017; and

WHEREAS, RRHA received two (2) responsive bids to the invitation, which were opened for consideration, such bids being as follow:

<u>Bidder</u>	<u>Total Bid Amount</u>
Russell's Remodeling, LLC (Self-certified as Section 3 Business Concern)	\$333,600.00
S. J. Conner & Sons, Inc. (Self-certified as Section 3 Business Concern)	\$295,484.76

WHEREAS, HUD regulations at 24 CFR 135.1 state that "section 3 of the Housing and Urban Development Act of 1968 (12 U. S. C. 1701u) (section 3) directs that employment and other economic opportunities generated by certain HUD financial assistance shall to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to business concerns which provide economic opportunities to low- and very low-income persons."; and

WHEREAS, S. J. Conner & Sons, Inc. self-certified as a Section 3 Business Concern and submitted the low bid; and

WHEREAS, the allowable HUD Section 3 preference is not a determining factor in the procurement; and

WHEREAS, the amount of the bid submitted by S. J. Conner & Sons, Inc., was determined to be fair and reasonable for the work specified when compared to the amount of the independent cost estimate based on R S Means Cost Data, for the project; and

WHEREAS, review, evaluation, and confirmation of bid documentation has been completed, and S. J. Conner & Sons, Inc. has been found to be capable and in all other

respects acceptable to RRHA; and

WHEREAS, the Vice President of Operations recommends an award to S. J. Conner & Sons, Inc.; and

WHEREAS, the Executive Director has determined that this procurement complies with RRHA's Procurement Policy and that it is in the best interests of RRHA to accept such bid and execute an appropriate contract.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that:

- (1) The bid submitted by S. J. Conner & Sons, Inc. be and hereby is accepted;
- (2) The Executive Director be and hereby is authorized and directed to execute a standard contract for construction, which by reference is inclusive of all plans, specifications, addenda and related project documents, between S.J. Connor & Sons, Inc. and RRHA for the fixed price of \$295,484.76.
- (3) The Executive Director be and hereby is authorized to take such other actions as may be necessary to fulfill the intent of this Resolution.

The motion was seconded by Commissioner Anguiano and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes and Witten

NAYS: None

Chair Karnes thereupon declared said motion carried and Resolution No. 3917 adopted as introduced.

V. ADJOURNMENT

Responding to a question from Commissioner Garner about when the final audit would be submitted and approved, Mrs. Goh responded that it would be at the next Board meeting.

There being no further business to come before the Board, Commissioner

Garner moved that the meeting be adjourned.

The motion was seconded by Vice Chair Burruss and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes and Witten

NAYS: None

Chair Karnes declared the meeting adjourned at 3:23 p.m.



Daniel Karnes, Chair



Glenda Edwards Goh, Secretary-Treasurer