

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, June 24, 2019, 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 Garner called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT:	Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith
ABSENT:	Tim Witten
OFFICER PRESENT:	Mr. David Bustamante, Secretary-Treasurer
ALSO PRESENT:	Jackie Austin, VP of Finance/CFO; Stephanie Cooperstein, Section 3 Manager; Betsy Crow, VP of Human Resources and Administration; Julie Gibson, Section 3 Administrative Coordinator; Crystal Hall, Community Support Services Director; Amanda Jane Holland, Family Self-Sufficiency Coordinator; Mark Loftis, Legal Counsel; Suzzette McCoy, Compliance & Quality Assurance Coordinator/Site Manager; Evangeline Richie, VP of Housing; Joel Shank, VP of Operations; Amanda Sparks, Housing Choice Voucher Manager; Kelly Martin, Senior Executive Assistant

Chair Garner welcomed everyone to today's meeting.

**REPORTS**

1. Financial Report

Responding to Chair Garner's question regarding the 2018-2019 audit and software transition, Ms. Austin stated that the Roanoke Redevelopment and Housing Authority (RRHA) is not anticipating any problems with the audit for the 2018-2019 fiscal year, due to the entire year existing in the Emphasys Software system which is RRHA's current software. The new system, Yardi Software, will be live on November 1, 2019.

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

## 2. Executive Director's Report

Mr. Bustamante informed the Board, that Governor Northam, two Senators and the Roanoke City Mayor will be at RRHA on July 2, 2019, from 2:00 – 2:30 p.m. He explained the reason for the appearance, is due to the Division of Motor Vehicles to Go (DMV2Go) program. The (DMV2Go) vehicle will be parked in the Lansdowne Park office parking lot. He stated that DMV2Go has assisted low income tenants in renewing their license, which will allow them back to work. RRHA is unaware of the turnout at this point but the site will be ready.

Mr. Bustamante said that RRHA received word from Ms. Schmidt with the U.S. Department of Housing and Urban Development (HUD) Richmond Field Office, to apply for the EnVision Center for the third time. RRHA obtained our third letter of endorsement from the Mayor and Mr. Merenda from the Council of Community Services. He stated that the process also entailed an application that would include RRHA's description of what the EnVision Center would look like, what would be provided and most interestingly, how RRHA would be able to fund the project. HUD suggested using funds from the Capital Fund Project (CFP), Community Development

Block Grant Program (CDBG) money, RRHA's money or anything that was not federally restricted, to pay for the EnVision Center. The Resident Services staff has collaborated and established strong working relationships with our community partners and we believe that RRHA would receive some in-kind services, initially up front, but without HUD support it is going to be almost impossible for RRHA to maintain and sustain an EnVision Center. Mr. Bustamante was very clear in the application concerning RRHA's financial limitations. He pointed out that if RRHA was awarded Moving To Work (MTW), then the EnVision Center program could be funded, some money could be moved around to help fund the center but initially, as it stands right now, other than in-kind services RRHA does not have the money. He stated that using CFP money to fund an EnVision Center is not the way to go. The money RRHA does receive for CFP is diminishing every year and the need for that limited money is better used to improve the quality of RRHA buildings. He informed the Board that RRHA has obligated some of the CFP money to build new homes and that money should not be used except for its original intended purpose, which is to better the public housing developments.

Mr. Bustamante stated that another issue that came up during this application is concerning the Melrose Library. He is aware that the City is in conversation with other community based organizations for that property and RRHA is not included at this point. Without the library, RRHA had to indicate in the EnVision Center application that the network center at Villages at Lincoln or the Community Center at Lansdowne Park would be utilized. He would like the Board to understand that without the Melrose Library acquisition it puts a very big hole in RRHA's Choice Neighborhood Plan. He is

waiting for an update from the City. Mr. Bustamante stated that if RRHA does not receive the Melrose Library he will request a meeting with the City Manager and the Mayor for a debriefing. Especially, he said, given the fact that the City is in RRHA's Choice Neighborhood Plan and they understand the importance of the acquisition of that site.

Mr. Bustamante explained that Mr. Shank and Mr. Gusler will address the Board at the July meeting concerning the status of the Rental Assistance Demonstration (RAD) application. During the staff report, financial documentation will be provided as to the course RRHA is suggesting we take with our current RAD application, in addition to our suggestion the direction in the immediate future will be addressed.

In response to Commissioner Burruss' inquiry, Mr. Bustamante said that he was not at liberty to provide any additional information concerning the Melrose Library because the information was from a third party. However, he is aware that RRHA has not been contacted by the City and that the timeframe to be contacted, if RRHA was going to receive the property, was approximately two weeks ago.

Commissioner Burruss commented that part of the Commissioners job is to be advocates in situations like this with City Council members, the City Mayor and the City Manager. She does not believe that the Commissioners have provided any advocacy for the Melrose Library property other than to convey interest and she hoped the Board has not missed a golden opportunity. She went on to say that it was a little awkward to know what to do because interest was expressed and then you await a response. Mr. Bustamante agreed. RRHA presented the Choice

Neighborhood plan to the City but there are a number of things that happen in the City and he believes that it is possible the individuals reviewing the application were not the same individuals that participated in the Choice Neighborhood Plan. He believes that the advocacy could have been done under a much more intense pace.

Chair Garner stated that even when Mr. Bustamante met with the City Mayor and Manager, this topic came up but only obliquely, he did not speak directly about the impact and RRHA's dire need for that facility. Mr. Bustamante said that he inquired about the library and they responded stating that it was in committee for review and once a decision was made the information would be released to everyone.

Responding to Chair Garner's question, Mr. Bustamante stated that the City would announce the award of the property as soon as the selected company accepted the terms of the negotiation.

In response to Commissioner Burruss' inquiry, Mr. Bustamante stated he met with the City Mayor and Manager in May 2019. Commissioner Burruss stated that she assumes the Choice Neighborhood program was discussed pretty candidly during that meeting and she is perfectly willing to advocate for the plan. She said that it could be stated that RRHA has not heard from the City and wanted to make sure the City is aware of RRHA's interest. Chair Garner stated that he does not believe that would be out of line, as commissioners, to make efforts to speak with the City Mayor, Manager and various City Council members. Vice Chair Anguiano believes that RRHA is coming a little late to the game.

Responding to Chair Garner, Mr. Bustamante explained that the funding amounts were not included in the EnVision Center application but RRHA would require HUD's

support in order to make the plan work and the EnVision Center succeed. RRHA felt if an amount was included in the application, it would be based on speculation. Mr. Bustamante and Ms. Hall strictly listed the services needed in order to run a well-rounded EnVision Center as was done with Jobs Plus and all RRHA programs. He believes that RRHA and HUD could come to an agreement to begin and build a program but without HUD's financial support the program would not be able to be sustained.

Responding to Vice Chair Anguiano, Mr. Bustamante stated that five or six EnVision Centers currently exist. Chair Garner added that the EnVision Centers are not satisfied with the funding; this was an unfunded mandate. Mr. Bustamante explained that the application had some very stringent requirements for reporting which includes a substantial administrative burden for a program that has no reimbursement or funding.

In response to Vice Chair Anguiano's inquiry, Mr. Bustamante clarified that he believed Mrs. Goh received a call from Ms. Schmidt HUD Field Office Director who stated she was told to provide RRHA with an EnVision Center application via Mr. DeFelice, Region III Regional Administrator. RRHA completed the application and emailed it to the EnVision Center email and copied both Ms. Schmidt and Mr. DeFelice on the email.

Commissioner Burruss stated she would like to initiate a meeting with the City Mayor, Manager and any Council members who would be available. Chair Garner agreed and would make sure he would be available for the meeting.

Responding to Commissioner Kepley, Mr. Bustamante explained that there are

a number of community based organizations that would like to own the Melrose Library property for their own personal business and possibly rent out space to other non-profits. He does not believe there are any competitors that would make as much of a positive impact or meet the community's needs as a whole.

Ms. Hall commented that she believes RRHA would be the best choice for one reason; RRHA would be an incubator for all of the non-profits to provide a one stop shop for residents in this area. Whereas any other organization that comes in will serve in one specific part of someone's life. RRHA would like to provide wrap around services so that it addresses the whole need of the resident and not just one part of it.

Responding to Vice Chair Anguiano, Mr. Bustamante explained that HUD encourages housing authorities to have relationships with other organizations in the community.

Commissioner Smith remarked that he was surprised that RRHA was not on the short list or chosen for the Library considering the relationship that RRHA and the City have.

Responding to Commissioner Karnes, Mr. Bustamante stated that he is not positive that RRHA has been ruled out. Chair Garner added that RRHA needs to determine the status of the situation; therefore, he will reach out to Djuna Osbourne, RRHA's liaison with the City.

Commissioner Kepley commented that the proximity of the Melrose Library is hard to beat. Commissioner Burruss added that it is a nice amount of real estate. Commissioner Karnes mentioned that he believes there are a number of individuals interested in trying to improve this area. The Kiwanis Club will be installing a

playground; Goodwill will be opening a library so there is a lot of focus on the area. The City Council is aware of this and how all these organizations in the area are working together. Commissioner Burruss commented that she is unsure if the City individuals understand RRHA's intention. Chair Garner explained that assumptions are being made and RRHA cannot assume that the City is aware of RRHA's goals and intentions that were discovered during the South Jefferson Redevelopment process. RRHA is dealing with this on a daily basis and the presumption is that the City is aware of it but that may be incorrect.

Responding to Commissioner Burruss' inquiry concerning the proposed fiscal year budget and the lack of funding for the RAD program, Mr. Bustamante stated that there is no money allocated and there was no reason as to why there was no money allocated. He is concerned that there are no restrictions on the amount of individuals who can participate in the program. He explained that one of the reasons RAD was supposed to benefit the housing authorities, was due to the money being allocated, would offset the amounts needed for CFP funding but if there are no waitlist in effect the financial resources would eventually be depleted.

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

### 3. Staff Reports

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

### 4. Committee Reports

Chair Garner asked for any Committee reports. There were none.

## 5. Commissioner Comments

Commissioner Burruss asked for clarification concerning the criminal activity report on page 17, Morningside Manor has very few part two crimes, she said, but on page 18, the community rate year to date is very high. Mr. Bustamante replied saying that the area at Morningside is very small therefore; any Part I crime would cause that number to increase dramatically.

Responding to Commissioner Burruss' inquiry about the Mainstream Vouchers listed on page 18, Mrs. Sparks stated that in May RRHA received forty-six applicants, twenty-six were invited in for initial interviews. She explained that approximately half of the invited applicants did not come into the office due to their homeless status and RRHA being unable to locate them. RRHA is working with community partners to locate the individuals on the streets. Mrs. Sparks stated that RRHA has received all of the verifications back on the individuals who came in for initial interviews and is scheduling one on one voucher briefings. Some of the individuals are already in permanent housing and the landlords will take the Section 8 voucher. She added that due to the applicants being homeless it took longer to receive the forms and the required verifications. RRHA has been communicating with community partners in sending out the next round of letters, if individuals are not found then RRHA will move on to the next group. Commissioner Burruss commented that it sounds promising that RRHA can get the vouchers used.

Ms. Richie added that RRHA had a recent meeting with Blue Ridge Behavioral Health (BRBH) to work in collaboration with them concerning the Mainstream Voucher Program. BRBH received grant funding and they will be partnering with RRHA to help

individuals, in their system, receive housing. She believes the process will be a lot quicker partnering with BRBH.

Responding to Commissioner Burruss, Ms. Richie explained that BRBH receives grant funding that will assist them in providing support, to any agency, that is facilitating the Mainstream Vouchers Program. Their goal would be to work in partnership with RRHA concerning any applicants that are applying for housing that they have in their system. She said that BRBH will assist with application fees, security deposits and assist them with the process.

Chair Garner asked if there were any additional commissioner comments or questions. There were none.

#### 6. City Council Liaison Comments or Discussion

Chair Garner asked if there were any City Council Liaison comments or questions. There were none.

#### 7. Residents or other community members to address the Board

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

### **CONSENT AGENDA**

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, May 20, 2019.

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

C-2 Monthly Operations Report for the month of May 2019.

RECOMMENDED ACTION: File as submitted

Commissioner Burruss introduced a motion to approve the Consent Agenda. The motion was seconded by Commissioner Smith and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith

NAYS: None

Chair Garner thereupon declared said motion carried as introduced.

## II. **REGULAR AGENDA**

### 1. Resolution No. 4014

Mr. Shank introduced Resolution No. 4014, requesting the Board's approval to award a contract for repair service for RRHA-owned high voltage primary and secondary electrical systems for the properties that the housing authority owns. This is primarily for public housing at several of the sites. He explained that RRHA owns the electrical infrastructure, which this contract will cover. RRHA has added in more electrical repairs in the units, and electrical panels that are located at the site, due to not having an electrician on staff. Mr. Shank stated that one bid was received from Davis H. Elliot Construction Co., Inc., in RRHA's invitation to bid. They have held the contract in the past concerning high voltage work, RRHA received a fair and reasonable bid from them and they based their hourly rates on work completed several years ago, which makes their bid considerably lower than RRHA's estimate.

Responding to Commissioner Burruss' inquiry, Mr. Shank stated that his independent cost estimate amount was close to \$195,000.

Chair Garner commented that Davis Elliot Construction Co., Inc. should know what they are doing because they have years of experience.

In response to Commissioner Burruss, Mr. Shank explained that there are no regulations concerning the issue of only having one bidder and it has been that way over the last two years. He said that there is a lot of work available and RRHA is low on other company's priorities, mostly due to HUD's terms and conditions. Mr. Shank met with Davis H. Elliot Construction Co., Inc., and went over the specifications of the bid.

Chair Garner commented he was happy because the one bid received was competitive.

Commissioner Smith introduced Resolution No. 4014 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARING A CONTRACT FOR REPAIR SERVICE FOR RRHA-OWNED HIGH VOLTAGE PRIMARY AND SECONDARY ELECTRICAL SYSTEMS FOR RRHA-OWNED PROPERTIES

WHEREAS, RRHA needs a qualified contractor to complete Repair Services for RRHA-Owned High Voltage Primary and Secondary Electrical Systems for Public Housing Developments and Other RRHA-Owned Properties; and

WHEREAS, RRHA has identified sufficient funding from Public Housing operating funds to fund this contract for Public Housing Developments and other operating funds for other RRHA-owned properties; and

WHEREAS, RRHA issued an Invitation for Bid on April 28, 2019, with bids being due on May 28, 2019; and

WHEREAS, RRHA received one (1) responsive bid to the invitation, which was opened for consideration, such bid being as follows:

<u>Bidder</u>	<u>Total Bid Amount</u>
Davis H. Elliot Construction Co., Inc.	\$156,573.68

WHEREAS, the amount of the bid submitted by Davis H. Elliot Construction Co., Inc., was determined to be fair and reasonable for the work specified when compared to

the amount of the independent cost estimate based on previous contract costs for electrical repairs to RRHA-owned high voltage primary and secondary electrical systems, for the project; and

WHEREAS, review, evaluation, and confirmation of bid documentation has been completed, and Davis H. Elliot Construction Co., 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 Davis H. Elliot Construction Company, Inc.; and

WHEREAS, the Vice President of Operations recommends including an additional amount of \$38,426.32, based on previous experience, in the not to exceed amount of the contract to address unanticipated repairs that may be needed during the three (3) year contract term; 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 Davis H. Elliot Construction Company, Inc. be and hereby is accepted'
- (2) The Executive Director be and hereby is authorized and directed to execute a standard contract for electrical repair services, which by reference is inclusive of all specifications, addenda and related project documents, between Davis H. Elliot Construction Company, Inc. and RRHA for the not-to-exceed price of \$195,000.00 for a period of three (3) years.
- (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 Vice Chair Anguiano and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith

NAYS: None

Chair Garner thereupon declared said motion carried and Resolution No. 4014

adopted as introduced.

2. Resolution No. 4015

Ms. Hall introduced Resolution No. 4015, asking the Board to authorize the execution of a modification to the Tracking at a Glance software (TAG) contract for resident services case management fees and maintenance. The amount is above \$100,000 threshold and above the ten percent increase in the contract price. The contract amount would be changed from \$141,165.47 to \$160,145.58, which is an increase of 13.45 percent.

Responding to Chair Garner's questions, Mrs. Hall stated that the cost is concerning the annual maintenance and support fees that are incurred with the system, this is an annual charge. This system was strongly suggested by HUD for the Jobs Plus program and all resident services staff have access. Ms. Hall stated that this is not included in the Yardi Software package, it will handle Family Self-Sufficiency (FSS), service plans and escrow but it will not do the case management. Mr. Bustamante added that RRHA will link the TAG system with the Yardi System and each night Yardi Software information will upload into the TAG system.

Commissioner Smith introduced Resolution No. 4015 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT  
AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A  
MODIFICATION TO A CONTRACT FOR RESIDENT SERVICES  
CASE MANAGEMENT SOFTWARE FOR FEES AND  
MAINTENANCE

WHEREAS, the Department of Housing and Urban Development (HUD) procurement regulations allow the City of Roanoke Redevelopment and Housing

Authority (RRHA) to join intergovernmental cooperative agreements; and

WHEREAS, RRHA has a continuing need for software for case management and performance tracking in resident services programs; and

WHEREAS, RRHA joined the GSA and Designing Success contract by agreement on July 29, 2015 with a term ending date of July 28, 2016; and

WHEREAS, RRHA and Designing Success have agreed to 2 extensions of the contract term, resulting in a current contract term ending date of July 28, 2018; and

WHEREAS, RRHA and Designing Success contract fully satisfies HUD's 5 intergovernmental cooperative agreement requirements; and

WHEREAS, RRHA joined the GSA and Designing Success contract through an intergovernmental cooperative agreement and executed a contract with Designing Success in an amount not to exceed \$85,000; and

WHEREAS, the two contract extension periods required modifications of the not-to-exceed amount of the contract by \$6,736.49 in 2016 and \$16,280.11 in 2017 for annual maintenance fees; and

WHEREAS, RRHA required custom programming for the interface with Emphasys Elite housing software in 2017, resulting in a contract modification of \$9,000; and

WHEREAS, additional license fees and maintenance related to the new housing software required a contract modification of \$5,168.76 in 2017; and

WHEREAS, an extension of the RRHA and Designing Success required annual renewal fees of \$18,980.11, due July 28, 2018, and contract modification in that amount was approved by RRHA Board Resolution No. 3966 on June 25, 2018; and

WHEREAS, with modifications, the current not-to-exceed amount of the contract with Designing Success is \$141,165.47; and

WHEREAS, an extension of the RRHA and Designing Success requires annual renewal fees of \$18,980.11, due July 28, 2019, which is an increase of 13.45%; and

WHEREAS, RRHA's Procurement Policy requires approval by the Board of Commissioners for any modification of a contract of \$100,000 or more, when the cumulative dollar value resulting from the modification will exceed 10% of the original contract value.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is authorized to execute a modification to the contract between RRHA and Designing Success, increasing the not-to-exceed amount from \$141,165.47 to \$160,145.58, a net increase of \$18,980.11, and extending the contract term until July 27, 2020, with all other terms remaining unchanged.

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith

NAYS: None

Chair Garner thereupon declared said motion carried and Resolution No. 4015 adopted as introduced.

3. Resolution No. 4016

Mr. Bustamante introduced Resolution No. 4016, requesting the Board's approval to modify the Woods Rogers contract concerning legal services. RRHA signed a two year contract with three option year renewals on August 1, 2017. The not to exceed amount was \$277,307, as of June 5, 2019 RRHA has spent \$267,266.32 and the contract continues until July 31, 2019. RRHA is requesting a modification of \$21,000 to pay the existing bills and any additional expenses until the end of the contact July 31, 2019. He stated that this modification will increase the do not exceed amount to \$298,307.

Mr. Bustamante responded to Chair Garner explaining that the request to proceed with the third option year has been agreed upon and will begin on August 1, 2019.

Vice Chair Anguiano introduced Resolution No. 4016 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A MODIFICATION TO CONTRACT WITH WOODS ROGERS PLC TO PROVIDE LEGAL SERVICES

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) released a Request for Proposals (RFP) to provide Legal Services for the Roanoke Redevelopment and Housing Authority on April 13, 2017 with a deadline for submission of proposals of May 15, 2017; and

WHEREAS, the RFP resulted in the execution of a two-year term contract effective August 1, 2017 with Woods Rogers PLC in the not-to-exceed amount of \$277,307 for the provision of legal services to RRHA; and

WHEREAS, the not-to-exceed amount for the contract was determined based on legal expenses incurred by RRHA in the two years prior to the contract award; and

WHEREAS, legal expenses paid under the contract with Woods Rogers PLC through June 5, 2019 totaled \$267,266.32; and

WHEREAS, RRHA anticipates additional billing from Woods Rogers PLC for legal services provided through July 31, 2019 will exceed the approved amount of the contract; and

WHEREAS, a contract modification is necessary in order to allow for payment for additional legal expenses incurred by RRHA during the contract term; and

WHEREAS, based on the average amount of legal expenses incurred monthly through June 5, 2019, the estimated additional contract amount required for legal expenses through July 31, 2019 is \$21,000; and

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director be and hereby is authorized to execute a contract modification in the amount of \$21,000 to the contract with Woods Rogers PLC for legal services through July 31, 2019, bringing the total not-to-exceed contract amount to \$298,307.

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith

NAYS: None

Chair Garner thereupon declared said motion carried and Resolution No. 4016

adopted as introduced.

4. Resolution No. 4017

Ms. Crow introduced Resolution No. 4017. In 2011 RRHA adopted a premium only plan that allows employees the opportunity to pay medical related premiums on pre-tax bases. Under Section 125 regulatory requirements that plan must be restated and officially adopted each year. Total Administration Service Corporation (TASC) is RRHA's third party administrator and the Premium Only Plan (POP) has restated the Plan Document for Plan Year July 1, 2019 – June 30, 2020. She would like to ask the Board of Commissioners to authorize the execution of the plan document and the adoption agreement.

Commissioner Smith introduced Resolution No. 4017 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING RESTATEMENT OF ITS PREMIUM ONLY PLAN DOCUMENT AND EXECUTION OF ITS ADOPTION AGREEMENT

WHEREAS, effective July 1, 2012, the City of Roanoke Redevelopment and Housing Authority (RRHA) adopted its Premium Only Plan (POP) Document and executed an Adoption Agreement in accordance with Section 125 of the Internal Revenue Code of 1986 (Section 125); and

WHEREAS, the POP Plan provides pre-tax benefits to RRHA's employees; and

WHEREAS, under Section 125, a written Plan Document must be in place and officially adopted by the RRHA; and

WHEREAS, since Total Administration Service Corporation (TASC), RRHA's third party administrator of its POP Plan, has restated the Plan Document for Plan Year July 1, 2019 – June 30, 2020, it must officially be adopted by RRHA.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is authorized to execute the attached restated POP Plan Document and Adoption Agreement.

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith

NAYS: None

Chair Garner thereupon declared said motion carried and Resolution No. 4017 adopted as introduced.

#### 5. Executive Session

Commissioner Smith moved that the Commissioners enter into Executive Session for the purpose discussion of specific personnel matters of RRHA in accordance with Virginia Code Section 2.2-3711 (A)(1).

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

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith

NAYS: None

The Board of Commissioners entered into Executive Session at 3:40 p.m.

#### Certification

Commissioner Smith introduced a motion stating that the members of the Board of Commissioners hereby certify to the best of their knowledge that only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board in the immediately preceding Executive Session.

The motion was seconded by Commissioner Karnes and upon roll call the

following vote was recorded:

AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith

NAYS: None

The Board reconvened into open session at 4:02 p.m.

**III. ADJOURNMENT**

There being no further business to come before the Board, Commissioner Smith moved that the meeting be adjourned.

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

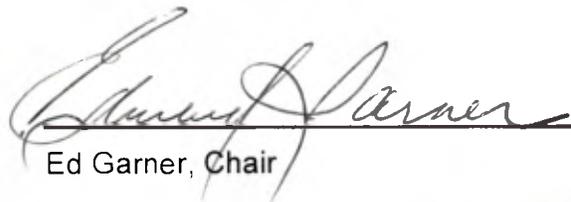
AYES: Commissioners Anguiano, Burruss, Garner, Karnes, Kepley, Smith

NAYS: None

Chair Garner declared the meeting adjourned at 4:03 p.m.



David Bustamante, Secretary-Treasurer

  
Ed Garner, Chair



# Plan Document

# Article I: Table of Contents

<b>Article I</b>	<b>Table Of Contents</b>	<b>Article VI</b>	<b>Elections</b>
<b>Article II</b>	<b>Purpose</b>	6.01	Available Benefits
2.01	Creation and Title	6.02	Election Maximum Amounts
2.02	Effective Date	6.03	Failure to Elect
2.03	Purpose	6.04	Effective Periods for Elections
<b>Article III</b>	<b>Definitions</b>	6.05	Change in Status Events
3.01	Change in Status Event	6.06	Non-Discrimination
3.02	Code	<b>Article VII</b>	<b>Contributions</b>
3.03	Compensation	7.01	Employer Contributions
3.04	Dependent	7.02	Employee Salary Reductions
3.05	Effective Date	7.03	Administrative Fees
3.06	Eligible Employee	7.04	Increases or Decreases in Premium
3.07	Employee	<b>Article VIII</b>	<b>Records and Reports</b>
3.08	Employer	8.01	Responsibility
3.09	Enrollment Communication	8.02	Examination of Records
3.10	Participant	<b>Article IX</b>	<b>Plan Termination</b>
3.11	Plan Year	9.01	Plan Termination
3.12	Qualified Benefits Plan	9.02	Rights to Terminate
3.13	Spouse	<b>Article X</b>	<b>Plan Construction</b>
<b>Article IV</b>	<b>Administration</b>	10.01	Taxation
4.01	Employer's Duties	10.02	Adoption by Related Organizations
4.02	Information to be Provided to the Employer	10.03	Uniform Exercise of Powers
4.03	Interpreting Plan Terms	10.04	Construction
4.04	Misstatements	10.05	Entire Document
4.05	Review Procedures	10.06	Severability
4.06	Rules Apply Uniformly	10.07	Benefits Provided through Third Parties
4.07	Facility of Payment	10.08	Rights Against the Employer
4.08	Information to be Furnished	10.09	Successor-Businesses
4.09	Medical Child Support Orders	<b>Article XI</b>	<b>Plan Adoption and Schedule</b>
<b>Article V</b>	<b>Eligibility and Participation</b>	11.01	Employer Adoption
5.01	Eligibility Requirements	11.02	Plan Year
5.02	Current Employees at the Time of Plan Inception	11.03	Effective Date
5.03	New Employees	11.04	Eligible Employee
5.04	Re-Employment of Former Employees	11.05	Commencement of Participation
5.05	Becoming a Participant	11.06	Qualified Benefits Plans
5.06	Notification to Employees		
5.07	Termination of Participation		
5.08	Family Medical Leave Act		
5.09	Uniformed Services Employment & Reemployment Rights Act (USERRA)		
5.10	Layoff, Leave of Absences and Sabbaticals		

## Article II: Purpose

- 2.01 **Creation and Title.** The Employer adopts this Cafeteria Plan as indicated by the Employer signature in Article XI - 11.01, and creates this Cafeteria Plan under the terms and conditions set forth in this Plan Document as well as through the Enrollment Communications that are expressly incorporated by reference into this Plan Document and described in Article XI - 11.06.
- 2.02 **Effective Date.** The original Effective Date of this Cafeteria Plan and the Effective Date of this Plan Document are identified on the Plan Schedule, see Article XI.
- 2.03 **Purpose.** The Plan allows Participants to elect between cash Compensation or certain nontaxable Qualified Benefits Plans maintained by the Employer as identified on the Plan Schedule, see Article XI. The Employer intends that this Plan qualify as a Cafeteria Plan under Section 125 of the Internal Revenue Code. Notwithstanding any term in this Plan Document, if any term is found to be in conflict with federal or state law, the term will automatically be amended to comply with the federal or state law.

## Article III: Definitions

- 3.01 **Change in Status Event.** A Change in Status Event allows a Participant to revoke or change his/her pre-tax election during the Plan Year, and outside of the scheduled open Enrollment period. The Employer allows all of the Change in Status Events published by the IRS for this type of Plan under 26 CFR 1.125-4, as amended. A Participant who becomes eligible under the Health Insurance Portability & Accountability Act of 1996 ("HIPAA") for coverage under an accident or health benefit offered by the Employer will be allowed to make a consistent election, or election change under this Plan.
- 3.02 **Code.** The Internal Revenue Code of 1986, as amended from time to time.
- 3.03 **Compensation.** All the earned income, salary, wages and other earnings paid by the Employer to a Participant during a Plan Year, including any amounts contributed by the Employer pursuant to a salary reduction agreement which are not includable in gross income under Sections 125, 402(g)(3), 402(h), 403(b) or 457(b) of the Internal Revenue Code.
- 3.04 **Dependent.** For the purpose of the tax advantages available under this Plan, a Dependent is an individual who is a dependent of a Participant within the meaning of Section 152(a) of the Internal Revenue Code, and any child of the Participant to whom IRS Rev. Proc. 2008-48 applies (regarding certain children of divorced or separated parents who receive more than half of their support for the calendar year from one or both parents and are in the custody of one or both parents for more than half of the calendar year). For the purposes of the tax advantages available under Qualified Benefit Plans that provide accident and health benefits as defined under Sections 105 and 106 of the Code, a Dependent is determined without regard to Subsections (b)(1), (b)(2), and (d)(1)(B) thereof and includes any child (as defined in Code § 152(f)(1)) of the Participant who at the end of the taxable year has not attained age 27.
- 3.05 **Effective Date.** The date specified in the Plan Schedule, see Article XI, on which the Plan was first effective, and the date that this Plan Document is in effect.

- 3.06 **Eligible Employee.** An Employee who is eligible to participate in the one or more Qualified Benefits Plans sponsored by the Employer, limited to Employees as defined below who meet the additional requirements in the Plan Schedule, see Article XI, and not including the following:
- (a) Employees who are Non-Resident Aliens (within the meaning of Section 7701(b)(1)(B) of the Internal Revenue Code) who are deriving no earned income (within the meaning of Section 911(d)(2) of the Code) from the Employer which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code); and,
- (b) Employees who are self-employed individuals (as described in Section 401(c) of the Internal Revenue Code) including sole proprietors, partners in a partnership, or more than 2% owners of subchapter "S" Corporations. This exclusion applies to the Spouse, children, parents, and grandparents under the Code Section 318 attribution rules.
- An Eligible Employee will also meet any additional conditions and terms as defined in the Enrollment Communication.
- If an Employee is not eligible to participate in this Plan and allowed to participate under any Qualified Benefits Plan, then the Employee cost will be paid with taxable income, and the Compensation will not be reduced by the Employer.
- 3.07 **Employee.** An Employee is a person who is currently or hereafter employed by the Employer, or by any other Employer aggregated under Sections 414(b), (c), (m), (n), or (o) of the Internal Revenue Code and the regulations thereunder, including a leased Employee subject to Section 414(n) of the Code.
- 3.08 **Employer.** The Employer adopting this Plan under Article XI, and any affiliate or subsidiary that, with the consent of the Employer becomes an Employer, by adopting the Plan, or any successor business organization that assumes the obligations of the Employer.
- 3.09 **Enrollment Communication.** The Employer will provide a written Enrollment Communication at open Enrollment and during the Plan Year for midyear enrollees. The Enrollment Communication will provide the specific process for Enrollment in the Qualified Benefits Plans. The Enrollment Communication is expressly incorporated by reference into this Plan Document. Enrolling in a Qualified Benefits Plan will automatically enroll you in the Medical or Medical-Related Premium Plan. There is no separate Enrollment form for the Medical or Medical-Related Premium Plan.
- 3.10 **Participant.** Any person who has been or is an Eligible Employee and who qualifies to participate and enrolls in a Qualified Benefits Plan.
- 3.11 **Plan Year.** Commencing on the first day of the Plan Year and each anniversary thereof, except that the first Plan Year may include a period of fewer than twelve (12) consecutive months. The Plan Year is identified on the Plan Schedule, see Article XI.
- 3.12 **Qualified Benefits Plan.** Employer-sponsored plans that are allowed tax advantages under this Plan pursuant to Section 125(f) of the Internal Revenue Code.
- 3.13 **Spouse.** An individual who is legally married to a Participant but is not separated from a Participant under a decree of legal separation.

## Article IV: Administration

- 4.01 **Employer's Duties.** In addition to any rights, duties or powers specified in this Plan Document, the Employer will have the following rights, duties, and powers:
- (a) to interpret the Plan, to determine the amount, manner and time for payment of any benefits under the Plan, and to construe or remedy any ambiguities, inconsistencies or omissions under the Plan;
  - (b) to adopt and apply any rules or procedures to ensure the orderly and efficient administration of the Plan, and from time to time, amend or supplement such rules and regulations;
  - (c) to determine the rights of any Participant, Spouse, or Dependent to benefits under the Qualified Benefit Plans;
  - (d) to develop appellate and review procedures for any Participant, Spouse, or Dependent denied benefits under the Plan;
  - (e) to maintain records it may require in connection with the proper administration of the Plan;
  - (f) to employ any agents, attorneys, accountants or other parties (who may also be employed by the Employer) and to allocate or delegate to them such powers or duties as is necessary to assist in the proper and efficient administration of the Plan, provided that such allocation or delegation and the acceptance thereof is in writing;
  - (g) to correct any defect, supply any omission, or reconcile any inconsistency in the Plan in such a manner and to such extent as it shall be deemed expedient to administer the Plan;
  - (h) to amend or terminate this Plan.
- 4.02 **Information to be Provided to Employer.** The Employer, or any of its agents, will collect employment records of Participants under the Plan. These records will include, but will not be limited to, any information regarding period of employment, leaves of absence, salary history, termination of employment, or any other information the Employer may need for the proper administration of the Plan.
- A Participant will furnish the Employer the data the Employer reasonably requests to ensure the proper and efficient administration of the Plan, with documentation for items such as proof of relationship as needed.
- 4.03 **Interpreting Plan Terms.** Any interpretation of any provision of this Plan made in good faith by the Employer as to the terms of this Plan is final and will be binding upon the parties.
- 4.04 **Misstatements.** Any misstatement or other mistake of fact will be corrected as soon as reasonably possible upon notification to the Employer and any adjustment or correction attributable to such misstatement or mistake of fact will be made by the Employer as he considers equitable and practicable.
- 4.05 **Review Procedures.** An Employee or his/her authorized representative can appeal a decision made to deny Enrollment in a Qualified Benefits Plan or a decision to disallow an election change by sending a written request for an appeal to the Employer within 60 days of the decision to deny Enrollment or an election change.
- The appeal will be performed in a manner that does not afford deference to the initial determination and will be conducted by the Employer or designee.
- A Participant can request, free of charge, reasonable access to, and copies of, all documents and records relevant to the decision.
- Benefit appeals for denied claims are addressed in the Qualified Benefits Plan descriptions provided by the Employer.
- 4.06 **Rules Apply Uniformly.** The Employer will perform assigned duties in a reasonable manner and on a nondiscriminatory basis, and will apply uniform rules to all Participants similarly situated under the Plan.

- 4.07 **Facility of Payment.** Whenever a Participant who is entitled to receive a benefit under this Plan is under legal disability or is incapacitated to be unable to manage his/her financial affairs, the Employer may make payments to the Participant's legal representative, relative, or for the benefit of such Participant in such manner as the Employer considers advisable. Any such payment of a benefit in accordance with the provisions of this document shall be a complete discharge of any liability for the making of such payment under the provisions of this Plan.
- 4.08 **Information to be Furnished.** Participants shall provide the Employer with such information and evidence, and shall sign such documents, as may be requested reasonably from time to time for the purpose of administering the Plan.
- 4.09 **Medical Child Support Orders.** The Employer will adhere to the terms of any judgment, decree, or court order (including a court's approval of a domestic relations settlement agreement) which complies with federal or applicable state law. The Employer will comply with the administrative requirements described under 29 USC Sec. 1169 relating to Qualified Medical Child Support Orders (QMCSO), including any federal regulations or state laws relating to the same. On the date coverage is provided as directed by a QMCSO the Employee-parent will become eligible to participate in this Plan in order to pay his/her share of the cost of the coverage on a pre-tax basis.

## Article V: Eligibility and Participation

- 5.01 **Eligibility Requirements.** Each Employee who enrolls in a Qualified Benefits Plan must be eligible to participate in this Plan to receive the tax advantages made available under this Plan. The eligibility for this Plan is set forth in the Plan Schedule, see Article XI.
- 5.02 **Current Employees at the Time of Plan Inception.** At the time of Plan adoption, all non-excluded Employees who meet the eligibility requirements may participate.
- 5.03 **New Employees.** New Employees engaged for employment after the Plan adoption, who meet the eligibility requirements, may participate in the Plan the next following entry date as indicated in the Plan Schedule, see Article XI.
- 5.04 **Re-employment of Former Employees.** Unless the Employer provides differently in the Enrollment Communications, the treatment of re-employed former Employees shall be as follows. A Participant whose employment terminates and is subsequently re-employed within 30 days of his/her separation of service and within the same Plan Year will immediately rejoin the Plan with the same Benefit elections.
- Should the Participant return within 30 days of his/her separation of service during the following Plan Year, the Participant will be allowed to change elections through the Plan Enrollment process.
- A Participant whose employment terminates and who is subsequently re-employed with more than 30 days separation of service will need to re-satisfy Plan eligibility requirements to rejoin the Plan. Any unused reimbursement Benefits Account balance prior to the initial separation of service date will be forfeited.
- 5.05 **Becoming a Participant.** To become a Participant, an Eligible Employee shall enroll in a Qualified Benefits Plan by any application, agreements, or process as may be required by the Employer at the time of Enrollment. The Enrollment Communication provided by the Employer at the time of Enrollment will define the process for becoming a Participant. By completing the Enrollment process, the Employee shall be deemed for all purposes to have agreed to participate and to conform to the Plan requirements. An Employee, electing to participate in the Plan, is choosing to participate for the entire Plan Year.

The annualized sum of salary reduction benefit elections shall constitute a current obligation of the Employee to the Employer. Such obligation may be revoked or changed only when the Employee has experienced and documents a Change in Status Event, when the request is consistent with the event, and notice is provided to the Plan within 30 days.

5.06 **Notification to Employees.** The Employer will communicate (in writing) to all Participants the terms and conditions of this Plan through administrative communications at the time of Enrollment and as needed during the Plan Year. These communications are expressly incorporated by reference into this Plan Document.

5.07 **Termination of Participation.** A Participant will automatically cease to be a Participant on the earliest of the following dates:

(a) the date on which this Plan or any Qualified Benefits Plan is terminated by the Employer;

(b) the end of the Plan Year, unless the Participant enrolls in a Qualified Benefits Plan for the next Plan Year;

(c) the date on which the Participant fails to pay any required premium (including payment by salary reduction);

(d) when the Participant's employment with Plan Sponsor is terminated this Plan will terminate on the earlier of the day of the termination or the day using the rule stated in the SPD, whether termination is initiated by the Participant or the Plan Sponsor, however the Participant's election can continue to be used for one or more of the Qualified Benefit Plans for the specified period of time communicated in the SPD.

Participation under each Qualified Benefit Plan is described in the materials provided by the Employer; see Article XI Section 11.6 for a list of plans and literature available from the Employer.

5.08 **Family Medical Leave Act.** The Family & Medical Leave Act of 1993 (29 U.S.C. 2611) as amended, is referred to as FMLA. FMLA Leave will not be available to Employees for Plan Years in which the Employer has fewer than 50 Employees as counted in that Act.

For Plan Years in which the Employer has 50 or more Employees, the Employer is required to make FMLA Leave available to Eligible Employees under circumstances that are prescribed by applicable federal law, including a period in which an Employee is off due to the FMLA shall be treated in accordance with the rules for a layoff or a leave of absence and provided to the extent required by the FMLA (e.g., the Employer will continue to pay its share of the contribution to the extent the Participant opts to continue coverage). If the Employer is subject to the FMLA, a Participant may revoke or continue an election through the Plan upon commencement of the FMLA Leave, whether such leave is paid or unpaid. This provision applies in addition to any other right to revoke and reelect benefits under the Plan. Upon return from FMLA Leave, a Participant may be reinstated to all pre-leave elections.

5.09 **Uniformed Services Employment & Reemployment Rights Act (USERRA).** The Employer shall permit Participants to continue benefits elections as required under the Uniformed Services Employment & Reemployment Rights Act and shall provide such reinstatement rights as required by such law.

5.10 **Layoff, Leave of Absences, and Sabbaticals.** Continuation under the Plan may occur in one of the following ways:

(a) In the case of a planned layoff, an Employee may be able to pre-fund a Qualified Benefits Plan through the end of the planned leave or the end of the Plan Year.

(b) During the period which the Employee is off and receiving a salary, the pre-tax deductions may continue. If the Employee is not receiving a salary, he/she may continue to fund his/her election with after-tax dollars while on leave. (Payment schedule to be agreed upon between the Employer and Employee prior to the commencement of the leave.)

## Article VI: Elections

6.01 **Available Benefits.** The Qualified Benefits Plans offered under this Plan are listed on the Plan Schedule; see Article XI. The option for an Employee to make after-tax contributions for certain Qualified Benefits Plans will be communicated by the Employer at the time of Enrollment.

6.02 **Election Maximum Amounts.** Each Participant shall elect any combination of the benefits made available. No Participant may choose available benefits costing more than the maximum amount, if any, as indicated in the Qualified Benefits Plan. The maximum election amounts will be included in the Enrollment Communication and the literature available for each Qualified Benefits Plan.

6.03 **Failure to Elect.** A Participant failing to complete the Enrollment process on or before the specified due date for the Plan Year, or a midyear enrollee during the Plan Year, shall be deemed to have elected to receive his full Compensation in cash. The Employer will communicate any applicable Enrollment deadlines in writing at the time of Enrollment.

6.04 **Effective Periods for Elections.** The election must be made by each Participant prior to the commencement of each Plan Year, and shall be irrevocable except as provided for in a Change in Status Event that would allow an election change. Participants may not carry over any unused contributions or available benefits from one Plan Year to a subsequent Plan Year unless the Plan Schedule indicates that the Plan has incorporated the Grace Period or the Plan document includes a limited Carryover for the Medical-Related Expense Reimbursement Benefit Plan. Further, Participants may not use any contributions from one Plan Year to purchase any available benefits that will be provided in a subsequent Plan Year.

6.05 **Change in Status Events.** No Participant in the Plan will be allowed to alter or discontinue the Participant's benefits elections during a Plan Year except when due to and consistent with a Change in Status Event.

These Status Events include the Change in Status Events described in Notice 2014-55 that allow a Participant to revoke his/her election of coverage under the group health plan to enroll in Exchange coverage. Enrollment requests must be made within 30 days of the Change in Status Event and be consistent with the event. Notwithstanding, an Employee can make a prospective change to a Health Savings Account (HSA) election under this Plan during the Plan Year without having a Change in Status Event.

A Change in Status Event allows a Participant to change his/her contribution election during the Plan Year, and outside of the scheduled open Enrollment period. The Employer has elected to allow all of the Change in Status Events published by the IRS for this type of plan. An unpermitted election change will cause the elected benefit to be included in a Participant's gross income and can disqualify the Plan from tax preferred status.

Upon the occurrence of a Change in Status Event, the Participant will notify the Employer within 30 days and complete the forms provided by the Employer. The Employer can require additional documentation for evidence of the event. The new election will be effective prospectively and will apply only to those benefits accruing to the Participant, the Participant's Spouse, or the Participant's Dependents after the effective date of the election change. With respect to an election change under the special Enrollment period provisions of HIPAA, "timely submitted" will mean submitted no later than the last day of such special Enrollment period.

6.06 **Non-Discrimination.** The Plan is not intended to discriminate in favor of highly compensated individuals or key Employees as to eligibility to participate or contributions and benefits as required by the Code.

The Employer may exclude or limit certain highly compensated individuals from participation in the Plan, in the Employer's judgment, such actions serve to assure that the Plan does not violate applicable non-discrimination rules. The Employer can make necessary adjustments to Employee contributions during the Plan Year to assure that the Plan passes the required discrimination tests.

## Article VII: Contributions

7.01 **Employer Contributions.** The Employer will contribute out of its general assets the amounts necessary to meet its obligations under the Plan. Unless the Employer provides differently in the Enrollment Communication or separate Plan Documents for the various Qualified Benefits Plans, there are no segregated funds established to collect or maintain the contributions. Contributions to the Plan for any Plan Year will be limited to the amounts necessary to pay for the Qualified Benefits Plans elected by the Participants.

The Employer may provide additional contributions in the way of cash or spending credits that can be used for any Qualified Benefits Plan, or used in a limited manner as defined by the Employer. The Employer may make defined contributions to specific Qualified Benefit Plans. The Enrollment Communications will include the amount of any Employer contribution, the rules defining how the Employer contributions can be used by the Participants, and any limitations on the use of Employer contributions. Employer contributions will continue to be provided while on approved FMLA Leave to the same extent provided to an Employee actively at work.

7.02 **Employee Salary Reductions.** The Participant shall agree to reduce his/her Compensation from the Employer by such amounts as are necessary to provide for those Qualified Benefits Plans which the Participant has elected. "Employee" salary reduction amounts are "Employer" contributions for purposes of Internal Revenue Code Section 125 and its applicable regulations. No Participant shall have, by virtue of the Plan, any interest in any specific asset or assets of the Employer. A Participant has only an unsecured contractual right to receive the benefits defined and limited by the Qualified Benefits Plans.

7.03 **Administrative Fees.** The Employer may charge the Employee reasonable cafeteria plan administrative fees. If any administrative fees are required, the Enrollment Communication will include the amount of the administrative fee and whether it is withheld from the Employee's salary reduction.

7.04 **Increases or Decreases in Premium.** The Employer reserves the right to increase the Participant's share of any Premiums and decrease the Employer's share by a like amount. The Employer will notify Participants prior to raising the Participant's obligations. If the premium or required contribution for any Qualified Benefits Plan increases or decreases during the Plan Year, a Participant's contributions will increase or decrease automatically in an amount sufficient to pay for such increase or decrease. However, in the case of an increase in premium, if a similar benefit is offered under the Plan at the time of said increase, the Participant may select such similar benefit rather than pay the increase.

The Employer reserves the right to reduce the Participant's share of any Premiums and increase the Employer's share by a like amount. The duration of this "Premium Holiday" is at the Employer's discretion and will be communicated by the Employer. As this is considered to be temporary, Participants are not considered to have incurred a Change in Status should the Employer invoke this option.

## Article VIII: Records and Reports

- 8.01 **Responsibility.** The Employer shall exercise authority and responsibility to comply with the Plan relating to Participant records, balances, and benefits payable under this Plan. The Employer also shall be responsible for all Plan reporting and disclosure requirements.
- 8.02 **Examination of Records.** The Employer will make each Participant's records under the Plan available for his/her examination at reasonable times and during normal business hours.

## Article IX: Plan Termination

- 9.01 **Plan Termination.** The Plan or any portion of the Plan shall be subject to termination at any time by the Employer, provided however, that such termination shall not affect any right or claim arising under the Plan prior to termination. Any unclaimed funds shall become payable as the Employer may direct. Such direction may include, but not be limited to a continuation of the Plan in order to pay balances in accordance with elected benefits.
- 9.02 **Rights to Terminate.** In accordance with the procedures set forth in this section, the Employer may terminate the Plan at any time. In the event of a dissolution, merger consolidation, or reorganization of the Employer, the Plan shall terminate unless the Plan is adopted and continued by a successor to the Employer in accordance with the resolution of its Board of Directors.

## Article X: Plan Construction

- 10.01 **Taxation.** The Employer intends that this Plan be in compliance with Section 125 of the Internal Revenue Code, and therefore, the Employer may deduct the amount paid for the benefits provided from federal income and employment taxes.
- This Plan has not been submitted to the Internal Revenue Service, and there is no assurance that the intended tax benefit under this Plan will be realized.
- Neither the Employer nor its designated representatives makes any commitment or guarantee that any amounts elected or paid for the benefit of a Participant will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant.
- It shall be the obligation of each Participant to determine whether each payment is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable.
- Any Participant, by accepting a benefit under this Plan, agrees to be liable for any tax penalties and interest which may be imposed by the Internal Revenue Service with respect to these benefits.

- 10.02 **Adoption by Related Organizations.** Upon the approval of the Employer, this Plan may be adopted by any organization in affiliation with the Employer. For the purpose of this Plan affiliated organizations are described in Section 414(b), (c) or (m) of the Internal Revenue Code. The adopting organizations shall execute and deliver to the Employer a supplemental agreement providing for the adoption of this Plan and such other documents as the Employer deems necessary or desirable. The provisions of this Plan shall be applicable to such organization to the extent provided in the supplemental agreement.
- 10.03 **Uniform Exercise of Powers.** In the exercise of any of its powers, duties and discretion under this Plan, and within the scope of its authority, and in all of its acts, decisions, and determinations hereunder, the Employer shall at all times act in good faith and in a non-discriminatory manner and shall follow a consistent policy on comparable issues. All Employer actions and determinations shall be duly recorded. All such records, together with such other documents as may be necessary for the administration of this Plan, shall be preserved. Decisions regarding any Employer-disputed questions relative to the rights of a Participant hereunder and upon all matters within the scope of its authority shall be final and binding on all parties in interest.
- 10.04 **Construction.** No provision of this Plan shall be construed to conflict with any Treasury Department, Department of Labor, or Internal Revenue Service Regulation, Ruling, Release, or Proposed Regulation or other order which affect, or could affect, the terms of the Plan. This Plan will be in compliance with any changes related to the Internal Revenue Code. This 125 Plan is not subject to the Employee Retirement Income Security Act of 1974 (ERISA); however the Qualified Benefits Plans offered by the Employer can be subject to ERISA. Refer to the Qualified Benefits Plan for details.
- 10.05 **Entire Document.** This document, including any appendices or supplements thereto, shall constitute the entire and complete document, and as such shall govern the rights, liabilities and obligations of the Plan, except as the Plan may be modified.
- 10.06 **Severability.** In the event any provisions of this document shall be held illegal or invalid for any reason by law or a court of competent jurisdiction, said illegality or invalidity shall not affect the remaining provisions included herein either initially, or beyond the date said provisions are first held to be illegal or invalid, provided the basic purposes hereof can be affected through the remaining valid and legal provisions.
- 10.07 **Benefits Provided through Third Parties.** In the case of any benefit provided through a third party, such as an insurance company, pursuant to a contract or policy with such third party, if any conflict or inconsistency exists between the description of benefits contained in this Plan and such contract or policy, then the terms of such contract or policy shall control.
- 10.08 **Rights Against the Employer.** Neither the establishment of the Plan, nor any modification thereof, nor any distribution hereunder, shall be construed as giving to any Participant or any person whomsoever any legal or equitable rights against the Employer, its shareholders, directors, or officers, as such, or as giving any person the right to be retained in the employ of the Employer.
- 10.09 **Successor-Businesses.** Unless this Plan be sooner terminated, a successor to the business of the Employer, by whatever form or manner resulting, may continue this Plan by appropriate supplemental agreement.

# Article XI Plan Adoption and Schedule

11.01 **Employer Adoption.** By signing this Plan Document, the Employer identified below represents that it has formally adopted this Cafeteria Plan.

Employer: City of Roanoke Redevelopment and Housing Authority

By: \_\_\_\_\_

Printed: David Bustamante

Title: Executive Director

11.02 **Plan Year.** The Plan Year is from

July 1, 20 19

to

June 30, 20 20

The Plan will continue to renew and operate on this 12 consecutive month Plan Year unless changed by the Plan Sponsor.

There is a short Plan Year beginning

\_\_\_\_\_, 20 \_\_\_\_ and ending

\_\_\_\_\_, 20 \_\_\_\_.

(If left blank, there is no short Plan Year.)

11.03 **Effective Date.** This Cafeteria Plan was

originally effective on July 1, 2012,

20 \_\_\_\_.

This Cafeteria Plan has been created or restated by this Plan Document

effective July 1, 20 19

11.04 **Eligible Employee.** An Employee who meets the definition of an Eligible Employee, 3.06, and the requirements in 11.04, can enroll in this Plan by completing the process outlined in the Enrollment Communications.

An Eligible Employee must be regularly scheduled to work 30 hours per week in order to enroll in this Plan. Part-time Employees working fewer hours are not Eligible Employees.

## Description of Excluded Employees

Union. Employees who are included in the unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives, provided benefits were the subject of good faith bargaining and two percent or less of the Employees of the Employer who are covered pursuant to that agreement are professionals (as defined in Treasury regulation Section 1.410(b)-9).

For this purpose, the term "Employee Representatives" does not include any organization more than half of whose members are Employees who are owners, officers, or executives of the Employer.

\_\_\_\_ Excluded  
 \_\_\_\_ Eligible  
 Not applicable

Seasonal Employees regularly working less than

\_\_\_\_\_ months within a year.

\_\_\_\_ Excluded  
 \_\_\_\_ Eligible  
 Not applicable

Employees under \_\_\_\_\_ years of age.

\_\_\_\_ Excluded  
 \_\_\_\_ Eligible  
 Not applicable

11.05 **Commencement of Participation.** An Eligible Employee can enroll in this Plan at the annual open Enrollment period or upon completion of the employment requirement identified below:

\_\_\_\_ No wait, on the date of hire  
 \_\_\_\_ 30 days after the date of hire  
 \_\_\_\_ 60 days after the date of hire  
 \_\_\_\_ 90 days after the date of hire  
 First of the month after the date of hire  
 \_\_\_\_ First of the month after 30 days of continuous employment  
 \_\_\_\_ First of the month after 60 days of continuous employment  
 \_\_\_\_ Other \_\_\_\_\_

11.06 **Qualified Benefits Plans.** The Plan Documents and Summary Plan Descriptions identified in the chart below are expressly incorporated by reference into this Plan Document and provide specific description of each of the benefits available through the Plan, including the periods during which the benefits are provided (the periods of coverage if different from the Plan Year for this Plan), and the Plan's rules governing participation.

The following Plans are offered under this Cafeteria Plan:

Check if offered under this Plan:	Qualified Benefits Plans	Available Plan Documents or Summary Plan Description (SPD)
<input checked="" type="checkbox"/>	Medical or Medical-Related Premium for a group health plan. (This can include an imbedded or standalone dental/vision plan.)	A Medical or Medical-Related Premium SPD will be provided by the Employer within 90 days of Enrollment and upon request.
<input checked="" type="checkbox"/>	Health Savings Account (HSA)*	Details will be provided in the Enrollment Communication.
<input type="checkbox"/>	Non-Employer-Sponsored Premium Account Plan for individual health plans (NESP).	See Appendix A.
<input type="checkbox"/>	Medical or Medical-Related Expense Reimbursement Benefit (Health FSA).	See Appendix B. A Medical or Medical-Related Expense Reimbursement Benefit SPD will be provided by the Employer within 90 days of Enrollment and upon request.
<input type="checkbox"/>	Non-Excepted Medical or Medical-Related Expense Reimbursement Benefit (Health FSA)	See Appendix D. A non-excepted Medical or Medical-Related Expense Reimbursement Benefit SPD will be provided by the Employer within 90 days of enrollment and upon request.
<input type="checkbox"/>	Dependent Care Benefit.	See Appendix C.
<input checked="" type="checkbox"/>	Supplemental Insurance (Voluntary Indemnity Plans).	Details will be provided in the Enrollment Communication.
<input type="checkbox"/>	Disability Insurance Premium (Employee Only) - Pre-taxing Employee contributions will make benefits paid taxable compensation.	Details will be provided in the Enrollment Communication.
<input checked="" type="checkbox"/>	Voluntary/Group Term Life Insurance **	Details will be provided in the Enrollment Communication.

#### NOTES

\*A Participant is required to make an election before the start of the Plan Year, or before the first day of his/her coverage, showing the amount contributed to an HSA tax free under this Plan. A Participant will be able to change his/her HSA election for any month in the Plan Year regardless of whether the Employee can show a Change in Status Event.

\*\* The cost of excess coverage as determined in Table I, published by the IRS, a will be imputed income. Excess coverage is any amount over a \$50,000 benefit.



Flexible Spending Accounts (FSA)  
Health Savings Accounts (HSA)  
Health Reimbursement Arrangements (HRA)  
Funded HRA Administration  
COBRA Administration  
FMLA Administration  
HIPAA Compliance  
ERISA Compliance  
PCORI Compliance  
Medicare Part D Notices  
ACA Employer Reporting  
Form 5500 Preparation  
Non-Discrimination Testing  
PayPath Payroll Services  
GiveBack (Workplace Giving)  
DoxBox