

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, September 23, 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 Anguiano called the meeting to order at 3:01 p.m. and declared that a quorum was present.

PRESENT: Commissioners Anguiano, Garner, Kepley, Walker

ABSENT: Commissioner Smith, Witten

Commissioner Burruss arrived at 3:29 p.m.

OFFICER PRESENT: Mr. David Bustamante, Secretary-Treasurer

ALSO PRESENT: Jackie Austin, VP of Finance/CFO; Betsy Crow, VP of Human Resources and Administration; Frederick Gusler, Director of Redevelopment and Revitalization; Crystal Hall, Community Support Services Director; Mark Loftis, Legal Counsel; Kelly Martin, Senior Executive Assistant; Suzzette McCoy, Compliance & Quality Assurance Coordinator; Evangeline Richie, VP of Housing; Joel Shank, VP of Operations;

Chair Anguiano welcomed everyone to today's meeting.

II. REPORTS

1. Financial Report

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

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

2. Executive Director's Report

Chair Anguiano asked for the Director's Report.

Mr. Bustamante welcomed Commissioner Walker to the meeting and stated it was a pleasure to have her in attendance. He informed the Board that today was Ms. Martin's last meeting, her last day is September 27, 2019. We already miss her and she will be an asset where ever she goes. The Commissioners thanked Ms. Martin for her service.

Mr. Bustamante mentioned that an email was received from the U.S. Department of Housing and Urban Development (HUD) that they are going to be awarding Roanoke Redevelopment and Housing Authority (RRHA) an additional \$13,000 for the Capital Fund. HUD had allocated similar funding last year all money received for capital fund is greatly appreciated and will be put to good use.

He stated that Ms. Hall has gone above and beyond in the last couple of months with all the grants she has completed. But nothing more important than this Jobs Plus grant that hopefully we are going to be submitting soon for Jamestown and Indian Rock Village to run the Jobs Plus program. We feel very positive about this grant and I believe if we get it we will be as successful, or more successful, than we have been here at Lansdowne. I wanted to thank Ms. Hall for all her hard work.

Commissioner Garner asked if RRHA has heard anything concerning the

Melrose Library property, Mr. Bustamante said that he has not heard anything but he will be discussing it in the Executive Session.

Chair Anguiano asked if RRHA has a sense with the Jobs Plus grant, do they take into account our previous experience with the program, is that a factor that is considered? Ms. Hall stated that she would hope so there is a list of point values that they are ranking the applications by. She did put in some of our previous experience. Mr. Bustamante stated that the office of Jobs Plus is run by Gerald Bennet, they know who RRHA is and that will be a positive thing.

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

3. Staff Reports

Chair Anguiano asked if there were any Staff reports. There were none.

4. Committee Reports

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

5. Commissioner Comments

Chair Anguiano welcomed Ms. Walker to the Board of Commissioners.

Chair Anguiano asked if there were any commissioner comments or questions.

There were none.

6. City Council Liaison Comments or Discussion

Chair Anguiano 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 Anguiano 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, August 26, 2019.

RECOMMENDED ACTION: Dispense with the reading thereof and approve the correction to the minutes.

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

RECOMMENDED ACTION: File as submitted

Commissioner Garner introduced a motion to approve the Consent Agenda.

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

AYES: Commissioners Anguiano, Garner, Kepley, Walker

NAYS: None

Chair Anguiano thereupon declared said motion carried as introduced.

III. REGULAR AGENDA

1. Resolution No. 4020

Mrs. Austin introduced Resolution No. 4020, requesting the Board to approve the consolidated operating budget for fiscal year ending September 30, 2020. RRHA is required to submit a Board Resolution approving the annual consolidated operating budget to HUD prior to the beginning of the fiscal year. RRHA presented the 2020 budget for review at the August 26, 2019 Board Meeting during the public hearing. There were several changes that were made to the budget since that presentation that are explained in the budget narrative.

Commissioner Garner asked about the explanation concerning the revenue projections where it talks about Hackley tenant revenues are anticipated to decrease by 9 percent due to current rents being charged. Ms. Austin said that RRHA takes an average of the rents that we are receiving probably through March and then we try to project them out to the end of the year. Then we look at those rents and decide are we somewhere close to the actuals and can we predict an increase or decrease. It looked like last year we were over projected so we adjusted that number down to what we are currently receiving.

Commissioner Garner asked about total other revenues projected due to the decrease in the private management budget due to a projection of a decrease in salaries and benefits projected for 2020. Ms. Austin answered that the private management budget is where we are managing all of our tax credit properties. Since we have one less tax credit property to manage it affected the revenues that we are anticipated to receive next year. Commissioner Garner asked if that was the NNEO property. Ms. Austin answered yes and explained that it's also services, if services are projected to come down and she believes that they are, because we had a change in personnel, it has affected our budget this time and that is what a lot of the changes are trying to reflect. Adjustments were made hoping this will fall in line with what we are doing. Commissioner Garner congratulated RRHA for the work done last year for the workers compensation. Apparently we had an excellent year again and a 7% decrease in workers compensation. The training and safety narrative that we have talked with the employees about has had a positive effect. He noted that we did a really good job on that. Commissioner Garner asked about the section under Section 8, where it talks

about tenant services increased 2% due to an increase in salaries and benefits for employees and pay increases anticipated during the year. He asked if the budget was for different sectors and if it can vary from what we projected to be the rate of increase. He stated that we gave a static rate increase and is this different from the rate that was proposed and that we approved. He asked how this works. Ms. Austin responded that it is related to employee turnover because when we start the budget year we have so many people on the payroll and then during the year people come and go. So it's fluctuating up and down as people come in and go out. Some new employees may start at the same salary or they may not, depending on qualifications. She does not believe there have been any additions to the staff. Commissioner Garner asked about the section on the Home Ownership Program (HOP), where it talks about \$503,600.00 that we've allocated to rehabilitate five Section 32 units. Ms. Austin explained that it is an old program that we've had for a number of years, we have some funds that have been set aside in order to repair these Section 32 homes prior to being sold. We have been trying to get people interested in the program. We continue to budget for this activity but until we get some people who are interested in actually coming on to the program, we want to keep it in our budget. Joel Shank, VP of Operations explained that what this means is that when buyer purchases the home RRHA will do certain capital repairs so that there shouldn't be any major rehabilitation or expenses to the homes for the first seven years. The money is for updating the HVAC system, possibly replacing the roof or anything that needs to be replaced at that time. Ms. Austin explained that RRHA must have a qualified buyer before we can start the work and they have to be approved for a loan from a bank in order to come into the program. Commissioner

Garner asked if this is one of those activities that the HOP reserves will be used to fund and if we carry the reserves on our books or is this managed by HUD as HUD reserves. Ms. Austin responded that this is RRHA reserves. Commissioner Garner asked if this is something that fluctuates or changes on a yearly basis. Ms. Austin replied since there really aren't any expenditure's in that program they are really just holding steady. Commissioner Garner asked if the \$503,600.00 is the full amount that was budgeted in that account. Ms. Austin responded yes. Chair Anguano asked if the Section 8 rental income is projected to decrease due to the amount of fraud recovery is that because something has changed because of how money can be recaptured or is that recalculating what our realistic expectations are. Ms. Austin answered yes that RRHA fraud recovery is decreasing. It means that people are accurately reporting their income. Commissioner Garner asked if it means we are increasing the write offs. Ms. Austin explained that when someone recertifies they may fail to give us their true documentation, when we check that documentation and we find out that they didn't provide us with the correct documents or income amounts then we set up repayment plans. Chair Anguano asked if there were any other questions. Mr. Kepley asked if the net income projections of \$879,000.00 are roughly on par with our normal projections at this time. Ms. Austin answered that it was a little hard to answer that question because of different programs that we manage or are awarded during the 2020 fiscal year. Last year we didn't have this much projected because we decided to go into the Housing Opportunity Through Modernization Act (HOTMA) program. RRHA reduced what we thought we would be getting in operating subsidy and moved it over into a capital funding. Commissioner Kepley replied that his thought was that maybe we could use

some of that to do some maintenance whatever that maintenance is, but we really won't be able to make a decision on that until this time next year. Ms. Austin responded we should start hearing from HUD within the next couple of months about what we did with the HOTMA. This is new to us we have never done this before. From my understanding what will happen is that they will notify us in either November or December 2019 and tell us the funds that we didn't draw down for the operating subsidy this year and those are supposed to be moved into a special line item so that they can be turned into a capital project line item for RRHA. This year what made the projections increase for our net income is that we didn't make that calculation again. We have those actual revenues from the public housing operating subsidy fund. So it makes our net income go up. Commissioner Kepley asked if would we would not be able to spend the money until we hear from HUD, Ms. Austin confirmed yes, they won't let us do it and explained that they have to physically move the funding from one line item to another line item that can be used for capital funding. Commissioner Garner asked how much change does there have to be before this budget comes back to the commissioners. Is there a certain amount or is at the discretion of the Executive Director and the Vice President of finance when we should come back and modify. Ms. Austin answered yes that she believes we've only made one budget modification since she has been presenting budgets. Commissioner Garner said that we spoke about some of the changes that were due to the fact that we budgeted so much for the software and various other things and we are in the process of implementing all of that and with even the changes with things that have happened recently with our IT and so forth, he was looking at some of the reports about some of the recommendations that

we need to put into effect and the cost that we will possibly incur with putting some of those changes into effect. He asked if we were adequately covered as the response report has around ten or twelve recommendations and all of them are going to cost additional money. He asked if we anticipated that in the budget. And if not, it may be something that we might have to come back and remodify the budget for if it's that much money involved. Ms. Austin responded that she tried to anticipate as much as she could, she reworked some dollars around from salaries and they were just on different line items. She thinks she has the programs covered. If we were to see that we needed \$500,000.00 in order to get us where we need to be IT wise she thinks that would be something that would need to come back to the board. Commissioner Garner asked if she had enough flexibility in the line items that sometimes you can make changes between. Ms. Austin explained that we usually don't make budget changes, it becomes more of a budget variance and it is explained monthly on the narrative. The budget process is a cumbersome thing to have to work through so she tries not to do that and bring budgets to the board on a continual basis. This is really the reason for the narrative report. Chair Angiuano thanked Ms. Austin.

Commissioner Garner introduced Resolution No. 4020 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT
AND HOUSING AUTHORITY APPROVING THE CONSOLIDATED
OPERATING BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30,
2020

WHEREAS, the City of Roanoke Redevelopment and Housing Authority has prepared a Consolidated Operating Budget for fiscal year ending September 30, 2020, covering the following programs: Central Office, Public Housing, Section 8, Hackley, Private Management, Jobs Plus Grant, Jamison/Downing, CDBG/HOME, Homeownership Opportunities (HOP), ROSS Grant, City Activities, and Capital Fund

Grants; and

WHEREAS, RRHA is required to submit a Board resolution approving the annual operating budget for U.S. Department of Housing and Urban Development (HUD) funded programs to HUD within 60 days of the beginning of the fiscal year; and

WHEREAS, the Board of Commissioners having reviewed the Consolidated Operating Budget has determined that the budget presented is a fair representation of projected operating revenues and expenditures for fiscal year ending September 30, 2020.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Consolidated Operating Budget is approved for the fiscal year ending September 30, 2020.

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

AYES: Commissioners Anguiano, Garner, Kepley, Walker

NAYS: None

Chair Anguiano thereupon declared said motion carried and Resolution No. 4020 adopted as introduced.

2. Resolution No. 4021

Mrs. Austin introduced Resolution No. 4021, requesting the Board to authorize the execution of a contract with Jump, Perry and Company, LLP to provide audit services. We had five firms that submitted proposals in response to the RFP that was issued in April 2019. The evaluation panel reviewed and evaluated the proposals based on the criteria that was listed in the RFP and one firm Jump, Perry and Company, LLP was deemed to be in the competitive range and ranked the highest by the evaluation team based on the evaluation criteria in the RFP and was invited to submit their best and final offers. Commissioner Garner thanked Ms. Austin for all of her work on this.

Commissioner Garner introduced Resolution No. 4021 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A CONTRACT WITH JUMP PERRY AND COMPANY, LLP TO PROVIDE AUDIT SERVICES.

WHEREAS, the Roanoke Redevelopment and Housing Authority (RRHA) is required by the U.S. Department of Housing and Urban Development to have an independent audit annually; and

WHEREAS, RRHA does not currently have a contract for audit services for FY2019, such contract term will end September 30th; and

WHEREAS, the Roanoke Redevelopment and Housing Authority (RRHA) released a Request for Proposals (RFP) to provide Audit Services for the Roanoke Redevelopment and Housing Authority on April 28, 2019 with the due date for proposals on May 31, 2019; and

WHEREAS, RRHA received five (5) proposals in response to the RFP from the following firms:

- Marcum Accountants and Advisors
- Brown Edwards Certified Public Accountants
- Citrin Cooperman
- Jump Perry and Company L.L.P.
- Smith Marion and Company LLP

WHEREAS, the Executive Director assigned an Evaluation Panel comprised of three RRHA staff members and two Commissioners;

WHEREAS, the Evaluation Panel reviewed and evaluated proposals according to the following Screening Criteria, which were published in the RFP:

- (30%) The proposer's experience auditing governmental Public Housing Agencies of at least 1200 Public Housing units, 1500 Section 8 units, multiple programs and multiple entities in its written proposal and reflected in the summary of understanding of work involved and the work plan (including estimated hours)
- (30%) The proposer's capability and experience in providing the services requested as demonstrated in its written proposal, with a special emphasis on the principal individual service providers of the proposer, their experience with governmental, housing, and/or redevelopment organizations, and the organization of the audit team

- (10%) Relevance and strength of the references submitted with the proposer's proposal
- (15%) Total audit price
- (7%) Preference for Section 3 Business; and
- (8%) Preference related to acceptability of Section 3 Strategy

WHEREAS, the Evaluation Team rating for each firm's proposal based on the published Screening Criteria was as follows:

	Total Points	Avg. Points
• Marcum Accountants and Advisors	332 points	66.40 points
• Brown Edwards Certified Public Accountants	158 points	31.60 points
• Citrin Cooperman	343 points	68.60 points
• Jump Perry and Company LLP	430 points	86.00 points
• Smith Marion and Company LLP	320 points	64.00 points

WHEREAS, the Chair of the Evaluation Team evaluated prices from the one firm meeting the established competitive range of 75 and based upon the results of the price analysis and comparison of the independent cost estimate to the proposal amounts, determined that Jump Perry and Company, LLP was the only firm to fall within the competitive range; and

WHEREAS, RRHA entered into negotiations with Jump Perry and Company LLP to submit Best and Final Offer; and

WHEREAS, the Evaluation Panel recommended to the Executive Director that a contract be awarded to Jump Perry and Company LLP, the highest rated firm based on evaluation criteria and cost analysis; and

WHEREAS, review, evaluation, and confirmation of proposal documentation has been completed, and Jump Perry and Company LLP has been found to be capable and in all other respects acceptable to RRHA; 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 proposal and execute an appropriate contract.

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 two-year (2) term contract with three (3) one year renewal options with Jump Perry and Company, LLP at rates specified in the Best and Final Offer submitted by the firm with total contract amount not to exceed \$80,700 for

the two year (2) contract term, with the option of three (3) one year renewals at a cost of \$41,200, \$41,200, \$41,200 respectively for the additional option years for the provision of audit services to the RRHA.

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

AYES: Commissioners Anguiano, Garner, Kepley, Walker

NAYS: None

Chair Anguiano thereupon declared said motion carried and Resolution No. 4021.

3. Resolution No. 4022

Mr. Shank introduced Resolution No. 4022, requesting the Boards approval to award a contract for replacement of boiler controls for Lansdowne Park, AMP 201, under the Capital Fund Program (CFP) grant numbers VA36P01150118 and VA36P01150119. This project consists of going in and replacing actual boiler controls and motor starters and things that are involved with the HVAC equipment. This is another situation where we only received one bid. That bid was higher than what we had planned and budgeted. Through the process of value engineering, he met with the contractors and discussed the project and we were able to modify their bid and lower their bid from \$309,855.00 to \$250,250.00 and that number was in line with our RS Means estimate. Ms. Shank asked for the Boards approval to award the contract.

Commissioner Garner introduced Resolution No. 4022 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR REPLACEMENT OF BOILER CONTROLS FOR LANSDOWNE PARK, AMP 201, UNDER CAPITAL

FUND PROGRAM (CFP) GRANT NUMBERS VA36P01150118 AND
VA36P01150119

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 VA36P01150118 in the amount of \$3,302,705.00; and

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 VA36P01150119 in the amount of \$3,425,178.00; and

WHEREAS, HVAC Upgrades was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150118, which was approved by the RRHA Board of Commissioners by Resolution 3957 on May 21, 2018; and

WHEREAS, HVAC Upgrades was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150119, which was approved by the RRHA Board of Commissioners by Resolution 4007 on May 20, 2019; and

WHEREAS, RRHA needs a qualified contractor to complete Replacement of Boiler Controls for Lansdowne Park; and

WHEREAS, RRHA issued an Invitation for Bid on August 4, 2019, with bids being due on August 27, 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>
Russell’s Remodeling, LLC (Self-certified as Section 3 Business Concern)	\$309,855.00

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, Russell’s Remodeling, LLC self-certified as a Section 3 Business Concern and submitted the only responsive bid; and

WHEREAS, the allowable HUD Section 3 preference is not a determining factor

in the procurement; and

WHEREAS, as a result of value engineering and negotiations the amount of the bid submitted by Russell's Remodeling, LLC was amended to \$250,250.00; and

WHEREAS, the amended amount of the bid submitted by Russell's Remodeling, LLC 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 Russell's Remodeling, LLC 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 Russell's Remodeling, LLC; 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 Russell's remodeling, LLC 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 and RRHA for the fixed price of \$250,250.00.
- (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 Kepley and upon roll call the following vote was recorded:

AYES: Commissioners Anguiano, Garner, Kepley, Walker

NAYS: None

Chair Anguiano thereupon declared said motion carried and Resolution No. 4022.

4. Executive Session

Commissioner Garner moved that the Commissioners enter into Executive Session for the purpose of consultation with legal counsel retained by RRHA regarding specific legal matters requiring the provision of legal advice by such counsel and discussion of specific personnel matters of RRHA in accordance with Virginia Code Section 2.2-3711 (A)(1), and (8).

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

AYES: Commissioners Anguiano, Garner, Kepley, Walker

NAYS: None

The Board of Commissioners entered into Executive Session at 3:27 p.m.

Chair Anguiano left the meeting at 4:00 p.m.

Certification

Commissioner Burruss 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 Kepley and upon roll call the following vote was recorded:

AYES: Commissioners Burruss, Garner, Kepley, Walker

NAYS: None

The Board reconvened into open session at 4:40 p.m.

IV. **ADJOURNMENT**

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

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

AYES: Commissioners Burruss, Garner, Kepley, Walker

NAYS: None

Commissioner Garner declared the meeting adjourned at 4:40 p.m.



David Bustamante, Secretary-Treasurer



Andrew Anguiano, Chair

