

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, March 28, 2011, 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

Chairperson Burruss called the meeting to order at 3:05 p.m. and declared that a quorum was present.

PRESENT: Commissioners Boitnott, Burruss, Butler, Garner, Karnes, Witten

ABSENT: Commissioner Smith

OFFICER PRESENT: Glenda Edwards, Secretary-Treasurer

ALSO PRESENT: Cathy Wells, VP of Resident Services and Administration; Earl Saunders, VP of Real Estate Management; Jackie Austin, VP of Finance/CFO; Roger Vest, VP of Real Estate Development; Helen Shampine, HCV Director; Joel Shank, Capital Improvements Director; Gloria Charlton, FSS Coordinator; Katie Meyer, Executive Assistant; Nick Conte, Legal Counsel; Anita Price, City Council Liaison; Donald Jump, Jump Scutellaro and Company, LLP

Chairperson Burruss welcomed everyone to today's meeting.

II. REPORTS

1. Financial Report

Chairperson Burruss asked for the Financial Report.

Ms. Jackie Austin, RRHA VP of Finance/CFO, stated that a copy of the fiscal year end September 30, 2010 draft audit was distributed last week for review, and the Audit Committee participated in a conference call with Donald Jump of Jump Scutellaro and Company, LLP on March 24, 2010 to discuss the audit. Ms. Austin stated that Mr. Jump is present today to present the draft audit and to answer any questions from the Board. Ms. Austin stated that there would be no action requested of the Board at today's meeting and the draft audit is for review purposes only.

Ms. Austin stated that there will be a note added to the audit regarding a subsequent to year-end event relative to the Roanoke Valley Housing Corporation (RVHC). RVHC changed Board members this past year and, with that change, the RVHC audit will no longer be included as a blended component unit in RRHA's audit. Ms. Austin stated that in future years RVHC, like the low-income tax credit properties, will have its own separate audit and will be presented as a discretely presented component unit in RRHA's audit.

Ms. Austin referred to page 11 of the draft audit and stated that the \$779,300 Special Item is related to property that was purchased in the South Jefferson Redevelopment Area. Ms. Austin stated that GASB 42 dictates that when an asset is purchased and it is anticipated that the asset will be disposed of at a price less than acquisition cost, an adjustment must be recorded in the financial statements. Ms. Austin stated that acquisition costs for South Jefferson Redevelopment Area properties have been fully funded by the City of Roanoke.

Ms. Austin stated that Congress has not come to an agreement on the 2011 budget; however, HUD is continuing to provide operating fund subsidies based on estimated eligibility.

Ms. Austin referred to page 23 of the Monthly Operations Report Finance Section and stated that Public Housing is reporting net income of approximately \$589,000 for the first five months of the 2011 Fiscal Year. Total revenues are showing a favorable variance of \$156,000 mainly due to positive variances in operating subsidies. Total expenses are showing a favorable variance of \$358,000 primarily attributable to expense categories reporting favorable variances. Utilities expense is under budget \$128,000 due to the actual expenses being less than the budgeted amount. The budget estimate was based on anticipated utility rate increases that have not occurred at budgeted levels to date. Ordinary maintenance is reporting a favorable variance of \$35,000 due to costs that have not been incurred to date. Several sites have budgeted for replacement of equipment, capital items, betterments and additions in the operating budgets, expenses which have not been fully incurred to date.

The Central Office Cost Center (COCC) is reporting a difference in revenue and expense of \$62,000 as shown on page 32. Total revenues are slightly over budget primarily due to service fee income that is currently ahead of budget projections by \$13,000. Total expenses are showing a favorable variance of \$57,000 which is mostly attributable to administrative expenses showing a positive variance of almost \$53,000 due to expenditures that have not been incurred to date.

The Section 8 program is reporting difference in revenues over expenses of approximately \$17,000 as shown on page 33. Ms. Austin stated that HUD announced

last week that RRHA will be receiving renewal funding for a Family Self-Sufficiency (FSS) Coordinator position which will cover the \$8,700 variance in the FSS Subsidy revenue line. Total expenses are showing a favorable variance of approximately \$23,000, primarily attributable to administrative expenses which are approximately \$25,000 under budget due to vacant positions in the first quarter of 2011 and other expenses that have not been incurred to date. Ms. Austin stated that there are still open positions although some were filled during the first quarter of 2011.

Commissioner Butler asked if the Section 8 Coordinator position is a new position or was it vacant and inquired about the duties of the position. Ms. Austin stated that the position has been in place for several years; however HUD had not announced funding approval for the position for calendar year 2011 until last week. Ms. Edwards asked Ms. Gloria Charlton, RRHA FSS Coordinator, to describe duties of the position. Ms. Charlton stated that the FSS Coordinator works with participants to determine goals and identifies participants' challenges and barriers, such as education or job training, to achieving their goals. A plan is then developed with each participant to work toward reaching the identified goals. Ms. Charlton stated that working participants are eligible for an escrow account, into which income-based rent increases are deposited. Upon completion of the FSS program, participants receive their escrow account funds, which can be used for such purposes as homeownership, education, or starting a business.

Commissioner Butler stated that it is nice to have someone to provide those types of services.

Ms. Austin asked if there were any other questions. There were none.

Chairperson Burruss thanked Ms. Austin for her report.

## 2. Executive Director's Report

Chairperson Burruss asked for the Executive Director's report.

Ms. Edwards, RRHA Executive Director, referred to her written report in the Monthly Operations Report and stated that, as Ms. Austin noted, RRHA is continuing to operate with estimating funding in the Section 8 and Public Housing Programs. Ms. Edwards emphasized the continuing need to communicate to legislators the importance of finalizing a budget so that programs are not operating with estimated funding amounts, increasing the potential to negatively impact those who are served by RRHA. Ms. Edwards stated that it appears that, by the time a federal budget is finalized and formula amounts for housing authorities are determined by HUD, RRHA may have only 4 months to absorb 12 months of reduced funding. Ms. Edwards stated that RRHA is continuing to manage Section 8 programs conservatively in anticipation of funding reductions.

Vice-Chair Garner asked if the audit entry Ms. Austin mentioned as a GASB 42 requirement was related to the B&B property and whether RRHA would be faced with this requirement again. Ms. Austin stated that the entry in this year's audit is related to the B&B Holdings property. A similar entry was previously required relative to the Roanoke City Mills property, and it does not happen very often. Vice-Chair Garner asked if it affected RRHA cash. Ms. Austin stated that it did not.

Ms. Edwards stated the B&B Holding property was purchased last year and is scheduled for closing with Carilion this week. Ms. Edwards stated that the Stegall property was purchased after the September 30, 2010 year end and a similar entry related to that property may be required in next year's audit. Ms. Edwards stated that

the requirements related to redevelopment plans create this circumstance. When properties are acquired in the South Jefferson Redevelopment Area, RRHA is required to have the properties appraised based on a highest and best use standard, and the offer price for acquisition is based on that appraisal. However, since the goal is redevelopment, RRHA must have a land-only appraisal completed to determine fair market value for disposition, resulting in a disposition price that is generally below the acquisition price.

Chairperson Burruss thanked Ms. Edwards for her report.

### 3. Staff Reports

Chairperson Burruss stated that there were no staff reports.

### 4. Committee Reports

Chairperson Burruss asked for committee reports. Vice-Chair Garner stated that the audit committee is very pleased with the work of Jump Scutellaro and Company and noted that company principal, Mr. Don Jump, was previously introduced by Ms. Austin. Vice-Chair Garner stated that, of primary importance, the auditors have provided RRHA an unqualified opinion. Vice-Chair Garner added that the auditors were very pleased with RRHA's management team, to the extent that Don could not give Vice-Chair Garner any areas that need improvement or recommendations for changes.

Vice-Chair Garner introduced Don Jump with Jump Scutellaro and Company, LLP, to present the results of the fiscal year end September 30, 2010 audit.

Mr. Jump thanked Ms. Austin and Vice-Chair Garner and stated that the audit process is complete and the numbers will not change. Mr. Jump stated that there were no audit findings. The auditors found no deficiencies in internal controls or financial

reporting for major programs. Mr. Jump stated that there were no disagreements between management and the auditors. Any adjustments that were made were relatively minor and worked through together by management and the auditors.

Mr. Jump stated that the audit process actually consists of two types of audit, the compliance audit and the financial statement audit. Mr. Jump stated that, because RRHA receives federal funds, the compliance audit, conducted in accordance with Government Auditing Standards, consists of evaluating whether RRHA has established and is maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to the federal and state programs. Mr. Jump stated that HUD requires auditors to select major programs for audit each year. The programs chosen this year were Housing Choice Vouchers, Public Housing Capital Fund Program, Capital Fund Stimulus Grant – ARRA, and Revitalization of Severely Distressed Public Housing. Mr. Jump stated that these four programs had no deficiencies and no audit findings.

Mr. Jump stated that the financial audit, as Ms. Austin stated, includes information relative to discretely presented component units, which are the Low Income Tax Credit partnerships. Mr. Jump stated that another auditing firm conducted the audits for the component units, and the financial information from those audits is presented in a separate column in the RRHA financial statements.

Mr. Jump stated that the opinion is an unqualified, clear opinion. Mr. Jump stated that there were no deficiencies in financial reporting and that the results of the auditors' testing showed no instances of non-compliance with governmental laws and regulations.

Mr. Jump stated that RRHA has \$16.6 million in assets and \$2.2 million in liabilities and that RRHA is financially sound.

Mr. Jump stated that for this second year audit of RRHA by his firm, the process went very smoothly. Information was provided in a timely manner, and the entire RRHA staff was extremely accommodating and professional. There are no recommendations for improvement.

Mr. Jump asked if there were any questions. There were none.

Chairperson Burruss thanked Mr. Jump for his presentation and asked if there were any other committee reports.

Commissioner Karnes stated that the Personnel committee continues to work on review of retirement plan options, and a revised leave policy will be coming before the Board at next month's meeting.

#### 5. Commissioner comments

Chairperson Burruss asked if there were any Commissioner comments. There were none.

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

Chairperson Burruss asked if there were any residents or other community members who would like to address the Board.

Ms. Anita Price, RRHA City Council Liaison asked whether there are any lobbyists who could communicate with legislators regarding local concerns. Ms. Edwards stated that she is not aware of any; however, the public housing industry is represented by two national associations, the National Association Of Housing and Redevelopment Officials (NAHRO) and the Public Housing Authorities Directors



Association (PHADA). Both NAHRO and PHADA employ legislative staffers who communicate regularly with legislators and with HUD regarding the impact of various aspects of proposed policy and legislation. Ms. Edwards stated that the state association, Virginia Association of Housing and Community Development Officials (VAHCDO) does not have a lobbyist on the federal level, but communicates through NAHRO.

Chair Burruss stated that Ms. Price's comments are excellent. Chair Burruss noted that NAHRO does an excellent job of advocacy and stated that she has a huge amount of confidence in NAHRO. Chair Burruss thanked Ms. Price for her input.

Vice-Chair Garner asked if RRHA is being funded based on last year's funding and whether it is likely RRHA will face cuts in funding. Ms. Edwards stated that current funding is based on an estimate, prorated to approximately 92% of last year's funding, due to an anticipated reduction. Ms. Edwards stated that the current estimated funding is more than the amount included in either of the proposed bills that failed to pass in the House or Senate and, therefore, it is probable that the final funding amount will be less than the estimated amount RRHA is receiving.

Ms. Edwards stated that for the Section 8 program, if it is June when RRHA is notified of its calendar year funding, RRHA would have half of the year to absorb a full-year's funding reduction. RRHA is unable to reduce payment standards below 90% without HUD approval and payment standards reductions, under HUD regulations, can only be effective at the second recertification for a participant, which is the point where a participant has been in the program for two years. RRHA can request a waiver of this requirement and HUD approval of a payment standard reduction below 90%; however,

obtaining HUD approval may take approximately 60 days. Ms. Edwards stated that, by the time the necessary waiver and approval are received from HUD, RRHA may have 4 months or less to make significant expense reductions.

Commissioner Butler asked whether RRHA could make up the shortfall by not taking any more Section 8 clients. Ms. Edwards stated RRHA can stop issuing vouchers; however, that affects the utilization rate, and HUD penalizes housing authorities on SEMAP scoring for less than 98% utilization of vouchers. Ms. Edwards stated that it is very difficult to achieve immediate expense reductions in the Housing Choice Voucher program because there is a time lag from the point an action is initiated until it impacts expenses. For example, the persons added for housing assistance payments today are those who were issued vouchers 30 to 60 days ago, because the housing search and leasing process takes some time. As a result, if RRHA stops issuing vouchers, it takes about 60 days for that action to begin impacting expenses.

Commissioner Butler stated that it is a Catch-22, HUD says to get the voucher out the door and on the other hand they say the necessary funding may not be forthcoming. Ms. Edwards stated that RRHA is facing similar circumstances to the shortfall that occurred in 2009, when RRHA took several actions to reduce expenses. When funding was increased in 2010, HUD pressured RRHA to lease up vouchers to fully utilize the increased funding. However, once RRHA knew the amount of 2010 funding in late-February 2010 and began interviewing applicants from the waiting list and issuing vouchers, it took until May for utilization numbers to begin increasing.

Chair Burruss asked if any RRHA public housing reserves are in jeopardy. Ms. Edwards stated that RRHA staff has worked hard to manage funds responsibly and

well. In HUD's proposed 2012 budget, housing authorities that have accumulated no reserves would get 100% funding while housing authorities like RRHA that have built reserves would be subject to having HUD declare those funds to be excess reserves. Those housing authorities deemed by HUD to have excess reserves would receive less than 100% operating subsidy funding. Ms. Edwards stated that there is a sense of unfairness and this proposal punishes those who have managed most responsibly. Ms. Edwards stated that a letter was received from the HUD stating that Public Housing operating reserves cannot be used for capital improvements. Ms. Edwards stated that this conflicts with prior guidance from HUD. Both NAHRO and PHADA have pointed out this conflict and are challenging HUD's new interpretation. In addition, both associations have expressed serious concerns about the proposed offset of operating reserves.

Ms. Edwards stated that RRHA can and will manage with reduced funding if necessary; however, she stated that it hardly seems fair for RRHA to take a substantial reduction while other agencies that have not managed their resources as well receive full funding. Ms. Edwards stated that any reductions in funding should be distributed fairly.

Chair Burruss thanked Ms. Edwards for her response.

### III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, February 28, 2011.

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

C-2 Monthly Operations Report for the month of February 2011

RECOMMENDED ACTION: File as submitted

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

AYES: Commissioners Boitnott, Butler, Karnes, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried as introduced.

IV. **REGULAR AGENDA**

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

Chair Burruss stated that the presentation of the Audit Draft had already been presented.

2. Resolution No. 3631

Ms. Cathy Wells, RRHA VP of Resident Services and Administration, asked for approval of Resolution No. 3631 authorizing execution of a contract for temporary employment services with @Work Personnel Services.

Chairperson Burruss asked if there were any questions. There were none.

Commissioner Boitnott introduced Resolution No. 3631 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING EXECUTION OF A CONTRACT FOR TEMPORARY EMPLOYMENT SERVICES WITH @WORK PERSONNEL SERVICES

WHEREAS, the Roanoke Redevelopment and Housing Authority (RRHA) utilizes temporary employment agencies for laborers as a temp-to-hire recruitment source and

on project work such as grounds work, turning units, or when meeting performance measurements requires additional temporary staffing; and

WHEREAS, funding for these services is provided through the operating budgets of cost centers where temporary staffing for laborers is utilized.

WHEREAS, RRHA currently has two open contracts with Patriot Services and Action Personnel for Laborers; and

WHEREAS, the not-to-exceed amount of the contract with Patriot Services is projected to be reached by July 2011, at which time the contract will be closed; and

WHEREAS, it is in RRHA's best interest to have more than one source of temporary laborer services available so that RRHA's needs are met without disruption of work; and

WHEREAS, an Invitation to Bid for Temporary Personnel Services - Laborers was issued on January 24, 2011 and three (3) bids were received for consideration, such bids being as follows:

<u>Bidder</u>	<u>Mark-Up Rate</u>
Patriot Services	31%
Elwood Staffing (formerly Alpha Omega)	35%
Work Personnel Services	28%; and

WHEREAS, @Work Personnel Services was the apparent low bidder for Laborers; and

WHEREAS, @Work Personnel Services was deemed a responsive and responsible bidder; and

WHEREAS, review, evaluation, and confirmation of bid documentation has been completed, and @Work Personnel Services has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the VP of Resident Services and Administration recommends an award to @Work Personnel Services; 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 @Work Personnel Services be and hereby is accepted;
- (2) The Executive Director be and hereby is authorized to execute a three (3) year contract, using RRHA's standard contract form, with @Work Personnel Services for temporary employment services for Laborers at a fixed mark-up rate of 28% for a total contract amount not to exceed \$426,931.00;
- (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 Vice-Chair Garner and upon roll call the following vote was recorded:

AYES: Commissioners Boitnott, Butler, Karnes, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3631 adopted as introduced.

3. Resolution No. 3632

Roger Vest, RRHA VP of Real Estate Development, asked for approval of Resolution No. 3632 awarding a contract for reinstallation of flooring, minor interior repairs, painting, and cleaning due to fire, smoke, and water damage at Melrose Towers.

Commissioner Butler stated that the nature of the work would appear to be an ideal situation for a Section 3 contractor. Ms. Edwards stated that regardless of whether a contractor is considered a Section 3 business concern for purposes of the preference in procurement, there is a requirement for contracts using HUD funds, that contractors must make an effort to recruit Section 3 residents for any openings that are created as a result of the contract.

Commissioner Butler asked if the contractor has to be recognized by RRHA as a Section 3 contractor before the preference is given. Ms. Edwards confirmed that a contractor has to submit documentation to RRHA to confirm they meet the Section 3 requirements in order to be eligible for the preference.

Chair Burruss asked if there were any other questions. There were none.

Commissioner Karnes introduced Resolution No. 3632 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR REINSTALLATION OF FLOORING, MINOR INTERIOR REPAIRS, PAINTING, AND CLEANING DUE TO FIRE, SMOKE, AND WATER DAMAGE AT MELROSE TOWERS

WHEREAS, the city of Roanoke Redevelopment and Housing Authority (RRHA) operates Public Housing at Melrose Towers, Asset Management Project (AMP) No. 206; and

WHEREAS, repairs are necessary at Melrose Towers due to fire, smoke, and water damage resulting from an incident on January 5, 2011; and

WHEREAS, site management staff have determined that it is efficient to proceed with needed replacement of some countertops and cabinets at the same time damage-related repairs are being completed in certain units; and

WHEREAS, RRHA has commercial property and liability insurance coverage through Housing Authority Insurance Group which will provide reimbursement for repairs necessitated by the January 5, 2011 incident; and

WHEREAS, the operating budget for Melrose Towers, AMP 206, has sufficient capacity to fund the replacement of countertops and cabinets in certain units; and

WHEREAS, RRHA issued a Invitation for Bid on January 30, 2011, with bids being due on February 22, 2011; and

WHEREAS, RRHA received two (2) bids, which were opened on February 23, 2011 for consideration, such bids being as follows:

<u>Bidder</u>	<u>Total Bid</u>	<u>Amount</u>
South End Construction, Inc. (Section 3 Business Concern)		\$123,686.80

GHT General Contracting (Section 3 Business Concern) \$128,535.00; and

WHEREAS, the bid submitted by South End Construction was determined to be responsive; and

WHEREAS, the bid submitted by GHT was determined to be non-responsive due to inadequate bid bond; and

WHEREAS, because South End Construction, Inc. is the only bidder determined to be responsive, Section 3 preference is not applicable to this procurement; and

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

WHEREAS, review, evaluation, and confirmation of bid documentation has been completed, and South End Construction, Inc. has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the Capital Improvements Director recommends an award to South End Construction, Inc.; and

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

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

- (1) The bid submitted by South End Construction, Inc. be and hereby is accepted.
- (2) The Executive Director be and hereby is authorized and directed to execute a standard contract for construction, which by reference is inclusive of all plans, specifications, addenda and related project documents, between South End Construction, Inc. and RRHA for the fixed price of \$123,686.80.
- (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 Boitnott and upon roll call the following vote was recorded:



AYES: Commissioners Boitnott, Butler, Karnes, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3632 adopted as introduced.

4. Resolution No. 3633

Mr. Earl Saunders, RRHA VP of Real Estate Management, asked for approval of Resolution No. 3633 authorizing RRHA to charge-off delinquent public housing tenant accounts in the amount of \$47,622.86, which consists of dwelling rental of \$20,989.60, legal and utility charges of \$1,725.23, maintenance charges of \$18,061.54, and additional charges of \$6,846.49, as a collection loss expense.

Mr. Saunders stated that, by policy, RRHA charges off delinquent accounts every six months. Mr. Saunders stated that the charge-off amount, which is detailed following the Resolution, consists primarily of delinquent rent and excess utilities.

Mr. Saunders stated that RRHA has collected \$32,241.41 which makes a net charge-off amount of \$15,141.00 for the 6-month period. Mr. Saunders stated that most of the collected funds come from the State of Virginia from individual tax refunds.

Vice-Chair Garner asked what charges are included in the additional charges. Ms. Saunders stated that it includes late fees and excess utility charges.

Commissioner Butler asked where the repayments are posted and whether the charge-off amounts change once money is collected. Mr. Saunders stated that the funds go back to the site in which they were charged off. Ms. Austin stated that the collected funds are treated as income.

Commissioner Witten asked for clarification of the maintenance charge-off

amount. Ms. Saunders stated that these charges are primarily due to damages to public housing units after they have been vacated.

Chairperson Burruss asked if there were any questions. There were none.

Vice-Chair Garner introduced Resolution No. 3633 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY TO APPROVE CHARGE-OFF OF DELINQUENT PUBLIC HOUSING TENANT ACCOUNTS IN THE AMOUNT OF \$47,622.86 AS A COLLECTION LOSS EXPENSE**

WHEREAS, in the rental of housing dwelling units under the Public Housing Program operated by the City of Roanoke Redevelopment and Housing Authority (RRHA), losses in collection of rents and excess utilities owed, court costs and maintenance charges occur, which RRHA is unable to collect for various reasons; and

WHEREAS, the Department of Housing and Urban Development allows RRHA to charge-off Public Housing Tenant Accounts as a Collection Loss Expense, which charge-offs must be removed from the RRHA's books before the end of the Fiscal Year; and

WHEREAS, the RRHA elects to charge-off uncollected Public Housing Tenant Accounts every six months in compliance with RRHA's Collection/Charge-Off policy; and

WHEREAS, Vacated Tenant Accounts Receivables (TARs) are monies owed the RRHA by previous tenants who have vacated their units. These TARs are generated in the form of rent owed, excess utilities owed, court costs incurred and maintenance charges; and

WHEREAS, RRHA pursues the collection of monies owed that have been charged-off tenant accounts. The collection methods currently used include state income tax set-offs, installment payments and payment in full from previous tenants who reapply for housing; and

WHEREAS, the amount of \$47,622.86 to be charged-off for the six-month period ending September 30, 2010 consists of dwelling rental of \$20,989.60, legal and utility charges of \$1,725.23, maintenance charges of \$18,061.54, and additional charges of \$6,846.49, attributable to each Asset Management Project (AMP) as detailed on the attached list.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Roanoke Redevelopment and Housing Authority that the Executive Director is authorized to direct the amount of \$47,622.86 to be charged-off as a collection loss expense effective March 31, 2011.

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

AYES: Commissioners Boitnott, Butler, Karnes, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3633 adopted as introduced.

5. Resolution No. 3634

Ms. Wells asked for approval of Resolution No. 3634 authorizing amendment to the Profit Sharing Plan. Ms. Wells stated that the IRS has requested that certain technical amendments be made to the Profit Sharing Plan. Ms. Wells stated that the IRS requested additional language related to remedies with regard to overpayments made into employee accounts and how interest is accrued.

Chairperson Burruss asked if there were any questions. There were none.

Commissioner Boitnott introduced Resolution No. 3634 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND  
HOUSING AUTHORITY AUTHORIZING AMENDMENT TO THE PROFIT  
SHARING PLAN

WHEREAS, effective January 1, 1985, the City of Roanoke Redevelopment and Housing Authority ("RRHA") adopted the 401(k) Plan for Employees of the City of Roanoke Redevelopment and Housing Authority (the "401(k) Plan"); and

WHEREAS, effective April 1, 2004, RRHA amended and restated the 401(k) Plan and merged the Retirement Plan for Employees of the City of Roanoke Redevelopment and Housing Authority with and into the 401(k) Plan with the 401(k) Plan surviving and

changing its name to the Profit Sharing Plan for Employees of City of Roanoke Redevelopment and Housing Authority (the "Profit Sharing Plan"); and

WHEREAS, effective November 17, 2008, RRHA amended and restated the Profit Sharing Plan; and

WHEREAS, Section 7.1 of the Profit Sharing Plan authorizes RRHA to amend the plan; and

WHEREAS, in connection with the determination letter submission, the IRS has requested that certain technical amendments be made to the Profit Sharing Plan; and

WHEREAS, upon the advice of counsel, RRHA has determined that amendments to the Profit Sharing Plan are needed to satisfy certain questions and matters raised by the IRS.

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

1. Amendment No. 2 to the Profit Sharing Plan, a copy of which was presented to this meeting, is hereby adopted.
2. The Executive Director be and hereby is authorized and directed to execute the Amendment No. 2 to the Profit Sharing Plan on behalf of the RRHA.
3. If deemed necessary by legal counsel, the Executive Director, or her designee, be and hereby is authorized and directed to submit additional documents to the Internal Revenue Service in connection with the request for a determination letter regarding continued qualification of the Profit Sharing Plan.

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

AYES: Commissioners Boitnott, Butler, Karnes, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3634 adopted as introduced.

6. Resolution No. 3635

Mr. Vest asked for approval of Resolution No. 3635 authorizing the execution of a Deed of Gift relative to the disposition of property to Habitat for Humanity in the

Roanoke Valley at 1817 Rorer Avenue, SW.

Chairperson Burruss asked if there were any questions. There were none.

Commissioner Butler introduced Resolution No. 3635 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE EXECUTION OF A DEED OF GIFT RELATIVE TO THE DISPOSITION OF PROPERTY TO HABITAT FOR HUMANITY IN THE ROANOKE VALLEY AT 1817 RORER AVENUE, SW AND BEARING CITY OF ROANOKE OFFICIAL TAX MAP NUMBER 1312212**

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) approved Resolution Number 3574 on January 25, 2010, to acquire a vacant lot located at 1817 Rorer Avenue, SW (Tax Map Number 1312212) using funding provided by the City of Roanoke; and

WHEREAS, the RRHA acquired the property on January 27, 2010 at tax sale auction, with sale closing on May 24, 2010; and

WHEREAS, the RRHA wishes to increase the level of homeownership and to revitalize the Hurt Park neighborhood; and

WHEREAS, the RRHA is participating with Total Action Against Poverty, Habitat for Humanity, and Rebuilding Together – Roanoke in the Roanoke Neighborhood Revitalization Partnership (the Partnership); and

WHEREAS, RRHA's role in the Partnership is acquiring land and structures in the Hurt Park area for revitalization activities; and

WHEREAS, the RRHA has identified the best use of this vacant lot is to make a donation to Habitat for Humanity in the Roanoke Valley for further revitalization through construction of a single family house for affordable homeownership on the property.

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 Deed of Gift concerning the conveyance of the parcel located at 1817 Rorer Avenue, SW, Tax Map Number 1312212, to Habitat for Humanity in the Roanoke Valley.

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

AYES: Commissioners Boitnott, Butler, Karnes, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss thereupon declared said motion carried and Resolution No. 3635 adopted as introduced.

V. **ADJOURNMENT**

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

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

AYES: Commissioners Boitnott, Butler, Karnes, Witten, Garner, Burruss

NAYS: None

Chairperson Burruss declared the meeting adjourned at approximately 4:07 p.m.

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Gail Burruss, Chairperson

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Glenda Edwards, Secretary-Treasurer

**CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY**  
**PUBLIC HOUSING TENANT ACCOUNTS CHARGED OFF AS COLLECTION LOSS**  
**APRIL 1, 2010 - SEPTEMBER 30, 2010**  
**FISCAL YEAR ENDING SEPTEMBER 30, 2011**

Development	Rent	Legal	Maintenance	Other Charges	Charge-Off Amount
201 Lansdowne Park	\$8,352.92	\$608.77	\$11,049.33	\$4,799.93	\$24,810.95
202 Villages at Lincoln	\$182.58	\$41.00	\$333.15	\$10.00	\$566.73
259 Hunt / Bluestone	\$2,795.92	\$323.00	\$2,168.66	\$778.25	\$6,065.83
206 Melrose Towers	\$4,875.40	\$339.00	\$1,784.09	\$254.25	\$7,252.74
207 Jamestown Place	\$3,713.93	\$297.21	\$1,697.16	\$756.09	\$6,464.39
208 Morningside Manor	\$71.04	\$0.00	\$112.89	\$0.00	\$183.93
210 Indian Rock Village and Scattered Sites	\$997.81	\$116.25	\$916.26	\$247.97	\$2,278.29
215 Homeownership and Scattered Sites	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>\$20,989.60</b>	<b>\$1,725.23</b>	<b>\$18,061.54</b>	<b>\$6,846.49</b>	<b>\$47,622.86</b>

**AMENDMENT #2 TO THE PROFIT SHARING PLAN  
FOR EMPLOYEES OF CITY OF ROANOKE  
REDEVELOPMENT AND HOUSING AUTHORITY**

WHEREAS, effective November 17, 2008, the City of Roanoke Redevelopment and Housing Authority (the "Employer") adopted a restatement of The Profit Sharing Plan for Employees of City of Roanoke Redevelopment and Housing Authority (the "Plan");

WHEREAS, in Section 7.1 of the Plan, the Employer was given the authority to amend the Plan; and

WHEREAS, the Employer has determined to amend the Plan as herein provided;

NOW, THEREFORE, effective March 1, 2011, the Plan is hereby amended (this being the third amendment of the Plan subsequent to the aforesaid restatement) as follows:

- (1) The following new paragraph is added at the end of Section 1.7(a):

If any amount (i) shall be paid to a Participant after his severance from employment (as defined in Section 1.415(a)-1 of the Treasury Regulations) with the Employer, (ii) is paid during a Plan Year beginning after June 30, 2007, (iii) is paid by the later of two and a half months after such severance from employment or the end of the Plan Year during which such severance from employment occurred, (iv) would have constituted Compensation had it been paid prior to such severance from employment, (v) is paid for services rendered as an employee prior to such severance from employment and (vi) would have been paid to him prior to a severance from employment if he had continued in the employ of the Employer, then such amount shall be a part of such participant's Compensation. No amount paid to a Participant after his severance from employment with the Employer shall be a part of his Compensation unless it is described in the preceding sentence.

- (2) Section 1.25 is amended to read as follows:

1.25. Plan means the profit sharing plan (formerly the 401(k) plan) as set forth herein as duly amended from time to time. The Plan is maintained for the exclusive benefit of Employees and their beneficiaries.

- (3) The following Section 3.4 is added to the Plan:

3.4. Pre-ERISA Vesting Standards. In compliance with Section 411(e)(2) of the Code, upon termination of the Plan or upon complete discontinuance of contributions under the Plan, the rights of all Employees to benefits accrued to the date of such termination or discontinuance, to the extent then funded, or the amounts credited to the Employees' accounts hereunder are nonforfeitable.



(4) The following new Section 3.5 is added to the Plan:

3.5. Assets of Plan Not to Inure to Benefit of Employer. The assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their beneficiaries and defraying of reasonable expenses of administering the Plan. Notwithstanding anything herein to the contrary, upon the Employer's request, as permitted by ERISA Section 403(c)(2) or Revenue Ruling 91-4, any contribution shall be returned to the Employer: (i) within one year after the payment of the contribution if such contribution or payment is made by reason of a mistake of fact; (ii) within one year after the disallowance of a deduction under Section 404 of the Code if the contribution is conditioned on its deductibility under Section 404 of the Code; or (iii) within one year after an adverse determination with respect to the initial qualification of the Plan if such an adverse determination shall be received by the Plan, but only if an application for determination is made by the time prescribed by law for filing the Employer's federal income tax return for the taxable year of the Employer in which the effective date (as applicable to the Employer) occurs (or by such later date as the Secretary of the Treasury may prescribe). No contribution shall be returned to the Employer by reason of a denial of continued qualification of the Plan if it shall previously have been determined to be qualified.

(5) The following new paragraph (d) is added at the end of Section 4.6:

(d). Notwithstanding the preceding provisions of this Section 4.6, EPCRS shall be the only correction method for correcting excess Annual Additions in Plan Years beginning on or after July 1, 2007.

(6) The second paragraph of Section 5.1 is amended to read as follows:

Upon the retirement of a Participant in accordance with the preceding provisions of this section, if the Current Balance of such Participant's Accounts as of his retirement date shall become vested, and the Employer shall direct the Trustee to distribute to such Participant such vested amount in accordance with Section 5.6. A Participant's interest in his Accounts shall be fully vested at all times on and after the date that he satisfies the age requirement (and the requirement that he wait until five years after commencement of participation, if any) for normal retirement, even though he might not have reached his normal retirement date.

IN WITNESS WHEREOF, the Employer has caused this instrument to be signed by its officer duly authorized this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

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

**ROANOKE VA**

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Property Information Card for: **ROANOKE REDEVELOPMENT & HOUSING AUTH**  
PO BOX 4359  
ROANOKE VA 24017



PARCEL INFORMATION		Property Area	
Tax Parcel	1312212	Property Area	0.1718
Property Address	1817 ROANOK AVE SW	County Zoning	Conservation District
Legal Description	LOT 13, BLK 28 RV	Property Frontage	90 Feet
Deed Reference 1	10004600	Property Avg. Depth	190.00 Feet
Deed Reference 2	0044920000	Property Area	7.289
Prev. Sale Date	3/20/11/770	Basement Area	0.00
Prev. Sale Price	0	Level Assessment	\$4,900.00
Sale Date	05/24/0510	Improvements	\$6.00
Sale Price	\$0.00	Total	\$4,900.00
Owner	ROANOKE REDEVELOPMENT & HOUSING AUTH		
Address	PO BOX 4359 ROANOKE VA 24017		

**DISCLAIMER:** The information contained on this page is NOT to be construed or used as a "legal description." Map information is believed to be accurate but accuracy is not guaranteed. Any errors or omissions should be reported to the City of Roanoke Engineering Department. In no event will the City of Roanoke be liable for any damages, including loss of data, lost profits, business interruption, loss of business information or other pecuniary loss that might arise from the use of this map or the information it contains.