

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, July 25, 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 3:03 p.m. and declared that a quorum was present.

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

Commissioner Garner arrived at 3:11 p.m.

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; Joel Shank, Capital Improvements Director; Helen Shampine, HCV Director; Gwen Johnson, Resident Services Director; Lydia Fuller, Resident Relations Coordinator; Gloria Charlton, FSS Coordinator; Crystal Colston, Site Manager; Katie Meyer, Executive Assistant; Nick Conte, Legal Counsel

Chairperson Burruss welcomed everyone to today's meeting.

## II. REPORTS

### 1. Financial Report

Chairperson Burruss asked for the Financial Report.

Ms. Austin, RRHA VP of Finance/CFO, referred to page 2 of the Monthly Operations Report Finance Section consolidated balance sheets for Public Housing and noted that cash amounts have increased while investment amounts have decreased. Due to the uncertainty surrounding Fiscal Year (FY) 2012 funding for Public Housing and after discussions with RRHA's investment advisors, Ms. Austin stated that she feels it is in the best interest of RRHA not to reinvest in Municipal Securities. Ms. Austin stated that in order to get a 1% return on investment, the funds have to be invested until 2015 or beyond, and financial penalties would be assessed if funds do not remain invested for the entire period. Ms. Austin stated that if the proposed offset of operating reserves is approved, RRHA will likely to need to rely on investments to meet Public Housing operational expenses for 2012. Therefore, she believes it is prudent to have those funds available in RRHA's revolving fund.

Ms. Austin referred to page 23 and stated that Public Housing is reporting net income of approximately \$846,000. Total revenues are showing an unfavorable variance of \$110,000 mainly due to dwelling rental revenues and utility subsidies. Dwelling revenues are approximately \$34,000 under budget projections due to several public housing sites falling below the 95% occupancy rate earlier in the year. All public housing sites are currently above 95% occupancy. Villages at Lincoln has a high number of Family Self-Sufficiency (FSS) participants who are escrowing, which affects dwelling rentals. Total expenses are showing a favorable variance of \$822,000

primarily attributable to expense categories reporting positive variances. Utilities expense is under budget \$339,000 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 \$120,000 due to costs that have not been incurred to date. General expenses are \$112,000 under budget due to collection of delinquent accounts that had previously been written off and to an increase that was budgeted for insurance premiums. Extraordinary maintenance is over budget \$12,000 due to work for sidewalk replacements, community room renovations and storm drain and roof work that is ongoing at some sites. 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 \$171,000 as shown on page 32. Total revenues are \$36,000 over budget primarily due to property management and service fee incomes. Total expenses are showing a favorable variance of \$133,000 which is mostly attributable to administrative expenses showing a positive variance of almost \$129,000 due to expenditures that have not been incurred to date.

The Section 8 program is reporting difference in revenues over expenses of approximately \$57,000 as shown on page 33. Total revenues are approximately \$26,000 over budget due to administrative subsidy being over budget due to an increase in vouchers leased and the addition of Veteran Affairs Supportive Housing (VASH) and Family Unification Program (FUP) vouchers. Total expenses are showing

a favorable variance of approximately \$49,000, primarily attributable to administrative expenses which are approximately \$48,000 under budget due to vacant positions that have not been filled in an effort to reduce administrative expenses. General expenses are over budget due to the purchase of additional insurance after the budgeting process was completed.

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 referred to her written report in the Monthly Operations Report and stated that the Board also received the Quarterly Operations Plan and stated that several of the Year Two objectives have been met. Ms. Edwards highlighted the recent Roanoke Times newspaper article highlighting RRHA's Public Housing Program receiving the High Performer designation from HUD, which is one of RRHA's Strategic Plan Goals. Ms. Edwards stated that the High Performer designation is attributable to a lot of work by RRHA staff, and noted that efforts by property management and maintenance staff resulted in a substantially improved physical condition score.

Ms. Edwards stated that Ms. Crystal Colston, RRHA Villages at Lincoln (VAL) Site Manager, is present and may have information to add as Ms. Edwards gives Commissioners an update on recent events at VAL. Ms. Edwards stated that Roanoke City Police Officers searched a unit at VAL looking for a suspect in the shooting of a security guard at Afton Gardens. Police did not locate the suspect during the apartment search. Ms. Edwards stated that VAL is currently having problems with shootings

occurring at the development. Ms. Edwards stated that she and Ms. Colsten have discussed aggressive lease enforcement, and Ms. Colsten has consulted with legal counsel to determine steps that can be taken to evict residents who are not involved in the shootings but who may be harboring individuals who are involved in the shootings. Ms. Edwards stated that RRHA's top priority is for all public housing sites to be safe places to live.

Ms. Edwards stated that there was a recent shooting incident at Hunt Manor and there appears to be a link between the shootings at VAL and Hunt Manor. Ms. Edwards stated that the people who are involved in the shootings may be moving between the two sites.

Ms. Edwards stated that Earl Saunders has contacted the Police Department to discuss these incidents, and combining police intervention with aggressive lease enforcement is the approach currently being taken to resolve these issues.

Ms. Edwards referred to the article in the Roanoke Times and stated that having RRHA's High Performer designation reported on the front page should help inform people in the community of this achievement.

Ms. Edwards stated that she is also pleased that the article included information regarding the offset proposal which is of great concern. She referenced Ms. Austin's statement regarding RRHA's investments and noted that the proposed offset has RRHA in a position of not being able to invest long term because of penalties that will be charged if RRHA has to convert the funds to cash for operating expenses.

Ms. Edwards stated that national associations are advocating for an across the board proration of funding cuts as opposed to only reducing funding to agencies that

have reserves, and Ms. Edwards fully supports the across the board proration approach, which has been used by HUD in the past. Ms. Edwards stated that she is aware that funding reductions are a current and future reality; however, she believes the reductions should be distributed fairly. Ms. Edwards stated that RRHA has worked hard to set aside the reserve funds for repairs, renovations and emergency needs for public housing.

Ms. Edwards asked if there were any questions.

Commissioner Butler congratulated Ms. Edwards and the entire RRHA staff on the wonderful article in the Roanoke Times and stated that the Board has known over the last three years the work that has been done to reestablish RRHA and how gratifying it is to finally see it in print so the public knows what a great job RRHA staff has done. Ms. Edwards thanked Commissioner Butler for his comments.

Commissioner Butler asked about the HUD notice regarding not spending reserve funds in anticipation of the reserve offset and whether there is a formula to determine how much reserves will remain based on the number of public housing units. Ms. Edwards stated that the latest information she has received is that HUD will use the amount of reserves at the end of the prior year, which would be September 30, 2010 as a baseline for calculating the offset. If RRHA has spent funds and does not have the reserves to fund operations, then the agency would have to reduce operating expenses to whatever degree was necessary to operate with the reduced subsidy funding. Ms. Edwards stated that, according to information provided by NAHRO, the proposal at this point is to treat any reserve above four months of operating expenses as excess reserve with the cap set at twelve months, meaning that some housing authorities will

receive no operating subsidy for the year. Ms. Edwards stated that based on the proposal it appears likely that RRHA's operating subsidy will be prorated by at least 50%, which means RRHA public housing will be operating on reserves for 6 to 7 months of the year.

Commissioner Butler stated that it appears going forward there is no incentive to accumulate more than 6-7 months of reserve funds. Ms. Edwards stated that Commissioner Butler is correct and the proposal promotes wasteful spending and provides a disincentive to build reserves. Ms. Edwards stated RRHA, as well as many other housing authorities, has been responsible and set aside reserves for repairs, renovations, and emergency needs of RRHA's aging public housing stock. Ms. Edwards stated that if the proposal is implemented, not only would there be a lack of incentive to build reserves, but an actual disincentive is created if agencies with no reserves receive 100% funding.

Ms. Edwards stated that she feels it is responsible to build a reserve; however, if the proposal is approved she could not advocate building reserves in the future even though it goes against her best judgment as a responsible manager. Ms. Edwards stated that, with the age of the buildings at RRHA's public housing sites, and the reserves not available to use towards the needs of these aging buildings, there is no reason not to spend operating funds as they are received.

Vice-Chair Garner asked what prompted HUD to take this action to propose use reserve funds and asked for an update on the progress of the national associations efforts to advocate for HUD to implement an across the board reduction in funds for all agencies. Ms. Edwards stated that HUD has proposed use of reserve funds for Fiscal

Year (FY) 2012 as a way to make sure all agencies have 100% funding for FY 2012 while reducing funds in the federal budget for Public Housing Operating Subsidy by \$1 billion. Ms. Edwards stated that HUD's view is that reserve funds are public housing funds available for use for operations and that agencies without reserves need to be provided full funding because they have no other source of operating funds. Ms. Edwards noted that RRHA has received no more than 100% of operating subsidy funding in any year and has received prorated subsidy funding as low as 83%. Ms. Edwards stated that RRHA has taken the approach that RRHA needs to get the best deal with taxpayer dollars and be frugal with the funds received and, through that approach, has built a responsible reserve. Ms. Edwards stated that, in her opinion, the flaw in HUD's proposal is that it establishes a policy precedent that promotes wasteful spending.

Ms. Edwards stated that the national associations have been meeting with legislators serving on the appropriations committees as well as Transportation Housing and Urban Development (THUD) subcommittee members; however, there has been no action taken relative to the 2012 budget so it is not known at this point whether those advocacy efforts have had an impact. The House of Representatives THUD Subcommittee has heard testimony from the Assistant Secretary of Public and Indian Housing.

Vice-Chair Garner asked whether Congress has to approve the offset of reserve funds or this is something HUD can implement administratively. Ms. Edwards stated that the President's budget proposal to Congress includes the offset and a billion dollars in reduced spending for public housing. Ms. Edwards stated that she believes

Congress could approve a budget with the proposed funding reduction but direct a different methodology for distribution of the reduction.

Chairperson Burruss asked how much RRHA has in operating reserves for public housing. Ms. Edwards stated that RRHA has approximately 14 months of operating reserves. Ms. Austin stated that she has not been informed by HUD as to which line items from the budget will be included in the calculation of excess reserves available for offset; therefore, it is difficult at this point to make an accurate projection of the potential impact on RRHA.

Vice-Chair Garner asked if it is correct that HUD sets up parameters to determine if RRHA has excess reserves. Ms. Edwards stated that excess reserves is a new term that was used for the first time with this proposal. In order to get the maximum points on Public Housing Assessment System (PHAS) scoring in the section on operating reserves, there must be 6 months of operating reserves. Ms. Edwards stated that there has not been a time when HUD has limited the amount of reserves that an authority can maintain for public housing. Ms. Austin stated that RRHA has never been penalized in the past for what is now being termed as excess reserves.

Chairperson Burruss stated that the baseline date HUD is looking at is September 30, 2010 and asked if there is anything RRHA needs to look at prior to September 30, 2011. Ms. Edwards stated that she has asked the management staff in public housing not to do anything wasteful but to review their lists of needs for the properties and make any purchases they can now rather than waiting until next year.

Chairperson Burruss stated that residents of public housing are the ones who are being penalized and if there are things that can be done to improve safety and dwelling

units, RRHA should do those things now. Ms. Edwards stated she could not agree more with Chairperson Burruss' statement.

Commissioner Witten asked if larger agencies have smaller excess reserves. Commissioner Boitnott stated that it probably depends on how the agencies are operated. Ms. Edwards stated that she is not whether there is a general correlation between size of the agency and amount of reserves. The Norfolk Housing Authority is larger than RRHA and has a larger reserve than RRHA. Ms. Austin stated that some of the largest agencies have the largest needs and have used their reserves to fund their operations.

Chairperson Burruss stated that the accumulation of reserves is a reflection of choices that are made and decisions regarding spending.

Mr. Roger Vest, RRHA VP of Real Estate Development, stated that HUD has also changed the rules by prohibiting the use of reserve funds for Capital or Development Projects. Mr. Vest stated that improvements at Jamestown Place such as repairs to porches, siding, and concrete work for wheelchair accessibility were partially funded with reserve funds. Mr. Vest stated that it is prudent, with the number of housing units and the high-rise buildings RRHA operates, that reserve funds be maintained beyond day to day operating expenses.

Ms. Austin stated that in order to complete some of the renovations that have been accomplished it took years of prudent management to compile the money to have funds available for such projects. Ms. Edwards stated that it has been RRHA's thinking that RRHA would accumulate enough funds in reserves for high impact projects. Ms. Edwards stated that she finds it ironic that some projects would likely already have been

undertaken had RRHA not received \$3.2 million in Stimulus funding. RRHA has limited human resources and the Stimulus funds had to be spent within a short timeframe, in addition to completing planned Capital Fund projects, which limited RRHA's ability to take on other large scale projects.

Commissioner Boitnott stated that in order to make an impact, he thinks the Board needs follow up with a copy of the Roanoke Times article, along with a letter signed by the entire Board to Congressmen Griffith and Goodlatte and the two Senators from Virginia. Ms. Edwards stated that she thought Commissioner Boitnott made a great suggestion.

Chairperson Burruss stated that Commissioner Boitnott had an excellent idea and stated again that if RRHA does not have reserves beyond 4 months all the agency can do is no more than window dressing, and RRHA will not be able to focus on infrastructure which will ultimately lead to deterioration of the public housing sites.

Ms. Edwards stated that as Mr. Vest said, HUD's recent change in interpretation prohibiting use of reserve funds for Capital Projects is an additional roadblock to responsible management. Chairperson Burruss agreed.

Chairperson Burruss asked Commissioner Boitnott if he would like to offer a motion regarding his suggestion to write to the Congressmen and Senators.

Commissioner Boitnott introduced a motion to write a letter signed to be signed by all RRHA Commissioners to Congressmen Goodlatte and Griffith and Senators Webb and Warner regarding the proposed offset of reserves, with the letter emphasizing that the proposal is not producing an environment of good, sound fiscal responsibility in government and sets the wrong precedent going forward. 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 as introduced.

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

Ms. Edwards stated she would prepare the letters for the signatures of Commissioners.

Chairperson Burruss thanked Ms. Edwards for her report.

### 3. Staff Reports

Chairperson Burruss asked if there were any staff reports. There were none.

### 4. Committee Reports

Chairperson Burruss asked for committee reports.

Commissioner Boitnott stated that the Affiliates Committee had met and, given the economic environment, everything is going in the right direction. The last home on Miller's Hill is listed for sale.

Commissioner Karnes stated that the Personnel Committee continues to work on review of retirement plan options.

### 5. Commissioner Comments

Chairperson Burruss asked if there were any Commissioner comments.

Commissioner Boitnott asked if the cameras that have been installed at the public housing sites helped with the investigation of the shooting at VAL and Hunt Manor. Ms. Edwards stated that she is not sure of what information was obtained but she understands that footage recorded by some of the cameras was helpful at Hunt

Manor. The cameras at VAL are not operational at this time. Ms. Edwards stated that due to the need of installation of outside electrical panels has caused the delay. She asked Joel Shank to provide the Board with an update. Mr. Shank stated that the installation of electrical panels is underway and should be completed within a month, and cameras at VAL should be installed and functioning within 60 days.

Chairperson Burruss asked if the shootings were toward destination targets or random. Ms. Colston stated that her understanding is that one gentleman who has some issues with other men in another section of Roanoke and, whatever is going on, the men are bringing their issues to VAL. Ms. Colston stated they come through VAL and start shooting at one another, and some residents cars have been struck by bullets.

Ms. Edwards stated that too often the people who are struck by bullets are not the intended targets, and she does not want VAL to be the place that these gentlemen are bringing their fight.

Commissioner Boitnott asked about the security guard that was murdered at Afton Gardens. Ms. Colston stated that the police had reason to believe that the people who were involved in the shooting came to VAL. Ms. Colston stated that the suspects had been seen at VAL before and the police executed a search warrant but found the suspect somewhere other than VAL property. Ms. Edwards stated that the suspects in the Afton Gardens shooting and the suspects involved in the shootings at VAL are not apparently the same people.

Chairperson Burruss stated that Ms. Edwards had suggested that Mr. Nick Conte, RRHA Legal Counsel, would be willing to provide ethics training for the Board of Commissioners. Ms. Edwards stated that Mr. Conte's training would be free of charge.

Mr. Conte stated that 4 hours of training is included in to the contract to be provided to RRHA at no charge, and that it may be an easier way to conduct ethics training in more flexible time increments. Mr. Conte stated he would be happy to provide ethics training.

Chairperson Burruss asked if following a Board meeting would be a workable time. Mr. Conte stated that would be a very good time to have training. Commissioner Butler stated that training after a Board meeting would be more suitable to him as opposed to Saturday training. Chairperson Burruss asked the Commissioners to call or email Ms. Edwards if they have any questions.

Ms. Edwards stated that any Commissioner who is interested in the National Association of Housing and Redevelopment Officials (NAHRO) Commissioners Certification, which is not a HUD requirement, would need to attend NAHRO ethics training, and those arrangements can be made individually.

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. There were none.

### III. CONSENT AGENDA

C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, June 27, 2011.

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

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

RECOMMENDED ACTION: File as submitted

Vice-Chair Garner 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. Resolution No. 3655

Mr. Joel Shank, RRHA Capital Improvements Director asked for approval of Resolution No. 3655 awarding a contract for sidewalk improvements for Lansdowne Park. Mr. Shank stated that he held a working paper review with the contractor who submitted the low bid, and the contractor had left out work related to the handrails, resulting in an obvious error in his bid. In accordance with RRHA's Procurement Policy, RRHA allowed the contractor to withdraw his bid.

Commissioner Butler asked if Smith's Home Improvement Corporation had any interest in resubmitting their bid. Mr. Shank stated that they had no interest in resubmitting.

Vice-Chair Garner asked if there is an option to resubmit a bid. Mr. Shank stated there is not. Vice-Chair Garner stated that there was a similar situation last month regarding the contract award for replacement windows and asked if the requests for proposals are plain and easy to understand. Mr. Shank stated that with the replacement window contract last month, the error was related to the contractor's interpretation of the plans. Mr. Shank stated in the current situation, the bid package

included drawings, and the contractor simply overlooked the handrail work when calculating his bid.

Chairperson Burruss asked if there was a pre-bid meeting opportunity. Mr. Shank stated that there was a pre-bid meeting and site visit.

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

Commissioner Butler introduced Resolution No. 3655 and moved its adoption as introduced:

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDING A CONTRACT FOR SIDEWALK IMPROVEMENTS FOR LANSDOWNE PARK UNDER THE CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36PO1150109 AND GRANT NUMBER VA36PO1150110**

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded grants from the Department of Housing and Urban Development (HUD) Capital Fund Program (CFP), grant number VA36PO1150109 in the amount of \$2,359,389.00 and grant number VA36PO1150110 in the amount of \$2,171,100.00; and

WHEREAS, Site Accessibility (sidewalks, steps, handrails) for Lansdowne Park, was included on the Annual Statements detailing the planned use of CFP grant number VA36PO1150109, which was approved by the RRHA Board of Commissioners by Resolution No. 3544-Revised on June 22, 2009, and CFP grant number VA36PO1150110, which was approved by the RRHA Board of Commissioners by Resolution No. 3603 on July 26, 2010; and

WHEREAS, RRHA needs a qualified contractor to make sidewalk improvements for VA11-1 Lansdowne Park, AMP 201; and

WHEREAS, RRHA issued an Invitation for Bid on June 5, 2011, with bids being due on June 28, 2011; and

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

<u>Bidder</u>	<u>Total Bid Amount</u>
Smith's Home Improvement Corporation	\$143,499.00
S. C. Rossi and Company, Inc.	\$217,510.00

WHEREAS, after performing a working paper review and in accordance with RRHA's Procurement Policy, which allows withdrawal of bid if there is an obvious error in the bid such as a math error, when the mistake is readily apparent from the bid itself, Smith's Home Improvement Corporation's request to withdraw its bid after opening was approved; and

WHEREAS, S. C. Rossi and Company, Inc. submitted the bid with the second lowest amount; and

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

WHEREAS, review, evaluation, and confirmation of bid documentation has been completed, and S. C. Rossi and Company, 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 S. C. Rossi and Company, Inc.; and

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

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

- (1) The bid submitted by S. C. Rossi and Company, Inc. be and hereby is accepted;
- (2) The Executive Director be and hereby is authorized and directed to execute a standard contract for construction, which by reference is inclusive of all plans, specifications, addenda and related project documents, between S. C. Rossi and Company, Inc. and RRHA for the fixed price of \$217,510.00.
- (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. 3655 adopted as introduced.

2. Resolution No. 3656

Mr. Joel Shank asked for approval of Resolution No. 3656 awarding a contract for replacement of domestic hot water heaters for Hunt Manor.

Commissioner Boitnott asked if the work could be delayed and the project sent out for bid again since there was only one responsive bid. Mr. Shank stated RRHA could send out another Invitation for Bids (IFB), however RRHA would like to move this project forward in order to stay on track with the plan for capital improvements. Mr. Shank stated that he prepares an independent cost estimate prior to issuing the IFB in order to be able to determine if bids are reasonable.

Commissioner Boitnott asked if the proposal was within Mr. Shank's estimate. Mr. Shank stated that it was within his estimate. Ms. Edwards stated that if the bids are 15% higher than the independent cost estimate, RRHA would generally go back out with a new IFB.

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

Commissioner Boitnott introduced Resolution No. 3656 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR REPLACEMENT OF DOMESTIC HOT WATER HEATERS FOR HUNT MANOR UNDER THE CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36PO1150107 AND CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36PO1150110

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 VA36PO1150107 in the amount of \$2,364,895.00 and grant number VA36PO1150110 in the amount of \$2,171,100.00; and

WHEREAS, replacement of domestic hot water heaters for Hunt Manor, was included on the Annual Statement detailing the planned use of CFP grant number VA36PO1150107, which was approved by the RRHA Board of Commissioners by Resolution No. 3426 on July 16, 2007, and CFP grant number VA36PO01150110, which was approved by the RRHA Board of Commissioners by Resolution No. 3603 on July 26, 2010; and

WHEREAS, RRHA needs a qualified contractor to replace domestic hot water heaters at VA11-5 Hunt Manor, AMP 259; and

WHEREAS, RRHA issued a Invitation for Bid on June 5, 2011, with bids being due on June 28, 2011; 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>
Valley Boiler, Inc.	\$239,000.00

WHEREAS, the bid submitted by Valley Boiler, Inc. was determined to be responsive; and

WHEREAS, the amount of the bid submitted by Valley Boiler, 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 Valley Boiler, 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 Valley Boiler, 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:

- (4) The bid submitted by Valley Boiler, Inc. be and hereby is accepted;
- (5) 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 Valley Boiler, Inc. and RRHA for the fixed price of \$239,000.00.
- (6) 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 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. 3656 adopted as introduced.

3. Resolution No. 3657

Cathy Wells, VP of Resident Services and Administration asked for approval of Resolution No. 3657 approving revision of the Personal Time Off Policy. She explained the proposed changes, which are highlighted in the Board materials located behind the Resolution.

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

Commissioner Boitnott introduced Resolution No. 3657 and moved its adoption as introduced:

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING REVISION OF THE PERSONAL TIME OFF POLICY

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) offers paid time off benefits to its employees as described in the Personal Time Off Policy No. 311; and

WHEREAS, the current Personal Time Off Policy No. 311 was approved by the Board of Commissioners by Resolution No. 3640 on April 25, 2011 and implemented effective July 1, 2011; and

WHEREAS, RRHA has determined that clarifying language should be added to the Policy to specify timeframes for eligibility and maximum accrual for Limited Supplement, and policy language should be modified regarding expectations for employees notifying supervisors of unscheduled time off; and

WHEREAS, the Personnel Committee of the RRHA Board of Commissioners supports and recommends approval of these policy revisions.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the attached revised Personnel Policy No. 311, Personal Time Off, is approved.

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. 3657 adopted as introduced.

V. **ADJOURNMENT**

There being no further business to come before the Board, Vice-Chair Garner moved that the meeting be adjourned.

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 declared the meeting adjourned at 3:57 p.m.

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Gail Burruss, Chairperson

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Glenda Edwards, Secretary-Treasurer

## PERSONAL TIME OFF

### DEFINITIONS

Paid Time Off (PTO) provides all regular full and part-time staff members with paid time away from work that can be used for vacation, personal business, and brief personal or family illness. PTO must be scheduled in advance and have supervisory approval, except in the case of an unexpected illness or emergency.

Limited Supplement (LS) provides all regular full time staff members a benefit that may be used to supplement pay up to the 100% level of compensation during qualifying events in connection with Short Term Disability (STD), Workers' Compensation (WC), or a serious health condition of the employee or others as defined in RRHA's FMLA Policy.

The payment of LS is available following the satisfaction of seven (7) calendar days waiting period for STD and WC qualifying events. The payment of LS is available for a qualifying FMLA absence as described above when the absence exceeds seven (7) consecutive calendar days.

#### Special Note:

- *LS benefits include no provision of job protection nor do they alter RRHA's policy as relates to Employment-At-Will.*
- *LS banks are intended for the sole use of employees in "active" status; therefore, LS is not paid out upon termination of employment nor does this benefit extend beyond active employment.*

Short Term Disability (STD) is an insurance plan designed to provide all active regular full time staff members with a percentage of salary should an employee be qualified as temporarily disabled due to illness or accident for a period exceeding seven (7) days.

### ELIGIBILITY

- All regular full and part-time employees are eligible to earn PTO.
- All regular full time employees with outstanding Sick Leave balances at the time of transition to PTO are eligible for conversion of this balance to Limited Supplement.
- All regular full time employees are eligible for Limited Supplement accruals subject to the maximum balance stated in this policy.
- All regular full time employees are eligible for Short Term Disability coverage subject to qualifying claims.
- Part time regular employees are not eligible for LS benefits with the exception of Part Time regular employees who have Sick Leave balances on the effective date of this policy. Those balances will be converted to LS; however, no additional LS hours will be provided.
- Part time employees are not eligible for Short Term Disability.
- Temporary and contract employees are not eligible for PTO, Limited Supplement or Short Term Disability.

### PTO CREDIT SCHEDULE

#### Regular Full Time:

Earned PTO is credited following the end of each full calendar month of completed service based on the following schedule:

<i>Period of Continuous Regular Employment</i>	<i>Per Full Calendar Month of Service</i>
Hire date to 2 year anniversary	9 Hours
2 year anniversary to 5 year anniversary	11 Hours
5 year anniversary to 10 year anniversary	13 Hours
10 year anniversary to 20 year anniversary	15 Hours
20 year anniversary to all following years	17 Hours

New Hires:

New hires begin earning PTO upon completion of their first full calendar month of employment.

Regular Part Time:

Regular part-time employees will accrue a percentage of PTO as listed for regular full time employees. The percentage is calculated based on the number of hours the part time employee is regularly scheduled to work as compared to a full time schedule of 37.5 hours. Example: An employee who works regularly works an 18.75 hour schedule will accrue 50% of the PTO hours earned by a regular full time employee.

Reemployment:

If an employee who separated voluntarily from RRHA is reemployed, PTO will be earned beginning with completion of the first full calendar month of reemployment. If an employee is reemployed within 5 years of voluntary separation, the employee will be awarded full prior service credit for purposes of application of the PTO Credit Schedule. No past service credit is awarded for employees reemployed after 5 years away from the agency.

**LIMITED SUPPLEMENT CREDIT SCHEDULE**

All accrued Sick Leave that full time and part time employees have earned at the time of transition will be placed in an individual LS bank for each employee. Regular full time employees, who have not reached the maximum number of hours of accrued LS allowed, will accrue LS following each full calendar month of completed continuous service.

<i>Period of Continuous Regular Employment</i>	<i>Per Full Calendar Month of Service</i>
Hire date to 2 year anniversary	3 Hours
2 year anniversary to 5 year anniversary	5 Hours
5 year anniversary to 10 year anniversary	6 Hours
10 year anniversary to 20 year anniversary	7 Hours
20 year anniversary to all following years	8 Hours

Part time regular employees may have a transitional LS bank but will not accrue additional LS. Transitional LS banks for part time regular employees will remain active until hours are depleted by qualifying events under STD, WC and FMLA.

New Hires:

New hires begin earning LS upon completion of their first full calendar month of employment.

Maximum Accrual:

The maximum accrual for LS is equal to 195 hours ~~40% of the number of hours available under STD coverage.~~ (Employees who transitioned hours into LS from their Sick Leave bank may carry a higher maximum; however, they will not earn additional LS until the end of the first full calendar month after their LS bank balance is below the stated maximum.) Employees who have the maximum accrual as of the end of any calendar month will not earn additional LS hours for that month. If the full accrual amount for any given month would bring the employee's LS hours above the maximum, the employee will earn only the number of hours required to reach the maximum.

**ADMINISTRATION**Scheduled PTO (SPTO)

SPTO may be scheduled any time throughout the year, based on the operational needs of the department. SPTO must be approved in advance by the employee's supervisor. SPTO may be scheduled in increments of fifteen minutes.

It is expected that employees provide a minimum 2 week notice (or as far in advance as possible) for SPTO requests of 2 or more days in duration to their Supervisor for approval. RRHA will make reasonable efforts to accommodate the employee's request; however, all SPTO requests are subject to the business needs of the agency. Where conflicts develop, the supervisor will make every effort to resolve the issue as fairly as possible. Preference will be based on the priority work needs of the department.

If medical reasons cause a staff member to request SPTO in excess of three consecutive work days, a doctor's Fitness for Duty release is required before the staff member may return to work regardless of whether the absence qualifies for Short Term Disability, Workers' Compensation or FMLA. Such release should be submitted to the staff member's supervisor and then forwarded to the Human Resources Department.

#### Unscheduled PTO (UPTO)

PTO that is not scheduled and approved by the close of the previous business day is considered to be an unscheduled PTO (UPTO) incident. If advance notice is not possible, notification by phone must be given by the employee to his or her Supervisor. Notification calls must be made prior to the scheduled start time of the employee's workday ~~within the first hour of the workday~~ on the first day of UPTO. If the Supervisor is not available, then the Department Director or Division VP must be contacted. Consecutive UPTO days are counted as a single occurrence.

Supervisors will require employees to maintain contact for any period of UPTO on a day-to-day basis, unless the employee has provided a doctor's certification covering a specified period.

An employee's failure to notify his or her Supervisor as noted in this policy is considered a violation of RRHA's standards of employee conduct and may result in disciplinary action, up to and including termination.

UPTO will be monitored for compliance with agency attendance policy and for noted patterns of misuse. The use of UPTO is addressed through formal and informal performance evaluation and also through the disciplinary process. It is expected that both the supervisor and employee work together in an attempt to avoid occurrences of UPTO in excess of RRHA's attendance policy or noted patterns of misuse. UPTO in excess of the agency's attendance policy may result in disciplinary action up to and including termination.

FMLA, Workers' Compensation, Bereavement, Court, Uniform Services and Short Term Disability absences are not included in the UPTO calculations as relates to meeting the agency's attendance policy. UPTO taken in excess of the PTO bank will be Leave without Pay and will be subject to the Leave without Pay policy.

If medical reasons cause a staff member to incur UPTO in excess of three consecutive work days, a doctor's Fitness for Duty release is required before the staff member may return to work regardless of whether the absence qualifies for Short Term Disability, Workers' Compensation, or FMLA. Such release should be submitted to the staff member's supervisor and then forwarded to the Human Resources Department.

#### Other

RRHA reserves the right to require employees to use PTO on those occasions where the best interest of the agency will be served.

Employees absent without notice for three (3) consecutive scheduled workdays will be considered to have voluntarily resigned.

When non-exempt employees incur PTO during a given work week and subsequently work hours beyond their regular schedule, the Supervisor will charge the PTO balance with only the number of hours necessary to result in payment for the full work schedule for that week. Example: Monday: 7.5 SPTO, Tuesday 9.5 Regular Hours, Wednesday 9.5 Regular Hours, Thursday 7.5 Regular Hours, Friday 7.5

Regular Hours. Total: 41.5 hours. The Supervisor will reduce the SPTO hours to 4.0 in order to adjust the compensation for the full work schedule of 37.5 hours.

Employees may not borrow against PTO hours expected to be awarded in future months.

**PAYMENT OF UNUSED PAID TIME OFF**

At the time of separation, employees who separate voluntarily from employment with RRHA will be paid for the balance of unused PTO, to a maximum of 75 hours.

To qualify for payment of unused PTO, the employee voluntarily departing RRHA must work at least a full two week notice, without interruption, directly prior to separation. No Leave, either approved or unapproved, may be taken during the time the employee works his/her notice.

With the exception of those situations noted below, employees who are involuntarily separated from RRHA are not eligible for payout of their PTO balance.

Exceptions include:

- Reductions-in-Force
- Serious Health Condition (as defined by FMLA)
- Exhaustion of FMLA
- Workers' Compensation
- Death
- Exceptions approved by the Executive Director

Employees who meet the exception criteria will be paid out their full PTO balance at time of separation.

**PTO CARRY OVER**

Employees with PTO balances in excess of 75 hours remaining as of the close of business on December 31 will not earn additional PTO accrual until the end of the first full calendar month after the balance falls below 75 hours. From that point, employees will accrue additional PTO according to the PTO Credit Schedule for the remainder of the calendar year.

EXAMPLE	JAN	FEB	MAR
First of Month	96*	96	58.5
Accrued	0	0	Employee will receive full accrual each month for the remainder of the year. <b>10 HOURS</b>
Used	0	37.5	0
End of Month	96	58.5	68.5
	* Excess Carryover at year end is any balance greater than 75		

**MANAGEMENT OF PTO**

Employees are responsible for managing their PTO accounts. It is important that employees plan ahead for how to use it. This means developing a plan for taking vacations, as well as time off for other reasons. It also means holding some time in reserve for the unexpected, such as emergencies and brief illness.

**EXCEPTIONS**

The Executive Director may approve exceptions to this policy when the best interest of the agency is served.