

CITY OF ROANOKE
REDEVELOPMENT AND HOUSING
AUTHORITY



BOARD OF COMMISSIONERS

REGULAR MEETING

November 28, 2022



PUBLIC NOTICE OF MEETING

The **REGULAR MEETING** of the
City of Roanoke Redevelopment and Housing Authority
BOARD OF COMMISSIONERS

will be held on

Monday, November 28, 2022
at 3:00 p.m.

As set forth in the Americans with Disabilities Act (ADA) of 1990 and Section 504 of the Rehabilitation Act of 1973, RRHA does not discriminate on the basis of disability, and is willing to assist citizens with special needs. If you have a hearing or vision disability and wish to attend any RRHA public meeting, please contact us seven (7) days prior to meeting date at (540) 983-9286 or Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike, NW, Roanoke, VA 24017.

Date of Public Notice: November 21, 2022



AGENDA

REGULAR MEETING OF THE COMMISSIONERS OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY 2624 Salem Turnpike, NW – Roanoke, Virginia – 24017

November 28, 2022
3:00 pm

I. CALL TO ORDER – ROLL CALL

Anguiano; Garner; Karney; Kepley; Smith; Spickler; Walker

II. REPORTS

1. Executive Director's Report – David Bustamante
2. Staff Reports
3. Committee Reports
4. Commissioner Comments
5. City Council Liaison Comments or Discussion
6. Residents or other community members to address the Board

III. CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine by the Board of Commissioners and will be enacted by one motion in the form listed below. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and considered separately.

- C-1 Minutes of the Regular Meeting of the Board of Commissioners held Monday, October 24, 2022.

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

- C-2 Monthly Operations Report for the month of October 2022.

RECOMMENDED ACTION: File as submitted.

Consideration for approval of the above Consent Agenda:

Motion _____ Second _____

Anguiano; Garner; Karney; Kepley; Smith; Spickler; Walker

IV. **REGULAR AGENDA**

1. **Resolution No. 4136**

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDED A CONTRACT FOR NATURAL GAS UTILITY INFRASTRUCTURE IMPROVEMENTS FOR BLUESTONE PARK, AMP 259, UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150122

Motion _____ Second _____

Anguiano; Garner; Karney; Kepley; Smith; Spickler; Walker

2. **Resolution No. 4137**

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDED A CONTRACT FOR REPLACEMENT OF HEATING SYSTEMS FOR HUNT MANOR, AMP 259, UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150122 AND VIRGINIA HOUSING PUBLIC HOUSING REVITALIZATION GRANT

Motion _____ Second _____

Anguiano; Garner; Karney; Kepley; Smith; Spickler; Walker

3. **Resolution No. 4138**

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDED A CONTRACT FOR SECURITY IMPROVEMENTS FOR MELROSE TOWERS, AMP 206, UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150122

Motion _____ Second _____

Anguiano; Garner; Karney; Kepley; Smith; Spickler; Walker

4. Resolution No. 4139

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY (RRHA) TO ADOPT THE IRS SECTION 125 PREMIUM PLAN ONLY PLAN DOCUMENT FOR THE PLAN YEAR JULY 1, 2022 THROUGH JUNE 30, 2023 AND AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE ACCORDINGLY.

Motion _____ Second _____

Anguiano; Garner; Karney; Kepley; Smith; Spickler; Walker

V. **ADJOURNMENT**

Motion _____ Second _____

Anguiano; Garner; Karney; Kepley; Smith; Spickler; Walker

The Public is advised that members of the Roanoke Redevelopment & Housing Authority (RRHA) Board of Commissioners receive the RRHA Board meeting agenda and related communications, reports, and resolutions, etc., on the Tuesday prior to the Board Meeting to provide sufficient time for review of information. Citizens who are interested in obtaining a copy of any item listed on the Agenda may contact the office of the RRHA Executive Director, 2624 Salem Turnpike, NW, Roanoke, Virginia 24017 or by calling 540-983-9283. NOTE: Full disclosure of some items on the agenda may not be available until after the RRHA Board of Commissioners has approved and/or acted upon such items.

APPROVAL OF MINUTES

REGULAR MEETING

OCTOBER 24, 2022

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 on Monday, October 24, 2022.

I. CALL TO ORDER – ROLL CALL

Chair Walker called the meeting to order at 3:01 p.m. and declared that a quorum was present.

PRESENT:	Commissioners Anguiano, Garner, Spickler, Chair Walker Commissioner Karney joined via phone after Chair Walker conducted a vote
ABSENT:	Commissioner Kepley, Commissioner Smith
OFFICER PRESENT:	Mr. David Bustamante, Secretary-Treasurer
ALSO PRESENT:	Mark Loftis, Legal Counsel; Evangeline Richie, VP of Housing; Joel Shank, VP of Operations; Jackie Austin, VP of Finance/CFO; Greg Goodman, Director of Community Support Services; Leanna Pagans, Interim Administrative Executive Assistant; Jasey Roberts, PR/Social Media/Marketing Manager; Stephanie Moon Reynolds, City Council Liaison; Suzzette McCoy, Compliance and Quality Assurance Specialist; Fredrick Gusler, Director of Redevelopment and Revitalization

Chair Walker welcomed everyone to today's meeting and stated that Commissioner Karney would be joining the meeting via phone. She noted that Vice Chair Karney would provide a brief explanation about why she was calling in and where she was calling from. Vice Chair Karney said that, due to medical issues, she

is still working from home which is in Glade Hill, VA. Commissioner Garner introduced a motion to allow Commissioner Karney to participate remotely.

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

AYES: Commissioners Anguiano, Garner, Spickler, Chair Walker

NAYS: None

Chair Walker thereupon declared said motion carried and Commissioner Karney was allowed to join the meeting.

II. REPORTS

1. Executive Report.

Mr. Bustamante addressed the Board stating that he had one item that he would like to share. At the beginning of the FY 2022 HUD allowed RRHA to request a waiver from our Public Housing Assessment System or PHAS. This assessment covers financials, occupancy, tenant account receivables and physical inspections. That letter was submitted in February of 2022 and last week we, along with other housing authorities, received a letter indicating that the waiver was denied. The reason that the waiver was denied is because HUD wanted specific information as to why the waiver is being requested. Ms. Richie and I wrote a two page letter that indicated that, as a result of COVID-19, a lot of things were impacted. Among these was the inability to hire and maintain maintenance workers as well as obtain certain materials such as cabinets and paint. All of this played into our inability to occupy these units as quickly as possible. RRHA did an excellent job of trying to obtain as much rent from the rental assistance programs as possible, but there were individuals that either did not apply or

we could not get them to come in and apply. Those individuals still owed those amounts of rent, which was a negative citing on the report for PHAS, tenant account receivables. RRHA submitted another letter specifying why we needed this waiver. Mr. Bustamante stated that he is letting the Board know because RRHA scored a 92 the last time that we were scored for PHAS. Ms. Richie and I did the best we could to crunch numbers, but there is a good possibility that if all these things are counted against us, we will become a standard performer instead of a high performer. Mr. Bustamante added, if that does happen, it was not because the staff of this organization did not do their work or something was missed or not completed. Mr. Bustamante explained that he is letting the Board know so that there are no surprises, but some things are out of our control. Ms. Austin has until November 30th to submit the REAC and the Board will be notified as soon as we hear something from HUD.

Commissioner Anguiano asked if the waiver is granted retroactively. Mr. Bustamante replied that it will be for the year 2022 and anything that happens as of October 1, 2022 will then count for the 2023 year.

Commissioner Garner asked what the plan of action is for those individuals that did not apply for the Rent Relief Program. Mr. Bustamante stated that there are several families that did not take advantage of that program even though we reached out to them physically and went to their homes, knocked on their doors and asked them to apply. Unfortunately, those individuals will be facing eviction. If they have not already received an unlawful detainer then they will be receiving one shortly. Mr. Bustamante added that there are some individuals that received 18 months' worth of back rent or ten months' worth of back rent, but after they received their payment and were made

whole, they stopped again. Therefore, those individuals are also in the process of facing eviction if they do not pay their rent in full. Ms. Richie noted that in addition, RRHA offered payment arrangements with some of the families that did not go through the rent relief process. If those families failed to come in to submit their applications or failed to enter into a repayment agreement, we will have to move forward with the eviction process. Mr. Bustamante went on to say that during this time, our tenant accounts receivables were impacted by the lack of payment, thus, the waiver is very important in going forward. These tenants either pay their rent or we go back to, unfortunately, giving them as many opportunities to apply for a payment agreement as possible. In the end, if they do not, then they will face eviction.

Commissioner Spickler asked if there were other housing authorities that also got denied. Mr. Bustamante said that RRHA is not the only housing authority that has been impacted by this letter. There were a lot of executive directors that were also denied because they did not explain why they wanted the waiver. Ms. Richie commented that one of the most concerning things, is that this letter came after the close of the fiscal year end. We were under the assumption that by applying for that waiver in February we would get it. Now that things have closed out they are going to count that prior year, after the fact.

Chair Walker asked for further questions. There were none.

2. Staff Reports

Chair Walker asked for staff reports. There were none.

3. Committee Reports

Chair Walker asked for committee reports. There were none.

4. Commissioner Comments

Commissioner Spickler said that after reading the human resources report she is happy to see that the finance department is fully staffed.

Commissioner Garner asked about the large cash amount in the checking account with Truist Bank. Ms. Austin replied that this cash account offsets banking fees and is not an interest variant. Commissioner Garner asked if it is possible to utilize yearly interest rates for the SRAP Operating Reserve Fund. Ms. Austin stated that this is money that was given to RRHA for the Section 8 program. We are restricted by the state and do not have a say in how it is invested. Commissioner Garner then asked why fixed assets are listed as restricted assets for the Central Office Cost Center. Ms. Austin said that \$120,653 was paid for cost overruns for the development of the eight units at the new Hurt Park public housing development. There was not enough Capital Fund dollars to cover the complete cost of the project. Since HUD will not allow public housing agencies to use operating funds to cover construction costs, it was deemed that the central office would cover the remaining amount. The report should not say Restricted Fixed Assets because they have no criteria that would make the costs restricted and was a mistake in the account title when it was first recorded. The name on the account will be corrected prior to the next reporting period.

5. City Council Liaison Comments or Discussion

Councilwoman Moon Reynolds announced that she has an update on temporary adjustments to library hours. The Regional Library Consortium is updating the integrated library system that is used to manage collections and transactions. This being a major undertaking and requiring extensive staff training, instead of opening at 10:00 a.m., all of the branches will open at 3:00 p.m. with Gainsboro, Belmont and Williamson Road branches opening on November 1. The Main, Melrose and Raleigh Court branches will open on November 7. However, all branches will remain open for after-school events.

The Roanoke Public Libraries and the Roanoke Public Library Foundation have collaborated with the local bookstore, Book No Further, to host a free event at the Grandin Theater on Friday, October 28 from 10:00 a.m. to 11:30 a.m. This event will feature local author Beth Macy who will discuss her latest book, *Raising Lazarus*.

There is good news for this side of town by way of the Northwest Roanoke Hub. As most of you are aware, the city has invested \$10 million for this initiative and it will include the development of a grocery store to increase food access in a recognized food desert as well as other amenities. The MOU and scope of the work have been finalized and are ready for approval. This will include a community grocery store, a wellness center, and a financial center, along with kiosks, circulation and building support.

Councilwoman Moon Reynolds continued by announcing that the Goodwill main office will be relocating and will now be called Melrose Plaza. A formal announcement event has been scheduled for 10:00 a.m. on November 1, at the

Melrose Goodwill Campus. This is an exciting initiative that will be an asset to the EnVision Center and the RRHA Commissioners and staff are invited to attend. Ms. Moon Reynolds ask for questions.

Chair Walker asked if the libraries will be open before 3:00 p.m.

Councilwoman Moon Reynolds stated that for those two days they will not open until then, however they want everyone to know that the afterschool programs will continue.

Commissioner Garner asked for clarification on the relocation of the Goodwill main office. Ms. Moon Reynolds replied that they will be doing renovations for the grocery store and the fitness center so that whole campus area is going to be renovated. They will be giving up their space and will be re-locating permanently.

Chair Walker asked if they have found a new location yet. Councilwoman Moon Reynolds stated that she is unsure but she assumes they must have something in mind.

Commissioner Spickler asked if the services at the Melrose Plaza will be free for residents. Ms. Moon Reynolds said that she is not positive, but she thinks that if it is not free then there may be a nominal fee. They are trying to bring it to the inner city so that they have reasonable access to wellness. Commissioner Spickler commented that joining the YMCA is around \$60 a month so if they can offer these resources for free or minimal cost that would be great.

Commissioner Garner asked if the \$10 million is for everything combined. Councilwoman Moon Reynolds said that is correct. The grocery store is going to be like a community grocery store with fresh produce. Commissioner Garner asked if

there is any way to offer an incentive to other businesses such as Kroger. Ms. Moon Reynolds stated that when Kroger looked for money up front that is being made they did not see that based on demographics. They were looking at a greater return on their investment as opposed to need. Commissioner Garner asked if Goodwill will be sponsoring the Center. Ms. Moon Reynolds said that Goodwill is the one actually doing it. As she mentioned before, there will be a community grocery store where they will be using the community garden for fresh produce that will be sold at a reasonable price. They plan to display historical events from around the inner city throughout the store so, that as people shop, they can read about Roanoke's history.

Ms. Richie asked if the City would have an opportunity for the housing authority to collaborate since it is a compliment of the EnVision Center. Councilwoman Moon Reynolds stated that she had asked a similar question and was told that it was to compliment, not to conflict.

Vice Chair Karney asked who the contact would be regarding renovations and making sure that things are as accessible as they need to be. Councilwoman Moon Reynolds stated that Angie O'Brien is working on this particular project with the Goodwill Center and any of the support that they are offering the community. She also recommended speaking with the city manager to see who else is working with him directly on this project.

Chair Walker asked for further questions. There were none.

6. Residents or other community members to address the Board

Chair Walker asked if there were any residents or community members that would like to address the board. There were none.

CONSENT AGENDA

- C-1 Minutes of the Regular Meeting of the Board of Commissioners held
Monday, September 26, 2022.

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

- C-2 Monthly Operations Report for the month of September 2022.

RECOMMENDED ACTION: File as submitted.

Commissioner Anguiano introduced a motion to approve the Consent Agenda.

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

AYES: Commissioners Anguiano, Garner, Spickler, Vice Chair Karney,
Chair Walker

NAYS: None

REGULAR AGENDA

1. Resolution No. 4132

Mr. Shank presented Resolution No. 4132 seeking the Board's approval for the installation of passive radon vent systems for Hunt Manor. In recent years, HUD started an initiative regarding radon and our public housing properties. RRHA solicited quotations for a consultant to come in and do testing at Hunt Manor. To consider the properties, we first looked at how the properties were constructed. Hunt is what you would consider slab-on-grade. In other words, the floor is right on top of the ground and would be more prone, if radon were present,

to come right up out of the ground. Out of all the properties that are that type of construction, Hunt is the oldest. Testing was done and devices were installed under every apartment unit as well as in the administration building. They put in multiple devices to test in multiple areas within that building. The results showed that there were 20 apartments that have elevated radon levels. The administration building tested high as well. Those results are compared to the national average and with what is present in the atmosphere outside of the building. That information was sent to an architectural and engineering firm and they put together a project to install radon vents. This process is done by cutting a hole in the floor, inserting a pipe, and then directing that out through the roof of the building. A fan would then be situated in the attic to help boost the pressure on that system rather than relying on the passive movement of the gas alone. RRHA had one bid come in from Russel's Remodeling for \$296,000. Mr. Shank noted that, in working through his bid, Mr. Russell found a mathematical error and revised his bid to \$273,000. Once the work is done and a period of time has lapsed they will go back in and re-test to see if the system is accomplishing what it is supposed to. RRHA is now having testing done on one of the other sites and will be repeating the process until all of the properties have been tested.

Commissioner Garner commented that the cost would be about \$13,500 per unit and asked if only the units that tested high are having this system installed. Mr. Shank replied that it will be quite an expenditure over the years. He added that the cost is around \$270 per unit to have them tested. Commissioner Garner asked if a unit is not built on a slab can it still be affected. Mr. Shank explained

that if a crawl space or basement is present then there is some ventilation in those areas as opposed to releasing directly into the unit.

Mr. Bustamante added that RRHA has applied for a grant for radon remediation that will alleviate some of the cost associated with testing and the work that comes behind it.

Chair Walker asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4132 and moved its adoption as introduced.

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

AYES: Commissioners Anguiano, Garner, Spickler, Vice Chair Karney, Chair Walker

NAYS: None

Chair Walker thereupon declared said motion carried and Resolution No. 4132 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR INSTALLATION OF PASSIVE RADON VENT SYSTEM FOR HUNT MANOR, AMP 259, UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150122

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 VA36P01150122 in the amount of \$4,741,515.00; and

WHEREAS, Environmental Hazard Remediation was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150122, which was approved by the RRHA Board of Commissioners by Resolution 4119 on May 23, 2022; and

WHEREAS, RRHA needs a qualified contractor to complete Installation of

Passive Radon Vent System for Hunt Manor, AMP 259; and

WHEREAS, RRHA issued an Invitation for Bid on August 21, 2022, with bids being due on September 13, 2022; and

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

Bidder Bid Amount	Total
Russell's Remodeling, LLC	\$296,000.00

WHEREAS, as a result of a working paper review meeting and negotiations, Russell's Remodeling, LLC revised the amount of the bid to \$273,000.00; and

WHEREAS, the revised 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 revised 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 Russell's Remodeling, LLC and RRHA for the fixed price of \$273,000.00.

(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.

2. Resolution No. 4133

Mr. Shank presented Resolution No. 4133 seeking the Board's approval for modification of contract number 900-1806-1-7. This is the contract that the Housing Authority has with Yardi Systems and is the software we use for the majority of what we do. Over the course of the first several years of the contract maintenance was needed on that software or new units were constructed and entered, thus increasing the amount of the contract. As a result, there is not enough money left in the contract amount to currently cover the remaining year. The Board's approval is requested in order to increase the amount, but not exceed the amount, of the contract by \$125,000.

Commissioner Garner asked if we will be putting this out for bid in the next couple months since this is the last year of the contract. Mr. Bustamante stated that the software contract will not be put out for bid again because the software would have to be changed every five years. Commissioner Garner commented that going forward, it looks like cost for this software could exceed \$145,000 per year. Mr. Shank responded that this could be. RRHA will be working with Mr. Loftis on how to move forward beyond the five years. Commissioner Anguiano asked if we are satisfied with the product after the initial implementation. Mr. Bustamante stated that for the most part, we have been satisfied with the product. It is working well and everyone is getting comfortable with how the system operates. Yardi only provides a certain amount of calls for free when you are a new customer and as a team, we had a lot of questions when some of our units

were converted from Section 8 and Public Housing to PBV.. Unfortunately the cost of everything has increased so our three percent interest rate might become five percent, but that is something we will be talking with Mr. Loftis about.

Commissioner Garner asked for clarification regarding renewing with another five year contract. Mr. Bustamante stated that while we would like to extend it another five years, it all depends on what Mr. Loftis believes would be in our best interest.

Chair Walker asked for further questions. There were none.

Commissioner Garner then introduced Resolution No. 4133 and moved its adoption as introduced.

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

AYES: Commissioners Anguiano, Garner, Spickler, Vice Chair Karney,
Chair Walker

NAYS: None

Chair Walker thereupon declared said motion carried and Resolution No. 4133 was adopted as introduced.

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND
HOUSING AUTHORITY MODIFYING CONTRACT NUMBER 900-1806-1-7
USING PUBLIC HOUSING OPERATING FUNDS**

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) uses a comprehensive software system for administering housing programs and agency management and accounting; and

WHEREAS, the Executive Director was authorized and directed to execute a contract for comprehensive software system for housing programs and agency management and accounting between Yardi Systems, Inc. and RRHA with a not-to-exceed amount of \$574,467.00 with a five-year contract term, by the RRHA Board of Commissioners in Resolution No. 3981 on September 24, 2018; and

WHEREAS, Contract 900-1806-1-7 was executed between Yardi Systems, Inc. and RRHA with a not-to-exceed amount of \$574,467.00 with a five-year period beginning November 20, 2018 and ending November 19, 2023; and

WHEREAS, costs for years 2 through 5 for Contract 900-1806-1-7 were estimated based on a recurring fee amount of \$98,550.00 with annual increases tied to Consumer Price Index, calculated using average historical increases of 3% per year in the Consumer Price Index with year 5 amount estimated at \$111,290.00; and

WHEREAS, over the past four (4) years RRHA has experienced higher than expected costs for maintenance of comprehensive software system; and

WHEREAS, the not-to-exceed amount was increased by \$8,460.00 to \$582,927.00, to cover the cost of adding to the comprehensive software system additional public housing units, additional HCV vouchers, and changes made in unit housing program status; and

WHEREAS, it is estimated an additional \$125,000.00 will need to be added to the not-to-exceed amount to cover the cost of estimated annual fee for year 5 and to have an allowance for additional comprehensive software system maintenance costs that are unknown at this time; and

WHEREAS, RRHA has sufficient Public Housing Operating Funds to obligate for the contract modification; and

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

WHEREAS, RRHA's Procurement Policy states, "For all contracts of \$100,000 or more, any and all change orders, contract modifications, and/or amendments having a dollar value of \$25,000 or more must be submitted to the Board of Commissioners for review and approval prior to executing the contract modification."

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

- (1) The Executive Director be and hereby is authorized and directed to execute a contract modification to be funded by Public Housing Operating Funds, to the contract between Yardi Systems, Inc. and RRHA, increasing the not-to-exceed amount of Contract 900-1806-1-7 from \$582,927.00 to \$707,927.00.
- (2) The Executive Director be and hereby is authorized to take such other actions as may be necessary to fulfill the intent of this Resolution.

3. Resolution No. 4134

Mr. Gusler presented Resolution No. 4134 requesting the Board's approval to consummate the sale of the property located at 938 Peck Street, NW to Josephine Taveras. The Board passed a resolution in March of 2022 allowing RRHA to purchase this property for a previous board order. This allowed the acquisition of two properties for the Homeownership Program using homeownership proceeds which are then sold to a qualified buyer based on our standards. Ms. Taveras is the buyer we have been working with and she picked this property which is currently under renovation. The original plan was to move her in by the end of next month when her lease is up, but that looks highly unlikely due to a number of factors. Work has moved slower and some other issues were found in the bathroom floor. Ms. Taveras has a Section 8 Housing Choice Voucher and will go through the HCV program to purchase this house from RRHA. The Homeownership Program does not require you to have a Section 8 voucher, however, it certainly helps. The property is being sold to her at the same price that we purchased it for which was \$110,000. As noted in the resolution report, we take the 20% second mortgage which is forgivable after ten years if she remains in the house as the primary resident. Ms. Taveras will get down payment assistance through her bank as well. In addition to the city inspection, there will be a housing quality standards inspection consistent with the HCV Homeownership Program. Mr. Gusler asked for any questions.

Commissioner Garner asked if the 20% second mortgage will count as her down payment. Mr. Gusler replied that it does, however, she has put down a \$1,000 deposit which goes towards her down payment. This is how the process started as a way of

ensuring that Ms. Taveras follows through. We also require one percent that is not grant funded and she has met that requirement thus far. The prospective buyer can also get up to \$7,500 in down payment assistance through the Federal Home Loan Bank as long as those funds are available. These funds usually run out at the end of the year and are funded again at the beginning of the next calendar year. Currently, these funds are available and we are hopeful that we can get them for her.

Commissioner Garner asked how this property values on the books when we sell it. Mr. Gusler stated that RRHA will have a lean with the second mortgage and Ms. Taveras will pay taxes on the property. Commissioner Garner speculated that it will be valued somewhere close to \$300,000. Mr. Gusler explained that the \$200,000 is the maximum that the Board approved for RRHA to spend on the property including acquisition and renovation. That allows for a \$90,000 budget which we should be well under.

Commissioner Garner asked if there are any restrictions on the selling or turnover of this property. Mr. Gusler replied that the 20% second mortgage is forgivable at 10% every year. He went on to explain that every year that she is there, that is 10% less that would be owed to us. If in that period she sells, we would be owed whatever the remainder of that is at the time of closing. The buyer will have a 15 year mortgage payment that their voucher will pay on as long as their income stays at or below the standard. If they decide to sell, this could impact their ability to sustain the voucher, and offer an incentive to stay in the home. Ms. Richie asked if it is possible that an addendum be done specifying that the house cannot be sold for "X" number of years. Mr. Loftis said that there may be some difficulties around that, but he would have to look at the bylaws. Commissioner Anguiano asked in the event that cost goes over the

\$200,000 budget would it come back in front of the board for approval. Mr. Gusler replied that it would come back in front of the Board, but he does not anticipate that happening. Most of the houses that Ms. Taveras liked we said no to because the renovation cost would be so expensive, it would drive us above the budget.

Chair Walker asked for further questions. There were none.

Commissioner Anguiano introduced Resolution No. 4134 and moved its adoption as introduced.

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

AYES: Commissioners Anguiano, Garner, Spickler, Vice Chair Karney, Chair Walker

NAYS: None

Chair Walker thereupon declared said motion carried and Resolution No. 4134 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING THE EXECUTION OF DOCUMENTS NECESSARY TO CONSUMMATE THE SALE OF PROPERTY LOCATED AT 938 PECK STREET, NW, BEARING CITY OF ROANOKE TAX MAP NUMBER 6090405, TO JOSEPHINE TAVERAS

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) operates a homeownership program (HOP) and has funding available in the form of homeownership proceeds to further RRHA's goals of providing opportunities for low to moderate income residents to achieve homeownership; and

WHEREAS, the RRHA Board of Commissioners passed Resolution Number 3972 on August 27, 2018, which authorized the Executive Director or a designee to negotiate and execute acquisition option agreements with owners or agents of two properties; and

WHEREAS, the RRHA Board of Commissioners passed Resolution Number 4064 on November 23, 2020, which increased the budget for each of the purchases and improvements from \$125,000 to \$200,000; and

WHEREAS, RRHA purchased the property at 938 Peck Street, NW, on April 5, 2022 for \$110,000; and

WHEREAS, RRHA has made significant renovations and upgrades to the property to meet the HOP standards; and

WHEREAS, the HOP allows RRHA to sell properties to qualified low to moderate income first-time homebuyers per HUD definitions and regulations; and

WHEREAS, Josephine Taveras has a housing choice voucher (HCV) and has complied with all requirements of the HOP and HCV Homeownership program to date, provided evidence of pre-qualifications for financing with Truist Bank (formerly BB&T and Sun Trust) and made the required down payment on the mortgage in an escrow account; and

WHEREAS, RRHA will have the property inspected by a qualified third party to comply with the HCV Homeownership program regulations; and

WHEREAS, Josephine Taveras has signed a contract with RRHA to purchase said property for \$110,000, and

WHEREAS, prior to closing RRHA will account for 20% of the purchase price in the form of seller financing through a forgivable second mortgage; and

WHEREAS, RRHA desires to sell the property to Josephine Taveras.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that the Executive Director is hereby authorized and directed to execute documents necessary to consummate the sale of property at 938 Peck Street, NW, bearing City of Roanoke Tax Map Number 6090405.

900100

4. Resolution No. 4135

Ms. Austin presented Resolution No. 4135 seeking the Board's approval for a Paid Time Off payout. The leadership team met last week to discuss how the Authority will handle excess PTO balances at the end of this year. Due to staffing shortages, pressing deadlines and needing to turn units, the leadership team decided that RRHA will payout excess PTO over 75 hours. This includes paying out excess PTO to the executive director. The leadership team wanted the Board to be informed of this

decision in advance of the year end. Ms. Austin asked for any questions.

Commissioner Anguiano asked how significant the amount is. Ms. Austin stated that she is unsure of the amount at this time. People are still earning PTO and taking PTO, therefore, we won't have those numbers until January. Ms. Spickler added that, if her memory is correct, it was a very minimal number last year. Ms. Austin noted that there were around 15. There are currently 26, but that number will change. Mr. Bustamante went on to say that this resolution is usually brought to the Board in December, because we want to let all the employees use their time. Once it is known that PTO is going to be paid out, then there might be an opportunity for them to not to take the PTO in order to get paid. However, people are moving out and we need to be able to turn those units. Given the situation that we are in it is in our best interest to offer these employees the opportunity to pay out their PTO to help us turn and occupy these units. Mr. Bustamante said that within the next 28 days we will have NSPIRE inspections at Melrose Towers, Hunt Manor and Buestone Park. All of those developments need to be inspected and this will require a lot of the maintenance staff from those properties to be there to during this process.

Chair Walker asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4135 and moved its adoption as introduced.

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

AYES: Commissioners Anguiano, Garner, Spickler, Vice Chair Karney,
Chair Walker

NAYS: None

Chair Walker thereupon declared said motion carried and Resolution No. 4135 was adopted as introduced.

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY APPROVING PAID TIME OFF PAYMENT

WHEREAS, the City of Roanoke Redevelopment & Housing Authority (RRHA) has undertaken a review of current employee Paid Time Off (PTO) balances for the 2022 calendar year and reviewed the basis for those who have excessive balances at the end of the year; and

WHEREAS, RRHA has determined that project commitments and employee turnover and employee recruitment issues have cause many to be unable to utilize balances in order to meet the needs of the Agency; and

WHEREAS, the Executive Director, under his authority has approved a PTO payout to employees who are in excess of the 75 Hrs. carryover allotment; and

WHEREAS, the Executive Director meets the excess PTO balance as referenced above.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the City of Roanoke Redevelopment and Housing Authority that a PTO payout for the current Executive Director, is approved effective for the 2022 calendar year.

III. ADJOURNMENT

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

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

AYES: Commissioners Anguiano, Garner, Spickler, Vice Chair Karney, Chair Walker

NAYS: None

Chair Walker declared the meeting adjourned at 3:56 p.m.

Karen Walker, Chair

David Bustamante, Secretary-Treasurer

Exhibits from October 24, 2022 Minutes previously circulated

RESOLUTION
NO. 4136

CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

RESOLUTION NO: 4136

Meeting Date: November 28, 2022

Agenda Item Number: 1

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDING A CONTRACT FOR NATURAL GAS UTILITY INFRASTRUCTURE IMPROVEMENTS FOR BLUESTONE PARK, AMP 259, UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150122

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 VA36P01150122 in the amount of \$4,741,515.00; and

WHEREAS, Upgrade Gas Utility Infrastructure for Bluestone Park were included on the Annual Statement detailing the planned use of CFP grant number VA36P01150122, which was approved by the RRHA Board of Commissioners by Resolution 4119 on May 23, 2022; and

WHEREAS, RRHA needs a qualified contractor to complete Upgrade Gas Utility Infrastructure for Bluestone Park; and

WHEREAS, RRHA issued a Invitation for Bid on September 18, 2022, with bids being due on October 18, 2022; and

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

<u>Bidder</u>	<u>Total Bid Amount</u>
Classic City Mechanical, Inc.	\$354,422.00
E. C. Pace Company, Inc.	\$646,900.00

WHEREAS, the amount of the bid submitted by Classic City Mechanical, 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 Classic City Mechanical, Inc. has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the Vice President of Operations recommends an award to Classic City Mechanical, 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 Classic City Mechanical, 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 Classic City Mechanical, Inc. and RRHA for the fixed price of \$354,422.00.
- (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.

Recommended by: _____ Date _____
VP of Operations

Approved by: _____ Date _____
Executive Director

COMMISSIONERS ACTION: Approved Disapproved

Remarks: _____

RESOLUTION
NO. 4137

CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

RESOLUTION NO: 4137

Meeting Date: November 28, 2022

Agenda Item Number: 2

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDDING A CONTRACT FOR REPLACEMENT OF HEATING SYSTEMS FOR HUNT MANOR, AMP 259, UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150122 AND VIRGINIA HOUSING PUBLIC HOUSING REVITALIZATION GRANT

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 VA36P01150122 in the amount of \$4,741,515.00; and

WHEREAS, HVAC Upgrades for Hunt Manor was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150122, which was approved by the RRHA Board of Commissioners by Resolution 4119 on May 23, 2022; and

WHEREAS, the City of Roanoke Redevelopment and Housing Authority (RRHA) has been awarded a Public Housing Revitalization Grant from Virginia Housing in the amount of \$3,836,496.00; and

WHEREAS, Replace Heating Boilers for Hunt Manor was included on the budget detailing the planned use of the Virginia Housing Public Housing Revitalization Grant; and

WHEREAS, RRHA needs a qualified contractor to complete Replacement of Heating Systems for Hunt Manor; and

WHEREAS, RRHA issued a Invitation for Bid on September 25, 2022, with bids being due on October 25, 2022; and

WHEREAS, RRHA received three (3) responsive bids to the invitation, which was opened for consideration, such bids being as follow:

<u>Bidder</u>	<u>Total Bid Amount</u>
Control Maintenance, Inc.	\$565,000.00
Russell’s Remodeling, LLC	\$643,577.00
Valley Boiler & Mechanical, Inc.	\$634,995.00

WHEREAS, the amount of the bid submitted by Control Maintenance, Inc. was determined to be fair and reasonable for the work specified when compared to the amount of the revised 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 Control Maintenance, Inc. has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the Vice President of Operations recommends an award to Control Maintenance, 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 Control Maintenance, 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 Control Maintenance, Inc. and RRHA for the fixed price of \$565,000.00.
- (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.

Recommended by: _____ Date _____
VP of Operations

Approved by: _____ Date _____
Executive Director

COMMISSIONERS ACTION: Approved Disapproved

Remarks: _____

RESOLUTION
NO. 4138

CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

RESOLUTION NO: 4138

Meeting Date: November 28, 2022

Agenda Item Number: 3

RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY AWARDED A CONTRACT FOR SECURITY IMPROVEMENTS FOR MELROSE TOWERS, AMP 206, UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150122

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 VA36P01150122 in the amount of \$4,741,515.00; and

WHEREAS, Building Security Non-Dwelling Interior Areas was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150122, which was approved by the RRHA Board of Commissioners by Resolution 4119 on May 23, 2022; and

WHEREAS, RRHA needs a qualified contractor to complete Security Improvements for Melrose Towers, AMP 206; and

WHEREAS, RRHA issued a Request for Quotation on October 17, 2022, with quotations being due on November 4, 2022; and

WHEREAS, RRHA received one (1) responsive quotation to the request, which was considered, such quotation being as follow:

<u>Offeror</u>	<u>Total Quotation Amount</u>
G & H Contracting, Inc.	\$119,100.00

WHEREAS, the amount of the quotation submitted by G & H Contracting, 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 the quotation has been completed, and G & H Contracting, Inc. has been found to be capable and in all other respects acceptable to RRHA; and

WHEREAS, the Vice President of Operations recommends an award to G & H Contracting, 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 quotation submitted by G & H Contracting, 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 G & H Contracting, Inc. and RRHA for the fixed price of \$119,100.00.
- (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.

Recommended by: _____ Date _____
VP of Operations

Approved by: _____ Date _____
Executive Director

COMMISSIONERS ACTION: Approved Disapproved

Remarks: _____

RESOLUTION
NO. 4139

COMMISSIONERS ACTION: Approved Disapproved

Remarks: _____



Summary Plan Description

Note to Employer: The United States Department of Labor requires this summary or a copy of it be given to eligible employees.

Plan Sponsor (Employer), Plan Administrator and Agent for Legal Service

Jason Michaels
Roanoke Redevelopment & Housing Authority

2624 Salem Turnpike NW

Roanoke VA 24017

Plan Administrator accepts service of legal process.

Phone Number: 540-983-9267

Plan Number:

Federal Tax ID: 54-6002272

Employer's Plan Name: Flexible Compensation Plan for
Roanoke Redevelopment & Housing Authority

Plan Year: 07/01 - 06/30

Medical FSA Carryover Maximum: N/A

Runout End Date: 06/30/2023

Client TASC ID: 4303-8180-0910

Group Name: Roanoke Redevelopment & Housing Authority

PURPOSE

Your Employer has adopted this Flexible Compensation Plan to allow you to select from among benefit options made available under the Flexible Compensation Plan and pay for the selected benefits for yourself, your spouse, and your dependents via pre-taxed salary reduction contributions. You may choose from these "tax free" benefits in lieu of receiving taxable compensation. The Plan is intended to qualify as a "Cafeteria Plan" within the meaning of Section 125(d) of the Internal Revenue Code, and the benefits you elect will be excluded from your income under Section 125(a).

BENEFITS OFFERED TO EMPLOYEES:

	Maximum Participant Salary Reduction	Grace Period End Date
Health Savings Account - Plan Only	Offered	N/A
Supplemental Premiums	Offered	N/A
Disability Insurance Premiums	Offered	N/A
Medical or Medical-Related Premiums	Offered	N/A
Voluntary/Group Term Life Insurance Premiums	Offered	N/A

This Flexible Compensation Plan allows you to reduce your taxable income in direct proportion to (a) your contribution to the cost of your elected benefits and (b) your contribution to any account based tax advantaged plan or fringe benefit plan offered by your Employer that is governed by the Internal Revenue Service (IRS) Code.

ELIGIBILITY REQUIREMENTS: The benefits offered above are available to the following employees as stipulated below:

Age of Employees 18 years

Part-time Employees 30 hours

This Plan defines a Plan-eligible employee to be an individual classified by the Employer as a common-law employee who is on the Employer's W-2 payroll. Employees do not include self-employed individuals, partners in a partnership, or more-than-2% shareholders in a Subchapter S corporation.

Existing Employees. If you are employed by the Employer on the Plan's effective date, you shall be eligible to participate on the later of the Plan's Effective Date or on the date you satisfy the Eligibility Requirements stated above.

New Employees. If your employment begins after the Plan's Effective Date, you will be eligible to participate on the entry date noted above for Probationary Employees, following the date you satisfy the Eligibility Requirement stated above.

Re-employment of Former Employees.

A re-employed former employee may become a participant immediately upon re-hire.

Age Requirement. No maximum age requirement may be imposed for participation in the Plan.

GENERAL INFORMATION

This Flexible Compensation Plan allows you to pay your cost for the benefit plans you elected that are sponsored by your Employer through a Salary Reduction Agreement. This lowers your federal and state taxes. Under this Flexible Compensation Plan two types of benefit plans offered by your Employer may be funded by your salary reduction: premium benefits and reimbursement benefits. Premium benefits are the actual payments made to secure your participation in insurance plans. These are payments made from your Employer's general assets to an insurance company or a third-party administrator. Reimbursement benefits are benefits paid under an agreement to reduce your salary by the amount you elected to defer and pay you tax free benefits for certain qualified medical and dependent care expenses, as authorized under the Internal Revenue Code.

Administration. Your Employer or appointed Plan Administrator is responsible for the administration of your Employer Sponsored General Welfare Plans. Should you need to see any records or have any questions regarding these Plans, contact the Plan Administrator. The Plan Administrator has sole discretionary authority (a) to interpret the Plan in order to make eligibility and benefit determinations, and (b) to make factual determinations as to whether any individual is eligible and entitled to receive any benefits under the Plan. A health insurance issuer is not responsible for the Plan's administration (including payment of claims).

The Plan Administrator appoints TASC as a Service Provider to maintain certain Plan records and to be responsible for the Plan's day-to-day administration. TASC is not a Plan Administrator and has no discretionary authority regarding the Plan.

Plan Termination or Amendment. The Employer, or appointed Plan Administrator, has the right, in its sole discretion, to terminate the Plan or to modify or amend any provision of the Plan at any time. Upon the termination or partial termination of the Plan, Participants have no Plan benefits except with respect to covered events giving rise to benefits occurring prior to the date of Plan termination or partial termination, except as otherwise expressly provided in writing by the Employer.

Excess Payments. Upon any benefit payment made to a Participant in error under the Plan, said Participant will be informed and required to repay the errant amount. This includes and is not limited to amounts over the Participant's annual election, amounts for services that are determined to be ineligible, or when adequate documentation to substantiate a paid claim upon request is not provided. The Employer may take reasonable steps to recoup such an amount including withholding the amount from future salary or wages, and subtracting from future benefit reimbursement(s) the amount paid in error.

No Continued Employment. No provisions either of the Plan or of this Summary shall grant any employee any rights of continued employment with the Employer or shall in any way prohibit changes in the terms of employment of any employee covered by the Plan.

Non-Assignment Of Benefits. No Participant or beneficiary may transfer, assign or pledge any Plan benefits except as may be required pursuant to (a) a “Qualified Medical Child Support Order” (which provides for Plan coverage for an alternate recipient), (b) other applicable law, or (c) electronic payment made directly to a healthcare provider.

CONTRIBUTIONS AND ENROLLMENT

Participant Contributions. By participating in the Plan, you agree to have your annual compensation reduced by the total cost of the Plan benefits you elected.

Employer Contributions and Enrollment Elections. At its election, your Employer may pay part of the insurance premiums or other qualified benefits made available through this Plan. The annual enrollment materials will include: (1) the amount of any Employer contributions for the various Plans offered by the Employer that allow you to make pre-tax contributions, (2) the rules defining how the Employer contributions may be used, and (3) the enrollment procedures to make annual elections for your pretax contributions. These enrollment materials are incorporated in this Summary Plan Description by reference.

The various benefit plans offered by your Employer may operate under different plan years. For instance, an Employer may enter into an annual contract with an insurance company (to provide benefits to employees) under a contract year that differs from the Plan Year established for this Flexible Compensation Plan. If this is the case, different Plan benefit entry dates will apply.

If you are not eligible to participate in this Plan but are allowed to participate in another benefit plan offered by your Employer, under the eligibility terms of that Plan, your costs will be paid with taxable income, and your compensation will not be reduced by the Employer.

BENEFITS AND QUALIFYING CHANGE IN STATUS EVENTS

The laws governing Flexible Compensation Plans generally do not allow you to change your benefit and contribution elections during a Plan Year (except for Health Savings Account plans; see below). Your elections are irrevocable and any balance in your account at the close of the Plan Year is forfeited and becomes the property of your Employer (refer to your open enrollment materials if your Plan has a Grace Period or a Carryover); this irrevocable election rule does not apply if you experience a qualifying change in status event, in which case the election change requested must be on account of and consistent with the qualifying event.

Any request to change your election must be submitted in writing within 30 days of any applicable qualifying event. The new benefit elections may start only after your change in status has taken place and the new paperwork has been filed.

A qualifying change in status event may be one of the following:

- A change in legal marital status (marriage, death of spouse, divorce, legal separation and annulment).

- The adoption, birth, or death of a child or dependent.

- Dependent satisfies or ceases to satisfy dependent eligibility requirements.

- The change in employment status of you, your spouse or dependent.

- Change in your residence.*

- Beginning or ending adoption proceedings.

- Automatic changes upon cost increases or decreases.*

- Significant cost increases.*

- Significant curtailment of coverage.*

- Addition or elimination of similar benefits package option.*

- Change in coverage of a spouse or dependent under an employer plan.*

- FMLA.

- HIPAA special enrollment rights.*

- COBRA qualifying event.

- Loss of group health coverage sponsored by governmental or education institution.*

- A judgment, decree or order requiring coverage for a spouse or child.

- Medicare or Medicaid entitlement.

- Termination of Medicaid or State Children’s Health Insurance Program (SCHIP) coverage.*

- Eligibility for Employment Assistance under Medicaid or SCHIP.*

- Exchange Event – a loss of eligibility under the terms of the plan due to a reduction in hours (less than 30) – even when the Employer allows the coverage to continue in effect during the ‘Stabilization Period’ to satisfy the Affordable Care Act coverage requirements.*

- Exchange Event – Exchange enrollment during an Exchange open enrollment period or special enrollment period.*

* These qualifying events do not apply to the Medical Expenses Reimbursement Plan.

If you are making tax free contributions to a Health Savings Account (HSA) under this Plan, you do not need a 'change in status' event to change your HSA election. You may prospectively change your HSA election at any time during the Plan Year.

Under the qualifying events of Termination of Medicaid or SCHIP coverage and eligibility for employment assistance under Medicaid or SCHIP, the employee must request the group health benefit change no later than 60 days after the date of termination or after the date eligibility is determined under Medicaid or SCHIP.

THE REIMBURSEMENT PLANS

If the BENEFITS OFFERED TO EMPLOYEES Section of this Summary Plan Description lists Medical (Out-of-Pocket) Expenses, Dependent Care Expenses and/or Non-Employer Sponsored Premiums, then your Plan includes that Reimbursement Plan.

The Participant Reference Guide, incorporated by express reference into this Summary Plan Description, includes all of the information you need to access your reimbursement accounts and submit claims for reimbursement. By visiting the Account Manager link addressed in this Guide you may access information about your reenrollment, your available funds, annual election, total contributions, and total reimbursements. These plans provide tax free benefits for medical, dependent daycare and/or non-employer sponsored health insurance premium claim reimbursements in accordance with IRS guidelines and protocols.

Medical (Out-of-Pocket) Expenses Reimbursement Plan. All medical claim expenses must be (a) for medical care as defined in Code Section 213(d) which is rendered or received during the Plan Year, with certain limitations described under Services Not Covered; (b) incurred by an employee who has made a valid pre-tax election to participate in the Plan, such employee's spouse, or tax dependent for healthcare purposes as defined in Section 105(b), (c) not otherwise taken as a medical deduction by a taxpayer and (d) not covered under any other benefit program.

The following examples—even those recommended by a doctor—do not qualify as expenses eligible for reimbursement under the Medical Expenses Reimbursement Plan: insurance premiums; expenses for cosmetic procedures or cosmetic items; items that are for a Participant's general wellbeing; items the Participant would have purchased even if the Participant had no medical condition (for example, a toothbrush); vacation and travel expenses even if for rehabilitation or prescribed by a doctor; long-term care expenses that are not for actual medical care; expenses incurred in stockpiling over-the-counter items in quantities that could not reasonably be used during the current Plan Year.

If you contribute to a Health Savings Account (HSA) then you may additionally enroll in a limited *Medical Expenses Reimbursement Plan* only. Qualified expenses under a limited Medical Expenses Reimbursement Plan are limited to dental and vision services or supplies excluded from coverage under your high deductible health plan. The limited Medical Expenses Reimbursement Plan will not provide reimbursement for any other service or supply regardless of whether that service or supply is allowed by the IRS as a medical expense, or allowed under a full Medical Expenses Reimbursement Plan.

Dependent Care Expenses Reimbursement Plan. This Plan provides employees with tax free dependent care assistance only when the assistance is necessary for the Participant to leave the home to engage in activity directly related to his/her employment. Qualified expenses under the Dependent Care Expenses Reimbursement Plan include any expenses that you could take as a credit against tax on your income tax form for the care of a Qualified Person. Benefits are provided only to the extent of your payroll deduction on the date the claim is processed. The tax laws further limit how much you may contribute to this Plan. Under the law and the terms of the Plan, you may defer no more than the lesser of your actual (or, if you are married and if less, your spouse's) income for the year or \$5000 per year to this Program. A married Participant who files separate tax returns is limited to \$2500 per year.

Non-Employer Sponsored Premiums Reimbursement Plan. This account provides reimbursement for premiums you paid for employee-owned health insurance policies. Employer provided insurance plans do not qualify. Premiums eligible for reimbursement are for a period in which you were a covered Participant under this Plan.

HEALTH SAVINGS ACCOUNT (HSA)

If you elect Medical Expenses Reimbursement benefits, you cannot also elect HSA benefits (or otherwise make contributions to an HSA) unless you elect the Limited (Vision/Dental) Medical Expenses Reimbursement Benefit. In addition, when the Medical Expenses Reimbursement Benefit includes a grace period and you have a Medical Expenses Reimbursement Benefit that is not a Limited Benefit, you cannot elect HSA benefits or make contributions to an HSA until the first day of the month following the last day of the grace period, unless the balance in your Medical Expenses Reimbursement Benefit is \$0 as of the last day of that Plan Year.

If you have a Medical Expenses Reimbursement benefit with the Carryover feature that is not a Limited Benefit, you will need to elect the limited Medical Expenses Reimbursement Plan for the new Plan Year. Claims with service dates in the new Plan Year can only be reimbursed if they are covered under the Limited Benefit. In any event, you cannot contribute to an HSA in any month in which you are eligible for a Medical Expenses Reimbursement Benefit that is not a Limited Benefit.

QUALIFIED RESERVIST DISTRIBUTION

A Participant who is called to active duty in the US Armed Services and enrolled in the Medical Expenses Reimbursement Plan may elect to receive a Qualified Reservist Distribution of all or a portion of the unused balance in his/her individual Medical Expenses Reimbursement Plan subject to the requirements of Code Section 125(h) and the applicable regulations thereunder. The Employer may limit this distribution to the amount you have contributed to the Plan that has not been used to reimburse you for claims submitted.

QUALIFIED MEDICAL CHILD SUPPORT ORDER (QMCSO)

The Plan will provide benefits in accordance with a QMCSO and adhere to the terms of any judgment, decree, or court order which (1) relates to the provision of child support related to health benefits for a child of a Participant in a group health plan; (2) is made pursuant to a state domestic relations law; and (3) which creates or recognizes the right of an alternate recipient—or assigns to an alternate recipient the right—to receive benefits under the group health plan under which a Participant or other beneficiary is entitled to receive benefits. Participants may obtain, without charge, a copy of the Plan's procedures from the Plan Administrator.

LEAVE OF ABSENCE

Family and Medical Leave Act (FMLA). If you go on a qualifying leave under the federal Family and Medical Leave Act (FMLA), to the extent required by the FMLA, your Employer will continue to maintain your benefit package options providing health coverage (including the Medical Expenses Reimbursement Plan) on the same terms and conditions as if you were still active (that is, your Employer will continue to pay its share of the contribution to the extent you opt to continue coverage). Your Employer may require you to continue coverage while you are on paid leave (as long as Participants on non-FMLA paid leave are required to continue coverage). If so, you will pay your share of the contributions by the method normally used during any paid leave.

If your coverage ceases while on FMLA leave, you will be permitted to re-enter the Plan upon return from such leave, and to participate in the Plan on the same basis as you had been prior to the leave or as otherwise required by the FMLA. You may elect reinstatement in the Plan at the same coverage level in effect before the FMLA leave (with increased contributions for the remaining period of coverage) or at a reduced pro-rata coverage level for the period of FMLA leave during which you did not make contributions. Your coverage may be automatically reinstated as well, but only if coverage for employees on non-FMLA leave is automatically reinstated upon return from leave.

Unpaid FMLA Leave. If you are going on unpaid FMLA leave and you opt to continue your Medical and Dental Insurance Benefits and Health FSA Benefits, then you may pay your share of the contributions in one of three ways:

- (1) Prepay. Your share of contributions due during your leave may be paid either pre-tax or after-tax before your leave begins provided any pre-tax pre-payments do not fund coverage for the next Plan Year.
- (2) Pay-as-you-go. Your share of contributions will be paid on the same schedule as if you were not on leave or under another schedule. Per the Department of Labor regulations, if you fail to make payments under this option, your Employer is not required to continue coverage. If your Employer chooses to make payment and thereby continue coverage, your Employer is entitled to recoup these amounts from you after you return from leave.
- (3) Catch-up. Your Employer may advance your share of contributions while you are on leave. Upon your return from leave, your Employer may recover the advanced amounts on either a pre-tax or after-tax basis. Check with your Employer to determine if this option is available under your Plan.

Non-FMLA Leave. If you go on an unpaid leave of absence that does not affect eligibility, then you will continue to participate and the contribution due from you will be paid by pre-payment before going on leave, with after-tax contributions while on leave, or with catch-up contributions after the leave ends, as determined by the Plan Administrator. If you go on an unpaid leave that affects eligibility, then the Change in Status rules will apply.

Military Leave. If you take a leave of absence due to military service, you may continue coverage under this Plan as required by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

TERMINATION OF PARTICIPATION

Participants are enrolled in the Plan for the entire Plan Year or the portion of the Plan Year remaining after enrollment. You will automatically cease to be a Participant on the earliest of the following dates:

- a. Your death, resignation or termination of employment with the Employer;
- b. The date the Plan terminates;
- c. The date on which you fail to pay any required premium (including payment by salary reduction) under the Plan;
- d. The date you no longer meet the requirements for eligibility in the Plan; or,
- e. The date you revoke your election under a qualifying change in status event.

When participation has terminated, you are eligible to incur claims against any positive account balance through the eligibility end date.

When your participation has terminated, you may submit eligible claims for reimbursement through your run out end date as noted in the Claims Procedure section of this document.

CLAIMS PROCEDURE

Unless otherwise noted in this section, if you have elected reimbursement coverage, you may submit eligible claims for reimbursement through the Plan's runout period which ends on: 06/30/2023

All other claim procedures for the Plan are provided in a separate administrative document upon the original enrollment in the Plan. An additional copy may be provided without charge upon request.

CLAIM DENIALS

Medical and Dental Insurance Benefits. The applicable insurance company will determine your claim in accordance with its claims procedures.

Claims Under the Medical (Out-of-Pocket) Expenses, Dependent Care Expenses or Non-Employer Sponsored Premiums Reimbursement Benefits. The claims procedure described below will apply if (a) a claim for reimbursement under the Medical (Out-of-Pocket) Expenses, Dependent Care Expenses or Non-Employer Sponsored Premium components of the salary reduction plan is wholly or partially denied, or (b) you are denied a benefit under the salary reduction plan due to an issue germane to your coverage under the Plan.

If your claim is denied in whole or in part, you will be notified in writing by the Plan Administrator within 30 days after the date the Plan Administrator received your claim. (This time period may be extended for an additional 15 days for matters beyond the control of the Plan Administrator, including in cases where a claim is incomplete.) The Plan Administrator will provide written notice of any extension, including the reasons for the extension and the date by which a decision by the Plan Administrator is expected. When a claim is incomplete, the extension notice will also specifically describe the required information, will allow you 45 days from receipt of the notice in which to provide the specified information, and will effectively suspend the time for a decision on your claim until the specified information is provided.)

Notification of a denied claim will detail:

- specific reason(s) for the denial;
- specific Plan provision(s) on which the denial is based;
- a description of any additional material or information necessary for you to validate the claim and an explanation of why such material or information is necessary;
- appropriate information on the steps to be taken if you wish to appeal the Plan Administrator's decision, including your right to submit written comments and have them considered, your right to review (upon request and at no charge) relevant documents and other information, and your right to file suit under ERISA (where applicable) with respect to any adverse determination after appeal of your claim.

Appeals. If your claim is denied in whole or part, then you (or your authorized representative) may request review upon written application to the Plan Administrator. Your appeal must be made in writing within 180 days after your receipt of the notice that the claim was denied. If you do not appeal on time, you will lose both the right to appeal the denial and the right to file suit in court. Your written appeal should state the reasons that you feel your claim should not have been denied. It should include any additional facts and/or documents that you feel support your claim. You will have the opportunity to ask additional questions and make written comments, and you may review (upon request and at no charge) documents and other information relevant to your appeal. The address to use when filing an appeal will be included in the benefit or enrollment denial letter.

Decision on Review. Your appeal will be reviewed and determination made within a reasonable time, defined as not later than 60 days after receipt of your appeal. If the decision on review affirms the initial denial of your claim, you will be furnished with a Notice of Adverse Benefits Determination on Review, which shall set forth the following:

- specific reason(s) for the decision on review;
- specific Plan provision(s) on which the decision is based;
- a statement of your right to review (upon request and at no charge) relevant documents and other information;
- if an “internal rule, guideline, protocol, or other similar criterion” is relied on in making the decision on review, then a description of the specific rule, guideline, protocol, or other similar criterion or a statement that such a rule, guideline, protocol, or other similar criterion was relied on and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to you upon request; and
- a statement of your right to bring suit under ERISA §502(a) (where applicable).

NOTICES REQUIRED BY LAW

Special Rights on Childbirth. Under Federal law, group health plans may not restrict benefits for any hospital length of stay in connection with childbirth for (either mother or newborn child) to less than 48 hours following a vaginal delivery or less than 96 hours following a caesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than the above period. In any case, under Federal law a provider may not be required (by Plan or insurer) to obtain authorization from the plan for prescribing a length of stay up to 48 hours (or 96 hours).