

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, April 24, 2023.

**I. CALL TO ORDER – ROLL CALL**

Chair Walker called the meeting to order at 3:00 p.m. and declared that a quorum was present.

PRESENT: Commissioners Anguiano, Garner, Smith, Spickler,  
Vice Chair Karney, Chair Walker

ABSENT: Commissioner Kepley

OFFICER PRESENT: Mr. David Bustamante, Secretary-Treasurer

ALSO PRESENT: Mark Loftis, Legal Counsel; Jackie Austin, VP of Finance/CFO; Joel Shank, VP of Operations; Leanna Pagans, Administrative Executive Assistant; Jasey Roberts, PR/Social Media/Marketing Manager; Suzzette McCoy, Compliance and Quality Assurance Specialist; Frederick Gusler, Director of Redevelopment and Revitalization; Evangeline Richie, VP of Housing; Stephanie Moon Reynolds, City Council Liaison; Don Jump, CPA

Chair Walker welcomed everyone to today's meeting.

**II. REPORTS**

1. Executive Report.

Mr. Bustamante addressed the Board stating that, in addition to his written report, he would like to announce that at the next board meeting RRHA's I.T.

Contractor, Network Computing Group (NCG), will present to the Board regarding RRHA's security and backups. Since this is a public meeting, some of the security software and what is used may not be safe to discuss. NCG will provide you with a handout of these items and if you have any questions you are welcome to let staff know so that those questions can be answered as soon as possible.

Mr. Bustamante went on to say that he attended the City Council Workshop on Gun Violence Prevention and it was a very good meeting. There are a lot of great programs being offered by the City and they are working with the community in trying to tackle this very big national issue. Mr. Bustamante added that he believes more meetings like this are needed to provide information and clarification as to what is going on. One of the main things that was announced at the meeting is that the Northwest section of Roanoke is the section that has the highest incidence of violent crime or gun related crimes. The commission was thinking that instead of focusing on a citywide effort, it may be in the best interest of the community to do something that specifically targets the Northwest section in order to deal with those issues.

Mr. Bustamante reported that RRHA has entered a bid for the Ashton Hill parcel and a call is scheduled with VHDA on Wednesday, April 26 at 1:00 PM. The Board will be informed of where RRHA stands following this meeting. RRHA recently applied for a hazard related grant and this grant will allow for the installation of some range hoods at Lansdowne Park, as well as cabinet repair and replacement. It will also cover radon mitigation and post testing for 54 units at Bluestone Park. As you are aware, the grant that RRHA just received only covers ten units at Bluestone Park and it would also allow for radon testing at Lansdowne Park and Villages at Lincoln. The estimated start date

for this project would be August of 2023, so a decision will likely be made sometime in June.

Lastly, Mr. Gusler informed the Board a couple meetings ago that RRHA applied for some CDBG money from the City to install cameras at Melrose Towers and Morningside Manor. Unfortunately, RRHA was not awarded any money through the CDBG. Mr. Bustamante offered to answer any questions.

Commissioner Smith asked if there is a backup plan for the cameras. Mr. Bustamante replied that RRHA is trying to find the financial resources to be able to get that done and the Board will be informed, hopefully next month, if we have been able to fund at least the start of the process for one of the developments. Ideally, the best way to do this is to get one contractor to do both projects. RRHA understands that there is a very big need to get these cameras into the high rises and staff is working very hard this month to try to come up with a financial plan.

Commissioner Anguiano asked what the expected cost will be. Mr. Gusler replied that for both of the high rises, including more than what is actually needed, the cost estimate was around \$275,000 to \$300,000. Ms. Richie noted that the current camera systems at the high rises are operational, so it is not as though the high rises are without security cameras at all. RRHA is just trying to supplement the systems that are currently in place to get more coverage in other areas as well as to bring them up to date.

Chair Walker asked for further questions. There were none.



## 2. Staff Reports

Chair Walker asked for staff reports. There were none.

## 3. Committee Reports

Commissioner Garner announced that the Audit Committee met on April 11, 2023 and went over the financials for fiscal year 2022. Don Jump is here today to preview the audit report and a resolution will be coming before the Board next month to approve the fiscal year audit.

Chair Walker asked for further questions. There were none.

## 4. Commissioner Comments

Chair Walker asked for comments or questions. There were none.

## 5. City Council Liaison Comments or Discussion

Councilwoman Moon Reynolds addressed the Board stating there will be a public hearing before city council on Thursday, April 27<sup>th</sup> at 7:00 PM, as well as a public hearing on the HUD annual update and the real estate tax assessment.

Ms. Moon Reynolds announced that on April 28<sup>th</sup> at 1:00 PM there will be a dedication of Kennedy Park to be renamed in honor of the late Estelle McCadden.

Councilwoman Moon Reynolds noted that with the framework that is being done to curb gun violence, the City has put together a Whole of Government with various departments. A portion of the Whole of Government has been working with the public libraries and they currently host an event for Lansdowne youth every

Wednesday with sessions that include basketball with the RESET (Rapid Engagement of Support in the Event of Trauma) Team and a meal.

Lastly, Ms. Moon Reynolds announced that after meeting with the city manager, she is happy to announce that ADA ramps are finally being installed on the sidewalks in front of the RRHA central office. The law does call for this to be done and it will allow for someone that is disabled or in a wheelchair to get on and off of the curb safely. There is also talk about possibly adding flashing lights or other safety mechanisms to the crossing to ensure that the children can get back and forth from the Envision Center safely.

Commissioner Garner asked about the possible restructuring of the task force that makes up the Gun Violence Commission. Councilwoman Moon Reynolds said that council is currently waiting on the audit to come back and then they can begin to look at restructuring and looking at how they met their mandate.

Ms. Moon Reynolds added that, in regards to the security cameras, she did speak with one of the other council members but, wanted to talk further with the city manager about that. There should be money perhaps under the ARPA (American Rescue Plan Act) for intervention and the security cameras should fall somewhere in that category.

Commissioner Garner asked if the City has done anything to commemorate the 100 year anniversary of the historic Burrell Center. Councilwoman Moon Reynolds said that to her knowledge nothing was done, but she will follow up with that at the council meeting on Monday, May 1<sup>st</sup>. Ms. Moon Reynolds added that it is a historical significance to the city of Roanoke, especially the black community, with Burrell

Hospital coming on board when it did.

Commissioner Spickler asked how many kids, on average, are attending the Wednesday night event at the library. Councilwoman Moon Reynolds replied that she does not know the exact number. The Whole of Government is an initiative that came from the director of general services that felt that all the departments should come together and do something for the city. The library portion is run by two gentleman that the city hired who have backgrounds where they have spent time in prison and can relate to and help at-risk kids. You cannot address something that you do not know anything about. One gentleman shared that he gets calls at two or three in the morning from the youth who may be having problems or are being harassed with gun violence. He is able to talk them through what to do, where to go or otherwise, so the program is effective in that respect. Ms. Moon Reynolds stated that she asked about funding and how you maintain such a program and it is understood that it is still in the grant phase which runs through 2024. Commissioner Spickler asked about the schedule for the summer months. Councilwoman Moon Reynolds said that for the summer they are hoping to put some more programs in place and possibly partner with Goodwill or other agencies to make sure we are able to keep these kids out of harm's way.

Chair Walker asked about the possible curfew for youth in the city. Councilwoman Moon Reynolds replied that two public hearings were held and most felt that a curfew was not the answer. A majority of the public felt that we needed to find ways to get the parents more engaged and accountable for where their kids are.



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, March 27, 2023.

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

C-2 Monthly Operations Report for the month of March 2023.

RECOMMENDED ACTION: File as submitted.

Commissioner Spickler introduced a motion to approve the Consent Agenda.

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

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

NAYS: None

### **REGULAR AGENDA**

1. Draft Audit

Mr. Jump greeted the Board and stated that a telephone meeting was held a week and a half ago to discuss the results of the audit which is being presented today. The audit report summary shows that there are five areas, all of which say

either unmodified opinion, fairly stated or information agrees and this means that there were no audit issues which is a very happy state of affairs. This reporting package is almost 70 pages long, but it can be broken down into pieces to make it easier to understand. First is the auditor's report on financial statements. Second is the management discussion and analysis which is the most important section for the Board and the only place you will see a year over year comparison from the prior year to the current year in terms of the income statements. Then we will touch on a few areas of the financial statements including the footnotes, the required reporting for governmental accounting on auditing standards, the uniform guidance and lastly the supplementary information. Most of the supplementary information is something called the FDS or Financial Data Schedule. That is something that HUD wants to look at and is essentially just the financial statements, but in a very specific format. That then gets uploaded to something called the HUD REAC system which stands for Real Estate Assessment Center.

Mr. Jump continued by stating that management has certain responsibilities for the auditor's report. Management is responsible for recording financial statements, establishing internal control of the recording, and designing and cleaning it. In the course of the audit, they must provide access to the auditing reports to all persons that obtain audit evidence. Management is also responsible for compliance with laws and regulations as well as providing us with written representation.

Mr. Jump explained that management and the Board combined have the responsibility of honesty and ethical standards, financial reporting and making sure authority operations comply with laws and regulations. The Board alone works as an



oversight position regarding the entire operation of the authority, with respect to the audit and financial reporting process. They are also responsible for the programs and ensuring that they are handled correctly.

Mr. Jump continued by noting that the auditor also has the responsibility of expressing opinions on the financial statement presentation, internal control over financial reporting and compliance with provisions of laws and regulations according to government auditing standards. The auditor is also responsible for various procedures depending on what programs RRHA is involved with and also obtaining evidence supporting financial statement amounts. Lastly, it is the auditor's responsibility to communicate these matters to the Board.

Mr. Jump stated that they always look at the areas of risk when doing an audit from a financial statement perspective. It is always assumed that there is a risk of management override and a risk of over or under statements of key significant financial statement items. The audit focus areas for this audit are HUD grants, which are the lion's share of all the revenue at the authority, capital assets, other post-employment benefit plan and liabilities. The second report that is done is on internal control over financial reporting. In this report we are looking to see if there are any internal control deficiencies, material weaknesses and significant deficiencies. Mr. Jump stated that he is happy to report that there were none there.

The third major report is what is referred to as the uniform guidance report and this is the report over the specific HUD programs. HUD requires us to make sure there is coverage every other year on the programs and that we do a deep dive into compliance as well as internal control. The programs are rotated each year and this

year the focus was on the Housing Choice Voucher program. Within this program we also looked at compliance requirements which includes activities allowed or un-allowed, allowable cost, eligibility, reporting and special tests.

Mr. Jump went on to report that there were no material weaknesses in the internal control over compliance and no significant deficiencies in the internal control over compliance. Moving on, there are a few other things that audit standards say we should be communicating to the Board. There were no issues with any qualitative aspects of accounting policies, no corrected or uncorrected mistakes and no disagreements with management representation. Management did not have any consultations with other accountants regarding policies or those kind of matters and there were no other matters to report.

Lastly, the report shows what is coming down the road as far as the Governmental Accounting Standards Board (GASB) statements. There is the GASB 96 which is based upon subscriptions or I.T.'s or programs that you might have. The Omnibus is just a clarification of some previous GASB's as is accounting changes and error corrections. They have also come up with a uniform way of handling compensated absences, but RRHA is already doing that. Mr. Jump concluded his presentation and offered to answer any questions.

Commissioner Garner asked if there was anything he could enlighten everyone on regarding internal controls over cash flow. Mr. Jump replied that cash flow is money coming in and money going out. Most of the money coming into RRHA is the HUD grants and that is a very easy audit trail. Money is also coming in through tenant receivables so you want to make sure that you have good controls over

recording those tenants coming in and the tenant receivables. All the controls at RRHA are excellent. On the disbursement side of things there are approvals for everything. Everything has to be signed off on and everything has to be documented in advance. One of the concerns as an auditor, and not just for this company, is the tremendous staff shortage everywhere. We look to see if there are good controls set up, because you do not have as many people to keep it in place. We were aware of that and looking for that and found nothing. Commissioner Garner commented that RRHA has had 15 or 16 years of unmodified opinion which is extraordinary.

2. Resolution No. 4154

Mr. Shank presented Resolution No. 4154 requesting the Board's approval to modify contract number 570-2201-1-5. This contract was awarded to Hughes and Associates and was made effective in December of 2021. It is a one year contract with a one year extension. The initial amount of the contract was \$165,000 for basic services and \$10,000 for reimbursements for plans, city permits, etc. Over the last year and a half 21 task orders have been issued under this contract thus far. RRHA received \$3.8 million from the Virginia Housing grant for capital projects which has allowed us to do more work in a short period of time. A change to the contract has been issued in the amount of \$17,000 to allow for time to get this resolution before the Board. There are several projects related to fiscal year 2023 under the CFP and the goal is to get them to get ahead and start on that work so staff can begin issuing IFB's, purchase orders and so on. Mr. Shank noted that the request is for an increase of \$68,000 to get us through the end of the contract period.



Chair Walker asked for further questions. There were none.

Commissioner Garner introduced Resolution No. 4154 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, Smith, Spickler, Vice Chair Karney, Chair Walker

NAYS: None

Chair Walker thereupon declared said motion carried and Resolution No. 4154 was adopted as introduced.

**RESOLUTION OF THE CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY MODIFYING CONTRACT NUMBER 570-2201-1-5 USING UNDER CAPITAL FUND PROGRAM (CFP) GRANT NUMBER VA36P01150119 AND 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 VA36P01150119 in the amount of \$3,444,054.00; and

WHEREAS, Open-End Architectural and Engineering Services for RRHA was included on the Annual Statement detailing the planned use of CFP grant number VA36P01150119, which was approved by the RRHA Board of Commissioners by Resolution 4007 on May 20, 2019; and

WHEREAS, 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, Open-End Architectural and Engineering Services for RRHA 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, architectural and engineering services are essential to the overall maintenance and modernization of public housing developments and provide a vehicle for the timely obligation of available funding; and

WHEREAS, Contract 570-2201-1-5 had an effective start date of December 1, 2021, for a period of one (1) year, with an option to extend the contract for an one-year period, with a not-to-exceed amount of \$165,000.00 for Basic Services and \$10,000.00 for Reimbursables; and

WHEREAS, Hughes and Associates Architects & Engineers have been tasked during 2022 and into early 2023 of the contract period with a larger number of projects than normally experienced due to the additional funds received through the VA Housing Grant for public housing capital projects, which has resulted in costs much higher for architectural and engineering than expected at the time Contract 570-2201-1-5 was awarded; and

WHEREAS, the amount of Basic Services for Contract 570-2201-1-5 was increased by \$17,000.00 under Contract Modification #1; and

WHEREAS, Hughes and Associates Architects and Engineers will be tasked during the months of May 2023 through September 2023 with design work for several projects included in the annual plan for Capital Fund Program grant number VA36P01150123; and

WHEREAS, Open-End Architectural Services for RRHA are planned to be procured again in the fall of 2023; and

WHEREAS, in order to continue to obtain the architectural and engineering services RRHA needs in a timely manner, the Vice President of Operations recommends increasing the amount of contract 570-2201-1-5 by \$63,000.00 for Basic Services and \$5,000.00 for Reimbursables, for a total increase of \$68,000.00; 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 accept such change proposal and 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 recommended change proposal in the amount of \$68,000.00 be and hereby is accepted;
- (2) The Executive Director be and hereby is authorized and directed to execute a modification of Contract 570-2201-1-5.
- (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.

### III. ADJOURNMENT

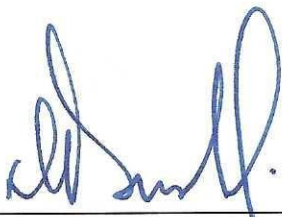
There being no further business to come before the Board, Commissioner Garner moved that the meeting be adjourned.

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


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

NAYS: None

Chair Walker declared the meeting adjourned at 3:47 p.m.



David Bustamante, Secretary-Treasurer



Karen Walker, Chair  
KARNEY, VICE CHAIR



Exhibits from March 27, 2023 Minutes previously circulated

