

RUTLAND HOUSING AUTHORITY
Board of Commissioners
Annual/Regular Meeting of May 14, 2018

Chairman Markowski called the meeting to order at 8:24 AM on Monday, May 14, 2018 in the Templewood Court Board Room, 5 Tremont Street, Rutland, VT.

ROLL CALL/INTRODUCTIONS:

Let the record show the following:

Board of Commissioners Present:

Chairman Kevin Markowski, Commissioner Tina Johnson, and Commissioner Rev. Andrew Carlson.

Rutland Housing Authority Staff Present:

Kevin Loso, Executive Director; Staci Buysse, Finance Manager; Carol Keefe, Resident Services Program Manager/SASH Supervisor; Becky Ladabouche, Section 8 Program Manager; Sheri McCloskey, Property Manager; and Barbara Richardson, Administrative Assistant.

Mr. Loso introduced Lisa Jewett to the Board. Lisa came to us as a temporary employee through Leddy Group and was hired April 16th as full-time Customer Service Specialist. She was welcomed and congratulated by the Board.

BOARD EDUCATION

NAHRO Monitor: HUD Proposes Rent Reform Legislation (pages 1.2 – 1.3). The article reviews the main provisions in the proposed bill:

- Elimination of income adjustments in favor of basing rent on 30% of gross versus net income.
- PHAs would have flexibility around creating rent structures for elderly and disabled households, with the caveat that they cannot serve fewer people than they currently do.
- The Community Service requirement for non-elderly and non-disabled adults can be replaced with a work requirement.
- Triennial income recertifications for people with variable income
- Guidance on gradual rent increases versus increases as of the recertification date
Given the environment in Washington and the state of HUD it's uncertain what will actually come to pass with this bill.

TENANT CONCERNS

Commissioner Johnson shared resident concerns about the progress of the Templewood Court bathroom renovations. She appreciates that leading up to the commencement of work RHA held tenant meetings and issued informative notices, but once work started the plumbers discovered unexpected conditions: instead of being able to shut off the water to a single unit or quad, the water has to be shut off for the entire building. This means that residents of Buildings 1 and 2 were without water for 7 to 8 hours per weekday last week, and work on the building continues this week. Residents didn't realize there would be painting as well, and some with breathing problems should have been informed, since fumes can be a health issue. She reported that the workers are respectful, pleasant and leave things good and clean, but they are being bombarded with questions from residents. She also praised the electrician's work.

Commissioner Johnson suggested that RHA issue an updated notice to inform residents that expectations have changed and they likely will be without water daily until the work on their building is complete. She asked that we monitor the situation and keep people informed on a timely basis, to "not to sugar coat it, but to tell it like it is so they can be prepared." Ms. McCloskey reports that she hadn't heard about the problems until Friday afternoon.

There have been many questions about when the lawns will be mowed. RHA received only one response to the RFP for lawn care and decided to extend the deadline to May 15. We will sign a contract this week and lawns should be mowed by the end of the week.

Another concern is the muddy patch at the end of walkways. Could we consider having a cement pad laid there?

APPROVAL OF MINUTES (pages 1.4 – 1.10)

A motion was made by Commissioner Carlson and seconded by Commissioner Johnson to approve the Minutes of the Regular Meeting of April 19, 2018. Upon a roll call, the ayes, including that of Chairman Markowski, were unanimous to accept as submitted. Said motion carried.

CONSENT AGENDA: (pages 1.11 - 1.18):

Chairman Markowski asked if there were any questions regarding the items in the Consent Agenda for the month of April 2018. There being none, a motion was made by Commissioner Johnson and seconded by Commissioner Carlson to approve the Consent Agenda items, including:

Manifests: Section 8 Checks #2328 through #2330 and Direct Deposit #61291 through #61393

Manifests Public Housing #14721 through #14811

Credit Card Report 3/22/2018 – 4/19/2018

Manifests: Payroll: 4/11/2018 and 4/25/2018

Upon a roll call, the ayes, including that of Chairman Markowski, were unanimous to accept as submitted. Said motion carried.

EXECUTIVE DIRECTOR'S REPORT:

- **Hickory Street 3 Update** – HS3 construction is winding down. Roads and lots are being paved, and they are completing the punch list on the exteriors. City and Fire Marshall have issued Certificates of Occupancy and Housing Quality Standards inspections are complete on the Project Based-Voucher units, so we're moving towards that June 1st move-in. We'll hold off on the ribbon cutting until the grounds are looking better, and it will give us time to plan to have HUD personnel and legislators attend.
- **Hickory Street Phase 1 Flooring** – The job is finally underway and we should be pleased with the result.
- **RAD Training** – Mr. Loso will be attending the HUD-sponsored Keys to Successful RAD Conversion training in Washington D.C. on Thursday and Friday. Project-basing is looking more advantageous for RHA going forward, as the federal government is moving towards divestment of Public Housing. Mr. Loso will report on this training in June.
- **9 Tremont Street Garage** – The building is beyond repair. Three contractors have visited to discuss demolition bids. We are considering a plan for extra parking and a storage building. There are questions before we go forward: Which entity (Housing Initiatives, Inc. of RHA) is responsible for the cost of paving? And how will this impact the rental agreement between the entities? An HII board meeting will be scheduled once all of the garage bids have been secured.
- **VHCB/VHFA Inspections** – Inspections/audit revealed issues that required resolution, but nothing rose to the level of a finding. Facility issues were addressed and we sent a response to recertification issues last week. It brought to our attention the need to evaluate our recertification process to eliminate gaps.
- **Governor's Opiate Coordination Council** (pages 1.19 – 1.20) - RHA was asked to serve on the housing subcommittee of the council, and Mr. Loso is our representative. The subcommittee's task is to study and make recommendations regarding the lack of supportive housing available for people in rehab.
- **Computer & Internet Safety** – RHA was victim of a ransomware attack in late March. Our IT consultant, Matt Partalis of ACT Computing, traced the problem to a hack of the Maintenance shop's computer which has a Virtual Private Network connection to Ms. McCloskey's computer. From there, all our server files were encrypted. Ms. Buysse quickly shut down the server. A ransom note was received. Mr. Partalis came immediately to assess the situation and restore files from our backup drive. We lost only one day's data, and reinforces the need for keeping daily backups. Mr. Partalis provided an internet security training to boost our awareness and inform us of new threats to guard against. All system passwords, including on the server and router, were changed and made more challenging.
- **Year-End Update** – Our accountants were extremely pleased with the results of the pre-audit meeting.
- **Mainstream Section 8 Vouchers** – Mr. Loso reports that HUD is accepting applications for vouchers for applicants with specific barriers to housing (e.g., young disabled applicants), and he urges the board to assent to having RHA apply for 25 vouchers. We're optimistic that we'll be successful. The application process is complicated, so it is

recommended that we hire our grant writer to handle it. It may cost as much as \$5K, but it may be less because Burlington Housing Authority is applying and using the same grant writer. (The Board voted on the resolution later in the meeting.)

The Mainstream Voucher Program serves people 62 and younger who are disabled and require housing assistance in order to be discharged from an institution, avoid institutionalization or otherwise address homelessness. In addition to Burlington, Vermont State Housing Authority will be applying. Hopefully all the grants will be funded.

- **Painting RFP** – Commissioner Richards asked in a previous meeting about seeking bids for painting projects. While the price didn't change much, we have done our due diligence, and have another vendor to call upon as a result.
- **Templewood Court Bathroom Renovations** – We hope to have this project done by end of July. Mr. Loso acknowledges the inconveniences reported by Commissioner Johnson, and remarked that the work is meeting needs that tenants have expressed. The work enables us to gain access to plumbing in the future by installing access panels. However, we discovered that toilet flanges on the second floors can only be accessed via the ceiling of the apartment below. For the age of the buildings things are in good shape.

REPORTS AND DISCUSSION ITEMS:

Finance/Administration Report (Pages 2.2 – 2.6)

Consolidated Budget Comparison and Variance Report for March 2017

Revenues and Expenses - Ms. Buisse reviewed her report. Our fee accountants closed out the fiscal year finances on April 18th. The accountants were very pleased with condition of RHA's financial documentation. Ms. Buisse learned details of the accountant's process for placing items on the budget variance and will be able to better track income and expenditures in the future. The Budget Variance as of March 31, 2018 shows a surplus of \$169,259, which is higher than budgeted, due mostly to expenses that had been budgeted for Forest Park. Mr. Loso said that while it's good to have some reserves, an excess this large speaks to the volatility of the industry, and might indicate to HUD that a PHA maximizing the use of subsidy. We can make adjustments this fiscal year. Rent revenue was about \$1K over; other revenues were \$85K over, including \$65K in Forest Park fees (\$58K was placed here for the 2015 & 2016 Incentive Management Fees (IMF); Hickory Street Housing's, IMFs were re-classed in 2017 and are no longer paid to Housing Initiatives, Inc.). The Capital Fund Administration was more than \$40K over budget, and the biggest drivers were the Sheldon Towers elevator improvements money was drawn down but the expense was paid in May and the Administrative Drawdown for Capital Fund 17 was higher than budgeted.

Under expenses, Payroll ended the year \$45K under budget as expected due to the elimination of the Building & Maintenance Supervisor position, and the lack of a Property Manager for 1.5 months. Utilities were almost \$36K under budget thanks to the loss of Forest Park, locked-in propane price, lower oil prices, and

lower electric bills. This trend is unlikely to continue, and although it's a challenge to budget due to the volatility of the energy market, our 2018-2019 budget should be more accurate.

Administrative expenses in total we were only \$90 over budget. As mentioned before, this is due mostly in Training & Travel, thanks to e-learning replacing in-person training for savings of more than \$10K. Service Contracts and Consulting was over by more than \$14K due to use of Leddy Group temporary employment, which will go down now that Lisa Jewett has been hired. Training and Travel were under budget by almost \$11K due to web-based versus on-site training.

Maintenance expenses were \$19K under budget, mostly due to Rubbish and Materials & Supplies expenses budgeted for Forest Park. Exterminating expenses were almost \$3.5K over budget.

General expenses were more than \$17K over budget: Insurance was budgeted too low and was more than \$21K over by year end. Collection losses were down more than \$7.7K.

Non-routine Maintenance ended the year more than \$50K over. Extraordinary Maintenance expenses were \$32K over budget due mostly to the replacement boiler at Sheldon Towers and carpet replacement from tenant turnovers. Now that we have Maintenance staff handling carpeting we should save quite a bit in this category in the new fiscal year.

Replacement of Non-Expendable Equipment was \$4.7K over budget due to the purchase of a new trailer and sander for the truck, replacement appliances and security camera purchases.

Betterments & Additions was \$13K over budget due to unplanned elevator improvements at Sheldon Towers.

As mentioned earlier, the bottom line at year end was a surplus of \$169,259, with a General Fund balance of \$1,146,186.59. We anticipate a great audit in July because we are well prepared.

Cash Flow – Main income drivers for March included \$57K in SASH funding and \$30K from the Capital Fund.

Chairman Markowski has asked in a previous meeting if the Payment in Lieu of Taxes (PILOT) will be changing in the next fiscal year since Forest Park Public Housing has been replaced with Hickory Street Tax Credit housing. Mr. Loso pointed out that we will likely see a slight decrease in that the PILOT formula resulted in very little being paid through Forest Park operations. Historically Sheldon Towers and Templewood Court were responsible for the bulk of the PILOT calculation.

Ms. McCloskey reviewed her report.

Public Housing Update: At Templewood Court, the generator passed inspection at the end of April. Spring clean-up and repair plow-damaged lawns is underway. One unit is currently vacant. We continue working on the eviction due to violation of the no-smoking policy. At Sheldon Towers, we completed recertifications, the work on the elevator was done, and there are currently no vacancies.

Hickory Street Update: As Mr. Loso mentioned both Vermont Housing Finance Agency and Vermont Housing Conservation Board were here during April to perform a physical inspection of the property, as well as a file review of current tenants. All site issues were addressed through work orders. Review of files did produce some recommendations to implement. Mr. Loso added that the auditor for VHFA noted our use of "best practice" because we go above and beyond what most Tax Credit property managers do, but we aren't sure we'll change our practice because if we are ever audited by the IRS we will be well prepared. We have been marketing Phase 3 units through advertising and open houses, and things are progressing well – thus far about 15-18 people have attended open houses. We have 5 applicants who are definitely interested, and we've sent offers to 6 more applicants. Ms. McCloskey says she sees no problem getting all units leased up by due date of July 31.

Trainings: Ms. McCloskey, Assistant Property Manager Julie Sanderson, and Jon Jordan, Maintenance Foreman took part in Uniform Physical Condition Standards (UPCS) training for HUD's Real Estate Assessment Center (REAC) inspections, which will be taking place by August at the latest. We should know within a couple of weeks when it's been scheduled. Ms. McCloskey also took a refresher training for the Low-Income Housing Tax Credit program.

RFPs: Lawns - Only one bid came in for lawn care by the May 4 deadline, so we extended it another week. Ms. McCloskey spoke to two other contractors who were enthusiastic, so we expect them to meet tomorrow's deadline.

Painting – For as-needed painting at Templewood Court and Sheldon Towers, we received three bids: Dean Rooker was the low bid for Hickory Street; and Happy Valley was the low bid for Sheldon Towers and Templewood Court.

Templewood Court Bathroom Renovations – Mr. Loso and Ms. McCloskey will review the comments that Commissioner Johnson brought to the meeting, and will communicate with tenants regularly as circumstances change.

Sheldon Towers Tree Removal – Due to safety issues that have come to light during recent strong storms, fragile trees on the site will be removed and replaced with stronger and more appropriate species. We will also contact neighbors regarding trimming and removal of trees on their properties, and let them know that they will be responsible for any future damage caused by their trees.

Section 8 Program (page 2.10)

Ms. Ladabouche reviewed her report. She has been focused on the Project-Based Vouchers at Hickory Street Phase 3. In the Housing Choice Voucher program, two families have left the program and three more have been issued vouchers; two of these are seeking apartments and not yet in Housing Assistance Payment (HAP) contracts – they have 6 months to find homes in this very tight market. Two other families who are over income will move on from the HCV program and their vouchers will move to others. Commissioner Carlson asked for clarification about the availability of apartments in the area. Ms. Ladabouche explained that while there may seem to be quite a few advertised, many of them barely meet the Housing Quality Standards that HUD requires. Market rate 3-bedroom units are running about \$1200, but the HAP payment standard is just under that, with utilities included, making qualified units difficult to find. The waiting time for applicants remains 2 to 4 years.

Resident Services Report (pages 2.11 – 2.27)

Ms. Keefe reviewed her report, which includes a SASH success story from the Parker House/Linden Terrace panel that highlights how significant the program can be in improving the quality of life for participants. RHA hosted a call with the Vermont Assistant Attorney General where SASH Coordinators and RAVNAH's Marge Bloomer share information regarding current elder care issues and needs in the community, including transportation, the challenge of completing paperwork for services. The diabetes pilot program - The Sweet & Sour of Diabetes – was launched and continues through June. A Castleton University nursing student did a project with SASH and created an informational folder for participants of the diabetes pilot project.

POLICY REVIEW (pages 3.2 – 3.4)

RHA Resident Maintenance Charge Policy – The policy was last revised in 2012 and there have been cost increases. We need to give tenants 45-days' notice of revisions to the Maintenance Charge Policy, and our plan is to have these take effect on July 1st. The policy explains the formula for maintenance charges that fall into beyond normal wear and tear, but examples are in the list (cost of materials + labor + 10%).

Proposed Resolution 2018-07 to approve the Rutland Housing Authority Resident Maintenance Charge Policy effective July 1, 2018.

Chairman Markowski requested a motion to approve the above resolution. Commissioner Johnson made the motion, which was seconded by Commissioner Carlson. The ayes, including that of Chairman Markowski, were unanimous to approve.

RHA Staff Member Handbook Updates – State regulatory changes motivated most of these updates, and Ms. Buysse reviewed the handbook thoroughly and updated the following for consistency.

- Accommodations for pregnant employees: The legislature passed this law in the 2017-2018 session, and the wording was simply extracted from the Vermont Department of Labor website.
- Vacation Time: Staff can no longer carry unused vacation time into the next fiscal year.
- Employee Assistance Program: Updated to reflect the agency we're currently contracted with.
- Office Hours: The handbook reflects the hours approved by the Board that went into effect September 2017.
- Office relationships: If a partner relationship develops between employees they are required to inform their supervisor who will in turn inform the Executive Director. These relationships cannot exist between a supervisor and one of their employees. In this situation a change of job duties and/or reporting relationships will be explored.
- Dress Code: As of last year, RHA moved to a business casual dress code that allows staff to wear jeans that are clean and office appropriate, worn with a suitable blouse or RHA logo top. If staff are to attend meetings they should dress appropriate to the setting.
- Sick Time: The legislature passed a sick time law, but RHA gives more than the state law allows for.

We will review these changes at our full staff meeting on May 22, where everyone will sign that they are aware of these changes.

Proposed Resolution 2018-08 to approve revisions to the Rutland Housing Authority Staff Member Handbook effective May 14, 2018

Chairman Markowski requested a motion to approve the above resolution. Commissioner Carlson made the motion, which was seconded by Commissioner Johnson. The ayes, including that of Chairman Markowski, were unanimous to approve.

INFORMATIONAL ITEMS: (pages 3.2 – 3.16)

The following informational items were sent out prior to the meeting:

- A. Aged Delinquency Reports 05/2018
- B. Collections Report 04/2018
- C. Lease Violations/Evictions 04/2018
- D. Housing Occupancy Charts 04/2018

There were no questions about the Informational Items.

NEW BUSINESS

Staffing – Mr. Loso asked that Ms. Jewett’s appointment to the position of Customer Service Specialist be ratified by the board.

Proposed Resolution #2018- 09 to approve the appointment of Lisa Jewett to the position of Customer Service Specialist effective April 16, 2018.

Chairman Markowski requested a motion to approve the appointment. Commissioner Carlson made the motion, which was seconded by Commissioner Johnson. The ayes, including that of Chairman Markowski, were unanimous to approve.

Proposed Resolution #2018- 10 to authorize a contract with Third Sector Associates for Mainstream Section 8 Voucher project grant writing services.

Chairman Markowski requested a motion to authorize the signing of the contract. Commissioner Carlson made the motion, which was seconded by Commissioner Johnson. The ayes, including that of Chairman Markowski, were unanimous to approve.

Hickory Street Phase 3 Budget Update – Mr. Loso reported that construction costs have come in significantly under budget. The final surplus is expected to fall between \$187K and \$238K. RHA and Housing Vermont will discuss with funders (VHCB, VHFA and Vermont Community Development Program) to possibility of developing 1 or 2 single-family homes at Hickory Street, filling the neighborhood lots and introducing much needed affordable, single-family housing in Rutland.

Templewood Court Bathroom Project – Ms. McCloskey discovered in a Thursday meeting with Wright Construction that water can’t be shut off to individual units or quads due to the configuration of piping. Plumbers also discovered some asbestos that will require remediation. They are diligent and courteous, and are working quickly – they’re usually finished by 4 p.m. daily. What they’ve learned while working in Building 1 will help with the rest of the job. Only 10 more weeks to go!

Commissioner Johnson asked that Ms. McCloskey remind residents that the Community Room bathroom is available by 7 a.m. daily. Commissioner Carlson asked about providing porta-potties so tenants don’t have to walk so far. We had considered using them, but after discussion doubted people will use them, but since circumstances have changed we will look into it. We will also provide drinking water.

EXECUTIVE SESSION

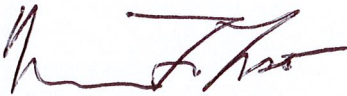
None needed.

ADJOURNMENT OF MEETING:

There being no additional business to bring before the Board the meeting adjourned at 9:36 a.m. on a motion made by Commissioner Carlson and seconded by Commissioner Johnson. Upon a roll call, the ayes, including that of Chairman Markowski, were unanimous to approve, and the meeting was adjourned.

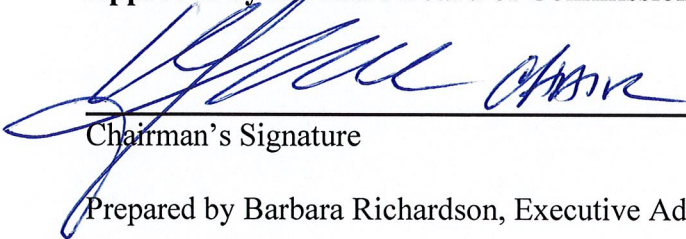
Date of next BOC meeting: Monday, June 11, 2018 @ the Hickory Street Community Center, 15 Juneberry Lane, Rutland, VT at 8 a.m.

Respectfully submitted,



Kevin L. Loso
Executive Director/Secretary

Approved by the RHA Board of Commissioners



Chairman's Signature

6/11/18
Date

Prepared by Barbara Richardson, Executive Administrative Assistant