

**RUTLAND HOUSING AUTHORITY**  
**Board of Commissioners**  
**Public Hearing and Regular Meeting**  
**MINUTES**  
**February 11, 2019**

Chairman Kevin Markowski called the meeting to order at 8:11 AM on Monday, February 11, 2019 in the Sheldon Towers Community Room at 14 Sheldon Place, Rutland, VT.

**ROLL CALL/INTRODUCTIONS:**

Let the record show the following:

**Board of Commissioners Present:**

Chairman Kevin Markowski, Commissioner Jim Richards, and Commissioner Rev. Andrew Carlson.

**Rutland Housing Authority Staff Present:**

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

**Tenants and Members of the Public Present:**

Ron Hemenway.

**Significant Amendment to the RHA 5 Year Plan**

With only a single resident attending the meeting, Chairman Markowski requested that the Board dispense with the reading of the Public Meeting Notice (attached) and to have it included in the minutes of the Public Hearing.

- **Disposition /Retention of Certain Public Housing Real Property Free from Public Housing Use Restrictions** (see pages 1.3 – 1.15) - This significant amendment is to accommodate the disposition and retention of the remaining .43 acres at the Hickory Street property after redevelopment. Section 1 of the Board packet includes the amendment to the 5-Year Plan, the Public Notice, and the Resolution to be submitted to HUD along with our Disposition/Retention request. Pages 4 - 12 are minutes and sign-in sheets from Resident Advisory Board meetings, in which residents were supportive of the concept and future projects. A memo was delivered last week to Hickory Street residents reminding them of this public hearing and their opportunity to make comments.
- **Resident and Public Testimony** – No comments were received in writing, and the single member of the public who was present had no comment on this topic.
- **Resolution 2019-07** – the full text of the resolution can be found on pages 1.16 – 1.17. The approval will allow RHA to submit the required docs to HUD for their consideration.

**Resolution # 2019-07 to approve the Significant Amendment to the RHA 5 Year Plan – Disposition/Retention of Certain Public Housing Real Property Free From Public Housing Use Restrictions and to authorize the Executive Director to submit the Corporate Resolution and required documents to the HUD Boston Field Office and the Retention Application #DDA0009238 to the HUD Special Applications Center.**

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

This concluded the Public Hearing and the Regular Meeting of the BOC commenced.

**TENANT CONCERNS**

Mr. Hemenway, a resident of Sheldon Towers, came to report the concerns of tenants who live on the second and third floors of the building. Since RHA converted the building from electric baseboard to the current propane forced hot water heating system, every year when it gets extremely cold outside the system isn't keeping residents on lower floors warm. He's heard this from a number of tenants. He understands that there may be no easy solution. Ms. McCloskey responded that RHA's maintenance foreman has had a boiler technician look into the issue, and he has identified some "lack of communication" between the older (8 years old) and newer boiler (installed in 2018) that has been traced to the control panel. We are seeking a quote to switch out the older boiler control panel. Commissioner Richards believes that as long as they're made by the same manufacturer they should be able to restore compatibility. Mr. Loso also suggested that RHA pursue a HVAC inspection. Commissioner Richards also recommends replacing any electronic thermostats with mercury thermostats because they're more accurate and there's no danger of a battery dying and shutting off the furnace.

Ms. McCloskey added that when it's very cold out, even if a thermostat is set on 78 the apartment might not heat up beyond 74 degrees. Mr. Loso mentioned that 68 degrees is the minimum required temperature in Public Housing units per HUD's guidelines. Mr. Hemenway also reported that residents are using their range ovens to supplement their apartment heat, and questioned whether thermostats are accurate. Ms. McCloskey replied that anyone who using their oven for heat should definitely call the office because it may be that thermostats aren't working correctly.

Also under Tenant Concerns is a letter of gratitude from a tenant for her affordable housing (page 2.2).

**APPROVAL OF MINUTES** (pages 2.3 – 2.11)

A motion was made by Commissioner Richards and seconded by Commissioner Carlson to approve the Minutes of the Regular Meeting of January 14, 2019. The ayes, including that of Chairman Markowski, were unanimous to accept the minutes as submitted. Said motion carried.

**CONSENT AGENDA:** (pages 1.12 - 1.21):

Chairman Markowski asked if there were any questions regarding the items in the Consent Agenda for the month of February 2019.

**Manifests: Section 8 Checks #2369 through #2372 and Direct Deposit #62228 through #62333**

**Manifests Public Housing #15479 through #15573**

**Credit Card Report 12/21/2018 – 01/21/2019**

**Manifests: Payroll: 1/02/2019, 1/16/2019 and 1/30/2019**

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**

- Development Surplus – Fencing - We have moved forward on building a fence at Hickory Street to shield the property from the railroad siding. It will be 6-foot chain-link with green privacy screening. Construction will begin in the spring.
- Forest Park Drive Discontinuance/Transfer – This is still in process. The City Attorney is working to generate the documents required for the transfer
- Storm Water Maintenance Agreement – This has been finalized and the City will pay approximately 25% of the total costs to maintain the retention pond, which amounts to about \$800 - \$900 per year.
- Single-family Home Update – With the passage of Resolution 2019-07, RHA can move forward on this project. Housing Vermont is assisting with the first round of applications, which will be submitted in March.
- PHADA News Alert (pages 2.22-2.23) – This report on the status of the government shutdown covers HUD's plans to make public housing Operating Fund payments available mid-February for the months of March, April and May. The proration will be in the high-80% range vs. 90% range to assure that there will be adequate funds for those three months. We will have funds for Section 8 HAP subsidies through the end of April.

**Sheldon Towers Cell Towers**

- Review of Current Leases (Pages 2.24 – 2.25) – This document summarizes the Sheldon Towers rooftop leases with telecommunications companies. The most important information being the current monthly rents, which vary by carrier. Verizon pays the most because we renegotiated the contract in 2013, and they do use more space than the others. The Nextel contract cancelled due to the merger of Nextel and Sprint, which has reduced the income that we generate from this asset.
- Verizon Wireless Renewal Proposal (Pages 2.26 -2.27) – Verizon reached out with an updated proposal. They're seeking a rent reduction of \$798.01/month and additional requirements that Mr. Loso is not comfortable with because they are much too liberal in Verizon's favor: basically, they want free range to make changes without RHA's prior

approval. This includes ceding control of structural analysis whenever changes are made to the rooftop configuration. Their concession: a guaranteed 60-month term at the reduced rent and an increase in the escalation from 5% to 7.5% every five years. Over the course of the contract the rent reduction would mean a lot of money lost to RHA. Verizon bases the proposal on market changes indicating that cell towers aren't as valuable as they once were. Mr. Loso doubts that this is the case in this location – it would be very difficult for them to replace a tower in this location given the value of the coverage to their customers, but seeks the Board's guidance on whether or not to reopen negotiations. Instincts say it would be difficult to replace. Neither Commissioner Richards nor Chairman Markowski was in favor of the proposal. Commissioner Carlson asked if RHA receives any services from Verizon that we can leverage. Mr. Loso explained that the different divisions of Verizon don't work together – they're essentially separate businesses – so there's no interest on their part to engage. RHA has been approached by leasing companies proposing to take over all leases and give us up-front payments in the neighborhood of \$1.3 million in a contract that allows RHA some control. In the past the board hasn't approved of these options, and HUD rejected them as well. The risk RHA runs is that Verizon will pull out.

Ms. McCloskey added that AT&T has submitted a proposal to switch out antennas, and we're working on a contract related to that. A couple weeks ago T-Mobile contacted us to discuss a lease as they're interested in expanding service to this area. All this suggests that there's still demand for this space in the industry, so the Board suggests holding the line.

## **REPORTS AND DISCUSSION ITEMS:**

### **Finance/Administration Report (Pages 3.2 – 3.24)**

**Consolidated Budget Comparison and Variance Reports for December 2018: Revenues and Expenses** – Ms. Buysse reported that the variance is staying pretty constant month to month. Rents are \$6700 over budget due to minimal vacancies. The Public Housing Operating Subsidy was at \$74,500 over budget due to the fact that we budgeted for an 80% proration and received far more than expected.

On the expense side, Payroll & Benefits are \$4700 under, partly due to an employee receiving a disability payment in lieu of their full paycheck, and also due to the year-end accrual. Utility expenses are starting to catch up to the budget in large part due to the cold winter weather. Electric is \$5600 under budget but this will level out with the year-end accrual as well. Admin expenses continue to run high due to legal fees (eviction cases) and training and travel and audit expenses (though the latter items will run closer to budget with the year-end accrual). Exterminating was under by \$3300 but with a couple of bed bug exterminations that will level out. The General Expenses are over by \$11K with PILOT as the big driver. Other General Expenses are \$25K over because the

Capital Needs Assessment required for RAD conversion wasn't budgeted for. Rent Subsidies for Section 8 were under because we have 214 vouchers leased up vs. the full 219 for which we have budget authority. Under Non-routine Expenses, Extraordinary Maintenance continues to run high due to the expense of the Templewood Court Catch basin work, the tree removal and electrical panel replacements at Sheldon Towers. Replacement of Nonexpendable Equipment is over by \$4K due to the second installment on the elevator project and a rash of kitchen appliance replacements, as well as new washers purchased for Templewood Court. The YTD bottom line shows a surplus of \$121,499 and the General Fund balance stands at \$1,220,845.73.

Commissioner Richards asked why the eviction costs are running so high. Mr. Loso explained that, in addition to the Vermont law skewing in tenants' favor and the burden of federal regulations, one case is very complicated. One eviction is heading to court and we're moving toward resolution on the other. These tenants are represented by a new attorney at Vermont Legal Aid. In the past, VLA was more collaborative in reaching agreements that served the tenant without burdening RHA too much. The new legal firm is doing a fine job, but our previous attorney, Chris Callahan, had a more effective relationship with VLA, and we hope that such a relationship will grow with our new firm.

**Cash Flow** – This is staying consistent month to month.

**Rutland Housing Authority Consolidated Operating Budget Fiscal Year 04/01/2019 through March 31, 2020** (pages 3.7 – 3.9) – Ms. Buysse provided a summary and notes for key items. Mr. Loso and our fee accountant have reviewed the draft. The Board may have to review and approve a revised budget sometime this summer when RAD goes into effect.

The ROSS, HASS and SASH program finances all net out and have separate budgets, but they're included under revenues on the consolidated statement in order to account for the Grant Admin fees.

There is no Capital Fund Admin fee for 2019 in the budget because we aren't anticipating one due to the RAD conversion.

Per the fee accountant Operating Subsidy is estimated at 93% of the total which is \$447,623, HAP funding is at \$1,253,880 along with \$82K budgeted for Main Stream Vouchers.

On the Consolidated Management Operating Budget, Ms. Buysse included notes on her reasoning process for the figures. Under Expenditures for Administration: There is a separate breakout report of individual employee payroll figures. Legal expenses increased knowing that we currently have an ongoing eviction case and one pending. Telephone, Fax, and Communication will go up due to rate increases. Benefits and Administration shows an increase in RHA's pension contribution to 5.75% in July. Dental and Health expenses are budgeted to be up

slightly as we're expecting a modest increase of 3% in 2019, which is manageable considering the significant coverage. Employees' share of the insurance increases by 1% and will go into effect in April.

Utilities are budgeted to increase slightly over the current budget. Green Mountain Power will have a 5.34% rate hike. Water fees always increase, and the City is installing new meters – we don't know if this will be advantageous or not. Gas and Fuel are expected to increase slightly, but that market is also an unknown, as are issues with heating equipment. Mr. Loso says some things are out of our hands when it comes to budgeting – for example, the City was good about letting us know when a Hickory Street water bill was unreasonably high. An inspection of all units uncovered a toilet that was running and it doubled the water bill. The City was very generous and gave us a credit towards next quarter's bill. Commissioner Richards recommends periodic reminders (which Ms. McCloskey does provide) to please call in work orders and keep windows closed.

Maintenance Supplies and Contract Costs: Materials and Supplies are budgeted lower or level depending on the line item.

Other General Expenses are a new line with \$3K for costs related to the RAD conversion process.

Rent Subsidies are reported as expenses from the budget income because they are a pass through.

Non-routine Expenditures includes Extraordinary Maintenance, and Collection Losses which are reduced compared to last year's budget. Net Income is estimated at \$40K.

It's a lot to review, but please call Ms. Buysse or Mr. Loso if you have any questions.

Staci reported that we won't adjust the current budget despite the operating subsidy coming in higher than projected.

#### **PHA Board Resolution Approval of Operating Budget form HUD-52547**

#### **Proposed Resolution 2019-08 to approve the Rutland Housing Authority Consolidated Operating Budget for Fiscal Year April 1, 2019 through March 31, 2020 and authorize the Chairman of the Board to execute form HUD-52574 effective February 11, 2019.**

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

The Board recognized the thorough, professional work of Ms. Buysse - each year RHA is getting better at projecting more accurate revenue and expenses despite the HUD related challenges.

**Fair Housing Training** – All RHA Staff received a 2-hour Fair Housing Training from the Vermont Human Rights Commission. We have refreshers on a regular cycle, but this was also a requirement of our settlement with an applicant.

### **Property Management** (page 3.14)

**Site Reports:** Ms. McCloskey reported that the recertifications for Templewood Court are in process. We purchased three new washers for the Templewood Court laundry room, which should make tenants and maintenance staff happier. There are two vacancies at the site. Sheldon Towers residents received their recertification packets, which are due back by the end of February. There are no vacancies at Sheldon Towers. At Hickory Street, the Capital Needs Assessment for Phase 3 is complete and we are awaiting the final report. There is one vacancy at Hickory Street.

The annual compliance reporting to Vermont Housing Finance Agency for Hickory Street tax credit units, due on February 27, has been completed and submitted.

**Work Orders Statistical Report:** To give the Board a sense of how many work orders the Maintenance staff handles: in 2018 there were 1,161 generated and closed, an average of 97/month.

**RAD Training:** The property managers attended a great Project-Based Voucher training in Nashville last week, and they will share what they've learned with Mr. Loso and Ms. Ladabouche. PBV follows the same platform as the Housing Choice Voucher program with a few nuances.

**Projects:** The planned conversion of the two Templewood Court efficiency units to one-bedroom has begun, and it's going smoothly.

At Sheldon Towers we are completing the critical repairs required as per the RAD Capital Needs Assessment, which included replacement grab bars (which were already on our project list) and the installation of accessible paddle handles on all stairwell doors.

Templewood Court unit inspections in November revealed that we need to replace some kitchen floors, and the maintenance team is working on it. They did find some low-level asbestos tiles which will be remediated. Electrical panels in buildings 5 and 7 crawlspaces were moved to the outside of the crawlspace.

Mr. Hemenway asked when the strobe lights will be installed in his bathroom and the strobes in the rest of his unit are to be updated. Ms. McCloskey will check with Maintenance about this.

**Section 8 Program** (page 3.15-3.16)

Ms. Ladabouche reported that she is seeking housing for the final 3 Mainstream Voucher participants, including a first floor, 2-bedroom full handicapped-accessible unit, which is very difficult to find in this community. So far this month she has made three Housing Choice Voucher offers, and three have leased up. Unfortunately, three others either died or have moved on to supportive housing. Two other HCV holders are looking, and she's trying hard to fill the full 219 vouchers we have, but are currently at 216. If anyone on the Board knows of 1- or 2-bedroom units please let her know. Mr. Loso asked if any current participants are interested in using the S8 voucher for assisted living. Ms. Ladabouche replied that because the voucher covers only housing and not food or care, Medicaid usually kicks in instead.

**Resident Services Report** (pages 3.17 – 3.36)

Ms. Keefe reported that Marty Irons, pharmacist with Beauchamp & O'Rourke, who partnered with SASH on the Vermont Department of Health/SASH Diabetes Pilot project, testified about the project work before the Vermont Senate Health and Humans Services Committee (see page 3.20). Senators were very interested.

All SASH panels are at or near full enrollment except for Castleton/Fair Haven because the coordinator has been on a temporary leave. She is getting back up to speed and will review referrals to fill her panel.

Ms. Keefe and SASH Wellness Nurse Crystal Horn completed training for the Shared Care Plan, Rutland Regional Medical Center's communication tool on the Cerner platform. This is a requirement of One Care Vermont's care coordination efforts. SASH will be required to share data and reports, and will be paid if we're a lead care coordinator for a participant.

The next Local Table meeting is scheduled for March.

**INFORMATIONAL ITEMS:** (pages 4.1 – 4.15)

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

- A. Aged Delinquency Reports 1/2019
- B. Collections Report 1/2019
- C. Lease Violations/Evictions 1/2019
- D. Housing Occupancy Charts 1/2019



Just as a review the Delinquency Report (page 4.11) shows no delinquent rents; the Collections Report (page 4.9) tracks funds recovered from previous tenants who left with a debt; the Occupancy report shows unit turnover rates. We are aware that in some instances the current rate needs to be reduced; and the Lease Violation Report shows evictions (we've discussed the two evictions we are currently pursuing).

**OLD BUSINESS/NEW BUSINESS –**

HUD has released revised RAD rents which are favorable to our conversion. The rents have increased from \$611/month to \$711/month for efficiencies and from \$703 to \$727 for one-bedroom units.

**EXECUTIVE SESSION**

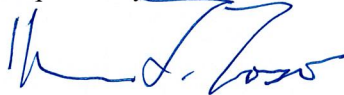
None required.

**ADJOURNMENT OF MEETING:**

There being no additional business to bring before the Board the meeting adjourned at 9:19 a.m. on a motion made by Commissioner Carlson and seconded by Commissioner Richards. Upon a roll call the ayes, including that of Chairman Markowski, were unanimous to approve, and the meeting was adjourned.

**Date of next Regular meeting of the BOC: Monday, March 11, 2019 @ the RHA Board Room, 5 Tremont Street, Rutland, VT at 8 a.m.**

Respectfully submitted,



Kevin L. Loso  
Executive Director/Secretary

**Approved by the RHA Board of Commissioners**

  
Chairman's Signature

3/11/19  
Date

Prepared by Barbara Richardson, Executive Administrative Assistant