

VERMONT STATE HOUSING AUTHORITY
ANNUAL and REGULAR MEETING MINUTES
September 26, 2018

1. ROLL CALL

The Annual and Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:00 a.m. by Chair Caprice Hover. Upon roll call, the following Commissioners were present: Mary Miller, Vice Chair; Cory Richardson; Jo Ann Troiano; and Caryn Feinberg. Linda Ryan was present via teleconference and Robert Lees was absent.

Staff personnel present: Richard Williams, Secretary/Executive Director; Kathleen Berk, Director of Housing Program Administration; Kelly Pembroke, Director of Finance and Information Systems; Arlene Shorten-Goodrich, Director of Human Resources and Administration; Susan Kuegel, Director of Property and Asset Management; Krister Adams, Housing Development Specialist; and Laura Macieira, Office Services Coordinator.

2. MEETING AGENDA

There were no changes to the meeting agenda.

3. PUBLIC PARTICIPATION

There was one public participant, Chair of the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association, Nathan Schmechel.

4. ELECTION OF OFFICERS

Hover relinquished the Chair to Williams to conduct nominations for the annual election of officers.

Williams opened up the meeting to nominations.

Troiano nominated the current slate of officers: Caprice Hover as Board Chair, Mary Miller as Vice Chair, and Richard Williams as Secretary; Richardson seconded the motion. Williams inquired if there were further nominations to the positions and there being none, nominations were closed. Williams cast one vote. All voted in favor and the motion passed.

Williams returned the Chair to Hover.

5. MINUTES – PUBLIC HEARING/REGULAR MEETING – JULY 11, 2018

Troiano moved to approve the Minutes of the Public Hearing and Regular Meeting of July 11, 2018 and Feinberg seconded. Hover inquired as to further discussion, there being none a vote was taken. All voted in favor and the motion passed.

6. SECRETARY'S REPORT – AUGUST 2018 / SEPTEMBER 2018

Williams presented updates to his Secretary's Report.

The Government hasn't approved a budget for Fiscal Year 2019 (FY 2019) and Williams believes that if that isn't done by September 30th, 2018, there will be a Continuum Resolution (CR), which might take the budget approval to early December 2018.

The VSHA staff has just finished an active shooter training given by Management Safeguards, the private consultant company we hired to make an assessment of the safety of the VSHA's main and regional offices. We went through some actual scenarios that could possibly happen, received how to stop the bleed training and heard a talk from the captain of the Montpelier Police Department on what to expect from the police in the event of a hostile person situation at work. The training also taught employees' measures to take that will slow down a person that is armed and wants to get into the offices of the building.

As recommended, we plan to add the following safety measures through phases:

- reinforce some of the interior doors and locks;
- add a film window glazing on the first floor of the main office;
- improvement on security site lighting;
- lock down front doors through a button located at the front desk to impede people to get into the building;
- add transaction windows in the main and regional offices;
- additional office cameras

Williams also mentioned that we need to look into an electronic system that allows us to see who is in the office and also for field representative staff to be safe while working off site.

Pembroke added these improvements to the FY 2019 budget.

VSHA is partnering with Burlington and Winooski Housing Authority as well as others to fund a Burlington/South Burlington MSA fair market rent survey that needs to be done due to the new fair market rent published on August 31, 2018 that came out with lower rents. We have been doing rent surveys since 1997, every couple or three years, and we need them in order to keep the Section 8 payment standards accurate. This expense is also built into the FY 2019 budget

Hover asked for a motion to approve the Secretary's Report. The motion was made by Troiano and seconded by Miller. Hover inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

7. FINANCIAL REPORT THROUGH AUGUST 31ST, 2018

Pembroke presented the following highlights on the Financial Report:

- The Administrative fees were budgeted at receiving 74% proration fee from HUD and we actually received 76% and there has been an increase in the voucher numbers, which also adds to the fees we've earned.
- The Management fees are showing a difference because the budget for the limited partnerships is not included and also because VSHA began management of the Bridge & Main project, which is bringing extra dollars each month.
- The Other Income/Audit line is showing different than budgeted because we received some development funds from Bridge & Main in order to get the units ready for rental. Fraud recovery has also contributed to the influx of dollars of this line since we've been able to receive the majority of annual collections for frauds through the tax set off program and re-payments agreements.
- The Salaries line is coming under and projected to stay under for the year due to the numerous open positions throughout the year.
- The Administrative line is under due to some measures that we took over this past year like switching internet providers, savings on office expenses and supplies.
- The Benefits line is coming under and this item goes along with the Salaries line item, if we have open positions, we are saving on health, dental, retirement, etc.
- The Equipment and Building lines were budgeted for upgrades that ended up being pushed for FY 2019.

Troiano inquired about the difference between the Office Facility and the Building lines and Pembroke mentioned that the first relates to regular office building maintenance and utilities; the second relates to a replacement reserve to be used if the office has a major expense like replacing the boilers, roof, etc.

Troiano moved to approve the Financial Report as presented; Richardson seconded. Hover inquired as to further discussion; there being none a vote was taken. All voted in favor and the motion passed.

8. COLLECTIVE BARGAINING AGREEMENT

Williams mentioned that VSHA reached an agreement with the Union regarding a three year collective bargaining agreement. Schmechel was on the team for the Union, and the staff ratified the contract yesterday. Williams added that VSHA accepted the Union's last offer and that negotiations were very cordial and professional.

Shorten-Goodrich presented some of the major changes of the contract.

Health Insurance: We will continue with the Blue Cross and Blue Shield Gold High Deductible Health Plan with a Health Reimbursement Account (HRA).

Our first year with this health plan (2017) had a \$2,500.00 deductible (out-of-pocket maximum [OOPM]) for single person and \$5,000.00 deductible [OOPM] for two-person, parent and child(ren) and family. Our negotiated HRA for the two-year contract was \$2,000.00 for single and \$4,000.00 for others. In 2018, the deductibles were raised to \$2,750.00 and \$5,500.00. In 2019, the deductibles [OOPM] will increase to \$3,000.00 and \$6,000.00.

For 2019, VSHA agreed to increase the contribution to the HRA account from \$2000.00 for single to \$2,250.00 and from \$4000.00 to \$4,500.00 for two-person, parent and child(ren) and family plans. In the event, Blue Cross and Blue Shield increases the deductible maximums [OOPM] in calendar year 2020 and/or calendar year 2021, the increase shall be apportioned between the Authority and the employees on a 50% - 50% basis.

Expense Reimbursement: VSHA will no longer provide reimbursement of meals for employees who travel in state. Employees will still be paid for if the employee attends a conference or a night meeting that is out of the day to day work schedule.

We have increased the \$100.00 reimbursement that employees receive if they are required to have protective foot wear by OSHA standards to \$110.00 for FY2019 and FY2020; and to \$125.00 for FY2021.

Salaries: We are increasing the minimum wage rates by 2% and the maximum by 2.5%. For FY2019, employees with at least a year of service will receive a 1 % years of service adjustment provided they have not reached the maximum of their pay grade and all employees not on initial probation will receive a 2.5 % increase. For FY2020 and FY2021, employees with at least a year of service will receive a 5 cent per hour adjustment provided they have not reached the maximum of their paygrade and all employees not on initial probation will receive 2.5% increase.

Leave: In the past years, VSHA gave employees three days of emergency leave when a member of their immediate family is hospitalized. Since employees may use their sick leave for this purpose, the emergency leave provision was eliminated.

Disability: An employee with a disability unable to perform all the functions of their position was able to utilize all their paid leave for the periods they were unable to work before being separated from employment. While on full payroll, they would continue to accrue full leave. Changes will now allow the employee to be placed into a part-time position or reduced work schedule. They will retain all accrued leave, but will earn future leave on a prorated basis based on hours worked.

The following Resolution was presented to the Board for approval:

VERMONT STATE HOUSING AUTHORITY RESOLUTION

WHEREAS, the Collective Bargaining Agreement (Agreement) between the Vermont State Housing Authority (VSHA) and the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association (Federation) terminates on September 30, 2018, and

WHEREAS, on May 23, 2018, the Board of Commissioners (Board) authorized the Executive Director or his designee(s) to bargain on behalf of the Board with the Federation, to reach tentative agreement on the terms and conditions for an agreement between the parties, and to submit the same to the Board for final acceptance and approval, and

WHEREAS, on September 20, 2018 the VSHA Management Bargaining Team and the Federation Bargaining Team have successfully negotiated and reached tentative agreement on a new three-year Agreement, and

WHEREAS, the Federation Bargaining Team intends to submit the tentative agreement for a new Agreement, as negotiated, to their membership for ratification. A ratification meeting is anticipated for September 25, 2018.

NOW THEREFORE, BE IT RESOLVED BY THE VSHA Board of Commissioners that such Agreement, subject to ratification by the Federation, is hereby ratified and authorized by the Board of Commissioners; and further that the Chair or the Executive

Director is hereby authorized to execute the Agreement on behalf of the Board of Commissioners.

Hover asked for a motion to accept the Resolution as presented. The motion was made by Richardson and seconded by Feinberg. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

9. REVISED ADMINISTRATIVE POLICY XIV – Sick Bank

As part of the negotiated changes to the Collective Bargaining Agreement, we agree to increase the amount of carryover of donated time in Sick Bank at the end of the fiscal year from 30 to 45 days.

Miller moved to authorize the Revised Administrative Policy as presented and Feinberg seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

10. FISCAL YEAR 2019 BUDGET

Pembroke presented the FY 2019 budget and expects that the format of the budget presented will change for FY 2020 as per Richardson's suggestion and using his help.

There are no major changes on the overall budget however, there are significant changes in specific line items. The major highlights are:

- The increase of the Salary line item is to cover the increases we just negotiated for all union and non-union employees. A Section 8 management position was added in the early summer of 2018, which was not in last year's budget. There is about \$60,000 in the budget for an employee that is on approved leave however, Rural Development (RD) does not allow the leave time be charged to the RD property, so VSHA has to pick up that difference.
- The Legal line has come down since we do not expect the PBCA legal costs that we had last year.
- The Misc. Administration line went up because it includes computer system maintenance, support and annual fees. For FY 2019 we will have to upgrade to a new Section 8 software and the cost of this reflects the increase of the amount for this line.
- The Employee Benefits line went up because of the 3% increase in the health care premiums and in the HRA account.
- On the Income side, the Administrative fee line saw an increase because we are currently receiving a higher proration fee from HUD.

Williams mentioned that Management will receive the same increase as the Federation.

Troiano moved to approve the FY 2019 Budget as presented; Miller seconded. Hover inquired as to further discussion; there being none a vote was taken. All voted in favor and the motion passed.

At 12:00 p.m. the Board recessed for lunch and returned to session at 12:20 p.m.

11. HOUSING PROGRAM ADMINISTRATION UPDATES

Berk presented the updates and informed the Board that in the packets there is a comparison of the fair market rents between the years 2018 and 2019. For the state of Vermont, overall the fair market rents went down for every single county with the exception of Rutland County.

The voucher payment standards determines the amount of subsidy we can provide families based on a percentage of the fair market rents; using our exception authority we can exceed rents by 10 % when funding our voucher payment standards. Regards the outcome of the Burlington rent survey, we will be able to fun payment standards for 2019 at the same level as 2018.

Berk mentioned that VSHA is doing very well in terms of voucher utilization and spending as FY2018 is ending. We are currently spending 102% of our HAP eligibility, which is appropriate.

12. DEVELOPMENT UPDATES

Adams gave a brief update on the development division.

Lauredon Apartments, Greensboro: We have performed a Capital Needs Assessment, developed a repair program with estimated costs, and have submitted on April 28, 2018, a preliminary application for a USDA Rural Development, Multifamily Preservation & Revitalization Demonstration Program (RD MPR) loan which has been the funding source for several projects to date. We also have soft commitments for funding through 3E Thermal and Efficiency Vermont for energy efficiency improvements and VCIL for accessibility improvements. The RD MPR funding application is planned to be reviewed by the RD Loan Committee in October 2018. A spring/summer 2019 construction start is planned.

Hollister Hill Apartments, Marshfield: The redevelopment of the seven acre property is complete. Establishing grass was problematic with the hot weather; however, the property has been reseeded, etc. and grass has been established. Full occupancy is planned for October 1st, 2018 and an open house ceremony is planned for later in that month.

Dogwood I Apartments, Northfield: This complex is receiving extensive rehabilitation including deep energy efficiency work, cosmetic, and life/safety construction. The main funding mechanism is through the USDA Rural Development (RD) Multifamily Preservation & Revitalization Demonstration Program (MPR). Dogwood II is also receiving some work. Substantial Completion is planned for mid-March 2019.

Shady Pines MHP, Westminster: A portion of the water distribution system must be replaced due to age. Design and engineering has begun on this project; construction will occur spring 2019. The funding mechanism is the Drinking Water State Revolving Loan Fund (DWSRLF) administered by the Department of Environmental Conservation (DEC).

Mobile Acres MHP, Braintree: The 6,000 water pressure tank is being replaced. Design and engineering has begun on this project; construction will occur spring 2019. The funding mechanism is the DWSRLF administered by the DEC.

Birchwood Manor MHP, Milton: We are consulting with the Town of Milton regarding our water rates versus Town rates and the possibility of the Town taking over meter reading and billing. The homes are individually metered and we have been under-charging for several years.

13. PROPERTY AND ASSET MANAGEMENT UPDATES

Kuegel presented the updates.

Usually, at this time of the year, Kuegel asks the Board to take action on the Brightwood House budget however, RD sent it back and is making us resubmit this budget because they are no longer willing to pay a portion of the salary of employee that work on the property.

All the RD October 1, 2018 budgets are back and approved and Kuegel mentioned that we are getting ready to submit the January 1, 2019 budgets for approval.

Susan Batchelder, who has been on board for about five months and has been working on implementing the homeless programs on our properties. She just submitted her first packet of documents to RD so we can implement a homeless preference in the RD properties and we are waiting to hear back for their feedback so she can keep working on this.

14. OTHER BUSINESS

Williams mentioned that The Housing Foundation, Inc. (HFI) has been working on recruiting a new Executive Director since Tim Palmer's contract will end in December 2018.

Bridge & Main Apartments in White River Junction was issued two additional subsidies and those will be under lease by the end of this month.

There being no other business, Troiano made a motion at 12:45 p.m. to adjourn the meeting, seconded by Miller and all voted in favor.

Respectfully Submitted,



Richard M. Williams
Executive Director/Secretary

