

SUMMARY OF AGENCY ACCOMPLISHMENTS FOR FY 2006

APRIL 1, 2005 - MARCH 31, 2006

The performance of the Executive Director is measured against specific goals for the Agency. The Board of Commissioners approved eleven Agency Goals for FY 2006. In this report the accomplishments relating to specific Agency Goals are listed first.

Agency Goal #1: Public Housing: Maintain “High Performer” status under HUD’s Public Housing Assessment System (PHAS). Ensure that PHA properties continue to be managed to the highest possible standards, including thorough and uniform applicant eligibility determination, fair lease enforcement, regular preventative maintenance, prompt responses to maintenance work orders, full occupancy and timely turnover of vacant units, and all other components of quality property management and maintenance. Continue preparing for “project-based accounting” and “project-based management” which will be required by the new Public Housing Operating Fund rule.

1. PHAS: The PHA has achieved “High Performer” status for *fifteen* consecutive years (FY 2006). At the May 24, 2006 meeting the Board approved the Agency’s performance under the PHAS Management Assessment indicator for FY 2006, which HUD has since confirmed. The Agency’s overall score for FY 2006 is 93%, the same as FY 2005. Some PHAS management highlights:

- **Vacant Unit Turnaround Time:** The PHA’s average turnaround time of 21.67 days (excluding modernization days) scores 3.4 out of 4 points, a “B”. This is a significant improvement over the previous year’s average turnaround time of 26.36 days (2.8 points, a “C”).

Calculated from vacancy days and the total number of unit-days available, the PHA’s occupancy rate for the year was 98.83% after excluding vacancy days related to modernization work. The average month-end occupancy rate was 99.4%. Month-end occupancy exceeded 99% every month during the year.

- **Capital fund (modernization):** The PHA scored “A”s on all components.
- **Maintenance work orders (emergency and non-emergency):** The PHA completed all 6,481 emergency work orders within 24 hours, and all 28,063 non-emergency work orders in an average of 4.87 days. The total number of priority 1 and 2 work orders for FY06 was 34,544, which represents an increase of 3,762 work orders over the previous fiscal year.

Resident satisfaction with work orders for this fiscal year was 99%.

- **Annual inspection of units and major systems:** The PHA inspected all units and major systems during the year.
- **Security:** The PHA scored “A”s on all components.

- **Economic self-sufficiency:** The PHA scored “A”s on all components.
- **Physical inspections:** The PHA scored 83% on the PHAS-PASS Physical Inspections for FY 2005 and FY 2006, based on inspections that were actually conducted midway through FY 2006 (September –October 2005). (At staff’s urging, REAC waived the last two physical inspections of McDonough Homes and Roosevelt Homes, since they still had not been scheduled in February 2006). By scoring above 80 for FY 2005, the PHA earned the PASS “performance incentive” so the same physical inspection scores were used for FY 2006, with no further inspections required.
- **Resident satisfaction surveys (RASS):** Staff coordinated required advance notice to residents from February through April 2006. The RASS score for FY 2006 was 92% the same as the previous year.
- **Quality Assurance: The High Performer designation for the public housing program should provide assurance to the Board and the public that the PHA is well run and its staff remain committed to the mission of helping families and individuals with low incomes achieve greater stability and self reliance by providing safe, affordable, quality housing and links to community services. Staff at all levels of the PHA deserves credit for this remarkable record of sustained performance!**

1A. More details on PHAS indicators:

Vacant Unit Turnaround Time:

- Overall turnaround time (including modernization vacancies) decreased from an average of 30 days in 2005 to an average of 25.6 days (15% reduction).
- Turnaround time in hi-rise units decreased from an average of 24.3 days to 24 days.
- Turnaround time in family units decreased from an average of 36.4 days to an average of 28 days.
- A real focus on turnaround time within the Scattered Sites team resulted in great improvements. In 2006 the turnaround time was 46.15 days. This includes all of the contractor unit modernization time as well as Maintenance and Resident Services time. In 2005 the Scattered Sites turnaround time was 60.44, and in 2004 it was 81.75.
- During the FY the Maintenance Department turned over 805 units for re-rental, in an average of 5.29 days. The average preparation hours were 23.37.
- The family area maintenance staff painted 120 units during this fiscal year, which exceeds the required amount. Hi-rise maintenance staff painted 461 units. Maintenance Managers or Maintenance Supervisors perform an inspection of every vacant unit to ensure that completed units meet the Agency’s unit preparation standards prior to being turned over as ready for re-rental.

Public housing admissions and occupancy: Maintain a public housing occupancy level of 99%, maintaining the highest PHAS “A” rating while continuing to perform thorough and uniform screening of all public housing applicants. Review and adapt policies and

procedures to ensure a system of ongoing efficient, consistent and fair screening practices.

- The PHA completed FY 06 with an overall combined family/hi-rise occupancy rate of 99.4 %. Each of the twelve months had overall occupancy levels greater than 99%. The average occupancy rate for the family units was 99.1% up from 98.8% the prior year; the average hi-rise occupancy rate was 99.6%. compared to 99.7% the prior year.
- A total of 834 leases were signed in FY 06, a number that includes both waiting list applicants (642); the remaining 192 leases were with families and individuals who were transferred within public housing properties.
- All 396 families who leased in family developments attended an Admission Orientation program. A three hour program conducted by family management staff. These sessions review lease and PHA requirements as well as introduce the families to the array of services available to them.
- All 448 hi-rise tenants were invited to attend a New Resident Orientation at their new home. These session serve a purpose similar to the Admission Orientation sessions do in family developments. New tenants are also encouraged to meet with a resident of their building who serves as a Resident Orientor.
- 1,075 files were reviewed for approval. Sixty percent (642) of the public housing applications that were processed during the last fiscal year were approved. Forty percent (433) were denied. This is a change from the prior year where the approval/denial ratio was 50-50.
- The total number of units offered in FY 2006 was 1,293. Of that number 454 or 35% were turned down the initial time they were shown. This is an increase from the prior year where the turndown percentage was 26%. Hi-Rise turndown rates ranged from 15% at Iowa to 46% at Wabasha. The range in family developments was 27% at Scattered Sites/Duplexes to 38% at Roosevelt. 41% of the turndowns were because applicants either didn't like the unit or its location. Another 23% stated they were not ready to move at the time of the offer.
- We continue to place the highest priority on thorough screening of all applicants.
- Rental Office staff continued their file review process of submitting files that did not meet clear cut admission or denial standards to the Round Table group. This allows for input into the decision-making process from representatives of the various Management sites. A log was put into place to track the outcome of public housing denial hearings. As part of a review of terminations of tenancy for FY '06 both of these processes were evaluated with regard to their relationship to lease terminations. There was not a strong association between lease terminations and round table admissions.
- For a portion of the fiscal year, new applicants who did not meet the housing history criteria, but who were otherwise eligible, were offered the opportunity to attend a training program. The pilot program was ended toward the end of the fiscal year. It was determined that while the training was nice, it did not serve as an adequate substitution for housing history.

Public housing lease enforcement: Work with residents and others to achieve compliance

with all provisions of the resident lease. Work with staff to assure consistent, effective and well-documented follow-up on all lease compliance issues. Consistently implement lease termination actions if lease compliance cannot be achieved by resident. Maintain lease terminations database.

- Management staff initiated 236 termination actions, resulting in 115 vacates. This is a significant increase of prior year totals. It represents about 2.5% percent of all households living in public housing during the year, compared to 1.7% in FY 2005. A comprehensive analysis of the termination data was conducted to see if there were any key factors contributing to this increase. The reasons were varied, however the analysis did prove very instructive for management. In hi-rises, most of the increases in terminations are for chronic late rent payments, disturbances and unauthorized persons. In family housing, the increases are primarily in terminations for fraud and for illegal activity.
- Management staff planned and participated in training/review of the lease termination process.
- Continued mandatory scattered site training for all new admissions and for family site transfer families.
- Continued mandatory admission orientation program for all family development residents.
- For consistency purposes all lease terminations are reviewed by the Principal manager as well as the Agency Attorney.
- Examples of changed/enhanced procedures are:
 - New procedures were put in place to better coordinate lease signings for the hi-rise units;
 - We revised and improved tools to track status on CHSP processing;
 - Rent calculations for new applicant files were centralized;
 - The Scattered Site unit offering policy was streamlined (Board approval 12/21/2005);
 - Change in purchasing procedure allowed management staff to give contract painter authorization to proceed as soon as draft PO is signed.
 - All sites showed selected units before vacant unit prep is completed;
 - Decrease in lead time to schedule joint maintenance/management vacate inspections
 - Management decreased amount of time for resident to decide whether to take a unit and the number of attempts to set up a showing before moving to next applicant.
 - Worked more closely with Maintenance on handoff of units.

Public housing rent collections: Continue proper collection procedures for both current and vacated residents, coordinating efforts with the Finance Department to ensure that collection losses meet the PHAS "A" rating of less than one percent of total dwelling unit rental income. Maintain emphasis on timely rent payment through enforcement of chronic late rent

policy.

- Total uncollected rent averaged 0.20% for the FY05.
- Staff initiated 71 terminations for chronic late rent payment (4 times in a 12 month period), resulting in 30 vacates and 41 stipulations; some stipulations resulted in vacates due to violation of stipulations.
- 13 residents vacated due to nonpayment of rent terminations.
- Report of unpaid sales and service charges was revised to include even small amounts delinquent and appropriate staff follow up on unpaid amounts delinquent 3 months or more. At year end, only 17 accounts with a total of \$1,224.00 in Sales and Services Charges were delinquent by three months or more.
- Importance of timely payment of rent has been emphasized stronger than ever in new resident orientation programs.
- At the end of the year just 4 accounts had delinquent security deposits payment agreements.

Work Orders

- The Maintenance Department further expanded its use of the work order system by initiating work orders for all preventive maintenance performed during the fiscal year. This serves as a marker, much the same as the Resident Services annual inspection work order. This is just one more use of the system, which provides the Agency with a more rounded picture of our units.
- In addition, since the merger of Technical Services and Maintenance, Maintenance Contracts staff is also using the work order system to communicate resident issues (priority 50) to Resident Services staff. This particular use of the work order system has proven to be one of the most effective in tracking problem units.

Marketing: Maintain marketing initiatives to increase public awareness, ensure an adequate waiting list of qualified applicants for all bedroom sizes and increase unit acceptance. Utilize the waiting list as well as other available data and resources to identify potential under representation of specific applicant groups.

- Marketing efforts for FY '06 were focused on potential hi-rise applicants. Staff from the Rental Office worked in conjunction with CHSP staff to increase the number of elderly and program eligible applicants. Rental Office staff, with the assistance of Hi-Rise Management staff, updated and re-designed the individual hi-rise brochures.
- Family management staff met to discuss marketing techniques and brainstorm ways to decrease turn downs.
- We ran advertisements in Minnesota Senior Housing Directory, Senior Times, Senior Housing Guide, Care Options Newsletter and Care Options Senior-Care Guidebook. All three of these publications have sections specific to assisted living programs where CHSP was featured.

- We ran a marketing special offering one month free rent for existing resident that sign up for CHSP (with 6-month contract).
- Displayed flyers and brochures in nursing homes. Various staff represented the PHA at several informational fairs sponsored by social service providers.
- There were outreach efforts to participants in the Wilder Roof Project, the St. Paul Schools' Career Skills Day and the Apollo Resource Center, a division of People Inc. Less formal exchanges of information continued between the PHA staff and Ramsey County social service providers as well as staff from Mental Health Resources and Safe Alternatives.

Preventive maintenance and housekeeping inspections: Maintenance staff under the leadership of Hank Petro performed annual preventive maintenance inspections (PM) on all 4,280 dwelling units and buildings, to conform to PHAS requirements and to meet Uniform Physical Conditions Standards (UPCS). Resident Services staff under the direction of Lyle Schumann, Connie Toavs, and Nina Semmelroth led annual housekeeping inspection efforts as follows:

- Recruited and trained a new group of resident housekeeping trainers.
- In family developments, 123 residents initially failed the annual inspection, 25 required monthly monitoring to achieve compliance and 4 leases were terminated due to noncompliance after many efforts to assist with lease compliance.
- Mt. Airy management staff conducted monthly "hands on" classes on yard care, including referrals from all family sites and scattered sites.
- Managers conducted weekly checks of yards and exteriors and monitored resident efforts to correct yard care issues.
- Preventive Maintenance inspections were performed on all dwelling units (hi-rise and family areas) during the past fiscal year. All noted deficiencies were repaired at the time of the inspection. Maintenance supervisory staff continue to re-inspect 10% of all units to ensure the quality of our preventive maintenance inspection process is maintained.
- Maintenance Contracts staff had all City required testing performed during this fiscal year. The inspections include, elevators, fire alarms, sprinkler systems, nurse call alarms, community center and room commercial kitchen hoods, fire extinguishers, emergency generators, flue gas analysis, and fire suppression system.
- As a result of an agreement with the Fire Department, Maintenance staff performed 39,607 dwelling unit smoke detector tests.
- Maintenance continues to use the Priority 90 (work order priority used to designate future budget items) system to communicate future budget needs. During this fiscal year Maintenance Contracts was successful, as a result of additional funding, in closing 168 high priority 90 work orders. These were primarily building envelope issues, such as roofs, windows, siding, exhaust vents and driveways. Further communication of property needs takes place during Scattered Site and Maintenance staff meetings, which include representatives from Maintenance Contracts. Maintenance staff hold quarterly budget

meetings with other departments where priorities and future needs are also discussed.

Agency Goal #2: Maintain “High Performer” status under HUD’s Section 8 Management Assessment Program (SEMAP). Continue successful strategies to maintain high voucher utilization. Successfully implement and administer current agreements for Project-Based Assistance (PBA). Continue to advocate for full voucher funding and program reform.

2. SEMAP High Performer status: The PHA achieved “High Performer” status again for FY 2006 (now fifth consecutive years), as reported to the Board most recently on May 24, 2006. **The Agency’s SEMAP score for FY 2006 was 97%** (compared to 100% for FY 2005 and 96% for FY 2004). Under the direction of Lyle Schumann and Rita Ander, staff worked diligently to accomplish these goals, including:

- The PHA averaged a unit lease up rate of 98.72% and a budget utilization rate of 99.60% in FY 2006 (on a budget of \$35,200,000).
- During FY 2006 the PHA applied for additional vouchers through the Mainstream Program for People with Disabilities. HUD awarded ten new vouchers (award letter April 20, 2006).

2 A. Other voucher production statistics:

- Conducted 38 regular briefings; 67 port-in briefings; and 59 PBA briefings
- Issued 625 vouchers (includes PBA and port-ins), (505 vouchers in FY 05).
- Processed 544 new admissions (505 in FY 05).
- Conducted 11,743 housing inspections (8,474 in FY 05).
- Completed 2,964 annual re-exams (3,237 in FY 05) and completed 3,136 interim re-exams (7,4797 in FY 05).
- Processed 318 portability move-ins (243 in FY 05).
- Processed 238 portability move-outs (291 in FY 05).
- Processed 375 end participations (405 in FY 05); and processed 32 FSS enrollment/end participations (10 in FY 05).
- Conducted 87 hearings (85 in FY 05).
- Special Allocations:
 - RAFS – funding canceled, program diminishing through attrition
 - Welfare To Work: Funding cancelled, program diminishing through attrition.
 - Mary Hall – average utilization of 96%
 - Mainstream Disability Vouchers – average utilization of 93% (this program affected by non-issuance of vouchers for 13 months).

- Sibley Towers – 27 preservation vouchers, 99% utilization by January 1, 2006 deadline (one tenant ineligible)
- Quality Control:
 - Continue to run and review internal Elite/Crystal reports to identify and prevent SEMAP errors. Run PIC SEMAP reports at least bi-monthly to monitor scores and correct problems.

2 B. Section 8 FFY05 Funding: Research, develop and implement strategies in response to funding reduction as outlined in HUD notice. Continue to work closely with the Minnesota Housing Finance Agency, elected officials, other PHAs, and PHA organizations to advocate for appropriate funding and needed program reform.

- Continued to hold monthly Financial Management meetings with Executive and Finance staff. During the past fiscal year we assisted in the development. Staff assisted with a request for reconsideration of our “snap-shot” time frame for renewal funding. This resulted in a supplemental \$586,234 in Housing Assistance Funding.
- At the end of the year after all income and expenses were reviewed the program ended up \$2,500 in the red. This on an Administrative Budget of \$2.5 million dollars. The program ended the year with a administrative reserve balance of just under \$550,000
- Continue to be active in the funding issue discussion working with other Metro PHAs as well as being very active in MN NAHRO. Providing training on cost cutting techniques, rent reasonableness, and financial management.
- Met a number of times with MHFA to review the funding challenges and to discuss the project to end long-term homelessness.
- Continue to manage the HAP budget extremely effectively. Average HAP costs are at levels we were experiencing in early 2004.

The PHA provided significant assistance in helping with Hurricane Katrina relief efforts. With the Board’s approval (9/28/2005) we loaned two Section 8 staff to the Houston PHA for 30 days to assist with processing families made homeless by the hurricane. The PHA absorbed the costs associated with this assistance (approximately \$18,000).

Agency Goal #3: Capital Improvements: Continue renovating public housing properties and making capital improvements which promote fire safety and life safety. Maintain high quality and timely design, bidding and construction. Continue to actively involve residents, staff and the community in planning capital improvements.

3. Program administration, fund obligation and expenditure:

- The 2003 CFP application was submitted as a part of the Agency Plan in December of 2002. HUD issued the 2003 CFP allocations in two parts. The ACC for the PHA’s first part in the amount of \$7,656,440 was 9/17/03. The ACC for the PHA’s second part in the amount of \$1,525,900 was 3/4/04. The goals for the 90% obligation and 100% expenditure of the

PHA's FFY2003 first part funding are 9/16/05 (obligation) and 9/16/07 (expenditure). The goals for the 90% obligation and 100% expenditure of the PHA's FFY2003 second part funding are 3/03/06 (obligation) and 3/03/08 (expenditure). As of 9/30/04 100% of the first part funds were obligated. As of 4/30/05 100% of the second part funds were obligated. As of 4/30/05 99% (\$7,633,214) of the first part funds were expended and 98% (\$1,493,848) of second part funds were expended. Staff should have no trouble meeting HUD's goals for obligation and expenditure.

- The 2004 CFP application was submitted as a part of the Agency Plan in December of 2003. The ACC date was 9/7/04 for \$8,860,374 of funding. The goals for the 90% obligation and 100% expenditure of the PHA's FFY2004 funding are 9/06/06 (obligation) and 9/06/08 (expenditure). As of 2/28/05 58% of the funds were obligated. As of 9/6/06 100% (\$2,611,319) of the 04 funds were expended. Staff should have no trouble meeting HUD's goals for obligation and expenditure.
- The PHA's CFP application for FFY2005 funding was submitted in January of 2005 with the PHA's Annual Agency Plan. The ACC date was August 18, 2005, for the \$8,079,514 of funding. The goals for the 90% obligation and 100% expenditure of the PHA's FFY2005 funding are August 17, 2007 (obligation) and August 17, 2009 (expenditure). As of February 28, 2006, 73% of the FFY2005 CFP funds were obligated. As of February 28, 2006, 24% of the FFY2005 CFP funds were expended. Staff should have no trouble obligating and expending these funds in accordance with HUD guidelines.
- The PHA's application for FFY2006 CFP funding was submitted with the PHA Agency Plan on January 13, 2006. On June 8, 2006 HUD announced that the PHA would receive \$7,116,346 under a distribution of 95% of the CFP grant funds available, with the remaining funds to be disbursed after the list of high performer agencies was released. As a high performer, the PHA should receive the 3% bonus funding, and possibly additional funds from recaptured grants or excess withheld funds.

3A. Designing with residents:

- Residents continue to be involved in the modernization process for McDonough Homes through newsletters, presentations at Resident Council meetings and staff information sessions with residents undergoing temporary relocation.
- Residents were actively involved in the entire planning process for both the McDonough Homes and Central Duplexes modernization. They continue to be involved in meetings during the actual construction of the improvements.
- Maintenance, Maintenance Contracts, Resident Services, Administration and Finance Department staff continued to work together, along with residents, to develop and prioritize funding needs for the Non-Routine Operating and the Capital Fund Budgets.

3B. Capital fund program coordination: Coordinate the efficient, high quality and timely design, bidding and construction of modernization projects including major work on Phase II, Part I & II at McDonough Homes (complete by September 2006) and Phase III, Part I & II at McDonough Homes (beginning in September 2006); Phase III and IV on the Central Duplexes;

installation of fire suppression sprinklers at the Wilson and Dunedin Hi-Rises, modernization of the elevators at Seal Hi-Rise, and installation of a new elevator at the Wabasha Hi-Rise. Develop bid documents and conduct contract administration that result in minimal change orders and high quality work.

- A \$64,599 contract for replacement of the roof on the McDonough Community Center gym was awarded May 18, 2005, to M&S Roofing. All work is complete.
- Phase III of the Central Duplex building exterior and site renovation work at the Iglehart site was awarded June 22, 2005 to Merit Building Co. at a cost of \$193,043. Work on the Iglehart site was delayed by weather but is nearing completion. Staff and the architectural firm of Hokanson, Lunning and Wendy are preparing plans and construction documents for the Phase IV exterior building modernization at the Carroll/St. Albans site.
- Consultants prepared construction documents for installation of fire suppression sprinklers and replacement of the existing fire alarm panels at the Dunedin and Wilson Hi-Rises. A contract for installation of the fire suppression sprinklers at both buildings was awarded to Viking Sprinkler Co. November 23, 2005, at a cost of \$960,000. A contract for replacement of the fire alarm systems at both buildings was awarded to All Tec LLC on November 23, 2005, at a cost of \$279,000. The PHA operating budget is paying for \$640,000 of this work and the 2004 CFP is paying the balance. Work is expected to be complete by mid July of 2006. Staff are currently working with consultants developing the plans for installation of fire suppression sprinklers and replacement of the fire alarm system at the Iowa Hi-Rise.
- The corridors of the Valley Hi-Rise had vinyl wall covering removed and the plaster walls repaired by a variety of contractors. A contract in the amount of \$174,960 was awarded on March 22, 2006, to Hamernicks Decorating for skim coating of the plaster and painting of the plaster corridor walls. All corridor wall repair work is expected to be complete by late August 2006. Other hi-rise common area work included replacement of the Neill Hi-Rise corridor flooring by Hamernicks Decorating at a cost of \$54,485 and replacement of the corridor flooring at the Seal Hi-Rise by Continental Flooring at a cost of \$81,788.
- A contract was awarded to Unicorp on January 25, 2006, for modernization of the elevators at the Seal Hi-Rise at a cost of \$338,900. Work is expected to be completed by December 2006.
- A \$684,700 contract was awarded to Construction Results on February 22, 2006, for the addition of an elevator at the Wabasha Hi-Rise. Work is expected to be complete by December 2006.
- Approximately \$795,000 of 2004 and 2005 CFP funding has been spent at the PHA scattered site homes. Work accomplished with this funding included replacement of windows under a contract awarded to D&J Steele on June 22, 2005 at a cost of \$180,150 and the replacement of roofs under a contract awarded to Totall Contracting on June 22, 2005, at a cost of \$110,117. The balance of the funds were used to accomplish site specific work including kitchen replacement, bathroom renovation, flooring replacement, painting, furnace/water heater replacement, installation of new driveways, etc.

- Bid documents and contract administration has resulted in minimal change orders and high quality work.

3C. Energy conservation: Incorporate energy and water conserving materials, fixtures and systems in modernization and contracting work wherever feasible. Work with public utilities, other staff, and residents to prioritize improvement needs and to complete audits and improvements, utilizing non-PHA and non-HUD resources where feasible. Take full advantage of Xcel energy conservation and rebate programs. Complete conversion of the Dunedin Hi-Rise to District Energy hot water heat.

- Maintenance Contracts staff working closely with the Chief Operating Engineer, have developed a plan, based on a physical needs assessment for future work as money becomes available.
- Energy and water saving materials, fixtures and systems were incorporated in modernization and contracting work.
- Maintenance Contracts worked with public utilities, other departments and residents to prioritize improvement needs, and to complete audits and improvements, utilizing non-PHA and non-HUD resources where feasible.
- A contract was awarded to NSI Mechanical for the conversion of the Dunedin Hi-Rise to District Energy hot water heat in March of 2005. Work was completed in the fall of 2005. Engineering work for this project was performed by Gada and Associates an MBE firm.

3D. Procurement: Staff conducted annual purchasing training for all staff who are authorized to purchase and/or to request a purchase. Staff provided procurement assistance, compliance review and approval, periodic updating of procedures, and on going training to support our decentralized procurement activities. The PHA Purchasing Manual was revised by the Technical Services Procurement Manager (John Wright) and distributed to all staff during the fiscal year.

- All assigned FY06 NROB work was accomplished in a timely manner. Of special note is the extensive list of 130 scattered site addresses where a total of \$500,000 was expended eliminating the backlog of high-priority scattered site roofing, siding, window replacement, driveway replacements and exhaust fan installation work.

3E. Service contracts and charge accounts: Continuously seek to improve this process to provide better products and services and more effective communication and coordination between the users of the accounts and the vendors. Work closely with other PHA staff to make sure service contracts and charge accounts are meeting the agency's needs and comply with all aspects of purchasing requirements.

3F. MBE/WBE participation: Staff continued efforts at maximizing outreach to provide bidding opportunities to M/W/DBE's:

- Outreach efforts included: PHA directory of M/W/DBE firms for use by staff and prime contractors, mailing of invitation to bid to M/W/DBE firms, advertising in all known M/W/DBE newspapers, and attending various scheduled events organized by minority contractor organizations including construction exchanges. The PHA is a member of the National Association of Minority Contractors (NAMC). Maintenance Contracts staff regularly attended NAMC meetings and discussed contracting opportunities available at the PHA.
- Progress toward meeting M/W/DBE goals was reported to the Board quarterly. The results through March 2006: Capital Fund Program: MBE participation was 14.4% and W/DBE 16.8%. Operating Budget: MBE participation was 9.7% and W/DBE 6.5%. Contracts totaled \$1,467,496 to MBE firms and \$1,551,578 to W/DBE firms in FY 06.
- Maintenance Contracts Department and EOD Department continued to review and edit contracting documents to ensure compliance with Affirmative Action laws, policies and goals. Established a working group consisting of EOD and Maintenance Contracts staff to ensure effective and ongoing efforts to maintain and improve Affirmative Action compliance. Met with staff from Minneapolis Public Housing Authority to discuss and identify processes, goals and best practices. Participated in the City of St. Paul Minority Contractor Forum.

3G. Pest control: Staff developed and implemented procedures to effectively deal with pest control issues. Each congregate family area dwelling unit was treated 3 times during the past fiscal year. The infestation rate for the hi-rises decreased from 2.5% in CY 2004 to 1.9% in 2005 during two surveys of insect traps taken from each of the 2,554 units (16 hi-rises).

Agency Goal #4 - Equal Opportunity and Diversity: Promote and enforce equal employment opportunity and affirmative action. Attract and retain a diverse and qualified work force. Manage workplace diversity by fostering respect for and valuing of diversity.

During FY 2006 the Agency's first Equal Opportunity Director, Julius Erolin, left the PHA to take a position with the University of Minnesota. Julius developed the role of the new department and advocated tirelessly for equal opportunity and diversity. In September 2005 the PHA hired Sheri L. Russell as the new EOD Director. Sheri is taking EOD to a new level, using her extensive training and experience in equal opportunity law, conflict resolution, prevention of harassment and violence in the workplace, and other diversity-related issues.

4A. Equal Employment Opportunity (EEO) Compliance and Affirmative Action.

- Audited the PHA's policies and procedures regarding EEO compliance. Revised the PHA's Equal Opportunity, Affirmative Action and Fair Housing Policy, Discrimination and Harassment Prevention Policy, and the Discrimination and Harassment Complaint Procedures (Board approval 1/25/2006). Drafted the PHA's Disability Accommodation Policy and Procedures (Board approval 1/25/2006).
- Monitored and analyzed recruitment, hiring and other employment actions for EEO/AA compliance. Reviewed 237 Personnel Action Forms for EEO Compliance. On six occasions

EOD requested additional information and documentation prior to supporting the action.
Worked with supervisors as needed.

- Reviewed current recruitment and retention efforts. Collaborated with the Human Resources Department (HR) to improve the PHA's applicant scoring process to more accurately identify and score job-related qualifications. Collaborated with HR to refine the PHA's recruitment processes, including posting applications and position descriptions on the PHA's Web Site.
- Conducted 90 consultations where staff provided advice and guidance to PHA directors, supervisors and employees on issues of equal opportunity, affirmative action, discrimination, discriminatory harassment, sexual harassment, workplace violence, domestic violence, and policies and laws related thereto.
- Conducted 32 Informal Resolutions and 4 formal investigations (comprehensive interviews and document review to determine whether the facts supported allegations of discrimination, discriminatory harassment or sexual harassment). EOD discussed its findings and recommendations with the relevant Department Director, the Human Resources Department Director, the Executive Director and legal counsel.
- Managed information and statistical data on all incidents, consultations, informal resolutions and formal complaint investigations, and communicated data to department directors.
- Developed and conducted trainings on discrimination and harassment awareness and prevention, equal opportunity and affirmative action, including comprehensive trainings materials. Conducted 2 New Employee Orientation trainings (1 hour each), and 2 Discrimination and Harassment Prevention for Housing Managers, Assistant Managers and Human Service Coordinators (2.5 hours each).
- Drafted internal EOD guidance memoranda on disability accommodations, confidentiality, staff meetings with EOD and HR, staff issues with disabilities.
- Drafted Notice to Residents regarding discrimination and harassment of and by residents against other residents and/or PHA staff.
- Audited PHA environment for posters, materials, and activities to ensure compliance with PHA's EEO/AA/Fair Housing Policy and Discrimination and Harassment Prevention Policy. To address a lack of messages of diversity, tolerance and community, EOD purchased and distributed diversity and community-building posters for all community centers, community rooms and management offices.
- Counseled and advised PHA supervisors on ways to improve employee recruitment and retention efforts and achieve Affirmative Action Plan goals.
- Collaborated with HR to improve and expand supervisory trainings to improve retention of women, people of color, people with disabilities and qualified veterans.
- Conducted a workplace facilitation with large work-group regarding multiple issues and conflicts between employees, and between employees and the supervisor.
- Conducted one exit interview of outgoing staff in a protected group.

- Created and establish forms, documents and processes to improve EOD's consistency, information and complaint management, and to educate employees and residents about discrimination, harassment and EOD's services.

4B. Diversity Initiatives

- Developed and implemented diversity initiative from the executive director and policy levels through aforementioned policy revisions and additions to help create and maintain a workplace environment that respects and values diversity. Communicated these policy changes to staff at monthly staff meetings.
- Facilitated and supported employee resource groups – AHANA (African, Hispanic, Asian, Native American) Alliance and GSEN (Gay-Straight Employee Network).
- Collaborate with HR to develop comprehensive trainings for supervisors in EEO-related areas and in cross-cultural competency.
- Provided trainings, speakers, videos, brown-bag lunch discussions and co-sponsored potlucks for PHA staff to acknowledge and celebrate diversity including Black History Month (February), Asian Pacific American Heritage Month (May), Hispanic Heritage Month (October), American Indian Heritage Month (November), Gay and Lesbian Pride Month (June) and Disability Awareness Month (October), and human and civil rights.
- Developed a monthly calendar of diversity information and events for PHA staff and residents.
- Researched and explored “best practices” in managing workplace diversity and analyzing possible application to the Agency.
- Developed and conducted resident diversity trainings, dialogue groups, celebrations and initiatives, such as the Hi-Rise diversity dialogue group; facilitated monthly Resident Diversity Team meetings, and sponsored the annual Resident Diversity Team event. EOD staff regularly work with Housing Managers and Assistant Managers to address diversity-related issues
- Worked with Resident Councils and Resident Services Department to coordinate and manage elections at community centers.

4C. Employee Relations and Conflict Resolution

- Counseled and advised supervisors on conflict management techniques.
- Worked collaboratively with HR to advise supervisors on resolving employee relations issues and improving individual and group performance.
- Encouraged EOD staff to pursue additional conflict resolution trainings and purchased Fisher & Ury's Getting to Yes, the quintessential text on conflict resolution techniques, for EOD staff.
- Facilitated discussions with employee and supervisor regarding a performance improvement plan, facilitated a discussion between an employee and supervisor regarding performance and

discipline, and conducted a work-group facilitation that included 8 individual meetings and 2 large group facilitated sessions (as mentioned above).

- Enhanced communication and collaboration efforts between EOD and other departments to effectively identify issues, brainstorm options, and implement strategies regarding specific employee issues.

Agency Goal #5 - Employee and Organizational Development: Promote education, growth and advancement of employees through career planning, training opportunities and other resources. Continue internal rethinking strategies to promote organizational development, continuous improvement, and appropriate responses to budget challenges and program changes.

5A. Staffing: All Senior Staff, and especially the Director of Human Resources (Mike McMurray) and the Director of Equal Opportunity and Diversity (Sheri Russell), assisted in performing the following as the PHA continued to attract and retain a qualified workforce:

- Staffing activity was lower than last fiscal year due to lower turnover (10.5%, down from 12.7% last fiscal year) and resulting vacancies (20 new hires and 17 promotions, lateral transfers). Recruiting activity including testing and other activities related to hiring (reference checks, scheduling physical examinations, criminal background checks, new employee orientation, etc.) continued. This resulted in the processing of 237 “Notifications of Personnel Action” forms.
- Of the 228 staff members employed by the PHA at the end of FY06, 48% were women and 35.5% were people of color. Both groups work in all levels of the organization.
- Of the 23 staff hired for regular positions, 39% were employees of color (down from 50% last fiscal year) and 43% were women (down from 45% last fiscal year).
- Of the 12 staff members promoted in FY06, 33% were people of color (down from 59% last fiscal year) and 42% were women (up from 35% last fiscal year).
- To aid in the workload because of turnover, 21 67-day temporary employees were hired throughout the fiscal year (29 last fiscal year). This included temporary employees for the seasonal maintenance positions.
- Continued to identify and work with PHA residents whose skills match PHA temporary and on-going employment needs and assist in developing resident economic development initiatives.
- Continued to expend a large percentage of time on a comprehensive applicant-testing program. Approximately 130 internal and external applicants were tested for various positions during the year (on average one to one and one-half hours of HR staff time per applicant).
- Conducted exit interviews with 12 staff that terminated employment with the Agency.

5B. Training and employee career development: The PHA continued to follow its comprehensive strategy for employee training and career development in FY 06:

- Performed routine training programs such as individual new employee orientation (met with 41 new employees individually, including 21 regular staff and 20 temporary staff); new employee group orientations (3 sessions for 19 employees); large group orientations including a tour of PHA properties (1 session for 10 employees).
- Human Resources conducted training programs for all new supervisory/management staff covering employment and personnel issues. Topics included the hiring process at the PHA, coaching/counseling/disciplinary process, leaves of absence including FMLA, and the performance appraisal process.
- Employee Right to Know training for all new maintenance and CHSP employees.
- In-house computer training using Prove-It software.
- Three agency wide training sessions were held (84 employees attended).
 - Time Management
 - Building Effective Work Relationships
 - Managerial Communication

5C. Rethinking the organization:

- Resident Services and Section 8 staff continued their efforts to update forms and post them on the PHA Intranet, assuring that all staff has access to most recent revisions of forms and lowering costs.
- As a result of “rethinking” meetings and other “continuous improvement” considerations, contract and purchasing responsibilities and staff were assigned to the new Maintenance Contracts unit in the Maintenance Department and the Technical Services Department was eliminated on September 30, 2005 (Board approval 8/24/2005).

5D. Compensation review:

- Continued to be in compliance with Minnesota Pay Equity Act. Filed the legally required report in January 2006. This report is due every three years.
- With Fox Lawson, re-evaluated three existing positions.
- Worked with Executive Director and Fox Lawson to evaluate job descriptions for two department director positions which have recently undergone significant organizational structure changes.
- Worked with department director and Executive Director to grant a retention salary increase to retain the Budget and Reporting Manager who had received a higher competitive salary offer.

- Worked with each department to continue to update job descriptions and performance standards when job duties changed.

5F. Benefits: Continued to work with the benefits consultant and continued the employee task force comprised of representatives from each of the Agency's bargaining groups and S&C. Also:

- Worked with Stanton as the benefits consultant.
- Looked at and discussed the internal and external factors that influence the costs of medical insurance.
- Reviewed current medical plan benefits and premium rates and examined our claims history.
- Reviewed current market trends driving the cost of medical care.
- Completed the RFP process on Health and Dental Insurance and Long Term Disability.
- Worked with employee task force to review and rate health and dental insurance proposals. Made selection recommendations to senior management and respective unions. Discussed/negotiated with employee groups the costs for insurances for the first and second year of their policies/contracts.
- Worked with Budget Manager and senior staff to reduce overall costs of employee benefits.
- Notified, recorded and tracked 34 staff and their use of leave time under the Family Medical Leave Act.
- Notified staff and their dependents of their right to continue medical insurance coverage under federal law (COBRA).
- Compiled and sent annual seniority lists for AFSCME and Local 132.
- Met with each new employee to review and enroll in health/dental insurance and pension plan.
- Compensated employees proficient in a second language \$1,000 per year and contracted with vendor to test language proficiency to determine who meets the qualification.
- Annual pension plan participant education sessions were held.
- Pension committee offered up to \$300 to each pension plan participant for professional financial/estate planning.
- In conjunction with pension planning, offered deferred compensation option to employees.
- Conducted health and dental insurance open enrollment period.

Agency Goal #6: Safety and Security: Maintain safety and security at all PHA housing and work sites for residents, staff and the public. Promote non-violence in all aspects of the PHA's work. Continue and enhance safety efforts such as the ACOP, Officer-in-Residence, Resident Doorwatch and Police Storefront Office programs.

6. Workplace Violence Prevention: Senior staff, and especially EOD staff implemented workplace violence prevention initiatives and coordinated with other departments to identify needs and provide solutions. Staff continued to work together on strategies that support a safe, secure, productive and inclusive work environment.

- Conducted quarterly meetings of the Third Floor Action Team to identify ways to improve the safety, security and work environment for all staff and clients.
- Completed and implemented the Domestic Violence Prevention Policy drafted in August 2005. Worked with Wilder Community Services to develop and coordinate domestic violence prevention training for supervisors and staff. Supervisors worked with EOD and Human Resources to provide support to employees who are victims of domestic violence and to ensure a safe workplace for all staff.
- Worked with front desk supervisors to conduct a safety and security needs assessment for front desk staff, and developed a front desk manual.
- Received an "Outstanding" (maximum points) from HARRG for the PHA's FY 2005 "Work Plan Submission", resulting in an insurance premium savings of \$25,000. This work plan relates to safety and risk management efforts throughout the PHA.
- Implemented a Workplace Violence Policy approved by PHA board in November 2000.
- Developed and provided workplace violence prevention training and educational materials to all PHA staff.
- HR worked with other departments and staff to ensure building safety, security and emergency preparedness. Improve and monitor emergency management and appropriate improvements or modifications to equipment and facilities.
- Investigated and/or addressed 6 incidents of workplace violence.

6A. Community Safety and Security: EOD staff, especially Mercy Das-Sulc, worked with PHA staff, St. Paul Police Department, PHA residents and community partners to maintain safety and security for residents and staff.

- Continued to work closely with ACOP, PHA staff and residents to problem-solve around specific operational issues and incidents. Worked to improve communication between PHA managers and ACOP officers, reporting and follow-up, and identification of needs.
- Family management staff worked closely with ACOP officers to monitor problem properties, complete knock-and-talks where drug activity was suspected and to foster positive community/police/management relationships.

- There were 39 “one strike” terminations in public housing for drug-related and/or criminal activity. ACOP action in most of these situations provided the necessary documentation for staff to take action.
- Coordinated presence of ACOP officers at multiple hi-rise and Resident Council sponsored family events, including picnics, special community celebrations, and resident recognition events. Coordinated with ACOP the Dunedin National Night Out activities.
- ACOP supervisor continued to meet bi-monthly with family Managers to discuss mutual concerns.
- ACOP officers attended Resident Council meetings and participated in Admission Orientation Programs for new residents in each family development.
- Coordinated presence of ACOP officers at multiple hi-rise and family events, including picnics, special community celebrations, and resident recognition events. Coordinated the National Night Out ACOP Open House in which over 200 residents, staff and police officers attended.
- Worked with ACOP to coordinate special trainings for PHA staff and residents related to crime prevention and personal safety including Auto Theft Prevention and Sex Offender Notification.
- Weed and Seed Grant. Managed and implemented the Weed and Seed Program at Edgerton including coordination of four crime prevention trainings; a presentation by Family Services on chemical dependency; and purchase of planters, lighting fixtures and cameras to improve security at Edgerton. Participated in monthly community Weed and Seed meetings to discuss community safety concerns and issues. All administrative work was accomplished and timelines met including required reports, budget and contract compliance monitoring, and closeout of the grant.
- Officer-in-Residence (OIR). Successfully worked with St. Paul Police Department and PHA staff to hire officers for the program. All 16 hi-rises had an OIR during most of the year. Provided orientation and assistance to new officers.
- Doorwatch and Storefront Programs. Continued to strengthen safety for residents through the Doorwatch and Storefront Programs. Coordinated the 2nd Annual Doorwatch/Storefront Event to provide recognition and training to all volunteers. Worked with individual hi-rises to provide guidance on procedures and expectations and to identify specific needs and issues.
- Maintained and developed ongoing relationships with various police districts to help ensure safety and security in PHA hi-rises. Worked with staff including Mike Driscoll to resolve issues regarding reporting and communication.
- Continued efforts to research other funding opportunities to strengthen safety and security for residents and staff.
- Used Resident Participation Dollars to install and upgrade security camera systems in individual hi-rises and Community Centers.

6B. EOD Resident Safety and Violence Prevention

- Worked with ACOP officers on a weekly basis to provide safety and security for PHA residents, to facilitate information to and from PHA staff, and to coordinate additional activities and duties.
- Collaborated with Resident Services Department to strengthen ACOP services, the Officer-in-Residence Program
- Conducted annual Doorwatch and Storefront Program trainings for resident volunteers.
- Collaborated with other PHA departments to discuss and identify issues regarding a 2nd OIR at several PHA Hi-Rises, to implement a 2nd OIR at Central Hi-rise, and to transfer existing OIRs to vacant Caretaker units.
- Established an excellent working relationship with the ACOP officers and the St. Paul Police Department to help ensure safety and security in all PHA.
- Collaborated with HR and other PHA staff on the safety committee to improve resident safety.

Agency Goal #7: PHA Administrative Office: Continue to fully lease and manage the commercial space in the PHA's new Administrative Office building according to sound business practices, to generate reliable non-HUD revenue.

555 North Wabasha continues to be fully occupied, producing needed non-federal revenues the PHA can use to offset falling federal resources. (Some "interior" office space in the PHA's fourth floor is underutilized due to the elimination of the Technical Services Department. Plans are underway to address this.)

Agency Goal #8 Fair Housing: Work cooperatively with community representatives and other units of government to ensure non-discrimination in PHA programs and to affirmatively further fair housing objectives. Promote the value of diversity and respect for differences.

8. Non-discrimination: Public Housing and Section 8 staff continued to work cooperatively with community representatives, including SMRLS and the Community Stabilization Project and units of government to ensure non-discrimination in PHA programs and to affirmatively further fair housing objectives. The Equal Opportunity and Diversity (EOD) Department worked with Resident Services managers, other staff and Resident Councils to provide sound guidance, resources, services and programs to enhance efforts related to fair housing and diversity. EOD staff developed and implemented the Hi-Rise Diversity Initiatives aimed at promoting respect of differences among residents. The Diversity Initiatives include training on inclusiveness and community building, cultural celebrations, and assistance and guidance on conflict resolution. EOD staff also coordinated a Fair Housing Month speaker event attended by more than 30 employees.

Board approved LEP Policy in April 2005; drafts were reviewed by and/or discussed with Resident Advisory Board, SMRLS, Community Stabilization Project.

8A. Section 8/Housing Voucher landlord recruitment:

- Held 6 bi-monthly landlord workshops.
- Conducted general Section 8 training and outreach for Wilder Tenant Training.
- Participated in a panel discussion titled “Rent Assistance Programs: How They Work and What Makes Sense for the Independent Owner” for the MHA Investors Club.
- Continued to work with City Information Sharing Group on problem properties
- Conducted annual, half day Section 8 Property Owner workshop
- Produced quarterly Owner Newsletters designed to keep program owners informed of current Section 8 issues, available resources and educational opportunities.
- Provided landlord referrals to the Ramsey County Public Health Dept for the Demo II HUD Grant.
- Partnered with Metro HRA, Dakota County CDA and Ramsey County Public Health to provide safe work practices training to participating landlords.
- Presented training session at MN NAHRO Conference.

8B. HousingLink: Continued to work with HousingLink to better serve PHA voucher holders in locating eligible units and willing owners, recruiting new owners, and enhancing other programs and services provided by HousingLink.

- Executed \$25,000 HousingLink contract for FY 2007
- Met with HousingLink staff to discuss changes for FY 2007 contract.
- Provided HousingLink outreach via brochure mailings in June and December landlord checks.
- Contracted with HousingLink to purchase Private Market Vacancy data for use as database in Rent Reasonableness. This is an important first step in updating our current rent reasonableness system. This current data puts us in the best position possible to evaluate rent levels.

8C. Reasonable accommodation: Staff continued to respond to requests for reasonable accommodations from residents and staff.

- Forms were developed and implemented to provide consistent documentation of resident requests and required documentation from medical professionals.
- Staff continued to work individually with the Agency Attorney when dealing with requests for reasonable accommodation. Several trainings and discussions were conducted to assist staff in handling these situations.

8D. EOD Fair Housing Work

- Provided guidance to PHA staff and residents on promoting diversity and respect of differences among residents.
- Continued to develop and implement Hi-Rise Diversity Initiatives, and facilitate the resident diversity advisory group.
- Counseled residents on EEO and Fair Housing compliance, discrimination, sexual harassment and discriminatory harassment issues as needed.
- Worked with residents, staff, employee resource groups, such as AHANA and GSEN, and community partners to provide opportunities for residents to acknowledge and celebrate diversity.
- Prepared informational brochures for Resident Diversity Team.
- Coordinated Resident Diversity Team annual event.
- Provided diversity and community-building posters for all community rooms, centers and management offices.

Agency Goal #9: Linking Residents to Community Services: Promote links to community services through PHA Community Centers and at other sites to meet the changing needs of PHA residents, focusing on programs and services that enrich residents' lives, promote independence, increase community involvement and support successful tenancies in public housing. Continue CHSP and other assisted living programs.

9. Services to residents at community centers: Staff, especially Housing Managers and Human Service Coordinators worked hard to accomplish the following:

Community Centers: Successfully manage four Community Centers in a manner that meets the needs of changing populations, maximizes the number of services that can be offered to family residents and prioritizes space for programs that work with residents with needs identified in the Family Needs Study.

- Staff continues to successfully manage four community centers.
- Staff efforts successfully negotiated with Dispute Resolution Center to move their agency into the Mt. Airy Community Center, making their services more accessible and available to residents.
- Partnership with the Wilder Foundation providing a second year with a Promise Fellow who developed Youth Connections, an after school program at Mt. Airy and Dunedin, and is working to make the program self-sustaining.

- CHSP Coordinators and Human Service Coordinators attend Hi-Rise management meetings. They also hold their own monthly meetings. This greatly assists with communication and information sharing.

9A. Employment and training programs: Staff, especially Joanne MacDonald and Connie Toavs, and management staff assisted with:

Resident Initiatives; Jobs programs:

- Due to ending of the ROSS Grant in FY 2006, the STEP program consolidated workers and efforts at the McDonough Community Center site but increased services to residents from all sites (and then discontinued services to residents at all sites in June 2006 due to budget tightening at St. Paul Public Schools).
- Management staff continued to refer residents to the FSS program and to STEP (until STEP ended in FY 2007).
- Management staff continued to identify residents eligible for the Earned Income Disregard program and assured that the program was explained and that residents were provided the full benefits of the rent reduction to support and encourage new wage earners.
- The ROSS grant which funded the last two years STEP program, ended in January, 2006. There were 9 program goals established for the ROSS funding. All 9 goals were met or exceeded during the program:
 - 148 resident were enrolled while employed.
 - 202 were unemployed when enrolled
 - 98 residents participated in education classes.
 - 162 residents participated in job training or job support.
 - 135 unemployed residents moved to employment.
 - 81% of participants (283 residents) obtained employment at some point in the program.
 - 262 residents out of 283 retained new employment for at least 90 days.
 - 54% of employed residents advanced in their jobs through an increase in hours, wages or benefits.
 - 21% participated in financial literacy classes or individual financial coaching.

9B. Congregate Housing Services Program (CHSP): Work to attain full census in all CHSP sites as supported by the grant budget. Maintain improved communication, procedures, and computer reports to link CHSP with the Hi-Rise Management work unit.

- Program utilization remained strong throughout the year, averaging 142 participants a month. Up from 137 the year before, and up significantly from 2004 when the average was 128. This is an increase of 11% in two years.
- In 2005 the program ran significantly in the red, requiring a large contribution from reserves. A number of changes were made in 2006, some related to staffing levels, others related to budget management. The result was the program spent \$120,000 less in 2006 than the prior year. The budget that was established for the past year, nearly 1.7 million dollars, was closely monitored. We ended the year within \$28 of budget!
- Mt. Airy Management Office reorganized space to provide some space for CHSP coordinator to improve efficiency and availability of CHSP worker to Mt. Airy residents.
- Improved reports and on-going meetings between CHSP and Rental staff has increased coordination of application processing.

9C. Adopt-A-Hi-Rise Program (AHP): The Adopt-A-Hi-Rise Program was developed to link PHA hi-rise communities to corporate and community organizations and volunteers. “Adopters” sponsor events and activities, donate goods and services, and provide time to hi-rise residents. Until she retired from the EOD Department in August 2005, Elaine Anderson worked with residents, staff and corporate and community volunteers to sustain and improve the program.

- Continued efforts to recruit and retain corporate and community “adopters”. Met and successfully retained the participation of St. Paul Travelers, arranging their transition from Wilson Hi-Rise to Hamline Hi-Rise to enable them to serve older resident.
- Met and introduced Ford Motor Company volunteers to this year’s Resident Council officers at Cleveland Hi-Rise.
- Worked with adopters to plan hi-rise events, increase resident participation, and identify collaborative projects.

9D. Implementing Family Needs Study Recommendations:

- Family Steering committee continues to meet monthly.
- In spite of budget constraints and ending of ROSS grant funding, Family Steering Committee continued to document significant progress in meeting the 9 goals in the work plan.
- Participating with Resident Councils in meaningful community events such as Back to School nights at all four family sites, Family Day at McDonough, Holiday events, roller-skating event to honor PALS participants and their families, City Wide Resident Council picnic for all families.
- Creating job shadowing opportunities including Resident Kids to PHA day to expose youth to possible careers.
- Supporting lease compliance including developing and implementing a mold and moisture education program, expanding the tool lending program, revising the timing of the Scattered Site training program.

- Assuring that residents are made aware of changes in benefit programs such as Medicare Part D, informing residents of changes in programs such as emergency assistance, energy assistance, and other program changes related to decreasing funding..

Agency Goal #10: Housing Preservation and Development: Support the City's Housing 5000 Plan and work with other agencies and organizations to preserve, develop, and/or manage affordable housing through programs such as the Section 8 Project-Based Assistance and Preservation Vouchers, through the disposition of property, and other cooperative and entrepreneurial efforts. Secure replacement units for any scattered sites that may be sold. Seek out opportunities to produce additional affordable housing or improve management of existing subsidized properties through expanded partnerships with Twin Cities Habitat for Humanity, Metro HRA or by other methods.

10. Housing 5000: The Executive Director served on former Mayor Kelly's Housing 5000 Advisory Committee and assisted with the implementation of the Housing 5000 Plan. The PHA's primary contribution to affordable housing production has been through designating a certain amount of existing or new Section 8 vouchers as Project Based Assistance (PBA) and making them available to non-profit and for profit developers for use in accordance with the Housing 5000 Plan guidelines. No other affordable housing product is as readily available to help the City meet its goals for housing assistance to persons at or below 30% of median income. The PHA's project-based Section 8 assistance supported 84 affordable units in 10 projects under Housing 5000, a contribution valued at over \$32 million in the Housing 5000 final report. Using HUD Capital Fund grants for public housing, the PHA invested another \$32 million just to preserve affordable housing in the City in just four years.

The Executive Director has been asked by Mayor Coleman to assist in drafting the updated annual Housing Action Plan.

The Executive Director and Housing Policy Director met with Mayor Chris Coleman and City Policy Director Nancy Homans on January 17 to discuss the PHA's current programs and concerns about policy and funding issues at the federal, state and local levels that affect affordable housing.

10A. Section 8 project-based assistance program

- Executed two Agreements to Enter Into Housing Assistance Payments Contracts (AHAPs), for the Crestview Expansion and Model Cities.
- Project Based Utilization averaged 297 out of 348 approved units. However not all of the 348 units were available for occupancy during the year

10B. Funders Council: The PHA, primarily Al Hester, participated in monthly meetings of the Ramsey County/Saint Paul Funder's Council to oversee and coordinate public and private efforts to achieve the goals stated in the City/County Five Year Low Income Housing and Homeless Services Plan. Staff provided data, technical assistance and insight into issues of funding,

managing and maintaining housing for very low-income families, as well as program rules for public housing and Section 8.

10C. Sale of excess land to Habitat for Humanity:

- In prior fiscal years the PHA sold excess land at two sites (Roosevelt Homes and Ravoux Hi-Rise) to Twin Cities Habitat for Humanity. Habitat for Humanity purchased both sites for approximately \$360,000; the PHA received net income and Habitat produced 30 affordable homes for sale.
- This past year staff met with representatives of Twin Cities Habitat for Humanity and discussed the possible sale of a variety of PHA properties. Habitat is still evaluating the possible sites.
- Our two agencies also discussed additional opportunities to partner on the development of additional affordable homeownership.

10D. Disposition of Scattered Site Properties: During this fiscal year one scattered site unit (1232 Goodrich) was sold, with Board and HUD approval. A replacement unit was acquired in July 2006.

10E. New Construction: Investigate opportunities for partnering with others in the construction of additional low income or public housing units in the City of Saint Paul.

- Staff engaged in discussions with Twin City Habitat for Humanity about possibilities of building new units for the PHA in exchange for land.

10F. New Ventures: Explore possible new Agency ventures; including exploring options related to the Metropolitan Council's public housing program. Also, explore potential options for developing additional public housing, through the use of existing PHA resources or other means. Continue to explore viable partnership opportunities with Habitat for Humanity.

- Examples include:
 - Several meetings and detailed review of various documents related to the Metro Council Public Housing program.
 - Meetings with Habitat for Humanity related to additional opportunities to partner on the development of additional affordable homeownership.
 - Meetings with Fannie Mae regarding Capital bond financing as a option to accelerate the Capital improvements that are underway at various sites.

Agency Goal #11: National Leadership Responsibilities: Continue active leadership in national and state housing organizations to improve national housing policy and funding. Continue to provide assistance to other housing authorities and organizations seeking organizational development, business systems, or program support.

11. National leadership: PHADA: The Executive Director was elected President of PHADA in May 2005 and he served in that capacity throughout FY 2006. He testified before Congressional committees on May 17, 2005 and June 20, 2006, and met with HUD officials on May 17, 2005, November 29, 2005 (meeting with Secretary Jackson) and February 15, 2006 (also June 20, 2006, in FY 2007). The ED and other staff maintained contact with PHADA staff on a variety of issues related to HUD budgets, QHWRA, Harvard Cost Study, and PHAS and responded to PHADA surveys and inquiries as requested.

At the Executive Director's urging, PHADA established a new scholarship fund for public housing residents in honor of civil rights pioneer Rosa Parks.

11A. CLPHA participation: The Executive Director and Resident Services Director participated in CLPHA quarterly meetings to provide Saint Paul's perspective in the debates over national issues. Responded to CLPHA surveys and inquiries as requested.

11B. NAHRO leadership: Staff to NAHRO surveys and inquiries as requested. Several PHA staff conducted presentations at MN NAHRO sponsored conferences. Al Hester serves on the MN NAHRO Board.

- MN NAHRO recognized the St. Paul PHA's leadership by presenting its "Dedicated Service Award for Commissioners" to Andy Boss in 2005 and its Allan Anderson Award to Hank Petro in 2006.

11C. Appropriations/Legislation advocacy: With special assistance from Lyle Schumann, Junella Pichelman, Rick Betz and Al Hester, the Executive Director led the PHA's efforts to fight the dramatic cuts to the Public Housing Program for FFY 2005, 2006 and continuing for FFY 2007.

- In addition to appropriations issues, staff contacted U.S. Senators Coleman and Dayton and Representative Betty McCollum by telephone, letter and e-mail several times during the year on other housing issues, including proposed amendments to the Violence Against Women Act (VAWA), proposed restrictions on voter registration activity, and HUD's implementation (micromanagement) of the asset management system.

11E. QHWRA implementation: Staff, especially Resident Services staff continued to draft and revise procedures, notices and forms, and conduct staff training to implement the requirements of QHWRA (the 1998 Public Housing Reform Act), including; de-concentration of

poverty, data analysis, earnings disregards, community service, HUD Tenant Data Reporting, Earned Income Verification (EIV) and revised policies for Board approval.

11F. Asset-based management, HUD operating subsidy: This is one of the biggest challenges the PHA has faced, and it will continue to demand large amounts of staff time. The Executive Director and other staff continued to monitor and provide comments with the housing industry groups and HUD on the new Public Housing Operating Subsidy rule and HUD "guidance". Staff, especially Controller Junella Pichelman and Resident Services Director Lyle Schumann analyzed the requirements for Asset Management Project (AMP) groupings. The PHA's proposed groupings were accepted by HUD with minor modifications, which further benefited the PHA.

The PHA's auditors, McGladry & Pullen LLP, included the following description of Asset Management in the PHA's FY 2006 financial audit and compliance report:

HUD has established revised asset management policies for public housing in an effort to improve the efficiency and effectiveness, to preserve and protect the assets, to facilitate future investment and reinvestment, and to provide appropriate mechanisms for monitoring the performance at the property level. HUD intends public housing agencies to decentralize management and change the way activities are currently accounted for and reported. HUD intends for each project to be operated autonomously and have the activities accounted for and reported in the same manner. The most significant impact to public housing agencies relates to the decentralized management of its projects. According to HUD's revised asset management policies, marketing, leasing, certifications, rent collection responsibility, routine and preventive maintenance, resident services, protective services, project based budgeting and accounting, and procurement are some examples of the management components that are typically performed by a public housing agency's central office that will now be the responsibility of the project manager of each project:

HUD revised asset management policies will create new resource requirements for public housing agencies and will require redefined organizational structures for public housing agencies. Each project will require a manager to be dedicated to the properties within each of the public housing agency's defined projects. According to HUD, the project manager will be given the authority for decision making for the project and control the project's budget. HUD revised asset management policies will also create requirements for many of the public housing agencies' contractors and vendors in the form of decentralized invoicing, accountability to more business units or projects, and revised administrative requirements.

HUD will no longer be providing a direct subsidy for a public housing agency's costs associated with its central office. HUD will only be providing a subsidy to each project based on the project's budget. Under the new asset management model, a public housing agency will only be able to charge fee-for-service to the projects for overhead and centralized services. If the fees charged the projects do not cover the public housing agency's central office overhead cost, the public housing agency will need to rely either on reserves or funding from other non-HUD sources to cover the shortfall.

The Executive Director's commitment is to do what is best for the PHA and our clients while conforming with "maximum flexibility" provisions of the regulation (and "best practices" such as centralized procurement).

11G. Minnesota Legislature: Staff advocated for reform on the following topics:

- **\$50 MFIP Cut:** Staff, especially Al Hester and Alicia Huckleby, analyzed data for the Minnesota NAHRO, Minnesota Housing Partnership legislative advocates and supportive legislators and testified before legislative committees in 2005 and 2006 to push for repeal of the “housing penalty” and to oppose legislative proposals to make the cuts even deeper. At the end of the 2006 Session the legislature left the \$50 MFIP housing penalty and the \$125 “SSI penalty”, neither increasing nor abolishing them. The fight will resume next session.
- **Utility Costs:** Staff (Al Hester) testified before a Minnesota Senate committee on November 17, 2005, describing the impact of soaring utility costs on the PHA and its residents.

11H. Technical assistance to other housing authorities: PHA Senior Staff responded to numerous inquiries from other housing authority staff, students, public officials and staff, and general public about public housing and Section 8 regulations and policies:

- The PHA increasingly provided technical assistance through its Internet website, which includes a variety of form notices, letters, manuals and other documents for use by other agencies. The McDonough Modernization Master Plan and Resident Survey Reports from Wilder Research Center are also posted there.
- Staff responded to specific requests for assistance from housing authorities in New York City, Nashville TN, Portland OR, Portland ME, Hartford CN, York NE; and several Minnesota agencies including Duluth, Minneapolis, Washington County, Dakota County, and St. Louis Park.
- Analyzed the possibility of assisting Hawaii Housing Authority with their financial operations at their request. (The decision was not to assist the HCDCH as the PHA’s own workload was too heavy.)
- The PHA shares policies and notices MN NAHRO member agencies. Staff (Al Hester) served on the MN NAHRO Board and several staff conducted conference workshops.
- Staff shared the PHA’s expertise in computer systems and software at a public housing software users group conference (ENUG - EmPHAsys National Users Group) in Miami, with Curt Kline presenting two sessions.
- Staff participated in monthly Elite user conference calls, working with other agencies to resolve problems/enhance the software.
- Staff co-hosted a symposium on the Elite computer software system in fall 2005 with EmPHAsys staff.
- Staff also responded to HUD requests to share information about PHA procedures with other housing authorities in Minnesota and other states.
- Staff (Al Hester) served as a PHA representative on HUD PHAS appeal panels.

Other Significant FY 06 Agency Accomplishments Included:

12. Certificate of Achievement for Excellence in Financial Reporting: The PHA was awarded this distinction by the Government Finance Officers Association of the United States and Canada on March 31, 2005, thanks to the leadership of Controller Junella Pichelman and the Finance Department.

12A. Other FY 06 budgets: Finance Department staff under the leadership of Junella Pichelman and Rick Betz, accomplished much in FY 06 relative to our budgets:

- Low Rent net assets equaled \$126,971,971.
- Section 8 FY 06 unaudited close shows an administrative fee reserve of \$543,245.
- FY 06 Building Fund net assets equaled \$14,121,540.
- Prepared three FY 07 original budgets for primary operations, totaling over \$69 million, (Low Rent Public Housing, Section 8, and Building Funds) as well as budgets for several special grant programs such as Service Coordinator Grant and CHSP.
- Three revised budgets (low rent, Section 8, Building) were prepared during FY 06.

13. Agency Plan: Staff, especially Al Hester and Alicia Huckleby, successfully coordinated RAB meetings, performed data analysis, and submitted the FFY06/PHA FY07 Agency Plan (approved by HUD).

14. Accounting systems, reports, maintenance of sound fiscal operations, etc.: Finance Department staff under the leadership of Junella Pichelman, Ron Moen and Pat Riley, accomplished much in FY 06, including the following:

- Issued 6,808 payroll checks/direct deposits for \$11.19 million, 8,181 accounts payable checks to vendors totaling over \$22.4 million and 23,666 checks to Section 8 landlords (up from 22,947 last year) for more than \$33.82 million (down from \$35.20 million).
- Prepared and mailed 50,533 rent statements.
- Prepared and mailed 5,686 Certificates of Rent Paid. These documents are sent to all adults age 18 and older who lived in PHA units at any time during the calendar year. This document enables them to claim a renter's property tax refund from the state of Minnesota.
- Distributed quarterly financial statements to the Board and staff; internal cost center reports; encumbrance reports; and reports for position control, payroll distribution, etc.
- Provided timely and accurate distribution of all required IRS and HUD financial quarterly and year-end reports.
- Managed the agency-wide investment portfolio which at March 31, 2006 was \$17,240,348 invested at an average yield of 3.96%. For comparison purposes, at March 31, 2005 the PHA

had \$18,394,705 invested with an average yield of 2.32% and as of March 31, 2004, the PHA had \$16,340,554 invested with an average yield of 1.53%.

- Continued participation in the Minnesota Revenue Recapture program with \$91,283 collected in FY06 from former public housing or Section 8 participants. This program has been by far the most successful method employed by the PHA to collect what are commonly called “bad debts”. In FY 2006 the PHA passed the million-dollar milestone in debt collections using Revenue Recapture and issued a press release.
- Staff met with officials from the Minnesota Department of Revenue to explore a federal version of the Minnesota Revenue Recapture program, to receive repayments through withheld federal tax refunds (“offsets”). Federal legislation is pending which may open that door, and the PHA will seek further legislation if necessary.
- Continued participation in the construction sales tax rebate program, filing for a refund of \$55,744 in FY06.

15. Audits:

- The agency continued to qualify as a low risk under applicable provisions of OMB Circular No. A-133, for the years ended March 31, 2005. This designation reduces the amount of compliance work necessary and thereby helps contain audit cost.
- The audit work for FY 2005 resulted in an **unqualified opinion with no findings** or questioned costs related to internal control or compliance issues in the financial or programmatic areas. The auditors are now (July 2006) completing their review of FY 2006 transactions and compliance and will report to the Board at the August 23 meeting.
- In July 2005, the State of Minnesota conducted a sales and use tax audit, reviewing accounts payable invoices from FY05. The audit yielded instances where the PHA had not paid sales or use tax. Modifications were made to accounting processes for future payment of use tax. The State was satisfied with our efforts. Payment of past delinquent taxes was made with no interest or penalty assessed. In October 2005, PHA received notice from State of Minnesota that the audit was completed. No further actions were necessary.
- Participated in an IRS compliance review – no issues.
- Performed an internal audit of LIPH FSS escrow accounts - no issues.
- Performed an internal audit of fire and casualty expense accounts - no issues.
- Performed an internal audit of compliance and procedures for tenant accounts receivable. This is a repeat audit of the previous fiscal year. Significant improvement was noted.
- Completed the annual PILOT calculation audit – no issues.
- Completed the annual Workers Compensation audit – no issues.

16. Management information systems (computer and phone systems: MIS, under the direction of Junella Pichelman and Rick Jordan, accomplished the following this fiscal year:

- **Computer Systems:**

- Staff continued review of the ELITE FSS, Work Order and LIPH processes. Determined a number of weaknesses. Review continues with conversion completed for August 1, 2006.
- Staff handled 2,766 “MIS Hotline” calls last year; 224 for telephone and voice-mail support and 2,542 for computer support.
- Staff supported over 75 Networked printers and about 50 personal printers across the agency.
- Staff updated or added dozens of documents describing end-user and internal MIS procedures, equipment and software inventories, Network Architecture diagrams and communications architecture diagrams to our support library. We have over 200 documents in this library now.
- Staff contracted with Qwest and Matrix Communications to upgrade our Wide Area Network communications links. The new links are much faster, more dependable, and are saving the PHA several thousand dollars per month in communications charges.
- Staff implemented an anti-spam email service. It is blocking over 200 spam messages per day.
- Staff maintained the WatchGuard Firewall and Backup Exec tape backup system. We backup data nightly and send copies of data backup tapes off-site twice per week for disaster recovery purposes.
- Staff installed network managed Uninterruptible Power Supplies to protect the network equipment at all PHA locations.
- Staff supported almost 250 computer workstations. About 200 of these now have Flat Panel monitors. These monitors consume less power, take up much less desk space, and are much lighter and easier to move. The remaining CRT monitors will be replaced this fiscal year, except for those users who prefer a CRT.
- Crystal Enterprise Web server delivers dozens reports to PHA end-users with more being added each week. Reports that used to take minutes to hours to run at remote sites are now available in seconds.
- Staff purchased and installed new server computer hardware for 9 servers supporting NetWare, GroupWise, Citrix, and SQL Server. Some of the replaced systems were more than 6 years old, a very advanced age for computer servers.
- Replaced old remote access servers with current server software and new server hardware.
- Consolidated server storage onto a common, secure device allowing us to improve storage efficiency, reduce server computer costs, and improve data backup and protection.

- Staff is implementing a new HP multi-function device in several locations. This single product can replace the separate printer, copier, and fax machines, reducing space, power-consumption, and the number of support contracts required.
- Staff helped with several HUD initiatives/new regulations, including:
 - Upfront Income Verification
 - Earned Income Disregard
 - Demo Dispo
 - PIC/WASS security coordinator
- **Phone Systems:**
 - We converted the Environmental Management Systems communications links from leased telephone lines to use the new Wide Area Network circuits. This saves the Agency about \$2,000 per month.
 - MIS worked with our Sprint/Nextel representative to analyze our cell phone usage. We adjusted the Cell service contracts to more closely match PHA usage, saving about \$1,000 per month.
 - We continue the cleanup of telecommunications billing charges. We have canceled or corrected charges on lines saving the PHA several hundred dollars per month. A comprehensive consolidation and cleanup project continues. Inventoried over 375 external (non-PBX) telephone lines at the non-CAO locations and created maps of the phone locations.
 - We replaced the telephones at the Central/Scats office with new IP telephones and remote PBX device which integrates their office with the CAO and Mt Airy systems and provides much better features and service at a much lower monthly cost. MIS intends to roll out similar solutions to our other remote offices over the next few years. Ultimately, the entire PHA should be on an single integrated phone system.

17. Insurance:

- The property insurance premium declined to \$447,958 (down from \$449,171) on an insurable property value of \$409,239,272 (up from \$376,702,228), with \$13.5 million of the increase attributable to coverage for the new Central Administrative Office Building. (Board approved November 23, 2005)
- The general liability insurance premium was increased to \$180,859 which is 0.9% above the previous premium of \$179,196. (Board approved February 22, 2006.)
- Continued to control our workers compensation insurance premiums. On March 22, 2006 the Board approved the current policy with an annual premium of \$111,102, a increase of \$1,818 (1.7%) from the previous year's rate of \$109,284. The experience modification factor declined from 0.70 to 0.67, which lowers premiums.

- Continued coverage in the areas of automobiles, commercial crime, directors and officers, boiler, and Section 8 Lead Based Paint liability cost a total of \$78,944. Fiduciary coverage is provided for staff serving as Pension Plan Trustees/Administrative Committee members at a cost of \$6,171.

18. Risk management and general employee safety: Staff, especially Mike McMurray, Hank Petro and Junella Pichelman led our efforts to promote employee safety, including:

- Reviewed and updated safety procedures and information, which is given to employees and residents.
- Monitored and updated the Agency's material safety data sheets. Continued the contract with DeMarco Solutions to maintain a database for all material safety sheet information. Issued name and picture ID badges to employees including the 1-800 phone number for 24 hour, 365-day emergency information availability regarding material safety sheet information.
- Worked with Regions Hospital and Clinic for pre-employment physicals and medical care for employee on-the-job injuries. Pre-employment physicals continue to be specialized and tailored to the physical requirements of the job. Physician examination of injured employees is coordinated with employee's department, the insurance carrier, and the workers' compensation management consultant. Light or alternative work continues to be assigned to employees to foster a quick return to work. This approach continues to minimize employee injuries and claims, which reduces premium costs.
- Sent wellness and health information to employees.
- In conjunction with the Employee Right To Know and Bloodborne Pathogen safety program provide Hepatitis B vaccinations to Maintenance and CHSP staff considered at risk for occupational exposure. New employees who may be at risk for occupational exposure are offered the vaccination at the time of their pre-placement physical and receive safety training as part of the orientation program.
- Continued to monitor infectious materials spill kits installed in each main employee work location and in all buildings.
- Continued to conduct an informal ergonomic review program. .
- Worked with the consultant from Stanton, HealthPartners and Health Fair Committee members to organize a "Health Fair" which consisted of: heart information booth, body fat and bone density testing, blood pressure readings, cholesterol and glucose reading. Over 100 employees (about 50% of the total staff) attended and participated in all aspects of the fair. The goal of the Health Fair is to increase and promote healthy living and preventative health measures that will help keep employees healthy and eventually control health care costs.
- Members of the safety committee conducted safety inspections of all PHA sites during the year.
- Serve as members of the Workplace Violence Task Force.
- Safety committee began work on a business continuation plan in the event of a disaster.

- Safety committee updated the “Emergency Responses Building Evacuation Plan”; and HR met with all employees at CAO to review the plan.
- Maintenance and CHSP supervisors and managers received Employee Right To Know and Bloodborne Pathogen training given by Minnesota Municipal Utilities Association.
- Controlled workers compensation insurance premiums. On March 22, 2006, the Board approved the current policy with an annual premium of \$111,102. This is a increase of \$1,818 (1.7%) from last year’s rate. This is the start of the second year of purchasing a policy with a \$10,000 deductible per occurrence. By implementing a \$10,000 deductible last year, the Agency saved about \$20,000 versus the cost of a no deductible policy. The experience modification factor was slightly lower at 0.67 compared to 0.70 last year.
- During the year there were a total of 12 employee injury claims. The total cost of these claims was \$10,452 (\$7,950 for actual medical and time lost costs plus \$2,502 in reserves). There were a total of 19 non-reported (required no medical attention and no lost time) injuries on the job.
- Completed and posted annual OSHA 300 Log
- Three workers’ compensation claims were denied by the insurance carrier.
- Continued to aggressively manage claims, work with physicians to determine employee job restrictions, and quickly return employees-to-work in modified or light duty.

19. Pension plan:

- The HRA/PHA Pension Plan is under the direction of its Board of Trustees (5 members). The Plan exits only to serve PHA employees and certain City HRA employees. Junella Pichelman currently serves as PHA administrative representative on the Board and as Chairperson of the Administrative Committee. Mike McMurray is also a member of the Board of Trustees and on the Administrative Committee. The Committee has the fiduciary responsibility associated with managing the **defined contribution plan** that had assets of \$31,570,707 as of December 31, 2005. This is an increase of \$1,209,875 in the plan valuation and is the net result of regular employer/employee contributions and positive market changes.
- Transferred \$570,000 as employee mandatory contributions and \$741,000 as PHA employer contributions to the Plan.
- Conducted 21 pension information interviews concerning pension fund options and potential tax impact. Conducted a training session for pension plan participants, repeated twice.
- Set up total cash distributions, rollovers to other plans/IRAs, installment cash distributions, deferred distributions, Minimum Required Distributions upon reaching age 70.5, etc.

20. Contract settlements and labor relations: Mike McMurray, Kathy Frits, Hank Petro and Al Hester assisted the Executive Director in negotiating the following settlements which included salary and benefit changes during FY 06:

- Negotiated union contracts using in-house staff. Continued to maintain positive employee relations by pro-actively addressing and resolving problems at the earliest stages. Continued to work to minimize number of formal grievances. The few grievances that were filed were settled at the first or second step.
- Negotiated a two-year contract with AFSCME that granted a 3.05% increase on June 1, 2005 and a 3.25% increase on June 1, 2006. Both years will also include employees retaining the higher level of long-term disability coverage. Employees with 25 years of continuous employment also receive an additional day of vacation.
- Grievances: During the fiscal year there were a total of eight grievances filed. One was filed by Local 132 and seven by AFSCME. All were resolved at either Step I or Step II.

23. Admissions and Occupancy Policy revisions: Continue to monitor and revise the public housing policies based on Congressional changes and Board directives. Work closely with other departments in reviewing and evaluating proposed changes to programs.

- Revised policy to add Limited English Proficiency Plan.
- Revised policy increasing flat rents.
- Revised policy to include temporary admission preference for Hurricane Katrina victims.
- Revised policy to require income averaging of seasonal or irregular income where there is sufficient history to predict income.
- Revised policy for purposes of units offers of scattered site units, changing from 2 to 1 offer.
- Revised policy to change the definition of scattered site duplexes, now treating them as family units, and not scattered site units.
- Revised policy to incorporate use of HUD's Enterprise Income Verification system to verify earned income, SS, SSI, unemployment compensation.
- Increased Minimum rent to \$50 effective 10-1-06.

23A. Temporary "Katrina Preference" – On September 28, 2005 the Board approved staff's recommendation to create a temporary admission preference (ending December 31, 2005) for eligible individuals and families who were displaced by Hurricane Katrina and relocated to the Twin Cities. Although 35 applications were received, only about ten households were actually housed under the preference. The temporary preference had little impact on other applicants on the waiting list.

24. Public housing re-exams: Perform resident interim rent determinations and annual re-exams with accuracy within established time frames. Continue to develop processes to increase efficiency and ensure compliance with current HUD guidelines. Fully integrate HUD's UIV application into our business systems. Work with Re-exam, Rental Office and Section 8 staff to share information and ongoing training.

- Integrated HUD's Enterprise Income Verification System into Admissions and Occupancy Policies and routine procedure.
- Took appropriate action to retro-charge all residents where EIV showed discrepancy with termination actions where appropriate.
- Developed, implemented, and trained staff on HUD required policies regarding appropriate and secure use of EIV data.
- HUD completed Enterprise Income Verification review from 8/05 – 10/05, including review of 17 files HUD identified as having significant income discrepancies – 16 found to be invalid discrepancies, no significant audit findings. .
- Conducted Earned Income Disregard training/review with Family Management staff on 4/7/05 and Hi-Rise management staff 5/23/05.
- Developed and implemented simplified procedure for handling mini-ACO's for flat rent payers.
- Implemented increase in flat rents.
- Implemented revised policy allowing income averaging where there is a consistent history of seasonal or irregular income
- Revised procedures regarding tenant-provided bank statements to decrease need to re-verify assets less than \$3000 prior to completion of an ACO.
- Management staff completed 4,235 annual income reviews. This includes interview with resident; verification of all income, assets and deductions; determination of eligibility for earned income or other special programs; calculation of new rent; certification of accuracy; notification to resident of new rent amount.
- Staff conducted more than 3,000 interim income reviews to meet all HUD regulations regarding increase or decrease of rent between annual income reviews.

27. Heating, ventilation and air conditioning (HVAC) systems/energy consumption: Staff, under the leadership of Hank Petro and Al Borman maintained all HVAC systems in a safe and efficient manner to ensure resident/staff comfort and safety, and assured that all HVAC systems are in compliance with City and State regulations, including:

- All HUD and State required inspections and safety checks were performed as required this fiscal year.
- The Maintenance Department staff have been active participants in all modernization projects and continue to advocate for energy saving equipment. Radiation heating pumps and domestic water booster pumps have been updated in several hi-rise buildings for maximum energy saving. This is achieved by controlling these systems through the energy management system. This program automatically monitors and adjusts the water pumps discharge water pressure. Maintenance also assures that all improvements that are made are compatible with the Agency's HVAC system.

- The Chief Operating Engineer expended \$250,000 of Comp Grant funds and an additional \$100,000 of Non-Routine funds replacing obsolete and inefficient HVAC equipment in the hi-rises and community centers.

28. Appearance of buildings and grounds: Maintenance staff, working with Resident and Technical Services staff continued to assume the primary responsibility for maintaining and improving the appearance of PHA buildings and grounds.

- During the last fiscal year the Maintenance Department expended in excess of \$7 million dollars in operating funds. In addition to operating funds Maintenance staff expended Capital Funds and non-routine dollars to upgrade our properties. Some examples of these expenditures were: continue the rehab at the McDonough family site. Exterior brick repair at Valley Hi-Rise, repair of bad plaster and repainting in Valley Hi-Rise corridors, upgrade Community Room furnishings at two hi-rises and replace hall floor covering at two hi-rises. Several energy saving improvements were made in our hi-rises (radiation pump upgrade, new booster pumps, exhaust fans and replaced hi-rise domestic hot water heaters with computer controlled units), in addition we upgraded controls on the HVAC systems. Extensive rehab on 65 scattered site units were done using Capital Funds, in addition to \$500,000 of non-routine dollars that were expended completing exterior upgrades, improvements that happen each year to keep the developments looking good. On grounds work alone, staff spent a total of 19,585 hours.
- Maintenance and Property Managers perform all of the joint monthly inspections and provide written documentation of their findings (including assignment of noted corrective actions). Maintenance staff completed corrective action on any noted maintenance assigned deficiencies prior to the next scheduled monthly inspection. These inspections have proven to further foster the team approach to property management by getting the team together to take a close look at building conditions and joint agreement on corrective action. As a result of this proactive approach, we don't have to be reactive prior to inspections, such as, PHAS and insurance.
- Maintenance and management staff continues to perform joint vacate and ready unit inspections in family areas and scattered sites to improve the quality of the unit at turnover. These joint activities promote the Agency vision of team property management.
- Management staff did weekly drive-by inspections of several Scattered Site units all summer in areas where neighbor complaints had been an issue. This effort greatly reduced neighbor complaints and negative comments about public housing.
- Scattered Site staff, with help from Mt. Airy and Roosevelt/Dunedin management staff completed a minimum of 5 inspections of yard and home exteriors of all scattered site properties and did necessary follow up.
- In all family developments staff assured that residents adequately maintained yards, sidewalks, and trash enclosures using techniques such as daily monitoring; recognitions such as "yard of the month", framed pictures of yards with outstanding flowers, providing flower seeds, encouraging planting of perennials, recognizing efforts by providing incentives to

purchase yard care tools, tool lending programs and yard care classes for those who needed frequent reminders about yard care.

- Senior staff performs monthly inspections throughout the fiscal year. These include hi-rises, family developments and single-family scattered sites. Any noted deficiencies are passed along to the appropriate staff for correction.

29. HOME (Home Ownership Made Easy):

- At the beginning of FY 06, a total of 245 families had become homeowners since HOME's inception in 1990. By the end of FY 06, that number grew to 247 (139 public housing residents and 108 Section 8 participants). Thirteen households became homebuyers in FY 06, just short of meeting the goal of assisting 15 families.
- During FY 06, 43 new families were counseled by Thompson Associates, bringing the total number counseled since the program's inception to 1,445. Thompson also conducted follow-up visits with recent homebuyers. The average income of the HOME purchaser in FY2005 & FY2006 was \$47,490 (compared with \$35,245 over the life of the program). The average purchase price was \$197,000 (compared with \$91,331 over the life of the program).
- On March 22, 2006, the Board approved the Year 17 HOME contract with the Family Housing Fund. The PHA and our partners (the Family Housing Fund, and Thompson Associates) are proud of the 245 families that have moved out of public housing or Section 8 into homeownership. Their units have been re-rented to other families on the waiting list.
- Much of the program's success can be attributed to the generous financial support provided by Tom Fulton and the Family Housing Fund, counseling and education services of Sue Didier of Thompson Associates, and the hard work of PHA staff and residents who prepare families for the responsibilities of homeownership. Trusty Auger also deserves credit for assuming the PHA's administrative duties for the HOME program this past year.
- The challenges facing the program continue to be rapidly increasing home prices that outpaced participant's purchase ability, and limited lender agreements.

30. Other homeownership purchases: In addition to the HOME and HOMEWARD, two participants in the Family Self-Sufficiency Program (FSS) purchased homes directly upon graduating from FSS. Others may have purchased at a later time.

32. Resident councils: Staff continue to provide necessary staff support and funding to all family and hi-rise Resident Councils, City Wide Residents Council and Presidents Council by attending all council meetings, encouraging participation of residents, providing new residents with information about councils, and encouraging residents to take leadership roles in councils. Provide guidance to councils on appropriate use of funds.

- McDonough Resident Council sponsored a youth mosaic art project – where youth in several programs worked with a mosaic artist to develop a piece of art work to be on permanent display in the Community Center.
- Dunedin Resident Council provided funds for a resident to staff the computer lab for the after school youth program.
- Roosevelt Council welcomed comedian Louie Anderson, a former Roosevelt resident and was the recipient of a \$5000 donation to the council. Council sponsored a reception and all residents received holiday turkeys.
- City Wide Resident Council participated in a training session with the PHA's Assistant Controller regarding appropriate record keeping with funds provided to the councils by the PHA.
- All family councils submitted records for audit timely and received full funding, based on audits conducted.
- Presidents Council and City Wide Resident Council each sponsored successful summer picnic events for all residents.
- The 4 family HSC's handled approximately, 1,400 referrals during the fiscal year. Referrals were for a variety of issues including:
- Housekeeping, Property Upkeep issues, late rent, parenting issues, mental health, crisis intervention, conflict resolution, domestic abuse, child abuse, transfer requests, police call follow ups, and 504 accommodations.

33. Employee and resident scholarships:

- **Former Commissioners Richard Willits and John Wilking and current Commissioner Marty Strub** have donated a total of \$4,135 to the PHA for staff scholarships through FY 2006 (and another \$700 to date in FY 2007). These scholarships can be used to supplement education related expenses not covered by the PHA's tuition reimbursement plan. When former Commissioner Willits made the first donation, he wrote: "I would like this donation to be used by the PHA for the purpose of assisting an employee with their education. The education may or may not be related to their work at the PHA. Any education for the purpose of self-improvement is acceptable." The balance remaining at the end of FY06 was \$450.
- On September 28, 2005, the Board awarded five public housing residents scholarships of \$1,000 each through the PHA's Scholarship Award Program to pursue post-secondary education. This program was created in 1996. The PHA has awarded 61 scholarships to residents since the inception of the program.

34. Agency-wide employee recognition event: Held yearly banquet in October. In addition to the Employee Length of Service Awards, staff continued the Team Awards including the Outstanding Risk Taking Award (Newly Reorganized Scattered Site Team) and the Outstanding Team of the Year (Smooth Operations Team).

35. Monthly management report: This report continued to be the focus of detailed, semi monthly Senior Staff review of numerous operational indicators, such as: units owned, vacancy rate, turnover rate, families housed each month, waiting list and admissions, tenant accounts receivable, annual housekeeping inspections, annual preventive maintenance inspections, applications for continued occupancy, lease terminations for cause, maintenance work orders, resident satisfaction surveys, and Section 8 utilization.

36. Monthly Human Resources Employee Activity Guide: This monthly report provides detailed information to department directors and the Executive Director covering human resources/staffing activity indicators. Indicators include: employees hired, promoted/transferred/demoted, terminated/laid-off; recruiting activity by department; employee turnover; employee population by ethnic group; age distribution of all employees; employees on leave; health insurance cost; list of temporary employees; full-time equivalent employee count by department; and training programs attended by each employee.

37. Executive Director's conference/training record for FY 06:

Course title	Course Date	Course Length
HUD Meeting	5/17/2005	8
PHADA 2005 Annual Convention	5/22/2005	32
CLPHA Summer 2005 Executive Director's Meeting	6/23/2005	16
PHA Family Heritage Celebration	8/30/2005	1.5
PHADA Legislative Forum in D.C.	9/9/2005	40
MN NAHRO's 2005 Fall Conference	9/14/2005	24
Project-based Accounting & Budgeting	9/26/2005	16
CLPHA Fall Executive Director's Meeting	10/19/2005	24
PHADA 2005 Trustee's Retreat	11/4/2005	16
PHADA Industry Group Meeting	11/9/2005	16
Supportive Housing Forum	11/14/2005	16
Meeting with HUD Secretary Jackson	11/29/2005	8
PHADA 2006 Commissioners Conference	1/7/2006	40
Josie Johnson - Speaker	<u>2/8/2006</u>	<u>1.5</u>
	Total	259

39. Annual Report: Published. Special thanks to Tristy Auger, Executive Assistant; Laurie Wachter, Business Systems Analyst and Graphic Designer; and Al Hester, text editor.

40. Annual meeting, election of Officers, filling Board vacancies:

- On September 28, 2005 the Board conducted its annual meeting and elected the following officers: Chair, Andy Boss; Vice Chair, Kit Hadley; Treasurer, Kevin Lindsey; Secretary, Tom Reding; and Assistant Secretary, Shirley Kane.
- Board members completed their annual conflict of interest reports in September.
- On June 26, 2006 Mayor Coleman appointed Maria Manzanares and Merry Xiong to the Board (replacing Katherine Hadley and Ong Yang).
- Special thanks to Tristy Auger for her excellent performance as the Board's Recording Secretary.
- Special thanks to Tristy Auger and Al Hester for their assistance in assembling and editing this document as well.

Many thanks to the PHA Board, and PHA Attorney Mike Driscoll for your continued support and guidance: The Board meetings are effective and informative. A detailed record of your accomplishments in FY 06 is provided for the public record in the minutes and the various Reports to the Commissioners. **The public should be proud of the work you do in performing your policy-making obligations to this organization.**

Thanks to the PHA staff for their continued outstanding performance and dedication. I am especially proud of the depth of talent and the diverse individuals we continue to attract and retain at the PHA. Our mission is clear, our organizational climate is healthy and our ability to serve our clients intact. Thank you for the opportunity to be a part of this magnificent team.

Jon Gutzmann, 8/23/2006