

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Refrigerator Replacement
Edgerton and Wilson Hi-Rises;
AMP 503
Contract No. 13-020

DATE August 22, 2012

Staff requests approval to award a contract for refrigerator replacements at Wilson and Edgerton Hi-Rises (AMP 503) to All, Inc., of St. Paul, Minnesota, in the base bid amount of \$170,314.93 for 414 refrigerators. A copy of the August 13, 2012 bid tabulation is attached.

This contract includes removing the existing refrigerators, which were originally installed in the early to mid 1990's, and installing new energy-efficient refrigerators. With this contract the Agency will have replaced the refrigerators in 14 of the 16 hi-rises, with only Wabasha and Valley hi-rises remaining.

All, Inc. is a Section 3 business that has performed satisfactorily on previous PHA contracts. Copies of the Employer Information Reports for All, Inc. and the only other bidder, MJ's Contract Appliance, are attached.

The bid amount is slightly less than staff estimate. There are sufficient funds available in the Capital Fund Budget for this contract.

JCW/mlp

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Tree Trimming and Removal at
Various PHA Sites
Contract No. 13-021

DATE August 22, 2012

Staff requests Board approval to award a two-year contract for tree trimming and removal work at various PHA sites to the single bidder, A-1 Walsh, of St. Paul, Minnesota. A copy of the bid tabulation dated August 14, 2012 is attached. This contract is for tree trimming and removal services ordered on an as-needed basis.

In addition to advertising in local newspapers, staff mailed bid invitations and documents to 26 tree trimming/removal contractors. Staff also contacted three contractors who were expected to bid on this contract but did not, and they each cited low pricing on the previous tree trimming contract as a reason for not bidding. Although this bid represents a 22% increase over the current contract pricing, staff believes the bid from A-1 Walsh is reasonable. Since the contract was last awarded, both fuel and labor costs have increased significantly.

A-1 Walsh has performed satisfactorily on the current contract and past PHA contracts. Staff anticipates that approximately \$16,000 will be spent during each year of this two-year contract. The Employer Information Report for A-1 Walsh is attached. A-1 Walsh is a Section 3 business.

There are sufficient funds in the Operating Budget for this contract.

LAG/

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Miscellaneous Concrete Work
At Various Public Housing Sites
Contract No. 13-022

DATE August 22, 2012

Staff requests approval to award a two-year contract for miscellaneous concrete work at various public housing sites to the lowest responsible bidder, Joseph Construction of St. Paul, Minnesota, for the unit bid prices indicated on the attached August 14, 2012 bid tabulation. The low bid was determined by a formula stated in the bid specifications which weights the various bid items on anticipated quantities for each type of work as illustrated in the bid tabulation. Using the formula, the low bid was \$126,220 and the only other bid, submitted by Bailey Construction, totaled \$153,550.

This is a service contract for replacing broken, settled or deteriorated concrete sidewalks, steps, stoops and curbs on an as-needed basis. Joseph Construction has performed satisfactorily on other PHA contracts. The bid prices represent an increase of approximately 19% over the current contract prices. Copies of the Employer Information Reports for Joseph Construction and the second low bidder, Bailey Construction, are attached. The contractor is not a Section 3 business, but since this is a unit-price contract, they are not required to contribute to the Section 3 Training Fund or submit a Section 3 action plan.

Approximately \$25,000 will be spent during each year of this two-year contract. There are sufficient funds in the Operating Budget for this contract.

LAG/

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Amendment of PHA Medical Insurance
Amounts: Local 1854, American Federation of
State, County and Municipal Employees

DATE August 22, 2012

Staff recommends Board approval of the attached Memo of Understanding between the PHA and Local 1854, American Federation of State, County and Municipal Employees (AFSCME), to increase the PHA's contribution amounts for medical insurance by 3.5% retroactive to July 1, 2012. This action affects approximately 110 employees.

AFSCME's current contract expired on May 31, 2012. The PHA and AFSCME have had two contract negotiation sessions regarding minor language changes, and salary and medical insurance contribution amounts. The PHA has stated that any negotiations regarding salary increase must be postponed until late 2012 when the federal funding picture for public housing should be clearer. Currently there is too much uncertainty surrounding future federal funding due to the upcoming elections, expiring "Bush Tax Cuts", possible sequestration of \$1.2 trillion in federal spending, possible extension of the debt ceiling, and the expiration of the temporary payroll tax cut.

The PHA has, however, stated that it is willing to increase the amount it pays toward the cost of medical insurance by 3.5% now, retroactive to July 1, 2012. This increase is the same as approved by the Board on April 25, 2012 for the Supervisory and Confidential employee group. The 3.5% increase has also been offered to the Construction and General Laborers Union, Local 132, during current benefit negotiations.

PHA CONTRIBUTION TOWARD MEDICAL INSURANCE

Blue Cross/Blue Shield increased the cost for medical insurance premiums by approximately 7.2% effective July 1, 2012. The following chart shows the current monthly amounts the PHA pays for AFSCME employees’ medical insurance, and the recommended 3.5% increase in PHA contribution amounts retroactive to July 1, 2012:

	Current PHA Share	Proposed PHA Share July 1, 2012 (3.5 % increase)
Single – Basic Option	\$583	\$625
Single - Standard & Premium options	\$629 Standard \$632 Premium	\$654
Single +1-Basic, Standard and Premium options	\$994	\$1,029
Family-Basic, Standard and Premium options	\$1,134	\$1,174

This would be the second year in a row that staff is recommending a 3.5% increase in the Agency’s contribution amounts. Although there was no increase to the medical premiums last July 1, the Board approved a 3.5% increase that year for the Agency’s contribution to begin “leveling off” the increases in the Agency’s medical insurance costs and to help set the stage for more moderate increases in the future. A summary of medical insurance increases dating back to 1996 is attached.

The attached chart titled “Proposed PHA Contribution Amounts for July 1, 2012” shows the amounts the Agency and AFSCME covered employees would pay under staff’s recommendation. Staff is recommending that the PHA continue to pay the full cost of medical insurance for an employee who chooses the Basic Plan with no dependents.

Consistent with the approach approved by the Board on April 28, 2008, the Agency pays the same dollar amounts regardless of the level of coverage (Basic, Standard, Premium) chosen by the employee. The cost of this recommended increase for the Agency's contribution for the AFSCME employee group would be approximately \$34,752 for a total Agency cost of \$992,388 for AFSCME medical insurance premiums from July 1, 2012 to June 30, 2013. Medical insurance cost increases during FY13 were included in the Operating Budget approved by the Board on February 22, 2012.

The changes to the contract are attached, with new language underlined and deletions ~~interlined~~.

DMM/ANH

Attachments: Proposed Memo of Understanding between AFSCME and PHA
Proposed Monthly Insurance Premium Breakdown July 1, 2012 for AFSCME
Proposed PHA Contribution Amounts for July 1, 2012
Summary of Health Insurance Increases: 1996-2012

MEMO OF UNDERSTANDING

BETWEEN AFSCME AND THE PUBLIC HOUSING AGENCY OF THE CITY OF ST. PAUL

The parties agree to the PHA contribution dollar amounts for Health Insurance stated on the attached "Monthly Insurance Premium Breakdown" sheet dated July 1, 2012.

This increase is effective July 1, 2012.

**FOR THE PUBLIC HOUSING AGENCY
OF THE CITY OF SAINT PAUL**

FOR AFSCME LOCAL 1854

Jon Gutzmann, Executive Director

Terri Gindorff, Union President

Mike McMurray,
Human Resources Director

Cynthia Nelson,
AFSCME Business Representative

Dated this _____ day of
_____, 2012

Dated this _____ day of
_____, 2012

PROPOSED MONTHLY INSURANCE PREMIUM BREAKDOWN

July 1, 2012

AFSCME

MEDICAL

AFSCME employees (30+ hrs/week)	Basic	Standard	Premium
<u>Single</u>			
Cost	625.00	674.50	710.00
PHA contribution	625.00	654.00	654.00
Employee Pays	0.00	20.50	56.00
<u>Single+1</u>			
Cost	1,212.00	1,309.00	1,376.50
PHA contribution	1,029.00	1,029.00	1,029.00
Employee Pays	183.00	280.00	347.50
<u>Family</u>			
Cost	1,623.50	1,754.50	1,845.50
PHA contribution	1,174.00	1,174.00	1,174.00
Employee Pays	449.50	580.50	671.50

MEDICAL

AFSCME employees (20-29 hrs/week)	Basic	Standard	Premium
<u>Single</u>			
Cost	625.00	674.50	710.00
PHA contribution	468.76	490.50	490.50
Employee Pays	156.24	184.00	219.50
<u>Single+1</u>			
Cost	1,212.00	1,309.00	1,376.50
PHA contribution	771.76	771.76	771.76
Employee Pays	440.24	537.24	604.74
<u>Family</u>			
Cost	1,623.50	1,754.50	1,845.50
PHA contribution	880.50	880.50	880.50
Employee Pays	743.00	874.00	965.00

PROPOSED AFSCME ONLY

**PHA CONTRIBUTION AMOUNTS FOR JULY 1, 2012
MONTHLY HEALTH INSURANCE PREMIUM BREAKDOWN**

Employees who work 30+ hours / week

BASIC PLAN	SINGLE		SINGLE + 1		FAMILY	
	2011	2012	2011	2012	2011	2012
Total Cost	\$ 583.00	\$ 625.00	\$1,130.50	\$ 1,212.00	\$1,514.50	\$1,623.50
PHA Pays	\$ 583.00	\$ 625.00	\$ 994.00	\$ 1,029.00	\$1,134.00	\$1,174.00
Employee Pays	\$ -	\$ -	\$ 136.50	\$ 183.00	\$ 380.50	\$ 449.50

STANDARD PLAN	SINGLE		SINGLE + 1		FAMILY	
	2011	2012	2011	2012	2011	2012
Total Cost	\$ 629.00	\$ 674.50	\$1,221.00	\$ 1,309.00	\$1,636.50	\$1,754.50
PHA Pays	\$ 629.00	\$ 654.00	\$ 994.00	\$ 1,029.00	\$1,134.00	\$1,174.00
Employee Pays	\$ -	\$ 20.50	\$ 227.00	\$ 280.00	\$ 502.50	\$ 580.50

PREMIUM PLAN	SINGLE		SINGLE + 1		FAMILY	
	2011	2012	2011	2012	2011	2012
Total Cost	\$ 662.50	\$ 710.00	\$1,284.00	\$ 1,376.50	\$1,721.50	\$1,845.50
PHA Pays	\$ 632.00	\$ 654.00	\$ 994.00	\$ 1,029.00	\$1,134.00	\$1,174.00
Employee Pays	\$ 30.50	\$ 56.00	\$ 290.00	\$ 347.50	\$ 587.50	\$ 671.50

Employees who work 20 – 29 hours / week

BASIC PLAN	SINGLE		SINGLE + 1		FAMILY	
	2011	2012	2011	2012	2011	2012
Total Cost	\$ 583.00	\$ 625.00	\$1,130.50	\$ 1,212.00	\$1,514.50	\$1,623.50
PHA Pays	\$ 437.26	\$ 468.76	\$ 745.50	\$ 771.76	\$ 850.50	\$ 880.50
Employee Pays	\$ 145.74	\$ 156.24	\$ 385.00	\$ 440.24	\$ 664.00	\$ 743.00

STANDARD PLAN	SINGLE		SINGLE + 1		FAMILY	
	2011	2012	2011	2012	2011	2012
Total Cost	\$ 629.00	\$ 674.50	\$1,221.00	\$ 1,309.00	\$1,636.50	\$1,754.50
PHA Pays	\$ 471.76	\$ 490.50	\$ 745.50	\$ 771.76	\$ 850.50	\$ 880.50
Employee Pays	\$ 157.24	\$ 184.00	\$ 475.50	\$ 537.24	\$ 786.00	\$ 874.00

PREMIUM PLAN	SINGLE		SINGLE + 1		FAMILY	
	2011	2012	2011	2012	2011	2012
Total Cost	\$ 662.50	\$ 710.00	\$1,284.00	\$ 1,376.50	\$1,721.50	\$1,845.50
PHA Pays	\$ 474.00	\$ 490.50	\$ 745.50	\$ 771.76	\$ 850.50	\$ 880.50
Employee Pays	\$ 188.50	\$ 219.50	\$ 538.50	\$ 604.74	\$ 871.00	\$ 965.00

HEALTH INSURANCE INCREASES

YEAR	PREMIUM INCREASE	PHA INCREASE	EMPLOYEE INCREASE
2012	7.2%	3.5%	Varies by option and type
2011	0%	3.5%	<3.5%>
2010	9%	9%	9%
2009	13%	12%	14%
2008	7%	2.5%	Varies by option
2007	7.5%	7.5%	7.5%
2006	7.13%	7.13%	7.13%
2005	0%	0%	0%
2004	5.27%	4.99%	6.41% (\$330/60% dependent coverage)
2003	9.71%	5.82%	28.06% (\$315/60% dependent coverage)
2002	8.2%	8.2%	(\$315/60% dependent coverage)
2001	15.4%	15.4%	(\$295/60% dependent coverage)
2000	24.33%	24.33%	(\$255/60% dependent coverage)
1999	20%	20%	(\$245/60% dependent coverage)
1998	5.12%	5.12%	(\$225/60% dependent coverage)
1997	9.9%	9.9%	(\$215/60% dependent coverage)
1996	6%	6%	(\$215/60% dependent coverage)
Average of 17 years: 1996 – 2012	154.76 / 17 = 9.1%	144.89 / 17 = 8.5%	

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Audit Report for FY 2012;
Financial and Compliance Reports
For the Fiscal Year Ending March 31, 2012

DATE August 22, 2012

Staff recommends that the Board receive and file the Comprehensive Financial Annual Report of the Agency's operations in Fiscal Year 2012, as completed by McGladrey and Pullen, LLP.

There are no adverse "findings" in the audit, for the fourteenth consecutive year. Corey Topp from McGladrey and Pullen will explain the reports at the Board meeting.

This audit report reflects the GAAP (Generally Accepted Accounting Principles) method of reporting, as required by HUD. Following GAAP makes public housing financial statements consistent with those of other governmental entities and similar to private business and corporate financial reports. This allows HUD and other entities to use standard financial ratios to judge the fiscal soundness of a housing agency. These ratios are the basis for the PHA's score on the PHAS (Public Housing Assessment System) Financial Indicator and measure the "quick ratio," "months expendable net asset ratio" and "debt service coverage".

The Agency unaudited PHAS submission fiscal year ending March 31, 2012 is currently under review. Upon approval of this report the Agency will submit the audited version. It is not known when HUD will issue a final PHAS score.

Attachments

RPM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Disposition of a
Scattered Site Home on
Lawson Avenue

DATE August 22, 2012

Staff recommends preliminary Board approval to sell a three-bedroom scattered site home at 618 Lawson Ave East (map attached) on St. Paul's East Side to the Salvation Army. As explained in the attached e-mail to the Executive Director from Major Jeff Strickler, the Salvation Army would like to purchase this property to expand their East Side Social Services Center at 1019 Payne Avenue (located on the east side of the same block as the north-facing PHA property). They would pay the appraised value of the property. The Salvation Army has already negotiated to purchase the house directly to the east of 618 Lawson, adjacent to their Center.

If the Board approves this recommendation staff will take the following actions as required by HUD regulations:

1. Meet with the Resident Advisory Board (RAB) to inform its members of the Salvation Army's request to purchase the property. Staff would also inform the RAB that they have the option to purchase the property contingent on their agreeing to continue to operate it as public housing. (In such property disposition situations, the PHA is also required to make a similar offer to the Resident Council of the affected development. However, currently there is no Scattered Site Resident Council.) The RAB will meet on August 21 to begin discussing the next annual Agency Plan.
2. Obtain the Mayor's approval to sell the property to the Salvation Army.
3. After steps 1 and 2 are completed, staff would then recommend Board approval of resolutions to authorize submitting an Inventory Reduction Application to HUD's Special Applications Center and to sell the property after HUD approves. (HUD rules require the RAB and resident consultation and mayoral approval to be completed before the Board approves the sale.)

Part of the Salvation Army's mission is to serve persons experiencing homelessness and to help needy families with emergency food, housing, utility assistance and other basic needs. The Salvation Army provides services to the Payne Avenue neighborhood that are important to the stabilization of that neighborhood and the larger East Side. Public Housing residents also benefit directly from the Salvation Army's Social Services Center, since the PHA's 220-unit hi-rise at 1000 Edgerton Street is less than one block from the center.

The property is currently occupied. If the sale is approved, the residents of this property will be offered a Housing Choice Voucher or another public housing unit. Moving costs and counseling services for the residents would be paid for by the Salvation Army.

As with other recent sales of single scattered site properties (139 East Annapolis and 112 West Maryland), staff proposes using the sales proceeds either to maintain and modernize other current public housing properties, or to develop another multi-family property for public housing use. The decision should be based on the timing of receiving HUD approval of the sale, the prospects for future funding for the Public Housing Operating and Capital funds, the need for maintenance and modernization at other properties, and the availability of other multi-family properties that might be suitable for public housing. Under current rules the PHA could also request a replacement Housing Choice Voucher from HUD and staff proposes to do so.

JCW/FAH

Attachments: August 8, 2012 Email from Major Jeff Strickler, Salvation Army
Map

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Voter Education Initiative

DATE August 22, 2012

Staff recommends Board approval to conduct another PHA Voter Education Initiative, a partnership with all PHA Resident Councils and the St. Paul League of Woman Voters. The Voter Education Initiative will incorporate and enhance past PHA activities related to voter education, including a similar initiative approved by the Board on August 23, 2006.

In the past HUD has encouraged housing agencies to participate in these types of activities. In a 1996 notice published in the Federal Register, HUD noted that Congress had declared in the National Voter Registration Act that “[T]he right of citizens to vote is a fundamental right” and “[I]t is the duty of Federal, State, and local governments to promote the exercise of that right.” The notice, which has not been revised or withdrawn, went on to say “[HUD] recognizes its responsibility to help promote voter participation in a non-partisan manner.” The notice provided guidance on voter registration activities by PHAs, encouraged PHAs to work with non-profit, non-partisan organizations, and listed specific permissible voter registration activities by PHAs.

The mission statement of the League of Woman Voters states that it “is a nonpartisan political organization that encourages the informed and active participation of citizens in government and influences public policy through education and advocacy.” As explained on the St. Paul chapter’s website (www.lwvsp.org/), the organization “believes in representative government and in the individual liberties established in the Constitution of the United States.” In a recent

meeting with PHA staff, the League's representatives said they would welcome the opportunity to work with the PHA to carry out voter education, registration and mobilization in the PHA communities.

The PHA has supported many activities that promote voter education, including:

- Community agencies hold citizenship classes for residents at PHA community centers.
- Several years ago the PHA partnered with other community organizations on the city-wide "Kids Vote" project aimed at increasing kids' and their parents' awareness of the importance of voting.
- The PHA allows the county to set up polling stations at thirteen PHA sites (11 hi-rises and 1 family development).
- Local non-partisan organizations have requested and received access to PHA sites for voter education activities including door-to-door registration.
- PHA staff have provided voter registration information upon request from residents.
- PHA hi-rise residents have volunteered as election judges.
- The PHA Board of Commissioners adopted policies to facilitate political campaigning in hi-rise buildings.

This year's Voter Education Initiative may include the following types of activities to promote civic engagement for PHA residents:

1. The League of Woman Voters will attend meetings with the Hi-Rise Presidents Council and the City-Wide Resident Council in hopes of scheduling training sessions in each of the hi-rise community rooms and family community centers.
2. The League's training sessions for residents will include voter education and live demonstrations of the voting process, and assisting all interested residents to complete the voter registration form.
3. League volunteers will distribute non-partisan voter education materials and post information in PHA sites.
4. The primary role of the PHA will be to facilitate partnerships between the League of Woman Voters and PHA residents.
5. The Leagues' volunteers will contact PHA service providers to encourage voter registration and explain other voter education activities with residents.

MW/FAH