

On November 25, 2015, the Saint Paul Public Housing Agency (PHA) Board of Commissioners approved the following actions:

- Housing Choice Voucher/Section 8 Waiting List Opening
- Public Housing Unit Offers; Waiting List; Admission & Occupancy Policies for the Public Housing Program
- Revising Flat Rents in Public Housing; Admission & Occupancy Policies; Amending Agency Plan
- Non-Competitive Purchase; Emphasys Software Intake Solution Service Agreement
- Approval of Contract Settlement with AFSCME Local 1854 (American Federation of State , County and Municipal Employees)
- Amendments to Personnel Policies: Supervisory and Confidential Employees
- Property Insurance Policy Renewal
- Ramsey County 2015 Public Entity Innovation Grant
- Zoning; Petition for Non-Conforming Use Permit by Salvation Army; 1019 Payne Avenue, Near Edgerton Hi-Rise
- Revised Community Solar Garden Subscription Agreements
- Public Housing Agency Plan; Annual Plan for PHA Fiscal Year 2017 (Federal Fiscal Year 2016)

Copies of these Board reports are available here.....

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN

EXECUTIVE

DIRECTOR

REGARDING Housing Choice Voucher/Section 8

DATE November 25, 2015

Waiting List Opening

Staff recommends Board approval validating a further step in the process of accepting new applicants for the Housing Choice Voucher program (Section 8) waiting list, to proceed with drawing names from the shorter waiting list without trying to conduct a new lottery to select additional applications from the original pool.

From the pool of 12,321 applications received online from September 9 through Tuesday September 15, 2015, the PHA's software vendor (HAPPY Software, Inc.) conducted the lottery to select 3,500 for the waiting list. As approved by the Board on May 27, 2015, 95% of those selected in the lottery were to be St. Paul residents (defined as living, working or going to school in St. Paul). However, after receiving the list of 3,500 "lottery winners", staff removed 602 applicants who had certified on their application that they lived "within the city limits of St. Paul" but neither the "mailing address" nor the "legal address" they provided was in the city. (Those removed applicants were offered an informal review to state their case, and approximately 100 did request an informal review. Those reviews will be scheduled soon, and the rejected applicants will have the opportunity to demonstrate that they did live, work or go to school in St. Paul when they applied online.) For the reasons explained below, staff is recommending that the Agency go ahead with the shorter waiting list without trying to conduct a new lottery to select additional applications from the original pool.

To avoid this situation the next time the Agency accepts online applications for Section 8, staff will insist that the vendor automatically validate the address provided by the participant as being

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VOUCHER WAITING LIST
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within the city limits of St. Paul, if the applicant claims to live in the city. This year the vendor said they were unable to do that.

Staff is not recommending drawing more names from the original pool of applicants for several reasons including the following:

1. An unknown number of applications would have to be added to the waiting list now, to have 3,500 valid applications on the list. Some of the canceled applications may be reinstated on the list after the informal reviews. Applicant names are still being removed from the list as the U.S. Postal Service returns “undeliverable” letters to the PHA.
2. To select additional names after the lottery and after staff has begun pulling names from the waiting would complicate the PHA’s annual SEMAP rating for “Selection from the Waiting List”.
3. Given the mobility of the client population, sending letters to a new group of randomly selected applicants could generate more returns as “undeliverable”.
4. Conducting a second lottery could provoke unnecessary questioning into the valid (and impartial) waiting list selection process followed by the vendor.
5. With a shorter waiting list, the PHA will be able to offer vouchers to all eligible applicants on the list sooner and then to reopen the list for new online applications.

Staff also consulted with legal counsel, who did not recommend replacing the names at this time with an additional lottery.

The tables below show characteristics of the applicant pool and of the 3,500 applications that were selected by the lottery to go on the waiting list:

Applications Submitted	12,231	
One-person households	5,561	45%
Family applications	6,760	55%
Elderly head of household	640	5%
Households with a disability	3,848	31%
Head of Household		
Female	9,295	76%
Male	3,026	25%
Average Household size	2.23	

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Totals by Race		
White	3,149	26%
Black/African American	8,590	70%
Asian	623	5%
American Indian	530	4%
Native Hawaiian/ Pacific Islander	121	1%
Totals by Ethnicity		
Hispanic	658	5%
Non-Hispanic	11,663	95%

Of the 3,500 applications selected in the lottery:

- 454 also had active applications on the Public Housing Waiting List

- 191 were current residents in Public Housing
- 2,370 gave Saint Paul addresses
- 1,022 gave other addresses in Minnesota (not St. Paul)
- 108 gave addresses outside of Minnesota
 - 60 from Illinois
 - 8 from Indiana
 - 7 from California
 - 4 or fewer from 18 other states

In addition to the applicants described above who did not report true and complete information about their place of residence, many letters sent to other applicants who won the lottery are being returned as undeliverable. Those names are being removed from the waiting list, but they will be returned to the waiting list if the client responds to the PHA later. Under current policy, clients have a full year (12 months) after cancelation in which they can respond and be returned to the waiting list.

Staff starting drawing names from the new waiting list in November and will continue into December and next year.

FAH/DJM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN

EXECUTIVE

DIRECTOR

REGARDING Public Housing Unit Offers; Waiting List;
Admission & Occupancy Policies for the
Public Housing Program

DATE November 25, 2015

Staff recommends Board approval of Resolution No. 2015-11/25-03 to amend the Public Housing Admission and Occupancy Policies (AOP) to revise the process for offering vacant hi-rise units to eligible applicants from the waiting list. As explained below, an applicant's name would be removed from the waiting list if the applicant refuses three offers of vacant hi-rise units in the buildings the applicant had requested. The applicant could reapply (online) after twelve months or whenever the waiting list is open after that. Staff proposes to make the revisions effective April 1, 2016 for applicants whose names are drawn from the waiting list on or after that date. That would allow applicants who are currently in the eligibility determination process or waiting for a unit offer to rely on the policies that staff explained to them when they came in for their initial eligibility interviews. The exact wording of the proposed policy changes is attached, with deleted language ~~interlined~~ and new language double-underlined.

Hi- Rise Unit Offers. The following excerpts from the Part 4 of the AOP state the current system of offering vacant hi-rise units to eligible applicants, which has been in place since 2000, showing the proposed changes.

1. **Applicant Building Selection:** The applicant will be given the opportunity to consider all buildings, and may select up to three preferred buildings.

2. **The Unit Offer:** The PHA will offer the applicant the unit that has been vacant the longest period of time in the applicant's preferred building.

Three Offers: If the applicant rejects the unit offered in the building of first preference, or there isn't a unit available in the building of first preference, the applicant will be offered the unit that has been vacant the longest period of time in the applicant's building.

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HI-RISE UNIT OFFERING POLICY
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3. of second preference. This process will follow for the applicant's building of third preference. No more than three such offers in the applicant's preferred buildings will be made.

4. **Alternative Unit:** An alternative unit may be offered in the applicant's buildings of choice if the applicant has a compelling reason for rejecting the unit first offered in the specified building.

5. **Effect of Three Refusals:** The applicant must accept one of the three units offered, or the application will be canceled. The applicant may reapply as a new applicant twelve (12) months or more after being removed from the waiting list for this reason, provided that the waiting list is open at the time.

This proposed hi-rise offering policy would be more similar to the current offering policy for family units, while still providing more choices for hi-rise applicants than for family applicants.

In March 2008 the Board approved changing to a single-offer policy for the family units, instead of the previous two offers. The hi-rise offering policy was not changed at that time, although the transfer policies for both hi-rises and family units were revised then to limit resident-requested transfers. To support the recommendation for a single-offer policy for vacant family units, staff wrote the following explanation:

1. Because many families routinely reject the first unit offered, staff believes the average "turnaround time" for vacant units (a PHAS indicator) is longer than it would be with a

single offer. Showing units for the “first-offer”, that are likely to be rejected, consumes staff time and delays getting the family to sign a lease for a unit they will accept. That results in a longer wait for eligible families who are still on the waiting list.

2. Allowing families to have two choices may facilitate “self-segregation” that raises fair housing concerns. Staff’s recommendation to revert to a one-offer system for family housing is intended to “affirmatively further fair housing principles” and avoid undue concentrations of racial, cultural, or ethnic groups in one or more family housing developments.

Staff believes the same reasons support the proposed hi-rise offering policy. It would streamline the admission process by reducing the “churning” of applicants who repeatedly rise to the top of the waiting list and reject each unit that is offered to them. Under the current policy the

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HI-RISE UNIT OFFERING POLICY
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applicant is returned to a lower position on the waiting list, but those with high preference points quickly return to the top of the list, where they may reject another three offers and continue to cycle through the list. That process impedes housing access for other hi-rise applicants who may have severe housing needs and who are willing to accept almost any unit they are offered. Repeatedly offering units to applicants who are more particular, or less motivated to move from their current housing, wastes staff’s time and delays vacant unit turnaround. The proposed limit of three offers hi-rise units is intended to improve access for eligible applicants with more urgent housing needs.

Staff will send a notice to the Resident Advisory Board (RAB) of these proposed policy changes and explain them at the public hearing on the Agency Plan to be held on November 24, 2015. If approved by the Board, these policies will be included in the new Agency Plan when staff submits it to HUD in January 2016.

FAH

Attachment Resolution No. 15-11/25-03

AOP Part 4

SAINT PAUL PUBLIC HOUSING AGENCY

RESOLUTION NO. 15-11/25-03

REVISION TO THE PUBLIC HOUSING

ADMISSION AND OCCUPANCY POLICIES

**HI-RISE UNIT OFFERING POLICY; REAPPLYING TO WAITING LIST AFTER REMOVAL FOR
REFUSING OFFERED UNITS**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has in effect Public Housing Admission and Occupancy Policies, dated February 23, 2000 as amended; and

WHEREAS, there has been presented and considered at this meeting of the Board of Commissioners staff's recommendation to revise the policy on offering vacant hi-rise units to eligible applicants from the waiting list, to limit the number of units that will be offered before the applicant's name will be removed from the waiting list, as shown on the attachment; and

WHEREAS, the Board of Commissioners finds that the proposed revision is necessary and appropriate to the administration of the public housing program;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioner of the PHA that the Public Housing Admission and Occupancy Policies, dated February 23, 2000 as amended, be amended as follows effective immediately:

1. The attached revision to the policies on offering vacant hi-rise public housing units is approved; and
2. This policy shall become effective December 1, 2015 for applicants whose names are drawn from the waiting list on or after that date; and
3. The PHA Plan is hereby amended accordingly.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN

EXECUTIVE DIRECTOR

REGARDING Revising Flat Rents in Public Housing;

DATE November 25, 2015

Admission & Occupancy Policies;

Amending Agency Plan

Staff recommends Board approval of Resolution No. 15-11/25-02 to increase flat rents for all public housing units to equal the Fair Market Rents (FMRs) proposed for the Twin Cities metropolitan area in 2016. This would be a significant increase for the current flat rent payers, who are about 6% of all households in public housing (253 households). To allow time for residents to plan and adjust, the proposed increases would apply to current residents whose annual recertifications take effect on or after April 1, 2016. The higher amounts would take effect on the same date for households moving in or transferring between public housing units. Staff also recommends adjusting the flat rents annually to reflect any changes in the proposed FMRs. This would be an amendment to the Agency Plan.

The proposed flat rents at 100% of the FMRs are as follows:

Proposed Flat Rents @ 100% of Fair Market Rents (FMRs) proposed by HUD for 2016	0BR	1BR	2BR	3BR	4BR	5BR	6BR
	\$ 648	\$ 804	\$ 1,015	\$ 1,427	\$ 1,673	\$ 1,924	\$ 2,175

For hi-rise residents who choose the flat rent option instead of the income-based rent (30% of adjusted household income), the flat rent is the amount they will pay to the PHA each month for rent and utilities. In the family units residents pay their own bills for gas and electricity, so the

utility allowance will be subtracted from the flat rent, to determine the rent amount payable to the PHA.

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REVISING FLAT RENTS IN PUBLIC HOUSING

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The Board last approved flat rent adjustments on August 27, 2014, effective November 1, 2014, based on 80% of HUD’s published Fair Market Rents (FMRs) for the Twin Cities.

Hi-Rise Flat Rents: The old and proposed new hi-rise flat rents would be as follows:

ALL HI-RISE UNITS	OBR	1BR	2BR
Flat Rents eff. 11/1/2014, @ 80% of FY 2015 FMRs	\$520	\$640	\$800
Proposed Flat Rents @ 100% of FY 2016 FMRs	\$648	\$804	\$1,015
Amount of Proposed Increase from 1/1/2014 Flat Rents	\$128	\$164	\$215
Percent of Proposed Increase from 1/1/2014 Flat Rents	25%	26%	27%

Flat Rents in Family Housing Units: The utility allowance for the specific unit will be subtracted from the flat rent, to determine the rent amount payable to the PHA. The amounts and percentages of the proposed increase will vary. The attachment shows some examples.

Automatic Flat Rent Increases: Staff is recommending that the PHA adjust flat rents annually as FMRs change, to stay at 100% of FMR, without further Board action. Staff proposes to base each year’s flat rent adjustments on whatever FMRs HUD publishes as proposed, and making the changes effective on the following April 1 of each year.

If the Board approves changes in the flat rent amounts, staff will send a written notice to all residents with their rent statements for rent due January 1, 2016 and allow a comment period.

Staff discussed possible flat rent changes with the Resident Advisory Board in September and

October 2015. Staff will also explain the flat rent changes at the public hearing on the Agency Plan amendments to be held on November 24, 2015 at Neill Hi-Rise, 325 Laurel Avenue.

FAH/

Attachments: Resolution No. 15-11/25-02
Attachment 1: Revising Flat Rents in Public Housing
Attachment 2: Analysis of Proposed Flat Rents (3 Excel spreadsheets)
Attachment 3: 2014 Public Housing Utility Allowance Schedule
Attachment 4: Public Housing Admission and Occupancy Policies, Part Three:
Rent Calculations

**SAINT PAUL PUBLIC HOUSING AGENCY
RESOLUTION NO. 15-11/25-02**

**FLAT RENTS;
REVISION TO THE PUBLIC HOUSING
ADMISSION AND OCCUPANCY POLICIES**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has in effect Public Housing Admission and Occupancy Policies (“Policies”) dated February 23, 2000 as amended; and

WHEREAS, there has been presented and considered at this meeting of the Board of Commissioners staff’s recommendation to amend the Policies to revise flat rents in public housing to be 100% of the proposed Fair Market Rents (FMRs) published by HUD; and

WHEREAS, the Board of Commissioners finds that the proposed revisions are necessary and appropriate to the administration of the public housing program;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA as follows:

1. The Public Housing Admission and Occupancy Policies dated February 23, 2000 as amended are hereby amended to revise the flat rents as shown on the attachment effective April 1, 2016 for current residents whose annual recertifications take effect on or after that date, and for new households moving into public housing or transferring from one public housing unit to another on or after that date; and

Each year when HUD publishes proposed revised Fair Market Rents, the PHA will revise the flat rents to stay equal to the new amounts, without further Board approval; and those flat rent changes will take effect on April 1 of the following year.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN

EXECUTIVE

DIRECTOR

REGARDING Non-Competitive Purchase;

DATE November 25, 2015

Emphasys Software
Intake Solution Service Agreement

Staff requests Board approval to award a Purchase Order in the amount of \$64,800 to Emphasys Software without soliciting competitive bids, to develop a “public housing intake solution” that will be a new product to be added to the PHA’s business computer software (Elite). This software will be developed collaboratively by the PHA and Emphasys and will include a fully integrated online waiting list solution that will serve the unique needs of the public housing program better than existing products. This purchase will also include installation, setup, training, hosting, and annual software maintenance for the first year.

The PHA requires sophisticated specialty software for the management of the Public Housing and Section 8 programs. The Agency uses systems created and supported by Emphasys Software (formerly Memory Lane Systems), originally purchased in 1994 (Contract No. 93-20). There are no alternatives to purchasing this intake solution directly from Emphasys. Under the attached agreement the PHA will allow Emphasys to sell the Intake Solution to other agencies,

and in return, the PHA will be able to recoup up to 100% of its original license fees (\$48,000). The PHA will also receive 5% from royalties after original license fee is recovered for five years from the date the software is installed. The PHA will also help promote the new product in a reasonable commercial manner as mutually agreed upon by the parties.

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EMPHASYS SOFTWARE INTAKE SOLUTION
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The dollar amount of this contract will be included in the total of non-construction contracting activity that the PHA reports to HUD on the annual Section 3 report. However, per the Board approved Section 3 policy, this contract is not subject to the requirement for contributing to the Section 3 Training Fund, because it is a single source contract for specialized professional services required to maintain proprietary software.

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

TDB/DML

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN

EXECUTIVE DIRECTOR

REGARDING Approval of Contract Settlement with

DATE November 25, 2015

AFSCME Local 1854 (American Federation of
State, County and Municipal Employees)

Staff requests Board approval of the tentative agreement on contract wages, the PHA's medical insurance contribution amount and other contract changes` reached with Local 1854, American Federation of State, County and Municipal Employees (AFSCME) District Council 5, representing most of the PHA's clerical, technical and support staff (about 110 employees).

The tentative agreement covers three years (June 1, 2015 to May 31, 2018) and calls for a 3.0 percent increase in compensation for the first year (retroactive to June 1, 2015), a 3.0 percent increase in compensation for the second year (June 1, 2016), and a 3.0 percent increase in compensation for the third year (June 1, 2017), as stated below. The current contract expired on May 31, 2015. The proposed contract language is as follows:

1. SALARY INCREASES

11.31 On June 1, 2015 the salary schedule published in Article 11.2 will be adjusted by increasing the salary range minimums and maximums and the value of all steps by 3.0%. All employees will remain on their current step.

11.32 On June 1, 2016 the salary schedule published in Article 11.2 will be adjusted by increasing the salary range minimums and maximums and the value of all steps by 3.0%. All employees will remain on their current step.

11.33 On June 1, 2017 the salary schedule published in Article 11.2 will be adjusted by increasing the salary range minimums and maximums and the value of all steps by 3.0%. All employees will remain on their current step.

The proposed compensation changes effective for June 1, 2015 would increase the annual payroll by approximately \$146,300, for a new annual total of approximately \$5,187,400 for AFSCME covered employees. The recommended second year increase (3.0%) for June 1, 2016 would add approximately \$155,600 for a new annual total of \$5,343,000. The recommended third year increase (3.0%) for June 1, 2017 would add about \$160,300 for a new annual total of \$5,503,300. The average pay for AFSCME covered positions in the first year of this agreement is approximately \$49,320/year (\$23.71/hour), approximately \$50,800/year (\$24.42/hour) for the second year, and approximately \$52,320/year (\$25.15/hour) for the third year. All of these numbers are based on a salary snapshot as of May 31, 2015 when the most recent AFSCME agreement expired.

Staff conducted a survey of several local governmental organizations including the Minneapolis Public Housing Agency, the City of Minneapolis, and Ramsey County. All of the entities surveyed have three year agreements, providing average salary increases in the range of 2% to 11% (combination of general and step increases). The wage increases proposed in this recommendation are in line with these averages. Most organizations surveyed have automatic step increases which employees receive on their employment anniversary date. Most of the step increases average between 3% and 6%, but they are usually not reported in the media.

2. PHA CONTRIBUTION TOWARD MEDICAL INSURANCE

Staff is recommending Board approval to increase the monthly PHA contribution amounts paid toward the cost of employees' medical insurance as shown below. Blue Cross/Blue Shield did not increase the cost for medical insurance premiums effective July 1, 2015.

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CONTRACT SETTLEMENT: AFSCME
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- Retroactive to July 1, 2015, the PHA will increase its contribution by 3.5% added to the base amount the PHA paid effective July 1, 2014. (The dollar amounts are listed on the following page and on an attachment.)
- On July 1, 2016, the PHA will increase its contribution by 3.5%. This will be added to the base amount the PHA paid effective July 1, 2015.
- On July 1, 2017, the PHA will increase its contribution by 3.5%. This will be added to the base amount the PHA paid effective July 1, 2016.

These recommended increases would continue the PHA's pattern of increasing its contribution to employees' medical insurance costs by 3.5% each year, as first approved by the Board in 2011. Blue Cross/Blue Shield did not increase the insurance premiums that year but the PHA nevertheless committed to a 3.5% increase in its contribution, with the intent of leveling out its annual cost increases rather than changing each year as premiums changed by varying amounts. A 3.5% increase for AFSCME would be consistent with the 3.5% increase proposed for the Supervisory & Confidential employee group. The table at the end of this report shows the history of premium increases and PHA contributions.

Since 2008 the Agency has paid the same dollar amounts toward employees' medical insurance regardless of the level of coverage chosen by the employee (High Deductible, Basic, Standard or

Premium). With the recommended 3.5% increases, the contribution amounts would be as follows:

Retroactive to July 1, 2015:

- \$726.00 for single coverage (up from \$701),
- \$1,141.00 for single plus 1 coverage (up from \$1,102),
- \$1,302.00 for family coverage (up from \$1,258), and

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CONTRACT SETTLEMENT: AFSCME
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July 1, 2016:

- Single: \$752.00
- Single +1: \$1,181.00
- Family: \$1,348.00

July 1, 2017:

- Single: \$779.00
- Single +1: \$1,223.00
- Family: \$1,396.00

For employees who choose the High Deductible option, the above amounts are divided between paying for the insurance premium and contributing the difference to the Voluntary Employee Benefits Association (VEBA) account that allows the employee to pay for out-of-pocket expenses with pre-tax dollars. The annualized cost of the July 1, 2015 increase for the Agency's contribution for the AFSCME employee group is approximately \$32,300 for a total Agency cost of \$952,500.

Adequate funds were included in the current budget to cover the salary increases for the first and second years, and next year's budget will reflect the third year increase. Medical insurance cost

increases for FY 2016 were included in the Operating Budgets approved by the Board on March 25, 2015.

3. ADDITIONAL CHANGES

In addition to the previously outlined changes to salaries and health insurance, AFSCME has also agreed to the following two, significant changes:

Executive Director Discretionary Salary Increase: AFSCME has agreed to include in their contract the same provision that has been in the Supervisory & Confidential Policies since 2002,

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CONTRACT SETTLEMENT: AFSCME
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that gives the Executive Director discretion to grant up to \$30,000 per fiscal year to employees based on various market and/or job performance factors which may include:

- Desire to retain an employee,
- Need to pay an employee appropriately when the market rate dictates,
- Desire to reward an employee for outstanding job performance and service to the Agency,
- Need to adjust an employee's pay to bring the employee in line with that of other employees in comparable positions.

At the discretion of the Executive Director, this pay may be awarded as a lump sum which is not added to the employee's base salary; or it may be added to the employee's base salary in addition to the general increase and step increase granted to all AFSCME employees; or additional days off may be added to the employee's accrued leave time. (The dollar value of the days off awarded will be considered part of the \$30,000 total.) If the discretionary salary increase is added to the employee's base salary, the salary must remain within the established pay range for the employee's job

classification. This discretionary salary increase is not grievable. The Executive Director reports to the Board annually on all discretionary salary increases granted during the previous fiscal year.

Just Cause for Termination (Article 17.3): AFSCME has agreed to a revision in the PHA's disciplinary procedure from "Three Strikes" to "Two Strikes." Since 1996 the AFSCME contract has included the following language:

[I]n the event an employee receives a third disciplinary action (at the written warning or suspension without pay level) within a rolling 12 month period, and at least one of the three is a suspension without pay, such third disciplinary action shall be considered just cause for termination of employment.

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CONTRACT SETTLEMENT: AFSCME
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AFSCME has agreed to revise that contract provision to allow termination of employment after the second written disciplinary action, if at least one of the actions includes a suspension without pay.

Reclassification of Administrative Support Assistants from the A11 to the A12 Band/Grade/Subgrade:

AFSCME has agreed to the PHA's request to reclassify all Administrative Support Assistants from the A11 to the A12 Band/Grade/Subgrade. Each employee will be moved to the same step in the A12 Band/Grade/Subgrade. The employees will not serve a probationary period nor will they receive an increase after the completion of 6 months in the A12 Band/Grade/Subgrade. This change will be in addition to the salary increase which is approved for all other AFSCME employees. This change will affect nine employees at an annualized cost to the PHA of \$26,130. It will also raise the PHA's minimum hourly wage to \$14.71, which will be the range minimum of the A12 Band/Grade/Subgrade if the proposed salary increases are approved.

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

Attachment: Health Insurance Increases 1996-2015

Proposed AFSCME Agreement Language Changes

HEALTH INSURANCE INCREASES**Proposed**

YEAR	PREMIUM INCREASE	PHA INCREASE	EMPLOYEE INCREASE
2015	0%	3.5% proposed	(3.5%)
2016		3.5% proposed	Varies by option and type
2017		3.5% proposed	Varies by option and type

History

YEAR	PREMIUM INCREASE	PHA INCREASE	EMPLOYEE INCREASE
2014	5%	3.5%	Varies by option and type
2013	12%	3.5% plus PHA to contribute one time only – July 1, 2013 – June 30, 2014 an additional \$100 per month for FT employees and \$75 per month for PT employees	Varies by option and type

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 Increase	8.8% 166.76/19 years	8% 151.89/19 years	

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN

EXECUTIVE DIRECTOR

REGARDING Amendments to Personnel Policies:

DATE November 25, 2015

Supervisory and Confidential Employees

Staff recommends Board approval of amendments to the Personnel Policies for Supervisory and Confidential (S & C) Employees, affecting approximately 52 employees. The proposed amendments cover the three-year period of December 1, 2015 to November 30, 2018, and include salary increases effective December 1, 2015, December 1, 2016 and December 1, 2017, as well as increases to the PHA's contribution amounts for medical insurance effective July 1, 2016, July 1, 2017 and July 1, 2018.

This report does not include a recommendation to increase the Executive Director's salary. Staff will present a separate recommendation on the Executive Director's salary at a future Board meeting.

The proposed policy language is as follows:

1. SALARY INCREASES

8.31 On December 1, 2015 the salary schedule published in Article 8.2 will be adjusted by increasing the salary range minimums and maximums and the value of all steps by 3.0%.

On December 1, 2016 the salary schedule published in Article 8.2 will be adjusted by increasing the salary range minimums and maximums and the value of all steps by 3.0%.

On December 1, 2017 the salary schedule will be adjusted by increasing the salary range minimums and maximums and the value of all steps by 3.0%.

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S & C POLICIES
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The proposed compensation changes for S & C employees on December 1, 2015 would increase the payroll by approximately \$125,400, for a new annual total of approximately \$4,306,600. The recommended December 1, 2016 increase would be approximately \$129,200 for a new annual total of approximately \$4,435,800; and the December 1, 2017 increase would be approximately \$133,000 for a new annual total of about \$4,568,800. The average annual salary for S & C covered employees in the first year of this amendment would be about \$79,310 (\$38.13/hour), \$81,690 (\$39.27/hour) in the second year, and \$84,140 (\$40.45/hour) in the third year.

Staff conducted a survey of several local governmental organizations including the Minneapolis Public Housing Agency, the City of Minneapolis, and Ramsey County. All of the entities surveyed have three year agreements, providing average salary increases in the range of 2% to 11% (combination of general and step increases). The wage increases proposed in this recommendation are in line with these averages. Most organizations surveyed have automatic step increases which employees receive on their employment anniversary date. Most of the step increases average between 3% and 6%, but they are usually not reported in the media.

2. PHA CONTRIBUTION TOWARD MEDICAL INSURANCE

Staff is recommending increasing the monthly PHA contribution amounts paid toward the cost of employees' medical insurance as shown below.

- On July 1, 2016, the PHA will increase its contribution by 3.5%. This is added to the base amount the PHA paid effective July 1, 2015. (The dollar amounts are listed on the following page and on an attachment.)
- On July 1, 2017, the PHA will increase its contribution by 3.5%. This is added to the base amount the PHA paid effective July 1, 2016.

On July 1, 2018, the PHA will increase its contribution by 3.5%. This is added to the base amount the PHA paid effective July 1, 2017.

**REPORT TO COMMISSIONERS – NOVEMBER 25, 2015
S & C POLICIES
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These recommended increases would continue the PHA's pattern of increasing its contribution to employees' medical insurance costs by 3.5% annually, as first approved by the Board in 2011.

Blue Cross/Blue Shield did not increase the insurance premiums that year but the PHA nevertheless committed to a 3.5 % increase in its contribution, with the intent of leveling out its annual cost increases rather than changing each year as premiums changed by varying amounts.

Blue Cross/Blue Shield also did not raise its premiums on July 1, 2015 but the PHA increased its contribution by 3.5 %. The table at the end of this report shows the history of premium increases and PHA contributions.

Since 2008 the Agency has paid the same dollar amounts toward employees' medical insurance regardless of the level of coverage chosen by the employee (High Deductible, Basic, Standard or Premium). With the recommended 3.5% increases, the contribution amounts would be as follows:

July 1, 2016:

- \$752.00 for single coverage (up from \$726),
- \$1,181.00 for single plus 1 coverage (up from \$1,141), and
- \$1,348.00 for family coverage (up from \$1,302).

July 1, 2017:

- Single: \$779.00
- Single +1: \$1,223.00
- Family: \$1,396.00

July 1, 2018:

- Single: \$807.00
- Single +1: \$1266.00
- Family: \$1,445.00

For employees who choose the High Deductible option, the above amounts are divided between paying for the insurance premium and contributing the difference to the Voluntary Employee

**REPORT TO COMMISSIONERS – NOVEMBER 25, 2015
S & C POLICIES
PAGE 28 OF 4**

Benefits Association (VEBA) account that allows the employee to pay for out-of-pocket expenses with pre-tax dollars.

The annualized cost of this July 1, 2016 increase for the Agency's contribution for the S & C employee group is approximately \$18,200, for a total Agency cost of \$536,900 for S & C medical insurance premiums from July 1, 2016 to June 30, 2017. Medical insurance cost increases during FY 2016 were included in the Operating Budget approved by the Board on March 25, 2015.

In the attached "Proposed Changes to the S&C Policies" the proposed new hourly rates and changes to part-time vacation accumulation rates are double underlined and deletions are interlined.

DMM/ANH

Attachments: Health Insurance Increases 1996-2015
Proposed Changes to the S & C Policies

HEALTH INSURANCE INCREASES

Proposed

YEAR	PREMIUM INCREASE	PHA INCREASE	EMPLOYEE INCREASE
2016		3.5% Proposed	Varies by option and type
2017		3.5% Proposed	Varies by option and type
2018		3.5% Proposed	Varies by option and type

History

YEAR	PREMIUM INCREASE	PHA INCREASE	EMPLOYEE INCREASE
2015	0%	3.5%	(3.5%)
2014	5%	3.5%	Varies by option and type
2013	12%	3.5% plus PHA to contribute one time only – July 1, 2013 – June 30, 2014 an additional \$100 per month for FT employees and \$75 per month for PT employees	Varies by option and type
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 Increase	8.3% 166.76/20 years	7.8% 155.39/20 years	

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Property Insurance Policy Renewal

DATE November 25, 2015

Staff requests Board approval to renew the PHA's property insurance for one year effective December 1, 2015 with the Housing Authority Insurance Group (HAI) at an estimated annual premium of \$509,639 on an insurable property value of \$613,699,925. The estimated premium is slightly higher than last year's actual premium of \$500,250 (up \$9,389 or 1.88%) due to the property value increase from \$608,367,932 to \$613,699,925 (up \$5,331,993).

HAI insures the PHA's property through its subsidiary company, Housing Authority Property Insurance. Important factors in the coverage remain the same, including:

- A \$25,000 deductible;
- No blanket coverage, replacement cost will be subject to values on file with HAI;
- Exclusion for mold and fungi;
- Exclusion for any Acts of Terrorism.

As a capital member of the Housing Authority Risk Retention Group and Housing Authority Property Insurance the PHA has received dividend distributions, as shown below:

PHA FISCAL YEAR	HARRG DIVIDEND
FY 2007	\$68,882
FY 2008	\$164,479
FY 2009	\$43,758
FY 2010	\$172,011
FY 2011	\$136,216
FY 2012	\$151,863
FY 2013	\$114,932
FY 2014	\$102,765
FY 2015	\$88,062
FY 2016 YTD	\$47,447
TOTAL	\$1,090,415

Sufficient funds will be budgeted for this expense in the FY2017 Operating Budget.

HMG/RPM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Ramsey County 2015 Public
Entity Innovation Grant

DATE November 25, 2015

Staff requests Board approval to apply for up to \$100,000 from the Ramsey County Public Entity Innovation Grant (PEIG) program in partnership with the City of Saint Paul's Public Works Department to do the following:

- Provide additional recycling labels and containers for hi-rise community areas;
- Create a pilot organics collection program at the Dunedin Terrace family site;
- Work with the Presidents Council's Vending Machine Committee to establish a reimbursement vending machine pilot program;
- Under the PHA's Youth Connections Program, create "Community Educator" positions with stipends for public housing youth who will be tasked with increasing community engagement and environmental education programs around recycling; and
- Purchase additional supplies for recycling and organics promotion.

As explained on Ramsey County's website,

[The] Public Entity Innovation Grant program "provides financial assistance to public entities for the purpose of creating and implementing innovative programs to increase source reduction and residential recycling efforts, initiate residential organic management programs, expand public space recycling and address bulky waste management."

http://www.co.ramsey.mn.us/ph/rt/education_and_resources.htm

Earlier this year the PHA invited Minnesota Waste Wise Foundation to assess the hi-rise recycling program. They offered the following suggestions:

- Provide additional (outside) recycling containers at PHA buildings where needed;
- Standardize (inside) recycling bins and update signage;
- Standardize recycling training into resident orientation and building procedures;
- Increase understanding of and communication around quarterly recycling money; and
- Find opportunities for residents to recycle large and small electronics.

In addition to seeking PEIG funds for these purposes, staff would like to collaborate with the City of Saint Paul's Public Works Department and Ramsey County to implement a pilot organics collection program at the Dunedin Homes family site for garden and food waste collection.

The PHA originally implemented its Hi-Rise Recycling Program in 1989. Today the PHA partners with Eureka Recycling and all of the PHA's sixteen hi-rises participate in the program. Each hi-rise has a resident who serves as the Recycling Coordinator, and each hi-rise Resident Council receives \$20 per ton of collected materials every quarter from the PHA as an incentive for participating in the recycling program. In 2014, the sixteen hi-rises recycled 387,463 pounds of material (approximately 24,216 pounds per hi-rise), reducing the PHA's costs for refuse hauling and helping the environment.

YT/ANH

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Rezoning Petition; Salvation Army;

DATE November 25, 2015

1019 Payne Avenue, near Edgerton Hi-Rise

Staff requests Board approval for the Executive Director to sign a petition related to a rezoning request from the Salvation Army for property adjacent to their center at 1019 Payne Avenue, which is near the PHA hi-rise at 1000 Edgerton Street. Copies of the petition, map and related documents are attached. As in similar past cases the Board has approved, the PHA's signature would be qualified with the statement, "The PHA neither supports nor opposes this request to rezone the property."

As explained in the attached letter, the Salvation Army intends to expand their center by adding more restrooms, as required by the City to continue an after-school program for youth. That requires changing the zoning of those properties from "RT1" (residential) to "B2" (community business). (One of those adjacent properties was the site of the scattered site home at 618 Lawson, which the PHA sold to the Salvation Army last year.) For the rezoning petition to be considered, the City requires the property owner to get signatures of owners of two-thirds of the properties within a 100 foot radius. The Agency's practice has been to authorize execution of all petitions like this so the request can be presented to the Planning Commission, Zoning Board and City Council for their consideration of the merits of the proposal.

FAH

Attachments: Letter, Map, Site Plan, Petition

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN

DIRECTOR

EXECUTIVE

REGARDING Revised Community Solar Garden

DATE November 25, 2015

Subscription Agreements

Staff requests Board approval (again) to enter into 25-year community solar garden subscription agreements with Geronimo Energy of Edina, Minnesota. As before, under these agreements with Geronimo Energy, Xcel Energy will provide a credit on the electric bills for covered PHA hi-rises and the CAO throughout the 25 year term. As discussed at previous meetings, the PHA's original agreements with Geronimo Energy that the Board approved on January 28, 2015 were approved by HUD, but they were later overturned by a ruling by the Minnesota Public Utilities Commission (PUC) that limited the size of community solar gardens. Since the scope of the agreements with Geronimo Energy have changed substantially to comply with the PUC ruling, staff is recommending that the Board renew its approval to proceed. The differences between the previous and new agreements are summarized below.

The January 28, 2015 Board report explained the agreements as follows:

- Geronimo Energy would build a 21-megawatt community solar garden in Rosemount, Minnesota.
- All sixteen PHA hi-rise apartment buildings and the W. Andrew Boss Building (CAO) would be covered by the subscription agreements.
- Approximately 85% of the electrical consumption at the 17 PHA buildings would be supplied to the electrical grid by the community solar garden.

- Estimated PHA cost savings \$183,500 per year.

The new agreements will cover fewer buildings and the estimated savings to the PHA will be lower, but still substantial:

**REPORT TO COMMISSIONERS – NOVEMBER 25, 2015
COMMUNITY SOLAR GARDEN SUBSCRIPTION AGREEMENTS
PAGE 37 of 40**

- Geronimo Energy would build three 5-megawatt community solar gardens in Rosemount, Minnesota.
- Ten PHA hi-rises and the W. Andrew Boss Building/Central Administrative Office would be covered by the subscription agreements (includes all hi-rises in AMPs 2, 3, 5 and 6).
- 100% of the electrical consumption at those hi-rises and part of the consumption at the CAO would be supplied to the electrical grid by the community solar gardens.
- Estimated PHA cost savings \$130,000 per year.

As explained in the January 28, 2015 Board report, the PHA issued a Request for Proposals (RFP) for solar garden subscription agreements by advertising in newspapers and sending it to developers listed on the Minnesota Solar Energy Industries Association website. Proposals were received from two solar garden developers. After the initial review of the proposals staff hired two consultants, TKDA and Eutectics Consulting LLC, to provide technical assistance in analyzing the proposals (reported to the Board on December 17, 2014). The consultants reviewed pricing and provided questions to ask the solar garden developers. The staff evaluation committee interviewed each developer and following a second review, Geronimo Energy was selected.

TDB/MLP

Attachment: Spreadsheet Showing Credits, Subscription Rates, Savings Etc.

January 28, 2015 Board Report

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN

EXECUTIVE DIRECTOR

REGARDING Public Housing Agency Plan;

DATE November 25, 2015

Annual Plan for PHA Fiscal Year 2017

(Federal Fiscal Year 2016)

Staff recommends approval of Resolution No. 15-11/25-04 approving the Annual Agency Plan for the PHA's Fiscal Year 2017, which is Federal Fiscal Year (FFY) 2016.

The Agency Plan no longer includes the Capital Fund Program (CFP) funding application for the coming year. The CFP application and annual reports will be submitted separately with the signed amendment to the Annual Contributions Contract (ACC) after the actual amount of the PHA's CFP grant for FFY 2016 is announced. Based on past years' experience, that could occur anytime between March and August of 2016, after Congress approves the appropriations and HUD announces the actual CFP grant amounts. Staff also plans to recommend a CFP budget revision at the January 27, 2016 Board meeting.

The PHA will hold the required public hearing on the Agency Plan on Tuesday, November 24, 2015 at Neill Hi-Rise, 325 Laurel Avenue. Staff announced that the draft Agency Plan was available for public review and comment at the beginning of October by publishing a notice in the St. Paul Pioneer Press and posting a notice on the PHA's website. The updated Plan is substantially the same as last year's, although HUD changed the format this year. Members of the Resident Advisory Board (RAB) discussed the Plan updates in four meetings held in August, September and October. The agendas and announcements of RAB meetings were mailed to the Hi-Rise Presidents Council, the City-Wide Residents Council, Section 8 representatives and SMRLS.

No written comments on the Agency Plan itself were submitted by the RAB or the public.

The PHA's Agency Plan is posted on the PHA's website, www.stpaulpha.org, and on HUD's website: <http://www.hud.gov/offices/pih/pha/approved> .

FAH

Attachments: Resolution 15-11/25-04 including HUD-50077,
“Certifications of Compliance with PHA Plans
and Related Regulations”;
Agency Plan and Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 15-11/25-04

PUBLIC HOUSING AGENCY PLAN FOR PHA FISCAL YEAR 2017 (FFY 2016);

ANNUAL PLAN; CERTIFICATIONS OF COMPLIANCE

WITH PHA PLANS AND RELATED REGULATIONS

WHEREAS, the PHA is required to prepare and submit to HUD each year an Agency Plan including required attachments; and

WHEREAS, HUD approved the PHA's Agency Plan for the current fiscal year and Five-Year Plan on January 30, 2015; and

WHEREAS, there have been presented and considered at this meeting of the Board of Commissioners draft plans which describe the PHA's current programs and plans for the next fiscal year, which plans are in the form required by HUD; and

WHEREAS, the PHA's Resident Advisory Board (RAB) assisted staff in developing the draft plan; public notice was published of the draft plan's availability and the plan was presented at a public hearing as required; and

WHEREAS, HUD requires the Agency Plan to be accompanied by "Certifications of Compliance with the PHA Plans and Related Regulations" executed by the Board Chair;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA as follows:

1. The Annual Agency Plan for the PHA Fiscal Year beginning April 1, 2016 is hereby approved; and
2. The Chair of the Board and the Executive Director or his designee are authorized to execute the "Certifications of Compliance with the PHA Plans and Related Regulations" in the form prescribed by HUD, and such other documents as may be necessary to complete the Agency Plan for submission; and
3. The Executive Director or his designee is authorized to submit the Agency Plan and related documents to HUD by January 15, 2016 or such later date as HUD may approve.