

SUMMARY OF AGENCY ACCOMPLISHMENTS FOR FY 2005

APRIL 1, 2004 - MARCH 31, 2005

The performance of the Executive Director is measured against specific goals for the Agency. The Board of Commissioners approved eleven Agency Goals for FY 05. 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. Begin exploring “project-based accounting” and “project-based management” systems related to the new Public Housing Operating Fund rule.

1. PHAS: The PHA has achieved “High Performer” status for the *fourteenth* consecutive years (FY 2005). At the May 18, 2005 meeting the Board approved the Agency’s performance under the PHAS Management Assessment indicator for FY 2005, which HUD has since confirmed. Staff expects the Agency’s overall score for FY 2005 to be 95%, the same as FY 2004. HUD/REAC’s delay in scheduling PHAS physical inspections means the final score will not be compiled until the fall or winter of 2005. Some PHAS management highlights:

- **Vacant unit turnaround:** The PHA’s FY 2005 average turnaround time of 26.36 days (excluding modernization days) scored 2.8 out of four points (down from 26.66 days in FY 2004). Calculated from vacancy days and the total number of unit-days available, the PHA’s occupancy rate for FY 2005 was 98.70% after excluding vacancy days related to modernization work (98.60% in FY 2004). The average month-end occupancy for FY 2004 was 99.3% (same as FY 2004). Occupancy exceeded 99% every month during FY 2005 and FY 2004.
- **Capital fund (modernization):** The PHA scored “A”s on all components.
- **Maintenance work orders (emergency and non-emergency):** The PHA completed all 6,071 emergency work orders within 24 hours, and all 25,711 non-emergency work orders in an average of 3.12 days.
- **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’s score on this indicator for FY 2005 is supposed to be based on new inspections which should have occurred between January 1 and March 31,

2005, but as of July 7, 2005 they have not been scheduled. (HUD's contracts with the inspection firms expired and the new contracts have not yet been awarded.)

The PHA's last inspections by HUD's contractor were conducted from March 17 through April 18, 2003. After the PHA's requests for score adjustments were resolved, the final score was 27 points out of 30 (90.3%). HUD used those scores for our FY 2004 PHAS rating without another round of inspections.

- **Resident satisfaction surveys (RASS):** Staff coordinated required advance notice to residents from February through April 2005. The RASS score for FY 2004 was 92%, the same as the previous year.
- **PHAS reform:** The national debate has shifted to other HUD issues, away from PHAS implementation and content. HUD's inability to get PHAS inspectors back into the field from March – July 2005 shows that reform is still needed. Al Hester is pressing HUD to waive the long-overdue inspections for high performers, to get future inspections back on schedule. Hank Petro, Betty Lou Authier and the Maintenance staff led our efforts on the physical inspections preparation. The PHA will be ready, whenever the PHAS inspectors come.
- **Preparing for project-based accounting and asset management:** Finance and Resident Services staff began discussing the design of a project-based accounting/budgeting/management system. Finance staff analyzed various definitions of "project" using proposed HUD formula. The preparation for conversion was "put on hold" when HUD delayed implementation (and perhaps further clarification) for at least a 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!**

<p><u>Agency Goal #2:</u> 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). Attract new Section 8 resources.</p>

2. SEMAP High Performer status: The PHA achieved "High Performer" status again for FY 2005 (now four consecutive years), as reported to the Board most recently on May 18, 2005. The Agency's overall score for FY 2005 was 100% (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 97% and a budget utilization rate of 98.69% in FY 2005, for the reasons discussed at many Board meetings. Lease up rates for this factor can be calculated from either the unit lease up rate or the budget utilization rate. Because HUD abruptly cut voucher funding in April 2004, staff intentionally reduced voucher utilization and took other actions approved by the Board, successfully bringing spending in line with the reduced funding.
- Monitored spending levels. Implemented various strategies to reduce expenses and partially restore reserves, ending FY05 at 1337 unit-months underleased. Closed out FY05 with \$2,278,053 in HAP reserves and \$521,896 in admin fee reserves. (HCV program)
- Completed HUD RIM Review with no systemic findings.

2 A. Other voucher production statistics:

- Conducted 17 regular briefings; 83 port-in briefings; and 37 PBA briefings
- Issued 505 vouchers (includes PBA and port-ins), (495 vouchers in FY 04).
- Processed 505 new admissions (523 in FY 04).
- Conducted 8474 housing inspections (8,415 in FY 04).
- Completed 3237 annual re-exams (3,735 in FY 04) and completed 7479 interim re-exams (3,877 in FY 04).
- Processed 243 portability move-ins (302 in FY 04).
- Processed 291 portability move-outs (175 in FY 04).
- Processed 405 end participations (481 in FY 04); and processed 10 FSS enrollment/end participations (37 in FY 04).
- Conducted 85 hearings (57 in FY 04).
- Special Allocations:
 - RAFS – funding cancelled, program diminishing through attrition
 - Welfare To Work: Funding cancelled, program diminishing through attrition.
 - Mary Hall – average utilization of 97.4%
 - Mainstream Disability Vouchers – average utilization of 88% (this program affected by non-issuance of vouchers for 13 months).
- Quality Control:
 - Re-established (after Elite implementation) 5008 submissions and error corrections.

Agency Goal #3: Capital Improvements: Continue renovation of McDonough Homes and complete first stage of the Central Duplexes renovation. Maintain high standards

in all PHA capital improvement projects, including efficient, 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: Technical Services Director Marilyn Porter with the special assistance of Technical Service Manager Dave Lang directed these activities. Staff met or exceeded all HUD deadlines and PHA goals for grant applications, fund obligation and expenditure:

- Receipt of 2002 CFP ACC from HUD was 7/26/02. HUD goals were (24 months) for 90% obligation and (48 months) for 100% expenditure. Funds were 100.0% obligated as of 3/31/04, which was well ahead of the 7/25/04 goal date. 2002 CFP funds were 100.0% expended as of 3/08/05, which was well ahead of the 7/25/06 goal date. The Actual Modernization Cost Certificate was submitted to HUD on March 10, 2005 closing out this program.
- 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 4/30/05 29% (\$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. HUD has not announced the amount of the PHA's FFY2005 CFP funding as of 5/30/05.

3 A. 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, Resident Services, Technical 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.

3 B. Capital fund program coordination: Marilyn Porter, Technical Services Director, the TS Managers and Project Leaders demonstrated design leadership and coordinated the efficient and timely design, bidding and construction of modernization projects including major work at McDonough Homes, Central Duplexes and other sites

3 C. Energy conservation: Staff worked to incorporate and implement energy saving strategies and water conserving materials, fixtures and systems in modernization and contracting work wherever feasible.

3 D. 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.

3 E. Service contracts and charge accounts: Service contracts were revised and new service contracts were created to meet the Agency's ongoing needs. The use of charge accounts continued with great success. Charge accounts allow staff to make small incidental purchases quickly, thereby improving the efficiency of maintaining our properties. Charge account vendor selection was re-evaluated, new vendors added, and existing vendors not needed, were dropped.

3 F. 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). Technical Services 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 2005: Capital Fund Program: MBE participation was 13% and W/DBE 22%.

Operating Budget: MBE participation was 3.5% and W/DBE 11.1 %. **Contracts totaled \$1,080,319 to MBE firms and \$1,886,017 to W/DBE firms in FY 05.**

- Technical Services 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 Technical Services 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.

3 G. Pest control: Staff developed and implement 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 increased slightly from 2.0% in 2003 to 2.9% in 2004 during 3 surveys of insect traps taken from each of the 2547 units.

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.

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.

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

- Overall staffing activity was higher than last fiscal year due to turnover (12.7%, up from 8.1% last fiscal year) and resulting vacancies (20 new hires and 17 promotions, lateral transfers).
- Of the 231 staff members employed by the PHA at the end of FY 05, **49% are women and 36% are people of color.** Both groups work in all levels of the organization.
- **Of the 20 staff hired for regular positions, 50% were employees of color and 45% were women.**
- **Of the 17 staff members promoted in FY 05, 59% were people of color and 35% were women.**

- Enhanced recruitment and retention efforts included: Staff participated in the launch of the “Changing the Face of Housing Initiative” initiative sponsored by the Family Housing Fund, Corporation for Supportive Housing and LISC that aims to bring more people of color into governing and high level staff positions of housing organizations.
- HR and EOD staff met with 10 current employees of color to discuss retention issues.
- Completed an EEO/AA exit interview for most outgoing employees in protected classes.
- Completed EEO/AA review of employment applications and discussed results with supervisors prior to the applicant interviews.
- The Executive Director continued offering formal internship opportunities (two individuals this past fiscal year, both women of color), and continued informal mentoring of many more current employees.
- To aid in the workload because of turnover, 29 67-day temporary employees were hired throughout the fiscal year (21 last year). This included temporary employees for the seasonal maintenance positions.
- Continued to work with PHA residents whose skills match PHA temporary and on-going employment needs and assisted in developing resident economic development initiatives.
- Continued to expend a large percentage of time on a comprehensive applicant-testing program. Approximately 112 applicants were tested for various positions during the year.

5 A. Equal employment opportunity: Provided direction and guidance to PHA staff in the interpretation and enforcement of equal opportunity and civil/human rights policies and laws:

- Conducted and resolved 14 formal and informal complaint investigations. Recommended follow-up trainings and work plans to avoid future complaints.
- Counseled and advised on more than 35 personnel matters (not formal complaints) including disciplinary actions, performance issues and staff conflict.
- Reviewed and analyzed 233 hiring, promotion and transfer processes to help ensure compliance with equal employment opportunity laws and policies.
- Conducted training and consultation with staff in areas related to EEO policies as needed.
- Reviewed EEO/AA policies including reporting procedures to all staff during EOD departmental and workgroup presentations.
- Conducted EEO/AA orientation for all new employees.
- Attended EEO-related external trainings to ensure that the PHA is consistent with EEO laws, trends and best practices. Trainings included the Minnesota Department of Human Rights Disability Issues Forum, the annual Human Rights Day Conference, and the Outfront Training on LGBT issues.

5 B. Affirmative action: Provided direction and guidance to PHA staff to help enhance employee recruitment and retention efforts:

- Provided recruitment resources and assistance on as-needed basis to aid in attracting job applicants from communities of color and persons with disabilities.
- EOD reviewed and analyzed 37 hires and promotions. Discussed employment applications with supervisors and reviewed PHA affirmative action goals. Conducted adverse impact analysis on hiring and promotions.
- Discussed recruitment and retention efforts with AHANA (African, Hispanic, Asian, Native American) Alliance members during leadership and quarterly meetings.
- Participated in the University of Minnesota Career Fair for graduate students.
- Continued to meet with LGBT (Lesbian, Gay, Bisexual and Transgender) employees to discuss issues related to workplace environment and retention of GLBT employees.
- Encouraged and facilitated informal mentoring activities with AHANA members.

5 C. Training and employee career development: The PHA continued to follow its comprehensive strategy for employee training and career development in FY 05:

- Presented 5 training sessions as listed in the FY 05 Employee Training Opportunities Catalog.
- Performed routine training programs such as individual new employee orientation (met with 45 new employees individually, including 20 regular staff and 29 temporary staff), new employee group orientations (3 sessions for 19 employees), conducted large group orientations (including a tour of PHA properties, 1 session for 15 employees).
- Offered Employee Right to Know training to new maintenance and CHSP employees.
- Provided in-house computer training using the Prove-it software.
- Human Resources conducted a training program for all 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.
- Staff from many departments and work units continued training to recognize behaviors and issues related to mental illness, so they can interact appropriately with residents who have mental disabilities. This training makes residents more comfortable and staff more effective in dealing with residents, and reduces the likelihood that a resident will allege discrimination.

5 D. Rethinking the organization:

- Resident Services and Section 8 staff continued their efforts to update programs forms, 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, some contract and purchasing responsibilities and staff were realigned between Maintenance and Technical Services. Some of those changes were being implemented at the close of FY 05.

5 E. Compensation review:

- Continued to be in compliance with Minnesota Pay Equity Act.
- With Fox Lawson, re-evaluated 3 existing positions and two Department Director positions. Worked with each department to continue to update job descriptions and performance standards.

5 F. 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:

- Received and reviewed proposal from Health Partners for premiums effective July 1, 2005.
- Notified, recorded and tracked 44 staff and their use of leave time under the Family Medical Leave Act. Continued to notify staff and their dependents of their right to continue medical insurance coverage under federal law (COBRA).
- Continued to compensate employees proficient in a **second language \$1,000 per year** and to contract with vendor to test language proficiency and determine who meets the qualification.
- Continued to offer up to \$300 to each pension plan participant toward professional financial/estate planning.
- In conjunction with pension planning, continued to offer deferred compensation option to employees.

5 G. Workforce diversity management: Continued to develop and implement initiatives to help create and maintain a workplace environment that respects and values diversity:

- Continued to implement the EOD 3-year training plan on Cross-Cultural or Intercultural Competency for supervisors. Designed and facilitated required supervisor training sessions.
- Continued the Diversity Learning Series (DLS) – training sessions on different dimensions of diversity – for all PHA staff. The FY05 DLS covered issues around disability and sexual orientation in the workplace. Future topics include cross-cultural competency and religion in the workplace.
- Worked with AHANA Alliance, GSEN (Gay Straight Employee Network) and other PHA staff to provide opportunities for the Agency and staff to celebrate diversity. Weekly events were held for Asian American Heritage Month (May), Gay Pride Month (June), Hispanic Heritage Month (September), American Indian Heritage Month (November), Black History Month (February), and Women’s History Month (March).

- Facilitated and guided employee resource or network groups. Provided guidance and training opportunities to AHANA Alliance leaders and GSEN members. Assisted and coordinated AHANA and GSEN activities including quarterly meetings with the Executive Director and cultural celebrations.
- Continued to research and explore “best practices” in managing workplace diversity and analyzing possible application to the Agency. Identified and purchased diversity training guides, videos and other resources.

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 under the leadership of Julius Erolin 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 a draft of the Domestic Violence Prevention policy and procedures to be reviewed and implemented in FY05. 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.

6 A. Community Safety and Security: EOD staff, especially Oi Mattison and 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 16 “one strike” terminations in family 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 McDonough 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.

Agency Goal #7: PHA Administrative Office: Complete construction of the new PHA Administrative Office. Secure tenants for commercial space as a means to generate

reliable revenue in future years. Plan and implement the move to the new building in a way that minimizes disruptions to Agency operations and program participants.

7 A. 555 North Wabasha: Master planning and design of the new CAO at 555 N. Wabasha were completed through an interdepartmental effort. Construction of the new CAO began in March 2003 and the PHA moved into the building between March 23 and March 26, 2004 as originally planned. Construction punch list work was completed and final payment to Lund Martin was released in February of 2005.

- Minnesota Credit Union signed a lease for the remaining space in the building. The building is now 100% leased and build-out of the first and second floor space for Minnesota Credit Union is nearing completion (July 2005).
- The Citizen's League and Dr. Dwayne Jeske, DDS signed leases and moved into the building.
- These commercial tenants brought 35 new jobs to downtown St. Paul.

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.

8 A. Section 8/Housing Voucher landlord recruitment:

- Conducted six bi-monthly mini-workshops with new owners.
- Conducted Section 8 presentations for various groups including Crime Free Multi-Housing group and St. Paul Area of Responsible Landlords.

- Conducted general Section 8 training and outreach to Jewish Family Services, Eastside Family Service Center and several for Wilder Tenant Training.
- Continued relationship with MN Multi-Housing Association.
- During a year where we reduced contract rents to many hundreds of rental property owners, we saw very few owners leave our program. This can attribute to several things, among them, the strong and clear communication they received from us regarding funding matters and a rent re-determination process for owners who felt the reductions were not representative of their property type. These efforts, showed an unwavering commitment to the partnership that must exist between owners and the PHA to make the Section 8 Program work.

8 B. 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 FY06
- HousingLink brochures were included in June and December checks to landlords.
- We partnered with Housing Link for the research document that served as the basis for the implementation of the across the board reductions in contract rents by 7%. This conclusion was based on Housing Links research and analysis of unassisted rental values.
- Worked with HousingLink staff in attempt to develop a Rent Reasonableness model.

8 C. 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.

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:

- Successfully managed four Community Centers in a manner that meets the changing needs of the residents, maximizes the number of services that can be offered to family residents and prioritizes space that work with residents with needs identified in the Family Needs Study.
- Human Services Coordinators advertised the availability of the computer labs, worked with St. Paul Public Schools and STEP staff to provide teachers where possible.
 - Staff successfully managed 4 community centers, working with Tech Services staff to assure adequate daily maintenance by cleaning contractors and repair and replacement as needed, including continuing a cleaning contract with a resident owned business at McDonough Community Center.
 - Human Service Coordinators worked with service providers on a monthly basis to foster positive working relationships, bring presenters and new information to monthly coordination meetings, resolve space and equipment issues, and facilitate new services coming into Centers to meet needs of changing populations.
 - Dunedin staff reorganized space at Dunedin Family Center to provide temporary space for the WIC program when they lost their temporary space on short notice. This effort allowed Dunedin residents to continue to be served without adding a transportation barrier.
 - HSC's, Service Providers and ACOP began work on Safety Plans for the Centers, to assure that information and actions are coordinated in the event of an emergency situation.
- Continued to provide computer labs and tutoring at all four family developments.
- Additional service provider space usage agreements were executed for ongoing use of space at the centers.

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

- **Resident Initiatives; Jobs programs:**
- Supported ROSS grant application by Wilder Foundation (not funded); performed contract management responsibilities for PHA ROSS grant (FFY04), expected to end December 2005. With Wilder partnership, secured National Service Corps Promise Fellow position for youth work in the family developments. FSSC grant application awarded funding for 1 FTE.
- Step-Up placement with Socon for McDonough modernization work.
- HPD Staff participated in St. Paul-Ramsey County Workforce investment Board (WIB), Ramsey County Youth Council, Ramsey County Advisory Committee on Family Homelessness Prevention Assistance Program, RAB, ROSS Coordination Committee, Family Self-Sufficiency Program Coordination Committee, and Family Steering Committee.

- Supported MDRC media outreach on Jobs-Plus final report, Brookings Forum in Washington DC (4/8/05).
- STEP (Support for Training and Employment) funded through the HUD ROSS grant, continued employment services to residents at all 4 family sites. During FY2005:
 - 162 residents enrolled
 - 80 participants enrolled in education classes (ELL, GED, basic computer)
 - 73 attended work skills training programs
 - 54 moved to employment
 - 105 residents retained employment for 90 days or more
 - 74 advanced in hours, benefits, or wages
- All four Family Resident Councils provided funds to the STEP program and jointly conducted 3 recognition and self-sufficiency building events in each family area during this fiscal year.
- PHA's MIS department supported the 4 family computer labs by recycling computers no longer in use at the PHA to the computer labs.
 - FSS staff provided training and review of the FSS program to Re-Exam staff and Administrative Support Technicians to facilitate referrals and efficient transfer of information as needed.

9 B. Congregate Housing Services Program (CHSP):

- The CHSP manager attended several exhibits and gave presentations on CHSP to case managers and care providers across Ramsey County. Articles were published in the Care Option Network Newsletter, and ads were placed in the East Side Review. A CHSP Newsletter publication was created that is sent out quarterly to approximately 200 professionals, hospitals, and clinics.
- Many efforts were put into place to attain full census with steady growth in the program as a result. Full census will be achieved in the new FY. At the end of FY05, the number of applicants in process to enter CHSP was 13 and the number of current participants was 143. The number of applications per month is averaging 6 this FY, compared to an average of 8 per month last FY, while the number of clients leaving the program per month is averaging 4.
- Census did improve significantly in CHSP (average 137 per month, up from 128 per month in prior year) but did not reach full utilization. However, several of the 6 sites were consistently at or above their census goal; Valley, Mt. Airy, Montreal, and Edgerton.
- Improved communications, procedures, and computer reports to link CHSP with Hi-Rise Management work unit was maintained and improved. CHSP coordinators and manager attend the HSC meetings monthly to maintain communication and establish an important link

between Hi-Rise management staff. CHSP also continues to work closely with the managers at each site and have corroborated on several projects. A new report for the rental office was established by CHSP, and a new report from the rental office to CHSP was created and generated by the rental office. New reports were established in accounting as well. These reports and communication tools will continue to add to the success of CHSP

9 C. Hi-Rise Service Coordinator Program:

- **Service Coordinator Grants:** Continue initiatives and efforts established through the Service Coordinator Grant under the PHA's operating budget.
 - Met
 - This past year the grant primarily enabled us to fund our Human Service Coordinator services for our Hi Rise residents.
 - Grant funding also provided exercise opportunities at nine hi-rises with an average of 64 residents attending each session.
 - The grant provided funds to purchase New Resident Orientation Kits. These Kits include eight items for housekeeping and are given to residents who participate in the New Resident Orientation held by the Human Services Coordinators.
 - Grant funded the services of Alice Moormann, consultant, to provide training to the Presidents Council Officers and to provide technical assistance and to serve as a resource to Resident Councils.
- **Economic and Employment Opportunities:** Work closely with staff and other agencies to support and encourage resident economic and employment opportunities through STEP, STEP-UP and Family Self-Sufficiency (FSS).
- Grant funding provided exercise opportunities at nine hi-rises with an average of 64 residents attending each session.
- The grant provided funds to purchase New Resident Orientation Kits. These Kits include eight items for housekeeping and are given to residents who participate in the New Resident Orientation held by the Human Services Coordinators.
- Grant funded the services of Alice Moormann, consultant, to provide training to the Presidents Council Officers and to provide technical assistance and to serve as a resource to Resident Councils.

9 D. Service needs and satisfaction levels of hi-rise residents: In December 2002 Wilder Research Center completed a survey of PHA hi-rise residents (1,462 respondents) that found high levels of satisfaction with everything from pest control and building maintenance to social services and the congregate dining programs in most buildings. Although the service needs of hi-

rise residents are largely met, the survey pointed to some opportunities for improving or expanding some on-site services (such as exercise classes and having access to computers).

- Hi-Rise staff met regularly to discuss the results of the 2002 Survey and identify focus areas and recommendations.

9 E. Adopt-A-Hi-Rise Program (AHP): Initiated by the Executive Director in 1987, 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. The EOD Department, especially 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.

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.

10. Housing 5000: The Executive Director serves on the Mayor’s Housing 5000 Advisory Committee and assists with the development of the annual Housing Action Plan and implementation of the Housing 5000 Plan. The PHA’s primary contribution to affordable housing production is 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.

Project Based Assistance

- Executed two AHAPs (Crestview and Model Cities)
- Executed three HAP contracts (St. Christopher’s Place, Martin Luther King and Upper Landing)

10 A. Section 8 project-based assistance program: See above, 2.C.

10 B. Funder's Council: The PHA 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.

10 C. Sale of excess land to Habitat for Humanity: The PHA sold excess land at two sites (Roosevelt Homes and Ravoux Hi-Rise) and went through an extensive disposition process, including offering the land to residents and non-profit affordable housing developers. Habitat for Humanity purchased both sites for approximately \$360,000. The PHA received net income and Habitat produced 30 affordable homes for sale. The Executive Director was recognized for his role in this project when Habitat for Humanity recognized him with their "Community Builder" Award this year on April 30, 2004.

10 D. Disposition of Scattered Site Properties: HUD's Special Applications Center in Chicago approved the PHA's disposition application. A request for proposal for sale of the properties to Non Profit Organizations was issued and proposals from three non-profits were received. The proposals from the non-profits were rejected because they were only for about 55% of appraised value. Another request for proposal was issued to hire Real Estate Agents to sell the properties on the open market. Eight Real Estate Agents were selected and staff executed listing agreements for the sale of the properties. All eight of the properties were sold for total sales price of \$2,250,500.

- Staff drafted and submitted a Request for Disposition of a scattered site unit at 1715 Graham, which was taken via eminent domain by the City of Saint Paul; unit at 18 Worcester to replace 1715 Graham; and a scattered site unit at 498 Brimhall. The unit was traded to a neighborhood medical clinic in exchange for a new unit at 7 S. Lexington.
- Board approved sale of 1232 Goodrich; request to HUD pending.

10 F. 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.

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: The Executive Director was elected President of PHADA in May 2005. During FY 2005 he continued to serve on the PHADA Board of Trustees and as Vice President of the Housing Committee. 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.

11 A. CLPHA participation: The Executive 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.

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

11 C. 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 Section 8/Housing Voucher program for FY 04 and FY 05.

11 E. QHWRA implementation: Staff, especially Resident Services staff and Al Hester 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, and revised policies for Board approval.

11 F. HUD operating cost study: The Executive Director and other staff continued to monitor and provide comments with the housing industry groups and HUD on the Public Housing Operating Cost Study conducted by the Harvard Graduate School of Design (GSD) and the ensuing negotiated rulemaking. Controller Junella Pichelman and Resident Services Director Lyle Schumann analyzed the final recommendations.

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

- \$50 MFIP Cut: Staff, especially Al Hester, analyzed data for the Minnesota NAHRO, Minnesota Housing Partnership legislative advocates and supportive legislators and testified

before House & Senate committees to push for repeal of the “housing penalty” and to oppose legislative proposals to make the cuts even deeper. At the end of the Special Session (July 2005) the legislature kept the \$50 MFIP housing penalty but relaxed the \$125 “SSI penalty”. That change will help PHA residents and increase rent revenues slightly.

11 H. 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:

- Staff provided technical assistance to the Hawaii HA, Tacoma WA, Freeport IL, York NE, Hartford CN, Detroit MI, other individual HA’s.
 - Prepared and provided one and half days technical assistance training to Seattle HA on Elite/ECS Computer systems.
- Staff served on the MN NAHRO Board and conducted conference workshops
- Staff served on HUD PHAS appeal panels.
- 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.

Other Significant FY 05 Agency Accomplishments Included:

12. Other FY 05 budgets: Finance Department staff under the leadership of Junella Pichelman and Rick Betz, accomplished much in FY 05 relative to our budgets:

- Low Rent net assets equaled \$14,060,997.
- Section 8 FY 05 unaudited close shows an administrative fee reserve of \$521,896.
- FY 05 Building Fund net assets equaled \$462,243.

Note: The above figures may not be final; the books for FY 05 are not yet audited.

- Prepared three FY 06 original budgets for primary operations, totaling over \$59,576,069 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 05.

13. Agency Plan: Staff, especially Al Hester successfully coordinated RAB meetings, performed data analysis, and submitted the FFY05/PHA FY06 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 05, including the following:

- Issued 7,200 payroll checks/direct deposits for \$11.0 million, 8,073 accounts payable checks to vendors totaling over \$21.8 million and 22,947 checks to Section 8 landlords (up from 21,660 last year) for more than \$34.5 million (down from \$35.3 million).
- Prepared and mailed 50,533 rent statements.
- Prepared and mailed 5,604 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, 2005 was \$18,394,705 invested at an average yield of 2.32%. For comparison purposes, at March 31, 2004 the PHA had \$16,340,554 invested with an average yield of 1.53% and as of March 31, 2003, the PHA had \$25,677,919 invested with an average yield of 1.89%. The significant reduction in portfolio size in FY04 is directly attributable to expenditures for construction at 555 Wabasha Street.
- Continued participation in the Minnesota Revenue Recapture program with \$102,546 collected 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".
- Continued to take part in the construction sales tax rebate program, filing for a refund of \$47,829.

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 2004 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 2005) completing their review of FY 2005 transactions and compliance and will report to the Board at the August 24 meeting.
- In August 2004, local HUD staff conducted a follow-up Rental Integrity Monitoring (RIM) Audit of public housing rent calculations, policies, procedures, verification processes and

related issues. In November 2004, PHA received notice from HUD that the audit was completed and closed.

- Performed an internal audit of cash flow processes (excluding A/P). Tracked all relevant October 2004 activities from bank statements through the general ledger. This audit confirmed that the selected procedures and controls are adequate.
- Performed an internal audit of office supply purchases. Reviewed purchased for compliance with current acceptable items and control procedures. This audit confirms the selected procedures and controls are adequate.
- Performed monthly analysis on 11 funds to ensure revenues and expenditures were properly recorded. Updated 140 monthly financial reports (in the intranet) for use by management. Prepared quarterly financial reports, revised to reflect GAAP reporting format, for Board use.

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

- Phone system:
 - After an RFP and extensive evaluation, the PHA selected Qwest and Matrix Communications to upgrade the PHA Wide Area Network communications links (WAN). The new links are expected to be faster, more dependable and eventually to save the PHA over \$2,500 per month in communications charges.
 - Staff installed a voice patch panel in the server room support office moves at the CAO without needing to call in outside wiring vendors. This saves about \$200 per office move. It is estimated that over \$1,000 has been saved in less than the first year. Cost of installation was about \$5,000.
 - MIS has responsibility for all non-cellular phones and voice-mail for the PHA, including moves, adds and changes, wiring, and billing. This includes life/safety lines related to fire alarms and elevators systems. MIS added support of cellular phones and pagers to its responsibilities in late FY 2005. MIS continues the cleanup of telecommunications billings charges. Cancelled or corrected line charges are saving the PHA several hundred dollars per month. MIS established and maintained an inventory of all lines and services to support analysis and consolidation of services. A comprehensive consolidation and clean-up project continues.
 - Staff handled over 170 telephone and voice-mail related calls and over 2300 computer support calls too the Hotline last year.
 - Staff converted multiple Voice Mail users to the upgraded PHA Centigram Voice Mail system saving about \$2,000 per year in payments.
 - Produced a monthly report for accounting detailing telephone charges to pass through to PHA service providers. This computer-generated report replaces a manual process, increasing efficiency and accuracy.

- Created a call center to support opening the Public Housing Waiting List. The center was also used during the Section 8 crisis when rents were adjusted downward and owners/managers/tenants had an opportunity to call in with questions.
- MIS implemented single voice mailbox configurations for resident service personnel who have offices and discrete phone numbers in multiple locations across the agency.
- Implemented procedures to receive electronic copies of Nextel cellular phone invoices similar to those of Intertech and Qwest. Electronic information is easier and more effectively analyzed.

- Computer system:
 - Upgraded cabling and installed new networking equipment at the CAO, Mt Airy, Mt Airy CC, and Wabasha Hi-Rise. Installed a new firewall product, Microsoft AntiSpyware software, and the latest version of Symantec Anti-virus software. All virus detections are reported automatically to an Anti-virus console maintained by MIS so that we can take further action as needed.
 - Managed the data Backup Processes and implemented procedures for bi-weekly off-site storage of backups.
 - Implementing the Harbor backup process in which a mainframe computer at the State Centennial building copies selected folders from the PHA LAN. This data is then replicated to another State computer center outside of St Paul.
 - Over 60% of PHA users now have Flat Panel monitors. These monitors consume less power, take up much less desk space, and are much lighter and easier to move.
 - Crystal Enterprise Web server delivers over 200 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.
 - Implemented over 80 changes to the Intranet and Internet sites in FY 2005.
 - Designed and published 2004 Annual Report, Housekeeping Brochure for Resident Services, and the Strategic Plan Summary brochure.
 - Began implementation of Elite's version of the LIPH software module. This will be a significant upgrade for staff in public housing rental operations. It has a goal of fiscal year 2006.

17. Insurance:

- The property insurance premium declined to \$449, 171 (down from \$464,944) on an insurable property value of \$376,702,228 (up from \$356,945,710), with \$13.5 million of the increase attributable to coverage for the new Central Administrative Office Building. (Board approved November 24, 2004)

- The general liability insurance premium was reduced to \$177,933 which is 7.5% below the previous premium of \$192,394. The deductible was increased from \$10,000 to \$25,000, after an analysis of claims paid back to 1994. (Board approved March 23, 2005)
- Continued to control our workers compensation insurance premiums. On March 23, 2005 the Board approved the current policy with an annual premium of \$109,284, a decrease of \$25,192 (18.7%) from the previous year's rate of \$139,672. The lower rate is due to a new \$10,000 deductible (previously \$0) and continued good management of claims. The experience modification factor declined from 0.78 to 0.70.
- Continued coverage in the areas of automobiles, commercial crime, directors and officers, boiler, and Section 8 Lead Based Paint liability cost a total of \$ 98,224. 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:

- Updated safety procedures and information, which is given to employees and residents.
- Continued to monitor and update the Agency's material safety data sheets. Continued the contract to maintain a database for all material safety sheet information. Continued to issue 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 staff and insurance carrier representative to provide on-site inspection tour of buildings. Met safety requirements to qualify for maximum insurance premium discount.
- Received a Certificate of Achievement from Housing Authority Insurance for completion of the 2004 Risk Control Work plan.
- Continued to aggressively work with workers' compensation management consultant and departmental staff to control and reduce workers' compensation claims and costs. Improved claim processing procedure to quickly notify consultant and insurance carrier of an employee injury. Analyzed and identified ways to reduce claims. There has been a significant reduction in days lost due to employee injury. **In FY 05 the total days of time lost due to temporary disability was 20, which was up from one day of lost time in both FY 03 and 04. (Our high was 3,537 days of temporary total disability from claims filed in FY 92!)**
- Continued the combination of workers' compensation and general liability claims processing, claim administration, and data collection in Human Resources. This provided close monitoring, claim control and intervention by Human Resources and Accounting.
- Continued to cooperatively work 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.

- Continued to send wellness and health information to employees. The Hope health letter was sent to all employees monthly. Employees who requested were sent a Well Advised health book. The book was also given to all new employees at orientation.
- Resident Services staff arranged for resident safety training sessions in every hi-rise and family site to complete the third phase of requirements allowing the PHA to be certified as a member of the Minnesota Crime Free Multi-Housing Program. Staff promoted participation by advertising and other means to help residents gain from this training.
- Staff continued to review and conduct safety and security assessments at the Rental Office. Several changes were implemented to improve the safety and security of this work area.
- Staff continued to work and partner with the Wilder Community Violence Response Team and other crises intervention teams to defuse crises and violence that occurs.
- Staff continued the Employee Right To Know and Bloodborne Pathogen safety program. New employees 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 James Bissonett & Associates, 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 was to increase and promote health living and preventative health measures that will help keep employees health and eventually control health care costs.

19. Pension plan:

- The HRA/PHA Pension Plan is under the direction of its Board of Trustees (5 members). The Plan exists 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 \$30,410,214 as of December 31, 2004. This is an increase of \$1,402,523 in the plan valuation and is the net result of regular employer/employee contributions and positive market changes.
- Transferred \$579,558 as employee mandatory contributions and \$ 752,896 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, Al Hester, and Hank Petro assisted the Executive Director in negotiating the following settlements which included salary and benefit changes during FY 05:

- **Local 132:** Negotiated a three-year contract with Local 132. 2.3% increase effective 1/1/05 plus the Agency will contribute \$.19 per regular work hour to a new pension plan with the Laborers' International Union of North American National Industrial Pension Fund. 2.5% increase effective 1/1/06 with \$.19 per regular work hour contributed to the pension plan. 2.25% increase effective 1/1/07 with \$.29 per regular work hour contributed to the pension plan. Board approved December 22, 2004.
- **Local 70:** No contract was negotiated with Local 70 because the PHA no longer employs Operating Engineers.
- **Supervisory & Confidential:** Three-year policy agreement- to include general increase plus a step increase. On December 1, 2004 employees move up one step plus each step increased 1.5%. On December 1, 2005 employees will move up one step plus each step will increase 1.7%. On December 1, 2006 employees will move up one step plus each step will increase 1.9%.
- 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.

21. Public housing admissions and occupancy: All staff at all levels did an exceptional job administering the PHA's admissions policies while maintaining full occupancy:

- **The PHA completed FY 05 with an overall combined hi-rise/family occupancy rate of 99.3% with all twelve months being at 99% or higher.** The average occupancy rate for the hi-rise units was 99.7% (many individual hi-rise buildings reached 100% occupancy with regularity); for the families the average occupancy rate was 98.8%. The lower occupancy rate for family units is attributed to the modernization project at McDonough Homes, four units at Roosevelt Homes that could not be rented due to fire damage and the ongoing efforts to upgrade scattered site homes.
- **A total of 767 leases were signed in FY '05, a number that includes both waiting list applicants (576) and resident transfers (191). 347 leases were signed in family developments and scattered sites.** All of these households were required to participate in an Admission Orientation program, a 3-hour program conducted by family management staff to assure full understanding of lease and PHA requirements and early introduction to all of the

services available in family housing. 423 Leases were signed for Hi Rise units. All 423 new residents were invited to attend a New Resident Orientation for their building; an hour-long session with building staff which details the requirements of the Lease and provides helpful information to new residents. Although attendance is not mandatory, approximately 80% of new residents did attend. New residents are also contacted by Resident Orientors, a resident within the building who will also provide specific building and neighborhood information to the resident.

- The total number of denied files for the fiscal year was 575.
- The total number of units turned down in FY '05 was 271 or 26% of the total number of unit offers. The turndown rate for hi-rise buildings and family units was equal. The "location" of available housing and "No response from the applicant" were the main reasons for units not being accepted initially.
- Out-of-state criminal background checks were obtained via electronic means. This replaced the batching and mailing of paper documents to numerous police departments throughout the country. Staff were able to order the reports from their desktops and the results were received much more quickly.
- Staff continued to refine the process of obtaining criminal background checks by exploring options to improve efficiency but remain cost effective. Additional resources were investigated for securing out-of-state criminal background checks and the electronic processing of information became more prevalent. The Ramsey County Sheriff's Department worked with the PHA to change their processing procedure resulting in a reduction of expenses and an improvement in response time.
- Continued mandatory Admission Orientation Program (AOP) for all family development residents.
- Continued mandatory Scattered Site Training Program for all new admissions and family development transfers to Scattered Site.
- The public housing waiting list reopened September 13, 2004. It had been closed since April 1, 2003 to all applicants except those whose heads of household or spouse were age 50 or older or disabled.

22. Public housing lease enforcement:

- Family development residents were required to participate in housekeeping and yard care classes for repetitive housekeeping issues or multiple yard care notices. Residents are required to participate in budget counseling where there is chronic late payment of rent.
- Staff initiated 175 termination actions. 72 resulted in vacates. 103 were either resolved or canceled, settled by stipulated agreements or are still pending at year-end.
- During FY 05, 752 resident households moved out of public housing because the PHA terminated their leases "for cause" excluding non-payment of rent. This figure was slightly

lower than the previous year's total of 75 households and represents about 2% of all public housing households.

- 33 evictions were hi-rise residents (compared with 39 the previous year). Serious disturbances, drug and other criminal activity, and unauthorized persons living in the unit accounted for most of these lease terminations.
- 39 evictions were family households (compared with 36 families the previous year). Drug related and criminal activity, unauthorized persons, and serious disturbances accounted for the majority of these actions.
- 57 termination actions were settled by an agreement that any further lease violations would result in a short-term notice to vacate without further hearings.
- 35 lease terminations were canceled because the resident complied with lease requirements before the lease termination effective date or in a few cases, because a termination was cancelled to be reissued for other causes.
- 11 lease terminations were pending at the end of the fiscal year.
- Staff worked with Agency Attorney to review all proposed terminations and to assure that at each step in the process, policy and legal requirements are being met.

23. Admissions and Occupancy Policy revisions:

- In July 2004, the Admission & Occupancy Policies were amended to clarify voucher participants' right to transfer to public housing if the property owner refuses to renew the lease because of rent and subsidy reductions imposed by the PHA.
- The Admission & Occupancy Policies were also amended to clarify and simplify asset verification procedures.

24. Public housing re-exams: Staff performed interim rent re-determinations and annual re-exams of all residents for continued occupancy and rent rate determination. Work included:

- Re-Exam technicians completed approximately 4,300 or 100% of annual income reviews and over 2,800 interim rent re-determinations. Managers certified all of the rent changes.
- Hired and trained one new re-exam technicians to fill vacate positions.
- Worked with re-exam technicians and other management staff to implement corrections and policy and procedure changes recommended by HUD RHIM audit.
- Met monthly with re-exam technicians to develop and revise procedures to assure timely and efficient processing of rent calculations.

25. Public housing rent collections: Staff continued proper collection procedures for both current and vacated residents, coordinating efforts with the Accounting Department to ensure that

collection losses met the PHAS "A" rating of less than one percent of total dwelling unit rental income. Staff worked with MLS, MIS, and Accounting and revised programs so that monthly rent statements are clear and understandable statements of amounts owed as follows:

- Consistent application of procedures by Accounting and Management, close communication, and quick response by Management staff to work with residents with delinquent rents have resulted in an average collection loss of 0.23% for FY 05 which is well below the PHAS standard of 2.00%.
- Twenty-four residents vacated due to non-payment of rent.
- Staff initiated 70 terminations for chronic late rent. 57 signed stipulation agreements and have paid rent on time and met requirements of their stipulation.
- 20 households vacated due to termination for chronic late rent payment. 11 of those had a stipulation agreement, which they did not maintain.
- Staff continued to provide warnings, assistance of Human Service Coordinators, and contracted one-on-one budget counseling for residents

26. 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:

- All annual unit inspections, monthly grounds and building inspections were completed by staff along with required follow up on poor housekeeping or property damage issues.
- A computerized logging system was established to facilitate tracking of all steps in process to deal with ongoing housekeeping issues. two resident leases were terminated after all efforts to correct problems had failed.
- Staff continued to utilize resident housekeeping trainers to work with residents in their homes on housekeeping problems.
- Preventive Maintenance inspections include items health and safety equipment testing (i.e., smoke detectors, fire extinguishers). In addition to the required preventive maintenance inspection, Maintenance staff inspects all smoke detectors in a unit each time a work order is completed. As a result, during this fiscal year Maintenance staff performed 19,945 smoke detector inspections.

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.
- Replacement Domestic Hot Water Heaters have been installed in several hi-rises. The new hot water heaters are computer controlled for temperature and lead/lag control. The new control program automatically switches the heaters from lead to lag every twenty-four hours. This provides uniform heater usage and saves energy, by stopping excessive heater cycling. The program also senses if a hot water heater goes out and automatically starts the standby hot water heater to prevent any disruption in the domestic hot water supply. Excessive overtime due to no hot water calls has been greatly reduced by this procedure.

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.

- The Maintenance Department assumes the primary roles for maintaining and improving the appearance of all PHA properties. 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: the upgrading of the mechanical systems in our boiler rooms, painting and carpeting the hallways in our hi-rises to enhance marketability, extensive rehab on fifty-two scattered site homes, and normal concrete and landscape improvements that happen each year to keep the developments looking good. On grounds work alone, staff spent a total of 18,908 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.

29. HOME (Home Ownership Made Easy):

- At the beginning of FY 05, a total of 232 families had become homeowners since HOME’s inception in 1990. By the end of FY 05, that number grew to 234 (133 public housing residents and 101 Section 8 participants). Fifteen households became homebuyers in FY 05, meeting the goal of assisting 15 families.
- During FY 05, 58 new families were counseled by Thompson Associates, bringing the total number counseled since the program’s inception to 1,402. Thompson also conducted follow-up visits with recent homebuyers. The average income of the HOME purchaser in FY2004 & FY2005 was \$41,324 (compared with \$25,879 over the life of the program). The average purchase price was \$171,043 (compared with \$85,896 over the life of the program).
- On February 23, 2005, the Board approved the Year 16 HOME contract with the Family Housing Fund. The PHA and our partners (the Family Housing Fund, and Thompson Associates) are proud of the 234 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. Tristy 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, the Family Self-Sufficiency Program (FSS) resulted in one homebuyer and JOBS-PLUS helped 33 Jobs-Plus families and 21 FSS residents buy homes.

32. Resident councils: Staff continued to provide necessary staff support to the twenty-two family and hi-rise resident councils, including attendance at all regularly scheduled resident council meetings.

- Staff attended all resident council meetings and assisted with council actions as needed.
- Family management staff introduced new residents to resident council opportunities through the Admission Orientation programs at each site.
- New Hi-Rise residents were introduced to resident council opportunities through the New Resident Orientation as well as through the Resident Orienter Program.
- City Wide Resident Council carried out an annual picnic for all family residents. Staff supported their efforts.
- Hi Rise Presidents Council once again planned and sponsored a successful annual picnic attended by nearly 200 residents.
- Family Councils and City Wide Resident Council partnered with STEP program to provide 3 recognition events in each site and Back to School event at each site.
- All family councils had a full slate of officers and increased attendance at monthly meetings.
- Family councils partnered with service providers and neighboring agencies to provide events, information fairs, classes, and parent/child recreational events.
- Hi Rise Presidents Council worked with the Mayors Office to have Mayor Kelly declare a Public Housing Hi Rise Volunteer week.
- Hi Rise PEERS continued to work successfully with troubled or struggling Resident Councils. They were also closely involved in the efforts at Ravoux Hi Rise and assisted in getting their Council re-established.

33. Employee and resident scholarships:

- While on the Board, **Commissioners Richard Willits and John Wilking** donated \$3,310 to the PHA for staff scholarships. These scholarships can be used to supplement education related expenses not covered by the PHA's tuition reimbursement plan. When 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 FY05 was under \$1000, which will be paid out soon.
- On September 22, 2004, 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 56 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 (Habitat Partnership Team) and the Outstanding Team of the Year (Section 8 Budget Crisis 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 training record for FY 04:

	<u>Date</u>	<u>Hours</u>
CLPHA Spring Meeting – 2005	3/11/05	16
Meeting with Secretary Jackson	12/17/04	2
The Springsted Symposium	11/18/04	8
Disability Awareness	10/12/04	1.5
CLPHA Quarterly Meetings – Executive Directors	6/18/04	16
Rules of the Road	1/25/04	4
PHADA 2005 Commissioners Conference	1/12/05	40
Dimensions of Leadership	12/8/04	8
Multicultural Potluck	2/24/05	2
PHADA Legislative Forum in D.C.	9/15/04	40
Sexual Harassment Prevention – 2005	3/17/05	2
PHADA 2004 Annual Convention	5/19/04	40
Hmong Refugee Resettlement	7/7/04	2
PHADA/HUD/CLPHA	2/1/05	24

38. Board briefings: Re-instituted the staff informational board briefings on the various aspects of PHA programs and operations. The City Wide and Presidents Councils continued their regular reports to the Board this year, covering accomplishments, issues and challenges.

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 22, 2004 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 December 10, 2004 Mayor Kelly appointed Marty Strub and Ong Yang to the Board (replacing Richard Willits and Soua Yang) and reappointed Commissioner Hadley to the Board.
- 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 05 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, 7/27/2005