AGENDA
NRHA Commissioners’ Meeting
July 24, 2014 - 3:00 p.m.
201 Granby Street, 12th floor

I. APPROVAL OF MINUTES OF COMMISSIONERS’ MEETING
   June 26, 2014 of Commissioners’ Meeting Minutes

II. REMARKS
   CEO’s comments
   Chairman of the Board Comments
   Commissioners’ Comments

III. DEVELOPMENT OPERATIONS
   1) No presentation

IV. FINANCE AND ADMINISTRATIVE OPERATIONS
   1) Previous Month’s Activities
      a) Development Activities Report
      b) Contract Activities
      c) Anticipated Requests for Proposals, Qualifications, or Quotations and
         Invitations for Bids
      d) Cash Advance Report

V. HOUSING OPERATIONS
   1) Energy Performance Contract
      Presented by David Heim
      Capital Fund Director

   2) Resolution Authorizing Execution of a Change Order to an Existing
      Contract with E.G. Middleton, Inc. for Exterior Upgrades to Tidewater
      Gardens and Young Terrace
      Presented by Donnell Brown
      Chief Housing Officer
VI. NEW BUSINESS

1) BOC Committees and Structures
   Presented by Shurl Montgomery
   CEO

2) Post Retreat Review
   Presented by Shurl Montgomery
   CEO

VII. COMMITTEE MEETING NOTES

VIII. CLOSED MEETING

OTHER NOTICES

BOC Meeting
Thursday, August 14, 2014
201 Granby Street at 3:00 p.m.

Policy Meeting
Thursday, August 28, 2014
201 Granby Street at 3:00 p.m.
1. Disposition of Real Property in South Brambleton Redevelopment Project/Gethsemane Community Fellowship Church

2. Follow-up to Board of Commissioners Retreat/May 10, 2014

3. **RECENT ARTICLES & CORRESPONDENCE/UPCOMING EVENTS**
   
   a. Correspondence: HUD Approval of Annual PHA Plan for the Fiscal Year beginning July 1, 2014.
   
   b. Article: KY – Louisville/City Seeks To Plan For Beecher Terrace “Transformation”.
   
   c. Article: Mixed Income – Housing Won’t Spur Upward Mobility.
MINUTES OF MEETING

The Commissioners of the Norfolk Redevelopment and Housing Authority (the “Authority”) met in a regular monthly meeting at 201 Granby Street, Norfolk, Virginia at 3:05 p.m. on Thursday, June 26, 2014.

The meeting was called to order by Chairman Bilisoly. Upon roll call those present and those absent were as follows:

Present: Mr. Alphonso Albert
Ms. Rose Arrington
Mr. F. Nash Bilisoly
Mr. Richard Wells Gresham
Ms. Barbara Hamm Lee
Mr. Donald Musacchio
Mr. Robert J. Soble

Absent: None

Also present were Shurl R. Montgomery, Secretary, Timothy A. Coyle, Attorney and various staff members.

I. Approval of Minutes of Commissioners’ Meetings

The Chairman presented the previously circulated minutes of the May 8, 2014 and May 29, 2014 Board meetings. Upon motion of Mr. Gresham, seconded by Mr. Soble both sets of the minutes were unanimously approved.

II. Remarks

A. Chief Executive Officer's Comments

Chief Executive Officer Montgomery’s list of activities accomplished since the last Board meeting was previously circulated to the Board. Several items were summarized and briefly discussed by Mr. Montgomery:
1. Mr. Montgomery distributed an article on the recent Father’s Day event. David K. Mineta, the Deputy Director of Demand Reduction for the Office of National Drug Control Policy, and a member of the White House staff, attended and took part in many of the STEM events and activities. Ms. Donnell Brown reported that Mr. Mineta stayed at the event for approximately three hours (instead of the one hour scheduled) and she was delighted that participants ranged from persons in baby carriages to those in wheelchairs.

2. NRHA recently received national merit awards from NAHRO for its resident build and sail quest programs.

3. The new residential units being constructed adjacent to the Partrea midrise apartments are to be named the Cottage Bridge Midrise.

4. Today’s packet contains updates and scale drawings concerning the new cottages and carriage homes to be built at East Beach.

5. Mr. David Heim will brief the Commissioners at today’s meeting concerning the Energy Performance Contract. Further discussion of the contract will take place at the July 10, 2014 meeting and staff may make a recommendation to the Commissioners at the July 24, 2014 meeting. A packet of information on the contract dating back to 2008 was distributed.

B. Chairman of the Board Comments

1. The Chair and Vice Chair met recently with staff to organize and refine the notes taken at the recent Commissioners’ retreat. It is expected that materials will be distributed at the July 10, 2014 meeting and that discussion will take place at the policy meeting on July 24, 2014. It was noted that the Mayor’s Poverty Reduction Commission will soon be issuing its report.

2. The Board committee structure is now in place.

3. The Chairman and Mr. Musacchio recently met with staff for a briefing on the FY 2015 budget. The Chairman has asked for a report on the Authority’s reserves (how they are reported and spent). He will ask the Finance Committee to review these materials about the reserves.

4. The Commissioners’ attention was called to Tab 3 in today’s packet and he congratulated NRHA employees Africa Matthews and Roxanne Potts who recently earned college degrees.

5. The Chair also called the Commissioners’ attention to the housing news articles in today’s packet. Mr. Gresham indicated that the articles were helpful.

6. The schedule of Commissioners’ meetings for the remainder of 2014 is in today’s packet and the Chair noted that policy meetings will not be held in November or December. Mr. Montgomery indicated that he will be in attendance at all meetings except the October 9, 2014 meeting.
7. Tab VII in today’s packet contains a report from the 201 Granby Committee.

C. Commissioners’ Comments

1. Mr. Musacchio attended the EARN award ceremony and was pleased that NRHA employee Paul Cramer received a green award.

2. Ms. Hamm Lee is a member of the African-American Leadership Society for the United Way and reported that WHRO recently delivered a pallet of materials to assist with improving hygiene.

III. Development Operations

No presentations.

IV. Finance and Administrative Operations

A. Resolution Relating to NRHA Employer Contribution Rates to the Virginia Retirement System (VRS)

Upon motion of Mr. Gresham, seconded by Ms. Hamm Lee, the following resolution was unanimously adopted:

RESOLUTION 9149

BE IT RESOLVED, that the Norfolk Redevelopment and Housing Authority (NRHA, employer code 55433) does hereby acknowledge that its contribution rates effective July 1, 2014 shall be based on the higher of a) the contribution rate in effect for FY 2014, or b) eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium the “Alternate Rate”) provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145.1 resulting from the June 30, 2013 actuarial value of assets and liabilities (the “Certified Rate”); and

BE IT RESOLVED, that the Norfolk Redevelopment and Housing Authority (NRHA, employer code 55433) does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2014:

(check only one box)

(X) The Certified Rate of 14.77% The Alternate Rate of 11.82%, and
BE IT ALSO RESOLVED, that the Norfolk Redevelopment and Housing Authority (NRHA, employer code 55433) does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of the Norfolk Redevelopment and Housing Authority (NRHA, employer code 55433) are hereby authorized and directed in the name of the Norfolk Redevelopment and Housing Authority to carry out the provisions of this resolution, and said officers of the Norfolk Redevelopment and Housing Authority are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Norfolk Redevelopment and Housing Authority for this purpose.

B. Resolution Adopting a Consolidated Annual Operating and Capital Budget for the Fiscal Year Beginning July 1, 2014 and Ending July 30, 2015.

Mr. Montgomery made comments concerning the budget and budget process. A copy of his remarks has been attached to and made a part of these Minutes. In response to a question from Ms. Hamm Lee, the Commissioners were advised that there should not be any shortfalls in the current budget. Mr. Musacchio indicated that he is very supportive of the Authority’s conservation efforts and would like to see as much funding as possible in the coming budget cycle. In response to a question from Mr. Albert, the Commissioners were advised that code enforcement in conservation areas still takes place.

After further discussion, Mr. Montgomery recommended approval of the budget. Upon motion of Ms. Hamm Lee, seconded by Mr. Sobol, the following resolution was unanimously adopted:

RESOLUTION 9150

WHEREAS, the expected operating income and capital funding and related expenditures for the various projects and activities of this Authority for the period beginning July 1, 2014 and ending June 30, 2015 have been carefully reviewed and compiled in a consolidated budget document (the “Consolidated Annual Operating and Capital Budget”), a copy of which has been presented to and considered by the Commissioners at the May 29, 2014 Commissioner’s Meeting; and

WHEREAS, the requested funding in the amount of $84,551,379 is adequate to cover the proposed necessary expenditures as set out in the budget document without use of funding in excess of that permitted as specified on the various budget schedules comprising the Consolidated Annual Operating and Capital Budget; and

WHEREAS, a public hearing was held on May 29, 2014 in accordance with mandated state legislature; and
WHEREAS, the funding levels expressed thereby contain costs of certain central office
cost centers which provide office facilities and program support; authorizations by the executive
office to advance working capital, individual community project budgets at the asset
management levels and other products and services necessary to the accomplishment of NRHA’s
objectives; and

WHEREAS, in order for this Authority to obtain required financial assistance from the
Department of Housing and Urban Development, the Virginia Housing Development Authority,
and the City of Norfolk, the Consolidated Annual Operating and Capital Budget must be
submitted to the Commissioners of this Authority for approval;

WHEREAS, the Department of Housing and Urban Development and the City of Norfolk
may subsequently approve modified amounts of financial assistance which will require a
modification of the presented expenditure levels, revised budget submissions, and;

NOW, THEREFORE, BE IT RESOLVED, that the Consolidated Annual Operating and
Capital Budget dated June 26, 2014, for the fiscal year beginning July 1, 2014 and ending June
30, 2015, is hereby determined to be an estimate of the operating income and capital funding to
be received and expenditures to be incurred in the prudent operation of the administration and
program activities and operation of the central offices of the Authority for the fiscal year ending
June 30, 2015 and the Consolidated Annual Operating and Capital Budget, as presented at this
meeting, to include any modifications approved by the funding providers, is hereby approved;

BE IT FURTHER RESOLVED, that the Executive Director or his designee is hereby
authorized, in his discretion, to expend during the fiscal year ending June 30, 2015, from
unobligated funds in previously approved Cumulative Budgets, as shown in the Consolidated
Operating Budget, such amounts in excess of currently budgeted amounts as he may deem
appropriate;

BE IT FURTHER RESOLVED, that the Executive Director or his designee is authorized
and directed to submit such Consolidated Operating Budget to the Department of Housing and
Urban Development, the City of Norfolk, and other federal, state and local agencies, as
appropriate, for their respective consideration and such approvals as may be necessary.

Mr. Bilisoly thanked the staff for their hard work on the budget and especially thanked
Ms. Graves and Ms. Benn for their very good work.

C. Previous month’s activities.

Ms. Graves noted that the cash advance report in August may show some write-offs
which will be brought to the Board for approval. She also noted that the recent employee
bonuses were paid from the CEO contingency fund.
V. Housing Operations


Mr. David Heim gave a PowerPoint presentation, a copy of which is attached to these Minutes. Mr. Montgomery indicated that today’s presentation is for orientation and that more detailed discussion of the contract will take place at the Commissioners’ July 10, 2014 meeting. Mr. Heim fielded questions from the Commissioners.

VI. New Business

None.

VII. Committee Meeting Notes

Notes from Royster Building and Annex Committee meeting of June 5, 2014.

See attached notes.

The Chairman asked whether any member of the public wished to address the Board. Ms. Doris Davidson expressed concern about interactions between residents and property managers and voiced her desire to talk to someone about policy. Ms. Joyce Little reported that Norfolk City Police continue to harass her grandson and her grandson, Diante Little, confirmed that he continues to be harassed. Mr. Raetron White reported that some of the youth from Grandy Village were selected to attend a National Basketball Association game in Washington, D.C. and that the same youth have been honored by the Norfolk City Council. On a less positive note, he expressed concern about people moving to Grandy Village from other public housing communities where there had been trouble. Residents at Grandy are concerned that the same type of trouble may flow into the Grandy neighborhood. The Chairman advised all the speakers that their concerns are being taken seriously and that appropriate responses would be provided by staff.

VIII. Closed Meeting

A. Resolution Convening a Closed Session.

Upon motion of Mr. Albert, seconded by Ms. Hamm Lee, the following resolution was unanimously adopted:
RESOLUTION 9151

BE IT RESOLVED, that the Authority will convene in a closed meeting in pursuant to the Virginia Freedom of Information Act, as amended (the “Act”), to discuss the following matter(s) which is specifically exempted from public disclosure by the code section referred to below:

Resolution Convening a Closed Meeting on June 26, 2014 for:

1. Discussion and consideration of the disposition of publicly held real property in Downtown revitalization areas as authorized by Section 2.2-3711.A.3 of the Act.

B. Resolution Certifying a Closed Meeting.

On motion of Ms. Hamm Lee, seconded by Mr. Albert, the following resolution was unanimously adopted:

RESOLUTION 9152

WHEREAS, the Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712.D of the 1950 Code of Virginia, as amended, requires a certification by this Authority that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, upon motion duly made and seconded, BE IT RESOLVED, that the Authority hereby certifies that, to the best of each Commissioner's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were heard, discussed or considered in the closed meeting, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Authority.

There being no further business, the meeting was adjourned at 4:50 p.m.

________________________
Secretary

___________________
Chairman
Resolution
NRHA Board of Commissioners

Subject: Resolution Authorizing Execution of a Change Order to an Existing Contract with E. G. Middleton, Inc. for Exterior Electrical Upgrades to Tidewater Gardens and Young Terrace

Executive Contact: Donnell Brown  Date: July 24, 2014

BACKGROUND

This resolution authorizes the Executive Director or his designee to execute a change order for contract #V0071 in the amount of $131,136.52 for exterior electrical upgrades to Tidewater Gardens (VA 6-2) and Young Terrace (VA 6-10).

A contract in the amount of $637,906.00 was signed between NRHA and E. G. Middleton, Inc. on July 8, 2013, in order to upgrade the electrical service to the residents, improve site lighting, and upgrade overhead power lines and transformers.

Although maintenance records and an engineering study did not indicate that basic parts of the system like medium voltage wiring were in need of extensive repair, a per unit price for wiring replacement was established as part of the contract in anticipation of some deterioration. Unit prices were also established for the testing of PCBs in pole mounted transformers and the disposal of any contaminated transformers or light fixture ballasts in accordance with EPA regulations.

As the above-ground work commenced, a larger than anticipated amount of wire was identified by the contractor and verified by NRHA electricians to be in need of replacement. In addition, any transformer that was not clearly labeled as having no PCBs was tested, and other parts noted for extreme wear and tear, like exterior lighting, guy lines, poles, and service drops, were identified for replacement. The breakdown is as follows:

- Wire Replacement $86,313.00
- PCB Testing $13,420.00
- Other Replacement $31,403.32

The NRHA Statement of Procurement Policy Section III.K., Change Orders, states, “Change orders for $100,000.00 or more, regardless of funding source, and all change orders which modify the scope of work require NRHA Board prior approval before implementation.”

Because the contractor is mobilized on site with the equipment necessary to do the work and unit prices for the work are already established as part of the contract, issuing a change order is the most efficient and inexpensive way to get the necessary repairs and upgrades made to continue to provide consistent electrical service to our residents.

RECOMMENDATION: Approve resolution.
RESOLUTION AUTHORIZING A CHANGE ORDER TO AN EXISTING CONTRACT WITH E. G. MIDDLETON, INC. FOR EXTERIOR ELECTRICAL UPGRADES TO TIDEWATER GARDENS AND YOUNG TERRACE

WHEREAS, a contract in the amount of $637,906.00 executed July 8, 2013, was entered into by Norfolk Redevelopment and Housing Authority (the “Authority”) and E. G. Middleton, Inc. (the “Contractor”) for exterior electrical upgrades in Tidewater Gardens (VA 6-2) and Young Terrace (VA 6-10); and

WHEREAS, the contract was set up as a base bid plus unit price contract; and

WHEREAS, an additional amount of unit price work has been identified at a cost of $131,136.52; and

WHEREAS, the Authority’s procurement policy states that a contract cannot be increased by a single change order of $100,000.00 or more without approval of the Commissioners; and

WHEREAS, sufficient funds are available to complete the project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Norfolk Redevelopment and Housing Authority as follows:

1. The Executive Director or his designee is hereby authorized to issue a unit price change order to E. G. Middleton, Inc. for exterior electrical upgrades to Tidewater Gardens and Young Terrace in the amount of $131,136.52 and that the new total of the contract will be $769,042.52.

2. This Resolution shall be in effect from and after the date of its adoption.
Resolution Convening a Closed Meeting on July 24, 2014 for:

1. “Consultation with legal counsel and briefings by staff members pertaining to potential litigation as authorized by Section 2.2-3711.A.7 of the Act.”
Commissioners' Resolution

Commissioners’ Meeting Date: July 24, 2014

Title: Resolution Certifying a Closed Meeting

Resolution:

WHEREAS, the Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712.D of the 1950 Code of Virginia, as amended, requires a certification by this Authority that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, upon motion duly made and seconded, BE IT RESOLVED, that the Authority hereby certifies that, to the best of each Commissioner's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were heard, discussed or considered in the closed meeting, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Authority.