



NOTICE AND AGENDA

December 21, 2016

REGULAR MEETING OF THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY IN AND FOR THE CITY OF MINNEAPOLIS WILL BE HELD AT 1:30 P.M. AT 1001 WASHINGTON AVENUE NORTH, MINNEAPOLIS, MINNESOTA

The Tenant Advisory Committee will meet at 12:00 Noon, same date and place

Commissioners: **F. Clayton Tyler, Chair**
 Charles T. Lutz, Vice Chair
 Cara Letofsky, Commissioner
 Tom DeAngelo, Commissioner
 Mikkel Beckmen, Commissioner
 Tawanna Black, Commissioner
 Abdullahi Isse, Commissioner
 Tamir Mohamud, Commissioner
 Hon. James Rosenbaum, Commissioner

GENERAL:

- Roll Call
- Approval of Agenda
- Minutes of Regular Meeting of November 16, 2016

TENANT ADVISORY COMMITTEE – TAC Chairperson Comments

RESOLUTION:

1. Resolution Approving the 2017 Public Housing Operating Budget, the Section 8 Housing Choice Voucher Budget, the Central Office Budget, and the Revised Use of Settlement Funds (Tim Durose, DED / CFO)

DISCUSSION:

2. MPHA Retirement Plan – Restated Investment Policy Statement (Tim Durose, DED / CFO)
3. Second Amendment to MPHA Retirement Plan (2014 Restatement) (Robin Harris, Director of Human Resources)



4. Write-off of Delinquent Accounts for Former Public Housing Tenants (Lisa Griebel, General Counsel)

RECEIVE AND FILE:

- Monthly Performance Report for November 2016 (Cora McCorvey, Executive Director / CEO)
- Pest Control Presentation by Staff and Dr. Kells – University of Minnesota Entomologist

Next Regular Meeting:

**Wednesday, January 25, 2017 - 1:30p.m.
1001 Washington Avenue North
Minneapolis, MN 55401**

Notice: A portion of this meeting may be closed to the public pursuant to Minnesota Statutes Section 13D.03 or 13D.05.



**MINUTES OF A REGULAR MEETING OF THE
MINNEAPOLIS PUBLIC HOUSING AUTHORITY
IN AND FOR THE CITY OF MINNEAPOLIS
November 16, 2016**

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a regularly scheduled meeting at 1:30 P.M. on November 16, 2016, at 1001 Washington Avenue North, Minneapolis, Minnesota, the date, time, and place established for the holding of such meeting.

Roll Call:

The Chair called the meeting to order, the following members of the Board being present:

F. Clayton Tyler	Chair
Charles T. Lutz	Vice Chair
Mikkel Beckmen	Acting Secretary
Tawanna Black	Commissioner
Tom DeAngelo	Commissioner
Abdillahi Isse	Commissioner
Cara Letofsky	Commissioner
Tamir Mohamud	Commissioner
Hon. James Rosenbaum	Commissioner

The following members of the Board were absent:

None

The following others were also present:

Cora McCorvey	Executive Director / CEO
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The Chair declared the presence of a quorum.

Approval of Agenda:

Commissioner Lutz moved approval of the proposed agenda. The motion was seconded by Commissioner Letofsky. Upon a voice vote, the Chair declared the motion carried.

Approval of Minutes:

The Minutes of the Special Meeting of August 27, 2016, were presented for approval. Commissioner Lutz moved the minutes be accepted as presented. The motion was seconded by Commissioner Letofsky. Upon a voice vote, the Chair declared the motion carried.

**Approval of Minutes:**

The Minutes of the Regular Meeting of September 28, 2016, were presented for approval. Commissioner Lutz moved the minutes be accepted as presented. The motion was seconded by Commissioner Letofsky. Upon a voice vote, the Chair declared the motion carried.

Item No. 1: MPHA Employee Preventative Health and Wellness, Retention, and Recognition Policy

After a presentation by staff and discussion, Commissioner Lutz moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Letofsky seconded the motion. Upon a roll call vote, nine Commissioners voted “aye” (Commissioners Beckmen, Black, DeAngelo, Isse, Letofsky Lutz, Mohamud, Rosenbaum and Tyler) and no Commissioner voted “nay”. The Chair declared the motion carried. [See Document No. 2016-37] [See Resolution No. 2016-169]

Item No. 2: Construction Management at Risk (CMAR) Services at 2728 East Franklin Avenue

After a brief presentation by staff and discussion, Commissioner Black moved approval of the recommendation set forth in the Report. Commissioner Beckmen seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2016-38]

Item No. 3: Appointment of Executive Director / CEO

After presentations by Commissioner DeAngelo, Chair of the Executive Director Search Committee and Chris Cohen, Consultant with Cohen Taylor, a Minneapolis-based search firm, Greg Russ, Executive Director candidate spoke of his qualifications for the Executive Director / CEO position. After a brief discussion, Commissioner Rosenbaum moved approval of the appointment of Greg Russ as MPHA’s new Executive Director / CEO. Commissioner Letofsky seconded the motion. Upon a roll call vote, nine Commissioners voted “aye” (Commissioners Beckmen, Black, DeAngelo, Isse, Letofsky Lutz, Mohamud, Tyler and Rosenbaum) and no Commissioner voted “nay”. The Chair declared the motion carried. [See Document No. 2016-39]

Receive and File Items:

The following items were received and filed by the Board:

- The Monthly Performance Report for September 2016. [See Document No. 2016-40]
- The Monthly Performance Report for October 2016. [See Document No. 2016-41]

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:20 p.m.



Secretary of the Board of Commissioners

Date These Minutes Approved



December 21, 2016

Agenda Item 1

REPORT TO THE COMMISSIONERS

FROM: Cora McCorvey, Executive Director/ CEO

SUBJECT: Resolution Approving the 2017 Public Housing Operating Budget, the Section 8 Housing Choice Voucher Budget, the Central Office Budget, and the Revised Use of Settlement Funds

Previous Directives: The Board approved the 2017 Moving to Work (MTW) Plan on September 28, 2016. The Board authorized the use of the Settlement funds on April 22, 2015 and revised it on December 16, 2015.

Resident Association Notification: MPHA provided the Public Housing Operating Budget summaries to Resident Councils for comment on November 17, 2016. Staff presented these budgets to the residents at the Minneapolis High-rise Representative Council (MHRC) area-wide meeting on November 17, 2016.

The Budgets contained in this Report are scheduled to be discussed with the Tenant Advisory Committee (TAC) on the same date as and immediately prior to the Board of Commissioners December 21, 2016 meeting.

Budget Impact: This Report authorizes and allocates resources for the 2017 Public Housing Operating Budgets, Section 8 Housing Choice Voucher (HCV) Budget, MTW Initiatives Budget, the Central Office Budget and revises the use of the Settlement Funds previously authorized.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners adopt the attached resolution approving the 2017 Public Housing Operating Budgets, and also approve the Section 8 Housing Choice Voucher Budget, the MTW Initiatives Budget, the Central Office Budget, and the revised use of Settlement Funds as presented in this Report.

Staff requests the Board of Commissioners to approve the Fiscal Year 2017 (FY17) Public Housing Operating Budgets for nine Asset Management Projects (AMPs), the 2017 Section 8 Housing Choice Voucher (HCV) Program Budget, the 2017 MTW Initiatives Budget, the Central Office Budget, and the revised use of Settlement Funds. These Budgets allocate resources to carry out the management, maintenance, and security functions in operating MPHA's public housing program, the administration and housing assistance for the HCV Program, the implementation of MTW initiatives, and the operation of the central office.

MPHA's Budget Committee, comprised of MPHA Executive and Finance staff, reviewed all departmental budget requests and recommendations from the MHRC, and made recommendations to MPHA's Executive Director McCorvey. MPHA staff provided the Board an in-depth review of the 2017 Budgets on November 9th and 10th at the 2017 Budget Workshop sessions. Executive Director McCorvey considered all comments and recommends that the Board approve the attached Budgets.

A. Budget Summary and Budget Policies

The attached Budgets are in line with MPHA's Strategic Plan and are summarized as follows:

1. Provides resources sufficient to maintain compliance with applicable ordinances, regulations and laws.
2. Provides resources to serve no less than the MTW baseline units; that is, 4,407 housing vouchers, plus 102 special purpose vouchers for a total 4,509 and all current public housing units.
3. Provides resources to maintain housing in a safe and decent condition at current service levels. Funding assumes no significant operational changes so that a smooth transition to a new Executive Director can occur.
4. Funds Public Housing Operations at 100% of the subsidy formula.
5. Invests all Capital Fund Program resources and any prior year HCV subsidy held by HUD into capital improvements to help preserve public housing stock.
6. Sets Housing Choice Voucher payment standards at 93% of the 2017 Minneapolis Fair Market Rents while continuing the current rent reform model.
7. Funds the MTW Program without the use of MTW reserves and maintains reasonable financial reserves in the Central Office.

Budgetary Controls

Although MPHA presents budgetary data at a lower level on the accompanying schedules, MPHA's MTW agreement eliminates any restriction to transfer funds among MTW program areas and between line items. Staff is authorized to carry out business operations with expenditure flexibility, provided changes do not require the use of reserves beyond the amount approved by the Board. Staff will regularly provide to the Board projections on the Budgets' actual experience as compared to the approved Budgets. Staff will seek Board approval to amend these Budgets if

projections require an increased use of reserves above the total amount authorized by the Board.

Reserves

MPHA is heavily dependent on Congressional appropriations leaving the MPHA vulnerable to significant federal funding changes without taxing authority or authority to increase rents. The inability to increase revenues is exacerbated by the nature of program expenditures. Some expenditures; e.g. Section 8 landlord housing assistance payments (HAP) and employee compensation are difficult to adjust timely and other expenditures simply can't be reduced; e.g. utility, insurance, debt service, and tenant work orders. HUD has recently offset public housing funding when operating reserves exceeded 4 months of public housing operating costs and appropriation language has consistently permitted the HUD Secretary to offset HAP funding based on a PHA having "excess" HAP reserves including those HCV HAP reserves held by HUD. In 2016, Congress prohibited HUD from offsetting any MTW housing authority's reserves below 4 months of operating costs.

MPHA will balance the MTW Budget by keeping planned expenditures at or below planned revenues thus retaining the current MTW reserve balance. MPHA will plan to spend any HCV HAP subsidy held by HUD. The use of Central Office reserves will be determined on a case by case basis. Some important considerations on using reserves will include rectifying compliance deficiencies or service delivery, increasing administrative cost effectiveness/efficiency, leveraging other funds, responding to unique needs, etc. The minimum level of Central Office reserves to maintain will be influenced by HUD fee limitations, the inability to likely restore reserves, adequacy of reserves in other programs, de-federalization on the use of these funds, working capital needs, etc.

B. Funding Assumptions

Federally funded programs, like MPHA's public housing and Section programs, are operating under a short-term Continuing Resolution (CR) through December 9, 2016. The short-term CR provides funding to MPHA's programs at the 2016 appropriation levels. The funding assumptions for the 2017 budgets are that the:

- Operating Subsidy is funded at 89% of the formula; approximately \$2.4 million less than the full formula amount;
- HCV Housing Assistance Payment Subsidy is funded at 99.6% of the full funding formula;
- HCV Administrative Fee Subsidy is funded at 80% of the full funding formula; and,
- Capital Grant funding at \$10 million, equivalent to the 2016 funded levels

If the funding levels differ from the assumptions in the Budgets and the use of reserves above those authorized are deemed necessary, staff will prepare revised Budgets for consideration by the Board.

The City Council adopted 2017 City of Minneapolis Budget (Mayor's Budget) on December 7, 2016. The Budget does not include tax levy funding for MPHA. The Budget does include a refund

of a portion of MPHA's Payment In Lieu Of Taxes (PILOT). The portion refunded is budgeted at \$250,000.

C. Public Housing Operating Fund Background

HUD regulation requires MPHA to operate under an asset-based management model. The asset-based model includes project-based management, accounting, and budgeting. Each asset management project, or AMP, is a cluster of high-rise buildings or family units which are grouped to promote efficient and effective management. MPHA's AMPs are based on the geographical proximity of the properties and housing type (family, high-rise, privately-owned). MPHA has an organizational structure and management reporting system that allows for project-based management, accounting and budgeting that meets HUD's requirements.

The attached Operating Fund Budgets include all revenues and expenses associated with each AMP. HUD requires that these Budgets be in a format that is easily reconciled to HUD's prescribed financial reports. These Budgets meet HUD's requirements.

The 2017 HUD operating subsidy calculation was completed and budgeted by AMP and not for the Agency as a whole. The Budgets reflect the amount of subsidy expected from HUD for each AMP. Normally, HUD allows for limited transfers of funds among AMPs. However, MPHA's MTW agreement eliminates this restriction and allows MPHA unlimited transfers.

MPHA has budgeted the expenses for the two privately-owned and operated AMPs, Heritage Park and Suburban MHOP units, in an amount not to exceed the HUD subsidy for those AMPs. These AMPs were part of the Hollman lawsuit settlement and MPHA serves as a subsidy pass-through for these AMPs. Although MPHA is working on a Rental Assistance Demonstration conversion at Heritage Park to convert the public housing units to housing vouchers, these Budgets do not reflect this change as the conversion is still in process.

Although each AMP's expenses include all direct costs to operate the properties, there are indirect costs that are incurred in the Central Office that benefit the seven AMPs owned and managed by MPHA. These costs generally relate to administrative services like executive management, human resources, finance, legal, and information technology. To pay for these costs, each AMP pays a per unit per month (PUM) management fee of \$76.04. HUD regulations limit the amount of management fees that each AMP can pay. For fiscal year 2017, each AMP, excluding those privately-owned, is budgeted to pay up to the fees allowed by HUD. The amount represents the 80th percentile of management fees paid in HUD's multifamily housing programs based on the most recently filed (2013/2014) Annual Financial Statements. These fees are "de-federalized" funds that can be used with maximum flexibility within State and local laws.

D. Asset Management Project Budgets Overview

Each of the nine AMPs consists of a grouping of properties that are managed, staffed, monitored, and budgeted uniquely to the needs of that grouping. Attached to this report are the proposed operating budget schedules, property listing, and position counts for each AMP.

In summary, the 2017 the Public Housing Operating Budget requires \$2.38 million in funds transferred in from the Section 8 Housing Choice Voucher Program so that the Operating Budget is funded at the equivalent of 100% of the subsidy formula. The high-rise AMPs average budgeted costs are \$564 per-unit per-month, a 1.2% decrease from 2016. The family AMPs, Glendale and Scattered Sites, average budgeted costs are \$785 per-unit per-month, down 3.1% from 2016.

Budgeted revenues for 2017 for all AMPs total \$41.4 million, a 3.2% increase over 2016. The revenues consist of:

- \$20.3 million in rental revenues
- \$19.0 million in operating subsidy
- \$ 1.6 million in other income and investments
- \$ 0.3 million in City contributions

Rental revenues are 4.2% higher than the 2016 budget a reflection of higher tenant incomes, primarily in family housing AMPs. Operating Subsidy is expected to be 1.7% higher than the 2016 budget, due to the 2016 budget being estimated at 83% proration, and the 2017 budget estimated at 89% proration.

Budgeted expenditures for 2017 for all AMPs total \$43.7 million, a 1.8% decrease from 2016. The 1.8% expense decrease is primarily related to a budgeted reduction in natural gas rates from 2016 levels. The budgeted expenses are made up of the following:

- \$ 8.0 million in direct Property Management Expenses
- \$ 0.9 million in Tenant Service Expenses
- \$ 8.6 million in Utility Costs
- \$12.7 million in Maintenance Costs
- \$ 2.0 million in Protective Service Costs
- \$ 5.6 million in General Expenses
- \$ 5.3 million in Fees to the Central Office
- \$ 0.6 million in Non-routine Expenses (appliances and capital equipment)

These Budgets assume a 3% salary cost increase in 2017. Employee health benefits (the majority of employee benefit costs) are planned based on 2017 medical insurance rates. These Budgets contain 195.75 full-time equivalent (FTE) positions, the same as 2016.

Protective service costs are budgeted at a \$647 thousand increase from 2016. Some of the increase, \$262 thousand, is related to a change in where Project Lookout and MPHA's contracted security manager are funded. In 2016, both of these costs were funded from Settlement Funds. In 2017, the proposal is to fund these costs out of the Public Housing Operating Budgets. The Budgets provide funding to maintain security guard services at the levels currently deployed;

\$386 thousand above the 2016 budget. MPHA has experienced an increase in the seriousness of incidents at and around our properties and calls for service has doubled in most buildings in 2016. Having security officer presence in buildings make residents feel safer and officers and dispatchers are not only detouring bad or illegal behavior they are also having positive interactions with residents. Residents have continuously indicated that security is their number one priority and frequently raise security concerns at the budget presentations. These Budgets also include funding for Project Lookout; a program operated and supported by residents and the MHRC.

Utility costs are budgeted at \$700 thousand less than in 2016. The decrease is due to a decrease in the natural gas budget. Specifically the natural gas rate estimated for 2017 is lower than the natural gas rate that was estimated in 2016. The 2016 budget was based on the current natural gas rates at that time, and included an expected increase. However, further analysis showed that gas rates have been decreasing. Actual gas rates experienced in 2016 have been much lower than budgeted. So, the 2017 budget has been lowered to be more in line with current actual rate experience.

Since Public Housing Operating Fund budgeted expenses exceed budgeted revenues by \$2.4 million, these Budgets require additional resources to fund public housing operations. The Public Housing Operating Budgets recommend utilizing a transfer in of Section 8 HCV resources to fund the shortfall. With the transfer in of Section 8 HCV resources, the Public Housing Operating Budgets are funded at a level equivalent to 100% of the formula amount.

Attached to this Report are the proposed Budgets for the nine AMPs with an accompanying schedule of positions and properties. Also attached is a consolidated All-AMP Operating Fund Budget.

E. Section 8 Housing Choice Voucher (HCV) Program Budget Overview

The 2017 HCV Budget assumes that the HUD subsidy formula for Housing Assistance Payments (HAP) will be funded at 99.6% and the administrative fee subsidy will be funded at 80% of the formula. In total, HCV revenues are planned to be about 2.8% more than the budget amount provided in 2016. The increase relates to an expected \$1.8 million in prior year HCV HAP subsidy still held by HUD and minor inflationary increases in the funding formula.

Because of the significant federal funding deficiencies the MPHA Board approved of the implementation of rent reform in the Section 8 Housing Choice Voucher Program beginning in 2014. The 2016 HCV Budget continues the rent reform initiative but includes an increase in payment standards to accommodate 93% of the 2017 Fair Market Rents (FMR's). The Budget also assumes that 4,509 vouchers will be available and utilized throughout 2017. The 4,509 number is the MTW baseline number of 4,407 vouchers that are required by provisions of the MTW Agreement with HUD to remain in use plus 102 special purpose vouchers. The cost of HCV administration is budgeted at an increase from the 2016 levels. The increase is due to increases in salaries and benefits for cost of living adjustments and an additional position assigned to improving MPHA's mobility program. In total, the 2017 HCV budget expenses are 3.6% higher than in 2016.

The 2017 Section 8 HCV Program Budget is anticipated to provide over \$4.3 million of operating income. This operating income from the Section 8 HCV Program will be transferred out to support the shortfall in the Public Housing Operating Budget, fund an additional \$1.8 million in public housing capital improvements, and MTW program initiatives.

F. MTW Initiatives Budget Overview

There are certain activities related to achieving an MTW objective that fall outside the normal public housing and Section 8 HCV program activities. For 2017 these MTW initiatives include BrightKeys Lease To Own program and MTW plan and program administration. In total, the MTW Initiatives are budgeted at \$167,880 and require the use of Section 8 HCV transfers to fund these activities. The Board approved these initiatives as part of the 2017 MTW Plan.

G. Central Office Budget Overview

Consistent with HUD's asset management model requirements, overhead costs that benefit one or more AMP or an MPHA program are budgeted for within the Central Office. The Central Office budgeted costs are supported by fees charged to each AMP, the Housing Choice Voucher Program and the Capital Fund Program. HUD allows these fees under asset management. The total fee revenue budgeted for 2017 is \$7.58 million, a 1% increase from the 2016 budget.

The Central Office Budget is based on charging the HUD permitted fees to each AMP and the Housing Choice Voucher program. The Capital Fund grant is also charged a fee within the HUD-allowed amounts, and within each program's budgeted expenses. MPHA proposes charging up to the HUD permitted fees allowed because these fees are non-program income, de-federalized, and subject only to local government restrictions. Maximizing this fee revenue offers MPHA the greatest discretion in supporting all programs and in having funds to leverage other grants and for development activities.

The 2017 Central Office Budget includes expenditures at \$8.1 million, a 3.8% increase from the 2016 budget. The increase in cost is attributable to the return of the Assistant Director of Maintenance to this budget, funded last year from Settlement Funds, and a new position created for a Communications Manager.

The 2017 Central Office Budget is expected to result in a \$535 thousand net loss. The net loss is partially related to 1001 Washington remodeling and additional staff. Staffing for the Central Office is at 51.81 full-time equivalent (FTE) positions. Attached to this Report is the recommended budget for the Central Office and the schedule of positions.

H. Use of Settlement Funds Overview

In 2012, HUD reduced the MPHA's public housing operating subsidy by \$2,789,746 in an attempt to offset all public housing authorities (PHAs) with excess reserves. Because MPHA is an MTW agency, HUD reduced MPHA's operating subsidy based on a reduction of similar sized PHAs and not based on MPHA's actual reserve balance. Although the MPHA did not have reserves that

were “excess” under HUD’s definition, HUD nonetheless reduced the MPHA’s operating subsidy for 2012. MPHA filed a complaint alleging that HUD breached the MTW Contract. HUD agreed to settle the claim and provided MPHA \$2,371,284.

On April 22, 2015 the Board approved the use of Settlement Funds for \$67,000 in Legal Costs, \$155,000 for Project Lookout Costs, and the remaining \$2.14 million for public housing rehabilitation and major repairs. On December 16, 2015 the Board of Commissioners revised the Settlement Budget. Among other changes the Board of Commissioners included additional resources for pest control including funding of two additional pest control specialists while reducing the amount planned for public housing rehabilitation and major repairs. In order to retain those positions in 2017, a revised budget is necessary. The revised budget reduces the amount planned for public housing modernization to fund the pest control needs. A revised budget schedule is attached.

I. Resident Notification and Comments

MPHA has provided the budget summaries for the AMPs to the Resident Councils on November 17, 2016 and presented those Budgets at the MHRC’s November meeting. Residents were informed to submit any written comments by December 16, 2016 and staff will provide those comments to the Board at the December meeting.

J. MPHA Overall Budget Summary and Reserves

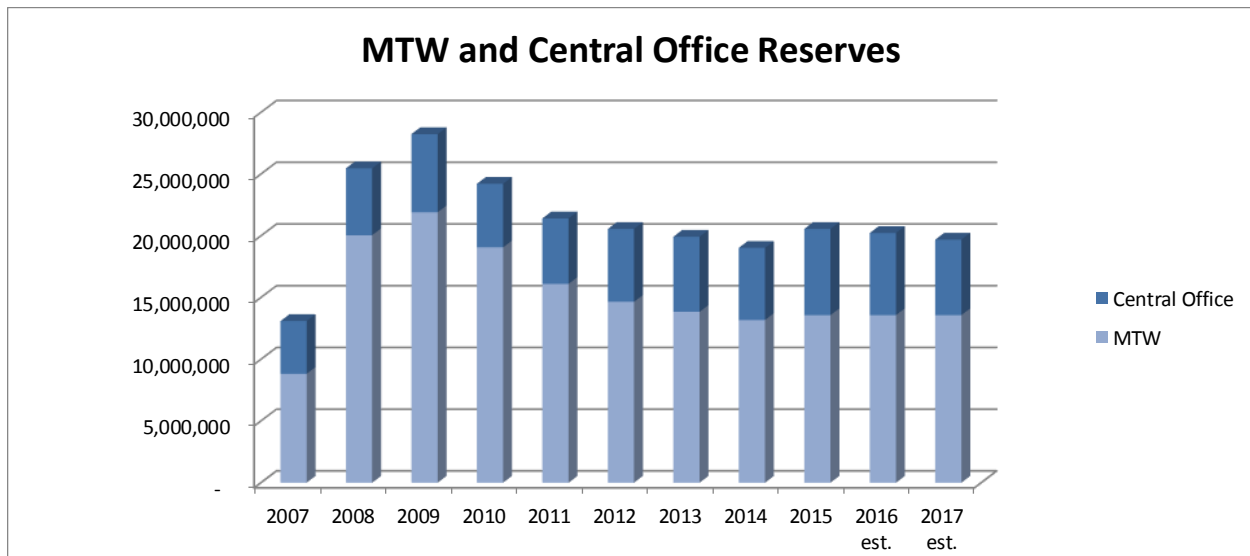
In summary, the MTW Budgets are balanced; meaning that no net use of reserves is required. The Central Office is recommended at a budget deficit of \$535,560 including funding for public access and security improvements at 1001 Washington. The overall reserve for these program areas is expected to be \$19.7 million at the end of 2017.

Program Area	2017 Projected Ending Reserve Balance
Public Housing Operating Fund	\$12.8 million
Section 8 Housing Choice Vouchers	\$ 0.8 million
MTW Initiatives	\$ 0
TOTAL MTW PROGRAMS	\$13.6 million
Central Office	\$ 6.1 million
OVERALL	\$19.7 million

The 2017 projected ending reserve balances shown in the table above utilize financial projections based on actual financial results through October 2016. The projections indicate that 2016 financial results are expected to be better than the amounts anticipated in the 2016 Budgets. These projections are conservative estimates and subject to change based on several factors including weather.

The graph below presents the combined MTW and Central Office reserves through the 2017 projected ending balances. The \$12.8 million projected 2017 ending reserve balance in the Public

Housing Operating Fund is equivalent to just under 4 months of operating expenses.



This Report was prepared by Tim Durose, Deputy Executive Director / CFO. If you have any questions or require further information regarding this Report, please contact Mr. Durose at 612-342-1410 or tdurose@mplspha.org.

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp.12/31/2012)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: *****PHA Code:

PHA Fiscal Year Beginning: *****Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☐ Operating Budget approved by Board resolution on:
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
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**Minneapolis Public Housing Authority
All Asset Management Projects
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	19,542,130	20,358,958	
HUD Subsidy	18,729,151	19,049,521	
Tax Levy/City Contributions	345,576	345,999	
Other Income/Investments	1,463,807	1,622,818	
Operating Transfers from other AMPs	-	-	
Total Revenues	40,080,664	41,377,296	3.24%
Administrative Expenses:			
Salaries and Benefits	6,468,323	6,568,230	
Other Administrative Expenses	1,356,974	1,421,329	
Total Administrative Expenses	7,825,297	7,989,559	2.10%
Tenant Services:			
Salaries and Benefits	-	-	
Resident Council Payments & Support	126,264	135,149	
Contract Costs, Training and Other	914,924	772,281	
Total Tenant Services Expenses	1,041,188	907,430	-12.85%
Utility Expenses:			
Water and Sewer	1,858,119	1,921,935	
Electricity	3,285,995	3,296,438	
Gas	2,747,430	1,990,287	
Fuel	-	-	
Labor and Benefits	530,955	554,935	
Other Utility Expenses	882,068	826,127	
Total Utility Expenses	9,304,567	8,589,722	-7.68%
Ordinary Maintenance and Operations:			
Labor and Benefits	8,674,481	8,830,301	
Materials	1,519,450	1,331,362	
Contract Costs	2,931,624	2,518,840	
Total Ordinary Maintenance and Operation	13,125,555	12,680,503	-3.39%
Protective Services Expenses:			
Labor	-	-	
Materials	13,800	12,400	
Contract Costs	1,373,084	1,771,108	
Security Strategy Implementation (Contingency)	-	250,000	
Total Protective Services Expenses	1,386,884	2,033,508	46.62%
General Expenses:			
Insurance	1,158,659	1,070,767	
Payments in Lieu of Taxes	576,264	650,723	
Collection Losses	50,000	50,000	

**All Asset Management Projects
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Operating Transfers to Other AMPs	-	-	
Other General Expenses	4,142,058	3,895,913	
Total General Expenses	5,926,981	5,667,403	-4.38%
 Central Office Fee	 5,278,483	 5,316,000	 0.71%
 Total Routine Expenses	 43,888,955	 43,184,125	 -1.61%
 Nonroutine Expenses:			
Appliances	165,090	160,100	
Other Nonroutine	483,145	412,604	
Total Nonroutine Expenses	648,235	572,704	-11.65%
 Net Operating Gain (Loss)	 (4,456,526)	 (2,379,533)	
 Section 8 Transfer In (Out)	 4,456,526	 2,379,533	
 Net Gain (Loss)	 -	 -	

All Asset Management Projects Fiscal Year 2017 Operating Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant	0
AMP Coordinator	6
Assistant Property Manager	5
Building & Grounds Specialist	26
Carpenter	10
Chief Operating Maintenance Engineer Foreman	1.75
Director of Heritage Park Senior Services Campus	1
EDSS Grant Coordinator	0
Electrician	1
HPSSC Coordinator	1
HVAC Foreman	0
Journeyman Service & Maint Specialist	12
Maintenance Manager	1
Maintenance Team Leader	7
Management Aide	16
Marketing/Leasing Specialist	0
Operating Engineer	4
Painter	13
Pest Control Specialist	5
Property Manager	18
Regional Property Manager	7
Secretary	0
Senior Building & Grounds Specialist	6
Senior Service & Maintenance Specialist	16
Service & Maintenance Specialist	13
TOTALS	169.75

*The following positions are performed centrally but are pro-rated to each AMP.
The following schedule presents the portion of each position assigned to this AMP.*

<u>Positions</u>	<u>Full-Time Equivalents</u>
Accounting Associate	0
Administrative Assistant I	2
Collection Agent	0
Director of Resident Initiatives	0
Eligibility Technician	15
Leasing Clerks	2
Manager of Leasing and Occupancy	1
Marketing/Leasing Specialist	0
Pest Control Coordinator	1
Quality Control Specialist	1
Resident Services Coordinator	0
Secretary	0
Work Order Coordinator	4
PRORATION TOTALS	26.00

GRAND TOTAL	195.75
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**All Asset Management Projects
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC	
<u>Project</u>	<u>Units</u>
ALL	6,251

**Minneapolis Public Housing Authority
Glendale Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	726,331	815,469	
HUD Subsidy	714,516	746,958	
Tax Levy/City Contributions	9,026	11,412	
Other Income/Investments	42,874	42,849	
Operating Transfers from other AMPs	2,200	2,448	
Total Revenues	1,494,947	1,619,136	8.31%
Administrative Expenses:			
Salaries and Benefits	248,616	250,878	
Other Administrative Expenses	55,584	54,877	
Total Administrative Expenses	304,200	305,755	0.51%
Tenant Services:			
Salaries	-	-	
Resident Council Payments & Support	5,955	6,475	
Contract Costs, Training and Other	55,609	55,609	
Total Tenant Services Expenses	61,564	62,084	0.84%
Utility Expenses:			
Water and Sewer	136,807	135,532	
Electricity	173,613	172,883	
Gas	131,876	105,280	
Fuel	-	-	
Labor and Benefits	-	-	
Other Utility Expenses	100,045	81,839	
Total Utility Expenses	542,341	495,534	-8.63%
Ordinary Maintenance and Operations:			
Labor and Benefits	373,779	376,787	
Materials	68,193	68,200	
Contract Costs	139,250	109,500	
Total Ordinary Maintenance and Operation	581,222	554,487	-4.60%
Protective Services Expenses:			
Labor	-	-	
Materials	-	-	
Contract Costs	52,049	55,803	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	52,049	55,803	7.21%
General Expenses:			
Insurance	46,140	43,539	
Payments in Lieu of Taxes	15,052	20,795	
Collection Losses	4,100	4,100	
Operating Transfers to Other AMPs	-	-	
Other General Expenses	19,496	19,933	

**Glendale Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 <u>Board Approved</u>	FY17 <u>Recommended</u>	Percent Change
Total General Expenses	84,788	88,367	4.22%
 Central Office Fee	 163,043	 164,925	 1.15%
 Total Routine Expenses	 1,789,207	 1,726,955	 -3.48%
 Nonroutine Expenses:			
Appliances	9,000	8,400	
Other Nonroutine	28,928	10,485	
Total Nonroutine Expenses	37,928	18,885	-50.21%
 Net Operating Gain (Loss)	 (332,188)	 (126,704)	
 Section 8 Transfer In (Out)	 332,188	 126,704	
 Net Gain (Loss)	 -	 -	

Glendale Asset Management Project Fiscal Year 2017 Operating Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant	0
AMP Coordinator	0.2
Assistant Property Manager	0
Building & Grounds Specialist	1
Carpenter	1
Chief Operating Maintenance Engineer Foreman	0
Director of Heritage Park Senior Services Campus	0
EDSS Grant Coordinator	0
Electrician	0
HPSSC Coordinator	0
HVAC Foreman	0
Journeyman Service & Maint Specialist	1
Maintenance Manager	0.2
Maintenance Team Leader	0.2
Management Aide	1
Marketing/Leasing Specialist	0
Operating Engineer	0
Painter	1
Pest Control Specialist	0
Property Manager	0.8
Regional Property Manager	0.2
Secretary	0
Senior Building & Grounds Specialist	0
Senior Service & Maintenance Specialist	0
Service & Maintenance Specialist	0
TOTALS	6.6

*The following positions are performed centrally but are pro-rated to each AMP.
The following schedule presents the portion of each position assigned to this AMP.*

<u>Positions</u>	<u>Full-Time Equivalents</u>
Accounting Associate	0
Administrative Assistant I	0.06
Collection Agent	0
Director of Resident Initiatives	0
Eligibility Technician	0.47
Leasing Clerks	0.06
Manager of Leasing and Occupancy	0.03
Marketing/Leasing Specialist	0.00
Pest Control Coordinator	0.03
Quality Control Specialist	0
Resident Services Coordinator	0
Secretary	0
Work Order Coordinator	0.13
PRORATION TOTALS	0.81

GRAND TOTAL	7.41
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**Glendale Asset Management Project
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC		
<u>Project</u>	<u>Units</u>	
1	184	

**Minneapolis Public Housing Authority
Scattered Sites Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	4,059,362	4,299,995	
HUD Subsidy	2,797,933	2,599,708	
Tax Levy/City Contributions	62,551	15,175	
Other Income/Investments	212,530	185,691	
Operating Transfers from other AMPs	-	-	
Total Revenues	7,132,376	7,100,569	-0.45%
Administrative Expenses:			
Salaries and Benefits	977,976	986,535	
Other Administrative Expenses	113,027	119,655	
Total Administrative Expenses	1,091,003	1,106,190	1.39%
Tenant Services:			
Salaries	-	-	
Resident Council Payments & Support	15,355	16,421	
Contract Costs, Training and Other	-	-	
Total Tenant Services Expenses	15,355	16,421	6.94%
Utility Expenses:			
Water and Sewer	573,944	592,958	
Electricity	756,575	774,980	
Gas	722,728	511,936	
Fuel	-	-	
Labor and Benefits	-	-	
Other Utility Expenses	364,164	346,573	
Total Utility Expenses	2,417,411	2,226,447	-7.90%
Ordinary Maintenance and Operations:			
Labor and Benefits	1,768,579	1,816,013	
Materials	341,979	309,400	
Contract Costs	408,000	344,500	
Total Ordinary Maintenance and Operation	2,518,558	2,469,913	-1.93%
Protective Services Expenses:			
Labor	-	-	
Materials	-	-	
Contract Costs	-	-	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	-	-	0.00%
General Expenses:			
Insurance	263,714	246,073	
Payments in Lieu of Taxes	104,306	124,225	
Collection Losses	7,650	7,650	
Operating Transfers to Other AMPs	-	54,762	
Other General Expenses	135,385	145,727	

**Scattered Sites Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 <u>Board Approved</u>	FY17 <u>Recommended</u>	Percent Change
Total General Expenses	511,055	578,437	13.18%
 Central Office Fee	 <u>670,079</u>	 <u>677,823</u>	 1.16%
 Total Routine Expenses	 <u>7,223,461</u>	 <u>7,075,231</u>	 -2.05%
 Nonroutine Expenses:			
Appliances	11,000	15,000	
Other Nonroutine	17,011	10,338	
Total Nonroutine Expenses	<u>28,011</u>	<u>25,338</u>	-9.54%
 Net Operating Gain (Loss)	 <u>(119,096)</u>	 <u>-</u>	
 Section 8 Transfer In (Out)	 119,096	 -	
 Net Gain (Loss)	 <u>-</u>	 <u>-</u>	

Scattered Sites Asset Management Project Fiscal Year 2017 Operating Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant	0
AMP Coordinator	0.8
Assistant Property Manager	0
Building & Grounds Specialist	2
Carpenter	4
Chief Operating Maintenance Engineer Foreman	0
Director of Heritage Park Senior Services Campus	0
EDSS Grant Coordinator	0
Electrician	0
HPSSC Coordinator	0
HVAC Foreman	0
Journeyman Service & Maint Specialist	4
Maintenance Manager	0.8
Maintenance Team Leader	1.8
Management Aide	3
Marketing/Leasing Specialist	0
Operating Engineer	0
Painter	2
Pest Control Specialist	0
Property Manager	3.2
Regional Property Manager	0.8
Secretary	0
Senior Building & Grounds Specialist	1
Senior Service & Maintenance Specialist	3
Service & Maintenance Specialist	3
TOTALS	29.4

*The following positions are performed centrally but are pro-rated to each AMP.
The following schedule presents the portion of each position assigned to this AMP.*

<u>Positions</u>	<u>Full-Time Equivalents</u>
Accounting Associate	0
Administrative Assistant I	0.25
Collection Agent	0
Director of Resident Initiatives	0
Eligibility Technician	1.88
Leasing Clerks	0.25
Manager of Leasing and Occupancy	0.13
Marketing/Leasing Specialist	0.00
Pest Control Coordinator	0.13
Quality Control Specialist	0
Resident Services Coordinator	0
Secretary	0
Work Order Coordinator	0.50
PRORATION TOTALS	3.26

GRAND TOTAL	32.66
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**Scattered Sites Asset Management Project
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC	
<u>Project</u>	<u>Units</u>
Various	749

**Minneapolis Public Housing Authority
North Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	4,116,194	4,230,167	
HUD Subsidy	3,730,170	3,833,504	
Tax Levy/City Contributions	74,929	134,696	
Other Income/Investments	644,039	723,969	
Operating Transfers from other AMPs	-	-	
Total Revenues	8,565,332	8,922,336	4.17%
Administrative Expenses:			
Salaries and Benefits	1,507,426	1,517,973	
Other Administrative Expenses	385,516	397,213	
Total Administrative Expenses	1,892,942	1,915,186	1.18%
Tenant Services:			
Salaries and Benefits	-	-	
Resident Council Payments & Support	27,141	29,237	
Contract Costs, Training and Other	521,790	367,813	
Total Tenant Services Expenses	548,931	397,050	-27.67%
Utility Expenses:			
Water and Sewer	293,194	306,128	
Electricity	778,950	787,260	
Gas	496,341	366,113	
Fuel	-	-	
Labor and Benefits	120,940	128,615	
Other Utility Expenses	125,244	111,569	
Total Utility Expenses	1,814,669	1,699,685	-6.34%
Ordinary Maintenance and Operations:			
Labor and Benefits	1,656,344	1,665,121	
Materials	299,129	300,762	
Contract Costs	581,656	553,250	
Total Ordinary Maintenance and Operation	2,537,129	2,519,133	-0.71%
Protective Services Expenses:			
Labor	-	-	
Materials	1,000	900	
Contract Costs	421,374	556,756	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	422,374	557,656	32.03%
General Expenses:			
Insurance	232,420	215,192	
Payments in Lieu of Taxes	124,947	136,764	
Collection Losses	7,650	7,650	
Operating Transfers to Other AMPs	-	-	
Other General Expenses	673,421	693,524	

**North Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 <u>Board Approved</u>	FY17 <u>Recommended</u>	Percent Change
Total General Expenses	<u>1,038,438</u>	<u>1,053,130</u>	1.41%
 Central Office Fee	 <u>1,184,765</u>	 <u>1,193,809</u>	 0.76%
 Total Routine Expenses	 <u>9,439,248</u>	 <u>9,335,649</u>	 -1.10%
 Nonroutine Expenses:			
Appliances	30,250	32,800	
Other Nonroutine	55,641	189,695	
Total Nonroutine Expenses	<u>85,891</u>	<u>222,495</u>	159.04%
 Net Operating Gain (Loss)	 <u>(959,807)</u>	 <u>(635,808)</u>	
 Section 8 Transfer In (Out)	 959,807	 635,808	
 Net Gain (Loss)	 <u>-</u>	 <u>-</u>	

North Asset Management Project Fiscal Year 2017 Operating Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant	0
AMP Coordinator	1
Assistant Property Manager	1
Building & Grounds Specialist	7
Carpenter	1
Chief Operating Maintenance Engineer Foreman	0.37
Director of Heritage Park Senior Services Campus	1
EDSS Grant Coordinator	0
Electrician	0.5
HPSSC Coordinator	1
HVAC Foreman	0
Journeyman Service & Maint Specialist	2
Maintenance Manager	0
Maintenance Team Leader	1
Management Aide	4
Marketing/Leasing Specialist	0
Operating Engineer	1
Painter	2
Pest Control Specialist	1
Property Manager	4
Regional Property Manager	1
Secretary	0
Senior Building & Grounds Specialist	0
Senior Service & Maintenance Specialist	5
Service & Maintenance Specialist	2
TOTALS	35.87

*The following positions are performed centrally but are pro-rated to each AMP.
The following schedule presents the portion of each position assigned to this AMP.*

<u>Positions</u>	<u>Full-Time Equivalents</u>
Accounting Associate	0
Administrative Assistant I	0.44
Collection Agent	0
Director of Resident Initiatives	0
Eligibility Technician	3.30
Leasing Clerks	0.44
Manager of Leasing and Occupancy	0.22
Marketing/Leasing Specialist	0.00
Pest Control Coordinator	0.22
Quality Control Specialist	0
Resident Services Coordinator	0
Secretary	0
Work Order Coordinator	0.88
PRORATION TOTALS	5.73

GRAND TOTAL	41.60
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**North Asset Management Project
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC			
<u>Project</u>	<u>Address</u>		<u>Units</u>
3	800	5th Ave N	66
20-H	2415	3rd St N	62
20-J	3116	Oliver Ave N	31
23	315	Lowry Ave N	193
25-A	600	18th Ave N	239
26	1710	Plymouth Ave N	84
28	1015	4th Ave N	0
29	901	4th Ave N	48
37	1314	44th Ave N	220
42	314	Hennepin Ave	299
50	350	Van White Memorial Blvd.	102
TOTAL			1344

**Minneapolis Public Housing Authority
Northeast Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	2,913,575	3,044,835	
HUD Subsidy	2,510,583	2,612,025	
Tax Levy/City Contributions	57,663	77,011	
Other Income/Investments	209,528	243,997	
Operating Transfers from other AMPs	-	-	
Total Revenues	5,691,349	5,977,868	5.03%
Administrative Expenses:			
Salaries and Benefits	949,228	975,278	
Other Administrative Expenses	209,730	220,975	
Total Administrative Expenses	1,158,958	1,196,253	3.22%
Tenant Services:			
Salaries and Benefits	-	-	
Resident Council Payments & Support	19,401	20,203	
Contract Costs, Training and Other	87,332	90,227	
Total Tenant Services Expenses	106,733	110,430	3.46%
Utility Expenses:			
Water and Sewer	188,266	192,172	
Electricity	420,483	424,910	
Gas	329,686	234,403	
Fuel	-	-	
Labor and Benefits	130,210	134,942	
Other Utility Expenses	90,901	83,925	
Total Utility Expenses	1,159,546	1,070,352	-7.69%
Ordinary Maintenance and Operations:			
Labor and Benefits	1,255,412	1,262,330	
Materials	220,927	196,800	
Contract Costs	407,951	374,650	
Total Ordinary Maintenance and Operation	1,884,290	1,833,780	-2.68%
Protective Services Expenses:			
Labor	-	-	
Materials	7,500	7,000	
Contract Costs	31,329	169,067	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	38,829	176,067	353.44%
General Expenses:			
Insurance	155,238	140,195	
Payments in Lieu of Taxes	96,156	107,335	
Collection Losses	7,650	7,650	
Operating Transfers to Other AMPs	-	-	
Other General Expenses	675,042	702,747	

Northeast Asset Management Project Fiscal Year 2017 Operating Budget

	FY16 <u>Board Approved</u> 934,086	FY17 <u>Recommended</u> 957,927	Percent Change 2.55%
Total General Expenses			
 Central Office Fee	 <u>846,312</u>	 <u>853,060</u>	 0.80%
 Total Routine Expenses	 <u>6,128,754</u>	 <u>6,197,869</u>	 1.13%
 Nonroutine Expenses:			
Appliances	30,000	32,700	
Other Nonroutine	77,224	94,602	
Total Nonroutine Expenses	<u>107,224</u>	<u>127,302</u>	18.73%
 Net Operating Gain (Loss)	 <u>(544,629)</u>	 <u>(347,303)</u>	
 Section 8 Transfer In (Out)	 544,629	 347,303	
 Net Gain (Loss)	 <u>-</u>	 <u>-</u>	

Northeast Asset Management Project Fiscal Year 2017 Operating Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant	0
AMP Coordinator	1
Assistant Property Manager	1
Building & Grounds Specialist	2
Carpenter	1
Chief Operating Maintenance Engineer Foreman	0.38
Director of Heritage Park Senior Services Campus	0
EDSS Grant Coordinator	0
Electrician	0.5
HPSSC Coordinator	0
HVAC Foreman	0
Journeyman Service & Maint Specialist	1
Maintenance Manager	0
Maintenance Team Leader	1
Management Aide	2
Marketing/Leasing Specialist	0
Operating Engineer	1
Painter	2
Pest Control Specialist	1
Property Manager	3
Regional Property Manager	1
Secretary	0
Senior Building & Grounds Specialist	2
Senior Service & Maintenance Specialist	3
Service & Maintenance Specialist	2
TOTALS	24.88

*The following positions are performed centrally but are pro-rated to each AMP.
The following schedule presents the portion of each position assigned to this AMP.*

<u>Positions</u>	<u>Full-Time Equivalents</u>
Accounting Associate	0
Administrative Assistant I	0.32
Collection Agent	0
Director of Resident Initiatives	0
Eligibility Technician	2.41
Leasing Clerks	0.32
Manager of Leasing and Occupancy	0.16
Marketing/Leasing Specialist	0.00
Pest Control Coordinator	0.16
Quality Control Specialist	0
Resident Services Coordinator	0
Secretary	0
Work Order Coordinator	0.64
PRORATION TOTALS	4.18

GRAND TOTAL	29.06
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**Northeast Asset Management Project
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC			
<u>Project</u>	<u>Address</u>		<u>Units</u>
10	311	University Ave NE	49
15-B	710	2nd St NE	35
15-C	616	Washington St NE	35
21-E	1206	2nd St NE	57
21-F	1900	3rd St NE	32
21-G	809	Spring St NE	32
32	1717	Washington St NE	182
33	828	Spring St NE	189
35	1815	Central Ave. N	333
TOTAL			944

**Minneapolis Public Housing Authority
Hiawatha Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	2,508,137	2,563,964	
HUD Subsidy	2,609,403	2,723,150	
Tax Levy/City Contributions	45,093	45,283	
Other Income/Investments	116,146	155,549	
Operating Transfers from other AMPs	-	54,762	
Total Revenues	5,278,779	5,542,708	5.00%
Administrative Expenses:			
Salaries and Benefits	947,715	956,513	
Other Administrative Expenses	248,798	253,448	
Total Administrative Expenses	1,196,513	1,209,961	1.12%
Tenant Services:			
Salaries and Benefits	-	-	
Resident Council Payments & Support	17,119	19,269	
Contract Costs, Training and Other	82,590	85,308	
Total Tenant Services Expenses	99,709	104,577	4.88%
Utility Expenses:			
Water and Sewer	215,312	236,589	
Electricity	369,084	370,809	
Gas	366,678	267,055	
Fuel	-	-	
Labor and Benefits	92,605	118,516	
Other Utility Expenses	75,996	76,234	
Total Utility Expenses	1,119,675	1,069,203	-4.51%
Ordinary Maintenance and Operations:			
Labor and Benefits	1,222,765	1,257,165	
Materials	193,547	155,700	
Contract Costs	475,411	394,334	
Total Ordinary Maintenance and Operation	1,891,723	1,807,199	-4.47%
Protective Services Expenses:			
Labor	-	-	
Materials	2,000	1,900	
Contract Costs	383,321	638,506	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	385,321	640,406	66.20%
General Expenses:			
Insurance	155,320	145,134	
Payments in Lieu of Taxes	75,194	80,846	
Collection Losses	7,650	7,650	
Operating Transfers to Other AMPs	-	-	
Other General Expenses	459,313	470,556	

Hiawatha Asset Management Project Fiscal Year 2017 Operating Budget

	FY16 Board Approved	FY17 Recommended	Percent Change
Total General Expenses	697,477	704,186	0.96%
Central Office Fee	766,829	775,853	1.18%
Total Routine Expenses	6,157,247	6,311,385	2.50%
Nonroutine Expenses:			
Appliances	40,000	34,600	
Other Nonroutine	26,751	40,411	
Total Nonroutine Expenses	66,751	75,011	12.37%
Net Operating Gain (Loss)	(945,219)	(843,688)	
Section 8 Transfer In (Out)	945,219	843,688	
Net Gain (Loss)	-	-	

Hiawatha Asset Management Project Fiscal Year 2017 Operating Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant	0
AMP Coordinator	1
Assistant Property Manager	1
Building & Grounds Specialist	4
Carpenter	1
Chief Operating Maintenance Engineer Foreman	0.25
Director of Heritage Park Senior Services Campus	0
EDSS Grant Coordinator	0
Electrician	0
HPSSC Coordinator	0
HVAC Foreman	0
Journeyman Service & Maint Specialist	1
Maintenance Manager	0
Maintenance Team Leader	1
Management Aide	2
Marketing/Leasing Specialist	0
Operating Engineer	1
Painter	2
Pest Control Specialist	1
Property Manager	3
Regional Property Manager	1
Secretary	0
Senior Building & Grounds Specialist	2
Senior Service & Maintenance Specialist	3
Service & Maintenance Specialist	1
TOTALS	25.25

*The following positions are performed centrally but are pro-rated to each AMP.
The following schedule presents the portion of each position assigned to this AMP.*

<u>Positions</u>	<u>Full-Time Equivalents</u>
Accounting Associate	0
Administrative Assistant I	0.30
Collection Agent	0
Director of Resident Initiatives	0
Eligibility Technician	2.28
Leasing Clerks	0.30
Manager of Leasing and Occupancy	0.15
Marketing/Leasing Specialist	0.00
Pest Control Coordinator	0.15
Quality Control Specialist	0
Resident Services Coordinator	0
Secretary	0
Work Order Coordinator	0.61
PRORATION TOTALS	3.96

GRAND TOTAL	29.21
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Hiawatha Asset Management Project Fiscal Year 2017 Operating Budget

Listing of Properties

ACC			
<u>Project</u>	<u>Address</u>		<u>Units</u>
9	1700	22nd St E	94
9	2019	16th Ave S	93
9	2121	16th Ave S	94
18-I	2533	1st Ave S	42
19	1920	4th Ave S	110
24	1707	3rd Ave S	199
34	2419	5th Ave S	127
34	2433	5th Ave S	127
		TOTAL	886

**Minneapolis Public Housing Authority
Cedars Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	2,545,672	2,604,247	
HUD Subsidy	2,568,271	2,677,528	
Tax Levy/City Contributions	45,389	27,194	
Other Income/Investments	95,254	106,300	
Operating Transfers from other AMPs	-	-	
Total Revenues	5,254,586	5,415,269	3.06%
Administrative Expenses:			
Salaries and Benefits	861,948	901,740	
Other Administrative Expenses	162,342	184,203	
Total Administrative Expenses	1,024,290	1,085,943	6.02%
Tenant Services:			
Salaries and Benefits	-	-	
Resident Council Payments & Support	18,260	19,180	
Contract Costs, Training and Other	81,903	84,749	
Total Tenant Services Expenses	100,163	103,929	3.76%
Utility Expenses:			
Water and Sewer	239,783	253,251	
Electricity	381,767	373,607	
Gas	371,741	265,400	
Fuel	-	-	
Labor and Benefits	93,330	119,441	
Other Utility Expenses	60,794	63,120	
Total Utility Expenses	1,147,415	1,074,819	-6.33%
Ordinary Maintenance and Operations:			
Labor and Benefits	1,218,377	1,229,811	
Materials	193,402	151,600	
Contract Costs	345,138	307,550	
Total Ordinary Maintenance and Operation	1,756,917	1,688,961	-3.87%
Protective Services Expenses:			
Labor	-	-	
Materials	1,300	700	
Contract Costs	267,192	316,448	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	268,492	317,148	18.12%
General Expenses:			
Insurance	154,725	143,784	
Payments in Lieu of Taxes	75,689	82,558	
Collection Losses	7,650	7,650	
Operating Transfers to Other AMPs	-	-	
Other General Expenses	298,734	298,562	

**Cedars Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Total General Expenses	<u>536,798</u>	<u>532,554</u>	-0.79%
 Central Office Fee	 <u>805,306</u>	 <u>808,216</u>	 0.36%
 Total Routine Expenses	 <u>5,639,381</u>	 <u>5,611,570</u>	 -0.49%
 Nonroutine Expenses:			
Appliances	16,840	10,400	
Other Nonroutine	31,357	34,807	
Total Nonroutine Expenses	<u>48,197</u>	<u>45,207</u>	-6.20%
 Net Operating Gain (Loss)	 <u>(432,992)</u>	 <u>(241,508)</u>	
 Section 8 Transfer In (Out)	 432,992	 241,508	
 Net Gain (Loss)	 <u>-</u>	 <u>-</u>	

Cedars Asset Management Project Fiscal Year 2017 Operating Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant	0
AMP Coordinator	1
Assistant Property Manager	1
Building & Grounds Specialist	6
Carpenter	1
Chief Operating Maintenance Engineer Foreman	0.25
Director of Heritage Park Senior Services Campus	0
EDSS Grant Coordinator	0
Electrician	0
HPSSC Coordinator	0
HVAC Foreman	0
Journeyman Service & Maint Specialist	2
Maintenance Manager	0
Maintenance Team Leader	1
Management Aide	2
Marketing/Leasing Specialist	0
Operating Engineer	1
Painter	2
Pest Control Specialist	1
Property Manager	2
Regional Property Manager	1
Secretary	0
Senior Building & Grounds Specialist	1
Senior Service & Maintenance Specialist	1
Service & Maintenance Specialist	1
TOTALS	24.25

*The following positions are performed centrally but are pro-rated to each AMP.
The following schedule presents the portion of each position assigned to this AMP.*

<u>Positions</u>	<u>Full-Time Equivalents</u>
Accounting Associate	0
Administrative Assistant I	0.30
Collection Agent	0
Director of Resident Initiatives	0
Eligibility Technician	2.26
Leasing Clerks	0.30
Manager of Leasing and Occupancy	0.15
Marketing/Leasing Specialist	0.00
Pest Control Coordinator	0.15
Quality Control Specialist	0
Resident Services Coordinator	0
Secretary	0
Work Order Coordinator	0.60
PRORATION TOTALS	3.92

GRAND TOTAL	28.17
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**Cedars Asset Management Project
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC			
<u>Project</u>	<u>Address</u>		<u>Units</u>
6	1611	6th St S	116
6	1627	6th St S	116
6	620	Cedar Ave S	116
8	1212	9th St S	87
8	1225	8th St S	87
16	1515	Park Ave	182
30	630	Cedar Ave S	191
		TOTAL	895

**Minneapolis Public Housing Authority
Horn Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	2,672,859	2,800,281	
HUD Subsidy	2,621,973	2,773,370	
Tax Levy/City Contributions	50,925	35,228	
Other Income/Investments	143,436	164,463	
Operating Transfers from other AMPs	-	-	
Total Revenues	5,489,193	5,773,342	5.18%
Administrative Expenses:			
Salaries and Benefits	975,414	979,313	
Other Administrative Expenses	181,977	190,958	
Total Administrative Expenses	1,157,391	1,170,271	1.11%
Tenant Services:			
Salaries and Benefits	-	-	
Resident Council Payments & Support	19,007	20,003	
Contract Costs, Training and Other	85,700	88,575	
Total Tenant Services Expenses	104,707	108,578	3.70%
Utility Expenses:			
Water and Sewer	210,813	205,305	
Electricity	405,523	391,989	
Gas	328,380	240,100	
Fuel	-	-	
Labor and Benefits	93,870	53,421	
Other Utility Expenses	64,924	62,867	
Total Utility Expenses	1,103,510	953,682	-13.58%
Ordinary Maintenance and Operations:			
Labor and Benefits	1,179,225	1,223,074	
Materials	202,273	148,900	
Contract Costs	574,218	435,056	
Total Ordinary Maintenance and Operation	1,955,716	1,807,030	-7.60%
Protective Services Expenses:			
Labor	-	-	
Materials	2,000	1,900	
Contract Costs	217,819	284,528	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	219,819	286,428	30.30%
General Expenses:			
Insurance	151,102	136,850	
Payments in Lieu of Taxes	84,920	98,200	
Collection Losses	7,650	7,650	
Operating Transfers to Other AMPs	-	-	
Other General Expenses	710,591	488,395	

Horn Asset Management Project Fiscal Year 2017 Operating Budget

	FY16 Board Approved	FY17 Recommended	Percent Change
Total General Expenses	954,263	731,095	-23.39%
Central Office Fee	842,149	842,314	0.02%
Total Routine Expenses	6,337,555	5,899,398	-6.91%
Nonroutine Expenses:			
Appliances	28,000	26,200	
Other Nonroutine	246,233	32,266	
Total Nonroutine Expenses	274,233	58,466	-78.68%
Net Operating Gain (Loss)	(1,122,595)	(184,522)	
Section 8 Transfer In (Out)	1,122,595	184,522	
Net Gain (Loss)	-	-	

Horn Asset Management Project Fiscal Year 2017 Operating Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant	0
AMP Coordinator	1
Assistant Property Manager	1
Building & Grounds Specialist	4
Carpenter	1
Chief Operating Maintenance Engineer Foreman	0.5
Director of Heritage Park Senior Services Campus	0
EDSS Grant Coordinator	0
Electrician	0
HPSSC Coordinator	0
HVAC Foreman	0
Journeyman Service & Maint Specialist	1
Maintenance Manager	0
Maintenance Team Leader	1
Management Aide	2
Marketing/Leasing Specialist	0
Operating Engineer	0
Painter	2
Pest Control Specialist	1
Property Manager	2
Regional Property Manager	2
Secretary	0
Senior Building & Grounds Specialist	0
Senior Service & Maintenance Specialist	1
Service & Maintenance Specialist	4
TOTALS	23.5

*The following positions are performed centrally but are pro-rated to each AMP.
The following schedule presents the portion of each position assigned to this AMP.*

<u>Positions</u>	<u>Full-Time Equivalents</u>
Accounting Associate	0
Administrative Assistant I	0.32
Collection Agent	0
Director of Resident Initiatives	0
Eligibility Technician	2.39
Leasing Clerks	0.32
Manager of Leasing and Occupancy	0.16
Marketing/Leasing Specialist	0.00
Pest Control Coordinator	0.16
Quality Control Specialist	0
Resident Services Coordinator	0
Secretary	0
Work Order Coordinator	0.64
PRORATION TOTALS	4.15

GRAND TOTAL	27.65
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**Horn Asset Management Project
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC			
<u>Project</u>	<u>Address</u>		<u>Units</u>
14	1415	22nd St E	129
17	2728	Franklin Ave E	151
18-B	3755	Snelling Ave	28
22	3205	37th St E	28
31-A	3121	Pillsbury Ave	163
31-B	115	31st St W	163
31-C	3110	Blaisdell Ave S	165
36	2121	Minnehaha Ave	110
TOTAL			937

**Minneapolis Public Housing Authority
Heritage Park Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	-	-	
HUD Subsidy	857,209	782,391	
Tax Levy/City Contributions	-	-	
Other Income/Investments	-	-	
Operating Transfers from other AMPs	-	-	
Total Revenues	857,209	782,391	-8.73%
Administrative Expenses:			
Salaries	-	-	
Other Administrative Expenses	-	-	
Total Administrative Expenses	-	-	0.00%
Tenant Services:			
Salaries	-	-	
Resident Council Payments & Support	4,026	4,361	
Contract Costs, Training and Other	-	-	
Total Tenant Services Expenses	4,026	4,361	8.32%
Utility Expenses:			
Water and Sewer	-	-	
Electricity	-	-	
Gas	-	-	
Fuel	-	-	
Labor	-	-	
Other Utility Expenses	-	-	
Total Utility Expenses	-	-	0.00%
Ordinary Maintenance and Operations:			
Labor	-	-	
Materials	-	-	
Contract Costs	-	-	
Total Ordinary Maintenance and Operation	-	-	0.00%
Protective Services Expenses:			
Labor	-	-	
Materials	-	-	
Contract Costs	-	-	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	-	-	0.00%
General Expenses:			
Insurance	-	-	
Payments in Lieu of Taxes	-	-	
Collection Losses	-	-	
Operating Transfers to Other AMPs	-	-	
Other General Expenses	853,183	778,030	

Heritage Park Asset Management Project

Fiscal Year 2017 Operating Budget

	FY16 Board Approved	FY17 Recommended	Percent Change
Total General Expenses	853,183	778,030	-8.81%
Central Office Fee	-	-	0.00%
Total Routine Expenses	857,209	782,391	-8.73%
Nonroutine Expenses:			
Appliances	-	-	
Other Nonroutine	-	-	
Total Nonroutine Expenses	-	-	0.00%
Net Operating Gain (Loss)	-	-	
Section 8 Transfer In (Out)	-	-	
Net Gain (Loss)	-	-	

**Heritage Park Asset Management Project
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC

<u>Project</u>	<u>Address</u>	<u>Units</u>
87	Heritage Park Phase 1A	60
84	Heritage Park Phase 1B	45
88	Heritage Park Phase 2	57
92	Heritage Park Phase 3	38
TOTAL		200

**Minneapolis Public Housing Authority
Suburban MHOP Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Dwelling Rent	-	-	
HUD Subsidy	319,093	300,887	
Tax Levy/City Contributions	-	-	
Other Income/Investments	-	-	
Operating Transfers from other AMPs	-	-	
Total Revenues	319,093	300,887	-5.71%
Administrative Expenses:			
Salaries	-	-	
Other Administrative Expenses	-	-	
Total Administrative Expenses	-	-	0.00%
Tenant Services:			
Salaries	-	-	
Resident Council Payments & Support	-	-	
Contract Costs, Training and Other	-	-	
Total Tenant Services Expenses	-	-	0.00%
Utility Expenses:			
Water and Sewer	-	-	
Electricity	-	-	
Gas	-	-	
Fuel	-	-	
Labor	-	-	
Other Utility Expenses	-	-	
Total Utility Expenses	-	-	0.00%
Ordinary Maintenance and Operations:			
Labor	-	-	
Materials	-	-	
Contract Costs	-	-	
Total Ordinary Maintenance and Operation	-	-	0.00%
Protective Services Expenses:			
Labor	-	-	
Materials	-	-	
Contract Costs	-	-	
Security Strategy Implementation (Contingency)	-	-	
Total Protective Services Expenses	-	-	0.00%
General Expenses:			
Insurance	-	-	
Payments in Lieu of Taxes	-	-	
Collection Losses	-	-	
Operating Transfers to Other AMPs	2,200	2,448	
Other General Expenses	316,893	298,439	

**Suburban MHOP Asset Management Project
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Total General Expenses	<u>319,093</u>	<u>300,887</u>	-5.71%
 Central Office Fee	 <u>-</u>	 <u>-</u>	 0.00%
 Total Routine Expenses	 <u>319,093</u>	 <u>300,887</u>	 -5.71%
 Nonroutine Expenses:			
Appliances	-	-	
Other Nonroutine	-	-	
Total Nonroutine Expenses	<u>-</u>	<u>-</u>	0.00%
 Net Operating Gain (Loss)	 <u>-</u>	 <u>-</u>	
 Section 8 Transfer In (Out)	 -	 -	
 Net Gain (Loss)	 <u>-</u>	 <u>-</u>	

**Suburban MHOP Asset Management Project
Fiscal Year 2017 Operating Budget**

Listing of Properties

ACC		
<u>Project</u>	<u>Name</u>	<u>Units</u>
62	Crown Ridge	6
63	Minnetonka Mills	3
64	Prosperity Village	8
65	East Creek Carriage	5
67	Purgatory Creek	5
68	Shenandoah Woods	6
70	Brickstone	5
71	Silver Lake Commons	10
73	Bass Lake Townhomes	12
74	Lake Shore	5
75	Waters Edge	8
76	Turtle Ridge	8
79	Louisiana Court	3
85	Valley Square	5
89	Urban Gardens	6
90	Stone Creek	13
91	Bass Lake II	4
TOTAL		112

**Minneapolis Public Housing Authority
Section 8
Fiscal Year 2017 HCV Program Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
HUD Subsidy	46,199,063	47,364,479	
Other	332,919	475,906	
Total Revenues	46,531,982	47,840,385	2.81%
 Expenses:			
Administration	2,797,906	3,071,141	
Management Fees	1,116,433	1,116,433	
Housing Assistance Payments	38,051,047	39,305,598	
Total Expenses	41,965,386	43,493,172	3.64%
 Net Operating Gain (Loss)	4,566,596	4,347,213	
 Capital Fund Transfer In (Out)	-	(1,800,000)	
MTW Initiatives Transfer In (Out)	(110,072)	(167,680)	
Operating Fund Transfer In (Out)	(4,456,524)	(2,379,533)	
 Net Gain (Loss)	-	-	

Minneapolis Public Housing Authority
Section 8
Fiscal Year 2017 HCV Program Budget

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Administrative Assistant II	3
Community Engagement Specialist	1
Community Services Coordinator - FSS	1
Community Services Coordinator - Mobility	1
Eligibility Technician	18
Housing Inspector	4
Managing Director HCV/Section 8	1
Quality and Technical Specialist	1
Section 8 Program Analyst	1
Senior Housing Inspector	1
Senior Supervisor, HCV	1
Supervisor, Portability	1
Supervisor, Special Allocations	1
TOTALS	35

**Minneapolis Public Housing Authority
Central Office
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Revenues:			
Operating Fund Program Management Fee	5,278,483	5,316,000	
Section 8 Program Administrative Fee	1,116,433	1,116,433	
Capital Fund Program Administrative Fee	1,008,138	1,022,967	
City Contributions	-	-	
Investment & Other Income	94,300	127,043	
Total Revenues	7,497,354	7,582,443	1.13%
Administrative Expenses:			
Salaries and Benefits	5,429,194	5,897,144	
Other Administrative Expenses	1,542,275	1,376,374	
Total Administrative Expenses	6,971,469	7,273,518	4.33%
Tenant Services:			
Salaries	-	-	
Resident Council Payments & Support	-	-	
Contract Costs, Training and Other	500	-	
Total Tenant Services Expenses	500	-	-100.00%
Utility Expenses:			
Water and Sewer	16,423	17,137	
Electricity	95,895	100,958	
Gas	22,148	15,352	
Fuel	-	-	
Labor and Benefits	22,428	31,304	
Other Utility Expenses	10,082	8,460	
Total Utility Expenses	166,976	173,211	3.73%
Ordinary Maintenance and Operations:			
Labor and Benefits	10,091	10,050	
Materials	24,700	19,450	
Contract Costs	177,717	183,250	
Total Ordinary Maintenance and Operation	212,508	212,750	0.11%
Protective Services Expenses:			
Labor	-	-	
Materials	-	1,200	
Contract Costs	64,257	65,839	
Total Protective Services Expenses	64,257	67,039	4.33%
General Expenses:			
Insurance	62,135	56,935	
Payments in Lieu of Taxes	-	-	
Collection Losses	-	-	
Other General Expenses	54,500	61,850	
Total General Expenses	116,635	118,785	1.84%

**Central Office
Fiscal Year 2017 Operating Budget**

	FY16 Board Approved	FY17 Recommended	Percent Change
Total Routine Expenses	<u>7,532,345</u>	<u>7,845,303</u>	4.15%
Nonroutine Expenses:			
Appliances	1,000	-	
Other Nonroutine	293,716	272,700	
Total Nonroutine Expenses	<u>294,716</u>	<u>272,700</u>	-7.47%
Net Operating Gain (Loss)	<u>(329,707)</u>	<u>(535,560)</u>	
MTW Transfers	-	-	
Net Gain (Loss)	<u>(329,707)</u>	<u>(535,560)</u>	

**Central Office
Fiscal Year 2017 Operating Budget**

Schedule of Positions

<u>Positions</u>	<u>Full-Time Equivalents</u>
Account Clerk	2
Accountant I	1
Accountant II	2
Accounting Associate	2
Accounting Supervisor	1
Asset Operations Coordinator	1
Assistant Director of Finance	1
Assistant Director of Maint Ops	1
Assistant Director of Procurement	1
Assistant to Executive Director	1
Buyer	2
Chief Operating Maintenance Engineer Foreman	0.25
Clerk Receptionist	1
Communications Manager	1
Confidential Administrative Assistant II	1
Deputy Executive Director/ CFO	1
Deputy Executive Director/COO	1
Development Project Manager	1
Director of Human Resources	1
Director of Information Technology	1
Director of Policy & Special Initiatives	0.65
Director of Procurement	1
Executive Director	1
General Counsel	1
Human Resources Coordinator	1
Information & Website Coordinator	0.5
Information Technology Analyst II	3
Manager of Facilities and Capital Fund Program	0.95
Manager of Finance	1
Manager of Human Resources	2
Managing Director - LIPH	1
Managing Director, Facilities and Development	1
Marketing Specialist	1
Operating Maintenance Engineer	0.11
Paralegal	1
Payroll Coordinator	1
Project Administrator	1
Project Manager	1.8
Public Housing Manager	0.85
Purchasing Coordinator	1
Senior Accountant	1
Senior Project Manager	1.7
Staff Attorney	1
Supervisor of Leasing/Occupancy	1
Systems Engineer	1
Tenant Accounting Coordinator	1
TOTALS	51.81

**Minneapolis Public Housing Authority
Settlement Funds
Revised Uses as of 12/21/16**

	Revised as of 12/21/16
Uses	
Legal Costs related to the Complaint	66,022
Project Lookout for FY16	155,000
Public Housing building rehabilitation and major repairs	1,530,262
Public Housing Security and Pest Control Management	240,000
Heat Remediation Machines and Pest Control Staff	380,000
Total Uses	<hr/> 2,371,284



December 21, 2016

Agenda Item 2

REPORT TO THE COMMISSIONERS

FROM: Cora McCorvey, Executive Director / CEO

SUBJECT: MPHA Retirement Plan – Restated Investment Policy Statement

Previous Directives: The Board of Commissioners approved the Investment Policy Statement on November 18, 2001. Subsequent amendments were approved the Board of Commissioners on September 22, 2004, June 27, 2007, and September 26, 2012.

Resident Association Notification: This Report will be discussed with the Tenant Advisory Committee (TAC) on the same date as and immediately prior to the Board of Commissioners December 21, 2016 meeting.

Budget Impact: None.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners approve the new and Restated Minneapolis Public Housing Authority Investment Policy Statement which is attached to this Report.

The Minneapolis Public Housing Authority Retirement Plan (Plan) creates the Employee's Retirement Plan Advisory Committee (Committee) and authorizes the Committee to select and remove investment alternatives offered in the Plan. The Committee is also authorized to determine the default investment if a participant fails to make an investment election. Although the Plan is not subject to the Employees Retirement Income Security Act (ERISA), the Plan directs the Committee to follow the guidelines set forth in Section 404(c) of ERISA.

The Investment Policy Statement (IPS) has been designed to assist the Committee with aligning the Plan's investment program with the goals and requirements of the Plan. To that end, the IPS will assist the Committee in carrying out its responsibility to select and monitor the Plan's designated investment alternatives and to perform other acts necessary for administering the Plan. It also provides the Board more details on how the Committee will perform its duties.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY
EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY

The current version of the IPS was originally drafted in 2001 and has been amended three times. Laws and best practices have changed have over the past 15 years. While the new IPS maintains many of the same sections, it has been reorganized and updated.

The current IPS lists the types of investments the Plan can offer. The new IPS describes the objective of offering a diverse set of investments that complies with best practices. The benefit of this is no longer needing to amend the IPS when an investment alternative is changed. Like the investment alternative change, the new IPS does not list the specific benchmarks, but states that the Investment Advisor to the Plan is responsible to recommend to the Committee an appropriate benchmark for each investment in the Plan. A new section was added to review required disclosures on fees. The IPS now includes guidelines on how the Committee should determine if proxies should be voted and how to do so.

This Report was prepared by Tim Durose, Deputy Executive Director / CFO. If you have any questions or need additional information, please contact Mr. Durose at 612-342-1410 or tdurose@mplspha.org.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

Investment Policy Statement

Minneapolis Public Housing Authority Retirement Plan

Effective Date: December 21, 2016

1. PURPOSE AND BACKGROUND

Introduction

Minneapolis Public Housing Authority ("MPHA") is the Plan Sponsor of the Minneapolis Public Housing Authority Retirement Plan ("the Plan"), a defined contribution plan designed to offer eligible employees the opportunity to regularly save and invest through payroll deductions and a contribution from the Plan Sponsor.

Purpose of the Investment Policy Statement

This Investment Policy Statement ("IPS") has been designed to assist the Employees' Retirement Plan Advisory Committee (Committee) with aligning the Plan's investment program with the goals and requirements of the Plan. To that end, this IPS will assist the Committee in carrying out its responsibility to select and monitor Plan's Designated Investment Alternatives.

A Designated Investment Alternative is any investment alternative in which participants and beneficiaries may direct the investment of their individual accounts held under the Plan. These are referred to as Subfunds in section 4.1.1 of the Plan Document.

The Plan's investment program is defined in this IPS by the following:

- Stating in a written document the guidelines and expectations to be taken into account when selecting the Designated Investment Alternatives offered under the Plan.
- Describing the types of Designated Investment Alternatives offered under the Plan.
- Establishing criteria to monitor and evaluate the performance of each Designated Investment Alternative.

Plan Objective

The objective of the Plan is to provide a selection of Designated Investment Alternatives for participants that satisfy the varying needs of participants whose primary objectives may include wealth accumulation, wealth preservation or wealth distribution.

2. DUTIES AND RESPONSIBILITIES

Board of Commissioners (the "Board"):

The Board shall undertake the following functions:

- Approve and adopt the IPS and any amendments or revisions to it.
- Approve or disapprove the Committee's recommendations regarding additions, deletions or changes in Designated Investment Alternatives.
- Appoint a Commissioner of the MPHA Board to serve on the Committee as a liaison to the Board.

Employees' Retirement Plan Advisory Committee (the "Committee"):

The Board of Commissioners authorizes the Committee, through the Executive Director, to undertake the following functions with respect to the IPS:

- Review at least quarterly the investment performance of the Designated Investment Alternatives offered to participants under the Plan.
- Review at least quarterly the Designated Investment Alternatives for compliance with the IPS.
- Regularly review expenses paid by the Plan and Plan participants in connection with the Designated Investment Alternatives and administrative services for reasonableness and necessity.
- Recommend to the Board any additions, deletions or changes in investment Designated Investment Alternatives offered under the Plan.
- Recommend amendments or revisions to the IPS to reflect changing conditions within the Plan to the Board for its approval.

- Review investment communications for appropriate disclosure and consistency with IPS assumptions and criteria.
- Vote proxies, as appropriate.

Investment Advisor

The Investment Advisor is selected by the Committee to serve as an objective, third-party professional who will assist the Committee in managing the overall investment process.

The Investment Advisor acts in the capacity of a non-discretionary fiduciary whose authority is limited to advice, analysis and recommendations regarding the investment options available to the Plan through the investment platform utilized by the Plan.

The Investment Advisor may support the Committee by performing activities including, but not limited to:

- Assisting the Committee in monitoring compliance with the IPS.
- Assisting the Committee with its review of the IPS on a periodic basis.
- Advising the Committee with the selection of asset classes to be offered under the Plan.
- Assisting the Committee in monitoring each Designated Investment Alternative offered under the Plan and providing reports that compare performance to appropriate benchmarks and criteria.
- Considering any material changes in the Designated Investment Alternative's objectives, investment philosophy and/or key personnel.
- Recommending changes to the Designated Investment Alternatives offered under the Plan.
- Recommending mapping for merged or replaced Designated Investment Alternatives.
- Assisting the Committee with its review of the direct and indirect costs associated with each of the Designated Investment Alternatives offered under the Plan.
- Assisting the Committee with its review of expenses paid by Participants.

Plan Service Provider

The Plan Service Provider will support, the Committee, the Investment Advisor and the Plan Sponsor when appropriate. The Plan Service Provider is generally responsible for maintaining the Plan's participant account balances in an accurate and confidential manner, preparing quarterly participant statements, completing annual compliance tests, providing accurate and timely Plan data and reports, providing participants with electronic access to account information and transactions, coordinating delivery of fund prospectuses to participants as requested. The Plan Service Provider may also provide Plan document services and support.

Directed Trustee/Custodian

The Directed Trustee/Custodian makes the Plan's Designated Investment Alternatives available and provides safekeeping for all securities held under the Plan. Other services provided may include, but are not limited to: receiving contributions, settling transactions, providing periodic account statements, making distributions in accordance with the appropriate instructions and keeping accounts and records of the Plan's financial transactions.

3. DESIGNATED INVESTMENT ALTERNATIVES

The Designated Investment Alternatives offered under the Plan are intended to comprise a broad range of investment alternatives that, in part, are intended to enable participants to combine them in a way so as to avoid the risk of large losses and to provide participants the ability to invest according to their own financial goals.

The Plan's Designated Investment Alternatives may include mutual funds, insurance company separate accounts (including but not limited to guaranteed investment contracts which may be part of an insurance company's general

account), bank collective trust funds (including but not limited to stable value funds) and other funding vehicles that are made available to the Plan through the Plan's Directed Trustee/Custodian.

The Committee will periodically review and may at any time recommend changes in Designated Investment options in the Plan. In accordance with Section 4.1.4 of the Plan, the Designated Investment Alternatives will include at least three investment alternatives, each of which is diversified, each of which present materially different risk and return characteristics, and which, in the aggregate, enable Participants, Beneficiaries and Alternate Payees to achieve a portfolio with appropriate risk and return characteristics consistent with minimizing risk through diversification.

4. PEER GROUP AND MARKET INDEX BENCHMARKS

The Investment Advisor will recommend an appropriate peer group and index benchmark, if available, for each Designated Investment Alternative. These will be used in selecting and monitoring the Designated Investment Alternatives and applying quantitative criteria. The peer group and market index benchmarks associated with a Designated Investment Alternative will be specified in the reports prepared by the Investment Advisor.

5. DESIGNATED INVESTMENT ALTERNATIVE SELECTION AND REVIEW CRITERIA

Watch List

The Committee recognizes the long-term nature of retirement plan investing and the variability of investment returns. Periodic underperformance in any of the criteria outlined in this IPS will not necessarily lead to a replacement or termination of a Designated Investment Alternative but may warrant further research and consideration by the Committee.

The Committee will devote heightened review of the Plan's Designated Investment Alternatives that are placed on the Watch List. During periodic reviews, the Committee may recommend action, including but not limited to, the following:

- Extend the Watch List period.
- Remove the Designated Investment Alternative from the Watch List.
- Remove the Designated Investment Alternative from the Plan after four consecutive quarters unless there is sufficient evidence that the issue(s) that caused it to be placed on the Watch List are not systemic or the Committee determines there are other considerations that justify its retention.

For actively managed funds, the Committee will review the Plan's Designated Investment Alternatives for placement on a Watch List or for immediate removal using the qualitative and quantitative criteria below.

Qualitative Criteria

Each Designated Investment will be evaluated using factors that include, but are not limited to, the following.

- Consistent investment strategy.
- Changes in the Designated Investment Alternative's organization or personnel that are deemed significant.
- Asset size that is appropriate for the Designated Investment Alternative's investment objectives.
- A reasonable investment fee structure.
- A performance track record of a minimum of three years, unless otherwise appropriate.
- Any investigation undertaken by any governmental or regulatory body with respect to the trading or other practices of the managers of the Designated Investment Alternative.

The Committee will use discretion to determine if a Designated Investment Alternative is placed on the Watch List based on the Qualitative Criteria and undergo additional analysis, which may result in a recommendation for replacement.

Quantitative Criteria

Each Designated Investment Alternative's performance (with the exception of money market, stable value, and guaranteed interest funds) will be evaluated using the performance of a peer group. Performance will be measured over a near-term period of up to three years and a long-term period of up to ten years.

For near-term performance, the following measure will be used:

- Performance. Compares the performance of the Designated Investment Alternative against the performance of the peer group. A three year period or a time period that more appropriately represents the Designated Investment Alternative's investment style will be used.

Any Designated Investment Alternative that ranks in the bottom 10% of its peer group may be placed on the Watch List and undergo additional analysis, which may result in a recommendation for replacement.

For long-term performance, the following four performance measures will be used:

- Performance. Compares the performance of the Designated Investment Alternative against the performance of its peer group.
- Capture Ratio. Compares how a Designated Investment Alternative performed against its benchmark during periods when the benchmark was positive and periods when the benchmark was negative.
- Sharpe Ratio. Compares a Designated Investment Alternative's performance against its benchmark after adjusting for volatility differences.
- Alpha. Compares a Designated Investment Alternative's performance against its benchmark after adjusting for market risk differences.

When applying each of these four performance measures, a ten year period, the longest time period available or a time period that more appropriately represents a Designated Investment Alternative's investment style will be used.

These four performance measures for a Designated Investment Alternative will be combined into a composite model so that the Designated Investment Alternative may be ranked against its peer universe. Any Designated Investment Alternative that falls in the bottom 25% of its peer group ranking may be placed on the Watch List and undergo additional analysis and review, including measuring its performance relative to its benchmark, which may result in a recommendation for replacement.

Criteria for Passively Managed (Indexed) Alternatives

The Committee will take into account the following criteria when selecting and reviewing the Plan's passively managed Designated Investment Alternatives:

- A reasonable investment fee structure.
- Low tracking error relative to its benchmark.

Criteria for Money Market, Stable Value and Guaranteed Interest Funds and Alternative Investments

The Committee will take into account the following criteria when selecting and reviewing the Plan's Designated Investment Alternatives that are money market, stable value or guaranteed interest funds or alternative investments:

- A reasonable investment fee structure.
- Performance versus appropriate peers.
- Performance versus an appropriate index.

6. CUSTOM MODEL PORTFOLIOS

Custom model portfolios are a form of a pre-set asset allocation service made available to participants and use Designated Investment Alternatives currently offered as investment choices under the Plan. Model portfolios are not themselves considered to be Designated Investment Alternatives but rather constructed from the Plan's broad array of Designated Investment Alternatives. The Investment Advisor shall make recommendations regarding the asset allocations of the model portfolios but will not have discretionary authority to affect any changes without the direction and approval of the Committee. In addition, the implementation and timing of any automatic portfolio rebalancing feature that may be made available by the Plan's Service Provider will be at the direction of the Committee.

The historical data, assumptions, and benchmark performance used to create each model portfolio will be reviewed periodically. If that review indicates that a change in asset allocation strategy is warranted, the asset allocation recommendation for each model portfolio may be revised.

Each model portfolio will be monitored and benchmarked against a blend of appropriate benchmarks.

7. TARGET DATE ASSET ALLOCATION FUNDS

A series of Target Date Asset Allocation Funds using the Designated Investment Alternatives in the Plan are established to provide participants with an asset allocation that changes over time corresponding with the assumed retirement date for the participant.

Target Date Asset Allocation Funds will be rebalanced back to their objective allocation quarterly.

Target Date Asset Allocation Funds will be measured against a weighted benchmark.

8. QUALIFIED DEFAULT INVESTMENT ALTERNATIVE

As of the date of this IPS, the Committee has designated the Target Retirement Date funds to serve as the investment default election, should a participant fail to give direction. The Committee will change the investment default election as deemed appropriate by the Committee.

9. FEE DISCLOSURES

The Committee will review the fee disclosures provided by each covered service provider.

The Plan Service Provider may assist the Plan Sponsor with the creation and/or distribution of required annual notices. Also, the Committee will work with the Plan Service Provider to establish and distribute the Plan's participant fee disclosure on an annual basis and as Plan changes warrant.

10. PROXY VOTING

The Committee, acting on behalf of the Plan Sponsor, may vote proxies. Suggested guidelines for voting include, but are not limited to, the following.

- The Committee may use the services of an independent proxy voting third party and/or consult with an investment advisor, but retain ultimate responsibility for voting.
- For routine matters likely to pass, or for which voting carries little or no economic value for participants (net of direct or indirect costs), the Committee may abstain.
- For issues warranting investigation, the Committee may investigate, then vote if there is reason to believe the vote can benefit participants economically.
- Keep copies of the completed proxy indicating the date, nature of the vote, and the actual vote cast, plus the rationale for the vote cast.
- Keep copies of any additional proxy materials received. If a vote is not cast, record the reasoning for this action.

11. COORDINATION WITH PLAN DOCUMENTS

If any portion of this IPS conflicts with the Plan, the terms of the Plan will control.

12. ADOPTION

This Investment Policy Statement is hereby adopted and shall remain in effect until revised, amended or terminated by the Committee.

Adopted Date: _____

By: _____

Title: _____



December 21, 2016

Agenda Item 3

REPORT TO THE COMMISSIONERS

FROM: Cora McCorvey, Executive Director / CEO

SUBJECT: Second Amendment to MPHA Retirement Plan (2014 Restatement)

Previous Directives: On December 17, 2014, the MPHA Board of Commissioners approved the First Amendment to the MPHA Retirement Plan (2014 Restatement) which authorized the Executive Director or her designee to update the MPHA Retirement Plan by increasing the MPHA employer contribution from 5% to 7.5% in an effort to stay competitive with the current local public sector market.

Resident Association Notification: This Report will be reviewed by the Tenant Advisory Committee (TAC) immediately prior to the Board's December 21, 2016 meeting.

Budget Impact: Using current compensation amounts, the estimated cost of this change is \$20,000 annually.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners approve the Second Amendment to the MPHA Retirement Plan (2014 Restatement).

VESTING

MPHA's Retirement Plan (Plan) has a vesting schedule that is atypical compared to other agencies and creates a disparate environment for new and existing employees.

This schedule allows for an employee who while employed reaches age 55 to be 100% vested before the 5-year vesting window is completed. This in and of itself is not a concern and is common practice within most public and private industries. The problem is that the same is not true for an individual that comes into the agency who is over 55; in this case, that employee must follow the 5-year vesting schedule to be 100% vested thereby creating the disparity.



Example:

- Employee A starts employment with MPHA at age 54 and when that employee turns 55 the employee will become 100% vested.
- Employee B starts employment with MPHA at age 56 and that employee will need to wait the full five years before becoming fully vested.

The St. Paul PHA, has very similar language to MPHA with one exception; their language further defines “while employed” to include any employee 55 or older and allows for these employees to become 100% vested when that age level is met or five years whichever is sooner.

The majority of City of Minneapolis employees are under PERA which is a different retirement program; but they do have a 36-month or a 60-month vesting period based on the employee’s date of hire.

Staff recommends that the Plan be amended to fully vest all employees at age 55 - similar to the language and practice at the St. Paul PHA. If approved, the amendment will rectify the disparity that currently exists on the vesting schedule for employees hired within 5 years before the age of 55 and those hired after the age of 55. A draft of the proposed amendment is attached to this Report.

ELIGIBILITY

Under the current Plan design an employee becomes a participant in the Plan on either April 1 or October 1, after six months of employment. Depending on an employee’s hire date, an employee can go almost a full year before being eligible to enter the Plan.

This type of eligibility is atypical of what one would see in the market at most public and private employers and seems to stem from some historical connection to our previous life insurance plans which were changed many years ago.

Most organizations, public and private allow employees to enter their retirement plans much sooner – and in the same way an employee becomes eligible for the medical benefit insurance: the first day of the month immediately following 30 days’ employment.

St. Paul PHA employees can join the plan as an active participant on the day in which they become an “eligible employee”, which is defined as an employee of the PHA and, if covered by a collective bargaining agreement, the agreement must specifically provide for coverage under the plan. (see attached)

In the City of Minneapolis, where the majority of employees are covered by PERA, the opportunity for an employee to enter the program occurs immediately upon the employee’s



date of hire.

MPHA's retirement plan is not competitive in this regard and it puts the Agency at a disadvantage in this tight job market with nearly record low unemployment. This may make the difference between a candidate selecting MPHA as their employer over another organization that offers a more employee-friendly retirement plan design.

Staff recommends amending the Plan to require the following;

- employee entry and employee/employer contributions on the first day of the month immediately following 6 months' employment which keeps us competitive but also mindful of our budget. The proposed amendment is attached to this Report.

These changes will allow the Agency to stay within the competitive range of the market as we continue to strive to retain our status as an "employer of choice".

This Report was prepared by Robin G. Harris, MPHA's Director Human Resources. For additional information, please contact Ms. Harris at (612) 342-1484 or rharris@mplspha.org

SECOND AMENDMENT TO MINNEAPOLIS PUBLIC HOUSING AUTHORITY RETIREMENT PLAN (2014 RESTATEMENT)

This Second Amendment to the Minneapolis Public Housing Authority Retirement Plan (2014 Restatement) (the “Plan”) is hereby adopted by the Minneapolis Public Housing Authority, the Principal Sponsor of the Plan.

WHEREAS, Sections 9.1 and 12.1.3 of the Plan state that the Principal Sponsor, by action of its Board of Commissioners, may amend the Plan at any time; and

WHEREAS, the Plan Sponsor wishes to adopt this Second Amendment to modify the eligibility and vesting provisions in the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 2.1 of the Plan is revised to state as follows:

2.1 General Eligibility Rule. Each employee shall become a Participant on the first day of the first month of the Plan Year coincident with or next following the date as of which the employee has both:

- (i) attained age twenty and one-half (20-1/2) years, and
- (ii) completed one –half (1/2) year of Eligibility Service,

if the employee is then employed in Recognized Employment. If the employee is not then employed in Recognized Employment, the employee shall become a Participant on the first date thereafter upon which the employee enters Recognized Employment.

2.1.1. Age. The date the employee attains age twenty and one-half (20-1/2) years is deemed to be the six (6) month anniversary of the date the employee attains age twenty (20).

2.1.2. Eligibility Service. For purposes of this Section 2.1, Eligibility Service shall be a measure of an employee’s service with the Employer and all Affiliates. An employee shall be credited with one-half (1/2) year of Eligibility Service when the employee is credited with five hundred (500) or more Hours of Service in a one-half year computation period. A one-half year computation period for this purpose shall be the six (6) consecutive month period beginning with the date the employee first performs an Hour of Service and all six (6) consecutive month periods beginning on the first day of each month beginning after such date (irrespective of any termination of employment and subsequent reemployment). One-half year of Eligibility Service shall be deemed completed only as of the last day of the computation period (irrespective of the date in such period that the

employee completed five hundred (500) Hours of Service). (Fractional years smaller than one-half year of Eligibility Service shall not be credited.)

Eligibility Service shall be credited for Hours of Service earned and computation periods completed before October 1, 1995 as if this Plan Statement were then in effect. Eligibility Service shall be credited for Hours of Service with the Minneapolis Community Development Agency. Eligibility Service cancelled before October 1, 1995 by operation of the Plan's break in service rules as they existed before October 1, 1995 shall continue to be cancelled on or after October 1, 1995. Subject to the foregoing, if the employee has any break in service occurring before or after October 1, 1995, the employee's service both before and after such break in service shall be taken into account in computing Eligibility Service for the purpose of determining the employee's entitlement to become a Participant in the Plan.

2. Section 5.1.1 of the Plan is revised to state as follows:

5.1.1. **Progressive Vesting.** Except as hereinafter provided, the Employer Regular Account of each Participant shall become Vested in accordance with the following schedule:

When the Participant has Completed the Following Years of Vesting Service:	The Vested Portion of the Participant's Employer Regular Account Will Be:
Less than 1 year	0%
1 year but less than 2 years	20%
2 years but less than 3 years	40%
3 years but less than 4 years	60%
4 years but less than 5 years	80%
5 years or more	100%

3. Section 5.1.2 of the Plan is revised to state as follows:

5.1.2. **Full Vesting.** Notwithstanding any of the foregoing provisions for progressive vesting of Employer Regular Accounts of Participants, the entire Employer Regular Account of each Participant shall be fully Vested upon the earliest occurrence of any of the following events while in the employment of the Employer or an Affiliate:

- (a) the Participant's death,
- (b) the Participant's attainment of age fifty-five (55) or older,
- (c) a partial termination of the Plan which is effective as to the Participant, or

(d) a complete termination of the Plan or a complete discontinuance of Employer contributions hereto.

4. Except as amended hereby, the Plan continues in full force and effect.

5. This Amendment shall become effective on January 1, 2017.

IN WITNESS WHEREOF, the Plan Sponsor has caused the execution of this Second Amendment on this _____ day of December, 2016.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

By: _____
Its: _____



December 21, 2016

Agenda Item 4

REPORT TO THE COMMISSIONERS

FROM: Cora McCorvey, Executive Director / CEO

SUBJECT: Write-Off of Delinquent Accounts for Former Public Housing Tenants

Previous Directives: HUD requires MPHA to write off delinquent accounts of former public housing tenants. The Board of Commissioners approved the last write-off of such delinquent accounts on November 18, 2015.

Resident Council Review / Recommendations: This matter will be discussed with the Tenant Advisory Committee (TAC) immediately prior to the Board's December 21, 2016 meeting.

Budget Impact: Conforms to the 2016 budget.

Affirmative Action Compliance: Not Applicable.

Procurement Review: Not Applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners authorize the Executive Director or her designee to declare the amounts specified in this Report uncollectible and to write off the uncollected amounts as a loss.

Every year MPHA writes off uncollectible amounts from former tenants' accounts. This write-off is permitted by federal regulation and is a generally accepted accounting practice. MPHA takes action to collect monthly rent, retroactive rent, sales and service charges and court and services fees incurred in prosecuting eviction actions for cause and non-payment of rent.

When MPHA suspects tenant fraud, MPHA submits retroactive rents in excess of \$5,000 to the HUD Office of the Inspector General (OIG) for investigation. MPHA also uses the Minnesota Department of Revenue's Revenue Recapture Program to collect the amounts written off. In this fiscal year, through December 7, 2016, MPHA collected \$70,448 through the Revenue Recapture Program.

From January through November, 2016, MPHA collected over \$18 million in rent. This amount is 99% of the rent charged.

This write-off includes \$135,856.69 in sales and service charges and court fees and it includes retroactive rents in the amount of \$46,295.36.



This write-off also includes \$76,155.57 in dwelling rent and utilities for tenants who vacated mainly in 2015. As HUD requires, rent for the current fiscal year 2016 is not included in the write-off.

The total write-off amount will not exceed \$258,307.62 and may be lower after a final review of accounts and additional payment postings. The total write-off is about \$1,000 less than in 2015.

This Report was prepared by Lisa R. Griebel, MPHA General Counsel. For further information, please contact Ms. Griebel at (612) 342-1395 or lgriebel@mplspha.org.



Cora McCorvey, Executive Director / CEO

PERFORMANCE REPORT FOR NOVEMBER 2016

*Board of Commissioners Meeting -
December 21, 2016*

EQUAL EMPLOYMENT OPPORTUNITY ▲ EQUAL HOUSING OPPORTUNITY

This Month's Report

- Asset Management Project (AMP) Reports
- Procurement
- Rent Collections
- Facilities and Development
- Finance
- Housing Choice Voucher Program
- Policy and Special Initiatives

Asset Management Project (AMP) Report
(Units Leased/Turnaround/Work Orders/Occupancy)
Headquarters: 2709 Essex St. SE
November 2016

Glendale AMP 1 –

Total Units 184

- Units Leased: 4
- Average Turnover: 43
 - Down Time: 2
 - Days Make Ready: 20
 - Days for Re-rental: 21
- Total Work Orders
 - 0 emergency work order completed in 24 hours – 0%
 - 120 non emergency work orders completed – 75%

Occupancy Level: 98%

Scattered Sites AMP 2 –

Total Units 736

- Units Leased: 7
- Average Turnover: 38
 - Down Time: 2
 - Days Make Ready: 19
 - Days for Re-rental: 18
- Total Work Orders
 - 24 emergency work orders completed in 24 hours – 100%
 - 598 non emergency work orders completed – 77%

Occupancy Level: 98%

Asset Management Project (AMP) Report (Units Leased/Turnaround/Work Orders/Occupancy) November 2016

North AMP 3 – Headquarters: 315 Lowry Total Units 1296

- Units Leased: 15
- Average Turnover: 30
 - Days Down Time: 3
 - Days Make Ready: 10
 - Days for Re-rental: 16
- Total Work Orders
 - 1 emergency work orders completed in 24 hours – 100%
 - 486 non emergency work orders completed – 61%

○ Occupancy Level: 99%

Northeast AMP 4 – Headquarters: 1815 Central – Total Units 944

- Units Leased: 15
- Average Turnover: 18
 - Days Down Time: 3
 - Days Make Ready: 3
 - Days for Re-rental: 8
- Total Work Orders
 - 7 emergency work orders completed in 24 hours – 100%
 - 444 non emergency work orders completed – 50%

○ Occupancy Level: 99%

Asset Management Project (AMP) Report
(Units Leased/Turnaround/Work Orders/Occupancy)
November 2016

Hiawatha AMP 5 –

Headquarters: 2123 – 16th –
Total Units 886

- Units Leased: 10
- Average Turnover: 52
 - Days Down Time: 9
 - Days Make Ready: 19
 - Days for Re-rental: 25
- Total Work Orders
 - 20 emergency work orders completed in 24 hours – 100%
 - 313 non emergency 61%

○ Occupancy Level: 98%

Cedar AMP 6 – Headquarters:
1611 So. 6th – Total Units 895

- Units Leased: 5
- Average Turnover: 35
 - Days Down Time: 11
 - Days Make Ready: 9
 - Days for Re-rental: 16
- Total Work Orders
 - 20 emergency work orders completed in 24 hours – 100%
 - 454 non emergency 82%

○ Occupancy Level: 99%

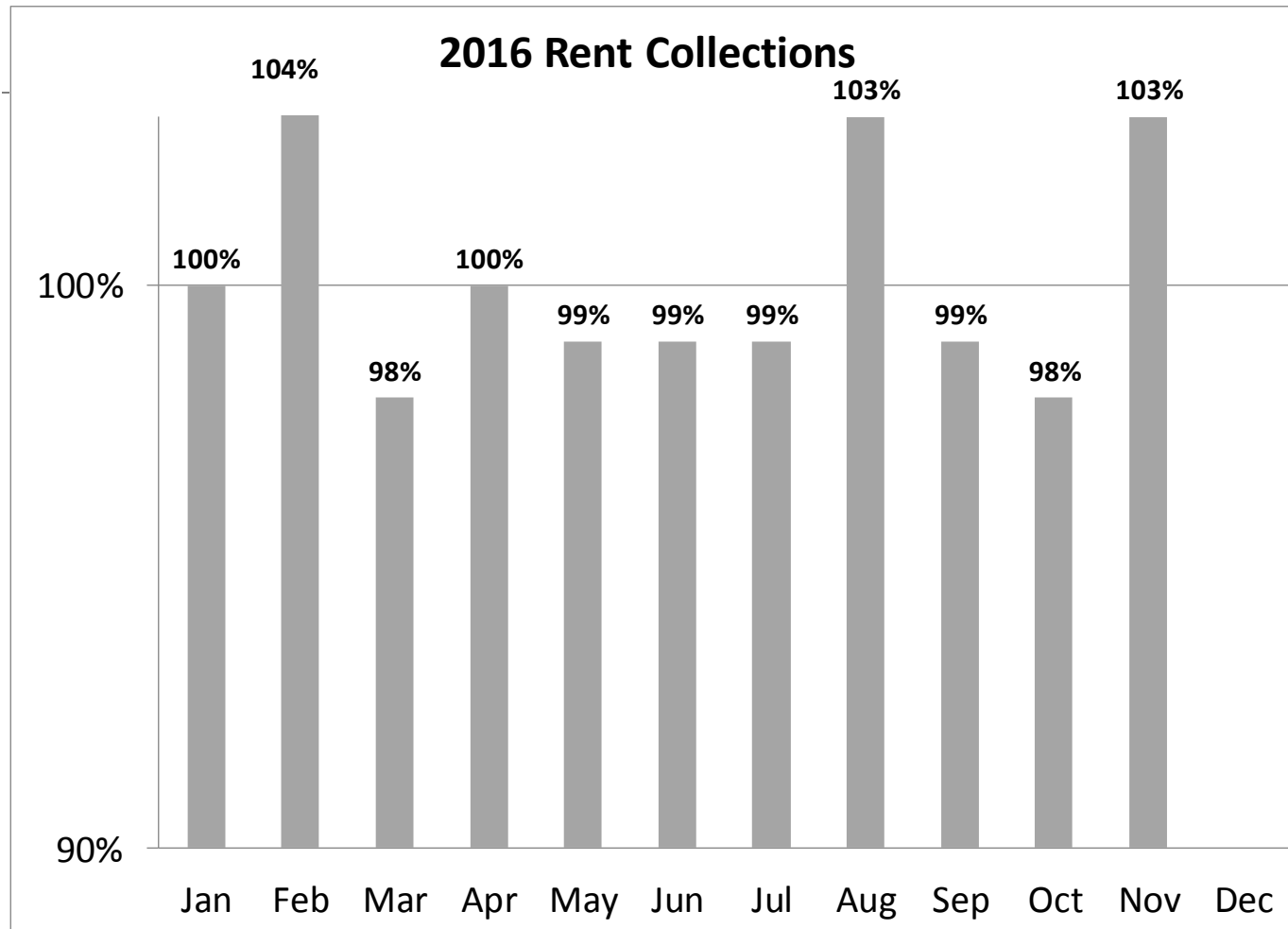
Asset Management Project (AMP) Report (Units Leased/Turnaround/Work Orders/Occupancy) November 2016

Horn AMP 7 – Headquarters: 3121 Pillsbury – Total Units 937

- Units Leased: 5
- Average Turnover: 29
 - Days Down Time: 5
 - Days Make Ready: 10
 - Days for Re-rental: 16
- Total Work Orders
 - 3 emergency work orders completed in 24 hours – 100%
 - 343 non emergency work orders completed 52%

○ Occupancy Level: 100%

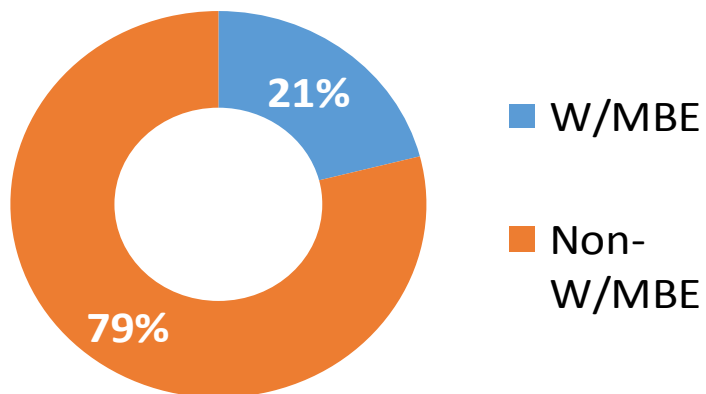
Rent Collections



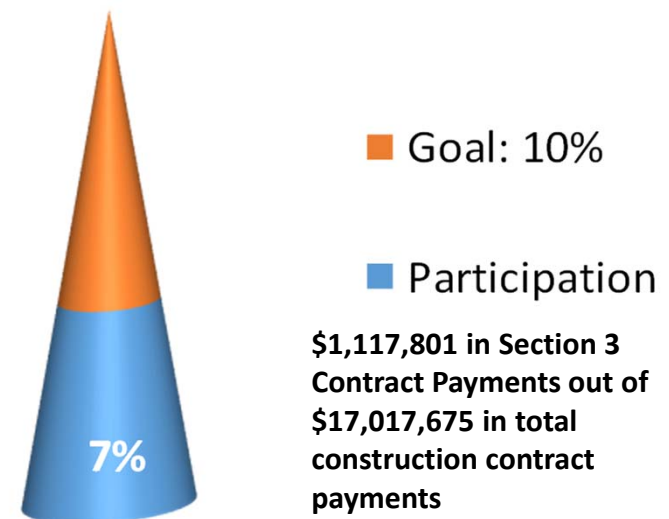
Procurement MPHA Contracting Activity

November 2016

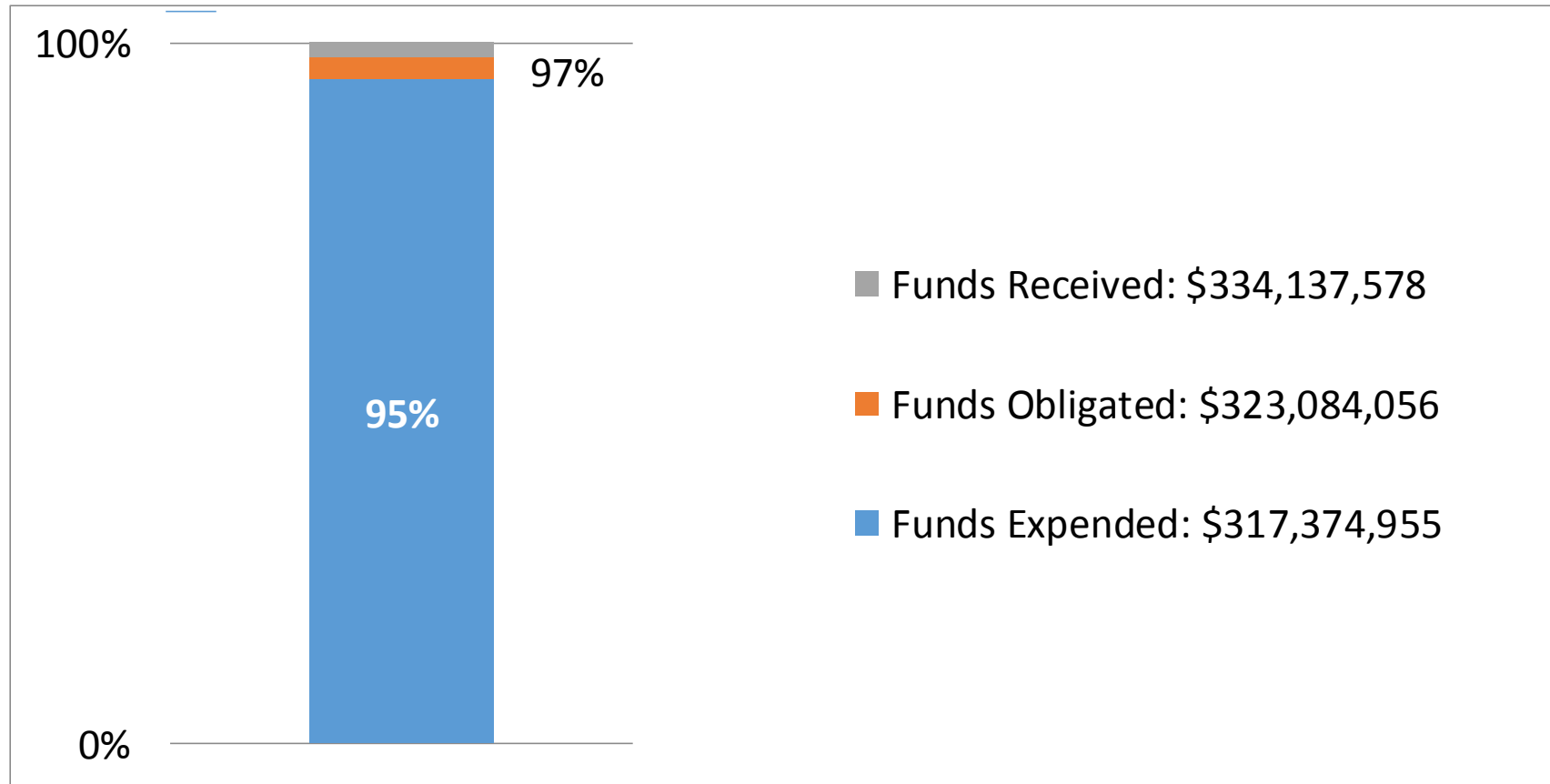
W/MBE Participation



Section 3 Contracting



Facilities & Development Capital Fund Program Obligation & Expenditure Report



1992 through November 30, 2016

Finance

- ❖ Congress passed another short-term Continuing Resolution that will fund federal programs through April 28th. At the time of preparing this update, the funding for MPHA programs was not known.
- ❖ The City of Minneapolis passed the City's 2017 Budget on December 7th. The Budget contains \$250,000 as a refund of the PILOT amount received by the City from MPHA's payment.
- ❖ Through November, both the Public Housing Operating Budget and the Central Office Cost Center Budget is expected to finish the year with the Board approved amounts. Savings are expected in utility and maintenance costs.

Finance

- ❖ Staff provided 2017 Budget Workshops to Board members on November 9th and 10th.
- ❖ MPHA is under a sales tax audit by the Minnesota Department of Revenue.



Horn Towers

LOWER ROOF
REPLACEMENT

Project Scope & Budget

Horn Towers is a 3-tower campus with a total of 491 units. The tower roofs were recently replaced but the lower, shingled roofs were 20+ years old. The \$180,000 project included:

- Replaced lower, shingled roofs with standing-seam sheet metal roofs that are virtually maintenance free and have a 50+ year life span

- Replaced deteriorated sheathing & insulation; new underlayment & ice barrier protection

- Installed snow guards

BEFORE

Shingle
roof with
missing
shingles



AFTER

New
standing-
seam metal
roof at
3110
Blaisdell



Housing Choice Voucher Program

MPHA Housing Choice Voucher Program Report to Board of Commissioners November 2016							
MTW Funded Units (Excludes VASH, FUP, & Mod Rehab)	MTW Units Leased (Excludes VASH FUP & Mod) In November	Average Number of Vouchers Leased to Year to Date	% Variance of units Leased to Funded	# of Participants Moving and Searching In November	# of New Applicants Issued and Searching In November	# of New Applicant Admissions In November	# of Participant Move Lease ups In November
4,509	4,464	4,438	99%	61	13	23	24
# of Applicant Annual Reexams Completed In November	2016 Fiscal Year (Jan - Dec)					MTW Funded Per Unit Cost (PUC) Of Voucher	Actual Per Unit Cost (PUC) Of Voucher In November
	HAP Budget Authority (12 months)		\$38,051,047 2016 FY Funding				
	HAP funded to date		\$34,880,126 11th month of 2016				
	HAP spent to date		\$34,124,761				
313	Variance		98% of HAP spent to funded			\$702	\$711
# of Owners at Owner Workshop In November	# of HQS Inspections Completed In November	% of Units that Failed HQS In November	# of Failed Units in Abatement for Noncompliance In November	Total HAP Amount Recouped (Abatement) In November	# of HAP Contracts Canceled for HQS Noncompliance In November	# of Family Sufficiency (FSS) Participants Enrolled In November	% FSS Participants contributing to Escrow Accts In November
4	747	27%	9	\$9,146	3	18	42%
# of Mobility Vouchers in Intake or Out Searching	# of Mobility Vouchers Leased To date	Total # of Port out Families Billed for In November	Total # Port in Families Administered In November	Amount Collected from Repayment Agreements In November	FY Total <u>to date</u> Collected from Repayment Agreements	# of Applicants Remaining On Waitlist	# Participants EOP'd (End of Participation) In November
0	21	128	577	\$2,613	\$49,716	2,075	30
4509 is MPHA's MTW Authorized HCV/Unit Baseline for FY 2016. Units leased will flucuate each month but byclose of Fiscal Year, the average number of families served for year should be 4509. NOTE: VASH (235 Vouchers for Homeless Veterans) FUP (100 FamilyUnification Vouchers) and Moderate Rehabilitation (274 units) are not included in the 4509 baseline; they are ineligible for MTW. EOPs exclude Project Based Voucher Participants. * Includes All Reinspections **Beginning 2015, Waitlist is being purged							

Policy & Special Initiatives

Policy

➤ **Moving To Work (MTW)**

○ **MTW Governance Development Strategies:**

- Continued work on MTW governance structures for possible creation of MTW organizational structure

○ **Government Accounting Office (GAO)**

- Responded to GAO request for information on MPHA's Moving to Work Program

○ **MTW Initiatives:**

- Worked Housing Authority Insurance Group (HAI) data on Alternate MTW Performance Analysis Model

Policy & Special Initiatives

Policy

➤ Moving To Work (MTW)

○ MTW Other:

- Continued follow up with HUD on Better Futures MTW Sponsor Based Voucher Waiver Request
- Met with Met Council, Chicago Brick LLC on Regional MTW Initiative possibilities

Policy & Special Initiatives

Special Initiatives

➤ Development:

○ Heritage Park /RAD

Continued work on RAD Conversion for Heritage Park – Closing estimated for early 2017

➤ Glendale:

- Facilities and Development and Policy and Special Initiatives met with Council Member Gordon and Sustainable Resource Center staff to explore funding for Glendale Weatherization

Policy & Special Initiatives

Special Initiatives

➤ Faircloth:

- Met with AEON to discuss Faircloth Units for Prospect Park Development
- Met with Corporation for Supportive Housing, Hennepin County, to develop services components for Minnehaha Townhomes development

Policy & Special Initiatives

Special Initiatives

➤ Lease To Own (LTO):

- Waiting List Remains Open
- Bremer Bank has agreed to partner with MPHA in its MTW Lease to Own program in providing financing to eligible residents. There are currently four vacant units
- Amended three Purchase Agreements signed in October and November that were expected to close in November to close instead in December
- Two new pre-applications for the Lease to Own program were received in November. One of the applications shows debt-to-income ratio issues related to student loans. The applicant has requested documentation from the Department of Education showing the loans were discharged. The other pre-app is under credit review and we are clarifying household composition, and employment verification
- There are four vacant townhomes in November

Policy & Special Initiatives

Website Contacts:

- MPHA Received and Responded to 84 Website and email Contacts Requesting Assistance with Housing in November

Policy & Special Initiatives

Communications Activities:

- Managed communications around ED appointment by Board
- Contributed to planning for new ED onboarding process
- Handled press inquiries and interviews related to Cora's retirement and to Glendale
- Drafted cover page for distribution of Sherman Report at Glendale
- Researched and prepared responses for City Council Members on security, polling places, Section 8

Policy & Special Initiatives

Communications Activities (continued):

- Attended Council Member and neighborhood events related to MPHA work
- Continued in-person meetings with members of the Minneapolis City Council and Mayor's office
- Researched and distributed information related to HUD resident data breach

Policy & Special Initiatives

Other:

- Worked with the Y at Heritage Park, VOA Social workers and property managers to notify residents of free membership opportunities for 2017
- Coordinated staff retirement activities on behalf of events committee
- Coordinated Marketing meeting for Partners at Cora McCorvey Health and Wellness Center (CMHWC)
- Worked on video about Cora McCorvey Health and Wellness Center with Augustana and partners
- Events Committee meetings to begin planning for dedication of the Cora McCorvey Health and Wellness Center
- Preparation of MPHA 25th Anniversary and 2015 Annual Report
- Met with Beacon (Great River Landing) and PPL (YouthLink) Project Base Voucher (PBV) planning
- Developed with Section 8, City of Minneapolis CPED and Regulatory Service Draft Pilot Program for Property Owner Incentive Fund for Section 8 HCV participants in “opportunity areas”

MPHA's Website

*You can view information about
the Minneapolis Public Housing
Authority on our Website*

www.mphaonline.org