

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Admission and Occupancy Policies
For Public Housing and Section 8
Housing Choice Voucher Programs;
“Lease-Ons” and Other Household
Additions and Separations

DATE April 23, 2014

Staff recommends Board approval of Resolution No. 14-4/23-1 and No. 14-4/23-2 to revise the Admissions and Occupancy Policies (AOP) for the Public Housing and Section 8 Housing Choice Voucher Programs, to clarify the conditions under which one or more members can be added to the household, and also clarify what happens when the household separates, or when the original head of household or voucher holder moves out. Since no notice period is required in Section 8, staff recommends that those revisions take effect on May 1, 2014. To allow time for public housing residents to receive notice and have an opportunity to submit comments, the proposed effective date for the public housing policy changes is July 1, 2014. If any substantive comments are received before May 31, staff will report them at the June 25 Board meeting.

Staff believes these proposed revisions will further fair housing objectives and promote equal access to housing assistance. In addition to standardizing eligibility requirements for persons applying to join current households in public housing (“lease-ons”), the proposals would reduce the opportunities for applicants to bypass the waiting lists, and restrict the ability of current public housing residents and voucher participants to “pass on” their housing assistance to family members or friends. Each of these recommendations is explained below and the proposed policy language is attached, with changes highlighted (deletions ~~interlined~~ and insertions double-underlined).

1. Public Housing; Household Additions and Separations (“Lease-Ons” and “Splits”)
(AOP Part 1 Eligibility, II.G.2.)

- a. Lease-Ons. The proposed revisions clarify when and how applicants can “lease-on” to be added to a household that is already living in public housing. In 2009 the Board approved revisions directed at lease-on applicants who lacked sufficient housing history to meet the regular eligibility standards. Staff is now recommending that the same rules apply to all lease-ons. The requirements are as follows:
- i. The lease-on applicant’s available, verifiable housing history must be satisfactory.
 - ii. The household’s current resident(s) must have been a tenant or tenants in good standing for at least twelve months.
 - iii. The person applying to be added to the lease must not have been living in a PHA unit as an unauthorized person.
 - iv. All adult members of the household, including the person applying to be added to the lease, must sign a lease addendum agreeing that the PHA may terminate the entire household’s lease if the person who is added to the lease commits any criminal activity or other serious violation of the lease during the twelve months after the lease-on is approved.
 - v. Neither the person added to the household by leasing on, nor other members of the household, will be approved to transfer to another PHA unit (a household split) until after twelve months from the effective date of the lease-on.
 - vi. The person added to the household by leasing on will not be permitted to stay in the unit as the head of household (remaining household member) if the other member(s) of the household move out within twelve months after the effective date of the lease-on.

Staff believes these restrictions should not be limited to applicants who have limited housing history but should be applied equally to all lease-on requests, to avoid the appearance of favoring or hindering any particular group of applicants.

If adding one or more members to a household in family housing would not cause the family to exceed the PHA’s occupancy standards, the PHA can approve the request to add the persons or persons by leasing-on. All adults must complete a standard public housing application and meet the PHA’s eligibility standards (economic and non-economic). If adding one or more members to the household (other than by birth or adoption) would cause the family to exceed the PHA’s occupancy standards, the PHA will not approve the lease-on request. The family must submit an application for the

larger household size. The existing (smaller) family can remain in public housing while their application moves through the waiting list.

- b. Proposed policy change; Shared Hi-Rise Units: (AOP Part 5 Dwelling Leases, I.C.) Staff is recommending deleting an obsolete provision on “Shared Units”. The provision allows two unrelated elderly or disabled persons to share a single unit and execute separate leases, with their rents separately determined. The provision has not been used any time in current staff’s memory and is contrary to current practices. Two adults can apply as one household and sign one lease, with their rent based on their combined income.

2. Public Housing Household Separation (“Splits”) (AOP Part 5 Dwelling Leases, I.D. and Part 7, Transfers, III.F.)

- a. Current policy; Head of Household Leaves: If one or more adult members of the family who are listed on the lease continue to live in the public housing dwelling unit after other adult family members (including the head of household or spouse) moves out, the remaining adult(s) can remain in public housing by signing a new lease, if they continue to meet the eligibility standards. The PHA may require the remaining adult(s) to transfer to a different unit to comply with occupancy standards.

No changes are proposed in this public housing policy. Staff is including it here to note the difference between this policy and the proposed Section 8 policy described in #4, below.

- b. Proposed Policy Clarification; Household Separations: If one or more adult household members who are listed on the lease as part of a larger family wish to move to a separate unit in public housing, with or without children, they must apply and be approved the same as other applicants on the waiting list. They may not bypass the waiting list by transferring directly to a second unit. (AOP, Part 7, Transfers, III.F.8.)

3. Section 8 Household Additions: (AOP Part 6 Continued Participation, V.B.2.)

- a. Current Policy: The PHA can approve adding another family member to the household, if it would not cause the unit to be overcrowded. The PHA does not allow a person who

is not a family member to be added to the voucher household. The PHA's practice has been to not increase the voucher size until the family's next annual recertification after the added family member has been living in the household for at least a year.

- b. Proposed Policy Clarification: New persons may not be added to the household without the PHA's prior approval, other than the addition of a child by birth, adoption or award of legal custody. The PHA will not approve the addition of new household member(s) if doing so would cause the unit to be overcrowded.

Increasing the voucher size. The household voucher size will only be increased if the addition of household member(s) is of a long-term duration (12 months or more). Absent overcrowding, the PHA will not increase the voucher size for added adult household member(s) and their children until the annual reexamination that occurs at least 12 months after the PHA approved the additions.

If the household becomes overcrowded (for example, due to the birth of a child), the PHA may approve a larger voucher and if so, the PHA will require the family to move to a larger unit within a reasonable period of time.

4. Section 8 Household Separation (“Splits”) (AOP Part 6 Continued Participation, II.E.):

- a. Current Policy: If the Head of Household moves out of the assisted unit and is no longer a participant on the Voucher Program, a remaining adult household member, with or without minor children, will be considered eligible for continued assistance on the Voucher Program.
- b. Proposed policy:
 - i. Only adult family members who were listed on the voucher application when the household was admitted to the program are eligible to receive the voucher when there is a family separation, except in special circumstances.
 - ii. The Head of Household or Other Adult household member who has custody of any minor children listed on the voucher application at the time of admission may retain the use of the voucher upon family separation.

- iii. Remaining adult members of the household may not be eligible to retain the voucher assistance if the Head of Household chooses to move out of the assisted unit or ends his or her voucher participation, or if the PHA terminates the Head of Household's eligibility. The PHA may allow the remaining adult household member(s) to retain the voucher assistance based on a showing of special circumstances.

Reducing the Voucher Size: When household members move out of the assisted unit so the family is no longer eligible for its current voucher size, the PHA will reduce voucher size no later than the next regularly scheduled re-examination.

C. Other Housekeeping Changes in Policies

1. Requests to Extend Section 8 Shopping Time (AOP Part 2 Applicant Selection, VI.B.) Staff is recommending language to clarify extensions of “shopping time”, to state that a voucher holder must request an extension before her or his shopping time expires. After the voucher has expired the PHA will not retroactively extend it. Persons with disabilities may submit requests for reasonable accommodations.
2. Extension of Shopping Time after PHA Rejects Unit (AOP Part 2 Applicant Selection, VI.D.) Staff also recommends deleting a provision that granted a single five-day extension of the shopping time if the voucher had expired or was about to expire when the owner refused to lease the unit, or the PHA did not approve the unit (typically because the owner did not repair HQS deficiencies). In practice staff does grant shopping extensions of varying lengths in these circumstances, but staff believes the current policy is too prescriptive.
3. Failure to Report Income Increase or Change in Household Size (AOP Part 6 Continued Participation, VII.C.) Staff is recommending revising the policy to clarify that the PHA may increase the required Family Rent retroactively, or terminate the family from the Section 8 Program for failure to comply with program regulations, if the family fails to report an increase or decrease in the household size. The current policy refers only to a failure to report income increases.

4. Continue “Streamlined” administrative procedures in Public Housing and Section 8 (Public Housing AOP Part 6 Continued Occupancy, II.D. and Section 8 AOP Part 6 Continued Participation, I.B. and IV.B.).

In January 2013 HUD temporarily relaxed some requirements for administering Public Housing and Section 8, allowing PHAs to conduct a “streamlined reexamination of income” for elderly families and disabled families when 100 percent of the family’s income consists of fixed income. (PIH 2013-03) The Board approved the policy changes in February and March 2013, effective until March 31, 2014. HUD recently extended the notice until March 31, 2015. Staff is recommending revising the policies now to take advantage of the relaxed requirements as long as HUD permits, without further Board action.

Staff discussed these proposed policy changes with the Resident Advisory Board (RAB) in meetings last fall and described them at the public hearing on the Agency Plan at Neill Hi-Rise on November 19. A staff attorney from Southern Minnesota Regional Legal Services (SMRLS) participated in RAB meetings, and staff has sent SMRLS a copy of the proposed policy changes and offered to meet with them. If the Board approves the recommended policy changes, staff will send a notice to all current public housing residents and allow a 30 day period to submit written comments before the effective date. Staff will report back to the Board if any substantive comments are received.

JMG/FAH/MW/DJM

Attachment: Resolution No. 14-4/23-1 – Public Housing Admission & Occupancy Policies
Resolution No. 14-4/23-2 – Section 8 Admission & Occupancy Policies
Policy Revisions: Public Housing AOP, Parts 1, 5, 6 and 7
Policy Revisions: Section 8 Housing Choice Vouchers AOP, Parts 2 and 6

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Construction of a Four-Plex Townhome
At Mt. Airy Homes,
AMP 5, MN 1-3,
Contract No. 14-095

DATE April 23, 2014

Staff requests Board approval to award a contract for construction of a four-plex townhome at Mt. Airy Homes (AMP 5, MN 1-3), to the lowest responsible bidder, Frerichs Construction Company, of St. Paul, Minnesota, for the base bid amount of \$845,500. A copy of the April 8, 2014 bid tabulation is attached.

The base bid is for construction of a building containing three two-story, two-bedroom apartments and one single-level two-bedroom apartment at 71 East Mt. Airy Street that is accessible for persons with disabilities. The two-story units will have full basements and the accessible unit will be built on a concrete slab on grade level, with no basement or steps.

Funding for the construction of the building will be as follows:

- \$360,000 from a loan provided by Minnesota Housing (MFHA), award letter attached;
- \$485,500 from the HUD FFY2013 Capital Fund Program grant.

The Board approved submitting the development application to HUD for the construction of this building on May 22, 2013. HUD approved the development application on September 11, 2013 (approval letter attached). Although the contract cost exceeds HUD's Housing Construction Cost (HCC) limit by \$325,344, HUD will approve the award because the MHFA funding covers the entire amount in excess of the HCC limit.

The contract cost exceeds the HCC limit due to the following reasons:

- Making one of the four units slab-on-grade and fully accessible increased the complexity of the work and the cost.
- All units are fully protected by fire suppression sprinklers.
- Units are being built to a higher standard to meet the Green Communities Standards required by Minnesota Housing as part of their loan requirements.
- Units have security screens on the first floor windows to reduce future window breakage and increase security.
- Units have stucco on the exterior of the first floor and cementitious siding (like Hardi-Plank) on the second floor exteriors to provide extra durability and reduced maintenance costs.
- Units are heated through fan coil units using hot water provided by District Energy.
- Domestic hot water will be provided through a hot water heat exchanger using hot water provided by District Energy.
- The contract includes necessary site work to modify the adjacent parking lot adding three new parking stalls and two accessible stalls, installing new District Energy hot water supply and new sewer, water and electrical to the site.

Although the bid amount exceeds the architect's original estimate, the architect has reviewed the cost and states that it is reasonable.

Frerichs Construction Company has previously performed work for the PHA and their work has been satisfactory. Frerichs Construction Company intends to subcontract approximately 16% of the contract work to minority business enterprises (MBE) and 25.4 % of the contract work to women-owned business enterprises (WBE). Frerichs Construction will also provide building trades pre-apprenticeship opportunities for PHA residents by participating in the "Step-Up" program. Frerichs intends to comply with Section 3 requirements by subcontracting 25% of the subcontracted work to Section 3 businesses. Copies of the Employer Information Reports for Frerichs Construction Company, and the second low bidder, Project One Construction Inc. are attached.

SEA/mlp

Attachments: Bid Tabulation
Employer Information Reports (EEO-1)
HUD Approval of Development Application dated September 11, 2014 and
Change of Development Number dated October 22, 2014
MHFA Grant Award Letter dated November 7, 2013
Mt. Airy 4-plex Site Plan
Mt. Airy 4-plex South Exterior Elevation

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING HVAC System Maintenance and
Repair Services
Contract No. 14-096

DATE April 23, 2014

Staff requests Board approval to award a contract for heating, ventilating and air conditioning (HVAC) system maintenance and repair services to the lowest responsible bidder, Cool Air Mechanical Inc. of Ham Lake, Minnesota, at the unit prices stated in their bid. A copy of the April 8, 2014 tabulation of bids is attached. The low bid was determined by a formula stated in the bid specifications which weights the various bid items on anticipated quantities for each type of service work. Using the formula, the low bid was \$8,688 and the second low bid, from Alliance Mechanical Services, was \$9,160. The contract will run for an initial one-year period with options to extend for a second and third year at the bid prices submitted.

Cool Air Mechanical Inc. has previously performed work for the PHA and their work has been satisfactory. Copies of the Employer Information Reports for both Cool Air Mechanical Inc. and Alliance Mechanical Services are attached. Because this is a unit-price contract, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund.

Approximately \$170,000 will be spent during the first year of the contract, based on past HVAC maintenance and repair costs. There are sufficient funds available in the Operating Budget for this contract.

SEA

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Janitorial and Training Services
Central Administrative Office
Contract No. 14-097

DATE April 23, 2014

Staff recommends Board approval to award a contract to ISS Facility Services of Roseville, Minnesota to continue providing janitorial services, combined with training and employment programs for public housing residents, at the W. Andrew Boss building. The monthly cost for these services is \$6391.12 plus \$26.72 per hour for additional work requested by staff.

Janitorial services under this contract will be provided Monday through Friday beginning on May 28, 2014. In addition to typical janitorial cleaning, the contract includes yearly washing of the exterior windows and cleaning of the site's stainless steel fences as a separate cost per cleaning. The contract will run for an initial period of two years with an option for a third year extension.

A Request for Proposals (RFP) for these services was advertised in newspapers and trade journals, and sent to local janitorial firms that have expressed an interest in working for the PHA. Proposals were received from three firms. Staff contacted other firms that had expressed an interest in the work but had not submitted proposals. Among the reasons given for not proposing were: too busy, did not meet the experience requirements of the RFP, and were not comfortable with including consumable products in the monthly fee. The three responding firms were independently rated by PHA staff on the criteria stated in the RFP including related experience, best cost value, M/W/DBE participation, resident training program/Section 3 compliance, and general response to the RFP.

The evaluation committee interviewed the two highest rated proposers, and selected ISS Facility Services as the contractor best able to meet the PHA's janitorial needs. A summary of the proposal evaluations is attached. ISS Facility Services holds the PHA's current contract for janitorial services and they have performed satisfactorily.

A copy of the Employer Information Report for ISS Facility Services and the second highest proposer, Linn Building Maintenance, are attached. The contractor will meet the PHA's Section 3 requirements by providing training and full-time employment for one PHA resident during the contract period. In addition they will be encouraged to employ public housing residents in their contract work at other locations.

The prices submitted by all three proposers were more than the staff estimates for the work, but staff considers the contract price to be reasonable based on higher material costs and the increase in labor hours needed to maintain the building's appearance.

Funding for this contract is split between the Resident Services Operating Budget (for resident training) and the Building Fund (for the janitorial work). Sufficient funding is available in those two budgets for this contract.

SEA

Attachment: Equal Employment Opportunity Reports, EEO-1
Summary of Proposal Evaluations

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Carpet Replacement
At Mt. Airy Hi-Rise; AMP 5
Contract No. 15-004

DATE April 23, 2014

Staff requests Board approval to award a contract to install new flooring at Mt. Airy Hi-Rise (AMP 5) to the lowest responsible bidder, Floors by Beckers, Inc., New Brighton, Minnesota, for the bid amount of \$60,168. A copy of the April 8, 2014 bid tabulation is attached.

This contract includes the removal of existing corridor flooring materials and the installation of new flooring materials on floors three through ten. (The flooring on the second floor was replaced recently as a prototype, in preparation for advertising this contract.)

Floors by Beckers has performed satisfactorily under previous PHA contracts for similar work. Copies of the Employer Information Report for Floors by Beckers and the second low bidder, Hamernick Decorating Center, are attached. Floors by Beckers does not intend to subcontract any of the work to minority-, women- or disabled-owned business enterprises (M/W/DBE). Floors by Beckers intends to comply with the PHA's Section 3 Policy by contributing 2.5% of the contract amount to the PHA's Section 3 Training Fund.

The bid from Floors by Beckers is within staff estimates for the work. There are sufficient 2012 Capital Fund Program funds available for this contract.

TDA/mlp

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Fiscal Year 2015 Low Rent Public Housing
Operating Budget: Proposed Revision No. 1

DATE April 23, 2014

Staff requests Board approval to revise the Fiscal Year 2015 Low Rent Public Housing (LRPH) Operating Budget to change it from a balanced budget to one that draws on the operating reserves by \$1,539,537. This would be accomplished by canceling the previously-approved transfer from the Capital Fund to the Operating Budget in this fiscal year. By not transferring funds from the Capital Fund, the budgeted revenue in the Other Income category would be reduced by \$1,514,538, from \$6,443,448 to \$4,928,910 (line item #120 on the attached HUD form 52564). As a separate matter, staff is also recommending increasing spending for Tenant Services by \$25,000. The proposed changes are highlighted in color on the attached HUD form.

The Capital Fund transfer of \$1,514,538 approved in the original FY 2015 Operating Budget consisted of \$1,104,978 for operations and \$409,560 for management fees. Because of a better than expected year-end position, it is not necessary to transfer these Capital Funds to the Operating Budget and the Agency will have more to spend on needed capital improvements.

Staff's recommendation to increase the tenant services expenses by \$25,000 in this revised budget includes \$15,000 to restart the youth literacy tutoring programs at the four family developments and \$10,000 for additional resident training in the areas of Resident Council management and oversight, meeting procedures, budgeting and financial audits.

On March 26, 2014 the Board approved the original Fiscal Year 2015 LRPB Operating Budget in the amount of \$31,991,932. That budget was balanced, with projected revenues matching

projected expenses. Staff explained then that a contribution to the operating reserves (then estimated at \$1,100,000) was likely to be reported when the books are closed on Fiscal Year 2014 (which ended on March 31, 2014), so staff planned to recommend a budget revision at a future Board meeting. The final accounting for Fiscal Year 2014 is not complete but projections now indicate a contribution to reserves estimated at \$1,500,000.

The anticipated contribution to operating reserves is derived as follows: approximately \$675,000 is attributed to the variance between budgeted and actual utility expenses; there is a positive variance of approximately \$300,000 in administrative, tenant services, and maintenance salaries (primarily a result of vacant positions during the fiscal year); there is a positive variance of approximately \$100,000 in Protective Services (a result of changes in ACOP officer assignments that occurred during the year); and tenant revenue collections were higher than budgeted by approximately \$425,000. These total the estimated \$1,500,000 contribution to reserves.

This recommended budget revision would reduce the operating reserve from a projected \$18,799,935 at Fiscal Year End 2015 (or 7.2 months of operating expenses) to \$17,260,398 at Fiscal Year End 2015 (6.6 months of operating expenses). As discussed at previous Board meetings, allowing the reserve to exceed six months of operating expenses is not sound financial management. Staff believes this recommended budget revision is prudent and will maximize the utilization of Capital Funds for capital improvements, while still maintaining the financial integrity of the LRP program.

JMG/RPM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Renew Blue Cross/Blue
Shield Medical and Delta Dental
Insurance Policies

DATE April 23, 2014

Staff recommends Board approval to renew the contract with Blue Cross and Blue Shield of Minnesota (BCBS) for the Agency's medical insurance policy and Delta Dental for the Agency's dental insurance policy, effective July 1, 2014 to June 30, 2015. Staff also requests Board approval of the medical insurance premium costs of the Basic, Standard, Premium and High Deductible Plan options. The sharing of premium costs between the Agency and the three employee groups (AFSCME, Supervisory and Confidential employees and Local 363 – City Employees Union) has been discussed and finalized with all three employee groups as part of union contracts and Supervisory and Confidential Employee Policies approved by the Board during 2013. The agreements in place call for a 3.5% increase in the Agency's portion toward employee medical insurance costs.

The premium costs proposed by BCBS for medical insurance would increase by 5.0% and the premiums for dental insurance would decrease 4.5% from last year. Staff is recommending that the Agency's medical insurance plan include the four levels of coverage (Basic, Standard, Premium and High Deductible). Both the medical and dental insurance plans include in-network and out-of-network coverage.

MEDICAL INSURANCE

In January, 2014 the Agency issued a Request for Proposals (RFP) for medical insurance. Four proposals were received: Blue Cross/Blue Shield, HealthPartners, Medica and Public Employees

Insurance Program (PEIP). Blue Cross/Blue Shield proposed a 5.0% increase with rate caps of 12% in 2015 and 15% in 2016. HealthPartners proposed a 39% increase with no rate caps for the second or third year. Medica proposed a 13.5% increase with no rate caps for the second or third year. The PEIP proposal was incomplete and was of little interest due to their cost tier structure requiring employees to go to a very restrictive group of clinics and hospitals to get the lowest cost services. Also, PEIP requires patients to go through their primary care clinic for a referral to see a specialist.

The PHA’s insurance consultants discussed and reviewed these proposals with an employee task force representing all three Agency employee groups. A strong preference of the task force members was that the Agency should remain with Blue Cross/Blue Shield and Delta Dental as the providers of medical and dental insurance coverage.

Following are the current premium amounts and proposed new rates starting July 1, 2014 for the Blue Cross/Blue Shield Basic Plan, Standard Plan, Premium Plan and High Deductible Plan.

High Deductible Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$613.00	\$1,188.50	\$1,594.00
Proposed Total Premium (5% increase)	\$644.00	\$1,248.00	\$1,674.00

Basic Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$700.00	\$1,357.50	\$1,818.50
Proposed Total Premium (5% increase)	\$735.00	\$1,425.00	\$1,909.00

Standard Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$755.50	\$1,466.00	\$1,965.00
Proposed Total Premium (5% increase)	\$793.00	\$1,539.00	\$2,063.00

Premium Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$795.00	\$1,541.50	\$2,067.00
Proposed Total Premium (5% increase)	\$835.00	\$1,618.50	\$2,170.00

With various levels of coverage offered, employees can choose the one that best fits their financial and medical insurance needs. The co-payment for doctors' office visits remains at \$20; and the co-payment for prescription drugs remains at 20% of the cost, with a minimum cost to the employee of \$10 and a maximum of \$25.

DENTAL INSURANCE

Nine proposals were received for dental insurance: Delta Dental, MetLife, AETNA, Principal, Ameritas, Humana, HealthPartners, Assurant and Lincoln. Premium reductions from current rates ranged from 1% to 10% and all, except Delta Dental, either had rate caps for the second year of 7 to 8% or would not quote a rate cap for the second year. Only Delta Dental offered a premium decrease in the first year as well as a guarantee of no increase for the second year.

With Delta Dental, rates for dental insurance effective July 1, 2014 will decrease 4.5% from last year. This follows five consecutive years with no increase to the dental insurance premiums.

The table below shows the premium amounts.

Employees (30+ hours / week)

	SINGLE	SINGLE + 1	FAMILY
Current Total Premium	\$39.70	\$79.50	\$104.20
Proposed Total Premium	\$38.10	\$76.30	\$100.05

The amounts the PHA pays toward employee medical and dental insurance premiums are set by language in the union contracts and Supervisory & Confidential Employee Policies and were included in the Operating Budget approved by the Board on March 26, 2014.

Both Blue Cross/Blue Shield for medical insurance and Delta Dental for dental insurance were evaluated by the selection committee and both received the highest score. The evaluation score sheet is attached.

With the Board's approval of the recommended contract with Blue Cross and Blue Shield of Minnesota and the new premium costs, an open enrollment period will be offered to employees to provide them the opportunity to choose between the four (Basic Plan, Standard Plan, Premium Plan and High Deductible) medical insurance options.

DMM/ANH/KJF

Attached: Selection Committee Evaluation

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING St. Paul -Ramsey County Health Services:
Statewide Health Improvement Program
(SHIP) Grant Application: SHIP 3

DATE April 23, 2014

Staff requests Board approval for the PHA to serve as a site agency in partnership with the St. Paul – Ramsey County Public Health Department (Public Health) as part of their 2014 request to the Minnesota Department of Health (MDH) for a third Statewide Health Improvement Program (SHIP 3) grant. Under SHIP 3, the PHA would receive \$90,000 to pay salary and benefits for a part-time (30 hour/week) SHIP Grant Coordinator position to assist with the further implementation of SHIP related activities in the areas of active living, nutrition and tobacco reduction. If approved, the contract would be in effect for 18 months, from May 1, 2014 – October 31, 2015.

Background: In 2011, the Board gave retroactive approval for the PHA to serve as a site agency in partnership with Public Health under MDH’s second SHIP grant. A total of \$85,000 was allocated to the PHA to hire a SHIP Grant Assistant and work with resident leadership groups to implement policy, systems, and/or environment changes in the areas of active living, nutrition and tobacco reduction at five public housing sites. The PHA’s partnership with Public Health under SHIP 2 also formed the basis of a Wilder Research study that was finalized and distributed in June 2013. Both PHA and Public Health staff relied heavily on the study results when outlining proposed activities under SHIP 3.

Staff received a draft SHIP 3 contract from Public Health on April 10, 2014 and is currently reviewing the proposed contract. Staff has also completed the recruitment process for the SHIP Grant Coordinator position, and made a conditional offer based upon receipt of SHIP grant funds.

ANH