

**Ann Arbor Housing Commission  
January 6, 2010  
SPECIAL BOARD MEETING  
MINUTES**

The meeting took place in the AAHC Community Room, 727 Miller Ave, Ann Arbor, MI 48103. Chairperson Alan Levy convened the meeting at 6:39 pm.

**ROLL CALL:**

Commissioners present: Alan Levy, James Jackson, Marta Manildi, Deborah Gibson and Dwayne Seals

Staff Present: Weneshia Brand, Margaret Novak, Nick Coquillard, Robin White, Dena Waddell, Margaret Alford, Monique Wright, Lori Long, Maria Spencer, Betsy Cornellier, Gayle White, Alton Hall,

In Attendance: Jane Miller, Kerry Laycock, Joan Doughty, Martin Strange, Nancy Niemela, Pat Schumaker; Travis Peterson

- I. **APPROVAL OF AGENDA** – Jackson moved, seconded by Gibson. The agenda passed 4 Ayes 0 Nays.
- II. **PUBLIC COMMENTARY** – *Strange*: expresses gratitude for Kevin Centala; Centala treats everyone fairly, residents feel safer and happier, his management of the apartment upgrades are going smoothly; and supports the work of Centala and recommends to the Commissioners keeping Centala as the PH West Site Manager.
- III. **CLOSED SESSION:** *Niemela*: the purpose of tonight’s closed session is with respect to the reorganization’s impact on the collective bargaining agreements solely. *Gibson*: inquires if the process is required to have a closed session. *Seals*: inquires if the discussion will only entail the discussion of the labor contract. *Levy*: responds, yes. Motion by Manildi, second by Gibson to go into closed session. The motion passed 5-0. (*Closed Session ended at approximately 7:11 pm*)

IV. **OPEN SESSION:** Motion by Manildi, to go back into open session and to add the open session portion of the meeting to the agenda, supported by Gibson, passed 5-0. *Levy:* consultants will present in open session all aspects of their recommendations except for what was discussed in the closed session; provides background and historical context that lead to this Special Board meeting to review findings and recommendations of the consultants; the Board has previously discussed with the City of Ann Arbor the need for an operational needs assessment of the Commission since it had been some time since the AAHC structure had been reviewed; there have been some difficult times and struggles to keep pace with the demands of the Commission's populations, that have nothing to do with staff, but with HUD structural requirements; as a result of the financial assistance provided by the City of Ann Arbor, Schumaker & Company has conducted an operational needs assessment of the Commission, the full presentation of which will be made at the Commission's February meeting; tonight's presentation will focus on the organizational structure only. *Laycock:* introduces Pat Schumaker and provides a brief background. Explains details of the packet distributed: organizational chart, interim positions, salary proposals, maintenance labor proposal. *Salary:* suggests maintaining the proposed pay rate for staff; employees are currently at 90% of salary market mid-point. *Maintenance:* recommends contracting out for maintenance labor; current union maintenance employees will be transferred within the City, while temporary positions will be eliminated. *Interim positions:* suggests maintaining a regular full-time Executive Director, and decreasing the day to day operations responsibilities for that position and making it more focused on planning and development. Maintain the Deputy Director position as full-time position and including grants management, grant writing and contract management within the job description, in addition to oversight of operations. Suggest creating a full-time Section 8 Manager. The functions of the Board shall be presented in the February report. The Site Manager positions should be made regular full-time and are required due to the number of units and recommends converting the Site Manager to Residency Managers, with emphasis on resident services and direct interaction with the maintenance vendor. To strengthen the organization's accounting and finance functions, the Account Clerk position will be upgraded to an Account Analyst, with a comparable position being added to manage Section 8 program finances; this will allow the Finance Manager to focus on long-term planning processes and better support the Executive Director. Recommends reclassifying the Section 8 Waitlist Clerk as a full-time Section 8 Program Assistant to provide more flexibility in that position. Timing is critical to satisfy AFSCME and Teamster MOU deadlines; changes are subject to AFSCME and City policies. Salary step increases are not included in the given figures for the proposed staffing changes; Deputy Director's compensation will be divided between PH and S8; the total annual incremental funding needed is \$228K to cover the proposed salary expenses. The City of Ann Arbor has committed to contribute \$90K for fiscal years 2010 and 2011. The Commission continues to review sources to secure other funding such as reserves, maintenance vehicle sales, City of Ann Arbor in-kind services and City of Ann Arbor general fund; it anticipates cost reduction within the budget as a result of contracting some services. Maintenance has been under-resourced due to lack of funds; it is expected that outsourcing maintenance would reduce unit-turn time at the same or reduce cost, provide sufficient number of staff with appropriate skills, meet federal requirements, improve the competency of inspections. The Commission should consider adding a job training component to maintenance, at a later date to be funded outside the Commission, which satisfies HUD's goal to encourage self-sufficiency amongst participants; the training program would be leveraged with funding

assistance from Washtenaw County ETCS department for development. The maintenance services request for proposal should include: integration with Yardi software, HUD reporting compliance, and specific routine repairs and product replacement schedules. A test or pilot project is suggested to implement a maintenance service provider, which assures that the vendor meets performance requirements; the maintenance job training program would only be implemented if funding is available. *Levy:* distributes a resolution to vote on the recommendation from Shumaker regarding the operational needs assessment. Commissioners are asked to review the resolution and pose inquiries prior to the vote.

## V. NEW BUSINESS

### A. RESOLUTIONS

1. **[FY10-17 – number added later]: To Approve Resolution Supporting Staffing and Maintenance Recommendations for the Ann Arbor Housing Commission.** Moved by Manildi and supported by Jackson. Each Commissioner is provided the opportunity to ask questions of the consultant. *Manildi:* inquires of Laycock's suggestion to integrate the software system and if he's referring to the Yardi system. *Laycock:* Yes the Yardi system; the maintenance vendor should be required to use the Commission's system for recording and generating documents to complete tasks. *Manildi:* inquires if there would be a financial impact on the S8 Waitlist position. *Laycock:* responds no, the only impact would be the change in title. *Manildi:* inquires of funding for the job training program. *Laycock:* it is anticipated that funding would be provided by ETCS. *Manildi:* inquires if the financing for job training program is included in the \$228K needed to implement the proposed plan. *Laycock:* no, the training program would require additional funds, but would be separate from AAHC funding. *Manildi:* inquires of the cost items listed in the maintenance outsourcing recommendation. *Laycock:* explains that page 5 of the report excludes labor from regular and overtime cost; *Manildi:* inquires the cost of an outside inspector. *Laycock:* refers Manildi to the figures on page seven. *Gibson:* inquires if the Residency Manager, which has social services experience, would be expected to substitute the role of the resource coordinator. *Laycock:* no, the social service background is only intended to allow the Residency Managers to understand resident services needs. *Gibson:* inquires of the organization chart with regards to the Commission's relationship with the City, specifically the dotted line from the CSA to the ED. *Laycock:* the assessment included reviewing the Commission's relationship with the City; it is suggested that the relationship is maintained for resource coordination; they found no economic benefit to separate the Commission from the City and could cause a financial hardship since the City provides HR support and the City has provided some financial resources to the Commission. *Seals:* suggests that the Community Service Administrator/ED relationship be reviewed and possibly repositioned between City Council and the Housing Commission Board; expressed that he is against cutting or eliminating jobs and inquires if maintenance staff reductions is a cost saving measure. *Laycock:* no, there is no savings by outsourcing maintenance services, the goal is to improve services thru economies of scale. *Seals:* inquires if the recommendation would result in increased cost. *Laycock:* outsourcing would

enhance the stability and appearance of the properties and improve the quality of service received by the residents. *Seals*: inquires of the possibility of maintenance oversight being the responsibility of the Deputy Director. *Laycock*: the Deputy Director should be focused on overall operations and grant writing, which requires significant attention. *Seals*: inquires if a maintenance outsourcing model exists in similar housing authorities. *Laycock*: is unaware of a model that exists. *Seals*: inquires of the difference between the current salaries for the Executive Director and Deputy Director positions and the proposed salaries. *Laycock*: currently the Deputy Director position is not within the administration, but paid for out of Section 8 Program. *Seals*: inquires of \$90K committed from the City of Ann Arbor. *Miller*: the City has committed \$90K for each fiscal year 2010 and 2011. *Seals*: inquires of total maintenance cost. *Laycock*: the proposed amount is an estimated cost. *Seals*: inquires what the outsourcing cost would include and inquires its comparison to maintenance salary cost. *Laycock*: the estimated was developed from an estimated fixed unit cost for routine maintenance. *Seals*: inquired if the assessment gave consideration to committing a position for a maintenance manger, or maintaining maintenance and outsourcing something else. *Laycock*: the assessment determined that no alternative methods are feasible to meet the need of the Commission, to provide higher quality service; much time was spent talking to the City about absorbing the permanent maintenance staff into other City positions. *Seals*: suggest the Commission consider an alternative approach to address the maintenance concerns prior to approving the recommendations resulted from the assessment. *Jackson*: inquires if page 7 figures are revenue neutral and asks when the assessment will be presented to City Council. *Laycock*: Monday, January 11th. *Levy*: clarifies the Commission position that initiation of a Maintenance Services RFP does not require commitment to the results; the Board could choose not to move forward with the maintenance outsourcing recommendation; the Board would need to approve the contractual relationship. *Laycock*: yes, that is correct. *Levy*: suggest that the Commission consider HUD's likelihood to increase its funding allocation. *Seals*: inquires of the Account Analyst position. *Laycock*: the Account Analyst is a non-union City structured position, so both of those positions would become non-union positions. *Seals*: inquires if the position's proposed salary is at the median. *Laycock*: mentions that the position is comparable in pay and duties to similar positions within the City. *Seals*: clarifies that the PH management position is union, however the Account Analyst position is non-union, and comments that he does not like moving positions from union to non-union. *Gibson*: inquired of the Deputy Director responsibility with regards to outsourcing maintenance and if maintenance contract will cover capital improvements. *Laycock*: the Deputy Director would be responsible for oversight and review of the vendor's quality of work and the capital improvements is separate from this. *Gibson*: inquires if the assessment considered the sale of assets. *Laycock*: the assessment does not recommend the sale of assets. [At this point in the meeting, individual questioning by Commissioners ended and Commissioners were asked by Chairperson Levy to take a break and come back and that each Commissioner would have 5 minutes to speak about their position on the recommendation.] *Jackson*: expresses his position regarding the recommendations of the assessment; favoring the

recommendations of the Executive Director and Deputy Director positions and maintenance outsourcing. States that the ED position had far more responsibility than possible and that was the reason for adding a Deputy Director, which has been very successful so far. Supports the grant-writing portion of the DD position which could more than pay for the position itself; the Commission had a facilities manager in the past but turn-over has been very high with maintenance staff – there have been issues with vacant units and long time to turn units – this is not meant to be a criticism of the maintenance staff. A new model should be tried, expresses his experience in the private sector commercial properties that have much quicker unit turns; if issue RFP and do not get expected response, then can do something different; states that he will vote in favor of the recommendation and is in full support of the Executive and Deputy Director changes and will support maintenance change. *Seals*: expresses his position regarding the assessment recommendations: in favor of Executive Director and Deputy Director positions and the splitting of these responsibilities; suggests repositioning the City Service Administrator/Executive Director dotted line to be between the City Council and the Housing Commission Board; poses concerns of Account Clerk union position being reclassified as a non-union Account Analyst position and the loss of oversight regarding the maintenance outsourcing recommendation; then inquires if HUD has been addressed regarding re-organization and if other housing authorities were contacted. *Laycock*: Yes; and looked at Grand Rapids Authority for best practices. *Seals*: questions why the \$90K was represented for FY 2010 and 2011 each, considering it is currently being allocated in FY10 and inquires if the City of Ann Arbor will continue to the commitment of \$90K in the event the recommendation is not accepted. *Miller*: clarifies that the \$90K is not being double-counted, then mentions that the City will distribute funds in the event the Commission does not accept the recommendation, since that amount has already been committed by the City. *Levy*: clarifies that the \$90K pays for Deputy Director position and staff salary adjustments that have already been committed to. *Seals*: inquires of the urgency of the Commission's decision regarding the recommendation. *Miller*: a decision is required immediately as a result of the expiring Memorandum of Understanding for the Interim Positions. *Seals*: expresses concerns of the maintenance staff that will be terminated as a result of the maintenance outsourcing recommendation and that there should be a need to show savings prior to letting people go; indicates that he intends to vote No, on the assessment recommendations. *Gibson*: mentions her awareness that maintenance has been a major issue and that consultants have concluded exactly what residents have been saying for years; then expresses concern of the relationship between maintenance staff and residents and the impact of accepting the maintenance outsourcing recommendation and mentions that many residents are sensitive to allowing entrance of unfamiliar persons into their homes and residents have become familiar with maintenance staff; inquires of the relationship between the vendor and Deputy Director and the assurance of meeting reporting requirements. *Laycock*: the Commission would be responsible for assuring that penalties are presented that would be enforced by the Deputy Director. *Gibson*: expresses her concern of the loyalty represented by the vendor and that the Commission should

consider maintenance outsourcing qualifications for the request for proposal that models a real organization who provides maintenance services to low-income housing families. *Laycock*: yes, theoretically, that experience would meet the needs of the Commission. *Gibson*: expresses her position regarding the assessment recommendations: in favor of the Executive Director and Deputy Director positions and suggests more time to entertain the maintenance outsourcing recommendation. *Manildi*: expresses agreement with Commissioner Jackson's comments and Commissioner Gibson's focus on residents' concerns, however disagrees with Commissioner Seals position; states that we need to do better than what we've done with the quality of housing and services; the primary concern is not about providing union positions at the Commission and that the concern here is not about employment policies; the primary concern is increasing managerial efficiencies and funding; slow and inadequate maintenance is a chronic problem and detrimental to the welfare of our residents; it is our duty to responsibly try to do better; there will be a transition period to develop the RFP; this is an intelligent, educated way to try to do better; this may not be better, but we need to try; states she will vote in favor of the recommendations. *Levy*: expresses appreciation to Pat Schumaker and Kerry Laycock for their efforts; expresses appreciation of Commissioners' commitment as well as assistance from Jayne Miller and City Council; mentions that timing is not ideal with regards to MOU's expirations and providing opportunity for resident and community input; staff and residents remain as two critical elements for the Commission and the Board needs to establish a structure that helps the staff and the residents; the status quo is not acceptable, we have to do something different; the staff has conducted themselves well under the current conditions and HUD governance of operations. To expand the revenue stream, the focus of the Executive Director must be redirected; grant writing should be pursued and requires focus; strategic planning, redevelopment and increasing revenues is needed, and this model will help us get there; the maintenance area requires professional facilities management – outsourcing maintenance is worth pursuing; request that the Commission have higher expectations with regards to quality of housing and customer service; we've already seen the change for our residents by having high quality site managers; indicates he will vote in favor of the proposed recommendations. *Motion to move the resolution by Manildi; seconded by Jackson; Roll call vote*: Jackson, aye; Seals, nay; Gibson, nay; Manildi, aye; Levy, aye. The resolution passed 3-2. *Manildi*: requests that the assessment report including specific clarifications be submitted to Commissioners prior to the February meeting, with adequate time for review. *Levy*: Commissioners should ask for any additional specific information they want prior to the February Board meeting; as a result of the resolution, the Commission will move forward with the selection and hiring processes; the Board is responsible for hiring the Executive Director, while the Executive Director is responsible for hiring all other staff. *Seals*: suggest the Board have input in the hiring of the Deputy Director, which may require review of the by-laws. *Levy*: the Board can stipulate its involvement in hiring key management staff.

**VI. PUBLIC COMMENTARY:** *Alford:* inquires of the classification of the Section 8 Accountant Analyst position and suggests the position be maintained as a union position. *Wright:* clarifies that the S8 Waitlist is currently an FTE position as opposed to temporary. *Doughty:* (speaking on behalf of the Green and Hikone residents) expresses that the relationship between CAN staff as well as residents with AAHC has shown significant improvement; very happy with the new structure of having a deputy director and with the residency managers; residents have not been getting good maintenance service; there is a need for good maintenance and for specialists; expresses her opinion that she is pleased with the fact that the Board is trying something new and that this is a great step in the right direction. *Brand:* suggests giving consideration to outsourcing specific maintenance services as opposed to the entire maintenance area. *Alford:* expresses concern of maintenance staff knowledge of who should be in the buildings; concern about loss of maintenance accountability; *G. White:* mentions that holding maintenance responsible for the lack of completion of repairs seems unfair due to insufficient management oversight in the past. *Morris:* previous managers should be held responsible for a portion of the concerns raised regarding the maintenance repairs needed.

**VII. ADJOURNMENT:** at **9:55 pm** Motion by *Seals*; seconded by *Manildi*. Approved: 5-0.

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Alan Levy, Chair

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Marge Novak, Interim Executive Director and  
Recording Secretary