

Yolo County Housing
Yolo County, California

March 10, 2011

MINUTES

Yolo County Housing met on the 10th day of March, 2011 in regular session in its Chambers in the Erwin Meier Administration Center, 625 Court Street, Woodland, California at 2:00 p.m. Present were Commissioners Provenza, Chamberlain, Saylor, Toney and Garnes. Commissioners Rexroad and McGowan were absent. Chair Provenza presided. Lisa A. Baker, Executive Director and Sonia Cortés, Agency Counsel, were present.

Agenda Item No. 1.01
Pledge of Allegiance

This meeting of the Board of Commissioners commenced with the Pledge of Allegiance.

Agenda Item No. 1.02
Approval of the Agenda

Minute Order No. 11-12: Approved the agenda for this meeting as submitted, correcting the title on Agenda Item No. 2.02 to read:

“Review and Ratify Property ~~Maintenance Services Agreement~~ Management Services Memorandum of Understanding.”

MOTION: Garnes. SECOND: Saylor. AYES: Provenza, Chamberlain, Saylor, Garnes, Toney. ABSENT: McGowan, Rexroad.

Agenda Item No. 1.03
Public Comment

The Chair invited individuals of the public to make statements on matters relating to Yolo County Housing business. There was no public comment.

Agenda Item No. 2.01
February 17, 2011 Minutes

Minute Order No. 11-13: Approved the minutes from the meeting of February 17, 2011.

MOTION: Garnes. SECOND: Chamberlain. AYES: Provenza, Chamberlain, Saylor, Garnes, Toney. ABSENT: McGowan, Rexroad

Agenda Item No. 2.02
Property Management Services
Memorandum of Understanding

Minute Order No. 11-14: Reviewed and ratified the execution of the Property Management Services Memorandum of Understanding (MOU) between Yolo County Housing and the City of Davis for Pacifico, located at 1752 Drew Circle in Davis, CA, signed by the Executive Director, Lisa Baker.

MOTION: Saylor. SECOND: Garnes. AYES: Provenza, Chamberlain, Saylor, Garnes, Toney.
ABSENT: McGowan, Rexroad

Agenda Item No. 3.01
Presentations

3.01 Resource Administrator Janis Holt presented new staff member, Eva Montenegro, Office Assistant I

3.02 Resource Administrator Janis Holt presented new intern, Ariana Carr, Special Assistant to the Executive Director

Agenda Item No. 4.01
Prefund Plan

Minute Order No. 11-15: Took the following actions:

- A. Approved and authorized the Chair to sign **Resolution No. 11-03** authorizing the establishment of a Prefunding Plan with the California Employer's Retiree Benefit Trust (CERBT) for prefunding of YCH's Other Post Employment Benefits (OPEB).
- B. Approved and authorized the Chair to sign the Delegation of Authority **Resolution No. 11-04**, which authorizes the Executive Director and Finance Director to request disbursements on behalf of YCH from the Other Post Employment Prefunding Plan.
- C. Approved an ad hoc subcommittee whereby the Chair appointed Commissioners Saylor and Chamberlain to work with Yolo County Housing on the development of a process to determine amount to be paid.

MOTION: Saylor. SECOND: Provenza. AYES: Provenza, Chamberlain, Saylor, Garnes, Toney.
ABSENT: McGowan, Rexroad

Agenda Item No. 4.02
Change of Governance

Received verbal report on Change in Governance from Executive Director.

Agenda Item No. 4.03
Executive Director Comments

Executive Director Lisa Baker presented remarks on Agency accomplishments.

Agenda Item No. 4.04
Board of Commissioners Comments

Chair Provenza reminded his fellow commissioners to file their Form 700's by April 1, 2011 and informed them of an upcoming conference on Wednesday, March 16, 2011 at the County Conference Room at 7:00 p.m. in Davis which will include instructions on how to correctly fill out this form.

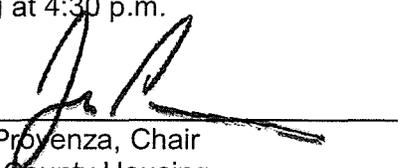
The Housing Commissioners adjourned to Closed Session at 2:40 p.m. on the following matters:

Conference with Labor Negotiator: Lisa A. Baker, Executive Director; Janis Holt, Resource Administrator; Sonia Cortés, Agency Counsel
Bargaining Units: General Unit

Conference with Real Property Negotiator
Property: 1752 Drew Circle, Davis, California
Agency negotiator: Lisa A. Baker
Negotiating parties: City of Davis
Under negotiation: Price Terms of Payment

Adjournment

Adjourned this meeting of the Yolo County Housing at 4:30 p.m.



Jim Provenza, Chair
Yolo County Housing



Julie Dachtler, Clerk of the Board

YOLO COUNTY HOUSING

AGENDA

REGULAR MEETING

MARCH 10, 2011

YOLO COUNTY HOUSING

MICHAEL H. MCGOWAN, DISTRICT 1
DON SAYLOR, DISTRICT 2
MATT REXROAD, DISTRICT 3
JIM PROVENZA, DISTRICT 4
DUANE CHAMBERLAIN, DISTRICT 5
MARLENE GARNES, TENANT COMMISSIONER
BERNITA TONEY, TENANT COMMISSIONER

BOARD OF SUPERVISORS CHAMBERS

625 COURT STREET, ROOM 206
WOODLAND, CALIFORNIA 95695

LISA A. BAKER
EXECUTIVE DIRECTOR

SONIA CORTES
AGENCY COUNSEL

Reminder: Please turn off cell phones.**2:00 P.M. CALL TO ORDER (ITEMS 1.01 - 1.03)**

- 1.01 Pledge of Allegiance
- 1.02 Consider approval of agenda
- 1.03 Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

CONSENT AGENDA (ITEMS 2.01 – 2.02)

- 2.01 Review and Approve Minutes from the Meeting of February 17, 2011 (Baker)
- 2.02 Review and Ratify Property Maintenance Services Agreement between Yolo County Housing and the City of Davis for Pacifico, 1752 Drew Circle, Davis, CA (Baker)

PRESENTATIONS (ITEMS 3.01 - 3.02)

- 3.01 Presentation of New Staff Member, Eva Montenegro, Office Assistant I
- 3.02 Presentation of New Intern, Ariana Carr, Special Assistant to the Executive Director

REGULAR AGENDA (ITEMS 4.01 – 4.04)

- 4.01 Approve a Resolution Authorizing Establishment of a Prefund Plan with California Employer's Retiree Benefit Trust (CERBT) to Prefund YCH's Other Post Employment Benefits and Approve a Resolution Delegating Authority to the Executive Director and Finance Director to Request Disbursements on Behalf of YCH from the Prefunding Plan (Stern)
- 4.02 Receive Verbal Report on Change in Governance from Executive Director
- 4.03 Receive Comments from Executive Director
- 4.04 Receive Comments from Commissioners

CLOSED SESSION (ITEMS 5.01-5.02)

- 5.01 Conference with Real Property Negotiator
Property: 1752 Drew Circle, Davis, California
Agency negotiator: Lisa A. Baker
Negotiating parties: City of Davis
Under negotiation: Price Terms of Payment
- 5.02 Conference with Labor Negotiator: Lisa A. Baker, Executive Director; Janis Holt, Resource Administrator; Sonia Cortés, Agency Counsel
Bargaining Units: General Unit

ADJOURNMENT

Next meeting scheduled for April 14, 2011.

I declare under penalty of perjury that the foregoing agenda was posted March 4, 2011 by 5:00 p.m. at the following places:

1. On the bulletin board at the east entrance of the Erwin Meier Administration Center, 625 Court Street, Woodland, California; and
2. On the bulletin board on the kiosk outside the Board of Supervisors Chambers, Room 206, in the Erwin Meier Administration Center, 625 Court Street, Woodland, California.
3. On the bulletin board of Yolo County Housing, 147 West Main Street, Woodland, California.

I declare under penalty of perjury that the foregoing agenda will be posted no later than March 7, 2011 by 2:00 p.m. as follows:

4. On the Yolo County website: www.yolocounty.org.

Julie Dachtler, Clerk of the Board

By: _____
Clerk

NOTICE

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Clerk of the Board for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Clerk of the Board as soon as possible and at least 24 hours prior to the meeting. The Clerk of the Board may be reached at (530) 666-8195 or at the following address:

Clerk of the Board of Supervisors
County of Yolo
625 Court Street, Room 204 Woodland, CA 95695

Yolo County Housing
Yolo County, California

Meeting Date: March 10, 2011

To: County Counsel ✓
Yolo County Housing ✓

Agenda Item No. 2.01
February 17, 2011 Minutes

Minute Order No. 11-13: Approved the minutes from the meeting of February 17, 2011.

MOTION: Garnes. SECOND: Chamberlain. AYES: Provenza, Chamberlain, Saylor, Garnes, Toney.
ABSENT: McGowan, Rexroad

Yolo County Housing
Yolo County, California

February 17, 2011

MINUTES

Yolo County Housing met on the 17th day of February, 2011 in regular session in its Chambers in the Erwin Meier Administration Center, 625 Court Street, Woodland, California at 2:00 p.m. Present were Commissioners Chamberlain, McGowan, Saylor, Rexroad, Toney and Garnes. Commissioner Provenza was absent. Vice-Chair Chamberlain presided. Lisa A. Baker, Executive Director and Sonia Cortés, Agency Counsel, were present.

Agenda Item No. 1.01
Pledge of Allegiance

This meeting of the Board of Commissioners commenced with the Pledge of Allegiance.

Agenda Item No. 1.02
Approval of the Agenda

Minute Order No. 11-08: Approved the agenda for this meeting as submitted, noting minor changes were made to the resolution on Agenda Item No. 2.02.

MOTION: Rexroad. SECOND: Garnes. AYES: Chamberlain, Rexroad, Garnes, Toney. ABSENT: Provenza, McGowan, Saylor.

Agenda Item No. 1.03
Public Comment

The Chair invited individuals of the public to make statements on matters relating to Yolo County Housing business. Commissioner Toney addressed the Board of Commissioners with a comment about the Section 8 Housing.

Commissioner Saylor arrived at the dais at 2:03 P.M.

Agenda Item No. 2.01
Consent Agenda

Minute Order No. 11-09: Acted on the Consent Agenda as follows:

2.01 Approved the minutes of form the meeting of January 13, 2011.

2.02 Took the following actions:

A. Approved and authorized the Chair to sign **Resolution No. 11-02** authorizing Yolo County

Housing to submit an application to HUD for funding through the HUD fiscal year 2010 Resident Opportunity and Self Sufficiency (ROSS) Service Coordinator Program grant.

B. Authorized the Executive Director to execute appropriate agreements to apply under the ROSS Program and administer the funding if the application is approved by HUD.

2.03 Authorized the Executive Director to destroy fiscal, contractual, and personnel records dated prior to 2003 in accordance with the Agency's records retention policy and schedules.

2.04 Approved "Working Preference" language in the Admission and Continued Occupancy Plan for the Low Income Public Housing Program to include the unemployed and authorized the Executive Director to implement.

2.05 Approved a Resolution naming the Alcohol, Drug and Mental Health funded transitional housing units the "Helen Thomson Homes," in honor of her contributions to Yolo County Housing.

MOTION: Rexroad. SECOND: Garnes. AYES: Chamberlain, Saylor, Rexroad, Garnes, Toney. ABSENT: Provenza, McGowan.

Commissioner McGowan arrived at the dais at 2:09 P.M.

Agenda Item No. 3.01
Presentations

3.01 Executive Director Lisa Baker presented a Resolution to Helen M Thomson in honor of the "Helen M. Thomson Homes"

3.02 Executive Director Lisa Baker presented Certificate of Appreciation to the City of Woodland Fire Department

3.03 Executive Director Lisa Baker presented Certificate of Appreciation to California Highway Patrol

3.04 Executive Director Lisa Baker presented Certificate of Appreciation to the West Sacramento Holiday Basket Project

3.05 Executive Director Lisa Baker presented Certificate of Appreciation to Women's Ecumenical Ministries

3.06 Executive Director Lisa Baker presented Certificate of Appreciation to the Salvation Army

3.07 Resource Administrator Janis Holt presented Continuity of Operations Planning to Alberto Castillo, Fred Ichtertz, Brenda Lomelí, Marianne Krager and Jorge Almeida

3.08 Resource Administrator Janis Holt presented Certificate of Appreciation to Lisa Baker from the National Association of Housing and Redevelopment Officials

3.09 Executive Director Lisa Baker presented Certificate of Achievement to Yolo County Housing as a 2010 Voucher High Performer from U.S. Department of Housing and Urban Development (HUD)

3.10 Executive Director Lisa Baker presented Certificate of Achievement to Yolo County Housing as 2010 PHA of the Year (Voucher program, smaller division) from San Francisco Regional Office of the U.S. Department of Housing and Urban Development (HUD)

Agenda Item No. 4.01

Housing Choice Voucher Wait Lists

Minute Order No. 11-10: Took the following actions:

- A. Reviewed the proposed methodology for opening the wait lists for tenant and project-based vouchers.
- B. Approved the opening and closing of the Wait List for the Housing Voucher Programs.
- C. Authorized the Executive Director to open and close the List in accordance with the methodology laid out in this staff report.

MOTION: Toney. SECOND: Saylor. AYES: Chamberlain, McGowan, Saylor, Rexroad, Games, Toney. ABSENT: Provenza.

Agenda Item No. 4.02

Mid-Year Budget Reallocation

Minute Order No. 11-11: Took the following actions:

- A. Appropriated additional identified revenue and approved the budgeting and expenditure of the additional funds as identified in the mid-year budget reallocation.
- B. Approved the expenditure of funds for line item expenses that were not included in the original budget.
- C. Authorized the use of approximately \$30,000 of HCV Unrestricted Net Assets to purchase a new vehicle for the HCV Inspector's use.
- D. Authorized the transfer of approximately \$12,000 of unrestricted COCC funds to New Hope to cover their projected deficit cash flow.
- E. Authorized an increase in hours for the Information Technology Manager from 20 hours per week to 30 hours per week.
- F. Authorized modification of the organization chart to include an Office Assistant II position in the Housing Choice Voucher program.

G. Authorized creation of an intern position to assist the Executive Director on a part time basis.

H. Authorized the Executive Director to implement the revised budget and recommendations.

MOTION: McGowan. SECOND: Saylor. AYES: Rexroad, Provenza, Chamberlain, McGowan, Thomson, Garnes, Toney.

Agenda Item No. 4.03
Change in Governance

Received verbal report on Change in Governance from Executive Director.

Agenda Item No. 5.03
Executive Director Comments

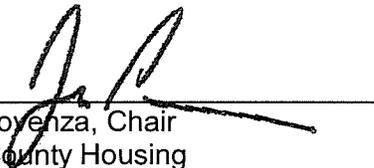
Executive Director Lisa Baker presented remarks on Agency accomplishments.

Agenda Item No. 5.04
Board of Commissioners Comments

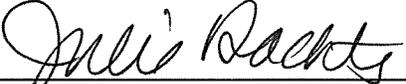
Commissioner Toney thanked the Executive Director for the Yolo County Housing 2011 calendars.

Adjournment

Adjourned this meeting of the Yolo County Housing at 2:52 P.M.



Jim Provenza, Chair
Yolo County Housing



Julie Dachtler, Clerk of the Board

Yolo County Housing
Yolo County, California

Meeting Date: March 10, 2011

To: County Counsel ✓
Yolo County Housing ✓

Agenda Item No. 2.02
Property Management Services
Memorandum of Understanding

Minute Order No. 11-14: Reviewed and ratified the execution of the Property Management Services Memorandum of Understanding (MOU) between Yolo County Housing and the City of Davis for Pacifico, located at 1752 Drew Circle in Davis, CA, signed by the Executive Director, Lisa Baker.

MOTION: Saylor. SECOND: Garnes. AYES: Provenza, Chamberlain, Saylor, Garnes, Toney. ABSENT: McGowan, Rexroad



Yolo County Housing

Lisa A. Baker, Executive Director

147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene Garnes
Michael H. McGowan
Jim Provenza
Matt Rexroad
Don Saylor
Bernita Toney

DATE: March 10, 2011
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
SUBJECT: **Review and Ratify Property Maintenance Services Agreement between Yolo County Housing and the City of Davis for Pacifico, located at 1752 Drew Circle, Davis, CA**

RECOMMENDED ACTION:

That the Board of Commissioners review and ratify the execution of the Property Maintenance Services Agreement between Yolo County Housing and the City of Davis for Pacifico, located at 1752 Drew Circle in Davis, CA, signed by the Executive Director, Lisa A. Baker.

BACKGROUND / DISCUSSION:

On March 11, 2010, the Board of Commissioners appointed the Executive Director as chief negotiator for the potential purchase of Pacifico apartments, located at 1752 Drew Circle, Davis, CA. Since that time, the Davis City Council approved in concept the YCH re-use proposal and authorized City staff to negotiate an Exclusive Negotiating Agreement (ENA) with Yolo County Housing. The City Council also authorized the California Center for Cooperative Development (CCCD) to manage the premises on behalf of the City for a six month period ending June 30, 2011. As previously reported to the Board, in order to provide continuity of service, allow the YCH to begin planning for eventual ownership and rehabilitation, YCH negotiated with the City and CCCD to allow YCH to provide maintenance services to the development, while CCCD provides the ongoing management component.

The attached Property Maintenance Services Agreement provides the mechanism to implement regular maintenance services at Pacifico. The Agreement provides for \$1,000 per month, with actual costs being charged to the project. The amount does not include costs of outside testing/remediation of hazards or costs of maintenance supplies. In addition, staff are currently providing unit turnover services to the development, at a separate cost and are coordinating habitability improvements.

FISCAL IMPACT

None to YCH. Fee for Service to cover actual costs.

CONCLUSION

Staff requests that the Board ratify the Property Maintenance Services Agreement.

Attachment: Pacifico Management Memorandum of Understanding

PACIFICO MANAGEMENT MEMORANDUM OF UNDERSTANDING

A priority shared by City staff, the California Center for Cooperative Development (CCCD) and Yolo County Housing (YCH) is the occupancy, resident education, marketing, maintenance and appropriate management of Pacifico. If the City does take ownership of Pacifico at its foreclosure sale, the City would like to have a plan in place for the project's management prior to receiving ownership. The period after foreclosure is a time of high vulnerability and risk for lost occupancy, rent delinquency and property damage and it is in everyone's best interest to have a plan in place for this period.

Project Coordination

It is imperative that the three parties included in this management summary (City, CCCD and YCH) work together during the period of transition from January 2011 through June 2011. Coordination amongst the parties will (1) provide additional support and education to the tenants of Pacifico, (2) assist in stabilizing and strengthening cooperative components of the housing model, and (3) ensure maintenance of project physical integrity and habitability. With the use of CCCD staff and YCH staff in their roles outlined below, there is a need for regular communication between the organizations, and the City.

Below is a summary of each organization's role and an estimated corresponding budget.

Role of the City of Davis (City)

The role of the City will be accomplished through existing affordable housing staff.

Compensation: No additional compensation

- Ensures ongoing project coordination with the other two parties for the success of the project.
- Stays involved on a peripheral level to ensure that City Council goals (occupancy, rehabilitation, existing cooperative principles), housing laws and habitability are focused on and the City is not put at risk.
- Participates in design discussions and the public outreach process associated with the rehabilitation of the project.
- Oversees the contracts of the other two parties and each one's fulfillment of its role.
- Attends meetings with CCCD and/or YCH, as requested.
- Reviews any changes to project documents (lease, house rules, etc.), as owner of the project.
- Reviews and approves project budget and any requested adjustments/amendments exceeding \$10,000 in total.
- Participates in design review/charette meetings, as appropriate.

Role of the California Center for Cooperative Development (CCCD)

The role of CCCD will be accomplished through an on-site manager/resident coordinator who will be on-site at Pacifico for regular office hours and other meetings. CCCD will participate in the management of Pacifico, as detailed below, through June 2011.

Compensation: It is estimated to cost from \$3,500 per month, to be refined in budgeting process.

- Property management to shore up existing systems.
- Education to Resident Council and tenants, providing support with existing structures (no major changes during this transition period).
- Keep residents informed of the status of the project and rehabilitation work, using information provided by the City and YCH.
- Coordinate Resident Meal Program
- Coordinate Community Garden
- Lease enforcement- any new leases provided on a month-to-month basis, leaving existing rules and other lease terms in place
- House Rules- enforcement of existing rules
- Agreements with residents and coordinators- month-to-month

- Maintain existing systems through the duration of the agreement without implementing major changes or long-term planning/commitments and make recommendations to the City for improvements.
- Assist residents in creating a Design Review Committee to attend design charette meetings with YCH and City.
- Indemnify the City and YCH from the Property and its liabilities, claims, etc. and provide the necessary levels of insurance for CCCD employees.
- Manage lock-outs
- Manage unit turnover
- Ensure compliance with Fair Housing Laws and affordability requirements.
- Create and maintain an operating project budget through June 2011 that is acceptable to the City.
- Collect and deposit rents, maintaining a general ledger. Collect security deposits and manage security deposits.
- Implementation of Marketing and Outreach strategy
- Pay any regular project expenses within budget (insurance, property taxes, etc.)
- Provide data collected and turnover systems to YCH

Role of Yolo County Housing (YCH)

The role of YCH will be accomplished through its maintenance staff and other existing staff at its main office. YCH will participate in the management of Pacifico, as detailed below, through June 2011 and will negotiate with the City on the rehabilitation and management of this project after this transitional period.

Compensation: It is estimated to cost up to \$1,000 per month, with actual monthly costs being charged to the project and with total monthly cost not to exceed this amount, unless otherwise approved by the City. (This amount excludes costs of outside testing/remediation of hazards and costs of maintenance supplies.) This will be further refined in budgeting process.

- Handle all physical maintenance of project, including emergency repairs for community garden
- Evaluate and consider the assistance of on-site maintenance coordinator.
- Coordinate use of licensed contractors, collection of bids/estimates as needed, getting necessary permits, noticing tenants, etc. as requested and necessary
- Use of a work order process and an emergency maintenance response system.
- Conduct initial walkthrough and testing for habitability and safety standards (mold, water pressure, operational systems, etc.)
- Conduct periodic walkthrough and evaluation of systems within the project, including fire prevention systems and annual system inspections.
- Conduct long-term planning for the project and its rehab- lease changes, house rules, transition plan, etc., including consideration of CCCD data collection and recommendations
- Develop marketing and outreach strategy
- Evaluate new tenant rental applications (post June 2011)
- Ensure compliance with Fair Housing Law and affordability requirements, at property turnover and with certification of new and existing residents post June 2011.
- Participate in Negotiations with the City for final project scope, design, etc.
- Participate in design charette meetings with residents
- Indemnify the City from the Property and its liabilities, claims, etc. and provide the necessary levels of insurance for YCH employees.

Implementation

These roles will be carried out through the creation of two separate contracts:

1. One between the City of Davis and the California Center for Cooperative Development (CCCD), and
2. One between the City of Davis and Yolo County Housing (YCH).

It should be noted that the costs not included in either of the compensation estimates above include:

- The assessment work and predevelopment planning by YCH for future rehabilitation of Pacifico
- Landscaping of the project is not provided in either of the roles detailed above or in associated contracts.

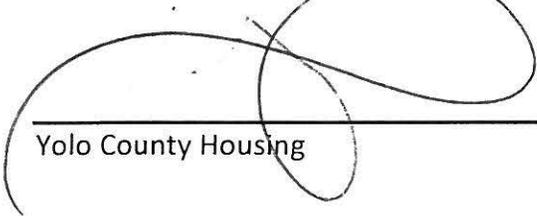
Signature Page

The parties of this memorandum of understanding agree to their roles, as outline in the document above, and commit to working together in cooperation for the good of the Pacifico affordable housing project and its residents.



City of Davis 1/25/11
Date

California Center for Cooperative Development Date



Yolo County Housing January 25, 2011
Date

Yolo County Housing
Yolo County, California

Meeting Date: March 10, 2011

To: County Counsel ✓
Yolo County Housing ✓

Agenda Item No. 4.01
Prefund Plan

Minute Order No. 11-15: Took the following actions:

- A. Approved and authorized the Chair to sign **Resolution No. 11-03** authorizing the establishment of a Prefunding Plan with the California Employer's Retiree Benefit Trust (CERBT) for prefunding of YCH's Other Post Employment Benefits (OPEB).
- B. Approved and authorized the Chair to sign the Delegation of Authority **Resolution No. 11-04**, which authorizes the Executive Director and Finance Director to request disbursements on behalf of YCH from the Other Post Employment Prefunding Plan.
- C. Approved an ad hoc subcommittee whereby the Chair appointed Commissioners Saylor and Chamberlain to work with Yolo County Housing on the development of a process to determine amount to be paid.

MOTION: Saylor. SECOND: Provenza. AYES: Provenza, Chamberlain, Saylor, Garnes, Toney.
ABSENT: McGowan, Rexroad



Yolo County Housing

Lisa A. Baker, Executive Director

147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene Garnes
Michael H. McGowan
Jim Provenza
Matt Rexroad
Don Saylor
Bernita Toney

DATE: March 10, 2011
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Mark Stern, Finance Director
SUBJECT: **Approve a Resolution Authorizing Establishment of a Prefund Plan with California Employer's Retiree Benefit Trust (CERBT) to Prefund YCH's Other Post Employment Benefits and Approve a Resolution Delegating Authority to the Executive Director and Finance Director to Request Disbursements on Behalf of YCH from the Prefunding Plan.**

RECOMMENDED ACTIONS:

That the Board of Commissioners:

1. Approve the attached resolution authorizing the establishment of an Prefunding Plan with the California Employer's Retiree Benefit Trust (CERBT) for prefunding of YCH's Other Post Employment Benefits (OPEB); and
2. Approve the attached Delegation of Authority resolution which authorizes the Executive Director and Finance Director to request disbursements on behalf of YCH from the Other Post Employment Prefunding Plan

BACKGROUND / DISCUSSION:

As required by GASB 45, YCH had an actuarial study prepared in July 2009 to identify the unfunded liability under the current agreement with CalPERS/PEMCHA (Public Employees' Medical and Hospital Care Act). Disclosure of this liability is required for all U.S. public employers. The actuarial study showed the present value of the unfunded liability to be \$5,966,031.

YCH currently pays over \$68,000 for Retired Group Insurance and for each of the last two years has recognized an accrued liability of \$292,000. If we do not start prefunding this obligation, at the end of thirty years, YCH would have a liability in excess of \$8,500,000. Prefunding to the extent agency finances can support this would help to reduce this long-term liability. The cost associated with each AMP and HCV can be supported as a normal operating cost in years that have adequate Operating Subsidy or Program Administration Funding. Migrant Program budgets may be able to absorb part of their share of the future cost. For the 2011 Fiscal Year, the budget includes allocation of CHARMA dissolution funds to programs to offset the current year expense accrual. Although CHARMA funds will not be available for future years, their availability this year has given YCH an opportunity to begin setting money aside in anticipation of "jump starting" this prefunding.

Establishing this Prefunding Plan gives YCH a fiscally sound agency into which to make these deposits. The CERBT does not require regular payments so YCH would be able to make deposits when cash is available.

YCH has looked into setting funds aside for the future, but has found that it is not a cost effective strategy because it cannot realize the same interest rates for being such a small funding pool. Staff recommends that its funds go to the CalPERS CERBT. During the first three years CERBT has been in existence, the administrative cost has been less than 0.10%. As a state government program, CalPERS makes no profit from these Prefunding Plans. CalPERS has the established policies, experience, customer service and assets under management to provide the service at the lowest possible cost to YCH.

FISCAL IMPACT:

- Payment of our current Retired Group Insurance is \$68,440 per year.
- An example from the GASB 45 study shows the long term liability reduced by over 46%. With level payments to the Prefunding Plan of \$297,946 for thirty years at an interest rate of 7.75%, the present value of the unfunded liability would be \$3,185,058.
- Staff expects the prefunding payments YCH will be able to make will fall somewhere between the current pay as you go cost of \$68,440 and the thirty year level payment amount of \$297,946.
- Having our OPEB Prefunding Plan through CERBT will require YCH to have an actuarial study done every two years; whereas if YCH did not use CERBT, a study would be required only every three years. An actuarial study costs between \$3,000 and \$5,000. The gain in reduced liability more than offsets the slight additional cost of actuarial studies.

CONCLUSION:

GASB 45 requires that YCH recognize this liability. Fiscal prudence requires that YCH begin funding the liability as soon as possible. Staff believes that the CalPERS CERBT is the best alternative for establishing this Prefunding Plan and recommends approving the attached resolutions.

Attachments: – Agreement and Election Resolution
Delegation of Authority Resolution

**CALIFORNIA EMPLOYER'S RETIREE BENEFIT TRUST PROGRAM ("CERBT")
AGREEMENT AND ELECTION
OF
The Housing Authority of the County of Yolo
TO PREFUND OTHER POST EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) **The Housing Authority of the County of Yolo**

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
Constituent Relations Office
CERBT (OPEB)
P.O. Box 942709
Sacramento, CA 94229-2709

Filing in person, deliver to: CalPERS Mailroom ()
Constituent Relations Office
CERBT (OPEB)
Attn: Employer Services Division
400 Q Street
Sacramento, CA 95811

2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

C. Other Post Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB 43. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB 45 and 57, may be prepared as an Alternative Measurement Method (AMM) report.

(a) Unless qualified under GASB 45 and 57 to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and shall be:

- 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
- 2) prepared in accordance with generally accepted actuarial practice and GASB 43, 45 and 57; and,
- 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(b) If qualified under GASB 45 and 57, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and shall be:

- 1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB 45;
- 2) prepared in accordance with GASB 43, 45, and 57; and,
- 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report submitted to it, but shall not unreasonably do so. In the event that the Board determines, in its sole discretion, that

the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB Statement No. 45. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) The minimum Employer contribution will be at least \$5000 or be equal to Employer's Annual Required Contribution, whichever is less, as that term is defined in GASB Statement No. 45. Contributions can be made at any time following the seventh day after the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts will be maintained for each employer so that Employer's assets will provide benefits only under employer's plan.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post employment healthcare benefits and other post employment benefits as defined in GASB 43.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) that are received on or after the first of a month will be processed by the 15th of the following month. (For example, a disbursement request received on or between March 1st and March 31st will be processed by April 15th; and a disbursement request received on or between April 1st and April 30th will be processed by May 15th.)

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

- (a) Employer gives written notice to the Board of its election to terminate;
- (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After thirty-six (36) months have elapsed from the effective date of this Agreement or at such earlier date as may be approved by the Board in its sole discretion:

- (a) Employer may request a trustee to trustee transfer of the assets in Employer's Prefunding Account. Upon satisfactory showing to the Board that the transfer will satisfy applicable requirements of the Internal Revenue Code and the Board's fiduciary duties, then the Board shall effect the transfer within one hundred twenty (120) days. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the disbursement date and shall include investment earnings up to the investment earnings allocation date immediately preceding the disbursement date. In no event shall the investment earnings allocation date precede the transfer by more than 120 days.
- (b) Employer may request a disbursement of the assets in Employer's Prefunding Account. Upon satisfactory showing to the Board that all of Employer's obligations for payment of post employment health care benefits and other post employment benefits and reasonable administrative costs of the Board have been satisfied, then the Board shall

effect the disbursement within one hundred twenty (120) days. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the disbursement date and shall include investment earnings up to the investment earnings allocation date immediately preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement by more than 120 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as defined in GASB 43), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

(a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, at all

reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

(b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

(a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:

1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be

deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Modification

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by the party to be charged.

(5) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(6) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(7) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the **10th** day of the month of **March** in the year **2011**, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: Jim Provenza

Name of Governing Body: **The Yolo County Housing Board of Commissioners**

Name of Employer: **The Housing Authority of the County of Yolo**

Date: **March 10, 2011**

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
ALAN MILLIGAN
ACTUARIAL AND EMPLOYER SERVICES BRANCH
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: March 10, 2011

**DELEGATION OF AUTHORITY
TO REQUEST DISBURSEMENTS**

**RESOLUTION
OF THE**

Yolo County Housing Board of Commissioners

**(GOVERNING BODY)
OF THE**

The Housing Authority of the County of Yolo

The **Yolo County Housing Board of Commissioners** delegates to the incumbents in the positions of **Executive Director** and **Finance Director** authority to request on behalf of the Employer disbursements from the Other Post Employment Prefunding Plan and to certify as to the purpose for which the disbursed funds will be used.

By 
Title Chair

Witness 
Date March 10, 2011

