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HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 773-9025

Special Session

Minutes

March 28, 2013

13-04

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, March 28, 2013 at 10400 Detrick Avenue, Kensington, Maryland beginning at 12:07 p.m. Those in attendance were:

Present

(Via teleconference)

Sally Roman, Vice Chair
Michael Kator, Chair Pro Tem
Jean Banks
Rick Edson
Pam Lindstrom
Michael Wiencek

Present

Roberto Piñero, Chair

Also Attending

Stacy Spann, Executive Director
Ken Tecler, HOC Staff Counsel
Gail Willison, Chief Financial Officer
Patrick Mattingly
Jim Atwell
Kayrine Brown
Sue Swierdsiol
Angie Ross
Michelle Ogunbode
Mariska Mends
Lecia Stein
Carol April
Helene Edwards
Paulette Kee-Dudley
Terri Fowler
Sharon Marbley
Carolyn Bugnot
Nancy Carlin

Dorel Cazacu
Tim Bess
Dorothy Douglas
Cathy Kramer
Rita Grotsky
Pam Lawler
Gabriel Harris
Lou Chaney
Susan Smith

Also Attending

Carlos Mellot, UFCW Local 1994
Mark Myrice, UFCW Local 1994

Commission Support

Patrice Birdsong
Special Assistant to the Commission

Chair Piñero convened the Special Session of the Housing Opportunities Commission at 12:07 p.m.

I. ITEMS REQUIRING DELIBERATION and/or ACTION

A. Authorization to Implement a Personnel Action

Chair Piñero opened the meeting explaining the purpose and why action needed to be taken right away on the following resolutions. He explained that because of decisions made by Congress and HUD, HOC will have to make budget cut backs. He also remarked that these cut backs were just the beginning of more to come. The residents will be affected as well and there will be town hall meetings scheduled to explain the issues and the actions that will be taken.

The following resolution was adopted upon a motion by Commissioner Wiencek and seconded by Commissioner Edson. Affirmative votes were cast by Commissioners Piñero, Kator, Banks, Edson, Lindstrom and Wiencek. Vice Chair Roman abstained from voting.

RESOLUTION: 13-17

RE: Authorization for a Reduction in Force for Inspectors in the Housing Resources Division

WHEREAS, the Housing Opportunities Commission currently employs seven inspectors who inspect units for compliance with the Housing Choice Voucher Program; and

WHEREAS, the Commission is currently experiencing a significant reduction in administrative fees received for operating the Housing Choice Voucher Program as a result of changes in the funding formula established by HUD and sequestration; and

WHEREAS, given those circumstances and the likelihood of continued reductions in administrative fees and other income to the Housing Choice Voucher Program, the Commission has been forced to consider cost savings in the Housing Resources Division; and

WHEREAS, the inspection function is discrete and other housing authorities have outsourced this activity without a loss of efficiency while receiving a resultant cost savings; and

WHEREAS, the Commission has explored other alternatives to a reduction in force for the inspectors including reorganization and modification of functions and performance; and

WHEREAS, the Commission is in the process of consulting with the certified representative of some of the employees affected by the potential reduction in force; and

WHEREAS, the Commission has determined that it can save more than 20% of the estimated cost of the performance of these services by utilizing a third-party contractor; and

WHEREAS, the cost comparison analysis is based on a comparison of direct costs, indirect costs and the expense related to outplacement and unemployment compensation as provided by law; and

WHEREAS, the Personnel Policy, Collective Bargaining Law, and Collective Bargaining Agreement provide that a reduction in force may be implemented as a result of a reduction in available funding; and

WHEREAS, the Personnel Policy provides certain benefits to employees subject to a reduction in force such as a severance plan, opportunities for re-employment in other positions and certain outplacement services; and

WHEREAS, the Commission can require in any contract for performance of inspection services by a third party-contractor that the contractor consider and give preference to hiring displaced Commission employees for those employees who performed those functions while employed by the Commission; and

WHEREAS, the Commission has reviewed the options available for cost savings in the Housing Resources Division as well as the cost comparison of performing inspection services by Commission employees or through outsourcing

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes a Reduction in Force in the Housing Resources Division by eliminating the seven inspector positions identified as Housing Inspectors effective July 1, 2013.

BE IT FURTHER RESOLVED that the Executive Director is authorized to implement notice of the Reduction in Force immediately and to provide the resources and services to the affected employees as required by the Personnel Policy and Collective Bargaining Agreement.

BE IT FURTHER RESOLVED that prior to soliciting for any third party to perform the inspection service functions of the Housing Resources Division, the Executive Director shall provide the certification required by Section 16-403 of the Housing and Community Development Article that a cost comparison has been performed, consultation has been conducted with the certified representative of the employees in question, and that outplacement services have been and will be made available to the employees and thereafter, the Executive Director shall commence procurement of the services and selection of the most responsive bidder from among third party contractors in accordance with the Procurement Policy.

The following resolution was adopted upon a motion by Commissioner Edson and seconded by Commissioner Banks. Affirmative votes were cast by Commissioners Piñero, Kator, Banks, Edson, Lindstrom and Wiencek. Vice Chair Roman abstained from voting.

RESOLUTION: 13-18

**RE: Authorization for a Reduction in Force
For Personnel in the Housing Resources
Division, Property Management Division
and the Executive Division**

WHEREAS, the Housing Opportunities Commission may implement a reduction in force under the Personnel Policy for changes in work program, reorganization and technological changes; and

WHEREAS, the Housing Opportunities Commission adopted a Strategic Plan in 2012 that envisioned an efficient operating agency moving forward in the 21st century taking advantage of technological changes to meet the challenge of providing affordable housing in Montgomery County with continuing financial limitations; and

WHEREAS, this has necessitated changes in manner in which some of the activities of the agency have been performed as a result of reorganization, improved technology and budget limitations; and

WHEREAS, as a result of significant reorganization of the Property Management Division by the establishment of the "hub" system and active property management in line with the Commission's Strategic Plan, supervision has been realigned to two persons so that fewer Regional Property Managers have been determined to be necessary as a result of the realignment of functions; and

WHEREAS, with the reorganization of the Property Management Division and the creation of hubs, the monitoring of police activities with residents and performance of background checks will be conducted by the property managers at each hub with the newly-established Compliance Division; and

WHEREAS, as a result of reductions in public housing funding and the emphasis on mixed income housing and other affordable housing options, both the need and the funding for continuing full time supervisory staff in construction management for activities related to modernization and rehabilitation of units financed in that manner has lessened significantly; and

WHEREAS, with the change to the "hub" system and active property management as well as current budget constraints and limitations, the asset management functions have been altered, reducing the need for full time staff devoted to this activity; and

WHEREAS, within the Housing Resources Division, there have been significant technological improvements that have modified the working functions, particularly reducing those activities that involve maintenance of paper files and related file systems; and

WHEREAS, as a result of these changes in workflow and the significant reduction in administrative fees for the Housing Choice Voucher activity, filing and records management job functions can no longer be sustained; and

WHEREAS, the Commission is currently experiencing a significant reduction in administrative fees received for operating the Housing Choice Voucher Program as a result of changes in the funding formula established by HUD and sequestration; and

WHEREAS, given the changes in functioning of the Property Management Division, the Executive Division and the Housing Resources Division and the likelihood of continued reductions in administrative fees and other income to the Housing Choice Voucher Program and transition from the Public Housing Program, the Commission has been forced to consider cost savings in these two Divisions; and

WHEREAS, the Personnel Policy and Collective Bargaining Agreement provide that a reduction in force may be implemented as a result of a reduction in available funding, technological changes and reorganization; and

WHEREAS, the Personnel Policy provides certain benefits to employees subject to a reduction in force such as a severance plan, opportunities for re-employment in other positions and certain outplacement services.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes a Reduction in Force in the Housing Resources Division by eliminating the position of Records Management Clerk and the position of File Clerk effective July 1, 2013.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a Reduction in Force in the Property Management Division by eliminating two Regional Property Managers and the Security Coordinator positions effective June 1, 2013.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a Reduction in Force in the Executive Division by eliminating the following positions effective June 1, 2013:

Assistant Director of Construction and Asset Management
Modernization Manager
Construction Manager
Asset Managers (2)

BE IT FURTHER RESOLVED that the Executive Director is authorized to implement notice of the Reduction in Force immediately and to provide the resources and services to the affected employees as required by the Personnel Policy and Collective Bargaining Agreement, as the case may be. Any employee who is subject to this reduction in force who may also apply under the Retirement Incentive Program, approved contemporaneously by the Commission, shall be entitled to select, within the applicable time period, either the benefits accorded by the Retirement Incentive Program (and may utilize annual leave or other leave benefits to qualify for the Retirement Incentive Program) or those granted by the Personnel Policy for employees to whom the reduction in force is applicable, but not both.

The following resolution was adopted upon a motion by Vice Chair Roman and seconded by Chair Pro Tem Kator. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Edson, Lindstrom and Wiencek.

RESOLUTION: 13-19

RE: Authorization for an Agency-wide Retirement Incentive Program for FY'14

WHEREAS, the Housing Opportunities Commission is a participating agency in the various retirement programs administered by Montgomery County, Maryland; and

WHEREAS, the Commission established a Retirement Incentive Program as of April 1995 for the purpose of producing budgetary savings for the HOC to facilitate consolidation and efficiency; and

WHEREAS, the Commission has offered the Retirement Incentive Program on prior occasions as a cost saving measure; and

WHEREAS, the need exists for the Commission to restructure and reorganize pursuant to its Strategic Plan and to implement drastic measures to address the on-going erosion of Federal, State, and local government funding, both currently and anticipated, in the foreseeable future.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that a Retirement Incentive Program will be offered during FY'14 to employees eligible to retire with either an early or normal retirement benefit no later than October 1, 2013.

This Retirement Incentive Program offer will be self funded.

The incentive payment will be paid based on the length of service schedule as follows:

5-15 years	\$22,500
15-20 years	\$30,000
20 or more years	\$37,500


All other terms and conditions of the Retirement Incentive Program as described by Resolution 95-64, adopted by the Housing Opportunities Commission, will remain the same as follows:

1. Any program participant will waive his/her rights to a retirement trial period as stipulated by the Employees Retirement System of Montgomery County which allows for reinstatement into a similar position after nine months if there is a desire to return to employment with HOC. Employees who already participate in the retirement system offered by Montgomery County do not qualify for the Retirement Incentive Program.
2. An employee who participates in the Retirement Incentive Program will not be eligible for rehire as a merit employee by the Commission for a period of three (3) years from the date of termination.
3. An employee may be eligible for rehire as a contract employee with prior notification to the Commission.
4. The Executive Director is authorized to determine which employees within the class of persons qualified for the benefits of the Retirement Incentive Program will be permitted to participate and/or to modify the retirement date of any participating employee to a later date within the fiscal year if it is determined that the participating employee's departure would adversely affect the work program of the agency.
5. Any employee who is subject to a reduction in force as a result of contemporaneous action of the Commission shall be entitled to select, within the applicable time period, either the benefits accorded by the Retirement Incentive Program (and may utilize annual leave or other leave benefits to qualify for the Retirement Incentive Program) or those granted by the Personnel Policy for employees to whom the reduction in force is applicable, but not both.

BE IT FURTHER RESOLVED that the Executive Director will report to the Commission the results of the program no later than October 1, 2013.

There being no further business to come before this Special Session of the Commission, a motion was made, seconded and unanimously adopted to adjourn. The meeting adjourned at 12:14 p.m.

Respectfully submitted,


Stacy L. Spann
Secretary-Treasurer