

**Brainerd Housing and Redevelopment Authority**  
**BOARD MEETING MINUTES**  
**October 18, 2017**

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the City of Brainerd, Minnesota, was held at 1:00 p.m., Wednesday, October 18<sup>th</sup>, 2017, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

**1. CALL TO ORDER:** Chair Patrick Wussow called the meeting to order at 1:00 p.m.

**2. ROLL CALL:** Present at the meeting were Chair Patrick Wussow, Commissioners Gabe Johnson, Rick Fargo, Marlee Larson, and Eric Charpentier. Also present were Finance Director Karen Young, Housing Manager Teresa Hettver, Rental Assistance Manager Tania Eller, and Executive Assistant LeAnn Goltz. Public: Nathan Steffenson. Absent: Commissioners Krista Brodal and Dale Parks.

**3. READING AND APPROVAL OF MINUTES:**

**Commissioner Larson made a motion to approve the minutes from the September 27, 2017, board meeting. Commissioner Fargo seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**

**4. BILLS AND COMMUNICATIONS:**

**a. Financial Report:** Young presented the financial information for September 2017.

**Commissioner Charpentier made a motion to approve the September payments as presented. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

**b. HCV Programs Report:** Eller presented the HCP Report, Bridges Report, and the FSS Report. She informed the Board that the Unit Months Leased (UML) through September is still averaging 97% and HAP utilization through September was at 79%.

Bergman added that staff members are attempting to apply for five VASH Vouchers. A Letter of Intent, accompanied by a letter of support from the local VA, is due to HUD by October 31<sup>st</sup>. She informed the Board it has been a difficult process as the VA had not been returning their phone calls and when they finally did, they would not support the application saying there isn't a need. Staff will continue to try.

**c. Public Housing Report:** Hettver presented the Vacancy Report, Monthly Property Performance Report, and the ROSS Program Report.

Per the Board's request for a follow-up to the NAHRO NAMI training, Hettver reported that Fortune and Burrell felt it was very basic but worthwhile as they came back with a mental health first aid responder certification.



**d. Executive Director Report:** Bergman reported on the following items:

**Destination Downtown Brainerd**

The Destination Downtown Brainerd competition received 49 applications for Phase 1 and the judges narrowed that down to the top 10. Those 10 worked with the Small Business Development Center (SBDC) to complete their business plans. The judges selected three finalists to advance to Phase 3. The three finalists will give presentations to the judges on October 24<sup>th</sup> and the winner will be announced at the November 16<sup>th</sup> Chamber Annual Event. Bergman encouraged the Board to attend.

**Downtown Tour**

The Downtown Tour has been scheduled for November 2<sup>nd</sup>. The bus will leave the Brainerd HRA at 7:00 a.m. with stops in Fergus Falls, Fargo, and Detroit Lakes. Staff from each City and/or HRA will provide a tour and discuss what they did to revitalize their downtowns.

**EDA Grant**

We were notified by the Federal Economic Development Administration that we did not receive the grant to do a feasibility study on the Downtown Mall.

**Policy Review**

The Policy Committee has been meeting for the past few months. The Committee started by compiling a list of all of the policies HRAs are required to have. The Committee then devised a plan for creating or updating all of the Brainerd HRA policies. Bergman provided a spreadsheet of the policies with a schedule of review and approval.

**601 10th Street South**

The property at 601 10<sup>th</sup> Street South went tax forfeiture on September 19<sup>th</sup>, 2017. Building Official Tim Caughey asked for the HRA's assistance in the acquisition and demolition of the house through our Scattered Site Replacement Program.

By Ordinance and State Statute, the County is required to sell the property for the estimated market value plus any outstanding assessments. However, if the property meets the blight criteria, the County is able to convey the property to the Brainerd HRA for less.

Currently, there is a total of \$4,470.98 in special assessments from 2011–2016, plus an additional \$1,129.00 that will be assessed for pay year 2018. The delinquent taxes will be forgiven by the County but we would still be responsible for the balance of the delinquent assessments that have been accumulated by the City of Brainerd in the amount of \$5,599.98 excluding interest for 2017 assessments.

The City Council passed a resolution on October 2<sup>nd</sup> agreeing to waive its right to recertification of the outstanding nuisance assessments upon conveyance of the property to the Brainerd HRA.

Staff is working with Martha Ingram at Kennedy & Graven to assist in the conveyance of this property. Formal action will be requested at the November Board meeting.



**Outlot F**

The Brainerd HRA owns Outlot F located just to the west of Brainerd Oaks. We are currently under contract with Paxmar-Brainerd, LLC, to use the land for fill; however, at some point the project will be completed. Bergman reached out to Parks Director Tony Sailer to see if the Parks Department had any interest in this land for a park. She will be attending the October Park Board meeting to discuss this concept with them.

The Board had a discussion about the possibilities for the lot. Suggestions included a community garden, selling it to the owners of Marsh Run for a possible expansion, and asking the City what they would like seen done with it.

**Commissioner Fargo made a motion to give the Brainerd HRA Executive Director authority to approach the owner of Marsh Run to see if they want it, give them two weeks, and if not, go to City of Brainerd to see if they want it. Commissioner Charpentier seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.**

The Board requested an update at next month's meeting.

**Update on Goals**

Bergman provided an update on the Brainerd HRA's 2017-2018 goals. Commissioner Fargo inquired about the River to Rails initiative and how the HRA fits into it. Bruce Buxton has put together a team to start talking about how to move things forward. The Brainerd HRA will be part of that team and likely serve an important purpose in helping in future financing. Chair Wussow suggested adding Outlot F to the 2017-2018 goals.

**Iron Rail**

There is a potential buyer who made an offer on the building. The SCDP application that we are submitting for NE Brainerd will also include the Iron Rail property as asbestos removal will be required.

**NJPA**

The Brainerd HRA is now considered a local unit of government and a voting member of NJPA.

**Job Description**

Staff has spent the past few months updating all employee job descriptions. It is our intent to have all job descriptions completed by the end of 2017. Bergman provided the Board with the Executive Director's job description.

**5. REPORTS FROM COMMITTEES:**

**a. Brainerd Riverfront Committee (BRC):**

**NJPA Riverfront Coordinator**

On September 18<sup>th</sup>, the Brainerd City Council authorized the City Administrator to work with NJPA to hire a Riverfront Coordinator using Year 3 of the BLACF grant as match. NJPA has selected Ashley Kaisershot for the position and she will be dedicate 20 hours per week to the City of Brainerd. The intention is to have this formally take place on January 1<sup>st</sup>, 2018, but we will work with the City and NJPA to make this transition for the rest of 2017.



The Board had a discussion about the Brainerd Riverfront project and the direction the committee is going. They decided formal action was needed in the form of a resolution that reaffirms the Brainerd HRA's mission and core responsibilities and how the Three Bridges Trail project falls outside of them. Bergman will bring a formal resolution for the Board's consideration to the November board meeting.

**Initiative Foundation Grant**

The Brainerd HRA received a \$5,000 grant from the Initiative Foundation to hire someone to create an achievement plan. The intent was to create a system for all of the projects and potential projects along the Mississippi River to be able to track projects as they move forward. The plan will be completed by the end of November, which will also help in the transition from the HRA to the City.

6. **UNFINISHED BUSINESS:** Young asked the Board if a salary study was still something they still wanted to pursue. If so, it will need to be built into the next year's budget. The Board had a discussion about the topic.

**Commissioner Fargo made a motion to not pursue or fund a wage study for 2018. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

7. **NEW BUSINESS:**

- a. **Consider Adoption of Procurement Policy:** Based on the issuance of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), an updated Procurement Policy was provided the Board for approval. This Uniform Guidance consolidates previously issued requirements in order to reduce administrative burden and risk of waste, fraud and abuse.

The updated policy establishes the Micro Purchases level at \$3,000 (except for construction procurements which is set at \$2,000) where only one reasonable quote is required. Our current policy set the Micro Purchases level at \$5,000. The updated policy also sets the Board approval threshold for all procurements that exceed \$100,000.

This policy establishes that in the event that an applicable law or regulation is modified, eliminated or created, the revised law or regulation will automatically supersede these policies.

**Commissioner Charpentier made a motion to adopt the Procurement Policy by approving Resolution No. 2017-09. Commissioner Johnson seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved.**

- b. **Consider Adoption of Record Retention Policy:** Based on the research performed by the Policy Subcommittee, it was determined that the HRA should follow a validly adopted records retention schedule in compliance with all local, state and federal laws.



**Commissioner Larson made a motion to adopt the Record Retention Policy by approving Resolution No. 2017-10. Commissioner Fargo seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved.**

**c. Approval of Submission of SCDP Preliminary Proposal for Northeast Brainerd:**

The Minnesota Department of Employment and Economic Development (DEED) provides rehabilitation grants for low-moderate income housing, mixed-use, and commercial properties through their Small Cities Development Program (SCDP). A preliminary proposal is submitted in November and ranked according to their criteria. If deemed competitive or marginally competitive, we will be invited to submit a full application in February.

Staff are working on an application for an owner-occupied and rental rehab in NE Brainerd and commercial and rental rehab for substandard properties in downtown Brainerd.

The application must come from the City of Brainerd and we will be presenting this pre-application to the City Council on November 6<sup>th</sup>.

**Commissioner Johnson made a motion to authorize submission of a preliminary proposal to Minnesota DEED for rehabilitation of owner-occupied and rental housing in a targeted area of NE Brainerd and mixed use rehabilitation in downtown Brainerd. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.**

**d. Approval of Window Replacement at Valley Trail and Oven Replacement at Valley Trail and Scattered Sites:**

Valley Trail Townhomes and Scattered Sites are owned and operated by the Brainerd HRA and over the course of the last few years there have been issues with the windows at Valley Trail and ovens at both properties. Finn Daniels Architects was retained to draft the plans and specs for replacing them. There were four contractors that attended the mandatory prebid meeting, which was held October 9<sup>th</sup>. Sealed bids were due October 17<sup>th</sup> at 10:00 a.m. with a public bid opening immediately following.

Of the four contractors that attended the prebid meeting, two submitted bids. The bids came in much higher than anticipated, so staff proposed replacing only the windows at both locations and not the ovens. Project One's bid of \$263,414 was the lowest and staff requested authorization from the Board to contract with them for the work.

**Commissioner Fargo made a motion to approve the contract to Project One to replace windows at Valley Trail Townhomes and Scattered Sites for \$263,414. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.**

8. **COMMISSIONER COMMENTS:** None.

9. **NEXT MEETING:** Wednesday, November 29, 2017

10. **ADJOURN:** Commissioner Charpentier made a motion to adjourn to the November 2nd Downtown Tour. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 3:00 p.m.

