

**Brainerd Housing and Redevelopment Authority**  
**BOARD MEETING MINUTES**  
**August 24, 2016**

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, August 24, 2016, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Fargo called the meeting to order at 1:02 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Rick Fargo, Commissioners Nathan Steffenson, Dale Parks, Patrick Wussow, Marlee Larson, Eric Charpentier, and Gabe Johnson. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Rental Assistance Manager Tania Eller, and Executive Assistant LeAnn Goltz; and Mark Ostgarden and Jim Thoreen.
3. **READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETING:** Commissioner Wussow requested the minutes be corrected. They had indicated that “Commissioner Wussow stated that MN Statute 469.050 states there must be compensation,” which is not accurate. Rather, it should read, “Commissioner Wussow asked if an attorney has reviewed Minnesota Statute 469.050.”

**Commissioner Johnson made a motion to approve the minutes as amended from the July 27, 2016, board meeting. Commissioner Parks seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved as amended.**

4. **STAFF INTRODUCTIONS:** Bergman introduced Christine Carlson, Accounting Specialist. Carlson is responsible for the accounting for Crosby HRA and Crow Wing County HRA and miscellaneous funds, including SSRP, Brainerd Riverfront, and Housing Rehab. She also assists with the HRA’s benefits and does research for management. Also introduced was Roberta Piekarski, Finance Assistant. She is responsible for the HRA’s payroll and accounts payable as well as sales tax refund requests, research, technology back-up, and a variety of other tasks and projects.

5. **BILLS AND COMMUNICATIONS:**

- a. **Financial Report:** Young reported that the 2016 budgeted levy amount is \$116,940. The HRA received a deposit of \$43,254.24 from Crow Wing County in June, which represented a 70% advance on estimated property tax collections for the first half of 2016. The remaining 30% of \$19,032.96 was received in July for total levy deposits of \$62,287.20.

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

- b. **HCV Report:** Eller provided the Board with the July HCV Report and an update on the Bridges Program. Through the month of July, HAP utilization was at 61% and there was an average of 320 vouchers. Eller informed the Board that just after the packet was sent and published, the HRA received a letter from MHFA stating that their recent Bridges Program review went well.



- c. **Public Housing Report:** Bergman provided the Vacancy and Property Performance Reports for July as Hettver was attending a HUD Listening Session in Detroit. She reported that HUD is in the process of finalizing Interim PHAS and updating SEMAP regulation and Hettver was learning about the possible changes.

Commissioner Parks reported that the Brainerd South Board met earlier that week and decided they would like to do some advertising to improve the vacancy rate. The Board gave the staff direction to first try hanging a banner on the outside of the building and if that hasn't helped in a few months, they would like the HRA to try a different type of advertising.

Commissioner Steffenson made a suggestion to replant the trees that have been lost to the recent storms on some of the public housing properties.

The Board inquired about the status of the North Star elevator project and Bergman informed them that MEI has ordered the parts and hope to start in October.

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

**ROSS Grant**

The Brainerd HRA was notified by Senator Franken's staff that we were funded for the ROSS grant. Official word from HUD has not yet been received but a letter is anticipated within the next couple of weeks. (HUD is required to notify the congressional delegation before announcing it to the grantee.) According to the press release, Brainerd HRA was awarded \$201,884, which will be used to fund a full-time Resident Service Coordinator. The person in this position will be housed at the North Star Apartments and will assist in providing education, job training, and economic development opportunities, develop programs and services for our residents, and help them connect with the services needed for their success. In the application, we asked for this position to start on August 1<sup>st</sup>, but we anticipate having this person start at the beginning of 2017.

The Board asked for clarification about the grant amount and Bergman explained that the \$201,884 is a three-year grant.

**Board Compensation**

At the August 15<sup>th</sup> City Council meeting, Alderwoman Koep shared with the Council a spreadsheet showing all of the Boards and Commissions in the City of Brainerd including information on compensation, which Bergman provided to the Board. After their discussion, the City Council passed a motion to discontinue all compensation for city appointed boards/committees/commissions other than Brainerd Public Utilities effective December 31<sup>st</sup>, 2016. Bergman referred to Minnesota Statute 469.011 and stated that based on her understanding, it is up to the Brainerd HRA Board, not the City Council, to set the per diem. She requested a legal analysis from Minnesota NAHRO attorney Kevin Walli to get clarification.

The Board discussed a number of key points that were included in the legal analysis. First, the HRA levy amount makes up only four percent of the HRA's budget. Secondly, as board members, each commissioner is fiduciarily responsible for the actions of the agency with a \$3.3 million budget. Thirdly, the HRA is an autonomous, separate entity governed by its own Board. The City Council only has the power to approve the levy, appoint commissioners, authorize TIF districts, and approve redevelopment plans.



Commissioner Steffenson shared his concern about future commissioners and their level of professionalism if they are not compensated. Commissioner Johnson voiced his concern about setting a precedence by allowing the City Council to tell the HRA Board what they, as a separate entity, can do (unless legally required).

The Board ultimately decided to revisit this topic of discussion in January since the Council made their motion effective December 31<sup>st</sup>.

**Brained Oaks Update**

The Crow Wing County (CWC) HRA Board considered the Redevelopment Plan and the Purchase and Development Agreement at their August 16<sup>th</sup> meeting. Prior to a redevelopment project, the CWC HRA Board is required by State Statute to prepare a Redevelopment Plan. This Plan must be submitted to the planning department for its review. This Plan was on the Planning Commission's August 17<sup>th</sup> meeting agenda and they passed a motion in favor of the Plan. In addition, the City Council is required to hold a public hearing and pass a resolution in favor of the Plan. The public hearing will be held at the September 6<sup>th</sup> City Council meeting.

**2016-17 Goals Update**

Bergman provided an update on the Brainerd HRA's 2016-17 goals, most of which were in progress or already completed.

**Rehab Program Update**

The HRA sent out SCDP applications to the four highest-ranking downtown properties based on the HRA-approved ranking system of a maximum 25 points.

Bergman reported that she will be meeting with Happy Dancing Turtle as they are possibly interested in buying the 4th Avenue NE lot. They plan to build a green/environmentally-friendly house. She will share how that meeting goes at the next board meeting.

**6. REPORTS OF COMMITTEES:**

- a. **Riverfront Committee:** Bergman provided the Board with notes from the July 28<sup>th</sup> Brainerd Riverfront Committee (BRC) meeting. She reported that they decided the first project will be an elevated trail on the Mississippi River from College Drive to Washington Street. SEH will be providing a cost estimate for the construction and maintenance of the trail, which they will share at the next BRC meeting (August 25<sup>th</sup>, 3:00-5:00 p.m.).

Bergman submitted the required semi-annual report to the Brainerd Lakes Area Community Foundation and provided a copy to the Board.

**7. UNFINISHED BUSINESS:** Nothing to report.

**8. NEW BUSINESS:**

- a. **2017 Preliminary General Fund Budget Approval:** At the July Board meeting, staff was authorized to prepare a letter to the Mayor and City requesting the full HRA levy of .0185 percent of the Estimated Market Value.



Per Minnesota State Statute, the Authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city, or if no budgets are required to be filed, by August 1<sup>st</sup>.

To meet this requirement, staff prepared the preliminary General Fund budget to be filed with the City, which was provided to the Board. This budget was based on estimates and assumptions that will change before the final budget is presented to the Board in November.

The Board inquired about the rehab position. Bergman explained the Brainerd HRA would like to make this a full-time position, which would allow them to offer the Small Cities Development Program (SCDP) to cities other than Brainerd within Crow Wing County. In addition, the person hired for this position would be responsible for procurement and guiding the HRA through the Brainerd Oaks/Serene Pines/Dal Mar project.

Young noted a change on the budget for 2016 other income, which should have included \$6,200 of Bridges Admin Fee. The Board suggested adding a separate line item for the CWC rehab coordinator and removing the last two columns before filing the budget with the City.

**Commissioner Johnson made a motion to authorize staff to file the General Fund budget as amended with the City of Brainerd. Commissioner Larson seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.**

Commissioner Wussow reported that his successor at the City of Aitkin has asked him to return.

**9. ADJOURNMENT:**

**Commissioner Charpentier made a motion to adjourn to the September 6th Brainerd City Council meeting to be held at 7:30 p.m. in the Council Chambers, 501 Laurel Street, Brainerd, MN 56401 and to the CWC HRA board meeting on September 16th at 5:00 pm held on the first floor of the Historic Courthouse, 326 Laurel Street, Brainerd, MN. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 3:01 p.m.**

