

Minutes of the December 18, 2014 Brainerd HRA Board Meeting

The December 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., Thursday, December 18, 2014, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

- 1. Call to Order:** Chair Parks called the meeting to order at 1:00 p.m.
- 2. Roll Call:** Present at the meeting were Commissioners Parks, Fargo, Steffenson, Larson and Nesheim with Commissioner Burnett absent. Also present were Director Jennifer Bergman, Finance Director Karen Young, Finance/Administrative Assistant Roberta Piekarski, MN Housing Partnership Representative Cherre Palenius, BLAEDC Representative Chris Robinson, Entrepreneur Fund Representatives Shawn Wellnitz and Mike Lattery, and Crow Wing County HRA Commissioners Ed Hall and Karl Samp.
- 3. Reading and Approval of Minutes from the Previous Meeting:**
Commissioner Larson made a motion to approve the minutes for the November 19, 2014 meeting. Commissioner Steffenson seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The minutes were approved as presented.
- 4. Presentation:**

Entrepreneur Fund: Shawn Wellnitz and Mike Lattery presented the “Grow Brainerd” proposal to the Brainerd and Crow Wing County HRA Boards. The cost of this project would be approximately \$16,000 to put together a group. The quoted price would cover the cost of meeting halls, food, marketing, materials and a staff facilitator. They will recruit members for the group by talking with key community leaders, bankers, sending out direct mailers, press releases and face to face or calling area business owners.

The group would consist of around six to eight business owners who are committed to growth and the potential for growth with the current concentration on downtown Brainerd. The program includes group led sessions by staff and facilitators which will determine each participant’s purpose or goal.

It is thought that key persons to make this successful would be BLAEDC, City of Brainerd Planning and Zoning staff, and organizations such as Brainerd Restoration.

Mark Ostgarden, the City Planner stated that he has been working to restore downtown Brainerd for over 10 years now and it will be a challenge.

Chris Robinson from BLAEDC asked that there was follow up done on the work that the Entrepreneur Fund did in Aitkin, he had heard that they put together a program like this for hundreds of dollars per participant instead of thousands of dollars.

The next steps in this process would be to fund \$2,400 to get started and do a strategic plan for Downtown Brainerd. The overall cost would fund eight businesses to take part in the plan and funds would come out of unbudgeted General Fund dollars. The Board responded that we need to go out and do something. The Board felt if we kept it in house and tried to put together a program like this on our own we wouldn't get as far because we just do not have the time and expertise on something like this as the Entrepreneur Fund does.

Commissioner Fargo made a motion to have the Executive Director put together a draft contract with the Entrepreneur Fund after she explores what went on with the work they did in Aitkin. Commissioner Nesheim seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion passed.

5. Bills and Communications:

a. Financial Report:

Housing Rehab Program: In August 2012 the Board approved creating the Housing Rehabilitation Specialist position. The position was originally funded by a \$15,000 contribution from the Crosby HRA, \$10,000 from the CWC HRA and \$15,000 from the Brainerd HRA. At that time it was presented to the Board that the creation of this position would require an additional commitment of \$20,000 to \$30,000 from the Brainerd HRA General Fund reserves. In November a transfer of \$10,000 was made from the General Fund to the Housing Rehab Program to supplement the fund balance for the program.

Tax Exemption Claim: In November a check from Minnesota Department of Revenue was received in the amount of \$5,100.18 for a sales tax refund. The funds were deposited into Public Housing and are a refund of sales tax paid for construction materials and supplies used in our Public Housing properties.

Audit Schedule: The 2014 audit has been scheduled with CliftonLarsonAllen. The Crow Wing County HRA audit will be February 9th – 11th. The Brainerd HRA audit and Brainerd South compilation are scheduled for the week of February 16th.

2014 Levy Payment: In December the remaining 2014 levy payment of \$51,458 was received. Year to date we have received \$112,247 in levy payments. The 2014 levy was estimated at \$115,189.

b. HCV Report:

The agency will be finishing 2014 at 100% utilization. The current total waiting list is at 390 applications.

c. Public Housing Report:

On December 1st Kathy Segler began working as our Administrative Assistant. She has proven to be a great asset to the agency and her bookkeeping skills and ability to "jump right in" during rent week has been outstanding. We are looking forward to her future with the agency.

On December 4th we received a letter from HUD that Brainerd HRA's Five-Year PHA Plan for 2015 has been approved.

The agency will be finishing out 2014 under two percent as hoped, which will earn us full points in this category in our PHAS score.

d. Executive Director Report:

Executive Assistant: The Executive Assistant position was posted on December 3rd with a closing date of December 18th. It is intended to have someone in this position by the end of January. Jennifer would rather take longer to fill this position and get the right fit into the position and the Board fully supports that decision.

Rotary Presentation: Jennifer was asked by Rotary to give a presentation on the Brainerd and Crow Wing County HRA's. Which went well and was a good opportunity to educate other area leaders about what it is that HRA's do.

New City Council Member Meetings: Jennifer contacted both new City Council members (Sue Hilgart and Gabe Johnson) to schedule meetings to talk about the HRA. She met with Sue on Monday and Gabe today, both meetings went well.

Crosby Small Cities Application: We submitted a pre-application to DEED for Small Cities Comprehensive Development Program application on behalf of the City of Crosby in the amount of \$895,100. The program would provide funds to update the City's sanitary sewer and water in addition to rehab funds for 19 homeowners in Northeast Crosby. A response was received back from DEED that the application was "Marginally Competitive". What this means is any projects that were scored as "Competitive" would take priority of receiving funds over a "Marginally Competitive" application. Staff will be working with the city's engineering firm and the grant writer to revise the application to make the application more competitive.

Jennifer received a call from the gentleman who purchased the Downtown Motel. He would like to meet with her to discuss redevelopment of the site. She encouraged him to speak to the City Planner, but he was adamant that he wanted to meet with her so she scheduled a meeting with him tomorrow.

Jennifer updated the Board that she is requesting time off from July 15th to July 25th for a vacation to Norway. The Board meeting is scheduled during this time and will have to be rescheduled.

e. Crosby HRA Update:

The Crosby HRA Board approved CliftonLarsonAllen to facilitate the 2015 audit. The 2014 rep letter was originally signed by the Executive Director but was rescinded and resigned by the Board Chair, as staff felt it appropriate to have the Board sign because they were present for the time period that was audited. The audit is now complete and submitted to REAC and since approved.

The agency has hired a firm to work on the Personnel Policy to make more sustainable during the current economic environment.

The Board would still like to see more Skype or online meetings in the future instead of staff presence in Crosby. Jennifer stated that there is still a lot of work that needs to be done there and our presence in Crosby is very vital- and has no intention on decreasing physical presence there at this time.

6. Reports of Committees:

Commissioner Fargo reported that he attended a Commissioners meeting via-teleconference by MN NAHRO. It was the consensus that the Commissioners training in Duluth was a beneficial training. They also asked attendees what kind of training the Board Commissioners are looking for the spring conference at Maddens. MN NAHRO is also looking at a \$200 flat rate registration for Board Commissioners.

7. Unfinished Business: None to report

8. New Business:

a. Approve Resolution #2014-08, Write Off of Accounts Receivable:

Per Brainerd HRA policy, when an account remains unpaid for 90 days following tenant's move out date with no repayment activity, the Finance director shall obtain approval from the Board of Commissioner's to write-off those accounts. When feasible, these balances will be filed with the State of Minnesota for collection through the Revenue Recapture process available.

Commissioner Nesheim moved to adopt Resolution #2014-08 as recommended by staff to write off Accounts Receivable balances over 90 days. Commissioner Fargo seconded the motion. A roll call vote was taken. Commissioners Parks, Nesheim, Fargo and Steffenson voted in favor with Commissioners Burnett and Larson absent (Larson absent for roll call vote due to leaving meeting early). No Commissioners opposed and the motion was passed.

b. Approve Resolution #2014-09, Public Housing Asset Write Off:

The Brainerd HRA currently has \$22,454 in Public Housing assets that have outlived their useful lives and required removal from the official asset listing. Per policy, Board of Commissioners approval is required to remove the assets.

Commissioner Nesheim moved to adopt Resolution #2014-09 that would require the removal of obsolete assets for 2014 as recommended by staff. Commissioner Fargo seconded the motion. A roll call vote was taken. Commissioners Parks, Nesheim, Fargo and Steffenson voted in favor with Commissioners Burnett and Larson absent (Larson absent for roll call vote due to leaving meeting early). No Commissioners opposed and the motion was passed.

c. Discussion on the Housing Institute:

Cherre` Palenius from Minnesota Housing Partnership presented to the Board on participation in the Housing Institute Program to see if there is a local interest in participating in the program. The idea is to form a committee consisting of local community members who would identify a project or program they would like to work on. They are looking to form groups in Central, West Central and East Central Minnesota. The group would consist of a five to seven member team that would meet quarterly over the course of 12 months.

The question was posed to Cherre` if we could somehow incorporate this program into the "Grow Brainerd" program offered through the Entrepreneur Fund for Downtown Brainerd. She said she would present the idea to her supervisor but stressed that this is a housing program and that they wanted to concentrate on housing rehabilitation. She said maybe they could concentrate on the housing in Downtown Brainerd above the shops in the area.

The Crow Wing County HRA and BLAEDC participated in the program about four years ago felt that they did not get the outcome promised by Minnesota Housing Partnership and felt that current administration would not support the participation in the project.

Often times the Housing Institute results in funding for the priorities identified since the participants would have the opportunity to discuss projects with Minnesota Housing, DEED and Greater Minnesota Housing Fund. This position would be very beneficial in future grant applications.

It would be the Brainerd HRA's decision if they are interested in participating in the group and they would have the influence on who would be members in the group as well. The Brainerd HRA Board felt that the only way we would be interested in participating in the project was if the project was geared only towards the City of Brainerd with a main emphasis on downtown.

d. Discussion on the Brainerd HRA Board Composition:

The Brainerd HRA Board currently has six members. Jennifer is concerned about what would happen if there ever was a tie vote, although it has never happened. Most Boards have an odd number for this reason. Minnesota State Statute 469.003, Subdivision 5 allows HRA's to have up to seven members on their Board. The number of members on a HRA Board is a City Council decision.

The Board originally was a five member Board prior to March 2001. When at that time a Resident Commissioner was added to the Board which increased the Board to six members. Then in July 2010 City Council made a motion to appoint a City Council liaison to the Board as a voting member with a term concurrent with their term in office.

Chair Parks is the current City Council liaison and will leave office on December 31, 2014 which will end his term on the Brainerd HRA Board. City Council will appoint a new liaison at their January 20th City Council meeting.

Jennifer has discussed with the City Administrator Patrick Wussow and the City Attorney Eric Quiring and found no legalities with the change to seven members.

Commissioner Nesheim made a motion to make a recommendation to the City to increase the number of Board members to seven. Commissioner Fargo seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion passed.

9. Adjournment:

Commissioner Fargo made a motion to adjourn the meeting. Commissioner Steffenson seconded the motion and the meeting was adjourned at 4:21 p.m.