

**Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
January 27, 2016**

The January 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, January 27th, 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 1:01 p.m.
- 2. ROLL CALL:** Present at the meeting were Chair Rick Fargo, Commissioners Nathan Steffenson, Dale Parks, Gabe Johnson, Patrick Wussow, and Eric Charpentier. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, and Executive Assistant LeAnn Goltz as well as Brainerd City Planner Mark Ostgarden.

Commissioner Johnson made a motion to amend the agenda by adding the request to adopt Resolution No. 2015-04, Authorization to Administer Bridges Program to item 8, New Business. Commissioner Parks seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The amended agenda was approved.

- 3. READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETING:**

Commissioner Parks made a motion to approve the minutes from December 16th, 2015. Commissioner Johnson seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The minutes were approved.

- 4. ANNUAL MEETING:**

In July, the Board amended the By Laws to hold its Annual Meeting in January to coincide with the Brainerd HRA's fiscal year and the City Council approved extending the Board terms to 12/31.

Typically at Annual Meetings, all new or reappointed members are given the Oath of Office, the Board elects officers, By Laws are reviewed, and a meeting schedule is established for the upcoming year.

Oath of Office:

No new appointed members.

Election of Officers:

Commissioner Parks made a motion to nominate Commissioner Fargo as Chair. All Commissioners voted in favor of the motion and none were opposed. The motion passed.

Commissioner Wussow made a motion to nominate Commissioner Parks as Vice Chair. Commissioner Johnson seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion passed.

Commissioner Johnson made a motion to nominate Commissioner Charpentier as Treasurer. Commissioner Parks 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:

Year-end Financial Statements and Ratios

The December ratios and financial statements provided did not fully reflect all year-end entries and adjustments. The final year-end entries and adjustments will be recorded prior to the audit and REAC submission. Therefore, the financial information is subject to change due to necessary year-end adjustments.

Bad Debt Module

At the December Board Meeting, the Board took action writing off any Accounts Receivable balances that were past due for over 90 days per HRA policy. These balances were taken out of our current Accounts Receivable, but we still track them in our Bad Debt Module and continue collection efforts through Revenue Recapture. The question was asked about how much is in the Bad Debt Module. The balance for Brainerd South is \$12,658 and the balance for Public Housing is \$101,849.

Commissioner Wussow made a motion to approve the checks as presented. Commissioner Parks seconded the motion. All commissioners voted in favor and none were opposed. The motion was passed.

- b. HCV Report:** As of January 1st, the Hawaii port-out has been absorbed. Bergman shared the HCV Report with the Board and reported that the HRA ended the year at 98% Unit Months Leased and 97% HAP utilization. The Board formally recognized Eller and the Brainerd HRA for the excellent ratio.

Commissioner Fargo made a motion to formally commend Eller and the Brainerd HRA staff for the excellent ratio. Commissioner Wussow seconded the motion. All commissioners voted in favor of the motion and none opposed. The motion passed.

- c. Public Housing Report:** The Brainerd HRA recently completed an annual update of the two-bedroom waiting list and will be opening that list for applications by mid-February. All bedrooms will be open except for the four-bedroom. The new Valley Trail caretakers start on February 1st.

The Board inquired about the waiting list process and wondered why the closing of Public Housing waiting list doesn't require Board approval but it is required for the HCV waiting list. Staff will research the regulations and get back to the them.

d. Executive Director Report:

Deluxe Main Street Makeover

Through Deluxe Corporation's Small Business Revolution, they recently launched a \$500,000 competition to fund a "Main Street Makeover." Submission of a 500-word essay about why your downtown should be selected was required to qualify. Richard Polipnick from Visit Brainerd submitted an essay and a group of partners met on January 20th to discuss another submission. The submission deadline is January 28th. Others that have submitted nominations include the



Brainerd Lakes Chamber, Brainerd City Administrator Jim Thoreen, BLAEDC, Mayor Ed Menk, and the Brainerd HRA.

ULI – Navigating Your Competitive Future/Technical Assistance Panel

On January 13th, the Urban Land Institute – Minnesota conducted their Navigating Your Competitive Future discussion on Brainerd. The panel answered a number of prepared questions and had a discussion about the current market in Brainerd. In the afternoon, a Technical Assistance Panel discussed Brainerd Oaks and potential solutions to build-out the subdivision. The HRA will receive a written report from ULI. Although this is a CWC HRA project, it has huge implications for the Brainerd HRA and the City of Brainerd. The CWC HRA Board will be discussing their next steps at their February Board meeting.

The Brainerd HRA Board had a discussion about the workshop and panel’s recommendations. They also discussed the infrastructure and the need for maintenance at some point in the future.

Commissioner Wussow made a motion to have Chair Fargo draft a thank you letter to the CWC HRA Board for the ULI session and to make a suggestion as to what should be done next. Commissioner Johnson seconded the motion. All commissioners voted in favor and none were opposed. The motion was passed.

Chair Fargo will bring the letter to the next meeting for Board approval.

HRA Board Terms Update

On December 21st, the City Council authorized the extension of the Brainerd HRA Board terms to December 31st.

BLAEDC Downtown Loan Update

The City Council authorized Dave Pueringer’s deferred loan application for the solar electric panels on three of his downtown properties. BLAEDC is working with Mr. Pueringer to complete the loan application. The Brainerd HRA is assisting BLAEDC with the construction management, which includes the inspection, work write-ups, construction monitoring, and Davis Bacon.

Housing/Commercial Rehab Update

After last meeting, the HRA received an email from Pat Armon at DEED allowing the closure of the SE Brainerd grant regardless of the City’s program income. Dennis Christensen and City Finance Director Connie Hillman are working on the close-out report.

6. REPORTS OF COMMITTEES:

NAHRO Commissioners Committee: Nothing to report.

Mississippi Riverfront Sub-Committee: Bergman visited with Karl Samp, the new Executive Director of Brainerd Community Foundation. The initial report, which Bergman submitted on Monday, January 25th, is due February 1st. The Foundation is pleased with the progress made to date. SEH gave a presentation about the project to Kiwanis on Monday, January 25th and will also be presenting to Rotary and Sertoma in February. The next meeting of the Sub-committee is planned for March 24th.



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

8. **NEW BUSINESS:**

- a. **Adopt 2016 Payment Standards:** FY 2016 Fair Market Rents (FMR) have been published—the one bedroom FMR is \$595 and the two-bedroom FMR is \$797. Payment standards must be set between 90%–110% of the FMR. The Federal Register Notice states payment standards are to be effective the date of publication, which was Friday, December 11th, 2015.

The HRA proposes an increase of the one-bedroom payment standard from \$509 to \$547 (92% of the FMR), and the two-bedroom payment standard from \$671 to \$726 (91% of the FMR). The HRA's payment standards have been low on both bedroom sizes and it has become increasingly difficult for participants to find housing. Funding will continue to be monitored to make sure spending stays on track.

Due to his legal responsibility, Chair Fargo abstained from the discussion and vote.

Commissioner Johnson made a motion to adopt the 2016 Payment Standards. Commissioner Charpentier seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.

- b. **Consider Purchase of 728 4th Street NE:** The property at 728 4th Street NE was originally listed at \$12,200 and the Brainerd HRA made an offer of \$5,000 on December 1st. The seller countered with \$11,500 on December 2nd. The HRA declined but informed them that the offer of \$5,000 still stood. Bergman received notice on January 11th that the seller had accepted the \$5,000 offer.

Currently, the balance in the SSRP fund is approximately \$31,000, which is sufficient to cover the costs of the acquisition, demolition, and holding costs for this property. Grant funds from Minnesota Housing would not be used for this purchase. Although the house is in poor condition, it is on a larger lot (75'x166'). Since it is such a nice lot, Bergman recommended soliciting a private home builder or buyer who would be interested in purchasing it.

Bergman signed the Purchase Agreement in order to make the \$5,000 offer but made it contingent upon Brainerd HRA Board approval.

Commissioner Parks made a motion to authorize the Chair and the Executive Director to enter into a Purchase Agreement for \$5,000 for 728 4th Avenue NE. Commissioner Johnson seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved.

- c. **Authorize Submission of SCDP to DEED for Downtown Brainerd:** On behalf of the City of Brainerd, the Brainerd HRA submitted a pre-application to the Department of Employment and Economic Development (DEED) for a Small Cities Development Program (SCDP) grant for a commercial and rental rehabilitation for downtown Brainerd. We received notice from DEED that our pre-application was marginally competitive and have been asked to submit a full-application. DEED received 48 applications and invited 32 to submit full applications, which are due on February 28th.



The HRA surveyed downtown business owners and have 12 property owners who have expressed interest, but the chances of being funded increase with greater numbers of those interested. A group comprised of HRA staff, Brainerd City Planner Mark Ostgarden, and BLAEDC's Sheila Haverkamp also went door-to-door and visited downtown business and property owners in the four-block core to inform them of the program and gather feedback.

The City Council will hold a public hearing on February 1st as required by DEED.

Commissioner Wussow moved to authorize the Executive Director to submit the Downtown Brainerd Commercial and Rental Rehab program application to DEED. Commissioner Parks seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved.

- d. **Adopt the Brainerd HRA 2016-2017 Strategic Plan:** The Brainerd HRA Board conducted a strategic planning session at the December Board meeting to identify goals and objectives for 2016. The Board determined that the goals from the 2015-2016 Strategic Plan are still relevant but many of the objectives that were identified have been completed. They discussed a number of new objectives and Bergman compiled it all into a two-year plan and presented it to the Board.

The Board discussed the plan and felt it reflected what came out of the planning session. They proposed an amendment to the five-year vision from “becoming a high performer” to “maintaining high performer status.”

Commissioner Steffenson inquired about whether or not the HRA office has had an energy audit. Staff will research this and follow up.

Commissioner Charpentier made a motion to adopt the 2016-2017 Brainerd HRA Strategic Plan as amended. Commissioner Johnson seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved as amended.

- e. **Adopt Resolution No. 2015-04, Authorization to Administer Bridges Program:** On October 28th, 2015, the Board formally authorized the Cooperative Agreement to administer the Bridges Program. Minnesota Housing has since requested a formal resolution from the Brainerd HRA Board that authorizes them to administer the Bridges Program effective January 1st, 2016.

Commissioner Parks made a motion to adopt Resolution No. 2015-04, Authorization to Administer Bridges Program, Commissioner Johnson seconded the motion. A roll call vote was taken and all commissioners voted in favor and none were opposed. The motion was approved.

9. **CLOSED SESSION:** The Board closed the session for the Executive Director's performance evaluation. The Executive Director agreed to have the meeting stay open. The Board discussed the Executive Director's performance in 2015.

10. **ADJOURNMENT:**

Commissioner Wussow made a motion to adjourn at 3:46 p.m. 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.

