

**Brainerd Housing and Redevelopment Authority  
BOARD MEETING MINUTES  
January 24, 2018**

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, January 24<sup>th</sup>, 2018, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Executive Director Jennifer Bergman called the meeting to order at 1:00 p.m.
2. **ROLL CALL:** Present at the meeting were Commissioners Patrick Wussow, Gabe Johnson, Rick Fargo, Marlee Larson (via teleconference), and Eric Charpentier. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Teresa Hettver, Executive Assistant LeAnn Goltz, Dale Parks, and Cassandra Torstenson. Absent: Krista Brodal.
3. **RECOGNITION OF SERVICE & DEDICATION:** Bergman thanked Dale Parks for serving on the HRA Board for the past 13 years.
4. **ANNUAL MEETING**

- a. **Oath of Office:** Commissioner Parks' term ended in 2017. He decided to not request reappointment. The mayor announced the opening at the January 16<sup>th</sup> City Council meeting and has received one application to date.
- b. **Election of Officers:** Bergman asked for nominations for chair for 2018.

**Commissioner Wussow nominated Commissioner Larson for board chair and Commissioner Johnson seconded the nomination. All commissioners voted in favor and none were opposed. The motion passed and Marlee Larson was elected as chair.**

Bergman called for nominations for vice chair.

**Commissioner Fargo nominated Commissioner Wussow for vice chair, seconded by Commissioner Johnson. All commissioners voted in favor and none were opposed. The motion passed and Patrick Wussow was elected as vice chair.**

Vice Chair Wussow called for nominations for secretary/treasurer.

**Commissioner Johnson nominated Commissioner Charpentier for secretary/treasurer, seconded by Commissioner Fargo. All commissioners voted in favor and none were opposed. The motion passed and Eric Charpentier was elected as secretary/treasurer.**

- c. **Review By Laws:** The Board reviewed the current bylaws and had no recommended changes.
- d. **Review Meeting Schedule:** The Board reviewed the 2018 meeting schedule.



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

**Commissioner Johnson made a motion to approve the minutes from the December 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.**

6. **BILLS AND COMMUNICATIONS:**

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

**Year-end Financial Statements and Ratios**

The December ratios and financial statements do 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.

**Audit Schedule**

The 2017 audit schedule has been set with CliftonLarsonAllen (CLA). The Crow Wing County HRA audit will be during the week of February 5<sup>th</sup>. The Brainerd HRA audit and Brainerd South compilation are scheduled for the week of February 12<sup>th</sup>. The agency unaudited financial statements are due to the Real Estate Assessment Center (REAC) by February 28<sup>th</sup> and the unaudited Brainerd South financial statements are due to REAC by March 31<sup>st</sup>.

**CWC HRA Non-TIF Revolving Loan Fund**

A check was issued in December to BLAEDC Unified Fund for the total Non-TIF Revolving Loan Funds of \$119,245.03. These funds will no longer be reflected on the financial statements and will be retained by BLAEDC for use in the Unified Fund.

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

b. **HCV Programs Report:** Our Unit Months Leased (UML) for 2017 is 99% and HAP utilization for 2017 is 107%. Our waiting list is still at 38 families, all of which are non-preference.

Bergman shared that she was at the directors' meeting last week and learned that the Brainerd HRA is the only agency in central Minnesota that has maintained its utilization. They were very impressed.

c. **Public Housing Report:** Hettver presented the Vacancy Report, Monthly Property Performance Report, and the ROSS Program Report. She noted that public housing completed the year with a less-than-2% vacancy rate. Hettver also reported that the agency's annual plan was approved on December 22<sup>nd</sup>, 2017.



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

**Small Business Revolution/Main Street Makeover**

Representatives from the Deluxe Corporation Small Business Revolution arrived to Brainerd on Wednesday, January 10<sup>th</sup> where they were greeted by almost 300 people at Roundhouse Brewery for their reception. On Thursday morning, Mayor Menk, Matt Kilian, Matt Seymour and Bergman gave them a tour of downtown Brainerd and stopped at several businesses. While a few Small Business Revolution representatives attended the tour, several others were out talking to business owners on their own. It was a very successful and productive visit.

**NAHRO Strategic Planning Advisory Group (SPAG)**

Bergman has had two SPAG meetings since taking office in October to finalize the goals and objectives for NAHRO for 2017–2019. She attended the NAHRO Leadership Retreat in Austin, TX, from January 19–21<sup>st</sup> to present and discussed the strategic plan. In addition, she did a lot of facilitation throughout the weekend.

**Brainerd Hotel**

The Brainerd Hotel was sold in December. The new owner is in the process of securing a contract with a hotel chain, potentially with Choice Hotels, and will begin the rehabilitation of the hotel in February. It is his intent to have a dual brand and be open by July of 2018.

**Organizational Chart**

Bergman provided the Brainerd HRA's organizational chart.

**River to Rail**

Bruce Buxton continues to work on this initiative. There is an Innovating Funding Grant available through NJPA and this will be explored.

**7. UNFINISHED BUSINESS:**

- a. Consider Tax Forfeited Property Policy:** In May of 2017, the Brainerd HRA Board approved a Tax Forfeit Policy. The CWC HRA discussed the same policy at their July meeting; however, they decided to table it at that time until further discussion with County staff. As a result, staff changed the policy significantly and presented it to the Brainerd HRA Board..

At their January board meeting, the CWC HRA did approve the policy and directed staff to meet with County staff to create the companion policy for Crow Wing County. Bergman and Schommer will be meeting with Debby Erickson on January 31<sup>st</sup> and are scheduled to present the County policy to the Committee of the Whole on February 22<sup>nd</sup>.

It will be much easier to administer this program if both HRAs have the same policy.

Commissioner Wussow reported that he submitted a letter to the CWC HRA informing them he was interested in purchasing a tax-forfeited property in Brainerd. Commissioner Johnson also shared that the Brainerd City Council is considering a policy to eliminate all non-infrastructure assessments on tax-forfeited properties.



The Board discussed the policy and Commissioner Johnson proposed a change to the fourth goal so that the word “stabilize” is changed to “improve.”

**Commissioner Johnson made a motion to amend and approve the Brainerd HRA Tax Forfeited Hold Policy and Sales Procedure. Commissioner Wussow seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed as amended.**

- b. Update on Refinancing of General Fund Mortgage:** The General Fund mortgage on the office building matured on 12/09/2017 with one five-year term remaining. Since the renewal terms with Wells Fargo were unfavorable, the Board directed staff to seek refinancing proposals from three local banks. They received proposals from Bremer Bank, Deerwood Bank, and Frandsen Bank. The Wells Fargo loan has been extended until 03/09/2018.

The Board had a discussion on the proposals and refinancing options.

**Commissioner Charpentier made a motion to pay off the remaining balance of the General Fund mortgage on the office building. Commissioner Fargo seconded the motion. Commissioner Charpentier abstained from the vote with the remaining commissioners voting in favor of the motion. The motion passed.**

- 8. NEW BUSINESS:** Bergman reported that she and Schommer are assisting the City of Brainerd with establishing guidelines for a new revolving loan program using old CDGB funds.
- 9. COMMISSIONER COMMENTS:** Commissioner Fargo expressed his concern about affordable housing in Brainerd. Commissioner Johnson reported that the City of Brainerd is holding a special meeting to discuss a liquor license approval. Commissioner Charpentier reported that the BLAEDC Unified Fund has funded two projects to date. Commissioner Wussow inquired about how the policy updates are going. Bergman informed the Board that there will be seven policies to approve at the next meeting.
- 10. Adjourn:**

**Commissioner Fargo made a motion to adjourn to the BLAEDC Annual Meeting on February 12, 2018, 11:30 a.m.–1:15 p.m. at Arrowwood Lodge, Baxter, 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 2:48 p.m.**

