

Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
December 16, 2015

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., Wednesday, December 16th, 2015, 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, Gabe Johnson, Patrick Wussow, Marlee Larson. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Teresa Hettver, and Executive Assistant LeAnn Goltz.
3. **READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETING:**

Commissioner Larson made a motion to approve the minutes from November 18th, 2015. Commissioner Johnson 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:**

Audit Schedule

The 2015 audit schedule has been set with CliftonLarsonAllen (CLA). The Crow Wing County HRA audit will be during the week of February 8th. The Brainerd HRA audit and Brainerd South compilation are scheduled for the week of February 15th. The Agency unaudited financial statements are due to the Real Estate Assessment Center (REAC) by February 28th, and the unaudited Brainerd South financial statements are due to REAC by March 31st.

- b. **HCV Report:** Bergman shared the HCV report with the Board and reported that to date, the HRA is at 97.5% Unit Months Leased and 88% HAP utilization. In addition, the HRA is on course for taking over the Bridges Program January 1, 2016. Burrell is meeting with Morrison County next week (week of Dec. 21st).
- c. **Public Housing Report:** Hettver provided the Board with November's vacancy and property performance reports. She also explained that on November 20th, she received word from the Crow Wing County Court Administrator that Judge Askegard determined that the HRA could no longer represent themselves in court based on the statutes 469.003, subd. 1 and 469.014.

Bergman and Hettver had a meeting with Virginia (Ginny) Knudson and she agreed to represent us in any future actions at a reduced rate of \$190.00 per hour (her regular rate is \$225.00 per hour) and her paralegal's rate at \$100.00 per hour (her regular rate is \$125.00). Ginny also suggested that Hettver could act as her paralegal by drafting the Eviction Complaint, thereby saving those fees. She indicated that she is typically in court on eviction actions two to three times per month, and then she can split her court time between clients. It is very difficult to find attorneys that are



willing to work in tenant law and we are fortunate to have her.

In the past three years, we have had an average of three evictions per year. In 2013, we had had one eviction at Brainerd South and two in public housing (one of those was for the tenant that started the fire at the North Star). In 2014, we had one in public housing. In 2015, we have had five in public housing (one is set for court on December 10). Of those five, two were settled with the tenants and the costs have either been paid in full or a repayment agreement was entered into to collect the costs. All of the costs related to the evictions for the public housing tenants have been placed into Revenue Recapture. Hettver has always tried to do everything possible to avoid filing eviction actions and will continue to do everything possible to avoid filing in the future.

Hettver reported that the HRA hired new caretakers for the North Star Apartments and is still seeking individuals to fill the open position at Valley Trail. Applications are being accepted through Monday, December 21st.

Hettver also updated the Board on the cost of elevator repairs after the vandalism incident at the North Star. The HRA had been given an estimate of \$4,000 for the repairs, but the actual cost was only \$1,800.

In addition, the elevator modernization project is progressing. Following the advertisement for bids and receiving four bids, the HRA selected MEI. Staff is drafting a contract and working with Minnesota Housing to complete the requirements prior to closing on the loan, which is estimated to take place approximately 4–6 weeks after all documentation is submitted and the contract is approved. Construction cannot commence prior to the loan closing and MEI anticipates beginning construction 13 weeks after.

d. Executive Director Report:

Housing Institute

The Downtown Brainerd Housing Institute Team held their final meeting on November 30th. At this meeting, the team prepared a mission statement and goals. The team plans to discuss the process and the goals to the Board at the January meeting.

CWC HRA Veterans Housing Project

HKGi conducted a charrette exercise on Nov. 19th with members of the task force and discussed the potential opportunities for the four areas of land owned by Terra Vista Corporation. They discussed the needs identified by the Veterans Task Force and the possibilities for development of the land. HKGi is preparing sketch concept plans based on the discussion and is meeting with the Service Member Advisory Group today. HKGi will be presenting the sketch concept plans at the January CWC HRA board meeting.

Brainerd Oaks

The Urban Land Institute – Minnesota scheduled the Navigating Your Competitive Future and a Technical Assistance Panel for January 13th, 2016. The HRA sent Save the Date invites both via email and mail. The Navigating Your Competitive Future Workshop will be held at the Crow Wing County Land Services Building from 10:00 a.m. to 12:00 p.m. The Technical Assistance Panel will then explore the site, prepare recommendations, and reconvene at 3:00 p.m. to hear their recommendations. More detailed information will be provided after the first of the year.



BLACF Riverfront Grant Update

Bergman met with SEH on December 3rd to discuss the project and the Agreement. SEH is holding a kick-off meeting on December 17th to discuss the project with the Riverfront Sub-Committee.

Symposium on Small Towns – Rural Housing

Each year, the Center for Small Towns holds a symposium and this year they have selected rural housing as their topic. They are partnering with the University of Minnesota Morris. Bergman was asked to be a part of the planning team (30 or 40). The symposium will be held in Morris from June 7–9th. The planning retreat was held at the Initiative Foundation in Little Falls. The purpose of the retreat was to discuss the housing issues in Greater Minnesota to develop a framework for the symposium and to gather ideas for sessions.

HRA Board Terms Update

Bergman had intended on requesting to have the Board term dates extended from June 6th to December 31st at the December 7th City Council meeting. Since the Board appointments are made by the Mayor, Attorney Eric Quiring suggested waiting until after Mayor Menk has been sworn in and discuss this with him prior to requesting this from the City Council. Bergman met with the Mayor on December 15th to discuss this and it will be on the December 21st City Council agenda.

BLAEDC Downtown Loan Update

BLAEDC administers the City of Brainerd’s downtown loan program and received an application from David Pueringer to install solar electric panels on three of his downtown properties. BLAEDC requested the Brainerd HRA’s assistance on the construction management only, which includes the inspection, work write-ups, construction monitoring, and Davis Bacon. The City Council considered this application at their December 7th meeting but requested some additional information and tabled this until the December 21st meeting. DEED may require the City to spend their program income prior to closing out the HRA’s SE Brainerd grant. DEED would like the City to spend all of their program income. If the Pueringer loan does not occur, we may have to apply for an extension on the SE Brainerd grant.

SSRP Update

At the last meeting, the Board discussed a potential purchase of a 728 4th Avenue NE under the Scattered Site Replacement Program (SSRP). The house was listed at \$12,200. The HRA made an offer of \$5,000 contingent upon HRA Board approval. The seller countered at \$11,500 and we declined. They recently dropped the price to \$10,890. We notified the buyer that our offer of \$5,000 still stands. We will continue to monitor this listing. Bergman asked the board if they want to increase the amount we offer. Currently there is approximately \$31,000 in the SSRP Fund.

Commissioner Wussow made a motion to consider increasing the purchase offer for 728 4th Ave. NE at the April 2016 Board Meeting unless something else happens before then. Commissioner Larson seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.

Housing/Commercial Rehab Update

Bergman provided the SCDP Housing/Commercial Rehab update from Dennis Christenson. She explained that in order for the Brainerd HRA to close out the SE Brainerd SCDP through DEED, the City has to spend their program income. DEED will allow us to close out the grant if these funds are committed to a project. If the City Council authorizes the loan/grant for Dave Pueringer, we will be able to close out our grant. If not, we will request an extension for the grant and solicit



applications in SE Brainerd or another downtown property owner.

Bergman reported that she and Commissioner Wussow attended a ribbon cutting ceremony for Mann Lake LTD at the Brainerd Industrial Center, their first long-term lease. They anticipate this expansion will result in the creation of 25 manufacturing jobs by the end of the year.

5. REPORTS OF COMMITTEES:

- a. **NAHRO Commissioners Committee:** Nothing to report.
- b. **Mississippi Riverfront Sub-Committee:** Kickoff meeting tomorrow with SEH.

6. UNFINISHED BUSINESS: Nothing to report.

7. NEW BUSINESS:

- a. **Accounts Receivable Write-off:** Commissioner Wussow asked how much is currently in the Bad Debt Module. Young will find out and return with that answer.

Commissioner Larson made a motion to approve write-off uncollectible Accounts Receivable for 2015. Commissioner Parks seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion was approved.

8. STRATEGIC PLANNING SESSION: Bergman reviewed with the Board the goals from 2014–2015 and the Action Steps Status Report. Prior to the meeting, she had asked the Board to come prepared with goals for the coming two years. Chair Fargo reminded them that in the MnNAHRO commissioner’s training, they learned the importance of strategic planning and how its purpose is to guide the HRA in the direction the Board desires. Bergman stated that she was proud of the HRA staff for meeting most of the action items from each of the goals.

During a brain storming session, each commissioner shared goals and possible action steps as Bergman took notes on wall charts. She will type them up, list the priorities and action steps, and bring them to the next meeting at which time the Board will conduct a dot democracy exercise to assist in identifying the 2016 goals.

Chair Fargo reported that the Board did not meet their goal of doing a job evaluation for Executive Director Bergman: without a current job description, it is difficult to do. He suggested doing it next month as the goals and action items from the new strategic plan may impact her job description.

9. ADJOURNMENT:

Commissioner Parks made a motion to adjourn at 3:37 p.m. Commissioner Steffenson seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned.