



## BOARD OF COMMISSIONERS MEETING

Wednesday, May 2, 2018 @ 1:00 p.m.

**Brainerd Housing & Redevelopment Authority (HRA) Administrative Office**  
**324 East River Road | Brainerd, Minnesota**

### **AGENDA**

- 1. Call to Order**
- 2. Oath of Office:** Rebecca Kent (*Attachment 1*)
- 3. Roll Call**
- 4. Recognition of Service and Dedication:** Rick Fargo
- 5. Presentation of the 2017 Audit:** Mary Reedy, CliftonLarsonAllen
- 6. Reading and Approval of Minutes** (*Attachment 2*)
- 7. Bills and Communications**
  - a. Financial Report (*Attachment 3*)
  - b. HCV Programs Report (*Attachment 4*)
  - c. Public Housing Report (*Attachment 5*)
  - d. Executive Director Report (*Attachment 6*)
- 8. Unfinished Business**
- 9. New Business**
  - a. Authorize Memorandum of Agreement for the Brainerd Revolving Loan Program (*Attachment 7*)
  - b. Approve Lease Subsidy Agreement with The Purple Fern (*Attachment 8*)
- 10. Policy Review and Approval**
  - a. Code of Ethics and Standards of Conduct Policy (*Attachment 9*)
  - b. Employee Fraud Policy (*Attachment 10*)
  - c. Amendment to ACOP/Section 504 Non-Discrimination Grievance Policy (*Attachment 11*)
  - d. Update on Policy Review & Approval (*Attachment 12*)
- 11. Commissioner Comments**
- 12. Adjourn**

Next Meeting: Wednesday, May 30, 2018



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**To:** Brainerd HRA Board Members  
**From:** Jennifer Bergman, Executive Director  
**Date:** April 18, 2018  
**Re:** Oath of Office

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Rebecca Kent was appointed to the Brainerd HRA Board by the City Council at their April 16<sup>th</sup> meeting. She will take an oath of office at the board meeting.



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## Brainerd Housing and Redevelopment Authority BOARD MEETING MINUTES March 28, 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, March 28<sup>th</sup>, 2018, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

- 1. CALL TO ORDER:** Vice Chair Patrick Wussow 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, Ashley Storm, Rental Assistance Manager Tania Eller, Rehab Coordinator John Schommer, Housing Manager Teresa Hettver, and Executive Assistant LeAnn Goltz. Absent: Krista Brodal.
- 3. OATH OF OFFICE:** Ashley Storm, who was appointed to the Brainerd HRA Board by the City Council at their March 19<sup>th</sup> meeting, took her oath of office.
- 4. READING AND APPROVAL OF MINUTES:**

**Commissioner Johnson made a motion to approve the minutes from the February 28, 2018, board meeting. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**

- 5. BILLS AND COMMUNICATIONS:**

- a. Financial Report:** Mary Reedy from CliftonLarsonAllen (CLA) will be at the April board meeting to present the agency audit. The unaudited financial information, due to the Real Estate Assessment Center (REAC) by February 28<sup>th</sup>, was submitted.

**Commissioner Fargo made a motion to approve the February 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:** Eller provided reports for the FSS, Bridges, and Section 8 programs. Through February, the Unit Months Leased (UML) was 101% and HAP utilization was 17%.

Eller reported that the 2018 omnibus spending package for HUD was approved, which means the Brainerd HRA HAP will be funded at 100% rather than 96% as anticipated. Staff projects being able to lease between 98–100%. In addition, the agency being in shortfall with HUD is not expected.

The Section 8 waiting list was opened per Board approval last month. Staff members have been busy notifying applicants on the list.



The “What Home Means to Me” poster contest was a success. The Brainerd HRA received 10 poster entries from children ages six to 16 years. All entries received a \$5.00 gift card for participating and the two winners received a \$25.00 gift card.

- c. **Public Housing Report:** The Board requested that moving forward Hettver also include move-ins and move-outs on her Public Housing Report.

Hettver informed the Board that she was notified yesterday that the Brainerd HRA is a high performer.

**Commissioner Johnson made a motion, seconded by Commissioner Charpentier, to formally congratulate staff on the their expected high performance. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

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

#### **Outlot F**

City and HRA staff met with a potential buyer for Marsh Run. Bergman informed him that the HRA owns land adjacent to the property and he requested additional information on Outlot F.

#### **Federal Home Loan Bank Affordable Housing Program**

The HRA is exploring a potential application for additional funds for owner-occupied housing rehab through the Federal Home Loan Bank’s (FHLB) Affordable Housing Program. We are required to partner with a FHLB member bank and have reached out to Brainerd Savings and Loan who is interested in sponsoring our application. This will be offered through all of Crow Wing County and will be a CWC HRA application.

#### **Opportunity Zones**

Crow Wing County submitted an application to the State of Minnesota to request that the Governor select up to five qualified census tracts in Crow Wing County for Opportunity Zones. The Governor has until April 20<sup>th</sup> to make recommendations for Opportunity Zones in Minnesota to the U.S. Treasury.

#### **Administration of the City of Brainerd's Revolving Loan Program**

The HRA assisted the City of Brainerd in creating guidelines for their revolving loan program and they have asked us to administer it on their behalf. They have approximately \$145,000 in an old Community Development Block Grant (CDBG). The Personnel and Finance Committee discussed the proposed guidelines at their February 5<sup>th</sup> meeting and an EDA meeting was held on March 27<sup>th</sup> to discuss this program. The EDA recommended the Council approve the guidelines. The Memorandum of Agreement will likely be on the April Brainerd HRA agenda for the Board's consideration.

#### **Lease Subsidy Agreement for the Purple Fern**

Staff is working with Martha Ingram from Kennedy & Graven to create the necessary documents for the lease subsidy for the winner of the Destination Downtown competition, the Purple Fern. A forgivable loan agreement will be on the April Brainerd HRA agenda for the Board's consideration and approval.



**Governor's Task Force**

Bergman participated on a panel and presented at the Governor's Task Force Meeting. They are doing a state tour on April 5<sup>th</sup> and will be coming to the Initiative Foundation that evening from 5:00 to 8:00 p.m.

**River to Rail**

The Steering Committee has a meeting scheduled on Monday, April 9<sup>th</sup> to debrief on the February community event and to discuss the next steps.

**Legislative Conference**

Bergman will be in Washington DC for the NAHRO Legislative Conference the weekend of April 20<sup>th</sup>.

**Rehab Report**

Schommer reviewed the Rehab Report. He added that we solicited proposals for a hazardous material assessment for 601 South 10th property. Proposals were received from Elite Environmental and Braun Intertec. Elite Environmental was selected.

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

**7. NEW BUSINESS:**

- a. **Authorize MHFA Rehab Loan Program Project Service Area:** Of the 19 requests for rehabilitation loans received last year, five of them were from Cass County and four of those five requests were from the Pillager area. Given the significant interest we have for MHFA Loans from this area and the close proximity to the HRA office, staff requested the Board's authorization to expand its service area.

**Commissioner Johnson made a motion to approve the expansion of the service area for the MHFA Rehabilitation Loan Program. Commissioner Fargo seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

**8. POLICY REVIEW AND APPROVAL:**

- a. **Section 3/MBE/WBE Policy:** Federal regulation at 24 CFR Part 135 requires that, to the extent possible, employment and other economic opportunities generated by HUD funds be directed to low- and very-low income (Section 3) residents. Staff presented an updated policy to ensure that requirements of Section 3/MBE/WBE (Minority Business Enterprise/Woman Business Enterprise) are met. The Brainerd HRA will take all necessary affirmative steps to assure that Section 3 residents, minority firms, and women's business enterprises are used when possible.

**Commissioner Johnson made a motion to approve Resolution No. 2018-03 adopting the Section 3/MBE/WBE Policy. Commissioner Charpentier seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion passed.**



- b. **Access to Public Records Policy:** The Brainerd HRA, along with all governmental entities, must comply with the Minnesota Government Data Practices Act (MGDPA), Minnesota Statutes, Chapter 13. This act creates a presumption that state and local government records are accessible to the public, unless a statute or rule provides otherwise. Staff provided the Board with a policy that defines accessibility of records and the process to see (inspect) or obtain copies of government data maintained by the Brainerd HRA.

**Commissioner Storm made a motion to approve Resolution No. 2018-04 adopting the Access to Public Records Policy. Commissioner Johnson seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion passed.**

Commissioner Johnson recommended that staff of the Brainerd HRA use a footer in all email correspondence that states they abide by the act.

- c. **Natural Disaster Response Policy:** A Natural Disaster Response Policy was presented to the Board. The policy focuses primarily on how the Brainerd HRA shall react to such a disaster. All reasonable steps will be taken to act promptly and effectively in an emergency.

Bergman pointed out a plan must be created within 60 days, which will be done.

Commissioner Johnson requested an amendment to policy by striking the sentence that discusses petty cash.

**Commissioner Johnson made a motion to approve Resolution No. 2018-05 adopting the Natural Disaster Response Policy as amended. Commissioner Fargo seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion passed.**

9. **COMMISSIONER COMMENTS:** Commissioner Johnson reported that the City's intern performed a vacancies count and the result was about two months. Commissioner Wussow asked for an updated policies spreadsheet as well as an update and discussion on the HRA goals.

Next meeting agenda topics: Revolving Loan Program Memo of Agreement; Purple Fern Lease Subsidy Agreement; and Presentation of the 2017 Audit.

Since Bergman would be in Washington DC for the next scheduled board meeting, the Board chose to push it back to May 2<sup>nd</sup>.

**10. ADJOURN:**

**Commissioner Fargo made a motion to adjourn the meeting. 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 2:23 p.m.**





**To:** Brainerd HRA Board Members  
**From:** Karen Young, Finance Director  
**Date:** April 18, 2018  
**Re:** April Financial Report

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Please find attached the financial information for March 2018.

**Agency Audit**

Mary Reedy from CliftonLarsonAllen (CLA) will be at the April board meeting to present the Agency audit. The Auditor's Report expresses an unmodified opinion with no findings or misstatements. Bound copies of the audit will be available at the meeting.

The unaudited financial information was due to the Real Estate Assessment Center (REAC) by February 28<sup>th</sup>. The information was submitted and accepted.

**Crow Wing County HRA Audit**

The Crow Wing County HRA audit has been finalized by CLA. CLA issued an unmodified Auditor's Report with no findings or misstatements. The audit was presented to the CWC HRA board at their April meeting.

**Brainerd South Compilation**

The Brainerd South compilation was completed by CLA. CLA issued a Compilation Report with no findings.

The unaudited information was due to REAC by March 31<sup>st</sup>. The information was submitted and accepted.

**2016 Capital Fund Draw for Operations**

In March, we drew down \$66,000 out of the 2016 Capital Fund Program Grant (CFP). As a small PHA, we are allowed to draw down up to 100% of our CFP dollars into operations. As part of our budget process, we draw down this amount annually into operations. This money then "loses its identity" and HUD does not track how it is specifically spent.

**Action Requested: Motion for approval of payments as presented.**



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## Brainerd Housing & Redevelopment Authority 2018 Ratios (and December, 2017)

FASS Ratios	Max Pts	Scoring	Dec 2017				
			After YE	JE, B4 audit	Jan	Feb	Mar
Quick Ratio	12	QR <1 =0, QR >2 =12	12.00	12.00	12.00	12.00	
Months Expended	11	MENA <1.0= 0, ME >4 =11	11.00	11.00	11.00	11.00	
Net Assets							
Debt Svc Coverage	2	DSC < 1 = 0, DSC >1.25 =2	2.00	2.00	2.00	2.00	
Total Points	<u>25</u>		25.00	25.00	25.00	25.00	

MASS Ratios	Max Pts	Scoring					
Occupancy	16	O <90% =0, O >98% =16	16.00	16.00	16.00	16.00	
Tenant Accounts Receivable	5	TAR <1.5% =5 , TAR >2.5% =0	5.00	0.00	0.00	2.00	
Accounts Payable	4	AP < .75 = 4, AP >1.5 =0	4.00	4.00	4.00	4.00	
Total Points	<u>25</u>		25.00	20.00	20.00	22.00	
Total of Above Ratios	50		50	45	45	47	

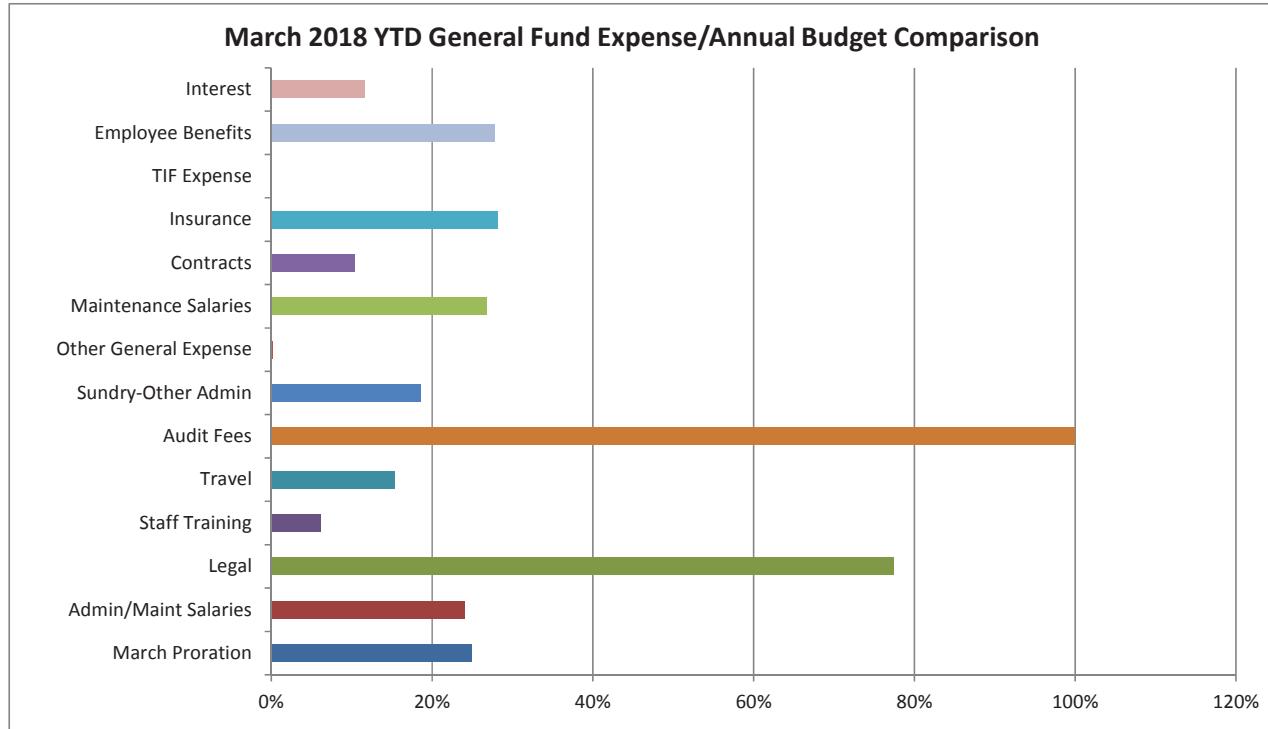
MASS Ratios	Max Pts	Scoring					
Timeliness of Obligation	5	>90% at OED = 5 <90% at OED = 0	5.00	5.00	5.00	5.00	
Occupancy Rate	5	OR <93% = 0, OR >96% =5 Must have 5 points or	5.00	5.00	5.00	5.00	
Total Points	<u>10</u>	Capital Fund Troubled	10.0	10.0	10.0	10.0	



## March 2018 Operating Account Balances

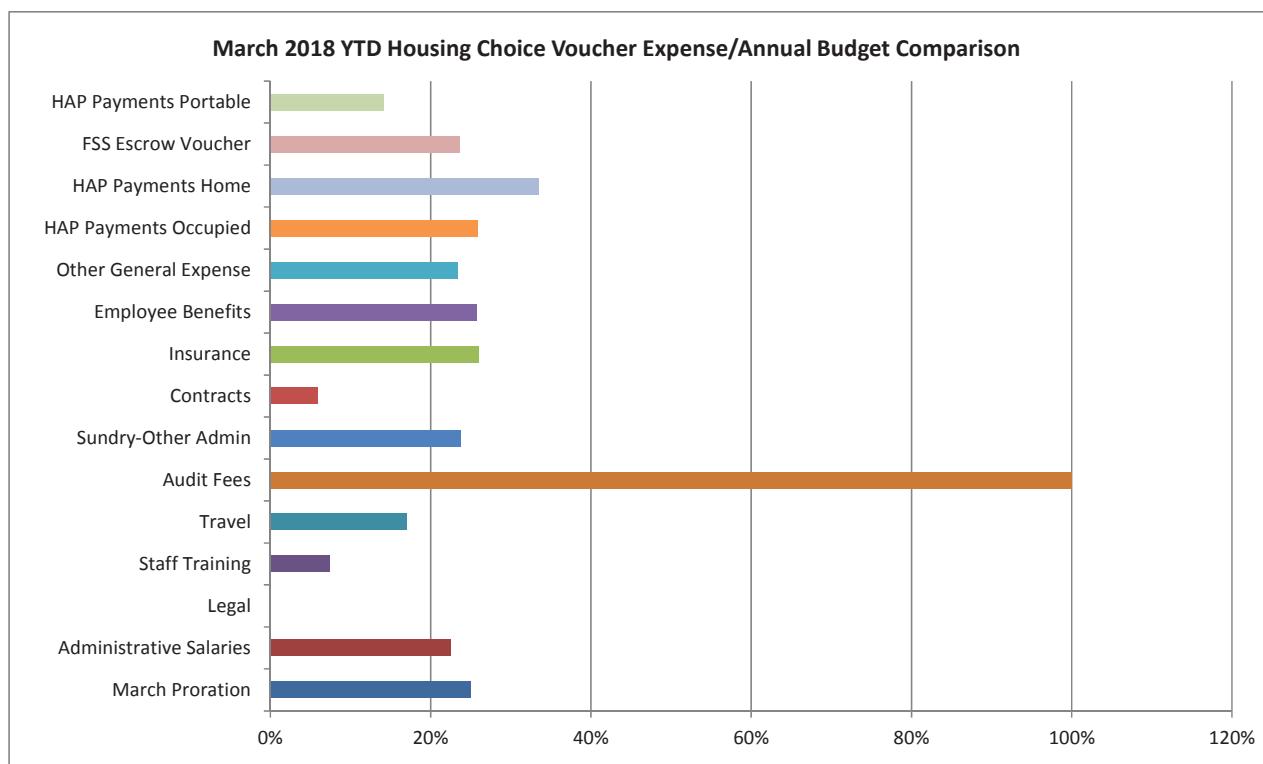
<b>Property/Program</b>	<b>March 2017</b>	<b>February 2018</b>	<b>March 2018</b>
General Fund	\$272,743.20	\$231,805.12	\$185,021.45
SSRP	\$15,711.99	\$21,230.40	\$21,108.14
Housing Rehab Program	\$5,273.04	\$20,939.09	\$14,655.87
Bridges	\$8,758.96	\$11,381.36	\$12,130.29
Crow Wing County HRA	\$672,997.37	\$587,050.68	\$574,578.60
Public Housing	\$579,349.73	\$582,640.39	\$616,390.86
Brainerd South	\$20,121.89	\$11,253.22	\$2,875.02
Housing Choice Voucher	\$29,850.61	\$20,179.48	\$48,478.40
Total	\$1,604,806.79	\$1,486,479.74	\$1,475,238.63





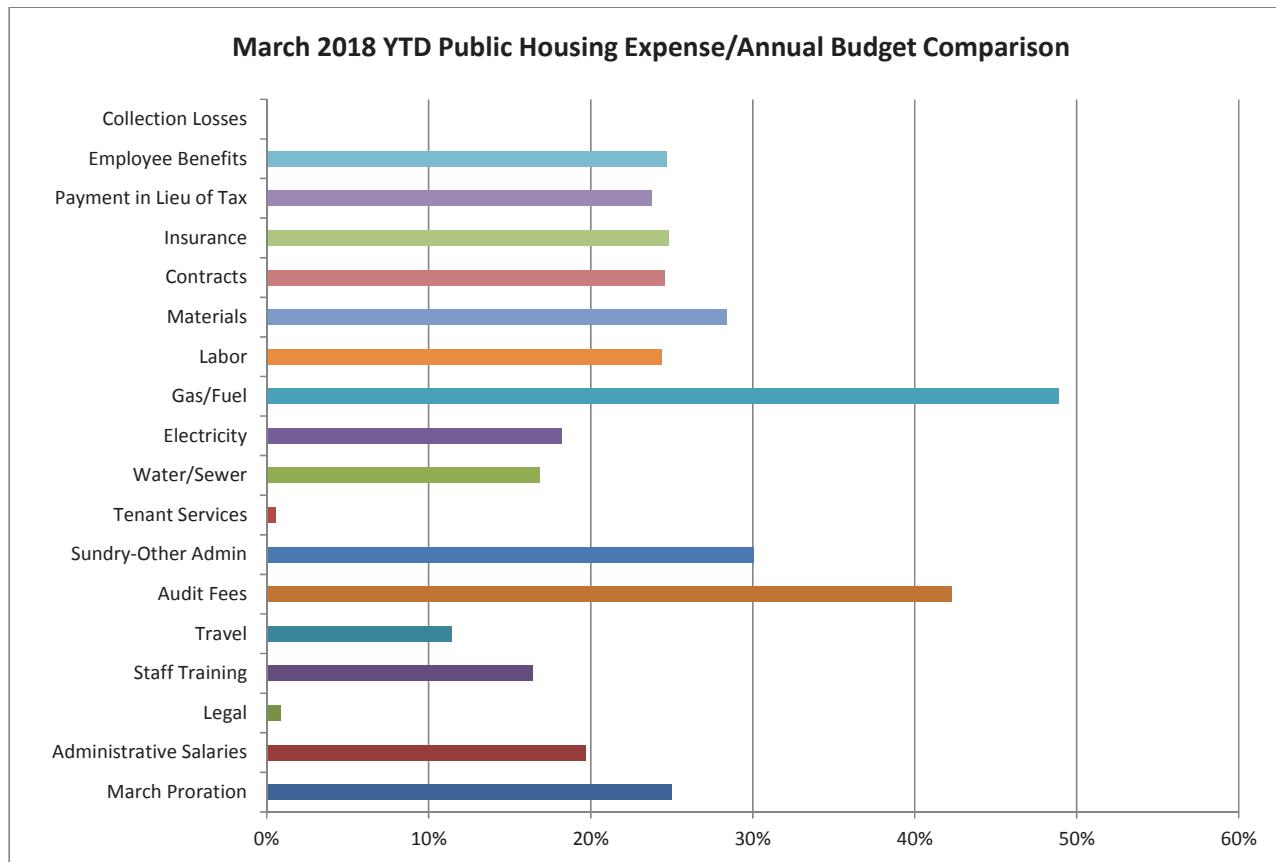
Audit Fees: Incurred early in the year for the full budgeted amount.

Legal: Mortgage Refinancing/Payoff and Tax Forfeit Policy

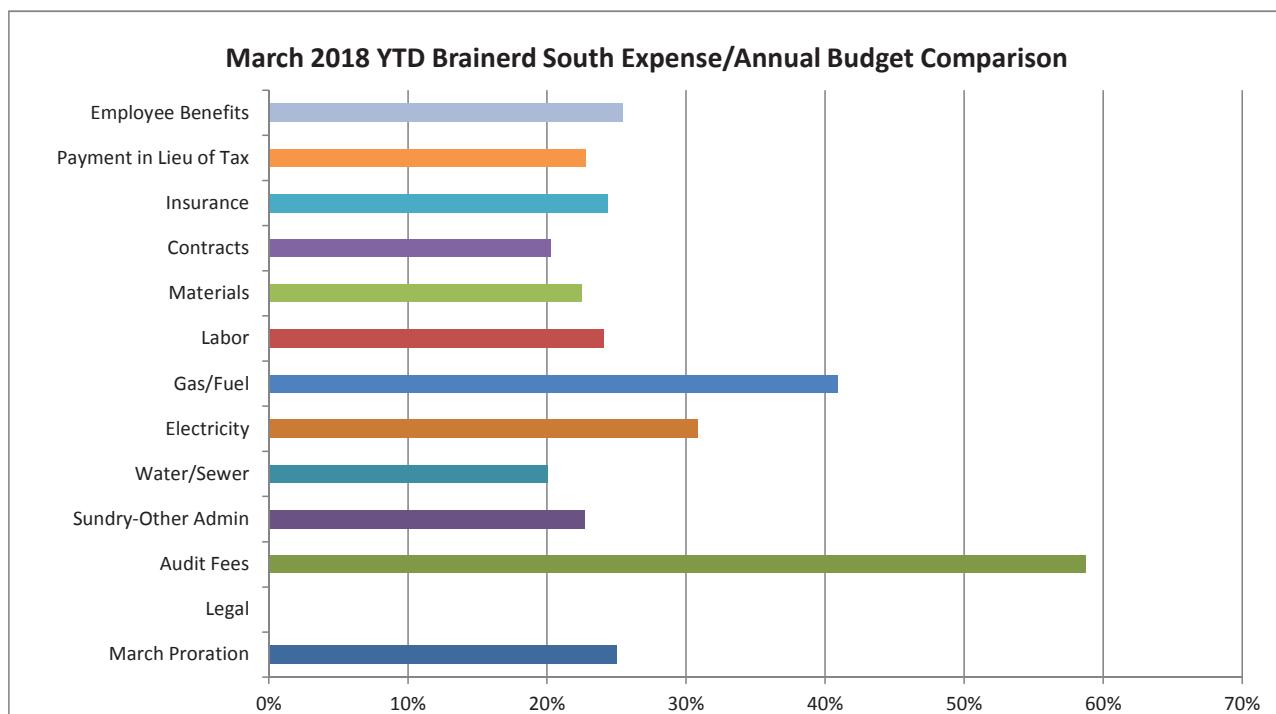


Audit Fees: Incurred early in the year for the full budget amount.





Materials - purchased replacement doors and six refrigerators for inventory.



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**Brainerd HRA  
 General Fund Operating Statement  
 March, 2018**

**Page: 1**  
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	<b>Current Period</b>	<b>Current Year</b>	<b>Year To Date Budget</b>	<b>Variance</b>
<b>General Fund Operating</b>				
<b>INCOME</b>				
Management Fees	-13,961.16	-42,288.08	-42,249.99	-38.09
Operating Transfer In	0.00	0.00	-2,000.01	2,000.01
Other Income	0.00	-225.51	-1,301.27	1,075.76
Loan Interest Revenue	0.00	0.00	-1,250.01	1,250.01
<b>TOTAL INCOME</b>	<b><u>-13,961.16</u></b>	<b><u>-42,513.59</u></b>	<b><u>-46,801.28</u></b>	<b><u>4,287.69</u></b>
<b>EXPENSE</b>				
<b>Administrative</b>				
Administrative Salaries	20,072.92	36,810.18	38,220.00	-1,409.82
Legal	1,007.00	1,007.00	324.99	682.01
Staff Training	55.00	245.82	999.99	-754.17
Travel	56.54	76.70	125.01	-48.31
Auditing Fees	6,700.00	6,700.00	4,020.00	2,680.00
Sundry-Other Admin	308.56	1,280.31	1,717.50	-437.19
<b>Total Administration</b>	<b><u>28,200.02</u></b>	<b><u>46,120.01</u></b>	<b><u>45,407.49</u></b>	<b><u>712.52</u></b>
<b>Maintenance</b>				
Maintenance Salaries	1,260.32	2,945.92	2,747.49	198.43
Contracts	73.08	114.74	275.01	-160.27
<b>Total Maintenance</b>	<b><u>1,333.40</u></b>	<b><u>3,060.66</u></b>	<b><u>3,022.50</u></b>	<b><u>38.16</u></b>
<b>General</b>				
TIF Expense	0.00	0.00	90.00	-90.00
Insurance	324.71	974.17	862.50	111.67
Employee Benefits	7,340.10	21,090.01	18,944.97	2,145.04
Interest	0.00	422.78	912.51	-489.73
Other General Expense	0.00	46.00	6,500.01	-6,454.01
<b>Total General</b>	<b><u>7,664.81</u></b>	<b><u>22,532.96</u></b>	<b><u>27,309.99</u></b>	<b><u>-4,777.03</u></b>
<b>TOTAL EXPENSE</b>	<b><u>37,198.23</u></b>	<b><u>71,713.63</u></b>	<b><u>75,739.98</u></b>	<b><u>-4,026.35</u></b>
<b>Net Income/Loss</b>	<b><u>23,237.07</u></b>	<b><u>29,200.04</u></b>	<b><u>28,938.70</u></b>	<b><u>261.34</u></b>



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**Brainerd HRA  
 HCV Operating Statement  
 March, 2018**

**Page: 1**  
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	<b>Current Period</b>	<b>Current Year</b>	<b>Year To Date Budget</b>	<b>Variance</b>
<b>Housing Choice Voucher Operating INCOME</b>				
HUD HAP Received	-109,415.00	-340,851.00	-332,182.50	-8,668.50
Admin Fees Earned	-28,883.00	-56,120.00	-59,814.99	3,694.99
Interest Income	-1.05	-2.85	0.00	-2.85
Other Income	-751.00	-1,322.69	-1,050.00	-272.69
<b>TOTAL INCOME</b>	<b><u>-139,050.05</u></b>	<b><u>-398,296.54</u></b>	<b><u>-393,047.49</u></b>	<b><u>-5,249.05</u></b>
<b>EXPENSE</b>				
<b>Administrative</b>				
Administrative Salaries	16,294.07	31,734.93	35,214.99	-3,480.06
Legal	0.00	0.00	225.00	-225.00
Staff Training	252.50	252.50	845.01	-592.51
Travel	178.89	415.45	607.50	-192.05
Accounting & Audit Fees	3,500.00	3,500.00	2,100.00	1,400.00
Sundry-Other Admin	378.68	1,089.55	1,147.50	-57.95
<b>Total Administration</b>	<b><u>20,604.14</u></b>	<b><u>36,992.43</u></b>	<b><u>40,140.00</u></b>	<b><u>-3,147.57</u></b>
<b>Maintenance</b>				
Contracts	52.18	178.84	750.00	-571.16
<b>Total Maintenance</b>	<b><u>52.18</u></b>	<b><u>178.84</u></b>	<b><u>750.00</u></b>	<b><u>-571.16</u></b>
<b>General</b>				
Insurance	403.34	1,210.02	1,162.50	47.52
Employee Benefits	6,877.76	20,017.29	19,437.51	579.78
Other General Expense	175.50	561.60	600.00	-38.40
<b>Total General</b>	<b><u>7,456.60</u></b>	<b><u>21,788.91</u></b>	<b><u>21,200.01</u></b>	<b><u>588.90</u></b>
<b>HAP Payments</b>				
HAP Payments Occupied	101,594.00	316,547.00	305,607.51	10,939.49
HAP Payments Home	2,864.00	8,890.00	6,643.74	2,246.26
FSS Escrow Voucher	1,755.00	6,283.00	6,643.74	-360.74
HAP Payments Portable	2,224.00	7,520.00	13,287.51	-5,767.51
<b>Total HAP</b>	<b><u>108,437.00</u></b>	<b><u>339,240.00</u></b>	<b><u>332,182.50</u></b>	<b><u>7,057.50</u></b>
<b>TOTAL EXPENSE</b>	<b><u>136,549.92</u></b>	<b><u>398,200.18</u></b>	<b><u>394,272.51</u></b>	<b><u>3,927.67</u></b>
<b>Net Income/Loss</b>	<b><u>-2,500.13</u></b>	<b><u>-96.36</u></b>	<b><u>1,225.02</u></b>	<b><u>-1,321.38</u></b>



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**Brainerd HRA**  
**Public Housing Operating Statement**  
**March, 2018**

**Page: 4**  
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	<b>Current Period</b>	<b>Current Year</b>	<b>Year To Date Budget</b>	<b>Variance</b>
<b>Public Housing Operating</b>				
<b>INCOME</b>				
Dwelling Rental	-55,914.00	-170,984.50	-176,757.51	5,773.01
Excess Utilities	0.00	0.00	-800.01	800.01
Operating Subsidy	-18,573.00	-55,721.00	-60,612.51	4,891.51
Investment Interest	43.40	117.79	0.00	117.79
Other Income	-78,338.33	-115,694.03	-67,025.01	-48,669.02
Laundry Income	-1,830.00	-5,488.00	-6,227.49	739.49
<b>TOTAL INCOME</b>	<b>-154,611.93</b>	<b>-347,769.74</b>	<b>-311,422.53</b>	<b>-36,347.21</b>
<b>EXPENSE</b>				
<b>Administrative</b>				
Administrative Salaries	31,656.81	60,762.73	77,055.00	-16,292.27
Legal	64.50	64.50	1,875.00	-1,810.50
Staff Training	931.68	1,804.16	2,750.01	-945.85
Travel	224.89	251.05	549.99	-298.94
Accounting & Audit Fees	4,400.00	4,400.00	6,320.00	-1,920.00
Sundry-Other Admin	1,914.96	4,896.13	4,075.02	821.11
Total Administration	39,192.84	72,178.57	92,625.02	-20,446.45
Rec Public and Other	0.00	28.31	1,237.50	-1,209.19
<b>Total Tenant Services</b>	<b>0.00</b>	<b>28.31</b>	<b>1,237.50</b>	<b>-1,209.19</b>
<b>Utilities</b>				
Water/Sewer	5,234.03	10,321.75	15,327.51	-5,005.76
Electricity	6,172.86	12,786.68	17,535.00	-4,748.32
Gas/Fuel	12,812.99	20,959.32	10,720.02	10,239.30
Total Utilities	24,219.88	44,067.75	43,582.53	485.22
<b>Maintenance</b>				
Labor	20,805.86	42,326.04	43,404.99	-1,078.95
Materials	1,213.39	7,672.12	6,750.00	922.12
Contracts	16,790.49	46,488.83	47,317.47	-828.64
Total Maintenance	38,809.74	96,486.99	97,472.46	-985.47
<b>General</b>				
Insurance	5,777.99	17,333.97	17,485.02	-151.05
Payment in Lieu of Tax	1,496.05	5,946.41	6,249.99	-303.58
Employee Benefits	18,218.13	52,890.25	53,615.04	-724.79
Collection Losses	0.00	0.00	2,514.99	-2,514.99
Total General	25,492.17	76,170.63	79,865.04	-3,694.41
<b>TOTAL EXPENSE</b>	<b>127,714.63</b>	<b>288,932.25</b>	<b>314,782.55</b>	<b>-25,850.30</b>
Net Income/Loss	-26,897.30	-58,837.49	3,360.02	-62,197.51



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Page: 1

**Brainerd South Operating Statement**  
**March, 2018**

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	Current Period	Current Year	Year To Date Budget	Variance
<b>Brainerd South Operating</b>				
<b>INCOME</b>				
Dwelling Rental	-18,531.00	-56,828.00	-54,362.49	-2,465.51
Rental Supplement	-3,208.00	-10,286.00	-10,862.49	576.49
Investment Interest	9.09	25.31	0.00	25.31
Other Income	-1,980.00	-6,327.56	-7,449.99	1,122.43
Excess Utilities	-50.00	-97.57	-2,937.51	2,839.94
Laundry Income	-463.25	-1,834.25	-2,002.50	168.25
TOTAL INCOME	<u>-24,223.16</u>	<u>-75,348.07</u>	<u>-77,614.98</u>	<u>2,266.91</u>
<b>EXPENSE</b>				
<b>Administrative</b>				
Legal	0.00	0.00	75.00	-75.00
Accounting & Audit Fees	2,850.00	2,850.00	3,350.00	-500.00
Sundry-Other Admin	<u>3,470.33</u>	<u>10,633.61</u>	<u>11,715.03</u>	<u>-1,081.42</u>
Total Administration	<u>6,320.33</u>	<u>13,483.61</u>	<u>15,140.03</u>	<u>-1,656.42</u>
<b>Utilities</b>				
Water	1,812.61	2,798.84	3,489.99	-691.15
Electricity	1,168.76	1,840.25	1,490.01	350.24
Gas/Fuel	<u>4,633.55</u>	<u>7,362.08</u>	<u>4,500.00</u>	<u>2,862.08</u>
Total Utilities	<u>7,614.92</u>	<u>12,001.17</u>	<u>9,480.00</u>	<u>2,521.17</u>
<b>Maintenance</b>				
Labor	877.60	2,580.20	2,675.01	-94.81
Materials	1,508.96	4,309.58	4,794.99	-485.41
Contracts	<u>7,773.91</u>	<u>15,742.60</u>	<u>19,399.98</u>	<u>-3,657.38</u>
Total Maintenance	<u>10,160.47</u>	<u>22,632.38</u>	<u>26,869.98</u>	<u>-4,237.60</u>
<b>General</b>				
Insurance	2,532.19	7,685.20	7,882.47	-197.27
Payment in Lieu of Tax	528.62	2,185.00	2,400.00	-215.00
Employee Benefits	<u>101.68</u>	<u>305.02</u>	<u>300.00</u>	<u>5.02</u>
Total General	<u>3,162.49</u>	<u>10,175.22</u>	<u>10,582.47</u>	<u>-407.25</u>
<b>TOTAL EXPENSE</b>	<b>27,258.21</b>	<b>58,292.38</b>	<b>62,072.48</b>	<b>-3,780.10</b>
Net Income/Loss	3,035.05	-17,055.69	-15,542.50	-1,513.19



**March 2018**  
**Prior Year Comparative**  
**Operating Statements**



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**Brainerd HRA**  
**General Fund Operating Statement**  
**March, 2018**

Page: 1  
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	<b>YTD 2018</b>	<b>YTD 2018 Budget</b>	<b>YTD 2017</b>	<b>YTD 2016</b>
<b>General Fund Operating</b>				
<b>INCOME</b>				
Management Fees	-42,288.08	-42,249.99	-42,562.39	-37,335.71
Operating Transfer In	0.00	-2,000.01	0.00	0.00
Other Income	-225.51	-1,301.27	0.00	-13.31
Loan Interest Revenue	0.00	-1,250.01	0.00	0.00
<b>TOTAL INCOME</b>	<b><u>-42,513.59</u></b>	<b><u>-46,801.28</u></b>	<b><u>-42,562.39</u></b>	<b><u>-37,349.02</u></b>
<b>EXPENSE</b>				
<b>Administrative</b>				
Administrative Salaries	36,810.18	38,220.00	32,012.24	34,239.01
Legal	1,007.00	324.99	24.44	0.00
Staff Training	245.82	999.99	393.67	433.84
Travel	76.70	125.01	123.42	55.62
Auditing Fees	6,700.00	4,020.00	3,900.00	3,800.00
Sundry-Other Admin	1,280.31	1,717.50	1,573.21	1,779.63
<b>Total Administration</b>	<b><u>46,120.01</u></b>	<b><u>45,407.49</u></b>	<b><u>38,026.98</u></b>	<b><u>40,308.10</u></b>
<b>Maintenance</b>				
Maintenance Salaries	2,945.92	2,747.49	2,491.69	0.00
Contracts	114.74	275.01	106.79	230.18
<b>Total Maintenance</b>	<b><u>3,060.66</u></b>	<b><u>3,022.50</u></b>	<b><u>2,598.48</u></b>	<b><u>230.18</u></b>
<b>General</b>				
TIF Expense	0.00	90.00	30.00	30.00
Insurance	974.17	862.50	744.33	685.14
Employee Benefits	21,090.01	18,944.97	18,085.27	17,141.67
Interest	422.78	912.51	1,122.36	1,304.92
Other General Expense	46.00	6,500.01	0.00	0.00
<b>Total General</b>	<b><u>22,532.96</u></b>	<b><u>27,309.99</u></b>	<b><u>19,981.96</u></b>	<b><u>19,161.73</u></b>
<b>TOTAL EXPENSE</b>	<b><u>71,713.63</u></b>	<b><u>75,739.98</u></b>	<b><u>60,607.42</u></b>	<b><u>59,700.01</u></b>
Net Income/Loss	29,200.04	28,938.70	18,045.03	22,350.99



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**Brainerd HRA  
 HCV Operating Statement  
 March, 2018**

**Page: 1**  
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	<b>YTD 2018</b>	<b>YTD 2018 Budget</b>	<b>YTD 2017</b>	<b>YTD 2016</b>
<b>Housing Choice Voucher    Operating    INCOME</b>				
HUD HAP Received	-340,851.00	-332,182.50	-294,806.00	-311,308.00
Admin Fees Earned	-56,120.00	-59,814.99	-58,307.00	-56,102.00
Interest Income	-2.85	0.00	-4.48	-2.92
Other Income	-1,322.69	-1,050.00	-2,265.00	-452.70
<b>TOTAL INCOME</b>	<b><u>-398,296.54</u></b>	<b><u>-393,047.49</u></b>	<b><u>-355,382.48</u></b>	<b><u>-367,865.62</u></b>
<b>EXPENSE</b>				
<b>Administrative</b>				
Administrative Salaries	31,734.93	35,214.99	32,274.10	28,033.28
Legal	0.00	225.00	14.66	0.00
Staff Training	252.50	845.01	975.81	21.00
Travel	415.45	607.50	994.10	714.81
Accounting & Audit Fees	3,500.00	2,100.00	3,500.00	3,500.00
Sundry-Other Admin	1,089.55	1,147.50	1,235.13	2,020.54
<b>Total Administration</b>	<b><u>36,992.43</u></b>	<b><u>40,140.00</u></b>	<b><u>38,993.80</u></b>	<b><u>34,289.63</u></b>
<b>Maintenance</b>				
Contracts	178.84	750.00	206.78	344.37
<b>Total Maintenance</b>	<b><u>178.84</u></b>	<b><u>750.00</u></b>	<b><u>206.78</u></b>	<b><u>344.37</u></b>
<b>General</b>				
Insurance	1,210.02	1,162.50	1,057.27	965.46
Employee Benefits	20,017.29	19,437.51	18,709.20	16,076.08
Other General Expense	561.60	600.00	552.75	591.48
<b>Total General</b>	<b><u>21,788.91</u></b>	<b><u>21,200.01</u></b>	<b><u>20,319.22</u></b>	<b><u>17,633.02</u></b>
<b>HAP Payments</b>				
HAP Payments Occupied	316,547.00	305,607.51	287,885.00	292,634.00
HAP Payments Home	8,890.00	6,643.74	7,633.00	8,710.00
FSS Escrow Voucher	6,283.00	6,643.74	5,434.00	5,017.00
HAP Payments Portable	7,520.00	13,287.51	8,658.00	13,607.00
<b>Total HAP</b>	<b><u>339,240.00</u></b>	<b><u>332,182.50</u></b>	<b><u>309,610.00</u></b>	<b><u>319,968.00</u></b>
<b>TOTAL EXPENSE</b>	<b><u>398,200.18</u></b>	<b><u>394,272.51</u></b>	<b><u>369,129.80</u></b>	<b><u>372,235.02</u></b>
Net Income/Loss	-96.36	1,225.02	13,747.32	4,369.40



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**Brainerd HRA**  
**Public Housing Operating Statement**  
**March, 2018**

Page: 4  
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	<b>YTD 2018</b>	<b>YTD 2018 Budget</b>	<b>YTD 2017</b>	<b>YTD 2016</b>
<b>Public Housing Operating</b>				
<b>INCOME</b>				
Dwelling Rental	-170,984.50	-176,757.51	-175,436.00	-159,430.00
Excess Utilities	0.00	-800.01	0.00	0.00
Operating Subsidy	-55,721.00	-60,612.51	-58,458.00	-74,175.00
Investment Interest	117.79	0.00	192.88	122.61
Other Income	-115,694.03	-67,025.01	-107,481.52	-67,520.20
Laundry Income	-5,488.00	-6,227.49	-6,152.00	-6,589.65
TOTAL INCOME	<u>-347,769.74</u>	<u>-311,422.53</u>	<u>-582,782.94</u>	<u>-307,592.24</u>
<b>EXPENSE</b>				
<b>Administrative</b>				
Administrative Salaries	60,762.73	77,055.00	59,471.33	56,403.47
Legal	64.50	1,875.00	1,006.64	579.48
Staff Training	1,804.16	2,750.01	974.00	998.09
Travel	251.05	549.99	573.17	730.36
Accounting & Audit Fees	4,400.00	6,320.00	3,000.00	5,000.00
Sundry-Other Admin	4,896.13	4,075.02	4,106.80	3,944.19
Total Administration	<u>72,178.57</u>	<u>92,625.02</u>	<u>69,131.94</u>	<u>67,655.59</u>
Rec Public and Other	28.31	1,237.50	0.00	0.00
Total Tenant Services	<u>28.31</u>	<u>1,237.50</u>	<u>0.00</u>	<u>0.00</u>
<b>Utilities</b>				
Water/Sewer	10,321.75	15,327.51	9,831.57	12,397.14
Electricity	12,786.68	17,535.00	10,249.03	15,767.88
Gas/Fuel	20,959.32	10,720.02	10,082.72	10,789.85
Total Utilities	<u>44,067.75</u>	<u>43,582.53</u>	<u>30,163.32</u>	<u>38,954.87</u>
<b>Maintenance</b>				
Labor	42,326.04	43,404.99	41,040.40	40,093.64
Materials	7,672.12	6,750.00	4,125.71	8,607.57
Contracts	46,488.83	47,317.47	41,515.29	39,136.41
Total Maintenance	<u>96,486.99</u>	<u>97,472.46</u>	<u>86,681.40</u>	<u>87,837.62</u>
<b>General</b>				
Insurance	17,333.97	17,485.02	15,249.64	15,103.31
Payment in Lieu of Tax	5,946.41	6,249.99	6,507.69	5,402.62
Employee Benefits	52,890.25	53,615.04	50,099.70	49,999.68
Collection Losses	0.00	2,514.99	0.00	0.00
Total General	<u>76,170.63</u>	<u>79,865.04</u>	<u>72,017.46</u>	<u>70,992.68</u>
<b>TOTAL EXPENSE</b>	<b>288,932.25</b>	<b>314,782.55</b>	<b>257,994.12</b>	<b>265,440.76</b>
Net Income/Loss	-58,837.49	3,360.02	-324,788.82	-42,151.48



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Page: 1

**Brainerd South Operating Statement  
 March, 2018**

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	<b>YTD 2018</b>	<b>YTD 2018 Budget</b>	<b>YTD 2017</b>	<b>YTD 2016</b>
<b>Brainerd South Operating</b>				
<b>INCOME</b>				
Dwelling Rental	-56,828.00	-54,362.49	-58,398.00	-56,664.00
Rental Supplement	-10,286.00	-10,862.49	-11,747.00	-10,562.00
Investment Interest	25.31	0.00	32.16	20.13
Other Income	-6,327.56	-7,449.99	-7,512.50	-8,040.20
Excess Utilities	-97.57	-2,937.51	0.00	-36.43
Laundry Income	-1,834.25	-2,002.50	-2,017.75	-1,608.00
<b>TOTAL INCOME</b>	<b>-75,348.07</b>	<b>-77,614.98</b>	<b>-79,643.09</b>	<b>-76,890.50</b>
<b>EXPENSE</b>				
<b>Administrative</b>				
Legal	0.00	75.00	0.00	0.00
Accounting & Audit Fees	2,850.00	3,350.00	2,550.00	3,300.00
Sundry-Other Admin	10,633.61	11,715.03	10,969.49	10,621.91
Total Administration	13,483.61	15,140.03	13,519.49	13,921.91
<b>Utilities</b>				
Water	2,798.84	3,489.99	3,670.06	3,171.83
Electricity	1,840.25	1,490.01	1,461.59	1,557.46
Gas/Fuel	7,362.08	4,500.00	3,868.04	3,568.04
Total Utilities	12,001.17	9,480.00	8,999.69	8,297.33
<b>Maintenance</b>				
Labor	2,580.20	2,675.01	2,577.16	1,796.73
Materials	4,309.58	4,794.99	3,974.63	4,409.20
Contracts	15,742.60	19,399.98	11,967.07	13,684.01
Total Maintenance	22,632.38	26,869.98	18,518.86	19,889.94
<b>General</b>				
Insurance	7,685.20	7,882.47	7,179.63	7,220.53
Payment in Lieu of Tax	2,185.00	2,400.00	2,271.33	2,258.06
Employee Benefits	305.02	300.00	300.42	242.98
Total General	10,175.22	10,582.47	9,751.38	9,721.57
<b>TOTAL EXPENSE</b>	<b>58,292.38</b>	<b>62,072.48</b>	<b>50,789.42</b>	<b>51,830.75</b>
Net Income/Loss	-17,055.69	-15,542.50	-28,853.67	-25,059.75



**Brainerd Housing Authority  
Payment Summary Report  
March 2018**

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
3/1/2018	489	Roberta Piekarski	\$6.95
3/15/2018	490	Carrie Burrell	\$77.59
3/15/2018	491	Dudley Gangestad	\$41.97
3/15/2018	492	Jennifer Bergman	\$125.35
3/15/2018	493	Kendra & Jeremy Anderson	\$41.15
3/15/2018	494	Lindsay Smude	\$9.97
3/29/2018	495	Jennifer Bergman	\$264.97
3/29/2018	496	John Schommer	\$113.91
3/29/2018	497	Shannon Fortune	\$664.18
3/1/2018	1297	Minnesota State Retirement System	\$680.00
3/1/2018	1298	Electronic Federal Tax Payment System	\$7,231.85
3/1/2018	1299	MN Dept of Revenue	\$1,290.83
3/1/2018	1300	Health Savings Accounts	\$1,038.58
3/1/2018	1301	Security Benefit	\$4,084.76
3/15/2018	1302	Minnesota State Retirement System	\$730.00
3/15/2018	1303	Electronic Federal Tax Payment System	\$7,241.45
3/9/2018	1304	MN Dept of Revenue	\$1,309.32
3/15/2018	1305	Health Savings Accounts	\$1,038.58
3/15/2018	1306	Security Benefit	\$4,136.76
3/29/2018	1307	Minnesota State Retirement System	\$730.00
3/29/2018	1308	Electronic Federal Tax Payment System	\$7,331.67
3/29/2018	1309	MN Dept of Revenue	\$1,356.25
3/29/2018	1310	Health Savings Accounts	\$1,038.58
3/29/2018	1311	Security Benefit	\$4,079.61
3/29/2018	1312	Void	\$0.00
3/29/2018	1313	Minnesota Child Support Online	\$162.00
3/1/2018	21583	Avesis Third Party Administrators	\$55.88
3/1/2018	21584	Brainerd Public Utilities	\$1,455.79
3/1/2018	21585	CenterPoint Energy	\$9,589.99
3/1/2018	21586	City of Brainerd	\$558.38
3/1/2018	21587	Cursor Control Inc.	\$1,500.00
3/1/2018	21588	Kennedy & Graven, Chartered	\$794.50
3/1/2018	21589	Trail Ridge Townhomes	\$1,471.52
3/1/2018	21590	Valley View Townhomes	\$110.00
3/15/2018	21591	Ace Hardware	\$199.96
3/15/2018	21592	Adam's Pest Control, Inc.	\$489.00
3/15/2018	21593	AmeriPride Linen & Apparel Svcs	\$225.88
3/15/2018	21594	Birchdale Fire & Security LLP	\$1,200.00
3/15/2018	21595	Brainerd Lakes Area Economic Development	\$40.00
3/15/2018	21596	Brainerd Public Utilities	\$11,243.92
3/15/2018	21597	CTCIT	\$500.00
3/15/2018	21598	CTC	\$5,341.32
3/15/2018	21599	Capital One Commercial	\$306.92
3/15/2018	21600	Cash	\$75.35
3/15/2018	21601	CenterPoint Energy	\$46.36
3/15/2018	21602	CliftonLarsonAllen LLP	\$100.00
3/15/2018	21603	Climate Makers Acquisition, Inc.	\$406.69



**Brainerd Housing Authority  
Payment Summary Report  
March 2018**

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
3/15/2018	21604	Culligan	\$90.75
3/15/2018	21605	Dacotah Paper Co	\$693.39
3/15/2018	21606	Dearborn National	\$217.23
3/15/2018	21607	Ferguson Enterprises Inc.	\$190.20
3/15/2018	21608	Forum Communications Company	\$14.30
3/15/2018	21609	HRdirect	\$78.99
3/15/2018	21610	HealthPartners	\$823.36
3/15/2018	21611	Hillyard / Hutchinson	\$198.19
3/15/2018	21612	Holden Electric Company Inc	\$159.00
3/15/2018	21613	Home Depot Supply	\$323.52
3/15/2018	21614	Housing Auth Risk Retention Group	\$127.00
3/15/2018	21615	Jeff Banick	\$57.77
3/15/2018	21616	Life Insurance Company of North America	\$84.24
3/15/2018	21617	MN Dept of Labor and Industry	\$10.00
3/15/2018	21618	MN Elevator, Inc.	\$700.00
3/15/2018	21619	Midwest Machinery Co	\$3.65
3/15/2018	21620	Mike Jones	\$53.96
3/15/2018	21621	Mike's Tree Company LLC	\$1,472.33
3/15/2018	21622	NAHRO	\$909.45
3/15/2018	21623	National Joint Powers Alliance	\$21,860.45
3/15/2018	21624	Nisswa Sanitation	\$2,166.76
3/15/2018	21625	Office Shop	\$690.92
3/15/2018	21626	Park Supply, Inc.	\$106.28
3/15/2018	21627	Quick Construction, Inc	\$2,452.12
3/15/2018	21628	Rental History Reports	\$175.00
3/15/2018	21629	Sun Life Financial	\$340.43
3/15/2018	21630	Synchrony Bank (Mills Fleet Farm)	\$23.95
3/15/2018	21631	Todd Herron	\$5,302.51
3/15/2018	21632	Verizon Wireless	\$289.84
3/15/2018	21633	Viking Electric Supply, Inc	\$84.00
3/15/2018	21634	Wells Fargo - CC	\$475.00
3/15/2018	21635	Wells Fargo - CC	\$183.33
3/15/2018	21636	Wells Fargo - CC	\$107.73
3/21/2018	21637	Tenant Refund	\$411.05
3/21/2018	21638	Tenant Refund	\$202.67
3/21/2018	21639	Tenant Refund	\$85.17
3/21/2018	21640	Tenant Refund	\$182.33
3/28/2018	21641	Avesis Third Party Administrators	\$55.88
3/28/2018	21642	Brainerd Public Utilities	\$1,745.55
3/28/2018	21643	CenterPoint Energy	\$7,810.19
3/28/2018	21644	CliftonLarsonAllen LLP	\$25,350.00
3/28/2018	21645	Home Depot Supply	\$229.44
3/28/2018	21646	Jeff Banick	\$46.60
3/28/2018	21647	Kennedy & Graven, Chartered	\$773.00
3/28/2018	21648	Michael Astle	\$108.00
3/28/2018	21649	National Joint Powers Alliance	\$21,860.45
3/28/2018	21650	Postmaster	\$630.00



**Brainerd Housing Authority  
Payment Summary Report  
March 2018**

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
3/28/2018	21651	Strike Painting & Finishing	\$1,600.00
3/28/2018	21652	Todd Herron	\$888.89
		<b>Report Total</b>	<b>\$182,982.61</b>



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**To:** Brainerd HRA Board Members  
**From:** Tania Eller, Rental Assistance Manager  
**Date:** April 24, 2018  
**Re:** HCV Programs Report

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**HCV Report**

Please see Attachment 4a.

Our Unit Months Leased (UML) for March is 100% and HAP utilization for March is 25%.

**Bridges Report**

Please see Attachment 4b.

**Family Self-Sufficiency (FSS) Report**

Please see Attachment 4c.

**No Action Requested; Discussion Items**



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**March Housing Choice Voucher Programs (HCV)**

<u>Voucher Allocation</u>	
March Move-ins	0
March Move-outs	6
March Vouchers - looking for housing	25
March Vouchers - first day of month	311
Average Vouchers to date	311
Unit Months Leased	100%
HAP Utilization through 3/31/18	25%

**Reasons For Leaving Program**

Terminated	1
Volunatrily Left	3
Deceased	1
Zero HAP	1

**Payments**

Housing Assistance Payment (HAP)	\$108,832
March HUD Administrative Fee	\$13,721

**Port Out Vouchers**

HAP St. Cloud (1), Cass (2), Colorado (1) Florida (1)	5
	\$2,224

**Homeownership**

Homeownership HAP	10
	\$2,864

**Annual Average Income**

\$13,820

**Length of Time on Program**

< 1 year	22%
< 2 years	9%
< 3 years	14%
< 4 years	9%
< 5 years	6%
> 5 years	40%

**Demographics**

Elderly Households	80
Disabled/Handicapped Households	157
Families with Children	138

**Waiting List Total**

103



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## Bridges Program March 2018

### Currently

- » Waiting list: 63
- » Tenants leased up in units: 14
- » Participants issued a voucher & searching for a unit: 5
- » Notified: 4
- » Participants receiving HCV voucher: 5
- » Participants giving up Bridges voucher: 1

### Counties Tenants Reside In

- » Cass County: 0
- » Morrison: 4
- » Aitkin: 1
- » Crow Wing: 9
- » Todd: 0
- » Wadena: 0

Total HAP payment: \$6,272.00



## Family Self-Sufficiency Report

### March 2018

**Currently:**

- » Active FSS participants: 26
- » Tenants going OFF for month: 0
- » Tenants going ON for month: 1
- » Tenants start ESCROWING: 1
- » Total number of FSS participants escrowing monthly: 7
- » Total amount of escrow: \$1,755.00
- » Total escrow: \$24,525.34





**To:** Brainerd HRA Board Members  
**From:** Teresa L. Hettver, Housing Manager  
**Date:** April 25, 2018  
**Re:** Housing Manager Report

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**Vacancy Report for March 2018**

Please see Attachment 5a.

**Monthly Property Performance Report for March 2018**

Please see Attachment 5b.

**ROSS**

Please see Attachment 5c.

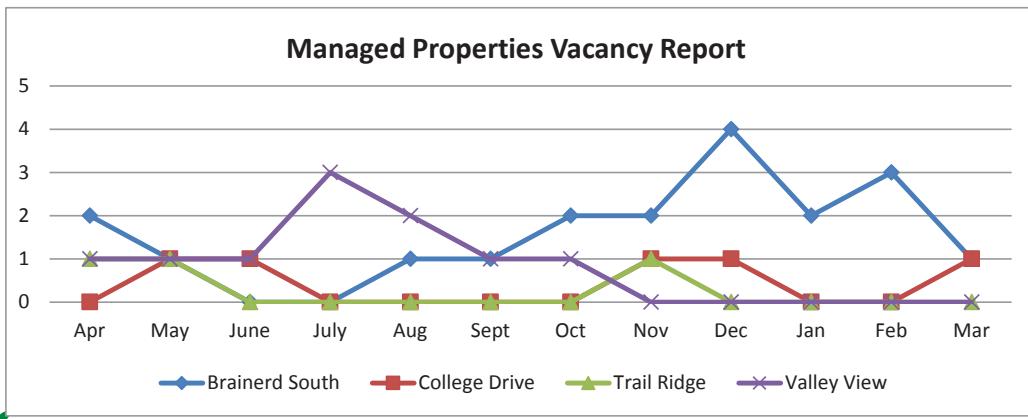
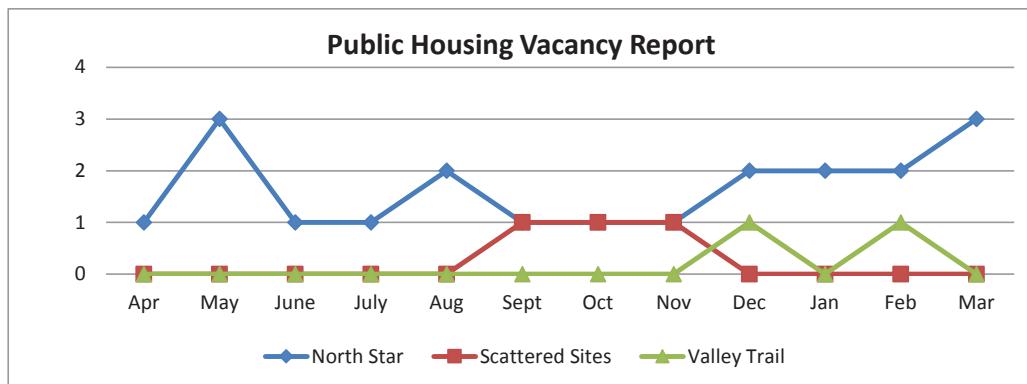
**No Action Requested; Discussion Items**



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### Brainerd HRA 2018 Vacancy Report

	Public Housing				Section 236	Tax Credit - DW Jones		
	North Star	Scattered Sites	Valley Trail	Total PH Vac/%		Brainerd South	College Drive	Trail Ridge
# units	162	16	25	203		60	24	18
<b>Jan 31</b>	2	0	0	2		2	0	0
Jan %	1.23%	0.00%	0.00%	0.99%		3.33%	0.00%	0.00%
<b>Feb 28</b>	2	0	1	3		3	0	0
Feb %	1.23%	0.00%	4.00%	1.48%		5.00%	0.00%	0.00%
<b>March 31</b>	3	0	0	3		1	1	0
March %	1.85%	0.00%	0.00%	1.48%		1.67%	4.17%	0.00%
<b>April 30</b>				0		0.00%	0.00%	0.00%
April %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>May 31</b>				0		0.00%	0.00%	0.00%
May %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>June 30</b>				0		0.00%	0.00%	0.00%
June %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>July 31</b>				0		0.00%	0.00%	0.00%
July %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>Aug 31</b>				0		0.00%	0.00%	0.00%
Aug %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>Sept 30</b>				0		0.00%	0.00%	0.00%
Sept %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>Oct 31</b>				0		0.00%	0.00%	0.00%
Oct %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>Nov 30</b>				0		0.00%	0.00%	0.00%
Nov %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>Dec 31</b>				0		0.00%	0.00%	0.00%
Dec %	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%
<b>Total</b>	7	0	1	8		6	1	0
%	1.44%	0.00%	1.33%	1.31%		3.33%	1.39%	0.00%



## Brainerd Housing and Redevelopment Authority

### Monthly Property Performance Report March 2018

#### 1. Property Narrative

#### 2. Physical Occupancy

Unit Size	Total Units	Occupied Units	Mod Rehab	Make Ready	Vacant Units	Percent Occupied
North Star	162	159			3	98%
Valley Trail	25	25			0	100%
Scattered Sites	16	16			0	100%
<b>TOTAL</b>	<b>203</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>99%</b>

#### 3. Customer Traffic

Applications Requested	46
Applications Placed on PH Wait List	24
Applications Denied	8

#### 4. Waiting List

Unit Size	# of Units	Total # on Wait List	Notified	Screening	Denied
1 bdrm	160	139	42	13	3
2 bdrm	14	31	1		
3 bdrm	24	35			
4 bdrm	5	8			
<b>TOTAL</b>	<b>203</b>	<b>213</b>	<b>43</b>	<b>13</b>	<b>3</b>

#### 5. Move-Ins and Move Outs

	This Month	Year-to-Date
Move-Ins	5	8
Move-Outs	3	10

#### 6. Lists of Vacant Units and Unit Status

Unit	Unit Size	Anticipated Lease Date	Applicant Approved?
NS 708 - Show Room	1	n/a	
NS 609	1	04/03/18	Yes
NS 909	1	04/16/18	Yes



7. Recertifications

Interim Recertifications	2
Annual Recertifications	
Completed for this month	2

8. Annual Unit Inspections

Total units to be inspected this year	203
Number completed start of month	0
Number inspected for the month	0
Number completed year-to-date	0
Total left to be inspected this year	203
Have all building system inspections been completed?	No
If yes, please enter date	

9. Lease Enforcements

Lease warnings/violations issued	0
30-day lease terminations	0

10. Evictions

Resident	Reason	Summons Date	Judgment Action

11. Non-Emergency Work Orders

Beginning Balance	1
Received	81
Closed	82
Ending Balance	0
Total Completed Work Orders for Year	220

12. Emergency Work Orders

	This Month	Year-to-Date
Requested	0	9
Completed within 24 hours	0	9
Percent completed within 24 hours	0%	100%



## 13. Rent Collection

	This Month
Rent Charges	56,123
Other Charges	3,932
<b>Total New Charges</b>	<b>60,055</b>
Arrears, tenants in possession	836

## Accounts Receivable

Current Tenant Accounts Receivable (Rent)	657
Current Rent Charges	56,123
Current Rent Collections	55,466
Accounts Receivable Rate	1%
Collection Rate	99%

## Collections - Prior 12 Month Period

Prior Tenants Accounts Receivable (Rent)	1,521
Prior Rent Charges	700,069
Collection Rate	100%

**ROSS Program Update – 1<sup>st</sup> Quarter 2018 Narrative Review**

### Program Progress

	North Star	Valley Trail	Scattered Site
New Enrollment (ITSP)	3	0	0
Non-ITSP Contact*	9	0	0

*\*Unduplicated Count*

### Definitions

ITSP.....Individual Treatment Service Plan.

ITSP Enrollment.....Individuals that enroll in the ROSS program, set goals, and maintain regular contact over a period of time to follow up and assess goal progress.

Non-ITSP Participation.....Individuals that engage in a short-term, more task-specific interaction without developing concrete personal goals.

### Projection

During the first quarter of 2018, both new ITSP enrollment and non-ITSP participant contact numbers have been slightly lower than the first quarter of 2017, however are consistent with projections for yearly activity. With 25% of the calendar year underway, new enrollment has reached 30% of the total projected goal and non-ITSP participation is at 22.5%.

### Planning

One element that seemed to drive participation in the previous year was a series of events that helped spark awareness and engagement. Plans for upcoming events and activities include a Health & Wellness Expo, the development of a resident-led planning group, a recreational art event, a repeat of the Bootcamp Cooking Class, a revised series of “Coffee With A: Cop/Nurse/Teacher/Counselor/Other Professional” informational opportunities, an expanded online presence, and a new needs and interests survey of current residents.

### Successes

Raw data showing numbers of participants, instances of contact, and other quantity measurements are necessary for objective program evaluation however don’t always fully illustrate the success of the program. To help highlight some of these important achievements, here are two brief examples that may better answer the question “so what does the program actually do?”



Successes (continued)

- ❖ Many of us struggle with balancing our own needs in the face of requests and pressure from family or friends. Saying “no” doesn’t always come easily. For an individual managing mental concerns, this can be even more difficult. Add to that a history of emotional and physical abuse, and the seemingly simple act of saying “no” can seem impossible. One recently enrolled individual reported feeling so unable to say no, even when saying yes came at the expense of her own physical health, that she found herself limiting her time spent with others just so that she wouldn’t be in a situation to be approached for help. The participant already had a counselor but felt this was her “own problem” and not worthy of “wasting” the counselor’s time. The ROSS Coordinator and the participant spent some time researching online tools and resources and settled on one that seemed to be especially relevant. The resident made a copy of the “How To Say No” flowchart and in addition to reviewing it daily, also kept it with her as a tangible reminder of other options to these requests. At a follow-up meeting two weeks later, the resident was thrilled to recount the story of how she “got to the ‘no’ part” and the feeling of strength that brought to her. This was such a success for her that she reports actually looking forward to her next opportunity to say no!
  
- ❖ Filing income taxes is something few would describe as a “fun” activity. From collecting and organizing documentation to understanding and accurately filling out numerous forms, completing the process on time and in full can be overwhelming. A participant reached out to the ROSS Coordinator initially for help in dealing with the stress related to this process. The participant had been working with a friend but was fearful that the forms weren’t correct and wouldn’t be submitted properly. At the initial meeting, the participant confessed that she hadn’t done her taxes in two years because she was afraid she would “mess it up” and “get in trouble”. The longer she waited, the more anxiety she had developed and at the point of that first meeting was so fearful that she had almost given up on the process again this year. Despite being intimidated about meeting with a new person, the participant agreed to an appointment with a local no-cost tax preparation resource. To help prepare her for the meeting, the ROSS Coordinator helped review the list of requested documentation. The participant attended her appointment and was happy to report that it went well and that two years of tax returns were in the process of being submitted. The participant is very excited about the prospect of receiving a small return amount and plans to meet with the Coordinator again to work on a realistic spending plan to use a portion of the funds toward bills and talk about saving for other unexpected expenses.





**To:** Brainerd HRA Board Members  
**From:** Jennifer Bergman, Executive Director  
**Date:** April 19, 2018  
**Re:** Executive Director Report

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#### **River to Rail Initiative Update**

The River to Rail Steering Committee met on April 9<sup>th</sup> to discuss next steps. Bruce Buxton has created six engines (see Attachment 6a). Each engine has a point person (engineer) who will establish a committee and complete a work plan (see Attachment 6b). I have been asked to be the engineer for Engine 5, Existing Buildings, Businesses and Housing. I plan to have the first meeting with the committee by mid-May.

#### **Federal Home Loan Bank Affordable Housing Program**

We are currently working on an application for additional funds for owner-occupied housing rehab through the Federal Home Loan Bank's (FHLB) Affordable Housing Program (see Attachment 6c). We are required to partner with a FHLB member bank and have reached out to Brainerd Savings and Loan who is interested in sponsoring our application. The CWC HRA authorized the submission of this grant application and we hope to have it submitted within the first week of May.

#### **Rehab Programs Update**

See attachment 6d.

#### **No Action Requested; Discussion Item**



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**Subject:** River to Rail Steering Committee - June Meeting and Engineer Roles/Info

Hello "Engineers",

**If you haven't already done so, please share your availability to meet again in June. Click on the Doodle Link below and we will coordinate the next meeting.**

<https://doodle.com/poll/sh7csi9p8skxhc5z>

As the Engineer (used to be named Pillar Leader), your responsibilities are as follows:

#### **Engineer's Roles**

1. Be a point person
  - For projects and initiatives related to your engine
  - Assemble volunteers interested in initiative to assist
  - Convene meeting to establish projects, priorities, budget, and workplan
  - Communicate
    - With all projects under your "engine"
    - Report at Steering Committee meetings
    - With BLAEDC/Chair about projects
  - Identify/assist with resources

#### **Engine Committee/Sub-Committee Roles**

- Help achieve the R2R vision and mission
- Support all endeavors in area
- Volunteer when able
- Attend engine committee meetings

#### Attachments:

1. River to Rail Community Event Contact Sheet – organized by R2R interests
2. Engine (used to be name Pillar) Workplan – editable
3. Six Engines Blank Worksheet

As you prepare for the upcoming June meeting, gather your troops, fill out the workplan and do all you do for the initiative, please keep Bruce Buxton in mind to help. He would also be happy to attend your meetings, when available, so please let him know when and where you are meeting.

Thank you!

#### **Megan Rehbein, Office Administrator**

#### **Brainerd Lakes Area Economic Development Corporation**

224 West Washington Street, Brainerd, MN 56401

218-828-0096

[megan@growbrainerdlakes.org](mailto:megan@growbrainerdlakes.org)

[www.growbrainerdlakes.org](http://www.growbrainerdlakes.org)

*"Expanding Business, Building Community, and Growing Jobs in the Brainerd Lakes Area."*

1

Hello River to Rail Steering group,

Thank you for meeting with us on Monday, April 9<sup>th</sup> to learn more about the next steps for the River to Rail initiative. If you were unable to attend and would like some more information, please contact Bruce ([Brucebuxtonwsn@gmail.com](mailto:Brucebuxtonwsn@gmail.com)) and he can catch you up to speed. Attached are the roles for the steering committee.

We would like to meet again in June. Please fill out your availability on the Doodle Link below and we will coordinate the next meeting.

<https://doodle.com/poll/sh7csi9p8skxhc5z>

Thank you!

#### **Megan Rehbein, Office Administrator**

#### **Brainerd Lakes Area Economic Development Corporation**

224 West Washington Street, Brainerd, MN 56401

218-828-0096

[megan@growbrainerdlakes.org](mailto:megan@growbrainerdlakes.org)

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*"Expanding Business, Building Community, and Growing Jobs in the Brainerd Lakes Area."*



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## Engines of River to Rail

### Engine 1

Comprehensive Plan  
and Infrastructure

### Engine 2

Community Space,  
Trails, Parks

### Engine 3

Arts and Culture  
Special Projects and  
Events

### Engine 4

Marketing Initiatives,  
Existing Buildings,  
Business and Housing

### Engine 5

New Development/  
Redevelopment

### Engine 6



EXAMPLES

Comprehensive Plan and Infrastructure	Community Space, Trails, Parks	Arts and Culture	Marketing Initiatives, Special Projects and Events	Existing Buildings, Business and Housing	New Development/ Redevelopment
<ul style="list-style-type: none"> <li>Update Comp plan to include a section specific to R2R area in an easy to understand doc.</li> <li>Consider roadway strategies</li> <li>Include a plan for the R2R area for sharing with developers, community members, etc.</li> <li>Consider impacts of the community space, trails, and parks ideas</li> <li>Consider all infrastructure needs for the future</li> </ul>	<ul style="list-style-type: none"> <li>Understand existing initiatives already happening in the community</li> <li>Suggest adjustments to improve the connections and use</li> <li>Suggest new ideas for public space (ie. adjacent to Sage on Laurel, along RR right-of-way, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Understand existing initiatives already happening in the community</li> <li>Suggest a theme for murals/ downtown art</li> <li>Suggest new ideas</li> <li>Suggest ideas for funding permanent art throughout the city</li> <li>Suggest short lived ideas to keep the arts and culture alive indefinitely</li> </ul>	<ul style="list-style-type: none"> <li>Branding the area</li> <li>Marketing initiatives and special projects</li> <li>Continued marketing to encourage new and expanded business</li> <li>Events throughout the year – year after year</li> </ul>	<ul style="list-style-type: none"> <li>Suggest means and methods to clean up and maintain a clean downtown</li> <li>Improvements to show we have pride in our community (façades, signage, etc.)</li> <li>Expansions and upgrades of existing businesses and buildings</li> <li>Improvements to housing, including finishes, security, amenities, etc.</li> <li>Funding pools</li> <li>Seek out grants/ legislation (Address parking needs)</li> <li>Assist with market assessments to determine market viability</li> </ul>	<ul style="list-style-type: none"> <li>Land assembly</li> <li>Development Agreement Proposal</li> <li>Agreement on incentives</li> <li>Strategically target prospects (Market Rate Housing, hotels, new business)</li> </ul>
Engine 1	Engine 2	Engine 3	Engine 4	Engine 5	Engine 6



## R2R Engines Workplan

**Engine -**

**Engineer(s) -** \_\_\_\_\_

**Engine Committee Members -** \_\_\_\_\_

**Meeting Days/Times -** \_\_\_\_\_

**Priority Projects –**

- 1.
- 2.
- 3.

### Priority Project Budgets – Year 1-3

**Project 1 -** \_\_\_\_\_

<b><u>Use of Funds</u></b>	<b><u>Estimated Cost</u></b>	<b><u>Source of Funds</u></b>

**Project 2 -** \_\_\_\_\_

<b><u>Use of Funds</u></b>	<b><u>Estimated Cost</u></b>	<b><u>Source of Funds</u></b>

**Project 3 -** \_\_\_\_\_

<b><u>Use of Funds</u></b>	<b><u>Estimated Cost</u></b>	<b><u>Source of Funds</u></b>

**Other Efforts?**



## Priority Project Budgets – Year 3-5

Project 1 - \_\_\_\_\_

<b>Use of Funds</b>	<b>Estimated Cost</b>	<b>Source of Funds</b>

Project 2 - \_\_\_\_\_

<b>Use of Funds</b>	<b>Estimated Cost</b>	<b>Source of Funds</b>

Project 3 - \_\_\_\_\_

<b>Use of Funds</b>	<b>Estimated Cost</b>	<b>Source of Funds</b>

Other Efforts?



## Priority Project Budgets – Year 5-Beyond

Project 1 - \_\_\_\_\_

<u>Use of Funds</u>	<u>Estimated Cost</u>	<u>Source of Funds</u>

Project 2 - \_\_\_\_\_

<u>Use of Funds</u>	<u>Estimated Cost</u>	<u>Source of Funds</u>

Project 3 - \_\_\_\_\_

<u>Use of Funds</u>	<u>Estimated Cost</u>	<u>Source of Funds</u>

Other Efforts?



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[Skip to main content](#)

## Main Content

# Competitive Affordable Housing Program

The Competitive Affordable Housing Program is one of the nation's largest sources of grants for affordable housing projects. This program encourages partnerships between our member financial institutions and local housing providers to secure funds for the purchase, construction or rehabilitation of affordable homeownership or rental housing units. Grants are available to sponsors including nonprofits, governments, housing authorities and other qualifying organizations. Sponsors require the support of an FHLB Des Moines member financial institution to apply.

In 2018 FHLB Des Moines will make grant awards of up to \$750,000 for qualifying projects. Program guidelines including eligibility requirements, feasibility guidelines, and competitive scoring criteria are included in the *2018 AHP Implementation Plan*. For information on making application in 2018 contact the [Community Investment Department \(Opens New Window\)](#) at 800.544.3452, ext.1173.

- [2018 AHP Implementation Plan \(PDF\)](#)
- [Dates to Remember \(PDF\)](#)
- [Application and Resources](#)

## 2017 AHP Awards

In 2017 FHLB Des Moines awarded a record \$44.6 million to 78 rental and homeownership projects throughout its 13-state district. The grants will help fund the creation or rehabilitation of 2,636 units of affordable housing, and leveraged \$382 million of total development costs. [Click here for a list projects awarded funds \(PDF\)](#).

## 2016 AHP Awards

In 2016 FHLB Des Moines awarded over \$20 million to rental and homeownership projects throughout its district. [Click here for a list projects awarded funds \(PDF\)](#).

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## Rehab Programs Update

### **SSRP – SCATTERED SITE REPLACEMENT PROGRAM**

- » Hazardous Materials Survey is complete and demolition is out for bid.

### **DOWNTOWN BRAINERD SCDP**

- » Application approved by DEED for \$650,105.00.
- » Four commercial and 19 rental units are complete.
- » There are five commercial and 25 rental units in progress.

### **NE BRAINERD SCDP**

- » The application has been submitted to DEED.



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**To:** Brainerd HRA Board Members  
**From:** Jennifer Bergman, Executive Director  
**Date:** April 19, 2018  
**Re:** Authorize MOA for the Brainerd Revolving Loan Program

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At the February 5<sup>th</sup>, 2018, council meeting, we discussed potential guidelines for the City of Brainerd Revolving Loan Program. The program is for the use and administration of local income and some old CDBG funds that currently amount to approximately \$156,000. Actual amount currently to be used for the program is between \$110,000 and \$156,000 as a portion of the funds will be used for the demolition of the Downtown Motel.

The discussion was to develop guidelines and create a Memorandum of Agreement (MOA) between the City of Brainerd and the Brainerd HRA to administer this program. City and Brainerd HRA staff created these guidelines (see Attachment 7a). On March 27<sup>th</sup>, we met with the EDA and they unanimously voted to recommend to the City Council to approve the draft guidelines, enter into a MOA with the Brainerd HRA to administer the applicable loan funds per the guidelines, and report activity to both the EDA and City Council on a regular basis.

Attorney Martha Ingram reviewed the guidelines and created an MOA (see Attachment 7b). Ms. Ingram's recommendations were minor word changes and clarifications.

The City Council approved the MOA at their April 16<sup>th</sup> meeting and, upon approval by the Brainerd HRA Board, the applicable funds would be transferred to the HRA for administration. The administration fee is outlined in Section II of the MOA as well as the term of the agreement in Section III. In addition, the Brainerd HRA Board will review and approve/deny loan requests.

**Action Requested: Authorize the executive director to enter into the Memorandum of Agreement for the administration of the City of Brainerd Revolving Loan Program.**



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## CITY OF BRAINERD REVOLVING LOAN PROGRAM GUIDELINES

### I. PURPOSE

The City of Brainerd (City), acting by and through the Brainerd Housing and Redevelopment Authority (hereinafter referred to as HRA) having its principal office located at 324 East River Road, Brainerd, MN 56401, has established a Revolving Loan Program to assist the financing of projects that promote redevelopment within the target area (See Exhibit A) or rehabilitation in the City of Brainerd (the "City"). Without limitation, the funds in the Revolving Loan Program may be used, as permitted by law, for the following general purposes:

1. To provide a fund in support of qualifying projects which allows the City flexibility to respond when such projects require financial assistance.
2. To provide a single depository for any debt incurred to assist the City's projects.
3. To centralize financial control of assisted projects.
4. To provide a depository for funds received by the City in the future.

### II. PROCESS

No use of or disbursement from the Revolving Loan Program account shall be made without proper procedure. The following guidelines serve to direct the HRA in their consideration and do not constitute laws. These guidelines will supersede any and all previous guidelines involving these Revolving Loan Funds. A project may not meet all the criteria listed in these guidelines and yet may serve the redevelopment or rehabilitation needs of the City and therefore be eligible.

#### Guidelines to Consider for Qualifying Projects

1. The project shall meet a redevelopment or rehabilitation need of the City and shall demonstrate a relative need for financial assistance.
2. The highest priority shall be given to those projects which provide:
  - a. Increased tax base
  - b. Potential for future development
  - c. High quality construction in the facility to be built
  - d. Development which will meet a specific community need of the City
  - e. Redevelopment of an area which is under-developed or blighted
  - f. Significant other development or redevelopment
  - g. Correction for code violations cited to homeowners
3. All projects are subject to the National Environmental Policy Act (NEPA) which seeks to avoid adverse impacts on the environment by mandating careful consideration of the potential impacts on any project assisted with federal funds.
4. All projects must have an appropriate environmental review completed prior to project costs being incurred.
5. Davis Bacon and Related Acts shall apply to redevelopment activities. This includes the Federal Contract Work Hours and Safety Standards Act, and the Copeland "Anti-Kickback" Act.



6. Acquisition/Displacement and Relocation Requirements apply to any acquisition of real property when these funds are used for the acquisition.

### III. ELIGIBLE USES

All improvements eligible for financial assistance must be physically attached to the property and be permanent in nature. The following types of activities are eligible:

In the target area (See exhibit A):

Acquisition of Real Property  
Disposition  
Public Facilities and Improvements  
Clearance  
Redevelopment  
Special Economic Development Activities if ineligible for BLADC Unified Funds or other programs  
Micro enterprise Assistance if ineligible for BLADC Unified Funds or other programs

City Wide:

Owner Occupied Residential Code Citation Enforcement

### IV. OWNERSHIP REQUIREMENTS

1. The applicant(s) for assistance must possess at least a one-half interest in one of the following types of ownership in the property to be improved:
  - a. Fee title
  - b. Life estate
  - c. Fee title or life estate subject to a mortgage or other lien securing a debt
  - d. Contract for Deed
  - e. Limited Liability Company
  - f. Limited Liability Partnership
  - g. Corporation
2. Ownership includes the titleholders and their spouses.
3. If an applicant is separated, the spouse must also sign all forms necessary for the completion of rehabilitation.
4. If an applicant is divorced, but the spouse still holds title, the spouse must either quit claim his/her interest or a divorce decree must be provided which states sole ownership (not only occupancy) in the applicant's name.
5. Only one loan per property during each 10 year loan term will be allowed.



## V. THE APPLICATION PROCESS

The application for use of the Revolving Loan Program shall include the following information:

1. Statement of the public purpose and need
2. Description of the project and the estimated costs
3. Description of the company and a financial statement or a certified letter from a financial institution with knowledge of such financial capacity
4. Amount of assistance being requested and the use to which the assistance will be applied
5. Plans and drawings of the project, including landscaping
6. Letter of feasibility
7. Zoning and planning analysis
8. Description of the financial institutional support for the project

## VI. LOANS

### Guidelines for the Use of Revolving Loan Funds

The HRA will follow the guidelines below to determine eligibility:

1. There shall be a demonstrated need for financial assistance
2. The application and bids will be reviewed by the HRA to ensure they comply with program requirements.
3. The proposed project shall be analyzed within the context of the Funds overall risk.
4. The applicant must demonstrate the ability to repay the loan provided through the Revolving Loan Program for a proposed project.
5. The applicant must submit a minimum of two (2) bids.
6. The applicant must provide a documented minimum 1:1 match. Owner occupied residential code citation enforcement may be excluded from this match.
7. Applicants for rehabilitation loans must be at or below 80% of Area Median Income.
8. The maximum loan under this program is \$25,000.
9. Revolving Loan Program Funds shall be adequately secured by liens.
10. The Owner must execute all required documents after which a Notice to Proceed will be issued.
11. If possible, the funds should be allocated directly or indirectly to a number of projects. Spreading the funds over several projects will reduce the risk that funds to be repaid will not be available for future use.
12. No loans will be made for work that has already begun.

## VII. REPAYMENT

### Revolving Loans

Interest rates on loans shall be the current U.S. Federal Prime Rate, minus 1%. The Owner will make direct payments to the HRA of interest and principal, or a lump-sum repayment of interest and principal as may occur through sharing the projects from the



sale of any assisted project. A Repayment Agreement must be executed between the Owner and the HRA which will include terms, interest and payment amounts. A lien will be placed on the property. Any direct costs associated with the loan shall come out of the loan proceeds.

#### VIII. DISBURSEMENT OF FUNDS

After the loan has been approved, the Rehab Coordinator shall proceed with executing the Agreement. Funds will not be disbursed until the property owner has paid their match portion to be retained by the HRA as escrow.

The following shall guide the disbursement of funds to the Contractor:

1. No pre-payments are allowed for any reason.
2. Partial payments are not allowable for any work not yet completed.
3. Payments will be made only after the work is completed according to the Rehab Coordinator. In order for the contractor to be paid, a signed (by both the applicant(s) and the Rehab Coordinator) Completion Certificate must be presented at the time of payment.
4. Final payment will not be made until all work is satisfactorily completed.
5. Payments will be made only upon presentation of the following documents:
  - a. Billing Statement
  - b. Lien Waiver.
  - c. Completion Certificate
  - d. Payroll Reports if applicable
  - e. Proof of completion of contractors affidavit (final payment only)

No disbursement of Revolving Loan funds shall be authorized until the Rehab Coordinator has approved that the work has been completed and all compliance requirements have been met. Approval shall be evidenced by a Contractor Payment Request signed by the Rehab Coordinator, applicant and contractor.

#### IX. CHANGE ORDERS

Any alterations, variation, modification or waiver of the provisions of this Agreement shall be valid only after it has been reduced to writing, approved and signed by owner, contractor and Rehab Coordinator. No work resulting from a change order may start until after the change order has been executed by the owner, contractor and Rehab Coordinator.

#### X. INTERIM INSPECTIONS

During the course of a rehab, the Rehab Coordinator will inspect ongoing work at least once every two weeks to ensure compliance with scope of work specifications and contract terms and conditions. Inspections will be required before partial disbursement to ensure that the work, which the partial payment covers, is satisfactorily completed.

#### XII. CONFLICT OF INTEREST

Any potential conflicts of interest under Minnesota Statutes 471.88 shall be evaluated on



the basis of a legal opinion to be requested from the City Attorney. No rehab work may begin until such opinion has been made.

### XIII. DATA PRIVACY

The City Council, HRA Board and staff are not authorized to discuss loan applications or other business contacts related to the Revolving Loan Fund with any persons other than loan officers of involved financial institutions and representatives of public business finance programs. Files belonging to the City are not open for public inspection except as regulated by the Minnesota Data Practices Act. The City and HRA may find it appropriate to verify any data contained in the application.

Information on program applicants (including, but not limited to, credit reports, financial statements, income calculations and asset information) is private data, which must be administered in accordance with the Minnesota Government Data Practices Act. Applicants shall be provided with proper written notice as specified under the Act. Solely for the purpose of administering the Program, information may be made available to the members of the City, HRA Board of Directors, the City and HRA staff, and the staffs of participating agencies, organizations, or Financing Sources.



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## MEMORANDUM OF AGREEMENT

This Agreement, entered into this \_\_\_\_ day of \_\_\_\_ , 2018, between the City of Brainerd, a Minnesota municipal corporation (“City”) and Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, a public body corporate and politic and political subdivision of the State of Minnesota (“Brainerd HRA”), describes the terms and conditions by which services shall be provided to the City by the Brainerd HRA.

### I. Scope of Services:

On behalf of the City, the Brainerd HRA will administer the City of Brainerd Revolving Loan Program (the “Program”) outlined in the Brainerd Revolving Loan Program Guidelines attached hereto as Exhibit A. The Brainerd HRA shall:

- a. Accept and screen applications to determine eligibility for the Program;
- b. Review proposed terms
- c. Present eligible loan applications to the Brainerd HRA Board of Commissioners for formal approval
- d. Prepare and execute loan documentation
- e. Oversee the construction of the project
- f. Disburse funds to the contractor
- g. Obtain necessary documents including lien waivers, completion certificates, etc.
- h. Service outstanding loans
- i. Provide quarterly reports to the City

### II. Compensation

In consideration for performance of the Services, the Brainerd HRA shall be entitled to receive compensation as follows: a loan origination fee of \$500 will be charged to the borrower at the time of closing on any loan under the Program (provided that loans to assist property owners in correcting code violations shall not be subject to any origination fee), which shall be retained by the Brainerd HRA.

### III. Term

The term of this Agreement is from May 1, 2018 to April 30, 2019. This agreement shall automatically renew for successive one-year terms thereafter unless one of the parties hereto provides at least 60 days’ notice of its intent to terminate this Agreement at the end of the then current term. However, either party may terminate this Agreement for any reason upon sixty (60) days’ written notice. Within thirty (30) days after termination of this Agreement, the Brainerd HRA shall deliver to the City (i) an accounting of all Program funds and outstanding loans and (ii) the entire cash balance of Program funds in the Brainerd HRA’s possession. The Brainerd HRA shall forward to the City all repayments of loans outstanding at the time of termination of this Agreement upon receipt of such repayments.



## **IV. Data Practices**

The parties and their employees, agents, successors and assigns must comply with the Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) as it applies to certain data provided to the Brainerd HRA under this Agreement and as it applies to certain data created, collected, received, stored, used, maintained, or disseminated by the Brainerd HRA pursuant to this Agreement. If the Brainerd HRA receives a request to release data pursuant to this Section 4, the Brainerd HRA shall notify City staff immediately and consult as to how the Brainerd HRA should respond to the request. The Brainerd HRA's response shall comply with applicable law.

## **V. Assignability**

This Agreement shall not be assignable by either party without the prior written consent of the non-assigning party. The Brainerd HRA shall not enter into subcontracts for the performance of services described in this Agreement without the prior written approval of the City.

## **VI. Compliance With Applicable Law**

The parties shall comply with applicable federal, state and local laws, and applicable rules, regulations, and standards established by any agency of such governmental units, which are now or hereafter promulgated insofar as they relate to the Brainerd HRA's performance of the provisions of this Agreement.

## **VII. Governing Law; Jurisdiction; Venue**

The Agreement shall be governed by the laws of the State of Minnesota, without regard to its conflict of laws rules. For the purpose of resolving conflicts related to or arising out of this Agreement, the parties expressly agree that venue shall be exclusively in the State of Minnesota, County of Crow Wing. The parties hereby expressly consent to the exclusive personal jurisdiction of the federal and state courts located in the State of Minnesota, regardless of the citizenship or residency of either party at the time of the commencement of any legal proceeding.

## **VIII. Indemnification**

To the fullest extent permitted by law, the parties will indemnify, protect and hold each other harmless from and against any and all liabilities, claims demands, losses, damages, costs and expenses (including attorneys' fees) arising out of or relating to the performance of work under the Agreement; but only to the extent caused in whole or in part by the negligent acts, errors or omissions of the parties' subcontractor(s), or anyone directly or indirectly employed or hired by each party or anyone for whose acts such party may be liable. The parties agree this indemnity obligation shall survive the completion or termination of this Agreement.



## **IX. Audit**

The Brainerd HRA shall maintain complete and accurate records with respect to costs incurred and services performed under this Agreement for a period of at least six (6) years after the termination of this Agreement. Pursuant to Minnesota Statutes, Section 16C.05, subd. 5, the Brainerd HRA shall allow the City or other persons or agencies authorized by the City, including the Legislative or State Auditor, access to such records during reasonable hours, including all books, records, documents, and accounting procedures and practices of the Brainerd HRA relevant to the subject matter of the Agreement, for purposes of audit.

## **X. Entire Agreement**

This Agreement constitutes the entire agreement between the parties. This Agreement may be amended only by written agreement of both the City and the Brainerd HRA.

## **XI. Survival**

The provisions of this Agreement which, by their terms, impose obligations that are continuing in nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this Agreement, including, without limitation, the following clauses: Sections IV (Data Practices); VII (Governing Law; Jurisdiction; Venue); VIII (Indemnification); and IX (Audit).

## **XII. Nondiscrimination**

In connection with the execution of this Agreement, the parties agree that they will comply with Minnesota Statutes, Section 363A.08, to not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age. The parties and all of their subcontractors (if any) will take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to factors stated in Minnesota Statutes, Section 363A.08. Such actions shall include, but not be limited to, the following: hiring, tenure, compensation, terms, upgrading, conditions, facilities, or privileged of employment. For purposes of the Agreement, non-affiliated title companies shall not be considered an agent or a subcontractor of either party.

(The remainder of this page is intentionally left blank.)



In witness whereof, the parties have executed this Agreement on the day of the year first written above.

**City of Brainerd**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Housing and Redevelopment Authority in and for the City of Brainerd**

By: \_\_\_\_\_

Its: \_\_\_\_\_





**To:** Brainerd HRA Board Members  
**From:** Jennifer Bergman, Executive Director  
**Date:** April 19, 2018  
**Re:** Approve Lease Subsidy Agreement with The Purple Fern

---

In 2017, the Brainerd Lakes Chamber of Commerce, in conjunction with Range Deluxe and several community partners, created the Destination Downtown Brainerd competition. The purpose of the program was to provide an incentive for a business to locate downtown Brainerd. A prize package totaling \$50,000 was awarded to the winner of the competition: The Purple Fern.

The Brainerd HRA's contribution to this prize package was a lease subsidy for 50% of the rent or \$6,000, whichever is less for one year. The Purple Fern has chosen to locate their business at 719 Laurel Street and will open on May 1<sup>st</sup>.

Staff worked with Attorney Martha Ingram to draft a Forgivable Loan Agreement and a Promissory Note (see Attachment 8a). The Brainerd HRA will provide a forgivable loan of up to \$6,000 at zero percent interest. The loan will be forgiven 20% per year and completely forgiven after five years. The Brainerd HRA will pay the subsidy directly to the property owner.

**Action Requested: Adopt Resolution No. 2018-09 approving a loan agreement between the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, and the Purple Fern Bath Co. LLC.**



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## FORGIVABLE LOAN AGREEMENT

This Forgivable Loan Agreement ("Agreement") is made this \_\_\_ day of April, 2018, between Purple Fern Bath Co. LLC, a Minnesota limited liability company ("Borrower") and Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, a public body corporate and politic and political subdivision of the State of Minnesota ("Lender").

### RECITALS

A. In consideration for the loan contemplated by this Agreement, Borrower is executing and delivering to Lender this Forgivable Loan Agreement.

B. Lender agrees to loan to Borrower in the form of a lease subsidy the principal amount of up to \$6,000 (the "Loan") to pay a portion of the rental payments made by the Borrower to its landlord, NJMS Chet's, LLC (the "Landlord"), to reimburse the Landlord for making certain building improvements to commercial space leased by the Borrower for the operation of its retail business in a building located at 719 Laurel Street (the "Property") in the City of Brainerd, Minnesota (the "City").

C. The Lender and Borrower have negotiated the terms of repayment or forgiveness of the Loan, and now desire to memorialize such terms in this Agreement.

ACCORDINGLY, to induce Lender to make the Loan to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Loan Amount. Subject to and upon the terms and conditions of this Agreement, Lender agrees to loan to Borrower the sum not to exceed Six Thousand and no/100ths Dollars (\$6,000). The Loan shall be evidenced by a promissory note ("Note") payable by Borrower to Lender and substantially in the form of Exhibit A attached to this Agreement, which shall be dated as of the date of closing on the Loan (the "Loan Closing Date"). Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

2. Repayment or Forgiveness of Loan. The Loan shall be repaid or forgiven as follows:

(a) The Note shall not bear interest.

(b) The Loan shall be structured as a forgivable loan. The outstanding principal balance of the Loan shall be immediately due and payable upon (i) thirty (30) days after written notification by Lender to Borrower of the occurrence of an Event of Default as defined in this Agreement, and demand of payment according to Section 6 of this Agreement; or (ii) ten (10) days after the Borrower no longer operates its business at the Property. On each yearly anniversary of the Closing Date over a period of five (5) years, if no Event of Default occurs and if the Borrower continues to operate its business



at the Property, then 20% of principal amount outstanding on the Loan shall be forgiven. After five (5) years, if no Event of Default has occurred and if no Event of Default occurs and if the Borrower continues to operate its business at the Property, then the remaining principal balance of the Loan shall be forgiven.

3. Disbursement of Loan Proceeds.

(a) All Loan proceeds in an amount not to exceed \$6,000 shall be disbursed directly to Landlord in the form of monthly rent payments in accordance with the Commercial Lease, effective as of December 1, 2017 (the “Lease”) between the Borrower and the Landlord. On the first day of each month, commencing May 1, 2018 and continuing until April 1, 2019, the Lender shall pay 50% of the Borrower’s monthly lease payment then due and owing to the Landlord under the Lease in a total amount not to exceed \$6,000.

(b) The disbursement of proceeds of the Loan will be made subject to the conditions precedent that prior to or as of the Loan Closing Date:

- (i) The Lender has received from Borrower, without expense to Lender, executed copies of this Agreement and the Note;
- (ii) No Event of Default under this Agreement shall have occurred and be continuing;
- (iii) A fully executed copy of the Lease.

4. Representations and Warranties. Borrower represents and warrants to Lender that:

(a) Borrower is duly authorized and empowered to execute, deliver, and perform this Agreement and to borrow money from Lender.

(b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not materially violate or conflict with any applicable provision of law and do not and will not materially violate or conflict with, or cause any default or event of default to occur under, any material agreement binding upon Borrower.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of Borrower, and this Agreement has in fact been duly executed and delivered by Borrower and constitutes its lawful and binding obligation, legally enforceable against it.

(d) Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Loan proceeds and that any duly authorized representative of Lender shall, with reasonable advance notice, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Borrower pertaining to the Loan until the completion of all closeout

procedures and the final settlement and conclusion of all issues arising out of this Loan.

(e) Borrower warrants that to the best of its knowledge, it has fully complied with all applicable state and federal laws reasonably relevant to this Agreement and will continue to comply throughout the terms of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to take any necessary action to comply with the state or federal law in question.

5. Business Subsidy. Pursuant to Minnesota Statutes, Section 116J.993, subd. 3(21), the Loan does not constitute a business subsidy because the assistance is a business loan of less than \$150,000.

6. Event of Default by Borrower. The following shall be Events of Default under this Agreement:

(a) failure to pay any principal of the Loan if and when due;

(b) any representation or warranty made by Borrower herein or in the Note is false when made;

(c) Borrower files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, or is adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within thirty (30) days of the appointment;

(d) any material breach or failure of Borrower to perform any material term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Borrower within the applicable period and is being diligently pursued until the Event of Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder).

7. Lender's Remedies upon Borrower's Default. Upon an Event of Default by Borrower and after provision by Lender of written notice and subject to the applicable limitations described in Section 6, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):



- (a) declare the principal amount of the Loan thereon to be immediately due and payable upon providing written notice to Borrower;
- (b) suspend its performance under this Agreement;
- (c) take any action provided for at law to enforce compliance by Borrower with the terms of this Agreement and the Note.

In addition to any other amounts due on the Loan, and without waiving any other right of Lender under any this Agreement or any other instrument securing the Loan applicable documents, Borrower shall pay to Lender a late fee of \$250 for any payment not received in full by Lender within 30 calendar days of the date on which it is due.

8. Lender's Costs of Enforcement of Agreement. If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all reasonable attorneys' fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in connection with the protection or enforcement of the interests of Lender in any litigation or bankruptcy or insolvency proceeding or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

9. Indemnification.

(a) Borrower shall and does hereby agree to indemnify against and to hold Lender, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the creation and payment of any indebtedness to Lender. Borrower waives notice of the acceptance of this Agreement by Lender.

(c) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which Borrower is entitled under law.

10. Miscellaneous.

(a) Waiver. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by Borrower and Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

(b) Assignment. This Agreement shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Lender and its successors and



assigns. All rights and powers specifically conferred upon Lender may be transferred or delegated by Lender to any of its successors and assigns. Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by Lender; except that if such assignment is made to an affiliate or subsidiary of Borrower, Borrower may assign any of its rights or obligations to such affiliate or subsidiary upon written notice to the Lender.

(c) Governing Law. This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(d) **Severability.** If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

(e) Notice. All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To Borrower: Purple Fern Bath Co. LLC  
719 Laurel Street  
Brainerd, MN 56401

(f) Termination. If the first disbursement of the Loan is not disbursed pursuant to this Agreement by June 30, 2018, this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement then Borrower shall pay to Lender all reasonable attorneys fees, costs, and expenses incurred by Lender in connection with this Agreement and the Note.

(g) Entire Agreement. This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) Headings. The headings appearing at the beginning of the several sections contained



in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
BRAINERD, MINNESOTA

By: \_\_\_\_\_

Its Chair

By: \_\_\_\_\_

Its Executive Director



[SIGNATURE PAGE TO FORGIVABLE LOAN AGREEMENT - HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR  
THE CITY OF BRAINERD, MINNESOTA]



PURPLE FERN BATH CO. LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

[SIGNATURE PAGE TO FORGIVABLE LOAN AGREEMENT – PURPLE FERN BATH CO. LLC]



## EXHIBIT A

### PROMISSORY NOTE

Principal Amount: \$6,000

April \_\_, 2018

Interest Rate: 0.0%

PURPLE FERN BATH CO. LLC, a Minnesota limited liability company ("Maker"), for value received, hereby promises to pay to the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, a public body corporate and politic and political subdivision of the State of Minnesota or its assigns ("Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Six Thousand and no/100ths Dollars (\$6,000), in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of this Note is payable as follows:

1. As provided in the Forgivable Loan Agreement between Maker and Lender dated as of April \_\_, 2018 ("Forgivable Loan Agreement"), this Note shall not bear interest.

2. The outstanding principal balance of the Note shall be immediately due and payable upon (i) thirty (30) days after written notification by Lender to Maker of the occurrence of an Event of Default as defined in the Forgivable Loan Agreement, and demand of payment according to Section 6 of Forgivable Loan Agreement; or (ii) ten (10) days after the Maker no longer operates its business at the Property. On each yearly anniversary of the Closing Date (as defined in the Forgivable Loan Agreement) over a period of five (5) years, if no Event of Default occurs and if the Maker continues to operate its business at the Property, then 20% of the principal amount outstanding on the Loan shall be forgiven. After five (5) years, if no Event of Default has occurred and if the Maker continues to operate its business at the Property, then the remaining principal balance of the Note shall be forgiven.

3. The Maker shall have the right to prepay the principal of this Note, in whole or in part, on any date.

4. This Note is given pursuant to the Forgivable Loan Agreement of even date herewith. If any such security is found to be invalid for whatever reason, such invalidity shall constitute an Event of Default hereunder.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Forgivable Loan Agreement or any other instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the



Forgivable Loan Agreement or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with reasonable attorneys fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Holder of this Note as provided herein, and in the Forgivable Loan Agreement or any other instrument securing this Note shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

7. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

8. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

PURPLE FERN BATH CO. LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

[SIGNATURE PAGE FOR PROMISSORY NOTE – PURPLE FERN BATH CO. LLC]



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HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BRAINERD

RESOLUTION NO. 2018-09

RESOLUTION APPROVING A LOAN AGREEMENT  
BETWEEN THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF BRAINERD,  
MINNESOTA AND PURPLE FERN BATH CO. LLC

BE IT RESOLVED BY the Board of Commissioners ("Board") of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota (the "Authority") as follows:

Section 1. Recitals.

1.01. The Authority is a housing and redevelopment authority within the meaning of Minnesota Statutes, Section 469.001 through 469.047, as amended (the "HRA Act").

1.02. The Act provides the Authority with the power to take certain actions to remove, prevent, or reduce blight, blighting factors, or the causes of blight.

1.03. The Authority is authorized to make loans to any person or entity to carry out any purpose the Authority may carry out under the HRA Act pursuant to Minnesota Statutes, Section 469.192.

1.04. The Authority and Purple Fern Bath Co. LLC (the "Borrower") desire to enter into a loan agreement (the "Loan Agreement") for a forgivable loan to be used to make monthly rent subsidy payments to be made to the Borrower's landlord to reimburse the landlord for costs undertaken in improving and rehabilitating property (the "Property") located in the downtown area of the City of Brainerd (the "Loan") to prepare the Property for the operation of the Borrower's retail business.

1.05. Pursuant to the Loan Agreement, the Authority will loan to the Borrower the sum of \$6,000, evidenced by a promissory note (the "Note") to be executed and delivered to the Authority by the Borrower.

1.06. The terms of the Loan Agreement and Note provide that a portion of the principal amount outstanding on the Loan will be forgiven each year the Borrower remains in business at the Property over a period of 5 years.

1.07. The provision of the Loan by the Authority to the Borrower will help redevelop a building and prevent blight within the City's downtown in accordance with the Authority's powers under the HRA Act.



Section 2. Loan Agreement and Note Approved.

2.01. The Authority hereby approves the provision of the Loan to the Borrower and the Loan Agreement and the Note in substantially the form presented to the Board, and authorizes execution of the Loan Agreement and all documents prepared in connection therewith, subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director, provided that execution of the Amendment by such officials shall be conclusive evidence of approval.

Approved this 2nd day of May, 2018, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota.

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Chair

ATTEST:

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Executive Director





**To:** Brainerd HRA Board Members  
**From:** Carrie Burrell, Resident Program Coordinator  
**Date:** April 23, 2018  
**Re:** Code of Ethics and Standards of Conduct Policy

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A code of ethics establishes standards for employee and commissioner conduct that will assure the highest level of public service. While we recognize that compliance with any ethical standards rests primarily on personal integrity and also recognize in general the integrity of commissioners and employees, it nevertheless sets forth those acts or omissions of acts that could be deemed injurious to the general mission of the Authority.

This code of ethics is not intended, nor should it be construed as, an attempt to unreasonably intrude upon the individual employee's or commissioner's right to privacy and the right to participate freely in a democratic society and economy.

An ethics committee needs to be formed within 90 days of the adoption of this policy.

**Action Requested: Approve Resolution No. 2018-06 adopting the Code of Ethics and Standards of Conduct Policy**



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**BRAINERD HOUSING AND REDEVELOPMENT AUTHORITY  
CODE OF ETHICS AND STANDARDS OF CONDUCT POLICY**  
**Adopted: 5/02/2018 Resolution No.: 2018-06**

**PREFACE**

The Brainerd Housing and Redevelopment Agency (hereinafter, "the Agency") has established standards of conduct for its employees and members of its Board of Commissioners. These standards are designed to assure the utmost in public trust and confidence in the policies and practices of the Agency. Because of its status as an independent public corporation, the Agency recognizes its responsibility to conduct all business in a manner above reproach or censure. This Code of Ethics will describe in detail the standards by which members of the Board of Commissioners and staff are to be held accountable.

This code recognizes and incorporates those sections of federal, state, and local law which govern the conduct of public employees, and in no way supplants those provisions of law. In cases where no statutory precedent exists, the policy of the Agency shall be applied, except that this policy shall in no way be taken to supersede the provisions of any contracts, labor agreements, or other external agreements affecting the rights and privileges of employees.

The Standards of Conduct contained within the Code of Ethics shall be generally applied so as to avoid the appearance, or actual occurrence of, any favoritism or special treatment towards any applicant, resident, vendor, or agent having business, or dealings of any kind, with the Agency. No Commissioner or employee shall use or cause or allow to be used his or her position to secure any personal privileges for himself, herself, or others, or to influence the activities, actions, or proceeds of the Agency.

The Agency, in establishing standards of conduct for its employees and Commissioners, recognizes the importance of establishing standards of conduct for external vendors and suppliers of products and/or services to the Agency. While the Agency cannot mandate the internal conduct or policies of vendors, it nevertheless requires that vendors and suppliers adhere to certain basic principles in conducting business with the Agency. Specifically, these principles include:

- A. No direct or indirect personal inducement of Agency employees. This includes the giving of gifts, money, tickets or any item or service having value.
- B. No direct or indirect inducement of members of the Board of Commissioners. This shall include the same provisions covering employees, except that it is recognized that in the course of business dealings, there may be times when meals and/or visits may be arranged. In such cases, such events should be reported to the Chairman of the Board, with the nature of the visit explained.
- C. It is expected that vendors or suppliers of professional services to the Agency will be governed by the Code of Ethics to which their particular profession subscribes.

Any vendor or supplier found in violation of Agency policy shall be barred from future business dealings with the Agency. The Agency reserves the right to have vendors and suppliers sign a statement of compliance with the standards of conduct of the Agency.



## **TITLE**

This shall be called the "Brainerd Housing and Redevelopment Authority Code of Ethics and Standards of Conduct."

## **APPLICABILITY**

The provisions contained herein shall apply to all employees and the Board of Commissioners of the Brainerd HRA. With respect to contracted professional services of the Agency (legal, accounting, or otherwise), it is assumed that these professionals will abide by the professional ethics of their particular profession.

## **PURPOSE**

This Code of Ethics establishes standards for employee and Commissioner conduct that will assure the highest level of public service. Recognizing that compliance with any ethical standards rests primarily on personal integrity, and also recognizing in general the integrity of Commissioners and employees, it nevertheless sets forth those acts or omissions of acts that could be deemed injurious to the general mission of the Agency.

This Code of Ethics is not intended, nor should it be construed as, an attempt to unreasonably intrude upon the individual employee's or Commissioner's right to privacy and the right to participate freely in a democratic society and economy.

## **DEFINITIONS**

"Agent" shall mean any employee of the Agency (whether full or part time) acting in his or her official capacity is an agent of the Agency.

"Claim" shall mean any demand, written or oral, made upon the Agency to fulfill an obligation arising from law or equity.

"Commissioner" shall mean one of the persons serving on the Board of Commissioners of the Agency.

"Contract" shall mean any obligation to do something arising from an exchange of promises or consideration between persons, regardless of the particular form in which it is stated.

"Conventional" shall mean those housing programs operated by the Agency, which are broadly considered part of the "conventional public housing program." This shall include but not be limited to, such programs as public housing, the Capital Fund, HOPE VI, and the Public Housing Drug Elimination Program (PHDEP).

"Employee" shall mean any person appointed or hired, whether full or part time, seasonal, temporary, paid or unpaid, on a fixed or unfixed term, provisional or permanent.

"Enrollee" shall broadly mean any applicant, resident, or program participant in any program operated by the Agency. Specifically, an "enrollee" shall be a person who expects to receive, or is receiving, some form of assistance from the Agency.

"Family" shall mean the spouse, father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister, or a person living in a stable family relationship.



"Interest" shall mean a benefit or advantage of an economic or tangible nature that a person or a member of his or her family would gain or lose as a result of any decision, or action or omission to decide or act, on the part of the Agency, its Board, or employees.

"Leasing program" shall mean those programs operated by the Agency that are broadly included within the Section 8 Program or the tenant-based program, whether it be for certificates or vouchers. Unless otherwise noted, the provisions contained herein shall apply equally to both the "Leasing" and the "Conventional" programs of the Agency.

"Person" shall mean any individual, corporation, partnership, business entity, association, organization, and may include an Agency employee.

"Public Information" shall mean information obtainable pursuant to the Freedom of Information Act and Agency guidelines adopted pursuant thereto.

### **ETHICAL STANDARDS FOR EMPLOYEES**

No employee of the Agency shall have any employment, or engage in any business or commercial transaction, or engage in any professional activity, or incur any obligation in which directly or indirectly he or she would have an interest that would impair his or her independence of judgement or action in the performance of his or her official duties or that would be in conflict with the performance of his or her official duties.

No employee shall have or enter into any contract with any person who has or enters into a contract with the Agency unless:

- A. The contract between the person and the Agency is awarded pursuant to competitive bidding procedures and/or purchasing policies as outlined in regulations promulgated by the U.S. Department of Housing and Urban Development (HUD), state law, and the Brainerd HRA Procurement Policy; or
- B. The contract between the person and the Agency is one in which the Agency employee has no interest, has no duties or responsibilities, or if the contract with the person is one which the Agency employee entered into prior to becoming an employee.

There shall be no preferential treatment given by an employee of the Agency acting in performance of his or her official duties to any person, agency or organization.

No Agency employee shall use or permit the use of Agency-owned vehicles, equipment, materials or property for the convenience or profit of himself, herself, or any other person.

No Agency employee shall solicit any gift or consideration of any kind, nor shall any Agency employee accept or receive a gift having value in excess of \$5.00 regardless of the form of the gift, from any person who has an interest in any matter proposed or pending before the Agency.

No Agency employee acting individually can bind the housing Agency by an action or verbal representation.



No Agency employee shall disclose without proper authorization non-public information or records concerning any aspects of the operation of the Agency, nor shall he or she use such information to the advantage or benefit of himself, herself, or any other person. This shall include records maintained on enrollees of the Agency, for whom a properly executed release of information form shall be obtained and kept in the client file. The release of any information relative to enrollees of the Agency shall be done pursuant to government regulations allowing the release of information among government agencies or agencies receiving government subsidy, shall be done following prescribed methods of requesting and transmitting such information, and shall be done with full knowledge of the enrollee except in those cases where through action of law the enrollee's knowledge is not required. Employee shall discuss with clients the use of technology and should obtain client's informed consent before making audio or video/picture recordings of clients.

Agency Employee shall be aware that posting personal information on professional Web sites or other media might cause boundary confusion and/or inappropriate dual relationships.

No Agency employee currently employed shall represent any person, other than himself, in business negotiations, judicial or administrative actions or procedures, to which the Agency may be a party.

No former employee of the Agency shall personally represent any person in a matter in which the former employee personally participated while employed by the Agency for one year, if such representation would be adverse to the interests of the Agency. This provision shall not, however, bar the timely filing by a current or former employee, of any claim, account, demand, or suit arising out of personal injury, property damage, or any benefit authorized or permitted by law.

No member of the family of any Agency employee shall be appointed or hired to serve under the direct supervision or Agency of that employee, and in no event shall any Agency employee participate in the decision-making regarding employment or contract for services of any family member.

No employee of the Agency shall discuss, vote upon, decide or take part in (formally or informally) any matter before the Agency in which he or she has an interest. Exception shall be made in the case of an employee whose interest in the matter is minimal (e.g. an employee helping decide on a new telephone system owns 100 shares of AT&T stock), provided the employee shall fully and specifically describe his or her interest, in writing, and the underlying basis of it, whether it be ownership, investment, contract, claim, employment or family relationship, to his or her immediate supervisor prior to the employee's participation. If, in the opinion of the supervisor, there is any question as to whether the interest is minimal, the matter shall be referred to the Ethics Review Committee for a binding decision on the question.

Any matter decided on, contracted, adjudicated, or in any way acted upon by an employee who does not disclose a personal interest either in the matter, or in any person or organization having an interest in the matter, may be considered null and void by the Agency. Such a matter may be referred to the Ethics Review Committee to render judgement and assess any penalties if necessary.

If the Ethics Review Committee renders judgement that a matter was performed; a contract entered into; or any matter was conducted, decided or acted upon in a manner prohibited by the Code of Ethics; it may then propose, among other things, that the Board of Commissioners seek an injunction against the prescribed action.



No person employed by the Agency shall be permitted to participate as a lessor or lessor's agent in the leasing programs. Similarly, no member of the Board of Commissioners in his or her individual capacity shall be a lessor or lessor's agent. These prohibitions, however, shall not apply where the employee or Commissioner is a principal in a not-for-profit or charitable, educational, or humanitarian agency or organization that may own or manage housing for rental purposes.

### **ETHICAL STANDARDS FOR COMMISSIONERS**

The Board of Commissioners of the Brainerd HRA is the architect of policy governing the operations of the Agency and retains legal and fiscal responsibility for the Agency. Recognizing that the commissioners are chosen from a broad range of fields and professions and community interests renders difficult the circumscription of external interests and activities of the Commissioners. It is the intent that, insofar as is possible, the members of the Board of Commissioners are generally enjoined to follow the standards of conduct which are outlined in the Code of Ethics for employees. Further, it is expected that a Commissioner will voluntarily and fully outline his or her personal interests and potential conflicts of interest prior to assuming their seat on the board. Such a statement should be submitted to the Board Chairman within ninety (90) days of the Commissioner's appointment. For Commissioners currently serving, such an updated statement shall be developed within ninety (90) days of their re-appointment for a new term. Such a statement shall disclose the following:

- A. The names of any business, organizational, or professional involvements that might reasonably be inferred as having business with the Agency and for which at some point a Commissioner might be expected to vote, legislate, or rule on a matter involving said party.
- B. Any current or past contact in, or interest in, activities or programs of the Agency, including, but not limited to, any contracts previously bid and let, familial relationships with any staff or other board members, or any consultative or professional contracts.
  - a. No Commissioner shall vote, decide on, or discuss any matter before the Board if that Commissioner has an interest in the matter, except that:
    - i. A Commissioner having interest through a voluntary association with the person or organization may be allowed to discuss the matter.
    - ii. If the matter concerns a person or organization with which the Commissioner had former contact, and that former contact existed either prior to his or her selection, or occurred at least two years prior to the current discussion of the matter, the Commissioner may freely act.
  - b. No Commissioner may use his or her position on the Board to intimidate, coerce, persuade or otherwise influence any of the activities or employees of the Agency.

### **ETHICS REVIEW COMMITTEE**

There shall be established an Ethics Review Committee of the Brainerd HRA.

The purpose of the Committee shall be to review and render decisions on any matters involving ethical conduct, or breach of ethical conduct, by employees, vendors, or commissioners.

The Committee is empowered by the Board of Commissioners to:

- A. Call witnesses and receive depositions in the performance of its duties.
- B. Call for provision of appropriate records, files or tapes relative to the performance of its duties.
- C. Review any records maintained by the Agency, except those records that are considered confidential or personal. However, confidential records may be examined upon execution of a proper release by the subject person.

In performing its duties, the Committee may:

- A. Issue rules and regulations consistent with and to clarify the Code of Ethics.
- B. Review any questions concerning alleged or suspected infractions of the Code of Ethics and make recommendations to the Board of Commissioners or Executive Director for further or final actions.
- C. Require financial disclosure or disclosure of any other pertinent information by employees, vendors, or commissioners.

The Committee shall be composed of three (3) members and one (1) alternate: Board of Commissioners (1), employees (1), and a neutral third party (1). The alternate member of the panel shall be a party versed in legal/ethical issues, e.g., an attorney not currently serving as counsel to the Agency or an academic Agency on ethical issues.

The members of the Committee shall be appointed in the following manner:

- A. The representative of the Board of Commissioners and the neutral third party shall be selected by vote of the Board of Commissioners.
- B. The employee representative and alternate shall be selected by the Executive Director.

The alternate member of the Committee may attend all meetings of the Committee. In case of a conflict of interest by a committee member, the alternate member will assume the role as a voting member of the Committee. The alternate may at any and all time's voice opinions regarding the deliberations of the Committee.

The Committee shall, upon receiving a written request from either the Board of Commissioners or any individual associated with the Agency, respond in writing within sixty (60) days after receipt of the request, unless the Committee determines that additional time is required. If additional time is required, it shall inform the requestor of the approximate time it will be able to render a response.

The Committee shall make reports and recommendations for action to the Board of Commissioners. If the Board finds a recommended action is properly within the purview of the Executive Director or his or her designee, it shall delegate the matter without further Board action.

The legal counsel of the Agency may be involved in the deliberations of the Committee, but he/she has no vote and cannot serve as the alternate committee member.



### **STARTUP PROCEDURES**

Within ninety (90) days of the adoption of this policy, the members of the Ethics Review Committee shall be appointed.

The Board of Commissioner Representative and the alternate shall initially serve three (3) year terms. The employee representative shall initially serve a two (2) year term. The neutral third party shall initially serve a one (1) year term. This way at least one appointment will expire each year and yet continuity can be maintained.

Within ninety (90) days of the adoption of this policy, the current Commissioners shall file the required disclosure with the Board Chairman.



HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF  
BRAINERD  
RESOLUTION NO. 2018-06

CODE OF ETHICS AND STANDARDS OF CONDUCT POLICY

WHEREAS, the Housing and Redevelopment Authority in and for the City of Brainerd is required to have in place a Code of Ethics and Standards of Conduct Policy in compliance with all local, state and federal laws; and

WHEREAS, the Housing and Redevelopment Authority in and for the City of Brainerd has reviewed and updated its previously established Code of Ethics and Standards of Conduct Policy; and

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA as follows:

1. The Code of Ethics and Standards of Conduct Policy is hereby approved.

I CERTIFY THAT the above resolution was adopted by the Housing and Redevelopment Authority in and for the City of Brainerd.

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Marlee Larson, Chair

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Jennifer Bergman, Executive Director





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**To:** Brainerd HRA Board Members  
**From:** Karen Young, Finance Director  
**Date:** April 18, 2018  
**Re:** Employee Fraud Policy

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Per the Office of Inspector General (OIG), Public Housing Authorities need to adopt and aggressively implement a formal fraud policy. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act on it to his or her injury.

A fraud policy is not intended to cover administrative matters such as time and attendance problems or minor acts of insubordination. This policy should establish what the Agency does to reduce fraud, how dishonest activity will be handled, and what action is taken as a result of an investigation.

**Action Requested: Approve Resolution No. 2018-07 adopting the Employee Fraud Policy.**



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**BRAINERD HOUSING AND REDEVELOPMENT AUTHORITY****Employee Fraud Policy**

Adopted: 5/2/2018 Resolution No.: 2018-07

**POLICY STATEMENT**

The purpose of this employee fraud policy is to facilitate the development of controls that will aid in the detection and prevention of fraud against the Brainerd Housing and Redevelopment Authority (hereinafter, “the Agency”). It is the intent of the Agency to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

**SCOPE OF POLICY**

This policy applies to any irregularity, or suspected irregularity, involving management, employees, and board members as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Agency.

Any investigative activity required will be conducted without regard to the suspected wrongdoer’s length of service, position/title, or relationship to the Agency.

**POLICY**

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the executive director, who coordinates all investigations, both internal and external.

**ACTIONS CONSTITUTING FRAUD**

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Theft, embezzlement, or other misappropriation of funds, supplies, or other assets
- Bribery or kickbacks
- False claims or bid rigging
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of Agency activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons confidential activities engaged in or contemplated by the Agency
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Agency. Exception: Gifts less than \$5 in value
- Destruction, removal, forgery or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity



## **OTHER IRREGULARITIES**

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by management. Allegations of personal improprieties or other irregularities not constituting fraud can include drug abuse, vandalism, littering, disturbing the peace, or other such public nuisances or criminal activity. These matters should also be resolved by management.

If there is any question as to whether an action constitutes fraud, contact the executive director for guidance.

## **INVESTIGATION RESPONSIBILITIES**

The executive director has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The executive director may delegate investigation responsibilities to other management individuals. If the investigation substantiates that fraudulent activities have occurred, the executive director will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and management, as will final decisions on disposition of the case.

## **CONFIDENTIALITY**

The executive director treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the executive director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURE section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Agency from potential civil liability. Management will not retaliate against employees who report either fraudulent or non-fraudulent activities.

## **AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD**

The executive director or management in charge of the investigation will have:

- Free and unrestricted access to all Agency records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

## **REPORTING PROCEDURES**

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the executive director immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any



other inquirer should be directed to the executive director. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the executive director.

### **ACTING IN GOOD FAITH**

Anyone reporting any irregularity that is detected or suspected must be acting in good faith and have reasonable grounds for believing the information provided. Allegations made maliciously or with knowledge of their falsity will not be tolerated. People making such allegations may be subject to disciplinary action and/or legal actions by the individuals accused of the fraudulent conduct.

### **WHISTLEBLOWER PROTECTION**

Employees of the Agency may not retaliate against a whistleblower for reporting an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of employment (including, but not limited to, threats of physical harm, dismissal, transfer to an undesirable job assignment, demotion, suspension, or impact on salary or wages). A whistleblower is defined as an employee who informs management or the executive director about an activity which that person believes to be fraudulent or dishonest.

Whistleblowers who believe that they have been retaliated against may file a written complaint with the executive director. Any complaint of retaliation will be promptly investigated and appropriate remedial measures will be taken if allegations of retaliation are proven. This protection from retaliation is not intended to prohibit management from taking action, in the usual scope of their duties and based on valid performance-related factors.

### **TERMINATION**

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the executive director and, if necessary by outside counsel, before any such action is taken. The decision to terminate an employee is made by management and the executive director.

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF  
BRAINERD  
RESOLUTION NO. 2018-07

EMPLOYEE FRAUD POLICY

WHEREAS, the Housing and Redevelopment Authority in and for the City of Brainerd is required to adopt and aggressively implement a formal fraud policy; and

WHEREAS, the Housing and Redevelopment Authority in and for the City of Brainerd has developed a formal employee fraud policy; and

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the HRA as follows:

1. The Employee Fraud Policy is hereby approved.

I CERTIFY THAT the above resolution was adopted by the Housing and Redevelopment Authority in and for the City of Brainerd.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Marlee Larson, Chair

Dated: \_\_\_\_\_

\_\_\_\_\_  
Jennifer Bergman, Executive Director





**To:** Brainerd HRA Board Members  
**From:** Teresa L. Hettver, Housing Manager  
**Date:** April 25, 2018  
**Re:** Section 504 Non-Discrimination Policy

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Public Housing Authorities with 15 or more employees are required by HUD to designate a Section 504 coordinator and establish procedures to provide prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) of the U.S. Department of Health and Human Services regulations implementing the Act (see Attachment 11a). Section 504 prohibits discrimination on the basis of disability in any program or activity receiving federal financial assistance

Chapter 2 of the Public Housing Admissions and Continued Occupancy Policy (ACOP) describes HUD regulations and our policies related to: non-discrimination; policies related to persons with disabilities; and prohibition of discrimination against limited English proficiency persons.

Our agency ACOP will be fully updated in August or September. At this time, the only policy which needs to be updated in the ACOP is related to discrimination complaints outlined on pages 2-5 and 2-6 (Attachment 11b).

**Actions Requested: Approve Resolution No. 2018-08 adopting the Section 504 Non-Discrimination Grievance Policy; Motion to amend the ACOP Discrimination Complaint Policy.**



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**BRAINERD HOUSING AND REDEVELOPMENT AUTHORITY**  
**Section 504 Non-Discrimination Grievance Policy**  
**Adopted: 5/2/2018 Resolution No.: 2018-08**

It is the policy of Brainerd Housing & Redevelopment Authority (hereinafter, “the Agency”) not to discriminate on the basis of disability.

The Agency has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) of the U.S. Department of Health and Human Services regulations implementing the Act. Section 504 prohibits discrimination on the basis of disability in any program or activity receiving federal financial assistance. The law and regulations may be examined in the office of the resident services coordinator, who has been designated to coordinate the efforts of compliance with Section 504.

Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for the Agency to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.

#### **PROCEDURE**

- Grievances must be submitted to the Section 504 coordinator within 30 days of the date the person filing the grievance becomes aware of the alleged discriminatory action.
- A complaint must be in writing, containing the name and address of the person filing it. The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought.
- The Section 504 coordinator (or her/his designee) shall conduct an investigation of the complaint. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant to the complaint. The Section 504 coordinator will maintain the files and records of the Agency relating to such grievances.
- The Section 504 coordinator will issue a written decision on the grievance no later than 30 days after its filing.
- The person filing the grievance may appeal the decision of the Section 504 coordinator by writing to the executive director within 15 days of receiving the Section 504 coordinator's decision. The executive director shall issue a written decision in response to the appeal no later than 30 days after its filing.
- The availability and use of this grievance procedure does not prevent a person from filing a complaint of discrimination on the basis of disability with the U. S. Department of Health and Human Services, Office for Civil Rights.

The Agency will make appropriate arrangements to ensure that disabled persons are provided other accommodations, if needed, to participate in this grievance process. Such arrangements may include, but are not limited to, providing interpreters for the deaf, providing taped cassettes of material for the blind, or assuring a barrier-free location for the proceedings. The Section 504 coordinator will be responsible for such arrangements.



HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF  
BRAINERD  
RESOLUTION NO. 2018-08

SECTION 504 NON-DISCRIMINATION GRIEVANCE POLICY

WHEREAS, the Housing and Redevelopment Authority in and for the City of Brainerd is required to establish procedures to provide prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) of the U.S. Department of Health and Human Services regulations implementing the Act;

WHEREAS, the Housing and Redevelopment Authority in and for the City of Brainerd is required to designate a Section 504 coordinator;

WHEREAS, the Housing and Redevelopment Authority in and for the City of Brainerd has established a Section 504 Non-Discrimination Grievance Policy and a designated Section 504 coordinator; and

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the HRA as follows:

1. The Section 504 Non-Discrimination Grievance Policy is hereby approved.

I CERTIFY THAT the above resolution was adopted by the Housing and Redevelopment Authority in and for the City of Brainerd.

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Marlee Larson, Chair

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Jennifer Bergman, Executive Director



## Providing Information to Families

The PHA must take steps to ensure that families are fully aware of all applicable civil rights laws. As part of the public housing orientation process, the PHA will provide information to public housing applicant families about civil rights requirements.

## Discrimination Complaints

If an applicant or tenant family believes that any family member has been discriminated against by the PHA, the family should advise the PHA. HUD requires the PHA to make every reasonable attempt to determine whether the applicant or tenant family's assertions have merit and take any warranted corrective action.

In all cases, the PHA may advise the family to file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

Upon receipt of a housing discrimination complaint, the PHA is required to:

- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions  
[Notice PIH 2014-20]

### PHA Policy

The Brainerd HRA has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) of the U.S. Department of Health and Human Services regulations implementing the Act. Section 504 prohibits discrimination on the basis of disability in any program or activity receiving Federal financial assistance. The Law and Regulations may be examined in the office of the Resident Services Coordinator, who has been designated to coordinate the efforts of the Brainerd HRA to comply with Section 504.

Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for the Brainerd HRA to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.

### **Procedure:**

- Grievances must be submitted to the Section 504 Coordinator within 30 days of the date the person filing the grievance becomes aware of the alleged discriminatory action.
- A complaint must be in writing, containing the name and address of the person filing it. The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought.



- The Section 504 Coordinator (or her/his designee) shall conduct an investigation of the complaint. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant to the complaint. The Section 504 Coordinator will maintain the files and records of Brainerd HRA relating to such grievances.
- The Section 504 Coordinator will issue a written decision on the grievance no later than 30 days after its filing.
- The person filing the grievance may appeal the decision of the Section 504 Coordinator by writing to the Executive Director within 15 days of receiving the Section 504 Coordinator's decision. The Executive Director shall issue a written decision in response to the appeal no later than 30 days after its filing.

The availability and use of this grievance procedure does not prevent a person from filing a complaint of discrimination on the basis of disability with the U. S. Department of Health and Human Services, Office for Civil Rights.

The Brainerd HRA will make appropriate arrangements to ensure that disabled persons are provided other accommodations, if needed, to participate in this grievance process. Such arrangements may include, but are not limited to, providing interpreters for the deaf, providing taped cassettes of material for the blind, or assuring a barrier-free location for the proceedings. The Section 504 Coordinator will be responsible for such arrangements.





**To:** Brainerd HRA Board Members  
**From:** LeAnn Goltz, Executive Assistant  
**Date:** April 26, 2018  
**Re:** Update on Policy Review & Approval

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At the last board meeting, the Board requested a status update on the policy review and approval process. Attachment 12a is a comprehensive list of the policies, both completed and approved, as well as those that are upcoming. Staff is using the spreadsheet as a guide to ensure continual progress, but the review dates may change as we work through them.

**No Action Requested; Discussion Item**



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## Brainerd HRA Policies, Plans and Procedures Checklist



<b>Policies, Plans and Procedures</b>		<b>Policy in Place?</b>	<b>Board Review Month</b>	<b>Assigned Employee</b>	<b>Resolution</b>	<b>Date Approved</b>
<b>Administrative</b>						
5-Year and Annual PHA Plans	Yes	Annually	September	Carrie	2018-06	5/2/2018
Annual PHA Plans	Yes	Annually	September	Carrie	2018-06	5/2/2018
Record Retention Policy	No	October	Christine	Karen	2018-06	5/2/2018
Criminal Records Management	Yes	February	Teresa	Karen	2018-06	5/2/2018
EVN Security Policy	Yes	February	Tania	Christine	2018-06	5/2/2018
Tax Forfeited Property Policy	Yes	February	Jennifer/John	N/A	2018-06	5/2/2018
Section 3 Policy/MBE/WBE	Yes	March	John	2018-03	3/28/2018	
Access to Public Records	Yes	March	Jennifer	2018-04	3/28/2018	
Natural Disaster Response Policy	Yes	March	Roberta	2018-05	3/28/2018	
<b>Code of Ethics and Standards of Conduct Policy</b>						
Employee Fraud Policy	No	April	Carrie	2018-06	5/2/2018	
Section 504 Policy Non-Discrimination Grievance Procedure	Yes	April	Shannon/Teresa	2018-08	5/2/2018	
<b>Public Housing</b>						
Admission & Continued Occupancy Policy (ACOP)	Yes	August	Teresa	2018-06	5/2/2018	
File Access Internal Controls Policy and Procedures	No	June	Tania	2018-07	5/2/2018	
Fraud - Tenant	Yes	June	Teresa	N/A	In ACOP	
Pet Ownership Policy	Yes	May	Teresa	2018-06	5/2/2018	
Rent Payment Policy	No	May	Teresa	2018-06	5/2/2018	
Resident Initiatives Policy	No	May	Teresa	2018-06	5/2/2018	
<b>Section 8/Housing Choice Voucher</b>						
Section 8 HCV Administrative Plan	Yes	All of 2018	Tania	2018-06	5/2/2018	
<b>Financial</b>						
Accounts Receivable Write Off	Yes	June	Karen	2018-06	5/2/2018	
Accounting System Policy and Procedures	No	June	Karen	2018-06	5/2/2018	
Acquiring Insurance Policy	No	June	Christine	2018-06	5/2/2018	
Asset Management Inventory Policy	No	June	Christine	2018-06	5/2/2018	
Capitalization Policy	Yes	June	Karen	2018-06	5/2/2018	
Cash Management	No	June	Karen	2018-06	5/2/2018	
Check Signing Policy	Yes	July	Karen	2018-06	5/2/2018	
Compliance Asset Management Policy	No	July	Teresa	2018-06	5/2/2018	
Credit Card Policy	Yes	August	Karen	2018-06	5/2/2018	
Disposition of Property	No	August	Jeff	2018-06	5/2/2018	
e-LOCSS Policy (Electronic Line of Credit Control System)	No	August	Karen	2018-06	5/2/2018	

Fund Balance	Yes	August	Karen
Funds Transfer	Yes	August	Karen
Internal Control Policy	No	September	Roberta
Investment Policy	Yes	September	Karen
Petty Cash Policy	No	September	Karen
Post Issuance Bond Policy	Yes	September	Karen
<b>Procurement and Contract Management</b>			
Procurement Policy	Yes	October	Jeff/John
<b>Maintenance</b>			
Blood Borne Pathogens	Yes	October	Jeff
Hazardous Materials	Yes	October	Jeff
Maintenance Policy	Yes	October	Jeff
Pest Control Policy	Yes	October	Teresa
<b>Human Resources</b>			
Fraud Policy	No	October	Christine
Personnel Policy	Yes	All of 2018	Christine