

Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
May 2, 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, May 2nd, 2018, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Marlee Larson called the meeting to order at 1:00 p.m.
2. **OATH OF OFFICE:** Rebekah Kent was appointed to the Brainerd HRA Board by the City Council at their April 16th meeting. Unable to attend the meeting, she will take her oath of office at the next board meeting.
3. **ROLL CALL:** Present at the meeting were Commissioners Marlee Larson, Patrick Wussow, Gabe Johnson, Eric Charpentier, and Ashley Storm. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Rental Assistance Manager Tania Eller, Housing Manager Teresa Hettver, and Executive Assistant LeAnn Goltz. Also present: Rick Fargo. Absent: Rebekah Kent and Krista Brodal.
4. **RECOGNITION OF SERVICE AND DEDICATION:** Bergman thanked Rick Fargo for serving on the HRA Board for the past five years.
5. **PRESENTATION OF THE 2017 AUDIT:** Mary Reedy from CliftonLarsonAllen (CLA) presented the 2017 audit and provided bound copies to the Board. The Auditor's Report expressed an unmodified opinion with no findings, misstatements, or compliance issues.

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

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

7. **BILLS AND COMMUNICATIONS:**

- a. **Financial Report:** Young reported that the Crow Wing County HRA audit was finalized and presented to their board at the April meeting. CLA issued an unmodified Auditor's Report with no findings or misstatements. In addition, the Brainerd South compilation was completed by CLA. The Compilation Report also presented no findings.

Young also informed the Board that in March, \$66,000 was drawn out of the 2016 Capital Fund Program Grant (CFP).

Commissioner Wussow made a motion to approve the March payments as presented. Commissioner Johnson 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 March, the Unit Months Leased (UML) was 100% and HAP utilization was 25%. The waiting list was at 103. Bergman added that they received notification that opportunities for main stream vouchers and FUP vouchers are now open for application. Staff is looking into those opportunities and may apply.
- c. Public Housing Report:** Hettver discussed the move-ins and move-outs explaining that the occupancy report now reflects the actual activity. She also reported that Fortune has been doing really well with the ROSS Program.
- d. Executive Director Report:** Bergman reported that the River to Rail Steering Committee met on April 9th to discuss next steps. Bruce Buxton created six engines, each that has a point person (engineer) who will establish a committee and complete a work plan. Bergman was asked to be the engineer for Engine 5, Existing Buildings, Businesses and Housing. She plans to have the first meeting with the committee by mid-May.

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

Bergman has a meeting on May 3rd with the Pequot Lakes HRA director. Past discussions have included the possibility of the Brainerd HRA administering the Pequot Lakes HRA. The Board expressed concern about staff taking on too much and going over capacity. Bergman mentioned that HUD would like to reduce the number of small PHAs.

Bergman had the opportunity to go to Washington DC for the NAHRO conference. She met with Senator Smith and all 10 lawmakers. It was a very busy but worthwhile weekend. Following her time in Washington, she was interviewed by a writer at the Brainerd Dispatch. An article was published about Secretary Carson and the changes happening with housing.

Bergman informed the Board that she is personally doing an addition on her home and the contractor she was interested in hiring has done work for the HRA in the the past. She wanted to let the Board know in the event that it appears to be a conflict of interest. They thanked Bergman for letting them know and did not see any issue with it.

8. UNFINISHED BUSINESS: Nothing to report.

9. NEW BUSINESS:

- a. Authorize Memorandum of Agreement for the Brainerd Revolving Loan Program:** On March 27th, the EDA unanimously voted to recommend to the City Council to approve the loan 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.

The City Council approved the MOA at their April 16th meeting and, upon approval by the Brainerd HRA Board, the applicable funds would be transferred directly to the HRA for administration. All loan applications will be considered by the Brainerd HRA Board.

Commissioner Johnson made a motion to authorize the executive director to enter into the Memorandum of Agreement for the administration of the City of Brainerd Revolving Loan Program. Commissioner Wussow seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

- b. 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 chose to locate their business at 719 Laurel Street and opened on May 1st.

Staff worked with Attorney Martha Ingram to draft a Forgivable Loan Agreement and a Promissory Note, which was provided to the Board. 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.

Commissioner Johnson made a motion to 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. Commissioner Wussow seconded the motion. Via roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

10. POLICY REVIEW AND APPROVAL:

- a. Code of Ethics and Standards of Conduct Policy:**

Commissioner Wussow made a motion to approve Resolution No. 2018-06 adopting the Code of Ethics and Standards of Conduct Policy. Commissioner Johnson seconded the motion. Via roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

- b. Employee Fraud Policy:**

The Board reviewed the policy and requested that it be amended to address the steps employees should take if they suspect the executive director of fraudulent activity. Young will make that addition to the policy.

Commissioner Johnson made a motion to approve Resolution No. 2018-07 adopting the Employee Fraud Policy as amended. Commissioner Charpentier seconded the motion. Via roll call vote, all commissioners voted in favor and none were opposed. The motion passed.



c. Amendment to ACOP/Section 504 Non-Discrimination Grievance Policy:

Commissioner Storm made a motion to approve Resolution No. 2018-08 adopting the Section 504 Non-Discrimination Grievance Policy. Commissioner Johnson seconded the motion. Via roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

Commissioner Johnson made a motion to amend the ACOP Discrimination Complaint Policy. Commissioner Storm seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.

d. Update on Policy Review & Approval: Goltz gave a status update on the policy review and approval process. She also provided a comprehensive list of the policies, both completed and approved, as well as those that are upcoming.

- 11. COMMISSIONER COMMENTS:** Commissioner Wussow informed the Board that the CWC HRA is working with City of Breezy Point to help them determine the possibilities for their tax forfeited properties. Commissioner Charpentier inquired about the riverfront project and hoped the coordinator is keeping in contact with ISD 181. Bergman has been in contact with Superintendent Layne Larson and Commissioner Storm added that the committee is currently working on banners for the riverfront where companies can sponsor them. Commissioner Johnson shared that they should know about the bonding bill this month. Bergman also reported that that on Wednesday, May 23rd, during the spring MnNAHRO conference, she is giving a redevelopment tour.

12. ADJOURN:

Commissioner Johnson made a motion to adjourn the meeting. Commissioner Storm seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 2:05 p.m.

