



BOARD OF COMMISSIONERS MEETING
Wednesday, July 26, 2017 @ 1:00 p.m.
Brainerd HRA Administrative Office
324 East River Road | Brainerd, Minnesota

AGENDA

- 1. Call to Order**
- 2. Roll Call**
- 3. Reading and Approval of Minutes** (*Attachment 1*)
- 4. Bills and Communications**
 - a. Financial Report (*Attachment 2*)
 - b. HCV Report (*Attachment 3*)
 - c. Public Housing Report (*Attachment 4*)
 - d. Executive Director Report (*Attachment 5*)
- 5. Reports of Committees**
 - a. Brainerd Riverfront Committee
- 6. Unfinished Business**
 - a. Approval of Downtown Bond Refunding (*Attachment 6*)
- 7. New Business**
 - a. Adopt Social Media Policy (*Attachment 7*)
- 8. Adjourn**

Next Meeting: Wednesday, August 23, 2017



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Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
June 28, 2017

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 12:00 p.m., Wednesday, June 28th, 2017, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Patrick Wussow called the meeting to order at 12:02 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Patrick Wussow, Commissioners Rick Fargo, Marlee Larson, Eric Charpentier, Krista Brodal, and Gabe Johnson. Also present were Executive Director Jennifer Bergman, Housing Manager Teresa Hettver, Rental Assistance Manager Tania Eller, Executive Assistant LeAnn Goltz, Paul Steinman with Springsted, and Nick Skarich with Dougherty Markets. Absent: Commissioner Dale Parks.
3. **READING AND APPROVAL OF MINUTES:**

Chair Wussow requested that the minutes be amended by adding the following statement to the fourth paragraph of section 8a from the Brainerd Riverfront Committee Report: *“...They expressed to Bergman that they would like the HRA to spend less time on the Brainerd Riverfront Project.”*

In addition, Commissioner Fargo made a correction to section 9b from the Discussion on the NAHRO Conference. He requested the following change: *“Commissioner Fargo learned the Board is in charge of setting and reviewing policies and suggested they form a subcommittee to review all of the HRA’s policies.”*

Commissioner Larson made a motion to approve the minutes as amended from the May 31st, 2017, board meeting. Commissioner Brodal seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

4. **BILLS AND COMMUNICATIONS:**

- a. **Financial Report:**

Commissioner Fargo made a motion to approve the May payments as presented. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

- b. **HCV Report:** Eller reported that the Unit Months Leased is at 95% and the average is 303. They are starting with a new list and watching their numbers climb. Eller informed the Board that the FSS grant has not yet been released.

- c. **Public Housing Report:** Hettver reported that HUD is doing an audit of vacancies. The showroom at the North Star Apartments has been vacant for many years, which has never been an issue as it did not affect our ACC count. However, HUD is now using a new system that does affect our



count. We have the choice to take it offline and not get subsidy for it or fill the unit.

Hettver reported that the ROSS Program is going well. Fortune recently coordinated a container garden project for families and has several other projects and events coming up. Commissioner Wussow suggested working with LSS to offer renters education training.

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

Destination Downtown Brainerd

The Destination Downtown Brainerd competition will kick off tomorrow, Thursday, June 29th. The event will be held 4:00–5:30 p.m. at 711 Laurel Street. The competition will solicit applications from people who are interested in starting a business, expanding an existing business, or opening a second or third satellite business downtown Brainerd. The prize package is valued over \$50,000 and includes marketing support from Range Deluxe, a rent subsidy package from the HRA, advertising packages from the Brainerd Dispatch and Hubbard Broadcasting, accounting services from Clifton Larson Allen and many more. Bergman encouraged the Board to attend the kickoff event as its a great marketing tool for DT and to support SCDP users.

Paxmar Update

The CWC HRA authorized the sale of six additional lots at Brainerd Oaks at their June 13th meeting. Construction continues at Brainerd Oaks and Serene Pines. There are two homes in Serene Pines with another home staked out for excavation; four homes in Brainerd Oaks (two are almost complete) with another three foundations being laid and one staked out for excavation. Paxmar has had nine building permits issued now. Of the homes, two of the homes have sold in Brainerd Oaks.

Sale of 728 4th Ave NE

Bergman and Chair Wussow closed on the lot at 728 4th Avenue NE on June 14th. John Schommer met with Tim Caughey regarding condemned properties and the possibility of the HRA purchasing and demolishing them. The owner of a property on South 10th Street is willing to sell, except there are taxes still owed. Schommer will continue to work with Tim Caughey and will keep the Board updated on the status.

Legislative Tour (State Funded Project Tour)

We have officially scheduled the tour for our lawmakers for August 16th from 10:00–2:00 p.m. We will meet at the Brainerd HRA office and drive to Crosby. We will take this time to educate our lawmakers on what HRAs do. We will then tour Dellwood Apartments (the public housing high rise that we intend to apply for funds in the next POHP round) and at least one of the public housing scattered sites to showcase the POHP funds. Lunch will then be provided for the ride back to Brainerd and we will drive through Brainerd Oaks following with a stop at the Blue Ox to showcase the Small Cities Development Program funds. We will end at the North Star with a tour of the building and a ride on our brand new elevators.

Goltz informed the Board that Senator Ruud and Senator Franken’s staff have confirmed attendance. She has not had luck reaching Reps. Heintzemen and Lueck. Commissioner Fargo offered to reach out to Rep. Heintzeman and Chair Wussow to Rep. Lueck.



Policies

The Policy Committee met on June 16th and started to review the Brainerd HRA policies. The Committee decided to take this initiative in three steps:

- 1) Determine what policies we do have;
- 2) Determine what policies we don't have; and,
- 3) Once that is completed, review the policies.

The Committee started by reviewing the first page of the list of policies. The Committee will be meeting every two weeks.

Rehab Update

The Housing Rehab Update was provided in the board packet.

5. REPORTS FROM COMMITTEES:

a. Brainerd Riverfront Committee (BRC):

Application for the Bonding Tour

The City Council authorized the submission of the application to be on the Legislative Bonding Tour. City Staff and SEH submitted the application on June 15th. Decisions will be made in early fall.

NJPA Position

Rod Osterloh, Jim Thoreen, and Jennifer Bergman met with Anna Gruber from the National Joint Powers Alliance (NJPA) to discuss the potential of securing funds to hire a Riverfront Coordinator. They discussed using Year 3 of the grant to allocate to this position instead of entering into another contract with SEH. NJPA was willing to hire a Riverfront Coordinator who would have a portion of their time dedicated to this project. The City of Brainerd would be required to pay for 50% of the hours allocated to this position. Thoreen and Osterloh will be presenting this concept to the City Council in July for their consideration of using the Year 3 Brainerd Lakes Area Community Foundation (BLACF) toward this position.

Stakeholder Meeting

The stakeholder meeting is scheduled for Tuesday, August 15th at Roundhouse Brewery. The purpose of the meeting is to showcase the Three Bridges Trail with our stakeholders and also invite the public to hear more about the project.

Executive/Business Plan Committee

The Executive/Business Plan Committee met on June 20th and discussed the possibility of having SEH come up with a plan for the plaza located at the parking lot just to the south of the North Star that was recommended by the Center for Rural Design.

The group suggested that they would like to see a project completed prior to the June 2021 date and thinks that the elevated trail may not happen before that—it may be a longer term plan. The plaza could be the start of that trail—a beginning place that could be constructed before funding is secured for the elevated trail.



This would be a standalone project in addition to the trail, but it could ultimately be connected to the Three Bridges Trail. The suggestion was to draw up plans for this plaza, identify and secure funding for the construction, assemble the property, and have the project completed prior to the June 2021 date. That way we could have a project to showcase for the sesquicentennial.

Bergman sent an email to SEH providing this information and they will be discussing this potential and providing a response.

Thoreen expressed his concern that the committee was “project hopping” and wondered where this idea came from.

The Board had a discussion about this and felt the coordinator hiring would be a good idea but they should stick with the Three Bridges Trail. They agreed on the following points:

- 1) They are not prepared to do anything beyond the current project;
- 2) They would support it if there is no additional spending or if funding comes from somewhere else; and
- 3) The Board will determine a date as to when the HRA’s services are complete.

6. UNFINISHED BUSINESS:

- a. **Discussion on Downtown Bond Refunding:** Paul Steinman with Springsted and Nick Skarich with Dougherty Markets were present for the discussion.

Steinman provided the Board with a memo that, in summary, provided three options from which to choose:

- 1) Do nothing. Currently the levy provides \$10,000–\$12,000/year to support the note.
- 2) Refund with the same term with an increase in levy pledge as security. (It is unclear if this is viable until it actually happens.)
- 3) Refund with an extended term with an increase in levy pledge as security.

The Board had a detailed discussion about their options and felt it would be most advantageous to the HRA to choose option 2.

Commissioner Johnson moved to pursue the second option of refunding the TIF Note with the same term. Commissioner Larson seconded the motion. Five commissioners voted in favor of the motion and one was opposed. The motion passed with a 5:1 vote.

- b. **Approval of Strategic Plan:** At the May Brainerd HRA Board meeting, the Board conducted a strategic planning session and created goals and action steps. A draft of the Strategic Plan was provided to the Board.

Commissioner Larson made a motion to adopt the 2017-2018 Brainerd HRA Strategic Plan. Commissioner Brodal seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.



7. **NEW BUSINESS:**

- a. **Authorize Submission of EDA Planning & Technical Assistance Application:** A copy of the application to the Department of Commerce Economic Development Administration's Planning and Technical Assistance Program was provided to the Board. Its purpose is to apply for funds to explore the possibility of purchasing and rehabilitating the Downtown Mall located at 217 South 7th Street.

The Brainerd HRA, in partnership with Region 5 Development Commission and The Crossing Arts Alliance, will explore the potential of creating a business incubator for artists with the assistance of McClure Engineering and Widseth Smith Nolting.

The total project cost is \$100,000. The request to the EDA is for \$50,000. Region 5 has also submitted an application to the Bush Foundation for \$30,000. The balance of the project will be "in kind" cash of \$10,000 from the Brainerd HRA, \$5,000 from The Crossing Arts Alliance and \$5,000 from Region 5.

The funds would be used to secure the services of McClure Engineering to conduct community engagement and placemaking as well as bring in their expertise in developing the Social Club in Des Moines, Iowa. This will be used as a model to replicate at the Downtown Mall. WSN would be used to inspect the property, prepare renderings and plans, provide cost estimates to rehabilitate the building. The Brainerd HRA, TCAA and Region 5 will explore funding opportunities and prepare grant applications. We would secure the services of Kennedy & Graven to prepare any legal documents needed.

Funding decisions are made by the EDA sometime in September.

The Board asked for clarification about what "in-kind/cash services from the HRA" means. Bergman explained that it means in-kind services of staff, not cash or any given dollar amount.

Bergman also reported that since completing the application, there have been others interested in buying the building. The HRA may not be needed if the private sector could be successful.

The Board wondered if Bergman could change the application to also include the Iron Rail building, if time allowed.

Commissioner Johnson made a motion to authorize the Executive Director to submit the Planning and Technical Assistance Grant for a Feasibility Study application to the Economic Development Administration, and if time allows, to add the Iron Rail property. Commissioner Fargo seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved

- b. **Consider Mortgage to CWC HRA:** Bergman reported that she received an update from Martha Ingram at Kennedy & Graven regarding the elimination of the CIC. Eighty percent of the mortgage holders must agree and it has been difficult getting responses from the many different banks of the mortgage holders. Kennedy & Graven suggested asking the Brainerd HRA to take out a mortgage on the 69 lots that the CWC HRA owns and then request they approve termination of the CIC.



Commissioner Johnson made a motion to approve Resolution No. 2017-04, authorizing execution of documents for Common Interest Community No. 1061, Brainerd Oaks. Commissioner Brodal seconded the motion. A roll call vote was taken and all commissioners voted in favor of the motion. The motion passed.

The mortgage will be recorded against the Property, after which the Brainerd HRA, as first mortgagee of 80 percent of the units in the CIC, will consent to termination of the CIC.

8. NEXT MEETING: Wednesday, July 26, 2017

9. ADJOURN TO DESTINATION DOWNTOWN LAUNCH PARTY:

Commissioner Larson made a motion to adjourn the meeting to the Destination Downtown Launch Party to be held on Thursday, June 29th, 2017, at 711 Laurel St., Brainerd, Minnesota. Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 3:24 p.m.





To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: July 19, 2017
Re: July Financial Report

Please find attached the financial information for June 2017.

General Fund Levy

The 2017 budgeted levy amount is \$121,407. We received a deposit of \$44,902.61 from Crow Wing County in June. This represented a 70% advance on estimated property tax collections for the first half of 2017. We received the remaining 30% of \$20,241.07 in July for total levy deposits of \$65,143.68.

Sales Tax Refund

In June we received a tax exemption claim of \$17,041.40 for construction materials and supplies used in our public housing. About \$14,000 of this is from the elevator modernization project at the North Star Apartments.

Action Requested: Motion for approval of payments as presented.



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Brainerd Housing & Redevelopment Authority

2017 Ratios (and December, 2016)

FASS Ratios	Max Pts	Scoring	Dec 2016 After YE JE, B4 audit	Jan	Feb	Mar	Apr	May	June
Quick Ratio	12	QR <1 = 0-, QR >2 = 12	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Months Expended Net Assets	11	MENA <1.0 = 0, ME >4 = 11	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Debt Svc Coverage	2	DSC < 1 = 0, DSC >1.25 = 2	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Points	25		25.00	25.00	25.00	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	16.00	16.00	16.00
Tenant Accounts Receivable	5	TAR <1.5% = 5, TAR >2.5% = 0	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	4	AP < .75 = 4, AP >1.5 = 0	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Points	25		25.00	20.00	20.00	20.00	20.00	20.00	20.00
Total of Above Ratios	50		50	45	45	45	45	45	45

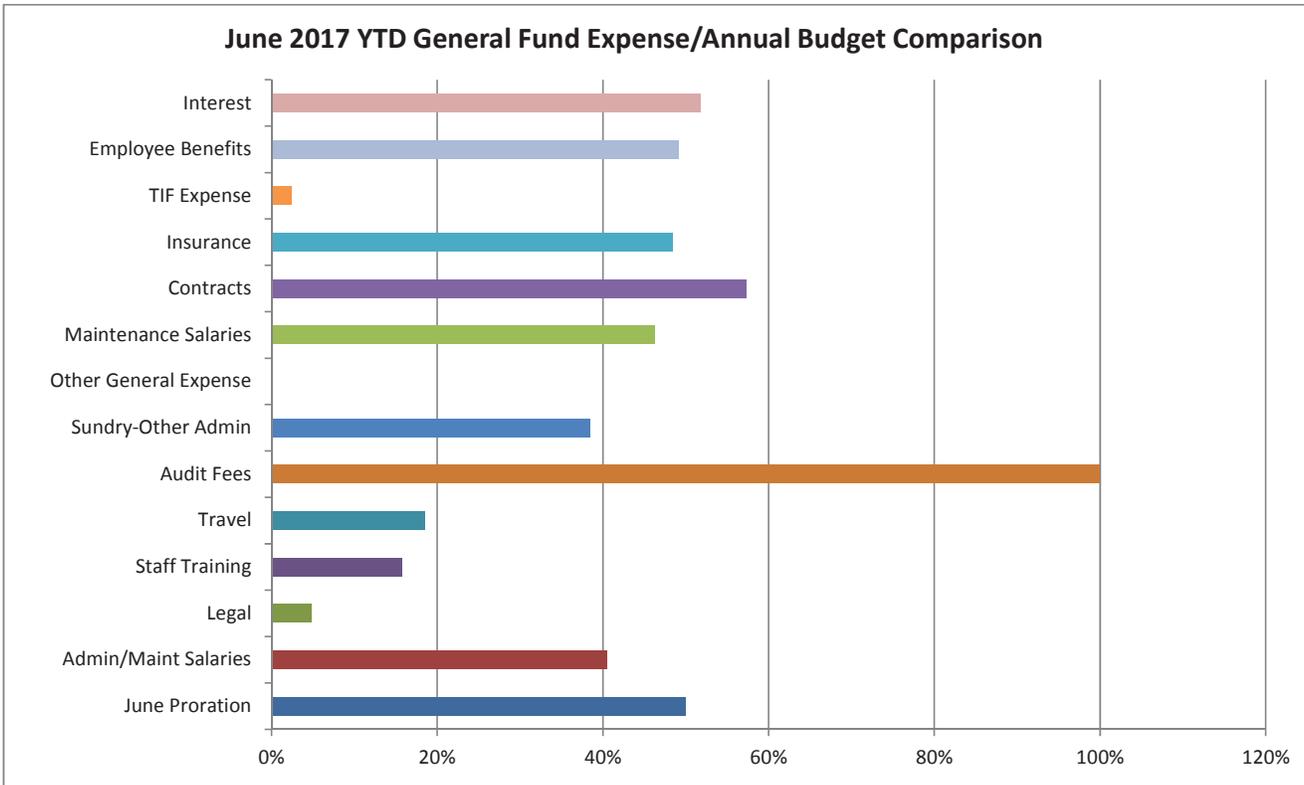
MASS Ratios	Max Pts	Scoring							
Timeliness of Obligation	5	>90% at OED = 5 <90% at OED = 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Occupancy Rate	5	OR <93% = 0, OR >96% = 5 Must have 5 points or Capital Fund Troubled	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Points	10		10.0						



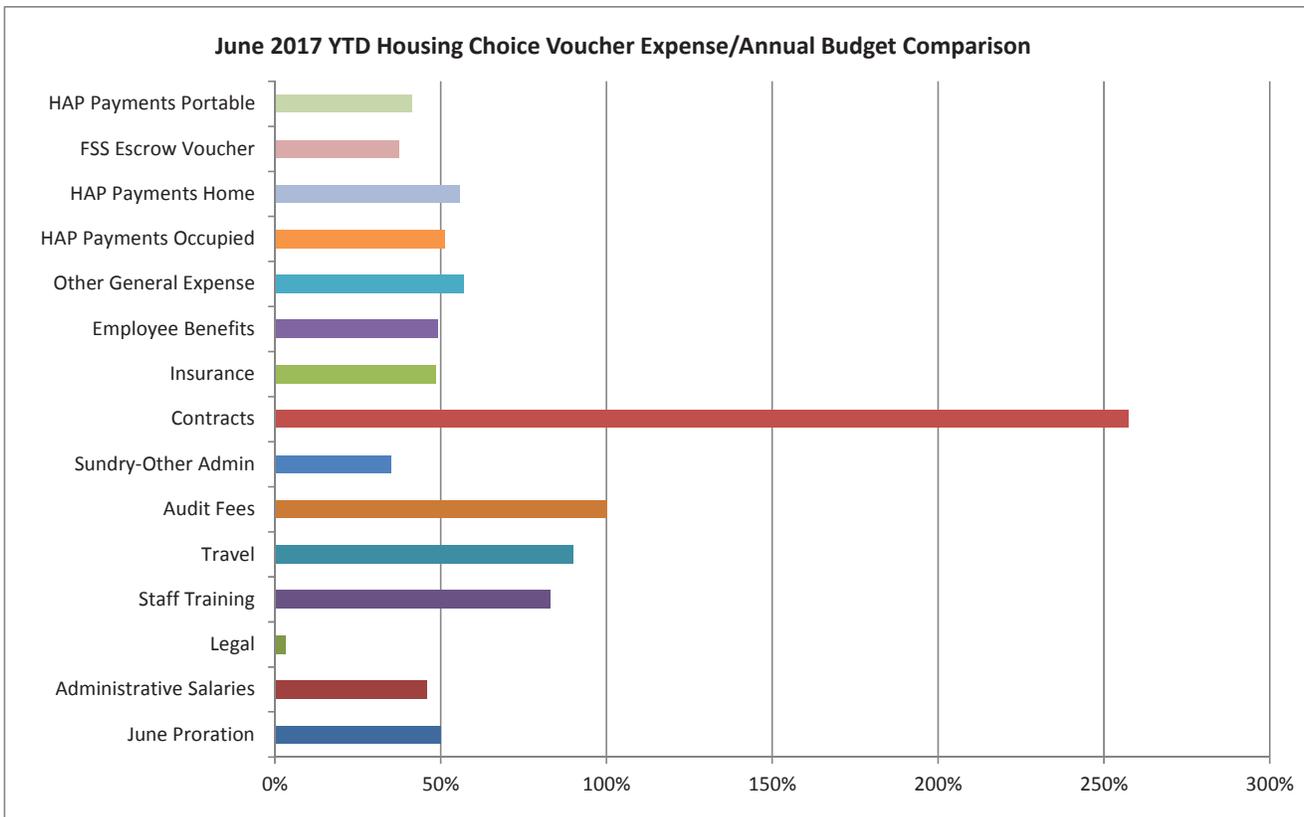
June 2017 Bank Reconciliation

Property/Program	Balance
General Fund	\$301,945.56
SSRP	\$21,709.08
Housing Rehab Program	\$19,385.53
Crow Wing County HRA	\$716,165.00
Public Housing	\$633,265.47
Brainerd South	\$28,698.44
Housing Choice Voucher	\$27,881.42
Total	\$1,749,050.50
Bank Statement Amount	\$1,749,050.50





Audit Fees: Budgeted and Incurred Early In Year.



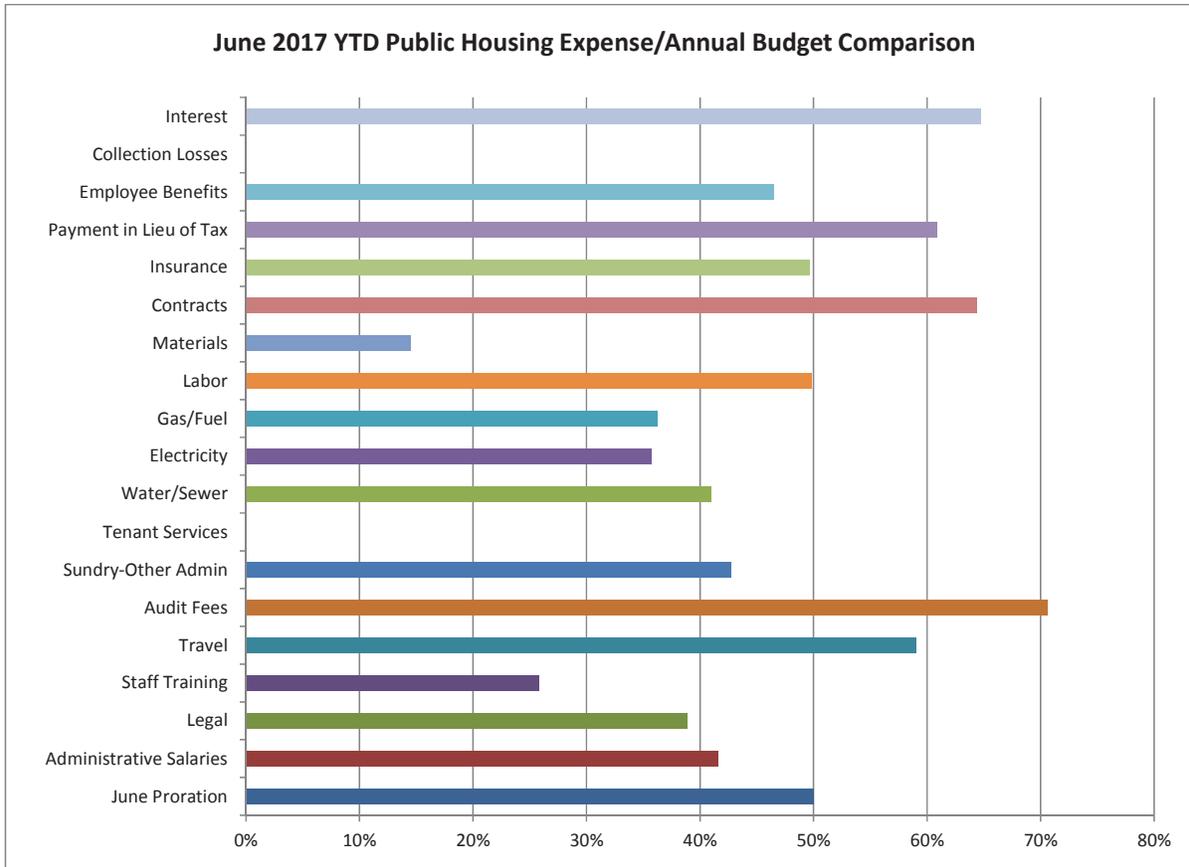
Travel: Jennifer National NAHRO Conf in DC. Staff Attending FSS Meetings in Metro.

Staff Training: Spring NAHRO Conference Registrations.

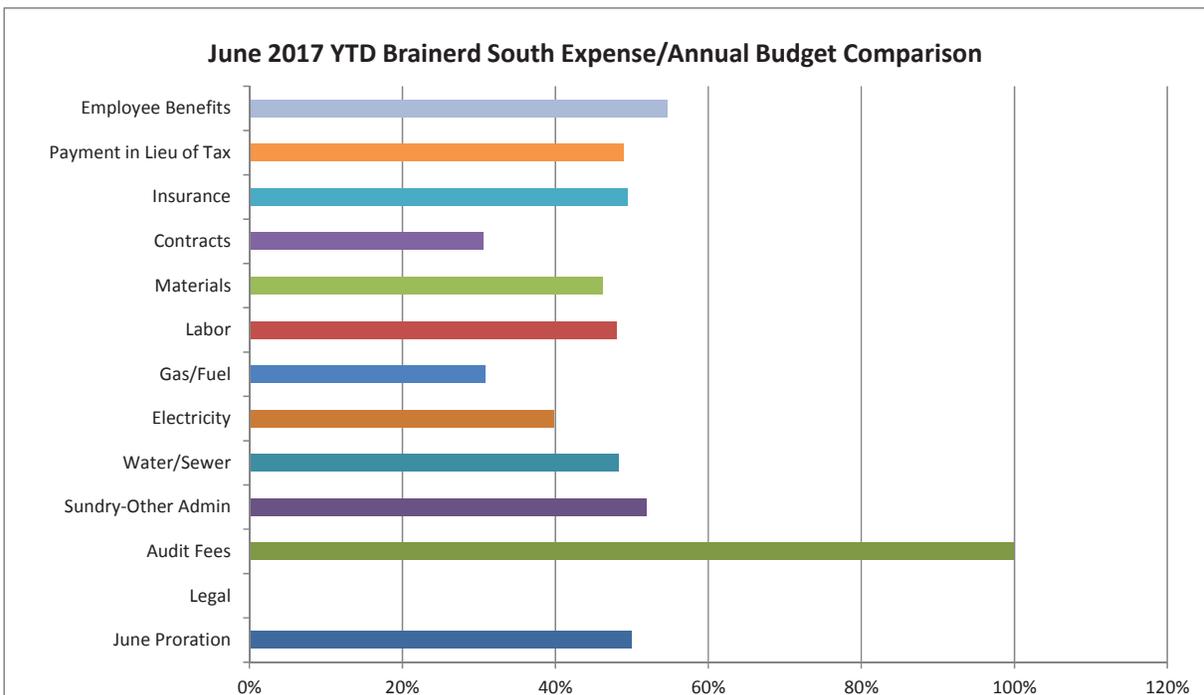
Audit Fees: Budgeted and Incurred Early in Year.

Contracts: Hired The Nelrod Company for utility allowance study.





Audit Fees: Budgeted and incurred early in the year.
 Travel: JB Washington DC-National NAHRO Trip
 Contracts - Asbestos and Lead Based Paint Testing and Removal. Covered by Capital Fund.



Audit Fees: Budgeted and Incurred Early in Year.



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**Brainerd HRA
 General Fund Operating Statement
 June, 2017**

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	Current Period	Current Year	Year To Date Budget	Variance
General Fund Operating				
INCOME				
Management Fees	-14,055.14	-85,118.12	-84,499.98	-618.14
Other Income	-44,995.03	-47,542.44	-51,892.02	4,349.58
TOTAL INCOME	-59,050.17	-132,660.56	-136,392.00	3,731.44
EXPENSE				
Administrative				
Administrative Salaries	11,821.38	67,556.41	77,935.02	-10,378.61
Legal	0.00	24.44	250.02	-225.58
Staff Training	0.00	944.57	3,000.00	-2,055.43
Travel	0.00	138.66	375.00	-236.34
Auditing Fees	0.00	6,700.00	6,700.00	0.00
Sundry-Other Admin	719.40	3,114.99	4,050.00	-935.01
Total Administration	12,540.78	78,479.07	92,310.04	-13,830.97
Maintenance				
Maintenance Salaries	830.56	4,983.38	5,390.04	-406.66
Contracts	20.83	516.34	450.00	66.34
Total Maintenance	851.39	5,499.72	5,840.04	-340.32
General				
TIF Expense	0.00	130.00	0.00	130.00
Insurance	248.11	1,500.96	1,549.98	-49.02
Employee Benefits	5,278.06	35,604.20	36,190.02	-585.82
Interest	366.53	2,225.06	2,147.52	77.54
Other General Expense	0.00	0.00	10,000.02	-10,000.02
Total General	5,892.70	39,460.22	49,887.54	-10,427.32
TOTAL EXPENSE	19,284.87	123,439.01	148,037.62	-24,598.61
Net Income/Loss	-39,765.30	-9,221.55	11,645.62	-20,867.17



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**Brainerd HRA
 HCV Operating Statement
 June, 2017**

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	Current Period	Current Year	Year To Date Budget	Variance
Housing Choice Voucher Operating INCOME				
HUD HAP Received	-100,558.00	-596,480.00	-631,960.02	35,480.02
Admin Fees Earned	-18,398.00	-113,951.00	-117,964.98	4,013.98
Interest Income	-1.15	-8.26	-4.98	-3.28
Other Income	-227.59	-2,866.13	-2,095.02	-771.11
TOTAL INCOME	-119,184.74	-713,305.39	-752,025.00	38,719.61
EXPENSE				
Administrative				
Administrative Salaries	10,946.80	65,114.47	71,085.00	-5,970.53
Legal	0.00	14.66	250.02	-235.36
Staff Training	580.91	2,157.33	1,300.02	857.31
Travel	34.78	2,158.30	1,200.00	958.30
Accounting & Audit Fees	0.00	3,500.00	3,500.00	0.00
Sundry-Other Admin	108.18	2,181.16	3,124.98	-943.82
Total Administration	11,670.67	75,125.92	80,460.02	-5,334.10
Maintenance				
Contracts	20.83	2,573.32	499.98	2,073.34
Total Maintenance	20.83	2,573.32	499.98	2,073.34
General				
Insurance	352.43	2,124.55	2,194.98	-70.43
Employee Benefits	5,604.25	37,171.88	37,789.98	-618.10
Other General Expense	266.64	1,252.68	1,099.98	152.70
Total General	6,223.32	40,549.11	41,084.94	-535.83
HAP Payments				
HAP Payments Occupied	106,386.00	595,536.00	581,400.00	14,136.00
HAP Payments Home	2,112.00	14,049.00	12,640.02	1,408.98
FSS Escrow Voucher	1,271.00	9,455.00	12,640.02	-3,185.02
HAP Payments Portable	4,502.00	20,799.22	25,279.98	-4,480.76
Total HAP	114,271.00	639,839.22	631,960.02	7,879.20
TOTAL EXPENSE	132,185.82	758,087.57	754,004.96	4,082.61
Net Income/Loss	13,001.08	44,782.18	1,979.96	42,802.22



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**Brainerd HRA
 Public Housing Operating Statement
 June, 2017**

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	Current Period	Current Year	Year To Date Budget	Variance
Public Housing Operating INCOME				
Dwelling Rental	-57,925.00	-351,335.00	-338,820.00	-12,515.00
Excess Utilities	-588.00	-1,140.00	-1,630.02	490.02
Operating Subsidy	-28,815.00	-121,334.00	-140,749.98	19,415.98
Investment Interest	41.99	415.33	0.00	415.33
Other Income	-24,500.22	-234,054.90	-146,185.02	-87,869.88
Laundry Income	-1,745.00	-12,080.50	-12,250.02	169.52
POHP Grant Revenue	0.00	-231,435.50	0.00	-231,435.50
TOTAL INCOME	-113,531.23	-950,964.57	-639,635.04	-311,329.53
EXPENSE				
Administrative				
Administrative Salaries	21,773.99	123,368.41	148,390.02	-25,021.61
Legal	0.00	1,943.10	2,500.02	-556.92
Staff Training	28.89	3,479.25	6,750.00	-3,270.75
Travel	0.00	1,415.83	1,200.00	215.83
Accounting & Audit Fees	1,000.00	7,200.00	10,200.00	-3,000.00
Sundry-Other Admin	380.96	6,884.87	8,060.04	-1,175.17
Total Administration	23,183.84	144,291.46	177,100.08	-32,808.62
Rec Public and Other	0.00	0.00	2,475.00	-2,475.00
Total Tenant Services	0.00	0.00	2,475.00	-2,475.00
Utilities				
Water/Sewer	4,639.69	24,730.81	30,160.02	-5,429.21
Electricity	4,523.83	24,374.90	34,084.98	-9,710.08
Gas/Fuel	1,183.14	17,594.50	24,240.00	-6,645.50
Total Utilities	10,346.66	66,700.21	88,485.00	-21,784.79
Maintenance				
Labor	13,983.25	82,990.19	83,290.02	-299.83
Materials	1,088.51	9,115.91	13,000.02	-3,884.11
Contracts	26,467.67	97,977.80	94,599.90	3,377.90
Total Maintenance	41,539.43	190,083.90	190,889.94	-806.04
General				
Insurance	5,083.22	30,630.43	30,849.96	-219.53
Payment in Lieu of Tax	2,323.62	13,698.60	11,250.00	2,448.60
Employee Benefits	14,686.62	98,276.72	105,694.98	-7,418.26
Collection Losses	0.00	0.00	4,999.98	-4,999.98
Interest	45.98	319.86	247.02	72.84
Other General Expense	0.00	650.00	0.00	650.00
Total General	22,139.44	143,575.61	153,041.94	-9,466.33
TOTAL EXPENSE	97,209.37	544,651.18	611,991.96	-67,340.78
Net Income/Loss	-16,321.86	-406,313.39	-27,643.08	-378,670.31



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Brainerd South Operating Statement
June, 2017

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	Current Period	Current Year	Year To Date Budget	Variance
Brainerd South Operating				
INCOME				
Dwelling Rental	-18,841.00	-114,734.00	-112,000.02	-2,733.98
Rental Supplement	-4,188.00	-23,782.00	-21,700.02	-2,081.98
Investment Interest	9.45	60.49	0.00	60.49
Other Income	-2,070.00	-17,229.64	-13,500.00	-3,729.64
Laundry Income	-675.00	-4,075.50	-3,874.98	-200.52
TOTAL INCOME	-25,764.55	-159,760.65	-151,075.02	-8,685.63
EXPENSE				
Administrative				
Legal	0.00	0.00	150.00	-150.00
Accounting & Audit Fees	0.00	4,850.00	4,850.00	0.00
Sundry-Other Admin	3,401.08	23,962.79	23,080.02	882.77
Total Administration	3,401.08	28,812.79	28,080.02	732.77
Utilities				
Water	0.00	6,034.35	6,250.02	-215.67
Electricity	7.53	2,391.85	3,000.00	-608.15
Gas/Fuel	788.35	7,717.84	12,499.98	-4,782.14
Total Utilities	795.88	16,144.04	21,750.00	-5,605.96
Maintenance				
Labor	901.62	5,230.94	5,449.98	-219.04
Materials	1,344.41	9,093.87	9,850.02	-756.15
Contracts	4,660.07	23,587.30	38,500.12	-14,912.82
Total Maintenance	6,906.10	37,912.11	53,800.12	-15,888.01
General				
Insurance	2,397.10	14,379.26	14,550.00	-170.74
Payment in Lieu of Tax	882.67	4,650.73	4,750.02	-99.29
Employee Benefits	100.14	600.84	550.02	50.82
Total General	3,379.91	19,630.83	19,850.04	-219.21
TOTAL EXPENSE	14,482.97	102,499.77	123,480.18	-20,980.41
Net Income/Loss	-11,281.58	-57,260.88	-27,594.84	-29,666.04



June 2017

Prior Year Comparative

Operating Statements



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**Brainerd HRA
 General Fund Operating Statement
 June, 2017**

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	YTD 2017	YTD 2017 Budget	YTD 2016	YTD 2015
General Fund Operating INCOME				
Management Fees	-85,118.12	-84,499.98	-74,438.16	-72,683.16
Other Income	-47,542.44	-51,892.02	-58,684.41	-45,030.33
TOTAL INCOME	-132,660.56	-136,392.00	-133,122.57	-117,730.74
EXPENSE				
Administrative				
Administrative Salaries	67,556.41	77,935.02	70,871.67	69,239.61
Legal	24.44	250.02	64.56	0.00
Staff Training	944.57	3,000.00	1,485.72	525.45
Travel	138.66	375.00	149.04	56.21
Auditing Fees	6,700.00	6,700.00	6,700.00	6,578.75
Sundry-Other Admin	3,114.99	4,050.00	3,836.59	2,725.75
Total Administration	78,479.07	92,310.04	83,107.58	79,125.77
Maintenance				
Maintenance Salaries	4,983.38	5,390.04	0.00	0.00
Contracts	516.34	450.00	244.55	1,042.22
Total Maintenance	5,499.72	5,840.04	244.55	1,042.22
General				
TIF Expense	130.00	0.00	130.00	130.00
Insurance	1,500.96	1,549.98	1,370.28	1,519.86
Employee Benefits	35,604.20	36,190.02	33,480.39	28,735.79
Interest	2,225.06	2,147.52	2,581.45	2,895.33
Other General Expense	0.00	10,000.02	0.00	0.00
Total General	39,460.22	49,887.54	37,562.12	33,280.98
TOTAL EXPENSE	123,439.01	148,037.62	120,914.25	113,448.97
Net Income/Loss	-9,221.55	11,645.62	-12,208.32	-4,281.77



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**Brainerd HRA
 HCV Operating Statement
 June, 2017**

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	YTD 2017	YTD 2017 Budget	YTD 2016	YTD 2015
Housing Choice Voucher Operating INCOME				
HUD HAP Received	-596,480.00	-631,960.02	-635,370.00	-641,264.00
Admin Fees Earned	-113,951.00	-117,964.98	-118,937.00	-109,987.72
Interest Income	-8.26	-4.98	-5.76	-3.26
Other Income	-2,866.13	-2,095.02	-633.02	-3,960.38
TOTAL INCOME	-713,305.39	-752,025.00	-754,945.78	-755,215.36
EXPENSE				
Administrative				
Administrative Salaries	65,114.47	71,085.00	56,755.24	58,405.75
Legal	14.66	250.02	64.56	928.00
Staff Training	2,157.33	1,300.02	1,525.35	556.91
Travel	2,158.30	1,200.00	1,515.89	508.77
Accounting & Audit Fees	3,500.00	3,500.00	3,500.00	3,441.25
Sundry-Other Admin	2,181.16	3,124.98	3,012.78	2,931.82
Total Administration	75,125.92	80,460.02	66,373.82	66,772.50
Maintenance				
Contracts	2,573.32	499.98	428.74	257.50
Total Maintenance	2,573.32	499.98	428.74	257.50
General				
Insurance	2,124.55	2,194.98	1,930.92	1,929.84
Employee Benefits	37,171.88	37,789.98	31,889.99	26,708.74
Other General Expense	1,252.68	1,099.98	1,051.52	731.84
Total General	40,549.11	41,084.94	34,872.43	29,370.42
HAP Payments				
HAP Payments Occupied	595,536.00	581,400.00	586,528.00	569,527.00
HAP Payments Home	14,049.00	12,640.02	15,271.00	15,925.00
FSS Escrow Voucher	9,455.00	12,640.02	11,409.00	12,032.00
HAP Payments Portable	20,799.22	25,279.98	26,614.00	21,182.00
Total HAP	639,839.22	631,960.02	639,822.00	618,666.00
TOTAL EXPENSE	758,087.57	754,004.96	741,496.99	715,066.42
Net Income/Loss	44,782.18	1,979.96	-13,448.79	-40,148.94



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**Brainerd HRA
 Public Housing Operating Statement
 June, 2017**

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	YTD 2017	YTD 2017 Budget	YTD 2016	YTD 2015
Public Housing Operating INCOME				
Dwelling Rental	-351,335.00	-338,820.00	-320,311.00	-301,300.00
Excess Utilities	-1,140.00	-1,630.02	-1,212.12	-1,208.00
Operating Subsidy	-121,334.00	-140,749.98	-133,083.00	-149,016.00
Investment Interest	415.33	0.00	251.37	218.19
Other Income	-234,054.90	-146,185.02	-307,260.83	-67,992.01
Laundry Income	-12,080.50	-12,250.02	-12,919.65	-9,833.50
POHP Grant Revenue	-231,435.50	0.00	0.00	0.00
TOTAL INCOME	-950,964.57	-639,635.04	-774,535.23	-530,331.32
EXPENSE				
Administrative				
Administrative Salaries	123,368.41	148,390.02	114,256.82	113,149.20
Legal	1,943.10	2,500.02	1,836.61	758.00
Staff Training	3,479.25	6,750.00	5,033.64	4,317.02
Travel	1,415.83	1,200.00	1,441.60	1,479.16
Accounting & Audit Fees	7,200.00	10,200.00	9,200.00	10,020.00
Sundry-Other Admin	6,884.87	8,060.04	7,670.50	8,681.11
Total Administration	144,291.46	177,100.08	139,439.17	138,404.49
Rec Public and Other	0.00	2,475.00	0.00	0.00
Total Tenant Services	0.00	2,475.00	0.00	0.00
Utilities				
Water/Sewer	24,730.81	30,160.02	24,277.54	24,376.43
Electricity	24,374.90	34,084.98	25,326.28	25,733.58
Gas/Fuel	17,594.50	24,240.00	17,143.75	20,443.13
Total Utilities	66,700.21	88,485.00	66,747.57	70,553.14
Maintenance				
Labor	82,990.19	83,290.02	80,563.07	79,512.72
Materials	9,115.91	13,000.02	15,512.24	14,055.54
Contracts	97,977.80	94,599.90	82,754.55	68,748.93
Total Maintenance	190,083.90	190,889.94	178,829.86	162,317.19
General				
Insurance	30,630.43	30,849.96	29,436.62	28,523.40
Payment in Lieu of Tax	13,698.60	11,250.00	12,287.34	11,091.96
Employee Benefits	98,276.72	105,694.98	97,950.84	87,137.58
Collection Losses	0.00	4,999.98	0.00	0.00
Interest	319.86	247.02	913.85	1,413.46
Other General Expense	650.00	0.00	0.00	0.00
Total General	143,575.61	153,041.94	140,588.65	128,166.40
TOTAL EXPENSE	544,651.18	611,991.96	525,605.25	499,441.22
Net Income/Loss	-406,313.39	-27,643.08	-248,929.98	-30,890.10



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**Brainerd South Operating Statement
 June, 2017**

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	YTD 2017	YTD 2017 Budget	YTD 2016	YTD 2015
Brainerd South Operating				
INCOME				
Dwelling Rental	-114,734.00	-112,000.02	-111,813.00	-109,058.00
Rental Supplement	-23,782.00	-21,700.02	-20,816.00	-22,304.00
Investment Interest	60.49	0.00	38.77	44.69
Other Income	-17,229.64	-13,500.00	-14,762.54	-12,122.39
Laundry Income	-4,075.50	-3,874.98	-3,554.36	-3,702.65
TOTAL INCOME	-159,760.65	-151,075.02	-150,943.56	-147,142.35
EXPENSE				
Administrative				
Legal	0.00	150.00	0.00	0.00
Accounting & Audit Fees	4,850.00	4,850.00	4,800.00	5,000.00
Sundry-Other Admin	23,962.79	23,080.02	22,935.50	22,596.85
Total Administration	28,812.79	28,080.02	27,735.50	27,596.85
Utilities				
Water	6,034.35	6,250.02	5,193.10	5,094.40
Electricity	2,391.85	3,000.00	2,517.92	2,689.88
Gas/Fuel	7,717.84	12,499.98	6,739.01	9,087.81
Total Utilities	16,144.04	21,750.00	14,450.03	16,872.09
Maintenance				
Labor	5,230.94	5,449.98	4,445.26	3,830.89
Materials	9,093.87	9,850.02	8,781.91	8,115.22
Contracts	23,587.30	38,500.12	25,416.30	42,516.73
Total Maintenance	37,912.11	53,800.12	38,643.47	54,462.84
General				
Insurance	14,379.26	14,550.00	14,454.69	13,880.12
Payment in Lieu of Tax	4,650.73	4,750.02	4,662.38	4,310.24
Employee Benefits	600.84	550.02	543.36	485.98
Total General	19,630.83	19,850.04	19,660.43	18,676.34
TOTAL EXPENSE	102,499.77	123,480.18	100,489.43	117,608.12
Net Income/Loss	-57,260.88	-27,594.84	-50,454.13	-29,534.23



Brainerd Housing Authority Payment Summary Report June 2017

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
6/8/2017	432	Carrie Burrell	\$75.45
6/8/2017	433	Dudley Gangestad	\$24.61
6/8/2017	434	Kendra & Jeremy Anderson	\$49.07
6/8/2017	435	Tania Eller	\$47.88
6/22/2017	436	Wanita Holsapple	\$19.10
6/8/2017	1164	Minnesota State Retirement System	\$555.00
6/8/2017	1165	Electronic Federal Tax Payment System	\$7,616.70
6/8/2017	1166	MN Dept of Revenue	\$1,270.26
6/8/2017	1167	Health Savings Accounts	\$927.71
6/8/2017	1168	Security Benefit	\$3,793.50
6/13/2017	1169	Health Savings Accounts	\$351.70
6/10/2017	1170	Wells Fargo Bank	\$45.98
6/10/2017	1171	Wells Fargo Bank	\$2,260.31
6/10/2017	1172	Wells Fargo Bank	\$366.53
6/10/2017	1173	Wells Fargo Bank	\$1,463.26
6/22/2017	1174	Electronic Federal Tax Payment System	\$7,777.08
6/22/2017	1175	MN Dept of Revenue	\$1,298.47
6/22/2017	1176	Health Savings Accounts	\$847.81
6/22/2017	1177	Security Benefit	\$3,845.50
6/22/2017	1178	Void	\$0.00
6/22/2017	1179	Minnesota State Retirement System	\$555.00
6/8/2017	21052	Ace Hardware	\$109.32
6/8/2017	21053	AmeriPride Linen & Apparel Svcs	\$293.68
6/8/2017	21054	Brainerd Chamber of Commerce	\$525.00
6/8/2017	21055	Brainerd Public Utilities	\$8,736.23
6/8/2017	21056	CTCIT	\$500.00
6/8/2017	21057	Capital One Commercial	\$195.12
6/8/2017	21058	CliftonLarsonAllen LLP	\$1,000.00
6/8/2017	21059	Dacotah Paper Co	\$364.47
6/8/2017	21060	Fireline Sprinkler Corp	\$880.00
6/8/2017	21061	Forum Communications Company	\$57.20
6/8/2017	21062	Hirshfield's Inc.	\$130.55
6/8/2017	21063	Holden Electric Company Inc	\$5,700.26
6/8/2017	21064	Home Depot Credit Services	\$161.96
6/8/2017	21065	Jeff Banick	\$98.99
6/8/2017	21066	Kennedy & Graven, Chartered	\$32.00
6/8/2017	21067	Mavo Systems Inc.	\$5,870.00
6/8/2017	21068	Mike Jones	\$33.71
6/8/2017	21069	Mike's Tree Company	\$800.00
6/8/2017	21070	Nisswa Sanitation	\$2,085.60
6/8/2017	21071	PDQ Supply Inc.	\$241.84
6/8/2017	21072	Park Supply, Inc.	\$234.98
6/8/2017	21073	Quick Construction, Inc	\$735.85
6/8/2017	21074	Rental History Reports	\$125.00
6/8/2017	21075	State of Minnesota	\$25.00
6/8/2017	21076	Todd Herron	\$1,964.16



Brainerd Housing Authority Payment Summary Report June 2017

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
6/8/2017	21077	Trail Ridge Townhomes	\$1,194.00
6/8/2017	21078	Valley View Townhomes	\$886.04
6/8/2017	21079	Verizon Wireless	\$288.49
6/8/2017	21080	Viking Electric Supply, Inc	\$128.10
6/22/2017	21081	Batteries Plus	\$102.91
6/22/2017	21082	Brainerd Public Utilities	\$607.82
6/22/2017	21083	CTC	\$5,330.85
6/22/2017	21084	CenterPoint Energy	\$1,971.49
6/22/2017	21085	Climate Makers Acquisition, Inc.	\$3,404.00
6/22/2017	21086	Culligan	\$98.00
6/22/2017	21087	Dearborn National	\$165.21
6/22/2017	21088	HealthPartners	\$787.80
6/22/2017	21089	Home Depot Supply	\$119.10
6/22/2017	21090	J.H. Larson Company	\$99.70
6/22/2017	21091	Life Insurance Company of North America	\$46.64
6/22/2017	21092	MN Chapter NAHRO	\$525.00
6/22/2017	21093	Northland Fire Protection	\$458.60
6/22/2017	21094	Quick Construction, Inc	\$1,984.00
6/22/2017	21095	Sun Life Financial	\$300.65
6/22/2017	21096	Todd Herron	\$1,418.43
6/22/2017	21097	WISP Services, LLC	\$220.00
6/22/2017	21098	Wells Fargo - CC	\$69.54
6/22/2017	21099	Wells Fargo - CC	\$99.31
6/22/2017	21100	Wells Fargo - CC	\$53.94
		Report Total	\$84,451.46





To: Brainerd HRA Board Members
From: Tania Eller, Rental Assistance Manager
Date: July 12, 2017
Re: Housing Choice Voucher Report

HCV Report

Please see Attachment 3a.

Bridges Report

Please see Attachment 3b.

Family Self-Sufficiency (FSS) Report

Please see Attachment 3c.

No Action Requested; Discussion Items



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June Housing Choice Voucher Program (HCV)

<u>Voucher Allocation</u>	320
June Move-ins	14
June Move-outs	3
June Vouchers - looking for housing	20
June Vouchers - first day of month	322
Average Vouchers to date	307
Unit Months Leased	96%
HAP Utilization through 6/30/17	52%
<u>Reasons For Leaving Program</u>	
Voluntarily Left	2
Over Income (Zero HAP 6 months)	1
<u>Payments</u>	
Housing Assistance Payment (HAP)	\$114,271
June HUD Administrative Fee	\$13,481
<u>Port Out Vouchers</u>	8
HAP Cass (2), Itasca (1), St. Cloud (1), Morrison (1)	\$4,502
<u>Homeownership</u>	8
Homeownership HAP	\$2,112
<u>FSS Participants</u>	
FSS Participants Escrowing	7
Escrow HAP	\$1,271
Total Escrow	\$46,357
<u>Average Annual Income</u>	\$13,149
<u>Length of Time on Program</u>	
< 1 year	17%
< 2 years	15%
< 3 years	10%
< 4 years	10%
< 5 years	8%
> 5 years	39%
<u>Demographics</u>	
Elderly Households	77
Disabled/Handicapped Households	156
Families with Children	142
<u>Waiting List Total</u>	177



Bridges Program July 2017

Currently:

- » Waiting list: 59
- » Tenants leased up in units: 14
- » Participants issued a voucher & searching for a unit: 4
(Still taking 3-4 months to lease-up in units)

Counties Tenants Reside In:

- » Cass County: 0
- » Morrison: 3
- » Aitkin: 2
- » Crow Wing: 9
- » Todd: 0
- » Wadena: 0

Three Bridges participants going off and onto Section 8 for August 1st.

The number of targeted household/month is 18.



Family Self-Sufficiency Report July 2017

Currently:

- » Active FSS participants: 26
- » Tenants going OFF for month: 0
- » Tenants going ON for month: 0
- » Tenants start ESCROWING: 0
- » Total number of FSS participants escrowing monthly: 7
- » Total amount of escrow for June: \$1,357.00

Summary:

The FSS NOFA still has not come out in order to apply for next grant.



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To: Brainerd HRA Board Members
From: Teresa L. Hettver, Housing Manager
Date: July 19, 2017
Re: Housing Manager Report

Vacancy Report for June 2017

Please see Attachment 4a.

Monthly Property Performance Report for June 2017

Please see Attachment 4b.

ROSS Program Update

Please find Attachment 4c.

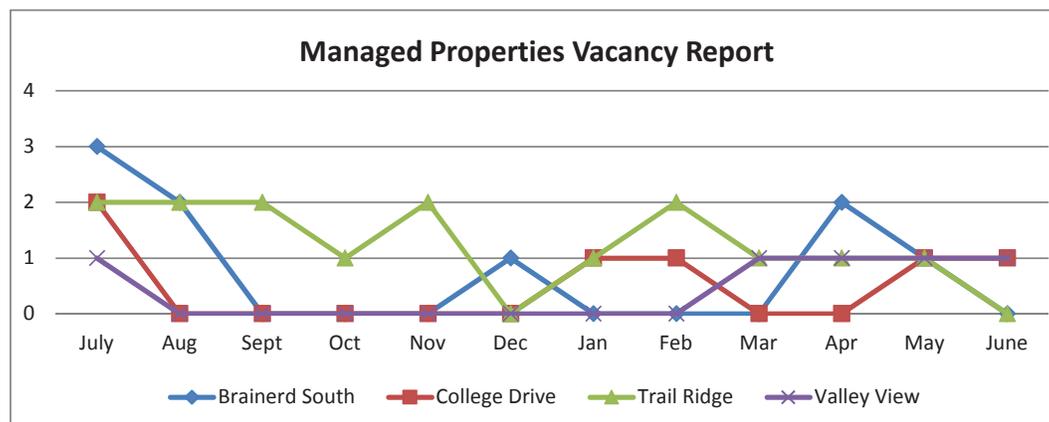
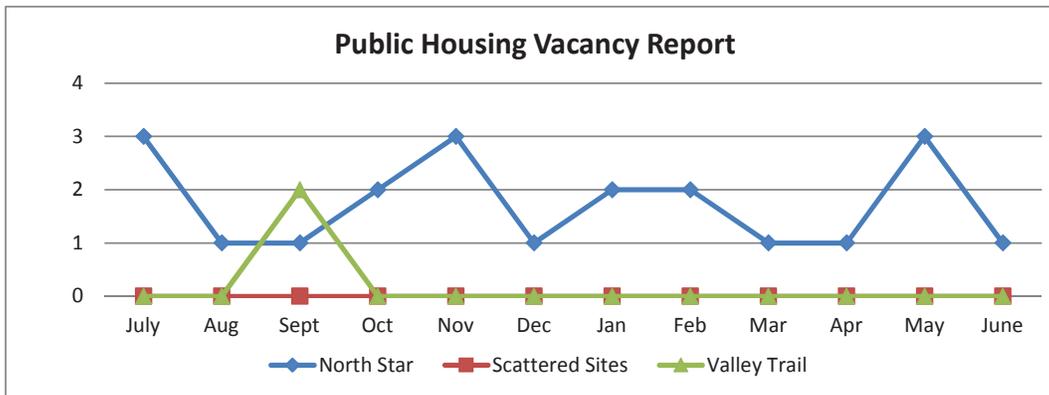
No Action Requested; Discussion Items



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Brainerd HRA 2017 Vacancy Report

	Public Housing				Section 236 Brainerd South	Tax Credit - DW Jones		
	North Star	Scattered Sites	Valley Trail	Total PH Vac/%		College Drive	Trail Ridge	Valley View
# units	162	16	25	203	60	24	18	20
Jan 31	2	0	0	2	0	1	1	0
Jan %	1.23%	0.00%	0.00%	0.99%	0.00%	4.17%	5.56%	0.00%
Feb 28	2	0	0	2	0	1	2	0
Feb %	1.23%	0.00%	0.00%	0.99%	0.00%	4.17%	11.11%	0.00%
March 31	1	0	0	1	0	0	1	1
March %	0.62%	0.00%	0.00%	0.49%	0.00%	0.00%	5.56%	5.00%
April 30	1	0	0	1	2	0	1	1
April %	0.62%	0.00%	0.00%	0.49%	3.33%	0.00%	5.56%	5.00%
May 31	3	0	0	3	1	1	1	1
May %	1.85%	0.00%	0.00%	1.48%	1.67%	4.17%	5.56%	5.00%
June 30	1	0	0	1	0	1	0	1
June %	0.62%	0.00%	0.00%	0.49%	0.00%	4.17%	0.00%	5.00%
July 31				0				
July %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Aug 31				0				
Aug %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sept 30				0				
Sept %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 31				0				
Oct %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nov 30				0				
Nov %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dec 31				0				
Dec %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	10	0	0	10	3	4	6	4
%	1.03%	0.00%	0.00%	0.82%	0.83%	2.78%	5.56%	3.33%



Brainerd Housing and Redevelopment Authority

Monthly Property Performance Report June 2017

1. Property Narrative

2. Physical Occupancy

Unit Size	Total Units	Occupied Units	Mod Rehab	Make Ready	Vacant Units	Percent Occupied
North Star	162	161			1	99%
Valley Trail	25	25			0	100%
Scattered Sites	16	16			0	100%
TOTAL	203	202	0	0	1	100%

3. Customer Traffic

Applications Requested	37
Applications Placed on PH Wait List	21
Applications Denied	4

4. Waiting List

Unit Size	# of Units	Total # on Wait List	Notified	Screening	Denied
1 bdrm	160	158	18	5	2
2 bdrm	14	65			
3 bdrm	24	72	1	1	
4 bdrm	5	12			
TOTAL	203	307	19	6	2

5. Move-Ins and Move Outs

	This Month	Year-to-Date
Move-Ins	4	12
Move-Outs	5	15

6. Lists of Vacant Units and Unit Status

Unit	Unit Size	Anticipated Lease Date	Applicant Approved?
NS 708 - Show Room	1	n/a	



7. Recertifications

Interim Recertifications	4
Annual Recertifications	20
Completed for this month	24

8. Annual Unit Inspections

Total units to be inspected this year	203
Number completed start of month	203
Number inspected for the month	
Number completed year-to-date	203
Total left to be inspected this year	0
Have all building system inspections been completed?	Yes
If yes, please enter date	Apr-17

9. Lease Enforcements

Lease warnings/violations issued	5
30-day lease terminations	0

10. Evictions

Resident	Reason	Summons Date	Judgment Action

11. Non-Emergency Work Orders

Beginning Balance	0
Received	77
Closed	77
Ending Balance	0
Total Completed Work Orders for Year	586

12. Emergency Work Orders

	This Month	Year-to-Date
Requested	1	5
Completed within 24 hours	1	5
Percent completed within 24 hours	100%	100%



13. Rent Collection

	This Month
Rent Charges	58,323
Other Charges	5,271
Total New Charges	63,594
Arrears, tenants in possession	647

Accounts Receivable

Current Tenant Accounts Receivable (Rent)	104
Current Rent Charges	58,323
Current Rent Collections	58,219
Accounts Receivable Rate	0%
Collection Rate	100%

Collections - Prior 12 Month Period

Prior Tenants Accounts Receivable (Rent)	14,360
Prior Rent Charges	705,128
Collection Rate	99%

HRA Board Meeting -- ROSS Program Update – July 2017

Program Progress

	North Star	Valley Trail	Scattered Site
New Enrollment (ITSP)	0	0	0
Non-ITSP Contact	8	2	0
Existing ITSP Participant Contact	2	0	1

Agency/Provider Contacts

- U-Care – Special Needs Program
- CLC Student Services
- PCs for People
- MN Assistance Council for Veterans
- Senior Linkage Line
- Disability Linkage Line
- Brainerd Police Department

Completed Projects/Events

- Coffee with a Cop (Jul-6th @ North Star)
- Brainerd Library Summer Literacy Tent (Jul-17th @ Valley Trail)
- Bootcamp Cooking Class (Jul-20th @ North Star)

Completed Items

- LSS Advisory Board meeting
- Resident Council Meeting (Jul-12th @ North Star)
- Completed “Public Housing & Community Action Partnerships” webinar

Upcoming/In-Progress Items

- ROSS Program Facebook page
- MN Service Coordinators – hosting quarterly meeting (July/Aug)
- Brainerd Library Continued Literacy Promotion (follow-up to previous event)
- Mid-Year “Resolution Reset” (enrollment promotion)
- CLC Supported Registration



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To: Brainerd HRA Board Members
From: Jennifer Bergman, Executive Director
Date: July 19, 2017
Re: Executive Director Report

Destination Downtown Brainerd

The Kick-Off Party for the Destination Downtown Brainerd competition that was held on Thursday, June 29th was a huge success with approximately 100 people in attendance. The deadline for applications for Phase 1 is July 28th and we have received 17 applications to date.

Downtown Mall

The application to the Economic Development Administration for the Feasibility Study was submitted on June 29th. As you know, one of the requirements of the EDA's programs is that the property be owned by a public agency. On July 14th, Dave Pueringer purchased the building. We have discussed with him the requirements of the EDA's program and once we find out if we are funded, we will discuss this potential with Mr. Pueringer. In the meantime, John Schommer is working with him on the rehabilitation of the property with the potential of using some of our SCDP funds to assist with that project.

Legislative Tour

LeAnn has reached out to our delegation several times and we only have two confirmed (Senator Ruud and Senator Franken's staff person). In her discussions, it seemed like we may have more luck if we postpone the tour to September. Rep. Heintzeman and Rep. Lueck are able to attend on September 20th and the others we have not yet heard back from. We would like to discuss this with the Board.

Policies

The Policy Committee met again on July 14th to review the rest of the policies. We will meet again on July 28th to begin reviewing each policy.

Rehab Update

Attached is the Housing Rehab Update (see Attachment 5a).

No Action Requested; Discussion Items



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Rehab Programs Update

SSRP – SCATTERED SITE REPLACEMENT PROGRAM

There were two more letters sent to owners of condemned properties. We received a response from one of them and met with the owner who said she would like to sell. There is approximately \$9,175 in back taxes, City of Brainerd special assessments, penalties, interest, and fees that have to be addressed before we can proceed.

DOWNTOWN BRAINERD SCDP

- » Application approved by DEED for \$650,105.00.
- » Work is in progress on three of the downtown properties. One of the properties is nearing completion with the others in construction.
- » One property has been determined by SHPO to be eligible for listing on the National Register of Historic Places, so the scope of work has been submitted to them for approval before we can begin the bidding process.
- » Another scope of work is under review by the owner.

SE BRAINERD

- » Work is completed, the lead clearance assessment is complete, and the request for final payment has been submitted.



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Springsted Incorporated
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www.springsted.com

MEMORANDUM

TO: Brainerd HRA

FROM: Paul T. Steinman, Vice President

DATE: July 20, 2017

SUBJECT: \$417,000 2005 TIF Note Refunding

The purpose of this memo is to provide information about the refunding process and the action the HRA will consider at its meeting Wednesday July 26, 2017.

At its meeting on June 28, 2017, the Board authorized Springsted and Dougherty to proceed with refunding the Note with the same maturity date as it currently has, 2/1/2028, and that a levy pledge of \$25,000 (vs. the current \$12,000) would be provided as additional security.

There are 4 documents which relate directly to this memo:

1) Summary of Terms from Dougherty & Company LLC

The Summary of Terms outlines the primary components of the transaction and is distributed through Dougherty to banks inviting them to submit bids on the refunding. The Summary of Terms was completed and distributed Tuesday July 11 with responses due Tuesday July 25 by noon.

- \$417,000 Par
- Subject to optional redemption
- \$25,000 levy pledge
- Aug 1 Note payment NOT refunded
 - HRA to pay from GF, then subsequently increment will be used to make note payments

Dougherty, Springsted, and HRA staff will compile the bids and bring a recommendation of the winning bid for presentation to the Board on July 26. Bids will be evaluated based on True Interest Cost whereby the best bid will propose the lowest overall interest cost.

2) Amendment to Interfund Loan Resolution (to be adopted first)

Bond Counsel determined the Interfund Loan needs to be amended to mirror the additional levy pledge that is a part of this refunding.

3) Special Benefit Tax (levy) Resolution (to be adopted second)

This Resolution establishes the HRA's levy pledge of \$25,000 for this refunding.



7/20/17
Brainerd HRA TIF Note Refunding
Page 2

4) Award Resolution (to be adopted last)

The Award Resolution is a lengthy document that is drafted by bond counsel to meet all of the legal requirements to award the refunding. The Award Resolution also contains the Form of Bonds and Notice of Call for Redemption to be provided to US Bank in order to call the bonds.

Remaining steps after award:

- Early August closing
- Call notice sent to US Bank after closing (30 day call) estimate August 15
- Bonds redeemed 30 days after call

I will be at the HRA meeting on the 26th to present the winning bid for consideration. Thank you.



DOUGHERTY & COMPANY LLC

SUMMARY OF TERMS

\$417,000*

Housing and Redevelopment Authority in and for the City of Brainerd, MN Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (Limited Tax Obligation)

- Issuer:* The Housing and Redevelopment Authority in and for the City of Brainerd, MN (the "HRA" or the "Issuer")
- Issue:* \$417,000* Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (Limited Tax Obligation) (the "Bonds" or "Issue"). The final Issue size to be determined.
- Purpose:* The proceeds of the Bonds will refinance the \$735,000 Taxable Tax Increment Note, Series 2005 and related costs of issuance associated with the HRA's Tax Increment Financing (Redevelopment) District No. 1-1.
- The HRA is distributing this Summary of Terms and Response Form to a limited number of banking institutions for direct placement of the Bonds, with the expectation that the Bonds are to be held for the account of the purchaser and not resold without the consent of the HRA and bond counsel.
- Dated Date/Delivery Date:* Date of closing; estimated to be early August 2017.
- Purchase Price:* Par plus accrued interest, if any.
- Interest Due:* February 1 and August 1, commencing February 1, 2018. Interest will be calculated as simple interest on the basis of a 360-day year of twelve 30-day months.
- Principal Due*:* The Bonds will mature semi-annually on February 1, 2018 through August 1, 2027 in denominations of \$1,000. The proposed principal amortization is shown in a preliminary debt service schedule as shown on **Exhibit A**.
- Expected Term Bond Structure:*

Maturity	Type of Bond	Maturity Value	Price
8/1/2022	Term 1	\$188,000	Par
8/1/2027	Term 2	\$229,000	Par

Brainerd HRA, Minnesota
Summary of Terms for Taxable Tax Increment Refunding Bonds
Page 2

- Optional Redemption:* The Bonds will be subject to optional redemption. The first optional call date will be negotiated with the selected Bank.
- Authority:* The Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (the "Bonds") are being issued by the HRA pursuant to Minnesota Statutes, Chapters 469 and 475, as amended.
- Security and Source of Payment:* The Bonds constitute a special and limited obligation of the HRA, payable solely from and secured by the net tax increment revenues of the Tax Increment Financing District No 1-1 (the "Net Revenues") through the maximum term of the TIF District (February 1, 2032), the net revenues derived from a special benefit tax levy (the "Levy") assessed pursuant to Minnesota Statutes, Section 469.033, Subd. 6, and other available funds appropriated to the Debt Service Fund (collectively, the "Pledged Revenues") all pursuant to a resolution adopted on _____, (the "Resolution").
- Assessment Agreement:* The applicable parcels are subject to an assessment agreement with Crow Wing County increasing the market value of the parcels by 3% annually for the life of the TIF district.
- Rating:* The Bonds will not be rated.
- Legal:* Kennedy and Graven, Minneapolis, Minnesota will serve as bond counsel on matters relating to the Bonds. Kennedy and Graven will draft all legal documents.
- Tax Designation:* The Bonds will not be designated as "qualified tax-exempt obligations" for purpose of Section 265(b)(3) of the Internal Revenue Code.
- Registrar/Paying Agent:* The Executive Director of the HRA will act as registrar and paying agent for the Bonds. Principal and interest on the Bonds shall be paid to the record holders of the Bonds in the manner set forth in the form of the Bonds and the HRA Resolution.
- Offering Document:* An offering document for the Bonds will not be prepared.
- CUSIP Numbers:* No CUSIP numbers will be applied for or appear on the Bonds. The Bonds will not be registered with DTC.
- Continuing Disclosure:* No primary or secondary disclosure documents will be provided; however, the HRA's annual financial statements will be made publicly available.



EXHIBIT A

Estimated Debt Service Coverage:

Date	Est. Total P+I	Est. TIF Available	HRA Levy Required	Levy Available	Total Rev Available	Total DSC
08/01/2018	51,000.00	37,836.00	13,164.00	25,000.00	62,836.00	1.23x
08/01/2019	51,000.00	40,260.50	10,739.50	25,000.00	65,260.50	1.28x
08/01/2020	51,000.00	41,699.50	9,300.50	25,000.00	66,699.50	1.31x
08/01/2021	51,000.00	43,181.50	7,818.50	25,000.00	68,181.50	1.34x
08/01/2022	51,000.00	44,708.00	6,292.00	25,000.00	69,708.00	1.37x
08/01/2023	51,000.00	46,280.50	4,719.50	25,000.00	71,280.50	1.40x
08/01/2024	51,000.00	47,899.50	3,100.50	25,000.00	72,899.50	1.43x
08/01/2025	51,000.00	49,567.50	1,432.50	25,000.00	74,567.50	1.46x
08/01/2026	51,000.00	51,286.00	-	25,000.00	76,286.00	1.50x
08/01/2027	51,000.00	53,055.50	-	25,000.00	78,055.50	1.53x
08/01/2028	-	54,878.00	-	-	54,878.00	-
08/01/2029	-	56,755.50	-	-	56,755.50	-
08/01/2030	-	58,689.00	-	-	58,689.00	-
08/01/2031	-	60,680.50	-	-	60,680.50	-
08/01/2032	-	30,845.50	-	-	30,845.50	-
Total	\$510,000.00	\$717,623.00	\$56,567.00	\$250,000.00	\$967,623.00	

Note: The TIF amount is inflated annually based on a 3% inflation factor as required by an assessment agreement filed with Crow Wing County executed in March of 2005. The assessment agreement is in effect for the life of the TIF district.

Estimated Sources and Uses:

Sources Of Funds	
Par Amount of Bonds	\$417,000.00
Total Sources	\$417,000.00
Uses Of Funds	
Costs of Issuance	20,000.00
Deposit to Current Refunding Fund	396,285.20
Rounding Amount	714.80
Total Uses	\$417,000.00

Historical Tax Increment:

	TIF Payment*
8/1/2010	\$18,288.33
2/1/2011	\$20,810.61
8/1/2011	\$21,616.00
2/1/2012	\$5,432.74
8/1/2012	\$31,138.40
2/1/2013	\$18,262.64
8/1/2013	\$16,474.99
2/1/2014	\$16,260.91
8/1/2014	\$17,934.18
2/1/2015	\$19,376.68
8/1/2015	\$18,982.71
2/1/2016	\$17,067.38
8/1/2016	\$19,051.56
2/1/2017	\$17,290.00 Est.
8/1/2017	\$17,290.00 Est.

* As per Brainerd HRA

EXHIBIT B
RESPONSE FORM

\$417,000*

Housing and Redevelopment Authority in and for
the City of Brainerd, MN
Taxable Tax Increment Revenue Bond, Series 2017A
(Limited Tax Obligation)

Please provide the requested information no later than 12:00 noon. (CST), July 25, 2017

The Taxable Tax Increment Bonds, Series 2017 (the "Bonds") are dated the date of delivery, currently anticipated to be August 1, 2017. The Bonds will pay interest semi-annually each February 1 and August 1, commencing February 1, 2018. The Bonds will subject to mandatory sinking fund redemption semi-annually on February 1 and August 1 as estimated and shown below*:

Bonds Maturing August 1, 2022		Bonds Maturing August 1, 2027	
Payment Date	Principal Amount	Payment Date	Principal Amount
2/1/2018	\$17,000	2/1/2023	\$21,000
8/1/2018	\$18,000	8/1/2023	\$21,000
2/1/2019	\$18,000	2/1/2024	\$22,000
8/1/2019	\$18,000	8/1/2024	\$22,000
2/1/2020	\$19,000	2/1/2025	\$22,000
8/1/2020	\$19,000	8/1/2025	\$23,000
2/1/2021	\$19,000	2/1/2026	\$24,000
8/1/2021	\$20,000	8/1/2026	\$24,000
2/1/2022	\$20,000	2/1/2027	\$25,000
8/1/2022	\$20,000	8/1/2027	\$25,000

* principal amounts are subject to change based on final pricing

The winning bid will be awarded by True Interest Cost. Please provide your current estimate of the anticipated coupons:

Maturity	Type	Coupon	Yield
8/1/2022	Term	_____ %	___ PAR ___ %
8/1/2027	Term	_____ %	___ PAR ___ %

Please indicate if you will allow for an optional redemption and what date: _____

Signature of Authorized Officer

Name of Banking Institute

* Preliminary; subject to change.



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

RESOLUTION NO. 2017-05

**AMENDING INTERFUND LOAN FOR
ADVANCE OF CERTAIN COSTS
IN CONNECTION WITH TAX INCREMENT
FINANCING DISTRICT NO. 1-1**

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

Section 1. Background.

1.01. The Authority has established Tax Increment Financing District No. 1-1 (the "TIF District") within the Redevelopment Project No. 1 (the "Redevelopment Project"), all pursuant to Minnesota Statutes, Sections 469.174 to 469.179 (the "TIF Act"), Sections 469.001 to 469.047 (the "HRA Act").

1.02. The Authority previously adopted its Resolution No. 467, approving an interfund loan setting forth the terms and conditions of reimbursement of certain costs related to the TIF District, including a pledge of a portion of the Authority's special benefit tax pursuant to Resolution No. 465, adopted by the Board on March 3, 2005.

1.03. Pursuant to a resolution adopted by the Board on March 30, 2005, the Authority issued its Taxable Tax Increment Note, Series 2005 (the "Note") dated April 4, 2005, pursuant to the HRA Act and the TIF Act, and pledged to the repayment of the Note (i) proceeds of the sale of the Development Property to the Developer in the amount of \$248,000, as provided in Article III of the Development Contract; (ii) tax increment financing derived from the TIF District; (iii) a capitalized interest account funded with proceeds of the Note; and (iv) if necessary, a portion of the Authority's special benefit tax beginning in the year 2007 until the maturity of the Note on February 1, 2028, in an amount not to exceed \$12,000 annually.

1.04. The Authority now intends to issue its Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (Limited Tax Obligation) (the "Bonds"), in order to refinance the Project through the redemption and prepayment of the outstanding Note. The Authority will use a portion of its special benefit tax, up to \$25,000 annually, to pay principal and interest on the Bonds, to the extent tax increments from the TIF District are not sufficient to pay such principal and interest. The Authority's pledge of its special benefit tax in an amount of up to \$25,000 annually represents an additional advance of Authority funds in a maximum amount of \$130,000.

1.06. The Authority intends to designate such advance as an additional interfund loan in accordance with the terms of this resolution and the TIF Act.

Section 2. Repayment of Interfund Loan.

2.01. The Authority will reimburse itself for any Authority funds advanced to pay the principal

and interest due on the Bonds, together with interest at the rate of 4% per annum (the "Interfund Loan"). Interest accrues on the principal amount from the date the funds are advanced each year, which may be February 1 and August 1 of each year the Bonds are outstanding, commencing February 1, 2018 through and including February 1, 2027 (hereafter, the "Advance Dates"). The interest rate is no more than the greatest of the rate specified under Minnesota Statutes, Section 270.75 and Section 549.09, both in effect for calendar year 2017, and will not fluctuate.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing August 1, 2027, through the date of last receipt of tax increment from the TIF District. Payments on the Interfund Loan shall only be made after the payment in full of all principal outstanding and interest due on the Bonds.

2.03. Payments on the Interfund Loan will be made solely from Available Tax Increment, defined as 100% of tax increment from the TIF District received by the City from Crow Wing County in the six-month period before any Payment Date. Payments shall be applied first to accrued interest, and then to unpaid principal. Interest accruing from the Advance Dates will be compounded semiannually on February 1 and August 1 of each year and added to principal until the first Payment Date, unless otherwise specified by the City Administrator.

2.04. The principal sum and all accrued interest payable under this resolution is pre-payable in whole or in part at any time by the Authority without premium or penalty but not prior to the payment in full of all principal outstanding and interest due on the Bonds.

2.05. This resolution is evidence of an internal borrowing by the Authority in accordance with Section 469.178, subdivision 7 of the TIF Act, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority and the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of Available Tax Increment. The Authority shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The Authority may at any time determine to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.

2.07. The Authority may from time to time amend the terms of this Resolution to the extent permitted by law, including without limitation amendment to the payment schedule and the interest rate; provided that the interest rate may not be increased above the maximum specified in Section 469.178, subd. 7 of the TIF Act.

Section 3. Effective Date. This resolution is effective upon the issuance of the Bonds.

Adopted this 26th day of July, 2017.



Chairperson

ATTEST:

Executive Director

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

RESOLUTION NO. 2017-06

**AUTHORIZING THE LEVY OF A SPECIAL BENEFIT LEVY PURSUANT TO
MINNESOTA STATUTES, SECTION 469.033, SUBDIVISION 6**

WHEREAS, pursuant to Minnesota Statutes, Section 469.004, the City of Brainerd, Minnesota (the “City”) created the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota (the “Authority”);

WHEREAS, the Authority has all powers and duties of a housing and redevelopment authority under the provisions of Minnesota Statutes, Sections 469.001 through 469.047, as amended (the “HRA Act”);

WHEREAS, Section 469.033, subdivision 6 of the HRA Act permits the Authority to levy and collect a special benefit tax of up to 0.0144% of taxable market value in the City, levied upon all taxable real property within the City;

WHEREAS, on April 4, 2005, the Authority issued its Taxable Tax Increment Note, Series 2005 (the “Prior Note”), in the original aggregate principal amount of \$753,000, the proceeds of which financed (i) the acquisition of certain land by the Authority in Tax Increment District No. 1-1, and (ii) costs of clearing the land (the “Project”);

WHEREAS, the Authority levied a special benefit tax in the amount of 0.0144% of taxable market value in the City, and pledged a portion of this levy as security for the payment of the Prior Note;

WHEREAS, the Authority has proposed to issue its Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (Limited Tax Obligation) (the “Bonds”), in the approximate principal amount of \$417,000, to refinance the Project under the Act, pursuant to Resolution No. _____, adopted by the Board of Commissioners of the Authority (the “Board”) on July 26, 2017 (the “Bond Resolution”);

WHEREAS, under the Bond Resolution the Authority will pledge to levy its special benefits tax and pledge a portion of its special benefit tax in an amount not to exceed \$25,000 annually for the benefit of holders of the Bonds in the years 2018 through 2027, upon certain terms and conditions; and

NOW, THEREFORE, Be It Resolved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota as follows:

1. There is hereby levied a special benefit tax pursuant to Section 469.033, subdivision 6 of the HRA Act, in the amount equal to a levy at a rate of 0.0185% of taxable market value in City, of which \$25,000 annually shall be pledged to debt service on the Bonds with respect to taxes payable in calendar years 2018 through 2027.
2. Staff of the Authority is hereby authorized and directed to take such other actions as are necessary to levy and certify such levy each year.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.



STATE OF MINNESOTA)
)
COUNTY OF CROW WING) SS.
)
CITY OF BRAINERD)

I, the undersigned, being the duly qualified and acting Executive Director of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota (the "Authority"), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the Authority held on July 26, 2017 with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the pledge of the Authority's special benefit tax levy.

WITNESS My hand officially as such Executive Director this _____ day of _____, 2017.

Executive Director



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Extract of Minutes of Meeting
of the Board of Commissioners of the Housing and Redevelopment Authority
in and for the City of Brainerd, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, was duly held in the _____ in said City on Wednesday, July 26, 2017, commencing at ____ P.M.

The following members were present:

and the following were absent:

* * * * * * * * *

The Chairperson announced that the next order of business was consideration of the proposals which had been received for the purchase of the Authority's Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (Limited Tax Obligation), to be issued in the original aggregate principal amount of \$_____.

The Executive Director presented the proposals that had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals were as set forth in EXHIBIT A attached.

After due consideration of the proposals, Commissioner _____ then introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:



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

RESOLUTION NO. 2017-07

A RESOLUTION AWARDING THE SALE OF TAXABLE TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 2017A (LIMITED TAX OBLIGATION), IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$_____; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; PROVIDING FOR THEIR PAYMENT; AND PROVIDING FOR THE REDEMPTION OF BONDS REFUNDED THEREBY

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

1. Findings; Determinations.

1.01. Authority. The Authority is authorized by Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "Tax Increment Act"), and Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act"), to issue general obligation bonds to finance the public redevelopment costs of projects established pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "HRA Act").

1.02. Prior Note. The Authority has established Redevelopment Project No. 1 (the "Redevelopment Project") pursuant to the HRA Act and has established Tax Increment District No. 1-1 (the "TIF District") in the Redevelopment Project pursuant to the Tax Increment Act. On April 4, 2005, the Authority issued its Taxable Tax Increment Note, Series 2005 (the "Prior Note"), in the original aggregate principal amount of \$753,000, pursuant to the provisions of the Municipal Debt Act and Section 469.178 of the Tax Increment Act, to finance the acquisition of property (the "Development Property") and the clearing of the Development Property (the "Project") within the TIF District. Following the acquisition and clearing of the Development Property, the Authority sold the Development Property to a developer to develop a commercial office building with related public and private site improvements in the TIF District. The tax increment revenues and other revenues derived from the TIF District are authorized to be pledged to the payment of the principal of and interest on the Prior Note. The Board previously determined that not less than twenty percent (20%) of the public redevelopment costs of the TIF District are estimated to be received from tax increment revenues.

1.03. Issuance of the Bonds. The Prior Note is currently outstanding in the principal amount of \$_____ and is callable on or after August 1, 2013, at a price of par plus accrued interest. To achieve debt service cost savings, the Authority hereby authorizes the issuance of its Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (Limited Tax Obligation) (the "Bonds"), in the original aggregate principal amount of \$_____, pursuant to the TIF Act and Section 475.67, subdivision 3 of the Municipal Debt Act, in order to refinance the Project through the redemption and prepayment of the outstanding Prior Note.



1.04. Sale of the Bonds. The Authority is authorized by Section 475.60, subdivision 2(6) of the Municipal Debt Act to negotiate the sale of the Bonds, it being determined, on the advice of bond counsel, that interest on the Bonds cannot be represented to be excluded from gross income for purposes of federal income taxation.

Section 2. Sale of Bonds.

2.01. Acceptance of Offer. The proposal of _____ (the “Purchaser”) to purchase the Bonds of the Authority is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$_____, plus accrued interest, if any, for Bonds bearing interest as follows:

Year	Interest Rate
2022*	_____ %
2027*	_____

* *Term Bonds*

2.02. Terms and Principal Amounts of the Bonds. The Authority will forthwith issue and sell the Bonds pursuant to the Tax Increment Act and the Municipal Debt Act in the total principal amount of \$_____, originally dated as of delivery, in the denomination of \$1,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and which mature on the dates and in the amounts as follows:

Date	Amount
February 1, 2022*	\$ _____
August 1, 2027*	_____

* *Term Bonds*

2.03. Optional Redemption. The Bonds is subject to redemption at the option of the Authority, in whole or in part, as the Authority may determine, on _____ 1, 20____, or any date thereafter, at a redemption price equal to par plus accrued interest to the redemption date. Thirty (30) days’ notice of prior redemption will be given by mail to the Registered Owner in the manner provided by applicable provisions of the Municipal Debt Act.

2.04. Mandatory Redemption; Term Bonds. The Bonds maturing on February 1, 2022 and August 1, 2027 shall hereinafter be referred to collectively as the “Term Bonds.” The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the Authority shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 and August 1 of the years and in the principal amounts as follows:



Sinking Fund Installment Date

February 1, 2022 Term Bond

Principal Amount

\$

* *Maturity*

August 1, 2027 Term Bond

Principal Amount

\$

* *Maturity*

Section 3. Registration and Payment.

3.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and the principal amount thereof is payable by check, draft, or wire issued by the Registrar described herein. On the maturity date or the final payment of principal of the Bonds, whichever is earlier, the principal of the Bonds shall be paid only upon presentation and surrender of the Bonds to the Registrar.

3.02. Dates; Interest and Principal Payment Dates. The Bonds will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bonds has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bonds will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bonds will be dated as of the date of original issue. The interest and principal on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2018, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

3.03. Registration. The Authority appoints the Executive Director of the Authority as bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep a bond register in which the Registrar provides for the registration of ownership of the Bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bond. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney



duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When the Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. A Bond surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The Authority and the Registrar may treat the person in whose name the Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bond sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bond. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for a Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the Authority and the Registrar must be named as obligees. Any Bond so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the Authority. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds is called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than sixty (60) and not less

than thirty (30) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bond. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

3.04. Execution, Authentication and Delivery. The Bonds will be printed or typewritten in substantially the form attached hereto as EXHIBIT A. The Bonds will be prepared under the direction of the Executive Director and executed on behalf of the Authority by the signatures of the Chairperson or Vice Chairperson of the Authority and the Executive Director, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bond ceases to be such officer before the delivery of a Bond, such signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bond need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the Executive Director will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser are not obligated to see to the application of the purchase price.

Section 4. Bond Counsel Opinion. The Executive Director will obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and will cause the opinion to be printed on or accompany the delivery of each Bond.

Section 5. Payment; Security.

5.01. Security for Payment of the Bonds.

(a) The Bonds are secured by the following: (i) tax increment revenues derived from the TIF District; and (ii) a portion of the Authority’s special benefit tax beginning in taxes payable year 2018, until the maturity of the Bonds on August 1, 2027, in an amount not to exceed \$25,000 annually, pledged by the Authority pursuant to Resolution No. _____ adopted by the Board of Commissioners of the Authority on the date hereof.

(b) The Authority’s pledge of its special benefit tax described in paragraph (a)(iii) above is pledged only to the extent that tax increment revenues received by the Authority from the TIF District within the Redevelopment District (the “Tax Increment Revenues”) are insufficient to pay the principal and interest due on each February 1 and August 1, from February 1, 2018 through August 1, 2027.

5.02. Debt Service Fund. The Bonds are payable from the Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (Limited Tax Obligation) Debt Service Fund (the “Debt Service Fund”) hereby created, and to which all Tax Increment Revenues are pledged. The Authority is authorized to



issue the Bonds to refinance the Project and to apply the Tax Increment Revenues and other revenues to the payment thereof under Section 469.178 of the Tax Increment Act and the Municipal Debt Act.

5.03. Deposit of Proceeds and General Fund Money to Debt Service Fund. In addition to the security pledged in Section 5.02 hereof, there is hereby appropriated to the Debt Service Fund a portion of the Authority's Special Benefit Tax pledged to the payment of principal and interest on the Bonds in the amount not to exceed \$25,000 annually as described in Section 5.01 hereof.

5.04. Redemption Fund. All proceeds of the Bonds, less the appropriations made in Section 5.03 hereof and the costs of issuance of the Bonds, will be deposited in a separate fund (the "Redemption Fund") to be used solely to redeem and prepay the Prior Note on _____, 2017 (the "Redemption Date"). Any balance remaining in the Redemption Fund after the redemption of the Refunded Bonds on the Redemption Date shall be deposited in the Debt Service Fund herein created for the Bonds.

5.05. Prior Debt Service Fund. The debt service fund heretofore established for the Prior Note pursuant to the resolutions providing for the issuance and sale of the Prior Note (the "Prior Resolution") shall be closed following the redemption of the Prior Note, and all monies therein shall be transferred to the Debt Service Fund herein created.

5.06. Extension of Maturity Date. If the security pledged to the payment of the principal and interest on the Bonds pursuant to Section 5.01 hereof is insufficient to pay the principal and interest on the Bonds when due, and principal and interest remain outstanding after August 1, 2027, the maturity date of the Bonds will be extended to February 1, 2033 and Tax Increment Revenues will be used to pay any remaining principal and interest outstanding on the Bonds. The Authority's Interfund Loan, as described in Section 9 hereof, shall not be repaid until all of the principal and interest on the Bonds has been paid in full.

5.07. Certification of County Auditor as to Registration. The Executive Director is authorized and directed to file a certified copy of this resolution with the County Auditor of Crow Wing County, Minnesota and to obtain the certificate required by Section 475.63 of the Municipal Debt Act.

Section 6. Refunding of Prior Note; Findings; Redemption of Prior Note.

6.01. Purpose of Refunding. The Prior Note will be called for redemption on the Redemption Date in the principal amount of \$_____. It is hereby found and determined that based upon information presently available from the Authority's municipal advisor, the issuance of the Bonds, a portion of which will be used to redeem and prepay the Prior Note, is consistent with covenants made with the holders of the Prior Note and is necessary and desirable for the reduction of debt service costs to the Authority and the City.

6.02. Application of Proceeds of Bonds. It is hereby found and determined that the proceeds of the Bonds deposited in the Redemption Fund, along with any other funds on hand in the debt service funds established pursuant to the Prior Resolution, will be sufficient to prepay all of the principal of, interest on and redemption premium (if any) on the Prior Note.

6.03. Redemption; Date of Redemption; Notice of Call for Redemption. The Prior Note will be redeemed and prepaid on the Redemption Date. The Prior Note will be redeemed and prepaid in



accordance with its terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached hereto as EXHIBIT B, which terms and conditions are hereby approved and incorporated herein by reference. The Executive Director, as registrar for the Prior Note, is authorized and directed to send a copy of the Notice of Call for Redemption to the registered holder of the Prior Note at least thirty (30) days prior to the Redemption Date.

Section 7. Authentication of Transcript.

7.01. Transcript. The officers of the Authority are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the Authority relating to the Bonds and to the financial condition and affairs of the Authority, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the Authority as to the facts stated therein.

7.02. Closing Certificates. The Chairperson or Vice Chairperson and the Executive Director are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the Authority or incumbency of its officers, at the closing the Chairperson or the Vice Chairperson and the Executive Director shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Executive Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

Section 8. No Requirement of Continuing Disclosure. Participating underwriters need not comply with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), because the offering is in a principal amount less than \$1,000,000. Consequently, the Authority will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Bonds. Notwithstanding the foregoing, the Authority agrees to provide the Purchaser with annual copies of the Authority's financial statements as they become available.

Section 9. Interfund Loan. Pursuant to Resolution No. 467, adopted by the Board on March 30, 2005, as amended on the date hereof by Resolution No. ____ (as so amended, the "Interfund Loan Resolution"), the Authority elected to treat the use of a portion of its special benefits tax for the payment of principal and interest on the Prior Note (as described in Section 5.01(a)(iii) hereof) as an Interfund Loan. Pursuant to the Interfund Loan Resolution, upon payment in full of all the principal and interest outstanding on the Prior Note, the Authority may reimburse itself for any payments of principal and interest on the Prior Note from its special benefits tax from Tax Increment Revenues.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.



EXHIBIT A

FORM OF BOND

No. R- _____ UNITED STATES OF AMERICA \$ _____
STATE OF MINNESOTA
COUNTY OF CROW WING

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BRAINERD
TAXABLE TAX INCREMENT REVENUE REFUNDING BOND
SERIES 2017A
(LIMITED TAX OBLIGATION)

Interest Rate _____ Maturity Date _____ Date of Original Issue _____
_____ % _____ 1, 20 _____, 2017

Registered Owner: _____

The Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, a duly organized and existing political subdivision of the State of Minnesota (the "Authority"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$ _____ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360-day year of twelve 30-day months), payable February 1 and August 1 in each year, commencing February 1, 2018, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft, or wire by the Executive Director of the Authority, Brainerd, Minnesota, as Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. On the date of maturity or the final payment of principal on this Bond, whichever is earlier, the principal of this Bond shall be paid only upon presentation and surrender of this Bond to the Paying Agent.

This Bonds are subject to redemption at the option of the Authority, in whole or in part, as the Authority may determine, on _____, 20 __, or any date thereafter, at a redemption price equal to par plus accrued interest to the redemption date. Thirty (30) days' notice of prior redemption will be given by mail to the Registered Owner in the manner provided by applicable provisions of the Act.

The Bonds maturing on February 1, 2022 and August 1, 2027 shall hereinafter be referred to collectively as the "Term Bonds." The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial



redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the Authority shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 and August 1 of the years and in the principal amounts as follows:

Sinking Fund Installment Date

February 1, 2022 Term Bond

Principal Amount

\$

* Maturity

August 1, 2027 Term Bond

Principal Amount

\$

* Maturity

This Bond is one of an issue in the aggregate principal amount of \$_____, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, pursuant to a resolution adopted by the Board of Commissioners of the Authority on July 26, 2017 (the "Resolution"), for the purpose of providing money to aid in refinancing public development costs in Tax Increment Financing District No. 1-1 (the "TIF District") in the City of Brainerd, Minnesota (the "City"), pursuant to and in full conformity with the laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 through 469.1794, as amended, and Minnesota Statutes, Chapter 475, as amended, including Section 475.67, subdivision 3. The principal hereof and interest hereon are payable primarily from tax increment revenues resulting from increases in taxable valuation of real property in the TIF District as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The Bond is also payable from a portion of the Authority's special benefit tax beginning in the year 2018 until the maturity of the Bonds on August 1, 2027, in an amount not to exceed \$25,000 annually pledged pursuant to Resolution No. _____ adopted by the Board of Commissioners of the Authority on July 26, 2017. The Bonds are issued only as a typewritten Bonds in the denomination of \$1,000.

If the security pledged to the payment of the principal and interest on the Bonds is insufficient to pay the principal of and interest on the Bonds when due, and principal and interest remain outstanding after August 1, 2027, the maturity date of the Bonds will be extended to February 1, 2033 and tax increment revenues resulting from increases in taxable valuation of real property in the TIF District will be used to pay any remaining principal and interest outstanding on the Bonds.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Authority at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof



together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner’s attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the Authority will cause a new Bond to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The Authority may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Authority will not be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the charter of the Authority and the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding obligation of the Authority in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the Authority to exceed any constitutional, statutory or charter limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, Crow Wing County, Minnesota, by its Board of Commissioners, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Chairperson and Executive Director and has caused this Bond to be dated as of the date set forth below.

Dated: _____

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

(facsimile)
Chairperson

(facsimile)
Executive Director



CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

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

By _____
Its Executive Director

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT —
_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts or Transfers to
Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premise.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:



NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”), the New York Stock Exchange, Inc. Medallion Signatures Program (“MSP”) or other such “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration Registered Owner Signature of Executive Director

[OWNER]
Federal Id No. _____



EXHIBIT B

NOTICE OF CALL FOR REDEMPTION

\$753,000
Housing and Redevelopment Authority
in and for the City of Brainerd, Minnesota
Taxable Tax Increment Note,
Series 2005

NOTICE IS HEREBY GIVEN that, by order of the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota (the "Authority"), there have been called for redemption and prepayment on

_____, 2017

the outstanding note designated as the Taxable Tax Increment Note, Series 2005, dated April 4, 2005, having a stated maturity date of February 1, 2028, totaling \$_____ in principal amount.

The note is being called at a price of par plus accrued interest to _____, 2017, on which date all interest on said note will cease to accrue. Holders of the note hereby called for redemption are requested to present their notes for payment at the office of the Executive Director of the Authority, 324 East River Road, Brainerd, Minnesota 56401, on or before _____, 2017.

Dated: _____, 20__.

**BY ORDER OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF BRAINERD,
MINNESOTA**

By: /s/ Jennifer Bergman
Executive Director
Housing and Redevelopment Authority in
and for the City of Brainerd, Minnesota



STATE OF MINNESOTA)
)
COUNTY OF CROW WING) SS.
)
CITY OF BRAINERD)

I, the undersigned, being the duly qualified and acting Executive Director of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota (the "Authority"), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the Authority held on July 26, 2017 with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance of the Authority's Taxable Tax Increment Revenue Refunding Bonds, Series 2017A (Limited Tax Obligation), in the original aggregate principal amount of \$_____.

WITNESS My hand officially as such Executive Director this _____ day of _____, 2017.

Executive Director





To: Brainerd HRA Board Members
From: Jennifer Bergman, Executive Director
Date: July 19, 2017
Re: Adopt Social Media Policy

We have been discussing the possibility of creating a Facebook page specifically for our residents through the ROSS (Resident Opportunities and Self Sufficiency) program. However, prior to the creation of a Facebook page, we wanted to make sure we had a Social Media Policy in place.

Attached is a draft Social Media Policy that was suggested by the League of Minnesota Cities and revised to fit the Brainerd HRA.

Action Requested: Adopt the Brainerd HRA Social Media Policy.



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Brainerd HRA Social Media Policy

Purpose

Social networking in government serves two primary functions: to communicate and deliver messages directly to citizens and to encourage citizen involvement, interaction, and feedback. Information which is distributed via social networking must be accurate, consistent, and timely and meet the information needs of the HRA's customers. Since social media is used for social networking, this policy seeks to ensure proper use of the Brainerd HRA's social media sites by its representatives.

The Brainerd HRA wishes to establish a positive and informative social media presence. HRA representatives have the responsibility to use the HRA's social media resources in an efficient, effective, ethical and lawful manner pursuant to all existing HRA policies. This policy also provides guidelines and standards for HRA representatives regarding the use of social media for communication with residents, colleagues and all other followers.

Policy

The Brainerd HRA will determine, at its discretion, how its web-based social media resources will be designed, implemented and managed as part of its overall communication and information sharing strategy. HRA social media sites may be modified or removed by the HRA at any time and without notice, as described in this document.

The Brainerd HRA social media accounts are considered an HRA asset and administrator access to these accounts must be securely administered in accordance with the HRA's Employee Handbook. The HRA reserves the right to shut down any of its social media sites or accounts for any reason without notice.

All social media websites created and utilized during the course and scope of an employee's performance of his/her job duties will be identified as belonging to the Brainerd HRA, including a link to the HRA's official web site.

Scope

This policy applies to any existing or proposed social media web sites sponsored, established, registered or authorized by the Brainerd HRA. This policy also covers the private use of the HRA's social media accounts by all HRA representatives, including its employees and agents, and appointed board members to the extent it affects the HRA. Questions regarding the scope of this policy should be directed to the Executive Director.

Definition

Social media are internet and mobile-based applications, websites and functions, other than email, for sharing and discussing information, where users can post photos, video, comments and links to other information to create content on any imaginable topic. This may be referred to as "user-generated content" or "consumer-generated media."



Social media includes, but is not limited to:

- Social networking sites such as Facebook, LinkedIn, Twitter, and online dating services/mobile apps
- Blogs
- Social news sites such as Reddit and BuzzFeed
- Video and photo sharing sites such as YouTube, Instagram, SnapChat, and Flickr
- Wikis, or shared encyclopedias such as Wikipedia
- An ever emerging list of new web-based platforms generally regarded as social media or having many of the same functions as those listed above.

As used in this policy, “employees and agents” means all HRA representatives, including its employees and other agents of the HRA, such as independent contractors or board members.

Rules of Use

HRA employees and agents with administrator access are responsible for managing social media websites. Departments wishing to have a new social media presence must initially submit a request to the Executive Director in writing in order to ensure social media accounts are kept to a sustainable number and policies are followed. All approved sites will be clearly marked as the Brainerd HRA site and will be linked with the official HRA website (www.brainerdhra.org). No one may establish social media accounts or websites on behalf of the HRA unless authorized in accordance with this policy.

Administration of all social media websites must comply with applicable laws, regulations, and policies as well as proper business etiquette.

HRA social media accounts accessed and utilized during the course and scope of an employee’s performance of his/her job duties may not be used for private or personal purposes or for the purpose of expressing private or personal views on personal, political or policy issues or to express personal views or concerns pertaining to HRA employment relations matters.

No social media website may be used by the HRA or any HRA employee or agent to disclose private or confidential information. No social media website should be used to disclose sensitive information; if there is any question as to whether information is private, confidential or sensitive, contact the Executive Director

When using social media sites as a representative of the HRA, employees and agents will act in a professional manner. Examples include but are not limited to:

- Adhere to all policies in the Employee Handbook.
- Use only appropriate language.

Be aware that content will not only reflect on the writer but also on the Brainerd HRA as a whole, including HRA employees and agents. Make sure information is accurate and free of grammatical errors.

- Do not provide private or confidential information, including names, or use such material as part of any content added to a site.

- Do not negatively comment on community partners or their services, or use such material as part of any content added to a site.
- Do not provide information related to pending decisions that would compromise negotiations.
- Be aware that all content added to a site is subject to open records/right to know laws and discovery in legal cases.
- Always keep in mind the appropriateness of content.
- Comply with any existing code of ethical behavior established by the HRA.

Where moderation of comments is an available option, comments from the public will be moderated by HRA staff, with administrative rights, before posting. Where moderation prior to posting is not an option, sites will be regularly monitored by HRA staff.

Brainerd HRA's staff with administrative rights will not edit any posted comments. However, comments posted by members of the public will be removed if they are abusive, obscene, defamatory, in violation of the copyright, trademark right or other intellectual property right of any third party, or otherwise inappropriate or incorrect. The following are examples of content that may be removed by HRA staff before or shortly after being published:

- Potentially libelous comments
- Obscene or racist comments
- Personal attacks, insults, or threatening language
- Plagiarized material
- Private, personal information published without consent
- Comments totally unrelated to the topic of the forum
- Commercial promotions or spam
- Hyperlinks to material that is not directly related to the discussion

Personal Social Media Use

The Brainerd HRA respects employees and agents' rights to post and maintain personal websites, blogs and social media pages and to use and enjoy social media on their own personal devices during non-work hours. The HRA requires employees and agents to act in a prudent manner with regard to website and internet postings that reference the Brainerd HRA, its personnel, its operation or its property. Employees and agents and others affiliated with the HRA may not use the Brainerd HRA brand, logo or other HRA identifiers on their personal sites, nor post information that purports to be the position of the HRA without prior authorization.

HRA employees and agents are discouraged from identifying themselves as HRA employees when responding to or commenting on blogs with personal opinions or views. If an employee chooses to identify him or herself as an HRA employee and posts a statement on a matter related to HRA business, a disclaimer similar to the following must be used:

“These are my own opinions and do not represent those of the Brainerd HRA.”

Occasional access to personal social media websites during work hours is permitted, but employees and agents must adhere to the guidelines outlined in the HRA's Employee Handbook. Employees and agents should also review the Data Ownership section of this policy (below).

There may be times when personal use of social media (even if it is off-duty or using the employee's own equipment) may spill over into the workplace and become the basis for employee coaching or discipline. Examples of situations where this might occur include:

- Friendships, dating or romance between co-workers
- Cyber-bullying, stalking or harassment
- Release of confidential or private data; if there are questions about what constitute confidential or private data, contact the Executive Director.
- Unlawful activities
- Misuse of HRA-owned social media
- Inappropriate use of the HRA's name, logo or the employee's position or title
- Using HRA-owned equipment or HRA-time for extensive personal social media use

Each situation will be evaluated on a case-by-case basis because the laws in this area are complex. If you have any questions about what types of activities might result in discipline, please discuss the type of usage with the Executive Director.

Data Ownership

All social media communications or messages composed, sent, or received on HRA equipment in an official capacity are the property of the HRA and will be subject to the Minnesota Government Data Practices Act. This law classifies certain information as available to the public upon request. The Brainerd HRA also maintains the sole property rights to any image, video or audio captured while a HRA employee is representing the HRA in any capacity.

The HRA retains the right to monitor employee's social media use on HRA equipment and will exercise its right as necessary. Users should have no expectation of privacy. Social media is not a secure means of communication.

Policy Violations

Violations of the Policy will subject the employee to disciplinary action up to and including discharge from employment.

