

**Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
November 29, 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 1:00 p.m., Wednesday, November 29th, 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 1:00 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Patrick Wussow, Commissioners Gabe Johnson, Dale Parks, Rick Fargo, Marlee Larson, and Eric Charpentier. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Teresa Hettver, Rental Assistance Manager Tania Eller, and Executive Assistant LeAnn Goltz. Absent: Commissioners Krista Brodal.

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

Commissioner Larson made a motion to approve the minutes from the October 18, 2017, board meeting. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

4. **BILLS AND COMMUNICATIONS:**

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

College Drive Distribution

The October General Fund financial statements reflect a distribution from College Drive for \$6,913.57. The distribution allocation is based on our 42.5% ownership interest in College Drive Townhomes.

Valley View Payment

On the General Fund Balance Sheet is a receivable from Valley View for construction interest costs that the Brainerd HRA incurred for \$64,216. In October, we received a \$5,000 payment towards this receivable. It is anticipated that we will continue to take a payment towards this receivable annually. The primary mortgage on this property at Wells Fargo matured this month, which will increase capacity for repayment of the receivable.

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

- b. **HCV Programs Report:** Eller presented the HCV Report, Bridges Report, and the FSS Report. She informed the Board that the Unit Months Leased (UML) through October is averaging 98% and HAP utilization through October is at 88%, which is where we should be.



The waiting list is down to 38 families, all of which are non-preference. This means they live outside Crow Wing County and would have to move here to utilize their voucher. We plan to reopen the waiting list the beginning of next year.

VASH Voucher Update

Staff met with the St. Cloud Veterans Administration (VA) early this week, but they will not provide a letter of support. The Point in Time (PIT) count from last year shows there aren't any homeless vets in our area, because local providers were unaware of the required form they should use to report them. We did get letters of support from several other organizations in our area.

Chair Wussow suggested that staff send a letter to our delegation in Washington that explains the situation.

Commissioner Fargo made a motion for staff to submit the VASH Voucher application regardless of the required letter of support from the St. Cloud VA and to send a letter to our Washington delegates that explains the situation. Commissioner Larson seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.

- c. **Public Housing Report:** Hettver presented the Vacancy Report, Monthly Property Performance Report, and the ROSS Program Report.

A HUD contracted REAC Inspector will be conducting an inspection of our public housing units and tenant files on December 4th, 2017. This is a scoring year and our maintenance staff have been very busy in the month of November conducting pre-inspections of every unit and completing any work orders found.

Bergman also informed the Board that HUD has locked our 2017 capital funds and staff cannot access them. It has been very difficult as HUD's representative is not being responsive.

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

Destination Downtown Brainerd

The three finalists for the Destination Downtown competition were announced in October: Brainerd Distillery, Last Turn Saloon and Event Center, and the Purple Fern Bath Company. At the Chamber Event held on November 16th, Purple Fern Bath Company was announced as the winner of the Destination Downtown competition. They will be opening by July 1st and will be moving into the old Chet's building, currently Phelps. Purple Fern Bath Company will sell bath products but will also hold classes for people to make their own bath products. Bergman met with the owner today to discuss rent subsidy. They determined that the HRA will begin providing subsidy to the Purple Fern Bath Company in May in the form of a deferred loan with a repayment agreement.

Sarah Hayden Shaw is purchasing the Iron Rail and she is asking for assistance from the City of Brainerd for SCDP funds and also from the CWC HRA for asbestos abatement. Tenants will be vacating by end of December.

Commissioner Johnson made a motion to state that the Brainerd HRA is in favor of providing rent subsidy for another business if they do the contest again next year. Commissioner Fargo seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.



Bergman also reported that Brainerd is in the top 20 for Main Street Small Business Revolution. She went on a walking tour of downtown Brainerd with the future administrator of Brainerd, Mayor Menk, and Jim Thoreen. They felt the HRA's investment is really beginning to be visible.

Downtown Tour

We held our Downtown Tour on November 2nd with stops in Fergus Falls, Fargo, and Detroit Lakes where staff from each City and/or HRA met us to discuss what they have done to revitalize their downtowns. Sixteen people attended the tour including representatives from the City of Brainerd, Brainerd Restoration, Brainerd HRA, BLAEDC, Brainerd Community Action, Region 5, River to Rails Initiative, the Brainerd Lakes Area Community Foundation, and WSN. The tours were interesting but even more beneficial were the conversations that occurred on the bus after each visit. We also held a debriefing meeting to discuss the tour. One of the biggest takeaways was that those communities who planned and had a clear vision for their revitalization had more success. The group believed it was important to take a look at what is here (infrastructure, parking, traffic counts, types of businesses, etc.), determine what the need is (market study and discussions with developers), and then create a plan. The group decided that the next steps should be to work through the River to Rails Initiative to keep everyone working in the same direction. Bergman shared an outline for next steps based on the conversation at the debriefing.

River to Rails Initiative

Bruce Buxton has held a few meetings regarding the River to Rail Initiative. He formed a steering committee to guide the initiative and invited all of the downtown property and business owners to attend a presentation.

City Administrator Interviews

Interviews for the City Administrator were held on November 15th. Department heads met with both candidates in the morning and the City Council conducted interviews in the afternoon. The City Council offered the position to Cassandra Torstenson. They anticipate authorizing the Administrator Agreement at their November 20th meeting with an anticipated start date of January 2nd.

NAHRO SPAG (Strategic Planning Advisory Group)

At the NAHRO Conference in Pittsburg, Bergman took her oath of office as the Chair of the Strategic Planning Advisory Group (SPAG) and because of this position, she will also be a member of the NAHRO Steering Committee and an ex-officio member of the NAHRO Board. She anticipates this will consist of monthly conference calls and meetings at national conferences.

Performance Evaluation

Bergman provided the Board with a copy of the 2017 performance evaluation. Chair Wussow asked the Board to get their evaluations done in a timely manner.

Rehab Update

John Schommer is working with the County on acquiring the property at 601 South 10th. He also has some recommended changes on the Tax Forfeit Policy, which will be brought to the December meeting.

Commissioner Fargo reported that the house on 13th and Maple has been officially condemned by the City.



Bergman spoke with the managers of Marsh Run about Outlot F. They are interested in the property and will get back to us. She also met with the Park Board and they thought a community garden might be nice.

5. REPORTS FROM COMMITTEES:

- a. Brainerd Riverfront Committee (BRC):** Bergman gave a presentation to the BLACF grants committee about the progress made in the first and second year. The Year 3 grant will be paid to the City quarterly. Ruthie Gmeinder suggested tracking the hours the HRA spent on the riverfront project in the past two years. Bergman will bring that information along with the resolution that we will be bringing back to the Board in December.

Bekah Kent completed her work and she provided the BRC with an Achievement Plan; Project Toolkit that includes a template for planning, documentation, and implementing a riverfront project; and Project Panorama, which is a tool for project tracking that can be used with the existing website.

Bergman also commended Rod Osterloh for all the work he has done. He alone convened a meeting with key players to help with park designation (City of Brainerd, Baxter, School District, etc.). He has played an important role in the BRC's success.

6. UNFINISHED BUSINESS: Nothing to report.

7. NEW BUSINESS:

- a. Approval of General Fund Mortgage Renewal with Wells Fargo:** The General Fund mortgage on the office building matures on 12/09/2017 with one five-year term remaining. We are working with Wells Fargo on renewing the mortgage for the remaining term. Wells Fargo does not yet have the loan documents drafted, but it has been communicated to us that the terms should essentially remain the same with one five-year term at an interest rate of 3.95%. The principal balance will be around \$99,000. The closing is scheduled for December 6th at 10:00 a.m.

The Public Housing mortgage on the office building also matures on 12/09/2017 with the principal paid in full and no terms remaining.

Commissioner Johnson made a motion to authorize the Board Chair or Vice Chair and Executive Director to sign the General Fund mortgage renewal on the office building. Commissioner Fargo seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

- b. Approval of Copier Disposal:** Per the Disposition Policy, personal property belonging to the Brainerd HRA shall not be destroyed without the prior approval of the Board of Commissioners. We recently purchased a new upstairs copier and shifted that copier downstairs and the downstairs copier to the North Star. The existing North Star copier was originally purchased for \$3,250 in 2002 for the Section 8 offices. The copier is 15 years old and has no salvage value.

Staff requested the Board's approval for the disposal of the copier at the North Star.



Commissioner Parks made a motion to approve the disposition of copier at North Star office. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

- c. **2018 Budget Approval:** Young provided the Board with the 2018 budgets for the General Fund, Housing Choice Voucher Program, and Public Housing. She informed the Board that federal program funding for Housing Choice Voucher and Public Housing are not known at this time and are based on estimates. The rates for employee health insurance increased by 7% and a 2% annual adjustment to wages is included in the budget for all permanent, full-time positions.

Commissioner Johnson made a motion to approve the General Fund Budget and HCV Budget as presented. Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

Commissioner Johnson made a motion for non-resident Brainerd HRA Board members to no longer take per diems and instead put that money in a committed fund for Downtown Brainerd. Commissioner Parks seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

Commissioner Johnson made a motion to approve a 2% increase for staff in 2018 as outlined in the budgets. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

Commissioner Johnson made a motion to approve the Public Housing Budget and adopt Resolution No. 2017-11 PHA Board Resolution Approving Operating Budget. Commissioner Fargo seconded the motion. Via roll call, all commissioners voted in favor of the motion and none were opposed. The motion was approved.

8. **COMMISSIONER COMMENTS:** Commissioner Fargo shared that he was chosen to be on the City of Brainerd Comprehensive Plan Steering Committee. Their first meeting is next Thursday. Commissioner Fargo informed the others that Northern Pines received a grant to help with homelessness. Commissioner Johnson reported that the City hired a new administrator and he will invite her to the January board meeting. Also, he talked to Josh Heintzeman and will continue working to get money for the City. Chair Wussow requested that performance evaluations for Bergman be returned to him before the end of December.
9. **NEXT MEETING:** Wednesday, December 27, 2017
10. **ADJOURN:** Commissioner Larson made a motion to adjourn the meeting. Commissioner Parks seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 3:01 p.m.

This page has been intentionally left blank.