

**Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
September 26, 2018**

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the City of Brainerd, Minnesota, was held at 1:00 p.m., Wednesday, September 26, 2018, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Marlee Larson called the meeting to order at 12:58 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Larson, Commissioners Gabe Johnson, Eric Charpentier, Ashley Storm, Bekah Kent, and Patrick Wussow. Others present include Executive Director Jennifer Bergman, Finance Director Karen Young, Rental Assistance Manager Tania Eller, Housing Manager Teresa Hettver, and Executive Assistant LeAnn Goltz. Absent: Krista Brodal.
3. **INTRODUCTION:** Terry Quick, Maintenance Supervisor was introduced to the Board by Bergman.
4. **READING AND APPROVAL OF MINUTES:**

Commissioner Wussow made a motion to approve the minutes from the August 22nd, 2018, board meeting. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

Commissioner Wussow also made a motion to approve the minutes from the September 11th, 2018, special board meeting. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

5. **UNFINISHED BUSINESS**
 - a. **Discussion on Brainerd South:** Bergman provided the Board with background information about the Brainerd South property and its origination in the early 1990s through a grant program. This program was created in response to the Low-Income Housing Preservation and Resident Homeownership Act (LIHPRHA) and was designed to facilitate tenant ownership and local non-profit ownership of properties. Bergman provided a summary as told by the developer, Harold Teasdale. Because the origination and ownership structure is so unique, Bergman suggested having Mr. Teasdale come to a future meeting to speak with the Board. This would provide a better understanding and allow the Board to get any questions answered. She offered to contact him.
6. **NEW BUSINESS**
 - a. **Adopt 2019 Payment Standards:** Fiscal Year 2019 Fair Market Rents (FMRs) were published and Eller provided them to the Board. Our payment standards are required to fall between 90 and 110 percent of the FMRs.



Currently, our payment standards are low and tenants are having problems finding housing. We have 93 families paying over 30% of their adjusted income toward rent and 32 families paying over 40%. At the director’s meeting Bergman attended on Wednesday, she discovered that all of the agencies at the table have their payment standards set at or above 100% of the FMR.

Staff proposed to increase the payment standards for November 1, 2018, as follows:

Bedroom Size	0	1	2	3	4	5
Current Payment Standard	\$470	\$570	\$740	\$999	\$1,007	\$1,267
% of current FMR	90.3%	93%	91.4%	96.7%	89%	97.3%
Proposed Payment Standard	\$494	\$582	\$769	N/C	\$1,075	N/C
% of Current Payment Standard	95%	95%	95%	96.7%	95%	97.3%

This increase would put all of our payment standards at 95% of the FMRs, with the exception of the three-bedroom payment standard, which is currently at 96.7%, and the five-bedroom payment standard, which is currently at 97.3%. Eller reported that the financial impact of the proposed increase, based on current voucher holders, is approximately \$27,768 over a 12-month period.

Commissioner Johnson made a motion to adopt the 2019 Payment Standards as recommended by staff. Commissioner Storm seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

7. BILLS AND COMMUNICATIONS:

- a. **Financial Report:** Young provided the Board with the financial information for August 2018. In addition, she reported the following:

Health Insurance Increase

We recently received the 2019 health insurance rate information from the City. Rates will increase about 8.69% for 2019, which is an increase in the budget of approximately \$15,130 that will be spread across the funds. This will be reflected in the budgets presented at the November meeting.

Banking RFP

In August, we solicited five local institutions to participate in a Banking RFP for the Brainerd HRA. We have not received back any submitted proposals. This week we issued an amendment to the RFP and advertised it publicly in the newspaper. The amendment to the RFP adjusts the schedule and extends the due date to October 26th to accommodate the public advertisement. This follows proper procurement procedures for an RFP.



Young stated the evaluations need to be done by November 16th and asked if anyone on the Board would like to be part of the proposal review and evaluation process. Commissioner Johnson offered to take part.

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

- b. **HCV Programs Report:** Eller reported that the Unit Months Leased (UML) through September was 99% and HAP utilization was 66%. The FSS grant has still not been released.
- c. **Public Housing Report:** The fire restoration project began at the North Star Apartments on Monday, September 17th. It is expected to be completed within the next 60 days.
- d. **Executive Director Report:** Bergman reported on the following items:

2019 HRA Levy

The City Council passed a resolution on September 17th setting the City's preliminary levy, including the Brainerd HRA's levy in the amount of \$126,888.

ACC Changes

HUD adopted some changes to the Annual Contributions Contract (ACC). When the PHAs draw down Capital Funds in LOCCS, they automatically agree to the changes. Bergman provided the Board with a letter HUD sent to all executive directors. In addition, she attached a notice from PHADA which provided a brief summary of the changes to the ACC.

Destination Downtown Brainerd 2.

We received 73 applications for the Destination Downtown 2 competition. The judges reviewed the applications and have narrowed the field to 11. The judges met again on September 20th to narrow it down to three businesses. The winner will be announced at the Chamber Annual Event on November 15th.

HCV Program

The Brainerd HRA is required to inspect all units that received rental assistance through our Housing Choice Voucher (HCV) program. Quality control inspections are required to be conducted at 10% of all units. In August, it was brought to Bergman's attention that it was suspected that there were five inspections that were not inspected; however, inspection report forms were completed and in the file. Eller conducted those quality control inspections and confirmed that they were not inspected. All five units passed. Bergman also conducted a thorough investigation and as a result, the rental assistance specialist was terminated. She also asked our colleagues at the Fergus Falls HRA to audit our HCV program and two of the HCV staff will be reviewing our files on October 5th.

The Board had a discussion about the issue and suggested informing our auditors of the situation, what corrective measures we are taking, and asking for their recommendations. The Board will have a follow-up discussion in the near future.

Bergman also reported that the Crow Wing County Board authorized the CWC HRA's levy in the amount of \$98,500.



- e. **Rehab Programs Report:** The NE SCDP rehab grant will be starting up soon.

8. POLICY REVIEW & APPROVAL

- a. **Check Signing Policy:** The purpose of the Check Signing Policy is to establish a policy that identifies those people who are authorized to sign and issue checks on behalf of the Brainerd Housing and Redevelopment Authority and to update instructions to depositories so that there is a clear understanding regarding this matter.

Commissioner Johnson made a motion to approve Resolution No. 2018-17 amending the Check Signing Policy. Commissioner Storm seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved.

- b. **Funds Transfer:** The purpose of the Funds Transfer Policy is to designate the positions that have the authority to transfer funds on behalf of the Brainerd Housing and Redevelopment Authority and to update account access and controls with depositories on who may transfer funds.

The Board suggested including procedures for wire transfers and asked staff to return with an amended policy.

- c. **Investment Policy:** The purpose of the Investment Policy is to maximize the return on all Brainerd Housing and Redevelopment Authority reserves by investing the maximum amount of money not needed for operations in prudent investment vehicles.

Commissioner Johnson made a motion to approve Resolution No. 2018-19 amending the Investment Policy. Commissioner Kent seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved.

- d. **File Access Internal Controls Policy and Procedures:** The purpose of the File Access & Internal Controls Policy is to ensure the confidentiality of each client by following all regulations regarding client access, staff access, consent to release of information, and storage resident files.

Commissioner Charpentier made a motion to approve Resolution No. 2018-20 adopting the File Access & Internal Controls Policy. Commissioner Storm seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved.

- 9. **COMMISSIONER COMMENTS:** Bergman encouraged the Board to attend the informational session scheduled for 6:00 p.m. on Oct. 1st, just before the City Council meeting. The topic covered will be tax abatement and TIF.

- 10. **ADJOURN:** The next meeting was scheduled for October 24th, but Bergman requested to move the meeting to October 31st as she would not be able to attend. The Board was agreeable.

Commissioner Wussow made a motion to adjourn to the October 1st joint informational session, 6:00 p.m. at the Brainerd City Hall Council Chambers. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 1:50 p.m.

