

Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
Wednesday, April 24, 2019

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, April 24th, 2019, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. CALL TO ORDER: Chair Larson called the meeting to order at 1:00 p.m.

2. ROLL CALL:

Board members present: Chair Marlee Larson, Commissioners Patrick Wussow, Eric Charpentier, Gabe Johnson, and Ashley Storm. **Others present:** Executive Director Jennifer Bergman, Housing Manager Shannon Fortune, Rental Assistance Manager Tania Eller, Executive Assistant LeAnn Goltz, and Mary Reedy from CliftonLarsonAllen. **Absent:** Commissioners Rebekah Kent and Krista Brodal.

3. PRESENTATION OF THE 2018 BRAINERD HRA AUDIT: Mary Reedy from CliftonLarsonAllen (CLA) presented the 2018 audit and provided bound copies to the Board. The report expressed an unmodified opinion with no findings, misstatements, or compliance issues.

4. READING AND APPROVAL OF MINUTES:

Commissioner Wussow made a motion to approve the minutes from the March 27th, 2019, 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: Nothing to report.

6. NEW BUSINESS:

a. Discuss 2019 Destination Downtown Competition: The Brainerd Lakes Chamber will be leading the third and final Destination Downtown Brainerd competition. This year, the steering committee decided to offer prizes to the winner, the runner-up, and the second runner-up.

The Brainerd HRA provided the winner with a rent subsidy for one year in the amount of 50% of the rent or \$6,000, whichever is less, in the past two competitions. Staff requested that the Board have a discussion to determine what prize would be contributed for the 2019 competition.

The Board had budgeted \$26,000 in 2019 for downtown initiatives (of which approximately \$6,000 was from the board members' stipends). They had a discussion about the prize amounts and were in agreement that dedicating the funds would be beneficial.

Commissioner Johnson made a motion to provide the first place winner of the 2019 Destination Downtown Brainerd competition with a rent subsidy for one year in the amount of 50% of the rent or \$8,000, whichever is less, and the second and third place winners each with a rent subsidy for one year in the amount of 50% of the rent or \$6,000, whichever is less. Commissioner Wussow seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

Commissioner Wussow requested that staff send a press release about the prize amounts set aside for the competition.

- b. Adopt Resolution 2019-03 Adopting the Post Issuance Debt Compliance Policy:** The Brainerd HRA currently has one lease revenue bond issued on behalf of ISD 181. The Brainerd HRA issued \$4,330,000 in lease revenue bonds on behalf of ISD 181 to acquire and rehab the former Super One store for the Early Childhood Family Education building. The Brainerd HRA, in turn, entered into a lease agreement with ISD 181. The bonds were refunded in 2014 in the amount of \$2,175,000 and will be paid off in 2022. Once the bonds are paid in full, the property will revert to ISD 181.

Ehlers assisted the Brainerd HRA with updating our Post Issuance Debt Compliance policy based on the requirements set forth by the IRS and the SEC. We have had several conversations with Ehlers to make sure that the Brainerd HRA is in compliance with this policy. Ehlers will be drafting a checklist for us to send to ISD 181 to complete to provide us with assurances that they are in compliance with our policy.

Commissioner Johnson moved to adopt Resolution 2019-03 adopting the Post-Issuance Debt Compliance Policy for Tax-exempt and Tax-advantaged Governmental Bonds. Commissioner Charpentier seconded the motion. Via roll call, all commissioners voted in favor of the motion and none were opposed. The motion passed.

- c. Authorize Letter of Support for the Children’s Museum:** The Board of Directors of the Region 5 Children’s Museum released a Request for Proposal (RFP) containing the process and search criteria for site selection of the permanent location for the new museum. The City of Brainerd will be responding to the RFP and is requesting letters of support from community partners. A draft letter of support was provided to the Board.

Commissioner Charpentier made a motion to authorize the executive director to send the Children’s Museum Letter of Support to the City of Brainerd. Commissioner Storm seconded the motion. Commissioner Wussow abstained from voting with the remaining commissioners voting in favor of the motion. None were opposed and the motion passed.

7. BILLS AND COMMUNICATIONS

- a. Financial Report:** The Crow Wing County HRA audit has been finalized and CLA issued an unmodified Auditor’s Report with no findings or misstatements. The audit will be presented to the CWC HRA Board at their May meeting. The Brainerd South compilation was completed by CLA and they issued a Compilation Report with no findings. The unaudited information was due to REAC by March 31st. The information was submitted and accepted.

Bergman added that Young attended procurement training last week.

Commissioner Wussow made a motion to approve the 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/Section 8:** Eller reported that HAP utilization through March was 99% and Unit Months Leased was 26%. Reports for the Bridges Program and FSS Program were provided. An FSS participant graduated early from the program due to becoming over income and giving up her voucher. She received her escrow in the amount of \$5,060.38. She gained her RN degree and accepted a full-time position while on the program. The participant sent an email and wanted it shared with the Board.

“Thank you! I am very proud of myself. It was not an easy road that is for sure! I have been here for four months now and I am very happy in my position, which is why I accepted the position even with it being a longer drive. So, I do not see me leaving this position in the next six months. I think closing out would be the best option for me at this time. Thank you for all you have done & all the support you have shown me throughout the years.”

- c. **Public Housing Report:** Fortune provided Vacancy and Property Performance Reports to the Board. She also reported that interviews for the ROSS service coordinator were completed and a candidate was selected. Erik Warner begins in the position on May 6th. A performance report for the period of 9/18/18 through 3/17/19 was submitted to close out the 3rd year of the FY15 ROSS grant. This report is less than a full 12 months because the FY18 funding started on 3/18/19. made an offer to one of the candidates.
- d. **Executive Director Report:** Bergman shared the following with the Board:

Staffing Changes

Teresa Hettver accepted the executive director position at Aitkin County and Shannon Fortune is the new housing manager. In addition, Deanna Heglund, assistant director of the Crosby HRA, announced she will be retiring on May 31st. Her position was restructured and Mallory Smith from DW Jones has accepted the new housing specialist position. She will begin her employment on April 29th. She will spend the first week working at the Brainerd HRA.

NAHRO Legislative Conference - DC

Bergman attended the NAHRO Legislative Conference in Washington DC in April. It was a very productive conference having sessions with the HUD leadership on both the Public Housing and Housing Choice Voucher programs. In addition, she spent a day on the Hill meeting with our delegation. She had the opportunity to meet Representative Stauber along with the executive director of the Itasca County HRA and Duluth HRA to discuss the importance of their programs.

Telecommunication Towers on the North Star

Staff continues to work with Verizon on their request to place a cell tower on the North Star. Since there is a lien against the property for the POHP program which is funded with GO bonds, permission must be given by both Minnesota Housing and the office of Minnesota Management and Budget (MMB). We are awaiting their review of our request to enter into a lease with Verizon. In addition, we received a request from AT&T to do some upgrades to the equipment currently on the North Star. John Luce, our telecommunications coordinator, has been invaluable in these negotiations on our behalf.

River to Rail Incentives

The City Council is holding a special meeting on Monday, April 29th at 7:30 p.m. to discuss the Children’s Museum RFP as well as an incentive package proposed by Bruce Buxton. Since Tax Increment Financing is one of the proposed tools, Bergman encouraged the Brainerd HRA board members to attend the work session.

Opportunity Zone Training

Bergman and Tyler Glenn from BLAEDC attended an Opportunity Zone training on April 17th. Although the training was more focused on the investor, she was able to connect with a couple of developers to discuss opportunities in Brainerd.

Bergman shared that she has been asked to sign a non-disclosure agreement with a developer who is purchasing a property in downtown Brainerd.

Creating a Performance Based Culture Training

The City of Brainerd sponsored a Performance Based Culture Training and all of our staff attended. Bergman felt it was a valuable training and provided the Board with the survey results of the 8 Factors of Engagement

- e. **Rehab Update:** Schommer provided a report updating the Board on the progress of the SCDP NE Brainerd grant, MHFA loans, and the Brainerd Oaks/Serene Pines development.

- 8. **Commissioner Comments:** Nothing to report.

- 9. **Adjournment:**

Commissioner Johnson made a motion to adjourn to the City Council special meeting on Monday, April 29th at 7:30 p.m in the Council Chambers. 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 2:19 p.m.