

Crow Wing County HRA

AGENDA

5:00 p.m. Tuesday, February 11th, 2020

Crow Wing County Jinx Ferrari Room

(Located on 2nd floor of the Historic Courthouse, 326 Laurel Street, Brainerd, MN)

“Our mission is to support the creation and preservation of affordable housing, economic development, and redevelopment projects towards a more vibrant Crow Wing County.”

AGENDA

1. **CALL to ORDER**
2. **ROLL CALL**
3. **REVIEW and APPROVE MINUTES** (*Attachment 1*)
4. **REVIEW and ACCEPT FINANCIAL STATEMENTS** (*Attachment 2*)
5. **UNFINISHED BUSINESS**
6. **NEW BUSINESS**
 - a. Review Committed Fund Balance (*Attachment 3*)
 - b. Approve Designation of Official Depository (*Attachment 4*)
7. **REPORTS**
 - a. Executive Director (*Attachment 5*)
 - b. Brainerd HRA/Rehab Programs (*Attachment 6*)
 - c. BLAEDC
 - d. CWC
8. **NEXT MEETING AGENDA TOPICS:** Tuesday, March 10, 2020
9. **ADJOURNMENT**

2020 Commissioners

Theresa Goble - District 1 (12-31-22)
Michael Morford - District 2 (12-31-23)
Zach Tabatt - District 3 (12-31-24)
Craig Nathan - District 4 (12-31-20)
Michael Aulie - District 5 (12-31-21)



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Crow Wing County Housing & Redevelopment Authority Board Meeting Minutes from Tuesday, January 14th, 2020

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the County of Crow Wing, Minnesota, was held at 5:00 p.m., Tuesday, January 14th, 2020.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:00 p.m.
2. **ROLL CALL:** Chair Craig Nathan and Commissioners Theresa Goble (via video conferencing), Michael Morford, Zach Tabatt, and Michael Aulie. Also present: Interim Executive Director/Finance Director Karen Young, Executive Assistant LeAnn Goltz, and Rehab Coordinator John Schommer; Tyler Glynn, BLAEDC; and Commissioners Bill Brekken and Steve Barrows along with Debby Erickson of Crow Wing County.
3. **ANNUAL MEETING:** The Crow Wing County Board imposed term limits of two five-year terms on HRA commissioners on 9-23-08. Sharon Magnan was first appointed in 2010 and reached her term limit. Commissioner Barrows presented a certificate of appreciation to Ms. Magnan thanking her for the past 10 years of service.
 - a. **Oath of Office:** At the December 11, 2019, county board meeting, Mr. Zach Tabatt was appointed as the District 3 representative on the Crow Wing County HRA Board for a term expiring 12/31/24. An official oath of office was conducted for Commissioner Tabatt and he was welcomed.

- b. **Election of Officers for 2020:** Young asked for nominations for chair for 2020.

Commissioner Aulie nominated Commissioner Nathan for board chair. Commissioner Goble seconded the nomination. Young asked three times for any other nominations and there were none. All commissioners voted in favor and none were opposed. The motion passed and Commissioner Nathan was elected as chair.

Chair Nathan moved to the chair seat and called for nominations for vice chair.

Commissioner Goble nominated Commissioner Aulie for vice chair with a second by Commissioner Morford. Chair Nathan asked three times, but there were no other nominations. All commissioners voted in favor and none were opposed. The motion passed and Commissioner Aulie was elected vice chair.

Commissioner Goble nominated Michael Morford for secretary/treasurer, seconded by Commissioner Aulie. Chair Nathan asked three times, but there were no other nominations. All commissioners voted in favor and none were opposed. The motion passed and Commissioner Morford was elected secretary/treasurer.

- c. **Review Bylaws:** The Board reviewed the current bylaws and had no proposed changes.

4. **REVIEW AND APPROVE MINUTES:**

Commissioner Aulie moved to approve the minutes from the meeting on December 10, 2019. Commissioner Morford seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.



5. **REVIEW AND APPROVE FINANCIAL STATEMENTS:** Reflected in the December General Fund financial statements is the deposit of \$40,203.03 in property tax and other tax. The tax payments received to date for 2019 totaled \$95,716.16. The 2019 audit fieldwork is scheduled with CliftonLarsonAllen (CLA) during the week of February 3rd.

Moved by Commissioner Goble and seconded by Commissioner Aulie to accept the December 2019 financial statements as presented. All commissioners voted in favor and none were opposed. The motion passed.

6. **UNFINISHED BUSINESS:**

- a. **Consider Resolution No. 2020-01 Approving an Amendment to the Purchase and Redevelopment Agreement for LAHFH Crosby Lots:** Crow Wing County HRA recently sold LAHFH (Lakes Area Habitat for Humanity) a tax-forfeited tract through its Tax Forfeited Property Policy. The sale was delayed due to them considering trading the tract for another piece of property. As a result, the closing dates in the PDA (Purchase and Development Agreement) passed causing a need for an amendment to correct the dates. An amended PDA and resolution approving the amendment was presented to the Board.

Commissioner Aulie moved to approve Resolution No. 2020-01 allowing a first amendment of a Purchase and Redevelopment Agreement between the Crow Wing County HRA and Lakes Area Habitat for Humanity. Commissioner Tabatt seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved.

7. **NEW BUSINESS:**

- a. **Consider BLAEDC and CREDI Agreements for Professional Services:** The 2020 budget approved by the Board included using levy dollars for funding economic development and redevelopment services of \$87,000 to the Brainerd Lakes Area Economic Development Corporation (BLADC) and \$25,000 to Cuyuna Range Economic Development Inc. (CREDI). As such, staff worked with Attorney Martha Ingram and Tyler Glynn from BLADC to draft Agreements for Professional Services for both organizations.

A significant factor in drafting the agreements is that all of the funds provided to BLADC and CREDI from the CWC HRA must be used on eligible activities per the HRA statute. Monthly reports on activities and progress will be provided to the CWC HRA from both organizations and certification that all funds were expended on authorized activities.

The Board reviewed the agreements and requested the agreement be revised to state the date of the first payment shall be July 15, 2020, rather than July 1, 2020.

Moved by Commissioner Aulie and seconded by Commissioner Goble to approve Resolution No. 2020-02 as amended, approving the Agreements for Professional Services between the CWC HRA and BLADC. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved.

Moved by Commissioner Tabatt and seconded by Commissioner Morford to approve Resolution No. 2020-03 as amended, approving the Agreements for Professional Services between the CWC HRA and CREDI. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved.



8. **REPORTS:**

a. **Interim Executive Director:**

Executive Director Search

The Brainerd HRA Board met with Gary Weiers from DDA Human Resources, Inc., at their December 18th board meeting to finalize the position profile and hiring process for an executive director. The position will be advertised and open from January 6th to February 3rd and interviews will be conducted on February 26th. The interview process will include one member from the CWC HRA Board and one member from the Crosby HRA Board. The two members from CWC HRA and Crosby HRA can provide input but will not take part in the candidate selection.

Workforce Housing Study

The Workforce Housing Task Force met on December 19th to discuss draft recommendations. The first draft of the Workforce Housing Study is expected on January 9th and the task force will meet again on January 23rd. The final study will be presented by Kristen Fish-Peterson from Redevelopment Resources at the February CWC HRA board meeting. Commissioner Brekken suggested having multiple community meetings to share the study and recommendations.

Housing Trust Fund Ordinance

At the December meeting, the Board authorized staff to present the Housing Trust Fund Ordinance at the January 21st Committee of the Whole. The County Board will set a public hearing date at their January 28th meeting, which will likely be February 11th.

- b. **Brainerd HRA/Rehab Programs:** Schommer reviewed his report. He informed the Board that the Brainerd HRA was not successful in obtaining a grant through Federal Home Loan Bank. He also reported that the new rehab specialist, Roxanne Hurt, started employment last week.
- c. **BLAEDC:** Glynn reminded the Board that they may appoint a liaison to attend BLAEDC's board meetings, which take place the second Friday of each month at 8:00 a.m. Commissioner Morford expressed interest but will need to check his schedule. Glynn reported that they received two more applications for BUF loans. He will begin bringing financial reports to each board meeting starting next month. Mike Bjerkness has been busy and currently is working to fill six positions. In addition, a decision will be made this week by the BLAEDC Board on which applicant will be selected for its executive director.
- d. **Crow Wing County:** Commissioner Brekken has been getting calls about immigration and what position the County will be taking. He will be looking into it. The Board had a discussion about immigration and what it means for the workforce.

9. **FEBRUARY 11TH MEETING AGENDA TOPICS:** Report on executive director search; WFH study

10. **ADJOURNMENT:**

Commissioner Aulie moved to adjourn the meeting. Commissioner Morford seconded the motion. All commissioners were in favor and none were opposed. The motion was approved at 5:58 p.m.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: February 5, 2020
Re: Review & Accept Financial Statements

Please find attached the financial information for January 2020.

2019 Audit

The 2019 audit fieldwork was conducted by CliftonLarsonAllen (CLA) during the week of February 3rd.

City of Ironton Local Income Payment

The Board took action at the October 2018 board meeting approving the use of \$10,000 from Local Income as leverage to support the preliminary SCDP application for the City of Ironton. This grant was awarded by DEED and a request was made from the City of Ironton for the \$10,000 in leverage dollars. Reflected in the January financial statements is the payment to the City of Ironton of \$10,000 from Local Income.

Action Requested: Accept the January financial statements as submitted.

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Date/Time roberta
2/6/2020 12:40:33 PM

Crow Wing County
CWC HRA Combined Balance Sheet
January, 2020

Cumulative

	Cumulative
ASSETS	
556-000-1120.000 A/R Other - Dev	288.12
550-000-1121.000 Taxes Receivable	1,436.25
550-000-1129.210 Cash Gen Fund	187,037.39
550-001-1129.210 Cash CWC SCDP	35,491.60
551-002-1129.210 Cash RLF TIF	296,519.93
556-000-1129.210 Cash Development Fund	-288.12
557-000-1129.210 Cash Tax Forf Property	-3,123.57
551-002-1141.000 Loans Rec RLF TIF	64,258.67
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	7,412.00
556-000-1450.000 Land Held for Resale	549,925.67
TOTAL ASSETS	<u>1,186,957.94</u>
LIABILITIES	
550-000-2600.000 Def Inflow of Resources	-8,848.25
556-000-2600.000 Def Inflow of Res - Dev	-549,925.67
TOTAL LIABILITIES	<u>-558,773.92</u>
SURPLUS	
550-000-2700-000 Net Income	42,719.65
550-000-2806.000 Retained Earnings	-670,903.67
TOTAL SURPLUS	<u>-628,184.02</u>
TOTAL LIABILITIES & SURPLUS	<u>-1,186,957.94</u>
Proof	0.00

Crow Wing County
CWC HRA Combined Operating Stmt
January, 2020

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3610.000 Investment Earnings	-163.78	-163.78	0.00	-163.78
550-000-3690.000 Other Revenue	0.00	0.00	-2,250.00	2,250.00
551-002-3610.000 RLF TIF Interest Rev	-533.98	-533.98	-930.84	396.86
556-000-3696.000 Development Revenue	0.00	0.00	-15,933.33	15,933.33
557-000-3696.000 TFP Revenue	0.00	0.00	-833.33	833.33
TOTAL INCOME	-697.76	-697.76	-19,947.50	19,249.74
EXPENSE				
550-000-4110.000 Administrative Salaries	375.00	375.00	375.00	0.00
550-000-4130.000 Legal	0.00	0.00	833.33	-833.33
550-000-4140.000 Staff Training	0.00	0.00	125.00	-125.00
550-000-4150.000 Travel	0.00	0.00	20.83	-20.83
550-000-4172.000 Management Fees	12,500.00	12,500.00	12,500.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	16.67	-16.67
550-000-4500.000 TIF Expense	0.00	0.00	50.00	-50.00
550-000-4510.000 Insurance	1,579.00	1,579.00	175.00	1,404.00
550-000-4540.000 Employer FICA	28.70	28.70	29.17	-0.47
550-000-4590.000 Other General Expense	0.00	0.00	11,833.33	-11,833.33
550-001-4600.000 CWC SCDP Expense	10,000.00	10,000.00	2,250.00	7,750.00
556-000-4600.000 Development Expense	0.00	0.00	15,933.33	-15,933.33
557-000-4600.000 TFP Expense	0.00	0.00	833.33	-833.33
TOTAL EXPENSE	24,482.70	24,482.70	44,974.99	-20,492.29
NET INCOME(-) OR LOSS	23,784.94	23,784.94	25,027.49	-1,242.55



**Crow Wing County HRA
January 2020 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
23070	1/2/2020	MCIT	Insurance	\$ 1,579.00
23112	1/30/2020	Kennedy & Graven, Chartered	BLADC Service Agreement	\$ 448.00
23104	1/30/2020	City of Ironton	SCDP Grant - Local Income	\$ 10,000.00
23112	1/30/2020	Kennedy & Graven, Chartered	Crosby Tax Forfeit Lots	\$ 355.90
Total				\$ 12,382.90



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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Karen Young, Finance Director
 Date: February 6, 2020
 Re: Review Committed Fund Balance

The intent of the Fund Balance Policy is to define the classifications of fund balance based on the constraints placed on the use of the current fund balance. Per GASB Statement No. 54, the following classifications are established for governmental funds.

1. **Nonspendable** – fund balance not expected to be converted to cash such as inventory or prepaid expenses.
2. **Restricted** – fund balance with constraints from an external source such as TIF Revolving Loan Funds and CWC Local Income (SCDP).
3. **Committed** – fund balance constrained for a specific purpose by the HRA board prior to year-end.
4. **Assigned** – fund balance that is intended for a specific purpose by the board or executive director/finance director. These funds are neither restricted nor committed.
5. **Unassigned** – General Fund balance that is available for any purpose.

The Fund Balance Policy recommends eight to 12 months of expenses. The Board approved the 2020 General Fund budget with \$38,800 assigned as Designated from Prior Year to utilize current fund balance to offset the 2020 budget shortfall. The Board also has funds committed for Redevelopment and Housing Projects. To reach a targeted unassigned fund balance of approximately eight months, the Board would have to set the committed fund balance for Redevelopment and Housing Projects in an amount of \$36,700.

Action Requested: Approve a motion to set the committed fund balance amount for Redevelopment and Housing Projects to \$36,700.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: February 6, 2020
Re: Approve Designation of Official Depository

Pursuant to Minnesota Statute 118A.02, the Crow Wing County HRA Board shall designate as a depository of its funds, one or more financial institutions. At this time, the official depository is Bremer Bank.

Action Requested: Approve the designation of Bremer Bank as the official depository.

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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Interim Executive Director
Date: February 6, 2020
Re: Executive Director Report

Executive Director Search

The job posting for our executive director search closed on February 3rd. However, due to the candidate pool, the Board subcommittee has decided to halt the interview and hiring process at this time. We will proceed as the Brainerd HRA Board determines.

Workforce Housing Study

The Workforce Housing Task Force met on January 23rd to discuss draft recommendations. Further revisions were suggested from the Task Force and an additional meeting will be scheduled in February to review the updates. The final study will tentatively be presented by Kristen Fish-Peterson from Redevelopment Resources at the March CWC HRA board meeting.

Housing Trust Fund Ordinance

Staff presented the Housing Trust Fund Ordinance at the January 21st Committee of the Whole. The public hearing considering the adoption of the Ordinance Establishing a Housing Trust Fund in Crow Wing County is scheduled for February 25th at 9:05 a.m. in the County Board Room.

No Action Requested; Discussion Item

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehab Coordinator
 Date: February 5, 2020
 Re: Brainerd HRA/Rehab Programs Report

NE BRAINERD SCDP

Address	Type of Rehab	Units	Status
707 Laurel St.	Commercial	1	Complete
707 Laurel St.	Mixed-use	9	Bidding
212 1 st Ave. NE	Owner-occupied	1	Complete
612 2 nd Ave. NE	Owner-occupied	1	Complete
201 & 203 B St.	Rental	2	Work Write-up
419 3 rd Ave. NE	Rental	3	Work Write-up
726 4 th Ave. NE	Rental	3	Application Phase

Emily SCDP

- » 4 owner-occupied projects are complete
- » 1 project is in work write-up
- » 1 application is being processed

MHFA

- » 4 projects are in construction
- » 1 project is in work write-up

BRAINERD OAKS/SERENE PINES

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	35	3	2	6
Serene Pines	23	11	10	1	3
Dalmar Estates	7	1	1	0	1

*Originally 83 lots, two have been merged/combined into a single parcel.



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