

# Crow Wing County HRA

## AGENDA

5:00 p.m. Tuesday, March 10<sup>th</sup>, 2020

Crow Wing County Jinx Ferrari Room

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

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*“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. **PRESENTATION:** 2019 Crow Wing County HRA Audit: Mary Reedy, CliftonLarsonAllen
4. **PRESENTATION:** Workforce Housing Study for Crow Wing County - Kristen Fish-Peterson and Marisa Mutty, Redevelopment Resources
5. **REVIEW and APPROVE MINUTES** (*Attachment 1*)
6. **REVIEW and ACCEPT FINANCIAL STATEMENTS** (*Attachment 2*)
7. **UNFINISHED BUSINESS**
8. **NEW BUSINESS**
9. **REPORTS**
  - a. Executive Director (*Attachment 3*)
  - b. Brainerd HRA/Rehab Programs (*Attachment 4*)
  - c. BLAEDC
  - d. CWC
10. **NEXT MEETING AGENDA TOPICS:** Tuesday, April 14, 2020
11. **ADJOURNMENT**

### 2020 Commissioners

Craig Nathan, Chair - District 4 (12-31-20)

Michael Aulie, Vice Chair - District 5 (12-31-21)

Michael Morford, Secretary/Treasurer - District 2 (12-31-23)

Theresa Goble, Commissioner - District 1 (12-31-22)

Zach Tabatt, Commissioner - District 3 (12-31-24)



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## Crow Wing County HRA Board Meeting Minutes from Tuesday, February 11<sup>th</sup>, 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, February 11<sup>th</sup>, 2020.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:02 p.m.
2. **ROLL CALL:** Chair Craig Nathan and Commissioners Michael Morford and Zach Tabatt; Interim Executive Director/Finance Director Karen Young and Executive Assistant LeAnn Goltz; and Commissioner Steve Barrows of Crow Wing County. Absent: Michael Aulie and Theresa Goble.
3. **REVIEW AND APPROVE MINUTES:**  
  
**Commissioner Tabatt moved to approve the minutes from the meeting on January 14, 2020. Commissioner Morford seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**
4. **REVIEW AND APPROVE FINANCIAL STATEMENTS:** The 2019 audit fieldwork was conducted by CliftonLarsonAllen (CLA) during the week of February 3<sup>rd</sup>. Young reported that it was a clean audit with no findings. CLA will present the audit at the March meeting.

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.

**Moved by Commissioner Morford and seconded by Commissioner Tabatt to accept the January 2020 financial statements as presented. All commissioners voted in favor and none were opposed. The motion passed.**

5. **UNFINISHED BUSINESS:** Nothing to report.
6. **NEW BUSINESS:**
  - a. **Review Committed Fund Balance:** 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. Young informed the Board that 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.

**Commissioner Morford moved to approve a motion to set the committed fund balance amount for Redevelopment and Housing Projects to \$36,700. Commissioner Tabatt seconded the motion. All commissioners were in favor of the motion and none were oppose. The motion was approved.**



- b. **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.

**Moved and seconded by Commissioners Tabatt and Morford to approve the designation of Bremer Bank as the official depository. All commissioners voted in favor of the motion and none were opposed. The motion was approved.**

**7. REPORTS:**

- a. **Interim Executive Director:** The job posting for the executive director search closed on February 3<sup>rd</sup>. However, due to the candidate pool, the Board subcommittee decided to halt the interview and hiring process. The Brainerd HRA held a special meeting yesterday and decided to repost the position in June and will possibly revise the position profile to have more of a focus on community development and partnerships. The Board feels it is best to wait and find a candidate that is the right fit.

The Board had a discussion and concurred on the importance of finding the right person for the position.

The Workforce Housing Task Force met on January 23<sup>rd</sup> to discuss draft recommendations. Further revisions were suggested from the Task Force and an additional meeting for February 27<sup>th</sup> is scheduled 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.

Staff presented the Housing Trust Fund Ordinance at the January 21<sup>st</sup> 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 25<sup>th</sup> at 9:05 a.m. in the County Board Room.

- b. **Brainerd HRA/Rehab Programs:** Monty Jenson with Level Contracting plans to attend the next board meeting. He is interested in doing additional housing developments.
- c. **BLAEDC:** Nothing to report.
- d. **Crow Wing County:** Nothing to report.

**8. MARCH 10<sup>TH</sup> MEETING AGENDA TOPICS:** WFH study presentation and audit presentation.

**9. ADJOURNMENT:**

**Commissioner Tabatt moved to adjourn the meeting. Commissioner Morford seconded the motion. All commissioners were in favor and none were opposed. The motion was approved at 5:48 p.m.**





## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: Karen Young, Finance Director  
Date: March 4, 2020  
Re: Review & Accept Financial Statements

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Please find attached the financial information for February 2020.

**2019 Audit**

Auditors from CliftonLarsonAllen (CLA) have completed the 2019 audit (electronic copy sent separately). Mary Reedy will attend the March meeting to present the audit to the Board. Bound copies of the audit will be available at the meeting.

**Fund Balance**

At the February meeting, the Board took action committing \$36,700 for Redevelopment and Housing Projects. We discussed that this would leave approximately eight months of unassigned fund balance, which meets the recommended 8 to 12 months in the Fund Balance Policy. The calculation changed as we finalized the audit and the unassigned fund balance is approximately 8.5 months, which is within the recommended number of months per policy.

**Action Requested: Accept the February financial statements as submitted.**



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Date/Time roberta  
3/5/2020 7:31:09 AM

**Crow Wing County**  
**CWC HRA Combined Balance Sheet**  
**February, 2020**

	<b>Cumulative</b>
<b>ASSETS</b>	
556-000-1120.000 A/R Other - Dev	288.12
550-000-1129.210 Cash Gen Fund	174,182.15
550-001-1129.210 Cash CWC SCDP	35,491.60
551-002-1129.210 Cash RLF TIF	298,160.31
556-000-1129.210 Cash Development Fund	-288.12
557-000-1129.210 Cash Tax Forf Property	-3,832.17
551-002-1141.000 Loans Rec RLF TIF	63,136.03
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
<b>TOTAL ASSETS</b>	<b><u>1,172,475.59</u></b>
<b>LIABILITIES</b>	
550-000-2600.000 Def Inflow of Resources	-7,412.00
556-000-2600.000 Def Inflow of Res - Dev	-549,925.67
<b>TOTAL LIABILITIES</b>	<b><u>-557,337.67</u></b>
<b>SURPLUS</b>	
550-000-2700-000 Net Income	55,765.75
550-000-2806.000 Retained Earnings	-670,903.67
<b>TOTAL SURPLUS</b>	<b><u>-615,137.92</u></b>
<b>TOTAL LIABILITIES &amp; SURPLUS</b>	<b><u>-1,172,475.59</u></b>
Proof	0.00

**Crow Wing County**  
**CWC HRA Combined Operating Stmt**  
**February, 2020**

	<b>Current Period</b>	<b>Current Year</b>	<b>Year To Date Budget</b>	<b>Variance</b>
<b>INCOME</b>				
550-000-3610.000 Investment Earnings	-142.98	-306.76	0.00	-306.76
550-000-3690.000 Other Revenue	0.00	0.00	-4,500.00	4,500.00
551-002-3610.000 RLF TIF Interest Rev	-517.74	-1,051.72	-1,861.68	809.96
556-000-3696.000 Development Revenue	0.00	0.00	-31,866.66	31,866.66
557-000-3696.000 TFP Revenue	0.00	0.00	-1,666.66	1,666.66
<b>TOTAL INCOME</b>	<b>-660.72</b>	<b>-1,358.48</b>	<b>-39,895.00</b>	<b>38,536.52</b>
<b>EXPENSE</b>				
550-000-4110.000 Administrative Salaries	225.00	600.00	750.00	-150.00
550-000-4130.000 Legal	256.00	256.00	1,666.66	-1,410.66
550-000-4140.000 Staff Training	0.00	0.00	250.00	-250.00
550-000-4150.000 Travel	0.00	0.00	41.66	-41.66
550-000-4171.000 Auditing Fees	0.00	0.00	3,400.00	-3,400.00
550-000-4172.000 Management Fees	12,500.00	25,000.00	25,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	33.34	-33.34
550-000-4500.000 TIF Expense	0.00	0.00	100.00	-100.00
550-000-4510.000 Insurance	0.00	1,579.00	350.00	1,229.00
550-000-4540.000 Employer FICA	17.22	45.92	58.34	-12.42
550-000-4590.000 Other General Expense	0.00	0.00	23,666.66	-23,666.66
550-001-4600.000 CWC SCDP Expense	0.00	10,000.00	4,500.00	5,500.00
556-000-4600.000 Development Expense	0.00	0.00	31,866.66	-31,866.66
557-000-4600.000 TFP Expense	708.60	708.60	1,666.66	-958.06
<b>TOTAL EXPENSE</b>	<b>13,706.82</b>	<b>38,189.52</b>	<b>93,349.98</b>	<b>-55,160.46</b>
<b>NET INCOME(-) OR LOSS</b>	<b>13,046.10</b>	<b>36,831.04</b>	<b>53,454.98</b>	<b>-16,623.94</b>





**Crow Wing County HRA  
February 2020 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
23163	2/27/2020	Kennedy & Graven, Chartered	1098s, Crosby Tax Forfeit Lots, BLADC & CREDI Agreements	\$ 964.60
Total				\$ 964.60



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## Housing & Redevelopment Authority

To: CWC HRA Board Members  
 From: Karen Young, Interim Executive Director  
 Date: March 5, 2020  
 Re: Executive Director Report

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### **Executive Director Search**

We are continuing to work with our consultant, Gary Weiers from DDA, regarding the executive director search and to establish an updated timeline.

### **Workforce Housing Study**

Since the Workforce Housing Study for Crow Wing County is now final, John will be presenting the study at the Crosslake EDA Regional Meeting on April 1<sup>st</sup>. We will continue to make this information available to our partners.

Staff is working through the study to set priorities and goals for the CWC HRA to assist in the development and rehabilitation of workforce housing countywide.

### **Housing Trust Fund (HTF) Ordinance**

The public hearing considering the adoption of the Ordinance Establishing a Housing Trust Fund in Crow Wing County was held on February 25<sup>th</sup> in the County Board Room. The Crow Wing County Board of Commissioners unanimously approved the resolution adopting the ordinance with an effective date of March 4<sup>th</sup>, 2020.

Staff will be working on creating loan guidelines for the HTF. These guidelines will be presented to the CWC HRA Board for approval at the April or May meeting.

### **BLAEDC Liaison**

The CWC HRA Board can appoint a liaison to attend the BLAEDC board meetings, which take place the second Friday of each month at 8:00 a.m. Commissioner Morford has expressed interest in attending the meetings.

**No Action Requested; Discussion Item**

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Housing & Redevelopment Authority

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

**NE BRAINERD SCDP**

Address	Owner	Type of Rehab	Units	Status
707 Laurel St.	Knotty Pine Bakery	Commercial	1	Complete
707 Laurel St.	Sarah H.S.	Mixed-use	9	Bidding
212 1 <sup>st</sup> Ave. NE	Andrea B.	Owner-occupied	1	Complete
612 2 <sup>nd</sup> Ave. NE	Kelly R.	Owner-occupied	1	Complete
201 & 203 B St.	Travis B.	Rental	2	Bidding
419 3 <sup>rd</sup> Ave. NE	Mary & Richard M.	Rental	3	Work Write-up
726 4 <sup>th</sup> Ave. NE	John G.	Rental	3	Application Phase

**Emily SCDP**

- » 4 owner-occupied projects are complete
- » 2 projects are in work write-up

**MHFA**

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

**BRAINERD OAKS/SERENE PINES**

Monty Jensen with Level Contracting is planning on being at the meeting to provide an update in person.

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	35	33	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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