

**REGULAR MEETING OF THE
ST. CLOUD HRA BOARD OF COMISSIONERS**

**St. Cloud HRA, 1225 West St. Germain Street, Board Room
Wednesday, May 25, 2022
*Immediately following 5:00 p.m. Study Session***

STUDY SESSION -- 5:00 P.M., St. Cloud HRA, Board Room AGENDA: Annual Audit Discussion

Mission Statement: To enhance the communities we serve by providing housing opportunities, fostering stability, and promoting neighborhood revitalization.

Regular Meeting Agenda:

1. Roll Call and Pledge of Allegiance.

Consent Agenda:

2. Approval of Agenda. REQUESTED ACTION: Approve.
3. Approval of Regular Minutes, April 27, 2022. REQUESTED ACTION: Approve.
4. Approval of the Auditor's Reports for the Year Ended December 31, 2021. REQUESTED ACTION: Approve.
5. Approval of Contract for Concrete Replacement at The Creeks 733 33rd St. S. units 7-12. REQUESTED ACTION: Approve.
6. Approval of Contract for Attic Fire Suppression System Replacement at Grace McDowall Apartments. REQUESTED ACTION: Approve.
7. Approval of Contracts for Parking Lot Maintenance Services. REQUESTED ACTION: Approve.

Open Forum: At this time members of the public may address the Board with questions, concerns, or comments (regarding an item NOT on the agenda). Citizens are asked to sign up to speak prior to the Open Forum portion of the meeting. Speakers will be limited to the first five citizens who sign up. The Board members will not ask questions of the speakers, but rather refer the matter to the Administration with a request for a follow-up report. A citizen may speak at the Open Forum only twice during the year. Open Forum is limited to a total of 10 minutes. TIME LIMIT IS 2 MINUTES PER PERSON.

Old Business: none.

New Business:

8. Approval of Commissioner Dvorak CDBG Home Rehabilitation Loan Application.
9. Approval of Change to Personnel Policy 05.11 – Holidays.

10. Report on Activities.

Open Discussion:

Adjourn.

ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES

Wednesday, April 27, 2022

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, April 27, 2022, at the St. Cloud HRA main office, 1225 West St. Germain Street, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 6:00 p.m.

Consent Agenda:

1. Roll call was taken and the pledge of allegiance spoken. Commissioners present: Seal Dwyer, Nancy Gohman, Jeff Goerger, George Hontos, and Hani Jacobson. Absent: Mike Conway and John Dvorak.
2. Approval of Agenda – Chair Gohman removed item #8B and added item #13 to the agenda. Commissioner Dwyer moved for approval as amended; Commissioner Goerger seconded the motion. All commissioners voted in favor; the agenda and consent agenda moved as presented.
3. Approval of Study Session Minutes, March 23, 2022 – approved as presented.
4. Approval of Regular Minutes, March 23, 2022 – approved as presented.
5. Approval to Write-Off Accounts Receivable – approved as presented.
6. Approval of Contract for Generator Replacement at Wilson Apartments – contract approved with Interstate Power Systems in the amount of \$47,985.00.
7. Approval of Contract for Design / Engineering Services for Wilson Apartments Boiler Replacement – contract approved with Short Elliott Hendrickson in the amount of \$42,985.00.

Open Forum: Chair Gohman asked Louise Reis, Executive Director, if any member of the public had requested to speak; Ms. Reis responded there were none.

Old Business: none.

New Business:

- 8A. Public Hearing for the Proposed Modification and Reissuance of Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project) – Finance Director Karen Rizer said the borrower is currently in default and is requesting modification to the terms due primarily to the effects of COVID-19. Commissioner Dwyer asked about COVID-19 relief funds and Ms. Rizer responded she is unsure what would be available, if anything, to the borrower. Commissioner Gohman opened and closed the public hearing.
- 8B. Removed from Agenda.
9. Approval of Resolution 2022-03 Acceptance of HUD CoC Rental Assistance Grants – Executive Director Louise Reis requested approval of three grants for \$362,280, \$88,416, and \$36,624 from the Department of Housing & Urban Development (HUD) for the HUD CoC Rental Assistance, formerly known as Shelter Plus

Care. These grants will provide rental assistance to approximately 51 households each month. Commissioner Dwyer moved for approval; Commissioner Hontos seconded. All commissioners voted in favor; the motion carried.

10. Approval of Resolution 2022-04 Acceptance of HUD CoC Domestic Violence Rapid Re-Housing Grants – Ms. Reis noted this is a new grant for the St. Cloud HRA, and in conjunction with Anna Marie’s Alliance, the St. Cloud HRA has been awarded for \$143,790 from the Department of Housing & Urban Development. Commissioner Hontos asked if it will be difficult for the agency to administer the grants and Ms. Reis responded that it is unknown at this time, but the HRA will be working with Anna Marie’s to administer. Commissioner Gohman asked how many households will receive the rental assistance. Ms. Reis confirmed the grant would serve nine households. Commissioner Dwyer moved for approval; Commissioner Goerger seconded. All commissioners voted in favor; the motion carried.

11. Resolution 2022-05 Authorization of Housing Tax Credit Suballocator Joint Powers Agreement – 2023 – Ms. Reis requested authorization for her to sign the Housing Tax Credit Suballocator Joint Powers Agreement between the St. Cloud Housing and Redevelopment Authority and Minnesota Housing Finance Agency. Commissioner Goerger moved for approval; Commissioner Jacobson seconded. All commissioners voted in favor; the motion carried.

12. Report on Activities – Ms. Reis noted the Housing Choice Voucher Wait List will be opening the first week in May and asked Voucher Programs Manager Lori Lygre to discuss the process. Ms. Lygre said the applications will be open on May 2, 2022 at 12:01 am and ending May 6, 2022 at 11:59 pm and will be conducted via a lottery that will randomly select 1,000 of the applications to be placed on the Housing Choice Voucher waiting list.

13. Approval of Contract for Domestic Hot Water Boilers at Grace McDowall Apartments – Project Manager Paul Soenneker requested to approve the contract with El-Jay Plumbing and Heating, Inc. in the amount of \$63,400 to provide two high-efficiency boilers for domestic hot water at Grace McDowall Apartments. Commissioner Gohman asked if there are any rebates available to the complex as a result of the upgraded boilers and Mr. Soenneker said he would be checking into rebates for the high-efficiency boiler upgrade. Commissioner Hontos voted for approval; Commissioner Dwyer seconded. All commissioners voted in favor; the motion carried.

There being no further business, the meeting adjourned at 6:25 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, George Hontos

TO: HRA Board of Commissioners
FROM: Karen Rizer, CPA Finance Director
DATE: May 18, 2022
SUBJECT: Completion of the Annual Audit for the Year Ended December 31, 2021

Requested Action: Accept the auditor’s reports for the year ended December 31, 2021.

Background: An independent audit was performed by Redpath and Company, LTD., for the year ended December 31, 2021 and they have issued their reports dated April 27, 2022.

An unmodified opinion was issued on the financial statements. An unmodified opinion is in effect a “clean” report which means that the financial statements are fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles. There were no financial statement findings.

The Minnesota Legal Compliance portion of the audit covers state law requirements in the areas of deposits of public funds and public investing, conflicts of interest, public indebtedness, claims and disbursements, contracting and bidding and other miscellaneous provisions. There was one Minnesota Legal Compliance finding related to not issuing an RFP for group insurance. Although a formal RFP was not issued, pricing was obtained from all major insurers as pricing is now fixed based on community ratings, since the passage of the Affordable Care Act.

There is federal legislation that provides for recipients of federal financial awards to have an audit performed to meet the needs of the of all federal grantor agencies. To comply, there was detail transaction testing and review of the Housing Choice Voucher Program and Capital Fund Program. There were no federal award findings.

Requested Action: Motion to accept the auditor’s reports.

Frequency of Request: Annually.

Future Actions: None.

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: May 11, 2022

SUBJECT: Approval of Contract for Concrete Replacement at The Creeks 733 33rd St. S. units 7-12

Requested Action: Approval of the contract with DRSC Concrete Inc. in the amount of \$29,696.00 to replace concrete at The Creeks (Building 733 units 7-12).

Background: The existing concrete sidewalks in front of the units, garage aprons, parking pad and rear patios that are located around Building 733 units 7-12 are severely cracked and creating tripping hazards. We are proposing to remove the existing concrete, remove poor fill under existing concrete, provide new crushed rock base and provide new concrete. We will also be installing drainage pipes under the new concrete sidewalks and garage aprons to allow the downspouts to discharge water onto the lawn instead of onto the concrete.

We solicited proposals from 9 companies. We received proposals from two companies as outlined below. One other company responded that they were too busy & could not provide pricing.

Proposal

DRSC Concrete Inc. 13464 5 th Ave. NE Rice, MN 56367	\$29,696.00
Metro Paving 14350 Northdale Blvd Rogers, MN 55374	\$29,700.00

I believe the low proposal we received is reasonable for the scope of work requested and therefore recommend awarding a contract to DRSC Concrete Inc. for the sum of \$29,696.00.

Frequency of Request: Once

Related Actions: None

Future Action: None

Relationship to Goals: Goal #2 - St. Cloud HRA will promote fair housing and strive for high performance in HRA properties and housing subsidy programs.

Budget Impacts: This item will be funded through The Creeks operating fund.

TO: St. Cloud HRA Board of Commissioners
 FROM: Paul Soenneker, Project Manager
 DATE: May 11, 2022
 SUBJECT: Approval of Contract for Attic Fire Suppression System Replacement at Grace McDowall Apartments

Requested Action: Approve the contract with Brothers Fire & Security in the amount of \$129,340.00 to replace the attic fire suppression system at Grace McDowall Apartments.

Background: The existing attic fire suppression system (dry system) at Grace McDowall Apartments consists of galvanized pipes that are filled with pressurized air rather than water. The air holds the dry pipe valve in the closed position. The dry pipe valve prevents water from entering the pipe until a fire causes one or more sprinklers to operate. Once the dry pipe valve releases; water enters the pipe flowing through the open sprinklers onto the fire.

This system at Grace McDowall has needed to be repaired many times over the past couple of years because of pin-hole leaks that have been caused by corrosion in the galvanized piping. Maintenance personnel have recommended total dry system replacement because there is fear that dry pipe valve will release in the winter and cause the piping; which is located in the attic to freeze. It is also recommended that a nitrogen generator system be installed. This would allow for the pipes to be filled with nitrogen instead of compressed air; which would prevent pipe corrosion.

The HRA solicited proposals from two companies. We received proposals from two companies as outlined below.

	<u>Proposals</u>		
	<u>Base Proposal</u>	<u>Nitrogen Generator</u>	<u>Total Proposal</u>
Brothers Fire & Security 9950 East Highway 10 Elk River, MN 55330	\$113,590.00	\$15,750.00	\$129,340.00
Summit Fire Protection 418 Great Oak Dr. Waite Park, MN 56387	\$139,920.00	\$14,985.00	\$154,905.00

HRA staff believes the low proposal we received is reasonable for the scope of work requested and therefore recommend awarding a contract to Brothers Fire & Security in the amount of \$129,340.00

Frequency of Request: Once

Related Actions: None

Future Action: None

Relationship to Goals: Goal #2 - St. Cloud HRA will promote fair housing and strive for high performance in HRA properties and housing subsidy programs.

Budget Impacts: This item will be funded through Grace McDowall Apartments operating fund.

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: May 18, 2022

SUBJECT: Approval of Contracts for Parking Lot Maintenance Services

Requested Action: Approve the separate contracts with Gopher State Sealcoating Inc. to provide parking lot maintenance (sweeping, crack filling, patching, milling where needed, seal coating and striping) at eighteen properties that are owned by the St. Cloud HRA.

Background: St. Cloud HRA staff visited all of the apartments and townhome complexes that are owned by the HRA to identify any maintenance services that need to be completed on the parking lots. All properties need parking lot sweeping, crack filling, seal coating and striping completed. Several of them need minor potholes patched & several others need to have areas milled and a new asphalt wear course put in place. The last time this service was completed at HRA properties was the summer of 2016 by Gopher State Sealcoat. Inc.

The HRA solicited proposals from five contractors to provide this service. We received proposals from two companies as outlined below.

Proposals

Done Right Contracting 920 37 th Ave. N. St. Cloud, MN 56303	\$194,771.24
Gopher State Sealcoat Inc. 12519 Rhode Island Ave. S. Savage, MN 55378	\$140,128.00

I recommend awarding the work to Gopher State Sealcoat Inc. in the amount of \$140,128.00

Frequency of Request: As needed

Related Actions: None

Future Action: None

Relationship to Goals: Goal #2 - St. Cloud HRA will promote fair housing and strive for high performance in HRA properties and housing subsidy programs.

Budget Impacts: This item will be funded through the appropriate operating fund.

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: May 12, 2022

SUBJECT: Approval of Commissioner John Dvorak Community Development Block Grant (CDBG) Home Rehabilitation Loan Application

Requested Action: Approval of Commissioner John Dvorak’s application for a CDBG Home Rehabilitation Loan. Commissioner Dvorak will abstain from voting on the motion.

Background: Commissioner Dvorak has requested to apply for a CDBG Home Rehabilitation Loan.

Per state statues, a public officer shall not voluntarily have a personal financial interest in any sale, lease, or contract or personally benefit therefrom, unless a statutory exception applies and the issue is approved by unanimous vote.

Per Minnesota Statute: **471.88 EXCEPTIONS Subd. 19. Loan for HRA officer, if disclosed.** If a city or county housing and redevelopment authority, or an agency having the powers of a city or county housing and redevelopment authority, administers a loan or grant program with state or federal funds, the authority may make a grant or loan from these funds to a public officer of the authority who applies, if the public officer first discloses, as part of the official minutes of a meeting of the authority, that the public officer has applied for the funds and the public officer abstains from voting on the public officer's application.

If approved, Commissioner Dvorak’s loan application and project will be treated in the same manner as all other program participants.

Frequency of Request: N/A

Related Actions: None.

Future Action: None.

Relationship to Goals: N/A

Budget Impact: None.

TO: St. Cloud HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: May 18, 2022
SUBJECT: Change to Personnel Policy 05.11 – Holidays

Requested Action: Approval of Change to Personnel Policy 05.11 – Holidays

Background: On June 17, 2021, Juneteenth, June 19th became a federal holiday. The Juneteenth holiday, June 19th, is a day to commemorate the end of slavery by marking the day enslaved people in Texas learned they were free. The St. Cloud HRA believes it is important to adopt this holiday for multiple reasons. First and foremost, as the St. Cloud HRA moves to create a more inclusive space and intentionally cultivate a diverse workforce, recognizing holidays that are major milestones in American history is important so employees of all backgrounds and experiences feel a part of the organization’s culture. Additionally, while the HRA strives to attract and retain talent, adding another paid day off will keep benefits competitive in the workforce.

Prior to the April regular meeting, Juneteenth was discussed with the two Personnel Committee members who were present. Both recommended that Juneteenth should be added to the list of holidays observed by the St. Cloud HRA and brought forward to the full Board for consideration at the next meeting.

Recognizing Juneteenth is an impactful way to reflect on America’s history and it provides an opportunity to educate staff about Black history and encourage employees to participate in local community Juneteenth events.

Frequency of Request: N/A

Related Actions: None.

Future Action: None.

Relationship to Goals: Goal #4 – The St. Cloud will make efficient use of funding, technology and personnel resources.

Budget Impact: The gross wages for 8 hours for the HRA’s hourly staff is approximately \$3,600. Most, if not all, salaried staff work more hours than required so they will likely work that day if their job requires it or make those hours up on a different day.

TO: HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: May 17, 2022
SUBJECT: Report on Activities

Affordable Connectivity Program (ACP): The Affordable Connectivity Program is a Federal Communications Commission (FCC) benefit program that will provide monthly discounts on internet services and devices for eligible households. Eligible households will need to apply with their internet service provider and the ACP will cover up to \$30 on any of their plans. Additionally, eligible households who register with participating internet service providers may received a one-time subsidy of \$100 for computer devices. Our office will be providing information to all residents and participants in our programs.

Empire Apartments: All units affected by the fire have now been completed with all units being fully occupied as of April 30, 2022. Contractors are finishing up the first-floor common areas.

Housing Choice Voucher Program: During the month of April 2022, there were thirteen housing choice vouchers released. Seven of the vouchers were for program violations, one was due to voluntary release, two were due to the voucher expiring and three vouchers were at zero HAP. Two of the voucher holders were over the age of 62.

As of April 30, 2022 – 123 Port In vouchers and 42 Port Out vouchers.

CDBG Update:

For the homeowner rehab program:

- 4 in construction
- 1 in lead testing
- 14 in application stage
- 5 on waiting list

Housing Department Vacancy Report – For the Month Ending April 30, 2022

Fund: Public Housing – 291 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>04/30/22</u>
Empire	89	8.77%	0
Wilson	126	2.00%	1
Scattered Sites	76	0.00%	0

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>04/30/22</u>
Germain	60	1.96%	2
Grace/NWB	102	1.62	0

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>04/30/22</u>
Creeks	24	0.00%	0
Brownstones	12	4.16%	0
Swisshelm One	32	3.28%	0
Westwood One	32	3.53%	1
Swisshelm Two	32	4.20%	1
Westwood Two	32	1.78%	0
Riverside	85	3.12%	2

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>04/30/22</u>
Eastwood	18	4.58%	1
Loehr	61	3.19%	3