

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

**St. Cloud HRA, 1225 West St. Germain Street, Board Room
Wednesday, December 20, 2023
Immediately following 5:00 p.m. Study Session**

STUDY SESSION 5:00 p.m. 1225 West St. Germain Street, St. Cloud, MN 56301 AGENDA: Evaluation of Executive Director

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 Study Session Minutes, November 15, 2023. REQUESTED ACTION: Approve.
4. Approval of Regular Minutes, November 15, 2023. REQUESTED ACTION: Approve.
5. Review of 2023 Financial Reports. REQUESTED ACTION: None.
6. Approval of Contracts for Flooring Installation Services. REQUESTED ACTION: Approve.
7. Approval of Maintenance Services Contract. REQUESTED ACTION: Approve.
8. Approval of Computer Hardware Purchase. 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:

9. Approval of Executive Director Evaluation.
10. Approval of Resolution 2023-18 – Adopting the 2024 Budgets for Central Office Cost Center and Housing Choice Voucher Funds.
11. Report on Activities.

**Open Discussion:
Adjourn.**

**ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY
STUDY SESSION**

Wednesday, November 15, 2023

A Study Session for the St. Cloud HRA Board of Commissioners was held on Wednesday, November 15, 2023. Chair Nancy Gohman called the meeting to order at 6:00 p.m. Commissioners present: Mike Conway, John Dvorak, Seal Dwyer, Nancy Gohman, George Hontos, Hani Jacobson, and Carol Lewis.

Executive Director Louise Reis introduced Deanna Hemmesch from the Central Minnesota Housing Partnership and directed the Commissioners to the property record and map included in the board packet for a discussion of the Pine Cone Road parcel.

Ms. Hemmesch presented to the Board preliminary drawings for a project the partnership would like to complete in the City of St. Cloud. The group is hoping to build apartments for senior housing or family units, based on an analysis completed of community needs. Ms. Hemmesch noted a minimum number of units would be set aside for people who are homeless, a number of units would be set aside for people with disabilities, and a number of units would be reserved for people to pay a subsidized rate. Commissioner Hontos asked how many units would be subsidized and Ms. Hemmesch responded while the exact rate is unknown, it is usually 30-50% of units. Commissioner Lewis added based on the location of the property, it seems more appropriate to build senior housing. Ms. Hemmesch responded that was their first inclination, but based on the needs analysis they wanted to provide a family option, too.

Commissioner Gohman asked where the funding comes from and Ms. Hemmesch responded they apply for an application with the Minnesota Finance Housing Agency every July. Commissioner Conway asked about Ms. Hemmesch's conversation with City of St. Cloud staff. Ms. Hemmesch noted the City did not seem receptive to donating or selling the land located next to the St. Cloud HRA's parcel. Commissioner Conway added that further conversations should be had with the City about the land because it is a good project for the community.

Ms. Reis noted that a project in this neighborhood would affirm Fair Housing in a neighborhood that currently does not have affordable housing. Commissioner Dwyer agreed additional affordable housing is needed in St. Cloud.

Commissioner Hontos asked Ms. Hemmesch to share more about her agency. Ms. Hemmesch stated their mission is to preserve, improve, and increase affordable housing to low-to-moderate income households. Within their designated area, the Central Minnesota Housing Partnership has developed and preserved 917 units and 37 properties throughout their existence.

Ms. Reis asked Ms. Hemmesch if the next step for the HRA could be a public hearing and then a letter of intent. Ms. Hemmesch responded in order to secure funding, they require a binding letter of intent from the HRA for the donation of the land.

The Commissioners discussed further meetings will include looking into the analysis for family housing versus senior housing and approaching the City for additional discussion on their parcel of land to expand the number of units available.

There being no further discussion, the Study Session adjourned at 6:35 p.m. The meeting was closed at 6:36 p.m. to discuss a legal matter.

ATTEST:

Chair, Nancy Gohman

Secretary, Hani Jacobson

**ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY
REGULAR MEETING**

Wednesday, November 15, 2023

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, November 15, 2023 at 1225 West St. Germain Street. Chair Nancy Gohman called the meeting to order at 7:09 p.m. Commissioners present: Mike Conway, John Dvorak, Seal Dwyer, Nancy Gohman, George Hontos, Hani Jacobson, and Carol Lewis.

Consent Agenda:

1. Roll call was taken and the pledge of allegiance spoken.
2. Approval of Agenda – Commissioner Gohman added Item 13 – Approval to Authorize Lawsuit Concerning Fraud in Voucher Program Regarding Household Member 10150. Commissioner Hontos moved to pull Item 5. Commissioner Dvorak moved for approval; Commissioner Dwyer seconded the motion. All Commissioners voted in favor; the agenda and consent agenda moved as presented.
3. Approval of Study Session Minutes, October 25, 2023 – approved as presented.
4. Approval of Regular Minutes, October 25, 2023 – approved as presented.
5. Review of 2023 Financial Reports – Commissioner Hontos noted the cash flow appears significantly higher than the budgeted amount. Executive Director Louise Reis responded that the HRA is being diligent in collecting rents and monitoring expenses. Commissioner Gohman asked about the amount of advertisement spent at Riverside and Ms. Reis said there were several deaths and vacant units last year, so more advertising was conducted and the units are now filled. No approval needed.
6. Approval of Contract for Design / Engineering Services for Empire Apartments Boiler Replacement – contract approved with Design Tree Engineering in the amount of \$29,250.00.
7. Approval Elevator Maintenance Contract – contracted approved with TK Elevator Corporation for the monthly contract amount of \$2,092.00.
8. Approval of Cleaning Service Contract for Vacant Units – contract approved with SB Restoration for cleaning services of the vacant apartments, townhomes, and single-family homes when needed for the HRA owned/managed properties in St. Cloud.
9. Approval of Resolution 2023-17 – Donation from Maalin Shop – approved as presented.

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:

10. Approval of Classification and Compensation Study – Ms. Reis shared Baker Tilly conducted a compensation plan and market study in 2023 and provided the recommended additions and changes included in the memo, including the following items: job titles and grade assignments as recommended by Baker Tilly, 2024 pay scale, and wage increases for all regular full-time employees, excluding the Executive Director, to be implemented as of the first pay period to be paid in January 2024, and as a result there will be no annual increases under Policy 04.02 (Performance Increases) in January 2024. Commissioner Gohman asked if the Personnel Committee had any comments or discussion and

Commissioner Dvorak noted the Personnel Committee requested the overall budget impact and the amount of \$74,500.00 was included in the memo for the Board. He also added the pay increase would be effective December 24, 2023 as it would be the first pay period in the new payroll system and would save staff from entering two amounts if staff waited until January, 2024.

Commissioner Conway moved for approval; Commissioner Dwyer seconded the motion. All commissioners voted in favor; the motion carried.

11. A. Public Hearing and Approval of Resolution 2023-16 – Changes to the FY 2024 Public Housing Agency Plan. Ms. Reis said the Board approved the FY 2024 PHA Plan at the August 2023 meeting, but since that meeting the Department of Housing and Urban Development requested additional items to be effective on January 1, 2024. For both Public Housing and the Housing Choice Voucher programs, changes include a change to the passbook rate used to calculate imputed income and the Earned Income Disallowance is available only to families that are eligible for and participating on the program as of December 31, 2023, and no new families may be added on or after January 1, 2024.

B. Approval of Resolution 2023-16 – Approval of Changes to the Public Housing Agency Plan that includes Public Housing, Housing Choice Voucher Program and Stability Voucher Program Policy; Commissioner Dvorak moved for approval; Commissioner Lewis seconded the motion. All commissioners voted in favor; the motion carried.

12. Report on Activities – Ms. Reis shared the Housing Choice Voucher Waiting List will be opening December 4 and will close on December 8. Commissioner Hontos asked about the high number of vacancies at the properties. Ms. Reis said Wilson had several people move out, but staff has confirmed move-ins within the next six weeks to fill the units. Ms. Reis added the smaller number of units makes the Westwood vacancy rate look higher, but staff continues to advertise and work on move-ins for all properties. Commissioner Gohman asked for a CDBG update and Project Manager Paul Soenneker said there are several projects in construction and 14 on the waiting list.

13. Approval to Authorize Lawsuit Concerning Fraud in Voucher Program Regarding Household Member 10150. Commissioner Hontos moved for approval; Commissioner Dwyer seconded the motion. All commissioners voted in favor; the motion carried.

There being no further business, the meeting adjourned at 7:30 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, Hani Jacobson

TO: HRA Board of Commissioners
FROM: Karen Rizer, CPA Finance Director
DATE: December 13, 2023
SUBJECT: 2023 Financial Reports

Requested Action: None.

Background: The Board receives financial reports for certain funds on a rotating basis.

The planned reporting schedule is as follows:

June – Central Office Cost Center (COCC) Fund, Community Housing Fund, Community Development Block Grant (CDBG) Housing Rehab Fund, Housing Development & Rehab Fund, Housing Choice Vouchers Fund, Public Housing Fund – Empire Apartments, Scattered Sites, and Wilson Apartments, Germain Towers Fund, Northway Projects A&B Fund, Eastwood Apartments Fund, Al Loehr Apartments Fund, and the seven tax credit limited partnership funds.

July and October – Central Office Cost Center (COCC) Fund, Community Housing Fund, Community Development Block Grant (CDBG) Housing Rehab Fund, Housing Development & Rehab Fund, and Housing Choice Vouchers Fund.

August and November – Al Loehr Apartments Fund and the seven tax credit limited partnership funds.

September and December – Public Housing Fund – Empire Apartments, Scattered Sites, and Wilson Apartments, Germain Towers Fund, Northway Projects A&B Fund, and Eastwood Apartments Fund.

If you have any questions, call or email 320-202-3148 or krizer@stcloudhra.com Thank you.

Empire Apartments (Public Housing)
October 31, 2023

54 4th Ave N

89 Units

Built 1971

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	2.7%

	Account Title	2023 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 282,000	\$ 235,000	\$ 260,166	\$ 25,166	10.7%
2	Less: Vacancy Loss	(5,600)	(4,667)	(7,128)	(2,461)	-52.7%
3	Net Tenant Rental Revenue	276,400	230,333	253,038	22,705	9.9%
4	Gross Potential Subsidy	198,100	165,083	240,242	75,159	45.5%
5	Less: Subsidy Loss - Proration	(8,300)	(6,917)	(16,807)	(9,890)	-143.0%
6	Net Operating Subsidy	189,800	158,167	223,435	65,268	41.3%
7	HUD PHA Operating Grant - CFP	78,200	39,000	39,000	-	0.0%
8	Other Income	31,760	26,467	46,019	19,552	73.9%
	Total Operating Income	576,160	453,967	561,492	107,525	23.7%

Operating Expenses:						
Administrative						
9	Administrative Salaries & Benefits	102,000	85,000	73,375	(11,625)	13.7%
10	Management & Bkpg Fees - Operations	87,400	72,833	72,223	(610)	0.8%
11	Management Fees - CFP	29,000	29,000	29,000	-	0.0%
12	Auditing Fees	5,000	4,167	3,871	(296)	7.1%
13	Legal Expense	7,000	5,833	6,187	354	-6.1%
14	Other Administrative Costs	24,000	20,000	20,936	936	-4.7%
15	Total Administrative	254,400	216,833	205,592	(11,241)	5.2%
16	Asset Management Fees	10,560	-	-	-	0.0%
17	Tenant Services	6,000	5,000	4,579	(421)	8.4%
Utilities						
18	Water & Sewer	23,000	19,167	23,343	4,176	-21.8%
19	Electricity	56,000	46,667	50,896	4,229	-9.1%
20	Gas	34,000	28,333	26,653	(1,680)	5.9%
21	Total Utilities	113,000	94,167	100,892	6,725	-7.1%
22	Maintenance	150,000	125,000	198,921	73,921	-59.1%
23	Protective Services	17,000	14,167	13,886	(281)	2.0%
24	Insurance	9,200	9,200	17,269	8,069	-87.7%
25	Payments in Lieu of Taxes	9,000	7,500	7,500	-	0.0%
26	Bad Debt-Tenants	7,000	5,833	19,807	13,974	-239.5%

27	Total Operating Expenses	576,160	477,700	568,446	90,746	-19.0%
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28	Cash Flow from Operations	-	(23,733)	(6,954)	16,779	70.7%
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Other Sources & (Uses)						
29	HUD Grants - CFP	20,000	-	-	-	0.0%
30	Capital Expenditures	(20,000)	-	-	-	0.0%
31	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
32	Total Other Financial Items	-	-	-	-	0.0%

33	Net Cash Flow	\$ -	\$ (23,733)	\$ (6,954)	\$ 16,779	70.7%
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Line item notes:

8 - Includes move-out maintenance charges \$19,800

22 - Includes unit turnovers of \$22,700, snow removal of \$6,600, and appliance replacement of \$11,200; also higher maint revenue = higher maint costs

23 - New main door entry system \$6,065

24 - Formula error in budget template that wasn't caught; 2022 was \$17,375

Scattered Sites (Public Housing)

76 Units

Quarry Townhomes, Flintwood Townhomes, Cedar Ridge Townhomes, & 40 Single Homes

October 31, 2023

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	4%

	Account Title	2023 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 310,100	\$ 258,417	\$ 287,040	\$ 28,623	11.1%
2	Less: Vacancy Loss	(4,700)	(3,917)	(12,532)	(8,615)	-220.0%
3	Net Tenant Rental Revenue	305,400	254,500	274,508	20,008	7.9%
4	Gross Potential Subsidy	181,800	151,500	160,638	9,138	6.0%
5	Less: Subsidy Loss - Proration	(9,200)	(7,667)	(11,237)	(3,570)	-46.6%
6	Net Operating Subsidy	172,600	143,833	149,401	5,568	3.9%
7	HUD PHA Operating Grant - CFP	141,600	141,600	253,600	112,000	79.1%
8	Other Income	62,952	52,460	88,602	36,142	68.9%
	Total Operating Income	682,552	592,393	766,111	173,718	29.3%

Operating Expenses:						
Administrative						
9	Administrative Salaries & Benefits	102,000	85,000	81,426	(3,574)	4.2%
10	Management & Bkpg Fees - Operations	75,000	62,500	60,837	(1,663)	2.7%
11	Management Fees - CFP	29,000	29,000	29,000	-	0.0%
12	Auditing Fees	3,800	3,167	3,501	334	-10.6%
13	Legal Expense	6,000	5,000	4,754	(246)	4.9%
14	Other Administrative Costs	28,000	23,333	22,881	(452)	1.9%
15	Total Administrative	243,800	208,000	202,399	(5,601)	2.7%
16	Asset Management Fees	9,120	-	-	-	0.0%
17	Tenant Services	1,900	1,583	-	(1,583)	0.0%
Utilities						
18	Water & Sewer	62,000	51,667	60,850	9,183	-17.8%
19	Electricity	10,000	8,333	8,601	268	-3.2%
20	Gas	3,500	2,917	2,861	(56)	1.9%
21	Total Utilities	75,500	62,917	72,312	9,395	-14.9%
22	Maintenance	382,000	318,333	600,612	282,279	-88.7%
23	Protective Services	10,000	8,333	4,987	(3,346)	40.2%
24	Insurance	37,800	37,800	33,968	(3,832)	10.1%
25	Payments in Lieu of Taxes	10,800	9,000	9,000	-	0.0%
26	Bad Debt-Tenants	10,000	8,333	14,890	6,557	-78.7%

27	Total Operating Expenses	780,920	654,300	938,168	283,868	-43.4%
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28	Cash Flow from Operations	(98,368)	(61,907)	(172,057)	(110,150)	-177.9%
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Other Sources & (Uses)						
29	HUD Grants - CFP	-	-	-	-	0.0%
30	Capital Expenditures	-	-	-	-	0.0%
31	Other Financial Items-Sources & (Uses)	98,368	49,184	49,184	-	0.0%
32	Total Other Financial Items	98,368	49,184	49,184	-	0.0%

33	Net Cash Flow	\$ -	\$ (12,723)	\$ (122,873)	\$ (110,150)	-865.8%
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Line item notes:

8 - Includes five move-out maintenance charges of \$20,500, HVAC rebates of \$7,800 (12 units)

22 - Includes unit turnovers of \$107,200, furnace/water heater replacement at Cedar Townhomes \$92,000, and Scattered Sites Cabinets - \$86,800.

Wilson Apartments (Public Housing)
October 31, 2023

41 3rd Ave NE

126 Units

Built 1970

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	3.6%

	Account Title	2023 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 405,200	\$ 337,667	\$ 371,172	\$ 33,505	9.9%
2	Less: Vacancy Loss	(8,100)	(6,750)	(13,512)	(6,762)	-100.2%
3	Net Tenant Rental Revenue	397,100	330,917	357,660	26,743	8.1%
4	Gross Potential Subsidy	268,900	224,083	305,918	81,835	36.5%
5	Less: Subsidy Loss - Proration	(11,900)	(9,917)	(21,401)	(11,484)	-115.8%
6	Net Operating Subsidy	257,000	214,167	284,517	70,350	32.8%
7	HUD PHA Operating Grant - CFP	94,670	41,870	41,870	-	0.0%
8	Other Income	33,100	27,583	40,437	12,854	46.6%
	Total Operating Income	781,870	614,537	724,484	109,947	17.9%

Operating Expenses:						
	Administrative					
9	Administrative Salaries & Benefits	125,000	104,167	96,008	(8,159)	7.8%
10	Management & Bkpg Fees - Operations	123,800	103,167	101,644	(1,523)	1.5%
11	Management Fees - CFP	31,870	31,870	31,870	-	0.0%
12	Auditing Fees	6,000	5,000	5,351	351	-7.0%
13	Legal Expense	10,000	8,333	15,609	7,276	-87.3%
14	Other Administrative Costs	24,000	20,000	20,324	324	-1.6%
15	Total Administrative	320,670	272,537	270,806	(1,731)	0.6%
16	Asset Management Fees	15,000	-	-	-	0.0%
17	Tenant Services	11,000	9,167	15,182	6,015	-65.6%
	Utilities					
18	Water & Sewer	27,000	22,500	21,763	(737)	3.3%
19	Electricity	76,000	63,333	65,841	2,508	-4.0%
20	Gas	60,000	50,000	39,169	(10,831)	21.7%
21	Total Utilities	163,000	135,833	126,773	(9,060)	6.7%
22	Maintenance	205,000	170,833	238,082	67,249	-39.4%
23	Protective Services	23,000	19,167	14,762	(4,405)	23.0%
24	Insurance	24,300	24,300	22,160	(2,140)	8.8%
25	Payments in Lieu of Taxes	12,900	10,750	10,750	-	0.0%
26	Bad Debt-Tenants	7,000	5,833	13,575	7,742	-132.7%

27	Total Operating Expenses	781,870	648,420	712,090	63,670	-9.8%
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28	Cash Flow from Operations	-	(33,883)	12,394	46,277	136.6%
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	Other Sources & (Uses)					
29	HUD Grants - CFP	954,000	489,061	557,205	68,144	-13.9%
30	Capital Expenditures	(954,000)	(489,061)	(557,205)	(68,144)	-13.9%
31	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
32	Total Other Financial Items	-	-	-	-	0.0%

33	Net Cash Flow	\$ -	\$ (33,883)	\$ 12,394	\$ 46,277	136.6%
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Line item notes:

8 - Includes two move-out maintenance charge of \$14,900

17 - Replace digital sign displays of \$10,300

22 - Unit turns \$82,000 and appliance replacements of \$19,000

30 - Includes boiler replacement project of \$403,000, lock upgrade project of \$100,000, Amazon Lockers of \$27,000, fire pump replacement of \$27,000

Germain Towers (Section 8 New Construction) 905 W St. Germain 60 Units Built 1919; HRA purch. 1993
 October 31, 2023

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	1.4%

	Account Title	2023 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 195,100	\$ 162,583	\$ 180,194	\$ 17,611	10.8%
2	Less: Vacancy Loss	(3,900)	(3,250)	(2,557)	693	21.3%
3	Net Tenant Rental Revenue	191,200	159,333	177,637	18,304	11.5%
4	HUD HAP Subsidy	244,000	203,333	204,613	1,280	0.6%
5	Other Income	42,000	35,000	35,577	577	1.6%
	Total Operating Income	477,200	397,667	417,827	20,160	5.1%

Operating Expenses:						
	Administrative					
6	Administrative Salaries & Benefits	60,000	50,000	25,756	(24,244)	48.5%
7	Management & Bkpg Fees	58,900	49,083	49,450	367	-0.7%
8	Auditing Fees	1,500	1,250	1,156	(94)	7.5%
9	Legal Expense	1,600	1,333	56	(1,277)	95.8%
10	Other Administrative Costs	15,300	12,750	13,330	580	-4.5%
11	Total Administrative	137,300	114,417	89,748	(24,669)	21.6%
12	Tenant Services	1,500	1,250	450	(800)	64.0%
	Utilities					
13	Water & Sewer	13,000	10,833	11,835	1,002	-9.2%
14	Electricity	19,500	16,250	16,641	391	-2.4%
15	Gas	30,000	25,000	19,971	(5,029)	20.1%
16	Total Utilities	62,500	52,083	48,447	(3,636)	7.0%
17	Maintenance	133,500	111,250	119,263	8,013	-7.2%
18	Protective Services	13,700	11,417	9,231	(2,186)	19.1%
19	Insurance	32,400	32,400	30,422	(1,978)	6.1%
20	Payments in Lieu of Taxes	8,300	6,917	8,112	1,195	-17.3%
21	Bad Debt-Tenants	3,000	2,500	2,569	69	-2.8%

22	Total Operating Expenses	392,200	332,233	308,242	(23,991)	7.2%
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23	Cash Flow from Operations	85,000	65,433	109,585	44,152	-67.5%
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	Other Sources & (Uses)					
24	Debt Principal (HRA)	(10,000)	-	-	-	0.0%
25	Capital Expenditures	(75,000)	-	-	-	0.0%
26	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
27	Total Other Financial Items	(85,000)	-	-	-	0.0%

28	Net Cash Flow	\$ -	\$ 65,433	\$ 109,585	\$ 44,152	-67.5%
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Line item notes:

17 - Unit turns \$17,500; generator repair \$5,800

Northway A & B (Section 8 New Construction)

102 Units

Built 1980

Northway A (Grace McDowell Apts) 1525 Northway Dr & Nway B Townhomes 2401 15 St N
 October 31, 2023

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	1.4%

	Account Title	2023 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 337,800	\$ 281,500	\$ 296,392	\$ 14,892	5.3%
2	Less: Vacancy Loss	(6,800)	(5,667)	(4,234)	1,433	25.3%
3	Net Tenant Rental Revenue	331,000	275,833	292,158	16,325	5.9%
4	HUD HAP Subsidy	368,400	307,000	306,678	(322)	-0.1%
5	Other Income	20,400	17,000	28,044	11,044	65.0%
	Total Operating Income	719,800	599,833	626,880	27,047	4.5%

Operating Expenses:						
	Administrative					
6	Administrative Salaries & Benefits	89,000	74,167	70,091	(4,076)	5.5%
7	Management & Bkpg Fees	100,200	83,500	83,193	(307)	0.4%
8	Auditing Fees	2,000	1,667	1,527	(140)	8.4%
9	Legal Expense	3,000	2,500	3,015	515	-20.6%
10	Other Administrative Costs	20,000	16,667	21,894	5,227	-31.4%
11	Total Administrative	214,200	178,500	179,720	1,220	-0.7%
12	Asset Management Fees	12,100	-	-	-	0.0%
13	Tenant Services	500	417	1,421	1,004	-241.0%
	Utilities					
14	Water & Sewer	45,000	37,500	31,421	(6,079)	16.2%
15	Electricity	24,000	20,000	16,896	(3,104)	15.5%
16	Gas	42,000	35,000	20,780	(14,220)	40.6%
17	Total Utilities	111,000	92,500	69,097	(23,403)	25.3%
18	Maintenance	215,000	179,167	201,777	22,610	-12.6%
19	Protective Services	25,000	20,833	26,679	5,846	-28.1%
20	Insurance	28,100	28,100	24,713	(3,387)	12.1%
21	Payments in Lieu of Taxes	11,900	9,917	9,920	3	0.0%
22	Bad Debt-Tenants	3,000	2,500	4,870	2,370	-94.8%

23	Total Operating Expenses	620,800	511,933	518,197	6,264	-1.2%
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24	Cash Flow from Operations	99,000	87,900	108,683	20,783	-23.6%
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Other Sources & (Uses)						
25	Capital Expenditures	(375,000)	(375,000)	(513,138)	(138,138)	-36.8%
26	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
27	Total Other Financial Items	(375,000)	(375,000)	(513,138)	(138,138)	-36.8%

28	Net Cash Flow	\$ (276,000)	\$ (287,100)	\$ (404,455)	\$ (117,355)	-40.9%
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Line item notes:

5 - Includes move-outs maintenance charges \$7,700; interest income \$7,500

18 - Includes unit turns of \$32,700

19 - Grace boiler replacement

Budgeted Vacancy Loss	5%
Actual Vacancy Loss	6.8%

	Account Title	2023 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 136,300	\$ 113,583	\$ 119,440	\$ 5,857	5.2%
2	Less: Vacancy Loss	(6,800)	(5,667)	(8,093)	(2,426)	-42.8%
3	Net Tenant Rental Revenue	129,500	107,917	111,347	3,430	3.2%
4	Other Income	9,100	7,583	10,330	2,747	36.2%
	Total Operating Income	138,600	115,500	121,677	6,177	5.3%

Operating Expenses:						
	Administrative					
5	Administrative Salaries & Benefits	16,000	13,333	15,439	2,106	-15.8%
6	Management & Bkpg Fees	21,100	17,583	16,900	(683)	3.9%
7	Auditing Fees	300	250	370	120	-48.0%
8	Legal Expense	2,000	1,667	5,232	3,565	-213.9%
9	Other Administrative Costs	3,700	3,083	4,035	952	-30.9%
10	Total Administrative	43,100	35,917	41,976	6,059	-16.9%
11	Tenant Services	200	167	270	103	-62.0%
	Utilities					
12	Water & Sewer	6,300	5,250	6,156	906	-17.3%
13	Electricity	4,500	3,750	2,795	(955)	25.5%
14	Gas	9,000	7,500	5,092	(2,408)	32.1%
15	Total Utilities	19,800	16,500	14,043	(2,457)	14.9%
16	Maintenance	65,000	54,167	41,483	(12,684)	23.4%
17	Protective Services	7,000	5,833	1,125	(4,708)	80.7%
18	Insurance	4,900	4,900	4,024	(876)	17.9%
19	Payments in Lieu of Taxes	4,600	3,833	3,830	(3)	0.1%
20	Bad Debt-Tenants	3,000	2,500	1,062	(1,438)	57.5%

21	Total Operating Expenses	147,600	123,817	107,813	(16,004)	12.9%
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22	Cash Flow from Operations	(9,000)	(8,317)	13,864	22,181	266.7%
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	Other Sources & (Uses)					
23	Debt Principal (HRA)	(25,000)	-	-	-	0.0%
24	Capital Expenditures	-	-	-	-	0.0%
25	Other Financial Items-Sources & (Uses)	34,000	-	-	-	0.0%
26	Total Other Financial Items	9,000	-	-	-	0.0%

27	Net Cash Flow	\$ -	\$ (8,317)	\$ 13,864	\$ 22,181	266.7%
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Line item notes:

8 - Legal fees for 3 evictions totaling - \$5,200

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: December 7, 2023

SUBJECT: Contracts for Flooring Installation Services

Requested Action: Approval of the Flooring Installation Services contracts for a pool of contractors. This contract would be for one year with an option to extend for an additional year if agreeable to St. Cloud HRA & contractors.

Background: On November 8, 2023 the HRA solicited quotes for square foot pricing with possible upcharges from five companies to provide vinyl and carpet flooring installation services for all of the HRA owned apartments, townhomes and single-family homes. Possible upcharges would be removing and resetting toilets, washers, dryers, stoves and refrigerators and installing vinyl and wood base. We received two quotes for these services.

When evaluating the quotes; we noted that Hansen Flooring Gallery's quoted carpet square foot pricing was lower than Hennen Floor Coverings quote. Hansen Flooring Gallery's quoted vinyl square foot pricing was a little higher than Hennen Floor Coverings quote, but Hansen's square foot price included removing and resetting the stove and refrigerator in their square foot pricing whereas those items needed to be added to Hennen Floor Coverings quote. Once we added those items to Hennen Floor Coverings square foot prices; Hansen Flooring was competitive. We also took into consideration the fact that often times both the vinyl and carpet floors are replaced at the same time, so staff thought it would be best to have one contractor do both to eliminate any additional costs and confusion as to who was to do what work.

The lowest responsible contractor will be considered Contractor #1 and will be contacted to ascertain as to whether or not they are available to do the flooring work within 10 business days. If they inform us that they will not be able to do the flooring work within that time frame; the HRA will contact the contractor who submitted the next lowest quote (Contractor #2) and so on until the work is completed. The HRA has been procuring the flooring services this way since 2020 and believe that this has freed up Property Managers time because they do not need to get quotes for these services every time that they have flooring replaced at any of their properties.

Contractor #1: Hansen Flooring Gallery Inc.

Contractor #2: Hennen Floor Covering

Frequency of Requests: Every one to two years

Related Action: 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 Impact: This item will be funded through each building's budget.

TO: St. Cloud HRA Board of Commissioners
 FROM: Paul Soenneker, Project Manager
 DATE: December 7, 2023
 SUBJECT: Approval of Maintenance Services Contract

Requested Action: Approve the maintenance contract with Master Trade Services, Inc. for repairs at properties owned/managed by the St Cloud HRA.

Background: The current maintenance contract for properties owned/managed by the St. Cloud HRA will end on January 31, 2024. We solicited bids from 8 companies, advertised in the St. Cloud Times and the HRA website. One contractor submitted a bid by the due date.

Master Trade Services, Inc.

General Maintenance	\$69.00 per hour
HVAC repairs	\$75.00 per hour
Cabinetry repairs /replacement	\$75.00 per hour
Appliance repairs	\$75.00 per hour
Master Plumber	\$100.00 per hour

HRA staff is recommending awarding the contract to Master Trade Services, Inc.

Frequency of Request: Every two to four years

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 each building’s budget.

TO: HRA Board of Commissioners
FROM: Karen Rizer, Finance Director
DATE: December 13, 2023
SUBJECT: Computer Hardware Purchase

Requested Action: Authorize the purchase of 31 laptops and docking stations and the related installation labor from Marco.

Background: We have previously discussed that most of the HRA computers were purchased in 2019-2020 and we were planning to replace most/all in 2024. HP currently has rebates available this month so we are accelerating the purchase into 2023 to save over 10%. The cost of the equipment is \$33,756.83. The installation labor is estimated at \$16,000 and will be purchased at a 7.5% discount for \$14,800. The total price will be approximately \$48,560.

Options: Approve, deny, or table.

Frequency of Request: One-time

Related Actions: None.

Future Action: None.

Budget Impact: Approximately \$48,560 spread amongst all the HRA's operating funds.

TO: St. Cloud HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: December 12, 2023
SUBJECT: Annual Performance Review of the Executive Director

The full board will meet for discussion at 5:00 pm on Wednesday, December 20, 2023 prior to the regular meeting.

A report from the Personnel Committee on the annual routine Executive Director evaluation for 2023 will be given.

Personnel Committee: Seal Dwyer, Hani Jacobson and John Dvorak – recommendation to the full Board on the acceptance of the evaluation process for the Executive Director will be read for approval.

TO: HRA Board of Commissioners

FROM: Karen Rizer, CPA
Finance Director

DATE: December 13, 2023

SUBJECT: Adopting the 2024 Budgets for the Central Office Cost Center and Housing Choice Voucher Funds

Requested Action: Approve.

Background: Each year the HRA adopts budgets for certain operating funds which are approved by the Board of Commissioners.

Options: Approve or Table.

Frequency of Request: Annually.

Related Actions: The operating budgets for the other funds were adopted in October.

Future Action: Potential amendments, if necessary.

Relationship to Goals: N/A.

Budget Impact: See each individual budget.

RESOLUTION 2023-18

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MN

ADOPTING THE OPERATING BUDGETS FOR CALENDAR YEAR 2024 FOR THE CENTRAL OFFICE COST CENTER AND HOUSING CHOICE VOUCHER PROGRAM FUNDS

WHEREAS, the calendar year 2024 budgets need to be approved by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MN:

That the Operating Budgets of the Housing and Redevelopment Authority of St. Cloud, MN for the Central Office Cost Center Fund and Housing Choice Voucher Program Fund for calendar year 2024 are hereby adopted, as follows:

	<u>Sources</u>	<u>Uses</u>	<u>Contribution To (Use Of) Equity</u>
Central Office Cost Center Fund	\$ 2,281,000	\$ 2,351,000	\$ (70,000)
Housing Choice Vouchers Program Fund	10,245,000	10,310,000	(65,000)

Adopted this 20th day of December, 2023.

ATTEST:

Nancy Gohman, Chair

Hani Jacobson, Secretary

CENTRAL OFFICE COST CENTER (COCC)

		Actual	Estimated	Adopted	Proposed
		2022	2023	Budget	Budget
				2023	2024
Revenues					
1	Tax Levy	\$ 502,871	\$ 525,000	\$ 527,000	\$ 714,000
2	Charges for Services	1,495,330	1,520,000	1,520,000	1,540,000
3	Interest	(13,998)	21,000	6,000	25,000
4	Miscellaneous Income	2,237	300	2,000	2,000
5	Total Revenues	\$ 1,986,440	\$ 2,066,300	\$ 2,055,000	\$ 2,281,000
Expenses					
6	Salaries and Benefits	\$1,621,496	\$ 1,660,000	\$ 1,660,000	\$ 1,788,000
7	Accounting and Auditing Fees	3,839	7,000	7,000	8,000
8	Legal	1,842	12,000	10,000	10,000
9	Membership Dues, Fees, and Advertising	11,434	15,000	15,000	16,000
10	Travel and Training	26,895	32,000	32,000	36,000
11	Other Administrative Costs	67,202	81,000	80,000	183,000
12	Utilities and Telephone	21,251	20,000	22,000	23,000
13	Maintenance Supplies and Services	33,924	29,000	35,000	35,000
14	Property and Liability Insurance	30,578	27,000	19,000	27,000
15	Operating Transfers Out - Core Neighborhoods	75,000	75,000	75,000	75,000
16	Operating Transfers Out - Fixup Fund Loans	-	-	-	150,000
17	Operating Transfers Out - Community Housing	100,000	100,000	100,000	-
18	Total Expenses	\$ 1,993,461	\$ 2,058,000	\$ 2,055,000	\$ 2,351,000
19	Revenues Over (Under) Expenses	\$ (7,021)	\$ 8,300	\$ -	\$ (70,000)

Notes:

The main change in this budget from the draft presented in July is that \$70,000 in software upgrade costs are now included (line 11 Other Admin Costs) in this budget. That is why there is now a \$70,000 deficit, as those costs are planned to be paid with reserves. Hardware upgrades are also included in line 11, which is why in total it is \$103,000 higher than the 2023 budget.

HOUSING CHOICE VOUCHER PROGRAM					
				Actual	Proposed
		Actual	Estimated	Budget	Budget
		2022	2023	2023	2024
Revenues					
1	Admin Fees from HUD & Other Housing Authorities	\$ 1,180,905	\$ 1,428,000	\$ 1,275,000	\$ 1,500,000
2	Interest	(3,884)	8,000	1,000	5,000
3	Miscellaneous	39,211	28,000	35,000	35,000
4	Operating Transfers In	5,000	5,000	5,000	5,000
5	Total Revenues	\$ 1,221,232	\$ 1,469,000	\$ 1,316,000	\$ 1,545,000
Expenses					
6	Salaries & Benefits	\$ 641,296	\$ 775,000	\$ 780,000	\$ 880,000
7	Management Fees	276,442	275,000	270,000	280,000
8	Accounting & Auditing Fees	8,115	10,000	11,000	11,000
9	Legal	8,186	8,000	12,000	15,000
10	Training & Travel	4,898	14,000	18,000	20,000
11	Unit Inspection Fees	118,326	125,000	120,000	135,000
12	Other Administrative Costs	108,753	118,000	120,000	205,000
13	Utilities & Telephone	11,638	12,000	13,000	14,000
14	Maintenance Repair Supplies & Services	25,766	31,000	32,000	34,000
15	Property & Liability Insurance	7,673	9,000	9,000	10,000
16	Collection Losses	9,021	5,000	8,000	6,000
17	Total Expenses	\$ 1,220,114	\$ 1,382,000	\$ 1,393,000	\$ 1,610,000
18	Net Change from Operations	\$ 1,118	\$ 87,000	\$ (77,000)	\$ (65,000)
Housing Assistance Payments (HAP)					
19	HUD and Other HAP Revenue	\$ 6,673,700	\$ 7,200,000	\$ 6,800,000	\$ 7,600,000
20	HAP to Landlords	(6,670,470)	(7,200,000)	(6,800,000)	(7,600,000)
21	HAP Revenue from Other HAs - Port-Ins	1,291,232	1,080,000	1,100,000	1,100,000
22	HAP to Landlords - Port-Ins	(1,292,145)	(1,080,000)	(1,100,000)	(1,100,000)
23	Net Change from Housing Assistance	\$ 2,317	\$ -	\$ -	\$ -
	Change in Net Position	\$ 3,435	\$ 87,000	\$ (77,000)	\$ (65,000)

Notes:

Line 6 - We are anticipating to be fully staffed in 2024, which includes a .75 additional FTE from 2023. The additional partial FTE and the annual increases in wages and insurance costs represent the 13% increase over 2023.

Line 12 - Other Administrative Costs - major items are IT fees, professional services, postage, office equipment purchases and maintenance and software licenses. The significant increase over 2023 is for the software conversion and hardware upgrades. If HUD does not provide sufficient administrative fees to cover the software conversion, and if there is a deficit, the deficit will be covered by a transfer from either the COCC or Community Housing Fund, which would be brought back to the Board for approval at 2024 year-end.

TO: HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: December 12, 2023
SUBJECT: Report on Activities

CDBG Application: The application for the Community Development Block Grant (CDBG) program was released. The pre-application is due January 4, 2024. The St. Cloud HRA will be applying for the Single-Family Rehab Loan Program and for The Brownstones Townhomes.

Housing Choice Voucher Waiting List: The waiting list for the Housing Choice Voucher Program was open from Monday, December 4, 2023 to Friday, December 8, 2023. The software company is now completing the lottery drawing and will forward the waiting list to us within the next couple of weeks.

Housing Choice Voucher Program: During the month of November 2023, there were three housing choice vouchers released. Two were voluntary releases and one was zero HAP. One was over the age of 62.

As of November 30, 2023 – 62 Port In vouchers and 43 Port Out vouchers.

CDBG Update:

For the homeowner rehab program:

- 8 in construction
- 4 in bidding
- 14 on wait list

Housing Department Vacancy Report – For the Month Ending November 30, 2023

Fund: Public Housing – 291 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>11/30/23</u>
Empire	89	2.67%	5*
Wilson	126	3.70%	5**
Scattered Sites	76	3.69%	0

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>11/30/23</u>
Germain	60	1.69%	2
Grace/NWB	102	1.84%	4***

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>11/30/23</u>
Creeks	24	2.89%	2
Brownstones	12	0.00%	0
Swisshelm One	32	1.70%	0
Westwood One	32	3.67%	0
Swisshelm Two	32	3.87%	2
Westwood Two	32	6.12%	2
Riverside	85	6.74%	1

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>11/30/23</u>
Eastwood	18	5.04%	0
Loehr	61	3.09%	0
418 House	1	0.00%	0

* One unit rented in December with another scheduled to move-in

** Three units rented in December with another scheduled to move-in

*** Three units scheduled for move-in January 1st