

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

Wednesday, May 29, 2024

A Study Session for the St. Cloud HRA Board of Commissioners was held on Wednesday, May 29, 2024. Chair Nancy Gohman called the meeting to order at 5:00 p.m. Commissioners present: Mike Conway, John Dvorak, Seal Dwyer, and Nancy Gohman. Commissioners absent: George Hontos, Hani Jacobson, and Carol Lewis.

Guest: Rebecca Petersen, CPA, Director at Redpath and Company.

Louise Reis, Executive Director, introduced Rebecca Petersen, CPA from Redpath and Company to review the 2023 Annual Financial Report and Management Letter with the Board and answer any questions or concerns they may have.

Ms. Petersen moved to page 7, *Independent Auditor's Report*. Ms. Petersen stated it is the responsibility of management to prepare the financial statements and maintain internal controls in doing so. She said it is Redpath's role to express an opinion on the statements. Ms. Petersen stated a clean, unmodified opinion was issued; it is the highest level of assurance auditors can provide.

Ms. Petersen continued with page 20 of *Basic Financial Statements*, pointing out the St. Cloud HRA has a healthy cash balance. Chair Gohman asked how the St. Cloud HRA compares to other housing authorities. Ms. Petersen responded the metrics can be different depending on how an HRA functions and which programs they offer, but the St. Cloud HRA's debt position is low and there is less outstanding debt than 20 years ago, and that is not always the case with other housing authorities.

Next, on page 23, Ms. Petersen said *Statement 2* shows a change of net position around \$600,000, due to depreciation but it is not an expense or cash loss. She also pointed to operating grants and subsidies that included additional Federal funding with increased housing assistance.

Commissioner Carol Lewis arrived at 5:08 p.m.

On page 30, Ms. Petersen stated she likes to point out resources available to the organization that are being held by the authority. Commissioner Conway asked if there is a threshold HUD expects about the amount of money in reserves. Ms. Petersen said they look at the reserves, but it depends on the property or function the reserves are associated with.

Next, the *Minnesota Legal Compliance Report* on page 43. Ms. Petersen explained this report is a requirement from the Office of the State Auditor. Ms. Petersen pointed that in previous years, the HRA failed to comply with the provision of the contracting and bidding section of the Minnesota Legal Compliance Audit Guide for Other Political Subdivisions relating to group insurance. In 2023, the HRA resolved the finding by receiving bids for group health insurance, but another item was found during routine testing. There are certain compliance items in projects that are looked at, including a certification that the contractors have followed MN income tax withholding rules before a final payment is issued on a project. Ms. Petersen said during one project it was found the certification was not obtained, which creates a finding, but it has not been identified previously and it is believed to be an oversight on a single project.

Ms. Petersen moved on to the reports on pages 47 to 59. She stated Redpath does not audit internal controls and financial reporting, but they are required to understand said controls to perform their audit. During the audit, they did not identify any findings. Ms. Petersen said additional file testing was performed for major programs, and, again, there were no findings. The *Summary of Audit Results* indicated no reports or weaknesses found and the auditee qualified as a low-risk auditee.

Ms. Petersen then provided information about the final attachment: *Communication With Those Charged With Governance*. It is information the firm is required to communicate with management and the governing board.

She noted most of the report is template language and similar to the prior year, adding there were no new accounting standards implemented during 2023, but there is a new standard local government had to consider about IT arrangements. It says if someone has a long-term IT arrangement, local governments have to acknowledge there is a future expense associated with the agreement. It did not impact the Authority in 2023, but it may be considered in 2024 with a new software implementation. Commissioner Conway asked what is considered long-term, and Ms. Petersen said any arrangement over 12 months is considered long-term. Commissioner Lewis asked if the new software will be considered. Ms. Petersen said it needs to be considered only if it is material.

Ms. Petersen reported there were no difficulties completing the audit, and there were no corrected misstatements during the audit. Ms. Petersen thanked Ms. Rizer and her staff for the great work they do and the attention they put into the audit.

The Commissioners seconded Ms. Petersen by thanking Ms. Rizer and the other HRA staff for the hard work they put into ensuring a successful audit. There being no further discussion, the study session ended at 5:28pm.

ATTEST:


Secretary, Hani Jacobson


Chair, Nancy Gohman

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

Wednesday, May 29, 2024

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, April 24, 2024 at 1225 West St. Germain Street. Chair Nancy Gohman called the meeting to order at 5:29 p.m. Commissioners present: Mike Conway, John Dvorak, Seal Dwyer, Nancy Gohman, and Carol Lewis. Commissioners absent: George Hontos and Hani Jacobson.

Consent Agenda:

1. Roll call was taken and the pledge of allegiance spoken.
2. Approval of Agenda – 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 Meeting Minutes, April 24, 2024 – approved as presented.
4. Approval of Regular Meeting Minutes, April 24, 2024 – approved as presented.
5. Approval of Auditor’s Reports for the Year Ended December 31, 2023 – approved as presented.
6. Approval of Contract for Deck Replacement at Cedar Ridge Townhomes – contract approved with Brand Built Homes in the amount of \$92,500.
7. Approval of Contract for Scattered Site Central Air Conditioning Installation – contract approved with Augusta Plumbing & Heating in the amount of \$60,050.

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

Old Business:

8. Discussion on the 2023 Calls for Service – Officer Clark shared the 2023 calls for service report document that was discussed at the April meeting, and said the Amazon Lockers have been helpful at the properties to decrease thefts and is excited about additional units being installed at properties in the future. Ms. Reis added she hopes to hold a Study Session at Grace McDowall Apartments for the Board to see one of the lockers in person. Chair Gohman asked if Al Loehr will need a locker, and Officer Clark responded with how the property is set up, it is not necessary because the mailroom is tucked away and a locked door with fob access would be enough to deter package thefts. He then opened up the discussion Board for comments or questions.

Commissioner Conway asked Officer Clark what he needs from the Board or the HRA to continue being successful. Officer Clark said another officer would be an asset because there are significantly fewer calls when he is around or on call, plus when an officer is more familiar with the properties and the residents, the situation is less likely to escalate. Commissioner Dvorak asked how the partnership with the St. Cloud Police Department came about to being with. Ms. Reis responded the HRA and the police chief worked out a written agreement and there is a monthly reimbursement for the officer’s time. Ms. Reis said the HRA can look to see if financially the HRA can support another officer, and if the City of St. Cloud has another officer that can assist, as Officer Clark is often pulled for other situations. The Board thanked Officer Clark for his dedication and hard work.

New Business:

9. Public Hearing on Land Acquired from the City of St. Cloud – Ms. Reis recapped the City of St. Cloud shared they would be donating their parcel to the HRA. Ms. Reis advertised the Public Hearing for May and then during the June meeting the Restated and Amended Letter of Intent will be brought to the Board for approval.

10. Approval of Resolution 2024-08 – Authorization of Revised Housing Tax Credit Suballocator Joint Powers Agreement – Ms. Reis shared the agreement was previously approved during the March meeting, but Minnesota Housing has since updated dates and allocation amounts; all other information remains the same. Commissioner Conway moved for approval; Commissioner Dwyer seconded the motion. All commissioners voted in favor; the motion carried.

11. Approval of Resolution 2024-09 – Authorize Banking Services with Bremer Bank – Ms. Reis shared previously Finance Director, Karen Rizer, had put together a request for proposals that was posted on the HRA’s website and notice provided to eight local institutions, and five proposals were received back. Bremer Bank checked all the boxes the HRA was looking for in the RFP. Commission Dwyer asked if Liberty Bank submitted a proposal and Ms. Reis responded they had a partial submission, but were unable to fulfill all requested services. Commissioner Conway moved for approval; Commissioner Dvorak seconded the motion. All commissioners voted in favor; the motion carried.

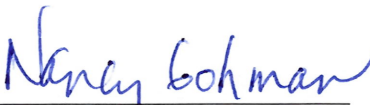
12. Report on Activities – Ms. Reis shared NSPIRE training is being coordinated for local landlords under the Housing Choice Voucher Program on the inspection standards. Commissioner Conway asked if it is mandatory and Voucher Programs Manager, Lori Lygre, answered no, the HRA did not want to create an additional barrier because it can be difficult to attract landlords for the program. Chair Gohman asked Project Manager, Paul Soenneker, about the 20 people on the CDBG waiting list. Mr. Soenneker responded there is a lot of work on emergency projects right now with sewer issues. Chair Gohman asked how emergency projects are handled and Mr. Soenneker said they get bumped up accordingly on the waiting list and addressed timely.

There being no further business, the meeting adjourned at 6:08 p.m.

ATTEST:



Secretary, Hani Jacobson



Chair, Nancy Gohman