

TO: St. Cloud HRA Board of Commissioners  
FROM: Louise Reis, Executive Director  
DATE: October 16, 2024  
SUBJECT: Update on Personnel and Operations

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- 1 Update on the status of Deputy Director
- 2 Staff Recommendation on Pay Increases for 2025
- 3 Grace McDowall Apartments Eligibility Criteria
- 4 Housing Navigator position
- 5 Open Discussion

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

**St. Cloud HRA, 1225 West St. Germain Street, Board Room  
Wednesday, October 23, 2024  
Immediately following 5:00 p.m. Study Session**

<b>STUDY SESSION -- 5:00 P.M., St. Cloud HRA, Board Room AGENDA: Personnel and Operations Updates</b>
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**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, September 25, 2024. REQUESTED ACTION: Approve.
4. Review of 2024 Financial Reports. REQUESTED ACTION: None.
5. Approval of Payment Standards Effective January 1, 2025. 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:**

6. Approval of Resolution 2024-15 – Authorizing Participation in the Minnesota City Participation Program for 2025.
7. Approval of Contract for Design / Engineering Services for Empire Apartments Boiler Replacement.
8. Approval of Contract for Design / Engineering Services for Wilson Sanitary and Domestic Pipe Replacement.
9. Approval of Change in Medical and Dental Insurance Providers.
10. Report on Activities.

**Open Discussion:**

**Adjourn.**

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

**Wednesday, September 25, 2024**

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, September 25, 2024 at 1225 West St. Germain Street, St. Cloud, MN 56301. Vice-Chair Seal Dwyer called the meeting to order at 6:23 p.m.

Prior to the Regular Meeting, a Closed Meeting was held to discuss litigation strategy with the St. Cloud HRA's attorney.

Consent Agenda:

1. Roll call was taken and the pledge of allegiance spoken. Commissioners present: Mike Conway, John Dvorak, Seal Dwyer, George Hontos, Hani Jacobson, and Carol Lewis. Commissioners absent: Nancy Gohman.
2. Approval of Agenda – Commissioner Dvorak added Item 9 – Approval of Litigation Strategy. Commissioner Lewis moved for approval; Commissioner Conway seconded the motion. All Commissioners voted in favor; the agenda and consent agenda moved as presented.
3. Approval of Study Session Minutes, August 28, 2024 – approved as presented.
4. Approval of Regular Minutes, August 28, 2024 – approved as presented.
5. Review of 2024 Financial Reports – no action required.

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

Old Business: none.

New Business:

6. Approval of Change in Use at 54 30th Avenue North and 119 23rd Avenue North – Ms. Reis shared the St. Cloud HRA purchased two homes in September 1995 that were managed by Catholic Charities. Catholic Charities served notice to the HRA that that their organization would no longer have capacity to run the homes. After putting out a request to other agencies in the local area to no avail, the HRA requested Minnesota Housing change the use from transitional housing to affordable housing. The homes will be rented to families at or below 50% of the greater State Medium Income or Area Medium Income limits. Vouchers will be accepted at the properties. Commissioner Hontos asked if the properties are currently vacant and Ms. Reis said yes, there are maintenance issues being taken care of prior to the units being rented. Commissioner Hontos moved for approval; Commissioner Jacobson seconded the motion. All Commissioners voted in favor; the motion carried.
7. Approval of Resolution 2024-14 – Application for HUD CoC Rental Assistance Grants – Ms. Reis noted the HUD CoC Rental Assistance provides tenant-based rental assistance to participants, and the grant application is for a renewal of two years. The application is for three grants in the amounts of \$432,552, \$95,052, and \$152,598. Commissioner Conway moved for approval; Commissioner Dvorak seconded the motion. All Commissioners voted in favor; the motion carried.
8. Report on Activities – Ms. Reis shared an update about the roof replacement at Brownstones and asked Project Manager Paul Soenneker to share photos. Mr. Soenneker showed photos of the project and said unexpected rotted and damaged framing and sheathing on the lower parapets was found. The architect issued a Construction Change Directive (CCD) due to the urgent need for a change to the contract, as time did not allow for a formal change order. The CCD is not to exceed the amount of \$5,000 per building. A change order was also issued for \$9,573.85 for additional EIFS / sheathing repair on the 403 8<sup>th</sup> Avenue N building. Mr. Soenneker noted the roof was open during

a recent rainfall, and the HRA is working with a restoration company to take care of the leaks in units, and the builder has confirmed they will cover the costs of the water damage.

9. Approval of Litigation Strategy – Commissioner Conway moved for approval; Commissioner Dvorak seconded the motion. All Commissioners voted in favor; the motion carried.

There being no further business, the meeting adjourned at 6:32 p.m.

ATTEST:

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Chair, Nancy Gohman

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Secretary, Hani Jacobson

TO: HRA Board of Commissioners  
FROM: Karen Rizer, CPA Finance Director  
DATE: October 16, 2024  
SUBJECT: 2024 Financial Reports

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**Requested Action:** None.

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

The planned reporting schedule is as follows:

**July** – 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.

**August and November** – 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.

**September and December** – Al Loehr Apartments Fund and the seven tax credit limited partnership funds.

**October 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](mailto:krizer@stcloudhra.com) Thank you.

**Empire Apartments (Public Housing) 54 4th Ave N 89 Units Built 1971**  
**August 31, 2024**

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	1.4%

	Account Title	2024 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
<b>Operating Income:</b>						
1	Gross Potential Rent	\$ 282,000	\$ 188,000	\$ 210,642	\$ 22,642	12.0%
2	Less: Vacancy Loss	(5,600)	(3,733)	(3,019)	714	19.1%
3	<b>Net Tenant Rental Revenue</b>	<b>276,400</b>	<b>184,267</b>	<b>207,623</b>	<b>23,356</b>	<b>12.7%</b>
4	Gross Potential Subsidy	288,300	192,200	182,307	(9,893)	-5.1%
5	Less: Subsidy Loss - Proration	(13,800)	(9,200)	(11,550)	(2,350)	-25.5%
6	<b>Net Operating Subsidy</b>	<b>274,500</b>	<b>183,000</b>	<b>170,757</b>	<b>(12,243)</b>	<b>-6.7%</b>
7	HUD PHA Operating Grant - CFP	29,000	29,000	30,000	1,000	3.4%
8	Other Income	68,300	45,533	29,924	(15,609)	-34.3%
	<b>Total Operating Income</b>	<b>648,200</b>	<b>441,800</b>	<b>438,304</b>	<b>(3,496)</b>	<b>-0.8%</b>

<b>Operating Expenses:</b>						
<b>Administrative</b>						
9	Administrative Salaries & Benefits	96,000	64,000	63,709	(291)	0.5%
10	Management & Bkpg Fees - Operations	89,600	59,733	58,676	(1,057)	1.8%
11	Management Fees - CFP	29,000	29,000	30,000	1,000	-3.4%
12	Auditing Fees	4,100	2,733	5,520	2,787	-102.0%
13	Legal Expense	7,000	4,667	861	(3,806)	81.6%
14	Other Administrative Costs	46,000	30,667	19,833	(10,834)	35.3%
15	<b>Total Administrative</b>	<b>271,700</b>	<b>190,800</b>	<b>178,599</b>	<b>(12,201)</b>	<b>6.4%</b>
16	<b>Asset Management Fees</b>	<b>10,560</b>		-	-	<b>0.0%</b>
17	<b>Tenant Services</b>	<b>5,000</b>	<b>3,333</b>	<b>2,015</b>	<b>(1,318)</b>	<b>39.6%</b>
<b>Utilities</b>						
18	Water & Sewer	25,000	16,667	14,068	(2,599)	15.6%
19	Electricity	60,000	40,000	35,261	(4,739)	11.8%
20	Gas	45,000	30,000	17,626	(12,374)	41.2%
21	<b>Total Utilities</b>	<b>130,000</b>	<b>86,667</b>	<b>66,955</b>	<b>(19,712)</b>	<b>22.7%</b>
22	<b>Maintenance</b>	<b>191,240</b>	<b>127,493</b>	<b>151,671</b>	<b>24,178</b>	<b>-19.0%</b>
23	<b>Protective Services</b>	<b>17,000</b>	<b>11,333</b>	<b>17,680</b>	<b>6,347</b>	<b>-56.0%</b>
24	<b>Insurance</b>	<b>18,700</b>	<b>18,700</b>	<b>18,492</b>	<b>(208)</b>	<b>1.1%</b>
25	<b>Payments in Lieu of Taxes</b>	<b>9,000</b>	<b>6,000</b>	<b>6,000</b>	-	<b>0.0%</b>
26	<b>Bad Debt-Tenants</b>	<b>10,000</b>	<b>6,667</b>	<b>4,285</b>	<b>(2,382)</b>	<b>35.7%</b>

27	<b>Total Operating Expenses</b>	<b>663,200</b>	<b>450,993</b>	<b>445,697</b>	<b>(5,296)</b>	<b>1.2%</b>
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28	<b>Cash Flow from Operations</b>	<b>(15,000)</b>	<b>(9,193)</b>	<b>(7,393)</b>	<b>1,800</b>	<b>19.6%</b>
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<b>Other Sources &amp; (Uses)</b>						
29	HUD Grants - CFP	450,000			-	0.0%
30	Capital Expenditures	(450,000)	-	-	-	0.0%
31	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
32	<b>Total Other Financial Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

33	<b>Net Cash Flow</b>	<b>\$ (15,000)</b>	<b>\$ (9,193)</b>	<b>\$ (7,393)</b>	<b>\$ 1,800</b>	<b>19.6%</b>
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Line item notes:

22 - Includes \$24,125 lighting upgrades and \$19,400 unit turnaround

23 - Includes \$3,000 camera repairs

Scattered Sites (Public Housing)

76 Units

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

August 31, 2024

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	1%

	Account Title	2024 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
<b>Operating Income:</b>						
1	Gross Potential Rent	\$ 310,100	\$ 206,733	\$ 269,822	\$ 63,089	30.5%
2	Less: Vacancy Loss	(4,700)	(3,133)	(2,601)	532	17.0%
3	<b>Net Tenant Rental Revenue</b>	<b>305,400</b>	<b>203,600</b>	<b>267,221</b>	<b>63,621</b>	<b>31.2%</b>
4	Gross Potential Subsidy	192,800	128,533	147,344	18,811	14.6%
5	Less: Subsidy Loss - Proration	(15,300)	(10,200)	(9,335)	865	8.5%
6	<b>Net Operating Subsidy</b>	<b>177,500</b>	<b>118,333</b>	<b>138,009</b>	<b>19,676</b>	<b>16.6%</b>
7	HUD PHA Operating Grant - CFP	155,000	30,000	30,000	-	0.0%
8	Other Income	68,000	45,333	54,707	9,374	20.7%
	<b>Total Operating Income</b>	<b>705,900</b>	<b>397,267</b>	<b>489,937</b>	<b>92,670</b>	<b>23.3%</b>

<b>Operating Expenses:</b>						
	<b>Administrative</b>					
9	Administrative Salaries & Benefits	106,000	70,667	71,118	451	-0.6%
10	Management & Bkpg Fees - Operations	76,900	51,267	50,198	(1,069)	2.1%
11	Management Fees - CFP	29,000	29,000	30,000	1,000	-3.4%
12	Auditing Fees	3,600	2,400	5,125	2,725	-113.5%
13	Legal Expense	6,000	4,000	1,739	(2,261)	56.5%
14	Other Administrative Costs	40,500	27,000	29,686	2,686	-9.9%
15	<b>Total Administrative</b>	<b>262,000</b>	<b>184,333</b>	<b>187,866</b>	<b>3,533</b>	<b>-1.9%</b>
16	<b>Asset Management Fees</b>	<b>9,120</b>		-	-	<b>0.0%</b>
17	<b>Tenant Services</b>	<b>1,900</b>	<b>1,267</b>	-	<b>(1,267)</b>	<b>0.0%</b>
	<b>Utilities</b>					
18	Water & Sewer	70,000	46,667	48,275	1,608	-3.4%
19	Electricity	11,500	7,667	6,391	(1,276)	16.6%
20	Gas	5,000	3,333	1,055	(2,278)	68.4%
21	<b>Total Utilities</b>	<b>86,500</b>	<b>57,667</b>	<b>55,721</b>	<b>(1,946)</b>	<b>3.4%</b>
22	<b>Maintenance</b>	<b>275,080</b>	<b>183,387</b>	<b>289,069</b>	<b>105,682</b>	<b>-57.6%</b>
23	<b>Protective Services</b>	<b>10,000</b>	<b>6,667</b>	<b>5,931</b>	<b>(736)</b>	<b>11.0%</b>
24	<b>Insurance</b>	<b>36,700</b>	<b>36,700</b>	<b>35,962</b>	<b>(738)</b>	<b>2.0%</b>
25	<b>Payments in Lieu of Taxes</b>	<b>9,600</b>	<b>6,400</b>	<b>6,400</b>	-	<b>0.0%</b>
26	<b>Bad Debt-Tenants</b>	<b>15,000</b>	<b>10,000</b>	<b>35</b>	<b>(9,965)</b>	<b>99.7%</b>

27	<b>Total Operating Expenses</b>	<b>705,900</b>	<b>486,420</b>	<b>580,984</b>	<b>94,564</b>	<b>-19.4%</b>
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28	<b>Cash Flow from Operations</b>	-	<b>(89,153)</b>	<b>(91,047)</b>	<b>(1,894)</b>	<b>-2.1%</b>
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<b>Other Sources &amp; (Uses)</b>						
29	HUD Grants - CFP	409,000	-	-	-	0.0%
30	Capital Expenditures	(409,000)	-	-	-	0.0%
31	Other Financial Items-Sources & (Uses)				-	0.0%
32	<b>Total Other Financial Items</b>	-	-	-	-	<b>0.0%</b>

33	<b>Net Cash Flow</b>	<b>\$ -</b>	<b>\$ (89,153)</b>	<b>\$ (91,047)</b>	<b>\$ (1,894)</b>	<b>-2.1%</b>
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Line item notes:

22 - Includes \$98,000 furnace, A/C, and water heater replacements at Flintwood

**Wilson Apartments (Public Housing)**  
**August 31, 2024**

**41 3rd Ave NE**

**126 Units**

**Built 1970**

<b>Budgeted Vacancy Loss</b>	<b>2%</b>
<b>Actual Vacancy Loss</b>	<b>2.4%</b>

	<b>Account Title</b>	<b>2024 BUDGET</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Budget vs. Actual Var. \$</b>	<b>YTD Budget vs. Actual Var. %</b>
<b>Operating Income:</b>						
1	Gross Potential Rent	\$ 405,200	\$ 270,133	\$ 288,121	\$ 17,988	6.7%
2	<i>Less: Vacancy Loss</i>	(8,100)	(5,400)	(6,938)	(1,538)	-28.5%
3	<b>Net Tenant Rental Revenue</b>	<b>397,100</b>	<b>264,733</b>	<b>281,183</b>	<b>16,450</b>	<b>6.2%</b>
4	Gross Potential Subsidy	367,100	244,733	248,245	3,512	1.4%
5	<i>Less: Subsidy Loss - Proration</i>	(19,900)	(13,267)	(15,727)	(2,460)	-18.5%
6	<b>Net Operating Subsidy</b>	<b>347,200</b>	<b>231,467</b>	<b>232,518</b>	<b>1,051</b>	<b>0.5%</b>
7	HUD PHA Operating Grant - CFP	92,000	32,395	32,395	-	0.0%
8	Other Income	33,000	22,000	27,173	5,173	23.5%
	<b>Total Operating Income</b>	<b>869,300</b>	<b>550,595</b>	<b>573,269</b>	<b>22,674</b>	<b>4.1%</b>

<b>Operating Expenses:</b>						
	<b>Administrative</b>					
9	Administrative Salaries & Benefits	118,000	78,667	83,686	5,019	-6.4%
10	Management & Bkpg Fees - Operations	126,800	84,533	83,276	(1,257)	1.5%
11	Management Fees - CFP	32,000	32,000	32,395	395	-1.2%
12	Auditing Fees	5,600	3,733	7,060	3,327	-89.1%
13	Legal Expense	10,000	6,667	11,525	4,858	-72.9%
14	Other Administrative Costs	52,500	35,000	25,255	(9,745)	27.8%
15	<b>Total Administrative</b>	<b>344,900</b>	<b>240,600</b>	<b>243,197</b>	<b>2,597</b>	<b>-1.1%</b>
16	<b>Asset Management Fees</b>	<b>15,000</b>		-	-	<b>0.0%</b>
17	<b>Tenant Services</b>	<b>10,000</b>	<b>6,667</b>	<b>2,349</b>	<b>(4,318)</b>	<b>64.8%</b>
	<b>Utilities</b>					
18	Water & Sewer	27,000	18,000	16,529	(1,471)	8.2%
19	Electricity	82,000	54,667	49,042	(5,625)	10.3%
20	Gas	65,000	43,333	23,912	(19,421)	44.8%
21	<b>Total Utilities</b>	<b>174,000</b>	<b>116,000</b>	<b>89,483</b>	<b>(26,517)</b>	<b>22.9%</b>
22	<b>Maintenance</b>	<b>261,000</b>	<b>174,000</b>	<b>244,855</b>	<b>70,855</b>	<b>-40.7%</b>
23	<b>Protective Services</b>	<b>20,000</b>	<b>13,333</b>	<b>23,294</b>	<b>9,961</b>	<b>-74.7%</b>
24	<b>Insurance</b>	<b>23,900</b>	<b>23,900</b>	<b>23,680</b>	<b>(220)</b>	<b>0.9%</b>
25	<b>Payments in Lieu of Taxes</b>	<b>10,500</b>	<b>7,000</b>	<b>7,000</b>	<b>-</b>	<b>0.0%</b>
26	<b>Bad Debt-Tenants</b>	<b>10,000</b>	<b>6,667</b>	<b>809</b>	<b>(5,858)</b>	<b>87.9%</b>

27	<b>Total Operating Expenses</b>	<b>869,300</b>	<b>588,167</b>	<b>634,667</b>	<b>46,500</b>	<b>-7.9%</b>
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28	<b>Cash Flow from Operations</b>	<b>-</b>	<b>(37,572)</b>	<b>(61,398)</b>	<b>(23,826)</b>	<b>-63.4%</b>
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	<b>Other Sources &amp; (Uses)</b>					
29	HUD Grants - CFP	250,000		-	-	0.0%
30	Capital Expenditures	(250,000)		-	-	0.0%
31	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
32	<b>Total Other Financial Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

33	<b>Net Cash Flow</b>	<b>\$ -</b>	<b>\$ (37,572)</b>	<b>\$ (61,398)</b>	<b>\$ (23,826)</b>	<b>-63.4%</b>
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Line item notes:

22 - Includes \$75,800 Unit Turnaround and \$32,000 Water boiler replacement



Germain Towers (Section 8 New Construction) 905 W St. Germain 60 Units Built 1919; HRA purch. 1993  
 August 31, 2024

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	3.3%

	Account Title	2024 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
<b>Operating Income:</b>						
1	Gross Potential Rent	\$ 226,300	\$ 150,867	\$ 148,817	\$ (2,050)	-1.4%
2	Less: Vacancy Loss	(4,500)	(3,000)	(4,926)	(1,926)	-64.2%
3	<b>Net Tenant Rental Revenue</b>	<b>221,800</b>	<b>147,867</b>	<b>143,891</b>	<b>(3,976)</b>	<b>-2.7%</b>
4	HUD HAP Subsidy	248,500	165,667	167,164	1,497	0.9%
5	Other Income	43,000	28,667	37,706	9,039	31.5%
	<b>Total Operating Income</b>	<b>513,300</b>	<b>342,200</b>	<b>348,761</b>	<b>6,561</b>	<b>1.9%</b>

<b>Operating Expenses:</b>						
	<b>Administrative</b>					
6	Administrative Salaries & Benefits	40,000	26,667	26,342	(325)	1.2%
7	Management & Bkpg Fees	60,400	40,267	38,064	(2,203)	5.5%
8	Auditing Fees	1,200	800	1,155	355	-44.4%
9	Legal Expense	1,500	1,000	16,096	15,096	-1509.6%
10	Other Administrative Costs	27,900	18,600	14,288	(4,312)	23.2%
11	<b>Total Administrative</b>	<b>131,000</b>	<b>87,333</b>	<b>95,945</b>	<b>8,612</b>	<b>-9.9%</b>
12	<b>Tenant Services</b>	<b>2,000</b>	<b>1,333</b>	<b>-</b>	<b>(1,333)</b>	<b>0.0%</b>
	<b>Utilities</b>					
13	Water & Sewer	16,000	10,667	11,249	582	-5.5%
14	Electricity	21,000	14,000	12,432	(1,568)	11.2%
15	Gas	34,000	22,667	13,266	(9,401)	41.5%
16	<b>Total Utilities</b>	<b>71,000</b>	<b>47,333</b>	<b>36,947</b>	<b>(10,386)</b>	<b>21.9%</b>
17	<b>Maintenance</b>	<b>170,000</b>	<b>113,333</b>	<b>154,917</b>	<b>41,584</b>	<b>-36.7%</b>
18	<b>Protective Services</b>	<b>14,000</b>	<b>9,333</b>	<b>13,469</b>	<b>4,136</b>	<b>-44.3%</b>
19	<b>Insurance</b>	<b>32,900</b>	<b>32,900</b>	<b>32,122</b>	<b>(778)</b>	<b>2.4%</b>
20	<b>Payments in Lieu of Taxes</b>	<b>8,400</b>	<b>5,600</b>	<b>6,764</b>	<b>1,164</b>	<b>-20.8%</b>
21	<b>Bad Debt-Tenants</b>	<b>4,000</b>	<b>2,667</b>	<b>4,624</b>	<b>1,957</b>	<b>-73.4%</b>

22	<b>Total Operating Expenses</b>	<b>433,300</b>	<b>299,833</b>	<b>344,788</b>	<b>44,955</b>	<b>-15.0%</b>
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23	<b>Cash Flow from Operations</b>	<b>80,000</b>	<b>42,367</b>	<b>3,973</b>	<b>(38,394)</b>	<b>90.6%</b>
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	<b>Other Sources &amp; (Uses)</b>					
24	Debt Principal (HRA)	(80,000)		-	-	0.0%
25	Capital Expenditures	-		-	-	0.0%
26	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
27	<b>Total Other Financial Items</b>	<b>(80,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

28	<b>Net Cash Flow</b>	<b>\$ -</b>	<b>\$ 42,367</b>	<b>\$ 3,973</b>	<b>\$ (38,394)</b>	<b>90.6%</b>
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Line item notes:

22 - Includes \$20,300 unit turnaround and \$39,900 to paint and stucco building

Northway A & B (Section 8 New Construction)

102 Units

Built 1980

Northway A (Grace McDowall Apts) 1525 Northway Dr & Nway B Townhomes 2401 15 St N

August 31, 2024

Budgeted Vacancy Loss	2%
Actual Vacancy Loss	1.3%

	Account Title	2024 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
<b>Operating Income:</b>						
1	Gross Potential Rent	\$ 427,700	\$ 285,133	\$ 253,703	\$ (31,430)	-11.0%
2	Less: Vacancy Loss	(8,600)	(5,733)	(3,202)	2,531	44.2%
3	<b>Net Tenant Rental Revenue</b>	<b>419,100</b>	<b>279,400</b>	<b>250,501</b>	<b>(28,899)</b>	<b>-10.3%</b>
4	HUD HAP Subsidy	452,700	301,800	339,396	37,596	12.5%
5	Other Income	25,000	16,667	12,763	(3,904)	-23.4%
	<b>Total Operating Income</b>	<b>896,800</b>	<b>597,867</b>	<b>602,660</b>	<b>4,793</b>	<b>0.8%</b>

<b>Operating Expenses:</b>						
	<b>Administrative</b>					
6	Administrative Salaries & Benefits	96,000	64,000	67,292	3,292	-5.1%
7	Management & Bkpg Fees	102,700	68,467	66,654	(1,813)	2.6%
8	Auditing Fees	1,600	1,067	1,540	473	-44.4%
9	Legal Expense	3,000	2,000	53	(1,947)	97.4%
10	Other Administrative Costs	39,000	26,000	21,456	(4,544)	17.5%
11	<b>Total Administrative</b>	<b>242,300</b>	<b>161,533</b>	<b>156,995</b>	<b>(4,538)</b>	<b>2.8%</b>
12	<b>Asset Management Fees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
13	<b>Tenant Services</b>	<b>500</b>	<b>333</b>	<b>1,371</b>	<b>1,038</b>	<b>-311.3%</b>
	<b>Utilities</b>					
14	Water & Sewer	44,000	29,333	27,587	(1,746)	6.0%
15	Electricity	23,000	15,333	15,829	496	-3.2%
16	Gas	35,000	23,333	13,612	(9,721)	41.7%
17	<b>Total Utilities</b>	<b>102,000</b>	<b>68,000</b>	<b>57,028</b>	<b>(10,972)</b>	<b>16.1%</b>
18	<b>Maintenance</b>	<b>232,600</b>	<b>155,067</b>	<b>147,349</b>	<b>(7,718)</b>	<b>5.0%</b>
19	<b>Protective Services</b>	<b>30,000</b>	<b>20,000</b>	<b>16,263</b>	<b>(3,737)</b>	<b>18.7%</b>
20	<b>Insurance</b>	<b>26,700</b>	<b>26,700</b>	<b>26,427</b>	<b>(273)</b>	<b>1.0%</b>
21	<b>Payments in Lieu of Taxes</b>	<b>11,700</b>	<b>7,800</b>	<b>7,800</b>	<b>-</b>	<b>0.0%</b>
22	<b>Bad Debt-Tenants</b>	<b>6,000</b>	<b>4,000</b>	<b>-</b>	<b>(4,000)</b>	<b>0.0%</b>

23	<b>Total Operating Expenses</b>	<b>651,800</b>	<b>443,433</b>	<b>413,233</b>	<b>(30,200)</b>	<b>6.8%</b>
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24	<b>Cash Flow from Operations</b>	<b>245,000</b>	<b>154,433</b>	<b>189,427</b>	<b>34,994</b>	<b>-22.7%</b>
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	<b>Other Sources &amp; (Uses)</b>					
25	Capital Expenditures	(450,000)		(27,896)	(27,896)	0.0%
26	Other Financial Items-Sources & (Uses)	205,000	-	-	-	0.0%
27	<b>Total Other Financial Items</b>	<b>(245,000)</b>	<b>-</b>	<b>(27,896)</b>	<b>(27,896)</b>	<b>0.0%</b>

28	<b>Net Cash Flow</b>	<b>\$ -</b>	<b>\$ 154,433</b>	<b>\$ 161,531</b>	<b>\$ 7,098</b>	<b>-4.6%</b>
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Line item notes:

25 - Includes boiler replacement project of \$27,896

Eastwood Apartments    530 3rd St NE    18 Units    Built 1982; HRA purch. 2002  
 August 31, 2024

Budgeted Vacancy Loss	5%
Actual Vacancy Loss	6.6%

	Account Title	2024 BUDGET	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
<b>Operating Income:</b>						
1	Gross Potential Rent	\$ 146,500	\$ 97,667	\$ 103,440	\$ 5,773	5.9%
2	Less: Vacancy Loss	(7,300)	(4,867)	(6,790)	(1,923)	-39.5%
3	<b>Net Tenant Rental Revenue</b>	<b>139,200</b>	<b>92,800</b>	<b>96,650</b>	<b>3,850</b>	<b>4.1%</b>
4	Other Income	9,100	6,067	10,278	4,211	69.4%
	<b>Total Operating Income</b>	<b>148,300</b>	<b>98,867</b>	<b>106,928</b>	<b>8,061</b>	<b>8.2%</b>

<b>Operating Expenses:</b>						
	<b>Administrative</b>					
5	Administrative Salaries & Benefits	17,000	11,333	9,006	(2,327)	20.5%
6	Management & Bkpgg Fees	21,100	14,067	14,144	77	-0.5%
7	Auditing Fees	400	267	385	118	-44.4%
8	Legal Expense	1,200	800	4,007	3,207	-400.9%
9	Other Administrative Costs	8,000	5,333	5,256	(77)	1.4%
10	<b>Total Administrative</b>	<b>47,700</b>	<b>31,800</b>	<b>32,798</b>	<b>998</b>	<b>-3.1%</b>
11	<b>Tenant Services</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>348</b>	<b>0.0%</b>
	<b>Utilities</b>					
12	Water & Sewer	7,500	5,000	9,460	4,460	-89.2%
13	Electricity	4,000	2,667	2,746	79	-3.0%
14	Gas	9,000	6,000	3,902	(2,098)	35.0%
15	<b>Total Utilities</b>	<b>20,500</b>	<b>13,667</b>	<b>16,108</b>	<b>2,441</b>	<b>-17.9%</b>
16	<b>Maintenance</b>	<b>65,000</b>	<b>43,333</b>	<b>27,370</b>	<b>(15,963)</b>	<b>36.8%</b>
17	<b>Protective Services</b>	<b>3,200</b>	<b>2,133</b>	<b>3,811</b>	<b>1,678</b>	<b>-78.6%</b>
18	<b>Insurance</b>	<b>4,300</b>	<b>4,300</b>	<b>4,264</b>	<b>(36)</b>	<b>0.8%</b>
19	<b>Payments in Lieu of Taxes</b>	<b>5,600</b>	<b>3,733</b>	<b>3,736</b>	<b>3</b>	<b>-0.1%</b>
20	<b>Bad Debt-Tenants</b>	<b>2,000</b>	<b>1,333</b>	<b>2,880</b>	<b>1,547</b>	<b>-116.0%</b>

21	<b>Total Operating Expenses</b>	<b>148,300</b>	<b>100,300</b>	<b>91,315</b>	<b>(8,985)</b>	<b>9.0%</b>
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22	<b>Cash Flow from Operations</b>	<b>-</b>	<b>(1,433)</b>	<b>15,613</b>	<b>17,046</b>	<b>1189.3%</b>
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	<b>Other Sources &amp; (Uses)</b>					
23	Debt Principal (HRA)	(25,000)		-	-	0.0%
24	Capital Expenditures	-	-	-	-	0.0%
25	Other Financial Items-Sources & (Uses)	25,000		-	-	0.0%
26	<b>Total Other Financial Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

27	<b>Net Cash Flow</b>	<b>\$ -</b>	<b>\$ (1,433)</b>	<b>\$ 15,613</b>	<b>\$ 17,046</b>	<b>1189.3%</b>
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Line item notes:

TO: St. Cloud HRA Board of Commissioners

FROM: Lori Lygre, Voucher Programs Manager  
Louise Reis, Executive Director

DATE: October 10, 2024

SUBJECT: Payment Standards for the Housing Choice Voucher Program

**Requested Action:** Approval of Payment Standards for the Housing Choice Voucher Program to reflect the changes in the Fair Market Rents

**Background:** The Department of Housing and Urban Development has published the new Fair Market Rents. The payment standard for the voucher program is required to be between 90 to 110 percent of the fair market rent. The payment standard for each unit size is for the monthly rent plus utilities that the resident would be responsible for.

Listed below are the current and proposed payment standards. The proposed Payment Standards would take effect on January 1, 2025.

**Housing Choice Voucher Program (Section 8)**  
including Special Purpose Vouchers

<b>City of St. Cloud/Benton County</b>	<b>Current</b>	<b>Proposed</b>
0 bedroom	\$943.00	\$943.00
1 bedroom	\$974.00	\$974.00
2 bedroom	\$1242.00	\$1242.00
3 bedroom	\$1646.00	\$1646.00
4 bedroom	\$1957.00	\$1957.00
5 bedroom	\$2250.00	\$2250.00
6 bedroom	\$2543.00	\$2543.00
7 bedroom	\$2837.00	\$2837.00
<b>Sherburne and Wright Counties</b>	<b>Current</b>	<b>Proposed</b>
0 bedroom	\$1174.00	\$1174.00
1 bedroom	\$1360.00	\$1360.00
2 bedroom	\$1663.00	\$1663.00
3 bedroom	\$2243.00	\$2243.00
4 bedroom	\$2540.00	\$2540.00
5 bedroom	\$2921.00	\$2921.00
6 bedroom	\$3221.00	\$3221.00
7 bedroom	\$3593.00	\$3593.00

**Frequency of Request:** Fair market rents are updated annually by the Department of HUD.

**Related Actions:** The new Payment Standards will be reflected in the PHA Plan for 2025.

**Future Action:** None anticipated.

**Relationship to Goals: #2** – St. Cloud HRA will promote fair housing and assure high performance in HRA properties and housing subsidy programs.

**Budget Impact:** The Housing Choice Voucher budget would need to absorb any increases in cost.

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: October 15, 2024

SUBJECT: Approval of Resolution 2024-15 Authorizing Participation in the Minnesota City Participation Program for 2025

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**Requested Action:** Approval of Resolution 2024-15 authorizing the St. Cloud HRA to participate in the Minnesota City Participation Program for 2025

**Background:** The Minnesota City Participation Program is an annual application process that provides cities throughout the state with a unique opportunity to easily access housing resources to meet the needs of their citizens. Cities apply to participate in the program and once approved, Minnesota Housing sells mortgage revenue bonds to meet the housing needs. The proceeds of these bonds provide affordable interest rate home mortgage loans to their identified service area for low-and moderate-income first-time homebuyers through the Minnesota Housing first-time homebuyer loan program known statewide as the Minnesota Mortgage Program (MMP).

Funds are reserved in the pool for participating cities. Minnesota Housing uses a population-based formula to determine each city's maximum allocation. The maximum allocation a city receives is determined by its population compared to the total population of all applicants.

At this time, there are no administrative fees charged to participate. There is a minimum usage requirement of 50% of the allocation to participate the following year.

**Frequency of Request:** Annually

**Related Actions:** None

**Future Action:** None

**Relationship to Goals:** Goal #1 – The St. Cloud HRA will be an active partner in neighborhood/community concerns regarding housing and neighborhoods. Goal #3 - The St. Cloud HRA will encourage collaboration with other community organizations and continue to seek funding sources for all programs.

**Budget Impact:** None

**RESOLUTION 2024-15**

**HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD MINNESOTA**

**RESOLUTION OF AUTHORIZING PARTICIPATION**

**IN THE**

**MINNESOTA CITY PARTICIPATION PROGRAM FOR 2025**

**WHEREAS**, HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MINNESOTA (hereinafter call the “Authority”) is authorized to participate in the Minnesota City Participation Program as set up by Minnesota Housing. This participation will allow low- and moderate-income first-time homebuyers through the Minnesota Housing first-time homebuyer loan program to purchase homes in the city of St. Cloud.

**WHEREAS**, Minnesota Housing requires that the Board of Commissioners formally authorize participation in the program;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners to authorize participation in the Minnesota City Participation Program.

Adopted this 23<sup>rd</sup> day of October 2024.

\_\_\_\_\_  
Chair, Nancy Gohman

ATTEST:

\_\_\_\_\_  
Secretary, Hani Jacobson

TO: St. Cloud HRA Board of Commissioners  
 FROM: Paul Soenneker, Project Manager  
 DATE: October 19, 2024  
 SUBJECT: Approval of Contract for Design / Engineering Services for Empire Apartments Boiler Replacement

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**Requested Action:** Approve the contract with Design Tree Engineering in the amount of \$29,500.00 for the design and engineering services for the replacement of 2 boilers and 2 HVAC pumps at Empire Apartments.

**Background:** There are currently 2 boilers that heat the building. These boilers were installed in 2009 and within the past several years have been having several maintenance issues. On several occasions; there has only been one boiler functioning because the other one has been broken down. The manufacturer of the existing boilers is no longer in business and multiple maintenance companies have told us that parts are becoming harder to find and they recommend replacing the existing boilers.

The HRA requested proposals from 4 companies for design / engineering services to remove the existing boilers and replace with new high-efficient boilers and water pumps. We received proposals from two companies as outlined below.

	<u>Proposal</u>
Design Tree Engineering 120 17 <sup>th</sup> Ave. W Alexandria, MN 56308	\$29,500.00
Finn Daniels 2145 Ford Parkway #301 St. Paul, MN 55116	\$42,000.00

HRA staff recommends awarding the work to Design Tree Engineering

**Frequency of Request:** Once

**Related Actions:** None

**Future Action:** Contract award for work to be completed

**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 Minnesota Housing under the Publicly Owned Housing Program and HUD’s Capital Fund Program.

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: October 14, 2024

SUBJECT: Approval of Contract for Design / Engineering Services for Wilson Apartments Sanitary and Domestic Pipe Replacement

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**Requested Action:** Approve the contract with Blumentals Architecture in the amount of \$215,000.00 for the design and engineering services for the replacement of the sanitary and domestic pipes at Wilson Apartments.

**Background:** Wilson Apartments was built in 1971 and has the original plumbing lines for domestic water and sanitary waste lines. Due to the amount of sediment and hard water minerals that have built up and affixed themselves to the pipes, all pipes, faucets, shower valves and drains along with the toilets need to be replaced. The built-up sediment has reduced the water and waste line flows. The existing piping is also experiencing leaks in various plumbing lines. The leaks are sometimes slow drips and take time to show up either in a unit or common area.

The HRA requested qualifications / proposals from 5 companies for design / engineering services to remove the piping and fixtures at Wilson Apartments. The request for qualifications was also placed on the St. Cloud HRA website. We received proposals from four companies as outlined below.

	<u>Proposal</u>
Blumentals Architecture 1600 Marshall St. NE. Minneapolis, MN 55413	\$215,000.00
GLTArchitects 808 Courthouse Square St. Cloud, MN 56303	\$72,750.00
MJBA Architects 824 Center Ave. Moorhead, MN 56560	\$298,500.00
Negen Associates 700 41 <sup>st</sup> Ave. N. St. Cloud, MN 56303	\$73,600.00

St. Cloud HRA staff met with representatives from Blumentals Architecture and Negen Associates at Wilson Apartments to evaluate existing conditions before they submitted their proposals. The representative from GLTArchitects stated that they have worked on the building in the past and didn't need to visit the property. MJBA Architects did not visit the property.

In reviewing the qualifications / proposals St. Cloud HRA staff put a lot of emphasis on the Architects / Engineers prior experience with similar large-scale pipe replacement projects. GLTArchitects has worked on a similar project at Mitchell Hall on the campus of St. Cloud State, but didn't need to facilitate any tenant relocation. Negen Associates did not list any projects that pertained specifically to similar projects.

Blumentals Architecture and MJBA Architects listed several projects that they have each worked on in the past 20 years. Because of their past experience with this type of complex project, HRA staff believes that awarding the project to either of these two companies would be beneficial to the HRA. Their extensive experience means



they have encountered a wider variety of situations and challenges. This reduces the risk of unforeseen issues arising due to a lack of knowledge. It should mean a smoother project for HRA staff and residents.

Because Blumentals Architecture provided a lower fixed cost proposal than MJBA Architects; I checked their references and they were highly recommended. Therefore; I recommend awarding the work to Blumentals Architecture.

**Frequency of Request:** Once

**Related Actions:** None

**Future Action:** Contract award for work to be completed

**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 Minnesota Housing under the Publicly Owned Housing Program and HUD's Capital Fund Program

To: St. Cloud HRA Board of Commissioners

From: Louise Reis, Executive Director and Karen Rizer, Finance Director

Date: October 16, 2024

Subject: Change in Medical and Dental Insurance Providers

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**Requested Action:** Approve changing the medical and dental insurance provider from Health Partners (HP) to Blue Cross Blue Shield (BCBS) effective January 1, 2025.

**Background:** The HRA received the 2025 insurance rates from HP, BCBS, and Medica. Staying with HP would result in a 14.4% increase. Switching to BCBS will result in an 11.6% increase and save approximately \$16,500 over staying with HP.

**Frequency of Request:** Once.

**Related Actions:** None.

**Future Action:** None known at this time.

**Budget Impact:** Increase of approximately \$68,000 over 2024.

TO: HRA Board of Commissioners  
FROM: Louise Reis, Executive Director  
DATE: October 15, 2024  
SUBJECT: Report on Activities

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**Project Connect:** On October 29, 2024, HRA staff will have a table at Project Connect. This event is free and will be held at the River's Edge Convention Center. The event offers people within our community the opportunity to access services offered by governmental, non-profit, and other agencies. The event starts at 10 am and goes to 3 pm.

**November HRA Board Meeting:** At the annual meeting in January, the date of the November HRA Board Meeting was left between two dates, November 13 or November 20. Due to the city council meeting we will plan to meet on Wednesday, November 13, 2024 at 5 pm for the study session on the budgets with the regular meeting immediately following.

**Housing Choice Voucher Program: Port in: 90 Port out: 47**

**CDBG Update:**

For the homeowner rehab program:

- 8 in construction
- 1 in bidding
- 20 on waiting list

**Housing Department Vacancy Report – For the Month Ending September 30, 2024**

<b>Fund: Public Housing – 291 Units</b>			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>9/30/24</u>
Empire	89	1.19%	1
Wilson	126	1.98%	1
Scattered Sites	76	1.30%	2*

<b>Fund: Section 8 New Construction – 162 Units</b>			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>9/30/24</u>
Germain	60	3.43%	2*
Grace/NWB	102	1.35%	2

<b>Fund: Tax Credit – 249 Units</b>			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>9/30/24</u>
Creeks	24	1.65%	2**
Brownstones	12	0.00%	0
Swisshelm One	32	2.17%	1
Westwood One	32	2.58%	1
Swisshelm Two	32	5.18%	2
Westwood Two	32	4.94%	2
Riverside	85	1.70%	3*

<b>Fund: Affordable Housing – 79 Units</b>			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>9/30/24</u>
Eastwood	18	6.21%	2
Loehr	61	1.16%	1
418 house	1	0.00%	0

\*rented in October

\*\*rented for November