



300 Third Avenue NE
Crosby, MN 56441-1642

PHONE (218) 546-5088
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www.crosbyhra.org

**Crosby HRA Board Meeting
Tuesday, November 12, 2019
11:00 a.m.
300 Third Ave. NE, Crosby, MN**

AGENDA

- 1. Call to Order**
- 2. Roll Call**
- 3. Reading and Approval of Minutes** (*Attachment 1*)
- 4. Bills and Communications**
 - a. Financial Report (*Attachment 2*)
 - b. Housing Manager Report (*Attachment 3*)
- 5. Unfinished Business**
- 6. New Business**
- 7. Adjournment**
Next Meeting: Tuesday, December 10, 2019

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Minutes of the October 8, 2019, Crosby HRA Board Meeting

The regular meeting of the commissioners of the Housing and Redevelopment Authority of Crosby was held at 11:00 a.m., Tuesday, October 8, 2019, at 300 3rd Ave NE in Crosby, Minnesota.

1. **CALL TO ORDER:** Chair Peeples called the meeting to order at 11:03 a.m.
2. **ROLL CALL:** Present at the meeting were Chair Linda Peeples and Commissioners Julie McGinnis and Renae Marsh. Also present were Finance Director Karen Young, Housing Manager Shannon Fortune, Executive Assistant LeAnn Goltz, and Housing Specialist Mallory Smith. Absent: Buzz Neprud.
3. **READING AND APPROVAL OF MINUTES FROM PREVIOUS MEETING:**

Commissioner McGinnis moved to approve the minutes from the September 10, 2019, board meeting, seconded by Commissioner Marsh. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.
4. **BILLS AND COMMUNICATIONS:**
 - a. **Financial Report:** Financial information for September 2019 was provided to the Board.

Commissioner Marsh made a motion to approve September checks numbered 117399 through 117427 and September ACH payments numbered 99 through 102 and 1319 through 1324. Commissioner McGinnis seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.
 - b. **Housing Manager Report:** Fortune reported on the following items:
 - Change Machine**

The change machine has arrived and will be installed Thursday, October 10th. There is a security camera that points directly where the machine will be located.
 - Handbook Update**

The handbooks are completed and memos will soon be sent to all residents notifying them of the 30-day comment period and also the schedule for meetings to help answer any questions they may have. The handbooks will go into effect 12/1/2019.
 - NAHRO Technical Assistance Grant**

The Crosby HRA was not selected as a recipient for technical assistance funds to explore repositioning of Public Housing. The application had been written and submitted collaboratively with Aitkin HRA and Pequot Lakes HRA, who were also not selected. There was a total of 12 applications but only seven were funded.
 - NAHRO Conference**

Shannon attended the annual NAHRO conference in Duluth to participate in the sessions regarding repositioning Public Housing. At the training, one of the HUD representatives mentioned the SPARK tool, which is a new analytic tool available from

the HUD field office that could provide some basic information to PHAs interested in researching repositioning options. Shannon has requested a SPARK tool report for Crosby HRA.

Tenant Activities Coordinator

Lila, the tenant activities coordinator, will be out for a month, starting October 8th. A replacement for her during this time has been hired. We are also reviewing and updating her job description as it is not in the same format as all other Crosby HRA job descriptions.

POHP Dellwood Apartments Project

An official Notice to Proceed was received from MHFA in August, but Baratto Brothers did not have any written subcontracts with the subcontractors, so there was a delay. In addition, two of the units were inadvertently missed in the drawings and needed to be added, which required a change order. The change order was approved and construction began this week. Terry Quick, maintenance supervisor, reported that the south half of the roof has been completed and they are waiting on doors and materials.

September Vacancies

There was one vacancy at Dellwood Apartments.

Resident Board Commissioner

There were six applicants for the vacant position. An election will be held yet this month.

- c. **Executive Director Report:** Young reported that the \$729,500 Crow Wing County HRA levy request was approved by the Crow Wing County Board. Of this total amount, a \$450,000 Housing Trust Fund will be established. Commissioner Peebles shared that some people are getting upset about the increased levy and are mistaking the Crosby HRA for the Crow Wing County HRA. The Board discussed the need to publicly make the correction.

5. UNFINISHED BUSINESS:

- a. **Approval of the Crosby HRA Bylaws:** At the September board meeting, Chair Peebles suggested a change to the Crosby HRA Bylaws in Article III, Section 6, to replace role call vote with voice vote on all questions coming before the Board. The amended bylaws were provided to the Board for approval.

Moved by Commissioner McGinnis and seconded by Commissioner Marsh, to approve the amended Crosby HRA Bylaws, all commissioners voted in favor and none were opposed. The motion passed.

6. NEW BUSINESS:

- a. **Approve Resolution 2020-03 Authorizing the Agreement Establishing a Regional Safety Group:** The Cities of Crosby, Deerwood, Emily, and the Crosby HRA met on September 30th to discuss forming a Regional Safety Group (RSG), which is sponsored

by the League of Minnesota Cities Insurance Trust (LMCIT). The RSG provides training and helps with navigating state and federal OSHA requirements.

Starting in 2019, Crosby HRA staff members were assigned yearly safety trainings required by OSHA to complete online through a small fee membership through LMCIT. Although beneficial, live, instructor-based training is preferred. Along with the training, access to Janet Aultman, a safety consultant assigned to the group, would be included. Janet brings 30+ years of experience working in the safety industry, including being directly employed by OSHA as a site inspector. She is currently assigned to the group to which the Brainerd HRA belongs.

While there is a cost for associated for each entity to join the group, LMCIT covers half and Sourcewell covers the remaining half for entities in Region 5. This means currently there is no cost to the agency.

Commissioner McGinnis moved to adopt Resolution No. 2020-03 authorizing membership in the new Regional Safety Group. Commissioner Marsh seconded the motion. Via roll call vote, all commissioners voted in favor and none were opposed. The motion was approved.

7. NEXT MEETING: Tuesday, November 12th, 2019.

8. ADJOURNMENT:

Moved and seconded by Commissioners McGinnis and Marsh, the meeting was adjourned at 11:33 a.m.

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PHONE (218) 546-5088

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www.crosbyhra.org

To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: November 6, 2019
Re: November Financial Report

Please find attached the financial information for October 2019.

Baratto Brothers Pay App

The first pay application was processed for \$21,213.45 to Baratto Brothers for the Dellwood POHP project. The funds were drawn out of the TIF Account and Capital Fund for payment. We will not start to receive funds out of the POHP Grant until our leverage dollars of \$105,434 have been fully spent. To date, we have spent leverage dollars of \$61,772 and have \$43,662 remaining.

Action Requested:

Approval of October checks numbered 117428 through 117467 and October ACH payments numbered 103 through 104 and 1325 through 1330.

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Crosby Housing & Redevelopment Authority

2019 Ratios

FASS Ratios	Max Pts	Scoring	Apr	May	June	July	Aug	Sept	Oct
Quick Ratio	12	QR <1 =0-, QR >2 =12	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Months Expendable Net Assets	11	MENA <1.0= 0, ME >4 =11	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Debt Svc Coverage	2	DSC < 1 = 0, DSC >1.25 =2	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Points	25		25.00	25.00	25.00	25.00	25.00	25.00	25.00

MASS Ratios	Max Pts	Scoring	Apr	May	June	July	Aug	Sept	Oct
Occupancy	16	O <90% =0, O >98% =16	4.00	12.00	12.00	12.00	12.00	12.00	16.00
Tenant Accounts Receivable	5	TAR <1.5%=5, TAR >2.5% =0	0.00	5.00	0.00	2.00	0.00	0.00	0.00
Accounts Payable	4	AP < .75 = 4, AP >1.5 =0	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Points	25		8.00	21.00	16.00	18.00	16.00	16.00	20.00

Total of Above Ratios	50		33	46	41	43	41	41	45
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MASS Ratios	Max Pts	Scoring	Apr	May	June	July	Aug	Sept	Oct
Timeliness of Obligation	5	>90% at OED = 5 <90% at OED = 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Occupancy Rate	5	OR <93% = 0, OR >96% =5 Must have 5 points or	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Points	10	Capital Fund Troubled	10.0	10.0	10.0	10.0	10.0	10.0	10.0

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**PH Operating - Board
 Public Housing Operating - Board
 October, 2019**

	Current Period	Current Year	Year To Date Budget	Variance
Income				
100-000-3110.000 Dwelling Rental	-16,431.00	-114,737.00	-116,363.94	1,626.94
100-000-3120.000 Excess Utilities	0.00	-1,310.00	-379.19	-930.81
100-000-3401.000 Operating Subsidy	-7,404.00	-60,676.00	-37,347.94	-23,328.06
100-000-3402.000 Capital Fund Revenue	-9,199.00	-19,199.00	-10,000.00	-9,199.00
100-000-3610.000 Interest Revenue	-2.28	-7.44	0.00	-7.44
100-000-3690.000 Other Income	-12.31	-303.11	-3,997.00	3,693.89
100-000-3691.000 Other Tenant Revenue	-3,636.32	-7,766.90	-5,833.31	-1,933.59
100-000-3695.000 Laundry Revenue	-325.00	-1,338.00	-1,341.69	3.69
100-000-3699.000 POHP Grant Revenue	0.00	-18,735.55	0.00	-18,735.55
Total Income	-37,009.91	-224,073.00	-175,263.07	-48,809.93
Expense				
100-000-4110.000 Administration Salaries	1,344.00	14,543.99	12,652.50	1,891.49
100-000-4130.000 Legal	0.00	200.00	875.00	-675.00
100-000-4140.000 Staff Training	389.00	3,547.88	350.00	3,197.88
100-000-4150.000 Travel	87.00	592.05	472.50	119.55
100-000-4171.000 Auditing Fees	0.00	2,850.00	3,250.00	-400.00
100-000-4190.000 Sundry-Other Admin	45.00	140.00	140.00	0.00
100-000-4191.000 Management Fees	2,167.00	15,169.00	15,166.69	2.31
100-000-4194.000 Office Supplies	60.98	1,136.87	379.19	757.68
100-000-4195.000 Membership Dues	0.00	91.20	157.50	-66.30
100-000-4196.000 Telephone	76.96	573.09	641.69	-68.60
100-000-4198.000 Advertising	0.00	0.00	72.94	-72.94
100-000-4199.000 Postage	0.00	91.60	175.00	-83.40
100-000-4210.000 Tenant Svcs Salaries	280.11	2,314.02	2,447.06	-133.04
100-000-4230.000 Tenant Services Other	16.43	113.88	116.69	-2.81
100-000-4310.000 Water	961.28	6,287.60	6,865.81	-578.21
100-000-4315.000 Sewer	1,638.21	10,521.85	11,287.50	-765.65
100-000-4320.000 Electricity	1,568.72	9,005.81	11,908.75	-2,902.94
100-000-4330.000 Gas	-2.33	1,305.64	5,477.50	-4,171.86
100-000-4431.000 Garbage & Trash	1,822.50	4,622.94	4,608.31	14.63
100-000-4410.000 Maintenance Labor	3,140.61	23,591.19	23,870.00	-278.81
100-000-4420.000 Materials	1,832.16	7,750.40	7,583.31	167.09
100-000-4430.000 Contracts Costs	508.66	3,786.77	9,450.00	-5,663.23
100-000-4432.000 Decorating Contract	164.91	6,536.55	5,250.00	1,286.55
100-000-4435.000 Grounds Contract	18.39	110.32	583.31	-472.99
100-000-4440.000 Repairs Contract	0.00	69.98	145.81	-75.83
100-000-4445.000 Elevator Maintenance	0.00	2,359.62	1,715.00	644.62
100-000-4450.000 Plumbing/Heating	0.00	947.81	2,916.69	-1,968.88
100-000-4455.000 Snow Removal	0.00	91.00	1,079.19	-988.19
100-000-4456.000 Exterminating	22.00	126.00	723.31	-597.31
100-000-4457.000 Janitor/Cleaning	476.64	3,363.96	3,966.69	-602.73
100-000-4510.000 Insurance	1,545.26	10,914.32	11,692.87	-778.55
100-000-4520.000 Property Tax	522.13	5,321.39	4,579.19	742.20
100-000-4540.000 Employee Benefits	2,100.42	16,435.50	17,981.32	-1,545.82
Total Expense	20,786.04	154,512.23	168,581.32	-14,069.09
Net Income(-) or Loss	-16,223.87	-69,560.77	-6,681.75	-62,879.02

Crosby HRA
Edgewood Operating Stmt - Board
October, 2019

	Current Period	Current Year	Year To Date Budget	Variance
Income				
700-000-3110.000 Dwelling Rental	-19,229.00	-131,366.00	-131,911.50	545.50
700-000-3120.000 Excess Utilities	0.00	-3,708.00	-1,108.31	-2,599.69
700-000-3404.000 Other Government Grant	-9,210.00	-59,729.00	-59,593.31	-135.69
700-000-3610.000 Interest Revenue	140.71	-18,181.54	-875.00	-17,306.54
700-000-3690.000 Other Income	-12.31	-323.09	-58.31	-264.78
700-000-3691.000 Other Tenant Revenue	-124.38	-3,317.30	-3,500.00	182.70
700-000-3695.000 Laundry Revenue	-1,155.81	-4,713.81	-4,841.69	127.88
Total Income	-29,590.79	-221,338.74	-201,888.12	-19,450.62
Expense				
700-000-4110.000 Administration Salaries	2,166.00	29,650.51	20,580.00	9,070.51
700-000-4130.000 Legal	0.00	0.00	583.31	-583.31
700-000-4140.000 Staff Training	0.00	254.50	525.00	-270.50
700-000-4150.000 Travel	87.00	412.40	437.50	-25.10
700-000-4171.000 Auditing Fees	0.00	2,850.00	3,250.00	-400.00
700-000-4190.000 Sundry-Other Admin	40.00	185.00	151.69	33.31
700-000-4191.000 Management Fees	5,333.00	37,331.00	37,333.31	-2.31
700-000-4194.000 Office Supplies	60.97	1,142.48	495.81	646.67
700-000-4195.000 Membership Dues	0.00	91.20	116.69	-25.49
700-000-4196.000 Telephone	76.97	573.19	641.69	-68.50
700-000-4198.000 Advertising	0.00	0.00	58.31	-58.31
700-000-4199.000 Postage	0.00	82.50	175.00	-92.50
700-000-4210.000 Tenant Svcs Salaries	420.15	3,471.06	3,669.19	-198.13
700-000-4230.000 Tenant Services Other	16.44	113.92	116.69	-2.77
700-000-4310.000 Water	525.34	2,900.63	3,893.75	-993.12
700-000-4315.000 Sewer	974.34	5,383.99	6,865.81	-1,481.82
700-000-4320.000 Electricity	2,154.15	12,203.04	16,062.06	-3,859.02
700-000-4330.000 Gas	62.34	1,627.19	5,897.50	-4,270.31
700-000-4431.000 Garbage & Trash	135.65	852.72	1,166.69	-313.97
700-000-4410.000 Maintenance Labor	3,231.29	24,259.91	24,581.69	-321.78
700-000-4420.000 Materials	2,697.66	7,951.31	5,016.69	2,934.62
700-000-4430.000 Contracts Costs	632.16	3,983.96	7,583.31	-3,599.35
700-000-4432.000 Decorating Contract	164.91	4,720.74	6,416.69	-1,695.95
700-000-4435.000 Grounds Contract	23.61	153.97	350.00	-196.03
700-000-4440.000 Repairs Contract	0.00	104.97	87.50	17.47
700-000-4445.000 Elevator Maintenance	0.00	2,359.62	1,715.00	644.62
700-000-4450.000 Plumbing/Heating	181.46	2,443.56	8,458.31	-6,014.75
700-000-4455.000 Snow Removal	0.00	136.50	1,615.81	-1,479.31
700-000-4456.000 Exterminating	33.00	189.00	875.00	-686.00
700-000-4457.000 Janitor/Cleaning	527.45	3,493.91	4,783.31	-1,289.40
700-000-4510.000 Insurance	1,735.26	12,244.32	11,687.06	557.26
700-000-4520.000 Property Tax	768.86	5,396.30	4,841.69	554.61
700-000-4540.000 Employee Benefits	2,280.30	18,459.58	20,728.82	-2,269.24
Total Expense	24,328.31	185,022.98	200,760.88	-15,737.90
Net Income(-) or Loss	-5,262.48	-36,315.76	-1,127.24	-35,188.52

Housing and Redevelopment Authority of Crosby
Payment Summary Report
October 2019

Payment Date	Payment Number	Remit to Vendor	Total Check Amount
10/9/2019	103	Roberta Piekarski	\$34.80
10/9/2019	104	Shannon Fortune	\$284.20
10/10/2019	1325	Lincoln Financial Group	\$473.64
10/10/2019	1326	Electronic Federal Tax Payment System	\$1,149.59
10/10/2019	1327	Minnesota Dept Of Revenue	\$144.07
10/24/2019	1328	Lincoln Financial Group	\$473.64
10/24/2019	1329	Electronic Federal Tax Payment System	\$1,065.80
10/24/2019	1330	Minnesota Dept Of Revenue	\$135.98
10/8/2019	117428	Adams Pest Control	\$55.00
10/8/2019	117429	BDS Laundry Systems	\$2,132.00
10/8/2019	117430	Baratto Brothers Construction, Inc.	\$21,213.45
10/8/2019	117431	Bremer Bank Credit Card	\$76.98
10/8/2019	117432	City Of Crosby	\$4,536.18
10/8/2019	117433	Crosby Ace Hardware	\$166.37
10/8/2019	117434	Crosby-Ironton Courier	\$40.00
10/8/2019	117435	Crow Wing County Treasurer	\$7,391.61
10/8/2019	117436	Ctcit	\$200.00
10/8/2019	117437	Dacotah Paper Co.	\$47.30
10/8/2019	117438	Dearborn National Life Ins Co	\$24.30
10/8/2019	117439	Handyman's Inc.	\$398.94
10/8/2019	117440	Holden Electric Co. Inc.	\$212.30
10/8/2019	117441	Hudrlik Carpet Service	\$6.79
10/8/2019	117442	Judy Robinson	\$950.00
10/8/2019	117443	Minnesota Energy Resources	\$69.89
10/8/2019	117444	Minnesota Power	\$218.00
10/8/2019	117445	Nisswa Sanitation Inc	\$1,451.09
10/8/2019	117446	Rental History Reports	\$100.00
10/8/2019	117447	Sherwin-Williams	\$329.82
10/8/2019	117448	ShofCorp LLC	\$75.48
10/8/2019	117449	Terry Quick	\$76.56
10/8/2019	117450	The Office Shop	\$35.42
10/8/2019	117451	Void	\$0.00
10/8/2019	117452	Tkda	\$2,078.69
10/8/2019	117453	Verizon Wireless	\$132.04
10/8/2019	117454	Visa--Unity	\$762.41
10/8/2019	117455	Yde's Major Appliance	\$1,269.85
10/24/2019	117456	Clifford Kittleson	\$37.38
10/24/2019	117457	Climate Makers	\$181.46
10/24/2019	117458	Crow Wing County San. Landfill	\$7.00
10/24/2019	117459	Ctc	\$421.76
10/24/2019	117460	Dynamic Lifecycle Innovations Inc.	\$63.05
10/24/2019	117461	Healthpartners	\$3,476.41
10/24/2019	117462	Holiday	\$82.40
10/24/2019	117463	Minnesota Dept Of Labor & Ind	\$10.00
10/24/2019	117464	Minnesota Power	\$3,722.87
10/24/2019	117465	ShofCorp LLC	\$75.48
10/24/2019	117466	Timber Building Supply	\$9.99

**Housing and Redevelopment Authority of Crosby
Payment Summary Report
October 2019**

Payment Date	Payment Number	Remit to Vendor	Total Check Amount
10/24/2019	117467	Visa--Unity	\$15.00
		Report Total	\$55,914.99



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To: Crosby HRA Board Members
From: Shannon Fortune, Housing Manager
Date: November 6, 2019
Re: Housing Manager Report

Resident Commissioner

Votes were collected for the six eligible nominations for the position of resident commissioner. The winner, Margaret Saba, was forwarded to the city council for approval and was appointed at their last meeting. Margaret will be in attendance at the November board meeting.

Cash Policy

Based on the recommendation of the HUD field office (see attached email from Lucia Clausen, Director of MN Public Housing Field Office), we will be transitioning to a no cash policy effective January 1st. The recommendation is based on multiple factors, including physical safety, audit concerns, and insurance liabilities, and the policy is in line with industry standards related to rent payment. To help facilitate this transition, we will be holding a meeting to help residents understand their options for rent payment, including automatic payment, and inviting representatives from local banks for residents that may not yet be connected with a bank. The handbook will be updated with this information as well.

5-Year Plan & Annual Plan Process

The 5-year planning process is underway. We will conduct the public hearing for the 2020 5-Year Plan as part of the board meeting in January to allow for the timely submission to HUD by January 15th. Notice of the public hearing will be posted in the Crosby-Ironton Courier no later than Nov 25th to allow for the proper 45-day notice period. The plan and the associated attachments will be provided as part of the board packet in January. The material will also be available to the public in the office and on the website from the posting date through the public hearing date.

Annual Inspections

We had previously reported on a backlog of annual inspections and are now pleased to report that all Edgewood units, all scattered site family units, and about 60% of Dellwood units have now been caught up on annual inspections. It is expected that Dellwood will be completed by the end of December.

Occupancy Update

As you can see below, there were no vacancies in October. This is the first time we've reached 100% occupancy, not only in this fiscal year but since November 2018. This is the work of a great collaborative effort between Mallory and the maintenance staff. Mallory has worked hard to keep advertising and outreach sources updated, keep waiting lists updated and refreshed, and stayed diligent in follow-up calls. This has been greatly aided by Tony and Devon quickly getting units

turned, managing outside vendors when necessary, and staying focused on routine maintenance throughout the year to help manage end-of-tenancy work orders. Great team effort!

October Vacancies

Edgewood: 0

Dellwood: 0

Family Units: 0

No Action Requested; Discussion Items

Shannon Fortune

From: Clausen, Lucia M
Sent: Friday, September 13, 2019 8:55 AM
To: Shannon Fortune
Subject: RE: Cash Payments/No Cash Policy

Hi Shannon- I am here but been in room K doing the HUD one on one meetings with PHA's for repositioning. They industry standard is not accepting cash payments, and has been for some time. In the years that PHAs were doing asset management conversions, there were things mentioned on this topic. Back in 2007 basically. If you call our local OIG staff, they too would support the no taking of cash. You will not find any HUD regulation if that is what you are looking for. HUD does not get that much in the weeds of local property management items, but we do suggest recommendations that are industry standards, or items of concerns in terms as audit issues, security, etc.

If you get push back, the responses you can give to your residents or board members doing push back on the topic include- residents can certainly get to a local store or bank for money orders or cashiers checks for their rental payments- with little fees, they can arrange with a social service agency to set up a payee options, the PHA can work with a local bank to have all of your rent payments paid directly at your PHA bank (I personally set this up at several PHA's I have worked), PHAs could engage with a local bank for discounted fee for tenants for rent payment money orders, or other local solutions.

When I spoke to the OIG on this topic this past month, it is a very big concern for them with the possibility of loss of cash by either a break in to the PHA office, or staff stealing money and altering records/receipts. (And I say that respectfully and not addressing any staff in your HRA) So I hope you understand that comment. Also your insurance provider should also know you accept cash payments, as that is another liability for a loss claim by either a physical break in or your personal liability rider for your employees.

Does that help you at all. If you prefer we can chat over the phone on the topic. Thanks and glad you are looking into changing this policy,

Lucia M. Clausen
US Dept of Housing and Urban Development
Director- Public Housing
612-370-3011
Lucia.M.Clausen@hud.gov

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