

Crosby Housing & Redevelopment Authority

300 Third Avenue N.E.
CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
FAX (218) 546-5041

Agenda

Crosby HRA Commissioners Meeting

11:00 a.m.

Tuesday, June 12, 2018

- 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**
 - a. Approval of Plan Amendment** (*Attachment 4*)
 - b. Tenant Accounts Receivable Policy** (*Attachment 5*)
 - c. Capitalization Policy** (*Attachment 6*)
- 7. Adjournment**
Next Meeting: Tuesday, July 10, 2018

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Crosby Housing & Redevelopment Authority
300 Third Avenue N.E.
CROSBY, MINNESOTA 56441-1642

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Minutes of the May 8, 2018, Board of Commissioners Meeting

The regular meeting of the commissioners of the Housing and Redevelopment Authority of Crosby was held at 11:00 a.m., Tuesday, May 8th, 2018, at 300 3rd Ave. NE in Crosby, Minnesota.

- 1. CALL TO ORDER:** Chair Peeples called the meeting to order at 11:01 a.m.
- 2. ROLL CALL:** Present at the meeting were Commissioners Renae Marsh, William Small, Buzz Neprud, Julie McGinnis and Linda Peeples; Executive Director Jennifer Bergman, Assistant Director Deanna Heglund, and Finance Assistant Roberta Piekarski.
- 3. READING AND APPROVAL OF MINUTES FROM PREVIOUS MEETING:**

Commissioner Neprud made a motion to approve the minutes from the April 10th, 2018, board meeting. Commissioner McGinnis seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

- 4. BILLS AND COMMUNICATIONS:**
 - a. Financial Report:** The 2018 audit has been scheduled with CliftonLarsonAllen (CLA) during the week of June 11th. Bergman informed the Board that the auditor will be in Crosby to conduct the fraud interview on June 12th before or after the board meeting. William Small volunteered to do this year's fraud interview with the auditors.
 - Commissioner Neprud made a motion to approve April checks numbered 116805 through 116830. 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:** For April, there was one vacancy at Dellwood, one at the family units, and one at Edgewood.

The Edgewood management and occupancy review with Minnesota Housing is scheduled for Monday June 11th, 2018.

- c. Executive Director Report:**

Crosby Commercial Project-IRRB

Bergman informed the Board of a company that is considering the purchase of a commercial property downtown Crosby. They would completely rehab the building. Crosby is in the IRRRB service area and will be working with them along with the Crow Wing County HRA and BLAEDC to secure potential funding.

Dellwood POHP

On April 26th, 2018, Minnesota Housing authorized POHP funds in the amount of \$453,366 for Dellwood. An additional \$449,400 was requested for unit modernization and was not approved, but if there are additional POHP funds, they are recommending fully funding the application.

Minnesota Housing Tour

Minnesota Housing staff will be in attendance at the spring NAHRO conference in Brainerd on May 24th. Bergman extended an invitation to Minnesota Housing to tour the scattered site homes in which the previous POHP funds were awarded. The Board was encouraged to attend and meet with Minnesota Housing staff.

5. UNFINISHED BUSINESS: Nothing to report.

6. NEW BUSINESS:

a. Approval of Employee Fraud Policy:

Commissioner Neprud made a motion to adopt Resolution No. 2019-01 adopting the Employee Fraud Policy. Commissioner McGinnis seconded the motion. A roll call vote was taken and all voted in favor with none opposed.

7. ADJOURNMENT:

Commissioner Marsh made a motion to adjourn the meeting. Commissioner Small seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 11:28 a.m.

Crosby Housing & Redevelopment Authority
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CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
FAX (218) 546-5041

To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: June 5, 2018
Re: June Financial Report

Please find attached the financial information for May 2018.

2018 Audit

The 2018 audit has been scheduled with CliftonLarsonAllen (CLA) during the week of June 11th. The unaudited REAC information was submitted by the May 31st due date and has been accepted.

2018 Capital Fund Program (CFP) Grant

We received our 2018 CFP obligation from HUD. Our award of \$96,752 is significantly more than we have received in prior years.

Action Requested: Approval of May Checks numbered 116831 through 116854.

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Crosby Housing & Redevelopment Authority

2019 Ratios

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

MASS Ratios	Max Pts	Scoring	Apr	May
Occupancy	16	O <90% =0, O >98% =16	12.00	16.00
Tenant Accounts Receivable	5	TAR <1.5% =5 , TAR >2.5% =0	0.00	0.00
Accounts Payable	4	AP < .75 = 4, AP >1.5 =0	4.00	4.00
Total Points	25		16.00	20.00
Total of Above Ratios	50		41	45

MASS Ratios	Max Pts	Scoring		
Timeliness of Obligation	5	>90% at OED = 5 <90% at OED = 0	5.00	5.00
Occupancy Rate	5	OR <93% = 0, OR >96% =5 Must have 5 points or	5.00	5.00
Total Points	10	Capital Fund Troubled	10.0	10.0

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Date: 6/5/2018
Time: 7:17:58 AM
roberta

PH Operating - Board
Public Housing Operating - Board
May, 2018

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	Current Period	Current Year	Year To Date Budget	Variance
Income				
100-000-3110.000 Dwelling Rental	-16,855.00	-33,304.00	-32,850.00	-454.00
100-000-3120.000 Excess Utilities	0.00	0.00	-120.00	120.00
100-000-3401.000 Operating Subsidy	-6,599.00	-13,813.00	-11,165.00	-2,648.00
100-000-3610.000 Interest Revenue	3.32	9.77	0.00	9.77
100-000-3690.000 Other Income	-35.90	-35.90	-333.34	297.44
100-000-3691.000 Other Tenant Revenue	-4,085.46	-4,108.46	-1,608.34	-2,500.12
100-000-3695.000 Laundry Revenue	-202.25	-419.00	-383.34	-35.66
Total Income	-27,774.29	-51,670.59	-46,460.02	-5,210.57
Expense				
100-000-4110.000 Administration Salaries	1,805.76	3,593.76	4,041.66	-447.90
100-000-4130.000 Legal	0.00	0.00	416.66	-416.66
100-000-4140.000 Staff Training	0.00	0.00	100.00	-100.00
100-000-4150.000 Travel	36.29	36.29	145.00	-108.71
100-000-4190.000 Sundry-Other Admin	10.00	25.00	43.34	-18.34
100-000-4191.000 Management Fees	2,167.00	4,334.00	4,333.34	0.66
100-000-4194.000 Office Supplies	0.00	0.00	141.66	-141.66
100-000-4195.000 Membership Dues	0.00	0.00	31.66	-31.66
100-000-4196.000 Telephone	81.26	164.15	165.00	-0.85
100-000-4198.000 Advertising	0.00	0.00	51.66	-51.66
100-000-4199.000 Postage	0.00	0.00	41.66	-41.66
100-000-4210.000 Tenant Svcs Salaries	316.16	633.36	685.00	-51.64
100-000-4230.000 Tenant Services Other	16.07	32.14	32.50	-0.36
100-000-4310.000 Water	1,129.82	1,129.82	1,908.34	-778.52
100-000-4315.000 Sewer	1,940.29	1,940.29	3,000.00	-1,059.71
100-000-4320.000 Electricity	1,557.33	1,557.33	3,636.66	-2,079.33
100-000-4330.000 Gas	38.68	38.68	1,563.34	-1,524.66
100-000-4431.000 Garbage & Trash	518.64	593.37	1,316.66	-723.29
100-000-4410.000 Maintenance Labor	2,340.41	4,657.81	5,692.50	-1,034.69
100-000-4420.000 Materials	998.54	1,105.59	1,600.00	-491.41
100-000-4430.000 Contracts Costs	1,419.57	1,646.30	2,833.34	-1,187.04
100-000-4432.000 Decorating Contract	0.00	155.01	1,216.66	-1,061.65
100-000-4435.000 Grounds Contract	126.32	131.73	83.34	48.39
100-000-4440.000 Repairs Contract	0.00	0.00	41.66	-41.66
100-000-4445.000 Elevator Maintenance	0.00	2,253.06	490.00	1,763.06
100-000-4450.000 Plumbing/Heating	0.00	0.00	833.34	-833.34
100-000-4455.000 Snow Removal	0.00	80.34	0.00	80.34
100-000-4456.000 Exterminating	20.00	20.00	206.66	-186.66
100-000-4457.000 Janitor/Cleaning	728.69	728.69	1,133.34	-404.65
100-000-4510.000 Insurance	1,509.13	3,018.26	3,055.02	-36.76
100-000-4520.000 Property Tax	808.51	1,347.45	1,113.66	233.79
100-000-4540.000 Employee Benefits	2,140.29	4,274.09	4,665.82	-391.73
Total Expense	19,708.76	33,496.52	44,619.48	-11,122.96
Net Income(-) or Loss	-8,065.53	-18,174.07	-1,840.54	-16,333.53

Date: 6/5/2018
Time: 7:18:09 AM
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**Crosby HRA
Edgewood Operating Stmt - Board
May, 2018**

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	Current Period	Current Year	Year To Date Budget	Variance
Income				
700-000-3110.000 Dwelling Rental	-18,050.00	-36,112.00	-35,516.66	-595.34
700-000-3120.000 Excess Utilities	-15.00	-30.00	-293.34	263.34
700-000-3404.000 Other Government Grant	-8,143.00	-16,388.00	-17,058.34	670.34
700-000-3610.000 Interest Revenue	-1,057.48	-1,045.60	0.00	-1,045.60
700-000-3690.000 Other Income	-35.89	-35.89	-18.34	-17.55
700-000-3691.000 Other Tenant Revenue	-162.50	-190.00	-1,166.66	976.66
700-000-3695.000 Laundry Revenue	-706.75	-1,448.75	-1,416.66	-32.09
Total Income	-28,170.62	-55,250.24	-55,470.00	219.76
Expense				
700-000-4110.000 Administration Salaries	2,958.64	5,890.64	6,520.84	-630.20
700-000-4130.000 Legal	0.00	0.00	83.34	-83.34
700-000-4140.000 Staff Training	0.00	0.00	150.00	-150.00
700-000-4150.000 Travel	36.30	36.30	135.00	-98.70
700-000-4190.000 Sundry-Other Admin	10.00	25.00	70.00	-45.00
700-000-4191.000 Management Fees	5,333.00	10,666.00	10,666.66	-0.66
700-000-4194.000 Office Supplies	0.00	0.00	145.84	-145.84
700-000-4195.000 Membership Dues	0.00	0.00	31.66	-31.66
700-000-4196.000 Telephone	81.28	164.18	165.00	-0.82
700-000-4198.000 Advertising	0.00	0.00	73.34	-73.34
700-000-4199.000 Postage	0.00	0.00	41.66	-41.66
700-000-4210.000 Tenant Svcs Salaries	474.24	950.04	1,027.50	-77.46
700-000-4230.000 Tenant Services Other	16.08	32.16	32.50	-0.34
700-000-4310.000 Water	659.09	659.09	1,038.34	-379.25
700-000-4315.000 Sewer	1,214.04	1,214.04	2,104.16	-890.12
700-000-4320.000 Electricity	2,025.97	2,025.97	4,683.34	-2,657.37
700-000-4330.000 Gas	0.00	0.00	1,836.66	-1,836.66
700-000-4431.000 Garbage & Trash	195.36	195.36	333.34	-137.98
700-000-4410.000 Maintenance Labor	2,340.39	4,657.79	6,003.34	-1,345.55
700-000-4420.000 Materials	614.33	762.19	1,433.34	-671.15
700-000-4430.000 Contracts Costs	578.55	853.32	2,166.66	-1,313.34
700-000-4432.000 Decorating Contract	0.00	155.01	1,600.00	-1,444.99
700-000-4435.000 Grounds Contract	189.48	197.60	100.00	97.60
700-000-4440.000 Repairs Contract	0.00	0.00	25.00	-25.00
700-000-4445.000 Elevator Maintenance	0.00	2,253.06	490.00	1,763.06
700-000-4450.000 Plumbing/Heating	0.00	0.00	833.34	-833.34
700-000-4455.000 Snow Removal	0.00	120.51	0.00	120.51
700-000-4456.000 Exterminating	30.00	30.00	250.00	-220.00
700-000-4457.000 Janitor/Cleaning	951.61	951.61	1,366.66	-415.05
700-000-4510.000 Insurance	1,643.71	3,287.42	3,200.82	86.60
700-000-4520.000 Property Tax	713.53	1,386.65	1,308.00	78.65
700-000-4540.000 Employee Benefits	2,394.92	4,781.96	5,316.66	-534.70
Total Expense	22,460.52	41,295.90	53,233.00	-11,937.10
Net Income(-) or Loss	-5,710.10	-13,954.34	-2,237.00	-11,717.34

Housing and Redevelopment Authority of Crosby
Payment Summary Report
May 2018

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
5/10/2018	1184	Electronic Federal Tax Payment System	\$1,195.34
5/10/2018	1185	Minnesota Dept Of Revenue	\$157.16
5/10/2018	1186	Lincoln Financial Group	\$666.64
5/10/2018	1187	Lincoln Financial Group	\$300.00
5/24/2018	1188	Lincoln Financial Group	\$666.64
5/24/2018	1189	Lincoln Financial Group	\$300.00
5/24/2018	1190	Electronic Federal Tax Payment System	\$1,075.96
5/24/2018	1191	Minnesota Dept Of Revenue	\$157.16
5/8/2018	116831	Adams Pest Control	\$50.00
5/8/2018	116832	Carrot-Top Industries Inc.	\$315.80
5/8/2018	116833	City Of Crosby	\$5,371.64
5/8/2018	116834	Crow Wing County San. Landfill	\$60.00
5/8/2018	116835	Crow Wing County Treasurer	\$7,384.84
5/8/2018	116836	Dacotah Paper Co.	\$780.30
5/8/2018	116837	Hd Supply Facilities Maint	\$771.27
5/8/2018	116838	Jeff Banick	\$71.94
5/8/2018	116839	Judy Robinson	\$900.00
5/8/2018	116840	Nisswa Sanitation Inc	\$225.60
5/8/2018	116841	Paul's Porcelite Bathtub Refinishing Co.	\$865.00
5/8/2018	116842	Rental History Reports	\$50.00
5/8/2018	116843	ShofCorp LLC	\$74.00
5/8/2018	116844	Teresa Hettver	\$72.59
5/8/2018	116845	Timber Building Supply	\$27.32
5/8/2018	116846	Verizon Wireless	\$79.50
5/8/2018	116847	Visa--Unity	\$856.16
5/24/2018	116848	Void-Payroll Check	\$0.00
5/24/2018	116849	CTC	\$424.27
5/24/2018	116850	Genworth Life And Annuity	\$184.50
5/24/2018	116851	Healthpartners	\$2,977.51
5/24/2018	116852	Housing Data Systems	\$586.22
5/24/2018	116853	Minnesota Energy Resources	\$38.68
5/24/2018	116854	Minnesota Power	\$3,583.30
		Report Total	\$30,269.34

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CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
FAX (218) 546-5041

To: Crosby HRA Board Members
From: Teresa Hettver, Housing Manager
Date: June 5, 2018
Re: Housing Manager Report

Minnesota Housing will be conducting the Edgewood management and occupancy review on Monday, June 11th, 2018. We will provide the Board with an update at the meeting.

As you are aware, we have been without a caretaker since December 1st. I am pleased to announce that Rod has accepted the position effective July 1st, 2018. Therefore, we will be advertising for a maintenance position by June 15th.

May Vacancies

Edgewood – 1
Dellwood – 0
Family Units – 0

No Action Requested; Discussion Items

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Crosby Housing & Redevelopment Authority
300 Third Avenue N.E.
CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
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To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: June 5, 2018
Re: Retirement Plan Amendment

We are proposing to amend the Crosby HRA 401(a) Retirement Plan as follows:

1. To allow for in-service withdrawals (withdrawals that can be made while still employed). Currently distributions can only be taken upon termination of employment with the exception of distributions of Employee Non-Deductible Voluntary contributions, which are very limited.
2. Reduce the Normal Retirement Age to 55.

The amendment will be available at the Board meeting for review.

Action Requested: Approve Resolution No. 2019-04 amending the Retirement Plan Document.

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HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF
CROSBY

RETIREMENT PLAN AMENDMENT

WHEREAS, Housing and Redevelopment Authority of Crosby Minnesota (the "Company") maintains the Housing and Redevelopment Authority of Crosby Minnesota Retirement Plan (the "Plan") for the benefit of certain of its employees; and

WHEREAS, Pursuant to Section 12.01 of the Plan, the Company desires to amend the Plan; NOW, THEREFORE, the Plan is hereby amended as follows, effective as provided therein:

1. The response to Item E.1 of the Adoption Agreement is changed as follows effective July 1, 2018:

1. Normal Retirement

Normal Retirement Age means:

- a. Attainment of age 55
- b. Later of attainment of age and the anniversary of Plan participation.
- c. Other:

NOTE: Effective Plan Years beginning on or after the later of (1) January 1, 2015 or (2) the close of the first regular legislative session of the legislative body with the authority to amend the plan that begins on or after the date that is 3 months after the final regulations are published in the Federal Register, the definition of Normal Retirement Age must satisfy Treas. Reg. section 1.401(a)-1(b) pursuant to IRS Notice 2012-29.

2. The response to Item F.1 of the Adoption Agreement is changed as follows effective July 1, 2018:

In-Service Withdrawals

1. Retirement

- a. Allow in-service distributions after attainment of Normal Retirement Age (Section 7.01(b)) from the following Accounts: All accounts

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed this _____ day of _____, 2018.

HOUSING AND REDEVELOPMENT
AUTHORITY OF CROSBY, MINNESOTA:

Signature: _____

Print Name: _____

Title/Position: _____

HOUSING AND REDEVELOPMENT AUTHORITY OF CROSBY MINNESOTA
FORMAL RECORD OF ACTION

RESOLUTION NO. 2019-04

The following is a formal record of action taken by the governing body of Housing and Redevelopment Authority of Crosby Minnesota (the "Company").

With respect to the amendment of the Housing and Redevelopment Authority of Crosby Minnesota Retirement Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended in the form attached hereto, which amendment is hereby adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute said amendment on behalf of the Company;

RESOLVED FURTHER: That the officers of the Company be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable law.

Dated this _____ day of _____, 2018.

Crosby Housing & Redevelopment Authority
300 Third Avenue N.E.
CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
FAX (218) 546-5041

To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: June 5, 2018
Re: Tenant Accounts Receivable Policy

The purpose of the Tenant Accounts Receivable Policy is to monitor tenant accounts receivables of the Crosby HRA to ensure timely payments and write-offs. In an effort to maximize our Public Housing Assessment System (PHAS) scoring with HUD, we will write-off appropriate accounts receivable balances annually.

When collection efforts are unsuccessful, it is necessary to remove the amounts from the accounts receivable balance in order to successfully meet PHAS ratio requirements. Collection efforts are still pursued and when appropriate, account balances are submitted to the State of Minnesota Department of Revenue – Revenue Recapture program.

Action Requested: Approve Resolution No. 2019-02 adopting the Tenant Accounts Receivable Policy.

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HOUSING AND REDEVELOPMENT AUTHORITY of CROSBY
TENANT ACCOUNTS RECEIVABLE POLICY
Adopted: 6/12/2018 Resolution No.: 2019-02

POLICY STATEMENT

The purpose of this Tenant Accounts Receivable Policy is to monitor accounts receivables of the Housing and Redevelopment Authority of Crosby (hereinafter, “the Agency”) to ensure timely and accurate payment and write-offs.

SCOPE OF POLICY

In an effort to maximize our Public Housing Assessment System (PHAS) scoring for Accounts Receivable Ratio, we will monitor the tenant accounts receivable balances against the total tenant charges. Approved accounts receivable balances will be written-off from the General Ledger and removed from the accounts receivable balance annually. Collection efforts on the written-off accounts will still be pursued.

POLICY

Every effort is made to collect balances on account from tenants that have moved out, however, often times these efforts are unsuccessful. Upon move-out, when a tenant has a balance owed to the Agency, the amount of any security deposit plus interest earned on the deposit is applied to outstanding charges. If the security deposit is not sufficient to cover all amounts owed, a letter is sent to the former tenant informing them of the amount they owe and requesting payment. After 10 days, any uncollected applicable account balances are submitted to the State of Minnesota Department of Revenue – Revenue Recapture program.

When collections efforts have been unsuccessful and an account remains unpaid for 90 days following the tenant’s moving out with no repayment activity, the finance director will review a list of such accounts and request that the accounts be approved to be written-off. The finance director will then obtain approval from the board of commissioners to write-off those accounts that are determined appropriate.

Once the listing of accounts has been approved, housing management staff will process the write-offs in the accounts receivable system.

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HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF
CROSBY
RESOLUTION NO. 2019-02

TENANT ACCOUNTS RECEIVABLE POLICY

WHEREAS, the Housing and Redevelopment Authority in and for the City of Crosby is required to have in place a Tenant Accounts Receivable Policy to monitor tenant accounts receivables to ensure timely payments and write-offs.

WHEREAS, the Housing and Redevelopment Authority in and for the City of Crosby has reviewed and updated its previously established Tenant Accounts Receivable Policy; and

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA as follows:

1. The Tenant Accounts Receivable Policy is hereby approved.

I CERTIFY THAT the above resolution was adopted by the Housing and Redevelopment Authority in and for the City of Crosby.

Dated: _____

Linda Peeples, Chair

Dated: _____

Jennifer Bergman, Executive Director

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Crosby Housing & Redevelopment Authority
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CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
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To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: June 5, 2018
Re: Capitalization Policy

The purpose of the Capitalization Policy is to establish capitalization thresholds for the proper recording of asset acquisitions of the Housing and Redevelopment Authority of Crosby.

When an asset is acquired, the Capitalization Policy determines when an acquisition should be recorded as an asset and depreciated over its useful life or directly expensed.

Action Requested: Approve Resolution No. 2019-03 amending the Capitalization Policy.

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HOUSING AND REDEVELOPMENT AUTHORITY of CROSBY
CAPITALIZATION POLICY
Adopted: 6/12/2018 Resolution No.: 2019-03

POLICY STATEMENT

The purpose of this Capitalization Policy is to establish thresholds for the proper recording of asset acquisitions of the Housing and Redevelopment Authority of Crosby (hereinafter, "the Agency").

SCOPE OF POLICY

The Agency adopts the following capitalization policy for the purpose of determining, distinguishing and recording tangible property (including both real and personal property) purchased or acquired in connection with the development, management, and maintenance of developments owned or operated by the Agency.

POLICY

- A. If the initial cost of the tangible property is Two Thousand Five Hundred Dollars (\$2,500.00) or more and the anticipated life or useful value of said property is more than (1) year, the same shall be capitalized and recorded as a capital asset on the balance sheet as of the date acquired, constructed or placed into service. Improvements of capital assets that increase the economic performance of the asset beyond what was anticipated at the asset's original acquisition are capitalized.
- B. If the initial cost of the tangible property is less than Two Thousand Five Hundred Dollars (\$2,500.00) or its useful life is less than one (1) year regardless of cost, the same shall be treated and recorded as an expense. Maintenance and repairs that do not improve or extend the life of the capital asset are charged to expense when incurred.
- C. The Finance Director, or the Finance Director's designee, is authorized and directed to determine whether each purchase that is acquired by the Agency shall be classified as a capital asset or expensed. The Finance Director is further directed to ensure that the determination is documented in the appropriate records of the Agency and retained for the information and guidance of its personnel and for audit purposes.

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HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF
CROSBY
RESOLUTION NO. 2019-03

CAPITALIZATION POLICY

WHEREAS, the Housing and Redevelopment Authority in and for the City of Crosby is required to have in place a Capitalization Policy to establish capitalization thresholds for the proper recording of asset acquisitions of the Agency; and

WHEREAS, the Housing and Redevelopment Authority in and for the City of Crosby has reviewed and updated its previously established Capitalization Policy; and

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA as follows:

1. The Capitalization Policy is hereby approved.

I CERTIFY THAT the above resolution was adopted by the Housing and Redevelopment Authority in and for the City of Crosby.

Dated: _____

Linda Peeples, Chair

Dated: _____

Jennifer Bergman, Executive Director

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