



300 Third Avenue NE
Crosby, MN 56441-1642

PHONE (218) 546-5088
FAX (218) 546-5041
www.crosbyhra.org

Crosby HRA Board Meeting

Tuesday, February 11, 2020

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**
 - a. Approval of Budgets (*Attachment 4*)
 - b. Approval of Accounts Receivable Write-off (*Attachment 5*)
 - c. Approval of Asset Removal (*Attachment 6*)
 - d. Discussion on Attendance Requirement in Bylaws (*Attachment 7*)
- 7. Adjournment**
Next Meeting: Tuesday, March 10 or 24, 2020

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Minutes of the January 14, 2020, 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, January 14, 2020, 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, Renae Marsh, and Margaret Saba. Also present were Interim Executive Director/Finance Director Karen Young, Housing Manager Shannon Fortune, Executive Assistant LeAnn Goltz, and Housing Specialist Mallory Smith. Absent: Buzz Neprud.

The Board inquired about the bylaws and if they addressed attendance expectations for commissioners. Staff will review the bylaws and bring information back to the next meeting.

3. **Public Hearing**
 - a. **Adoption of Resolution No. 2020-04 and Approval of the Five-Year and Annual Plans:** Chair Peeples opened the public hearing at 11:04 a.m.

A copy of the Affidavit of Publication, which was published November 20, 2019, was provided to the Board along with the Five-Year Plan and Annual Plan. Fortune read a description of the PHA Plan and reviewed the goals of the agency.

Chair Peeples called for comments three times from anyone in favor of, as well as anyone speaking against the plan. No comments were made.

Moved by Commissioner McGinnis and seconded by Commissioner Marsh, all commissioners voted in favor of closing the public hearing. Chair Peeples closed the public hearing at 11:20 a.m.

Commissioner McGinnis made a motion to adopt Resolution No. 2020-04 approving the Five-Year and Annual PHA Plan. Commissioner Marsh seconded the motion. A roll call vote was taken with all commissioners voting in favor and nobody opposing. The motion passed and the resolution was adopted.

4. **READING AND APPROVAL OF MINUTES FROM PREVIOUS MEETING:**

Commissioner McGinnis moved to approve the minutes from the December 10th, 2019, board meeting, seconded by Commissioner Marsh. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

5. **BILLS AND COMMUNICATIONS:**

- a. **Financial Report:** Young reported that the second and third pay applications were processed in December for \$252,905.25 to Baratto Brothers for the Dellwood POHP project. Funds were drawn out of the TIF Account and Capital Fund for the final

leverage required of \$41,583.23. The remaining payments will be completely funded by the POHP grant and will not require any further HRA funding.

The Brainerd HRA Board met with Gary Weiers from DDA Human Resources, Inc., at their December 18th board meeting to finalize the position profile and hiring process for an executive director. The schedule is to have the position advertised and open from January 6th to February 3rd with interviews on February 26th. The interview process will include one member from the Crosby HRA Board and one member from the CWC HRA Board. The two members from Crosby HRA and CWC HRA can provide input but will not take part in the candidate selection.

Commissioner Saba made a motion to approve November check 117504 and December checks numbered 117505 through 117533 and December ACH payments numbered 108 and 1337 through 1342. Commissioner Marsh 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 that 18 residents attended the handbook Q&A meeting in December. Much of the conversation centered around what to do when dealing with conflicts with other residents, how and when to report work orders, parking questions, and clarification regarding the use of common spaces in the buildings. About 98% of tenants have submitted their receipts acknowledging the new handbooks and the few that didn't get them in by the initial deadline have received reminder memos.

The annual paperwork for the Section 8 contract renewal was submitted in December, which included a request for the standard Operating Cost Adjustment Factor (OCAF) rent increase, which is typically under 3%. This year the OCAF worked out to be 2.5%. The change in contract rents of \$462 for a one-bedroom unit and \$514 for a two-bedroom unit will take effect on 5/1/2020, as the new contract with Minnesota Housing starts on 4/25/2020. The notice of the increase will go out to all Edgewood tenants in March, which is well in advance of the 30-day notice, allowing time for questions that may arise. Most tenants should not see an impact as their rent is calculated annually based on 30% of their adjusted income and there is no utility allowance to consider, however the notice may still worry some tenants.

For the month of December, there were no vacancies at Edgewood, Dellwood, or the family units.

6. UNFINISHED BUSINESS: Nothing to report.

7. NEW BUSINESS:

- a. Addition of Resident Commissioner and Removal of Former Executive Director to Unity Bank Accounts:** In order to add resident commissioner, Margaret Saba, to the Unity Bank account as a signatory, Unity Bank requires action by the Board approving the addition. Likewise, action by the Board must be taken to remove former executive director, Jennifer Bergman, as signatory of all financial accounts.

Commissioner McGinnis moved to approve the addition of resident commissioner, Margaret Saba, to the Unity Bank account as a signatory. Commissioner Marsh seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

Moved by Commissioner McGinnis and seconded by Commissioner Marsh to remove former executive director, Jennifer Bergman, as signatory from all financial accounts and RVC. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

8. NEXT MEETING: Tuesday, March 10th, 2020

9. ADJOURNMENT:

Moved and seconded by Commissioners McGinnis and Saba, the meeting was adjourned at 11:50 a.m.

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300 Third Avenue NE
Crosby, MN 56441-1642

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

To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: February 5, 2020
Re: February Financial Report

Please find attached the financial information for January 2020.

Executive Director Search

The job posting for our executive director search closed on February 3rd. However, due to the candidate pool, the Board subcommittee has decided to halt the interview and hiring process at this time. We will proceed as the Brainerd HRA Board determines.

Action Requested:

Approval of January checks numbered 117534 through 117565 and January ACH payments numbered 109 and 110 and 1343 through 1351.

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Crosby Housing & Redevelopment Authority 2019/2020 Ratios

FASS Ratios	Max Pts	Scoring	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Quick Ratio	12	QR <1 =0-, QR >2 =12	12.00	12.00	12.00	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	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	2.00	2.00	2.00
Total Points	25		25.00	25.00	25.00	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	Nov	Dec	Jan
Occupancy	16	O <90% =0, O >98% =16	4.00	12.00	12.00	12.00	12.00	12.00	16.00	16.00	16.00	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	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	4.00	4.00	4.00
Total Points	25		8.00	21.00	16.00	18.00	16.00	16.00	20.00	20.00	20.00	20.00
Total of Above Ratios	50		33	46	41	43	41	41	45	45	45	45

MASS Ratios	Max Pts	Scoring	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
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	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	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	10.0	10.0	10.0

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PH Operating - Board
Public Housing Operating - Board
January, 2020

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	Current Period	Current Year	Year To Date	Budget	Variance
Income					
100-000-3110.000 Dwelling Rental	-17,403.00	-165,966.00	-166,234.20	268.20	
100-000-3120.000 Excess Utilities	782.00	-546.00	-541.70	-4.30	
100-000-3401.000 Operating Subsidy	-8,399.00	-84,913.00	-53,354.20	-31,558.80	
100-000-3402.000 Capital Fund Revenue	0.00	-51,204.00	-10,000.00	-41,204.00	
100-000-3610.000 Interest Revenue	-3.16	-19.78	0.00	-19.78	
100-000-3690.000 Other Income	0.00	-303.11	-5,710.00	5,406.89	
100-000-3691.000 Other Tenant Revenue	-1,959.43	-11,328.84	-8,333.30	-2,995.54	
100-000-3695.000 Laundry Revenue	-279.25	-1,978.80	-1,916.70	-62.10	
100-000-3699.000 POHP Grant Revenue	0.00	-243,031.40	0.00	-243,031.40	
Total Income	-27,261.84	-559,290.93	-246,090.10	-313,200.83	
Expense					
100-000-4110.000 Administration Salaries	2,016.00	19,247.99	18,075.00	1,172.99	
100-000-4130.000 Legal	0.00	809.00	1,250.00	-441.00	
100-000-4140.000 Staff Training	0.00	3,547.88	500.00	3,047.88	
100-000-4150.000 Travel	37.12	739.37	675.00	64.37	
100-000-4171.000 Auditing Fees	0.00	3,200.00	3,250.00	-50.00	
100-000-4190.000 Sundry-Other Admin	15.00	180.00	200.00	-20.00	
100-000-4191.000 Management Fees	2,167.00	21,670.00	21,666.70	3.30	
100-000-4194.000 Office Supplies	271.66	1,445.49	541.70	903.79	
100-000-4195.000 Membership Dues	85.00	176.20	225.00	-48.80	
100-000-4196.000 Telephone	54.65	785.55	916.70	-131.15	
100-000-4198.000 Advertising	14.55	14.55	104.20	-89.65	
100-000-4199.000 Postage	-110.00	229.10	250.00	-20.90	
100-000-4210.000 Tenant Svcs Salaries	441.38	3,290.14	3,495.80	-205.66	
100-000-4230.000 Tenant Services Other	16.25	162.99	166.70	-3.71	
100-000-4310.000 Water	1,114.02	9,347.95	9,808.30	-460.35	
100-000-4315.000 Sewer	1,868.19	15,709.07	16,125.00	-415.93	
100-000-4320.000 Electricity	0.00	11,943.08	17,012.50	-5,069.42	
100-000-4330.000 Gas	803.57	3,155.57	7,825.00	-4,669.43	
100-000-4431.000 Garbage & Trash	527.45	6,231.17	6,583.30	-352.13	
100-000-4410.000 Maintenance Labor	4,620.20	34,492.59	34,100.00	392.59	
100-000-4420.000 Materials	688.94	10,124.21	10,833.30	-709.09	
100-000-4430.000 Contracts Costs	843.84	7,318.67	13,500.00	-6,181.33	
100-000-4432.000 Decorating Contract	212.00	6,786.02	7,500.00	-713.98	
100-000-4435.000 Grounds Contract	15.29	125.61	833.30	-707.69	
100-000-4440.000 Repairs Contract	0.00	69.98	208.30	-138.32	
100-000-4445.000 Elevator Maintenance	712.00	3,071.62	2,450.00	621.62	
100-000-4450.000 Plumbing/Heating	583.09	1,866.01	4,166.70	-2,300.69	
100-000-4455.000 Snow Removal	923.56	1,014.56	1,541.70	-527.14	
100-000-4456.000 Exterminating	22.00	192.00	1,033.30	-841.30	
100-000-4457.000 Janitor/Cleaning	850.67	5,182.17	5,666.70	-484.53	
100-000-4510.000 Insurance	1,545.26	15,550.10	16,704.10	-1,154.00	
100-000-4520.000 Property Tax	615.39	7,112.49	6,541.70	570.79	
100-000-4540.000 Employee Benefits	2,576.10	23,442.19	25,687.60	-2,245.41	
Total Expense	23,530.18	218,233.32	239,437.60	-21,204.28	
Net Income(-) or Loss	-3,731.66	-341,057.61	-6,652.50	-334,405.11	

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**Crosby HRA
Edgewood Operating Stmt - Board
January, 2020**

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	Current Period	Current Year	Year To Date	Budget	Variance
Income					
700-000-3110.000 Dwelling Rental	-19,876.00	-189,903.00	-188,445.00	-1,458.00	
700-000-3120.000 Excess Utilities	2,110.00	-1,680.00	-1,583.30	-96.70	
700-000-3404.000 Other Government Grant	-7,696.00	-83,444.00	-85,133.30	1,689.30	
700-000-3610.000 Interest Revenue	-2,409.51	-26,263.39	-1,250.00	-25,013.39	
700-000-3690.000 Other Income	0.00	-323.09	-83.30	-239.79	
700-000-3691.000 Other Tenant Revenue	-2,270.50	-5,769.30	-5,000.00	-769.30	
700-000-3695.000 Laundry Revenue	-452.00	-6,288.31	-6,916.70	628.39	
Total Income	-30,594.01	-313,671.09	-288,411.60	-25,259.49	
Expense					
700-000-4110.000 Administration Salaries	3,224.00	37,256.51	29,400.00	7,856.51	
700-000-4130.000 Legal	0.00	0.00	833.30	-833.30	
700-000-4140.000 Staff Training	0.00	254.50	750.00	-495.50	
700-000-4150.000 Travel	37.12	559.72	625.00	-65.28	
700-000-4171.000 Auditing Fees	0.00	3,200.00	3,250.00	-50.00	
700-000-4190.000 Sundry-Other Admin	20.00	230.00	216.70	13.30	
700-000-4191.000 Management Fees	5,333.00	53,330.00	53,333.30	-3.30	
700-000-4194.000 Office Supplies	271.67	1,451.12	708.30	742.82	
700-000-4195.000 Membership Dues	85.00	176.20	166.70	9.50	
700-000-4196.000 Telephone	54.67	785.68	916.70	-131.02	
700-000-4198.000 Advertising	0.00	0.00	83.30	-83.30	
700-000-4199.000 Postage	110.00	220.00	250.00	-30.00	
700-000-4210.000 Tenant Svcs Salaries	662.06	4,935.24	5,241.70	-306.46	
700-000-4230.000 Tenant Services Other	16.26	163.05	166.70	-3.65	
700-000-4310.000 Water	574.10	4,537.90	5,562.50	-1,024.60	
700-000-4315.000 Sewer	1,080.59	8,435.60	9,808.30	-1,372.70	
700-000-4320.000 Electricity	0.00	15,761.38	22,945.80	-7,184.42	
700-000-4330.000 Gas	1,132.73	4,195.05	8,425.00	-4,229.95	
700-000-4431.000 Garbage & Trash	135.65	1,285.55	1,666.70	-381.15	
700-000-4410.000 Maintenance Labor	4,710.90	35,433.41	35,116.70	316.71	
700-000-4420.000 Materials	636.74	10,246.10	7,166.70	3,079.40	
700-000-4430.000 Contracts Costs	1,173.86	6,296.74	10,833.30	-4,536.56	
700-000-4432.000 Decorating Contract	0.00	5,865.21	9,166.70	-3,301.49	
700-000-4435.000 Grounds Contract	22.93	176.90	500.00	-323.10	
700-000-4440.000 Repairs Contract	0.00	104.97	125.00	-20.03	
700-000-4445.000 Elevator Maintenance	318.45	2,678.07	2,450.00	228.07	
700-000-4450.000 Plumbing/Heating	0.00	2,713.56	12,083.30	-9,369.74	
700-000-4455.000 Snow Removal	1,385.34	1,521.84	2,308.30	-786.46	
700-000-4456.000 Exterminating	33.00	288.00	1,250.00	-962.00	
700-000-4457.000 Janitor/Cleaning	578.48	5,295.42	6,833.30	-1,537.88	
700-000-4510.000 Insurance	1,735.26	17,450.10	16,695.80	754.30	
700-000-4520.000 Property Tax	742.15	7,659.36	6,916.70	742.66	
700-000-4540.000 Employee Benefits	2,878.18	26,246.86	29,612.60	-3,365.74	
Total Expense	26,952.14	258,754.04	285,408.40	-26,654.36	
Net Income(-) or Loss	-3,641.87	-54,917.05	-3,003.20	-51,913.85	

Housing and Redevelopment Authority of Crosby
Payment Summary Report
January 2020

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
1/15/2020	109	Jennifer Bergman	\$18.56
1/15/2020	110	Shannon Fortune	\$55.68
1/2/2020	1343	Lincoln Financial Group	\$717.24
1/2/2020	1344	Electronic Federal Tax Payment System	\$1,067.89
1/2/2020	1345	Minnesota Dept Of Revenue	\$135.59
1/16/2020	1346	Lincoln Financial Group	\$717.24
1/16/2020	1347	Electronic Federal Tax Payment System	\$1,133.55
1/10/2020	1348	Minnesota Dept Of Revenue	\$117.68
1/30/2020	1349	Lincoln Financial Group	\$717.24
1/30/2020	1350	Electronic Federal Tax Payment System	\$1,042.83
1/30/2020	1351	Minnesota Dept Of Revenue	\$115.97
1/2/2020	117534	Holiday	\$76.83
1/14/2020	117535	Adams Pest Control	\$55.00
1/14/2020	117536	Bremer Bank Credit Card	\$24.00
1/14/2020	117537	City Of Crosby	\$5,073.91
1/14/2020	117538	Crosby Ace Hardware	\$184.64
1/14/2020	117539	Crosby-Ironton Courier	\$14.55
1/14/2020	117540	Ctc	\$374.72
1/14/2020	117541	Ctcit	\$400.00
1/14/2020	117542	Dacotah Paper Co.	\$76.55
1/14/2020	117543	Dearborn National Life Ins Co	\$44.55
1/14/2020	117544	Goble Sewer Service	\$200.00
1/14/2020	117545	Gravelle Plumbing & Heating	\$383.09
1/14/2020	117546	Handyman's Inc.	\$283.57
1/14/2020	117547	Hd Supply Facilities Maint	\$335.76
1/14/2020	117548	Healthpartners	\$3,476.41
1/14/2020	117549	Holden Electric Co. Inc.	\$1,315.35
1/14/2020	117550	Hudrlik Carpet Service	\$237.07
1/14/2020	117551	Judy Robinson	\$975.00
1/14/2020	117552	Majestic Creations Landscape	\$2,308.90
1/14/2020	117553	Mei Elevator Solutions	\$712.00
1/14/2020	117554	Minnesota Energy Resources	\$1,936.30
1/14/2020	117555	Nisswa Sanitation Inc	\$226.09
1/14/2020	117556	Phada	\$170.00
1/14/2020	117557	Rental History Reports	\$75.00
1/14/2020	117558	Servicemaster Clean of Brainerd	\$315.00
1/14/2020	117559	Terry Quick	\$81.20
1/14/2020	117560	The Office Shop	\$543.33
1/14/2020	117561	Tkda	\$1,878.37
1/14/2020	117562	Verizon Wireless	\$132.23
1/14/2020	117563	Visa--Unity	\$520.63

**Housing and Redevelopment Authority of Crosby
Payment Summary Report
January 2020**

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
1/21/2020	117564	Tenant Refund	\$185.53
1/30/2020	117565	ShofCorp LLC	\$75.48
		Report Total	\$28,530.53



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PHONE (218) 546-5088
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To: Crosby HRA Board Members
From: Shannon Fortune, Housing Manager
Date: February 5, 2020
Re: Housing Manager Report

Building Updates

Painting will be starting in interior hallways, elevator, and office area this month and is expected to be wrapped up within a few weeks, depending on other scheduled maintenance activities and workload.

Monthly Performance Report

Attachment 3a is a comprehensive monthly report for the period of 1/1/2020 through 1/31/2020. At the meeting we will go over each category of information, explaining where it comes from, what it means, and how it may be useful going forward.

No Action Requested; Discussion Items

Crosby Housing and Redevelopment Authority

Monthly Property Performance Report
January 2020

1. Property Narrative

2. Physical Occupancy

Unit Size	Total Units	Occupied Units	Mod Rehab	Make Ready	Vacant Units	Percent Occupied
Edgewood	61	61	n/a	n/a	0	100%
Dellwood	39	39	n/a	n/a	0	100%
Family Units	20	20	n/a	n/a	0	100%
TOTAL	120	120	0	0	0	100%

3. Customer Traffic

Applications Requested	20
Applications Placed on PH Wait List	7
Applications Denied	5

4. Waiting List

Unit Size	# of Units	Total # on Wait List	Notified	Screening	Denied
1 bdrm	99	64	3	3	0
2 bdrm	13	11	0	0	0
3 bdrm	6	8	0	0	0
4 bdrm	2	2	0	0	0
TOTAL	120	85	3	3	0

5. Move-Ins and Move-Outs

	This Month	Year-to-Date
Move-Ins	2	2
Move-Outs	3	3

6. Lists of Vacant Units and Unit Status

Unit	Unit Size	Anticipated Lease Date	Applicant Approved?
None	n/a	n/a	n/a

7. Recertifications

Interim Recertifications	6
Annual Recertifications	7
Completed for this month	13

8. Annual Unit Inspections

Total units to be inspected this year	120
Number completed start of month	0
Number inspected for the month	0
Number completed year-to-date	0
Total left to be inspected this year	120
Have all building system inspections been completed?	No
If yes, please enter date	n/a

9. Lease Enforcements

Lease warnings/violations issued	0
30-day lease terminations	0

10. Evictions

Resident	Reason	Summons Date	Judgment Action
None			

11. Non-Emergency Work Orders

Beginning Balance	3
Received	27
Closed	30
Ending Balance	0
Total Completed Work Orders for Year	30

12. Emergency Work Orders

	This Month	Year-to-Date
Requested	0	0
Completed within 24 hours	0	0
Percent completed within 24 hours	n/a	n/a

13. Rent Collection

	This Month
Rent Charges	37,638
Other Charges	(227)
Total New Charges	37,411
Arrears, tenants in possession	626

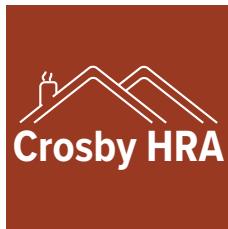
Accounts Receivable

Current Tenant Accounts Receivable (Rent)	0
Current Rent Charges	37,638
Current Rent Collections	37,638
Accounts Receivable Rate	0%
Collection Rate	100%

Collections - Prior 12 Month Period

Prior Tenants Accounts Receivable (Rent)	536
Prior Rent Charges	428,956
Collection Rate	100%

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300 Third Avenue NE
Crosby, MN 56441-1642

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

To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: February 5, 2020
Re: Approval of Budgets

The 2021 budgets are attached for Public Housing and Edgewood (see Attachments 4a and 4b).

Overview

- Most line items were budgeted on a three-year average unless more accurate information was available.
- Vacancy Loss is calculated at 2%.
- Budget reflects a 3% wage increase for all existing employees. Administrative Salaries decreased due to overlap between DeeDee's and Mallory's position last year.
- Employee Benefits increased due to annual increase in health insurance premiums and increased wages.
- Staff Training decreased due to training for Mallory's new position last year.
- Legal increased due to planned Employee Policy Manual updates.
- Telephone decreased due to dropping an underutilized phone line.
- Office supplies increased due to updating office equipment and systems.

Public Housing

- Operating Subsidy increased with proration estimated at 95% (92% prior year).
- Other Tenant Charges – Based on three-year average.
- Other Income includes a \$10,000 draw down of Capital Fund into operations and anticipation of a sales tax refund due to the Dellwood POHP project.
- Administrative Expenses increased approximately 14% due to:
 - » The increase in allocation of Management Fees to 40% caused the overall % increase, without it the budget actually went down slightly.
 - » Other Administrative costs increased due to TIF reporting expenses, adding membership to MN NAHRO and advertising.
- Maintenance Expenses increased slightly due to an increase in contract costs, snow removal, garbage and elevator. Repairs expense eliminated since so minimal.
- Water and Sewer both have increased base fee and rates for this budget year.
- Gas increase based on prior year increases.
- Tenant Services expenses – Budgeted \$1,300, which is the amount that we will receive from HUD operating subsidy for such expenses.
- Insurance premiums based on anticipated increases.
- Payments in Lieu of Taxes decreased because assessments for one of our scattered site properties was paid in full last year.
- Capital Fund contributions have increased.

HUD requires the submission of a board resolution approving the Public Housing Budget prior to year-end. Resolution 2020-05 is attached (see Attachment 4c).

Edgewood

- Dwelling Rents increased due to implementation of a rent increase effective May 1st.
- Other Tenant Charges – based on three-year average.
- Interest Income increased as bank interest rates have increased.
- Administrative Expenses decreased approximately 10% due to:
 - » The decrease in allocation of Management Fees to 60% caused the overall % decrease, without it the budget actually went down only slightly.
 - » Other Administrative costs increased due to adding membership to MN NAHRO and advertising.
- Maintenance Expenses increased slightly due to an increase in elevator maintenance and snow removal. Plumbing declined due to isolation valves partially complete. Repairs expense eliminated since so minimal.
- Water and Sewer both have increased base fee and rates for this budget year.
- Gas increase based on prior year increases.
- Insurance premiums based on estimate.
- Collection Loss – budgeted higher in anticipation of some loss in this budget year.

**Action Requested: Adopt the 2021 Public Housing Budget by approving Resolution 2020-05
PHA Board Resolution Approving Operating Budget. Adopt the 2021 Edgewood Budget.**

2021 Public Housing Comparative Operating Budget

FDS Line #	Account Title	2020 Budget	2021 Budget	Difference	% Difference
Operating Income:					
703	Gross Potential Rent	203,553	202,133	(1,420)	-1%
	Less: Vacancy Loss	(4,072)	(4,043)	29	-1%
	Net Dwelling Rent	199,481	198,090	(1,391)	-1%
706	HUD Operating Grant Income	69,590	94,737	25,147	36%
	Less: Proration Amount	(5,565)	(4,737)	828	-15%
	Net Operating Grant Income	64,025	90,000	25,975	41%
704	Other Tenant Charges	10,000	12,200	2,200	22%
704	Excess Utilities	650	550	(100)	-15%
711	Interest Income			0	
715	Other Income	19,150	19,270	120	1%
Total Operating Income		293,306	320,110	26,804	9%
Operating Expenditures:					
Administrative					
911	Salaries	21,690	18,830	(2,860)	-13%
915	Employee Benefits	8,480	9,300	820	10%
916	Travel	810	790	(20)	-2%
916	Staff Training	600	400	(200)	-33%
912	Audit Cost	3,250	3,275	25	1%
916	Legal	1,500	2,250	750	50%
916	Telephone	1,100	720	(380)	-35%
916	Office Supplies	650	900	250	38%
	Management Fee	26,000	36,000	10,000	38%
916	Other Administrative Costs	935	1,430	495	53%
Total Administrative		65,015	73,895	8,880	14%
Maintenance					
941	Labor	40,920	42,070	1,150	3%
945	Employee Benefits	22,025	23,020	995	5%
942	Maintenance Materials	13,000	13,000	0	0%
943	Maintenance Contract:				
	Contract Costs	16,200	17,000	800	5%
	Snow Removal	1,850	2,400	550	30%
	Grounds	1,000	1,000	0	0%
	Janitor	6,800	6,800	0	0%
943	Garbage	7,900	8,400	500	6%
943	Plumbing	5,000	5,000	0	0%
943	Elevator	2,940	3,500	560	19%
943	Decorating	9,000	9,000	0	0%
943	Exterminating	1,240	1,240	0	0%
943	Repairs	250	0	(250)	-100%
Total Maintenance		128,125	132,430	4,305	3%

FDS Line #	Account Title	2020 Budget	2021 Budget	Difference	% Difference
Utilities					
931	Water	11,770	14,885	3,115	26%
932	Electricity	20,415	21,205	790	4%
933	Gas	9,390	12,085	2,695	29%
936	Sewer	19,350	21,905	2,555	13%
Total Utilities		60,925	70,080	9,155	15%
Tenant Services					
921	Resident Services Salaries	4,195	4,320	125	3%
923	Employee Benefits	320	330	10	3%
924	Ten Svcs - Con Costs Train, Other 4230	200	1,300	1,100	550%
Total Tenant Services		4,715	5,950	1,235	26%
General Expenses					
961	Insurance				
961.1	Property	12,850	12,420	(430)	-3%
961.2	General Liability	3,010	3,030	20	1%
961.5	Worker's Comp	2,380	2,900	520	22%
961.6	D & O and Auto	1,805	2,030	225	12%
963	Payments in Lieu of Taxes	7,850	6,985	(865)	-11%
966	Collection Losses	6,550	6,540	(10)	0%
Total General Expenses		34,445	33,905	(540)	-2%
Total Operating Expenditures		293,225	316,260	23,035	8%
Cash Flow from Operations		81	3,850	3,769	
Other Financial Items					
Bond Payment					
Transfer of Operations (BLI Acct. 1406)					
706.1	HUD Grants-Capital Contributions	50,000	80,000	30,000	60%
Debt Service Payment-CFFP					
Capital Expenditures		(50,000)	(80,000)	(30,000)	60%
Total Other Financial Items		0	0	0	
Net Cash Flow		81	3,850	3,769	

2021 Edgewood Comparative Operating Budget

FDS Line #	Account Title	2020 Budget	2021 Budget	Difference	% Difference
Operating Income:					
703	Gross Potential Rent	230,750	233,311	2,561	1%
	Less: Vacancy Loss	(4,616)	(4,663)	(47)	1%
	Net Dwelling Rent	226,134	228,645	2,511	1%
	HAP Subsidy	102,160	102,725	565	1%
704	Other Tenant Charges	6,000	6,530	530	9%
704	Excess Utilities	1,900	1,920	20	1%
711	Interest Income	1,500	31,800	30,300	
715	Other Income	8,400	8,165	(235)	-3%
Total Operating Income		346,094	379,785	33,691	10%
Operating Expenditures:					
Administrative					
911	Salaries	35,280	30,990	(4,290)	-12%
915	Employee Benefits	12,940	14,160	1,220	9%
916	Travel	750	750	0	0%
916	Staff Training	900	600	(300)	-33%
912	Audit Cost	3,250	3,275	25	1%
916	Legal	1,000	2,250	1,250	125%
916	Telephone	1,100	720	(380)	-35%
916	Office Supplies	850	900	50	6%
916	Management Fee	64,000	54,000	(10,000)	-16%
916	Other Administrative Costs	860	1,270	410	48%
Total Administrative		120,930	108,915	(12,015)	-10%
Maintenance					
941	Labor	42,140	43,290	1,150	3%
945	Employee Benefits	22,115	23,120	1,005	5%
942	Maintenance Materials	8,600	10,000	1,400	16%
943	Maintenance Contract:				
	Contract Costs	13,000	13,000	0	0%
	Snow Removal	2,770	3,500	730	26%
	Grounds	600	600	0	0%
	Janitor	8,200	8,200	0	0%
943	Garbage	2,000	2,200	200	10%
943	Plumbing	14,500	12,000	(2,500)	-17%
943	Elevator	2,940	3,500	560	19%
943	Decorating	11,000	11,000	0	0%
943	Exterminating	1,500	1,500	0	0%
943	Repairs	150	0	(150)	-100%
Total Maintenance		129,515	131,910	2,395	2%

FDS Line #	Account Title	2020 Budget	2021 Budget	Difference	% Difference
Utilities					
931	Water	6,675	7,195	520	8%
932	Electricity	27,535	27,660	125	0%
933	Gas	10,110	12,400	2,290	23%
936	Sewer	11,770	11,910	140	1%
Total Utilities		56,090	59,165	3,075	5%
Tenant Services					
921	Resident Services Salaries	6,290	6,480	190	3%
923	Employee Benefits	480	500	20	4%
924	Ten Svcs - Recreation, Pubs, Other 4220	200	200	0	0%
Total Tenant Services		6,970	7,180	210	3%
General Expenses					
961	Insurance				
961.1	Property	13,485	15,290	1,805	13%
961.2	General Liability	2,395	2,720	325	14%
961.5	Worker's Comp	2,380	2,900	520	22%
961.6	D & O and Auto	1,775	1,860	85	5%
963	Payments in Lieu of Taxes	8,300	8,475	175	2%
966	Collection Losses	200	500	300	150%
Total General Expenses		28,535	31,745	3,210	11%
Total Operating Expenditures		342,040	338,915	(3,125)	-1%
Cash Flow from Operations		4,054	40,870	36,816	
Other Financial Items					
Bond Payment					
Transfer of Operations (BLI Acct. 1406)					
706.1	HUD Grants-Capital Contributions				
Debt Service Payment-CFFP					
Capital Expenditures					
Total Other Financial Items		0	0	0	
Net Cash Flow		4,054	40,870	36,816	

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 06/30/2022)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Crosby Housing Authority

PHA Code: MN082

PHA Fiscal Year Beginning: April 1, 2020

Board Resolution Number: 2020-05

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

<input checked="" type="checkbox"/> Operating Budget approved by Board resolution on:	02/11/2020
<input type="checkbox"/> Operating Budget submitted to HUD, if applicable, on:	
<input type="checkbox"/> Operating Budget revision approved by Board resolution on:	
<input type="checkbox"/> Operating Budget revision submitted to HUD, if applicable, on:	

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Linda Peeples	Signature:	Date: 02/11/2020
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Previous editions are obsolete

form HUD-52574 (06/2019)

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300 Third Avenue NE
Crosby, MN 56441-1642

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www.crosbyhra.org

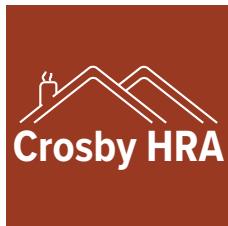
To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: February 5, 2020
Re: Approval of Accounts Receivable Write-Off

Per Crosby HRA policy, when an account remains unpaid for 90 days following the tenant's move-out date with no repayment activity, the finance director shall obtain approval from the board of commissioner's to write-off those accounts. As such, we are requesting the approval to write-off all balances outstanding at 3/31/2020 in Accounts Receivable that remain unpaid 90 days following the tenant's move-out date.

When feasible, these balances will be filed with the State of Minnesota for collection through the Revenue Recapture process. This process allows housing authorities to collect outstanding balances through any state return that the tenant is entitled.

Action Requested: Approve the write-off of uncollectible Accounts Receivable for 2020.

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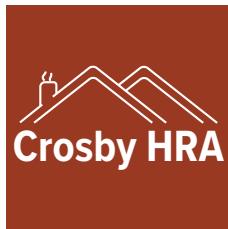
To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: February 5, 2020
Re: Approval of Asset Removal

The Crosby HRA currently has Edgewood assets that have outlived their useful lives and require removal from the asset listing. As such, we require permission from the Board of Commissioners approving the removal of the assets as listed below:

Edgewood Assets	Date Entered into Service	Original Value	Depreciation through 1/31/2020
HP 4050 Laser jet	4/10/2000	1634.00	1634.00
Office Equipment	11/3/2006	350.00	350.00
Office Work Station	3/2/2010	2028.49	2028.49
2 Work Stations Server	2/14/2011	4800.65	4800.65
Laser Color Printer	2/29/2012	992.04	992.04
Shop Computer	6/18/2012	841.48	841.48
Computer Work Station	2/28/2014	1948.40	1948.40
Office Computer	12/28/2010	4472.72	4472.72
Parking Lot Seal	9/20/2001	<u>1190.00</u>	<u>1190.00</u>
		18257.78	18257.78

Action Requested: Approve the removal of obsolete assets from the asset listing.

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Crosby, MN 56441-1642

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To: Crosby HRA Board Members
From: Shannon Fortune, Housing Manager
Date: February 5, 2020
Re: Discussion on Attendance Requirement in Bylaws

At the last board meeting, there was a question about how the bylaws addressed attendance expectations for commissioners. After a staff review, it was determined that the bylaws were silent on attendance expectations (see Attachment 7a).

A similar question regarding the long-term absence of a resident commissioner was recently raised at a Brainerd HRA board meeting which, after discussion, resulted in an amendment to that agency's bylaws. For your reference, copied below is the language that was ultimately included in that agency's bylaw amendment.

- » **Section X. Attendance.** Commissioners shall be expected to attend all meetings except with an excused absence. Any Commissioner who misses three consecutive meetings without an excused absence is considered to have resigned from the Board of Commissioners.

No Action Requested; Discussion Items

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BYLAWS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF CROSBY, MINNESOTA

ARTICLE I. THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the "Housing and Redevelopment Authority of Crosby, Minnesota."

Section 2. Seal of the Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

Section 3. Office of the Authority. The offices of the Authority shall be in the Dellwood Apartments building located at 300 Third Avenue, Northeast, Crosby, Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

ARTICLE II. OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chair, Vice-Chair, and a Secretary.

Section 2. Chair. The Chair shall preside at all meetings of the Authority. Except as otherwise delegated, the Chair shall sign all contracts, deeds and other instruments made by the Authority. At each meeting the Chair shall submit such recommendations and information as he/she may consider proper concerning the business, affairs and policies of the Authority.

Section 3. Vice-Chair. The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair. In case of the resignation or death of the Chair, the Vice-Chair shall perform such duties as are imposed on the Chair until such time as the Authority shall select a new Chair.

Section 4. Secretary. The Secretary shall perform the duties of a Secretary for the Authority.

Section 5. Executive Director. The Authority shall employ or contract with an Executive Director who shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. He/she shall be charged with the management of the housing and redevelopment projects of the Authority.

As assistant to the Secretary, the Executive Director in his/her own name and title shall keep the records of the Authority, shall act as Secretary of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purposes, and shall perform all duties incident to his/her office. He/she shall keep in safe custody the seal of the Authority and shall have the power to affix such seal to all contracts and instruments to be executed by the Authority.

The Executive Director shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. Except as otherwise authorized by resolution of the authority, the Executive Director shall sign all orders and checks for payment of money and shall pay out and disburse such moneys under the direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall be counter-signed by the Chair or other designated official. The Executive Director shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, at each regular meeting or more often as requested, an account of his/her transactions and also of the financial condition of the Authority. He/she shall give such bond for faithful performance of his/her duties as the Authority may determine.

Except as otherwise authorized by resolution of the Authority, the Executive Director is authorized to sign all contracts, deeds and other instruments made by the Authority.

The Authority shall determine the compensation of the Executive Director.

Section 6. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the by-laws or rules and regulations of the Authority.

Section 7. Election or Appointment. The first Chair shall, pursuant to his/her appointment, serve in the capacity of Chair until the expiration of his/her term of office as Commissioner. The Vice-Chair, Secretary and, except in the case of the first Chair, the Chair shall be elected at the annual meeting of the Authority from among the Commissioners of the Authority, and shall hold office for one year or until their successors are elected and qualified.

Section 8. Vacancies. Should the office of the Chair, Vice-Chair or Secretary become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office. When the office of the Executive Director becomes vacant, the Authority shall appoint a successor as aforesaid.

Section 9. Additional Personnel. The Authority may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Municipal Housing and Redevelopment Act of Minnesota (Minnesota Statutes 469.001, et. seq.) applicable thereto. The Authority, subject to the laws of the State of Minnesota, shall determine the selection and compensation of such personnel (including the Executive Director).

ARTICLE III. MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held immediately prior to the regular September meeting.

Section 2. Regular Meetings. Monthly meetings shall be held without notice at the regular meeting place of the Authority on the second Tuesday of each month at 11:00 o'clock AM

unless the same shall be a legal holiday or other day on which a public meeting cannot be held in Minnesota, in which event the meeting shall be held on the next regular working day or as otherwise established by the Authority at a regular or special meeting.

Section 3. Special Meetings. The Chair, or any two commissioners, may call special meetings of the Authority for the purpose of transacting any business designated in the call. Each commissioner of the Authority must receive the call for a special meeting at least two (2) days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all of the commissioners of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

Section 4. Quorum. The powers of the Authority shall be vested in the Commissioners thereof in office from time to time. Three Commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, the Authority upon a vote of a majority of the Commissioners present may take action.

Section 5. Order of Business. At the regular meeting of the Authority the following shall be the order of business:

1. Roll Call
2. Reading and approval of the minutes of the previous meeting.
3. Bills and Communications
4. Report of the Executive Director
5. Reports of Committees.
6. Unfinished Business.
7. New Business.
8. Adjournment.

All resolutions shall be in writing and shall be copied in the journal of the proceedings of the Authority.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be by voice vote, and yeas and nays shall be entered upon the minutes of such meeting.

ARTICLE IV. AMENDMENTS

Section 1. Amendments to Bylaws. The bylaws of the Authority shall be amended only with the approval of at least three of the members of the Authority at a regular or a special meeting.

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