

BOARD OF COMMISSIONERS
WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
WASHINGTON COUNTY, MINNESOTA

The Washington County Community Development Agency Board of Commissioners convened in Regular Session at Washington County CDA, 7645 Currell Blvd., Woodbury, MN on August 21, 2018. Staff present: Melissa Taphorn, Deputy Executive Director; Aaron Christianson, Director of Finance; Ann Hoechst, Housing Assistance and Administrative Services Director; Chris Eng, Economic Development Director; Kathryn Paulson, Community Development Project Manager II; Elena Shulman, Angie Shuppert, Project Manager, Bill Lightner, Project Manager, Ryan Gruber, Human Resources and Communications Coordinator; Becky Nelson, Senior Accountant and Leni Healy, Administrative Assistant.

Also present: Kyle Didier, President, Shelter Corporation.

Meeting was called to order at 3:03 p.m. Vice Chairman Belisle conducted the meeting.

ROLL CALL

Commissioners present: Green, Belisle, Miron, Ryan and Dingle. Commissioners not present were Widen and Zeller.

OPEN FORUM

None

CONSENT CALENDAR

Consent Calendar agenda items are generally defined as items of routine business, not requiring discussion, and approved in one vote. Commissioners may elect to pull a Consent Calendar item(s) for discussion and/or separate action.

Minutes of Regular Meeting
July 17, 2018

Minutes of the Finance Committee Meeting
July 31, 2018

Abstract of Bills, July 31, 2018
Total: \$2,082,873.94

A-1 Resolution No. 18-28. Resolution Authorizing One Year Extension of the Management Agreement With Shelter Corporation

A-2 Resolution No. 18-29. Resolution Authorizing Execution of the Home Investment Partnerships Program Development Agreement for the Two Rivers Community Land Trust Green House Project

A-3 Resolution No. 18-30. Resolution Authorizing Execution of the Home Investment Partnerships Program Development Agreement for the Twin Cities Habitat for Humanity Scattered Site Project

A-4 Resolution No. 18-31. Resolution Authorizing Execution of a Construction Contract for the Briar Pond Trim Repair and Paint Project

Commissioner Miron moved to approve the Consent Calendar, seconded by Commissioner Ryan. Motion carried 5-0.

NEW BUSINESS

A-5 Resolution No. 18-32. Resolution Adopting a Proposed 2018 Special Benefit Tax Levy Collectible in 2019.

Mr. Christianson explained the details of the resolution in which the Agency is considered a “special taxing district” by law, and the County must certify special levies on a preliminary basis in September; County Board consideration is scheduled for September 18. He indicated the amount of the proposed Agency levy request totals \$5,234,226, which is \$180,000 more than the 2018 levy request. He added the additional levy will be used to pay for debt service related to the Glen at Valley Creek, LLC and provide additional funding for the GROW program. He stated the overall tax impact on a medium-sized home will be about \$1.12 annually or 3.1 percent annually.

Mr. Christianson stated that staff members attended the County Board Workshop on August 14, 2018 regarding the value that the Agency provides in partnership with cities and townships in the county and the strategic program areas for 2019. He said that comments following Ms. Dacy’s presentation were very positive about the Agency, staff and the work the Agency is doing. He indicated that staff members advised the County Board that the Agency will act at the August 21, 2018 meeting.

He indicated that, upon approval, the next steps would include submitting this to the County Treasurer followed by a Truth in Taxation hearing in December. He explained the issue would then go back to the County for approval then back to this Board for final approval at the December Board meeting.

Commissioner Green moved to approve the Resolution No. 18-32, seconded by Commissioner Ryan. Motion carried 5-0.

A-6 Resolution No. 18-33. Resolution Waiving Request for Proposal for Property Management Services; Authorizing Execution of Contract With Shelter Corporation

Mr. Christianson reviewed that the Property Management services contract between the Agency and Shelter Corporation ends on December 31, 2019. He indicated that under special circumstances, the Agency may waive a request for proposal (RFP) process for non-audit services contracts. He explained that the Board shall consider the overall performance of the service provider; any changes in lead personnel; the volume and nature of business which would disrupt business continuity and evaluation of current contract costs. He indicated that the Agency reviews Shelter’s performance annually. He said Shelter meets the Agency’s expectations by maintaining high occupancy rates, exceeding revenue expectations, limiting expenses, being responsive to tenant complaints and maintaining the properties in good condition. He further stated that the third-party reviews have always resulted in satisfactory or better scores.

Commissioner Belisle questioned a calculation in the presentation. Mr. Christianson agreed and apologized for a math error had been made.

Mr. Christianson indicated that there are opportunities to streamline some operations by extending the contracts. He explained that Shelter works on a different platform than the Agency and within the Agency other platforms are used. He further explained that all three accounting systems could be consolidated into one system which would eliminate duplication of data entry, saving approximately 200 hours per year. He said that other efficiencies could include a paperless accounts payable system with electronic invoice approval, elimination of work duplication, consolidation of programs with rental assistance, Shelter and strengthened internal controls. He suggested that this process would also give the Agency access to DOMO (business intelligence software) which is useful in forecasting industry and Agency trends.

Commissioner Green asked if this would be a new system to the Agency or would it be new to Shelter as well. Mr. Christianson indicated that Shelter currently uses this system (YARDI, a premier software system) which would provide a divided platform with minimal risk to the Agency. He stated that this would be a stand-alone system and the cost would be minimal with no extra fees. He also stated that extending the agreement would give the Agency a three-year window to work with Shelter on the new system.

Commissioner Green asked if there was a lot of competition for the Agency's service agreement. Mr. Christianson indicated that the last time a Request for Proposal (RFP) was issued in 2014, there were three applicants with Shelter Corporation being one of the three. Melissa Taphorn explained that although there are plenty of property management companies in the area, it is rare to find one with Public Housing experience.

Commissioner Green asked if the \$450,000 paid to Shelter was all-inclusive or are there other fees paid in addition. Mr. Christianson replied that the Agency pays a service technology fee with built-in accounting fees, actual staff time (property managers, assistant manager, maintenance and caretakers) at each site, and mileage reimbursements of approximately \$1.6 million and advanced maintenance services (electricians and plumbers).

Commissioner Belisle asked if Shelter had its own maintenance team. Mr. Christianson indicated that Shelter has its own maintenance team and the specialty team.

Commissioner Belisle reported that the Finance Committee did spend quite a bit of time discussing this resolution and recommended that the Board move forward with the extension.

Commissioner Ryan indicated that he is a resident of a Shelter-run complex and has appreciated the good service he has received.

Mr. Christianson explained that the Board is required to approve professional services agreements which exceed \$50,000. He recommends adopting the resolution waiving the RFP process and authorize the Executive Director to negotiate terms and execute a contract extension that allows for an additional two one-year extensions to the January 2015-December 2019 Property Management Contract.

Commissioner Miron moved to approve the Resolution No. 18-33, seconded by Commissioner Ryan. Motion carried 5-0.

DISCUSSION

D-1 Results of the 2018 Tenant Satisfaction Survey

Ms. Shulman reported that a tenant satisfaction survey has been conducted every other year since 2010. She said the survey instrument was a HUD template which was comprised of four sections to include general resident questions, maintenance issues, community improvements and management. She indicated that fewer questions were asked this year to hopefully obtain more participation; however, there was a consistent percentage return rate (37 percent previously; 35 percent currently.) She said the 1094 surveys were sent with 379 returned. She indicated that senior properties responded higher (62 percent) than family properties (21 percent.) She stated that drop boxes (instead of mail-in surveys) were installed at two of the family properties but the results remained low. She said they will look at the drop box method for future surveys.

Ms. Shulman shared some of the results of the survey. She indicated that 42 percent of the respondents chose their home because it was affordable. She said that location was the next highest (34 percent) reason for choosing their home. She reported other key aspects that influenced their choice in their homes: 89 percent reported that they felt safe in their homes; 81 percent were proud of their rental community and 73 percent felt a sense of community in their housing.

Commissioner Belisle asked if, the 11 eleven percent who do not feel safe in their homes, were asked why they don't feel safe. Ms. Shulman indicated that the surveys are submitted anonymously so there is no way of following up to ask questions of specific people. Commissioner Belisle asked if a comment section could be added such as, "If no, please explain." Ms. Taphorn indicated that, in previous surveys, when questions were structured in such a manner, the answer referred to lighting which has been addressed.

She illustrated the satisfaction trends are high but have been decreasing over the years. She indicated that 79 percent of the respondents would recommend the property and believes that management is friendly and attentive to their needs; 85 percent are satisfied with the quality of maintenance at the property.

Ms. Shulman asked the Commissioners if they had any comments or additions for future surveys. Commissioner Miron asked if the template was a HUD document. Ms. Shulman indicated that it was. Commissioner Miron asked if there were any external benchmarks to compare with these results. Ms. Shulman that there weren't know benchmarks, however, a statistician was hired to review and interpret the results. Ms. Taphorn indicated that a 75 percent satisfaction mark was the benchmark. Commissioner Ryan asked we if that 75 percent benchmark reflected other privately-held rental properties. Ms. Taphorn indicated that we were not aware of the types of properties included but that the benchmark was 75 percent satisfaction threshold.

Commissioner Belisle asked if the Agency could approach another Agency such as Dakota County to compare our response rate and satisfaction results. Commissioner Belisle was also concerned that over eleven percent of the respondents did not feel safe in their home, but we didn't ask why but, yet we asked to follow up questions for maintenance. Ms. Shulman indicated they would strongly consider such questions for the next survey. Ms. Taphorn explained that some of the remarks in the comment section indicated that security cameras were needed for more areas of the properties. Commissioner Belisle asked where in the survey was the safety question asked. Ms. Shulman indicated that it was the fourth question. Commissioner Belisle suggested that the safety and other important questions could be prioritized in future surveys before the tenant loses interest.

REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

Ms. Taphorn highlighted a few items from here written report. She indicated that the Agency works with Minnesota Housing on home buyer education to provide low-interest first time mortgages made by private lenders funded with bonds that the Agency joins up with the state. She indicated that through the end of July, sixty-six homebuyers participated in the program with 96 percent receiving down payment assistance.

She reported that The Glen at Valley Creek has undergone tree and house removal, but they are still working with the City on storm water management issues before excavating the basement and parking garage area.

She indicated that annual plans for the CDBG (Community Development Block Grant) and HOME programs were submitted, and the 2018 funds have been received.

Ms. Taphorn reported that the Minneapolis HUD field offices sent an auditor to review the Agency's administration of several projects. She reported that the results were clean with no findings. She indicated that their field office director wants to use Angie Shuppert's files as an example of how files should look. She thanked Angie Shuppert and Becky Nelson for all the work they do to keep the files in good order. Commissioner Belisle also commented that Angie's work is noticed by the CDBG advisory committee.

Commissioner Belisle asked is the Agency needed to do a Phase II on The Glen. Ms. Taphorn answered that the Agency did do a Phase II because the Agency was aware of certain underground storage tanks and a buried truck cab. She said that the Phase II came up minimal and the MPCA (Minnesota Pollution Control Agency) indicated it didn't rise to the need to do a response action plan. She said there is a construction contingency plan in place that will be followed.

ECONOMIC DEVELOPMENT DIRECTOR

Mr. Eng reported that for the EPA (Environmental Protection Agency) grant, an RFQ (Request for Qualifications) was issued for consultants to help with preparing the application and will help administer the grant. He said that two replies from respected companies were received and meetings will be held with Jeff Travis from Washington County Environmental Services to help review the responses and select one. He said that all costs would be paid from the grant, if awarded.

FINANCE AND PROPERTY MANAGEMENT

Mr. Christianson had no additional report.

RENTAL ASSISTANCE

Ms. Hoechst reported that she will be having knee surgery and has been training staff to handle operations while she is out of the office. She stated she will be gone six to twelve weeks.

EXECUTIVE DIRECTOR

Ms. Taphorn reported that Ms. Dacy has been in contact with the Newport City Administrator who indicated that the City is working on their land use guidance. She indicated that she and the City Administrator agreed to postpone the September meeting date until the City has its determination which is expected in early 2019.

Ms. Taphorn reminded the Board that Ms. Dacy has submitted a Conflict of Interest disclosure concerning her application for a subsurface treatment septic system loan. Commissioner Belisle read a statement explaining that the program provides loans and grant to replace failing septic systems. Commissioner Belisle noted for the record that her letter has been received by the Board of Commissioners and no formal Board action is required. He indicated that if a Commissioner has any questions, the Commission attorney, Kathleen Lamb, should be contacted at McGrann Shea.

Commissioner Belisle read a statement indicating that the Executive Director does not review or act on the loan applications, however the staff makes a recommendation on the loan application to the County. He further read that according to the 2014 Joint Powers Agreement between the Agency and the County, the Agency is accountable for the recommendation to the County for the loans, the applicant's ability to repay as well as the recommended term of the loan. Commissioner Belisle also read that the application for the loan will not displace other applicants for the funds.

Commissioner Miron stated that the County has never had a shortage of funds for this program. Ms. Taphorn agreed and indicated that County staff has stated that if the County's allocation should get used up, the Department of Agriculture would find more funding.

Commissioner Belisle indicated that this was not a conflict of interest but may appear to be a conflict which is why clarification needed to be made.

CLOSED EXECUTIVE SESSION

A motion was made by Commissioner Miron, seconded by Commissioner Dingle, to move to the Closed Executive Session for the purposes of Labor Negotiations. All voted in favor and the motion carried.

A motion was made by Commissioner Miron, seconded by Commissioner Ryan, to close the Executive Session and return to the regular session. All voted in favor and the motion carried.

ADJOURN

Commissioner Widen moved to adjourn; seconded by Commissioner Ryan. Motion carried 5-0.

Meeting adjourned at 4:35 P.M.

/S/John Belisle

Chair/Vice Chair Commissioner