

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

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The Washington County Community Development Agency Board of Commissioners convened in Regular Session at Washington County CDA, 7645 Currell Blvd., Woodbury, MN on December 18, 2018. Staff present: Barbara Dacy, Executive Director; Melissa Taphorn, Deputy Executive Director; Chris Eng, Economic Development Director; Aaron Christianson; Finance Director; Ashley Engh, Finance Assistant Director; Bill Lightner, Project Manager II; Becky Nelson, Senior Accountant; Kathryn Paulson; Project Manager II; Sandy Meza, Office Manager.

Also attending were: Stan Suedkamp, Mayor of Landfall; Ed Shukle, Landfall City Administrator; Matt Buckley, Attorney McGrann Shea Carnival Straughn and Lamb.

**Meeting was called to order at 3:00 p.m.**

**ROLL CALL**

Commissioners present: Green, Zeller, Widen, Belisle, Ryan and Dingle.

**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  
November 20, 2018

Minutes of Personnel Committee Meeting  
April 25, 2018

Minutes of Personnel Committee Meeting  
November 20, 2018

Abstract of Bills November 20, 2018  
Total \$1,212,458.27

A-1 Resolution No. 18-49. Resolution Authorizing an Amendment to the 2018 Budget.

A-2 Resolution No. 18-50. Resolution Authorizing Depository Services for Governmental Entities.

A-3 Resolution No. 18-51. Resolution Approving the 2019 Operating Budget for Public Housing.

A-4 Resolution No. 18-52. Resolution Adopting the OMB Uniform Guidance Indirect Cost Rate.

A-5 Resolution No. 18-53. Resolution Ratifying the Submission of a 2019 CDBG/HOME Funding Application for the Raymie Johnson Townhome Improvement Project.

**Commissioner Dingle moved to approve the Consent Calendar, seconded by Commissioner Widen.  
Motion carried 6-0.**

### **PRESENTATION**

Ms. Dacy introduced Ed Shukle, City Administrator, and Mayor Stan Suedkamp with the City of Landfall to present the Landfall Terrace annual update.

Mr. Shukle wanted to thank CDA Staff especially Ms. Dacy, Mr. Christianson, and Ms. Paulson for the assistance they have provided. Mr. Shukle provided the following highlights: all 300 lots are rented and the community has a vacancy rate of 0%; the HRA has hired a new Park Manager, Mary Brown; the City utilized CDBG grant funds to complete needed infrastructure improvements; and the City is earning revenue by lending its name to non-profit conduit bond financing and received administrative fees of \$40,000.

Commissioner Belisle inquired about the rental rate per lot. Mr. Shukle said lot rents are \$300 and have not changed for three and half years. Commissioner Belisle asked if contracted police and fire services are on a call basis. Mr. Shukle said they contracted annually. Commissioner Belisle inquired about the yearly budget. Mr. Shukle stated the HRA budget is \$1.2 million and City budget is \$1.1 million

Mayor Stan Suedkamp thanked the CDA for their support.

### **OLD BUSINESS**

Commissioner Miron arrived at 3:34pm.

A-6 Resolution No. 18-41. Resolution Authorizing Executive Director to Enter into a Master Service Agreement with Stantec Consulting Services, Inc. to Apply and Implement a US EPA Brownfields Assessment Grant on Behalf of the Washington County CDA

Mr. Eng stated that Stantec Consulting Inc. will apply for and implement a US EPA Brownfields Assessment Grant on behalf of the CDA. Matt Buckley, Attorney from McGrann Shea was invited to join in the discussion to answer any questions about liabilities.

Commissioner Zeller asked if there is a preliminary list of any brownfield sites. Mr. Eng indicated he will be sending out letters to the cities in Washington County asking if they know of any potential sites, or know of any property owners that may be interested.

Commissioner Zeller said the cities are a great resource, but also recommended we would include the Soil and Water Conservation District or watershed districts as another great resource.

Commissioner Belisle asked if MPCA keeps a list of known sites. Mr. Eng said yes.

Commissioner Ryan asked if there are unknown sites in Washington County Mr. Eng believed so and that is why this inventory is important.

Commissioner Zeller asked if we have been in contact with our own insurance company to measure the agency's liability and Ms. Dacy replied no.

Commissioner Belisle asked if we have any potential liability concerns. Mr. Eng said there could be, and indicated that we will have the owners of the sites sign off on a certification form indemnifying the CDA.

**Commissioner Miron moved to approve the Resolution No. 18-41, seconded by Commissioner Dingle. Motion carried 7-0.**

### **NEW BUSINESS**

A-7 Resolution No. 18-54. Resolution Amending Resolution No. 14-30, Changing Employer Contributions to Employee 401(a) Accounts, and Mandating Employee Contributions to Employee 401(a) Accounts

Ms. Dacy explained that the purpose of the recommendation is to be more competitive in the marketplace and to retain and attract employees. She stated that the recommendation for Board approval today was presented

to staff on November 13<sup>th</sup> and the CDA Personnel Committee, consisting of Commission Miron and Commission Dingle, on November 20<sup>th</sup>.

The Personnel Committee recommends a two year plan regarding retirement contributions starting with phase one, that the employer contribution increase from 9% to 11% of the employee's salary and the employee contribution be increased from 0% to 3.1% of the employee's salary. Both contributions will be to a 401(a) account.

Phase two, starting in 2020, would maintain the employer contribution at 11%, but the employee contribution would increase another 3.1%, to 6.2% of the employee's salary. The combined contributions will total 17.2% of an employee's salary. In mid-2020, the contribution levels will be evaluated with a report to the Board.

**Commissioner Ryan moved to approve the Resolution No. 18-54, seconded by Commissioner Widen. Motion carried 7-0**

A-8 Resolution No. 18-55. Resolution Approving and Adopting the 2019 Budget

Ms. Dacy stated she would discuss the highlights of the strategic initiatives. Ms. Dacy reviewed the four strategic initiatives outlined on page 11 of the Budget Book. Ms. Dacy presented the annual activities and goals by department to achieve these strategic initiatives, which are further described on pages 11 through 13.

Mr. Christianson stated that the 2019 Budget is similar to the draft budget presented to the Board in June, with a three substantive changes. The 2019 budget includes total expenditures of \$22.5 million broken out as \$6.0 million for property operations and preventative maintenance, \$4.9 million for debt service, \$2.1 million for capital improvements, \$4.4 million for Housing Assistance payments and counseling programs and \$1.9 for loan programs and other projects. The General Fund has an operating expense budget of 1.6 million dollars, which accounts for less than 8% of the total budget. The remaining \$1.6 million of budgeted expenditures are for costs related to grant programs that are primarily paid for directly by grant funding. The budget is balanced, and it fully funds the CDA's 2019 operations which include the strategic initiatives and core services outlined by Ms. Dacy.

Commissioner Zeller stated that the economic development budget total may be misleading since that amount includes carried over funds from 2018. Mr. Christianson replied that economic development was previously budgeted at \$575,000 and the \$712,000 includes \$137,000 carried forward. This is footnoted in the budget but Mr. Christianson offered to highlight that note further.

Commissioner Belisle asked what the \$137,000 line item in Economic Development and if it was a onetime expense. Mr. Christianson said the \$137,000 includes \$75,000 to establish an economic development website and also included the Contract Analyst salary and benefits of \$62,000, which would be an ongoing expense, but given the carryover history over the last two years, the CDA can support that position within the constraints of the \$575,000 budget.

Commission Green asked if the website is done internally or contracted work. Ms. Dacy said it would be contracted work.

Mr. Christianson continued with highlights to the proposed budget indicating that total budgeted revenues are up 6.6%, or \$1.3 million, over the prior year. The breakdown of the \$1.3 million is \$173,000 generated from the rent increase, \$180,000 from the increase in the levy and an increase in grant funding of \$950,000. The budgeted expenses show a slight increase to reserves for future capital improvements and the Age Friendly Housing Initiative.

Mr. Christianson provided detail on rent increases; 2% for all properties except for Briar Pond and Woodland Park, which are at 3%. The 2019 budget anticipates \$6.7 million in grant funding; \$4.7 million of that is related to the housing assistance programs, \$1.3 million for community development and \$700,000 for the properties. The increase is attributed to an additional \$350,000 for housing vouchers related to the Family Unification Program (FUP) and the Veterans Administration Supportive Housing Program (VASH). Other revenue is flat at \$1.2 million.

The CDA Levy for 2019 is \$5,234,226. The 3.6% increase includes \$100,000 to support debt service of The Glen at Valley Creek and \$80,000 for the GROW program. On December 11, the Washington County Board approved the levy request, 5 to 0.

Commissioner Miron stated that Commissioner Weik really appreciated the investment at The Glen at Valley Creek and the work that was done there and Commissioner Kriesel made some strong comments supporting the economic development initiatives and the CDA.

Mr. Christianson then highlighted the three changes made to the proposed budget compared to the budget presented in June. First, inclusion of the approved changes to the retirement plan. These changes increased benefit costs by \$36,000. However, because of the savings received from changing health insurance plans and health insurance elections made by employees, the CDA is able to stay within the budget amount presented in June.

Second, the Economic Development budget increased by \$137,000; \$75,000 of the increase is to pay for the construction of a new economic development website. The remaining \$62,000 will be used to hire a contract analyst. Carryover money from the 2018 economic development budget will be used to pay for the \$137,000 increase. At this time the Economic Development Director is also confident that the contract analyst will be able to be included in the 2020 budget without needing an increase in funding.

Finally, capital expenditures increased by \$864,000. The increase will be paid for by a combination of 2018 carryover dollars and anticipated capital grants.

No further comments.

**Commissioner Zeller moved to approve the Resolution No. 18-55, seconded by Commissioner Dingle. Motion carried 7-0**

A-9 Resolution No. 18-56. Resolution to Approve and Adopt a Succession Strategy for the Position of Executive Director; to Approve Temporary Reassignments in the Case of Vacancies for Department Directors and the Human Resources and Communication Coordinator

Ms. Dacy presented the succession plan for the Executive Director position and temporary reassignments. The language for hiring a new Executive Director was original drafted in 2010 and the Personnel Committee made some minor revisions. Ms. Dacy noted that the temporary reassignment part of the plan was tested this year as one of the directors was out on leave.

No comments.

**Commissioner Miron moved to approve the Resolution No. 18-56, seconded by Commissioner Widen. Motion carried 7-0**

Commissioners Widen commented that he would like a flyer or brief handout describing the things the CDA does to help explain to the general public. Ms. Dacy said staff is looking to do a two-page summary of the CDA programs and projects. It is in process and should be available to the Board in three months.

## **REPORTS**

### **COMMUNITY DEVELOPMENT DEPARTMENT**

Ms. Taphorn highlighted that the Washington County 2040 Comp Plan was submitted to Metropolitan Council on December 5, 2018. She provided an update on income averaging policy, Minnesota Housing is coming out with their guidance the first week in January. The Glen at Valley Creek project is progressing well on construction and was awarded \$20,000 from the Ramsey-Washington Counties Recycling and Energy Board which will help get collection bins and recycling shoot on each level instead of having residents carrying their recycling down to the first floor. This is the first residential grant.

Commissioner Belisle asked if we gave a partial award of 9% tax credits this last round. Ms. Taphorn said the 2019 awards went to the supplemental allocation from Headwaters Landing in Forest Lake and a partial allocation to Norman Woods in Hugo.

Commissioner Belisle asked about the City of Newport. Ms. Dacy answered that the City is still reviewing the Comprehensive Plan as it relates to Red Rock site and zoning ordinance. If there is going to be another meeting, it will happen in the beginning of next year. Commissioner Zeller asked before we have another meeting if the City passed a resolution on the TIF legislation. Ms. Dacy said they did adopt a resolution approving the special legislation.

#### ECONOMIC DEVELOPMENT

Mr. Eng indicated that he received a call from the City of Mahtomedi asking about a predevelopment finance fund application to conduct a redevelopment study for the area adjacent to Century College. He indicated he also received an inquiry from the City of Cottage Grove asking about funding for a master land use plan and mixed use development feasibility study for a site near Menards. Mr. Eng indicated that he has been working with the Cities of Scandia, Forest Lake and Hugo to help develop and implement Economic Development Plans.

Commissioner Miron asked Mr. Eng to talk about the meeting on the new Technology Corridor initiative. Mr. Eng stated we are working on a strategy with Anoka County and Connexus Energy to develop the Minnesota Technology Corridor along I-35 including the Cities of Hugo, Forest Lake, Columbus, Lino Lakes and Centerville. The goal is to create a brand and market the I-35 corridor to attract new technology businesses and data center type businesses.

#### FINANCE AND PROPERTY MANAGEMENT

Mr. Christianson stated he would like to have a Finance Committee meeting on January 15<sup>th</sup> at 2:00 p.m. and the Commissioners approved that date and time to meet with the auditors to discuss the interim audit work and any errors that they may have found. Mr. Christianson also introduced Ashley Engh the new Finance Assistance Director a new position. Mr. Christianson also said we are converting to Yardi to begin on January 1, 2019.

#### RENTAL ASSISTANCE

Ms. Hoechst stated Family Unification Program (FUP) will be effective March 1, 2019. Revisions to the HCV Administrative Plan and the Public Housing ACOP will be brought forth for discussion next month. HUD has finished a desk audit of the Voucher Management System (VMS). This system provides HUD with a report on the expenses of the Housing Choice Voucher program. All housing Authorities are required to submit information into VMS. There were a few errors but the error threshold was well below the audit finding threshold. The errors have been fixed and HUD has closed the audit. HUD requested that CDA change from cash basis accounting to accrual basis accounting.

#### EXECUTIVE DIRECTOR

Ms. Dacy said Commissioner Green was helpful in suggesting changes to the Guiding Principles of the Organization Statement in the Budget. She stated that she is working on further refinements for the 202 Budget will bring this back to the Board.

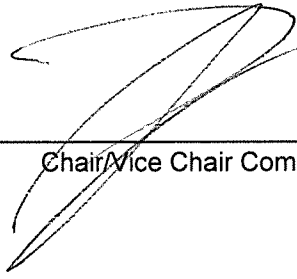
She stated that the Executive Committee will need to meet after the Regular Board Meeting on January 15 at or about 3:45 p.m. and Commissioners Zeller and Commissioner Ryan were willing to stay. Commissioner Belisle will not be in attendance next month.

The January meeting, we will be voting on new Chair, Vice Chair and Secretary. Commissioner Zeller wanted every Board member to rotate on the positions from year to year.

#### ADJOURN

Commissioner Zeller moved to adjourn; seconded by Commissioner Widen. Motion carried 7-0.

Meeting adjourned at 4:40 p.m.

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form a stylized, abstract shape.

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Chair/Vice Chair Commissioner