The Personnel Committee Meeting was held Tuesday, November 19, 2019 at the Washington County Community Development Agency, 7645 Currel Blvd., Woodbury, MN 55125. Staff present were Barbara Dacy, Executive Director; Melissa Taphorn, Deputy Executive Director; Ryan Gruber, Human Resources and Communications Coordinator; Lori Creamer, Administrative Specialist.

Guest Presenter: Kelly Weiley, CoAct Consulting

**Meeting called to order at 2:05 pm by Commissioner Dingle.**

**ROLL CALL**
Commissioner Dingle, and Commissioner Green were present. Commissioner Miron arrived at 2:07.

**NEW BUSINESS**

**Changes to Performance Review System for CDA Employees**

Barbara Dacy, Executive Director provided the background, purpose and recommendations for the changes to the Performance Review System. Ms. Dacy introduced Kelly Weiley with CoAct Consulting who presented the plan to the committee.

Ms. Weiley reviewed the existing performance review system, completed on an annual basis, and presented the reasons change was desired. The new system is based on employee and manager survey results.

The new model proposes a quarterly performance process using PerformYard as the platform. The process includes a one-on-one meeting with the supervisor and three SMART goals focused on improvement and performance, based on the agency’s core values. Employees are given clear guidance on what a good job looks like and have increased opportunities to both give and receive feedback.

Next steps for 2020 include PerformYard training for managers and employees, adding project pipelines/workflows, and considering changes to compensation model. In 2021 the goal will be to incorporate peer feedback into the reviews.

Commissioner Miron commented the survey stated the annual review was taking too much time; considering a quarterly review, would that in fact reduce the amount of time or increase it. How important is pay for performance?
Executive Director Dacy stated the first six years of employment with the CDA will remain a step increase, or until the employee reaches 100% of the market rate for their position. Increases beyond market rate are percentage-based.

Ms. Weiley responded with this new model there would be a collaboration on goals and talking about what’s in the workflow pipeline for an individual. The review process may take a bit longer in the beginning; however, the benefits will outweigh this in a short time.

Commissioner Dingle stated he likes the quarterly review idea. It is good to have the conversations as things come up.

Commissioner Green stated doing quarterly reviews makes it more of a dialogue and creates positive interaction because the 2% wage increase really isn’t motivating to employees.

Executive Director Dacy wants to look at the weights for not only the Executive Director but for the other Director positions as well.

Commissioner Green asked if PerformYard is used by other smaller businesses or agencies in the twin cities. Quick feedback is important. Different people like to be acknowledged in different ways.

**Commissioner Miron moved and Commissioner Green seconded to move forward with this performance review system. Motion carried 3-0**

**ADJOURNMENT** Meeting adjourned at 2:43 p.m.

Chair/Vice Chair Commissioner
The Washington County Community Development Agency Board of Commissioners convened in Regular Session at Washington County CDA, 7645 Currell Blvd., Woodbury, MN on November 19, 2019 at 3:00 p.m. Staff present: Barbara Dacy, Executive Director; Melissa Taphorn, Deputy Executive Director; Chris Eng, Economic Development Director; Aaron Christianson, Finance Director; Ann Hoechst, Housing Assistance and Administrative Services Director; Ashley Engh, Finance Assistant Director; Becky Nelson, Senior Accountant; Angie Shuppert, Community Development Programs Manager; Bill Lightner, Project Manager II; Kathryn Paulson, Project Manager II and Lori Creamer, Administrative Specialist.

Guests present Kelly Weiley, Co-Act Consulting Services; Sheila Holbrook-White, Mobility Coordinator, Washington County; Rick Ray, Workforce Development Manager & Veterans Services, Washington County; Keely Perrizo, Regional Director, Shelter Corporation; Ed Shukle, City Administrator, City of Landfall

ROLL CALL

Commissioners Present: Dingle, Miron, Ryan, Belisle, Zeller, Widen and Green.

Commissioner Absent: None

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
October 15, 2019

Minutes of Finance Committee Meeting
October 15, 2019

Abstract of Bills October 2019
Total $1,620,483.41

A-1 Resolution No. 19-50: Resolution Amending the Washington County CDA Flexible Work Arrangement Policy

Commissioner Miron moved to approve the Consent Calendar, seconded by Commissioner Ryan. Motion carried 7-0.

PRESENTATION

P-1 Washington County Transit Update

Sheila Holbrook-White, Mobility Manager for Washington County, presented updates on the mobility initiatives she leads including weekly circulator routes in Stillwater/Oak Park Heights, Forest Lake, and Cottage Grove. The CDA staff have been involved in the circulator planning
processes to determine strategies to better serve older adults, veterans, persons with disabilities, low-income families and other transit dependent population. Ms. Holbrook-White also provided information on future efforts, dependent on funding from the Minnesota Department of Transportation. Future work includes developing the framework for transportation communications and marketing; developing a transportation-focused website; hiring a transportation case aide; increasing training of individuals and organizations; convening a Washington County Transportation Academy and continuing to pursue partnerships.

P-2 City of Landfall Update

Ed Shukle, Landfall City Administrator, provided an update on the operations of Landfall Terrace as they relate to the Operating Agreement between the Agency and the Landfall Village HRA. Landfall Terrace is completely occupied with 300 homes and delinquencies continue to decrease. Mr. Shukle expressed appreciation for the Community Development Block Grant (CDBG) funds to undertake capital improvement projects. He also expressed his and the City’s gratitude for the assistance of Executive Director Dacy, Ms. Paulson, Ms. Shuppert, and Director Christianson related to operations, financial reporting, and CDBG funding. Mr. Shukle summarized the city’s progress over the past five years of becoming more professional, addressing maintenance and overall infrastructure improvements, managing its budget to assure adequate funding for operating and capital improvement projects and, in general, stabilizing and reinforcing its commitment to operate and maintain Landfall Terrace as affordable housing for its residents.

Commissioner Miron stated Commissioner Karwoski is pleased to represent the City of Landfall in District 2. Commissioner Miron also asked how the residents access the library. Mr. Shukle stated there is a Little Library at City Hall, otherwise the residents go to the Oakdale Library or access it on-line. Commissioner Miron asked about youth services and programming. Mr. Shukle responded that they have a variety of programs for youth. Commissioner Miron recommended the University Extension Services and 4-H Organization if the City wanted to expand services. Mr. Shukle stated there is a need for English as a Second Language (ESL) programming but there is not room in the budget. Currently all lot applications and community correspondence are in English and the City is looking into having the handbook translated into Spanish.

Commissioner Green stated he was happy with the City’s response to the issues brought up in a recent meeting regarding the lot rent and the city’s long-term financial sustainability.

Commissioner Green asked about the current bus service in the city. Mr. Shukle responded Metro Transit and Metro Mobility are the main modes of transportation and the school district has bus service to get the children to and from school.

Commissioner Zeller asked if there is any room for expansion of Landfall Terrace. Mr. Shukle responded no because the homes are already very close together, to the North is Oakdale and, to the west and south are the interstates. Redevelopment would be an option only if one of the businesses would leave. The City hopes that does not happen as they pay significant taxes and have good operations.

Commissioner Belisle asked what the vacancy rate is at Landfall Terrace. Mr. Shukle stated occupancy is at 100 percent.

**NEW BUSINESS**
A-2 Resolution No. 19-51: Resolution Authorizing One Year Extension of the Management Agreement with Shelter Corporation

Aaron Christianson, Finance Director, presented the performance evaluation results to support extending the Management Agreement with Shelter Corporation for one year.

The report contains the key results of the performance evaluation according to the management agreement. Overall, results are very positive. The properties had an increase in rent revenues for each year presented. This was expected as the Agency raised rents each year. In general, properties have experienced high occupancy rates averaging 99% for each year presented. This exceeded budgeted expectations of 97% for senior properties and 95% for family housing. In addition, high occupancy resulted in Management earning a portion of the agreed upon management bonus for meeting incentive goals based on gross rents collected. The properties experienced a slight increase in operating costs for each year presented. The increase was always less than 5%, which is the budgeted target each year. Finally, management continues to score well on physical inspections conducted by federal agencies.

Commissioner Belisle stated his concern about expenses exceeding the revenue increases. Director Christianson replied some of the increased costs in 2018 were due to heating and snow removal.

Overall, the commissioners were pleased with the performance and results of the evaluation. No further discussion.

Commissioner Zeller moved to approve Resolution 19-51, seconded by Commissioner Dingle. Motion carried 7-0.

A-3 Resolution No. 19-52: Resolution Adopting the Debt Management Policy

Aaron Christianson, Finance Director, proposed a debt management policy. The purpose of the Agency’s debt management policy is to provide written guidelines, allowances, and restrictions that guide the debt issuance practices. The policy articulates financial management goals, provides guidelines for the structure of debt issuance, and demonstrates a commitment to long-term capital and financial planning. In addition, adherence to a debt management policy signals to the rating agencies and the capital markets that the Agency is well managed and therefore will meet its debt obligations in a timely manner.

Director Christianson described the parameters regarding the timing and purposes for which debt may be issued, types and amount of permissible debt, method of sale that may be used and structural features that may be incorporated.

Commissioner Ryan asked if the Agency borrows from private outside lenders as well as those described in the plan. Director Christianson responded yes, the Agency has borrowed from private lenders in the past in addition to issuing bonds, sometimes with the general obligation of Washington County, and has borrowed from Minnesota Housing and the United States Department of Housing and Urban Development.

Commissioner Belisle asked about the current rate for general obligation bonds. Director Christianson responded it was 2% for 10 years.

Commissioner Miron stated Washington County's bond rating is Aaa and AAA, the highest rating available from Moody’s and Standard and Poor.

Commissioner Zeller moved to approve Resolution 19-52, seconded by Commissioner Miron. Motion carried 7-0.
DISCUSSION

D-1 2020-2040 Consolidated Plan Priorities

Angie Shuppert, Community Development Programs Manager, presented the proposed funding priorities for the 2020-2040 Consolidated Plan, a plan to guide the use of Community Development (CDBG) and Home Investment Partnerships (HOME) program funds. In June, the CDA conducted the first phase to completing the Plan. Staff conducted a survey to gather input from residents, governing bodies, organizations serving low income and homeless households, and employers. The first phase also included reviewing and analyzing data from the Washington County Comprehensive Plan and a community needs assessment. Ms. Shuppert presented the funding priorities recommended by the CDBG Citizens Advisory Committee.

Ms. Shuppert sought the Board’s consensus with a series of eligible activities to be deemed high funding priorities over the next five years and to be included in the Plan. The highest funding priorities were creating and rehabilitating affordable housing, both rental and owner occupied, and addressing homelessness. Other high priorities were infrastructure improvements and community facilities, like playgrounds. The commissioners agreed with the funding priorities. Commissioners Belisle and Ryan commented, as committee members, about the CDBG Citizens Advisory Committee discussion and recommendations.

Ms. Shuppert indicated the next steps would be to develop goals around the highest priorities and solicit applications for the first year of the Plan. These elements will be detailed in the Consolidated Plan and the 2020 Annual Action Plan. Staff will present the plans to the Agency Board and Washington County Board for final submission to the U.S. Department of Housing and Urban Development in May 2020.

D-2 Strategies for Preserving Affordable Housing

Melissa Taphorn, Deputy Executive Director, presented information on subsidized and market rate affordable rental housing as a follow up to the Board discussion on naturally occurring affordable housing (NOAH) on September 17, 2019. Ms. Taphorn informed the Board that implementation of the NOAH preservation pilot program will be delayed a year to secure a municipal partner. Information on the demand for affordable housing, inventory of subsidized affordable housing, inventory of NOAH housing, and a comparison of building and acquisition/rehabilitation costs were presented.

Ms. Taphorn recommended a study be commissioned to quantify the risk of losing NOAH units; staff promote the NOAH Impact Fund and GROW Fund to preservation developers; and staff continue to talk with cities about the NOAH pilot. It was recommended that any Agency acquisition of NOAH properties should have a strong public purpose of deepening affordability or serving a vulnerable population. It was further recommended that any preservation initiative be balanced with new production.

Commissioner Ryan asked how NOAH felt about subsidized housing. Ms. Taphorn responded, if one currently owns the property, and if one receives fair market value the seller doesn’t care. The City collects taxes and if the Agency owned the property, that would be $90,000 in taxes the City would not receive.
Commissioner Belisle comment the information in the packet was very helpful. He thinks this is an economic development issue. If the agency wants the businesses, then housing is needed to support the workers. Would the Minnesota Fair Housing Act (MFHA) work with the agency on housing projects. Ms. Taphorn stated the presentation just referenced the funding sources the Agency has, access the gap funding and scores well. Commissioner Belisle asked on the Economic Development issue, how many new unites need to be in place to support the workforce the County is looking for.

Commissioners agreed with the recommendations presented.

Commissioner Zeller departed the meeting at 5:05 p.m.

D-3  State Tax Credit Legislation for Affordable Housing Developments

Barbara Dacy, Executive Director, requested the Board recommend support of legislation that would create a state housing tax credit to be included in the Washington County legislative agenda for 2020. Each year, the Washington County Board approves a legislative agenda to guide the work of those that lobby on behalf of the county at the state and federal levels. The Agency is invited to submit agenda items, which are reviewed by commissioners and staff before the board makes its final determinations. In recent years, our efforts have been focused primarily on the creation of dedicated funding sources for affordable senior housing.

This year, the Agency has requested that the county lobby in support of legislation that would create a fund within the Minnesota Housing Finance Agency allowing individuals and companies with Minnesota tax liabilities to direct their payments into a fund that supports the creation of affordable housing. These contributions would be subject to a $5 million cap as well as an overall limit set by the State of Minnesota (as drafted, $25 million annually). Those with projects approved by Minnesota Housing for funding can also solicit individuals and companies directly for contributions to those projects. This allows interested parties to make direct investments in affordable housing in their own communities.

Commissioners agreed that staff move forward presenting this item to the Washington County legislative committee.

D-4  2020 Strategic Initiatives and Goals

Barbara Dacy, Executive Director, presented 2020 strategic initiatives and goals and status of the progress made on the 2019 strategic initiatives and goals. Executive Director. Dacy stated the Board previously considered the draft 2020 strategic initiatives and core services when it discussed the draft 2020 budget. Executive Director sought agreement on the initiative and service goals. The final budget and initiatives will be on the December Board agenda.

Executive Director Dacy also requested the Board identify its top three priorities for the Executive Director to accomplish in 2020. Executive Director Dacy recommended the following:

1. **Supportive Housing:** Determine partnership with Washington County regarding the creation of an adult emergency shelter and strategies to create supportive housing for those coming out of the shelter.

2. **CDA Board of Commissioners:** Partner with county administration to develop recruitment strategies for the Citizen Advisory Committee and the CDA Board.
3. **Creating Affordable Units:** Evaluate spectrum of options regarding Naturally Occurring Affordable Housing (NOAH) and recommend strategies for implementation.

Commissioners agreed staff should move forward with the recommended initiatives and priorities and will look for the action item on the December 17, 2019 agenda.

**REPORTS**

**COMMUNITY DEVELOPMENT DEPARTMENT**
Melissa Taphorn, Deputy Executive Director, reported the Glen at Valley Creek opened November 1. The building is almost at full capacity.

**ECONOMIC DEVELOPMENT**
Chris Eng, Economic Development Director, shared the new Economic Development website with the commissioners and played the recently created promotional video of Washington County.

**FINANCE AND PROPERTY MANAGEMENT**
Aaron Christianson, Finance Director, stated he did not have anything additional to add but would be happy to answer any questions.

**RENTAL ASSISTANCE**
Ann Hoechst, Housing and Administrative Services Director, reported the Agency was awarded 30 Mainstream Vouchers, rental assistance for persons with disabilities, with a plan to start issuing vouchers on June 1, 2020.

Commissioner Belisle asked about the status of the public housing conversion. Melissa Taphorn responded that staff is in the process of revising the plan to address additional funding requirements from Minnesota Housing. A two-phase conversion will be required and will result in different rental assistance programs.

**EXECUTIVE DIRECTOR**
Barbara Dacy, Executive Director, reported the County is completing the next iteration of the County Health Improvement Plan. The Agency partnered with the Public Health department on the health behavior survey process. Shelter Corporation distributed the surveys to tenants; 213 responses were received. In addition, 17 surveys were collected from program participants who were in the CDA office during the survey time frame. The 230 surveys were crucial to exceeding a county goal of 500 surveys from folks that may be considered an at-risk population. The County received a total of 640 surveys. Once the survey analysis is completed and the draft plan released, county public health officials will present the reports to the Agency.

A closed executive session on the performance review process for the Executive Director is scheduled next on the agenda for the entire Board. The purpose of the discussion is to discuss the benchmarks for the 2019 review and to set potential goals for 2020. Kelly Weiley of Co-Act Consulting will assist the Board in the discussion since she has been working with staff to evolve a new performance review system.

**BOARD COMMENTS**

None.
Regular Board Meeting
November 19, 2019

Commissioner Ryan moved to move into closed executive session for the purposes of reviewing the 2019 Performance Criteria for the Executive Director, seconded by Commissioner Dingle. Motion carried 6-0.

Commissioner Miron moved to move into regular session, seconded by Commissioner Widen. Motion carried 6-0.

ADJOURNMENT

Commissioner Miron moved to adjourn; seconded by Commissioner Dingle. Motion carried 6-0.

Meeting adjourned at 5:58 p.m.

[Signature]
Chair/Vice Chair Commissioner