

**MOORHEAD PUBLIC HOUSING AGENCY**  
**REGULAR MEETING AGENDA**

**November 27, 2018**  
**11:30 AM**

**River View Heights 800 2nd Avenue N.**

- I. Call to Order and Roll Call
- II. Approval of Minutes
  - A. Request Board Approval of October 23, 2018 Meeting Minutes \_\_\_\_\_
- III. Request Approval for Payment of Bills
  - A. Request Board Approval for Payment of Bills - Resolution 2018-33 \_\_\_\_\_
- IV. Agenda Amendments
- V. Citizens to be Heard
- VI. Business
  - A. Request Board Approval for Stair Lift & Leverage Commitment Resolution 2018-34 \_\_\_\_\_
  - B. Request Board Approval for Changes to On Call Maintenance - Resolution 2018-35 \_\_\_\_\_
  - C. Request Board Approval for 2019 Employee Benefit Plan - Resolution 2018-36 \_\_\_\_\_
  - D. Request Board Approval for 2019 Utility Allowances - Resolution 2018-37 \_\_\_\_\_
  - E. Request Board Approval for 2019 Rate for Transitional Apartments - Resolution 2018-38 \_\_\_\_\_
  - F. Request Board Approval for Disposal of Underground Fuel Tank - Resolution 2018-39 \_\_\_\_\_
- VII. Other Business
  - A. A. Asset Repositioning Opportunity - Follow Up Discussion
  - B. Executive Director Updates \_\_\_\_\_

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VIII. Attorney's Report

IX. Adjournment

I. CALL TO ORDER AND ROLL CALL

Chairperson Lemke called the Public Housing meeting to order at 11:30 AM.

Members Present: Greg Lemke, Chair; Donna McMaster, Commissioner; Mary Beth Kalvik, Resident Commissioner; Terry Braun, Secretary and Brenda Elmer, Moorhead City Council Liaison

Members Absent: Michael Carbone, Vice Chairperson

Others Present: Dawn Bacon, Executive Director; Toni Vondal, Housing Manager; Petra Roquet, Marlys Winter, Jim Winter, Terry Hopkins, Priscilla Rustad, Tarryl Joyce, Mary McComas, Gladys Bentz, VonDell Malmskog, Charlene Rude, Linda Dick, Lucille Hennemann

II. REQUEST APPROVAL OF SEPTEMBER 25, 2018 REGULAR MEETING MINUTES.

McMaster moved, seconded by Kalvik approve the Minutes of September 25, 2018. All votes were in favor. Motion Carried.

III. REQUEST APPROVAL FOR PAYMENT OF BILLS-RESOLUTION 2018-31.

McMaster moved, seconded by Braun to approve the payment of bills as presented. All votes were in favor. Motion Carried.

IV. AGENDA AMENDMENTS

Handout on recent information obtained by our elevator consultant for Sharp View location and options to discuss with the POHP grant.

V. CITIZENS TO BE HEARD

Dawn announced to residents that staff will post a date and time for residents to come and discuss any concerns they may have in regards to day to day operations of the MPHA.

Petra thanked the Board for coming back so soon.

Mary M mentioned that they are having a pot luck on Saturday, October 27<sup>th</sup> and wanted to invite Dawn, Toni and Tanya with their families for going above and beyond when the elevator was down.

Jim reported an issue with someone knocking on doors in the middle of the night. Toni will follow-up.

Lucille H that there a lot of good people that live at Sharp View.

VI. BUSINESS

A. Asset Repositioning Opportunity – Presentation and Discussion.

It was recommended to the Board for the agency to explore the option of converting the 30 scattered sites from the Public Housing Program to the Project Based Voucher (PBV) Program. Doing so would have an annual increase in revenues.

Two issues were raised by the board to look in to further. 1). Information about future capital needs of the scattered sites and projected costs? 2). Looking at Moorhead's Consolidated Plan and other available housing studies to review community need in relation to this change. In particular, the difference in admission criteria for Section 8 (very low or extremely low) vs. Public Housing (low). Dawn will bring more information back to the board for further review and discussion.

B. PHAS Score Report – Informational Only

The Public Housing Assessment System is a system of accountability to assist HUD in monitoring and evaluating the performance of public housing agency. The memo provided provides more information on our recent scoring.

VII. OTHER BUSINESS:

Executive Director Updates

1. Elevator – The Sharp View elevator was down due to the power unit needed to be replaced. The replacement of the power unit took up about half of the POHP award for MPHA. Dawn presented the board with 3 options and the board voted for option C which is to cancel the current POHP grant for Sharp View and apply to MHFA for the full modernization.

Braun moved, seconded by Kalvick to apply for full modernization with MHFA. All votes were in favor. Motion Carried. Resolution 2018-32.

2. The audit is scheduled for October 24<sup>th</sup> & 25<sup>th</sup>.
3. The financial statements for June and July recently sent to the board did not have our updated budget information. Dawn will make sure updated information is sent out. The spending information was accurate, just not the budget comparison.

VIII. ATTORNEY'S REPORT

None

IX. ADJOURNMENT:

There being no further business to discuss, the meeting adjourned at 12:28 PM.

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Greg Lemke – Chair

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Terry Braun – Secretary

**CHECK REQUEST TOTALS**

**PREPARED: November 21, 2018**

**PAID IN: Oct and November 2018**

	TOTAL AMOUNT	CHECK NUMBERS
PHA	\$ 70,420.51	12248-12325
Payroll- Direct Deposit	\$27,761.86 (2 payrolls)	386-399
Capital Fund	\$0	N/A
AMHSIP	\$9,418.21	43952-43971
BRIDGES	\$11,365.32	53430-53453
BCOW	\$25,053.58	73195-73215
ROSS	\$8,066.28	60008-60009
<b>TOTAL</b>	<b>\$152,085.76</b>	

**BANK TRANSFERS made between funds:**

DATE OF TRANSFER	FROM ACCOUNT	TO ACCOUNT	AMOUNT	REASON
11/16/18	Bridges Checking	PHA Operating	\$700	Correct refund from State of MN for canceled boiler training. Went to Bridges account via auto pay and should be in public housing.

**D. Bacon**

Executive Director Approval

# MEMORANDUM

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**DATE:** November 21, 2018

**TO:** MPHA Board Members

**FROM:** Dawn Bacon, Executive Director

**RE:** Stair Lift and POHP Leverage Commitment for Sharp View  
**Resolution 2018-34**

## **STAIR LIFT**

MPHA staff have been researching back up options that could be utilized when the one elevator at Sharp View is out of service (either for planned repairs or emergency repairs). We looked in to the installation of a vertical platform lift, essentially a second elevator. The cost for this would be between 30 and 40K which I believe is cost prohibitive given the agency's current financial situation.

I am recommending the installation of a chair lift at Sharp View. Our lowest bidder came in at \$8,276 for installing a stair lift. The stair lift would provide an emergency back-up option in the event of the elevator going out of service. It will also decrease, possibly eliminate, the need to relocate residents when we do a planned renovation on the elevator which POHP grant funds.

This expense was not factored in to our current budget. I am asking for board approval to proceed with this expense.

## **LEVERAGE COMMITMENT**

Last month, the board passed a resolution to submit a new application to the MN Housing Finance Agency for their Publically Owned Housing Program (POHP) for full renovation of the Sharp View elevator. I am asking the board to consider if MPHA wants to dedicate any agency funds that would be used as leverage in the upcoming application. Commitment of leverage funds is not required but strongly encouraged and increases competitiveness. The total cost of the renovation project is estimated around \$150,000.

### Considerations:

- The total amount of available funding statewide for 2018 is \$8 million. This is less than last year which makes this application round more competitive. That said, one of the top criteria for award selection is life, health and safety. I believe that MPHA has a compelling argument to make in this application.
- If the 2018 grant application is awarded, MPHA will abandon the 2017 award amount. That would free up additional funding for MHFA to utilize. MPHA would also not ask for reimbursement for the emergency repair work recently done on this elevator. A repair that exceeded the 2017 leverage amount by \$10,500. These points will be made in the grant application narrative.
- A leverage commitment for this application would come from operating reserves. Currently our 5 year plan does not have funding dedicated for this project. However, the board could vote to

modify the 5 year plan this spring/summer following a planned Physical Needs Assessment and public comment period.

- HUD recommends that housing agencies maintain reserves at 4 to 6 months. MPHA currently has about 6 months of reserves on hand. The agency has been running a budget deficit and is looking for ways to achieve financial sustainability. Spending too much in reserves reduces the time we have to solve this complex problem and achieve the goal of a balanced budget.

# MEMORANDUM

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**DATE:** November 21, 2018

**TO:** MPHA Board Members

**FROM:** Dawn Bacon, Executive Director

**RE:** Changes to On Call Maintenance: Resolution 2018-35

MPHA and Clay County HRA have been meeting to develop a plan for a joint emergency maintenance on call system. An on call schedule is being finalized and our agencies will be ready to move to a joint system starting January 1, 2019. This means that instead of both our agencies paying a person to respond to maintenance issues outside of office hours (holidays, evenings and weekends), we would share the cost of one person across our combined properties. This new on call rotation will result in each staff having less weeks per year that they have to be on call. It also supports more familiarity between the two agencies' properties which can support additional collaborative efforts in the future as maintenance needs arise.

I am also proposing a change in how MPHA compensates its maintenance staff for their availability during an on call week. Currently, the agency provides 4 hours of comp time to an employee for the week that they are on call. This has been the practice at MPHA for many years. I am proposing an end to the comp time and moving to a flat rate of \$75 for the week for them being available. If staff have to respond to a maintenance emergency, they will still be compensated at the overtime rate. Moving to the flat rate (which will be taxable income) allows the agency more maintenance staff availability during office hours. With only two maintenance staff, increased availability each week is helpful to agency operations. This change can be made within the current budget.

# MEMORANDUM

Date: November 21, 2018  
To: PHA Board of Commissioners  
From: Dawn Bacon – Executive Director  
RE: 2019 Employee Benefits Plans: Resolution 2018-36

I am recommending that we renew the health and dental insurance plans that we are currently enrolled in for 2019 and not increase costs to employees.

MPHA is currently providing employees with excellent health care coverage. We will need to continue to reevaluate costs and benefits as we look to our 2020 budget and beyond. Options to consider include 1) increasing costs to employees 2) changing to a plan with less benefits and 3) combination of increased employee cost and plan change. The agency can elect to make changes to employee contributions mid calendar year or even switch plans mid-year with advanced notice if necessary.

## **Health Insurance Information**

Agency expenses are expected to come in \$13,237 under budget for health insurance for the 2019 fiscal year end. This is assuming that there are no additions in participation, which is not certain due to upcoming open enrollment. The reasons for the budget savings include: 1) Budget planned for a 15% increase for 2019 rates but the actual increase is 13%. 2) The agency had reduced expenses due to staff vacancy followed by staff changes.

The level of coverage for this plan will remain the same. This remains a \$0 deductible plan/\$25 co-pay/\$2,500 max out of pocket. Employees pay \$30/month for single coverage and MPHA pays the remainder. ED has a separate agreement per contract. ED contributes 32%/MPHA contributes 68%. Medica remains the lowest cost for comparable plans.

## **Dental Insurance Information**

The rates for dental insurance are staying the same from 2018 to 2019. All employees cover 100% of their dental premiums.

# MEMORANDUM

Date: November 21, 2018  
Memo to: PHA Board of Commissioners  
From: Dawn Bacon – Executive Director  
RE: Utility Allowances for 2019- Resolution 2018-37

Each year we must review the utility consumption and cost for all of our family housing units who are responsible for all or part of their utility costs.

Based on the average cost for each sized unit, we establish a utility allowance, which is deducted from their total tenant payment, thereby reducing their rent burden.

The Utility allowances are as follows:

	<b>2019 Proposed</b>	2018	2017
Heatherwood Duplexes :			
3 BR	<b>\$273</b>	\$267	\$255
Scattered Site Units :			
3 BR	<b>\$296</b>	\$284	\$272
4 BR	<b>\$386</b>	\$391	\$361
2 Bdrm 9 <sup>th</sup> St. Units:	<b>\$218</b>	\$208	\$190

g/r/memo/utilallow

# MEMORANDUM

**DATE:** November 21, 2018

**TO:** PHA Board of Commissioners

**FROM:** Dawn Bacon, Executive Director

**RE:** TRANSITIONAL UNIT RENT AMOUNTS  
**RESOLUTION 2018- 38**

Since 2002, MPHA has worked in cooperation with Lakeland Mental Health and the BCOW area counties to provide Transitional Rental Apartments for people transitioning from a group setting or homeless shelter into traditional public housing or rental assistance programs.

Due to budget constraints the BCOW committee approved no increase for 2019 and 2020.

I am recommending that we maintain the transitional apartments program at the rate of \$480 per month for calendar year 2019 and 2020. This rate is below the 2019 Fair Market Rent rate for a one bedroom but remains competitive with funding that we would receive from the public housing program.

Year	Number of Units	Monthly Rent	Annual Rent	Annual A/C	Cleaning charge (annual fee)	Annual Cable	Annual TOTAL
2002	2	\$288	\$ 6,912				\$ 6,912.00
2003	2	\$288	\$ 6,912				\$ 6,912.00
2004	2	\$302	\$ 7,248	\$ 60		\$192	\$ 7,500.00
2005	3	\$307	\$ 11,052	\$ 90		\$288	\$11,520.00
2006	3	\$316	\$ 11,060	\$ 90		\$350	\$11,590.00
2007	3	\$360	\$12,960	\$ 90		\$360	\$13,410.00
2008	3	\$370	\$13,320	\$ 90		\$360	\$13,770.00
2009	3	\$382.50	\$13,770	\$ 90		\$540	\$14,400.00
2010	3	\$390	\$14,040	\$ 90		\$540	\$14,670.00
2011	3	\$390	\$14,040	\$ 90		\$540	\$14,670.00
2012	3	\$390	\$14,040	\$ 90		\$540	\$14,670.00
2013	3	\$390	\$14,040	\$120		\$540	\$14,700.00
2014	3	\$410	\$14,760	\$120		\$540	\$15,420.00
2015	3	\$423	\$15,228	\$120		\$540	\$15,888.00
2016	3	\$442	\$15,912	\$120		\$540	\$16,572.00
2017	3	\$480	\$17,280	\$120	\$1200	\$540	\$19,140.00
2018	3	\$480	\$17,280	\$120	\$1200	\$540	\$19,140.00
2019-Proposed	<b>3</b>	<b>\$480</b>	<b>\$17,280</b>	<b>\$120</b>	<b>\$1200</b>	<b>\$540</b>	<b>\$19,140.00</b>
2020-Proposed	<b>3</b>	<b>\$480</b>	<b>\$17,280</b>	<b>\$120</b>	<b>\$1200</b>	<b>\$540</b>	<b>\$19,140.00</b>

# MEMORANDUM

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**DATE:** November 21, 2018

**TO:** MPHA Board Members

**FROM:** Dawn Bacon, Executive Director

**RE:** Underground Fuel Tank, back-up boiler and XCEL Energy Interruptible Program.  
Resolution 2018-39

MPHA has a 10,000 underground fuel tank at River View Heights High Rise. This tank provides fuel for our generator and our back-up steam boiler. The generator can only be used in emergencies. The steam-boiler is used as a part of Xcel Energy's gas curtailment program.

MPHA has been enrolled in XCEL Energy's Gas Rate Program for many years. With this program, we are offered a reduced gas rate in exchange for being able to switch to an alternative source of fuel. After conducting a fiscal analysis, the current and future costs exceed the savings that we obtain from this program.

Therefore, I am recommending that we discontinue this program and begin taking steps to put our steam boiler and underground fuel tank out of operation. The disposal of the underground fuel tank will come with a one-time cost to the agency.

**Summary of current costs:** 1) Contractors for annual service 2) Licensing and inspection fees 3) Higher licensing requirements for staff 4) Insurance rates and claim 5) potential for failure during interruption resulting in penalties from XCEL Energy 6) emergency on call maintenance response during interruption

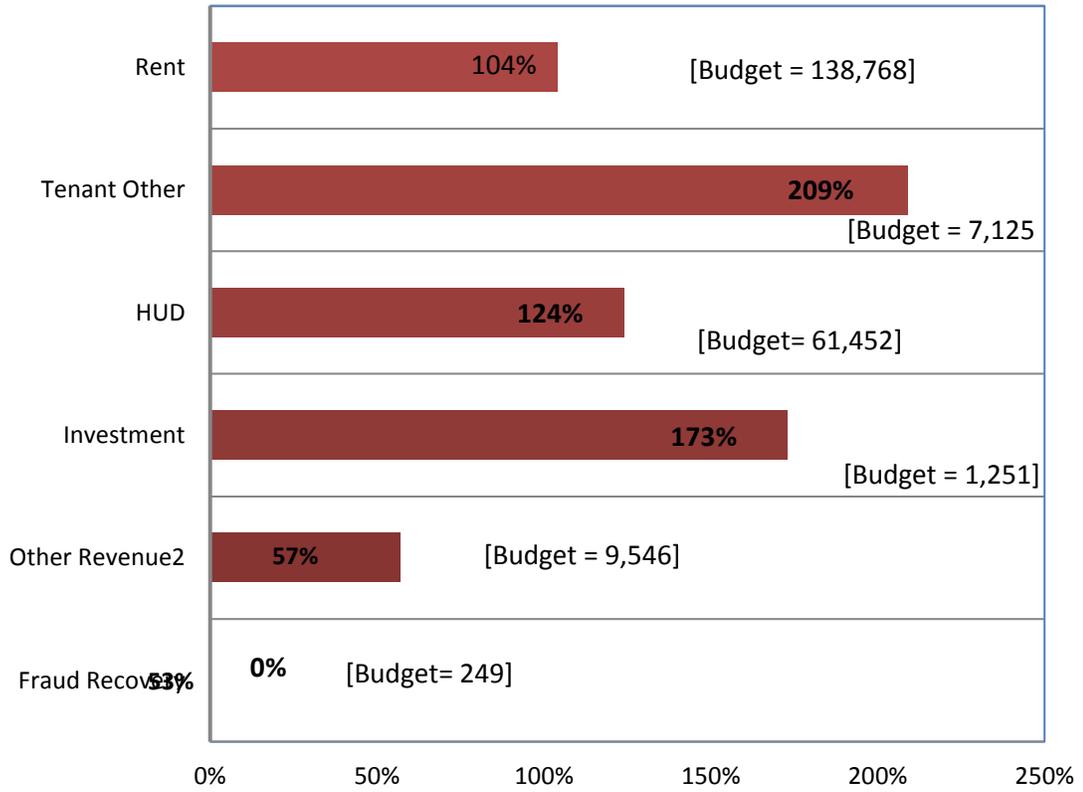
**Summary of future costs:** 1) 15-20K in new equipment that would monitor the tank for any leaks per soon to be implemented federal regulation 2) Replacement anodes that reduce corrosion, expected over the next 1-5 years.

If the board adopts this resolution, MPHA would proceed with the following steps:

1. Discontinue enrollment in XCEL Energy Interruptible program
2. Run the steam boiler to use up fuel in the underground tank.
3. Decommission the steam boiler and reconfigure the generator to the day tank
4. Remove equipment from insurance policy and state license
5. Dig up and dispose of the underground fuel tank.

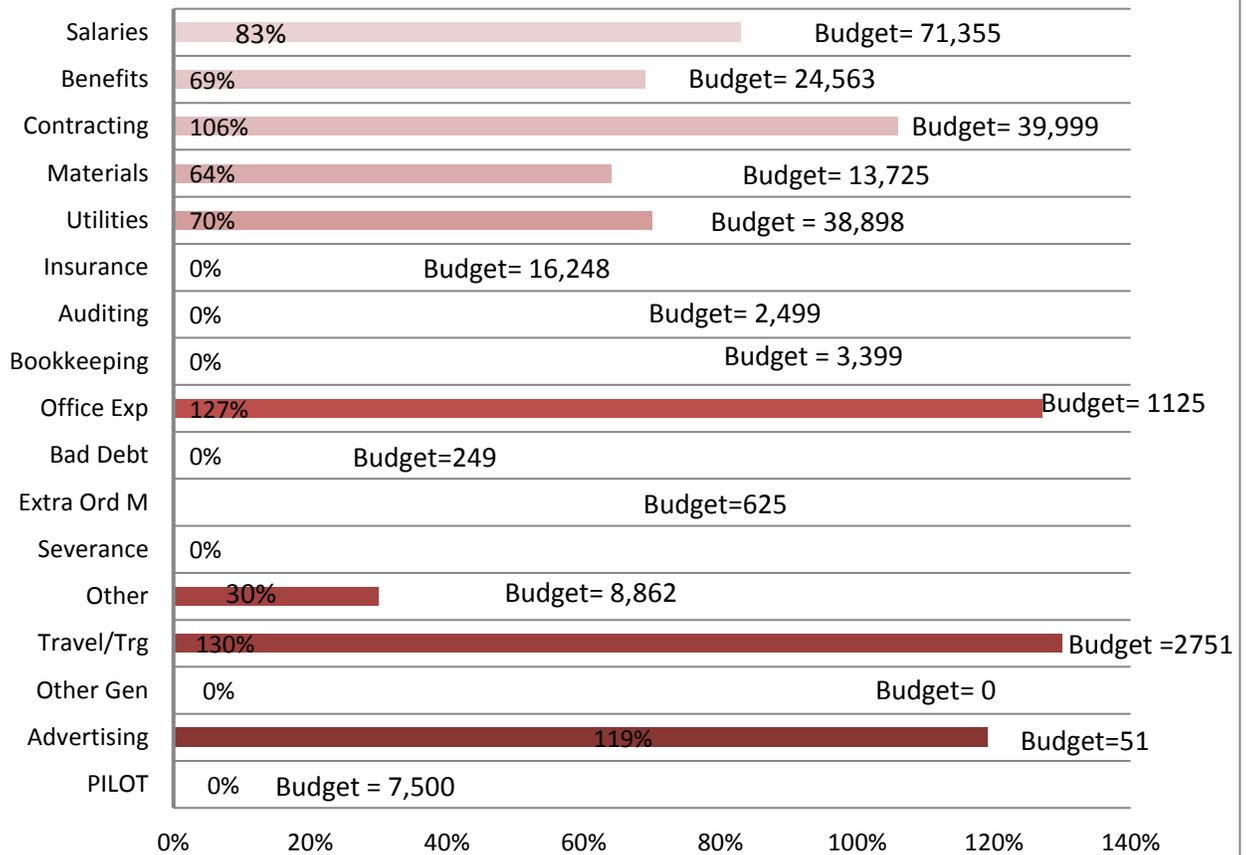
The timeline for #5 will depend on the results of our next inspection in June and would be expected in the next 1-3 years. MPHA will be obtaining quotes on cost to incorporate into a future budget.

FYE 2018 **MPHA Revenue: 3 Month ended September, 2018**



## MPHA Expenses: 3 Month ended Sept 30, 2018

FYE 2019



**ABOUT THIS DOCUMENT-** This is Public Housing program only. 3 month budget compared to 3 month revenue and expenses. Categories were combined from financial statement for easier viewing. For example, utilities is a summation of multiple FDS line items (sewer, water, gas, etc)

**OVERALL SUMMARY:**

- Revenue total was \$243,241.80. Without factoring in depreciation, expenses were \$165,423.87.
- Both revenue and expenses are running under budget.

**NOTEWORTHY:**

- Revenue was up mostly due to being ahead of schedule with HUD grant draw downs. This will even out in future months.
- It is early in the fiscal year so there are a number of one-time expenses that haven't been incurred yet. Examples include the PILOT, Insurance payment and auditing fee.
- Contracting is running slightly over budget. This is mostly due to being short staffed on maintenance for the beginning months of the fiscal year.