

**MINUTES OF THE
RESCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 30TH DAY OF MARCH, 2017**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Rescheduled Regular Meeting in the Community Room located on the Second Floor of King Manor, 222 East Second Street, Duluth, Minnesota at 3:30 P.M. on the 30th day of March, 2017.

The Chair called the Meeting to order and on roll call the following members were found to be present: Commissioners Boshey, Johnson, Rolle, and Scott. Commissioners Glumac and Talarico were absent. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Carla Schneider, Maureen Zupancich, David Peterson, Lynne Snyder, and Pam Benson; Chris Virta, Legal Counsel; Barbara Findley, President of King Manor Residents Club, and Anne Abraham, Vice President of King Manor Residents Club; Roger Endres, President of Midtowne Manor II Residents Club; and Gloria Graff, President of Ramsey Manor Residents Club, Marion L. Anderson, Vice President of Ramsey Manor Residents Club, Liisa Varhalla, Secretary of Ramsey Manor Residents Club, and Joe Boshey, Ramsey Manor resident.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Commissioner Johnson:

**MINUTES OF THE SCHEDULED ANNUAL MEETING OF
JANUARY 31, 2017**

**MINUTES OF THE SCHEDULED REGULAR MEETING OF
JANUARY 31, 2017**

FINANCIAL REPORT FOR PERIOD ENDING JANUARY 31, 2017

FINANCIAL REPORT FOR PERIOD ENDING FEBRUARY 28, 2017

**RESOLUTION NO. 3756-17
AUTHORIZING APPLICATION TO MHFA FOR FUNDING THE
BRIDGES RENT SUBSIDY PROGRAM FOR THE NEXT BIENNIUM**

**RESOLUTION NO. 3757-17
AUTHORIZING SUBMISSION OF AN APPLICATION FOR THE
FSS COORDINATOR GRANT**

**RESOLUTION NO. 3758-17
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 3, BLOCK 1, HAWK RIDGE ESTATES FIRST ADDITION TO
ADDIE C. LICARI BY THE HOUSING AND REDEVELOPEMNT AUTHORITY**

Commissioner Johnson moved that the foregoing Items A, B, C, D, E, F, and G be approved as introduced. Commissioner Boshey seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Rolle, and Scott

Nays: None

The Chair declared the motion carried and said items approved as introduced and read.

DISCUSSION ITEMS

RESOLUTON OF APPRECIATION TO JENNIFER JULSRUD

The Chair read this Resolution of appreciation to Jennifer Julsrud into the minutes. The Chair asked for a motion to approve the Resolution as described. The following Resolution was introduced by Commissioner Johnson:

**RESOLUTION NO. 3755-17
RESOLUTION OF APPRECIATION TO JENNIFER JULSRUD**

Commissioner Johnson moved that the foregoing Resolution be approved as introduced. Commissioner Scott seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Rolle, and Scott

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

RESOLUTION AUTHORIZING REHABILITATION SERVICES CONTRACT

The Executive Director explained that approval of this Resolution would authorize the Authority to enter into a contract with One Roof Community Housing for rehab services. Currently the Authority does not have a contract due to the disbanding of the Housing Resource Connection, and an agreement needs to be developed with One Roof for fee for services completed by the rehab programs such as inspections, scopes of work, construction management, lead clearances and other services. These services are being provided for One Roof currently, but since the partnership has been disbanded a formal agreement is needed. After the Executive Director indicated that this Resolution would allow her to work with One Roof on this agreement, the following Resolution was introduced by Commissioner Scott:

RESOLUTION NO. 3759-17

RESOLUTION AUTHORIZING REHABILITATION SERVICES CONTRACT

Commissioner Scott moved that the foregoing Resolution be approved as introduced. Commissioner Boshey seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Rolle, and Scott

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

RESOLUTION AWARDING CONTRACT FOR 2017 DULUTH HRA GRANDVIEW MANOR ELEVATOR REPLACEMENT PROJECT

The Executive Director explained that this Resolution would award the contract for elevator replacement at Grandview Manor which was a capital fund project that was part of the Authority's five year plan. This project has been moved from 2018 to 2017 due to the elevator having obsolete parts. She indicated that they had received two bids, but that one of the applicants had completed an additional bid process internally as part of their application. Amendola Builders was the low bidder with a bid of \$483,804 which was

less than the original cost estimate for this project. After the Executive Director recommended this Resolution for approval, the following Resolution was introduced by Commissioner Scott:

RESOLUTION NO. 3760-17
RESOLUTION AWARDING CONTRACT FOR 2017 DULUTH HRA
GRANDVIEW MANOR ELEVATOR REPLACEMENT PROJECT

Commissioner Scott moved that the foregoing Resolution be approved as introduced. Commissioner Johnson seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Rolle, and Scott

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

RESOLUTION OF APPRECIATION TO JEANNE SEDERBERG

The Chair read this Resolution of appreciation to Jeanne Sederberg into the minutes. The Chair asked for a motion to approve the Resolution as described. The following Resolution was introduced by Commissioner Johnson:

RESOLUTION NO. 3761-17
RESOLUTION OF APPRECIATION TO JEANNE SEDERBERG

Commissioner Johnson moved that the foregoing Resolution be approved as introduced. Commissioner Scott seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Rolle, and Scott

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

EMPLOYEE GRIEVANCE – STEP 3

The Executive Director explained the AFSCME grievance procedure to Commissioners, and explained that this Step 3 grievance was a repeat of a previous grievance brought to the Board approximately one year ago. The AFSCME union filed the grievance because they believed that anyone assigned to standby should be paid at the salary class of the Maintenance Mechanic position. Management disagreed with this so the Union brought it to the Board, and the Board of Commissioners upheld the decision of the Executive Director. The union did not take it to arbitration at that time. It was brought forward again in July but only to the Step 1 grievance level. The Union indicated that at that time it had inadvertently not been delivered to the Executive Director within the designated timeframe to move to the Step 2 grievance level so the Supervisor's decision was binding. The Executive Director asked if there was a Union Representative in the Board meeting audience. There was no response. She explained that usually a Union Representative would come to the meeting and present the grievance to the Board. The Chair asked if each grievance was regarding the same event, and the Executive Director explained that each grievance was based on a different event when a Janitor/Maintenance Technician was assigned standby and not paid at a Maintenance Mechanic's salary grade. The Executive Director pointed out pertinent information provided to the Board and explained Management's argument. The Executive Director indicated that after the Board's decision, the Union had only so many days to notify Management that they planned to bring the grievance to arbitration. Commissioner Boshey asked about moving forward on this issue with no Union representation, but the Executive Director explained that the Union had acknowledged the Board meeting date and time and it was required by the contract to hear the grievance. After the Chair asked for a motion, Commissioner Scott made a motion to affirm the decision of the Executive Director. Commissioner Johnson seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Rolle, and Scott

Nays: None

The Chair declared the motion carried.

COMMUNICATIONS/CORRESPONDENCE

The Executive Director mentioned that there were several housing related articles in the blue pages of the Board packet this month. She also mentioned that included in Commissioners' green folders was information on a Commissioner training being held in Baxter, Minnesota in May, and any Commissioner interested in attending should let her know. Also, the Executive Director informed Commissioners that on May 8th LISC was holding its 20th year anniversary celebration luncheon at the DECC, and any Commissioners interested in attending should email her.

REPORTS OF COMMITTEES

Rehab Advisory Committee: The Rehab Advisory Committee had not met.

Finance Committee: The Finance Committee had not met. The Executive Director indicated that there would be a Finance Committee meeting at 2:30 P.M. on April 25th, prior to the April Board meeting, to review the audit.

OPPORTUNITY FOR VISITORS TO BE HEARD

Liisa Varhalla, Ramsey Residents Club Secretary, explained that there have been escalating problems at Ramsey Manor with drugs, noise, damage to the doors, and other problems. The residents are afraid and don't know what to do about it. They feel that there isn't a police presence at the building to help the residents. They stated that if they filed a complaint, then they were threatened by the perpetrators. Pam Benson, Director of Housing Services, indicated that the broken door had been repaired but there were faulty parts, and these would be replaced, there was a new camera system that has been installed, and she explained that the Authority had a community police officer under contract who was very good. The challenges that the Authority has are that there is a process that has to be followed for eviction and everybody has right to a hearing. When the process ends up in the court system and nobody comes forward to state they have been disturbed, the judges are not ruling in the Authority's favor.

Commissioner Boshey explained that he is a resident at Ramsey Manor. He indicated that he agrees that the drug problems have been getting worse at Ramsey Manor over the past several months, and that he seldom saw the community police officer there. He indicated that the previous officer used to walk through the building, floor to floor, and talk with people. Commissioner Boshey felt Ramsey Manor needed more security.

Roger Endres, President of the Midtowne Manor II Residents Club, expressed that they had some of the same issues in their buildings. He wondered why the HRA couldn't offer a police officer an apartment on site. Pam Benson explained that the Authority has explored this option but there was no interest by the police officers.

The Chair indicated that it sounded like there needed to be a 24 hour security presence on site.

Ramsey residents indicated that they have talked to the property manager. They have given him times and apartments numbers, and they have talked to the police drug task force.

Commissioner Scott recommended that the staff come back to the next meeting with

specific recommendations to curtail these stated activities at Ramsey Manor and other Authority high rises. The Authority needs to show the residents and the community that the Authority means to provide a safe and secure home for them and remove the people that have no reason to be there. He stated that the Duluth police needed to be engaged as part of the solution until this situation was resolved.

The Chair stated that at the next meeting, rather than hear what staff plans to do, he wants to hear what they have done. If a special meeting was needed to allocate funds, he requests that they call a special meeting. The Chair thanked residents for coming to the Board with these issues, and he expressed that this was disappointing and he felt badly that they were living in this type of situation. The Chair thanked everyone for their comments.

BUSINESS BY COMMISSIONERS

The Executive Director indicated that she would go over the highlights of the dashboard for Commissioners.

Goal 1: In March they were going to do a RFP for Environmental and Soil Exploration at Morgan Park, but they have since learned all they needed was a contract if they get an independent cost estimate, so David Peterson will be working on that. That may lead them to a Phase 2 for more environmental, and they have permission from the County to dig.

Goal 2: In March the Deputy Director and the Director of Rehab and Real Estate attended the housing focus group. The City may possibly be interested in co-opting the Build Up Duluth name and concept for a city wide initiative.

The Executive Director indicated that they have been working with One Roof and the City in the process to disband the Housing Resource Connection and determine how to work together in a contractual relationship rather than a partnership arrangement. The City has been working on amending the Authority's CDBG contract.

Carol Schultz attended Duluth Days to promote the Homes For All campaign including GO Bonds for public housing.

Goal 3: The camera installation has been completed. They have been working with Legal Counsel to get an opinion about increasing signage related to the video surveillance.

Commissioner Johnson mentioned that the Greater Downtown Council partnered with the Duluth police in a collaborative camera monitoring program that the Authority might be interested in looking into.

Goal 4: David Peterson continues to work on the RFP for Harbor Highlands and plans to have it out in April. She would like to have a discussion with the Board at some point on how they would like the Authority to proceed with development or redevelopment at Harbor Highlands and the Esmond Building. The Chair would like to know about the encumbrances and understand them before they have the meeting.

The Board approved at today's meeting another purchase agreement for a lot at Hawk Ridge Estates. The City has mentioned conversations they have had, and have asked if the Authority would be interested in a developer coming in and building on twenty lots in Hawk Ridge Estates.

The Deputy Director has met with Center City Housing and One Roof regarding implementing plans for management at Gateway Tower. The Deputy Director and Director of Housing Services continue to meet with Center City Housing and One Roof leading the transition as a management consultant starting on April 1.

Goal 6: Commissioner Scott was appointed to the Board of Commissioners and approved by the City Council in February.

The Executive Director has been putting together a Board orientation packet for new Commissioners which should be ready in April.

The first round of interviews was held in March for the new Maintenance Supervisor positions.

Goal 7: Directors have been submitting a summary of their departments to the Executive Director for the development of annual report type documents. Carol Schultz has been collecting examples of annual reports from other agencies.

The Executive Director has been working with the Director of Rehabilitation and Real Estate to put together a plan to market their rehab services now that the Housing Resource Connection has disbanded.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director reported that she has had weekly calls with Minnesota NAHRO's legislative committee, and they are tracking the State bills for Homes For All agenda, which included bonding for both public housing and other housing projects. She indicated this will affect how we proceed with the Esmond and Garfield Square plans.

The Executive Director mentioned that she has been asked to serve on a Minnesota NAHRO advisory panel to develop a two year program for HRA facilities management.

Their mission would be to get people thinking about maintenance as a career path including customer service, procurement, leadership, and supervision, rather than just mechanic type skills.

The Executive Director reported that she attended a Northeast Regional Director's Association meeting in Hibbing.

The Executive Director and Carol Schultz attended Minnesota NAHRO's Day at the Capital event and met with State legislators and encouraged them to support the Homes For All agenda.

The Executive Director indicated that she had just returned from the National NAHRO's Legislative Conference in Washington D.C. There had been much discussion regarding the federal budget and potential cuts to HUD and CDBG.

The Executive Director reported that Commissioner Julsrud was forced to resign from the HRA Board due to her new position with the Center for Changing Lives. HUD would not grant a conflict of interest waiver due to the fact that the Center for Changing Lives had project based vouchers at their site. She indicated that they would be seeking a new Commissioner and welcomed any suggestions.

The Executive Director explained that she has been attending several housing meetings. The Mayor intends to prioritize housing for families at \$50,000 or less. The Vision committee, the Chief Administrative Officer's housing committee, and groups such as the Housing Coalition and the Affordable Housing Trust Fund group are all trying to align their goals with the City's goals.

Garfield Square continues to move forward with their application. The Executive Director and Legal Counsel have met with DEDA and their attorney in an attempt to amend the loan for the Garfield land. She explained that originally it had been planned that DEDA would give the Authority money to purchase the tax forfeit land for Garfield Square, which would be the replacement housing for the Esmond residents, and the Authority would convey that land to Center City Housing. The Authority is now considering not accepting the money from DEDA in order to have more independence in the decision making process regarding Phase 3. This money could be recouped through the Phase 3 sale or redevelopment of the Esmond.

One Roof Housing has asked the Authority to seek permission from HUD to advertise for project based vouchers for their two tax credit applications, one at Brewery Creek and one for new construction on Decker Road. Pam Benson, Director of Housing Services, will be assisting with the steps to get permission from HUD to advertise at which time One Roof would be able to apply for those vouchers.

The Executive Director indicated that she and Carla Schneider would be meeting with City Planning staff to discuss the CDBG contract.

The Executive Director reported that the Sunshine Club had Pi Day for staff on 3.14 to earn money for the employee holiday luncheon.

The Executive Director explained that a consultant had been selected to assist in updating the Authority's strategic plan. She will be sending possible date options to Commissioners.

The Executive Director reported that there was a developer who has expressed interest in building on the three remaining lots on Denim Street if an arrangement similar to the one Mr. Goldberg had at Hawk Ridge Estates could be reached.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel indicated that he had nothing new to report on the Ramsey Village development. Ramsey Village's legal counsel indicated that they were still putting together their financing and would be contacting the Authority this spring. He also had spoken to Dan Maddy who indicated he had no new updates for the Board.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:45 P.M.

Chair

ATTEST:

Secretary

Rescheduled Regular Meeting – March 30, 2017