

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF FARGO
MINUTES OF THE REGULAR MEETING
June 12, 2012

The regular meeting of the Board of Commissioners for the Housing and Redevelopment Authority of the City of Fargo, North Dakota was held June 12, 2012 at 1:30 p.m. in the Administrative Office Conference Room, 325 Broadway, Fargo, North Dakota.

COMMISSIONERS PRESENT

Karen Moore Bryce Johnson
Thomas Jefferson Ken Krajsa

ABSENT

Michael Leier
Tonna Horsley

FHRA STAFF PRESENT

Jill Elliott, Deputy Director
Heather Struxness, Administrative Assistant
Lori Westbrook, Finance Manager
Steve Eickhoff, Capital Improvements Coordinator

ABSENT

Lynn Fundingsland, Executive Director

BSI STAFF PRESENT

Lisa Rotvold, Developer

ADDENDUM TO AGENDA

Travel Request

CONSENT AGENDA

M/S/P Jefferson/Krajsa To approve consent agenda

REPORTS

Financial statements

Ms. Westbrook reported on the May Financials. On the Balance Sheet; under Low Rent, an architectural fee was paid out of the reserve funds for the High Rise. In General Fund; the final billing was prepared for Bluestem Phase 2 rent-ups. Under Section 8; the 2011 admin fee funds were received from HUD then paid to the COCC for prior year management and bookkeeping fees. No significant activity was reported under Business Activities or Grants. On the Operating Statement; Low Rent had budgeted \$59,600 income and actual income is \$120,342; due to the Maintenance Expense coming in under budget. General Fund had budgeted \$4,815 income and actual income is \$84,085; due to Maintenance Expense being under budget and Property Management fee being higher than budgeted. In Business Activities, income was budgeted at \$6,513 and actual income is \$41,041; due to the Maintenance Expense being under budget. Section 8 was scheduled to make -\$1,909 and actual income is \$1,933; due to the HAP Expense coming in over budget and the Admin Expense being under budget.

FHRA 2011 Audit

Ms. Westbrook informed the Board that two findings were reported during the 2011 Audit; failure to submit a Section 3 report for the Operating Fund Grant and a tenant certification form with an omitted signature.

Workforce Safety Update

Staff has participated in a 4-hour defensive driving course as one of the requirements of the Workforce Safety Program the HA has implemented. An additional course will be offered at a later date, which will also be open to family members.

OLD BUSINESS

Crossroads

Ms. Rotvold reported that only three units remain to be filled in Phase 2. She stated that they are still experiencing problems with the fan controls and EAPC will put the mechanical issues out to bid within the next week. Staff also performed a walk-thru of the building to detect any issues that may exist before the one-year warranty expires.

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Strategic Planning

Mr. Fundingsland has had contact with two prospective facilitators on their availability to hold a two-day strategic planning session. Board Members have agreed that October 4th and 5th would be a viable date.

Lashkowitz High Rise Asbestos Lawsuit

Ms. Elliott stated that Motley Rice LLC, the firm representing the HRA, is calculating their contract amount before payment will be released. The general unsecured claim in the amount of \$810,164 is subject to a contingency fee plus expenses in favor of Motley Rice. Southpaw Koufax has agreed to assume the balance of the HA's entitlement for a (confidential amount) fee.

Lashkowitz High Rise Construction Bids

Mr. Eickhoff informed the Board that Air Mechanical has been awarded the contract to replace the mechanical system at the High Rise. The next phase will consist of a building addition and electrical work. He stated that the HA plans to advertise the existing two generators for sale in August with the buyer being able to take possession in October after the new generator is installed.

Discrimination Complaint

Former clients of the HRA have filed a discrimination lawsuit with the Department of Labor after the family was recently terminated from the housing assistance program due to repeatedly not reporting income changes. Ms. Elliott submitted supporting documents to appeal this suit and is still waiting to hear on the outcome.

NEW BUSINESS

NAHRO Award for Cooper House

Cooper House has received the Award of Merit for "*The Smart Way to do the Right Thing*" in the category of Program Innovation and has also been selected as a nominee for NAHRO's Award of Excellence in October. The Award of Merit will be presented at the NAHRO conference in San Francisco in July.

Cooper House Otto Bremer Grant

Ms. Elliott reported that Cooper House has been awarded a two-year supplemental grant from the Otto Bremer Foundation. An additional grant application was also submitted to Medica, with the outcome expected by September. Ms. Elliott stated that the Medica grant was written for a larger amount and may be indefinite. After discussion, it was decided to proceed with Medica, if awarded, we would go back to Otto Bremer to see how to return unused grant funds from them.

RAB Meeting

Ms. Elliott gave an update of the Resident Advisory Board meeting held on June 7th. Members reviewed the procedures of the Annual Plan and discussed the proposed 2013 Capital Fund improvements. The next meeting will be held on Thursday, July 26th at 11:30am.

HUD Litigation

Ms. Elliott asked that the Board consider joining a class action lawsuit against the Federal Government. NAHRO and PHADA are initiating the breach of contract suit against HUD over the recapture of operating reserves. The cost to participate in this lawsuit is \$4,000; with the potential recovery of about \$400,000, which could be used for the renovation cost of the Lashkowitz High Rise.

M/S/P

Johnson/Jefferson

To participate in the class action lawsuit against HUD over the recapture of operating reserves.

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Staffing

Ms. Elliott announced that Ms. Michelle Greening has been hired as the new Finance Manager beginning June 25th and, Mr. Gary Gulbranson has resigned from the scattered sites painting position.

Travel Request

Ms. Elliott asked that the Board allow herself and Ms. Greening to attend HUD Training in Chamberlain, SD, July 26th – 29th.

M/S/P

Jefferson/Krajsa

To authorize Ms. Elliott and
Ms. Greening to attend HUD
Training in Chamberlain, SD
July 26-29, 2012.

Adjourn

There being no further business to come before the Board, the meeting adjourned. The next meeting will be held July 10, 2012.

Karen Moore
Chairperson

Lynn Fundingsland
Secretary