

WADENA HOUSING AND REDEVELOPMENT AUTHORITY

REGULAR MEETING

April 26, 2023

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COMMISSIONERS

Joshua Meech
Brad Swenson
Rosemary Kostrzewski
Birch Pettow

STAFF

Maria Marthaler

TENANT REPRESENTATIVES

CALL TO ORDER

Chairperson Meech called the Wadena HRA regular board meeting to order at 5:00 p.m. in the Wadena City Council Chambers.

Auditor Report

Jon Roscoe from Miller McDonald presented the fiscal year end 2022 audit report. Included in the audit are financial statements and governmental activities, and the business-type activities for each major fund.

Finding: Preparation of the financial statements. Wadena HRA auditors prepares the financial statements. This is not unusual for the size of Wadena HRA, but it indicates a significant deficiency by management.

Finding: Reconciliations. Financial balance statements were not reconciled. This was due to the fee accountant non using correct entries from the previous year. When an outside agency completes financials, the Wadena HRA is the responsible party.

Wadena HRA received federal awards for the fiscal year more than \$750,000 a single audit was necessary.

Auditors reviewed the HCV Section 8 program and Mainstream voucher programs.

Finding: Wadena HRA reporting in VMS for restricted net position did not match REAC reporting.

Finding: In one file a follow up inspection was not completed within the 30 calendar days of the initial inspection.

Jon asked if there were any questions, thanked the board and left the meeting.

Resident Representative Report

None

Consent Calendar

Commissioner Meech motion to approve the consent calendar. Commissioner Kostrzewski second the motion. Motion carried unanimously.

Unfinished Business

None

New Business

Resolution #600 HCV and Mainstream, Management and Tax Levy Budgets July 1, 2023, to June 30, 2024.

Marthaler discussed changes in the Section 8 HCV budget. HCV and Mainstream programs are funded in two ways. Housing Assistance Payments (HAP), which can only be used to pay housing assistance, and we are paid administrative fees of around \$60 per month per voucher utilized. We administer 77 HCV vouchers and up to 40 Mainstream vouchers. Mainstream is a new program, and we are at about 50% of utilization and we continue to lease up for that program. Commissioner Swenson commented that some budgets show a negative number and asked how the HRA covers those costs. Marthaler commented that some of the admin fees from HCV have been used to cover Mainstream. Swenson asked if HCV could not cover the cost where does the funds come from to cover the cost. Marthaler replied, Tax Levy and other program funds can be used to cover cost, not Public Housing funds. Swenson asked what could be done so they don't end up in the red. Marthaler commented that most of our programs are not fully funded by HUD and we need to keep our programs fully utilized, which is not always achievable with many of the clients we work with.

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Our goal is to help people find affordable housing and housing stability. Marthaler explained the management budget also shows a negative balance as the only income that comes in is the garage rents and there are many management expenses that come out of the account. Swenson suggested adding a line transferring funds to the accounts from other accounts to balance the budgets. According to Swenson a budget should balance to zero or show a profit. Commissioner Meech asked Swenson if he would like to see the budgets balanced. Swenson suggested adopting the budgets as they are and working on them with the auditor to balance. Commissioner Swenson motion to adopt resolution #600 approving HCV, Mainstream, Tax Levy and Management budgets. Commissioner Kostrzewski second the motion. Motion carried unanimously, but with concerns.

Hire Resident Self Sufficiency Service Coordinator (Ross SC)

The Ross SC grant is a new grant that begins June 1, 2023. This is a three-year grant that can be renewed. Our annual funding consists of \$73,542 wages and fringe, \$7,350 is administrative costs, and \$2,500 for training. These funds cannot be used for anything other than the Ross program and funding is not interchangeable. Any funds not utilized belong to HUD. Commissioners were presented with four wage and fringe scenarios breakdowns. One wage scenario converted the health insurance benefit to wages. After discussion on wages and an option of incorporating the health insurance into a wage, the structure of the grant, not utilizing all the grant funding, Commissioners decided to offer the position to Sapp as the ROSS SC at the compensation of \$23.34 per hour with the same benefits offered to other full-time employees. Commissioner Swenson discussed working on a pay scale for the Ross SC position. **Motion to offer Sapp the position at \$23.34 per hour by Commissioner Swenson. Second by Commissioner Meech. Motion carried unanimously.**

League of Minnesota Cities Liability Waiver (LMC)

LMC insurance liability coverage is limited to \$2,000,000 total to all claimants for a single occurrence. Annually LMC offers insurance policyholder members the opportunity to purchase excess liability coverage or waive the statutory tort limits. In the past Wadena HRA has not waived the statutory tort limits. **Commissioner Swenson motion to not waive the statutory tort limit. Second by Commissioner Meech. Motion carried unanimously.**

Directors Report

Roles and responsibilities. Wadena HRA needs to hire a Financial Manager and Marthaler would like clarification on roles and responsibilities for posting and interviewing for a job position. Commissioner Swenson requested the Executive Directors job description and the Wadena HRA bylaws before making any decision. Swenson and Marthaler discussed roles and responsibilities of the Director and Wadena HRA board members. No decision has been made on this issue.

Commissioner Issues

Commissioner Training. Marthaler discussed commissioner training available through the HUD Exchange website. The "Lead the Way" PHA Governance and Financial Management training. After discussion it was decided to take time before each meeting to watch the training.

Meeting adjourned

6:25 p.m. Meeting Adjourned

PREPARED BY:



Maria Marthaler, Executive Director

APPROVED BY:



Joshua Meech, Chairperson



Rosemary Kostrzewski, Secretary/Treasurer