

City of South St. Paul Housing and Redevelopment Authority Agenda Annual Meeting

Monday, July 22, 2019
6:50 P.M.



1. CALL TO ORDER:

2. ROLL CALL:

3. AGENDA:

A. Approval of Agenda

Action – Motion to Approve

Action – Motion to Approve as Amended

4. PUBLIC HEARINGS:

5. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered to be routine by the Economic Development Authority and will be approved by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. Approval of Minutes – Special Meeting – March 4, 2019

6. GENERAL BUSINESS:

A. Election of Officers

- Chairperson
- Vice Chairperson
- Secretary

B. Approval of Revised Procurement Policy – Resolution 2019-3322

C. Authorization of Signatories – tenant accounts

7. ADJOURNMENT:

Respectfully Submitted,

Ryan Garcia, Executive Director

HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SOUTH ST. PAUL

BOARD OF COMMISSIONERS
MINUTES
SPECIAL MEETING
MARCH 4, 2019

The Special Meeting of the Housing and Redevelopment Authority of the City of South St. Paul was held on March 4, 2019 in the South St. Paul City Hall Council Worksession Room. Chairperson Hansen called the meeting to order at 6:45 P.M.

The following Commissioners were present: Sharon Dewey, Bill Flatley, Jimmy Francis, Joe Kaliszewski, Tom Seaberg and Chairperson Lori Hansen. Commissioner Forester was Absent.

Staff was represented by: Ryan Garcia and Joel Hanson. Legal Counsel Tim Kuntz was present.

APPROVAL OF AGENDA

It was moved by Commissioner Flatley and seconded by Commissioner Seaberg to approve the agenda as presented. Motion carried.

PUBLIC HEARINGS

There were no public hearings.

CONSENT AGENDA

It was moved by Commissioner Francis and seconded by Commissioner Flatley to approve the Consent Agenda as follows:

A. Approval of Minutes – Special Meeting – January 22, 2019

Motion carried 6 ayes / 0 Nays

GENERAL BUSINESS

A. Approval of Borrowing Resolution for Minnesota Housing Publically Owned Housing Program – Resolution 19-3326

Mr. Garcia presented Resolution 19-3326 as a final diligence item required by MHFA prior to closing on the POHP-PH loan for the elevator modernization project at John Carroll. Mr. Garcia advised that the loan was a forgivable loan if the property was maintained as an affordable housing property.

HRA Special Meeting Minutes

March 4, 2019

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It was moved by Commissioner Seaberg and Seconded by Commissioner Francis to approve Resolution 19-3326.

Motion carried 6 ayes / 0 Nays

ADJOURNMENT

There being no further business to come before the Board it was moved by Commissioner Francis and seconded by Commissioner Kaliszewski to adjourn. Chairperson Hansen declared the meeting adjourned at 6:51 PM.

Respectfully submitted,

Bill Flatley, Secretary

Lori Hansen, Chairperson

Dated: _____



HRA Agenda Report

Date: July 22, 2019

HRA Executive Director: _____

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6-A

Agenda Item: Election of HRA Officers

Action to be considered: Motion to elect officers

Overview:

All members of the HRA are considered Commissioners and are members of the HRA Board. Per its Bylaws, the HRA Board has the following officers, which must be elected on an annual basis:

Chairperson
Vice Chairperson
Secretary

The current officers are Lori Hansen – Chairperson, Joe Forester - Vice Chairperson and Bill Flatley - Secretary.

Source of Funds: N/A



HRA Agenda Report

Date: July 22, 2019

HRA Executive Director: _____

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6-B

Agenda Item: Approval of Revised Procurement Policy – Resolution 2019-3322

Action to be considered: Motion to adopt Resolution 2019-3322, approving a revised purchasing policy.

Overview:

Since the HRA adopted its most recent update to its procurement policy in 2009, there have been changes to state, federal, and local procurement rules and guidelines, and at the same time the HRA has effectively become a constituent agency of the City. Staff suggests that having a single and consistent purchasing policy for all city agencies will reduce error and confusion in purchasing decisions.

The HRA board is required to approve procurement procedures and policies by resolution.

Source of Funds: N/A

Housing and Redevelopment Authority (HRA)
of the City of South St. Paul

RESOLUTION NO. 2019-3322

RESOLUTION APPROVING A PROCUREMENT POLICY

WHEREAS, the Housing and Redevelopment Authority (HRA) is a constituent agency of the City of South St. Paul which owns the John Carroll and Nan McKay Highrises, which are Public Housing Properties (collectively, “the Properties”);

WHEREAS, as owner of the Properties, the HRA procures goods and services utilizing public funds;

WHEREAS, the United States Department of Housing and Urban Development (HUD) requires that the HRA establish a procurement policy that abides by State and Federal Guidelines, and is approved by its board of commissioners.

WHEREAS, the HRA finds that adoption of the City of South St. Paul’s Purchasing Policy will help the HRA to realize efficiencies and reduce error and confusion in procurement actions.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners for the Housing and Redevelopment Authority of the City of South St. Paul hereby adopt the Procurement Policy as found in Attachment A of this Resolution 2019-3022.

Adopted this 22nd day of July, 2019

Chair

Secretary

ATTACHMENT A – RESOLUTION 2019-3322

PROCUREMENT POLICY SOUTH ST. PAUL HOUSING AND REDEVELOPMENT AUTHORITY

I. PURPOSE

The intent of this policy and its supporting Procurement Procedures is to ensure that the procurement process complies with all applicable legal requirements and federal and state regulations; is fair to all participants; is as efficient as possible without eliminating needed controls; is understandable to all users; is administratively consistent with other City policies and procedures; and maximizes the use of disadvantaged business whenever possible. The City's policy is to purchase goods and services at the most cost effective and competitive rates, yielding the desired service, turnaround and value for the dollar. This policy has the following objectives:

1. Ensure that all purchases comply with applicable laws, in particular the Uniform Municipal Contracting Law, Minnesota State Statute Section 471.345.
2. Comply with Minnesota Public Purpose Doctrine and City Policy on Public Purpose Expenditures.
3. Make the best possible use of tax dollars by purchasing goods and services economically.
4. Provide clear and consistent guidelines for the City staff to follow in making purchasing decisions.

For purchases made under federal or State grant funded programs, additional restrictions are identified within the uniform grant guidance regulations (2 CFR 200.318).

II. POLICY

To ensure that the goods and services required by the City are obtained using established procedures that comply with all legal requirements for public purpose expenditures while promoting fair and open competition to ensure public confidence in the procurement process, ensure fair and equitable treatment of vendors who transact business with the City, and provide safeguards for the maintenance of a procurement system of quality and integrity. The Minnesota Public Purpose Doctrine permits a governmental entity to expend public funds only when the primary purpose of the expenditure is public and the expenditure relates to the governmental purposes for which the entity was created. There must also be statutory authority allowing for the expenditure of such funds and there must be a benefit to the community. Proper documentation must be maintained by the City to establish that all expenditures serve a public purpose.

All federal grant expenditures will be in compliance with OMB 2CFR200 (Uniform Guidance). All federal grant expenditures must be reasonable, necessary, and adequately documented. All federal grant expenditures must be deemed to be allowable under specific grant agreements and in accordance with 2CFR200, subpart E.

The approved operating budget provides detail on goods and services that are expected in a given year. Any goods or services required that were not budgeted must be approved by the City

Administrator or the City Council, depending on the dollar amount of the purchase and the rationale behind the non-budgeted good or service.

The City of South St. Paul will use the following Methods of Procurement:

Micro Purchases

Procurements valued at less than \$25,000 (\$10,000 for federally funded) will be considered *Micro Purchases*, and can be made on the open market without obtaining competitive quotations or proposals. City staff will ensure that the price is fair and reasonable. Procurements will not be split to avoid competition.

Small Purchases

Procurements valued between \$25,000 and \$175,000 will be considered *Small Purchases*, and will be made after obtaining at least two (2) quotes or proposals from qualified sources, in accordance with City procurement procedures.

Major Purchases

Procurements valued at greater than \$175,000 will be considered *Major Purchases*, and will be made by publicly soliciting bids or proposals in accordance with City procurement procedures and as required by Minnesota Statutes 471.345. Procurements will not be split to avoid this policy. For Federally funded projects, the value is higher than the State limit, so we have to follow the State limit of \$175,000 for federally funded purchases as well.

Joint Purchasing/Cooperative Purchasing Agreements

The City has the authority to enter into *Joint Purchasing or Cooperative Purchasing Agreements* with other governmental units as provided for in Minnesota Statutes. Procurements made through *Joint Purchasing or Cooperative Purchasing Agreements* will satisfy the City's competitive procurement requirements.

Contract Amendments

Contract amendments valued at greater than 25% of the original value of the contract will be considered separate procurements and the appropriate process above shall be utilized.

Noncompetitive Purchases

Noncompetitive Purchases can be made under the following circumstances:

- When the City Council has declared an emergency, in accordance with State Statute, City Policies and Procedures.

- When a sole source of the good or service exists and has been verified by City Administrator
- When the procurement is for goods or services not available competitively, such as utilities, subscriptions, professional dues and memberships, insurance, conference and seminar registration, permits and licenses, advertisements in publications, taxes, required federal, state and local fees and charges, etc.

Disadvantaged Businesses

The City will utilize businesses owned and controlled by socially and economically disadvantaged individuals in the procurement of goods and services, and the award of contracts when possible. The City will, in accordance with authority granted by federal regulations, state statute, and local laws and ordinances, act affirmatively to create a “level playing field” for women-owned, minority-owned and disadvantaged business enterprises to achieve the goal of equal opportunity.

Deviations

Approval to deviate from this policy must be documented and authorized by the City Administrator, or by other City staff as delegated by the City Administrator in accordance with City policies and procedures.

Prohibited Interest in Contracts

Minnesota State Statutes 471.87 and 471.88 prohibit the purchase of goods or services whenever a conflict of interest may exist. If any employee becomes involved in a possible conflict situation, the employee shall disclose the nature of the possible conflict to his or her supervisor and the City Administrator.

The City cannot enter into any contract or purchase order for goods or services in which an employee, elected official, officer or agent, or their immediate family members, has an indirect or direct personal financial interest or will personally benefit financially from the contract or purchase. In exceptional cases and if permitted by applicable law or regulation, this policy may be waived by the City Administrator for employees for good cause after consulting with the City Attorney. The City administrator shall promptly notify the employee in writing of the decision.

Substantial state and federal requirements exist pertaining to standards of conduct and conflict of interest. It is the intent of the City for all employees, officers, or agents to conduct all activities associated with procurements in compliance with the highest ethical standards, including the avoidance of any real or perceived conflict of interest. It is also the intent of the City to impose appropriate sanctions or disciplinary actions, including but not limited to termination and/or prosecution, for any employees or officers who violate any of these requirements.

III. **PROCEDURE**

By City Charter, the City Administrator is the Chief Purchasing Officer of the city and has delegated purchasing and budgetary control to each department. The department manager may designate other staff within their department to purchase goods and services in compliance with the annual budget. The City Council has delegated authority to staff to make usual and customary purchases as approved in the annual budget in compliance with all bidding requirements and the City's purchasing policy. Formal Council approval of budgeted, routine purchases is not necessary. Council approval is required on capital improvement projects of \$10,000 or greater, and transactions involving purchases over \$175,000. The Finance Director will report budget status to the City Council on a quarterly basis. Payment details for all goods and services will be listed on check registers and presented to the City Council for review.

The Uniform Municipal Contracting Law, Minnesota Statutes Section 471.345 outlines certain quotation/bid requirements based on the amount of the purchase. Purchases under \$25,000 may be made on the open market. Purchases from \$25,000 to \$175,000 may be made by obtaining 2 or more written quotations. Purchases over \$175,000 must follow the competitive bidding process. Usual and customary purchases must have sufficient funds available within the approved department budget.

Exceptions

Professional service contracts such as those provided by engineers, lawyers, architects, accountants and other services requiring technical, scientific, or other professional training, when competitive bidding is not required, shall be approved by the City Council based on the recommendation of the City Administrator. In certain cases, where professional services were specifically identified in the budget and it is an ongoing contract, the City Council does not need to approve each year's contract.

Minnesota State Statute 12.37 gives the City the ability to declare an emergency situation for a limited period of time. During such an emergency, the City is not required to use the typical mandated procedures for purchasing and contracting. Emergency purchases require approval by the City Administrator, Finance Director and when necessary because of the dollar amount, formal City Council action. An emergency purchase is defined as one where an immediate response is required to protect the health, welfare or safety of the public or public property.

Credit Card Use

The use of credit cards (purchasing cards) is an authorized payment method. These purchases must follow the purchasing policy and are a more efficient method of paying vendors than the check payment process. See the purchasing card policy for detailed procedures.

Ethics and Acceptance of Gifts

Employees shall not make any purchases for personal use utilizing City funds. Employees shall not be allowed to take advantage of special pricing offered to the City by vendors to make personal purchases. Employees may not take advantage of government discounts for non-city related purchases, including bidding on city auctions. The general rule to be applied is if a discount is not available to a member of the public, the employee should not take advantage of it. Gifts offered by vendors to staff responsible for making purchasing decisions may only be accepted if they are considered to be a trinket or memento costing \$5 or less.

IV. AUTHORITY FOR IMPLEMENTATION AND ENFORCEMENT

All employees are responsible for adhering to this policy when purchasing goods or services. Managers are responsible for monitoring performance within their areas of jurisdiction.

Responsibility for administering established Purchasing Policies and Procedures has been delegated to the Finance Director in conjunction with the City Administrator who is the Chief Purchasing Officer of the City.



HRA Agenda Report

Date: July 22, 2019

HRA Executive Director: _____

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6-C

Agenda Item: Authorization of Signatories – Tenant Accounts

Action to be considered: Motion to authorize Michelle Pietrick, City Finance Director, and Ryan Garcia, Director of Economic & Community Development as signatories for tenant accounts at the John Carroll and Nan McKay properties.

Overview:

The public housing tenant checking accounts are held at MidWestOne Bank and the city acts in a fiduciary capacity for disbursement of these funds. These are not city accounts and therefore are not part of the designated depository actions taken in January each year.

We are required to designate authorized individuals to serve as the fiduciaries and bank signatories on these accounts. Therefore, we request that the HRA Board authorize Ryan Garcia, Community & Economic Development Director and Michelle Pietrick, Finance Director as authorized signatories on these bank accounts.

Source of Funds: Tenant accounts are funded by income in the vending machines at the buildings. These funds are used by tenants for resident events.