

# THE COOPERATOR

*News and updates for leaders of resident-owned communities*



## The Grass Will Be Greener at Emerald Pines Community Cooperative

By Ed Hilbrich

Northcountry Cooperative Foundation welcomes the newest resident-owned community to the network, Emerald Pines Community Cooperative. With their transition to cooperative ownership, this small community is preserving twenty-three homes,

with plans to double that number in the near future. Emerald Pines Community Cooperative in the heart of beautiful lake country of Alexandria, becomes the fifteenth co-op on NCF's service area.

In the Spring of 2023, the former owner of the park, Viking City, LLC contacted NCF about

the option of selling the park to the residents. Neighbors never expected the possibility of owning their park and having financial control and the say in the day-to-day decision-making of their future. The residents enthusiastically collaborated with NCF staff through months of negotiations, recruiting

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# What's your problem?

*Does your co-op need worker's comp if you don't have employees? Probably not*

By Sam Estes

Worker's compensation insurance typically covers medical expenses and lost wages for employees injured on the job. If your co-op does not have employees, you don't need worker's compensation insurance in Minnesota or Wisconsin. Independent contractors and property managers are not usually considered co-op employees and should obtain worker's compensation insurance on their own. Board members are not co-op employees since they are volunteers.

In Minnesota, all businesses with employees must provide workers' compensation insurance, even if a business only has one employee who works part-time. But businesses with no employees are exempt from this legal requirement.

In Wisconsin, worker's compensation is required for any business that employs one or more employees with combined gross wages of \$500 or more in any calendar quarter. Worker's compensation is also required for Wisconsin businesses that employ three or more full-time or part-time employees.

While there is no legal requirement to have worker's comp insurance if you have no employees, some insurance agents recommend carrying it

anyway. The co-op may still be liable for vendor injuries while on the job, especially if they are uninsured or underinsured. Carrying worker's compensation insurance can help protect the co-op in these situations. Of course, best practice is to work with fully insured vendors and keep their current insurance information on file.

You can always ask your co-op's insurance agent if they think extra worker's comp insurance is a good idea and why. Just be aware that insurance agents are in the business of selling insurance and sometimes recommend getting insurance that the co-op may not need.

## Worker's compensation resources:

Minnesota Department of Labor and Industry:

<https://www.dli.mn.gov/business/workers-compensation-businesses>

<https://www.dli.mn.gov/business/workers-compensation/work-comp-contacts-hotline-resources>

Wisconsin Department of Workforce Development:

<https://dwd.wisconsin.gov/wc/employers/>

### *Emerald Pines Cooperative, cont'd from pg 1*

informed members for the new cooperative, choosing a name to represent themselves, electing a Board of Directors, and successfully purchasing the land beneath their homes in January of 2024.

*"Before NCF approached us we didn't even know our neighbors. We have been able to get to know each other and realize that we have a common goal to make our community a better, safer and more attractive place to live. NCF, HRA of Alexandria, and MN Housing have supported us every step of the way. It has been challenging but knowing that we're not alone has made all the difference." -Dorian Warner, Board President*

The newly elected Board is tackling several challenges to build a new foundation to start the co-op on a new footing. One of their biggest challenges

is addressing an old and neglected water and sewer system. However, Emerald Pines Community Cooperative has received a grant of over \$1 million dollars from MN Housing's Manufactured Home Community Redevelopment Program (MHCR) to address these major repairs. Board Director at Large, Judy Young, recently attended the award launch to review the award contract, ask questions on behalf of the Board, and to discuss next steps:

*"The whole process has been exciting and overwhelming at the same time. NFC and MN Housing have been great partners. We trust them and they trust us. I raised my three kids as a single Mom in this community. My daughter and son-in-law live in the park now. They're planning to start a family and Emerald Pines will be a safe and affordable place for them and my grandbabies."*

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# The faces of manufactured housing cooperatives

## *Meet Board member Elida Lemus*

By Dan Gordon

**Elida Lemus, Member-at-Large**  
**Madelia Mobile Village, Madelia, MN**

***The Cooperator: How long have you lived in Madelia Mobile Village and why did you choose to move in?***

I moved here in 2006 for a better life.

***TC: Please tell us a little about yourself.***

I'm from El Salvador; I came to Minnesota in 2006. I was in Florida at first with my brother-in-law and then I came to Madelia to work at Tony Downs. My job is working with the boxes and checking the meat. I work 7 days without rest, it's very hard.

I have four children ages 6,9,10, and 16 that I take care of. I like to bring them to the lake when it's nice and cook food from El Salvador for them. I make cakes, enchiladas, and horchata. And I always make my own tortillas; I never buy them. My favorite dishes to cook are meat and potatoes or chicken.

***TC: What do you like about your community?***

It's calm here and you don't hear loud music.

***TC: Why did you join the co-op's Board of Directors?***

MN Housing is expected to release the funds sometime in late March. The Board and the HRA staff are currently gathering bids for the long-overdue repairs to the neglected water and sewer system.

Current Operations Board Member, Brandon Dziubak, is excited about the \$1 million dollar grant the community received from MN Housing and the opportunity to fix the long-neglected sewer and water systems:

*"I was the onsite property manager for several years, from 2020 to 2022, when it was known as Viking City Mobile Home Park. The previous owner, who lived in Florida, was never willing to spend any money to fix all the problems in the park. He did not care what my opinion was or what needed to be dealt with*

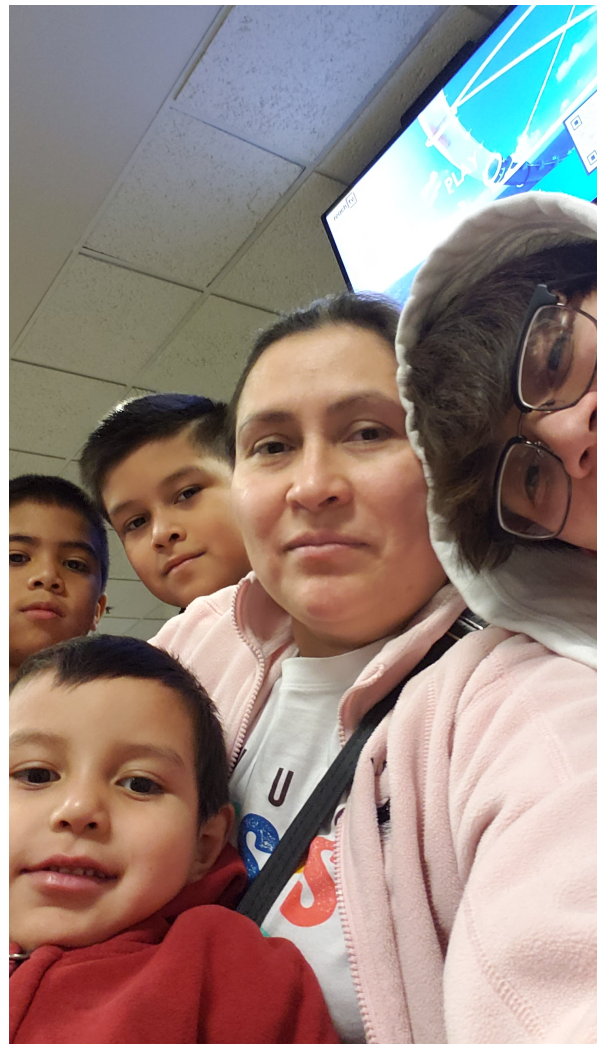
*Cont'd on pg 5*

I joined in 2023. I didn't want to be on the board at first, but Board Treasurer Noemi convinced me. She said, "You should be on the board."

But I told her, "I don't know, because I don't speak English." She said, "There are people that can interpret for you; we would like to have you with us."

***TC: What challenges does your community face?***

There are some big holes in the streets and there are problems with people driving the wrong way. There is not a space for the children to play, and they need that. And we need to be strict to make sure that everyone pays their rent, so our community has enough money.



Madelia Mobile Village Board member, Elida Lemus, surrounded by some of her favorite people: her kids.

# NCF continues to grow!

## *Dave Berglund joins NCF as Real Estate Development Director*

By Kathleen Richert

The staff at Northcountry Cooperative Foundation (NCF) continues to expand! We are happy to welcome Dave Berglund to the team. Dave assumed the role of Real Estate Development Director in December. In addition to experience as a realtor, a broker, and a consultant, Dave volunteers with several organizations.

Dave loves helping people find homes. He cares about people and about building strong neighborhoods and lasting relationships. As a realtor, he saw first-hand how hard it is for working families and first-time homebuyers to find homes they can afford. That's why he's attracted to NCF's cooperative model as a solution to this problem. He is enthusiastic about turning manufactured home parks into resident-owned communities.

In his role as Real Estate Development Director, Dave will be spearheading efforts to expand NCF's work into forming cooperatively owned multi-family housing such as apartment buildings.

Dave grew up in Northfield, MN, moved away to go to college, then moved back to raise a family there about ten years ago. He graduated from Hamline University in St. Paul, MN, majoring in Political Science. A Study Abroad program took him to Alufua, Samoa, where he studied the Samoan language, cultural identity, and political structure. While there, he also worked as an intern at Magic FM, the most popular radio station on the island.

He is active in the local affordable housing communities, helping to start the Northfield Housing and Redevelopment Committee.



NCF staff member and adventurer, Dave Berglund, posing near a glider after a flight in Faribault, MN

In addition to real estate and volunteer work, Dave likes traveling and camping with his family, riding bikes, snow sports, and pitting his skills playing Dr. Mario against his wife's. They must be pretty evenly matched, though, because he did not disclose who is the better player.

NCF is happy to have him on our team.

### **Skill building for Boards & co-op members**

In addition to attending Board meetings, filing monthly and quarterly reports with lenders, offering advice, and supporting cooperatives through capital projects, NCF develops training modules to help Boards and resident members better understand the how their co-op businesses work. There is a staff person, Kathleen Richert, dedicated to designing materials specifically to help co-op Boards run the business aspects of their co-ops more effectively.

These sessions are available now: *Being a Great Board Member, Being a Great Co-op Member, Co-op 101, Financial Basics, Improving Your Communication Skills, Infill Planning, Strategic Planning, Marketing for Co-ops, and Strategic Planning*. More will be coming. If there are topics you would like to see, contact Kathleen.

These sessions are FREE for your co-op. Talk to your TA about scheduling one (or two or three!)

# Northcountry Cooperative Foundation's Cooperative Loan Fund Issues First Loan

By Emily Stewart

The Cooperative Loan Fund (CLF), a wholly owned subsidiary of the Northcountry Cooperative Foundation (NCF), recently issued its inaugural loan on January 4th, marking a significant milestone for both organizations. The loan, a pivotal part of the financial package for the acquisition of the Emerald Pines Community Cooperative, underscores NCF's continued commitment to supporting resident-owned communities across Minnesota and Wisconsin.

The Cooperative Loan Fund, established as the lending arm of NCF, operates with the primary goal of lifting up cooperative communities by providing low interest financial tools for property acquisitions and long-term property sustainability. The recent issuance of a \$575,000 loan to facilitate the acquisition of a 42-unit manufactured housing community in Alexandria, Minnesota, emphasizes the commitment of NCF and CLF to fostering sustainable, resident-controlled housing options.

This move comes as NCF recognizes the need for a dedicated lending entity to better serve the unique financial needs of cooperative communities. The creation of CLF allows for a more focused approach to providing financial solutions tailored to the

distinct needs of resident-owned developments.

The loan terms for the inaugural CLF loan showcase the commitment to fostering financial stability and sustainability within cooperative communities. The loan, structured as an Acquisition Loan, boasts a very below market interest rate over a 7-year term with a 35-year repayment schedule. The absence of a prepayment penalty ensures flexibility for the borrowing cooperative, aligning with NCF's mission to empower resident-owned communities.

The significance of this moment extends beyond the financial transaction itself. NCF and CLF envision this loan as the first step towards a broader outreach strategy to assist more cooperative communities in the region. The cooperative model has proven to be a resilient and sustainable form of housing, and NCF aims to amplify its impact by extending the reach of CLF's offerings to other ROCs seeking similar financial support.

While celebrating the successful issuance of the inaugural loan, NCF remains focused on its mission to support cooperative communities. The organization will continue to engage and support communities, share information about CLF's offerings, and exploring ways to enhance financial accessibility for resident-owned communities.

## *Emerald Pines Cooperative, cont'd from pg 3*

*right away. I know of every leak and electrical box in the neighborhood. I have lived here for fifteen years and now I know my neighbors since I've joined the board and we've become a co-op."*

Like many of NCF's resident-owned communities, Emerald Pines Community Cooperative is faced with attracting new community members. The Board is currently working with the HRA and the City of Alexandria, to create a line of credit to attract new families to the community. Additionally, the HRA of Alexandria will be contracted to perform all property management services including the enforcement of Community Rules, managing vendor accounts, and lot rent collections to name a few. Most recently, local home retailer Alexandria Homes, walked the park

with the Emerald Pines Community Cooperative Board to come up with a plan to bring in new homes. The Board hopes to start bringing in new homes sometime in late Spring, early Summer.

Emerald Pines Community Cooperative is home to working-class families. It is a short distance to the Alexandria business district, all conveniences and employment opportunities.

Please join NCF in welcoming them to our resident-owned community network. It can be overwhelming in the beginning. Emerald Pines Community Cooperative is only one month old, and the Board would greatly appreciate hearing from other co-op communities with experience. Please feel free to reach out to them, say hello, perhaps let them know you're willing to answer questions, that it gets easier, and that it is worth the hard work.



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So much  
 good stuff  
 in this  
 issue.

## FREE Skill Building Sessions for Co-ops

| Session Title                              | Session Description   | Who is it for?   |
|--|---|--|
| <b>Being a Great Board Member</b>          | This session will help you understand the core responsibilities of Board members, and the things they need to know; including the fiduciary responsibilities, what <i>Duty of Care</i> means, the limits of authority, and more!  | Newly Elected and returning Board members, pre-conversion members                                  |
| <b>Being a Great Co-op Member Owner</b>    | What does it mean to be a member-owner of a cooperatively owned business? This will help all members understand the basic differences between for-profit, nonprofit and cooperative organizations, and the core roles and responsibilities of member-owners.  | Member-owners of newly formed and existing co-ops  |
| <b>Co-op 101</b>                           | What does it mean to be 'a cooperative'? Learn about the business structure of your cooperative. Understand better how the members, the Board of Directors, the property manager, the Technical Assistance Provider, and the lender relate to one another.  | Member Owners and Boards of Directors of existing and newly formed cooperatives                    |
| <b>Financial Basics for Your Co-op</b>     | Understand the "money stuff" better. This session will help people understand basic terminology: Operating Cash, Reserves, Assets, Liabilities, Capital/Equity, and Capital Improvement Plan (CIP). Learn how the Balance Sheet, Income Statement or Profit & Loss (P&L), Budget to Actual, and Rent Roll effect your co-op's financial health.           | Co-op Treasurers, newly elected and returning Board members, newly established co-op member owners |
| <b>Improving Your Communication Skills</b> | Are you interested in learning more about effective communication? This session will help you build your skills resulting in better communication with your neighbors and other associates, helping avoid misunderstandings.  | Boards of Directors, Divided communities, new co-op member owners                                  |
| <b>Infill Planning</b>                     | Are empty lots dragging down your community's finances? Work as a group using the Infill Guide developed specifically for NCF's network of communities. This workbook will help you work step-by-step on a plan that works with each community's resources.   | Co-ops who have a lot of vacant lots, Infill committees  |
| <b>Marketing for Co-ops</b>                | Marketing lots and homes is key to the ongoing success of your co-op. Understanding customer behavior and the Four Ps of marketing will help you to create effective marketing tools to sell lots and homes and recruit new members.  | Boards of Directors, Membership or Infill Committees   |
| <b>Strategic Planning</b>                  | In the beginning, focus is on the purchase, cleaning up the community, and completing improvement projects. The second year it soaks in- We Own It! What are we supposed to be doing? Big thinking is on a back burner, and it seems like you're just putting out fires. Strategic Planning. Strategic Planning helps your community focus on next steps. | Boards of Directors, Boards and/or member owners of newly established co-ops                       |