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**MINUTES OF A SPECIAL MEETING
OF THE HOUSING AND REDEVELOPMENT
AUTHORITY OF AUSTIN, MINNESOTA**

1.) Roll Call.

Date & Time: January 24, 2013 at 3:30 PM

Commissioners Present: Joyce Poshusta, Roger Boughton,
Marilyn Prenosil, Shirley Schlieve
and Judy Enright

Commissioners Absent: Marvin Repinski & Janet Anderson

HRA staff present: James Hurm, Executive Director
Sherri Detloff, Finance Director
Julie Ackland, Section 8 Specialist
Jeff Retterath, Twin Towers Maint.
Nathan Swank, Chauncey Manager

Others present: Jon Erichson, City Engineer
Craig Hoium, City of Austin Community
Development Director
John Garry, DCA Executive Director
Terrence Plath, Plath Enterprises

There being a quorum, the meeting was called to order by
Vice-Chair Poshusta.

2.) Approval of Minutes.

It was moved by Commissioner Boughton and seconded by
Commissioner Schlieve to approve the minutes of a
special meeting held on December 20, 2012 at 3:30 PM.
All present voted in favor thereof, none in opposition
thereto with Commissioner Enright abstaining. The Vice-
Chair declared the motion passed and carried.

3.) Approval of Accounts Payable.

There were some questions regarding the snow removal invoices brought up in an email by Commissioner Boughton. Terrence Plath was invited to attend the meeting to address questions and explain to the Board their snow removal process. Earlier that same day a meeting was held between Terry Plath, Terrence Plath and the entire maintenance staff to also explain how they were invoicing work performed. Two maintenance staff members were in the audience to attest that Plath's give the HRA good service and found no issues with the invoices presented by Plath's for December service. Plaths will be more descriptive of work performed in future invoices.

After several other questions on invoices, it was moved by Commissioner Prenosil and seconded by Commissioner Schlieve to authorize payment of the list of accounts payable. All present voted in favor of the motion, none in opposition thereto. The Vice-Chair declared the motion passed and carried.

4.) Housing Business:

a. Section 8 Program - Motion to utilize General Funds to cover potential shortfall.

The Section 8 program is currently experiencing a shortfall in the HAP (Housing Assistance Payment) funding. HUD allows Housing Authorities to transfer unused administrative reserve to cover HAP shortfalls. In the past we have had adequate Section 8 administrative reserve funds to cover this shortfall but this reserve has been used up also. Congress has not yet acted upon the allocation for year 2013 Section 8 funding so there is no estimate of how short, if any, we will be at our fiscal year ending 9/30/2013.

Our mission is to keep all 177 Vouchers 100% utilized to help as many "very low income" people as possible. If the Board does not make available a potential operating transfer of funds, we would not be able to help as many applicants as we have vouchers for.

As of 1/18/13 there are 201 Mower County residents on the Section 8 waiting list along with 74 non-Mower County residents. The Austin HRA gives preference to Mower County residents first.

It was also explained by Ms. Detloff that the General Fund charges Public Housing (PH) units the maximum allowed for Management Fees, Bookkeeping Fees and Asset Management Fees. In essence, we are using Public Housing money flowing through the General Fund and back out to Section 8 program. Once PH money is deposited into the General Fund it becomes de-federalized dollars and can be used for any lawful purpose.

It was moved by Commissioner Boughton and seconded by Commissioner Schlieve to direct the staff to fully utilize the 177 available housing choice vouchers and cover any HAP shortfall or Admin. shortfall for FYE 9/30/2013 with General Fund dollars. If there are any Admin. reserves at FYE 9/30/13, they will be applied first to any HAP shortfall, then General Funds would cover the balance. If there are no Admin. Reserves, then General Funds would be used to cover that shortfall also. All present voted in favor of the motion, none in opposition thereto. The Vice-Chair declared the motion passed and carried.

- b. **Austin Courtyard - Resolution to call/redeem bonds early with excess funds.** Finance Director Detloff stated as of 1/1/2013 the Austin HRA is now able to call/redeem bonds on the 2003A Austin Courtyard bond issue. Currently there are excess funds totaling \$400,000 that could be used to call/redeem bonds for this issue. Interest income rates are so low that it would make sense to use these excess funds to redeem the highest interest paying bonds.

The year 2025 and a good portion of the year 2024 principal payments that have a 4.6% interest rate would be redeemed. In paying down the bonds with the highest interest rate, an annual savings of \$18,400 in interest payments will be realized which is a total interest savings of \$236,134 from 3/1/2013 to 1/1/2025.

It was moved by Commissioner Enright and seconded by Commissioner Schlieve to call/redeem \$400,000 (of the \$450,000) aggregate principal amount of the Bonds maturing on January 1, 2025 to be redeemed on March 1, 2013 with the following resolution:

RESOLUTION NO. 529

RESOLUTION AUTHORIZING THE PARTIAL
REDEMPTION OF GENERAL OBLIGATION
GOVERNMENTAL HOUSING REFUNDING BONDS
(CITY OF AUSTIN, MINNESOTA - COURTYARD
RESIDENCE PROJECT), SERIES 2003A

All present voted in favor of the resolution, none in opposition thereto. The Vice-Chair declared the resolution adopted and carried.

5.) Redevelopment Business.

a. **Housing Study - Authorization to enter into a partnership to fund an update of the 2005 Austin HRA Housing Study.**

Craig Hoium announced there are a number of potential housing developments that are being considered for the City of Austin. The last housing study was done in 2005 and the developers are interested in having an updated study being done to access the potential demand for housing. They have indicated they are willing to share the cost of updating this study.

A motion was made by Commissioner Enright and seconded by Commissioner Boughton that the HRA would pay for one-third (1/3) the cost of this study which is estimated at \$15,000 to \$16,500 to complete and to authorize Craig Hoium to move forward to gather request for proposals from interested firms. All present voted in favor of the motion, none in opposition thereto. The Vice-Chair declared the motion passed and carried.

6. Other Business.

a. **Set new time for regular Board meetings.**

Since there are two (2) new Board members that the Mayor appointed in January, it was discussed moving the time to accommodate the new Board members

schedules. It was moved by Commissioner Enright and seconded by commissioner Boughton to move the time from 3:30 PM to 4:30 PM but keep the same day on the 3rd Thursday of every month. All present voted in favor of the motion, none in opposition thereto. The Vice-Chair declared the motion passed and carried.

b. **Set reception for maintenance staff to meet Jon Erichson and new Board members.**

It was suggested by Commissioner Schlieve to have the entire maintenance staff as well as administrative staff come to the next Board meeting to meet Jon Erichson and the new Board members. It was decided a reception at 4:00 PM will be held at the February Board meeting with the meeting to follow at 4:30 PM on 2/21/13.

7.) Adjourn: There being no further business it was moved by Commissioner Prenosil and seconded by Commissioner Schlieve to adjourn the meeting. All present voted in favor of the motion, none in opposition thereto. The Vice-Chair declared the motion passed and carried. The meeting was adjourned at 4:45 PM.

Joyce Poshusta, Vice-Chair

SEAL

Marilyn Prenosil, Secretary