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Website [www.austinhra.org](http://www.austinhra.org)

**REGULAR MEETING AGENDA**  
**THURSDAY, APRIL 24, 2014 @ 4:30 PM**

This meeting was re-scheduled from the normal  
4/17/14 regular meeting date.

Please let Sherri know if you cannot attend this meeting.  
Four Commissioners must be present to constitute a quorum.

1. **Roll Call.**
2. Approve **Meeting Minutes** of March 20, 2014.
3. Review **Accounts Payable.**
4. **Other Business:**
  - a. Audit Report for FYE 9/30/13. Presentation by Kim Hillberg from CliftonLarsonAllen.
  - b. Austin Main Street Project – Transfer of funds from General Fund to Port Authority for store front easements.
5. **Public Housing:**
  - a. Resolution to increase Flat Rents on all Public Housing units.
  - b. Pickett Place – Seal wall penetrations. Change order for approx. \$17,000 to do heat runs that were not in original bid.
6. **Executive Director Reports:**
  - a. HRA List of Goals.
  - b. Pickett Place - Retirement announcement from Don Hodges for 5/2/14 and hire part-time janitor to replace Don.
7. **Adjourn.**



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

**1.) Roll Call.**

**Date & Time: April 24, 2014 at 4:30 PM**

Commissioners Present: Judy Enright, Chair  
Joyce Poshusta, Vice-Chair  
Roger Boughton  
Marvin Repinski  
Jerry McCarthy

Commissioners Absent: Janet Anderson, Secretary  
Shirley Schlieve

HRA staff Present: Jon Erichson, Executive Director  
Sherri Detloff, Finance Director  
Karen Mattson, Property Manager  
Linda Grover, Property Manager

There being a quorum, the meeting was called to order by Chair Enright.

**2.) Approval of Minutes.**

It was moved by Commissioner McCarthy and seconded by Commissioner Repinski to approve the minutes of the regular meeting on March 20, 2014. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

**3.) Approval of Accounts Payable.**

Adam's Pest Control invoices totaling \$5,035.96 were added to the list of accounts payable. It was moved by Commissioner Boughton and seconded by Commissioner Poshusta to authorize payment of the list of accounts payable. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

#### **4.) Other Business:**

##### **a. Audit Report for FYE 9/30/13. Presentation by Kim Hillberg from**

**CliftonLarsonAllen.** Kim Hillberg of CliftonLarsonAllen presented the report of Financial Statements and Supplementary Information for the year ended September 30, 2013. Ms. Hillberg outlined the audit process and explained the most significant parts of the report. The finances of the HRA were found to be stated accurately. Ms. Hillberg explained the HRA received an unqualified opinion which is the best opinion you can get. She reported one audit finding which is typical of most auditees which states that the HRA relies on the auditor to draft the audit report instead of performing this function in-house. She also highlighted some areas in the two Management letters which included additional questions that were asked this year on cyber security.

It was moved by Commissioner McCarthy and seconded by Commissioner Repinski to accept the Audit Report for FYE 09/30/13. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

##### **b.) Austin Main Street Project – Transfer of funds from General Fund to Port Authority for store front easements.**

Four projects were recently approved by the AMSP and Port Authority to proceed with store front renovations. At the August 15, 2013 Board meeting it was voted to transfer funds from the General Fund to the Port Authority as soon as funds were depleted in the store front account at the Port Authority. With these four projects, there was an anticipated shortage of \$89,987 in this account; therefore the budgeted amount of \$75,000 was transferred from the HRA to the Port Authority on 4/21/14 prior to the Port Authority's approval of these project so funding would be in place. The Hormel Foundation will also be transferring their contribution commitment to help fund the shortage.

Three other business owners have also been in contact with AMSP for possible renovation projects.

#### **5.) Public Housing:**

##### **a.) Resolution to increase Flat Rents on all Public Housing units.**

HUD recently sent out a notice requiring all flat rents for Public Housing residents to be based upon HUD established Fair Market Rents for each HRA's territory and each bedroom size. Previous to this, HRA's had to base their flat rents on a local rental survey and set them at the level the market indicated for each bedroom size. The tenant has the option to either pay 30% of their income or the flat rent. Approx. 20% of our Public Housing tenants pay the flat rent which may be less than 30% of the tenants' income towards rent.

HUD now requires that the HRA has to set their flat rents to be 80% or greater of the current published Fair Market Rents. Additionally, the HRA must limit the increase to 35% annually of the existing flat rent the HRA now charges. Also, flat rents are to be effective 6/1/14 for all new residents and for existing residents the rent would become effective at their next annual re-exam. Working within the HUD defined parameters, the HRA is proposing to set the new flat rents as indicated in the last column. It was moved by Commissioner Repinski and seconded by Commissioner Poshusta to adopt the new Flat Rents effective 6/1/14 as follows:

**RESOLUTION #543  
RESOLUTION TO INCREASE THE FLAT RENTS  
ON ALL PUBLIC HOUSING UNITS**

| <u>Fair Market Rents</u><br>Effective 1/1/14 | <u>Current Flat Rents</u><br>Effective 4/1/10 | <u>Increase</u> | <u>New Flat Rents</u><br>Effective 6/1/14 |
|--|---|-----------------|---|
| 1BR \$532                                    | 1BR \$400                                     | +\$ 26          | <b>1BR \$426</b>                          |
| 2BR \$698                                    | 2BR \$450                                     | +\$110          | <b>2BR \$560</b>                          |
| 3BR \$940                                    | 3BR \$525                                     | +\$183          | <b>3BR \$708</b>                          |
| 4BR \$1,141                                  | 4BR \$550                                     | +\$192          | <b>4BR \$742</b>                          |

All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

**b.) Pickett Place – Change Order for sealing heat run wall penetrations for \$17,000.**

Executive Director Erichson explained that sealing the heating penetrations at Pickett Place were originally thought as being pretty tight and not requiring sealing, but looking at some vacant apartments it has now become apparent that they do need sealing to prohibit the flow of pests between apartments. A per heating run price was included in the bid at Twin Towers and the contractor would be willing to use this same price for Pickett Place. The estimated cost of this change order would be \$17,000 and there are funds available in the 2012 Capital Fund Grant.

It was moved by Commissioner Boughton and seconded by Commissioner McCarthy to approve the change order for this additional work at Pickett Place. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

**6.) Executive Director Reports:**

**a.) HRA List of Goals.**

Executive Director Erichson and staff have developed a list of goals for both housing and redevelopment activities to work on for years 2014 and 2015. Board members requested that ED Erichson send out an update every 6 months so that Board members can monitor the progress of these goals. It was moved by Commissioner Poshusta and seconded by Commissioner McCarthy to approve the goals as presented. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

**b.) Pickett Place – Retirement announcement from Don Hodges effective 5/2/14 and a request to hire a part-time janitor to replace Don.** Don Hodges notified the HRA that he will be retiring May 2, 2014. Don has worked for the HRA for 13 years at Pickett Place performing janitorial services. Don worked 25 hours per week and the HRA is requesting to hire another part-time janitor to fill this position.

It was moved by Commissioner Boughton and seconded by Commissioner Repinski to hire another part-time janitor. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

**7.) Adjourn:**

There being no further business it was moved by Commissioner Repinski and seconded by Commissioner Poshusta to adjourn the meeting. All present voted in favor of the motion, none in opposition thereto. The Chair declared the motion passed and carried. The meeting was adjourned at 5:40 PM.

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Judy Enright, Chair

SEAL

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Joyce Poshusta, Vice-Chair