

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

**June 16, 2010**

**1.) Roll Call.**

The regular meeting of the Housing & Redevelopment Authority of Austin, MN was held June 16, 2010 at 5:00 P.M. at the HRA Office. The meeting was called to order by Chairman Pacholl. Present were Commissioners Schlieve, Poshusta, Repinski, and Prenosil. Also present were Executive Director Hurm, Finance Director Detloff, Property Manager Volstad, Bruce Kimmel from Ehlers & Associates and John Garry from Development Corp. of Austin.

**2.) Approval of Minutes.**

It was moved by Commissioner Repinski and seconded by Commissioner Schlieve to approve the minutes of the regular meeting of April 21, 2010. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

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

It was moved by Commissioner Poshusta 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 Chairman declared the motion passed and carried.

**4.) Market Rate Housing.**

**a. Public Hearing regarding refinancing Chauncey Apartments and adopting a Housing Finance Program.**

Chairman Pacholl opened the public hearing regarding the issuance by the HRA of governmental revenue bonds to refinance Chauncey Apartments and on the reaffirmation of a housing program.

Bruce Kimmel, our financial advisor from Ehlers & Associates, laid out various financing options that were explored and ultimately stated that because estimated interest rates were so favorable from the underwriter that the options of the City backing some General Obligation bonds and a City loan would not be needed but instead market the entire refinancing as Gross Revenue Bonds (as is currently in place with Chauncey Apartments). Bruce handed out two (2) Gross Revenue Bond scenarios which shows having a larger debt service and shortening up the life of the bonds by 3 years. The other showed a more conservative schedule with payments going through 2032 mimicking the existing schedule. Bruce and HRA staff will continue to refine the final debt service schedule, which should be somewhere in between the two handed out.

Also by issuing only Gross Revenue Bonds, the HRA would not have to follow State Statute if we sold General Obligation Bonds which states that anyone under 55 years old would be subject to an income limitation.

Chairman Pacholl called for public comments on the proposed plans. No comments were received. The Chairman declared the public hearing closed.

- b. Resolution approving a Housing Finance Program and authorizing the sale of Revenue Bonds for Chauncey Apartments.** The following resolution was introduced by Commissioner Repinski and seconded by Commissioner Poshusta.

**RESOLUTION #490**  
**Resolution Relating to a Housing Program for**  
**A Multifamily Housing Facility (Chauncey Apartments);**  
**Approving the Issuance of Bonds and Execution**  
**Of Documents in Connection Therewith**

All present voted in favor of the resolution, none in opposition thereto. The Chairman declared the resolution passed and adopted.

**5.) Executive Director Reports.**

**a. General Fund - Revision of Budget for FYE 9/30/2010.**

- (1) **Austin Main Street Project - Consideration for HRA to take over funding.** Executive Director Hurm went over the proposed changes to the HRA's general fund budget. He explained how some of the budget could be utilized to support the Austin Main Street Project and the Development Corporation of Austin. Director Hurm also extended an invitation for HRA Board Members to go to the Austin Main Street Project Board Meetings and to the Development Corporation of Austin Board Meetings.

Following discussion of the proposal it was moved by Commissioner Poshusta and seconded by Commissioner Schlieve to use the HRA General Fund to support the Austin Main Street Project as outlined in the HRA General Fund Budget. Voting in favor of the motion were Commissioners Schlieve, Repinski, Poshusta, and Pacholl. Commissioner Prenosil voted against the motion. Chairman Pacholl declared the motion passed and carried.

- (2) **Development Corporation of Austin - Approve Agreement for Services.** Again after discussion, it was moved by Commissioner Repinski and seconded by Commissioner Schlieve to approve an Agreement for Services with the Development Corporation of Austin for coordination of economic development and redevelopment efforts. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

- (3) **Resolution adopting revised General Fund Budget.** The following resolution was introduced by Commissioner Poshusta and seconded by Commissioner Schlieve.

**RESOLUTION #489**

**Resolution Approving the Revised  
Budget for the General Fund for  
Fiscal Year 10/01/2009 to 09/30/2010**

All present voted in favor of the resolution  
none in opposition thereto. The Chairman  
declared the resolution passed and adopted.

- b. Report of area HRA's ratio of housing units per maintenance staff.** A summary the areas HRA's was distributed by the Olmstead County HRA which show the ratio of housing units per maintenance staff.
- c. Updated pages for the Commissioner Book - Redevelopment Projects and Flood Program.** Updated pages for the Commissioner Book outlining the HRA's redevelopment and flood control efforts over the years were distributed.

**9.) Adjourn.**

There being no further business it was moved by Commissioner Repinski and seconded by Commissioner Schlieve to adjourn the meeting. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried

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Richard Pacholl, Chairman

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Shirley Schlieve, Secretary