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

1.) Roll Call.

Date & Time: June 20, 2013 at 4:30 PM

Commissioners Present: Joyce Poshusta, Chair
Marvin Repinski, Vice-Chair
Shirley Schlieve
Judy Enright

Commissioners Absent: Roger Boughton
Janet Anderson
Marilyn Prenosil, Secretary

HRA staff Present: Jon Erichson, Executive Director
Sherri Detloff, Finance Director
Cindy Dugstad, Section 8 Specialist
Karen Mattson, Property Manager
Gwen Volstad, Property Manager
Linda Grover, Property Manager

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

2.) Approval of Minutes.

It was moved by Commissioner Enright and seconded by Commissioner Schlieve to approve the minutes of the regular meeting of May 16, 2013. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

It was moved by Commissioner Enright and seconded by Commissioner Repinski to approve the minutes of the work session of May 21, 2013. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

3.) Approval of Accounts Payable.

After several questions on accounts payable invoices it was moved by Commissioner Repinski and seconded by Commissioner Schlieve 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.) Section 8:

a. Discussion on Issuing Vouchers & HAP Shortfall Amount.

Executive Director Erichson explained this has been discussed at two different board meetings this calendar year. The first action the board took was authorizing to keep our vouchers fully issued and to fund the shortfall from the General Fund, even though HUD had not announced what our year 2013 funding would be yet. The second action taken was putting a freeze on issuing vouchers because of unexpected sequestration funding cuts. HUD finally announced in June our allocation for year 2013 funding.

The Board was given 2 options to consider. Option 1 would be to reduce the number of vouchers through attrition and work within the budget provided by HUD, keeping in mind that as vouchers are reduced, people who need housing are not helped and we are not fulfilling our mission. Option 2 would be to fully issue all vouchers available and expect a shortfall of approx. \$50,000 for this year and that shortfall would need to be covered with General Funds.

The Board chose Option 2 because we would be meeting our mission statement of providing housing to very low income people and if we keep our vouchers fully issued this would positively impact the amount of funding we can anticipate for year 2014 as HUD funding is based upon number of vouchers issued the previous year.

It was moved by Commissioner Enright and seconded by Commissioner Repinski to fill all vouchers to capacity and make up the difference from the General Fund. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

b. Resolution to close the Section 8 Waiting List.

Karen Mattson explained to the Board there are 315 applicants on the Section 8 waiting list which includes 233 from Mower County. We have a local preference in place, so Mower County residents are helped first. Applicants currently wait approx. 18 months to get assistance. Because of the number of people currently on the waiting list, it was suggested that the waiting list be closed. At a certain point in the future the Board will be notified to re-open the waiting list.

The following resolution was introduced by Commissioner Schlieve and seconded by Commissioner Enright:

Resolutioin #532
**Resolution Authorizing the Austin HRA to
close the Section 8 Waiting List.**

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

5.) Public Housing

a. Twin Towers - Update on filling the Property Manager position.

Executive Director Erichson reminded the Board of Gwen's upcoming retirement on 7/31/2013. An internal job posting was sent to all employees and two did apply for the job. Interviews will be conducted of both candidates by the ED. The goal is to have someone in Gwen's spot sometime in July, and then there would be an opening somewhere else in the organization that will need to be filled. Executive Director Erichson would like the ability to fill that position and determine what the job opening would be and advertise for that position. Commissioner Repinski stated that the Executive Director does have the authority in the Personnel Policy to hire.

b. Pest Management Update:

Executive Director Erichson updated the Board on pest management treatments. Treatments have been going on for a few weeks. Pickett Place only needed two units treated. Twin Towers needed approx. 60 units treated. The staff has been working up to 16 hours on some days to get all units treated in a timely fashion.

A tenant comment period needed to be given on a new Pest Management addendum that will be added to everyone's lease to be effective 8/1/2013. Tenants are given the opportunity to make written comment of the proposed addendum and the Board is required to review these comments prior to the adoption of the addendum. The comment period went through 5/31/13. There were no comments received. It was moved by Commissioner Enright and seconded by Commissioner Schlieve to adopt the Pest Management lease addendum. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

New people moving into our units will have to meet with Karen Mattson to review and explain this lease addendum. Staff wanted this as a separate process in order to better educate new tenants on pest management. The addendum as well as a pre-inspection of the new tenant's belongings will be required before keys will be given to the new tenant.

6.) Market Rate Housing

a. Austin Courtyard - Resolution to Award Sale of 2013A GO Bonds.

Bruce Kimmel, Public Finance Advisor with Ehlers & Associates, Inc., informed the Board that only one bid was received today and it was not a good bid. The market took a big hit today with an announcement from Ben Vernakie the previous evening on mortgage interest rates rising. Interest rates have gone up since the projected savings was run but the bid received is worse than what the normal market is indicating. He recommends the board reject the bid received on the refunding of the bonds and to have the board approve a parameters resolution that would set a minimum

threshold of savings being sought and would then work with the staff to figure out the best way to get this done. It could be another competitive bid taking or a negotiated bond sale. With the refinancing of \$1.83 million dollars of debt on Austin Courtyard, the projected interest savings a couple of months ago was estimated at \$275,000. The bid received was only a savings of \$112,000. The parameters resolution indicates a minimum savings of \$175,000. The market is expected to improve sometime in July.

The following resolution was introduced by Commissioner Repinski and seconded by Commissioner Enright:

Resolution #533

**Resolution Authorizing Sale of \$1,830,000
Governmental Housing Revenue Refunding Bonds (City of
Austin, Minnesota-General Obligation) Series 2013A**

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

7.) Other Business.

a. Groh Construction - Redevelopment Agreement status of work.

The HRA has a redevelopment agreement with Groh Construction. Groh was to finish concrete work, fencing and landscaping on his property by 5/31/13 which some of this has not been completed. A security deposit in the amount of \$15,000 was given to the HRA last year for securing the completion of this work.

Executive Director Erichson's recommendation was to return \$10,230 back to them for the concrete work they completed and waive the requirement for the eight foot fence on the South side of the property and change the requirement to a six foot fence on the East side of the property. Groh's have been working on the fence.

It was moved by Commissioner Enright and seconded by Commissioner Schlieve to accept the recommendations as presented. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

b. CHIP Program Update.

The Hormel Foundation awarded a grant in the amount of \$21,600 for this program. The \$250,000 the Board set aside for the HIP program in the previous years was very instrumental in the domino effect to get the foundation involved.

c. Oak Park Mall discussion.

This topic has been discussed in the community about the poor condition of the Oak Park Mall. There have been discussions regarding potential redevelopment of the property if it were to go back to the County. Executive Director Erichson feels someone will step up to pay the delinquents taxes of \$480,000. There is a \$4 million mortgage on the property. The Board was supportive of the redevelopment of the property and is willing to consider options that might become available.

d. Updated HRA Mission Statement.

As discussed during the work session on May 21, 2013, the following wording has been added to number 1 of the mission statement to read as follows:

- 1. Recognize our residents and other members of the community as our ultimate customer.***

It was moved by Commissioner Enright and seconded by Commissioner Schlieve to approve the HRA Mission Statement as updated. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

8.) Board Member Reports:

Executive Director Erichson reported he had a conversation with the Mower County HRA. Their Executive Director and Chair are willing to meet with our Executive Director and Chair. Executive Director Erichson said he will send an email to Joyce Poshusta, Austin HRA Chair, with possible meeting dates.

9.) Adjourn: There being no further business it was moved by Commissioner Poshusta and seconded by Commissioner Enright 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 6 PM.

Joyce Poshusta, Chair

SEAL

Marilyn Prenosil, Secretary