



308 Second Ave. NE, Austin, MN 55912
Phone 507-433-1866 Fax 507-433-8317
Website www.austinhra.org

REGULAR MEETING AGENDA
THURSDAY, JULY 17, 2014 @ 4:30 PM

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 June 19, 2014.
3. Review **Accounts Payable.**
4. **Market Rate Housing:**
 - a. Motion to approve revised budget for FYE 9/30/14.
 - b. Resolution to approve budget for FYE 9/30/15.
5. **Section 8:**
 - a. Resolution to change the Payment Standards.
6. **Executive Director Reports:**
 - a. DCA Funding Request.
 - b. Scattered Site Property Sale.
 - c. Sorenson Lawsuit.
 - d. Bed Bug Update.
 - e. SPAM Museum Update.
 - f. Personnel Policy – Change PTO & Holiday accrued hours language for regular part-time employees.
 - g. Set new time for Board meetings.
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: July 17, 2014 at 4:30 PM

Commissioners Present: Judy Enright, Chair
Janet Anderson, Secretary
Roger Boughton
Shirley Schlieve
Marvin Repinski
Jerry McCarthy

Commissioners Absent: Joyce Poshusta, Vice-Chair

HRA staff Present: Jon Erichson, Executive Director
Sherri Detloff, Finance Director
Julie Ackland, Section 8 Specialist

Others Present: John Garry, DCA Director

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

2.) Approval of Minutes.

It was moved by Commissioner Anderson and seconded by Commissioner McCarthy to approve the minutes of the regular meeting on June 19, 2014. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

3.) Approval of Accounts Payable.

An invoice from Thoroughbred Carpets for \$2,142.00 was added to the list of accounts payable. It was moved by Commissioner Boughton 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.) Market Rate Housing:

a. Motion to approve revised budget for fiscal year ending 9/30/2014.

A revised budget for Austin Courtyard and Chauncey Apartments was presented to the Board for FYE 9/30/2014. The budget line items that were revised included principal and interest payments due to refinancing Courtyard, gas for both buildings due to the extremely cold winter and added carpeting of the 3rd floor hallways and stairwells at Courtyard. It was moved by Commissioner McCarthy and seconded by Commissioner Boughton to approve the revised budget as presented. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

b. Resolution to approve budget for fiscal year ending 9/30/2015.

A budget for Austin Courtyard and Chauncey Apartments was presented to the Board for FYE 9/30/2015. A \$10 per apartment rent increase for all apartments over 800 square feet was proposed in the budget. The 1 bedroom/1 bath and 1 bedroom/1bath with small den apartments rental price will stay the same because the smaller apartments are harder to rent and the rent is more per square foot than the larger apartments. The biggest factor in the rent increase was the principal payments on the bonds increased by \$50,000 for 2015.

Capital projects were also identified that will be paid for with funds in the replacement reserve account at US Bank, our trustee. Those projects include new roofs for both buildings, drainage improvements for Chauncey, landscaping for Courtyard, heating and cooling upgrades and entry upgrades.

The following resolution was introduced by Commissioner Anderson and seconded by Commissioner Repinski to approve the budget for FYE 9/30/2015.

**RESOLUTION #547
RESOLUTION APPROVING THE BUDGET FOR THE
AUSTIN COURTYARD AND CHAUNCEY APARTMENT BUILDINGS
FOR THE FISCAL YEAR ENDING 9/30/2015**

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

4.) Section 8:

a. Resolution to change the Payment Standards.

Fair Market Rents (FMR) increased on January 1, 2014 shown by bedroom size. HUD requires Section 8 Payment Standards to be within the 90% to 110% range of FMR's. Because of HUD's reduced Section 8 funding, it was proposed to the Board again this year to set the new Payment Standards to be 90% of FMR effective September 1, 2014. The following resolution was introduced by Commissioner McCarthy and seconded by Commissioner Boughton to adopt the new Payment Standards as presented.

**RESOLUTION #546
RESOLUTION AUTHORIZING THE AUSTIN HRA TO INCREASE
THE EXISTING SECTION 8 PAYMENT STANDARDS.**

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

5.) Executive Director Reports:

a. DCA funding request.

John Garry, President of the Development Corp. of Austin, requested support in the amount of \$20,000 for their work in economic development , funding assistance, business planning assistance and initiatives with Vision 2020. It was moved by Commissioner Repinski and seconded by Commissioner Anderson to support the DCA with the amount as requested. All present voted in favor of the motion, none in opposition thereto. The Chair declared the motion passed and carried. This contribution will be shown on the General Fund budget for the FYE 9/30/15 to be presented at the August board meeting.

b. Public Housing - Scattered Site property sale.

The HRA has been approached by Leaning Tree regarding the potential sale of one of our Scattered Site units at 1105 15th Ave. NE which is located in the Hormel Institute expansion area. The HRA has been in negotiations with the realtor and hopes to sell the property for \$112,315 and relocate the house to 409 2nd St. SW. The cost of the lot at 1105 15th Ave. NE represents the purchase price of the house/lot at 409 2nd St. SW, the asbestos removal, demolition and the average cost to move previous houses from this same neighborhood 2 years ago plus 6% inflation.

It was moved by Commissioner Boughton and seconded by Commissioner McCarthy to authorize the sale of the lot at 1105 15th Ave. NE for the purchase price of \$112,315. All present voted in favor of the motion, none in opposition thereto. The Chair declared the motion passed and carried.

c. Sorenson Lawsuit.

The Austin HRA has been named in a lawsuit from a former tenant resulting from actions by a former employee that occurred in November 2011. Our insurance carrier, Housing Authority Insurance (HAI), informed us that our liability policy would not cover us because the former employee was found guilty of his actions. The HRA has been working with Steve Hovey with the Hoversten Law Office to represent us in this lawsuit as well as look into the liability insurance coverage issue and defense coverage with HAI and would like to proceed with Mr. Hovey as thje case moves forward. The Board concurred with this.

d. Bed Bug policy update.

At last month's meeting Executive Director Erichson had the idea to create a policy whereas every household that is moving into any of our buildings has to receive a bed bug free certification from a licensed exterminator in order to move in.

MN Legal Services has contacted the HRA on behalf of the tenant that was set to move in last month but was denied housing due to having a current bed bug infestation. They requested that we reinstate the applicants housing which was denied. This issue is no going to Mower County Court in August and we will have to wait and see what happens

with this issue first before we go ahead and formulate any policy.

e. Fire Site / SPAM Museum update.

Drapery Services has one issue yet that has to be worked out regarding property lines at the Robinson building. Med-City Mobility is now in the process of remodeling the former Drapery Services building. The Port Authority and City Council have approved the Developer's Agreement with the Hormel Company for the new SPAM Museum location. Everything is on schedule so far with this project.

f. Personnel Policy – Change paid time off (PTO) and holiday accrued hours language for regular part-time employees.

The current Personnel Policy states regular part-time employees have to complete one (1) year of service before they would get the pro-rated Holiday and PTO accrued hours. Regular full-time employees receive this benefit at the start of employment, so the HRA proposes part-time employees should also receive this same benefit when they start employment. This would not affect the temporary part-time employees that are hired as this classification does not receive any PTO or holiday accrued hours.

It was moved by Commissioner McCarthy and seconded by Commissioner Repinski to delete the language that stated regular part-time employee would have to complete one (1) year of service before getting this benefit. All present voted in favor of the motion, none in opposition thereto. The Chair declared the motion passed and carried.

g. Set new time for Board meetings:

Commissioner Joyce Poshusta found employment in Rochester. Because of her new job, she made a request to the Board to start the meetings at 5:30 instead of 4:30 to accommodate her schedule. It was the consensus of the Board to change the meeting time to 5:30 with the date remaining the same (i.e. 3rd Thursday every month).

7.) Adjourn:

There being no further business it was moved by Commissioner McCarthy and seconded by Commissioner Repinski 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 6:15 PM.

Judy Enright, Chair

SEAL

Janet Anderson, Secretary