

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

November 13, 2002

The Regular meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held at 4:30 PM, November 13, 2002 at the HRA Office. The meeting was called to order by Chairman Lang. Present were Commissioners Chaffee, Nelson, Nordin, and Jorgenson. Also present were Interim Executive Director Dankert, Deputy Director for Community Development Smith, Deputy Director of Housing Volstad, HRA Finance Director Detloff, and City Administrator McGarvey.

It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to approve the minutes of the regular meeting of October 9, 2002, with the following correction. The motion to adjourn the meeting was introduced by Commissioner Jorgenson and seconded by Commissioner Chaffee. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

PUBLIC HOUSING:

Homesteps Program. All Section 8 and Family Housing tenants have been notified about the Homesteps Program. Julie Ackland is assembling course material and locating appropriate individuals to assist in presenting the course. There has been an enthusiastic response from our clients on this program.

Pickett Place - Brick Restoration Project. Brick restoration work at Pickett Place is done. We are pleased with the final appearance and the quality of the work that was done. The punch list items have been corrected and cleared by the project engineer and the final payment will be made soon.

The following two bids were received for repairing the canopy over the front entrance at Pickett Place.

JD Driver Construction - \$ 6,500.00
Joseph Construction - \$14,332.00

It was moved by Commissioner Jorgenson and seconded by Commissioner Nordin to accept the bid from JD Driver Construction. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

Resolution & Closing Statement to Close-out the 2000 Capital Fund Program. Gwen Volstad presented the complete list of expenditures for the 2000 Capital Fund Grant Program. The following Resolution was introduced by Commissioner Chaffee and seconded by Commissioner Nordin.

RESOLUTION #394

RESOLUTION APPROVING THE PERFORMANCE AND
EVALUATION REPORT FOR THE CAPITAL FUND GRANT
PROGRAM FOR THE FEDERAL FISCAL YEAR
ENDING JUNE 30, 2002

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

Discussion of an additional Tenant Board Member. HUD regulations require that all HRA Boards have a tenant member. Tenants have been contacted to see if anyone is interested. Several tenants have stated an interest. It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to request an opinion and recommendation from the City Attorney on how best to proceed with naming a tenant to the Board. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

Snow Removal Bid for Twin Towers, Pickett Place, Austin Courtyard and Chauncey Apts. Bids for snow removal from the parking lots and driveways at Twin Towers, Pickett Place, Courtyard and Chauncey Apartments were solicited. Dolan's was the only bidder on the job. Dolan's had the contract last year and their bid this year is slightly lower. It was moved by Commissioner Jorgenson and seconded by Commissioner Nelson to accept the snow removal bid from Dolan's. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

Year End Closing Statements for FYE 9/30/02. Sherri Detloff presented the Public Housing financial statements for the fiscal year ending September 30, 2002. It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to accept the statements as presented. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

AUSTIN COURTYARD & CHAUNCEY APARTMENTS:

Budget Revision for FYE 9/30/03 and Approval of Rental Rates effective 1/1/03. The amended budget and rent schedule for Austin Courtyard and Chauncey Apartments was reviewed. Rent increases require a forty-five day notice and will be effective January 1, 2003. It was moved by Commissioner Nordin and seconded by Commissioner Nelson to approve the budget revision and rent schedule as presented for Austin Courtyard and Chauncey Apartments. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

Year End Closing Statements for FYE 9/30/02. Sherri Detloff presented the Market Rate Housing financial statements for the fiscal year ending September 30, 2002. It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to approve the year end closing statements for Austin Courtyard and Chauncey Apartments for the fiscal year ending September 30, 2002. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

COMMUNITY DEVELOPMENT:

East Side Homeownership Program. A third flood home will be moved into the East Side neighborhood from the flood area on November 18th. The home will be sold to an income-qualified buyer following required repairs. Two homes were previously moved and will be sold as soon as quiet title actions are complete.

A dilapidated triplex at 708 9th St. NE is scheduled for demolition as soon as asbestos is cleared. Habitat for Humanity will construct at least two homes in the neighborhood, and additional lots will be made available to them if they are interested.

Railroad Yard Project. Interim Director Dankert reported that Mark Crumb of Austin Transportation has decided not to purchase railroad property for a new bus facility at this time. He may reconsider his decision in the spring. In the meantime the property will be marketed to all qualified buyers. It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to order construction of a sign on the property advertising its availability for development. All present voted in favor thereof, none in opposition thereto, The Chairman declared the motion passed and carried.

The site was reviewed and it was determined that a large pile of remaining soil and miscellaneous debris should be removed from the site. It was moved by Commissioner Chaffee and seconded by Commissioner Jorgenson to authorize Carl Bolander and Sons to remove the additional material as outlined in their proposal at a cost estimated at \$69,003.00. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

There are sufficient funds in the project budgets to cover the removal the dirt and related material. It will also be necessary to bring in additional good fill and properly grade the site. Bids are being solicited for fill and grading. Tom Dankert said that his review of the budgets shows that available funds will be sufficient to complete the project.

Flood Progress Report. FEMA is in the final stages of approving release of the \$2.5 million grant for the flood clearance program. Indications are that approval should come in two to three weeks. When all papers are signed and funds are released the HRA will begin sending offers for acquisition.

The flood program requires using consultants for asbestos assessment and relocation services. The HRA has used Environmental Assurance and Wilson Development with past flood activity. The HRA is very pleased with their performance and would like to continue using their services. It was moved by Commissioner Jorgenson and seconded by Commissioner Nordin to use Environmental Assurance and Wilson Development for asbestos assessment and relocation services on the flood clearance project.

Three homes acquired with earlier funding are ready to be moved on 8th and 9th Ave. SE. Once the homes are moved the foundations will be removed and that project can be closed.

OTHER:

Approval of Audit Letter and Fee Proposal. It was moved by Commissioner Nordin and seconded by Commissioner Nelson to accept the audit letter and fee proposal from Larson, Allen, Weishair & Co. to provide audit services to the HRA for the year ending September 30, 2002. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

Health Insurance Discussion - Rates change 1/1/03. Rates for health insurance are rising dramatically. In light of this the HRA has met with representatives from Blue Cross/Blue Shield of Minnesota to discuss the 2003 rates and also discuss an alternate plan incorporating a Medical Savings Account (MSA) with a High-Deductible Plan.

Both plans have been presented to the HRA employees. The MSA plan requires payment of a higher deductible, but it is less costly to the HRA. MSA savings accounts can accumulate from year to year for employees and be used to defray deductible costs and pay for future medical costs. MSA funds can also be used to buy supplemental insurance for retirees. A vote of employees showed that by a margin of 8 to 5 they wanted to retain the existing plan.

After extensive discussion it was moved by Commissioner Chaffee and seconded by Commissioner Nordin to approve the MSA plan through Blue Cross Blue Shield effective January 1, 2003. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

Executive Director Discussion. City Finance Director, Tom Dankert, has been serving as HRA Executive Director on an interim basis. He expressed his willingness to continue in this capacity. Uncertainty about LGA funding and continuing budget pressures are requiring that ways to more efficiently provide services should be considered. It was moved by Commissioner Nordin and seconded by Commissioner Chaffee to table discussion of the Executive Director position until December. All present voted in favor thereof, none in

opposition thereto. The Chairman declared the motion passed and carried.

BILLS: It was moved by Commissioner Chaffee and seconded by Commissioner Jorgenson to authorize payment of the list of accounts payable dated November 13, 2002. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

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

Richard Lang, Chairman

SEAL

Mickey Jorgenson, Secretary/Treasurer