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

November 30, 2011

1.) Roll Call.

The regular meeting of the Housing & Redevelopment Authority of Austin was held November 30, 2011 at 4:30 PM at the HRA Office. Present were Commissioners Repinski, Boughton, Poshusta, Prenosil and Schlieve. Also present were Executive Director Hurm and Finance Director Detloff. Steve Hovey from the Hoversten Law Firm was in the audience. There being a quorum, the meeting was called to order by Chairman Repinski.

2.) Approval of Minutes.

It was moved by Commissioner Boughton and seconded by Commissioner Schlieve to approve the minutes of the regular meeting of October 19, 2011. 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 Boughton and seconded by Commissioner Prenosil 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.

The Commissioners wanted to know who were the contributors and how much each contributed to the Maria Leon Property. Jim Hurm will report at next meeting.

4.) Other Business:

- a. **Southeast Service Coop - Voting Ballots for Board Member.**
Ballots to elect a board member to the Southeast Service Coop (SESC) were distributed to the Commissioners for voting. SESC administers the health insurance for the HRA.

5.) Fiscal Year End 9/30/11 Financial Statements:

Sherri Detloff presented the following year end financial statements for all the projects and programs the Austin HRA owns or operates.

- a. **Public Housing (including the Capital Fund Statement).**
Twin Towers, Pickett Place and Scattered Sites all had positive net incomes which includes HUD's operating subsidy and excludes depreciation expense. The Capital Fund statement shows the current amount spend on all projects and funds are being utilized in a timely manner.

The loss of the 2012 operating subsidy was also discussed and the Board was interested in options that could involve spending down the excess operating reserves we have that caused the 2012 offset. Interest income on this large amount of reserves is currently at .50% and Commissioner Boughton was wondering if there were other avenues to get a larger rate of return. This will be researched and brought to the December meeting.

- b. **Market Rate Housing.** Austin Courtyard and Chauncey Apartments have positive cash flows with a combined debt service ratio of 130% which is above the required 105% as stated in the bond agreements.
- c. **Section 8 Vouchers.** The Section 8 Program had HAP reserves in the amount of \$22,530 and Administrative reserves in the amount of \$35,229 at the end of the fiscal year. All reserves and more will be needed to keep all 177 vouchers full due to HUD funding cuts. If there is a shortfall at the end of FYE 9/30/12, a contribution from the General Fund will made available.

- d. **General Fund.** The General Fund also had a positive net income. This was mainly due to the charging of an Asset Mgmt. Fee on the Public Housing properties and additional TIF income from the Eagles Club catching up on their property taxes.
- e. **MHFA Programs.** Financial Statements for the MHFA Programs including the transitional housing, deferred loan programs, and homebuyer counseling were also presented.

6.) Closed Session:

A motion was made by Commissioner Schlieve and seconded by Commissioner Boughton to close the meeting pursuant to M.S. &13D.05, Subd. 2(b) for preliminary consideration of allegations or charges against an individual subject to its authority. See taped discussion.

A motion was made by Commissioner Poshusta and seconded by Commissioner Prenosil to adjourn the closed session.

7.) Any other business:

Hiring process for Section 8 position.

Eight (8) candidates were interviewed for the Section 8 position. Vera Fitterer was offered the job and accepted. Her starting date will be December 5, 2011.

Discussion on changing the meeting date.

Commissioner Boughton requested a different meeting date be discussed. All Commissioners were to look at their calendars to come up with possible alternate dates.

Rental Housing Ordinance.

Commissioner Prenosil asked questions and made comments about the recently voted-down rental housing ordinance by the City Council.

8.) Adjourn: There being no further business it was moved by Commissioner Prenosil 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. The meeting was adjourned at 7 PM.

Marvin Repinski, Chair

SEAL

Shirley Schlieve, Secretary