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

**December 21, 2011**

Commissioner Schlieve read a statement thanking Jim Hurm, the HRA Board and the HRA staff for all the good work the HRA performs. The maintenance staff was praised for keeping the buildings up so well. She also thanked Gwen and Linda for their hard work at the Twin Towers.

Vera Fitterer was introduced to the Board as the newest employee of the HRA. Her starting date was December 5, 2011. Her primary duty will be administering the Section 8 program. The Board asked her to tell a little about herself and give a brief summary of her past employment duties. She has managed elderly facilities and performed payroll duties. Her training is in Law Enforcement.

Ronnie Chowdhury was also introduced as an intern for the City, Port, DCA and the HRA. He shared with the Board his educational background. He is sitting in on a few meetings with various agencies for his internship.

**1.) Roll Call.**

The regular meeting of the Housing & Redevelopment Authority of Austin was held December 21, 2011 at 4:30 PM at the HRA Office. Present were Commissioners Repinski, Boughton, Poshusta and Schlieve. Commissioner Prenosil was absent. Also present were Executive Director Hurm, HRA staff Detloff, Mattson, Ackland, Volstad, Grover and Fitterer. John Garry from the Development Corp. was also in attendance. In the audience was Sarah Douty from Main Street Project, Marian Clennon City Council member and Ronnie Chowdhury City intern. There being a quorum, the meeting was called to order by Chairman Repinski.

**2.) Approval of Minutes.**

It was moved by Commissioner Poshusta and seconded by Commissioner Schlieve to approve the minutes of both the retreat of November 2, 2011 and the regular meeting of November 30, 2011. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

**3.) Review Accounts Payable.**

The Board was handed the list of Accounts Payable dated 12/19/11 at the meeting. Since there was no time to review, Commissioners said they would ask questions at the next meeting. Vendors were paid 12/21/11.

**4.) Public Housing and Section 8:**

**a. Resolution to update Public Housing Admissions and Continued Occupancy Policy (ACOP).**

Karen Mattson explained that changes needed to be made to the ACOP to comply with requests from HUD resulting from a monitoring visit in September 2011. The Twin Towers and Pickett Place buildings had to remove the elderly and adult only designations as they are general occupancy buildings subject to occupancy standards. Preference will still be given to age 55 and older and disabled first. Also, income verification procedures through HUD's EIV system had to be added.

It was moved by Commissioner Poshusta and seconded by Commissioner Schlieve to change the ACOP policy as presented.

**RESOLUTION #516  
RESOLUTION CHANGE THE PUBLIC HOUSING  
ADMISSIONS AND CONTINUED OCCUPANCY POLICY**

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

b. **Resolution to update Section 8 Voucher Administrative Plan.**

Julie Ackland explained that changes also needed to be made to the Section 8 Administrative Plan to comply with requests from HUD resulting from a monitoring visit in September 2011. The Section 8 waiting list procedures had to reflect what the HRA was actually doing and income verification procedures through HUD's EIV system had to be added.

It was moved by Commissioner Boughton and seconded by Commissioner Schlieve to change the Section 8 Administrative policy as presented.

**RESOLUTION #517**

**RESOLUTION TO CHANGE TO SECTION 8 ADMINISTRATIVE POLICY**

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

c. **Discuss loss of Public Housing operating subsidy for calendar year 2012.**

Sherry Detloff presented a memo explaining HUD's calculation of our operating reserve amount as of 9/30/10 and what they have calculated for us as a minimum operating reserve. The Austin HRA's public housing operating reserve as of 9/30/10 is \$2,304,886. The minimum reserve level is \$519,218 which means HUD will not give us an operating subsidy until our reserves have dwindled to the minimum reserve level which is equal to 4 months operating expenses.

There was also discussion on how to spend down these reserves. HRA staff's recommendation is to let normal operating expenses reduce these reserves and leave the capital projects to continue being funded by the Capital Grant Fund instead of using some of the reserve money to pay for the large projects. With the uncertainty of Congressional actions, the Capital Fund may be cut or eliminated in the future.

**5.) Other Business:**

a. **Discuss interest rates on bank accounts.**

At the request of Commissioner Boughton, research was done by Sherry Detloff to see if there were other products available to increase the interest income on our funds.

CD's are not paying as well as our money market accounts. HUD has maturity constraints to 3 years or less on purchasing securities and those also are not paying as well as our current rates on our money market accounts. Using the City's investment pool was also looked at but we are not able to co-mingle our funds with the City's because of HUD regulations.

b. **Discuss Roger Boughton's email regarding Tax Levy and the General Fund budget.**

Commissioner Boughton asked why we are levying a tax against the residents of Austin when we have a surplus. Sherri Detloff explained that the surplus is for the Public Housing projects. The tax levy flows to the General Fund budget which does not have a large surplus. A white board presentation was given to walk commissioners through the flow of funds by which the General Fund (also called the Central Office Cost Center by HUD) charges Management and Bookkeeping Fees to the various programs and projects. The public housing surplus can only be used by public housing projects which are Twin Towers, Pickett Place and 56 Scattered Sites. All indirect costs of the running the projects and direct costs of the HRA office are born by the General Fund. These costs would include the Executive Director's and City IT person fee, Financial Director's salary and benefits, office supplies, postage, office maintenance costs, etc.

c. **Update Austin HRA's Mission Statement.**

The current mission statement does not address all that the Austin HRA does. It currently reads "The mission of the Austin HRA is to provide safe, decent and sanitary housing for low to moderate income persons." The mission statement suggested is modeled after the Winona HRA's mission statement which reads: "Our mission is to ensure safe, decent and affordable housing opportunities and to provide and coordinate development options as an integral part of our community. In order to achieve this mission, the HRA 1.) Recognized our community as our ultimate customer. 2.) Seeks partnerships with government leadership, private and public entities and our citizens to benefit our community. 3.) Identifies, creates and uses HRA resources to promote growth and development. 4.) Enhances available programs and services in our community."

It was moved by Commissioner Poshusta and seconded by Commissioner Boughton to adopt Winona's mission statement as the Austin HRA's mission statement.

- d. **Discussion as to whether we need a full time HRA Director and if so, what would we like to see in 1, 5 or 10 years? What is the recommendation of Jim Hurm?**

Commissioner Boughton led a general discussion on the above topic with Jim Hurm being asked what he thought. Jim stated that he felt that the current arrangement was working fine. He was wondering what a full time Executive Director would do but if the Board wanted to explore that possibility, they have that prerogative.

- e. **Discuss goals of the HRA for the year 2012.**

This item was tabled for a future meeting.

- f. **Discuss Foreclosure issue.**

Commissioner Repinski was wondering if there was any assistance to help people keep their houses if they are in foreclosure. Julie Ackland explained that Lutheran Social Services in Duluth has the contract for a number of counties in Minnesota including Mower county for foreclosure counseling and prevention assistance. She also has a handout for people that come into the HRA office which steps people through the foreclosure process which does take up to 6 months.

- g. **Request of information from agencies that receive funds from the HRA (i.e., budgets, staff & financial commitments).**

John Garry was in attendance and distributed a handout entitled "DCA Overview and Current Priorities" which depicted the DCA History, Funding Model, Economic Development Model, Examples of DCA's work and current priorities. He discussed some recent projects and made a pitch to vote for Vision 2020 ideas.

Commissioner Repinski wanted an accounting and other information from the Development Corp. and Main Street Project. It was explained by John Garry and Jim Hurm that certain information was private and not to be disclosed by the DCA. The DCA Board meetings are private and the press is not invited.

- i. **Set date and agenda for meeting with Development Corp. Board (DCA).**

Commissioners Boughton, Schlieve and Poshusta all agreed that there is not a need to meet with the DCA Board. They receive enough information when John Garry provides updates to the HRA Board.

h. **Set date and agenda for meeting with Mower County HRA Board.**

A letter was drafted to Mike Carlson, the Executive Director of the Mower County HRA, to see if they were interested in meeting with the Austin HRA Board to discuss issues of mutual interest. They were to get back to the Austin HRA if interested and suggest a date and time to meet.

j. **Discuss changing regular monthly Board meeting date and time.**

Commissioner Boughton has a conflict with the normally scheduled HRA's meetings on the 3<sup>rd</sup> Wednesday of each month and was wondering if there could be an alternate date. It was decided to move the meeting date to the 3<sup>rd</sup> Thursday of each month and the time to change from 4:30 to 3:30. Using those parameters, the next Board meeting will be held January 19, 2012 and 3:30 PM.

**Other handouts not listed on the Agenda**

- Commissioner Repinski read a statement regarding the HRA employee that was terminated from employment. He wanted the media to know that the Austin HRA has dealt with the situation and stated that this agency has a record of very accountable performance of which the public can trust.
- Executive Director Hurm also handed out the Maria Leon partnership summary in which various agencies assisted the City financially in the cleanup of a property destroyed by fire downtown as requested by the HRA Board at the 11/30/11 Board meeting.

**6.) Adjourn:** There being no further business it was moved by Commissioner Poshusta 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 6:30 PM.

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Marvin Repinski, Chair

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Shirley Schlieve, Secretary