

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

May 8, 2002

The regular meeting of the Housing & Redevelopment Authority of Austin, Minnesota was held at 4:30 PM, May 8, 2002, at the HRA Office. The meeting was called to order by Chairman Lang. Present were Commissioners Chaffee, Jorgenson, Nelson, and Nordin. Also present were Executive Director Mahan, Deputy Director of Community Development Smith, Deputy Director of Housing Volstad, HRA Accountant Detloff, and City Finance Director Dankert.

It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to approve the minutes of the regular meeting of April 10, 2002. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

PUBLIC HOUSING:

Audit for FYE 9/30/01 - Presented by Darwin Viker.

Darwin Viker of the Larson, Allen, Weishair accounting firm reviewed the HRA audit report for the fiscal year ending September 30, 2001. Mr. Viker explained how the audit was conducted went over the required communications with the board. He then went through key line items on the report and took questions from the board.

In summary Mr. Viker said the audit found the HRA financial records to be in compliance with appropriate regulations. It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to accept the auditors report on the HRA financial statements 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.

Pickett Place - Tuckpointing Project. Work on sawing out the old mortar joints on the south and east walls of Pickett Place is nearly complete. It is a noisy and dusty process and the tenants have tolerated the inconvenience well. After the mortar sawing is complete, sections of brick will be replaced as needed and new mortar will be applied. The project is on schedule.

AUSTIN COURTYARD & CHAUNCEY APTS.:

Courtyard - De-Commission Apt. 100 and enlarge the Community Room. HRA Staff and tenants have long recognized the significant difference in the size of the Community Rooms at Austin Courtyard and Chauncey Apartments. The Austin Courtyard Community Room is much smaller than the Chauncey Community Room. It is very cramped for tenant gatherings. The building architect says that it would be possible to de-commission apartment 100 and incorporate the space into the existing Community Room. The lost revenue from the de-commission could be made up in revenue generated by a HRA operated satellite television system.

Installation of a Satellite System for Both Buildings. Staff has researched the practicality of providing a satellite dish cable system to serve both the Courtyard and Chauncey buildings. A system that would provide a channel selection similar to that provided by the cable company could be offered to tenants at \$25.00 per month. This is about half the cost of the existing service. With 90% tenant participation the satellite system would generate \$13,500.00 in annual income. This increased income would more than offset the \$7,500.00 lost in de-commissioning apartment 100 at the Austin Courtyard Building.

It was moved by Commissioner Jorgenson and seconded by Commissioner Nordin to authorize HRA staff to proceed with working out the details of providing a satellite dish cable system and expanding the Community Room at Austin Courtyard. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

COMMUNITY DEVELOPMENT:

East Side Homeownership Program. Work continues on the last home moved into the NE neighborhood project area. When complete it will be offered for sale to a qualified buyer. Staff is applying to the Minnesota Housing Finance Agency for CASA funds that could be used to provide additional assistance to a qualified buyer.

Only two of the six homes being purchased in the current flood buyout seem suitable for relocation. If they prove movable they will be relocated to lots in the NE neighborhood and renovated for resale.

Lowell Johnson from DTED will be in Austin May 15th. and 16th. to monitor progress on the NE neighborhood project. He

will review files and view the project to insure compliance with DTED regulations. An exit interview with the Mayor, Chairman Lang, and HRA staff will be held on completion of the visit.

Railroad yard Project.

1. Award Demolition Bid - Phase I. Bids for Phase I of the Railroad yard cleanup project were opened on April 23, 2002. This work involves removal of one foot of soil from the north half of the property and removal of all concrete, trees, and other debris from the entire project site. Bustad Crane Service was the low bidder with a schedule 1 base bid of \$43,000.00 and a schedule 3 topsoil stripping bid of \$16,500.00. It was moved by Commissioner Chaffee and seconded by Commissioner Jorgenson to accept the low bid from Bustad Crane Service. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried. (see attached)
2. Award Consulting Contract - PEER Environmental. It was moved by Commissioner Chaffee and seconded by Commissioner Nordin to award the consulting contract for the remediation phase of the cleanup project to PEER Environmental. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

Flood Progress Report. Six homes have been designated for acquisition with currently available buyout funds. Five of these have been acquired and the sixth will be acquired soon. Preliminary inspections have found that at least two of the homes are in such poor condition that moving would be not be cost effective. These homes will be demolished after the Fire Department has finished using them for training.

HRA and City Engineering staff are still working to gain release of the \$2.5 million in FEMA dollars that have been earmarked for buyouts in Austin. Bob Bezek of the DNR Office in Rochester has been designated to assist us in preparing the application to FEMA. Unfortunately this is expected to be a slow process and funds are unlikely to be released until 2003. We have been told by DTED that the \$2 million in State funds reserved for the buyout project will be held until the

FEMA application is approved.

BILLS: It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to authorize payment of the list of accounts payable dated May 8, 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