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

**March 29, 2011**

**1.) Roll Call.**

The regular meeting of the Housing & Redevelopment Authority of Austin, MN was held March 29, 2011 at 4:30 P.M. at the HRA Office. The meeting was called to order by Chairman Repinski. Present were Commissioners Schlieve, Poshusta, and Prenosil. Also present were Executive Director Hurm, Finance Director Detloff, Deputy Director for Community Development Smith, Deputy Housing Director Volstad, Kim Hillberg of LarsonAllen, and representatives for St. Mark's Lutheran Home including Marty Helle, Christine Harris, and Curt Apfelbacher. Commissioner Boughton was absent.

**2.) Approval of Minutes.**

It was moved by Commissioner Poshusta and seconded by Commissioner Prenosil to approve the minutes of the regular meeting of February 23, 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 Poshusta and seconded by Commissioner Schlieve 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.

**4.) Reports:**

- a. **St. Mark's Lutheran Home - Request for \$14 million conduit debt.** Representatives from St. Mark's

Lutheran Home explained their plans to reconfigure their facilities and change the unit mix. Changes in state reimbursement for traditional beds and changing demographics are factors in the planned changes. The number of skilled nursing beds is being reduced from 105 to 61. Two wings of the existing facility will be demolished and new construction will provide 25 new assisted living units. Additional renovation will provide 21 memory care units. Assisted living and memory care are the areas of greatest need. The cost of the project is roughly \$14,000,000.

St. Mark's is requesting the HRA to act as issuer of long term conduit tax exempt revenue bonds for approximately \$13,280,000. They further requested a change in the HRA's conduit debt policy to sell the bonds in \$5,000 denominations instead of the stated \$100,000 denomination. These changes will provide significant savings in interest over the life of the bonds. The HRA acts as a conduit in the transaction and bears none of the risk if the borrower defaults on the payments nor does it affect the HRA's credit rating.

The following resolution was introduced by Commissioner Poshusta and seconded by Commissioner Prenosil.

RESOLUTION #502  
RESOLUTION CALLING FOR PUBLIC HEARING ON THE PROJECT,  
A HOUSING PROGRAM AND THE PROPOSED ISSUANCE OF  
HOUSING AND HEALTHCARE FACILITIES REVENUE BONDS IN AN  
AMOUNT NOT TO EXCEED \$15,000,000 AT THE REQUEST OF  
ST. MARK'S LUTHERAN HOME

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

It was moved by Commissioner Prenosil and seconded by Commissioner Schlieve to grant a waiver of the \$100,000 bond denomination requirement and allow use of \$5,000 denominations for this project. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

b. **Auditor Kim Hillberg from LarsonAllen - Presentation**

**of Financial Statements for FYE 9/30/10.** Kim Hillberg of LarsonAllen presented the report of Financial Statements and Supplementary Information for the year ended September 30, 2010. Ms. Hillberg outlined the audit process and went over and explained the most significant parts of the report. The finances of the HRA were found to be stated accurately placing the HRA in sound financial position. It was moved by Commissioner Schlieve and seconded by Commissioner Prenosil to accept the audit report as presented.

**5.) HRA-Owned Housing:**

- a. **Pickett Place - Award boiler replacement bid.**  
Public bidding was conducted for the replacement of the boiler system at Pickett Place which was budgeted at \$150,000. It was moved by Commissioner Poshusta and seconded by Commissioner Schlieve to award the contract to the low bidder Dimension Plumbing and Heating for \$124,500. Capital Funds will be used to pay for the project. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

**5.) Other Business:**

Director Hurm reported that a goal of the City Council is to improve the appearance of Austin's residential housing stock. With that goal in mind, Director Hurm and HRA staff are working to devise a program to assist qualified homeowners in making needed improvements concentrating on exterior work. Funding for the program could come from the HRA with significant contributions coming from a variety of private and public sources both in money and labor. Commissioners will be kept informed as a plan is developed.

**8.) Adjournment:** There being no further business it was moved by Commissioner Poshusta and seconded by Commissioner Prenosil to adjourn the meeting. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

Marvin Repinski, Chair

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Shirley Schlieve, Secretary