

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

April 21, 2010

1.) Roll Call.

The regular meeting of the Housing & Redevelopment Authority of Austin, MN was held April 21, 2010 at 4:30 P.M. at the HRA Office. The meeting was called to order by Chairman Pacholl. Present were Commissioners Schlieve, Poshusta, Repinski, and Prenosil. Also present were Executive Director Hurm, Deputy Director for Community Development Smith, Finance Director Detloff, and Deputy Housing Director Volstad.

2.) Approval of Minutes.

It was moved by Commissioner Repinski and seconded by Commissioner Schlieve to approve the minutes of the regular meeting of February 24, 2010. 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 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.

4.) Audit Report.

a. Audit Report for Fiscal Year End 9/30/2009. Darwin Viker of LarsonAllen LLP presented the report of Financial Statements and Supplementary Information for the year ended September 30, 2009. Mr. Viker 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. No negative findings were reported.

5.) Market Rate Housing.

- a. **Discussion on refinancing Chauncey Apts. Gross Revenue Bonds with a motion to hire Ehlers as Bond Financial Advisor.** Director Hurm and Finance Director Detloff presented a proposal to refund the Austin HRA Series 2000A Bonds for the Chauncey Apartments. Bruce Kimmel a financial advisor from Ehlers joined the discussion by phone.

The presented plan was developed in discussions between the HRA, Ehlers, and Tom Dankert, the City Finance Director. The proposed refunding projects a saving of \$2.9 million in debt service through January 1, 2032. Following a review of the proposal it was moved by Commissioner Repinski and seconded by Commissioner Schlieve to hire Ehlers as bond financial advisor to assist with the refunding of the Chauncey Apartments gross revenue bonds. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

- b. **Motion to Award Lawn Mowing Bid.** Quotes to provide lawn mowing services this season for the Chauncey and Courtyard Apartments were presented. Before awarding the bid, the staff will investigate the low bidder's ability to complete the job in a timely way. The Executive Director will award the bid to the lowest responsible bidder in compliance with the HRA procurement policy.

6.) Public Housing.

- a. **Twin Towers - Motion to award bid for new boilers and water softener. (2009 Capital Funds will be used.)**
Gwen Volstad reported on the public bidding to replace the 1973 vintage boilers and water softener at the Twin Towers. The new system will be more efficient and demand less energy. It was moved by Commissioner Schlieve and seconded by Commissioner Poshusta to award the contract to Harty Mechanical accepting a deduct for Alternate 1 for a net total of \$283,000.00. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

- b. **Pickett Place - Motion to approve change order for Fire Alarm Strobes.** It was moved by Commissioner Prenosil and seconded by Commissioner Repinski to authorize a change order to the Pickett Place fire detection system contract. The change order authorizes the installation of supplementary strobe systems in eight apartments to address the needs of hearing impaired tenants. The cost of the additional work is \$4,343.00. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.
- c. **Resolution to approve and close out the 2007 Grant Year funds.** All funds from the Public Housing 2007 Capital Fund have been expended. The following resolution was introduced by Commissioner Poshusta and seconded by Commissioner Schlieve.

**RESOLUTION #486
RESOLUTION APPROVING THE PERFORMANCE & EVALUATION
REPORT FOR THE 2007 CAPITAL FUND PROGRAM FOR THE
FEDERAL FISCAL YEAR ENDING JUNE 30, 2007
CFP GRANT #MN46P08550107**

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

7.) Other Business.

- a. **Pension Plan - Resolution to change Service Providers and motion on a vesting schedule.** Life Associates & Principal currently manage the HRA pension plan. Retirement Plan Advisors approached the HRA some time ago requesting consideration to provide similar services in conjunction with Security Benefit. Finance Director Detloff completed an analysis of the competing plans and presented the results to the HRA employees. Nine of eleven full time HRA employees voted to select Retirement Plan Advisors & Security Benefit as providers for the pension plan. Two employees abstained. The following resolution was introduced by Commissioner Poshusta and seconded by Commissioner Schlieve.

RESOLUTION #487
RESOLUTION ADOPTING A NEW DEFINED CONTRIBUTION PENSION
PLAN AND DEFERRED COMPENSATION PLAN

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

The current pension plan has a vesting schedule. Many HRA's with low turnover do not have a vesting schedule. Security Benefit charges \$375 per year to maintain a vesting schedule. It was moved by Commissioner Repinski to eliminate the vesting schedule. The motion died for lack of a second. It was moved by Commissioner Poshusta and seconded by Commissioner Prenosil to keep the current vesting schedule for management by Security Benefit. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

- b. **Post Retirement Health Care Savings Arrangement - Resolution to adopt Policy and update page 13 in the Personnel Policy.** Unused paid time off is paid to HRA Employees at termination of employment. With board approval, this benefit can be transferred to the employees VEBA account exempt from taxes. All employees must abide by the adopted policy. The following resolution was introduced by Commissioner Poshusta and seconded by Commissioner Schlieve.

RESOLUTION #488
RESOLUTION ESTABLISHING THE MINNESOTA SERVICE
COOPERATIVE VEBA PLAN AND TRUST, AND A POST-RETIREMENT
HEALTH CARE SAVINGS PLAN FOR RETIREES

All present voting in favor of the resolution, none in opposition thereto. The Chairman declared the motion passed and carried.

8.) Other Business.

Reorganizing Economic Development Efforts. Director Hurm presented his ideas on ways to fund Austin's economic development efforts in light of reductions of Local Government Aid allotments to the City. The HRA general fund budget could be used to support some of the existing economic development programs and the HRA office space could be reconfigured to house some additional services.

Various plans are being explored at this time and specific proposals will emerge over the next few months. The board was supportive of the ideas presented. Director Hurm will explore the concept further with the City Council.

9.) Adjourn.

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

Richard Pacholl, Chairman

SEAL

Shirley Schlieve, Secretary