

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

May 16, 2007

1.) Roll Call.

The regular meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held May 16, 2007 at 4:30 PM at the HRA Office. The meeting was called to order by Chairman Nelson. Present were Commissioners Christopherson, Hecimovich, Lang, Dick Pacholl, Scott Pacholl, and Schlieve. Also present were Executive Director Hurm, Deputy Director for Community Development Smith, Deputy Director of Housing Volstad, HRA Finance Director Detloff, City of Austin Community Development Director Hoium, and Alan Nordby of Gerard of Minnesota.

2.) Approval of the meeting minutes of March 21, 2007.

It was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson to approve the minutes of the regular meeting of March 21, 2007. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

3.) Approval of Claims for Payment.

It was moved by Commissioner Pacholl and seconded by Commissioner Hecimovich to authorize payment of the list of claims for payment. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

4.) Other Business:

a. Gerard Treatment Program - Request to refund the 1999 Tax-Exempt Bonds:

1.) Hold Public Hearing to consider refunding the 1999 Tax Exempt Bonds the Austin HRA issued as conduit debt for Gerard to construct their original buildings. Chairman Nelson opened a public hearing to consider the refinancing of the Project Series 1999 health care revenue bonds for the Gerard project. No members of the public were present to comment on the project. Gerard CFO Alan Nordby said the refinancing would reduce the interest rate on the bonds from 6.625% to 5.11%, saving Gerard \$464,000.00 over the life of the bonds. After a brief discussion it was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson to close the hearing. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

2.) Motion to approve the project. It was moved by Commissioner Hecimovich and seconded by Commissioner Dick Pacholl to approve the refinancing of the 1999 Tax Exempt Bonds at the request of Gerard. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

b. Murphy Creek - Motion to approve a subordination agreement between the HRA, City, and A+ Builders.

Craig Hoium presented a request from A+ Builders that the HRA and the City of Austin subordinate their reversionary interest on Murphy Creek Second Addition to two mortgages to Minnwest Bank for infrastructure improvements and construction of the first home in the planned development. The request was reviewed and approved by HRA attorney, Craig Johnson and Mr. Hoium.

It was moved by Commissioner Christopherson and seconded by Commissioner Hecimovich to authorize execution of the two subordination agreements as presented for the Murphy Creek 2nd Addition Project. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

5.) Housing Business:

a. Financial Audit for FYE 9/30/06. Darwin Viker of Larson, Allen Weishair & Co. presented the annual audit of the Austin HRA for the fiscal year ended September 30, 2006. Mr. Viker went over key portions of the document and said that records were well kept and there were no significant findings to report.

It was moved by Commissioner Lang and seconded by Commissioner Christopherson to accept the audit report as presented for the fiscal year ended September 30, 2006. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

b. Indemnity Agreement for installing conduit and wiring under 2nd St NE between Twin Towers & Chauncey Apartments.

Sherri Detloff requested that the board approve an indemnity agreement required by the City of Austin to enable installation of conduit and wiring under 2nd St. NE between the Twin Towers and Chauncey Apartments. The conduit and wiring can be installed easily and economically when 2nd Street NE is replaced this summer. The conduit will enable linking the buildings with wiring for the satellite system, security system, DSL cable and other wiring as needed.

It was moved by Commissioner Christopherson and seconded by Commissioner Hecimovich to authorize installation of the conduit and approve the required indemnity agreement. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

c. Pickett Place - Window Caulking Bids. There has been shrinkage and failures in some of the caulking material in the thermal breaks of the windows at Pickett Place. The failures have enabled water to penetrate into the interior walls in some places creating the potential for damage. Bids for repairing the caulking as needed throughout the building were solicited. Bid Totals are as follows:

Total Glass & Lock	\$23,582
Alternative Construction	\$28,450

It was moved by Commissioner Hecimovich and seconded by Commissioner Christopherson to accept the low bid including all alternates from Total Glass and Lock for a bid of \$23,582. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

d. Public Housing Capital Fund Program - Close 2004 Grant Year. Gwen Volstad reported that all funds have been spent for the Capital Fund Program for the fiscal year ending June 30, 2004 and she requested approval of a resolution approving the final evaluation report to close the 2004 grant year. The following resolution was introduced by Commissioner Hecimovich and seconded by Commissioner Christopherson.

**RESOLUTION #453
RESOLUTION APPROVING THE PERFORMANCE AND
EVALUATION REPORT FOR THE CAPITAL FUND GRANT
PROGRAM FOR THE FEDERAL FISCAL YEAR
ENDING JUNE 30, 2004
CFPMN46P08550104**

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

e. Employee Handbook. The current HRA Employee Handbook is poorly written and needs updating. Sherri Detloff and Director Jim Hurm are drafting a new employee handbook that is somewhat modeled after the City of Austin's Employee Handbook. Director Hurm asked for volunteer commissioners to review the new handbook before presentation to the Board. Chairman Nelson volunteered to review the new handbook.

6.) Executive Director Reports.

Austin Courtyard and Chauncey Apts. - Requests for additional storage. Requests for additional storage were received by Director Hurm from Austin Courtyard Manager, Jim Peck, and Chauncey Apartment Manager, Al Feuerhak. For some time there has been a problem with the lack of storage at Austin Courtyard. A citation issued by the Austin Fire Department citing too many

items stored in the mechanical room has facilitated the need to explore the need for additional storage capacity. Jim Peck suggested renting two spaces in the underground parking garage from tenants that no longer drive and enclosing that area for storage use. The cost is approximately \$6,000 for this conversion. Al Feuerhak suggested constructing an outside garage and patio area at the east end of the Chauncey property for approximately \$24,000.

Director Hurm reviewed the proposals and recommended the Austin Courtyard parking stall conversion project but did not think a garage at Chauncey Apartments was justified at this time.

It was moved by Commissioner Christopherson and seconded by Commissioner Hecimovich to authorize construction of a storage space in the garage area of the Courtyard Apartments at an estimated cost of \$6,000.00. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

7.) Adjourn: There being no further business, it was moved by Commissioner Dick Pacholl and seconded by Commissioner Christopherson to adjourn the meeting. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

Jay Nelson, Chairman

SEAL

Shirley Schlieve, Secretary