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

Date & Time: July 15, 2020 at 3:30 PM

**Meeting was held virtually via Zoom as provided by Minn. Statute 13D.021, Subd 1 condition 1
All voting was done by roll call.**

1.) Roll Call.

Commissioners Present: Jerome McCarthy, Chair
Carole Granholm
Vernon Lippert
Paul Fischer
Jason Baskin
Laura Helle

Commissioners Absent: Marvin Repinski

HRA Staff Present: Taggert Medgaarden, Executive Director
Angela Felten, Finance Director
Sam Esplan, Business Assistant

There being a quorum, the meeting was called to order by Chair McCarthy.

2.) Approval of Minutes of June 17, 2020 Regular Meeting

Commissioner Lippert asked that, for clarity going forward, the titles of Executive Director and Finance Director be spelled out in the minutes and not abbreviated. Executive Director Medgaarden agreed to see that the changes were made. It was moved by Commissioner Fischer and seconded by Commissioner Granholm to approve the minutes of the regular meeting held on June 17, 2020, with the changes of the abbreviations. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

3.) Approve Accounts Payable

Executive Director Medgaarden and Finance Director Felton added a last minute addition to the list of Accounts Payable. There was an invoice to Hutch & Sons in the amount of \$23,245.22 for work being done on our Scattered Sites Door and Window Project. It was moved by Commissioner Fischer and seconded by Commissioner Helle to authorize payment of the list of

accounts payable including the addition of Hutch & Sons. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

4.) Market Rate Housing

- a. Courtyard and Chauncey-Resolution 627 to Adopt Budget for FYE 9/30/2021 including rent schedules.
Executive Director Medgaarden and Finance Director Felten finalized the budget for Courtyard and Chauncey and computed the rent increases. Finance Director Felten explained that according to the Market Study, our larger apartments rents were on the lower side while our smaller units were on the higher side. The rents thus are being increased with that in mind and to, over time, bring them to a point where they will be increased at the same or near same percentage. Motion was made and seconded by Commissioners Helle and Granholm to adopt Resolution 627-Budget for FYE 9/30/2021 including Rent Increases. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.
- b. CY & CA Capital Improvement Plan
Currently and over the last year we have had more turnover than usual thus adding costs to update the apartments before they are re-rented, ie: carpet, appliances, blinds, etc. Additional funds thus have been added to this and next years budget to cover these extra turnover costs. Executive Director Medgaarden and our building managers felt this was necessary to give the new tenant the value for the cost of the rent and also to make them more marketable.

5.) Public Housing

- a. Change Order #1 Scattered Sites Door and Window Project
Hutch & Sons was awarded the bid for our Scattered Sites Door and Window project. The project was bid by window sizes to make it easier if there were more windows that needed replacing. As it turned out there is 20 more windows to be replaced at a cost of \$25,301.18. We will, possibly, be receiving some extra funding from Minnesota Housing to help offset these costs. Motion was made and seconded by Commissioners Fischer and Baskin to approve Change Order #1 Scattered Sites Door and Window Project. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.
- b. Approve HRA notice and agreement to utilize Public Housing and Section 8 waiting lists with Southwest Minnesota Housing Partnership for River Bend Townhomes Project.
Riverbend Townhomes is going to be a 30 unit complex much like Fox Pointe. The HRA was going to allocate vouchers to this project but our income restrictions and theirs did not match so Executive Director Medgaarden put them in touch with the County. Together with the county they will provide 4 units for persons with disabilities They would however like to utilize our waiting list for both Public Housing and Section 8. Motion was made and seconded by Commissioners Baskin and Granholm to accept the agreement Between the HRA and Southwest Minnesota Housing Partnership to utilize the HRA of Austin's waiting lists for Public Housing and Section 8. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.
- c. Resolution 628-Approveing the Final Performance & Evaluation Reports to Close out the 2016 Capital Fund Grant #MN46P08550116 and 2017 Capital Fund Grant #MN46P08550117.

This Resolution a HUD requirement to formally close out the accounting for the Capital Fund Grants for these two years. Motion was made and seconded by Commissioners Lippert and Helle to approve Resolution 628-Approving the Final Performance and Evaluation Reports to Close out the 2016 Capital Fund Grant #MN46P08550116 and 2017 Capital Fund Grant #MN46P08550117. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

d. Western Manor Project Based Voucher Opt-out

Hud has approached Executive Director Medgaarden in regards to the 14 project based vouchers currently held by Western Manor. Western Manor has decided to opt out of administering these vouchers and HUD has asked if we would be interested in absorbing them. We will receive administrative fees to the HRA and since we are already familiar with the project it would be a relatively easy transition from them to us. Motion was made and seconded by Commissioners Baskin and Fischer to pursue absorbing the Western Manor project based vouchers. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

6.) Executive Director Reports

a. North Pointe/Riverland

Ryan Langmeier-Dean of Academic Affairs was in attendance via zoom to discuss the house project/partnership with Riverland. Last year the HRA offered to sell one of the North Pointe Lots, (#5), to Riverland for \$1.00 and in turn the Construction and Electrician students would build a house one it and we could sell it and invest the profits in another house the following year. That offer was declined after much discussion. This project will differ in that the HRA will retain ownership in the land and would be responsible for the cost of material. The students in turn would build the house. The HRA would then sell the house and retain any profits. If the project proves to be successful the hope is to continue on with another house the following year. Commissioner Lippert requested that Builders Risk Insurance be added to the contract to protect all parties. Motion was made and seconded by Commissioners Lippert and Granholm to proceed with the project. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

b. Review & Approve Retirement Plan Changes

See outline below

The following are recommended changes to the investment menu on the Alerus 457 plan from our account representative Kelly Anderson.

Additions:

Add the American Funds Mutual (RMFGX). This would fill the US Large Cap Value space. It has a great track record of investing successfully in what typically is very large, mostly U.S. companies that are well-established and tend to pay dividends. There is no other large cap value holding available in the plan currently.

Removals:

Remove American Funds Washington Mutual (RWMGX). There is nothing wrong with this fund other than it was once classified as a Large U.S. Value fund but has since drifted to the Large U.S. Blend category. We already have a fund filling that category and this could remain if you wish as another option but I don't think it is necessary.

Replacements:

Replace the American Funds AMCAP (RAFGX) with the MFS Growth (MFEKX) offering. The AMCAP fund has struggled over the last 4 quarters. It has a lot of assets which creates challenges for managers and it is really light on technology which is unusual. Both of these funds are U.S. Large Cap Growth funds.

Motion was made and seconded by Commissioners Baskin and Fischer to Approve the Retirement Plan Changes. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

7.) Adjourn

There being no further business it was moved by Commissioner Fischer and Seconded by Commissioner Lippert to adjourn the meeting. All present voted in favor thereof, none in opposition thereto. Motion was declared passed and carried.

Jerome McCarthy, Chair

SEAL

Jason Baskin, Secretary