



308 Second Ave. NE, Austin, MN 55912
Phone 507-433-1866 Fax 507-433-8317
Website www.austinhra.org

REGULAR MEETING AGENDA

TUESDAY OCTOBER 23, 2018 @ 4:30 PM

Please let Jon or Sherri know if you cannot attend this meeting.

Four Commissioners must be present to constitute a quorum.

1. **Roll Call.**
2. Approve **Meeting Minutes** of September 20, 2018 Regular Meeting.
3. Review **Accounts Payable** Invoices.
4. **Market Rate Housing:**
 - a. Chauncey Apartments - Discussion on the bid results of the bond refunding.
5. **Executive Director Reports:**
 - a. Post office redevelopment area-Downtown Motel and house at 209-1st Ave SE.
 1. Award bid for asbestos removal.
 2. Award bid for demolition.
 - b. Health Insurance:
 1. Motion to adopt new Health Insurance Plan
 2. Motion to Revise the HRA contributions to the Employee VEBA accounts.
6. **Adjourn.**



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

1.) Roll Call.

Date & Time: October 23, 2018 at 4:30 PM

Commissioners Present: Judy Enright, Chair
Jerome McCarthy, Secretary
Carole Granholm
Vernon Lippert

Commissioners Absent: David Hagen
Janet Anderson
Marv Repinski

HRA Staff Present: Jon Erichson, Executive Director
Sherri Detloff, Finance Director
Lori Wieseler, Administrative Assistant
Angela Felten, Assistant Finance Manager

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

2.) Approval of Minutes.

It was moved by Commissioner McCarthy and seconded by Commissioner Lippert to approve minutes of the regular meeting held on September 20, 2018. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

3.) Approval of Accounts Payable.

It was moved by Commissioner McCarthy and seconded by Commissioner Lippert to authorize payment of the list of accounts payable. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

4.) Market Rate Housing.

a. Chauncey Apartments - Discussion on the bid results of the bond refunding. A discussion was held concerning the sale of the refunding bonds for the purpose of refinancing the Chauncey Apartments. Executive Director Erichson presented a memo explaining the bid results and also the benefits and shortcomings of them. The interest rates quoted were higher than anticipated causing an increase in the debt service payments for the next 9 years with all the savings in the later years by eliminating approx. 2 years of payments. It was his recommendation, and agreed on by the board, to continue to work with Ehlers Public Finance to modify the proposal and negotiate with the banks to reflect a minimum \$10,000 savings per year in debt service payments in the initial years and reduce the savings in the later years while still eliminating up to 2 years of payments. The end result being a savings in the \$700,000 range as initially projected. No action was taken by the board and it is the goal to have this on the November meeting to award the sale of these refunding bonds.

5.) Executive Director Reports:

a. Post office redevelopment area-Downtown Motel and house at 209 1st Ave SE

1. Award bid for asbestos removal.

The Austin HRA received bids for the asbestos mitigation associated with this property, which includes the house and the adjacent motel. The lowest bid was received from Safe Air System in the amount of \$25,300.00. A motion was made by Commissioner McCarthy and seconded by Commissioner Lippert to award the bid to Safe Air Systems. All present voted in favor of the motion, none in opposition thereto. The motion was passed and carried.

2. Award bid for demolition.

The Austin HRA received two bids for the demolition of the Downtown Motel property and house. The lowest bid was received from Hansen Hauling in the amount of \$19,695. A motion was made to award the bid to Hansen Hauling by Commissioner McCarthy and seconded by Commissioner Lippert. All present voted in favor of the motion, none in opposition thereto. The motion was passed and carried.

b. Health Insurance

1. Motion to adopt new Health Insurance Plan.

As discussed at the last Board meeting, insurance costs have increased by 30%, for this being the second consecutive year. Assistant Finance Director Felten has been soliciting quotes for other plans from our BCBS rep. to find the best possible solution to lessen the costs for both the HRA and its employees. AFD Felten submitted a spreadsheet showing different plans and it was recommended by ED Erichson that we adopt the plan that will raise the deductible from \$2,700 to \$4,000 for singles and from \$5,400 to \$8,000 for families while providing 100% coverage after the deductible was met. To offset this increase the HRA will raise the amount of its contribution to the employees' VEBA accounts. With the deadline for the renewal coming soon it was the consensus of the board to adopt this new plan with the understanding that we would look at other options in the upcoming year,

A motion was made by Commissioner McCarthy to adopt the new insurance plan and seconded by Commissioner Granholm. All present voted in favor, none in opposition thereto. The motion was passed and carried.

2. Motion to Revise the HRA contributions to the Employee VEBA accounts.

A motion was also made by Commissioner McCarthy and seconded by Commissioner Granholm to adopt the increase in the VEBA contributions by the HRA from \$1,500 to \$2,100 per year for singles and from \$3,000 to \$4,800 per year for families. All present voted in favor, none in opposition thereto. The motion was passed and carried.

6.) Adjourn.

There being no further business it was moved by Commissioner McCarthy and seconded by Commissioner Granholm to adjourn the meeting. All present voted in favor of the motion, none in opposition thereto. The motion was passed and carried. The meeting was adjourned at 5:15 PM.

Judy Enright, Chair

SEAL

Jerome McCarthy, Secretary