



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

REGULAR MEETING AGENDA

THURSDAY, NOVEMBER 15, 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 October 23, 2018 Regular Meeting.
3. Review **Accounts Payable** Invoices.
4. **Public Housing & Section 8:**
 - a. Capital Fund Grant - Public Hearing and Resolution for the 5 year Capital Improvement Plan for years 2018 to 2022 and year 2017 revisions.
 - b. Public Housing Projects - Review Flat Rents – No change this year.
 - c. Section 8 – Resolution to change the Payment Standards.
5. **Market Rate Housing:**
 - a. Chauncey Apartments – Review final refunding numbers and Resolution to award the sale of refunding bonds.
6. **Executive Director Reports:**
 - a. Succession Planning – Promote Angela Felten to Finance Manager and begin process for an Executive Director replacement.
 - b. Review HRA Goals and establish new ones for upcoming year.
 - c. Childcare Grants – Review Grant Agreement from Blandin Foundation for \$5,000.
 - d. Health Savings Accounts for HRA Employees.
7. **Financial Statements for Fiscal Year End 9/30/2018:**
 - a. Community Housing Improvement Program (CHIP).
 - b. Courtyard and Chauncey (Market Rate Housing).
 - c. General Fund.
 - d. Pickett Place, Scattered Sites & Twin Towers (Public Housing).
 - e. Section 8 Vouchers.
 - 1.) Motion to transfer funds from General Fund to S8 to cover admin. losses.
 - f. Transitional Housing.
8. **Adjourn.**



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

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

1.) Roll Call.

Date & Time: November 15, 2018 at 4:30 PM

Commissioners Present: Judy Enright, Chair
Janet Anderson, Vice-Chair
Jerome McCarthy, Secretary
Carole Granholm
David Hagen
Marv Repinski

Commissioners Absent: Vernon Lippert

HRA Staff Present: Jon Erichson, Executive Director
Sherri Detloff, Finance Director
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 Hagen to approve minutes of the regular meeting held on October 23, 2018. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

3.) Approval of Accounts Payable.

After the addition of one invoice for Wagner Construction for 38,336.30, it was moved by Commissioner Anderson and seconded by Commissioner McCarthy 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.) Public Housing and Section 8.

a. Capital Fund Grant - Public Hearing and Resolution for the 5 year Capital Improvement Plan for years 2018 to 2022 and year 2017 revisions.

The HRA has prepared a 5 year Capital Improvement Plan for the Public Housing units which includes funds for the 2018 Capital Fund Grant year totaling \$811,346. The plan consists of projects that the Austin HRA is proposing to HUD to improve our Public Housing units located at Twin Towers, Pickett Place and the Scattered Site Houses and is subject to funding by HUD.

The Board held a public hearing on this 5-year plan soliciting comments on the proposed projects. There was no one in attendance and no comments received.

The following Resolution was introduced by Commissioner McCarthy and seconded by Commissioner Repinski.

**RESOLUTION #614
RESOLUTION APPROVING AND ACCEPTING THE 2018 CAPITAL FUND
GRANT #MN46P08550118 AND PROPOSED PROJECTS
INCLUDING THE FIVE-YEAR ACTION PLAN
AND
REVISING THE PROPOSED PROJECTS FOR THE 2017 CAPITAL FUND GRANT.**

All present voted in favor thereof, none in opposition thereto. The resolution was declared passed and adopted.

b.) Public Housing Projects – Review Flat Rents – No change this year.

HUD requires HRA's to set flat rents for Public Housing residents that are a minimum of 80% of the current Fair Market Rent (FMR) for each bedroom size as established by HUD. The tenant has the option to either pay 30% of their income or the flat rent. All three projects were reviewed and found to be in compliance with HUD's minimum 80% requirement. Approx. 20% of the tenants pay the flat rent.

c.) Section 8 - Resolution to change the Payment Standards.

HUD requires Section 8 Payment Standards to be within 90% to 110% range of the current Fair Market Rent (FMR). Because of HUD's reduced Section 8 funding, it was proposed that the new Payment Standards remain at 90% of FMR and will not be lower than the current Payment Standard to be effective 2/1/2019.

The following resolution was introduced by Commissioner Anderson and seconded by Commissioner McCarthy:

**RESOLUTION #617
RESOLUTION TO CHANGE THE SECTION 8
PAYMENT STANDARDS EFFECTIVE 2-1-2019**

Current Payment Standards
(2-1-2018)

New Fair Market Rents
(1-1-2019)

New Payment Standards
(2-1-2019)

0BR - \$437

1BR - \$515

2BR - \$685

3BR - \$904

4BR - \$1,027

5BR - \$1,182

0BR - \$486

1BR - \$572

2BR - \$757

3BR - \$1,040

4BR - \$1,059

5BR - \$1,218

0BR - \$438

1BR - \$515

2BR - \$685

3BR - \$936

4BR - \$1,027

5BR - \$1,182

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

5.) Market Rate Housing.

a. Chauncey Apartments - Review final refunding numbers and Resolution to award the sale of refunding General Obligation bonds.

Ehlers Public Finance re-solicited proposals from the top two banks that presented the lowest proposals on the first proposal solicitation. Wells Fargo had the lowest interest rate based on the language the HRA chose as an option in the final proposal which was 3.15% for the entire period, thus netting a savings of \$780,815. This resulted in an annual interest savings of \$20,000+ each year and cut the last 2 years of payments off the schedule. The last payment on these bonds will occur 1/1/2029.

The following resolution was introduced by Commissioner Hagen and seconded by Commissioner Granholm:

**RESOLUTION #616
RESOLUTION AWARDING SALE, PRESCRIBING THE
FORM AND DETAILS AND PROVIDING FOR THE
PAYMENT AND SECURITY OF \$4,733,000
GOVERNMENTAL HOUSING REVENUE REFUNDING
BONDS (CITY OF AUSTIN, MINNESOTA – GENERAL
OBLIGATION), SERIES 2018A**

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

6.) Executive Director Reports:

a. Succession Planning – Promote Angela Felten to Finance Manager and begin process for an Executive Director replacement.

Promote Angela Felten to Finance Manager: Sherri Detloff, the current Finance Manager, will be retiring on December 14, 2018. The HRA hired Angela Felten last November as her assistant and Sherri has been training her as her replacement the entire year. Because Angela is now doing the majority of the financial work, Executive Director Erichson is recommending to promote Angela to be the new Finance Manager

effective December 3, 2018 and proposed a salary increase to Step A of the Finance Manager's job category at \$28.00 per hour. It was moved by Commissioner Hagen and seconded by Commissioner Anderson to approve the recommendation. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

It was also recommended by ED Erichson to retain Sherri for up to 25 hours of consultant services on an "as call" basis. In exchange for her services, the HRA would provide her a computer which is an old one that is still operating on Windows 7 platform and scheduled for recycling. It was moved by Commissioner Hagen and seconded by Commissioner Anderson to approve the recommendation. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

Executive Director Replacement: ED Erichson has also announced his intention to retire by Spring of 2019. A current job description was given to the Board with general consensus that nothing needed changing and would use this as a basis to solicit applicants. The Board wanted advertisements to start early December and solicit applicants through mid-January. Approx. 50% of the Board will be changing January 2019 and this will allow the new Board members to be a part of the process of hiring a new Executive Director.

b. Review HRA Goals and establish new ones for upcoming year.

ED Erichson updated the list of HRA Goals by highlighting those projects that were completed, those that are in progress and some new goals for the upcoming year. ED Erichson wanted the Board to make suggestions at upcoming meetings as to any goals they want added.

c. Childcare Grant – Review Grant Agreement from Blandin Foundation for \$5,000.

The Blandin Foundation announced that the HRA was awarded a \$5,000 grant to assist people that are interested in becoming new licensed daycare providers. There are some criteria that the new provider has to meet. This action is to address the shortage of daycare for children in the City of Austin. The HRA Board and other local agencies are being asked to also provide contributions to help this effort.

It was moved by Commissioner McCarthy and seconded by Commissioner Anderson to accept the \$5,000 grant from the Blandin Foundation and also provide a \$2,500 donation from the Austin HRA for this cause. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

d. Health Savings Accounts for HRA Employees.

The HRA and its' employees desire to have Health Savings Accounts to enable employees to invest funds pre-tax into this account for future medical and other eligible expenses. The HRA has VEBA accounts for its employees but the employer only can contribute to this type of account, whereas the H.S.A. accounts can accept both employer and employee contributions. Future contributions from the employer will have the option of being placed into the HSA account or the VEBA account based on the employee's preference effective 1/1/2019 if approved. It was moved by Commissioner McCarthy and seconded by Commissioner Hagen to authorize the HRA to set up these new H.S.A. Accounts. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

7.) Financial Statements for fiscal year end (FYE) 9/30/18.

The HRA Board received the General Ledgers for all the projects and programs the HRA operates. Recap sheets were also given to the Commissioners for Public Housing and Market Rate Housing which also calculated the debt service ratio for Courtyard and Chauncey. General Ledgers indicated the following:

- Austin Courtyard and Chauncey Apartments had a combined Net Income of \$132,367 which calculates to a debt service ratio of 116%. (A minimum debt service ratio has to be 110% as stated in the bond documents.)
- Twin Towers had a Net Income of \$149,367.
- Scattered Sites had a Net Loss of \$(2,128).
- Pickett Place had a Net Income of \$64,261.
- Section 8 had a Net Loss of (\$4,723) for Administration costs and a Net Income of \$19,609 for unspent HAP funds.
- The Transitional House had a Net Loss of (\$333).

Section 8 - Motion to Transfer funds from General Fund to Section 8 to cover Admin. shortfalls.

As in previous years, HUD has reduced its admin. fees for the Section 8 program. These fees are earned on a per unit month leased basis and are currently not enough to cover our costs to run this program. For the fiscal year ending 9/30/18 there was a loss of \$4,722.68 that needs to be funded from the General Fund.

It was moved by Commissioner McCarthy and seconded by Commissioner Granholm to approve the operating transfer from the General Fund to the Section 8 program to cover this administrative loss. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

8.) Adjourn.

There being no further business it was moved by Commissioner Hagen and seconded by Commissioner McCarthy 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 6:30 PM.

Judy Enright, Chair

SEAL

Jerome McCarthy, Secretary