

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

**November 19, 2003**

**1.) Roll Call.**

The Regular Meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held at 4:30 PM, November 19, 2003, at the HRA Office. The meeting was called to order by Chairperson Jorgenson. Present were Commissioners Lang, Chamberlain, Goodnature, and Valerio. Also present were Executive Director Hurm, Deputy Director for Housing Volstad, Deputy Director for Community Development Smith, and HRA Finance Director Detloff. Commissioners Nelson and Nordin were absent.

**2.) Approval of the meeting minutes of October 15, 2003.**

It was moved by Commissioner Goodnature and seconded by Commissioner Lang to approve the minutes of October 15, 2003. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

**3.) Approval of the claims for payment.**

It was moved by Commissioner Chamberlain and seconded by Commissioner Goodnature to authorize payment of the list of claims for payment dated November 19, 2003. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

**4.) Public Housing:**

**a. Jim Springborg presentation on an alternate for the Twin Towers Exterior Renovation Project.** The contract for exterior renovation of the Twin Towers was awarded at the HRA's September meeting. The work included covering the precast sections with the EIFS system, caulking, repairing cracks and holes, and sealing the brick sections.

Jim Springborg, the project engineer from TSP, made a presentation explaining why it may be to the advantage of the HRA to install the EIFS system over the brick exterior as well as the precast sections. He said it will eliminate the need for brick maintenance and improve the building's insulation and resistance to water penetration.

The cost of the alternate treatment will be equal to or slightly less than the original bid from Superior Waterproofing. The EIFS system will require repainting every seven to ten years. Mr. Springborg believes the total EIFS system will be the best exterior treatment.

It was moved by Commissioner Chamberlain and seconded by Commissioner Goodnature to request an opinion from the City Engineer on which exterior treatment to the Twin Towers he thinks will be most effective. All present voted in favor of the motion none in opposition thereto. The Chairperson declared the motion passed and carried.

**b. Pickett Place - Canopy Repair Change Order.** It was moved by Commissioner Chamberlain and seconded by Commissioner Goodnature to approve Change Order #1 in the amount of \$6,910 for the Pickett Place Canopy Repair Project. Additional work was discovered after scaffolding was erected to paint an upper canopy under a 5<sup>th</sup> floor apartment. It was found that the exterior material was sagging and was improperly installed in 1983. The architect recommended re-doing the entire canopy ceiling. All present voted in favor of the motion, none in opposition thereto. The Chairperson declared the motion passed and carried.

**c. Presentation of FYE 9/30/03 Financial Statements.** Sherri Detloff presented a summary and supporting details of the Public Housing year-end closing statements for the fiscal year ending September 30, 2003.

**d. Resolution & approval of FYE 9/30/04 Budget.** The proposed budget for Public Housing for the fiscal year ending September 30, 2004 was presented by Sherri Detloff. The following Resolution was introduced by Commissioner Lang and seconded by Commissioner Chamberlain.

**RESOLUTION APPROVING OPERATING BUDGET  
FOR PUBLIC HOUSING FOR THE  
FISCAL YEAR ENDING 9/30/04**

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

**5.) Market Rate Housing.**

**a.) Presentation of FYE 9/30/03 Financial Statements.**

Financial statements and summaries for market rate housing for the fiscal year ending September 30, 2003, were presented by Sherri Detloff to the Board. Market rate housing consists of the Courtyard and Chauncey apartment buildings.

**6.) Community Development.**

**a.) Flood Project update.** Fifty-eight homes have been acquired in the flood project area. The acquisition of six additional homes is pending. The demolition process is well underway, but some of the asbestos abatement and demolition work will be deferred until the spring.

**7.) Executive Director Reports.**

**a.) Mower County Transit - Partnership with City and County to purchase Block 15 (land adjacent to the Courtyard Apartments) from Sherman Brothers for transit system.**

Director Hurm reported that the City Council and County Board are preparing to enter into a joint powers agreement to oversee the management and help support the continued operation of the Mower County Transit System.

The agreement sets the stage for acquisition of Block 15 west of the HRA office from the Sherman Brothers. After acquisition, the existing brick building will be renovated into an office and dispatch center for the Mower County Transit. In Addition, the City will provide land east of the central garage in the industrial park for a bus storage facility to be constructed. The entire project cost is estimated at \$800,000.00. A Federal grant of \$500,000.00 will be coupled with \$125,000.00 from the HRA, \$125,000.00 from the County, and \$50,000(in kind) from the City.

It was moved by Commissioner Goodnature and seconded by Commissioner Chamberlain to authorize the preparation of a purchase agreement between the HRA and the Sherman Brothers according to the terms and conditions presented in the letter of David Hoversten dated November 19, 2003. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

**8.) Other Business.**

**a.) Health Insurance Plan discussion and adoption.**

Information on a new employee health plan called VEBA was presented to the board. The VEBA consists of two parts. A high deductible health plan and a health plan account. The VEBA plan will save money for the HRA while keeping out of pocket expenses for employees level.

It was moved by Commissioner Chamberlain and seconded by Commissioner Goodnature to adopt the VEBA 100 Plan #831 for HRA employees effective January 1, 2004. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

**b.) Resolution to approve the issuance and sale of a \$1,102,000 Revenue Bond for Sacred Heart Hospice.** Sacred Heart Care Center, Inc. has requested the issuance of bonds in the amount of \$1,102,000.00 to be used in refinancing previous revenue bonds that were issued through the Austin HRA. The following Resolution was introduced by Commissioner Goodnature and seconded by Commissioner Lang.

**RESOLUTION #406  
RESOLUTION APPROVING THE ISSUANCE AND  
SALE OF A \$1,102,000 REVENUE BOND  
(SACRED HEART CARE CENTER, INC. PROJECT) SERIES 2003,  
OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR  
THE CITY OF AUSTIN, MINNESOTA, AND AUTHORIZING  
THE EXECUTION OF DOCUMENTS RELATING THERETO**

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

**c.) Request for HRA participation as a "pass through" to refinance 2.2 million in outstanding taxable debt for St. Mark's Lutheran Home.** Steve Fenton, a financial advisor for St. Mark's Lutheran Home, presented a request from St. Mark's to the HRA Board. He requested that the HRA agree to act as a conduit to refinance approx. \$2.2 million in taxable debt. Mr. Fenton said the process is common and is without risk to the HRA. The first step is authorization from the Board for the publication of a notice for public hearing on the project.

The Commissioners were supportive, but were unwilling to give full support on such short notice. It was moved by Commissioner Chamberlain and seconded by Commissioner Goodnature to approve the publication of the required notice for public hearing pending the approval of the HRA Executive Director and HRA Legal Counsel. All present voted in favor of the motion, none in opposition thereto. The Chairperson declared the motion passed and carried.

**Special Meeting:** It was announced that a special meeting of the HRA will be held on Wednesday, December 3, 3003, at 4:30 P.M.

**9.) Adjourn.** There being no further business it was moved by Commissioner Goodnature and seconded by Commissioner Valerio to adjourn the meeting. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

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Michelle Jorgenson, Chairperson

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Wayne Goodnature, Vice-Chairman