

**HOUSING AND REDEVELOPMENT AUTHORITY
OF ST. CLOUD, MINNESOTA
Regular Meeting Minutes
Wednesday, June 24, 2009**

Chair Nancy Gohman called the meeting to order at 7:00 p.m., Wednesday, June 24, 2009. The meeting was held in the City Hall Council Chambers, 400 2nd Street South, St. Cloud, MN. The pledge of allegiance was spoken, followed by roll call.

1. Roll Call – Commissioners present: Nancy Gohman, George Hontos, Joan Jaye, Mike Landy, John Pederson and Peter Ruth. Absent: Bob Johnson.

Consent Agenda:

2. Approval of Agenda – Commissioner Landy requested that Item 7 and 8 be pulled for discussion and moved for approval of the remaining consent agenda; Commissioner Jaye seconded the motion.

3. Approval of Minutes of Study Session, May 27, 2009 – approved as presented.

4. Approval of Minutes of Regular Meeting, May 27, 2009 – approved as presented.

5. Financial Reports: January 1, 2008 – April 30, 2008 – no action requested.

6. Set the Date for a Public Hearing for the 2009 Public Housing Agency Plan – set August 26, 2009.

7. Concur with the Boy's and Girl's Club on Selection of Bid under the American Recovery & Reinvestment Act – Commissioner Landy questioned how the request was advertised to get only one bid response. Mike Haehn, Project Manager, walked through the advertising and sealed bid process. He said this being a relatively small job and how busy asphalt construction is right now, many did not want to bid on anything of this size. Commissioner Landy was satisfied that proper bid request procedures were followed and moved to concur with the Boy's and Girl's Club selection; Commissioner Pederson seconded the motion. The motion carried.

8. Approval of Resolution 2009-16 - Preliminary Approval of a Contamination Cleanup Grant for the 5th Avenue Live Project – Commissioner Landy said in reading this request he was confused as to how it differed from the tax increment financing (TIF) this group received at the last months meeting. He asked what this additional amount was for. Executive Director Bruce Thielman explained the request is to apply for a grant to help cover costs that were unknown at the time the development agreement and TIF were written. He said the TIF dollars requested were not for Phase Zero where the contamination has been found. Mr. Thielman stated the developers would be starting the cleanup now; prior to knowing if they would receive a State grant, but wanted to at least be assured they would have Board approval to apply for the grant. Commissioner Landy moved for approval; Commissioner Jaye seconded the motion, but asked if staff time for working on this part of the project would be compensated. Mr. Thielman said at this time an administrative fee was not figured in; however, staff time would be limited. Commissioner Jaye asked if a fee could still be added into the grant application. Commissioner Hontos said he agreed

that monitoring should be charged for and guidelines for future project fees should be set. Mr. Thielman said the Boards advice would be well taken for future plans. The motion carried.

Open Forum: There was no one wishing to speak.

Old Business: none

New Business:

9. Accept the Auditor's Reports for the Year Ended December 31, 2008 – Karen Rizer, Finance Director, introduced Tom Hodnefield, CPA for HLB Tautges Redpath, LTD (HLB) who at the 5:30 Study Session had reviewed with the Board the results of the 2008 Board Financials. Mr. Hodnefield gave a summary of this discussion and the results of the audit for the public. He stated there were no financial statement findings. Mr. Hodnefield congratulated Ms. Rizer and her staff for completing the financial statements in-house for the first time. Commissioner Hontos moved for approval to accept the reports; Commissioner Jaye seconded the motion. Commissioner Hontos stated for the record that Ms. Rizer and her staff had done an outstanding job this year on the financials and should certainly be congratulated. Board members all agreed that Ms. Rizer and her staff were to be commended. The motion to accept the reports carried unanimously (Commissioner Johnson absent).

10. A. Hold a Public Hearing on the Issuance of Revenue Bonds for the Wedum St. Cloud Student Housing, LLC – Development counsel, Bob Toftey, explained the purpose of the public hearing. Chair Gohman opened the public hearing at 7:25 p.m. There being no one wishing to speak, the public hearing closed.

10. B. Approval of Resolution 2009-17 - Giving Preliminary Approval to a Project under Minnesota Statutes, Sections 469.152 through 469.165; and Referring the Proposal to the Minnesota Department of Employment and Economic Development for Approval – Commissioner Ruth asked Mr. Toftey the difference in a conduit bond and a general obligation bond or revenue bond. Mr. Toftey responded in using a revenue bond the debt is paid through project revenues, and there is very limited obligation to the HRA, including that the HRA is under no obligation to repay any of the debt.

Commissioner Hontos said he had concerns with the HRA charging the administration fee of ½ to 1% of the issuance when the amount is so large and asked if this was HRA policy. Mr. Thielman responded it is not a written policy, but is the standard that has been used by the Agency. He said he was advised by Ehlers & Associates, along with Mr. Toftey, that 1% should be charged but he thought raising it above the standard at this time with the low economy was not necessary. Mr. Thielman said this is an opportunity to raise revenue for the Agency. He stated the amount will be approximately \$150,000.

After much discussion, Commissioner Landy moved for approval of Resolution 2009-17; Commissioner Hontos seconded the motion with an amendment stating a flat fee of \$50,000 would be charged rather than ½ - 1% of the total; Commissioner Pederson seconded the amended motion. Commissioners Hontos and Pederson voted in favor of the amended motion; Commissioners Gohman, Jaye, Landy and Ruth voted against. The motion failed. (Johnson absent)

Commissioner Landy moved for approval of Resolution 2009-17 as written in the original request; Commissioner Jaye seconded the motion. Commissioners Gohman, Jaye, Landy and Ruth voted in favor of the motion; Commissioners Hontos and Pederson voted against. The motion passed.

11. Hold a Public Hearing and Approve a Joint Powers Agreement with Minnesota Housing Finance Agency (MHFA) to Transfer 2010 Housing Tax Credit Authority to MHFA - Les Henson, Community Development Manager, gave a brief background for the request. Chair Gohman opened the public

hearing at 7:52 p.m. There being no one wishing to speak the public hearing was closed. Commissioner Hontos moved for approval; Commissioner Jaye seconded the motion. Commissioners Gohman, Hontos, Jaye, Landy, Pederson and Ruth voted in favor. The motion carried.

12. Executive Director Report – Mr. Thielman highlighted his report, beginning with an update to a request he made to the City for a refund of park dedication fees during the development phase of the chronic inebriate project on 54th Avenue. He referred to the response he received from the City in a memo written by Matt Glaesman, which also suggested the HRA could make another request using different considerations. Commissioner Hontos moved for Mr. Thielman to make the request as suggested by Mr. Glaesman; Commissioner Landy seconded the motion. Commissioners Gohman, Hontos, Jaye, Landy, and Pederson voted in favor. Commissioner Ruth abstained. The motion carried.

Mr. Thielman included in his report a list of future requirements for the CDBG program. Les Henson, Community Development Manager, responded to questions Board members had regarding the flipping of projects as suggested.

There being no further business, the meeting adjourned at 8:11 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, George Hontos