

ST. CLOUD HOUSING AND REDEVELOPMENT AUTHORITY

STUDY SESSION

Wednesday, July 2, 2009

Rinke-Noonan Law Office Boardroom, US Bank Plaza, 1015 W St. Germain St, Ste 300, St. Cloud, MN.

Chair Nancy Gohman called the study session to order at 12:00 noon. Roll call was taken and the following Commissioners were present: Nancy Gohman, George Hontos, Joan Jaye, Bob Johnson, Mike Landy and Peter Ruth. Absent: John Pederson. Present as legal counsel, Jerry Von Korff. Staff present: Executive Director Bruce Thielman and Finance Director Karen Rizer.

Executive Director Bruce Thielman stated the meeting would be taped and minutes transcribed by Administrative Services Manager Sandy Hunter afterward. The meeting was scheduled to further discuss the moving of Economic Development from the HRA to the City.

Commissioner Landy said it was his opinion that this meeting could be premature in a sense of not knowing where the City or the Mayor's created task force (Committee) given this assignment is headed. He said he feels anxiety playing a large role in the reaction of HRA staff and an enormous rush by City staff to transfer duties that cannot and should not be rushed into. Commissioner Landy said he was willing to go through the contemplation of moving this department to the City if other Board members wished to do so. However, he stated, in his conversations with any current City staff he felt they were unprepared to make this transfer work.

Commissioner Landy said he understands that the Committee is looking at not only the HRA, but also, others in the Community who focus on economic development. He said he did not believe as an HRA Commissioner that the Board had made a request or even suggested to the Mayor that a transfer of economic development be made from the HRA to the City. Commissioner Landy said he had understood the request was to ask the Mayor to examine the work being done by the HRA and to suggest or help find ways to improve it. He said he did not believe the HRA was not doing quality work or that they necessarily were spending more money on being successful in economic development than what was needed. Commissioner Landy said there is the possibility that perhaps not enough money was being spent on it in order to do the quality work expected. He said he felt the Committee should be given the chance to figure this out before any other meetings are held by this Board and staff.

Commissioner Hontos responded that even if this was not the original intent of the Board's action, it is his understanding that now that a Committee has been selected, it would be making a recommendation after their next scheduled meetings at which time the Mayor would then take a recommendation to the City Council for approval. He said the Mayor at that time would indicate a timeframe as to when the transition would take place and what would be included in this transition. Commissioner Hontos said he had spoken to the Committee Chair Dave Gruenes the day prior to today, and was told the Committee would be making their recommendation to the Mayor in two weeks. He said he is certain Mayor Kleis knows whatever change is made cannot happen overnight. Commissioner Hontos said Mr. Gruenes asked him to convey to the rest of the HRA Board members he would like them to encourage Executive Director Thielman, HRA Board Chair Nancy Gohman, and City Administrator Mike Williams, to meet with Mayor Kleis and put down the details of what would happen after the recommendation.

Commissioner Hontos said he agreed with Commissioner Landy that some of the materials distributed by HRA staff for this meeting may be premature, however, he as a Board member has been advocating for staff to look at how the Agency would look without Development and this is what they did. He said to

remember, as a Board, they will not get a vote in the final decision, but he understood as a Board they could make their recommendations for changes as suggestions. Commissioner Hontos added that no matter what decisions become finalized; he feels changes will be made, if not by transferring the development function to the City then with changes to the current Agency workplan. He said as a Board they should be defining and setting policy and HRA and City staff should be working together on the structure and plan. Commissioner Hontos said he agreed as a Board they should voice their opinions, express their concerns, but then make their recommendations to the City Council who are the ones who will be making the final decision. He said they need to realize as a Board they only have a public opinion and not the final say.

Commissioner Johnson stated if you were to look at the minutes of the Task Force Committee, you would read that the Committee was not asked to make recommendations for how to improve Economic Development, but rather, how to move Economic Development from the HRA to the City. He said the mandate to the Committee is not to look at what is currently happening or how to improve it, and not what kind of structural options there may be, but the task given to them by the Mayor of how do you move it. Commissioner Johnson said what City staff is currently looking at and outlined in their proposal is what the implications would be for them from this move. He said he does not feel the analysis handed out for this meeting from HRA staff is premature, but rather, is necessary for him as a Council member to know the upsides and downsides of this decision that the Mayor has made and what implications the final decision will have for HRA staff as well as City staff. Commissioner Johnson said he has trouble with finding a solution (moving the development) prior to defining the problem.

Commissioner Jaye said she was at the last Committee meeting and understood that this group has been mandated by the Mayor, but the group is somewhat unsure of what exactly they are mandated to do. She said the City presented at that meeting their reasons for why development should be moved to the City and she felt all options, including those from the HRA, should be presented to the Committee. Commissioner Jaye said by this she meant the options the HRA staff had presented at this meeting should be made available also to the Committee. She said as a Board she felt they had every right to make their recommendations and concerns known to this Committee. Commissioner Jaye said she would have preferred some of these proposals to have been discussed two years ago at the HRA level rather than having to now react to a decision already made by the Mayor but it is what it is now.

Legal counsel, Jerry Von Korff, stated the Mayor cannot make the final decision; that under statute the City Council would need to take action just like after a Public Hearing and make the decision.

Commissioner Ruth said he also had talked with Mr. Gruenes and reiterated Commissioner Hontos' comment that Mr. Gruenes would like a meeting between himself, HRA staff representatives Mr. Thielman and Ms. Rizer, and City staff representatives Mr. Williams and Mr. Norman. He said from this meeting he felt Mr. Gruenes would be looking for a proposal that he could then take to the rest of the Committee. Commissioner Ruth said the difference he heard in proposing this meeting was that finance personnel would be included in the meeting rather than the Mayor as Commissioner Hontos had said.

Chair Gohman said Mr. Gruenes has made it clear to her that after the Committee's last scheduled meeting on July 14th he will not be working on this project any longer; a decision will be made at that time as to what their recommendation is to the Mayor. She said in saying this she sees the role of the HRA Commissioners as either coming up with a recommendation now or to do nothing and let this Committee make their decision without the HRA Board's input. She said she also understood from Mr. Gruenes he was proposing a meeting as Commissioner Hontos had stated with only Mr. Thielman, Mr. Williams, himself and her, not finance staff.

Mr. VonKorff clarified that there are two policy making agencies; HRA Commissioners and City Council members of which neither has yet taken any action. He said as staffs of both agencies are working at giving reasons for keeping or having the development function, no one has any policy guidance that has been made by these agencies other than the Mayor's directive for making the move which he sees as causing some of the confusion.

Commissioner Landy said there appears to be about 3,000 steps missing in this process. He said until it is decided what needs to be accomplished, who should be held accountable and how, and who can perform this best the City or the HRA, he does not see how an answer can be reached. Commissioner Landy said he is not necessarily in favor either way and feels there is not a rush until this Committee makes a decision. He said after the Committee makes a recommendation, they still as a Board can fight the recommendation when it gets to City Council. Commissioner Landy said what needs to be determined is how Economic Development can be done that will benefit best the City and the people who live here and once that's decided it can be determined who can accomplish this the best. He said outcome is never discussed.

Commissioner Hontos said the type of outcome and dialogue Commissioner Landy is suggesting could come from a meeting between the Mayor, Mr. Gruenes, Mr. Williams and Mr. Thielman as requested. He said it has been his understanding from the Committee that they are not getting enough detail from HRA staff. Commissioner Hontos said this could be due to how the process has taken place but still needs to happen. Commissioner Jaye responded the materials from this meeting could help with this.

Mr. Thielman said they could continue discussion or adjourn. He said he would arrange a meeting with the Mayor, Mr. Williams, Chair Gohman and himself for discussion. Commissioner Jaye said if a consensus cannot be agreed to at that meeting, she would want the information provided from today given to the Task Force Committee members so they have all options at least presented to them in some manner prior to making their recommendation to the Mayor. Commissioner Hontos said he was in agreement with this as long as it was understood that this is presented by HRA staff only and has no endorsement from HRA Board members.

Commissioner Johnson asked who authored the materials for this meeting. Mr. Thielman said Mr. VonKorff did a part, Ms. Rizer did the numbers and a part of the narrative and he did the rest. Commissioner Jaye asked where Mr. VonKorff's contribution officially ended in the memo. Mr. VonKorff said he gave the history under Option A and whatever relates to policy decisions. He said part of the memo is to help in the decision of how to determine who can be the economic development person in the City that will take in a business client, be there advocate, fight for them at City Hall, in the community, in a single entrepreneurial way or as a Board do they want a more tightly controlled staff. Mr. VonKorff said at present time the staff is tightly controlled and that is by Board decision. Commissioner Ruth said it sounded like he was suggesting that economic development not be in the public sector at all and removed from both the HRA and the City. Mr. VonKorff said he was only stating what was suggested by a Committee member and that he is only suggesting as a Board they should think about how tightly policy controlled and staff controlled they wanted development to be.

Commissioner Landy and Commissioner Johnson said they felt a plan is needed that shows how moving this to the City is going to enhance development so all the information that can be provided is crucial to helping the Council be more educated on the outcome of this change.

Commissioner Hontos stated that everyone in the room could agree that Economic Development could be done better than it currently is being done. Commissioner Landy said knowing this he feels a timeline needs to be set. Mr. VonKorff added how there are HRA staff living with not knowing a timeline also, and this is very excruciating for them. He said you do not want to lose good staff over anxiety of possible

changes or layoffs. Mr. Thielman responded he had talked with staff about this at the last staff meeting but without absolute answers it is difficult for them.

Commissioner Landy said from the beginning of this motion (02-25-09 Regular Meeting) it was his understanding that as a Board they were looking at not moving the economic development, but rather, what can be done to improve it. He said he felt staff should add to their suggested options a way to do this. Mr. Thielman said Dubuque, Iowa is a city of similar size to St. Cloud that has turned their city around and could be used as a model. Board members agreed he should look into what they have accomplished, and how they did it, and bring it back for review. Commissioner Jaye questioned why a sharpened focus on housing and neighborhood development could not start now and not need to wait to see if economic development moves to the City.

Commissioner Ruth said he read in the options new staff would possibly be hired for housing and he would like to see any current staff retrained and moved into any available positions if at all possible before this happens if changes are made that jeopardize their current jobs.

The meeting adjourned at 1:10 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, George Hontos