

**ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY  
SPECIAL MEETING**

**Friday, October 23, 2009**

A Special Meeting was held on October 23, 2009, Conference Room One, City Hall, 400 2<sup>nd</sup> Street South, St. Cloud, Minnesota. Chair Nancy Gohman called the meeting to order at 12:30 p.m.

Roll call was taken. All Commissioners were present: Nancy Gohman, George Hontos, Joan Jaye, Bob Johnson, Mike Landy, John Pederson and Peter Ruth. Staff present: Executive Director Bruce Thielman, Housing Director Louise Reis, Finance Director Karen Rizer and Administrative Services Manager Sandy Hunter. Also present was HRA legal counsel, Jerry Von Korff.

The agenda for the meeting was further discussion for the transfer of Economic Development to the City and how pro-active a role the HRA Board wanted to play in this transfer. Mr. Thielman stated that Mayor Kleis has scheduled a meeting for the transition team, consisting of the Mayor, Mike Williams, Matt Glaesman, John Norman, Karen Rizer and himself, for Wednesday, October 28, 2009 at 2:00 p.m. Commissioner Hontos said he felt it would be beneficial for the HRA Board to have representation at these transition meetings; however, he said he had spoken with Mayor Kleis about it and the Mayor was not in favor of it. Commissioner Landy asked Commissioner Hontos if he felt the Commissioner attending would be doing so as an equal participant in the meeting, or just as an attendee present to listen. Commissioner Hontos said he thought who ever attended would do both. Commissioner Ruth questioned if the meetings were open to the public. Mr. Thielman responded the meetings are staff meetings and do not require Commissioners at them and are not open for anyone to attend.

Commissioner Johnson stated that since, as a Board, the motion for the transfer has already been approved, and even though he had voted against it, he felt it is now time to support the approved motion. He said he agreed with Commissioner Hontos that Board representation at these meetings was important, as a policy making board, to assure that policy decisions are considered, and made a motion to this effect. Commissioner Landy suggested a Council/HRA Board member who could represent both. After further discussion of this, Board members determined the Council would have a voice later in the process, whereas the HRA Board members would not, so the representative should only be a HRA Board member who would then keep other members informed. Mr. Von Korff said since the City is basically breaking apart the agency, rather than taking over the entire agency, it is very likely there will be policy ramifications, including liabilities and assets that may not yet be thought of, and it would be his recommendation a Board member attend.

Commissioner Jaye said her biggest concern is the viability of the organization if only the housing functions are left. Chair Gohman asked if there was a timeline set for the transition. Mr. Thielman said he thought the plans would be presented to City Council for approval in January or February 2010. Commissioner Ruth said he was interested in hearing Mr. Thielman's opinion if a Board member should attend or if these meetings were like the Transfer Task Force where anyone was welcome at the meetings to sit and listen. Mr. Thielman said he had suggested this to the City, but since it is basically a staff meeting in sorts, he was told no. Commissioner Landy asked Commissioner Hontos if he was suggesting protecting the interest of the HRA. Commissioner Hontos said he was referring to policy issues. Commissioner Landy said he would volunteer to be the representative.

Commissioner Hontos restated Commissioner Johnson's original motion that it is the recommendation of the HRA Board to have a Commissioner as part of the transition team; Commissioner Jaye seconded the motion. Commissioners Gohman, Hontos, Jaye, Johnson, Landy and Pederson voted in favor of the motion;

Commissioner Ruth voted against. The motion passed 6:1 with the request for Mr. Thielman to send a letter to Mayor Kleis stating the recommended motion. Between Commissioner Landy and Chair Gohman they said they would work out which of them could attend meetings and if they could not be in attendance would arrange for another Board to do so.

Commissioner Ruth requested Mr. Thielman send an update by email after each meeting. Mr. Thielman said he would do this, but asked Board members the role they felt Ms. Rizer and he should be playing at the transition meetings. He said he and his staff had talked about keeping the TIF districts already created and the City take any new TIF projects. Mr. Thielman said another decision is where the CDBG should be, however, he stated all funding information suggests the program could end in 2011. Commissioner Jaye said in her review of the funding programs, she questioned if there were any of the development programs that could or would be retained by housing. Mr. Thielman responded the current development programs he felt would transfer, as the City is looking at more focus from the HRA to be placed on neighborhood revitalization and preservation and housing. Commissioner Jaye suggested staff provide the Board with an analysis of what the remaining programs would be. Commissioner Johnson went back to Mr. Thielman's question to the Board regarding the HRA's role and said he felt the position taken with the transition should be how to maximize and benefit both the HRA and the City, by determining resources now available, and how to best use them. Commissioner Pederson agreed, adding the meetings may prove beneficial for the HRA to keep everything but the promotional side of Economic Development. He said the City made large budget cuts in 2010, but will need to make even more severe cuts for 2011, so Mayor Kleis and City staff, as part of this transition team, will be looking for the most cost effective ways for both entities to make the most accomplishments possible and save tax dollars.

(Commissioner Johnson needed to leave)

Ms. Rizer said her biggest challenge for the budget is in not knowing how much of the levy the agency will be keeping. Concerns and questions from Board members included: can any jobs be done with less staff, can the City provide any services, to what point can staff be cut and still be operational, what services will be lost for the public by eliminating any current staffing, are there rent factors that could be looked at for savings, can any programs be expanded upon if only a housing authority, could Stearns County HRA be joined with the St. Cloud HRA as it was in past years, and to what point can budget cuts be made before there are risks to the agency remaining a feasible business.

(Commissioner Pederson needed to leave)

Commissioners agreed they preferred to see a zero-based budget without the levy and then with the dollars and numbers plugged in that are needed to keep the agency continue as a viable agency. Ms. Rizer pointed out this scenario in the Board materials showing that without the levy a \$390,820 deficit. Board members said they realize there would need to be many cuts in the budget, but they wanted to see these cuts on paper, see how it would affect the operations of the Agency and then determine what the actual dollar amount if needed would be for a levy if the levy could actually be eliminated.

There being no further business or time, the meeting adjourned at 1:45 p.m.

ATTEST:

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Chair, Nancy Gohman

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Secretary, George Hontos