

BLUFF COUNTRY MINNESOTA MULTI-COUNTY HRA

Monday, November 16, 2009
10:00 a.m.

Semcac Office
Rushford, MN

I. CALL TO ORDER

Tom Falbo called the meeting to order.

II. ROLL CALL

Present: Sandy Wright by phone, Tom Falbo and Tom Kaase
Absent: Bob Carlson
Staff Present: Wayne Stenberg, Cindy Vitse and Vonda Budde
Guest Present: None

III. APPROVAL OF MINUTES (September 2009)

Tom K. made a motion to approve the minutes, second by Sandy. Motion carried.

IV. BUSINESS

- A. **Financial Report** – Vonda reviewed the financials with the board. There is no change for the Fillmore/Houston County Levy Program. There is approximately \$500 a month expenses in staff time. Next TIF payment will be coming in December. Tom K. made a motion to approve the report, 2nd by Sandy. Motion carried.
- B. **Loan Progress Report** – Vonda informed the board that she has sent out some loan packets but so far nothing has come back in for review. Vonda feels that when rates go up this loan will look more attractive. Information about his loan has been sent to media outlets.
- C. **Discuss and Take Action of Resolution 09-01** – Wayne went over The Approval of Signature Resolution with the board. Some minor changes were made. In one signature area it was changed from saying Board Chair to President. The second signature area was changed from Executive Director to Board Member. Sandy made a motion to approve signature changes so that all officers can sign legal contracts and agreements, Tom K. 2nd. Motion carried.
- D. **Tax Filing Update / Changing the time frame** – Vonda asked if the board wanted to switch to a calendar year instead of going by a fiscal year cycle.

The board said if there is no reason they have to change and/or a benefit to change then to leave it as is.

- E. **Spring Stone LLC Update** – Loan closed last week. All tenant information is being gathered by SWMHP. They are in the process of talking with current staff. The leasing agent will be Lloyd Management from Mankato. Letters are being sent to current tenants about the purchase of these buildings. SWMHP will make arrangements with media when the rehabbing of the units is completed.
- F. **Review of Vesterheim Capital Needs Assessment** – The assessment shows that there are a lot of updating that needs to be completed in both buildings. Baseboards, cabinets, water heaters, windows, are all original and will need to be updated soon. Estimated future rehab is at \$34,000 per unit. Current owners would like \$25,000 per unit. At the current rents, it appears that the owners can not even make the mortgage payment without tapping into the reserves. Wayne would like to propose doing a transfer of their debt only. They have about \$96,000 in reserves. Tom F. wants to approach the owners with the proposal. Wayne will talk to Rural Development first to see if this would even be an option, what would happen to the reserve funds and what the tax status would be if the HRA owned the property.
- G. **Vesterheim Appraisal** – Dan approached Wayne about splitting the cost of an appraisal. The board does not want to do this. Wayne will let Dan know.
- H. **Liability Insurance** – Since the HRA now has lots of activity Wayne was wondering if the HRA needed to carry any liability coverage – errors and omissions. Tom F. told Wayne to do an RFP for this type of coverage. Wayne asked who to contact. Tom K. suggested contacting Karen Brown first to see if the HRA would be covered under the County's coverage. If not, then do the RFP.
- I. **Open Discussion** – None

V. ADJOURN

There will be no meeting in December. The next meeting will be the annual meeting and regular monthly meeting. It will be held on Monday, January 11, 2010 at 11 a.m. at the Semcac Office in Rushford. This will be a working lunch meeting after the annual meeting.

Tom K. made a motion to adjourn the meeting, seconded by Sandy.
Motion carried.