

**Minutes of HRA City Board Meeting  
Monday, August 8, 2022, at 12:00 pm**

**CALL TO ORDER**

Chair Ken Skaare called the meeting to order at 12:04 p.m. in the Council Chambers at City Hall.

**ROLL CALL**

Members present: Rick Scholtes, Ken Skaare, Dan Mensing, and Mark Maher

Members Absent: Kim Shaffer

Staff present: Mary Kennedy-City Administrator, Amy Schaefer- Economic Development Specialist, and Megan Hanson-Haase-Executive Director/Housing Manager

Also Present: Cora Boelman, CEDA

**DETERMINATION OF QUORUM**

A quorum was present. No public comment.

**APPROVAL OF MINUTES**

The minutes from the HRA City Board meeting of June 13, 2022, were provided in the HRA packet for the board to review.

***MOTION BY SCHOLTES, SECOND BY MENSING, TO APPROVE THE MINUTES OF THE HRA CITY BOARD MEETING OF JUNE 13, 2022. THE MOTION WAS APPROVED UNANIMOUSLY.***

**BUDGET UPDATE AND APPROVAL OF BILLS**

The bills were provided in the HRA packet for the board to review.

***MOTION BY MAHER, SECOND BY MENSING, TO APPROVE THE BILLS AS PRESENTED TO THE BOARD. THE MOTION WAS APPROVED UNANIMOUSLY.***

**CORRESPONDENCE/COMMUNICATIONS**

There was no correspondence.

**OLD BUSINESS**

**103 Bluestem Drive rental**

Kennedy reported that the renters located at 103 Bluestem have requested a month-to-month lease as they are searching to purchase a home. Kennedy explained that with the last HRA meeting canceled, she approved a month-to-month lease for up to 6 months, starting after the current lease expires. This does not guarantee them or us 6 months, it will simply be month-to-month and be reevaluated after 6 months. The Board decided to list the property for sale during those months and if a sale takes place the renters will have at least 30 days' notice. The agreed asking price was \$249,900.

**SCDP Update**

Cora Boelman from CEDA gave an update on the Small Cities Grant program that included target area A and has now moved into target area B. The issue now is that there are some people over the income

level, yet still need significant repairs to the homes. Boelman explained how they may not qualify on her end but are still deserving of some assistance. Boelman inquired if the HRA is interested in investing in this program to help the homeowners who do not qualify by the grant program's guidelines of less than \$53,350 gross income. Scholtes brought forth that the HRA has already approved using \$150,000 to be spent towards the SCDP program, which is where the funding would come from. Schaefer agreed that past discussions were about using those funds for this. The paperwork has been done and they have identified the projects in need by the program already, so the HRA can mirror the program and help with the remaining expenses. Boelman explained the projects requires two bids, which they have not been done yet.

***MOTION BY SCHOLTES, SECOND BY MENSING, TO AUTHORIZE BOELMAN TO GET THE BIDS FOR THE PROJECTS AND WORK WITH KENNEDY ON DISPERSING THE FUNDS UNTIL THE \$150,000 ARE EXHAUSTED. THE MOTION PASSED UNANIMOUSLY.***

#### **4-plex RFP**

Kennedy presented the only RFP that was received from Aaron Lambrecht, owner of Sq. Konstruktion. The total bid was for \$982,500.00. As no other local contractors were interested, there was discussion about the only other option, which would be to walk away from the project. That would also be a loss as there is already an investment and the foundation would need demolition. The group also agreed that modern, low to median income housing is needed, and four 3-bedroom apartments could be an addition to the shortage. Kennedy recommended that if the project is finished and the city is the long-term owner, there would need to be a discussion on management of the rental property. Scholtes suggested the sales from Bluestem and the 4<sup>th</sup> Street buildings was approximately \$600,000, with potential of another Bluestem sale in the future, the approximate \$300,000 for this project would need to be budgeted from the City.

***MOTION BY SCHOLTES, SECOND BY MAHER, TO ACCEPT THE BID TO COMPLETE THE PROJECT FOR THE FOURPLEX.***

Mensing inquired if there would be any vetting of the company first. Kennedy agreed to ask them for some references or portfolio.

Scholtes amended his motion.

***MOTION BY SCHOLTES, SECOND BY MAHER, TO ACCEPT THE BID TO COMPLETE THE PROJECT FOR THE FOURPLEX, ONLY IF AFTER REVIEW OF THE COMPANY'S REFERENCES SEEMS REASONABLE. THE MOTION PASSED UNANIMOUSLY.***

#### **5-year plan**

Kennedy referred to the 5-year plan that was included in the packet and emailed out, asking the group to review it and refer to as a working document.

#### **NEW BUSINESS**

##### **2023 Budget**

Kennedy presented the budget amounts and explained there would not be many changes other than the demo program had already surpassed the amount for 2022 with the asbestos abatement, inspection and clean out of the houses, so the actual demo would have to be pushed to 2023. Kennedy added that the salary line will increase as well due to Devin Greenside doing more work for the HRA.

#### **OTHER BUSINESS**

None

**DIRECTOR'S REPORT**

**City Administrator Mary Kennedy**

Kennedy provided her update in the packet.

**Economic Development Specialist Amy Schaefer**

Schaefer provided her update in the packet.

**ADJOURNMENT**

The next City HRA Board meeting will be held on Monday, Sept. 12, 2022.

***MOTION BY SCHOLTES, SECOND BY MENSING, TO ADJOURN THE MEETING. THE MOTION WAS APPROVED UNANIMOUSLY.***

Skaare adjourned the meeting at 1:12 p.m.