

City of East Bethel
Housing and Redevelopment Authority Special Meeting
May 1, 2013

The Housing and Redevelopment Authority (HRA) met on May 1, 2013 for a special meeting at City Hall at 7:05 PM.

MEMBERS PRESENT: Bob DeRoche Ron Koller Richard Lawrence
 Heidi Moegerle Tom Ronning

ALSO PRESENT: Jack Davis, City Administrator
 Mark Vierling, City Attorney
 Colleen Winter, Community Development Director

Call to Order DeRoche called the meeting to order at 7:05 PM.

Adopt Agenda **Moegerle made a motion to adopt the May 1, 2013 Housing and Redevelopment Authority (HRA) special meeting agenda. Koller seconded; all in favor, motion carries.**

Res. 2012-05 Authorizing an Interfund Loan Winter explained that the City's Municipal Utility project is substantially complete and there are several businesses that will be required to connect to the system. Council understands that there is a substantial cost to these businesses owners for accessing the new utilities and over the past few months, the Economic Development Authority and City Council have been discussing ways to minimize that impact. As a result an Economic Development Loan Fund herein referred to as "The Utility Infrastructure Loan Program" was approved by City Council on April 17, 2013. This program will provide loan funds to eligible applicants to assist them in paying for their utility connection costs in the event other resources are not available, only partial funding is obtainable through banks or they could not qualify for a bank loan for this purpose. This can provide an alternative and a last gap option of financing to those businesses that would be affected by the mandatory utility connections.

In order to effectively implement this program it is necessary to approve the transfer of up to \$281,400 from the HRA to the EDA to make funds available for this purpose.

Resolution 2013-05 enables the transfer to be complete and funds made available for the loan program.

Davis explains staff recommends Council adopt Resolution 2013-05 Authorizing an Interfund Loan for the Advance of Funds to the City of East Bethel Economic Development Authority for the Commencement and Administration of a Utility Infrastructure Loan Program.

Moegerle made a motion to adopt Resolution 2013-05 Authorizing an Interfund Loan for the Advance of Funds to the City of East Bethel Economic Development Authority for the Commencement and Administration of a Utility Infrastructure Loan Program. Koller seconded.

Ronning made an amendment to the motion to change the order of paragraph 4 and 5, the Whereas. Make the 4th Whereas the 5th Whereas and the 5th Whereas the 4th Whereas. Also, delete the 6th Whereas. Under Now Therefore 1. Interfund Loan. Pursuant to authority granted to it by the Act, the HRA hereby authorizes the advance

of up to \$281,400 from any of its funds or so much thereof, *incrementally*. Take out paragraph 3. Further Security. And add into 4. Amendments. The HRA may amend the terms of the Interfund Loan at any time by resolution of this Board of Commissioners, including a determination to *terminate the Interfund Loan or consider the forgiveness of a portion of the outstanding* 5. Further Actions. ~~The HRA staff and consultants are~~ *is* authorized and directed to undertake ~~all further~~ *any* actions and activities necessary to effectuate the intent of this Resolution *in the best interests of the City of East Bethel.*

Moegerle, "As Mr. DeRoche said on March 20th, if it is not in writing, it is not there. To the extent that we have them written and included in here, if we delete this paragraph with regard to further security, we will not have structure in here and it will be in the control of a future Council. That one I am not with you. And, #5, Future Actions. Isn't this contacting a lot of different people?" Winter, "It is what is written into the policy that we have presented to the Council and how that is to be handled by the staff. It was presented to the Council." Ronning, "As far as #5, nobody has been eliminated or removed. It is a little cleaner. In the best interest of the City of East Bethel. We assume that is going to be done." Moegerle, "We all take oaths." Ronning, "There is difference of opinion of how this is going to happen." Davis, "I would like to add that #5 is really just an administrative function and in my opinion that is what this refers to." Moegerle, "I would like to hear from our City Attorney." Vierling, "If those circumstances did occur, they wouldn't have to return to the HRA. By eliminating you are just having them return to the HRA. On paragraph 5, I concur with the city administrator why that is there. It is not the intent that you don't want staff to execute the policy." Ronning, "I don't have a problem with withdrawing my changes to #5."

Koller second the amendment.

DeRoche, "I also have a problem with the third paragraph. If something doesn't go quite right, I don't want to go back to the taxpayers and say this didn't go right too." Moegerle, "I don't envision this being a situation where the EDA is going come to the City Council and say, "How do we solve this situation." Now you have to help out the EDA with the funds so we can repay the HRA the funds. It is all circular and it all comes back to the City Council. I agree with what you said, "If it is not in writing, it is not there. It can still be done, but we have no control over what a future council can do with it. And frankly, I don't think this is going to happen." Ronning, "Among my reasons, the thought comes out that this is a little too loose for me." DeRoche, "If they have to come back, if there is a default, the City Council will have to shore it up." Moegerle, "This is may. It secures that right. I think that needs to be outlined. The council controls all the money loaned by the EDA. The five of us have control of it every step of the way."

Moegerle, "Would you keep #3 Further Security in if we put in after made under the Loan Program or *for any other reason.*" Ronning, "The main thing is it is too loose as it is." Moegerle, "I asked would you keep it in if we inserted those three words." Lawrence, "I want to keep this in. I don't want to strike it, that makes it too vague. I agree with changing the structure."

Roll Call vote on the amendment. DeRoche, nay; Koller, nay; Lawrence, nay; Moegerle, nay; Ronning, aye; motion fails.

Moegerle amended her original motion to add under #3 Further Security. If, in the

discretion of the City Council of the City, the EDA requires assistance to pay off the Interfund Loan, whether due to defaults in loan payments to be made under the Loan Program or for any other reason..... Koller seconded. DeRoche, "I don't like the fact that number 3 is included in here. I have been stating my reason for many meetings." DeRoche and Ronning, nay; Koller, Lawrence and Moegerle, aye; motion carries.

Adjourn **Moegerle made a motion to adjourn the HRA meeting at 6:55 PM. Koller seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk