

City of East Bethel
Housing and Redevelopment Authority Annual Meeting

January 21, 2015

The Housing and Redevelopment Authority (HRA) met on January 21, 2015, for a regular meeting at City Hall at 6:42 p.m.

MEMBERS PRESENT: Steve Voss Ron Koller Tim Harrington
 Brian Mundle Tom Ronning

MEMBERS EXCUSED: None.

ALSO PRESENT: Jack Davis, City Administrator
 Mark Vierling, City Attorney

1.0

Call to Order

Koller called the regular meeting to order at 6:30 p.m.

2.0

Adopt Agenda

Ronning, “Move to adopt the agenda.” Harrington, “I’ll second.” Koller, “All in favor?” All in favor, motion passes unanimously.

3.0

Elect Officers

Davis presented the staff report, indicating that per the HRA By-Laws, the Board is required to elect HRA Officers at its annual meeting.

Section 2.2 Officers. The officers of the Authority shall consist of a Chairperson, Vice Chairperson, a Secretary and an Executive Director. The Chairperson, Vice Chairperson and Secretary shall be members of the Board and shall be elected annually, and no Commissioner may serve as Chair and Vice-Chair at the same time.

The 2014 HRA Officers were: Ron Koller, Chairperson; Tom Ronning, Vice-Chairperson; and, Heidi Moegerle, Secretary.

Staff is recommending the Housing and Redevelopment Authority Board adopt Resolution 2015-01 and elect the 2015 HRA officers.

Koller, “So, how do we go about electing?” Davis, “Somebody needs to make a nomination for the Chair.”

Koller, “Okay, I’ll nominate Brian for Chair.” Voss, “I’ll second the nomination.” Koller, “All in favor?” Ronning, “Are there any other nominations? Acclimation hurts.” Koller, “Okay, are there any other nominations? All in favor?” All in favor, nomination passes unanimously.

Koller, “Vice Chair? Nobody’s too eager.” Voss, “Tom interested?” Ronning, “Oh, I don’t care.” **Voss, “I’ll nominate Tom Ronning as Vice Chair.” Koller, “I’ll second.** Any other nominations? All in favor?” **All in favor, nomination passes unanimously.**

Koller, “Secretary? Again, nobody eager.” Harrington, “I’ll volunteer.” **Ronning, “I’ll nominate Tim.” Koller, “I’ll second.** Anybody else? All in favor?” **All in favor, nomination passes unanimously.**

3.0

Elect Officers

Voss, “So, can we do the Resolution now?” Davis, “Yes. Now we can do the Resolution. It’s Brian’s meeting now.” Voss, “Well, not until it passes, or is it?” Davis, “Yes, I’m sorry.”

Mundle, “I’ll make a motion to adopt Resolution 2015-01 Electing the 2015 HRA Officers: Chairperson Brian Mundle; Vice Chair Tom Ronning; and, Secretary Tim Harrington.” Harrington, “I’ll second the motion.” Mundle, “All those in favor?” All in favor. Mundle, “Opposed?” Motion passes unanimously.

**4.0
Approve
Minutes**

Koller, “I will move to approve minutes.” Ronning, “Second.” Mundle, “All those in favor?” All in favor. Mundle, “Opposed?” Voss, “Abstain.” Harrington, Koller, Mundle, Ronning-Aye; Voss-Abstain, motion passes unanimously.

**5.0
Use of
HRA
Funds**

Davis presented the staff report, indicating as we are continually searching for funds to pay down bond debt or finance needed water and sewer extensions, HRA funds were previously relegated to a secondary option and were considered to be only available if a housing component were to be incorporated into a project. At this time, we may want to consider disbanding the HRA, especially if we have no definite projects or use of funds from this account to assist in financing improvements or debt reduction. The current balance of this fund is \$770,000 less the encumbrances of the loan for the SAC and WAC connections and the \$200,000 required as working capital for the CDBG program. The \$200,000 will be reimbursed upon the completion of the project in June to September 2015.

Our City Attorney has rendered an opinion on the matter of disbandment and has confirmed staff’s interpretation of Minnesota Statute 469.033, subd. 7, which ‘allows for the disbandment of the HRA and the transfer of its assets to the City.’ However, those assets may only be used ‘for permanent improvements in the City or the retirement of debts or bonds incurred for permanent improvements in the City.’ Utilizing these monies aside to pay our utility bond issues certainly would qualify. A utilities extension would also qualify for use of the funds.

In order to proceed, the Council would have to adopt an ordinance to disband the HRA after a public hearing. Upon adoption, the Council would have to submit the ordinance to DEED for their records.

As our current EDA has HRA powers and if the disbandment of the our ‘stand alone’ or ‘separate’ HRA were to occur, all funds and assets of the HRA would initially be transferred to the EDA, and then those funds and assets could then be transferred to any fund of the City. The HRA, as a separate Authority, would then cease to exist. Options for consideration include:

- Continuing the HRA as it currently exists and focus on housing and housing related programs;
- Disband the HRA and utilize the account balance to pay down the 2010A Bond to make it more attractive for refinancing with possible savings ranging from \$1.1 to \$1.6 million over the life of the bond;
- Disband the HRA and utilize the account balance to fund utility extensions within the sewer utility area; or,
- Disband the HRA and utilize a mix of bond pay downs and projects to optimize bond payment savings and implement project(s) to stimulate growth.

**5.0
Use of
HRA Funds**

At the August 20, 2014, HRA meeting, there was a discussion regarding the disbandment of the HRA and using the fund balance of approximately \$770,000 for bond debt reduction for

refinancing purposes or for development projects.

There may have been some misunderstanding as to the use of this balance for projects and if this amount could support a development or utility extension project.

The \$770,000 that could be available from de-committed HRA funds would be sufficient, when combined with other existing City and Mn/DOT funding sources, to enable either the project to extend utilities and improve the service road on the east side of Highway 65 between 187th Lane and Briarwood or construct either of the three options for a secondary access with partial utilities for the Classic Commercial Park.

The question to be considered should the HRA be disbanded, would be how to use the fund balance to achieve the maximum benefits for the re-allocation of these monies. The choice of interest savings or project development can be deliberated and decided once the future status of the HRA is determined.

The conclusion of the City Attorney as to the matter of disbandment is indicated in Attachment 1 in your packet. It basically states that they do not believe that the Anoka County Housing and Redevelopment Authority could maintain an action where it levies its special benefit taxes within the City. This is because the City already operates a valid HRA under its EDA powers.

There is certainly an amount of risk for the City HRA to be disbanded and the funds utilized for other matters. There is also the risk of maintaining the current separate City HRA, even while one is already provided for under the City's EDA powers and the State Auditor could question this arrangement. If the Anoka County HRA immediately reinstates its special benefit tax, the City would probably have to litigate the issue again. There is really no statutory authority or case law answering the question of whether a county HRA may levy taxes in a jurisdiction that has a current EDA operating with HRA powers. The City was successful in its previous litigation, which is a positive, but there are no guarantees in future litigation. Regardless, it is the City Attorney's legal opinion that the Anoka County HRA may not levy taxes in the City of East Bethel, as long as there is a separate HRA, or an HRA combined into the EDA's authority.

Staff is seeking direction as to Council's preference for continuance of the City's separate HRA and the subsequent use of the funds in this account.

Davis, "This is a subject we've discussed several times. We actually mentioned a few projects. I did give a handout, which shows some costs if some of these were selected. We also asked Ehlers to do just a projected bond run if we paid down \$500,000 or \$750,000 on the 2010A Bond. If those bonds could be sold today, if we paid down \$500,000, we'd realize a savings of \$1.4 million over the life of the bonds. If we paid down \$750,000, we'd realize \$1.6 million in savings. Plus, we could also lower the amount we have projected to increase the bond amount projected through 2040 from 3.5% annually and increase it to around 3%. I think the major question is, 'What do we want to do with the HRA and the fund balance in there?'"

Ronning, "I'll move to maintain the HRA, the current HRA." Koller, "I'll second that." Mundle, "Discussion?"

5.0

Use of

Mundle, "So, what are the advantages and disadvantages of keeping the HRA? Is it an

HRA Funds advantage of disbanding it to move the monies, the \$700,000 and change?" Davis, "That would be one consideration. The other thing is we actually have two HRAs now. We have a separate HRA and then we have an EDA with HRA powers."

Mundle, "What's the difference between the two?" Davis, "Well, the difference between the two is the separate HRA has a separate Board, which you are the Board. And, they operate as an Authority that's solely independent of anything else. State Statute allows EDAs to have HRA powers, which means that Board can administer HRA programs, which we currently have. There was a Resolution passed in 2008 that gave the City's EDA the HRA powers. From just a straight standpoint of cleaning things up, one of those should probably go. The other question is, we have \$770,000 sitting in that account and if we don't transfer them out, it's probably going to be more difficult to use them for projects or for bond pay downs than if we keep them in that account. If we keep them in the current HRA account now, we'll have to come up with some housing components or some extensions of utilities. Senior housing would qualify but it's going to be more restrictive on our use of those funds if we keep it in the same account."

Voss, "I think it, just as a little bit of background too of why our own HRA was formed. Back, for many years, the City was trying to get the County HRA to do projects within the City of East Bethel. They were certainly doing project throughout the County but very few actual projects were done here. In the mid-2000s, there was some particular projects that the City was actually very interested in having the County do. There was resistance and then for whatever reasons, it just didn't get done. That's what really started the view of, 'it's our taxpayer's money from the City that's being used elsewhere.' I don't think anyone's disputing that it was being used right, but it wasn't being used in our City. So, that's why our City took this track to form our own HRA and went through the work of litigation with the County. I think the unfortunate part of the whole thing is once we did that, then we didn't implement projects. I think we talked about some and that was around 2010, I think, when we were really able to start doing projects. So that's just a little bit of why it was done. It was not done to directly stop the County from taxing here. We just wanted control over those funds that were being taxed already."

Ronning, "With the result of the lawsuit, the City levies its own HRA tax. Prior to that, the City had no voice, no vote. It's completely outside. The \$770,000 comes from what they owed us, I think, from the taxes." Voss, "They transferred that to us, right." Davis, "That's correct. Since the suit was litigated and settled, we have not issued an HRA tax as a City. The funds we had were funds collected by the County that were ours and turned over to us as a result of the suit."

Ronning, "What's the timing of this HRA and the EDA/HRA?" Davis, "In terms of?" Ronning, "Which one's first?" Davis, "The EDA with HRA powers was first." Ronning, "And, that wasn't enough to...we had to form an HRA?" Davis, "I'm going to make an assumption here. I'm assuming that at the time, legal advice was to form a separate HRA, that it may be more beneficial when the City instigated their suit against the County to become a separate HRA. Other than that, there's no real record. In my conversation with others, I haven't been able to find out why there was a separate and distinct Authority established."

5.0

Use of HRA Funds Ronning, "That judgment's probably at Jerry's old office? Or, did that get transferred? The judgment for the HRA suit?" Vierling, "The litigation file was transferred when we took

over. But, it's purely the litigation file. There's no background file from the City's perspective that led up to that that we have." Ronning, "I was kind of curious what the ruling would have been." Vierling, "Well, unfortunately, if you're talking about a ruling of whether or not an EDA with HRA powers would have been sufficient in and of itself, that issue was not presented in the litigation so we don't know."

Ronning, "On the way over here, I find myself thinking that not a matter of would Anoka County try to take that Authority back, as what are the odds they wouldn't. They re-legislated in 2012. They tightened every 'shoestring' on that. From the communication, it's as though they were very intentional because of us."

Voss, "My opinion is that they won't hesitate, they wouldn't hesitate." Ronning, "I don't believe so." Voss, "And to me, that's not really the issue. To me, it's the issue that as an HRA, as a City we should be trying to find projects, really, to implement it. We've got like the senior housing that we've talked about. To me, that's what the HRA funds are for. I understand the discussion of using those funds to pay down debt and it's fine that we can do that. But, I'd just as soon try to use those projects for the goals of the HRA to really start moving some of those forward."

Ronning, "Yeah. One of the comments I had is that we'll not ever see this opportunity again. This money won't come back. If it doesn't get used, whatever it gets used for, it won't be replaced. We're not going to levy a million dollars over how much time."

Voss, "In terms of dollars raised by an HRA levy, if we had one, what would be raised?" Davis, "The maximum levy rate is .00185% per year. So, on our budget, whatever that is times \$4 million, which would be somewhere around..." Voss, "\$40,000 if I've done my math right." Davis, "Let's round it up to .002% times \$4 million, would be somewhere in the neighborhood of \$80,000." Voss, "This is why I usually have my phone out."

Davis, "And, the other thing that can be done if there's consideration of eliminating the HRA and keeping the EDA with HRA powers, there would still be a small HRA levy that would be..." Ronning, ".002% is \$8,000 a year." Davis, "Okay." Voss, "That's the maximum that the HRA can levy?" Davis, "I'm sorry, it's .018% so that's the maximum. .0185% so it's \$80,000. Our current EDA levy is \$123,000 and we can levy .018%. It's a half-a-thousands of a percent difference. But we could do both an HRA and an EDA levy. From Andy Pratt who's with Mark's office, he recommends that would be one of the things that could probably keep Anoka County at bay, or make it more difficult for them to pursue us again in issuing a County levy on our behalf. So, there's no guarantees that the County wouldn't come back after us. It's just a matter of what you feel is the best use of those funds and how we can put them to use to help solve some of our problems."

Voss, "Is there any reason, particularly since our EDA has HRA powers, that a portion of the balance can't be transferred to the EDA projects?" Ronning, "Well, we're the HRA of that Authority. Or, we're not?" Davis, "No, actually we have an EDA, which is really not an Authority. It's more of a Commission because it doesn't have any powers to issue bonds, write checks, and enter into contracts. Those are By-Law actions and as such, that doesn't affect the HRA capabilities of it. But, you know, one of the things that we've talked about too that might be open for consideration if this is done, you might want to make the City Council again the EDA with HRA powers and then form an Economic Development Commission. In essence, that's what they do now. They make recommendations and they hear things related to economic development to City Council.

But as far as a traditional EDA, the way it's listed and can be set up by State Statutes, they have none of those powers."

Ronning, "Another consideration when talking about paying down, we have to get our credit rating done again and that's probably \$65,000 to \$80,000. So, roughly, 10% of it goes 'out the window' before you do anything with it." Davis, "For this bond call, it would cost about \$150,000 to do the presale, the bond credit rating, the final approval. But, all of that is built into those savings that I just mentioned. Generally, it's going to run somewhere around \$150,000 to get that done. As far as your question on could we transfer part of it, I'm sure we probably could, maybe as a loan." Vierling, "If the EDA was doing a pure HRA function with the funds, the answer is probably, yes. They could do it on behalf of the HRA. But, there are certain activities of an EDA that may not be fundable from your HRA funds right now, technically."

Ronning, "Some discussion has been held. One thing is to put the money into that East side for, dress it up, put the line in, some State money, Mn/DOT money, whatever it amounts to. And, that makes it more available to the Ham Lake corner. It opens up Walt Osborne's place to some extent. The problem is what, two of the businesses, well one said he'll just shut the place down, fold. I don't know about S&S." Davis, "I think a lot of that will happen regardless. We have sewer stubbed over there. As far as accessing the vacant property there, I think that it's close enough in relation to the gentleman's name you just mentioned. It's within 600 feet of one of his properties and 1,000 feet of the other. So, it's definitely within extendable limits. Having it extended to his property would certainly probably accelerate things. I feel that development will happen regardless of what we do. It's just a matter of when." Ronning, "And, where the 'first buck' comes from."

Voss, "I think it would be good for us to focus on the goals and objectives of the HRA first. At least examine it and see if we have the projects." Davis, "And, this isn't a decision we have to make at this meeting. I was just bringing it up to get some direction and see where we want to go with it, and discuss it. Perhaps we should bring you some specific examples of what could be done with this amount of money with the HRA combined with some of the others for some projects. Or, we can get some more details on the bond refinancing and get something to you where you can compare 'apples-to-apples' on this, as far as what we're going to get in return."

Mundle, "Say we did eliminate the HRA, how difficult would it be to reinstate that?" Vierling, "With the difficult to reinstate it, I think the risk or concern would be that as Mr. Ronning indicated, given the remedial legislation that Anoka County enacted after we had finished the lawsuit with them, whether or not that would then take precedence or priority over a re-established HRA within this community."

Ronning, "The Statute also says that we can only do that with their approval." Vierling, "With their consent at that point, yeah." Voss, "And, the County worked on that legislation during the law suit. They were trying to make that happen."

Mundle, "Essentially, right now we can go forward with no harm but if we rescind the HRA, that can be very, very difficult to get it back." Davis, "Well, and even if we did, it may be too late for the current standalone, or separate HRA. We still have the EDA with HRA authority but the question is, how much protection does that give us if the County wanted to decide to levy against us." Mundle, "As of right now, we have full protection."

Ronning, "If the County has that, then they set the levy and they keep the money. If they decide we've been good enough to have some, maybe we'll get some." Davis, "Tom is correct. They set the levy and they'll levy to the max, whatever it is. Then they have to approve projects that we want done and they keep 15% as an administrative fee." Voss, "That was part of the issue before too."

Ronning, "And experience, apparently, says that we weren't getting any 'bang for the buck.'" Voss, "And the levy is Countywide. There's no different levy rates for different communities. Correct?" Davis, "Yeah."

Voss, "Some of the bigger southern communities were getting all the projects. Granted they have more population and more need but there were times we couldn't get really anything done up here. It was very frustrating."

Ronning, "You mentioned the senior housing. Coincidentally, I spoke with a pastor this morning about that. I forget who's putting the money up for it but that's all still, plans are together and they ask once in a while, 'What's the latest?'" Davis, "In our discussions with them, I think there's a genuine interest to do that. They've actually contacted some developers. The last feedback we had from them, which was a couple months ago, is that some of the developers are saying, 'Well, this is interesting, we're interested, but we want to see what's going to happen up on the corner of 22 and 65. If that's going to be part of the thing, it makes this project feasible. If there's some commercial services available and grocery, maybe a pharmacy, clinic-like stuff, it will make it more appealing to get this rented out and occupied.'"

Ronning, "And, there's no standalone answer. It's all private money. Want senior housing, want more housing, want a grocery store, want a hardware store, we want, we want, and none of those stand by themselves. It all integrates. That's my belief anyhow."

Voss, "Well, the interesting statement that you said Jack, was that developers are waiting to see what happens. Particularly senior housing is by demand. It's not by what's around you. I go to senior housing homes many places and some are remote, some are in the middle of residential neighborhoods. Very few are close to retail-type areas because the land value is so high. So, they don't build them there. They build them out in residential areas. So I'll take the statement with a 'grain of salt' that they are waiting because it really comes down to demand. Maybe they can justify higher rents if they are in that kind of neighborhood but, like I said, then the land prices go up."

Davis, "You've got a senior housing unit in Oak Grove." Voss, "Look at the one in Ham Lake. There's zero retail around the one in Ham Lake. A golf course and that's about it." Ronning, "See all those guys out on the golf course in their wheel chairs?"

Mundle, "All right. So, we do have a motion on the table made by Tom. Is there any more discussion on the matter? Then, Tom if you could repeat your motion?" Tom, "To maintain the current HRA as is."

Mundle, "All right. All in favor?" **All in favor.** Mundle, "Opposed? None opposed."
Motion passes unanimously.

6.0 City SAC

Davis presented the staff report, indicating there are 13 businesses within the area of the Municipal Utility Project that were required to connect to the system. There is a substantial

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cost to these businesses owners for accessing the new utilities and City Council and the Economic Development Authority discussed ways to minimize the financial impact. As a result, the Utility Infrastructure Loan Program was approved by City Council on April 17, 2013, to address this situation.

The program provides for loan amounts to cover up to four City SAC and WAC and MCES SAC charges and an additional \$5,000 toward costs for the physical connection to the system. The initial maximum loan amount was \$37,800. December 31, 2013, was the original deadline to apply for these funds. The expiration of the Utility Infrastructure Loan Program was discussed at the January 22, 2014, HRA meeting and it was recommended that City Council extend this program for an additional 90 days. The extension would enable any remaining property owners to address any eligibility issues for loan applications that are outstanding. One loan has been approved from this fund and a second loan was tabled due to issues with eligibility.

Approved loans are for a five-year period at an interest rate of 4%. Eligibility for the loan requires that all eligible applicants must be in good standing with the City and all property taxes, applicable City licenses, and utilities must be current and paid. Currently only one of the affected property owners in the service area have not paid their SAC and WAC fees or have applied for these loan funds.

Council approved an extension of this program on February 5, 2014, for an additional 90 days and on April 2, 2014, left the program open for these 13 properties.

In order to implement the program, it was necessary to approve a transfer of up to \$281,400 from the HRA to make funds available for this purpose. Resolution 2013-05 enabled the transfer to be complete and funds made available for the loan program.

We've had three applicants for the Loan Program: Northbound Woodworks; Truck Body Specialists; and, Rickey's Properties LLC.

At the initial term of Rickey's Properties' application, they did not meet the loan requirements. Staff received notification from the Anoka County Property Records and Taxation Department that Rickey's Properties, located at 18689 Buchanan Street NE, has a Confession of Judgment set up for their delinquent taxes. They are currently up-to-date on their Confession of Judgment and their next payment, at the first time of the checking, was due on May 15, 2014.

They do not have a Confession of Judgment (COJ) payment due until December 31, 2014. A requirement of the plan with the County is to keep their current taxes paid. Anoka County received their 2013 tax payment on February 28, 2014. Council approved this loan on April 2, 2014. Approval of the loan for Rickey's Properties LLC was in the amount of \$21,656.

Currently, Rickey's Properties is delinquent in their SAC and WAC portion of the loan to the City. They owe \$3,337.80 and this payment was due on December 31, 2014. The owners have stated to staff that they cannot make the payment at this time and are unsure when the payment can be made. As part of loan agreement, up to but not to exceed \$5,000, was made available to for the costs of the connections. Rickey's Properties contracted with RAM Excavating to perform the work and submitted an invoice for reimbursement as required by the loan regulations. As the Rickeys are in arrears on their loan, staff is

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withholding the \$5,000 payment for the connection request until this matter is discussed with the HRA.

Rickey's Properties is also delinquent on their Confession of Judgment payment to the County for 2014 and have until February 28, 2015, to meet their payment schedule.

Staff is seeking direction from the HRA as to the request for payment of the \$5,000 connection portion of the loan for Rickey's Properties.

Ronning, "For discussion purposes, I'll make the motion to approve the loan." Vierling, "Approve the loan or approve the payment?" **Ronning, "Approve the payment for \$5,000 connection portion of the loan for Rickey's Properties." Harrington, "I'll second."**

Ronning, "How much difference does this make, this \$5,000? They're in trouble. \$5,000 is a lot of money when you're in trouble. What happens without it? What happens to them if they don't have the help?" Davis, "I don't know. Their County tax bill is probably approaching \$100,000. I couldn't say." Ronning, "Really."

Voss, "So, this \$5,000 is going towards the connection construction costs?" Davis, "That is correct." Voss, "The SAC and WAC aspect of it has already been..." Davis, "The SAC and WAC aspects have already been taken care of. Essentially what that is, we just borrowed money and paid it back to ourselves. They did not actually see those portions of those funds. We just paid the SAC and WAC access charges and that became a portion of their loan."

Voss, "And if they should go away, that loan is then applied against their taxes?" Davis, "It would be assessed against their taxes. That's correct." Voss, "So the \$5,000 is for the physical connection, which they haven't done yet?" Davis, "They have made the connection but they haven't paid the contractor. The contractor has invoiced them but I want to get clearance from this Board or the Council before we release another \$5,000 to them due to the fact that they are in violation of their loan agreements because they're not in good standing with the City in terms of all their taxes being paid."

Voss, "If that's a stipulation of the loan agreement, are we even in a position that we can release it?" Davis, "Personally, I don't think so."

Mundle, "Would it set precedent if we did? Towards future hookups?" Davis, "Well, it would but there's only 13 properties that are even eligible for this and those are the existing businesses. Ten of them have made their connection and paid their fees. We have one property owner that did take the loan out that's ready to make his actual connection to the system now. And, there's one owner who has not responded to anything we've ever sent them."

Voss, "In terms of those provisions in the loan program of, basically, making sure they're up on their County taxes, what was the reason that the City thought is important to have that as part of the requirements?" Davis, "Well, I'm sure it was so that they could demonstrate they were at least current on their taxes or making payments on their taxes. That was just one of the standards and criteria that was set up for the loan to be approved, that they financially had the wherewithal to pay us back and satisfy the loan."

6.0

Voss, "So, this \$5,000 is still part of the loan. Right?" Davis, "That's correct." Voss, "So,

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if they default we still have the ability to assess it.” Davis, “We do and when they signed the loan agreement, that’s part of the loan agreement. They agreed that if they default on the loan, it would be assessed on their County taxes.”

Voss, “But, they aren’t paying their County taxes.” Davis, “They have until February 28th. I spoke with the lady at the Records Department and she had talked with the Rickeys and their, I’m sure they’re going to try to. Last year they had the same situation and they did make their County tax payments but they made them on the 28th of February. Until then, they won’t be in default to the County, until the 28th of February. They have until that time, 60 days from the end of December, to make their tax payment.”

Voss, “We’re only talking a little over a month from now. Is there a reason why we can’t defer our decision until then?” Davis, “We can definitely defer our decision to see what they do with their County taxes. I guess the question then is what we want to do with the \$5,000. Do we just want to wait and make a decision on that at that time?”

Voss, “I’m just hesitant that we set up the loan program, set up these criteria, and the first thing we’re going to do is...” Koller, “I think we have to stick to our rules.” Voss, “I don’t disagree but the first thing we do is not make a variance on rules unless there’s a basis for it. That’s why I was asking what the basis was for even having it there. If deferring this a month to see what they’re going to do about the taxes, given their history they paid last year on the 28th, I’d feel more comfortable waiting.”

Ronning, “Their total tax amounts for 2014, before payments, were \$18,846.98. It says they paid \$10,400 on it though. But, anyhow, if they’re back last year and what they owe for this year, it’s far less than \$100,000.” Davis, “I have no problem with deferring this until the 28th. We’re just presenting this to you to get some direction. It’s not going to make any difference if they pay it tomorrow or they pay it on the 28th, or March 1st. But, I just want to bring this issue up so that you’re aware of it and we can get some direction on it.”

Voss, “When’s our next scheduled HRA meeting?” Davis, “The next scheduled HRA meeting is the 1st of April but we can call one at any time. If you want to call one, prior to the first meeting in March and address this issue then, we can find out what the status of their payment schedule is with the County.”

Voss, “Tom has a motion. Your motion is to approve?” Ronning, “Yes.” Voss, “I’ll make a motion to postpone.” Mundle, “Can you make a motion with Tom’s motion?” Ronning, “I’d accept it as an amendment.” Vierling, “Why don’t you just then withdraw?” **Ronning, “I withdraw my motion. Is that okay with your second?”** Voss, “I was going to postpone it so the motion would stand to the next meeting, so that’s fine. It’s got the same effect.”

Mundle, “Do you want to make a new motion then Steve?” Voss, “I don’t think there’s a need to move anything right now. Is there Jack?” Davis, “No.” Voss, “This is just informational.” Davis, “Informational or if you want to take action. We don’t necessarily have to have a motion on it.” Mundle, “Okay.”

Voss, “I guess it would be best then for you to monitor the situation with them. I would think they’d give you an indication that they’re going to pay on the 28th and if so, we can convene an HRA meeting before that first Council meeting, or second Council meeting, in March.”

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Ronning, "This is kind of a be prepared for something between the two meetings?" Voss, "Well, actually, we should just call a meeting anyway. Right?" Davis, "Yeah. Why not just go ahead and set it up. Why not just do it on the second meeting of March. That will make sure we've got ample time to get all of the information back on this. You can have an HRA meeting scheduled for...the Council meetings will start meeting at 7 o'clock on March the 4th, I believe." Voss, "Thirty minutes before the Council meeting."

7.0

Adjourn

Mundle, "Okay. If that is concluded, Item 7 is to adjourn." Harrington, "I'll make a motion to adjourn the HRA."

Voss, "Is there an update?" Davis, "The update is that we've had one system that's been installed, three that are ready to go, and the remainder will be completed and ready to be installed once the good weather starts. Everything is contingent on getting through the winter. Everything is going smooth with the Program."

Voss, "Ron, was it your motion?" Koller, "I think Tom." **Harrington, "I'll make a motion to adjourn the HRA." Voss, "I'll second." Mundle, "All those in favor?" All in favor. Mundle, "Opposed?" Motion passes unanimously. Meeting adjourned at 7:29 p.m.**

Submitted by:

Carla Wirth

TimeSaver Off Site Secretarial, Inc.