

**City of East Bethel**  
**Housing and Redevelopment Authority**

July 5, 2012

The Housing and Redevelopment Authority (HRA) met on July 5, 2012 for a regular meeting at City Hall at 6:45 PM.

MEMBERS PRESENT:        Bob DeRoche                Richard Lawrence        Heidi Moegerle  
   Steve Voss

MEMBERS EXCUSED:        Bill Boyer

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

Call to Order    Chair Voss called the meeting to order at 6:45 PM.

Adopt                **Lawrence made a motion to adopt the July 5, 2012 Housing and Redevelopment Authority**  
Agenda                **(HRA) meeting agenda. Moegerle seconded; all in favor, motion carries.**

Approve            DeRoche, "In the minutes there is mention that all these reports that are going to be completed.  
Minutes                But there is not much said on when they were going to be done?" Moegerle, "That was Mr.  
   Sackey that was working on those." Davis, "He completed most of those, but to my knowledge  
   he hasn't completed them all." Voss said but that doesn't change the minutes.

**Lawrence made a motion to approve the April 4, 2012 HRA minutes. DeRoche seconded; all in favor, motion carries.**

EDA                Davis explained that City Council will be presented with estimates and specifications for  
Interfund            approval to bid a reader board sign at the July 18, 2012 council meeting. In order to fund  
Loan                this project in 2012, it would be necessary to approve an intra-fund loan from the City's  
   HRA account to the EDA in an amount of up to \$37,110. This loan, if approved, would be  
   repaid to the HRA from 2013 EDA budget. The 2013 EDA budget is subject to Council  
   approval.

There is currently \$50,000 in the EDA budget for the reader board sign. The City has received a donation of \$5,000 for the sign from the East Bethel Seniors and \$2,890 in a damage claim reimbursement from our LMC insurance.

Funds loaned to the EDA from an intra-fund loan would be repaid to the HRA by June 30, 2013.

Staff is requesting consideration of request to approve a no interest intra-fund loan from the HRA to the EDA to cover the balance of a reader board cost over \$57,890, with the loan not to exceed \$37,110.

Moegerle, "Have we sent out an RFP for this yet?" Davis, "We are going to give the specifications and renderings to Council at their next meeting. From those, we would come up with an RFP (if approved) to send out after the Council meeting."

**DeRoche made a motion to approve a no interest intra-fund loan from the HRA to the EDA to cover the balance of a reader board of the cost over \$57,890, with the loan not to exceed \$37,110. Moegerle seconded.**

Moegerle, "Why make the loan now rather than when we have something to accept?" Davis, "If we do something now we won't have to call a special meeting." Moegerle, "Because this is the quarterly meeting?" Davis, "That is correct. But if you want to wait, we can do that and we can always call a special meeting." Moegerle, "And this is the account we have the \$800,000 in?" Davis, "That is correct." Moegerle, "Is there any reason to do this now, to reserve against any other expenses? We know this is a pending expense, right?" Davis, "This is a pending expense if it is approved. We do know the reader board sign that Ham Lake did in 2006 was \$65,000. We priced one a year later and it was probably just a little more aesthetically developed than theirs and we were looking at \$75,000. And as mentioned before, Ham Lake did quite a bit of fundraising for theirs. I think they raised 50-60% of that amount was raised through donations. But, times were better then and they had a bigger business base to draw from. If we do that, we have to have a policy in place immediately. Sure people that donate may have some expectations about accessing the board."

Voss said their fundraising took a long time. And from what I recall, the City decided they needed the sign and paid for the balance. Davis, "I am sure it did. I don't know if anyone has looked at our sign that is down there now. But it is not in any form that is useable. The top panels are caved in. I was hoping we could use the bottom two tracks but they are too loose." Voss asked so the expectation is the sign will be around \$95,000? Davis, "That is what we are anticipating. We are hoping it would be less than that though. We won't know until we bid it. All I am requesting now is that we approve the inter-fund loan in case we do get acceptable bids. Then we will have a source to finance this. We wouldn't have to call another HRA meeting." Voss asked but it would still have to go to Council first because it is expenditure? Davis, "That is correct."

**Moegerle made a motion to table the inter-fund loan from HRA to EDA for the reader board until we have an exact amount. DeRoche withdrew his motion to approve the loan. DeRoche seconded the motion to table.**

Moegerle, "My point is why not do this all at one time, when we have the bids and know how much it will be. It will make it cleaner." Voss said it is pretty easy to call an HRA meeting right before a Council meeting. It is not like we have to come in special or anything. Lawrence, "I think we have some support to get the reader board sign done. We just need to know how much it will cost." Voss said by approving this loan to EDA it is sort of making a statement that this is the way that Council wants to go in that price range. We already approved this to go out for bids, right? Davis, "We will have this on the next Council meeting agenda, to approve to go out for bids." DeRoche, "Was this more to make sure that the money is going to go out for the sign? To go out for an RFP that doesn't require any money, correct?" Davis, "This will be a bid and once the bids are received then they have to be approved by Council. Council has to approve the project cost and if the cost is over \$57,000 than this will also need to be approved." **All in favor, motion carries.**

Voss said as long as we are talking about the EDA Inter-fund loan, what is the potential for the EDA to loan to Aggressive Hydraulics? And that would have to come out of HRA anyways; we would have to meet anyways. Davis, "That is correct."

Moegerle, "When would we know about failed septic systems and what we are going to do as a whole and the reports Mr. Sackey was doing?" Davis, "As far as using those numbers for justification to the PCA for funds, has to be a publically owned system." Moegerle, "But there are other sources of funds other than PCA, right?" Davis, "There may be. But anything like that is probably going to have to be a public applicant and publically owned." DeRoche, "Didn't Ham Lake look into that a little?" Davis, "Yes they looked into it and that was one of the problems. And the other thing they looked into was to form some type of association to deal

with it. But that was on a smaller scale. The problem when you do that is the maintenance of the system.”

Moegerle, “But what about a revolving loan fund for homeowners to fix their own systems?” Davis, “We could do something like that. The county does have programs, but they are need based. You have to fall under certain income guidelines.” Voss asked are we able to assess for a septic system upgrade? Vierling, “Probably not because it is not a public improvement.” Voss said the problem with the loan is they sell, go into forecloser or whatever. If it was an assessment, at least it would be collectable on the taxes. Moegerle, “We still have a problem with no solutions.” Davis, “We have options.” Moegerle, “I am very interested in getting this resolved.”

Adjourn **DeRoche made a motion to adjourn the HRA meeting at 7:00 PM. Lawrence seconded; all in favor, motion carries.**

Attest:

Wendy Warren  
Deputy City Clerk