

City of East Bethel
Housing and Redevelopment Authority (HRA) Meeting
HRA Meeting Agenda
Date: August 9, 2021



The HRA Meeting will start immediately after the adjournment of the August 9, 2021 City Council Meeting.

The meeting may be viewed via the following means: Cable Channel 10 or the City of East Bethel YouTube channel (www.youtube.com/channel/UC8_7ShcME-XG14pN5JrmBGg/live)

Item

- 1.0** Call to Order
- 2.0** Adopt Agenda
- 3.0** Approve Minutes – April 12, 2021 HRA Meeting (p. 2-3)
- 4.0** HRA Financial Update (p. 4)
- 5.0** Adjourn

DRAFT MINUTES: NOT YET APPROVED

EAST BETHEL HOUSING AND REDEVELOPMENT

AUTHORITY MEETING

April 12, 2021

The East Bethel City Council met on April 12, 2021, at 6:45 p.m. for the annual HRA meeting at City Hall.

MEMBERS PRESENT: Steve Voss Tim Harrington Suzanne Erkel
 Brian Mundle Shelly Beck

ALSO PRESENT: Jack Davis, City Administrator
 Chris Nelson, City Attorney

1.0 – Call to Order

Harrington called the regular meeting to order at 6:45 p.m.

2.0 – Adopt Agenda

Erkel stated I'll make a motion to adopt tonight's agenda. Beck stated I'll second. Harrington asked any discussion? To the motion, all in favor say aye. Roll call vote was taken. **All in favor.** That motion passes. **Motion passes unanimously.**

3.0 – Approve January 25, 2021 Minutes

Erkel stated I'll make a motion to approve the January 25, 2021 minutes. Voss stated I'll second. Harrington asked any discussion?

Mundle requested a change to item 1.0 – Call to Order: change the name from Plaisance to Harrington. Mundle also asked if the call to order and adjournment times listed were correct. Davis confirmed that the times were correct, as the HRA meeting was held after the City Council meeting.

Harrington asked if a motion was needed for the correction. Nelson stated that because it is a clerical error, there is no additional motion needed, if there are no objections by the members.

Harrington requested to the original motion, all in favor say aye. Roll call vote was taken. **All in favor.** That motion passes. **Motion passes.**

4.0 – HRA Financial Update and 2021 Budget Proposal

Davis reviewed that the HRA approved a levy amount of \$69,500 for 2021 to ensure the continued legal status of the City HRA as a stand-alone Authority and to provide HRA funds for eligible projects.

The maximum statutory levy for an HRA is 0.0185 percent of the previous year's estimated market value of all property in the City. In 2020 the estimated market value of all property in the City was \$1,326,806,200 enabling a maximum levy of \$245,459.

The unaudited HRA cash account balance as of April 7, 2021 is \$67,171.

The HRA's staff services for 2021 have been funded by a \$30,000 transfer from the HRA account to the City General Fund to support the administrative duties, staff time and other responsibilities required of the HRA. This transfer has been completed and is reflected in the HRA fund balance.

The tax settlement revenue will be distributed to the HRA in July and December of 2021. The projected HRA account balance at year end 2021 is projected to be \$136,671 given no other expenditures within the budget occur.

The proposed 2022 Budget would include an HRA Levy of \$77,000. This amount would reflect the 11% increase that was approved for the 2021 budget. This amount would be 31% of the maximum levy that could be adopted based on 2020 city property valuations. The HRA Levy is separate from and not part of the General Fund. Staff is seeking direction for approval of a HRA levy amount of \$77,000 to include in the preparation of the preliminary 2022 City Budget.

Voss stated I'll make a motion to approve the 2022 HRA Levy amount of \$77,000 to be included in the Preliminary 2022 City Budget. Mundle stated I'll second. Harrington asked any discussion?

Erkel asked if an increase was necessary, and why an increase is being suggested. Davis stated that the decision and adjustments are up to the Council. This money is to be used for upcoming projects, and it's always easier to have funds available to draw from, rather than trying to find it later when it is needed. This is just a proposed number to start the budget discussions, and there will be several discussions before the final budget is set.

Mundle asked what the HRA levy amount was before it was expended on the west side service road project, as he believed it was a substantial amount. Davis stated it was approximately \$700,000. Mundle clarified that a point was previously made that if the \$700,000 was used, it would have to be slowly built back up in order to fund any other projects. Davis confirmed that this was the long-term goal. Mundle stated that he would rather see this done in short increments, rather than all at once. Voss confirmed that Council had previously discussed building back up the fund balance for projects, and that this increase was expected.

Harrington asked if there were any other questions. To the motion, all in favor say aye. Roll call vote was taken. **Erkel-nay. Beck, Mundle, Voss, Harrington-aye.** That motion passes. **Motion passes.**

5.0 – Adjourn

Mundle stated I'll make a motion to adjourn. Erkel stated I'll second. Harrington asked any discussion? To the motion, all in favor say aye. Roll call vote was taken. **All in favor.** That motion passes. **Motion passes unanimously.**

Meeting adjourned at 6:54 PM.

Submitted by:

Carrie Frost

Administrative Coordinator

**City of East Bethel
Housing & Redevelopment Authority Meeting
Agenda Item Information**



Date: August 9, 2021

Agenda Item Number: Item 4.0

Agenda Item: Financial Update and 2022 Budget Levy

Background Information:

Per MN State Statute 469.033, subdivision 6, the East Bethel HRA must prepare and file a budget in accordance with the budget procedure of the City.

The HRA approved a levy amount of \$69,500 for 2021 to ensure the continued legal status of the City HRA as a stand-alone Authority and to provide HRA funds for eligible projects.

The maximum statutory levy for an HRA is 0.0185 percent of the previous year's estimated market value of all property in the City. In 2020 the estimated market value of all property in the City was \$1,326,806,200 enabling a maximum levy of \$245,459.

The unaudited HRA cash account balance as of July 20, 2021 is \$104,178.

The HRA's staff services for 2021 have been funded by a \$30,000 transfer from the HRA account to the City General Fund to support the administrative duties, staff time and other responsibilities required of the HRA. This transfer has been completed and is reflected in the HRA fund balance.

The final tax settlement revenue will be distributed to the HRA in December of 2021. The HRA account balance is projected to be \$136,684 at year end 2021.

The proposed 2022 Budget includes:

· General Fund Transfer for Staff Support Activities.....	\$	30,000
· Administrative and Legal.....	\$	500
· HRA Projects/Gap Financing.....	\$	<u>46,500</u>
2022 HRA Levy		\$ 77,000

This amount would reflect the 11% increase that was approved for the 2021 budget. This amount would be 31% of the maximum levy that could be adopted based on 2020 city property valuations.

The HRA Levy is separate from and not part of the General Fund Account.

Recommendations:

Information Item for Council.