



Legislation Text

File #: Min 11-25, **Version:** 1

Approval of the August 24, 2011 HRA meeting minutes.

ROLL CALL

Present: Commissioners Bostrom, Carter, Harris, Helgen, Lantry, Thune

Excused: Commissioner Stark

CONSENT

1. Approval of the August 10, 2011 meeting minutes.

Commissioner Bostrom moved approval.

VOTE: **Yeas - 6** **Nays - 0**

2. Resolution Giving Final Approval to the Proposed Issuance of Revenue Bonds for Nova Classical Academy Project Under Minnesota Statutes, Sections 469.152 through 469.1651. District 9

Commissioner Bostrom moved approval. Approved as set forth in Resolution Number RES 11-1657

VOTE: **Yeas - 6** **Nays - 0**

STAFF REPORT

3. The Proposed 2012 HRA Budget Presentation.

Ms. Cecile Bedor, Executive Director for the HRA, distributed and presented a power point on the proposed PED/HRA 2012 budget. (The power point is attached and is part of these minutes.) Ms. Bedor noted that there were no significant changes from 2011 to 2012, except that the HRA Loan Enterprise Fund (Fund 117) will increase because income and expenses from the Lofts will run through Fund 117.

Commissioner Helgen requested a written plan from PED with a time line on strategies DSI/PED will implement to help facilitate a smoother/clearer development process.

Commissioner Harris asked for explanation of the increase in tax increment revenue; and how the market value homestead credit is affecting it. Commissioner Harris also asked for information on how PED is marketing/using ED TIF Districts. Ms. Bedor responded that she would get that information.

Ms. Bedor gave an update on the Parking Program, noting that as a result of the 2010 refunding, the parking fund is now solvent, with reserves fully capitalized. Staff updates the capital improvement plan every 3-5 years to insure there is enough funding available for necessary repairs. The department of Public Works has requested a \$1.5 million loan from the HRA Parking Program to install new parking meters downtown. The agreed upon terms include a fully amortizing, 3% loan with a five year term; repayment to be made from city-wide parking meter revenue, with this loan first in line for those revenues. Staff expects the Board will take action on the loan terms when it is acting on the full City Budget.

Commissioner Lantry asked what the total balance of Fund 119 (Parking Fund) was.

Ms. Bedor stated that the total balance for Fund 119 was approximately \$13.9 million and displayed a fund balance chart on the screen. Ms. Bedor continued to explain that there is \$719,816 in Specific Ramp Restricted Cash (reserve funds held by other parking ramps, such as Wells Fargo); \$10,209,661 of required debt service reserves; \$2,362,245 for repair/replacement reserves; and \$635,335 in operating reserves.

Commissioner Lantry stated that she had, earlier in the year, requested some of the \$635,335 reserve for a different use and was turned down and asked why the funds are now being used for parking meters. Ms. Bedor stated that these are parking funds proposed to be used for parking purposes, and that it is not a grant, but will be paid back; essentially, this is an investment that will have a 3% return.

Commissioner Harris expressed concern that the reserves are over-funded and asked for details which justify the current reserve levels. Ms. Bedor agreed to provide this information.

Commissioner Harris also inquired why Public Works wouldn't use funds from their own internal fund with no interest instead of borrowing from the Parking Fund. Commissioner Lantry stated that it seemed there should be a reason why these funds are being used for the parking meters.

Mr. Todd Hurley from the Office of Financial Services stated that the administration's rationale for using these funds was the desire to better accommodate short-term street parking, moving longer term parking into the ramps. He noted that the City uses meter and fine revenue in the parking fund and meters and fines secure the bonds sold from the parking fund. After the rebalancing of the parking system (i.e., restructuring the debt), the fund now has the ability to make this loan - not a grant - with a rate of return. Mr. Hurley noted that Public Works could have looked at their internal funds as a source, but no other source is as related to the need as the Parking Fund.

Commissioner Helgen asked if the parking dollars were the most flexible. Ms. Bedor stated yes, with the exception of required reserves. Commissioner Harris stated any excess funds could be used for a variety of purposes, such as fee and levy reduction.

Commissioner Lantry stated that she supports the installation of new parking meters downtown, but that a different source should be found, potentially freeing up excess, flexible dollars in the Parking Fund.

Commissioner Helgen stated that these flexible dollars could be used to save the block nurse program from being cut, for example, which will dramatically impact seniors.

ADJOURNMENT

Commissioner Lantry moved adjournment. The HRA meeting was adjourned.