

Harmony EDA Minutes

May 3, 2012
7:30 a.m.

Council Room
Community Center

Present: Chris Skaalen, Steve Cremer, Steve Donney, Deb Swenson, and Andy Batstone

Also Present: Jerome Illg, and Chris Giesen

Meeting was called to order 7:34 a.m. by Chris Skaalen

Minutes

Motion by Donney, second by Swenson to approve the minutes from April 5, 2012.
Motion carried.

Financials

Illg gave an update on revolving loans. Past due loans were discussed.

A commercial rehabilitation loan request was made. Harmony Body Shop applied for a program distribution of \$9,245.13, the total project was \$18,490.26. The eligible improvements to be made were to update the front and side siding of the shop, install insulated overhead and entry door, and finish work on the roof.

The loan committee reviewed the application prior to the meeting and recommended that the EDA approve it, as requested. The EDA reviewed the application. Motion by Donney, second by Cremer to approve the commercial rehabilitation loan application, as requested. Motion carried.

Motion by Cremer, second by Donney to approve the financial report. Motion carried.

TIF 1 Use

Giesen and Illg reported that there approximately \$131,000 in excess increments from TIF district 1. The EDA discussed possible projects that could be funded with these increments.

Another possibility that was discussed was to allow the district to expire, and then ask the City Council to earmark the returned city portion for the EDA for a major project fund; whether a revolving loan program, industrial park expansion, or something similar. Consensus was that this would be a good idea if no projects are ready to go before the district expires. The board directed staff to update the board monthly on any potential projects or changes.

Prospects

Giesen discussed some prospects.

Chamber

Batstone gave the chamber report. He discussed some of the upcoming events and the planning that was going into them.

Heritage Grove

Kristi Kiehne, Mark Dixon, and Brenna were present to discuss Heritage Grove. Kristi gave the operations report. She said that there are some paint issues on the exterior and they may have to address some mold issues on some air conditioning units. She will explore the issue further.

Kristi explained that they are having issues with staff turnover. She discussed that Harmony's wages are lower than other facilities. Other facilities range from about \$8.75-\$9.50 depending on experience. The board discussed the need to pay people well and the need to avoid excessively paying training and other hiring expenses when a small increase in hourly wage might resolve the turnover issues.

Mark discussed revising the resident service charges.

The Caring Bridge offer was also discussed. Mark discussed HUD financing and the new developments after the meeting between the Heritage Grove committee and Oxford, Caring Bridge, and Traditions. The HUD loan could finance 83% of the value, in a non-recourse fashion. Mark mentioned that other buyers could also be found if these terms can be used for Heritage Grove. He said that preliminary information has been sent to HUD and he should hear back soon.

Batstone left at 8:47

Employee wages were discussed again. It was the consensus of the board that the management company could try adjusting the base hourly wages to \$8.75, with an increase to \$9.00 per hour after 90 days. The board asked the management company to revisit this issue with the board after 90 days for effectiveness. The board would like to see the cost difference between the new and former starting wages.

Swenson left at 8:49

Mark again discussed service rates for residents. He mentioned that it is common to have a reoccurring, yearly increase or scale that automatically readjusts. He would explore the issue further.

Skaalen adjourned the meeting at 8:52 AM.