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***Ford A. Peterson***

74378 CSAH 6 Dassel, MN 55325

Office 320-275-2004

E-Mail: [ford@highmarks.com](mailto:ford@highmarks.com)

Fax 800-737-1081

Outstate 800-350-8918

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Date: October 18, 2010

To: Meeker County Commissioners  
Strand, Wilde, Gabrielson, Swenson, Kutzke

From: Ford Peterson  
Resident, Meeker County

Re: Meeker County HRA, EDA, MCDC

Commissioners,

Many issues have come to my attention regarding the operation of the Meeker County HRA, Meeker County EDA, and the Meeker County Development Corp. The magnitude of the problem facing Meeker County gives me cause for pause. I am frankly shocked at my findings, which deserve your undivided attentions.

Events occurring at the Meeker County HRA facility known as the Dassel Apartments have created a crisis. Based on my initial investigations, which I am conducting on my own and at my own expense, it appears that much of the drama is being created by Commissioners Wilde and Strand, who sit on the County's HRA board. I must remind the County Commissioners that you are to supervise the HRA Board, not run it. This gives rise to an apparent and obvious conflict of interests. My hope is that the Meeker County Commissioners will recognize their important function and withdraw HRA Commissioners Wilde and Strand until further notice and find suitable replacements to once again represent the HRA as intended by statute. In 2005, the research at the state legislature found these important management functions (E.g. County Commissioners and HRA Commissioners) to be incompatible. Regardless of interpretation of statute, good business practice would demand that you rectify this malformed board situation immediately as it is clearly impossible for conflicts of interest to not be present.

The residents of the Dassel Apartments are considered to be among our community's most vulnerable of residents. Because of this, they are given special treatment under the law. It appears that actions have taken place to trigger a real and present danger in the minds of these people who feel that Commissioner action has threatened their housing

arrangements. Whether real or imagined, the consequences of the Commissioners failing to react to the apparent conflicts could have dire consequences for the County.

I urge the Commissioners to stop the finger pointing, the destruction of reputations, and the public display of he-said-she-said on the pages of newspapers. The public display of dramatic statements has real consequences on the lives of these residents and the County as a whole and is unbecoming the character of Commissioners. The truth will come out in good time. Meanwhile, the reputations of valuable elected officers remain in the balance on November 2.

Based on my initial investigations, it appears that much of the drama has been generated by a belief among many that the Meeker Commissioners intend to merge the failed or failing assets of the EDA into the HRA to gain access to the Levy authority granted to the HRA by statute. 469.004(5) specifically prohibit a County EDA from operating housing when funded by its general fund levy authority. The Commissioners that initiated the housing project back in 1998 were no-doubt well intentioned and could not foresee the catastrophe that has happened with the recent destruction of real estate market values. It appears that Meeker County now owns and operates 76 units of residential rental housing increasingly in need of repair and failing to cash flow, according to the 2009 Meeker County Audit prepared by MN State Auditor Rebecca Otto. The operations of the EDA have been funded by some means. I must remind the Commissioners that the Levy of Meeker County residents to fund residential housing outside the HRA or MMDC is not a legitimate use of Levy authority. Merging those failed assets into the HRA threatens the good financial position of the HRA—an action that HUD should and likely will prohibit. A merger would also expose Meeker County residents to onerous Levy increases to repair the dilapidated housing. Instead, alternative approaches should be sought—such as outright sale of assets.

My goal is not to run for office, as some have conjectured. It is not to get any special candidate elected or voted out of office, although MN Attorney General Swanson has advised me that elections may be the quickest cure for this situation. Although I am stunned by the lack of good business judgment I am witnessing, I am not arguing on behalf of the residents of Meeker, or the residents of Dassel Apartments, or the Director of the HRA. My actions are those of myself and am offering whatever help I can to rectify and resolve this on-going and stressful situation.

I am available most days and would welcome an opportunity to support you in whatever way possible.

Sincerely,

Ford Peterson