

CITY OF MANISTEE HOUSING COMMISSION
Regular Meeting Minutes
August 28, 2012

The Regular Meeting of the City of Manistee Housing Commission was held on August 28, 2012 in the City Council Chambers at Manistee City Hall.

Members Present: President Dale Priester, Treasurer Elbert Purdom, Commissioner Donna Korzeniewski and Commissioner Lawrence Bacon.

Members Absent: Vice-President Doug Parkes, Excused.

Also Present: Clinton McKinven-Copus, Executive Director/Commission Secretary and Lorna Perski, Housing Coordinator.

Amendments to the Agenda

Under Director's Report – Schedule work session with Scott DeKort & Public Hearing for Adoption of 2013 Annual Plan on October 16, 2012 at 4:00 p.m. in the Harborview Community Room.

Energy Performance Contract Report – Kenneth O'Connor of Siemens

Ken addressed our 20 year Energy Performance Contract. We are in the second year of the contract. The funding year looks at utilities for the previous 18 months. Siemens looks back 12 months in their calculation of the consumption, 2012 shows from July 2010 through June 2011. The contract requires them to verify energy savings. A sheet was passed out of HUD-Cash Flow – 52722 Form. The M & V that is listed is Measurements in Verification. HUD reimburses the Housing Authority based on measured consumption of utilities. The rest of cash flow is based on income and expenses. The loan payment and cost for Siemens to calculate is the Annual Expenses M & V. FRB – Frozen Rolling Base is the financial incentive that HUD provides if we conserve energy. We will receive \$180,000.00 (actual utility bills) plus \$128,000.00 to pay for the loan in our Operating Subsidy in 2013. Darrin, our Fee Accountant compiles numbers based on actual bills for utilities. The form 52722 is a HUD form to reimburse PHA's for utilities. We are starting one year late with the FRB, so in the 20th year of the loan, we will still get the incentive payment but will have no loan payments due. Starting one year late is due to some confusion in utility figures. This is due to our former accounting firm of Rector/Reader, and a former staff person who was keeping track of utilities. Elbert said he understands the concept, but we have a problem with cash flow now. Our Operational Subsidy is supposed to be \$451,485.00 for 2013 and we were previously at \$280,000.00. The projected utility cost for 2013 is \$183,000.00. Getting our AMPS with HUD back to two instead of one for properties will also boost our 2012 Operating Subsidy amount.

Approval of Minutes

The Regular Meeting Minutes of July 24, 2012 and the Special Meeting Minutes of August 7, 2012 were reviewed by commissioners. There were no corrections or additions. **Donna made a motion to approve the Regular Meeting Minutes of July 24, 2012 and the Special Meeting**

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Minutes of August 7, 2012 as written. Elbert seconded the motion. All members present voted in favor.

Old Business

Resolution 2012-13 Design and Bidding for Remediation of 112½ Holly Court. Clint noted that we had looked at this resolution before. Clint wrote to HUD about how to handle this mold situation. At HUD's last visit they told him he was excepted to repair and re-lease this two bedroom unit, we would not be allowed to demolish this unit. Vacancy days have accumulated on this unit, however, Clint will seek placement of the unit on modernization in order to remove the vacancy days. There will be a cost of \$5,526.00 to create the bid package for remediation of 112½ Holly Court. The Architectural Bid estimate is approximately \$17,687.00 for cost to repair. It will probably take about 3 months to complete the project, including bidding and actual work on the unit. **Donna made a motion to approve Resolution 2012-13 Design and Bidding for Remediation of 112½ Holly Court.** Lawrence seconded the motion. All members present, except Elbert voted in favor of the motion. Elbert was opposed. Motion carried.

Resolution 2012-15 Lawn Care and Maintenance with the City of Manistee. The city has done the whole river bank already, and the fall clean up can still happen this year. Authorization would allow Mitch, Jack and Clint to set up a schedule for the Spring, beginning May 1, 2013. Clint would have something for approval at the second meeting in September. The contract would be May 1, 2013 – September 1, 2013. Clint wrote up a possible contract and had it reviewed by our attorney. **Donna made a motion to approve Resolution 2012-15 Lawn Care and Maintenance with the City of Manistee.** Elbert seconded the motion. All members present, except Lawrence voted in favor of the motion. Lawrence was opposed Motion Carried.

Resolution 2012-16 Adoption of Fiscal Year 2013 Operating Budget. We must have this submitted to the HUD Office by September 1, 2012. Donna asked if there is a freeze on Administrative Salaries. Clint said yes, and it actually decreased again as employees must pay a portion of their insurance now. **Elbert made a motion to approve Resolution 2012-16 Adoption of Fiscal Year 2013 Operating Budget.** Donna seconded the motion. All members present voted in favor. Motion carried.

Resolution 2012-17 Determination to Create Two Project Numbers/Grouping of Public Housing Units. Our Fee Accountant has encouraged us to go to 1 AMP with HUD. Under the old formulation system more funds were available this way. Under the new PHAS Formulation the calculation has changed. Our units are mostly 1 bedroom elderly units and the calculation for

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all units was figured at that rate causing a loss of \$138,000.00 in our operating funds. Clint has prepared a letter to HUD to change back to two AMPS so we can get the correct subsidy for the 2, 3 and 4 Bedroom Units. A board resolution is required to make this change. **Elbert made a motion to approve Resolution 2012-17 Determination to Create Two Project Numbers/ Grouping of Public Housing Units.** Donna seconded the motion. All members present were in favor. Motion carried.

Resolution 2012-18 Authorization to Execute the Recovery Agreement. The CMHC and the City of Manistee are required to sign this agreement. Willie Garrett of HUD asked us to look at the dates of the Recovery Agreement. The chart shows a difference between our request for dates that items need to be completed and what he has granted. Lawrence said the Director Evaluation and Board Training are not optional for the board. Lawrence also questioned the June report. Elbert asked if we can accomplish the tasks that HUD wants in time. Clint said that we could. In the Recovery Agreement itself we asked for a change of #6 once we receive a standard performer and have our financial reserves up for three months. We have to complete all items in the recovery agreement. Donna asked what EIV was. It is the HUD Enterprise Income Verification Website. Once we approve and sign this Recovery Agreement, it has to go to City Council for signatures. **Donna made a motion to approve Resolution 2012-18 Authorization to Execute the Recovery Agreement.** Elbert seconded the motion. All members present except Lawrence voted in favor. Lawrence was opposed. Motion carried. Clint, Valerie and Claunella will set up a webinar for board training for our board members. The board is required to create a policy and procedure regarding board training that includes at least 8 hours of training per year for the board. Donna will take on preparation of this policy.

Resolution 2012-19 Review of Procurement Process and Procurement Forecast. We have a plan of proceeding for the future that matched our current usage. We have been using Mike Gifford, Procurement Executive for the Las Vegas Housing Authority. He will be in Muskegon Heights and can come up to get a Purchasing Plan in place. The cost for his services is \$2,890.00 since he is already in the area. **Donna made a motion to approve Resolution 2012-19 Review of Procurement Process and Procurement Forecast.** Lawrence seconded the motion. All members present except Lawrence voted in favor of the motion. Lawrence was opposed. Motion failed.

Resolution 2012-20 Welfare Benefit Plan Amendment and 125 Plan. The resolution authorizes the amendment to our Welfare Benefit Plan and the creation of a Code Section 125 Cafeteria Plan which outlines the type of insurance benefits CMHC offers to its employees. It needed to be updated in compliance with Michigan Public Act 152 and establishes to ability for employee payment of insurance premium as a pretax deduction from wages. **Donna made a motion to approve Resolution 2012-20.** Lawrence seconded the motion. All members present voted in favor. Motion carried.

Director's Report

Scott DeKort will come up on September 11, 2012 to meet with commissioners as part of our Physical Needs Assessment at 7:30 a.m.

There will be a Public Hearing on October 16, 2012 at 4:00 p.m. in the Harborview Community Room for Adoption of our 2013 Annual Plan.

As noted in the Recovery Agreement will need to be at three months Operating Reserve by December 31, 2012.

Finances

The July income was \$129,269.83. Expenses of \$61,630.48 are in line, or lower, in most cases than usual. The profit for July 2012 was \$67,639.35. September should be pretty even, and there should be some extra profit for October. **Donna made a motion to accept the July 2012 Financial Reports and place them on file.** Lawrence seconded the motion. All members present voted in favor. Motion carried.

Communications

There were no communications.

Public Comment

There was no public comment.

Commissioner Comments and Concerns

Lawrence suggested that we reinstate the \$1.00 per hour wage that Rebecca voluntarily gave up after she was first hired and everyone else had a wage cut. **Lawrence made a motion to reinstate the \$1.00 per house wage for Rebecca Day.** Donna seconded the motion. All members voted in favor. Motion carried.

There was no additional business to discuss. **Donna made a motion to adjourn the meeting at 5:48 p.m.** Lawrence seconded the motion. All members voted in favor. Motion carried.



Dale Priester
President



Clinton McKinven-Copus
Executive Director
Commission Secretary