

CITY OF MANISTEE HOUSING COMMISSION
Regular Meeting Minutes
April 26, 2011

The Regular Meeting of the City of Manistee Housing Commission was held on April 26, 2011 at 4:00 p.m. at the City Council Chambers at City Hall.

The meeting was opened by President Dale Priester at 4:03 p.m.

Members Present: President Dale Priester, Vice-President Doug Parkes, Treasurer Elbert Purdom, and Commissioner Lawrence Bacon.

Members Absent: Commissioner Donna Korzeniewski who was absent due to training for work.

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

Amendments to the Agenda

There were no amendments to the agenda.

Approval of Minutes

Commissioners reviewed the March 29, 2011 minutes. There were no additions or corrections in the minutes. **Doug made a motion to approve the March 29, 2011 Minutes as written.** Elbert seconded the motion. All members voted in favor. Motion carried.

Old Business

There was no Old Business to discuss.

New Business

Resolution 2011-04 Financial Recovery Plan from Financially Troubled Status Level One – Clint created a narrative for commissioners of the history leading to the troubled status, and the plan already in progress for recovery from the troubled status. The recovery plan that was set in motion by the Executive Director included the layoff of two full-time employees, and a reduction of healthcare benefit. Going forward the CMHC will maintain its reduction in staffing and healthcare benefits and continue looking for additional expenses that may be cut or reduced. The key to our financial recovery plan is the adopted 2011 operating budget. This budget assumes that we will receive only 75% of the calculated operating subsidy from HUD. Furthermore the 2011 operating budget assumes staffing levels the same as at the end of 2010, with no raise in wages or healthcare costs. Clint noted that Darrin, our Fee Accountant, put December 2010 utilities in January so there was no surplus in funds. The months of February and March 2011 both show an operating surplus over \$9,000.00 each. The goal for the 2011 budget is to end the fiscal year with a reserve balance of at least \$276,515.00. We should have three months of operating expenses in reserve, and based on the tracking chart we are now

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saving funds. Clint said he was told by HUD, that Rector-Reader was our problem. **Doug made a motion to approve Resolution 2011-04 Financial Recovery Plan.** Elbert seconded the motion. All members voted in favor. Motion carried.

Resolution 2011-05 RFP 2011-01 Special Legal Counsel/Financial Consultant for Developer Services – CMHC received three proposals with Reno & Cavanaugh being awarded the bid based on the scoring of the CMHC evaluation team. A negotiated contract for the engagement of services with Reno & Cavanaugh stipulating the anticipated outcomes of the contract and financial commitment of CMHC is required prior to the start of work. Upon completion of a negotiated contract, the contract shall be reviewed at the next regularly scheduled Board of Commissioners meeting. At this time no money will be expended, this allows us to engage the development firm as HUD requires. The DNRE will help us get a grant for demolition if we get a developer to begin building plans. There will still be a start up cost of approximately \$25,000.00, and we still have to take care of the due care. Reno & Cavanaugh is located in Washington, but works out of Flint, Michigan. They have worked with HUD Detroit in the past. **Doug made a motion to approve Resolution 2011-05 RFP 2011-01 Special legal Counsel/Financial Consultant.** Doug and Elbert voted in favor. Lawrence voted against. Dale abstained as he knows the people from Reno & Cavanaugh. Motion carried.

Resolution 2011-06 Write Off of Doubtful Accounts – When Darrin closed out 2010 there were several accounts that were not written off. Most of these are old and should have been written off by Rector-Reader. **Doug made a motion to approve Resolution 2011-06 Write Off of Doubtful Accounts.** Elbert seconded the motion. All members present voted in favor. Motion carried.

Director's Report

Most items in the Director's Report were already covered. The Occupancy Report, Recertification Report and Waiting List Report are included in his packet. The Management Improvement/Efficiency Consultant was onsite April 13 and 14 to work with the management team, and will provide a report for our use.

Financial Reports

There were questions about the number of phone lines and the bill being so high. The first report for the Energy Performance Contract will not be available until September 2011. Energy savings should be approximately \$87,000.00 per year. Once Clint has that report he will fill the information in on page four of his worksheet. It was noted that Darrin does a highbrid type of Cash/Accrual System of Accounting for HUD. Clint is trying to make sure that Bev pays all bills in the month they are due. El said Darrin should have changed to a prepaid expense for the utilities. **Doug made a motion to except the December 31, 2010 Year End Report, January 2011, February 2011 and March 2011 Financial Reports and place them on file.** Elbert seconded the motion. All members present voted in favor. Motion carried.

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Communications

The Resident Newsletters and ROSS Staff Report are included in communications.

Public Comment

There were no Public Comments.

Commissioner Report

There was discussion about requesting that Darrin have financial reports to Clint by the 15th of each month.

There was no additional business to discuss. **Elbert made a motion to adjourn the meeting at 4:40 p.m.** Doug seconded the motion. All members voted in favor. Motion carried.



Dale Priester
President



Clinton McKinven-Copus
Executive Director
Commission Secretary