

CITY OF MANISTEE HOUSING COMMISSION
Regular Meeting Minutes
September 27, 2011

The Regular Meeting of the City of Manistee Housing Commission was held on Tuesday, September 27, 2011 in the City Council Chambers at City Hall.

The meeting was opened by President Dale Priester at 4:05 p.m.

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

Members Absent: Vice-President Doug Parkes.

Approval of Minutes

The Regular Meeting Minutes of July 12, 2011 were reviewed by commissioners. There were no corrections in, or additions to the minutes. **Donna made a motion to approve the Regular Meeting Minutes of July 12, 2011 as written.** Elbert seconded the motion. All members present voted in favor. Motion carried.

The Regular Meeting Minutes of August 30, 2011 were reviewed by commissioners. There were no corrections in, or additions to the minutes. **Donna made a motion to approve the Regular Meeting Minutes of August 30, 2011 as written.** Elbert seconded the motion. All members present voted in favor. Motion carried.

Amendments to the Agenda

There were no amendments to the agenda.

Public Hearing

Resolution 2011-15 Adoption of the Five Year and 2012 Annual Agency Plan. Commissioner Bacon had questions, but they were regarding the 2011 Environmental Review. This plan must be adopted and submitted to HUD. **Elbert made a motion to approve Resolution 2011-15 Adoption of the Five Year and 2012 Annual Agency Plan.** Donna seconded the motion. All members present voted in favor. Motion carried. Clint then went through the breakdown of the five year and annual plan for commissioners. We have received the Physical Needs Assessment for Harborview, but not for Century Terrace or the homes yet. Once that is in place we will have a work session. There were no written comments submitted for the Five Year and 2012 Annual Agency Plan. Donna asked about the breakdown for Administration and Operations.

Old Business

There was no Old Business to discuss.

New Business

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Resolution 2011-16 – Award of IFB 2011-06 Elevator Modernization and Maintenance Services is on hold. The bids were opened at 2:00 p.m. as scheduled. We have an apparent winner, but discovered that the procurement requirements were not met by several of the bidders. Management brought this information to the attention of the commissioners and we are tabling a decision on the bids for now.

Resolution 2011-17 – Authorization for Upgrade of CMHC Server – The CMHC Server uses the Microsoft Operating System Server 2003 and the Microsoft Server E-mail Program, Exchange 2003. Microsoft no longer supports Microsoft Server 2003 and Exchange 2003 (which means Microsoft has ceased to supply program, and security updates for both of these critical system programs.) The lack of security updates to the operating system and e-mail system exposes CMHC to potential cyber attack. The security issue this raises for the housing commission is that the private information of tenants (income, social security numbers, age, birthday, etc) becomes vulnerable to a cyber attack and identity fraud. HUD requires that the housing commission maintain security of its electronic information. We are not able to maintain security of this information while continuing to use Server 2003. Originally Clint thought we would be able to upgrade the server to 2011 without changes to our hardware. However, our current server does not have the hardware capacity to run the operating and e-mail exchange for Server 2011. Clint performed a review of available GSA pricing through Dell, HP and DataViewIT and the low price is from DataViewIT at \$4,912.00. Funding is available in the CFP 2009 Management Improvement line. **Elbert made a motion to approve Resolution 2011-17 Authorization for Upgrade of CMHC Server.** Donna seconded the motion. All members present voted in favor. Motion carried.

Director's Report

Clint reported on the HUD team visit. There was a team of five people that came for the review. We are required to maintain 97% occupancy of our units for HUD. The current occupancy rate is 98%. Century Terrace is the most difficult building to keep filled. The waiting list needs to be updated to one list. We currently have a High Rise List and a Scattered Site List (Houses) by bedroom size. HUD informed us that we can only have one list by bedroom size and offer the next unit available on that list. The number of units that we have that can be occupied is 213, with other units being for special use: laundries, offices, etc. 103 Holly Court was damaged by the last tenant and is off line on modernization right now.

On Monday, September 26, 2011 CMHC was informed that the 2011 operational subsidy from HUD was approved by HUD at \$305,326.00. CMHC budgeted 2011 operational subsidy at \$211,809.00 Based on the approved operational subsidy CMHC will receive \$93,517.00 in additional revenue which will be applied to restoration of our reserves.

Finances

The August 2011 Financial Statements were reviewed by commissioners. There is a monthly deficit of \$35,332.51 and an annual deficit of \$6762.11. This deficit required immediate action of staff reduction. Andy Zenk, Auditor who completed the 2010 audit was

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here and reviewed July 2011 information. We drew two months of subsidy in June for June and July, and that double draw hit in August and caused the deficit in August. The Operational Subsidy draw is \$22,605.00 per month. The Energy Performance Contract was paid twice in one month, as well as the telephone bill. Another issue that we will have to track down is the PILOT payments, they are accruing at an incorrect amount that is too high. Based on the staff reduction there will be a savings of \$18,112.00 over the next three month period. HUD says that we need to have three months worth of Operating Revenue in reserve in our bank account before we increase staffing at all. Our currently monthly expenses are about \$92,000.00. We now have about 1 1/2 months reserve in our account. We currently have two full time staff in Maintenance, and two full time and one part time in the office. Elbert said he wants to be clear on what commissioners are supposed to do to help out. Elbert says he likes Darrin, but wishes he would do some things differently. HUD requires commissioner training, which will be set up. Elbert said we should consider whether the cuts we have made are counterproductive. The HUD Recovery Team will be back here in November with a plan for us. Clint said that we will be told how we are to perform by HUD and if we don't do it, we will go into receivership, and they will come in and take over. Lawrence said he is not comfortable with waiting until November to do something. Clint said they should have a work session with all five commissioners, the accountant and the auditor present on site. The accountant and auditor would be able to tell commissioners the impact on all issues, including the Energy Performance Contract, so Clint is not serving as the middle man. Clint said he will see if he can set up dates for this meeting. **Donna made a motion to accept the August 2011 Financial Statements and place them on file.** Elbert seconded the motion. All members present voted in favor. Motion carried.

Communications

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

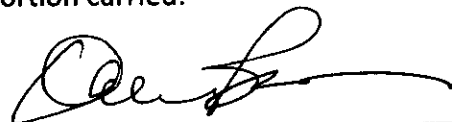
Public Comment

Mary O'Brien Resident Manager at Harborview asked if she would have to start cleaning buildings now too, since Maintenance Staff had been cut. Clint and the commissioners said no.

Commissioner Report (Comments/Concerns)

There were no additional Commissioner Comments or Concerns.

There was no additional business to discuss, **Elbert made a motion to adjourn the meeting at 5:35 p.m.** Donna seconded the motion. All members present voted in favor. Motion carried.



Dale Priester
President



Clinton McKinven-Copus
Executive Director/Commission Secretary