

**MANISTEE HOUSING COMMISSION**  
**Regular Meeting Minutes**  
**August 24, 2010**

The Regular Meeting of August 24, 2010 was opened at 4:09 p.m. by President Dale Priester.

Members Present: President Dale Priester, Treasurer Elbert Purdom, Commissioner Donna Korzeniewski and Commissioner Harvey Good.

Members Absent: Vice-President Doug Parkes.

Also Present: T. Eftaxiadis, Consultant; Clinton McKinven-Copus, Executive Director; Brandon Jensen, Deputy Director and Lorna Perski, Housing Coordinator.

Amendments to Agenda

Adjust the agenda under Old Business to place Environmental Due Care Obligations for the Manistee Plating Property to the next place after the Amendments to the Agenda.

Old Business

T. Eftaxiadis, Consultant provided memo and reviewed it with commission members. He said that CMHC has certain obligations that have been described in the Due Care Plan prepared by NTH Consultants on behalf of the CMHC under the USEPA Brownfield Assessments Grant awarded to the City of Manistee Brownfield Redevelopment Authority. The key Due Care measures that CMHC is required to address upon acquiring the property and until the property is redeveloped are: 1) Limit unrestricted access to the building by unauthorized individuals who may come in contact with hazardous materials. All windows and doors need to be boarded up or secured, no trespassing signs posted; 2) All hazardous material remaining in the building must be removed and disposed of properly with requirement of the Notice Regarding Discarded or Abandoned Containers submitted to MDNRE; 3) Repairs need to be made to the building to limit rainwater and snowmelt entering the building and infiltrating into the underlying soils and groundwater. Repair roof, doors, windows and any other openings; 4) The property must be inspected on a regular BASIS (at least quarterly) to ensure all Due Care obligations are met and maintained. The condition of the property must be documented at inspection. CMHC would need to obtain costs for undertaking some of the Due Care Measures.

CMHC may apply to the MDNRE for a grant and/or loan to fund the cost of certain Due Care and additional environmental issues, as follows: 1) Site clearing and demolition/removal of building, foundations and other structures; 2) Temporary cap (paving); 3) Existing monitoring well protection; 4) Slope/shoreline stabilization; 5) Updating of Due Care Plan; 6) Engineering/field oversight; 7) Administration and 8) Contingency. Based on 2008 cost estimates, the amount of grant/loan requested would range from \$160,000.00 to \$210,000.00. The probability of such grant/loan award would be determined upon submitting a pre-application Project Summary to the MDNRE and receiving feedback. The probability of a grant award may be higher if this is a component of a City-wide multiple site grant/loan application submitted by the CMBRA. However, the CMHC qualifies to apply on its own. The upfront

## Regular Meeting Minutes

July August 24, 2010

Page 2

consulting cost to the CMHC of a single application and associated meetings and contracts would range from \$900.00 to \$1,400.00 and would be somewhat less if included the City-wide application. If CMHC wishes to be included in the City-wide application its decision needs to be communicated to the CMBRA immediately, the City –wide application will be submitted in a few days. T said we would know the results within three weeks. Clint said we will prepare some due diligence for the next meeting in case we do not get the grant. It was noted that the purchase agreement for the property holds Joe Pienta responsible for the clean-up.

T said he thinks they would give a grant to CMHC for demo and capping of the property and for stabilization of the slope to the river. **Harvey made a motion to be included in the City-wide application to the MDNRE for Due Care and additional environmental issues for the Manistee Plating Property. The Roll Call Vote: President Priester – Yes, Vice-President Parkes – Absent, Treasurer Purdom – Yes, Commissioner Korzeniewski – Yes and Commissioner Good – Yes.**

### Approval of Minutes

There were no corrections or additions in the Regular Meeting Minutes of July 27, 2010 or the Special Meeting Minutes of August 10, 2010. **Donna made a motion to approve the July 27, 2010 Regular Meeting Minutes and the August 10, 2010 Special Meeting Minutes.** Elbert seconded the motion. All members present voted in favor. Motion carried.

### Old Business Continued

Clint asked what the commission members thought of the presentation by Michael Syme of Cohen & Grigsby, P.C. The presentation was to educate the commissioners about development opportunities including how to go forward and develop affordable housing on the Manistee Plating property. We would need to put out an RFP for Special Counsel and Legal Counsel. The minute the RFP goes out we would need to have current Financial Statements on hand. As far as the physical RFP, Brandon has read it multiple times and has no idea what they are asking for. Until we are educated in the process, how can we go forward. Clint said he believes we would need about \$50,000.00 now and about \$250,000.00 in the future for this project. Clint said he thinks we need to cap the property now and wait a few years update the property we already have and get our finances in line before proceeding with a new building. Mike knows a lot about HUD and his work is impressive. The problem is we would be soliciting services for plans, Brandon said we should make a plan ourselves once we get things in order. El said that we are currently in financial trouble, and we need to straighten things out first. The commission decided to complete the due diligence and table going forward with a new building at this time.

### Director's Report

Clint went over the Occupancy Reported and noted that we have 209 units available for leasing. At the end of July we had a 95% occupancy, but we have had several vacancies at

## Regular Meeting Minutes

August 24, 2010

Page 3

Century Terrace and some evictions in the process. Donna asked if we have people in our new units yet. We do not, as we have been waiting for HUD approval and to get the new units entered into the PIC/HUD website and for HDS to then enter them into the software. Clint also included the Waiting List Report and Monthly Recertification Report.

### Deputy Director's Report

Brandon reported that he will move forward with Benzie Appliance completing the new stoves in the Scattered Site Units. The second wave of three will be completed this Fall.

With the Energy Performance Contract in place the Harborview Boilers and zone valves will be the next project that we move forward with. With the boiler installation everything affects everything else and zone valves will need to be installed in each apartment. The lines will be bled much easier with the new boiler installation and will isolate the water much more than it is currently. The cost of this project will be about \$50,000.00 to \$70,000.00. We will see return quickly because it will be much more energy efficient.

### Finances

Clint received communication from Darrin Veith that we will receive our financial reports when he has completed the ten FYE's he must do for other Clients. Darrin communicated with Andy Zenk the auditor while he was on site a few weeks ago.

There were questions about the Fiscal Year 2010 Budget. El questioned the utilities, when you look at gas totals yearly at \$74,000.00 and the monthly at \$6,100.00 then August is listed at \$513.00. Clint said that this is a formula that needs to be redone it should be \$6,100.00. Donna asked what the purpose of the sheets were. Clint said this is the anticipated budget from August through December 2010 with insurance cuts and lay-offs. The purpose is to see if we will make up any money to go toward the past deficits. When you look at maintenance employees the number you see monthly is \$9,801.00 and currently it is \$6,538.08 for wages. Part of this is due to one maintenance employee being on disability. If they come back then the wage cost will increase again. We have to pay the insurance while she is on medical leave. She also still has multiple weeks of vacation that have not been taken, which we will need to pay her for. In Clint's conversation with Bruce Gockerman the contract only requires that the employee uses 5 days of vacation while on disability. She is now in the transition between short term and long term disability, and awaiting a decision. We get regular reports from the Disability Company as to the status and requests that the employee makes. There was a discussion about the excessive amount of telephone lines for the building. Clint reported that we need to have four separate lines to the four separate elevator cars, and there are two separate lines for the fire alarms which are all required by code. We also have a fax line and three voice lines. We have eliminated one of the regular voice lines and use the fax line as a back-up.

**Regular Meeting Minutes**

August 24, 2010

Page 4

There was a draft of a proposed 2011 Budget. Clint will use this draft and update as he receives current monthly financial statements from Darrin. This is draft #1 which only has information through March 2010. Al asked to have the depreciation included in the report also. Harvey had questions about the Operating Income Loss/Income. Clint hopes we can walk away with a \$25,000.00 to \$40,000.00 surplus in 2010. Al would like Clint to put the depreciation in this report only.

Communications

The Harborview Happenings Newsletter, the Port City Tribune and the CMHC Ross Monthly Report was included in communications.

Public Comment

There was no public comment at this meeting.

Commissioner Reports – Comments/Concerns

Dale said he went to and enjoyed the ROSS Picnic at Fifth Avenue Beach Shelter House.

He commented that the funniest story about the picnic was that ROSS Grant Volunteers had tried to get ice cream donated for the picnic from House of Flavors and were unable to. Bobbie Stamp went in and asked for a donation and they gave him three containers of ice cream.

There was no additional business to discuss, **Donna made a motion to adjourn the meeting at 5:10 p.m.** Harvey seconded the motion. All members present voted in favor. Motion carried.



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Dale Priester  
President



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Clinton McKinven-Copus  
Executive Director  
Commission Secretary