

## CITY OF MANISTEE HOUSING COMMISSION

### Regular Meeting Minutes

September 28, 2010

The Regular Meeting of the City of Manistee Housing Commission was held on September 28, 2010 in the Council Chambers at City Hall.

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

Members Present: President Dale Priester, Vice-President Doug Parkes, Commissioner Donna Korzeniewski and Commissioner Harvey Good.

Members Absent: Treasurer Elbert Purdom. It was noted that Treasurer Purdom was unable to attend due to a funeral.

#### Approval of Minutes

There were no corrections or additions in the Regular Meeting Minutes of August 24, 2010. **Donna made a motion to approve the August 24, 2010 Regular Meeting Minutes as written.** Harvey seconded the motion. All members present voted in favor. Motion carried.

#### Amendments to the Agenda

There were no Amendments to the Agenda.

#### Old Business

There was no Old Business to discuss.

#### New Business

Resolution 2010-7 Utility Allowance – The City of Manistee Housing Commission is required to provide an Allowance for Utilities to Tenants who pay the utility supplier directly for utilities. The City of Manistee Housing Commission has entered into an Energy Performance Contract with Siemens Corporation which requires that Siemens provides CMHC with annually adjusted Utility Allowances for the next 20 years. CMHC has received the current adjusted Utility Allowances. It is further resolved that the Utility Allowances become effective December 1, 2010 and that the new calculation becomes effective at the time of the Tenant's next Annual Recertification. If utility allowance is more than a tenant rent amount we will have to pay the utility provider directly, not the tenant. The Utility Allowances for Scattered Site Homes: 2BR - \$112.00, 3BR - \$122.00 and 4BR - \$146.00. The Utility Allowances for Harborview: 1BR - \$24.00 and 2 BR \$27.00. The overage charge for Excess Water was changed to \$.008084 per gallon. **Doug made a motion to approve Resolution 2010-7 to change the Utility Allowances effective December 1, 2010.** Donna seconded the motion. All member present voted in favor. Motion carried.

Resolution 2010-8 Adoption of 2011 Annual Plan and Amendments - Brandon discussed the 2011 Annual Plan and Amendments. The first pages are HUD Update Information, Part 7.0

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is regarding the demolition of 104 and 104½ Park Avenue. Following the orange page is the Annual Plan, following the yellow page is the Budget Description and following the green page is the Resident Advisory Board Minutes and information. CMHC has publically advertised this document as being available for public comment for the past 45 days. This year the newly formed Port City Resident Council served as the Resident Advisory Board to the Commission. The RAB is to publically gather residents and discuss issues they would like to see addressed in the PHA's physical plant. Specific items to the 2011 plan consist of: \$133,719 for modernization and building upgrades, \$80,000 for the purchase of a new MAU System at Century Terrace, \$20,289 towards Hot Water Heater Boiler Upgrades at Harborview, \$33,430 for Emergency Reserve and Scattered Site Unit Rehabilitation/Modernization, \$40,000 for Operational Expenditures, \$24,000 for Management Improvements (Used for Software, Staff Training and hopefully in the future to continue with ROSS Grant Programs), \$24,000 for Administrative Costs, \$10,000 for Professional Services related to Grant Eligible Expense Items and \$10,000 for Equipment Replacement for the Maintenance Department. We will lose about \$4,000 in our CFP each year according to HUD information. Harvey asked about improvements at Harborview. The last thing he said they got at Harborview were refrigerators. Clint and Brandon noted that GFI's in the kitchens had been replaced recently. Boilers are scheduled to be replaced in the coming months. **Donna made a motion to approve Resolution 2010-8 Annual Plan and Amendments.** Doug seconded the motion. All members present voted in favor. Motion carried.

Change of Meeting Dates – Clint brought up the fact that the November and December 2010 meetings which are scheduled for the fourth Tuesday are too close to the Holidays. The proposed meeting dates are the third Tuesday of the month, November 16, 2010 and December 21, 2010. **Donna made a motion to approve the change in meeting dates for November and December due to conflict with the holidays.** Doug seconded the motion. All member present voted in favor. Motion carried.

### Director's Report

The Occupancy Reports for the last several months are included in the Director's Report.

There is an explanation of the Recertification Reports and the monthly total for August 2010.

There is a listing of the number of applicants on our Waiting Lists and their importance to HUD and our audit.

There were Audit Findings for the 2009 Audit due to incorrect draws in Capital Funds because of the information provided by Rector, Moffit & Reader. Draw sheets that were created by Rector, Moffit & Reader caused double draws of funds. The second finding is for missing Birth Certificates in our tenant files. Andy Zenk, our auditor, has requested to be present at our next meeting to present the audit to commissioners and to discuss the purchase of the Manistee Plating Property.

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Finances – Clint received a notification last Thursday evening from HUD's Real Estate Assessment Center. We ended 2009 with approximately \$90,000 in deficit. We received a sub-standard score on our Financial Submission, labeling us as a troubled agency. We have been given two years by HUD to get our Financials Reports in order, increase occupancy and build up our cash reserves with HUD oversight. We have an MOU with HUD, with the goals that we will strive for. If we do get things straightened out there will be no cut in funding. We have to remember this is a 2009 Audit and we already have changes in place in 2010.

### Deputy Director's Report

Brandon explained the process of approval of the Annual Plan.

Installation of Harborview Boilers has been moved to Fall because of HUD approval of the Capital Fund Money. The Energy Performance Contract did not cover Harborview Hot Water Boilers. We will have a 30-40% savings on gas with the new boilers. Boilers will easily pay for themselves. Bids were put out to three companies, Premier Heating was the lowest bidder because they could acquire GSA pricing. The boilers are the best on the market right now. Brandon met with installers this morning. The Fifth Floor will be the first to be completed. The projected completion is slated for mid-October.

The Vine Street Unit rental process has begun. This process will take some time because the two bedroom list is very long and people have been on it for some time. Each applicant has to be checked out to see if they will be approved. If they are not, we then move on to the next applicant.

Energy Performance Contract Update – The Century Terrace Exterior Project is complete. Brandon has made an agreement with the contractor, regarding the torn up back yard caused by their equipment. We have not really had the opportunity to see the savings from the EPC yet. The water hasn't really changed because the city meters are failing and do not read properly. We will have a clearer picture of the savings a year from now.

UPCS Inspections – Brandon has begun reading books on the inspections and will plan to complete this year's inspections prior to the PHAS inspections by HUD.

With the release of the 2010 CFP Funding, the remainder of the Scattered Site Appliances will be installed by Benzie Appliance. Old appliances are scrapped for the metal.

Clint informed commissioners of a case of a Legal Medical Marijuana User at Century Terrace. HUD does not allow use of Medical Marijuana in Federal Housing, regardless of Michigan State law. The tenant has contacted the ACLU to represent them in this case. Doug asked if we have HUD's response in writing for the judge when we go to court.

### Finances

A copy of Clint's e-mail to Darrin Vieth regarding our Financial Report's was provided to

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commissioners. Darrin replied to the e-mail on 9/23/2010. Al said as a CPA he understands that it will take Darrin some time to complete all of the reports. Darrin's firm is swamped and will be hiring an additional person shortly. We will not have good financial information until we see the September Financial Reports, since the cuts were made in August. Clint will continue to hound Darrin about financial reports.

### Communications

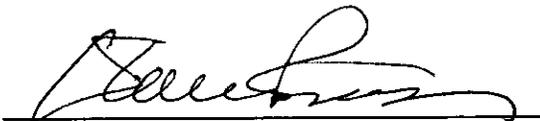
It was mentioned that the date of the Housing Commission Meetings is incorrect in the Century Terrace and Harborview Newsletters.

### Commissioner Reports & Concerns

Harvey mentioned the dumpster and the items that are tagged sitting by the dumpster, they continue to be a mess. The truck that comes has the claw and cannot pick up the couches, etc. Brandon has complained several times about them not picking up tagged items. If we catch people dumping items that should not be dumping, we can prosecute them, but it is difficult to catch them. Commissioners thought we should possibly put up a sign about non-residents dumping.

Donna asked if the Maintenance Employee that was off on disability has returned to work yet.

There was no additional business to discuss, **Donna made a motion to adjourn the meeting.** Doug seconded the motion. All members present voted in favor. Motion carried.



Dale Priester  
President



Clinton McKinven-Copus  
Executive Director  
Commission Secretary