

CITY OF MANISTEE HOUSING COMMISSION
Regular Meeting Minutes
June 16, 2008

The Regular Meeting of the City of Manistee Housing Commission was held on Monday, June 16, 2008 in the City Council Chambers at City Hall. The meeting was called to order by President Dale Priester at 3:08 p.m.

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

Members Absent: Vice-President Doug Parkes and Commissioner Donna Korzeniewski.

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

Approval of Minutes

There being no additions or corrections to the minutes, **Al made a motion to approve the Regular meeting Minutes of May 19, 2008.** Harvey seconded the motion. All members present voted in favor. Motion carried. **Harvey made a motion to approve the minutes of the Executive Session of May 19, 2008.** Al seconded the motion. All members present voted in favor. Motion carried.

Amendments to the Agenda

Old Business – Youth Build
Project Consultants Report – RFP for Century Terrace Fire Damage (T. Eftaxiadis)
New Business - Report of Storm Damage (Brandon Jensen)
Century Terrace West Stairwell (T. Eftaxiadis)

Finances

Harvey asked about Custom Sheet Metal and Heating payment for \$5,000.00. This was for two furnaces, two water heater problems and a couple units at Harborview with heating problems. Clint noted that two months Blue Cross Blue Shield was paid in one month. Al asked about the Balance Sheet and Clint said that Century Terrace is actually all properties. Clint got an e-mail from Dave Barrier that he needs to discuss with Al. Dave indicated that the laundry income and expense have been separated, and uniforms and rugs have been separated. This is the reason for the additional fees this month. **Al made a motion to approve the Bills and Disbursements for May 2008.** Harvey seconded the motion. **Roll Call Vote: President Priester – Yes, Vice-President Parkes – Absent, Treasurer Purdom – Yes, Commissioner Korzeniewski – Absent and Commissioner Good - Yes.**

Dale asked about the Yardi Software. Clint said we have published an RFP for Tenant Accounting Software and Fee Accounting on the Nahro Website. We should have RFP's to review in August or September.

May Financial Statements – None of the Financial Statements have been approved for 2008 due to accounting issues from the past accountant. The approval of the May 2008 Financial Statements have been table until a later date.

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Communications

The Century Terrace Newsletter, Harborview Newsletter and Community Police Officer Report are included in communications.

Director's Report

Attorney's from both sides have been discussing the Cable Rewiring. Clint still does not have a contract for the rewiring.

Clint shared information on the formation of Resident Council. A core group will begin working on the survey. Clint provided commissioners with the information that residents received in the training in their meeting packet. The first thing the core group needs to do is survey all residents of the public housing authority and begin the process of developing the Resident Council. We have a core group of about eleven people that will begin to work on the survey. Clint will have to review candidates who apply for office to see if they are in compliance with HUD regulations. If they are not in compliance they cannot run for office. The League of Women Voters will have to oversee the election process, to see that we have appropriately case ballots. Dale asked about how many officers there will be on the Resident Council. There will be 5 or 6 elected individuals on the council.

Clint asked if there were any questions about Project Fresh. Dale said it seemed like a great program and asked who would be eligible. Everyone in our Public Housing will be eligible, though normally it would just be the elderly. Each family would get one coupon.

Project Consultant Report

T Eftaxiadis reported that the RFP for fire Damage at Century Terrace was sent out last week. The pre-bid meeting was also held last week with contractors. Proposals were to be submitted one week from today. Due to the storm we have additional damage. After the storm the majority of the firms are no longer interested in the work, only two are still interested. We will get a list of items for repair at the Scattered Sites and add an addendum to the fire damage RFP. Also related to the wind damage, T talked to two engineering firms to complete a structural evaluation of the properties. Evaluations need to be completed by an engineer.

T reported that we have received the Final Energy Audit from Siemens. It has been reviewed and discussed, and the report maintains that over the next 20 years energy saving measures will result in approximately \$1.5 million in savings. The savings would be used to pay for the cost of the energy saving measures. A couple things to consider, these numbers are contingent upon whether the water meter reading by the City of Manistee is correct. Siemens found that we have unusually low water usage amounts at 25-60 gallons per day. Average usage in most areas is 120-140 gallons per day. Before entering into a contract with Siemens we would have to verify the water usage with the City of Manistee. Of the \$1.5 million to be saved and expended, approximately 60% is for actual construction and installation and 40% is for soft costs, engineering, interest, verifications, etc. We felt that soft costs were a bit high. Energy conserving measures vary from oil conservation, lighting, individual unit controls, vent controls, replacing the make-up air unit and the make-up air boiler, water heating boiler, door weatherization. Half of the actual construction would be for insulating and siding Century

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Terrace. After some discussion, we decided to ask Siemens to address some of the issues that we have: the water metering, the ratio between construction and soft costs and alternative energy conservation and generation measures, such as energy efficient lights instead of fluorescent lights, use of river water for partial heating and cooling, and installation of Photovoltaic Cells (Solar Panels). We want Siemens to find ways to generate energy as well as save energy. We asked Siemens for a six business day turn around to discuss the proposal with commissioners. Harvey asked about whether siding would just be added or insulation and siding. Some of the smaller changes in the plan actually have a better return in energy savings.

We have had a number of discussions with the MDEQ and they have decided to remove the requirement for the easement to the Pienta Property. They have written to Mr. Pienta about paying the amount of \$2,200.00 at which time they will discharge the lien and we may purchase the property. Finally the MDEQ has verbally invited us to submit a grant application for the demolition of the buildings and paving of the site. Clinton has had contact with HUD Headquarters in Washington. We could take Operating Funds out of reserve put them in Capital Funds for purchase of the property as a small PHA. Our funds are fungible so they can be transferred. Clint has a person working in Washington on all of the documentation that we will need to transfer the Operating Funds to Capital Funds. We may need to provide environmental reports for this transfer and the process will take some time.

We have determined by the proposals that we have received for Security Equipment, that the door access control system and the upgrades to the fire and smoke alarms are the two items that we would proceed with. The cost of both firms initially came very close to each other, about \$40,000 for the door entry system, and about \$240,000.00 for the upgrades to the fire and smoke alarms. Before we bring this to the commission for action, we have asked the two firms to adjust their proposals for the same type of equipment and sharpen their pencils on price. The firms were also asked to provide proposals for paying for the installation of all systems over a five year term or longer.

Old Business

The Youth Build Program resolution from the last meeting stated that Doug made a motion to authorize Clint to begin the process to terminate the administrator/fiduciary responsibility of the Manistee Housing Commission. We were to stop paying bills as of June 1, 2008. We have not paid the bills because they owe us money, but we had them close the books. The letter we have from Helen Whitcher of Youth Build says they want to restructure the program to terminate our sub-recipient and have us internalize the whole program. HUD is saying the same thing. Clint said he would bring this to our commissioners and we would need time to develop a plan. They are asking us to continue to the end of the grant which is 30 months. Helen wants to work with Clint to come up with a plan. We would need to reclaim all of the equipment that was purchased by Casman. We need to maintain our fiduciary responsibilities for at least an additional 30 days, through July 5, 2008 to see if we can work out a plan. HUD and Youth Build have instructed Clint not to pay any bills accrued by Casman Academy. It would be up to HUD to pursue remediation in collection of the funds owed to us. Helen wants to talk to our auditors, she feels that his findings are inappropriate, and HUD may ask him to remove the finding. Dale asked what we could expect in the next 30 days. Clint said they should have a time line/proposal of what is going to occur by including what HUD will do to help us. They would need to hire an educator to work with completing GED's (not high

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school diplomas), contact work first for skills training, possibly contact Habitat for Humanity for building experience, etc. Each thing would need to be addressed in the plan. If each item is not addressed to Clint's satisfaction he would bring that information back to the commission.

New Business

There was discussion about increasing the Air Conditioning Rates for Century Terrace and the Scattered Site one bedroom units that have utilities included. This information about the cost of air conditioning came from the Siemens Energy Audit. Clint asked if there were any questions about information provided in his report. Dale asked how many people have two air conditioners. Two or three units have two air conditioners. Dale contacted Consumers Energy who told him that 5,000 to 8,000 BTU units cost about \$60.00 per month to run. Clint said the problem for him was the ethical issue, but we are also dealing with the issue that subsidy is providing additional subsidy to some with the air conditioning and not all. Clint noted that a resident with a medical need could submit a Reasonable Accommodation request. He also mentioned that there are congregate sites in each high rise building that are air conditioned for tenants to get relief from the heat. We have to give a 30 day notice of the increase to tenants. The increase would be effective August 1, 2008. Al asked about excessive use of heat and whether tenants are being charged for that. Clint also said that they considered individually metering each apartment, which would be a lot of work, but Consumers Energy would be happy to do that since the rates would then change from commercial to residential and tenant rates would go up. Consumers has a computer system that would monitor each unit without installing meters. The rates would increase to \$11.00 in August 08 and to \$17.00 in January 09. Clint noted that we have to do a utility allowance adjustment every year so this may be subject to change. Utility Allowances that we provide to residents that pay their own utilities will need to be increased in the future. When this occurs we may end up paying some tenants to live in our units. **Harvey made a motion to raise the fee for Air Conditioning Units to \$11.00 per month for the first air conditioning unit as of August 1, 2008 and to raise the fee to \$17.00 per month for the first air conditioning unit as of January 1, 2009.** Al seconded the motion. All members present voted in favor. Motion carried.

Brandon Jensen provided a report on the Storm Damage. Brandon spent the day with the insurance adjuster. He thoroughly inspected every unit today. He said he would try to get emergency removal of the fallen trees, since the neighborhood children are climbing on the trees and up on the roofs of the houses. Some of the homes are not accessible due to trees that are down in front yards. The adjuster said trees should be removed first and then he will inspect the units again for structural damage and leaks. He also checked out the water damage at Century Terrace from the flooding. Brandon and T will review the reports of the adjuster and put out an RFP for clean-up and repair. This damage will be added to the Century Terrace Fire RFP. The adjuster asked about our deductible and whether it was for each property or for all properties combined. Clint said we have a \$1,000.00 deductible, but he wasn't sure how it is applied to properties. 1717 Vine sustained the most amount of damage, a tree fell on the home and it has sustained water damage. We moved that family into another home that was vacant. Clint and Brandon checked with each family that had trees down to see if they wanted alternative accommodations. All tenants remained in their units, except the residents at 1717 Vine Street.

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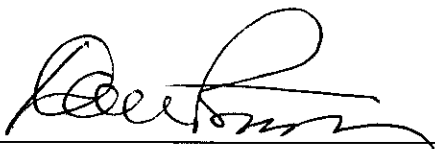
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The West Stairwell at Century Terrace is deteriorating and plaster is falling off of the walls. There is a lot of plaster down. It appears that it is related to water from several sources. We asked Spicer to provide a proposal for assessing the problem. They provided us with three items: a Structural Assessment, Plans and Specifications, Bidding of the Specifications. The proposals were \$1,200.00 for the Structural Assessment , \$1,800.00 for Plans and Specifications and \$1,000.00 for the Bidding. T recommendation we authorize Spicer to do the Structural Evaluation and the Plans and Specifications. We will do the bidding in house. If Spicer is authorized T said it should be contingent that Spicer would provide certain details that we request. In the former plans and assessments there are still requested details that have not been provided. T thought that water is possibly seeping in along the balconies on the fourth and fifth floors. Clint said there also seems to be water leaking on fifth floor possibly from the roof. Approval of the commission will not be required unless this cost increases to over \$5,000.00 for the assessment and plans.

Commissioner Reports (Comments/Concerns)

Harvey noted that there was a lot of confusion during the storm about what the people should do in severe weather. Clint noted that the Weather Channel had information from the National Weather Service and people are supposed to go into hallways or small rooms without windows. The other issue was oxygen machines. These need 110 to run. Brandon said that when he came in the next morning there was someone that needed oxygen. Harvey asked if we could put something in the hallway where residents could plug in a cord. Brandon said we need to supply Mary O'Brien and Dave Lanning with adaptors to plug oxygen during a power outage. T suggested that we get something from the Weather Service for tenants. Clint said that Sid Scrimger at the Manistee Fire Department would probably have an emergency plan. We also had more confusion than usual, since phone service was out and it was difficult to get maintenance personnel to our buildings. Brandon asked about drainage, since this is the second flooding that he was aware of. T noted that this was a major event, and any drainage system may not work in this type of storm.

There being no further business, **Harvey made a motion to adjourn the meeting at 4:37 p.m.** Al seconded the motion. All members present voted in favor. Motion carried.



Dale Priester
President



Clinton McKinven-Copus
Executive Director
Commission Secretary