

CITY OF MANISTEE HOUSING COMMISSION
Regular Meeting Minutes
March 17, 2008

The Regular Meeting of the City of Manistee Housing Commission was held on Monday, March 17, 2008 in the City Council Chambers at City Hall. The meeting was called to order by Vice-President Doug Parkes at 3:02 p.m.

Members Present: Vice-President Doug Parkes, Treasurer Elbert (Al) Purdom, Commissioner Donna Korzeniewski and Commissioner Harvey Good.

Members Absent: President Dale Priester.

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

Approval of Minutes

There were no additions or corrections to the Regular Minutes. **Donna made a motion to approve the minutes of the Regular Meeting of February 18, 2008.** Harvey seconded the motion. All members present voted in favor. Motion carried. There were no additions or corrections to the Executive Session Minutes. **Donna made a motion to approve the minutes of the Executive Session of February 18, 2008.** Al seconded the motion. All members present voted in favor. Motion carried.

Amendments to the Agenda

The following items were added to the Agenda:

- Finances – Approval of January 2008 Bills & Disbursements and Acceptance of Financial Reports, Update by Commissioner Purdom, Yardi Proposal
- New Business – Audit Proposal

Finances

Approval of the December 2007 Bills and Disbursements - Al asked about check #873 that was paid to Yardi. Clint noted that this morning we discovered it was a double payment and the charge has been reversed and we have a credit from Yardi. Payment to Rector, Moffit and Lindsay, P.C. was for November 2007. Doug asked if there were any other questions on the December Bills and Disbursements. **Harvey made a motion to approve the December 2007 Bills and Disbursements.** Donna seconded the motion. All members present voted in favor. Motion carried.

Approval of the January 2008 Bills and Disbursements - Doug asked about the reimbursement made to Dale Priester. It was for the Underwriting Committee Meeting for Housing Authority Insurance Group. **Donna made a motion to approve the January 2008 Bills and Disbursements.** Harvey seconded the motion. All members present voted in favor. Motion carried.

December 2007 and January 2008 Financial Reports - Al had several questions that need to be reviewed with the accountants regarding these statements. Acceptance of the Financial Reports were tabled until the Regular April Meeting.

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National City Credit Card Statement – No action required this month

Update by Commissioner Purdom – Al and Clinton have had several discussions with the Yardi Software representatives and our accountants. Al thinks that we are being over charged. Yardi has made an offer to help correct the problem, but Al doesn't feel the offer is adequate. Al said that we also have to look for a new auditor. The firm that performed the audit last year doesn't think that it would be worthwhile for them to do the audit for 2007. Al recommended that we go with the smaller firm that is more in tune with our size agency. Doug asked about Zenk & Associates. Al said that they had checked out Zenk and they perform the audit for the Ann Arbor Housing Authority. Zenk & Associates is who he recommends to complete our audit. Doug asked how their fee is compared to what we paid last year. They are charging about half of what our auditor did for 2006. Zenk would be able to come to complete the audit in May 2008 and have it submitted to HUD by July 2008. Clint reported that he contacted four of the references listed for Zenk and got good reports. He also noted that the Ann Arbor Housing Commission had also gone with Yardi Software in 2007 and has had many of the same issues that we are having. Zenk also completed the audit for Flint Housing Authority which is considered a troubled agency and HUD only allows an approved auditor for troubled agencies.

Yardi Proposal – Clint had a phone conference on Friday with Ray Elliott and Don Richardson from Yardi and Dave Barrier from our accounting firm. Treasurer Purdom was unable to attend the phone conference. Clint is pleased with the first two bullet points in the proposal. Yardi called Clint this morning and said they were beginning the process of getting us on the 6.0 version of the program. They asked Clint for a commitment in regard to the last bullet point about one-half of the annual fees. The annual fees invoice is attached on the back of the proposal and is \$7,194.61. Half of the annual fees go to hard costs: maintaining the server farm, electricity, hvac controls, sql licenses, etc., and the half they could wave was the support half. Clint told them he could not give a commitment at this time without presenting it to the board. Al asked what ASP Payroll was on the bill. ASP is terminology for Yardi being host of our information at their server farm. We do not need to have as high of a computer system with them hosting information. Clint said he has staff working on a list of items that they feel they need to be trained in. Doug asked approximately how much has been spent with the Yardi System. He thought we should make a list of the amount we have spent with Yardi for software and training since the beginning, and notify them that we should not have to pay more than one-half of the annual fees for the next 2-5 years. Board members feel that the hassles were significantly greater than that and one-half of fees should be for multiple years.

Communications

Century Terrace and Harborview Newsletters were included in communications.

Officer Dave DeForest submitted a February Monthly Report that is included in communications. Officer DeForest said he would be setting up a Spring Cleanup outside of our buildings for anyone who would like to volunteer to help cleanup.

Director's Report

Brandon was here over Spring Break and completed an updated report on the inventory in preparation for the audit. The main focus point is that we had a 15.5% error rate. The former

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auditor said we need to have no more than a 20% error rate. Brandon found and corrected 4.5% of that error rate, which leaves us with an error rate of 11%. We went from having no inventory control system at the beginning of last summer, to having a control system with only an 11% error rate. The details of how he came up with error rate, the items in the inventory and work orders are all in the report. If any commissioner would like a report to review please let me know.

Last week there arose some difficulties with the procedures with Resident Council ACT Group (Activities of Century Terrace) at Century Terrace. Clint had a conversation with Katherine DeLafuente our Public Housing Revitalization Specialist at HUD in Detroit. She informed him that Resident Councils as they are at Manistee, are not by HUD regulation. The Resident Council has only one purpose, to provide opportunities to residents that increase their ability to have self-sufficiency. She will provide a training at the end of April or early May in which she will discuss to the entire housing authority the creation of one Resident Council for the entire population, and explain what is required. If residents choose to except HUD regulation for Resident Council, she will assist in enacting the by-laws. It is a public body and must function under the public meetings act and election laws, etc. If they are willing to follow the procedures, Katherine will set it up, if not we will not have Resident Council. The ACT Group is not a HUD recognized organization and if individual residents want to pull together bingo or some other game or activity, that does not have anything to do with gaming whatsoever (no prizes exchanged) they are welcome to do so.

The rest of Clint's report deals with the audit which has already been discussed and the purchase of 350 Fifth Avenue under New Business.

Project Consultant's Report

T is in court today and was unable to present his report. Clint reviewed the report prior to the meeting and noted that it was quite comprehensive. He and T reviewed the two main projects which are the Security System RFP and the Energy Performance Contract, both very large projects. They have a meeting set up with Siemens on 3-26-08 regarding the preliminary report on the Energy Audit Findings. Doug asked if the RFP's are going out to selected individuals or are they published. The RFP for the Energy Performance Contract went out nationally. The Security System RFP, because of the specificity of the system, we selected direct solicitation of 10 or 12 potential vendors. The Vine Street Demolition will be published in the local paper and in a couple state papers. 100% of the funding is HUD Capital Funds so it will require a firm that is familiar with Davis Bacon Regulations, HUD Regulation and reporting.

New Business

Resolution 2008-4: Purchase of 350 Fifth Avenue for MSHDA Domestic Violence Grant – This is a nice home that is in good shape. It has three bedrooms, 1 bath, laundry room, new kitchen, garage and fenced in back yard. It has a full basement, central air, double entry doors in the front and is over 1,200 sq. feet. MSHDA will still need to be inspected the house. They were asking \$119,000.00, we made an offer of \$95,000.00. **Donna made a motion to accept Resolution 2008-4 to purchase 350 Fifth Avenue as MSHDA Domestic Violence Grant Home.** Al seconded the motion. All members present voted in favor. Motion carried.

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Audit Proposal – Zenk & Associates will perform a GAP Audit and report which is what we need for HUD. The cost of the audit will be \$7,750.00 for 2007, with an increase of \$250.00 per year through 2010. The fixed fee is all-inclusive and contains all direct and indirect costs including all out-of-pocket expenses that are build into the hourly rates of the firm. The proposal is signed by the owner of the firm. **Al made a motion to approve Zenk & Associates Audit Proposal.** Donna seconded the motion. All members present voted in favor. Motion carried.

Public Comment

Debrah Bentley, Century Terrace resident, said residents were informed that Resident Manager Susan Fritz has been terminated. Debrah said that tenants don't understand why she was terminated and submitted a petition with 60 signatures of residents to keep Susan as manager. She also asked about the free bingo still being held and about decorating for holidays. Debrah asked how the residents as a group can have contact with Clint. Clint responded by saying that Resident Council has been suspended for now until HUD can come and complete training. The resident manager has the keys and access to the kitchen and storage room to get decorations. Any resident can schedule an activity on their own, they just cannot give away any prizes or money. This is against state gaming laws and needs to cease. She asked if they could still have their monthly dinners and use the kitchen for them.

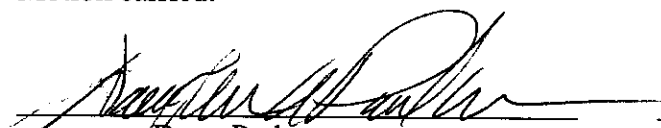
Pat Knecht, former President of ACT said she thought they were in compliance with what we were supposed to do, including having an election of officers. Pat also ran the money bingo and thought they were in compliance with that. They had met with our attorney in the past regarding bingo. Residents were enjoying the bingo and enjoying decorating the building and she sees nothing wrong with that. She said since the Resident Council Election, everything has been turned up-side-down and it is unfair to the residents. Pat also said that Susan Fritz is honest and fair with everyone, and it is unfair to just let her go after 15 years. She should have been written up or warned before being let go.

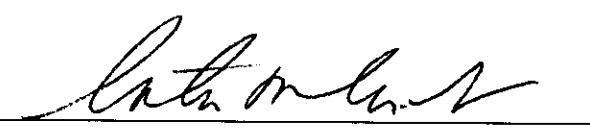
Eric Cochran, Century Terrace resident, started free bingo. Tenants donated items to be given away. Some tenants donated money to buy gifts people had a lot of fun. Eric said they still had bingo this last week without the prizes and had a good time. At Resident Council they did what Clint told they should do, and had an election for officers. Then all of a sudden everything snowballed from there. People are hearing what they want to hear and don't know what is going on.

Commissioner Reports

There were no commissioner reports.

There being no further business, **Donna made a motion to adjourn the Regular Meeting at 3:52 p.m.** Harvey seconded the motion. All members present voted in favor. Motion carried.


Doug Parkes
Vice-President


Clinton McKinven-Copus
Executive Director / Commission Secretary