

CITY OF MANISTEE HOUSING COMMISSION
Regular Meeting Minutes
December 17, 2007

The Regular Meeting of the City of Manistee Housing Commission was held on Monday, December 17, 2007 at 3:00 p.m. in the City Council Chambers at City Hall. The meeting was called to order by President Dale Priester at 3:02 p.m.

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

Members Absent: None

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

Approval of Minutes

There were no corrections or additions to the Public Hearing. **Doug made a motion to approve the minutes of the Public Hearing of November 19, 2007.** Al seconded the motion. All members present voted in favor. Motion carried.

There were no corrections or additions to the Regular Meeting Minutes. **Doug made a motion to approve the minutes of Regular Meeting of November 19, 2007.** Donna seconded the motion. All members present voted in favor. Motion carried.

Amendments to the Agenda

There were no amendments to the agenda.

Finances

The November Bills and Disbursements were reviewed by commissioners. Doug asked about Blue Cross over payment and whether it had been credited. Clint said no, and that we have a refund coming due the cancellation of insurance for one of the retirees that was not paying their portion of the payment. He is requesting that a check be issued for the refund rather than crediting the account. Al noted that one of the checks that were in question was a check that had been voided. Doug asked about payroll checks he only saw three checks. All other employees have direct deposit. Clint noted that the accountant is working on simplifying the monthly reports. **Doug made a motion to approve the November 2007 Check Summary as presented.** Al seconded the motion. All members present voted in favor. Motion carried.

The 2008 Fiscal Year Budget was reviewed by commissioners. Clint reported the Operational Subsidy Calculation is \$388,085.00 for this year. We need to input some additional information through the accountant before this is finalized, and HUD does not have everything in place on their end. The accountant has estimated that the Operation Subsidy Calculation will be larger than anticipated, however the calculation is always subject to being prorated by congress. This year we received 83 cents on the dollar. We need to make some adjustments with health insurance since Blue Cross is increasing 16% this year. Clint reported that he has been reviewing some options to reduce this increase to 3-4%. These options would maintain the

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coverage but decrease costs. Changes could include increasing doctor co-pays and prescription co-pays. Al asked what is included in Employee Benefits on page 2, item #330. Employee Benefits are more than 60% of the base pay. Blue Cross Blue Shield is a major portion of Employee Benefits, FICA, MERS Employer Contribution, Long and Short Term Disability are included. Al, Donna, Doug and Clint will meet after the beginning of the year to investigate further changes to the insurance that will not affect the coverage. The new accountants have informed Clint that we need an amount in the 190 Audit Fees category, in our operating budget, to receive the full amount of Operating Funds available to us. Al asked if we would need \$20,000.00 to cover the fees for the new accountant. Clint said he didn't think so, but they are going over journal entries and feel they need to simplify them from the previous accountant. The accountants wanted to make sure there were adequate funds budgeted due to the amount of time being spent to change the entries. We also need to provide \$25.00 per tenant for some type of educational program, per occupied unit, under Tenant Services. This amount will need to be approximately \$4,780.00. Clint thinks he will use it to educate tenants on housekeeping issues, but will check with his colleagues for types of programs they provide. Utilities were not increased in this budget due to the Energy Performance Contract. Changes made as a result of this contract should reduce utility costs. Harvey asked about the lawn care costs. We will not continue to contract for lawn care services, it will be done in house and we will be doing less care this year. The Maintenance Department has had time to catch up with unit turn around so this should work. **Doug made a motion to approve the 2008 Fiscal Year Budget.** Al seconded the motion. All members present voted in favor. Motion carried.

The November 2007 Financial Statements were reviewed by commissioners. Clint noted that these numbers represent the accountants efforts that were placed in the Operational Budget by Michelle that should have been covered through CFP Funds. These items include furnace replacements and unit modernization. Everything has not been verified as being moved into the proper categories yet. This should be determined no later than March 1, 2008. Al asked about Pet Deposits. This amount represents those tenants that are still under a Refundable Pet Deposit. Going forward with the new ACOP all Pet Deposits are non-refundable Pet Fees. Do we need to put this into an Escrow Account so it is set aside? Yes this should be set aside with Security Deposit amounts. Al asked if we had overpaid our State Income Tax? Clint will check with Daniel D. Laskey, CPA who prepares payroll. Clint noted that we had problems with closing out the month of November in Yardi which may be the problem. December items may be posted in with November. Doug asked if the payments on the Promisory Notes are up to date. Donna asked what we are paying for contracted services under Administrative Wages in the amount of \$2,262.50. Clint noted that was a budget amount from when we had Bev under manpower. **The November 2007 Financial Statements were accepted and placed on file.**

Reports of the Director

Clint reported that we have received a dividend from Housing Authority Insurance Group in the amount of \$6,214.22 based upon the Fiscal Year 2006 and the fact that we did not have any claims during that year. Our board president is a member of the underwriting committee.

The audit for Fiscal Year 2008 has been moved back a couple weeks to March 24-28, and the accountant is working on trying to clean things up for Fiscal Year 2007 before March 15, 2008 HUD deadline for submission. In January or February the accountant will come to the Housing Commission office for a two day on site visit.

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Project Consultants Report

T Eftaxiadis met with the State of Michigan, and Joseph Pienta has shown his expenses related to this property between Century Terrace and Harborview to be between \$54,000.00 and \$58,000. The State of Michigan for the purpose of discharging the Environmental Lein is only looking at the purchase price and the payment of back taxes. The state maintains they would like to recover the remediation cost of \$850,000.00. After some discussion they agreed they only needed to recover the cost incurred to provide data that Mr. Pienta used to do his baseline Environmental Assessment. This amount is approximately \$30,000.00 to \$32,000.00. After further negotiations the State of Michigan agreed that if the Manistee Housing Commission writes a proposal that would include some repayment, of approximately \$5,000.00 to \$8,000.00, they would discharge the Environmental Lein. T told them that this would have to be approved by the commission. The state is expecting a proposal from us to give them reasons why they should discharge the Environmental Lein. They also agreed that we could pay that \$5,000.00 to \$8,000.00 some time down the road through Brownfield Tax Increment Financing including capture of school taxes when the property is redeveloped. T will develop a proposal to be submitted to the State of Michigan and provide it for commission review at the next meeting. T has informed the state that the commission will not purchase the property while there is an Environmental Lein attached. Doug said he did not have a problem with the state attaching a new lein for the \$5,000.00 to \$8,000.00 after we acquired the property.

Old Business

There was no Old Business.

New Business

There was no New Business.

Commissioner Reports and Concerns

Harvey reported that he has been approached by residents who would like to have the dryers in the laundry changed to 50 cents per 30 minutes, instead of 75 cents per hour. Clint noted that we have three years left on the contract, and they originally wanted to charge \$1.25 per dry. Once we get the Energy Performance Contract completed he may open the contract back up and we may be able to change time limits with a new contract.

There being no further business, **Donna made a motion to adjourn the meeting at 3:55 p.m.** Doug seconded the motion. All members present voted in favor. Motion carried.



Dale Priester
President



Clinton McKinven-Copus
Executive Director
Secretary