

**CITY OF MANISTEE HOUSING COMMISSION**  
**Regular Meeting Minutes**  
**May 19, 2008**

The Regular Meeting of the City of Manistee Housing Commission was held on Monday, May 19, 2008 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 Purdom, Commissioner Donna Korzeniewski and Commissioner Harvey Good.

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

Approval of Minutes

There were no additions or corrections to the minutes. **Donna made a motion to approve the Regular Meeting Minutes of May 19, 2008.** Harvey seconded the motion. All members voted in favor. Motion carried.

Amendments to the Agenda

The agenda was rearranged because two board members would need to leave for another meeting and these items need to be discussed. Item #10 Public Comment will be next on the agenda after Approval of Minutes, Item #9A Termination of CMHC Grant Administrator/Fiduciary responsibilities of the Youth Build Grant will be next on the agenda followed by item #11 Executive Session: for the purpose of discussing the acquisition of real property. The remainder of the agenda will follow in order.

Public Comment

Karen Bruchan and Jim Goodwin were there as Casman Academy Board Members to talk about the Youth Build Grant Program at Casman Academy. They came to let us know as board members they take what has happened with their contract in Youth Build seriously. They just found out about the results of the audit last week. They are very concerned about it and want all the issues addressed to our satisfaction. They ask if the board would hold off making a decision at this meeting about Youth Build and whether or not to continue as fiduciary until we hear from HUD. The Casman Board feels that the Youth Build Program is a wonderful addition to the community and serves youth that have dropped out of school. Karen feels that this a population we are all concerned with. The youth in this program either get a Graduation Certificate from Casman Academy or their GED. They understand that the Manistee Housing Commission may not want to go forward with this program, but they would like to have the opportunity to have some other agency take over the program. Doug asked when we would have the final audit. Clint said final audit should be in by July. Clint said he was in conversation with the supervisor of the Community Development Section of HUD at the Detroit Field Office and they have agreed to become the fiduciary of this program directly. They will work with us on a transition plan, depending on the board's decision today. Donna asked if bills would then be submitted to HUD directly.

Termination of CMHC Grant Administrator/Fiduciary responsibilities of the Youth Build Grant

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Doug asked about the procedure and timing in HUD taking over the Youth Build Grant. Clint said that he thought it should be wrapped up within 30 days, and that he would need to see if there are additional bills that we need to draw funds to cover before it is turned over to them. Elbert asked what we need to do to transfer this over to HUD. They have already offered to take over the Youth Build. Clint said we will need to workout a written agreement with HUD as to the time of the take over. **Doug made a motion authorize Clinton to begin the process to terminate the Administrator/Fiduciary responsibilities of the Youth Build Grant. Bills through June 1, 2008 will be paid and final approval of the board will be required before the grant is signed over to HUD.** Harvey seconded the motion. All members voted in favor. Motion carried.

Executive Session: for the purpose of discussing the acquisition of real property

**Doug made a motion to leave the Regular Meeting to discuss the acquisition of real property at 3:20 p.m.** Donna seconded the motion. **The Roll Call Vote:** President Priester – Yes, Vice-President Parkes – Yes, Treasurer Purdom – Yes, Commissioner Korzeniewski – Yes and Commissioner Good – Yes.

The Executive Session closed at 3:45 p.m., commissioners returned to the Regular Meeting at 3:46 p.m.

**Doug made a motion to enter into a new purchase agreement with Mr. Pienta in the amount of \$47,200.00 to purchase the former Manistee Plating Property. Mr. Pienta will be responsible to pay the MDEQ the amount of \$2,200.00 to release the environmental lein on the property.** Harvey seconded the motion. All members voted in favor. Motion carried.

Doug and Donna left to attend another meeting.

### Finances

The April 2008 Bills and Disbursements were reviewed. Al asked about the Public Housing Consolidated Financial Statements. He said he wasn't sure what these categories were for: Administrative Salaries, Employee Benefits, Medical Reimbursements, Medical Expense Reimbursements. Clint noted that the multiple reports are confusing and that this is the first month that we have the HRA Account. Clint said he needs to talk to the accountant to clarify these items and some previous items. When Clint was in Traverse City he learned that we need to review the reconciliations each month. **Al made a motion to approve the April 2008 Bills and Disbursements.** Harvey seconded the motion. **The Roll Call Vote:** President Priester – Yes, Vice-President Parkes – Absent, Treasurer Purdom – Yes, Commissioner Korzeniewski – Absent and Commissioner Good – Yes.

Clint was concerned that none of the 2008 Financial Statements have been accepted so far this year. Elbert said we should not accept them until we are satisfied they are correct. The April 2008 Financial Statements were tabled until the next meeting.

### Communications

The Century Terrace and Harborview Newsletters are included in communications. Also

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included was an update from Dave DeForrest. He is beginning to work on mediation with the residents, to be pro-active with tenants rather than reacting to problems. He is checking to see if there will be interest in Fishing with a Fish-cop.

### Director's Report

George Saylor has made some progress with the Charter Cable TV Contract and he should have a contract for us at the next meeting.

Clint reminded board members of, and encouraged them to attend the Resident Council Training scheduled with Kathy DeLafuente and her partner from HUD on May 29, 2008 in the Century Terrace Dining Room.

### Project Consultants Report

T Eftaxiadis said there are three items that he has been working on. Last week he received the Comprehensive Audit Report from Siemens on the Energy Performance Contract. T and Clint have not had time to go through the report and make a summary from the audit yet. They will be working on it for the next meeting. Clint noted that there are two major sections, Utility Allowances and the Energy Audit itself. All we have now is a draft report, we will have the final audit and the final contract by June 1, 2008. Dale asked how extensive the report is from Siemens. It is very extensive and that is why it will be summarized. The second item is the RFP for the demolition of the homes on Vine Street, this will also be completed by the next meeting. This third item is the proposals for Security Systems from Siemens and Security Corporation. Last week we had interviews with representative from the two firms and were able to compare the equipment. A table has been developed that compares the systems. T and Clint will need to discuss this with board members and would like to have the full board present when it is discussed. Clint said that they would also be able to pursue funding for the security systems and report on that as well. Harvey asked if they just submitted bids or if we gave details to the companies bidding on Security Systems. They were told numbers of cameras, etc. but not specific types. The main difference in the bids is how they approached the audio visual system for the entrance to the building. These bids are substantially different.

### New Business

Tenant Accounting Software – Al and Clint met regarding the Yardi Software to discuss where we are with the system, and to share what Clint had learned at the Nahro Conference about Yardi. Clint is not sure that we are going to be able to provide accurate information that is required for compliance with HUD through the Yardi System. We did have good training sessions over the phone with Bev and Sarah. Yardi felt that the staff was competent and knew what they were doing with the software. Yardi didn't cooperate in being able to provide the auditor with some of the information that he needed when he was here. Clint and Al feel that we at least need to put out an RFP for tenant accounting software to give us a perspective of what we have, what is available, and whether we want to continue to work with Yardi or make a change. This is also a good opportunity to do the same with our fee accountant. There are fee accountants that also write their own software. Clint has asked our current fee accountant to provide information for the RFP. He would provide exactly what the software would need to put

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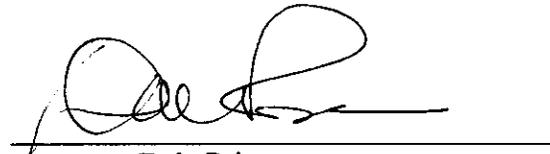
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out to complete monthly reporting. They are not saying that we should change software at this point, but that we should review all of our options. Clint said that in his experience, Yardi has some good software writers but they are not good with accounting or HUD regulation.

Commissioner Reports

Harvey asked about the old office in the Century Terrace Building. The old office was originally slated to be turned into a 504/ADA Compliant Unit. In recent discussions with Kathy DeLaFuente it was brought up that if our residents adopt the new Resident Council we are required to provide them with office space. The old office would not need much effort put into it to convert it to office space for them.

There was no further business to discuss. **Al made a motion to adjourn the meeting at 4:22 p.m.** Harvey seconded the motion. All members present voted in favor. Motion carried.



Dale Priester  
President



Clinton McKinven-Copus  
Executive Director  
Commission Secretary

**CITY OF MANISTEE HOUSING COMMISSION**  
**Executive Session Minutes**  
**May 19, 2008**

The Executive Session of May 19, 2008 was opened by President Dale Priester at 3:22 p.m. in the City Council Chambers at City Hall. The Executive Session is for the purpose of discussing the acquisition of real property.

T Eftaxiadis provided a summary of recent discussions with the MDEQ regarding the discharge of the lien on the former Manistee Plating Company Property. There was a purchase agreement signed by the Manistee Housing Commission and the owner, Mr. Pienta. One of the terms of the purchase agreement was that the lien by the MDEQ would be discharged as a condition for the acquisition of the property. T had discussions with the MDEQ and explained to them that the lien needs to be discharged before purchase. It was our position that Mr. Pienta had expended enough funds on the property, and would not substantially benefit from selling the property to the Manistee Housing Commission. After some additional discussion with the MDEQ we received a letter from them, saying they were willing to release the lien on the property to the Manistee Housing Commission for the amount of \$2,200.00. They said they have spent \$850,000.00 in remediation on the property. Since the land would be redeveloped partially for public use, they would release the lien if we provide an access agreement that would allow the MDEQ long term access to the property for future testing. The MDEQ's position is that they would like to get this over with. If the Manistee Housing Commission does not acquire the property the MDEQ will not settle for \$2,200.00 from another buyer.

George Saylor contacted the attorney for Mr. Pienta. His attorney said that Mr. Pienta is losing so much money in this deal anyway, he thought we should pay the \$2,200.00 to the MDEQ.

Doug thought that for \$2,200.00 it should not be an issue of who pays it, but that we should have the closing at a local title company, and the money could be paid through the title company.

Clint asked who normally would be responsible for payment of the lien. T said it is usually the owners responsibility to have a clear title.

T noted that we would need to do a baseline environmental assessment at purchase of the property to protect the Housing Commission from liability from existing contamination. T proposed that we ask the City of Manistee Brownfield Authority if they would pay for the baseline environmental on the property.

Harvey asked where funds would come from to remove the old buildings from the Manistee Plating Site. T said he would be meeting with the MDEQ to discuss applying for a low interest loan to cover the baseline environmental assessment, demolition of the buildings and the cost to cover the property. The cover can be asphalt. Once we demolish the building, rain water can then leach through the soil and exacerbate the contamination.

T said that the numbers that he has seen indicates that there is still contamination at the site and that contamination is leaching out into the Manistee River Channel. Recently the

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MDEQ did some additional sampling and feels that the site needs some additional monitoring for several years.

Doug asked how much it will cost us for demolition and covering of the property. T said he did not have any firm price, but thought it could be between \$20,000.00 to \$30,000.00

George Saylor suggested that the Manistee Housing Commission should possibly authorize the formation of a corporate entity to be the holder of this property instead of the Manistee Housing Commission. This would keep our other assets from being exposed if there were any problems in the future with contamination issues. Clint said that he didn't think that would work since we would need to purchase this property with Public Housing Funds. Clint said that we would need to do some research on this issue

The MDEQ would be fine with the formation of a corporate entity and as long as we do not turn around sell the property to someone else once we have acquired it.

**Donna made a motion to close the Executive Session and return to the Regular Meeting at 3:45 p.m.** Doug seconded the motion. All members voted in favor. Motion carried.



Dale Priester  
President



Clinton McKinven-Copus  
Executive Director  
Commission Secretary