

## CITY OF MANISTEE HOUSING COMMISSION

### Regular Meeting

August 20, 2007

The regular meeting of the City of Manistee Housing Commission was held on Monday, August 20, 2007 in the Harborview Community Room. The meeting was called to order at 3:04 p.m. by President Dale Priester.

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

Members Absent: Treasure Elbert (Al) Purdom. Dale noted that Al was attending a funeral.

Also Present: George Saylor, Attorney; T. Eftaxiadis, Consultant; Brandon Jensen, Project Manager for Inventory Control, Clinton McKinven-Copus, Executive Director/Secretary and Lorna Perski, Housing Coordinator.

There were no additions or corrections to the minutes. **Doug made a motion to approve the Regular Minutes of July 16, 2007.** Harvey seconded the motion. All members present voted in favor. Motion carried.

#### Amendments to the Agenda

The following amendments were made to the agenda: Under Old Business – Credit Card Policy, Under New Business – Possible Work Session with Directors regarding CFP Financing Program.

#### Finances

As of this meeting the Financial Reports have not arrived. Our accountant has been in the process of relocating from Washington State to Atlanta, Georgia and was not able to get on the Yardi Website over the weekend to prepare reports. Clinton will e-mail the reports to commissioners when they arrive.

#### Communications

The Century Terrace and Harborview Newsletters are included in communications.

#### Reports of the Director

Clinton noted that just about everything in his report will be included in Old or New Business.

Dale asked about how we are doing with the waiting list. Lorna reported that we have had multiple applications that have come in during the time the office was down for the move. There are several that can be processed for Century Terrace and Harborview.

#### Old Business

ACOP/Lease – George Saylor, Attorney joined us to talk about a Security Deposit Account. The Michigan Security Deposit Act is the one area in eviction cases that causes problems for landlords. The act says that the Security Deposit is the property of tenants, and

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if we have the Security Deposits commingled with other funds we should be paying the tenant interest accumulated. This would be an accounting nightmare. Because of this the State of Michigan has given options, one is to purchase a Surety Bond in the amount of \$50,000.00 and then we don't have to have a separate deposit account at all. After looking into this he could not find any insurance company in the State of Michigan that would issue the Surety Bond. Another option would be to post a cash bond ourselves for \$50,000.00 which would allow us to not pay interest to the tenant. Recently George found out that there is an Attorney General's opinion that has been issued on this subject. Other landlords have had issues with multiple units. The Attorney General's Opinion is that the Security Deposit though the property of the tenant does not include the interest. That frees us to just have one account that bears interest and we are able to take the interest for our own purpose. Doug asked if we could just take the \$50,000.00 and put it in a CD to cover Security Deposit amounts. This account would just sit there with the money in and draw interest, we would actually refund Security Deposits from the general account. George thought it would be good to have this account. **Doug made a motion that we authorize Clinton to put \$50,000.00 in a best rate CD to cover Security Deposits.** Donna seconded the motion. All members present voted in favor. Motion carried. The ACOP will be posted for Public Comment from October 1, 2007 to October 31, 2007. We will not take action on the ACOP until the November 20, 2007 meeting. At that time we will have to hold a public meeting regarding the ACOP.

Clinton noted that Maintenance Fee Schedule for service beyond usual/normal maintenance needs to be updated to current labor rates. He has provided current labor rates and charges for review. The labor rate has changed \$30.00 per hour instead of \$25.00 per hour, carpet cleaning rate is standardized at \$50.00 per unit, under the service related section we added the cable to install the Cable TV. We will purchase a roll of cable and we will charge per foot plus 20% overhead and to make a cable to fit their needs. They may also purchase a cable at Radio Shack, etc. We currently have been providing cables for tenants free of charge, however, frequently they do not leave them here when they move. For the Family Units we added charges for lockouts. During the day we are charging \$30.00 which is a Maintenance labor rate for one hour. After hours, weekends and holidays will be \$180.00 since we have a 4 hour maintenance call-in. **Doug made a motion to approve the new Maintenance Fee Schedule effective October 1, 2007.** Donna seconded the motion. All members present voted in favor. Motion carried.

Credit Card Policy - We previously adopted the Credit Card Policy with a limit of \$5,000.00. However, we were unable to get a card that was based on the financial condition of the Manistee Housing Commission, not an employee. Clinton recently discovered that National City has a policy to provide credit cards to municipalities, government agencies and non-profits based solely on the balance sheet. Since we haven't discussed this in some time Clinton wanted to bring it back before the board before placing an application. Dan Sleeman, Vice-President met with Clinton and suggested that each month when the statement comes in will be included as a full reproduction with our financial statements. We would have no interest since we would pay the balance in full each month. Harvey asked how many cards we were looking at. Clinton said he was looking at three, possibly four cards. Cards would be issued to Clinton, Lorna and Sara and we can set a limit on each card. The total of all cards would be \$5,000.00. The board noted that the policy is already in place and Clinton should feel free to go ahead with the card.

New Business

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Resolution 2007-7 Modification of Procurement Policy – Clint asked George to draft a modification to the Procurement Policy that raises the small purchase level from \$3,000.00 to \$5,000.00 and allows Clinton to move forward with a three-bid policy. **Doug made a motion to approve Resolution 2007-7 Modification of Procurement Policy.** Harvey seconded the motion. All members present voted in favor. Motion carried.

Resolution 2007-8 Reasonable Accommodation Policy and Procedure Manual – Clinton included an entire copy of the policy for the convenience of the board. We have previously reviewed it in the work session for the ACOP. George has reviewed it and we have tweaked it to match our Housing Commission. Clinton recommends approval as it is required by HUD. **Donna made a motion to approve Resolution 2007-8 Reasonable Accommodation Policy and Procedure Manual.** The motion was seconded by Doug. All members present voted in favor. Motion carried.

Resolution 2007-9 Certification Form for Victims of Domestic Violence - We have to have a form that certifies persons claiming to be victims of Domestic Violence. That allows us to bifurcate the lease and remove the perpetrator. George has reviewed the documents and is it required by the Justice Department and HUD, and should have been in place as of January 1, 2006. We have just recently received the form and information. **Doug made a motion to approve Resolution 2007-9 Certification Form for Victims of Domestic Violence.** Donna seconded the motion. All members present voted in favor. Motion carried. Doug pointed out that on the HUD form the expiration date is 5/31/2007.

Resolution 2007-10 Authorization for Creation of a Depository Account for MSHDA Funds – The grant that we have been awarded that purchased 232 Grove Street will need a portion set aside for operational reserves, since we are not allowed to charge more than \$300.00 per month including utilities. If we run into deficit the reserves are there. Long term repair reserves are being set up by the State so they will be there to tap into at a later date. This fund needs to be completely segregated from Public Housing Funds in another account. MSHDA will not allow us to just use a separate set of books. If we need funds they will come out of our general funds and be reimbursed by the MSHDA Funds. The developer fee will not need to be segregated and are currently in the checkbook. The amount of the developer fee was \$19,272.00. **Doug made a motion to approve Resolution 2007-10 Authorization for Creation of a Depository Account for MSHDA Funds.** Harvey seconded the motion. All members present voted in favor. Motion carried.

Resolution 2007-11 Authorization to Execute Purchase Agreement for Property Acquisition – Clinton distributed copies of this Purchase Agreement. This is for permission to purchase the property between Century Terrace and Harborview. Clinton asked George Saylor and T. Eftaxiadis to address this issue. T. reported that there is personal property inside of the building that needs to be cleaned out, and there are contamination issues at the site. The resolution states that it is in our best interest to make an offer to purchase the property for the amount of \$45,000.00 from Joseph A. Pienta. The sale would be contingent upon the discharge of an existing environmental cleanup lein filed by the MDEQ. T. believes that he can effectively execute the removal of the MDEQ lein from the property as long as the selling price is low and the owner is not making a large profit from the sale. T. Eftaxiadis will receive a fee of \$1,500.00 from the Manistee Housing Commission for the process of having the MDEQ lein removed. Any additional fees will be equally divided between MHC and the seller. To date the MDEQ

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lein is in the amount approximately \$850,000.00 and believes that adequate remediation has been performed on the property. They are in the process of confirming that remediation is complete. Under the EPA Brownfield Assessment Grant they will be sampling the soil and ground water in a portion of the Harborview Parking Lot that may be contaminated from a container containing solvent that was removed from underground. Residents will be notified in advance of the sampling activity that will take place. A Phase 1, Phase 2 and a baseline environmental should also be completed before the property is purchased. Two additional provisions need to be added to Resolution 2007-11: That the sale would be subject to the owner cleaning up personal property at the site, and that the Executive Director and the Board President would be required to execute the purchase agreements. **Doug made a motion that Resolution 2007-11**

**Authorization to Execute Purchase Agreement for Property Acquisition be approved with the two additional provisions of the owner cleaning up personal property at the site prior to purchase and that purchase agreements would need to be signed by the Executive Director and the Board President.** Harvey seconded the motion. Dale asked that it be noted in the minutes that he and Joseph Pienta have a long term personal relationship. All members present voted in favor. Motion carried.

Proposal for Design of Duplex for MSHDA Grant - City Vision provided an elevation drawing of proposed construction of a duplex to be built with the MSHDA Domestic Violence Grant. The fee is to adapt the construction drawings of City Vision Inc. to our property from a home that MSHDA has used in the Lansing Area. It is a duplex that has the appearance of a single family home. Dale asked if we would offer a garage for the home since the other homes in the area have a garage. **Donna made a motion to contract to work with City Vision and Robert Morris for MSHDA Domestic Violence Duplex, the company that has constructed the other homes in the Grove Street area.** Harvey seconded the motion. All members present voted in favor. Motion carried.

Survey of Property Donated by the City of Manistee for the Domestic Violence Grant - Bid Tabulations for the Monroe Street Land Division were handed out. Part of the donation agreement with the City of Manistee is that we would cover the cost of the survey. T. Eftaxiadis explained that cost estimate for the survey that we received from John Rose was from Abonmarche Consultants. There were some questions concerning whether the bid was reasonable, therefore we contacted several other firms. With clarification from Mr. Rose we sent instructions to other firms. The results of the bids are tabulated on the Bid Tabulation. T. noted that several of the bids have standard terms and conditions which he finds unfavorable for the owner. His recommendation is to accept Nordlund's bid for \$950.00 and provide a letter of engagement with CMHC's terms and conditions. **Harvey made a motion to accept Nordlund's bid for Surveying at the Monroe Street Land Division.** Doug seconded the motion. All members present voted in favor. Motion carried.

Roofing Proposals for 327 Sixth Street – We had an emergency situation with severe leaking in this unit, so Clinton noted that we need to choose the company that can most quickly replace the roof. He had ServPro go in today to try to stop the leaking at the unit. There is a huge difference in the bids. Donna noted that ServPro doesn't say it is going to tear off. Clinton noted that we have mold and will need to do mold remediation. **Harvey made a motion to choose Bob's Roofing to complete the roof for \$3,708.00 due to the price and the experience the company has.** Donna seconded the motion, but inquired about the time-line for completion. All members present voted in favor.

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Harborview Patio Covering – Clinton is requesting permission from the board to authorize an architectural firm to create sealed prints that would have to go to the planning commission for approval, since it is on the Riverfront. We would then be able to pay for the building permits. Clint will contact Spicer to see how much sealed prints would cost and bring it to the next commission meeting.

RFP Parking Lot Redesign and Resurfacing at Harborview and Century Terrace - Clinton will complete this RFP's and present it to the board.

RFP Security System for Century Terrace – Doug said that from what he understood, basically doors are wedged open to allow people to wander into the building. Doug asked what the policy is for people who wedge the door. Clinton noted that the issue is that we don't know who the perpetrator is and a camera security system would provide documentation. We may have residents who know information, but will not go to court to document this for us. Fear of retribution is one of our obstacles at Century Terrace. Clint wants to find out what it would cost to lock the building down at night. Doug asked if we could use a key pad system instead of keys. Clint just wants to investigate what is out there for security. Doug noted that it is a privilege to live in our units. Clinton noted that we need to update fire systems in both buildings as well.

Proposal from Creative Conflict Resolution – We have multiple interpersonal/intergroup difficulties among our residents in public housing, especially at Century Terrace. Wanda has worked with the courts and others with conflict resolution. We need to find a way to help the residents talk to each other in a manner that is respectful. We have a very diverse population of 119 units at Century Terrace. Ultimately she would do things that would involve the residents to be part of the cure to change the culture. Board members felt that this program would be too expensive for the training at \$1,000.00 per training. Eviction costs us between \$800.00 - \$1,200.00. The population is between 18 and 93 years of age. Clinton was looking for a professional to help deal with the conflicts, that staff now has to deal with on a daily basis. Dale mentioned that we talked one time about hiring a social worker for the building and were told that they would not approve funds for a social worker. Since then Clinton has found out that HUD cannot dictate where a small PHA spends it's funds. Clinton said that we need someone to check to see that service providers are following up on their clientele in our housing. Dale noted that we should at least be able to hire a part time social worker for the cost of Wanda's proposal. Boards members think we should include the social worker in the 2008 budget.

Work Session CFP Financing Program – Doug, T. Eftaxiadis and Clinton were prepared to go to training in Chicago on Capital Funds Financing Program that would train us on how we could use a portion of our CFP Funds, receive the cash upfront and have it deducted from our CFP over a 20 year period for repairs and rebuilding we need done. Doug has a scheduling conflict and is not able to attend. Clint has conversed with a couple of his colleagues who have gone through the process. One is Doug Rise from Bay City and the other is Mark Suchocki from Big Rapids. They would be willing to come and meet with the board. They have created a pool of Housing Commissions that closes in November where a lot of the pre-work that has to be done and an inter-governmental agreement has been completed. Clinton would like to have a work session before the closing in November. Mid-October on a weekday would work for them.

Clinton reminded board members that September 26, 3:00 p.m. is a Special Meeting scheduled for the sole purpose of adopting the Annual Plan.

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Special Report – Inventory - Two years ago Brandon Jensen was called on to set-up an Inventory Control System using HDS Win. About a month into that work he discovered that that system did not have the capability sufficient for the tracking that HUD and our auditors wanted. We have now changed to Yardi Software. Brandon spent last year setting up the general Yardi System and this summer he was targeting the Inventory Control System again. Everything that was set up in a location in the maintenance room previously was still in tact. Brandon ordered bins to complete setting up the inventory. All items are now in bins or on shelves. Brandon described the itemized codes, the layout of categories and sub-categories, reports of inventory, labeling of inventory, working with vendors on ordering, product hierarchy and tracking standards. Purchase Orders are now in the computer and printed in mass. The office must be contacted for Purchase Order Numbers. Physical invoice will be attached to the Purchase Order. Tracking of inventory will be much easier. Items will be added to inventory automatically through the Purchase Orders. Work Order forms will be issued by the office. Upon completion of the work order the maintenance staff completes the work order form adding quantity and item number. General cleaning supplies will be recorded on another form to be submitted to the office weekly. Items are set to reorder at a certain levels so stock does not run out. Yardi does have the capability to use a bar code reader. Brandon met with the auditors when they were on site to explain this system. The biggest problem will be the human error, the auditor said there should be no more than 20% error. Brandon will return in December to complete a physical count of the inventory. 80% of the stock needs to match the inventory in the computer. T. asked about the dollar amount of inventory in stock. Clinton noted that he has notified vendors that he doesn't want to see sales on items, he wants the bottom price everyday. Inventory is held primarily at Century Terrace, there is some inventory at Harborview and in the Truck. There are additional forms for inventory at Harborview and the Truck. Brandon was commended for his work on the inventory.

### Public Comment

There were no public comments.

### Commissioner Comments and Concerns

Harvey asked what was going to be done about the boilers leaking at Harborview. Clinton reported that results of the energy performance contract will be presented at next months meeting. Furnace should be replaced through the energy performance contract.

Dale is appointed as our 2007 Housing Authority Insurance Group voting member.

There being no further business, **Donna made a motion to adjourn the meeting at 5:10 p.m.** The motion was seconded by Harvey. All members present voted in favor. Motion carried.

  
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Dale Priester  
President

  
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Clinton McKinven-Copus  
Executive Director/Secretary