

CITY OF MANISTEE HOUSING COMMISSION
Regular Meeting
May 21, 2007

The Regular Meeting of the City of Manistee Housing Commission was held on Monday, May 21, 2007 at the City Council Chambers at City Hall. The meeting was called to order at 3:02 p.m. by President Dale Priester.

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

Members Absent: Commissioner Donna Korzeniewski.

Also Present: T. Eftaxiadis, Consultant to the City of Manistee, 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 April 16, 2007.** Al seconded the motion. All members present voted in favor. Motion carried.

Amendments to the Agenda

The following amendments were made to the agenda: Executive Session (New Business will be moved to follow Amendments to the Agenda with the Executive Session to follow New Business).

New Business

The first order of new business is the Consulting Contract with T. Eftaxiadis. Clinton said the proposal for contracting with T. Eftaxiadis is included in his report. He feels that we really need some technical advise and oversight on the implementation of the energy performance contracting, the property between Century Terrace and Harborview and the physical conditions of our properties. Mr. Eftaxiadis would be able to provide the technical assistance needed in making the best decisions. Clinton outlined in his report the sources of funding for the consulting. Fees for the consulting service would be \$85.00 per hour for work requiring less than 8 consecutive hours and \$65.00 per hour for work requiring 8 or more consecutive hours. Clinton estimated that T would be working approximately 16 hours per week.

Harvey made a motion to enter into the contract with T. Eftaxiadis for Environmental, Redevelopment and Technical Support Services. Doug seconded the motion. Al abstained from voting due to a conflict of interest, since his firm will be working with Mr. Eftaxiadis. All additional members present voted in favor. Motion carried.

The next order of new business is the Domestic Violence Initiative Permanent Support Housing Memorandum of Understanding describing the roles and responsibilities of the City of Manistee Housing Commission and CHOICES of Manistee County, Inc. with respect to the Domestic Violence Permanent Support Housing Initiative. Choices provides the services to those involved in domestic violence. We are the fiduciary of the grant and will own and manage the properties that are purchased with the grant. CMHC will receive \$75,000 for management services. This MOU will state the roles of the organizations involved for MSHDA's information. **Doug made a motion to approve the Domestic Violence Initiative Permanent Support Housing Memorandum of Understanding and authorize Clinton McKinven-Copus**

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to sign the agreement. Al seconded the motion. All members present voted in favor. Motion carried.

Resolutions to purchase homes for the MSHDA Ending Homelessness Initiative Grant was the next order of New Business. **Doug made a motion to purchase 416 First Street under the MSHDA Ending Homelessness Initiative Grant.** Al seconded the motion. Clint has some additional work to do with MSHDA. We need a Cash Flow Analysis and a MSHDA person to come to Manistee. The owners of the homes will be asked for extensions until these items can be completed. **Harvey made a motion to table the old purchase agreement for 416 First Street until the next regular meeting.** All members present voted in favor. Motion carried. **Doug made a motion to purchase 232 Grove Street under the MSHDA Ending Homelessness Initiative Grant.** Al seconded the motion. **Harvey made a motion to table the old purchase agreement for 232 Grove Street until the next regular meeting.** All members voted in favor. Motion carried.

Office Furniture Bids were next on the agenda under New Business. Bids sent to five suppliers for Office Furniture for the newly remodeled offices at Harborview. Five bids were received, only two of the bids received met the requirements of the RFP: Interface Office of Traverse City and Custer Workplace Interiors of Grand Rapids. Clinton's recommendation is that we use Custer Workplace Interiors of Grand Rapids with a bid of \$21,657.06. We will be taking the current file cabinets for the fire proof room with us. Office furniture that is salvageable, we will attempt to sell. Items such as bookcases will be distributed throughout our high rises. Doug asked about bidders that did not meet spec. They had pieces of furniture missing from the bids, so it was difficult to tell if their prices were comparable. Interface Office had a bid of \$24,093.00. Jackpine in Manistee declined to bid. **Doug made motion to accept the Office Furniture Bid of Custer Workplace Interiors of Grand Rapids.** Harvey seconded the motion. All members present voted in favor. Motion carried.

Doug made a motion to adjourn to Executive Session to discuss Property Acquisition at 3:15 p.m. Harvey seconded the motion. All members present voted in favor. Motion carried.

Al made a motion to adjourn the Executive Session and return to the Regular Meeting at 4:03 p.m. Harvey seconded the motion. All members present voted in favor. Motion carried.

Harvey made a motion to authorize Clinton to draft a letter of intent to purchase the property on Sixth Avenue, between Century Terrace and Harborview from Joseph A. Pienta, with Dale Priester, President to sign the letter. Al seconded the motion. All members present voted in favor. Motion carried.

Finances

Al made a motion to accept the March 2007 Bills and Disbursements. Harvey seconded the motion. All members present voted in favor. Motion carried.

Harvey made a motion to accept the April 2007 Bills and Disbursements. Al

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seconded the motion. All members present voted in favor. Motion carried. Dale Priester, President noted that he was reimbursed for his trip to Oklahoma City to the Housing Authority Insurance Group meeting. After he attends two of their meetings they will reimburse \$750.00 per meeting attended. Dale is scheduled to go to Connecticut at the end of next month. Clinton reported that utilities are over budget by \$21,381.17 for our year to date. Normally this wouldn't be a concern since we are moving into the warmer months and anticipate a reduction in utility consumption. However, when he compared the same period for the last two years he discovered that the currently utility expenditure is significantly higher for the current period compared to 2006 and 2005 expenditures: 2006 vs. 2007 an increase of \$25,864.81 and 2005 vs. 2007 an increase of \$20,163.61. Further review of the April 2007 statement shows these areas of increase for each property: Century Terrace – Electrical \$17,956.27 over budget, Harborview – Gas \$7,031.17 over budget and Family Units – Water \$2,227.58 over budget and Gas - \$3,662.57 over budget. It is clear from the increase in utility expenses that we will be served well by the energy performance contract RFP. We will probably not notice any reduction in expenses during this year from energy performance changes. In addition to improvements that would reduce consumption, we may need to consider increases in monthly fees charged to residents. Clinton thought that he and Al should do some projecting to see where this budget may end up by December 31, 2007. With energy performance changes we will be able to monitor what energy is being used by each apartment and then can charge tenants for excessive usage. HUD has based utility consumption on 2005 figures when calculating the utility portion of the Operating Subsidy. **The March 2007 and April 2007 Financial Statements were accepted and placed on file.**

Communications

The Century Terrace and Harborview Newsletters are included in communications.

Reports of the Director

Two work sessions are scheduled for June 12, 2007. The purpose of the first work session, from 3:00-5:00 p.m. is to present the revised lease agreement and the revised Admission and Continued Occupancy Policy. These documents have been revised to bring CMHC into "safe harbor" with HUD Regulations and to ensure compliance with all State of Michigan landlord-tenant laws. Thoroughly read the lease and at least scan through the ACOP prior to the meeting. We may decide that we need more than one work session. Once commissioners have completed their review of the lease and ACOP a 30-day public comment period is required prior to adoption by the Commission. We will need to respond to all comments, however we do not need to change the lease or ACOP due to the comments. The second work session will be a joint work session with the Intermediate School District Board and the CASMAN Academy Board. The purpose of these joint work sessions from 5:00-6:00 p.m. is to review the implementation of the Youth Build grant with the board.

Old Business

Clinton notified commissioners of the change of the due dates for the Energy Performance Contract RFP after consulting with our Facilities Manager in Detroit. This means that the contract will be awarded at the July 16, 2007 Housing Commission Meeting.

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Public Comment

There were no Public Comments at this meeting.

Commissioner Reports

There were no Commissioner Reports at this meeting.

There being no further business, **Al made a motion to adjourn the Regular Meeting at 4:32 p.m.** Harvey seconded the motion. All members present voted in favor. Motion carried.



Dale Priester
President



Clinton McKinven-Copus
Executive Director
Secretary

CITY OF MANISTEE HOUSING COMMISSION

Executive Session

May 21, 2007

The Executive Session of the City of Manistee Housing Commission was opened at 3:15 p.m. by President Dale Priester to discuss the acquisition of the property between Century Terrace and Harborview.

Dale Priester reported that Joe Pienta approached him with a quote of \$45,000.00 for the sale of the property. He noted that if he receives any large amount of money for the sale of the property he will have to turn it over to the State of Michigan for clean-up costs.

Clinton noted that part of the discussion is if we decide to acquire the property, how do we fund the acquisition. There is a question as to whether this is a correct use of public funds. We would need to go through an acquisition approval with HUD to see if they would approve it.

T. Eftaxiadis noted that there is a lean on the property due to the environmental clean-up of the property. Normally the lean on the property could be as much as the amount expended for clean-up. The State of Michigan has spent in excess of one-half million dollars cleaning up the property. The property is currently assessed at \$18,500.00 with a taxable value of \$16,200.00. True cash value is approximately \$37,000.00. The property was purchased for \$19,000.00. We would have to discuss purchase with the State of Michigan due to the lean to see what it would take to have the lean removed. T believes that the State of Michigan would remove the lean since the land would be for public use. The problem at the site is ground water contamination that is still there. The State stopped monitoring the ground approximately eight years ago. Based on the reports that T. Eftaxiadis has seen there is additional ground water contamination at the site, which however, does not necessarily need to be cleaned up. The first thing that needs to be done is to extract some soil samples and see how much Chromium contamination is left over. Then we can estimate how much of the contamination is going to leach into the ground water. Because of flow of water in the river channel T. expects that the DEQ would not require any additional remediation other than monitoring at the site. As part of the acquisition of the property a baseline environmental will have to be done, which qualifies for Brownfield financial support. T. noted that we will have to get a key to go inside of the buildings to test and see what is inside. Some areas of possible funding for this project are through Brownfield Funds, HUD Funding could cover the Environmental and through State DEQ Grants and Loans. T is confident that all funds for remediation and preparation of the site (including placement of a seawall) would be covered. The cost of purchase for the property will be difficult to fund through traditional means.

Dale noted that Joe has an estimate of \$40,000.00 to level the buildings that are currently on the site.

Clint said he is not sure about using funds in our checkbook since they are considered Public Funds. He said he could pursue the purchase with HUD for Parking Space. We would need to complete an acquisition request with HUD which would take time. He also thought perhaps we could use the income we receive for management either from the MSHDA Grant or the Youth Build Grant since these are not HUD controlled funds.

Doug thought we should pursue a letter of intent to purchase the property with Joe Pienta for a period of 60 days. During the 60 days have a purchase agreement drawn up with our attorneys and pursue possibilities for funding the purchase.

T thought it could take 3-10 years to recover funds from the State of Michigan.

Doug left the meeting at this point.

Al made a motion to close the Executive Session at 4:03 p.m. and return to the Regular Meeting. Harvey seconded the motion. All members present voted in favor. Motion carried.



Dale Priester
President



Clinton McKinven-Copus
Executive Director
Secretary