

# MINUTES

## COMMUNITY DEVELOPMENT AUTHORITY

### PLAN COMMISSION OFFICES

Regular Meeting  
Wednesday  
December 12, 2012

#### I. CALL TO ORDER

The meeting was called to order by Vice-Chairman Gene Maloney at 4:02 P.M.

#### II. ROLL CALL

<u>Members Present</u>	<u>Members Excused</u>	<u>Staff Present</u>
Gene Maloney	John Stangel	David Less
Emil Roth		Pauline Haelfrisch
Chris Able		
Dennis Tienor		
Alex Olson		
Jill Hennessey		

#### III. APPROVAL OF MINUTES OF THE REGULAR OCTOBER 10, 2012 MEETING

Vice Chairman Maloney asked if there were any corrections or additions to the minutes of the regular October 10, 2012 meeting. Hearing none, the following action was taken.

Motion by: Mr. Able

Seconded by: Mr. Olson

Moved that: the CDA approve the minutes of the October 10, 2012 regular meeting

Upon vote: the motion was carried unanimously

#### IV. MANITOWOC HOUSING AUTHORITY BUSINESS

##### A. Financial Report and Approval of Monthly Expenditures

Pauline Haelfrisch reviewed the financial statements for November and December, 2012 with the Board members. She also distributed a list of expenses for November and December and reviewed these with the Board.

Some discussion was held in regards to approving a negative budget due to the uncertainty of receiving an operating subsidy.

Pauline discussed the business property insurance with the Board members. Pauline had sent out for bid the business property insurance due to the fact that the current insurance carrier's renewal was quite high. Pauline took the low bid from the Housing Authority Insurance Group for \$13,678. Other bidders consisted of: Auto Owner's Insurance at \$13,817. and Affordable Housing Risk Management and Insurance at \$16,137.

Motion by: Mr. Tienor  
Moved that: the CDA approve and authorize  
payment of the November and December, 2012  
expenses

Seconded by: Mr. Able  
Upon vote: the motion was carried  
unanimously

B. Board Approval of Updated "Personnel Policy"

Pauline reviewed with the Board the fact that the members had received the personnel policy in an e-mail for the November meeting. It was quickly realized that none of the board members had their copies along.

Chris Able volunteered his input that what needed to be discussed at this meeting was the vacation time for the employees of MHA.

Pauline explained that she tried to follow what the City had in their policy; however, not to the extent of the City's manual. Pauline asked about the 115% in regards to vacation time. Chris Able explained that if a person accumulates more than 115% unused vacation, they will lose it. David Less advised to strike the last two sentences of the MHA personnel policy that speaks of the 115%. Alex Olson asked what the schedule of vacation time was that Pauline had set up. Pauline read the schedule to the Board members. Alex suggested to Pauline that she would be able to make any changes to the vacation schedule that she wanted. It was her prerogative. Alex suggested to simplify it and use what we had in the past. David Less advised to cap it at twenty days. David suggested to make reference to service as being the start date of employment so an employee would know what the anniversary date for that employee was.

Vice Chairman Gene Maloney suggested Pauline bring the personnel policy back to the next meeting with the Board members in agreement. David Less informed Pauline that until a new Personnel Policy is approved, she should continue to follow her old policy.

Pauline asked the Board members if they needed to hear the other sections of the policy as in regards to holidays, sick leave, etc. Pauline reviewed the sick leave section which she kept the same as her old policy of one day per month. Much discussion was held as to the twelve days vs. the ten days the City has. Jill and Alex felt that to keep parity with the City, Pauline should change her sick leave to ten days. David Less asked if Pauline had any idea what to do if an employee asked about FMLA. Pauline stated she did not. David suggested Pauline insert in the personnel policy that the Executive Director will consult with the City's Human Resource Director if that situation came up.

Pauline reviewed bereavement and emergency conditions with the members. Much discussion held in regards to "closings" for inclement weather. Pauline went on to review the health and life insurance section with the Board members. She also reviewed the WRS retirement section. Some discussion was held in regards to the life insurance and retirement sections.

C. Review of Housing Authority Job Descriptions

As none of the Board members had the job descriptions with them, it was decided to skip this item of business. David Less felt that Pauline needs to follow the format the City uses for their job descriptions in order to have parity. He feels that the way the positions are described should at least have the format of the City's. David said he would supply "samples" to Pauline. Jill agreed that we need to cover all the critical

components in regards to education, experience, qualifications, etc.

Pauline went on to discuss the MHA's WRS account with the Board members. Her accountant informed her that the HA has been making payments for the unfunded pension liability for prior service that was bought prior to coming under the WRS. At this time, the HA is paying a portion of the balance off each month. This amount can be paid off at any point in time by a lump sum payment, but interest is not assessed until the December remittance report which is due January 31st. The current outstanding balance due as of 10/18/12 is \$18,129.62. It was suggested by Pauline's accountant that we might want to pay that balance off. Some discussion was held in regards to paying it off. Board members discussed using the money in reserves to pay off this liability. Board members wanted Pauline to find out when it can be paid off and what is the exact amount to be paid off.

D. Update on Miscellaneous Projects

Pauline informed the Board that she was able to get an employee, Tom Younger of the Focus on Energy organization to come to her building with an infrared camera to determine why some of our apartments and office get so warm in winter that windows need to be opened or a/c turned on. Tom was able to tell Pauline that due to the hot water pipes in the floors not being insulated, the temperature taken with the camera in the apartments and offices were extremely high (84 degrees). The windows of the apartments and offices were in good condition and it would not be feasible to replace them at this time. His recommendation would be to have someone clean the seals and install new weather stripping to all the windows.

Pauline explained to the Board members that she received a recall on the toilets that are currently installed in the tenant apartments. After determining all the toilets fell under the recall, the company explained they would send us a kit to be installed on each toilet. Pauline asked the company who would cover the cost of installing the kits and they informed her that would not be covered by the recall. She then went ahead and called her plumber who agreed to install the kits when they came in. The plumber sent an invoice to Pauline to the tune of \$2,550. The kit had not included flexible tubing which the plumber had to provide. Pauline is going to continue to try to get reimbursement for the labor for this project.

Pauline informed the Board members that her auditor suggested she go off the budget plan for Wisconsin Public Service. The account had accrued a substantial credit and it made sense to go back to the actual monthly charge.

E. Business Owner's Property Insurance Update

(See under A. Financial Report and Approval of Monthly Expenditures)

F. Board Approval of Adoption of New Interest Rate Calculation

Pauline explained to the Board that she would like to make a change in the calculation of a tenant's rent. Originally, HUD regulations required HA's to use a passbook rate of 2% for the interest on tenant assets over \$5,000. Thus, if a tenant had an IRA of \$50,000, the HA would have to include \$1,000 of interest in the annual income to calculate the 30% which would end up being the tenant's rent.

HUD has agreed to allow HA's to adjust their passbook rate to be more in line with the economy. PHAs are allowed to change their passbook rate to within 75 basis points of the

national savings rate. The change requires Board approval. The national savings rate at this time is .08%. Pauline would propose to the Board to adopt a Passbook Savings Rate for calculating interest on assets to determine income for tenant rent to .83%.

The following action was taken.

Motion by: Ms. Hennessey

Seconded by: Mr. Tienor

Moved that: the CDA approve the adjustment of the interest passbook savings rate for tenant rent calculation to .83%. This rate shall automatically be adjusted on an annual basis.

Upon vote: the motion was carried unanimously

## V. DOWNTOWN REDEVELOPMENT ACTIVITIES

### A. Financial Report – Revolving Loan Program, 12/06/2012

Mr. Less reviewed the financial reports with the Board members for the revolving loan program. As of December 6th, 2012 a total of \$709,559.52 in loan funds was available.

The following action was taken.

Motion by: Mr. Able

Seconded by: Mr. Olson

Moved that: the CDA accept the 12/06/12 financial report and place on file

Upon vote: the motion was carried unanimously

### B. Update – Regionalizing Revolving Loan Funds

David informed the Board members that there is an effort by HUD to encourage the regionalization of revolving loan fund programs. The State of WI has agreed to two sub-regions. What they are looking at is an eight county Bay Lake regional planning commission region which goes all the way up to Florence and down to Sheboygan. They are working thru a business plan that outlines the different programs that we would offer. The idea is at some point in time when the business plan is ready, we would have clarity with what the State is going to do and not do.

The regionalization of this money means that the funds ultimately become de-federalized. That would allow these monies to be redistributed thru more types of programs as in downtown façade programs ranging to microloan programs without the additional regulations that they carry right now. However, HUD has since come down with some required modifications as to how LMI people are to be dealt with at the workplace in terms of being offered opportunities for these jobs when we fund a project that is going to create jobs.

One of the items Dave will be bringing to Council for Monday night will be amendments to the downtown revolving loan program guidelines and the City guidelines that are run thru the industrial development corporation. These changes have to do with how low to moderate income people are treated. It is not that they have to be hired, but they have to be at least 51% of the people that are interviewed for the positions. There is a certification the employer needs to sign off on and these changes make the program less workable across the region.

Dave felt that the City of Manitowoc would not want to give up the resources they have worked so hard to build up over all these years as we would probably be the largest

contributor in the region due to the success of our RLF programs. Dave feels now that maybe this is better to regionalize so that we have a place at the table when making important decisions. Where we stand right now is that we would retain the authority to approve loans between a quarter million and a half million. The loans would then go to a sub-regional group which would be Manitowoc, Sheboygan, Calumet and Kewaunee counties, basically the southern portion of the Bay Lake region. Any loans above those amounts would go to the regional entity. The loan packaging and all of the existing loans that we have would all be assigned over to whatever the regional entity is. So we would wash our hands of all the loans regardless of whatever the status might be.

David stated that when they have a manual that looks presentable, he will share it with the Board members.

Some discussion was held as to the creativeness of the loans. David explained that the manual, once completed will have four different program designs depending on what the nature of the business is.

More discussion was held in regards to the different programs communities have for their loan funds. Dave stated it will take some time to bring all these different players in.

Dennis Tienor explained that at the same time these funds are being de-federalized and we are gaining some efficiency in this project, other organizations are creating types of microloan funds. David stated that this regionalization is only for CDBG.

C. Update – Consideration of Downtown Design Review and Signage Changes to Municipal Code

David explained that the City is now beginning to work with Mainly Manitowoc on some suggested revisions on the sign ordinance for the downtown. This action would remove the design review function from the CDA and give it to Mainly Manitowoc.

Mainly Manitowoc wanted the Planning Dept. to liberalize the signage as in projecting signs, etc. David feels Mainly Manitowoc needs to take responsibility in running the design review for their service area.

Discussion was held as to exactly what Mainly Manitowoc would take over. David explained that Mainly Manitowoc would administer the whole design review package. Mainly Manitowoc would have to meet with building inspection for the sign permits. The CDA Board would no longer have to deal with the design reviews.

**VI. HCRI/HOME PROGRAM 2012 MEMORANDUM OF UNDERSTANDING (MOU)**

A. Memorandum of Understanding Working Agreement Between City of Manitowoc and Lakeshore CAP, Inc.

Dave explained that the MOU is an attempt by Lakeshore Cap to make sure we aren't tripping over each other in applying for housing grants. David does not expect to go after any housing grants in the near future, so he did not have any issue with this.

David would like approval to enter into this agreement and move forward with this relationship with Lakeshore Cap.

Some discussion was held and the following action was taken.

Motion by: Mr. Able  
Moved that: the CDA approve David Less  
to negotiate and sign the MOU between the City  
of Manitowoc and Lakeshore Cap, Inc.

Seconded by: Mr. Roth  
Upon vote: the motion was carried  
unanimously

## **VII. EPA/RLF APPLICATION UPDATE**

- A. Update – 2012 US EPA Revolving Loan Fund Application and Role of CDA  
David stated that the City just filed a 2012 application with the US EPA for revolving loan fund monies. The City can get up to a million dollars capitalized revolving loan funds for remediation of brownfields. All of our EPA monies right now deal with assessments.

These funds would be available for lending out to businesses to remove controlled contaminated properties towards remediation of a problem. Nationally, the EPA is only going to give thirteen of these grants out, so the likelihood is slim that one would be awarded to the City.

David just wanted the Board members to be aware that if the City would receive this grant it would be routed thru the CDA. The CDA would have the responsibility to administer it because of the statutory authority the CDA has for lending money in an official way.

## **VIII. ADJOURNMENT**

The meeting was adjourned at 5:38 P.M.

Respectfully submitted:

David Less,  
Executive Director

DL/pmh