



**CITY OF MANITOWOC**  
WISCONSIN, USA  
*www.manitowoc.org*



**MINUTES**

**COMMUNITY DEVELOPMENT AUTHORITY**

**PLAN COMMISSION OFFICES**

Regular Meeting  
Wednesday  
May 13, 2015

**I. CALL TO ORDER**

The meeting was called to order by Chairman John Stangel at 4:00 P.M.

**II. ROLL CALL**

Members Present

John Stangel  
Gene Maloney  
Emil Roth  
Jill Hennessey  
Chris Able  
Anton Doneff

Members Excused

Dennis Tienor

Staff Present

Nic Sparacio  
Paul Braun  
Lisa Mueller  
Pauline Haelfrisch

**III. APPROVAL OF MINUTES OF THE REGULAR APRIL 22, 2015 MEETING**

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular April 22, 2015 meeting.

Hearing none, the following action was taken.

Motion by: Ms. Hennessey  
Moved that: the CDA approve the minutes  
of the April 22, 2015 regular meeting

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

**IV. MANITOWOC HOUSING AUTHORITY BUSINESS**

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

Pauline reviewed the financial statements for May, 2015 with the Board members. She also distributed a list of expenses for this time period and reviewed these with the Board.

Pauline stated to the Board members that she received a letter from the City in regards to sidewalk repair. Although she is well aware of the condition of the sidewalk, she asked the Council members who she needed to speak with in regards to the street repair. Jill reported that Sixth Street is not in the budget until 2017. Jill explained that it needed to go through COG (Capital Asset Working Group). Pauline explained she was concerned about her tenants trying to cross the road having their scooters and wheelchairs getting stuck. Chris and Jill both agreed that if there are mitigating circumstances, Pauline should write a letter to Dave Soeldner and ask him to bring it up again to see if the repair can be moved up on the list.

The following action was taken.

Motion by: Mr. Able  
Moved that: the CDA approve and authorize  
payment of the May, 2015 expenses

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

B. Proposed Budget for FYE 2016

Pauline reported she had given every member a copy of the proposed budget for FYE 2016. This copy is what she sends to the accountant who then puts it in report form. She went through the report line by line. Pauline wanted to know if the Board members felt whether garage rent or the DirecTv payment should be raised. Garage rent hadn't been raised since 2009 and she was wondering if there was any kind of stipulation that it should be raised every certain number of years. Pauline also explained that she has kept track of what the Manor has collected for DirecTv and what the expense for providing it has been. Since its inception, there is a "balance" of \$6,345 that is left. David Less had asked that we keep a record of what was taken in and paid out in case of any repairs to the system. Pauline has had to make repairs to the system, none being significant. Some discussion was held and the members were in agreement to leave the garage rent and DirecTv payment at the present rate.

Pauline discussed with the Board members a 2% increase for employees. The Board members were in agreement that a 2% increase was fine. Pauline explained that the maintenance man will be paid out his "sick pay" which is the bank of 960 hours as he was still under the old contract. His retirement date is November 1<sup>st</sup>, 2015. Pauline covered the rate of pay with the Board members for the new maintenance man. She would like to start him at \$18.00 an hour with a raise to \$18.50 after six months. She also reported that the total income she will pay Brian and what she will pay the new employee will be within the amount she had figured in the budget. Pauline explained that for the June meeting, she will have the completed budget in report form and will ask the Board members for their approval as it has to be to HUD by 6/30/15. If any changes are needed, she asks the Board members to tell her now.

C. Bike Shed/Signage Update

Pauline updated the Board members that the foundation for the bike shed would be poured tomorrow and the actual shed work will begin next week. Pauline had to give the sign contractor a down payment of half the contract for the materials for the signs to be ordered. The signs will be ready to be put in place in in mid-June.

The last thing Pauline wanted to discuss with the Board was the number of vacancies she had recently. She has tenants to fill the apartments; however, the waiting list is dwindling. One of the major items Pauline is dealing with is a tenant who is off his medications. This tenant has a severe mental illness and although Human Services and his parents were very supportive when he moved in November, 2013; they are no longer in the picture. This tenant has become a problem and Pauline is in the process of evicting him. However, evictions take time and until it is completed, his behavior is taking up quite a bit of Pauline's time.

## **V. DOWNTOWN REDEVELOPMENT ACTIVITIES**

### **A. Financial Report – Revolving Loan Program**

Nic Sparacio informed the Board members that there has been no action for the revolving loan program. A total of \$746,912.60 in loan funds was available.

Nic is continuing to work with some prospective businesses, but no commitments at this stage. Nic reported on a couple updates. He submitted the Letter of Support from the CDA for the Schuette building. He hopes to hear from the WEDC on that. As for Eighth and York, the release of the equipment has taken longer than expected. It is being transferred to the building owners so they can sell it to whoever will occupy the restaurant. There were some snags with the process, but it is finally moving forward.

The following action was taken.

Motion by: Mr. Able

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

Seconded by: Ms. Hennessey

Upon vote: the motion was carried unanimously

## **VI. HOUSING REHABILITATION BUSINESS**

### **A. Mortgage Subordination Request Project #246-98 - Ruebesam**

Nic reported that the owners currently have an adjustable rate mortgage and have refinanced a number of times. This put the City of Manitowoc loan in first position. The owners are working with First Rate Lending to get a fixed rate fifteen year mortgage. Nic reported this is a no cash out refinance. They have an adequate cushion in terms of equity. Nic recommends approval from the Board members of this request with the following conditions:

1. Lender/borrower to pay all City recording and title letter fees, and to provide tile report or equivalent after all lending/mortgage documents recorded. Costs to be borne by borrower.
2. Mortgage subordination limited to a new first mortgage of \$35,300.00.
3. Gateway/1<sup>st</sup> Rate or assignee of mortgage to require establishment of escrows for taxes and insurance at inception of new loan.
4. This is final subordination. City to be repaid in full at time of next refinance.

No discussion was held and the following action was taken.

Motion by: Ms. Hennessey  
Moved that: the CDA approve subordination request #246-98 subject to conditions outlined in the director's report and recommendation

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

## **OTHER BUSINESS**

### **B. Discussion and Action on Housing Rehabilitation Loan Program Plan**

Nic reminded the Board members of the rough draft he had provided at the last meeting. Since last time, Nic prepared some projections for revenue, work load, loan fund balance and then compared a couple different alternatives. The alternatives are to create a staff position or hire a consultant to reestablish the program. Nic is presenting to the Board members a proposal to contract with a consultant on a one to two year basis to get the program back on track, get things in order, and then because there are some significant advantages with having this program in house; working towards having a staff position created for this responsibility and eventually to also take on neighborhood inspections.

Some discussion was held and a Board member asked if the State gave a time limit of when this program had to be back up and running. Nic replied the State said this **plan** had to be in place at a certain time; but they did not say how soon the program had to be established again. Another member asked who Nic would get for reviving this program. Some of the consultants that could be used are Lakeshore Cap; or work with another community that does this type of program; or a regional program. Nic explained that Brown County currently runs this program for them; so they have been able to refer some requests to them. A third option is private consulting firms that have expertise in this area. Nic has a list from the State with various firms and agencies that do this so they will send out RFP's to ten to twelve different parties. The Board members were in agreement that this was the way to go.

The following action was taken.

Motion by: Mr. Able  
Moved that: the CDA members to approve the draft so it can be moved forward to the City Council

Seconded by: Ms. Hennessey  
Upon vote: the motion was carried unanimously

## **VII. ADJOURNMENT**

The meeting was adjourned at 4:35 P.M.

Respectfully submitted:

Nic Sparacio  
Community Development Director

NS/pmh