

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
April 16, 2014

I. CALL TO ORDER

The meeting was called to order by Chairman John Stangel at 4:04 P.M.

II. ROLL CALL

Members Present

John Stangel
Gene Maloney
Emil Roth
Jill Hennessey
Dennis Tienor
Chris Able

Members Excused

Collin Braunel

Staff Present

David Less
Pauline Haelfrisch

III. APPROVAL OF MINUTES OF THE REGULAR MARCH 12, 2014 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular March 12, 2014 meeting.

Hearing none, the following action was taken.

Motion by: Mr. Able

Moved that: the CDA approve the minutes of the March 12, 2014 regular meeting

Seconded by: Ms. Hennessey

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 April, 2014 with the Board members. She also distributed a list of expenses and reviewed these with the Board.

Pauline also informed the Board members that she received the information regarding the Capital Fund for 2014 which came through at \$87,839. Some of the projects Pauline was hoping to complete with this fund is: apartment entry doors, third floor balcony, west garbage room stairs, and new water tanks.

Pauline also explained an issue she had with a tenant who had asked for TV antennae service only. As three of our other tenants are able to access TV service through the antennae on the north side of the building, Pauline felt obliged to provide this tenant with service. After researching the issue, Pauline went ahead and contracted with M&A Electronics to install a new digital antennae on the roof of the building and run a wire to this tenant's apartment.

This antennae will be able to provide local TV channels only to new tenants that would insist on it.

After further discussion, the following action was taken.

Motion by: Mr. Tienor

Moved that: the CDA approve and authorize payment of the April, 2014 expenses

Seconded by: Mr. Maloney

Upon vote: the motion was carried unanimously

B. Board Approval for FYE 2015 Budget

Pauline explained to the Board members the paperwork she handed out to them before the meeting. She began to go line item by line item, but then decided to have the Board look through the paperwork and ask any questions they may have. Pauline also informed the Board that 2014's income statement included insurance proceeds from hail storm damage that Pauline received in the amount of approximately \$23,000. Of this amount, \$13,000 of it will go for new gutter guard of which Pauline has an estimate.

There was discussion in regards to the health insurance for the Housing Authority. Pauline explained that they are with the State of WI health insurance as it seems the premiums are more reasonable. It was agreed that \$2,000 a month for a family plan was not way out of line in this day and age.

After further discussion, the following action was taken.

Motion by: Ms. Hennessey

Moved that: The CDA approve the FYE 2015 Budget for the Manitowoc Housing Authority

Seconded by: Mr. Tienor

Upon vote: the motion was carried unanimously

C. Capital Fund Project Update

Pauline spoke with the Board members in regards to the flooring project she is currently involved in. There were a few minor snags in the beginning, but otherwise things are running smoothly. More issues with the tenants being ready for the flooring contractor to begin. The flooring contractors are on schedule.

D. HUD Conference Update

Pauline reported to the Board members that she attended a conference in Oconomowoc the week before put on by the HUD field office.

The main focus of the conference was on HUD's new regulation for every housing authority to have a GPNA (Green Physical Needs Assessment) done on their building. HUD has not done a final rule on it yet and we should not expect to see any action until Spring of 2015. However, HUD is telling the field offices to have the housing authorities proceed with the GPNA.

The GPNA is a twenty year forecast of our building. It is a software program HUD designed for determining useful unit life, building systems, and the building itself that calculates and creates a 20 year cost projection for each development. Other capabilities of the tool can expand the functionality for PHAs. Included with the GPNA is a green energy audit that must be performed on your property.

The software program is difficult to navigate due to the many components that have to be entered. HUD feels with the proper employees, many housing authorities can do the GPNA on their own. And for housing authorities with 500 units or more, many have employees that can accomplish this. However housing authorities with 250 units or less, possibly only employ two or three people and cannot free them up for a project of this magnitude. The software program is a one size fits all.

The GPNA is going to be expensive. Estimates run anywhere from \$7,500 to \$20,000. The money can come out of capital fund, operations, or reserves. Once the final rule is out, we have six months to get it completed.

Pauline explained she has not budgeted for this yet because she does not know how much it will cost or even if HUD will change its mind on this since there is no final rule on it.

The Board members feel strongly that Pauline should add the GPNA to the budget.

After further discussion, the Board instructed Pauline to add the cost of the GPNA to the budget that was just approved.

V. HOUSING LOAN ACTIVITIES

A. None.

VI. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Financial Report – Revolving Loan Program, 4/10/2014

Mr. Less reviewed the financial reports with the Board members for the revolving loan program. As of April 10, 2014 a total of \$730,844.12 in loan funds was available.

Motion by: Ms. Hennessey
Moved that: the CDA accept the 4/10/14
financial reports and place on file

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

B. Design Review:

1. 813 Jay Street – La Bella Capelli

David asked for the Board's approval on this design review.

The following action was taken.

Motion by: Ms. Hennessey
Moved that: the CDA approve the design review
application and award a certificate of appropriateness

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

2. 824 South Eighth St. - Nelson Business Development

David asked for a motion to approve this design review.

The following action was taken.

Motion by: Mr. Able
Moved that: the CDA approve the design review application and award a certificate of appropriateness

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

3. 824 South Eighth St. – Manitowoc Trading Company

David informed the Board members that this is for a projecting sign only. The owners have not come in with a design review yet but David is asking for the Board members to approve the design review only for the projecting sign.

After some discussion, the following action was taken.

Motion by: Mr. Able
Moved that: the CDA approve the design review for the projecting sign only and award a certificate of appropriateness

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

C. ABBA LLC – Loan REV2011-1 – Update

David informed the Board members that there may be a prospective purchaser for the business. The last communication Dave had was that there was an extension granted by Revenue; however, Dave thinks that date has passed.

The account is current as of April 15th including the late fees that were charged. Dave would like authorization to take all actions necessary to secure and recover the City's loan proceeds. Dave would take action at that time based on the reserve account agreement to access the \$25,000 in the account.

Dave spoke with John Johnson, ABBA's financial advisor who told him that Abby had asked him if Dave would be open to letting them have the reserve account to pay down the charges to Revenue or the Feds.

Dennis Tienor informed the Board members that the party that is interested seems to have the wherewithal to purchase it, so they have been talking numbers with ABBA. David asked if they would come in to buy the business and assume the debt, would they have to come back through the CDA? Dennis stated the purchaser would buy the business from ABBA and ABBA would have to figure out how to satisfy the debts.

The City has an intercreditor agreement with the bank that if they can access the \$25,000, the City would probably be in the vicinity of \$12,000 that would be short. David thinks ABBA owes the City around \$37,000 in principal at this point. Then the City would move to the intercreditor agreement to access the assets for the remaining \$12,000. The intercreditor agreement equalizes the City with the bank. It would be a dollar for dollar distribution of however those assets are liquidated. So the likelihood of the City getting out whole are pretty good. David also thinks he has mortgages on multiple properties that Tony and Janet have although he doesn't think he has a first on anything.

David reiterated that he would like authorization to take any and all actions related to the reserve account, intercreditor agreement and other collateral that we have to take whatever steps necessary to recovery.

After further discussion, the following action was taken.

Motion by: Ms. Hennessey

Moved that: the CDA authorize David to take any and all actions necessary related to the reserve account and inter-creditor agreement, and documents to recover all CDA proceeds

Seconded by: Mr. Maloney

Upon vote: the motion was carried unanimously

VII. ADJOURNMENT

The meeting was adjourned at 4:50 P.M.

Respectfully submitted:

David Less,
Executive Director

DL/pmh