

Meeting Minutes of the Bay City Housing Commission  
 Regular Meeting  
 September 23, 2020

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Location: Conducted via "Zoom" an electronic communication platform to enable meeting participants to interact in "real time" due to Governor Whitmer's Executive Order amidst the COVID-19 Pandemic and in person at the Bay City Housing Commission Board Room with safety measures.

Time: 2:00 PM

Roll Call

	Present	Excused	Absent
<b><u>Commissioners:</u></b>			
James Whaley	X		
Ann Grady	X		
Sharon Brown	X		
Louise Ryan	X		
Al McFadyen	X		
<b><u>Staff:</u></b>			
Bill Phillips	X		
John Neeb	X		
Karl Opheim	X		

Commission Actions

1. Approval of the Agenda as presented to the Board.

Agenda Item: 3  
 Motion: Ryan  
 Second: McFadyen  
 Motion Approved: Unanimous

2. Approval of the minutes of the Regular Meeting (08/26/2020) of the Bay City Housing Commission as presented.

Agenda Item: 4a  
 Motion: Ryan  
 Second: Grady  
 Motion Approved: Unanimous

3. Suspend the regular rules for Public Input at 2:05 PM.

Public Input

<u>Speaker</u>	<u>Time</u>	<u>Address</u>	<u>Issue</u>
No one was present to address the Board. The Board agreed to hear late arrivals.			

Return to Regular Order at 2:10 PM

Agenda Item: 5  
 Motion: N/A  
 Second: N/A  
 Motion Approved: Unanimous

4. The Board received and supported the CEO Report as of 09/23/2020 as presented.

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Agenda Item: 6a  
Motion: Ryan  
Second: Grady  
Motion Approved: Unanimous

5. The Board accepted the current financial statements for the period ending 08/31/2020.

Agenda Item: 6b  
Motion: Ryan  
Second: Grady  
Motion Approved: Unanimous

6. Approval of all disbursements including ACH transactions and payroll in the total amount of \$890,090.75 for the period ending 08/31/2020.

Agenda Item: 6c  
Motion: Grady  
Second: Ryan  
Motion Approved: Unanimous

7. Approve the tenant account write offs for the fiscal year ending 09/30/2020 in the amount of \$6,701.64.

Agenda Item: 8b  
Motion: Grady  
Second: Ryan

8. Approve fiscal year end performance bonus of up to 5% of gross wages plus associated taxes for all current employees.

Agenda Item: 8c  
Motion: Grady  
Second: Ryan  
Motion Approved: Unanimous

9. Approve the elect PA 182 hardcap for health insurance premium cost sharing calculations.

Agenda Item: 8d  
Motion: Grady  
Second: Ryan  
Motion Approved: Unanimous

10. Approve the conversion and purchase of the RealPage property management software for the Bay City Housing Commission.

Agenda Item: 8e  
Motion: Grady  
Second: Ryan  
Motion Approved: Unanimous

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11. Approve the FY 2020-2021 Operating Budget for the Bay City Housing Commission as handed out to the Board.

Agenda Item           8f  
Motion:                Ryan  
Second:               Brown  
Motion Approved:   Unanimous

12. Approve the FY 2020-2021 Capital Improvement Budget for the Bay City Housing Commission as handed out to the Board.

Agenda Item           8f  
Motion:                Ryan  
Second:               Brown  
Motion Approved:   Unanimous

13. Approve the bid tabulations as presented and accept the low bid base of \$75,227 from Escon Electrical for the improvement of the electrical service panel and the additional circuits in all the 4 and 5 bedroom units.

Agenda Item           8f  
Motion:                Grady  
Second:               Ryan  
Motion Approved:   Unanimous

14. Motion to affirm the closing of the Bay County Market property purchase.

Agenda Item           8g  
Motion:                Ryan  
Second:               Brown  
Motion Approved:   Unanimous

15. Adjournment at 4:05 PM

Agenda Item           11  
Motion:                Ryan  
Second:               Grady  
Motion Approved:   Unanimous

UNAPPROVED MINUTES OF THE BAY CITY HOUSING COMMISSION. TO BE REVIEWED AND APPROVED BY THE BOARD AT THE OCTOBER 28, 2020 REGULAR MEETING.



BAY CITY HOUSING COMMISSION

315 14<sup>th</sup> STREET BAY CITY, MI 48708

CEO REPORT TO THE BOARD OF COMMISSIONERS

October 28, 2020

1. Portfolio Performance – As of October 21, 2020, the total physical occupancy at the same time last month was 98.5% percent compared to the current 98.6%. The current physical and leased occupancy is now 99.2%. The portfolio continues to perform at a very high level overall.

Applications for Smith Manor and Pine Towers fell by a combined 17% and 43.8% respectively this month. Scattered Sites, Maplewood and Maloney have increases. The total application pipeline has 159 apps for Scattered Sites and 85 applications for high-rise buildings.

BAY CITY HOUSING COMMISSION
Portfolio Occupancy

Table with 15 columns: 10/21/20, Total Units, Vacant Not Ready, Vacant Ready, Total Vacant, Applications Approved for Move-In, Occupied, Physical Occupancy, % Leased & Occupied, Intents to Vacate, Transfers Pending, Vacant to Lease, Current Applications in Processing, Applications Last Month, Percent Change Over Prior Month. Rows include Smith Manor, Maloney Manor, SubTotal, Pine Towers, Maplewood Manor, SubTotal (62+), Scattered Sites (PH), Market/Master Lsd, and TOTAL PORTFOLIO.

1 Leased and Occupied units are units currently occupied plus "applications approved and scheduled for Move-in" (Leased)

2 Percentages of Leased and Occupied units exceeding 100% indicate a waiting list of fully approved applicants.

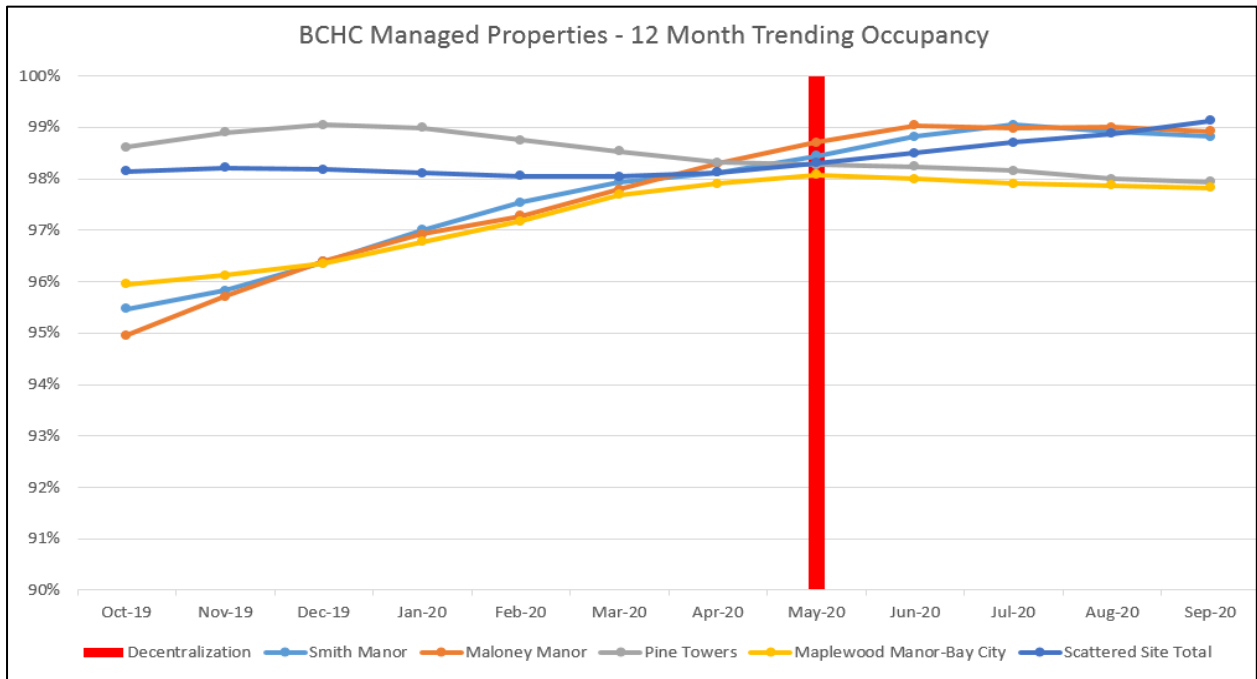
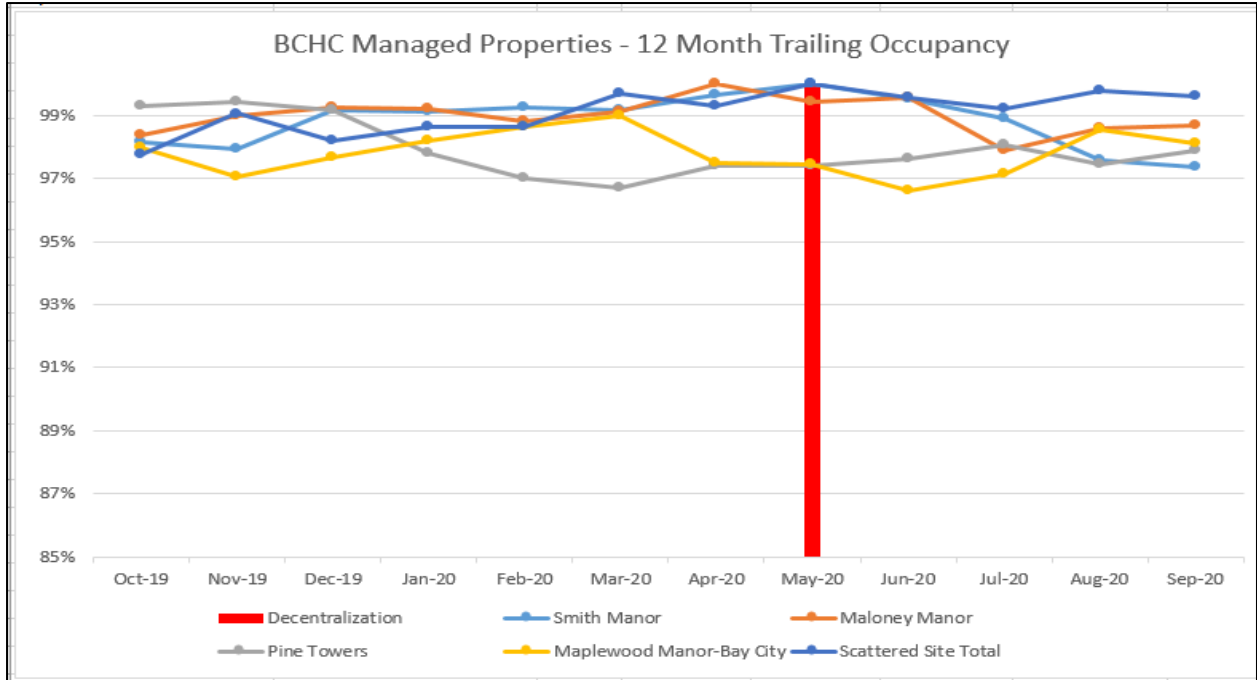
3 Unrestricted, Non ACC and units master-leased.

Trailing and Trending (Economic) Occupancy Graphs

The Trailing and Trending graphs representing the economic occupancy of our portfolio are shown below. The "red line" denotes a high point in the Covid-19 Pandemic. The graphs confirm that we had little movement in the occupancy of our units during the core pandemic period. Since that time, however, there has been a slight decoupling of the trend lines, indicating some turnover.

It should be noted that the economic impact of the turnover remains nominal. As we continue to recover from the peak of the pandemic, we do anticipate some increased turnover. As always, we work to minimize the expense and vacancy loss resulting from turnovers.

2. Financial Highlights for the Period –The current financial reports for the 12-months YTD are attached. The economic occupancy of the total portfolio is represented in the graphs below. The slight separation of Maplewood Manor and Pine Towers, shown in the Trending Occupancy graph, confirms the Portfolio Occupancy performance shown above. The high-rise properties serving customers aged 62+, have the most turnover.



**3. FY2020 Operating Year** – September 30 marks the end of the most recent fiscal year of operations. The operating and capital budgets for FY2021 were approved at the September 23,2020 Board meeting. John is preparing the year end final reports and working with the auditors. **Each property and portfolio of properties performed better than budgeted expectations during FY2020.** The unaudited year-end financial reports are attached.

4. **Health Care Retirement Trust** – In August 2019 and again in September 2020, we reviewed plans to re-balance the Retirement Trust accounts. The calculations and notes supporting the application of a portion of those funds is attached and will be effective as part of the year-end closeout.
5. **CARES ACT Funding** – HUD Published Notice PIH-2020-24 on September 14, 2020. The notice extends the deadlines to expend the Cares Act funds to December 31, 2021. In a conference call with HUD and approximately 20 other executive directors of PHAs around Michigan, the conversations confirmed that our application of the Cares Act funds is consistent with the grant.
6. **Exigent Health and Safety Protocols** – We are continuing to require face mask and social distancing on all property common areas. This policy position continues despite the Michigan Supreme Court’s decision that Governor Whitmer’s Executive Orders requiring face masks was not constitutional. We are enforcing this policy in accordance with Attachment 3.D. to the House Rules for Exigent Health and Safety Protocols that became effective for all our residents on September 1, 2020. We anticipate maintaining this policy for an indeterminate period.
7. **UWUA Grievance Mediation** – Last month we reported the filing of a grievance from the UWUA Local 542 pertaining to employer contributions to a HealthCare Saving Plan with MERS that was resolved during the collective bargaining process. On October 9, 2020, we received notice from the Michigan Employment Relations Commission that they are commencing preparations for the mediation of the grievance submitted by the UWUA Local 542. This matter has been turned over to our special counsel. Mediation is set for November 10, 2020.
8. **Property Management Software Improvements** – We are moving forward with the Real Page management software conversion. We have signed the service agreements and are establishing the training and conversion schedules. All hardware acquisitions and installation have been completed.
9. **AT&T/New Cingular Wireless PCS, LLC** – We have been told by ATT contractors that the changes we proposed to the installation and service agreement at Pine Towers have been accepted. Modifications to their plan are being made and once submitted to us and approved by our structural engineers, we will execute the agreements.
10. **RAD Acquisitions and Development Planning** –
  - a. **Bay County Market** - The Bay City Housing Commission completed the purchase of the Bay County Market on October 1, 2020. On October 5, 2020 we delivered notices to the Lessee terminating the lease agreement and demanding payment of the past due rents that we assumed as part of the assignment of the lease. With the current phased scheduling in the Court System, it is not clear when the actual petitions to terminate the lease will be heard by the Court.
  - b. **Neighborhood Revitalization Partnership** – the six lots that we partnered with Bay City and the Bay County Treasurer have had the demolition bids reviewed by the City. The low

bid was for \$91,520.00. The demolition work should be complete in December. We funded invoices for environmental and asbestos testing amounting to \$5,406.00. The total obligated funds, thus far, is \$96,926.00. The original commitment was \$120,000.00. Even with some final environmental reviews after the lots are finish-graded, the costs should be under budget.

- c. **Columbus Ave Development Plan** - MSHDA has restructured its LIHTC application process following the onset of COVID19. The next application round is February 1, 2021. For this application round, MSHDA is also putting its entire 2021 allocation of tax credits into the round. The “open” category, where we would apply, is being split into two categories, “Open-Urban” and “Open-Other”. It is difficult to judge whether the February round will improve our competitive position. We continue to have challenges with the development costs.

In discussions with our developer partners this past week, it is likely that additional sources of funds will need to be identified to make the project economics work. This is, in fact, a recognition that the construction and total development costs will not be viable without an equity infusion. From prior discussions, we have declined to obligate the agency to funding new development from equity gained by restructuring high-rise buildings. That will continue to be our position unless compelling reasons surface in the future.

We are considering creating an “infill” phase for the investment corridor behind Columbus Avenue. However, the timing to have that development plan prepared and supported for a tax credit application would not be until the 2022 LIHTC application rounds. If we could resolve construction cost challenges, it appears that current application scoring may be moving in our favor.

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## Attachments

1. FY2021 Notes for Trust Draws
2. Financial Reports for all Properties
3. List of Disbursements/Cash Transactions



BAY CITY HOUSING COMMISSION  
315 14<sup>th</sup> STREET BAY CITY, MI. 48708

Decision to Equalize Health Care Retirement Trust Funds  
with Projected Annual Actuarial Liability  
October 14, 2020

The concept of equalizing the value of assets in the MERS Health Care Retirement Trust (Trust) to the Projected Annual Unfunded Actuarial Liability represents a significant paradigm shift. Over the preceding ten years, the organization has diligently funded the Trust to assure its viability when employees begin to access the retirement plan. That has been accomplished.

The CEO Report to the Board on August 28, 2019 spoke to the need to shift annual contributions to the Trust, including the following statement:

*“Beginning in FY2020, we propose to discontinue funding the entire retiree healthcare premium from agency funds and shift the larger portion of the annual cash outlays to the Retirement Trust. The legacy retirement plan costs have increased to the point where the agency does not have the capacity to absorb those costs without creating a negative cash flow.”*

The decision is made considering actuarial-based projections for plan financial performance. Below is the calculation worksheet along with some key comments on the analysis.

BAY CITY HOUSING COMMISSION  
Other Post Employment Benefits (OPEB) Liability Calculation  
30-Sep-20

	2019 OPEB Valuation	2020 Admin Component	2020 CBA Component	2020 Total Valuation	2019-2020 YOY Change
<b>Annual Required Contribution</b>					
Normal Cost Component	59,281	24,745	15,256	40,001	15,256
Interest	4,150	1,732	1,068	2,800	1,068
<b>Total normal cost (annual required contribution)</b>	<b>63,430</b>	<b>26,477</b>	<b>16,324</b>	<b>42,801</b>	<b>16,324</b>
Value of Assets (Trust Funds)	4,468,480	4,785,440	-	4,785,440	316,960
Less: Actuarial Accrued Liability ( AAL)	4,838,116	3,861,303	313,378	4,174,681 <sup>1</sup>	(663,436)
<b>Unfunded Actuarial Liability (UAL)</b>	<b>(369,636)</b>	<b>924,137</b>	<b>(313,378)</b>	<b>610,759</b> <sup>2</sup>	<b>980,396</b> <sup>4</sup>
Divide by PV factor	11	10	12		
Amortization Payment	33,424	(88,463)	25,132	(63,331)	25,132
Interest	2,340	(6,192)	1,759	(4,433)	1,759
Total Amortization Payment	<b>35,763</b>	<b>(94,655)</b>	<b>26,891</b>	<b>(67,764)</b>	<b>26,891</b>
<b>Annual Required Contribution</b>	<b>99,194</b>	<b>(68,178)</b>	<b>43,215</b>	<b>(24,963)</b> <sup>3</sup>	<b>43,215</b>

<sup>1</sup> Decreased Actuarial Liability from FY2019

<sup>2</sup> Surplus Unfunded Liability YOY 2019 (Net value of cash assets held in the Trust over Actuarial Accrued Liabilities (AAL))

<sup>3</sup> Surplus Annual Required Contribution (ARC)

<sup>4</sup> YOY 2019 change in Unfunded Actuarial Liability



1. From 2019 to 2020 there was a \$980,396 total change (to the upside) in the Unfunded Actuarial Liability (UAL). The calculation of the 2020 Unfunded Actuarial Liability (UAL) results in a surplus funding of \$610,759. The large improvement in the net funding position of the Retiree Healthcare Liability stems from (a) a combination of good performance from the assets of the Retiree Healthcare Trust and (b) a decrease in the long-term UAL resulting from the collective bargaining process that enabled substitution of a fixed-price health care stipend, and (c) retirees leaving the plan, either because they passed away or they found a more cost effective alternative. The plan is “closed-in”, meaning the number of participants is fixed and will not increase (only decrease) over the life of the plan.
2. The September 30, 2020 valuation was formulated using the GASB approved method for alternatively valuing OPEB liabilities. As stated above and shown in the table of calculations, there is a surplus ARC which results in no annual required contribution into the Healthcare Trust for FY2020. When reviewing Annual Required Contributions in the context of retiree healthcare, it is important to understand that there are two types of cash outlays that would satisfy the annual obligation: (1) outlays that cover retiree’s premiums and (2) deposits into the investments of the Healthcare Trust account. The calculation of current Trust Asset Value over the Unfunded Actuarial Liability (UAL) produces the surplus as does the amortization of the unfunded liability.

Thus far, the financial position of the Trust and the determination of Annual Required Contributions (ARC) has been addressed. The notes that follow speak to long-term sustainability. Management believes the Trust has reached asset valuations that enable it to be self-sustaining.

To support the decision to begin equalizing (drawing) on the Healthcare Trust Account to reimburse the organization for health care and other operating costs, a fifty-year Sustainability Model was prepared for the Trust using assumptions that are believed to be more conservative than one would normally expect for such models.

Bay City Housing Commission Healthcare Trust and Retiree Premiums Drawdown Assumption 9/30/2020	
Housing Commission Cost for a Singe Retiree	\$ 6,818.87
Housing Commission Cost for a Couple Retiree	\$ 14,260.37
Annual Increase in Housing Commission Cost	3.00%
Investment Rate of Return	6.25%
Standard Deviation of Return	5.00%
Annual Chance of Market Correction	10.00%
Anticipated Amount of Market Correction	15.00%
Projected Annual Premiums Covered By The Trust*	75.00%
* Applying the imputed discount produces the projected Annual Available Funds Cap.	

The assumptions are shown in the table above and were applied to the snapshot of current values and costs in the OPEB Calculation Worksheet, and to the 50-year Sustainability Model. The key metrics and conclusions from the Sustainability Model are:

3. The Sustainability Model includes calculations for an annual Available Funds Cap. For example, in FY2021, the model projects that \$195,000 that could be drawn by The Housing Commission to offset retiree healthcare premiums for FY2021. The Available Funds Cap is the projected annual funding level produced when imputing a 25%\* discount to the projected Annual Premium Expenses. The discount factor is an arbitrary discount hedge against volatility in the market value of Trust assets and fluctuations in future health care costs. The assumptions are extended over the actuarial life of 100% of the participants in the Trust (50± years).
4. The “confidence level” of the Sustainability Model is 92% that the Trust is self-sustaining over its lifecycle based on over 1,000 iterations of the model. It is management’s judgement that 92% is an acceptable confidence level (margin of error) for the long-term sustainability projections. The organization will update and evaluate these metrics every year and adjust accordingly, keeping in mind the goal is to keep the Trust positioned to be largely self-sustaining going forward.

The FY2021 Operating Budget of the Bay City Housing Commission projects drawing only \$135,000 of the \$195,000 of Available Funds from the Healthcare Trust to cover the shortfall created from retiree healthcare premiums. The current valuation of the retiree healthcare liability, the results of the internally developed healthcare premium model, and today’s market valuation of trust assets (\$4.854M) support this asset draw without compromising the Housing Commission’s ability to meet its long-term plan obligations.

BAY CITY HOUSING COMMISSION  
BALANCE SHEETS  
9/30/2020

	Operations & Resource Development		Real Estate Held for Investment						General Partnerships				
	Central Office 9000	Public Housing	MF Project Based			Total BCHC	LIHTC Projects						
			Scattered 1004	Smith 1002	Maloney 1003		Pine 1006	Maplewood Manor 2000	Columbus Development 9200	Jefferson Adams Coordinator 9400			
<b>ASSETS</b>													
Cash - Unrestricted	1,927,070	265,606	80,687	93,104	116,225	2,482,692	359,468	(291,492)	(5,406)				
Cash - Operating Reserve	500,000	-	-	-	-	500,000	-	-	-				
Cash - Replacement Reserve	-	1,500,000	1,042,685	1,238,560	1,037,966	4,819,211	246,857	-	-				
Cash - Other Restricted	-	-	-	-	-	-	727,035	-	-				
Cash - Tenant Security Deposits	-	75,910	31,364	24,390	31,050	162,714	43,000	-	-				
Total Cash	2,427,070	1,841,516	1,154,735	1,356,054	1,185,241	7,964,617	1,376,360	(291,492)	(5,406)				
Accounts Receivable - HAP Contracts/Properties	370,152	122,702	185	-	-	493,039	-	-	-				
Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-				
Accounts Receivable - Miscellaneous	38,994	(2,583)	1,709	4,076	1,629	1,595	1,595	-	-				
Accounts Receivable - Tenants	10,002	9,012	5,222	1,546	639	26,421	524	-	-				
Total Receivables, Net of Allowances	419,147	129,132	7,116	5,622	2,268	563,286	2,119	-	-				
Investments - Unrestricted	24,374	-	-	-	-	24,374	-	-	-				
Prepaid Expenses and Other Assets	3,229	103,006	11,019	8,700	10,127	136,081	4,945	-	-				
Inventories	1,477	16,530	10,318	3,940	7,143	39,409	-	-	-				
Allowance for Obsolete Inventories	-	(888)	(485)	(378)	(372)	(2,124)	-	-	-				
Total Current Assets	2,875,297	2,089,296	1,182,703	1,373,939	1,204,407	8,725,643	1,383,424	(291,492)	(5,406)				
Land	19,958	783,679	449,635	306,387	21,000	1,580,659	395,000	-	-				
Buildings	368,913	4,194,218	1,865,388	1,513,987	1,496,529	9,439,036	9,245,469	-	-				
Furniture, Equipment & Machinery - Dwellings	-	382,287	174,667	149,435	152,346	858,735	976,867	-	-				
Furniture, Equipment & Machinery - Admin	95,571	-	-	-	-	95,571	-	-	-				
Leasehold Improvements	917,628	10,441,243	3,515,526	2,523,083	3,240,305	20,637,785	1,137,229	-	-				
Accumulated Depreciation	(1,015,751)	(13,386,852)	(4,424,347)	(3,583,672)	(3,995,673)	(26,406,295)	(1,910,932)	-	-				
Construction in Progress	82,181	-	-	-	-	82,181	-	-	-				
Total Non-Current Assets	468,500	2,414,575	1,580,868	909,220	914,507	6,287,671	10,051,804	291,228	5,406				
Deferred Outflows	578,575	235,911	-	-	-	814,485	-	-	-				
Total Assets	3,922,372	4,739,783	2,763,572	2,283,159	2,118,914	15,827,800	11,435,229	(264)	-				

BAY CITY HOUSING COMMISSION  
BALANCE SHEETS  
9/30/2020

	Operations & Resource Development		Real Estate Held for Investment						General Partnerships			
	Central Office	Scattered	Public Housing		MF Project Based		Pine	Total BCHC	Maplewood Manor	LIHTC Projects		Jefferson Adams Coordinator
			Smith	Maloney	Maloney	Pine				Columbus Development		
<b>LIABILITIES</b>												
Accounts Payable <= 90 Days	2,251	18,272	12,834	8,472	6,175	48,003	29,854	-	-	-	-	-
Accrued Wage/Payroll Taxes Payable	20,844	20,418	10,975	15,112	10,876	78,226	12,420	-	-	-	-	-
Tenant Security Deposits	785	75,910	30,785	23,702	30,189	161,370	42,256	-	-	-	-	-
Other Current Liabilities	-	44,474	22,859	17,662	23,015	108,009	32,478	-	-	-	-	-
Loan Liability - Current	-	-	179,005	101,081	90,066	370,152	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>23,880</b>	<b>159,074</b>	<b>256,458</b>	<b>166,028</b>	<b>160,320</b>	<b>765,760</b>	<b>117,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accrued Compensated Absences	73,439	19,116	5,187	3,575	33,886	135,203	4,407	-	-	-	-	-
Loan Liability - Non Current	-	-	-	-	-	-	3,336,963	-	-	-	-	-
Accrued Pension and OPEB Liabilities	599,147	515,518	-	-	-	1,114,665	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>672,586</b>	<b>534,634</b>	<b>5,187</b>	<b>3,575</b>	<b>33,886</b>	<b>1,249,868</b>	<b>3,296,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred Inflows	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>696,466</b>	<b>693,708</b>	<b>261,644</b>	<b>169,603</b>	<b>194,206</b>	<b>2,015,628</b>	<b>3,413,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EQUITY/NET ASSETS</b>												
Invested in Capital Assets, Net of Related Debt	386,319	2,414,575	1,580,868	909,220	914,507	6,205,490	9,843,633	-	-	-	-	-
Restricted Net Assets	-	-	-	-	-	-	727,035	-	-	-	-	-
Unrestricted Net Assets	2,860,703	1,001,961	657,403	1,004,199	852,277	6,376,545	(2,797,564)	-	-	(264)	-	-
<b>Total Equity/Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Year to Date Net Income	(21,117)	629,538	263,656	200,136	157,924	1,230,137	248,748	-	-	-	-	-
<b>Total Equity/Net Assets</b>	<b>3,225,905</b>	<b>4,046,075</b>	<b>2,501,928</b>	<b>2,113,556</b>	<b>1,924,708</b>	<b>13,812,172</b>	<b>8,021,851</b>	<b>(264)</b>	<b>(264)</b>	<b>(264)</b>	<b>(264)</b>	<b>(264)</b>
<b>Total Liabilities and Equity/Net Assets</b>	<b>3,922,372</b>	<b>4,739,782</b>	<b>2,763,572</b>	<b>2,283,159</b>	<b>2,118,914</b>	<b>15,827,800</b>	<b>11,435,229</b>	<b>(264)</b>	<b>(264)</b>	<b>(264)</b>	<b>(264)</b>	<b>(264)</b>

## Scattered Sites Financial Results For 12 Months Ended 9/30/2020

	Year to Date Results	Year to Date Budget	Variance	Explanation
<b>Income</b>				
Rent and Subsidy	1,713,463	1,513,700	13%	
Other Income	34,527	35,300	-2%	
<b>Total Income</b>	<b>1,747,990</b>	<b>1,549,000</b>	<b>13%</b>	
<b>Operating Expenses</b>				
Management Fees	178,844	174,600	-2%	
Property Management	174,704	140,800	-24%	Classification of MERS DB compared to budg
Tenant Support Services	2,692	1,800	-50%	
Utilities	4,437	7,600	42%	
Maintenance	594,634	584,500	-2%	
Other General Expenses	153,762	199,300	23%	Classification of MERS DB compared to budg
<b>Total Operating Expenses</b>	<b>1,109,073</b>	<b>1,108,600</b>	<b>0%</b>	
<b>Net Income From Operations</b>	<b>638,917</b>	<b>440,400</b>	<b>45%</b>	
<b>Non-Operating Expenses</b>				
Casualty	-	-		
Depreciation/Covid Outlays	9,379.10	-		
Interest, Tax Credit Fees, MIP	-	-		
<b>Total Non-Operating Expenses</b>	<b>9,379.10</b>	<b>-</b>		
<b>Property Net Income</b>	<b>629,538</b>	<b>440,400</b>		

### Operating Highlights

	Current	Start of Year	Change In AR	Comments
Tenant Accounts Receivable	9,012	4,400	4,612	
	Current	Benchmark	Over/(Short)	
% Charged Rent Collected	99.10%	99.00%	0.10%	
% Gross Rent Potential Collected	99.73%	95.00%	4.73%	
Unrestricted Cash on Hand			1,620,399	
Revolving Cash on Hand			(0)	
Investments			221,117	
Replacement Reserve Cash on Hand			-	
Tenant Security Deposit Cash On Hand			-	
Tenant Security Deposits Held			(75,910)	
Trade Accounts Payable			(18,272)	
	Current	Benchmark	Over/Short	
Months of Operating Cash Reserves	17.53	2.5	15.03	
Accounts Payable/Average Op Expense	19.77%	25.00%	5.23%	

# Bay City Housing Commission - Management Office Financial Results For 12 Months Ended 9/30/2020

	Year to Date Results	Year to Date Budget	Variance	Explanation
<b>Income</b>				
Total Operating Income	676,777	640,500	6%	
<b>Operating Expenses</b>				
Management and Support	593,789	526,800	13%	Wages/Ins, Legal and Computer Support
Utilities	11,537	13,100	-12%	
Maintenance	38,072	38,000	0%	
Other General Expenses	54,496	96,200	-43%	Retiree Benefits are Low
Total Operating Expenses	697,894	674,100	4%	
Net Income From Operations	(21,117)	(33,600)	37%	
<b>Non-Operating Expenses</b>				
Casualty	-	-		
Depreciation/Prior Period Adjustment	-	-		
Interest, Tax Credit Fees, MIP	-	-		
Total Non-Operating Expenses	-	-		
Property Net Income	(21,117)	(33,600)		

## Operating Highlights

	Current	Start of Year	Change In AR	Comments
Tenant Accounts Receivable	10,002	875	9,126	
	Current	Benchmark	Over/(Short)	
% Gross Rent Potential Collected	-0.69%	95.00%	-95.69%	
Unrestricted Cash on Hand			447,272	
Revolving Cash			396,898	Includes cash loaned to developments
Investments			1,582,900	
Tenant Security Deposits Held			(785)	
Trade Accounts Payable			(2,251)	
	Current	Benchmark	Over/Short	
Months of Operating Cash Reserves	7.69	2.5	5.19	
Accounts Payable/Average Op Expense	3.87%	25.00%	21.13%	

## Management Comments

## Smith Manor Financial Results For 12 Months Ended 9/30/2020

	Year to Date Results	Year to Date Budget	Variance	Explanation
<b>Income</b>				
Gross Rent Potential	932,172	932,172	0%	
Vacancy Loss	(9,113)	(24,172)	62%	
Other Income	31,494	23,700	33%	
<b>Total Income</b>	<b>954,553</b>	<b>931,700</b>	<b>2%</b>	
<b>Operating Expenses</b>				
Management Fees	82,167	76,700	-7%	
Property Management	152,070	130,540	-16%	Computer support/Resident Check
Tenant Support Services	19,294	22,400	14%	
Utilities	161,084	161,700	0%	
Maintenance	221,646	233,400	5%	Janitorial not utilized
Other General Expenses	54,636	46,300	-18%	
<b>Total Operating Expenses</b>	<b>690,897</b>	<b>671,040</b>	<b>-3%</b>	
<b>Net Income From Operations</b>	<b>263,656</b>	<b>260,660</b>	<b>1%</b>	
<b>Non-Operating Expenses</b>				
Casualty	-	-		
Depreciation	-	-		
Interest, Tax Credit Fees, MIP	-	-		
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>		
<b>Property Net Income</b>	<b>263,656</b>	<b>260,660</b>		

### Operating Highlights

	Current	Start of Year	Change In AR	Comments
Tenant Accounts Receivable	5,222	1,865	3,357	
	Current	Benchmark	Over/(Short)	
% Charged Rent Collected	99.20%	99.00%	0.20%	
% Gross Rent Potential Collected	98.66%	95.00%	3.66%	
Unrestricted Cash on Hand			80,687	
Revolving Cash on Hand			-	
Replacement Reserve Cash on Hand			1,042,685	
Tenant Security Deposit Cash On Hand			31,364	
Tenant Security Deposits Held			(30,785)	
Trade Accounts Payable			(12,834)	
	Current	Benchmark	Over/Short	
Months of Operating Cash Reserves	1.40	2.5	(1.10)	
Accounts Payable/Average Op Expense	22.29%	25.00%	2.71%	

## Maloney Manor Financial Results For 12 Months Ended 9/30/2020

	Year to Date Results	Year to Date Budget	Variance	Explanation
<b>Income</b>				
Gross Rent Potential	739,512	739,512	0%	
Vacancy Loss	(9,194)	(19,012)	52%	
Other Income	56,033	44,300	26%	
<b>Total Income</b>	<b>786,350</b>	<b>764,800</b>	<b>3%</b>	
<b>Operating Expenses</b>				
Management Fees	61,020	60,700	-1%	
Property Management	127,960	112,900	-13%	
Tenant Support Services	16,804	19,800	15%	
Utilities	118,362	126,500	6%	
Maintenance	219,892	269,940	19%	Janitorial not utilized
Other General Expenses	42,176	36,000	-17%	
<b>Total Operating Expenses</b>	<b>586,214</b>	<b>625,840</b>	<b>6%</b>	
<b>Net Income From Operations</b>	<b>200,136</b>	<b>138,960</b>	<b>44%</b>	
<b>Non-Operating Expenses</b>				
Casualty	-	-		
Depreciation	-	-		
Interest, Tax Credit Fees, MIP	-	-		
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>		
<b>Property Net Income</b>	<b>200,136</b>	<b>138,960</b>		

### Operating Highlights

	Current	Start of Year	Change In AR	Comments
Tenant Accounts Receivable	1,546	2,482	(936)	
	Current	Benchmark	Over/(Short)	
% Charged Rent Collected	100.30%	99.00%	1.30%	
% Gross Rent Potential Collected	98.88%	95.00%	3.88%	
Unrestricted Cash on Hand			93,104	
Revolving Cash on Hand			-	
Replacement Reserve Cash on Hand			1,238,560	
Tenant Security Deposit Cash On Hand			24,390	
Tenant Security Deposits Held			(23,702)	
Trade Accounts Payable			(8,472)	
	Current	Benchmark	Over/Short	
Months of Operating Cash Reserves	1.91	2.5	(0.59)	
Accounts Payable/Average Op Expense	17.34%	25.00%	7.66%	



## Pine Towers Financial Results For 12 Months Ended 9/30/2020

	Year to Date Results	Year to Date Budget	Variance	Explanation
<b>Income</b>				
Gross Rent Potential	781,608	781,608	0%	
Vacancy Loss	(15,777)	(19,508)	19%	
Other Income	31,090	23,400	33%	
<b>Total Income</b>	<b>796,921</b>	<b>785,500</b>	<b>1%</b>	
<b>Operating Expenses</b>				
Management Fees	62,100	61,700	-1%	
Property Management	140,537	133,700	-5%	
Tenant Support Services	16,844	18,300	8%	
Utilities	134,857	129,000	-5%	
Maintenance	235,247	273,900	14%	Janitorial not utilized
Other General Expenses	49,412	43,100	-15%	
<b>Total Operating Expenses</b>	<b>638,997</b>	<b>659,700</b>	<b>3%</b>	
<b>Net Income From Operations</b>	<b>157,924</b>	<b>125,800</b>	<b>26%</b>	
<b>Non-Operating Expenses</b>				
Casualty	-	-		
Depreciation	-	-		
Interest, Tax Credit Fees, MIP	-	-		
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>		
<b>Property Net Income</b>	<b>157,924</b>	<b>125,800</b>		

### Operating Highlights

	Current	Start of Year	Change In AR	Comments
Tenant Accounts Receivable	639	4,400	(3,761)	
	Current	Benchmark	Over/(Short)	
% Charged Rent Collected	100.96%	99.00%	1.96%	
% Gross Rent Potential Collected	98.46%	95.00%	3.46%	
Unrestricted Cash on Hand			116,225	
Revolving Cash on Hand			-	
Replacement Reserve Cash on Hand			1,037,966	
Tenant Security Deposit Cash On Hand			31,050	
Tenant Security Deposits Held			(30,189)	
Trade Accounts Payable			(6,175)	
	Current	Benchmark	Over/Short	
Months of Operating Cash Reserves	2.18	2.5	(0.32)	
Accounts Payable/Average Op Expense	11.60%	25.00%	13.40%	

## Maplewood Manor Financial Results For 9 Months Ended 9/30/2020

	Year to Date Results	Year to Date Budget	Variance	Explanation
<b>Income</b>				
Gross Rent Potential	997,332	997,332	0%	
Vacancy Loss	67,331	16,743	302%	
Other Income	61,933	45,750	35%	
<b>Total Income</b>	<b>1,126,596</b>	<b>1,059,825</b>	<b>6%</b>	
<b>Operating Expenses</b>				
Management Fees	237,001	85,879	-176%	Incentive mgt fees
Property Management	140,243	137,400	-2%	
Tenant Support Services	17,716	17,925	1%	
Utilities	135,139	143,475	6%	
Maintenance	181,475	210,300	14%	
Other General Expenses	70,026	66,450	-5%	
<b>Total Operating Expenses</b>	<b>781,600</b>	<b>661,429</b>	<b>-18%</b>	
<b>Net Income From Operations</b>	<b>344,996</b>	<b>398,396</b>	<b>-13%</b>	
<b>Non-Operating Expenses</b>				
Casualty	-	-		
Depreciation	-	319,566.00		
Interest, Tax Credit Fees, MIP	96,247.96	98,700.00		
<b>Total Non-Operating Expenses</b>	<b>96,247.96</b>	<b>418,266.00</b>		
<b>Property Net Income</b>	<b>248,748</b>	<b>(19,870)</b>		

### Operating Highlights

	Current	Start of Year	Change In AR	Comments
Tenant Accounts Receivable	524	875	(351)	
	Current	Benchmark	Over/(Short)	
% Charged Rent Collected	100.09%	99.00%	1.09%	
% Gross Rent Potential Collected	106.79%	95.00%	11.79%	
Unrestricted Cash on Hand			359,468	
Revolving Cash			-	
Replacement Reserve Cash on Hand			-	
Tenant Security Deposit Cash On Hand			43,000	
Tenant Security Deposits Held			(42,256)	
Trade Accounts Payable			(29,854)	
	Current	Benchmark	Over/Short	
Months of Operating Cash Reserves	4.14	2.5	1.64	
Accounts Payable/Average Op Expense	34.38%	25.00%	-9.38%	

**All Cash Transactions**  
**Cash Transactions**  
**9/1/2020 to 9/30/2020**

**563,867.18**

\$

**Total of Checks, Payments, Credit Cards and ACH Transactions**

**Payroll Transactions**

Management Wages	28,015.58
Administrative Wages	-
Maintenance Wages	19,700.57
Employer Taxes	3,561.12
<b>Total Transfer</b>	<b>51,277.27</b>
Management Wages	27,694.33
Administrative Wages	425.59
Maintenance Wages	19,448.85
Employer Taxes	3,550.63
<b>Total Transfer</b>	<b>51,119.40</b>
Management Wages	28,270.84
Administrative Wages	-
Maintenance Wages	19,792.65
Employer Taxes	3,590.30
<b>Total Transfer</b>	<b>51,653.79</b>

Pay Date

9/2/2020

Pay Date

9/16/2020

Pay Date

9/30/2020

**Check Payments, Credit Cards and ACH Transactions**

Location Name	Vendor Name	Payment ID	Invoice Reference	Bill Description	Amount
	Abell Pest Control	P20091001 - 3329430	A2930321	Contract pest control - SS	349.45
			A0079377	BB heat treatment, #108 - SM	135.00
			97148467	Heat treatment, #811 - PT	900.00
	P20092401 - 6893436		A0081651	BB treatment, #505 - MM	135.00
			97246908	BB treatments, laundry room, #201 & #604 - MM	135.00
			A2998706	Monthly bb & roach inspections - MM	462.50
			A0081665	BB treatment, #411 - MWM	135.00
			A2998814	Contract pest control - MWM	60.00
			A0018650	BB treatment, #210 - SM	135.00
			A0081669	BB treatment, #604 - MM	135.00
			A2995572	Contract pest control - MM	60.00
			A1682540	BB treatment, #507 - MM	135.00
			A0081667	BB treatment, #709 - PT	67.50
			A1682543	BB heat treatment - SS	1,200.00
			A1682546	BB initial, #223 - SM	135.00
			A1682541	BB treatment, #605 - MM	135.00
	P20092901 - 8084504		A3053929	Monthly bb & roach inspection program - SM	587.50
			A3066993	Monthly bb & roach inspection program - PT	462.00
			A2973297	Contract pest control - SS	349.45

9/1/2020 to 9/30/2020

Abell Pest Control	P20092901 - 8084504	A3058063	Contract pest control, October - PT	60.00
		A3044774	Contract pest control - SM	60.00
Alerus Financial	P20092201 - 6316500	PPE 8/28/2020 401 WH	PPE 8/28/2020 401 W/H - ALL AMPS	4,510.15
	P20092501 - 7362776	PPE 9/9/20 401 WH	PPE 9/9/2020 401 W/H - ALL AMPS	4,448.67
	P20093001 - 8385391	PPE 9/23/20 401 WH	PPE 9/23/2020 401 W/H - ALL AMPS	4,418.38
Arnold Sales	P20090301 - 1781230	1319428	Purell hand sanitizer - MM/COCC	477.44
		1315988-1	Disposable gloves - SM	162.50
		1319661	Filter bags & brush strips - PT	161.80
		1319730	Brush strips - MWM	110.40
		1320168	Floor scrubber - MM	5,593.80
		1321221	Toilet paper & janitorial supplies - MM	53.34
		1321002	Toilet paper & trash bags - COCC	80.87
		1321221-1	Paper towel - MM	113.92
Arrow Heating & Plumbing Supply	P20092801 - 7715820	63822	PVC plugs - SS	10.60
Bay City Housing Commission	P20091701 - 5147775	072020 SS	Property management and bookkeeping fees - SS	10,487.81
	P20092501 - 7362965	PT September 2020 PM Fee	Property mgmt fees - PT	5,175.00
		MM September 2020 PM Fees	Property mgmt fees - MM	5,085.00
		SM September 2020 PM Fee	Property mgmt fees - SM	6,847.24
		MWM September 2020 PM Fee	Property mgmt fees - MWM	7,917.97
Bay Glass Company	P20091801 - 5518511	31150	Replacement glass - SS	52.92
	P20092801 - 7715822	31185	Replacement glass - SS	191.52
Blue Cross & Blue Shield Of MI	P20093001 - 8385400	10/1/2020	Health care - ALL AMPS	52,364.94
Capital One Bank (USA), N.A.	P20092501 - 7370516	Amazon 114-6264376-8633034	Toner - SM	131.40
		Amazon 111-9362506-3072203	Sound machine - COCC	35.21
		Amazon #112-6866691-0943446	Toner - MWM	134.12
		Amazon 112-6135358-074730	112-6 Toner & light bulbs - MWM	134.12
		Amazon 112-7975990-8649025	USB & HDMI cables for new Lenovo laptops - ALL AMPS	284.94
		Amazon 112-4010139-8161010	Cable tv part - MM	290.16
		Amazon 114-7896269-8200258	Parking lot signs - SM	12.69
		Amazon 112-5508709-0277010	Replacement bench for one that tenant damaged - PT	56.99
		Amazon 114-7641741-2252240	No parking signs - SM	303.28
		Indeed #34348406	Employment ad - COCC	20.24
		Staples #9900467272	Adobe Acrobat subscriptions for new laptops - ALL AMPS	89.33
		Bill.com usage 7/2-8/2/2020	Bill.com usage fees - ALL AMPS	3,884.88
		Amazon 111-4397387-9979416	Toner - COCC	494.86
		Amazon 111-0146733-0692208	Toner - COCC	82.23
		Pitney Bowes 8/4/2020	Moistener kit for postage meter - SM/MM/SS/PT/MWM	89.99
		Amazon 111-9073213-5904244	Litter pick up bags for pets - MM	14.24
		USPS 00330G	Stamps - PT	65.95
		Safety Sign #SS374397847	Social distancing signs - PT	55.00
		Home Depot 0520551	Caulk - MM	108.26
		Mlive August 2020 digital subscriptio	Digital subscription - COCC	17.94
		Ring Central #990613001	Digital fax lines - ALL AMPS	10.00
		Menards #23200415	Interior doors - MM	133.48
		National Fire Protection #6618724	Fire poster contest supplies - SS	137.40
		Indeed #34535009	Employment ad - COCC	177.95
		Amazon 111-1844260-5881843	Toner - COCC	501.05
		Great American Prop. Mgmt. Product	Make ready dry erase boards - SM/MM/PT/MWM	161.85
		Zoom August 2020 monthly fee	Zoom meeting monthly fee - COCC	563.07
		Amazon 111-5312647-9780222	Drum for printer - COCC	121.89
				90.39

<b>Capital One Bank (USA), N.A.</b>	<b>P20092501 - 7370516</b>	Amazon 113-7522847-1918637	First aid supplies for maintenance cabinets - SM/MM/PT/MWMM	9.99
		Amazon 113-9609541-9392237	First aid supplies for maintenance cabinets - SM/MM/PT/MWMM	13.22
		Amazon 113-6209939-8808202	First aid supplies for maintenance cabinets - SM/MM/PT/MWMM	17.80
		Amazon 113-7167173-2865853	Lateral file cabinet for office - MM	439.00
		111-2688967-9103464	Mouse pad - COCC	7.99
<b>P20092501 - 7370584</b>		Cimtec Automation	New photo eye for dumpster - PT	225.58
		Amazon 113-3794534-6370636	Face shields for maintenance - SM/MM/PT/MWMM	131.96
		Indeed 34732434	Employment ad - COCC	502.55
		Amazon 111-2883412-7587452	Ziploc bags & face masks - COCC	46.46
		Amazon 113-8419293-9925051	Handicap button switch & spring - MM	55.59
		Amazon 113-6892948-0465854	Face shields - SM/MM/SS/PT/MWMM	74.95
		Global Industrial #17699542	Outdoor benches - MM	1,200.89
		Keits Flowers 8/29/2020	Flowers sent to Greg Vaness' funeral on behalf of BHC - COCC	129.50
		Amazon 112-6503410-6225862	Forehead thermometers - SM/MM/PT/MWMM/COCC	179.95
		Indeed #35188321	Employment ad - COCC	246.98
<b>Charter Communications</b>		Annual membership fee	Membership fee - COCC	59.00
	<b>P20091701 - 5149774</b>	HP Sales tax refund on MWM copier	Refund for sales tax on copier - MWM	(112.80)
		4.34078E+11	Internet & voice - SM	184.96
		2.52017E+11	Cable TV - MM	85.12
	<b>P20091701 - 5152300</b>	3.73995E+11	Cable tv - MWM	116.88
<b>P20091701 - 5153698</b>	4.3406E+11	Internet & voice - MWM	199.96	
<b>P20091701 - 5155972</b>	4.34052E+11	Internet & voice - MM	184.96	
	4.34672E+11	Internet & voice - PT	214.96	
<b>Cintas Corp #346</b>	<b>P20090301 - 1779505</b>	4059035300	Mat service - COCC	98.01
		4056602509	Mat service - MWM	104.15
		4056602696	Mat service - COCC	98.01
		4057754281	Mat service - MWM	104.15
		4057754440	Mat service - COCC	98.01
<b>City Treasurer</b>		4059035085	Mat service - MWM	104.15
	<b>P20091001 - 3329442</b>	100300227-001	Water/sewer/elec/trash - COCC	510.26
		100300248-001	Water/sewer/elec/trash - MM	9,658.89
		101600863-001	Water/sewer/elec/trash - SM	13,548.06
		101902939-003	Water/sewer/elec/trash - CD	83.66
<b>Clements Electric Inc Consumers Energy</b>		103100775-002	Water/sewer/elec/trash - SS	329.03
		103100951-001	Water/sewer/elec/trash - MWM	16,348.67
		401510696-023	Water/sewer/elec/trash - SS	90.85
	<b>P20091701 - 5100509</b>	Negative Rent for September 2020	Payment made to city on behalf of negative renters - SS	1,667.10
	<b>P20091701 - 5156223</b>	200101420-006	Water/sewer/elec/trash - CD	90.00
<b>P20092301 - 6517263</b>	300516297-001	Water/sewer/elec/trash - PT	11,168.14	
<b>P20092901 - 7908834</b>	2021-00520027	Nuisance trash fee for bulk items - SS	100.00	
	19585	Repair wiring to light pole - PT	150.00	
<b>P20092101 - 5905364</b>	2.07146E+11	Gas - COCC	14.00	
<b>P20090201 - 1501854</b>	2.05456E+11	Gas - MWM	364.44	
<b>P20090201 - 1502686</b>	2.05456E+11	Gas - PT	57.31	
<b>P20090201 - 1504300</b>	2.05367E+11	Gas - COCC	14.26	
<b>P20091001 - 3332971</b>	2.02341E+11	Gas - SS	21.91	
	2.06702E+11	Gas - SS	2.35	
	2.06613E+11	Gas - MM	173.47	
<b>P20091701 - 5161928</b>	2.06613E+11	Gas - SM	498.02	
	2.05367E+11	Gas, charged to current tenant - SS	2.09	

Consumers Energy	P20091701 - 5161928	2.03142E+11	Gas, charged to current tenant - SS	16.75
	P20092901 - 7908668	2.03053E+11	Gas - COCC	14.00
Great Lakes Elevator	P20091001 - 3329450	2.0688E+11	Gas - MWM	405.14
		5891	Service call to remove debris in door sill - SM	250.00
		5903	Replaced light curtain on small elevator - MM	2,875.00
		5904	Repaired door that was off track - MWM	750.00
Hugos Key & Lock Service	P20092101 - 5905368	5996	Furnish & install new door rollers & gibs at all landings - MWM	4,796.00
	P20091701 - 5147777	53817	Service call & repair parts - COCC	165.00
Jose Vasquez	P20091701 - 5100513	Lawn care, 8/10-9/4/20	Lawn care, 506 N. Dean, resident stipend - COCC	100.00
Karens Carpetmax	P20091701 - 5100500	CG004612	Flooring, apt #511 - SM	1,846.65
		CG004595	Flooring, 203 E. North Union - SS	5,376.66
	P20092901 - 8054665	CG005186	Flooring, 1218 East - SS	5,282.44
		CG004913	Flooring, #706 - PT	2,292.83
		CG005000	Flooring, #302 - MM	1,788.56
		CG005001	Flooring, #515 - MM	2,330.88
King Communications	P20091001 - 3337394	86009012020	Answering service - SM/MM/SS/PT/MWM	272.00
Lavidania Salazar	P20091001 - 3329484	Lawn Care 7/19-8/31/20	Resident stipend, lawn/snow care @ 2115 Second - COCC	125.00
Masud Labor Law Group	P20092801 - 7715830	61975	Legal expenses - COCC	740.00
Menards	P20090301 - 1777116	78579	Maintenance materials - PT	212.72
	P20091701 - 5100517	78972	Maintenance materials - PT	162.10
	P20092101 - 5905356	79230	Maintenance materials - MSS	210.53
		79653	Maintenance materials - MWM	127.81
	P20092801 - 7715810	80025	Maintenance materials - MIM	48.55
		80112	Countertops & drawer pulls - PT	191.83
MERS Defined Benefit	P20092401 - 6893843	00111110-3 August 2020	08/2020 DB Deposit - ALL AMPS	5,076.05
	P20093001 - 8385404	September 2020 DB	08/2020 DB Deposit - ALL AMPS	5,174.58
PDQ Supply Company	P20091001 - 3329493	SI-317146	Appliance repair parts - SS	504.00
PM Environmental, Inc.	P20092301 - 6517266	01-12077-1	Environmental site assessment - CD	17,930.00
R.A. Townsend	P20092401 - 6893468	S1587349.001	Flame sensors - SS	203.07
ROST Cleaning Services	P20091001 - 3329503	14152	Cleaning for all highrise buildings - SM/MM/PT/MWM	3,200.00
SAMSA, Inc.	P20091001 - 3338321	55973	Service order - MM	135.00
		55810	Facilities mgmt - ALL AMPS	380.00
	P20091701 - 5162604	55935	Office 365 subscription - SM/MM/SS/PT/MWM/COCC	378.50
	P20092901 - 7910057	56073	Facilities mgmt - SM/MM/SS/PT/MWM/COCC	380.00
Sequin Lumber Company	P20091701 - 5100519	706186	Doors - SS	1,552.88
	P20092401 - 6893473	706335	Nova ply - SS	46.88
Sherwin Williams Company	P20092901 - 7910572	9742-0	Painte & brushes - MM	512.51
		9876-6	Utility blades - SS	26.37
Single Source Lighting&Cleaning Suppl	P20091801 - 5518523	15025	Janitorial supplies - SS	168.27
Solucient Security Systems	P20091701 - 5101082	466281	Fire alarm repairs - SM	299.00
	P20092901 - 7911088	467702	Quarterly payment for service fees - SM/MM/PT/MWM	782.04
Standard Electric Company	P20093001 - 8225697	3038036-00	Gas connectors - SS	57.32
		3036284-00	Light fixture - PT	65.89
		3037185-00	Plumbing & electrical supplies - MM	302.97
		3038925-00	Light fixture - PT	46.53
		3037800-00	New light fixtures - PT	3,484.43
		3039683	Plugs & plates - PT	56.87
		3039942-00	Electrical & plumbing supplies - MM	313.32
		3039938-00	Electrical & plumbing supplies - PT	183.57
		3039938-02	Light bulbs - PT	8.16


Standard Electric Company	P20093001 - 8225697	3040226-00	Electrical supplies - MM	13.77
		3040222-00	Electrical/HVAC supplies - MM	460.82
		3039938-01	Light bulbs - PT	8.16
		3037800-01	Replacement LED light fixtures for building - PT	9,822.24
		3040394-00	Batteries - MM	40.42
		3040454-00	Light bulbs & screws - MM	47.38
		3040635-00	Light bulbs - MM	85.18
TOMMARK, Inc	P20092801 - 7715813	S6419952.001	Shipment of backordered filter - SM	6.20
		S6419952.002	Shipment of backordered filters - SM	43.40
		S6518921.001	Filters - PT	225.76
Unclaimed Freight Ace Hardware	P20092801 - 7715816	136693	Coupling - PT	7.19
		136870	Pliers - PT	14.39
		137023	Locking seamer - PT	20.69
Vantagepoint Transfer Agents-457	P20091701 - 5147785	PPE 8/28/20 457 WH	ICMA W/H PPE 8/28/20 - ALL AMPS	2,145.00
		PPE 9/9/20	ICMA W/H PPE 9/9/20 - ALL AMPS	2,145.00
		PPE 7/15/20 457 WH	ICMA W/H PPE 7/15/20 - ALL AMPS	2,145.00
		PPE 6/17/2020 457 WH	ICMA W/H PPE 6/17/20 - ALL AMPS	2,145.00
		PPE 7/1/20 457 WH	ICMA W/H PPE 7/01/20 - ALL AMPS	2,145.00
Waste Management	P20091001 - 3339147	8418094-1710-5	Dumpster rental - SM/MM/PT/MWM/COCC	1,893.91
Star 2 Star Communication	P20090301 - 1789889	SUBC00004756	Phones - ALL AMPS	428.09
		SUBC00004912	Phones - ALL AMPS	428.09
Churchill Mortgage Investment LLC	P20082601 - 9740834	9/1/2020	Mortgage - MWM	25,929.18
Home Depot Credit Services	P20092801 - 7715828	2015104	Maintenance materials - PT	50.42
US Bank Equipment Finance	P20091001 - 3329507	422720912	Monthly copier allowance - ALL AMPS	295.50
Universal Air, Inc.	P20092101 - 5905385	0021182-IN	Repaired gas valve - MM	926.36
		21220/1-IN	Boiler & roof top unit cleaning - MWM	2,330.00
Ancel Contracting	P20091501 - 4400858	99444	Tree removal at 906 S. Henry - SS	6,300.00
Larson Salvage Company	P20091701 - 5100515	9/4/2020	Countertop supplies - SS	76.95
Shred Experts LLC	P20091701 - 5147783	111041	Shredding - SS/COCC	60.00
Verizon Wireless	P20091801 - 5520221	9861892603	Cell phones - ALL AMPS	642.49
Millars Appliance	P20090301 - 1777118	96582	Handle & shelf for fridge - MM	90.00
Pitney Bowes Inc	P20090301 - 1789217	1016275573	Ink for meter - SM/MM/SS/PT/MWM	118.99
		3311699473	Postage meter rental - ALL AMPS	460.65
Begick Nursery & Garden Center	P20091001 - 3329472	65209	August 2020 maintenance of container gardens - SM/MM/PT/MWM/COCC	200.00
Reimer Plumbing & Heating Inc	P20091001 - 3329499	Smith Manor Boiler Replacement Pm	Boiler replacements - SM	32,601.60
Bay City Plumbing & Heating Inc.	P20092501 - 7362970	9/8/2020 MWM	Backflow preventer repairs - MWM	1,365.41
Supreme Floor Covering Inc	P20091001 - 3329505	29331	Flooring replacement, Apt. 504 - MWM	970.44
HD Supply Facilities Maintenance	P20090301 - 1787960	9183764415	Shower heads - MM	85.32
		9183797798	Maintenance supplies - MM	446.47
		9184336118	Light fixture - PT	109.65
		9176357985	Returned range hood filters - MM	(18.87)
		9183764413	Asset tags - SM/MM/SS/PT/MWM	597.00
		9184465873	Maintenance materials - MWM	164.17
		9183533099	Returned light fixture - PT	(76.49)
Wade Promotions, LLC.	P20092401 - 6893481	16453	Bay Metro bus ad - SM/MM/SS/PT/MWM	325.00
Richs Lawn & Garden	P20091701 - 5147779	820	Lawn care - SM/MM/SS/PT/MWM/COCC/CD	4,715.00
Diamond Consulting, LLC	P20090201 - 1503205	4609	September compliance consulting and file reviews - MM	332.94
		4642	September compliance consulting and file reviews - PT	457.21
		4641	September compliance consulting and file reviews - MWM	457.21
		4619	September compliance consulting and file reviews - SS	411.27

Diamond Consulting, LLC	P20090201 - 1503205	4611	September compliance consulting and file reviews - SM	422.73
MRI Software, LLC.	P20091701 - 5100503	US-INV1051902	Resident check for applicants/tenants - SS	90.00
		US-INV1051898	Resident check for applicants/tenants - MM	228.00
		US-INV1051900	Resident check for applicants/tenants - PT	64.00
		US-INV1051899	Resident check for applicants/tenants - MWM	104.00
		US-INV1051901	Resident check for applicants/tenants - SM	72.00
Ackerman Brothers Inc	P20090201 - 1502147	10452	Kick panels - MM	106.00
Prices Auto Service	P20090301 - 1777124	29683	2007 Ford van oil change & tire alignment - SS	219.34
City of Bay City	P20092301 - 6517260	2021-00230003	Gas - SM/MM/PT/MWM/COCC	2,062.40
Patsy Gillett	P20091801 - 5518519	Security Deposit Refund	Security Deposit Refund - PT	47.28
National Center for Housing Manager	P20092901 - 7909503	RWL20-1691734	Certification renewal, S. Crittenden - MWM	125.00
Sunlyte Films	P20090301 - 1777134	208281	Window tint on door - MM	190.00
PlumbMaster, Inc.	P20092801 - 7715832	Acct #8C114799 Inv. #520-02461112	Faucets - SS	346.14
DBI	P20091701 - 5100359	161233-0	Installation for office furniture - PT	468.57
The Home Depot Pro	P20091801 - 5519507	161231-0	New office furniture - PT	1,368.56
		571039437	Maintenance supplies - SS	626.62
		571296470	Screen wire - SS	143.50
		571296488	Showerheads - SS	54.84
		571601046	Electrostatic sprayers - SM/MM/SS/PT/MWM	1,930.50
Laurence Smith Window & Door	P20091001 - 3329477	28418	Screen repair - MWM	162.00
Wex Bank	P20092101 - 5905394	67551855	Fuel - SS/COCC	266.83
Staples	P20090301 - 1777129	8059464698	Office supplies - SM/MM/SS/PT/MWM	304.42
		8059245688	Office supplies - MWM	72.20
		8059556085	Office supplies - SM/MM/SS/PT/MWM	129.43
Billys Contracting, Inc.	P20092901 - 8055757	8059690174	Office supplies - SM/MM/SS/PT/MWM	288.38
		20-8692	Office supplies - SM/MM/SS/PT/MWM	365.00
		20-10146	20 yard dumpster rental - SM/MM/SS/PT/MWM	365.00
The Workwear Store	P20091001 - 3329466	58698	20 yard dumpster rental - SM/MM/SS/PT/MWM	27.98
		58730	2 company shirts for K. Opheim - COCC	81.00
Joess Made in the Shade Blinds & More	P20091701 - 5100511	BCHC09102020	Uniforms, B. Courier - PT	270.00
Carahsoft Technology Corporation	P20092801 - 7715824	IN841580	Window blinds for leasing office - MM	146.57
Alerus HCSP	P20091701 - 5146715	2020 HSCP Employer Catch up	The Work Number usage & reports for applicants & tenants, July 2020 - SM/MM/SS	13,274.50
		PPE 8/28/20	HCSP - ALL AMPS	595.82
		PPE 9/9/20	HCSP - ALL AMPS	585.04
		PPE 6/3/20	HCSP - ALL AMPS	666.24
		PPE 9/23/20	HCSP - ALL AMPS	597.06
Birchler, Fitzhugh, Purteill & Brissette,	P20093001 - 8385393	2020080-00	Legal expenses - CD	1,696.50
		2020090-00	Legal expenses - COCC	292.50
		2020108-00	Legal expenses - PT	2,615.40
Pardee Cancer Treatment Fund of Bay	P20091001 - 3329488	Refund of premium for Greg Vanness	Refund of premium - COCC	223.92
Quality Insulation, Inc.	P20091001 - 3329497	1971	Replace damaged duct/clad all exterior duct - PT	12,910.00
Aerial Arborist	P20091501 - 4400856	99446	Tree removal at 906 Henry - SS	5,500.00
Carolyn Forbes	P20091801 - 5518513	Security Deposit Refund	Security Deposit Refund - MM	149.49
Deborah Vasquez	P20091801 - 5518515	Security Deposit Refund	Security Deposit Refund - MM	399.00
Margaret Brown, Payee	P20091801 - 5518517	Security Deposit Refund for Crystal Si	Security Deposit Refund - MM	283.03
Samuel Buchhage	P20091801 - 5518521	Security Deposit Refund	Security Deposit Refund - MM	43.00
Jeanette Oliver	P20092101 - 5905373	Security Deposit Refund	Security deposit refund - MWM	388.00
Paula Cortez	P20092101 - 5905379	Overpayment of Rent Refund	Refund of rent overpayment - MWM	328.00
<b>Grand Total Of Checks</b>				<b>409,816.72</b>





BAY CITY HOUSING COMMISSION  
315 14<sup>th</sup> STREET BAY CITY, MI 48708

To: John Neeb  
From: Bill Phillips   
Subject: Funding HCSB Accounts for the Bargaining Unit  
Date: September 8, 2020

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This memorandum serves as your authorization to create and fund HCSP Accounts at MERS retroactively to December 31, 2019 for all Bargaining Unit Members in accordance with Section 10.1.c. of the 2014 CBA. This authorization shall not exceed a total of \$15,000 for the initial employer contributions. Thereafter, beginning as of January 1, 2020, there shall be a match with employees equal to 1% from eligible employees and 1% from the employer.

**Background**

The 2020 CBA, **does not contain any obligation for the Commission to retroactively fund any contributions** that were described in Section 10.1.C. of the 2014 CBA.

However, in a handshake-agreement, made during the 2019 collective bargaining negotiations, The Commission did agree to fund the 1% employer contribution that was originally to be matched with eligible Bargaining Unit Members in the December 1, 2014 Collective Bargaining Agreement (CBA) as referenced in Article 10.1.C. No employee contributions had made by, or deducted from, eligible Bargaining Unit Member pay pursuant to the 2014 CBA.

In the 2014 CBA, Article 10 Section 10.1.C. – the phrase “to the extent it is financially feasible, and legally permissible under PA152, the Commission will endeavor to make additional contributions into the HCSP accounts”. The issue whether employer contributions to an HCSP are “legally permissible” have been resolved, contributions are legal. However, the issue of feasibility is solely a Management determination. During the effective period of the 2014 CBA, Management determined that paying contributions into the HCSP was not financially feasible and Management elected not to make contributions. Financial feasibility, in this provision, was linked to Management’s judgement in this matter based on other post-employment benefit (OPEB) liabilities during a time when the Commission was making substantial contributions into the employee retirement plan to bolster the funding levels of the plan.

The original intent of this provision was to establish shared contributions into the HCSP, 1% coming from Bargaining Unit employee payroll deductions and 1% from employer paid contributions. It would not have been appropriate for the Commission to deduct employee contributions without also funding the matching employer contribution. Therefore, both employee and employer contributions were suspended in accordance with Management elections available in the contract.

As a result, during the negotiations for the 2020 CBA, Management agreed to a revive the 2014 provision with changes. The negotiated settlement for this provision was to restore the core elements of the 2014 provision, remove the wording “to the extent it is financially feasible” and also to remove the language linking financial feasibility to OPEB liabilities of the Commission. This negotiation resulted in removing a financial election that was totally subject to Management Discretion and making the new provision an employer obligation. That obligation is currently being funded in accordance with the 2020CBA.

**RESOLUTION # 427**  
**APPROVAL TO EQUALIZE HEALTH CARE**  
**RETIREMENT TRUST FUNDS WITH PROJECTED ACTUARIAL LIABILITY**  
**OCTOBER 28, 2020**

WHEREAS, the Bay City Housing Commission, hereinafter called the Public Housing Agency (PHA), desires to ratify and approve the management recommendation to Equalize Health Care Retirement Trust Funds with Projected Annual Actuarial Liability.

RESOLVED, that the Board of Commissioners of the Bay City Housing Commission, does hereby approve Management's Recommendation to Equalize Health Care Retirement Trust Funds with Projected Annual Actuarial Liability as described in the attached report " Decision to Equalize Health Care Retirement Trust Funds with Projected Annual Actuarial Liability October 14, 2020."

RESOLVED, that all future transfer of funds from the Health Care Retirement Trust, in accordance with the purpose of this Resolution 427, shall first be approved by the Board of Commissioners; and

RESOLVED, that the scheduled transfer of One hundred thirty-five Thousand Dollars (\$135,000.00) by the Chief Financial Officer, John Neeb, to support the FY2021 operating budget for the Bay City Housing Commission is hereby approved.

The undersigned hereby certifies that he/she is the duly elected and qualified Secretary and the custodian of the books and records and seal of Bay City Housing Commission, a public body corporate and politic, duly created and formed pursuant to the laws of the state of Michigan and that the foregoing is a true record of a resolution duly adopted at a meeting of the Corporation and that said meeting was held in accordance with state law and the Bylaws of the above-named Corporation on October 28, 2020, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, the PHA by its officers thereunto duly authorized has caused these presents to be signed in its name and its corporate seal to be hereunto affixed and attested this 28<sup>th</sup> day of October 2020.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date



Decision to Equalize Health Care Retirement Trust Funds  
with Projected Annual Actuarial Liability  
October 14, 2020

The concept of equalizing the value of assets in the MERS Health Care Retirement Trust (Trust) to the Projected Annual Unfunded Actuarial Liability represents a significant paradigm shift. Over the preceding ten years, the organization has diligently funded the Trust to assure its viability when employees begin to access the retirement plan. That has been accomplished.

The CEO Report to the Board on August 28, 2019 spoke to the need to shift annual contributions to the Trust, including the following statement:

*“Beginning in FY2020, we propose to discontinue funding the entire retiree healthcare premium from agency funds and shift the larger portion of the annual cash outlays to the Retirement Trust. The legacy retirement plan costs have increased to the point where the agency does not have the capacity to absorb those costs without creating a negative cash flow.”*

The decision is made considering actuarial-based projections for plan financial performance. Below is the calculation worksheet along with some key comments on the analysis.

BAY CITY HOUSING COMMISSION  
Other Post Employment Benefits (OPEB) Liability Calculation  
30-Sep-20

	2019 OPEB Valuation	2020 Admin Component	2020 CBA Component	2020 Total Valuation	2019-2020 YOY Change
<b>Annual Required Contribution</b>					
Normal Cost Component	59,281	24,745	15,256	40,001	15,256
Interest	4,150	1,732	1,068	2,800	1,068
<b>Total normal cost (annual required contribution)</b>	<b>63,430</b>	<b>26,477</b>	<b>16,324</b>	<b>42,801</b>	<b>16,324</b>
Value of Assets (Trust Funds)	4,468,480	4,785,440	-	4,785,440	316,960
Less: Actuarial Accrued Liability ( AAL)	4,838,116	3,861,303	313,378	4,174,681 <sup>1</sup>	(663,436)
<b>Unfunded Actuarial Liability (UAL)</b>	<b>(369,636)</b>	<b>924,137</b>	<b>(313,378)</b>	<b>610,759</b> <sup>2</sup>	<b>980,396</b> <sup>4</sup>
Divide by PV factor	11	10	12		
Amortization Payment	33,424	(88,463)	25,132	(63,331)	25,132
Interest	2,340	(6,192)	1,759	(4,433)	1,759
Total Amortization Payment	<b>35,763</b>	<b>(94,655)</b>	<b>26,891</b>	<b>(67,764)</b>	<b>26,891</b>
<b>Annual Required Contribution</b>	<b>99,194</b>	<b>(68,178)</b>	<b>43,215</b>	<b>(24,963)</b> <sup>3</sup>	<b>43,215</b>

<sup>1</sup> Decreased Actuarial Liability from FY2019

<sup>2</sup> Surplus Unfunded Liability YOY 2019 (Net value of cash assets held in the Trust over Actuarial Accrued Liabilities (AAL))

<sup>3</sup> Surplus Annual Required Contribution (ARC)

<sup>4</sup> YOY 2019 change in Unfunded Actuarial Liability

1. From 2019 to 2020 there was a \$980,396 total change (to the upside) in the Unfunded Actuarial Liability (UAL). The calculation of the 2020 Unfunded Actuarial Liability (UAL) results in a surplus funding of \$610,759. The large improvement in the net funding position of the Retiree Healthcare Liability stems from (a) a combination of good performance from the assets of the Retiree Healthcare Trust and (b) a decrease in the long-term UAL resulting from the collective bargaining process that enabled substitution of a fixed-price health care stipend, and (c) retirees leaving the plan, either because they passed away or they found a more cost effective alternative. The plan is “closed-in”, meaning the number of participants is fixed and will not increase (only decrease) over the life of the plan.
2. The September 30, 2020 valuation was formulated using the GASB approved method for alternatively valuing OPEB liabilities. As stated above and shown in the table of calculations, there is a surplus ARC which results in no annual required contribution into the Healthcare Trust for FY2020. When reviewing Annual Required Contributions in the context of retiree healthcare, it is important to understand that there are two types of cash outlays that would satisfy the annual obligation: (1) outlays that cover retiree’s premiums and (2) deposits into the investments of the Healthcare Trust account. The calculation of current Trust Asset Value over the Unfunded Actuarial Liability (UAL) produces the surplus as does the amortization of the unfunded liability.

Thus far, the financial position of the Trust and the determination of Annual Required Contributions (ARC) has been addressed. The notes that follow speak to long-term sustainability. Management believes the Trust has reached asset valuations that enable it to be self-sustaining.

To support the decision to begin equalizing (drawing) on the Healthcare Trust Account to reimburse the organization for health care and other operating costs, a fifty-year Sustainability Model was prepared for the Trust using assumptions that are believed to be more conservative than one would normally expect for such models.

Bay City Housing Commission Healthcare Trust and Retiree Premiums Drawdown Assumption 9/30/2020	
Housing Commission Cost for a Singe Retiree	\$ 6,818.87
Housing Commission Cost for a Couple Retiree	\$ 14,260.37
Annual Increase in Housing Commission Cost	3.00%
Investment Rate of Return	6.25%
Standard Deviation of Return	5.00%
Annual Chance of Market Correction	10.00%
Anticipated Amount of Market Correction	15.00%
Projected Annual Premiums Covered By The Trust*	75.00%
* Applying the imputed discount produces the projected Annual Available Funds Cap.	

The assumptions are shown in the table above and were applied to the snapshot of current values and costs in the OPEB Calculation Worksheet, and to the 50-year Sustainability Model. The key metrics and conclusions from the Sustainability Model are:

3. The Sustainability Model includes calculations for an annual Available Funds Cap. For example, in FY2021, the model projects that \$195,000 that could be drawn by The Housing Commission to offset retiree healthcare premiums for FY2021. The Available Funds Cap is the projected annual funding level produced when imputing a 25%\* discount to the projected Annual Premium Expenses. The discount factor is an arbitrary discount hedge against volatility in the market value of Trust assets and fluctuations in future health care costs. The assumptions are extended over the actuarial life of 100% of the participants in the Trust (50± years).
4. The “confidence level” of the Sustainability Model is 92% that the Trust is self-sustaining over its lifecycle based on over 1,000 iterations of the model. It is management’s judgement that 92% is an acceptable confidence level (margin of error) for the long-term sustainability projections. The organization will update and evaluate these metrics every year and adjust accordingly, keeping in mind the goal is to keep the Trust positioned to be largely self-sustaining going forward.

The FY2021 Operating Budget of the Bay City Housing Commission projects drawing only \$135,000 of the \$195,000 of Available Funds from the Healthcare Trust to cover the shortfall created from retiree healthcare premiums. The current valuation of the retiree healthcare liability, the results of the internally developed healthcare premium model, and today’s market valuation of trust assets (\$4.854M) support this asset draw without compromising the Housing Commission’s ability to meet its long-term plan obligations.