

Kent County Land Bank Authority

Board Meeting Minutes

September 25, 2013

1. Call to Order-Meeting was called to order at 3:10 p.m. by Board Chair Ken Parrish.
2. Roll Call- Members Present- Brinks, Parrish, Bliss. Members absent with notice- Ponstein & Weiss-Nevins.
3. Approval of Agenda-Motion by Bliss, second by Brinks. Motion passed.
4. Approval of Minutes, 7/24/2013 Meeting-Motion by Brinks, second by Bliss. Motion passed.
5. Public comment- D. Visser asked for an update on the 2012 Plainfield Township property that was acquired by the Land Bank. KCLBA Executive Director David Allen reported the property had been sold to FEMA and demolished. Visser stated he owned a vacant parcel in the area and would like to know if he can also sell the property to FEMA. Allen stated FEMA rules requiring selling the property at the appraised value and only parcels with structures qualify.
6. Advisory Council Report-Co-Chair Greg Conway presented the September 18, 2013 Advisory Council Meeting report.

Conway reported the advisory council was introduced to the new KCLBA staff member Vince Lambert who holds the position of accountant. He stated the group had reviewed the July & August financials.

The Advisory Council was updated on the outcome of the Realtor RFQ process. The KCLBA received over 30 submissions and final selections were determined based upon track record and expertise of the candidates.

Conway stated the advisory council had reviewed the status of the Tax Foreclosed Property Listings and Sales.

He informed the Board members that most of the meeting was spent reviewing the Strategic Plan and recommends approval of the Strategic Plan with the one change to the plan on page 43 requiring 2 meetings of the KCLBA with the Advisory Council annually. The Board members discussed joint meetings and requested a schedule of the upcoming meetings of the advisory council.

Board member Brinks asked if the Strategic Plan had been posted for the public to review and make comment. E.D. Allen stated it had been on the KCLBA website, Facebook, was sent in mass email and Alan Levy had attempted to contact individuals that had publically opposed the land bank for comment and none had returned his phone calls or email. Allen added a timeline with goals and who is responsible will be determined upon approval of the Plan. Motion made by Bliss to approve the Strategic Plan adding "with annual evaluation." Brinks supported the motion stating she had "issues" with the Plan. Motion passed.

7. Executive Director Report: Executive Director David Allen presented the following:

- a. Introduction of Vince Lambert, new staff hire. Lambert will act as accountant for the KCLBA, working closely with Board Chair Parrish.
- b. Financials-Allen presented July & August Check Detail, Balance Sheet & P&L. He explained Lambert had re-entered all of the sales of assets which were listed on the reports. Board member Brinks asked if there were any staff members who had been bonded at this point. Allen stated the KCLBA is moving forward on getting bond insurance.
- c. Production Update: Allen presented a spreadsheet to the Board. He stated he and Lambert had met with City staff Kara Woods and Eric DeLong to discuss the City of Grand Rapids properties, noting the properties highlighted in pink on the spreadsheet were approved for demolition. Properties highlighted in gray were purchased on behalf of the non-profits.

Allen discussed the rating system and requirements established by the KCLBA to accept bids for purchase of the properties. Properties were listed as is ready for market with minor blight/habitable, blighted and demolitions. Home buyers will be required to submit a scope of work, proof of financing and the ability to complete the work. Use of vacant lots will be determined. Bliss suggested "Rail to Trail" project for the disposition of the 48 Leonard property. Allen stated the buildable vacant lots are selling quite well. Board members requested a sample of project files to see how property costs are estimated and being monitored.

- d. Update on MSHDA \$100 Million Demolition Funds for Grand Rapids- Allen presented the required MSHDA Participation Agreement to the Board. He explained funds would be transferred within 72 hours of submitting invoices. KCLBA hopes to have the demolitions completed by the end of the year. He informed the Board members of additional properties that will be considered for demolition that are owned by private individuals who have approached the Land Bank to purchase to will determine the avoid prosecution. The City of Grand Rapids inspectors will determine if these properties meet the criteria to be eligible for demolition.

Allen stated Exhibit A will include any additional properties beyond the City of Grand Rapids including Wyoming, Kentwood, Plainfield Township, Grandville, etc.

Allen informed the Board that MSHDA places a lien on the properties for 5 years. Members discussed the options of handling the liens upon sale of the vacant lots and how this will affect future audits.

Allen stated Habitat for Humanity of Kent County will be working directly with MSHDA on their demolitions.

- e. Board member Brinks asked if the demolition process would be handled through a bid process. Allen explained MSHDA has guidelines for all of the demolition work and the KCLBA will bid out the work and select contractors who meet the MSHDA requirements. Brinks made a motion to approve the Participation Agreement and move forward with the demolitions. Motion was supported & passed.

Allen asked Chair Parrish to explain the 401K agreement prior to asking for adoption of the KCLBA 401(k) Plan. Parrish stated he was not related to or affiliated with the company contracted to provide the 401(k) even though the initials are the same as his. Parrish and Lambert were named to administer the plan once adopted. Board member Brinks made a motion to approve the plan with the exception of also naming the successor to administer the plan once Lambert leaves his position. Support by Bliss. Motion passed.

8. Executive Director Compensation: Board Chair Parrish called on Board member Bliss to give the report of the subcommittee assigned to research and establish executive director compensation. Subcommittee members were Board Chair Parrish, Bliss and Nevins Weiss. Bliss stated the subcommittee weighed several factors to determine the salary. They considered the fact that the executive director currently had no raises or health benefits. The subcommittee had also compared salaries of other Land Bank executive salaries within the State contacting Genesee, Kalamazoo and Ingham Counties. Salaries ranged for \$67,000-\$92,000 with some having higher or lower benefit packages. Based upon the comparisons Bliss made a motion to adjust the executive director salary to \$81,200.00. The Board discussed the details and agreed to have the salary increase begin immediately with review of the salary on the hire date anniversary in October 2014.
9. Open discussion: E.D. Allen requested a revised meeting date combining the November and December meetings in early December. Board member Bliss requested an email exchange to determine Board members availability. KCLBA staff will coordinate scheduling the meeting.

Board member Brinks requested an updated schedule of Advisory Council meetings for the next 12 months. KCLBA staff will email the schedule to Board members.

Board member Brinks asked for an update on the occupied properties. Allen informed the Board all of the residents were being served eviction notices and offered relocation assistance.

10. Adjournment- Board Chair Parrish adjourned the meeting at 4:10 p.m.