

**Kent County Land Bank Authority  
Board Meeting Minutes  
December 4, 2013  
Training Room, 2<sup>nd</sup> floor  
Kent County Administration Building**

1. Call to Order-Meeting was called to order at 3:00 p.m. by Board Chair Ken Parrish.
2. Roll Call-Members present Parrish, Nevins-Weiss, Bliss, Brinks. Members absent Ponstein.
3. Approval of Agenda-Motion made by Nevins-Weiss to approve with addition of Advisory Council Report and changes to Financials changing dates from Sept. to Oct P&L and Balance Sheet. Support by Bliss. Motion carried.
4. Approval of Minutes, 10/23/2013 Meeting. Motion by Brinks to approve the minutes, second by Nevins-Weiss. Motion carried.
5. Public Comment- none
6. Advisory Council Report-E.D. David Allen reported the Advisory Council met in November. Council members reviewed the 2014 Budget and discussed changes that would make the document a better tool for the Board. Recommendations were made to add a Cash Flow Projection to the 2014 Budget. The Advisory Council approved recommending the KCLBA 2014 Budget to the KCLBA Board with the suggested addition. Allen added Board President Parrish had reviewed and approved the 2014 Budget following the Advisory Council meeting and the recommended changes were made. He also noted the KCLBA is currently operating on a net profit.

The Advisory Council reviewed the 2013 Tax Foreclosure Performance Report presented by David Allen. Members recommended some format changes to make the report easier to follow. Allen made the recommended changes before presenting the report to the KCLBA Board of Directors.

7. Executive Director Report- Report presented by David Allen, KCLBA Executive Director-
  - a. Financials-Allen stated since the December Board meeting was early in the month, there was not enough time to close out the November 2013 Financials prior to the meeting.
    - i. October Balance Sheet
    - ii. October P&L
    - iii. Oct. 2013 Check DetailBoard members discussed the financial reports. A question was asked regarding several \$10 transfer fees. Allen explained the fees were a result of the electronic transfers resulted from each of the closings after the sale of each property when funds are wired into the Founder's bank account.
  - b. Production Update- E.D. Allen distributed the City of Grand Rapids 2013 Tax Foreclosure Worksheet to members of the Board. Allen informed the Board he is finalizing the document for his presentation to the Grand Rapids City Commission. He pointed out the format had changed since the last Board meeting based on the Advisory Council

recommendation and now has “Sold, Unsold, Demolitions, etc.” categories. He stated staff would be completing the remainder of the worksheet prior to the City Commission presentation. Board member Brinks asked if all of the evictions had been resolved. Allen said all are resolved and one tenant is suing the former property owner for charging the tenant rent after the foreclosure. Board member Bliss asked if the KCLBA will track if permits are being pulled and renovations are being completed as proposed. Allen assured the Board the permits and renovations will be tracked adding the City Inspections Department has sent the list of permits that had been issued on the sold properties.

- c. Update on MSHDA \$100 Million Demolition Funds for Grand Rapids- Allen announced the agreement with MSHDA had been finalized and all dollars spent for acquisition and demolition will be reimbursed by MSHDA. Allen noted one of the properties formerly slated for demolition had been sold to a buyer who will be renovating it.

Allen reported the City of Grand Rapids MSHDA Demolition funds will be shared jointly by Habitat for Humanity of Kent County and the Kent County Land Bank Authority. He stated Habitat for Humanity will be handling their own demolitions which will require less work for KCLBA staff. Allen also added MSHDA changed their process on deeding properties back and forth between parties. He announced ten properties should start to be demolished this month through the KCLBA and 10 Habitat homes for a total of 20 demolitions starting.

Allen informed the Board there had been several contacts made by private parties requesting property demolitions. The property owners would rather have the structures torn down than renovate. He stated the KCLBA is working with neighbors on the non buildable lots while buildable lots are harder to find and more expensive in general so the KCLBA is trying to attract builders to look at Grand Rapids vacant lots.

- d. Bonding or fraud, or loss is covered under our MMRA insurance up to \$1,000,000. A copy of this insurance certificate was included with the Dec. 4, 2013 meeting Board packet. Allen directed the Board members to the insurance certificate which was included in their Board Meeting Packet which included blanket performance bond coverage for all KCLBA staff.
8. Board Action-Presentation & Approval of 2014 Budget- Allen informed Board members minor changes had been made to the narrative from the previous version Board Chair Parrish had reviewed. The new 2014 Budget includes color coded Income and Expense categories and has an added Cash Flow Forecast for 2014. Allen stated the KCLBA operates under 2 calendars with Development beginning in July through June with a Cash & Income Budget starting January through December. The budget was based on actual number of foreclosures. Allan referred to page 6 Appendix C which projects the 5/50 recapture through the year 2023.

Board Chair Parrish informed the Board there had been a change made on page 2 adjusting parking fees. He explained he had met with KCLBA Exec. Director Allen and KCLBA staff accountant after the Advisory Council had met. Parrish stated he felt it was a sound budget and conservative, the KCLBA could live within the expenses and the budget underestimated revenue. Allen added he had requested Advisory Council Co-Chair Greg Conway, Founders Bank to review the proposed budget. Other Board member comments included suggestions to give a 5 year comparison by spreadsheet or year by year analysis and a January 1 projection of cash needed for acquisitions. Members noted the “Cash Flow Projections” don’t include paying back loans and suggested adopting a “Minimum Fund Balance Policy.”

Board members discussed if the budget allows enough funding to meet the goals of the Strategic Plan to address public relations and marketing. Allen said he had gotten 4 quotes from PR firms. He also announced the KCLBA is planning a Legislative Breakfast and invited Board members to attend.

Board members had further discussion regarding mid-year budget amendments to adjust for variables or have a review of the budget and adjustment of some type.

Motion was made by Bliss to accept the 2014 Budget. Second by Nevins Weiss. Motion passed.

9. Board Action-Approval of Resolution adopting the KCLBA Section 125 Plan- Motion by Brinks, support by Bliss. Motion passed.
10. Open discussion- Board members discussed changing 2014 KCLBA meeting times. An email poll on availability will be taken prior to the Jan. 22 meeting and "Meeting Time and Date" will be added to the agenda for a vote.

Board Chair Parrish thanked Board member Audrey Nevins Weiss for her service to the Board and mentioned she had added a lot of good perspective. Parrish also stated he would not know who will fill the vacant Board position until January, 2014.

11. Adjournment- Board Chair Parrish adjourned the meeting at 3:55 p.m.

Next Meeting

January 22, 2014 at 3:00 p.m.

Training Room, 2<sup>nd</sup> floor

Kent County Administration Building