

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

December 4, 2017
Regular Board Meeting
Minutes

Attendance

Members present: Treasurer Schertzing and Commr.s Anthony, Hope, McGrain, and Nolan
Members excused: None
Others present: Alan Fox, Courtney Gabbara, Jeanna Paluzzi, and Bonnie Toskey

Minutes

1. Call to order

Chairman Schertzing called the meeting to order at 5:00 pm in conference rooms D&E of the Human Services building, 5303 South Cedar, Lansing.

2. Approval of minutes

MOVED BY _____, SUPPORTED BY COMMR. _____, TO APPROVE THE NOVEMBER 6, 2017 MINUTES.

Executive Director Paluzzi noted that she amended the draft minutes prepared by staff prior to distributing the minutes in the Board packet. The amended draft minutes appearing in the Board packet reflect the discussion at the end of the November meeting. Secretary Anthony asked what language changed. Paluzzi indicated that there was no reference to the discussion about terminating the supervisory bonus, so she added the first paragraph at item 10. She also noted there was no reference to County staff recognizing day-to-day supervision, so that language was added towards the end of the next paragraph. She requested resolutions to reinforce the two items discussed at that time. Board Secretary Anthony requested review of any internally modified minutes before Board packet distribution in the future.

MOTION PASSED.

3. Amendments to the agenda

Chairperson Schertzing added items 5D and 5E to the agenda.

4. Limited public comment

There were no public comments.

5. Resolutions and approvals

A. Transfer vacant lots on High Street to Mohamed Hassabelnabi

MOVED BY COMMR. MCGRAIN, WITH SUPPORT BY COMMR. NOLAN, TO APPROVE TRANSFER OF TWO VACANT LOTS ON HIGH STREET TO MOHAMED HASSABELNABI.

Executive Director Paluzzi provided an overview of the information contained in the packet. Commr. McGrain asked if the buyer had any delinquent property taxes or outstanding code violations. Executive Director Paluzzi said she does not provide internal approval until staff shows documentation to that effect; it's standard protocol. Commr. McGrain cautioned that "storage units" is showing up as code for potential marijuana operations. Executive Director Paluzzi expressed appreciation for that knowledge, and indicated that there is a reverter clause in every set of transfer documents that bar future use of Land Bank parcels for marijuana businesses. Commr. Nolan requested that staff check into a reverter clause in the case of foreclosure, to avoid an extended process.

MOTION CARRIED UNANIMOUSLY.

B. Transfer vacant lots on South MLK Blvd to Mohamed Hassabelnabi

MOVED BY COMMR. NOLAN, WITH SUPPORT BY COMMR. ANTHONY, TO APPROVE TRANSFER OF TWO VACANT LOTS ON SOUTH MARTIN LUTHER KING BOULEVARD TO MOHAMED HASSABELNABI.

Executive Director Paluzzi provided an overview of the information contained in the packet.

MOTION CARRIED UNANIMOUSLY.

C. Approve 2018 regular Board meeting schedule

MOVED BY COMMR. MCGRAIN, WITH SUPPORT BY COMMR. HOPE, TO APPROVE THE PROPOSED 2018 REGULAR BOARD MEETING SCHEDULE.

Commr. Nolan suggested adjusting the proposed calendar to better match scheduled Human Services meetings, which immediately follow Land Bank Board meetings. She also suggested adding back in January and April meetings. The meeting schedule was amended as follows:

January 2 at 5 pm at the County Courthouse Democrat Caucus Room

All subsequent meetings at 5 pm at Human Services as usual:

February 5	August 20
March 5	September 17
April 2	October 1
May 14	November 19
June 4	December 3
No July meeting	

MOTION, WITH AMENDED DATES, CARRIED UNANIMOUSLY.

Commr. Anthony indicated that Becky Bennett is the gatekeeper of County Commissioners' regular meeting schedules. Commr. Nolan suggested that for 2019, Land Bank meetings occur later in the month, after Human Services' second monthly meeting, so that more current financial reports are provided. Executive Director Paluzzi apologized, and indicated that these recommendations will be implemented for sure next year.

D. Terminate supervisory bonuses to County employees at Land Bank

MOTION BY COMMR. NOLAN, WITH SUPPORT FROM COMMR. HOPE, TO CONFIRM TERMINATION OF "SUPERVISORY BONUS" PAYMENTS TO JOSEPH BONSALL AND DAWN VAN HALST AS PAYMENTS NEVER HAVING BEEN AUTHORIZED OR APPROVED BY EITHER THE INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY BOARD OR THE INGHAM COUNTY BOARD OF COMMISSIONERS, TO BE EFFECTIVE NOVEMBER 6, 2017. MOTION CARRIED UNANIMOUSLY.

E. Ratify and restate Executive Director's day-to-day supervision of County employees at Land Bank

MOTION BY COMMR. NOLAN, WITH SUPPORT FROM COMMR. HOPE, TO RATIFY AND RESTATE THAT THE LAND BANK EXECUTIVE DIRECTOR SHALL HAVE DAY-TO-DAY OPERATIONAL AND SUPERVISORY AUTHORITY OVER THE EMPLOYEES AND POSITIONS AND AGENTS ASSIGNED TO THE LAND BANK ON A REGULAR BASIS.

Commr. Anthony asked why this was necessary. Executive Director Paluzzi indicated that the two County positions assigned at the Land Bank have County position descriptions that identify the three supervisors: the County Treasurer, the Deputy Treasurer, and the Land Bank Executive Director. Those lines of authority are unclear, open to misinterpretation, and detract energy from executing the mission of the organization.

MOTION CARRIED UNANIMOUSLY.

6. Community projects update

A. Simken Avenue parcels: Proposed soccer field + outdoor adventure trail

Executive Director Paluzzi reported that the Planning Commission approved transfer of the three parcels to the City, and Council was voting on the issue this week.

B. Pleasant Grove School redevelopment feasibility study

Executive Director Paluzzi reported that the Invest Health Lansing team was attending the last national Invest Health conference this week, and she would work with Jessica Yorke afterwards to meet up with the proposed study consultant.

7. Property maintenance, renovation, and development reports

A. Residential, garden, and commercial property dashboard

B. Completed and pending sales whiteboard

C. Residential rental properties status report

Chairman Schertzing indicated that the reports were provided in the packet. Chairman Schertzing indicated that the commercial properties at Center and Liberty, and Center and Beaver, will close after the new year.

Commr. McGrain asked when rental rates were last evaluated. He is familiar with the neighborhood for one of the properties, and our rental rate is quite inexpensive. Executive Director Paluzzi indicated that she would review lease terms, and that staff is assessing its view of rental properties: 1) the Land Bank could continue rentals to provide unrestricted income, or sell rentals off as owner occupied, in order to pay down our line of credit; 2) in our portfolio review, staff discussed disposing of two rentals in the floodplain through the City flood hazard mitigation program. As a side note, she said there are parcels in the brownfield redevelopment plans adopted ten or so years ago that lie within the floodplain, and those designations are mutually exclusive. Commr. Anthony concurred with the desire to reevaluate rentals. Commr. Nolan prefers to see the Fairview rental sold.

D. General legal counsel update

None at this time.

8. Financial management

A. Approval of accounts payable: November 2017

MOTION BY NOLAN, WITH SUPPORT FROM MCGRAIN, TO APPROVE ACCOUNTS PAYABLE DATED NOVEMBER 2017. MOTION CARRIED UNANIMOUSLY.

B. Receipt of Statement of Revenue and Expense: October 2017

MOTION BY ANTHONY, WITH SUPPORT FROM MCGRAIN, TO RECEIVE STATEMENT OF REVENUE AND EXPENSE.

Commr. McGrain noted that garden program expenses to date seemed high. Executive Director Paluzzi will check into it.

MOTION CARRIED UNANIMOUSLY.

C. Approve 2018 budget proposal

- 1. Reorganization**
- 2. Resolution to cease payment of Land Bank portion of Brownfield Coordinator position**
- 3. Resolution to cease payment of Land Bank portion of Land Bank Coordinator position**

Executive Director Paluzzi indicated that the 2018 budget proposal in the Board packet was updated from the proposal presented in October in two ways: 1) a \$20,000 City of Lansing Neighborhoods in Bloom grant, and 2) a proposed reorganization.

Executive Director Paluzzi said the proposed organization chart included in the meeting packet reflects two major drivers for reorganization in 2018: 1) positioning the Land Bank well for the future; and 2) simplified lines of authority.

The theme of the Michigan Association of Land Banks Leadership Summit was termed Land Bank 2.0. Land banks were created in reaction to an economic crisis that generated neighborhood crises. Land banks absorbed foreclosures, rehabbed salvageable houses, demolished those that could not be saved, sold side lots, and built single family homes. Land Bank 2.0 is a proactive approach to community development by identifying opportunities for corridor redevelopment and large single or multi-family developments. While traditional land banking activities will continue, the next generation Ingham County Land Bank will tackle the opportunities for single and multi-family developments, age-friendly and energy efficient housing highlighted in our recently completed portfolio review, and seek opportunities to partner in corridor redevelopment. Chairman Schertzing said Paluzzi really took the Leadership Summit to heart. Paluzzi said, yes, she sees other Michigan land banks with different skill sets taking on interesting initiatives beyond the traditional.

To do this, the two existing senior staff positions will be eliminated, and their responsibilities distributed more effectively across other positions. Two new positions requiring different skill sets will be created. The Real Estate Development Director will

have commercial and/or multifamily construction management and real estate credentials. The Office Coordinator will take on restructured accounting responsibilities. These two new positions will be Land Bank employees, as are other staff. This greatly simplifies oversight and management of staff in pursuit of the Land Bank's mission, and at a cost savings.

To implement the proposed reorganization, Executive Director Paluzzi said the Land Bank's cost share for the two current senior positions provided by the County would need to terminate.

MOTION BY NOLAN, WITH SUPPORT FROM MCGRAIN, TO CEASE REIMBURSEMENT FOR THE COUNTY BROWNFIELD COORDINATOR POSITION.

Commr. Hope asked, what will happen to the two County employees currently filling these positions? Attorney Toskey indicated that they will be laid off, and that their bumping rights per union contract could be exercised. Commr. Anthony asked about engagement to date with the union. Executive Director Paluzzi indicated that the union has been engaged with the pre-determination meetings involving the County investigation of the two County employees and their supervisory bonus agreements, but those ongoing investigations are distinct and separate from the reorganization. Attorney Toskey said that their ICEA contract provides for advising the union upon the decision to reorganize, to assess the effects on employment. Commr. Hope said there may be different rules for union review for a non-County authority. Attorney Toskey said the Land Bank is an independent autonomous agency. Executive Director Paluzzi reiterated the last two Whereas-es of the resolution. Commr. McGrain said he appreciates the clear lines of the organization chart presented and it is just what Land Bank 2.0 needs. Commr. Nolan noted the date of the cessation of funding, January 31. That provides time for Van Halst to vest in her pension plan on January 7.

MOTION CARRIED UNANIMOUSLY.

MOTION BY MCGRAIN, WITH SUPPORT FROM NOLAN, TO CEASE REIMBURSEMENT FOR THE COUNTY LAND BANK COORDINATOR POSITION.

Executive Director Paluzzi said the scope of this resolution is the same as the last. Commr. Anthony indicated respect for an Executive Director's responsibility to build the ship. Commr. Hope indicated that eliminating the two positions will make a difference, that the current organization is top-heavy, and that she is comfortable with the reorganization.

MOTION CARRIED UNANIMOUSLY.

MOTION BY NOLAN, WITH SUPPORT FROM ANTHONY, TO ADOPT THE ORGANIZATION CHART AS PRESENTED IN THE PACKET. MOTION CARRIED UNANIMOUSLY.

MOTION BY MCGRAIN, WITH SUPPORT FROM HOPE TO ADOPT THE FY2018 BUDGET AS PROPOSED.

Commr. McGrain complimented the Executive Director for the most transparent budget ever presented during his seven-year tenure as a Land Bank Board member. He sees how all the funding sources come together as a package. Commr. Nolan noted she is also grateful for the transparency. Commr. Nolan did question the ongoing roof repair expense budgeted: perhaps because of the mold, both mold mitigation + roof repair might cost more than the property value. Executive Director Paluzzi said she would have the mold issue investigated.

ROLL CALL VOTE:

AYES: ANTHONY, HOPE, MCGRAIN, NOLAN, SCHERTZING

NAYS: NONE

9. Board Chairman and Executive Director comments

Executive Director Paluzzi indicated her report was provided in the packet.

Chairman Schertzing indicated that he recently had conversations with Commissioner Grebner and Mayor-elect Schor suggesting consideration of a seat on the Land Bank Board for a City of Lansing representative.

10. Announcements

There were no announcements.

11. Limited public comment

There was no public comment.

12. Adjournment

MOTION BY MCGRAIN, WITH SUPPORT FROM, HOPE, TO ADJOURN. MOTION CARRIED UNANIMOUSLY.