

Livingston County Land Bank Corporation
Board of Directors - Organizational Meeting
September 27, 2017
Meeting Minutes

Members: WILLIAM BACON, Livingston County Office of Economic Development/IDA; IAN COYLE, Livingston County Administrator; ANGELA ELLIS, Livingston County Planning Department; WILLIAM FULLER, Real Property Tax Services; SHANNON HILLIER, Livingston County Attorney; AMY MANN, Livingston County Treasurer;

Absent: DANIEL L. PANGRAZIO, Supervisor, Town of Caledonia

Staff: DAVID PAOLETTA, Planning Department; Linda Shanks, Planning Department

Meeting called to order at 3:05 by Mr. Coyle, who welcomed the group to its first meeting. He provided a brief mission statement and previewed the agenda and procedure the meeting would follow.

- Indicating that the name, *Bank*, is a misnomer, the purpose of the Corporation is to rehabilitate, revitalize, and re-purpose neighborhoods from the property or vacant land perspective. The Livingston County Land Bank Corporation is the 22nd approved Land Bank in New York State.
- Because this organization is new, it is under the authority of the Authorities Budget Office, which requires different reporting and structures. The language used in this meeting's organizational documents is fairly standard and has been vetted with that of other, established land banks and entities.
- Notice of the meeting was published in the *Livingston county News* and in the *Genesee Country Express*, per Ms. Ellis.
- Mr. Coyle noted that an email from ABO – PARIS (Public Authority Reporting Information System) had been received today.

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| Agenda Item | Election of Officers |
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After a brief discussion, the following people were nominated/volunteered for the positions as shown:

- Chairman and FOIL Appeal Officer – Daniel Pangrazio
- Vice Chairman – Ian Coyle
- Treasurer – Amy Mann
- Secretary – William Bacon
- FOIL Officer – Shannon Hillier
- Executive Director – Planning Department

A motion to approve the slate of nominations was made by Ms. Ellis and seconded by Mr. Bacon.

The motion carried.

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| Agenda Item | By-Laws |
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The By-Laws document was distributed and discussed.

- Mr. Coyle noted that the language used was again referenced to existing land bank corporations.
- The By-Laws can be amended, but should first be adopted. In answer to Mr. Coyle's question, Ms.

Hillier and Mr. Paoletta indicated that the By-Laws were filed in draft form with the Application and have been approved by New York Empire State Development.

- In answer to Ms. Mann’s question, Mr. Coyle stated that an Annual Report will be required, adding that reporting, auditing, meeting notices, and other requirements also apply to the Livingston County Land Bank Corporation. Mr. Paoletta distributed a List of Requirements.
- In response to Ms. Mann’s question, Mr. Coyle stated that, because the Board of Supervisors makes the decision of foreclosure, there should be no conflict of interest issue with her role as County Treasurer.
- The annual fiscal year will be January to December.
- Meetings will be open to the public.
- Mr. Paoletta stated that, eventually, the Board of Directors should include people from outside the County. Mr. Coyle agreed, adding that in other land banks, members might include a realtor, a banker, a developer, or a small contracting firm.

With no further comments or questions, Mr. Coyle asked for a motion.

A motion to approve the By-Laws was made by Mr. Bacon and seconded by Mr. Fuller.

The motion carried.

| Agenda Item | Establish Standing Committees |
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Mr. Coyle identified the Committees – Audit, Finance, and Governance. Per Mr. Paoletta, three members are needed for each one. Mr. Coyle described the responsibilities of each committee and meeting options.

- The Audit Committee would be charged with coordinating the RFP, reviewing the responses, and recommending their choice for auditor to the Board.
- The Finance Committee would be charged with reviewing the bank statement and reporting to the Board on it.
- The Governance Committee would be responsible for policy development and re-development, keeping abreast of changes in State regulations, coordination and preparation with the Chairman with regard to the meetings.
- Mr. Paoletta stated that he has the definitions of all three committees, per the ABO website.
- In response to Ms. Mann’s question, Mr. Paoletta stated that Public Authority Accountability law requires that Audit and Finance be two, separate committees. Responding to Mr. Bacon, he indicated that the Committees do not oversee each other. Mr. Bacon offered further clarification on the ABO rules for Standing Committees. Mr. Coyle stated that three Committees would be set up now, with the option of combining two into one, if official guidance merits such a change in the future.
- The Committees were populated as follows:
 - Audit Committee – Ms. Mann, Mr. Fuller, Ms. Ellis
 - Finance Committee – Ms. Mann, Mr. Coyle, Mr. Bacon
 - Governance Committee – Ms. Hillier, Mr. Fuller, Mr. Coyle

Mr. Coyle asked for a motion.

A motion to approve the proposed Committee memberships was made by Mr. Fuller and seconded by Ms. Ellis.

The motion carried.

| Agenda Item | Corporate Organization Resolution |
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The Resolution documents were distributed. Mr. Bacon explained the contents of each Exhibit piece. Mr. Coyle summarized the Resolution per the distributed document and indicated that it must be adopted as part of the Land Bank initial set up. He read from the document, noting the following:

- The Land Bank Corporation needs to have an official seal. Mr. Paoletta described its required components and stated that it is not the same as a logo.
- An EIN for tax exempt status is needed from the IRS.
- The Land Bank Corporation will follow the purchasing policy of the County.
- Various policies will require review and approval by the County Attorney, such as Compensation, Reimbursement, and Attendance Policy, Whistleblower, Investment, Travel, Land Acquisition, and Defense and Indemnification.
- The FOIL Officer has been designated.
- The resolution will take effect immediately.
- Mr. Bacon stated that the Exhibits were retooled from those of the Capital Resource Corporation Exhibits and are ABO compliant.
 - Exhibit B, the Certificate of Independence, states that there is no conflict of interest. He confirmed that January 13, 2006 is the official compliance date.
 - The Acceptable Banks listed are all within a 10-mile radius.
 - The Contracting Officer, as designated in the Property Disposition Policy, is the Chairman. Any change to that would be designated in the Exhibits.
 - There is a training requirement. Mr. Paoletta added that it is explained in #11 and that its completion deadline is August, 2018. Members of the Board concurred that training would most likely be in the form of a webinar.

Mr. Coyle asked for a motion.

A motion to approve the Corporate Organization Resolution with amendments as discussed, was made by Ms. Mann and seconded by Mr. Bacon.

The motion carried.

| Agenda Item | General Discussion/Next Steps |
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Mr. Coyle referred to the sheet previously distributed by Mr. Paoletta.

- Mr. Paoletta offered to design the Corporation's official seal.
- Regarding the set-up of a Livingston County Land Bank Corporation bank account, Ms. Hillier indicated that she had already obtained a separate account number for it.
 - Responding to Ms. Ellis's request, Ms. Hillier stated that she would send the EIN to Board

members.

- Mr. Coyle advised Ms. Mann to let him know if funds are needed to set up the Corporation's bank account and added that the County has been authorized to seek capital contributions.
 - In response to Ms. Mann's question, Mr. Coyle indicated that Mr. Pangrazio and Ms. Mann should have the authority to sign on the bank account.
- Mr. Paoletta is applying to the IRS for tax-exempt status.
- Mr. Coyle stated that development of budgets will be one focus of the Board's next meeting. Mr. Paoletta added that draft budgets for 2017 and 2018 will be available at that point.
- Mr. Coyle stated that training information will be sent to Board members as soon as it is available.
- Reports will be due by the end of the first quarter of 2018. Mr. Paoletta explained that the reports will not contain a great deal, since they will only cover the time period between now and December 31, 2017.

| Agenda Item | Meeting Dates |
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Mr. Coyle suggested that Board meetings should occur monthly in these early stages of the Corporation. Once the Corporation is running smoothly, the meetings schedule can be adjusted as needed.

| Agenda Item | Review of Potential Inventory |
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Mr. Coyle stated that the potential inventory compiled as part of the application for the status of an approved Land Bank, identified 225 properties as potential candidates for a Land Bank. He added that these properties were identified using the broadest parameters and should not all be considered as actual, possible acquisitions.

Per a discussion with Habitat for Humanity, Mr. Coyle reported that the Livingston County Land Bank might begin operation with a vacant parcel in Cuylerville. The property is non-conforming, but Habitat for Humanity has spoken with the local CEO and believes it can get approval for a single-family dwelling there. The County has had it on the foreclosure auction and been given an estimate of about \$2,000. Habitat for Humanity is willing to pay that price.

- Mr. Coyle outlined a plan of action: The County transfers the property to the Land Bank, which then sells it to Habitat for Humanity.
- This would benefit the County and the Land Bank, and is a good start to the Program, since it would involve the rehabilitation of property and potentially add tax revenue. It would also establish a good working relationship/partnership with Habitat for Humanity.
- Mr. Paoletta asked how the lack of a tax exempt number might affect this transaction. Mr. Coyle and Ms. Mann stated their belief that it shouldn't affect the process and discussed the transaction from the County's tax perspective: the loss profit will equal zero, and the County will absorb the loss. As the Land Bank progresses however, it will have dollars to buy property. Mr. Paoletta will research the experience of other Land Banks to get some guidance.

Mr. Coyle indicated his expectations for the next meeting:

- Answers to the questions raised regarding the effect of delayed tax exempt status on the Cuylerville property transaction
- A motion on the Cuylerville property, as the first order of business

- An initial review of the inventory with the aim of culling it to make the number of properties to consider more manageable
- Identify the properties with taxes currently being paid by financial institutions and start with them
 - Mr. Fuller added further parameters: bank-owned and no water usage. He confirmed with Ms. Hillier that no water usage means no water bill.
- Identify a first set of properties that have the most potential to be successful projects – *diamonds in the rough*
 - Mr. Fuller related an example from a Land Bank presentation he attended

Mr. Coyle suggested that, after the list of initial properties has been refined, letters of solicitation that introduce the Livingston County Land Bank Corporation and state its interest in acquiring the properties should be sent to the appropriate banks or municipal contacts. He noted that some banks might deed certain properties as charitable contributions. Mr. Fuller concurred.

- Ms. Hillier stated that such properties will have title issues and indicated that the Corporation will need to buy title insurance, if possible. She added that quit claim deeds may have to be used.
- Mr. Paoletta asked if tax-exempt status would eliminate requirements to pay any liens on a property. No one offered an answer. Mr. Fuller voiced his concern about transfers to the end user that might result in the Corporation giving someone a toxic property. Members agreed. Mr. Bacon noted that this raises the issue of chains of titles showing environmental issues.

Mr. Bacon asked if the Board should consider transferring any existing County-held properties into the Land Bank as possible seed capital: e.g., the King’s Daughters and Wilcox Press properties.

- Mr. Fuller stated that he would compose a list of such properties and send it to Ms. Mann for vetting. After her approval, he will distribute it to the Board. Ms. Ellis volunteered to map the properties.

| Agenda Item | Adjournment |
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| <p>Mr. Coyle reviewed the anticipated agenda for the next Board of Directors meeting. The October meeting date was set for October 27, 2017 at 9:00 a.m.</p> <p>Mr. Paoletta reported that in-kind contributions must be tracked for financial reporting and distributed the form to be used. He indicated that \$75,000 has been submitted as the initial figure and asked which starting date should be used – today’s date or the date of incorporation. Mr. Coyle replied that today’s date would suffice, after the end of this meeting.</p> <ul style="list-style-type: none"> • In answer to various questions, Mr. Paoletta stated that in-kind hours comprise time spent on Land Bank Corporation tasks, including work done by Board members’ staffs. He will also distribute the form electronically. <p>Regarding the handouts from the meeting, Ms. Ellis indicated that the materials will be organized and put into binders for each Board member. Binders will be delivered to each member before the next meeting of the Board.</p> <p>Mr. Coyle asked for a motion to adjourn.</p> <p><i>A motion to adjourn was made by Mr. Bacon and seconded by Mr. Fuller.</i></p> <p>The meeting adjourned at 3:58 p.m.</p> | |

Recorded by Linda Shanks, Senior Typist, Planning Department