

DETROIT LAND BANK AUTHORITY

BOARD OF DIRECTORS MEETING

CADILLAC TOWER

65 Cadillac Square, Suite #3200 • Detroit, Michigan
(Conference Room)

Tuesday, March 11, 2014

2:00 PM

MINUTES

Present: Marsha S. Bruhn
Richard Hosey
Larry Lipa
Patricia Pernell-Shelton
Erica Ward Gerson

Absent: None

Others Present: Detroit Land Bank Authority (DLBA) staff
Public

CALL TO ORDER: Chairperson Ward Gerson called the March 11, 2014 DLBA Board of Directors meeting to order at 2:10 pm.

ROLL CALL: All of the board members were present and a quorum was met and the meeting began.

PUBLIC COMMENT: No comments were given from the public.

ADOPTION OF AGENDA: Chairperson Ward Gerson called for the adoption of the agenda.

Motion by: Member Marsha Bruhn to adopt the agenda. Supported by: Member Patricia Pernell-Shelton. MOTION APPROVED.

REVIEW AND APPROVAL OF MINUTES: Chairperson Ward Gerson thanked Member Bruhn for her corrected version of the minutes which is what is being presented for approval today. She also asked Member Bruhn if she wanted to frame a motion that would pick up even more corrections. Member Bruhn noticed that there was a difference between some of the District Managers names from the Department of Neighborhoods (DON) list (attached) and the chart that was given to the board members. Member Lipa asked if contact had been made to Ms. Darrah, the person from the public that was mentioned in the minutes of February 25, 2014. DLBA Executive Director Richard Wiener stated that the

Land Bank would reach out to her. So with technical corrections, provided by the Secretary, Chairperson Ward Gerson called for approval of the minutes.

Motion by: Member Marsha Bruhn to adopt the March 11, 2014 minutes as amended. Supported by: Member Richard Hosey. MOTION APPROVED.

EXECUTIVE DIRECTOR'S REPORT: Executive Director Richard Wiener decided that since he had just given a lengthy report two weeks ago that he would let Kevin Simowski update the board on the Nuisance Abatement Program (NAP). With that said, he turned the reporting over to Kevin Simowski. Simowski introduced the new hire Michelle Simon as the GIS-Data Analyst-Specialist for the DLBA and proceeded with his report. Upon instructions from the Mayor, Simowski and Dave Manardo (Detroit Building Authority) drove around the Marygrove and East English Village-Morningside areas to observe unoccupied structures. This visit resulted in the number growing from 111 to 120 by adding data sets to the properties. The good news is that the majority of the unoccupied structures are privately owned which gives the legal team a free hand to go after these owners through lawsuits. The first batch of lawsuits is expected to go out by March 31, 2014 with 25 more weekly. Owners will have 72 hours to contact the DLBA and the hope is that they will either agree to rehab their properties with a signed agreement or turn over the title to the DLBA. The board was pleased with the update.

STANDING COMMITTEE REPORTS: Member Parnell-Shelton gave a brief overview of the **Community Engagement Committee** meeting and let the board know that three very sound base policies came out of the last meeting. Member Hosey reported that the **Finance Committee's** primary focus has been to secure lines of credit and projecting cash flow for the Hardest Hit Funds (HHF). He also introduced Michelle Story-Stewart as the DLBA's CFO. Member Lipa stated that the **Project Review Committee** has spent a lot of time working on the guidelines and policies for the disposition that include side lots, owner occupied properties and the general auction. The committee also had an opportunity to speak with the two construction hires, David Manardo and James Wright and found out that their backgrounds were suited for what the DLBA is doing.

TREASURER'S REPORT: Michelle Story-Stewart gave a financial update as of February 28, 2014 stating that the cash balance was \$711,000, a decrease of \$170,000 from January. This was a reflection of some NSP program expenses that had not been reimbursed yet. The accounts receivable totals were nearly \$790,000, most of which were NSP1 and NSP3 expenses.

The DLBA properties are valued at \$6.4 million and that includes the approximate 6,600 properties received from Wayne County and the City. Other assets and that of depreciation include about \$75,000 for furniture and equipment. Accounts payable total is \$291,000 reflecting payments due for property related costs, rent, administrative expenses, etc. The DLBA has \$4.2 million in deferred revenue which are monies owed from the City of Detroit. Financial activities show nearly \$346,000 being used of the \$1.5 million. Personnel costs of \$63,000 are above budget, and due to additional staff, have resulted in an increase in expenses due to the rental of the 28th floor for the additional staff. Professional fees are \$50,000 which includes accounting fees; \$9,000 is being covered by NSP1, 2 and 3; legal fees of \$7,000, consulting fees of \$13,000; and fundraising for \$8,000, along with property related expenses of \$173,000 for NSP3. With no questions for the CFO, the Treasurer's report was concluded.

UNFINISHED BUSINESS: Chairperson Ward Gerson addressed the DLBA's agreement with the Institute for Population Health (IHP) due to Juanita Jones being out ill. The concern of the board was not the service contract but the enormous fee of \$150,000. Regina Ryan, a research epidemiologist from the Institute for

Population Health spoke about the benefits they offer to our demolition team such as their Lead Department to address lead poisonings and a health conscious way of demolishing properties. Both parties agreed upon a negotiated fee of \$75,000 for their services. **Resolution 3-09-2014.**

Motion by: Member Richard Hosey to accept the service contract with IHP. Supported by Member Marsha Bruhn. MOTION APPROVED.

NEW BUSINESS: Chairperson Ward Gerson discovered that the DLBA is required to have a committee with the name audit in its title. She proposed to the board to change the name of Finance Committee to Finance and Audit Committee. **Resolution 3-01-2014.**

Motion by Member Richard Hosey to approve the Finance Committee name change to Finance and Audit Committee. Supported by Member Larry Lipa. MOTION APPROVED.

Executive Director Wiener brought to Chairperson Ward Gerson's attention that the Nuisance Abatement Team needed supervision and since the chairperson is also a lawyer, she volunteered to chair the Nuisance Abatement Committee. With that being said, Chairperson Ward Gerson called for a motion in support of this resolution. **Resolution 3-02-2014.**

Motion by Member Marsha Bruhn to adopt a resolution for the creation of the Nuisance Abatement Committee and a committee charter. Supported by: Member Richard Hosey. MOTION APPROVED.

Chairperson Ward Gerson continued the new business portion of the meeting with the Memorandum of Understanding (MOU) between the DLBA and David Manardo and James Wright. The concept being that professionals are needed to supervise all of the construction-demo activities in the city regardless of them being conducted by B SEED, P&DD, Fire escrow, or HHF. The Board was pleased with the expertise of Manardo and Wright. Chairperson Ward Gerson called for a motion of approval. **Resolution 3-03-2014.**

Motion by: Member Richard Hosey to adopt a resolution for the MOU between the DLBA and David Manardo and James Wright. Supported by: Member Larry Lipa. MOTION APPROVED.

The next item of new business was the Land Disposition Policies. Chairperson Ward Gerson requested Dekonti Mends-Cole, the Deputy Director of the DLBA to give a brief rundown of the three policies. **Resolution 3-04-2014.**

Dekonti explained the auction, side lot, and the acquired occupied properties policies. Chairperson Ward Gerson called for a motion of approval.

Motion by: Member Marsha Bruhn to adopt the three Disposition Policies. Supported by: Member Larry Lipa. MOTION APPROVED.

The next item of new business was the contract with Dandelion. Dekonti Mends-Cole explained that Dandelion is a marketing communications agency that would help build a website, develop branding, marketing and advertising around the auction website. Questions were asked of Dekonti by the board and answered accordingly. Chairperson Ward Gerson called for a motion of approval. **Resolution 3-05-2014.**

Motion by: Member Richard Hosey to adopt the resolution to hire Dandelion as the marketing communications agency for the auction website. Supported by: Member Patricia Pernel-Shelton. MOTION APPROVED.

The next item of business was the Resolutions establishing two lines of credit. One line of credit is from the Detroit Development Fund and the other from Enterprise Community Partners. Chairperson Ward Gerson asked board member Richard Hosey to address these items. Member Hosey explained that board resolutions are needed that empower the Executive Director to act on behalf of the board in matters associated with the credit lines. These lines of credit will be available for HHF if needed. Member Bruhn asked several questions which Chairperson Ward Gerson was able to answer and requested a motion to approve the line of credit with the Detroit Development Fund. **Resolution 3-07-2014.**

Motion by: Member Larry Lipa to adopt a resolution establishing a line of credit with the Detroit Development Fund for the DLBA. Supported by: Member Richard Hosey. MOTION APPROVED.

Chairperson Ward Gerson requested a motion to approve the line of credit with Enterprise. **Resolution 3-08-2014.**

Motion by: Member Larry Hosey to adopt a resolution establishing a line of credit with Enterprise Community Partners for the DLBA. Supported by: Member Larry Lipa. MOTION APPROVED.

The meeting was adjourned at 3:27 PM