



DETROIT LAND BANK AUTHORITY

Minutes of Board of Directors Meeting
January 21, 2014
65 Cadillac Square, Suite 3200

Authority Members Present

Erica Ward –Gerson
Marsha Bruhn
Richard Hosey
Patricia Pernell-Shelton

Authority Members Absent

Larry Lipa

Public Comment

None

Adoption of the Agenda

Ms. Ward-Gerson moved to amend the agenda to move the Audit report from Unfinished Business to the Treasurers Report and also to add an interview of the candidate for the Executive Director to the New Business section. Mr. Hosey made a motion to amend the agenda; seconded by Ms. Bruhn. The motion passed.

Approval of Minutes

Ms. Bruhn made a motion to approve the November and December minutes; seconded by Ms. Ward-Gerson. The motion passed.

Executive Directors Report

Ms. Johnson indicated that an overview of the agency and the status of various federal grants will be given by Ms. Jones during the Managing Directors Report. Ms. Johnson also welcomed the new Board and reviewed the agency mission to repurpose vacant, abandoned and foreclosed property. She also review the unique set of powers that the authority had by describing an ability to quiet title, suspend taxes and confer a brownfield designation for properties in the Land Bank and an ability to recapture 50% of the taxes for properties coming back on line for a five year period.

Treasurer Report

Ms. Bush introduced Jay Wilde from Alan Young and Assoc. to present the new Board with the results of the third agency audit. Mr. Wilde indicated that although the audit had a late start, the internal control structure, completeness of the information and the work of the finance staff made the job go very smoothly. He indicated the draft report was also presented at the December Board meeting and will be followed by another report, the Single Audit report, to be presented at a later Board meeting.

Mr. Wilde also indicated the Management Discussion section contained important information about the agency and summarized the key elements of the report. This section will be briefly updated to incorporate some revised information received in December. He also referred to p.7 of the Audit and reviewed the information there highlighting the two accounting methods used: modified accrual and full accrual. He went on to say the total agency assets are \$6.7 million, the liabilities are \$ 1.6 million and revenues exceeded expenses by about \$173,224. Mr. Wilde also talked about the various sections of the audit such as the notes section and the budgetary comparison schedule.

Ms. Ward-Gerson then asked about the timing of the audit given the June end of the fiscal year. Mr. Wilde pointed out the various circumstances that delayed the audit this year that should not be repeated next year.

Ms. Ward-Gerson made a motion to accept the audit; by approving:

[RESOLUTION 01-04-2014]-RESOLUTION ACCEPTING THE DETROIT LAND BANK AUTHORITY AUDIT FOR FISCAL YEAR 2013. Motion seconded by Ms. Bruhn and the motion passed.

Next Ms. Bush presented the December financial report. She indicated that approx. \$900,000 remained in cash down from the previous month due to the repayment of outstanding Lines of Credit, rent, and financing NSP3 receivables. Accounts receivables were about \$1.1mm due from the City of Detroit. Accounts payable were about \$58,000. Mr. Hosey asked about the restrictions on the \$1.5 mm grant from the city and are we in compliance. Ms. Bush indicated the funds are being spent as if they are unrestricted. If there are restrictions then another source of funding would be

needed. Ms. Ward-Gerson asked if there was a line of credit that could be used if it was determined later there are restrictions on the \$1.5mm. Ms. Bush indicated the \$2mm LISC Line of Credit previously awarded for NSP could be an option but would need to be renewed. She next presented the P&L Statement.

Ms. Bruhn asked about the contract for fund development services and if the contract was still in effect. Ms. Johnson indicated the contract terms she reviewed had terms that run through September, 2014.

Ms. Bruhn made a motion to accept the Treasurers Report; seconded by Ms. Pernell-Shelton. The motion passed.

Managing Directors Report

Ms. Jones gave an overview of the agency and current programs and their status. NSP allowed the agency to acquire 191 properties and renovate and sell 27 properties. Two others were renovated and are leased. The Hardest Hit Blight Program will allow for the demolition of thousands of properties in 6 target areas in partnership with the state land bank. She also described the new relationship with the Institute for Population Health and a focus on the interplay between demolition and lead poisoning. Ms. Jones then introduced the new staff

Mr. Hosey asked about the status of NSP3 and Ms. Jones indicated of the \$2.9mm awarded about \$1.2mm remains. She went on to discuss how DLBA acquired properties on behalf of the city then sold them to preselected developers for renovation. About 5 properties in Morningside are left to convey.

Ms. Jones also noted an unresolved issue is sufficient capital to complete renovation work on NSP properties acquired at the request of PDD. Program income, proceeds from home sales, could be an option, or the city could provide dedicated revenue from either Block Grant or the Home program to complete the work.

The issue of insuring the portfolio came up and the insurance policy expires in April. Ms. Bush indicated that NSP funds were used to prepay the insurance for that portion of the portfolio, about 160 properties and after April the cost will be about \$10,000 per month

Ms. Bruhn asked for more detail re: the HHF Blight Program and Ms. Jones indicated the amount of the contract and that all transactions were reimbursable; that DLBA partnered with the state land bank to act as a demolition program manager; that work would be bid out to a preselected list of survey and demo contractors and the cleared lots would be part of the DLBA portfolio. Next, she explained the DLBA would work with the leadership of the target areas for appropriate property disposition. Ms. Jones also discussed the potential to use the property maintenance line item as a resource to establish an in-house property maintenance unit. Ms. Bruhn asked if the basements will

be removed and Ms. Jones indicated generally yes unless the site is part of an ecological project to address storm water. Ms. Jones indicated she would provide her presentation to the Board via Dropbox.

New Business

ELECTION OF OFFICERS

Ms. Gerson-Ward was elected Chairperson; Ms. Bruhn was elected Vice-Chair and Secretary and Mr. Hosey was elected Treasurer.

Selection of DLBA Committees [RESOLUTION 01-01-2014]

Ms. Ward-Gerson indicated the roster of DLBA subcommittees should be: Finance, Project Review and the creation of a new one to work with the community, Community Engagement.

Mr. Hosey made a motion to adopt the resolution; seconded by Ms. Pernell-Shelton. The motion passed.

Committee Assignments

- Community Engagement: To be chaired by Ms. Pernell-Shelton and also serving will be Ms. Bruhn.
- Finance: To be chaired by Mr. Hosey and also serving will be Ms. Pernell-Shelton.
- Project Review: To be chaired by Mr. Lipa and also serving will be Ms. Bruhn.

Ms. Bruhn made a motion to support the committee assignments; seconded by Mr. Hosey. The motion passed.

DLBA BOARD MEETING SCHEDULE

Ms. Ward-Gerson proposed the 2014 Board meeting calendar to be as follows:

2014 Calendar

February 25	August 19
March 11	September 16
April 15	October 21
May 20	November 18
June 17	December 16
July 29	

Mr. Hosey made a motion to adopt the meeting schedule; seconded by Ms. Bruhn. The motion passed.

CONSIDERATION OF AMENDED AND RESTATED BY-LAWS AND ARTICLES OF INCORPORATION – [RESOLUTION 1-02 -2014]

Ms. Ward-Gerson introduced the item and indicated the most recent change in the Second Intergovernmental Agreement between the City of Detroit and the State Land Bank made it was necessary to amend the current DLBA By-Laws and the Articles of Incorporation. Ms. Bruhn made a motion to approve the Resolution; seconded by Mr. Hosey. The motion passed.

Ms. Bruhn asked if there was clarity regarding the terms of the new Board members appointed by the Mayor. Ms. Ward-Gerson indicated Corporation Counsel was sorting out the terms and preparing letters of appointment.

CONSIDERATION OF CORPORATE SIGNATORIES – [RESOLUTION 1-03-2014]

Ms. Ward-Gerson introduced the item and indicated the usual signatories on the DLBA corporate bank account are the Treasurer, Chair and Vice-Chair and two of the office holders have changed. This change requires new signatories and staff has recommended that to the Board. Mr. Hosey made a motion to adopt the resolution; seconded by Ms. Pernel-Shelton. The motion passed.

INTERVIEW OF EXECUTIVE DIRECTOR CANDIDATE

Ms. Ward-Gerson introduced Rick Wiener and asked that he share his background and why he is interested in the position. Mr. Wiener indicated that he was born and raised in Detroit and attended WSU and Detroit College of Law. He was a former school teacher and has been very involved in government. Mr. Wiener worked for the state legislature, was the chief of staff for Governor Granholm as well as the Michigan Director for congressman Levin. He shared he was enrolled in a Master's Program at Eastern Michigan University Historic Preservation

Mr. Wiener said he is interested in the position because of the role the DLBA would play in the rebuilding of Detroit by repurposing property and thereby rebuilding vibrant neighborhoods. In addition he indicated an awareness of the challenge presented and stated early priorities would include building the capacity of the organization, focusing the team and driving projects. He indicated the Mayor's vision for the DLBA is to be a driving force for removing blight through nuisance abatement activities. Lastly, Mr. Wiener indicated these types of challenges are very interesting and that is why he is interested in the position.

At the end of the interview Ms. Ward Gerson- asked and the Board agreed that it was time to move into closed session for the purpose of discussing the Executive Director position. Closed session started on or about 3:20 pm. Members of the staff and public

left the meeting and Burney Johnson and court reporter Wash remained to capture the discussion for the record.

Ms. Ward-Gerson made a motion to end the closed session; seconded by Mr. Hosey. The motion passed.

On or about 3:26 pm the Board returned to Open Session.

Ms. Ward - Gerson indicated consideration of **[RESOLUTION 1-05-2014]** AN EMPLOYMENT AGREEMENT WITH RICK WIENER TO SERVE AS THE EXECUTIVE DIRECTOR. Mr. Hosey made a motion to approve the resolution; seconded by Ms. Pernell-Shelton. The motion passed.

Mr. Wiener thanked the Board and asked for input from the Board on various agency issues.

Correspondence

Ms. Ward-Gerson indicated she received a letter from Mr. Lipa, who was traveling in Asia, endorsing the nomination for the Board officers and supporting Mr. Wiener for Executive Director.

Ms. Ward-Gerson asked for a motion to adjourn the meeting. Ms. Bruhn made the motion; seconded by Ms. Pernell-Shelton. The motion passed.

The meeting was adjourned at 3:40 pm.