

JACKSON COUNTY LAND BANK AUTHORITY
MEETING MINUTES
JUNE 18, 2009

PRESENT: COFFMAN, MAHONEY, KRUSE, SMITH, DUCKHAM, GUMBERT, MARTIN,
CUNNINGHAM,
VISITORS: Randy Treacher
ABSENT: FROUNFELKER, TAYLOR

Meeting called to order by Coffman at 7:32 a.m.

Public Comment: None.

Duckham inquired about the NSP application and the demolition dollars in the application. Discussion about the NSP1 and the

Approval of the Minutes The minutes dated May 21, 2009, were presented and reviewed. **Motion by Kruse, to accept the minutes from March 19, 2009, as presented, seconded by Duckham, PASSED.**

Policy Subcommittee update

- Coffman updated the board that the subcommittee has meet several times to discuss proposed changes.
- Additions to language in the working policies and procedures cite specific MCL and statutes to section 1 under Policies Governing the Acquisition of Properties.
- Discussion of additional language and first right of refusal process.

Motion by Gumbert, to strike the draft language “If the County were to purchase tax foreclosed properties for minimum bid, the County may then convey the property to the JCLBA, prior to auction, upon a resolution to that effect adopted by the County Board of Commissioners” from the Priorities, Policies and Procedures, **support by Mahoney. YEAS: Coffman, Mahoney, Kruse, Smith, Gumbert, Martin, Cunningham; NAYS: Duckham**

- Coffman updated that the subcommittee added a new section 11 Sale of Properties.
All properties owned by the JCLBA shall be posted on a website to include a picture, legal description, address, GIS mapping and details for the sale and transfer of property.
Available properties may be sold and transferred through a bidding process; through a listing with a contracted real estate agent or firm; through a JCLBA program such as the Side Lot Disposition program or other venue at the discretion of the JCLBA board. Each property shall indicate the specific details pertaining to the sale and transfer.
- Kruse stated that this language was added to ensure transparency in the process and that all persons would have equal opportunity and access to properties for sale with the Land Bank.

Motion by Cunningham, to accept and adopt the proposed language as presented, **support by Gumbert. PASSED.**

- Coffman indicated that the Sale of Rehabilitated Properties was changed to fit the new format. No language in this section was changed.
- Coffman read the proposed section 12 Contracting of Services.

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The JCLBA recognizes the need to contract for services from outside contractors including, but not limited to, marketing; real estate; title work; property rehabilitation; and property maintenance.

When a service is required, the JCLBA shall release a Request for Proposal (RFP) to a minimum of three (3) contractors, and if possible, located and operating a business within the County of Jackson. It is the preference of the JCLBA board that a minimum of three (3) sealed proposals be received by the Treasurer for each RFP. Sealed proposals shall be returned to the Jackson County Treasurer by the required date and opened at a public meeting of the JCLBA. At the discretion of the JCLBA, at this meeting or another public meeting, it will decide whether to award the contract, and if so, which contractor shall receive the award.

If the preference to require three sealed bids is not used, then the procurement process for services will follow the County of Jackson purchasing policy to allow free and open competition.

If three bids can not be obtained for a requested service, the remaining bid will be deemed a 'sole source' bid for such particular service. Documentation supporting this shall be placed on file.

Motion by Cunningham, to accept and adopt the proposed language as presented, **support by Mahoney**.
YEAS: Coffman, Mahoney, Kruse, Smith, Gumbert, Martin, Cunningham; NAYS: Duckham

- Duckham inquired about the RFP process. He expressed concern about an asbestos assessment and abatement.
- Discussion about the contracting of the demolition of structures.
- Coffman updated that the subcommittee added a new section 13 Policies Concerning Ethics and Conflicts of Interest

A. General Policies and Expectations

By the terms of the Intergovernmental Agreement creating the Jackson County Land Bank Authority, Authority Board Members are considered public servants, subject to the applicable state laws on ethics and conflicts of interest. As such, the Jackson County Land Bank adopts the following Code of Ethics.

The ethical Land Bank member will:

- Properly administer the affairs of the Land Bank Authority
- Promote decisions which only benefit the public interest
- Actively promote public confidence in the Land Bank Authority
- Keep safe all funds and other properties in the Land Bank
- Conduct and perform the duties of the office diligently and promptly dispose of the business of the Land Bank
- Evaluate all decisions so that the best service or product is obtained at a minimal cost without sacrificing quality fiscal responsibility
- Include the prestige of the office into everyday dealings with the public, employees and associates

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- Effectively and efficiently work with governmental agencies, political subdivisions and other organizations in order to further the interest of the Land Bank
- Faithfully comply with all laws, regulations and policies applicable to the Land Bank Authority and impartially apply them to everyone.

An ethical Land Bank member will not:

- Engage in outside interests that are not compatible with the impartial and objective performance of his or her duties
- Improperly influence or attempt to influence others to act in his or her own benefit
- Solicit or accept anything of value from any source which is offered to influence his or her actions as a public official.
- Seek or accept personal gain or profit, directly or indirectly, which would influence or appear to influence, the conduct of his or her official duties
- Engage in a business transaction in which the he or she may profit from his or her official position, or benefit financially from confidential information obtained because of his or her official position
- Use public property or resources for personal or political gain

B. Policies on Conflicts of Interest

Land Bank Authority members will actively avoid the appearance or the fact of conflicting interests.

1. Disclosure of potential conflicts

Before a Board member, staff or paid consultant begins his or her service with the JCLBA, he or she shall file with the Chairperson of the JCLBA, a list of his or her principal business activities, as well as involvement with other charitable and business organizations, or with any other associations that might produce a conflict of interest.

In addition to the disclosure required by the previous disclosure, each member, staff or consultant, is under an obligation to the JCLBA, and to the community served, to inform the JCLBA of any position he or she holds or of any activity that may result in a possible conflict of interest or bias for or against an action or policy, at the time such action or policy is under consideration by the JCLBA. Any possible conflict of interest shall be disclosed to the Chairperson of the JCLBA and made a matter of record as soon as the issue in question is raised and a possible conflict is known.

When the Authority, committee or staff to decide an issue about which the member has an unavoidable conflict, that member shall physically absent herself or himself without comment from not only the vote, but also from the deliberation, unless directly requested by the Chairperson to provide factual information or answer factual questions that may assist the Authority or Committee in making a wise decision. In no case shall the member vote on such a matter or attempt to exert personal influence on the vote.

2. Conflicts of interest in contracting.

The JCLBA will follow the state law prohibition, in general, that a public servant will not be a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or

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she is an officer or employee. MCL 15.322. the general prohibition does not apply to a public servant who is paid for working an average of 25 hours per week or less for the JCLBA.

The exceptions to this general prohibition, for negotiating or approving public contracts, found in MCL 15.323 will be allowed for JCLBA members, staff or paid consultants.

If there is a potential conflict of interest in soliciting, negotiating or approving a contract, that must be disclosed following the state law requirements.

- Disclosure will be in writing to the Chairperson of the JCLBA at least 7 days prior to the meeting at which a vote on the action takes place.
- Disclosure will be made in public
- Disclosure will include the value and nature of the direct benefit to the public servant
- If it is not possible to disclose the potential conflict in writing 7 days prior to the vote, the vote must be approved by 2/3 or more of the Authority membership, without the vote of the public servant making the disclosure.
- Minutes of the meeting will contain the name of each party to the contract, the terms of the contract and the nature of the pecuniary interest in question.
- The limited exception to these disclosure requirements for some emergency repair circumstances, allowed by state law (MCL 15.323(2)(a), are also permitted.
- Cunningham inquired about the two parcels of interest. Kruse stated that the new additions to the policies and procedures outline this concern.
- Duckham inquired if the fact that he hauls materials from demolition, if this would be a conflict of interest. Disclosure needs to be done.

Motion by Mahoney, to accept and adopt proposed language as presented, **support by Cunningham**.
PASSED.

- Coffman stated that she will be previewing the entire document with added language to ensure the notations such as JCLBA are consistent throughout. There are also previous motions to be adopted as policy that need to be added to this document.
- Cunningham expressed thanks to the subcommittee for their time and efforts.

Neighborhood Stabilization Program update

- Coffman updated the board that there is another application process ongoing for Neighborhood Stabilization Program 2. The specific minimums for this competitive application process include an investment of \$5 million dollars with the commitment to produce a minimum of 100 units.
- Coffman updated the board of the teleconference with MSHDA about their proposed consortium with the Land Banks throughout the State of Michigan. MSHDA would be the lead applicant for these federal dollars. Specifics were discussed.
- The application process is fast and furious. Target areas need to be determined by Friday and then site visits would take place next week.
- Discussion about possible target areas.
- This consortium specifically addresses the concern of land banks that may not have the capacity to meet those \$5 million minimum of 100 units.

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- Criteria have to be met by census tracts and policy map data.
- Kruse inquired about MSHDA being the lead applicant and how those dollars will be dispersed.
- Martin shared some of the difficulties that the City of Detroit has experienced with the application of the NSP2.

Motion by Mahoney, to pursue further investigation of the MSHDA consortium to determine whether or not JCLBA should join for the application for NSP2, **supported by Duckham. PASSED.**

- Coffman updated the board that she had met with Carol Konieczki from Community Development and the discussion led to demolition of 6 land bank houses that will be demolished utilizing NSP1 dollars. Those include: 229 West Biddle, 126 W Wilkins, 704 Page, 1709 S Milwaukee, 345 W Morrell, 1422 Cooper. Final clearances need to be obtained through HUD to determine if these properties qualify.
- Gumbert expressed frustration of lack of progress of the board. She questioned why properties aren't being moved, she wants to reduce the inventory.
- Martin suggested that we look at the inventory and plan accordingly. Michigan is downsizing and we have had to evolve in our philosophy.
- Cunningham expressed that we do need to move inventory now because times are not going to get better anytime soon.
- Duckham suggested that we should talk about a plan how to deal with these foreclosed properties.
- Gumbert suggested putting an ad in the paper of available properties from the inventory.
- Martin talked about the Good Neighbor program and the vision and the reality.

Motion by Gumbert, to reduce the asking price of 1407 Cooper to \$19,900, **supported by Mahoney. PASSED.**

Next meeting is scheduled for Thursday, July 17th @ 7:30 am, room 101 Jackson County Tower Building.