

A regular meeting of the Leelanau County Land Bank Authority was held on Tuesday, February 16, 2021 at the Government Center.

The meeting was called to order at 9:00 am by Chairman Gallagher, who led the Pledge of Allegiance.

ROLL CALL

Members Present

(Government Center): J. Gallagher, T. Galla, C. Janik, R. Isphording, T. Wessell

Members Present

(ZOOM): D. Heinz – Bingham Township, R. Foster-Leelanau Township

Public Present: None

APPROVAL OF AGENDA

Motion by Janik, seconded by Isphording to approve the agenda as presented. Motion carried 7-0.

APPROVAL OF JANUARY 19, 2021 MINUTES

Heinz proposed the following changes:

Page 2 of the minutes, at the top, it should read: "Heinz proposed adding the words 'affordable housing' after the word promote on Item 1 and then mentioned asking the County Board for financing."

Page 2 under Bylaws and Policies & Procedures Review, the word 'council' should be 'Counsel'.

Page 3 in the middle of the first large paragraph, delete the word 'they' at the end of the sentence.

Page 5 under Member/Chair Comments add the word 'housing' after 'affordable'.

Motion by Wessell, seconded by Janik to approve the minutes as corrected. Motion Carried 6-0. Foster abstained as he did not have the complete set of minutes in his printout.

PUBLIC COMMENT

Janik announced the phone number for public comment. There were no public comments.

UNFINISHED BUSINESS - None

DISCUSSION / ACTION ITEMS

1. Bylaws and Policies & Procedures Approval

Galla gave a brief update on the documents and the changes proposed by Corporate Counsel.

Gallagher said to his knowledge, being the elected official and representing the County Treasurer, he is bonded and that bond carries over to his duties here at the Land Bank. As the Land Bank was designed as a foreclosure tool for Treasurers, he thinks the bond covers the Land Bank. He wondered if the County Treasurer were not the Chair, would the Land Bank need to seek its own bond.

Heinz suggested incorporating the language from Corporate Counsel on page 7, Item 10.2 where the bond is discussed. A sentence could be added at the end that says "as an alternative, the security bond may be obtained by the county at the county's expense."

Gallagher asked what the purpose was for having the County bear the expense of the bond, instead of the Land Bank. Heinz replied he did not see it on the books and records that we are paying for it, even though the bylaws say we should. Gallagher said the County currently pays his bond through the General Fund. He recommended it state the bond could be paid by the County or the Land Bank.

Galla asked how much the bond cost, and who is covered by it. Gallagher answered it is aggregated and all elected officials are covered. For him, it is a \$1 million coverage. Galla replied that would cover Gallagher, but what about the rest of the members? Gallagher stated it covers the duties of the Treasurer's office and he was told that includes the Land Bank.

Isphording asked if it covered the County Treasurer and the Land Bank Treasurer. He felt it should cover every member. Janik suggested we check with the Michigan Municipal Risk Management Authority (MMRMA) to see if we are covered. Gallagher said he would follow up and get clarity on how his bond interacts with the Land Bank.

Heinz said his suggested wording was what the attorney suggested. We need to know if the county's bond is all inclusive of the members of the Land Bank, and if the Brownfield is covered. The bylaws make it sound like the Land Bank is the one to get the bond for at least \$100,000 and reflect it on the books of the corporation, which is the Land Bank. Gallagher said it was never brought up during the audit. We are audited every year. We are a component unit of the county government so it is a footnote in our annual audit. Heinz said he understood that the Land Bank is part of the single audit but the bylaws say the Land Bank has to get an audit and Land Bank members have to form an audit committee. He is trying to clarify. Gallagher felt we could reduce and redact the document because we are a component unit and for the past 12 years or so since Land Bank was established it was always incorporated into the county's General Audit. We could eliminate the need for a special audit or single audit and remove that there needs to be an audit committee.

Heinz suggested adding language at the end of Section 11.5 from our attorney: 'As an alternative, the county and its auditing committee may assume the auditing responsibilities if the Land Bank is included in the county's audit.'

Heinz commented on Treasurer, Item 7.6. The attorney is suggesting language that the Land Bank Treasurer has the responsibility. Under a. and b. of Item 7.6, add language in a few places to reflect that "the Land Bank Treasurer is responsible". In reality, the County Treasurer and his office do this work. Gallagher added it is not just for this body, but for all funds including the road commission and senior services. The only one he doesn't do is the Brownfield because they elected not to have him on the account. Heinz said Gallagher is responsible for millions of dollars of property taxes so why not be responsible for the \$40-\$50,000 in the Land Bank. However, the attorney says it is the Land Bank Treasurer that is responsible. Evidently the attorney feels there should be a segregation of these two. Gallagher drew attention to past practice, then stated he has no objection to the proposed changes.

Galla stated she was fine with the proposed changes. We need to get a clean copy and make sure the attorney has a copy to confirm we have all the changes.

Motion by Janik, seconded by Isphording to get a clean copy to the attorney for review and bring back in March for full adoption. Motion carried 7-0.

Heinz requested a correction under Programmatic, #1 of the Goals. Galla will correct for the final version.

2. Marek Road property discussion

Gallagher stated the Marek Road Request for Proposals (RFP) has been drafted but is not ready for distribution. Galla asked if members should see the document before it is sent out. Janik added we have never approved RFPs at the county level and this body can accept or reject bids when they come in. He suggested just sending a copy of the RFP to all members. Gallagher stated the previous owners contacted him and requested to purchase the property back. They said because of oversight and miscommunication they lost the property to tax foreclosure and would like the opportunity to buy it back. He did not include it in today's meeting packet because we did not

have the RFP to review and weigh all our options. He expressed concern about setting a precedent if we consider selling back to owners who lost property due to tax foreclosure. He commented on the new property tax act amendments that have been approved by the Senate and Department of Treasury. We did quiet title on this property. The owner may still be able to recoup monies as the amended property tax act allows, however; transfer of the property itself was for minimum bid which was back taxes. There was no gain to the county Treasurer's office for transfer of the property.

Janik said the previous owners can submit a proposal when the RFP goes out. We can consider any and all proposals.

Galla asked if the RFP was just to purchase the property or are we looking for any restrictions to keep it affordable. Gallagher said it was just to purchase. We will make the determination on who is awarded the property.

Wessell asked if a motion was needed. Gallagher responded the RFP will be published and have a due date. Bids will be opened and then presented at the next meeting. Janik added there is always a clause in the RFPs that we have a right to reject or accept any or all bids.

Isphording asked about interested parties and Gallagher replied he has a non-profit that is interested in it for affordable housing, a realtor, previous owner, and a neighbor all interested in the property. It is all up to this board as to what we want to see there and what is the best use of the property. Isphording asked if the Land Bank will review the proposals and make a decision and Gallagher replied, yes.

Wessell commented on the goal of the Land Bank. Galla asked if previous owners are aware of the RFP process and Gallagher replied, yes. Gallagher said his goal would be to work with Galla and get the RFP released this week and then bring bids to the Land Bank in March.

Claims & Accounts – none

Post Audit - none

Correspondence/Communication Items – a copy of the 2021 Goals was included in the agenda packet.

Public Comment

Phone number was announced for public comment. There were no public comments.

Member/Chair Comments

None

ADJOURNMENT

Motion by Wessell, seconded by Heinz to adjourn. Meeting adjourned at 9:35 am.