

**STEBEN COUNTY LAND BANK CORPORATION**

*Wednesday, May 31, 2017*

*9:00 a.m.*

*Legislative Committee Room  
Steuben County Office Building  
Bath, New York*

**\*\*MINUTES\*\***

**PRESENT:** Scott J. Van Etten, Chair, Legislator, District 13  
Joseph J. Hauryski, Vice Chair, Legislator, District 8  
William VonHagn, Mayor, Village of Bath  
Pat Donnelly, Steuben County Commissioner of Finance  
Jack K. Wheeler, Steuben County Manager  
Shawn D. Hogan, Mayor, City of Hornell

**OTHERS:** Mitchell Alger, Steuben County Deputy County Manager  
Jennifer Prossick, Steuben County Deputy County Attorney  
Kelly H. Fitzpatrick, Legislator, District 13  
K. Michael Hanna, Legislator, District 5  
Jeff Eaton, Executive Director, Arbor Development  
Amanda Keith, Arbor Development

**ABSENT:** Mark Ryckman, Corning City Manager

**I. CALL TO ORDER**

Mr. Van Etten called the meeting to order at 9:00 a.m. and led the Pledge of Allegiance.

**II. APPROVAL OF MINUTES**

**MOTION: APPROVING THE MINUTES OF THE APRIL 26, 2017, MEETING MADE BY MR. DONNELLY. SECONDED BY MR. HAURYSKI. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**III. COMMITTEE ASSIGNMENTS**

**MOTION: APPOINTING MEMBERS TO THE FOLLOWING COMMITTEES: AUDIT/FINANCE COMMITTEE: PAT DONNELLY, CHAIR, MARK RYCKMAN, VICE CHAIR AND SCOTT VAN ETEN; GOVERNANCE COMMITTEE: JACK WHEELER, CHAIR; JOE HAURYSKI, VICE CHAIR; AND SHAWN HOGAN MADE BY MAYOR HOGAN. SECONDED BY MR. WHEELER. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**IV. ACTION ITEMS**

A. **RFP Results – Management Services Contract** – Mr. Alger informed the committee they received one response from Arbor Development for \$62,000 for two years, which came in below what we had budgeted. He recommended awarding the RFP to Arbor Development to handle the day-to-day management of the organization. Mr. Wheeler commented their response was in line with the scope of work we had discussed at our last meeting. This will be a great partnership.

**MOTION: AWARDING THE REQUEST FOR PROPOSALS FOR MANAGEMENT SERVICES CONTRACT TO SOLE BIDDER, ARBOR DEVELOPMENT, FOR \$62,000 FOR TWO YEARS MADE BY MAYOR HOGAN. SECONDED BY MR. HAURYSKI. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

B. **RFP Results – Legal Services** – Mr. Alger informed the committee they received three responses. He distributed a summary of those responses. Most of the work will deal with the closings on properties that we are acquiring. He stated that in talking with the Law Department, the Law Department will handle what they are comfortable doing. Anything else that would be a potential conflict would be handled through this RFP. The proposal of \$13,000 per year from Jacqueline Mohrman is all-inclusive. The second proposal from Whiteman, Osterman & Hanna is in conjunction with Jeff Squires who will be handling the closings at a rate of \$500 per closing and an hourly rate of \$200 after that. The unique thing about this proposal is the larger firm that he is partnering with has done work with at least one other land bank and Mr. Squires can refer specific issues to them. He would recommend awarding to Whiteman, Osterman, & Hanna.

**MOTION: AWARDING THE REQUEST FOR PROPOSAL FOR LEGAL SERVICES TO WHITEMAN, OSTERMAN & HANNA, LLP IN CONJUNCTION WITH JEFF SQUIRES WHO WILL BE PERFORMING THE CLOSINGS MADE BY MR. DONNELLY. SECONDED BY MR. WHEELER. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

Mayor VonHagn asked do you have an idea of the number of properties we will be dealing with? Mr. Alger replied we have estimated eight to ten properties over two years. Mr. Van Etten asked when we acquire a property into the land bank, does this attorney handle it or the Law Department? Ms. Prossick replied it will be a joint effort. Mr. Donnelly explained if the property is coming out of the tax foreclosures, it will come out of our office.

C. **Conflict of Interest Policy**

**MOTION: ADOPTING THE CONFLICT OF INTEREST POLICY AS PRESENTED MADE BY MAYOR VONHAGN. SECONDED BY MR. HAURYSKI. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

Mayor Hogan suggested that the members sign off on the policy and have it filed.

*Secretary's Note: The members of the committee signed the Conflict of Interest Policy and copies will be kept in the meeting file in the Clerk of the Legislature's Office. Mr. Ryckman, who was not in attendance, will be sent a copy of the policy for his signature and subsequent filing.*

D. **Internal Controls Policy** – Mr. Donnelly commented they inquired about adding another entity to the existing Sunguard Software that the County uses; however, it is not cost effective. He stated that the Finance Office may purchase QuickBooks to be used for this organization.

**MOTION: ADOPTING THE INTERNAL CONTROLS POLICY AS PRESENTED MADE BY MR. HAURYSKI. SECONDED BY MAYOR HOGAN. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

E. **Authorization to Join Land Bank Association** – Mr. Alger requested authorization for this organization to join the New York State Land Bank Association. The annual cost is \$1,500. He has been working with the association and participating in conference calls, so it may be worthwhile to join. The Association does lobby for State legislation that is pertinent to the land banks. In his discussions with the Association, they may be able to prorate our cost for the first year of membership.

**MOTION: AUTHORIZING MR. ALGER, ON BEHALF OF THE STEUBEN COUNTY LAND BANK CORPORATION, TO JOIN THE NEW YORK STATE LAND BANK ASSOCIATION WITH ANNUAL DUES OF \$1,500 MADE BY MR. DONNELLY. SECONDED BY MR. WHEELER. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

V. **ITEMS FOR NEXT MONTH**

A. **RFP Results – Insurance/Indemnification** – Mr. Alger informed the committee that they should be sending the RFP out this week. One of the issues we are encountering is that some of the land banks across the State have

seen high premiums because of New York's Scaffold Law. Some of the land banks are paying as much as \$30,000 annually. We should have the responses ready for review for next month's meeting.

Mr. Van Etten commented he would think we would have two kinds of insurance; one on each property we own and refurbish, and another for liability. Could we just buy a homeowners policy on the properties as we get them? Mayor Hogan commented perhaps you could roll it under the County's policy and/or if the property is in a specific community, see if they could roll the insurance into their own. However, we may be crossing too many lines to do that. Mr. Donnelly stated the County has a blanket policy that covers the foreclosures.

Mr. Alger stated we had looked at various options, but we are a corporation and therefore, not the same as the County. We wanted to look at doing a rider on the County's policy, but our TPA was not receptive to that. He commented as part of our disbursement agreement/grant agreement, we need to show proof of insurance. We are waiting on our Certificate of Good Standing from the Department of State. After we get the certificate, he will submit the paperwork we need and once we get our insurance, then that will be sent out separately.

**B. Application for Recognition of Tax-Exempt Status with IRS** – Mr. Alger stated Ms. Prossick and Mr. Donnelly are working on the application for tax-exempt status that the IRS requires.

**C. Procurement Policy/Budget** – Mr. Alger stated he also will be continuing to work on a procurement policy over the next month or so. He stated that he would like to work with Arbor Development on developing a budget and adopting project budgets.

Mr. Van Etten asked when do we actually start the process of identifying and acquiring properties and who will do that? Mr. Alger replied we will work with Arbor Development on that. He stated that his focus has been on getting the infrastructure pieces in place. Mr. Donnelly commented that he would like to have the sale booklets ready within a couple of weeks. We have 130 properties; however, we do not know how many are occupied. Mr. Hauryski asked how do we get the word out to the communities as far as having knowledge of properties? Mr. Donnelly replied we need to reach out to the code officers. Mayor VonHagn asked could we include information in the County Newsletter? Mr. Wheeler replied we can include it in the next issue of the County Newsletter. Mr. Van Etten stated it is a good idea as a lot of them do not know. Mr. Wheeler stated he will work with Arbor and the Law Department on the best way to word it in the Newsletter.

Mayor Hogan stated with regard to a property inventory, the City of Hornell did a community self-assessment. He showed the committee a map depicting foreclosed, zombie properties and vacant owned properties. We have 36 verified zombie properties that are registered at the State. Our vacant owned properties are still under ownership, but some are also included in this year's tax sale. This map only shows the City of Hornell, but the problem is widespread. He stated he is in the process of proposing a Local Law on vacant commercial properties. We have an interest in renting those properties, but the owners are not interested in renting. Most of the commercial properties are owned by entities outside the City. He would like to pass a Local Law that each year a building stays vacant, we will add a special assessment to it. The vacant buildings have to be looked at with more scrutiny as there are issues with public safety. Under the Local Law, the owners would have to have a viable plan for the building. For each year they do not, they would have a progressive special assessment. He is trying to get a legal opinion to determine if they legally can do this.

Mr. Van Etten asked an assessment on a vacant property isn't less? Mayor Hogan replied not really. If the owner does not apply for tax relief, they will pay the same amount of taxes as if it were occupied. He stated we all need to get more serious in our code enforcement. That is the best investment we can make in our communities. Mr. Van Etten commented the State law that goes after zombie properties is helping to fight blight. Discussion followed.

## **VI. OTHER BUSINESS**

**A. Next Meeting** – The next meeting will be held on Wednesday, June 28, 2017, at 9:00 a.m. in the Legislative Committee Room.

**MOTION: TO ADJOURN MADE BY MAYOR VONHAGN. SECONDED BY MR. WHEELER. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

Respectfully Submitted by

Amanda L. Chapman  
Deputy Clerk  
Steuben County Legislature