



## TROY COMMUNITY LAND BANK

### FINANCE COMMITTEE MEETING MINUTES

Monday October 01, 2018

8:30 AM

200 Broadway, Suite 701

Troy, NY 12180

#### Agenda:

- I. Call to Order
- II. Roll Call
- III. Approval of Minutes
- IV. Treasurer's Report
- V. Bowers Transition
- VI. Discuss Compliance/Progress on Funding Contract/Audit
- VII. Discuss Working Capital Loan
- VIII. Discuss Other Possible Funding Sources
- IX. Adjourn Meeting

I. **Call to Order**

Committee Chair Sharon Nichols called the meeting to order at 8:36 AM and conducted attendance roll call.

II. **Roll Call**

Committee Attendees:

Sharon Nichols, Committee Chair

John Cubit

Bruce Dee

John Carmello

Staff Attendees:

Tony Tozzi, Exec. Dir.

Mr. Tozzi agreed to prepare minutes for this meeting.

III. **Approval of Minutes**

Chair Nichols asked if anyone would like to make a motion to approve the August 19, 2018 meeting minutes, and noted that no meeting minutes were drafted for September because no September meeting was conducted.

Mr. Dee made a motion to approve the August 19, 2018 meeting minutes as drafted, which was seconded by Mr. Carmello.

Chair Nichols asked if there was a need for discussion. No discussion occurred.

Chair Nichols called the vote. The motion to approve the August 19, 2018 meeting minutes was unanimously passed.

#### **IV. Treasurer's Report**

Chair Nichols noted that the 990 is required to be submitted to the IRS by November 15<sup>th</sup>, and asked Mr. Tozzi who will be involved to prepare the information required. Mr. Tozzi replied that Bowers & Company should be working with him to complete the 990 and CHAR because they are now the TCLB's accountant.

Mr. Dee asked what a 990 was and Chair Nichols explained that it is essentially an informational filing required by the IRS, and NYS, for all not-for-profit organizations. She stated that the volume of information required depended generally on the size of the NFP organization, and Mr. Cubit mentioned that his 990 form is only about the size of a postcard. Chair Nichols stated that all 990's can be accessed and that she believed the website address was guidestar.org.

Chair Nichols suggested to Mr. Tozzi that he contact Mike Fallon to make him aware that Bowers will be completing the form, and Mr. Tozzi indicated he would do so.

Chair Nichols also asked who would be producing monthly financials and Mr. Tozzi replied that Bowers would be. He stated that he asked Mike Fallon to produce financial for the Board of Directors September meeting, but at that point in time further access to TCLB accounts was needed for Bowers to be able to. Mr. Tozzi indicated that Mr. Fallon has been provided access to the TCLB's QuickBooks, Paychex and banking accounts, and can now prepare the monthly financials.

Mr. Tozzi was asked by Ms. Nichols how things were progressing regarding the deliverables that the TCLB is responsible to implement. He replied that we will demolish five buildings, which is one more than required, that we will come close to meeting requirements for other deliverables but likely to fall a bit short on a few or take more time to complete some deliverables. He stated that the TCLB is likely to fall the furthest short on acquisition of property, and that we will receive four buildings through the City's tax foreclosure process where at least six were anticipated to be acquired.

Mr. Dee asked why the TCLB was not acquiring as many buildings as it had been, and Mr. Tozzi replied that the TCLB usually takes the 'worst of the worst' properties, and that in North Central the number of 'worst' buildings had reduced due to the work of the TCLB and others. Mr. Dee replied that having an insufficient number of properties could pose a very serious problem. Mr. Tozzi agreed and indicated that Mr. Gregg Tobin/Prime Properties stated that he has been speaking to his associates and that they expect to be speaking with some banks to obtain property donations. Mr. Carmello stated that bank donations also

come with some funding.

Mr. Tozzi said that he was hoping to speak with the City to identify other properties which the TCLB may acquire from them, and to begin to discuss opportunities for the TCLB to have 'first look' privileges, such that if a property is available that fits the TCLB's mission, it could be acquired prior to being placed on the tax foreclosure auction list. Mr. Tozzi was asked why that was not included in the newly negotiated MOU with the City and he replied that obtaining City Council authorization for amendments in the MOU that would provide bonus points in the Round 4 application to the EC was a pressing need, and that the City Council took action the night before the application submittal deadline.

Mr. Tozzi stated that it can be difficult to get the City's attention for new ideas such as the 'first look' idea, and several committee members strongly encouraged him to keep the idea moving forward. Mr. Dee indicated that it might be additionally productive to engage City Council members, rather than just City staff, and that he would be willing to reach out to a Council member. Mr. Tozzi agreed to be more persistent.

Chair Nichols asked how we have become more successful selling property than in the past, and whether the TCLB's real estate consultant was a factor. Mr. Tozzi replied that some of the success has been due to sheer luck, but that listing properties in the MLS seems to have made a significant positive impact.

Mr. Cubit and Mr. Dee asked Mr. Tozzi if developing a Land Bank Master Plan would be useful. Mr. Tozzi replied that it certainly would be for a number of reasons. Mr. Cubit suggested that such a master plan begin this year and Mr. Tozzi replied that he had a concern that the timeline might be too aggressive given how much attention will be needed with the River Street RFP and renovation projects, and with the vacant lot fire sale. After further dialogue it was agreed that an action timeline be developed so organization of master plan development could be established.

No action was taken or needed regarding this agenda item.

**V. Bowers Transition**

Chair Nichols asked Mr. Tozzi to report on the status of the transition of accounting and bookkeeping services to Bowers & Company. She noted that she understood that the transition was occurring slower than would ordinarily be expected, because Mr. Tozzi was busy with completing the CRI III 2<sup>nd</sup> Quarter report and because he was also busy preparing the CRI IV grant funding application.

Mr. Tozzi reported that his primary point of contact with Bowers is Mike Fallon, and that they had a good phone meeting about two weeks ago. He stated that Mr. Fallon was helpful to walk through the 'Bill.com' portal, and that the conversation was very helpful to better understand how to use the portal.

Mr. Tozzi also stated that he has asked Mr. Fallon to prepare the quarterly reports required to be submitted to the Enterprise Community, which Mr. Fallon said they would do. Mr. Tozzi also described some budget work he will have Mr. Fallon assist with, which was an

accounting that the last expense paid from CRI II funds, which was also the first expense paid from CRI III funds, to show both funding sources were appropriately recorded. Mr. Tozzi also mentioned that the actual payment of the subject expense was initially paid from the TCLB reserves bank account, not from CRI funds, because the Enterprise Community was very late to provide a first disbursement in 2018, in early May. Mr. Tozzi stated that, when they last spoke, Mr. Fallon discussed that invoices are now able to be paid through the Bill.com portal. Mr. Tozzi replied that he preferred to begin using Bill.com when expenses are paid in the 4<sup>th</sup> quarter, so that there is a clean break between the process that had been used and the new Bill.com process.

Mr. Tozzi reported that the low bid to raze four buildings is \$189,000, which is substantially higher than was budgeted for. However, one of these buildings, 3235 Seventh Avenue, may come off the demolition list because a rental investor is interested to purchase the building and renovate it. Mr. Carmello asked what the cost was to raze 3235, and Mr. Tozzi replied that the bids were lump sum but that a ballpark estimate was about \$55,000, and that it would be the most expensive of the four.

Mr. Dee lamented the high cost of demolition. Mr. Tozzi agreed, but also stated that the TCLB has a co-development agreement with TRIP such that TRIP will provide the TCLB with full reimbursement for the costs to raze 61-63 Ingalls Avenue and 443 Tenth Street, which would be revenue that would increase the reserves bank account balance.

Mr. Tozzi reported that the person interested to renovate 3235 Seventh Avenue stated that one of his colleagues had an interest in 29 Park Avenue, a 3-unit building on a large lot at the corner of Park and Craigen Avenues, which had a severely deteriorating brick foundation. The person interested in the property is a mason.

No action was taken or needed regarding this agenda item.

**VI. Discuss Compliance/Progress on Funding Contract/Audit**

Chair Nichols asked Mr. Tozzi how the relationship with the Enterprise Community was, and what the status was of the 2<sup>nd</sup> quarter report. Mr. Tozzi replied that the 2<sup>nd</sup> quarter report, and a budget amendment request, was submitted to Tania Beghini/Enterprise Community, in early September, but that Ms. Beghini does not seem to have reviewed the submitted information. Mr. Tozzi stated that the relationship with Ms. Beghini seemed comfortable and he indicated that statements she had made to him inferred that she was frustrated, at least in part, because the number of Land Banks she is responsible for approximately doubled this year. Subsequently, Ms. Beghini's workload is far greater than it was in 2017, so her need to have all land banks submit their quarterly reports accurately and on time is important for her to maintain productivity.

Mr. Tozzi stated that the 3<sup>rd</sup> quarter report is now due and that he intentionally submitted all required information last night, taking care to ensure its accuracy, so that Ms. Beghini notices the change.

No action was taken or needed regarding this agenda item.

**VII. Discuss Other Possible Funding Sources:**

Mr. Tozzi stated that he and Chris Brown had met with representatives of the Community Loan Fund twice, primarily to discuss obtaining capital funding for the renovations of 791 and 899 River Street, and that the CLF seemed very interested to partner with the TCLB, and also seemed very comfortable to work with. He mentioned that when bids are received from the 899/791 renovation RFP, the TCLB would have known financial amounts, and that would be the time to formally move forward with an application to the CLF.

Mr. Tozzi indicated that both the CLF and the Enterprise Community will require a proforma to be submitted, that the EC proforma appeared to him to be very detailed and that he would likely need assistance to complete it so that it is accurate and timely. Chair Nichols asked what length of time the EC wanted the proforma to cover, and Mr. Tozzi replied that he wasn't positive but that it might be ten years.

Mr. Cubit stated that an organization titled 'Building Material Reuse Institute' (BMRI) may be of benefit to the TCLB. He described that BMRI has developed technical material related to building deconstruction and other similarly related activities, and that they are also a potential grant source that could be used for staffing, consultant engagements, projects, etc. He described a project that the Syracuse Land Bank involving the deconstruction of one building that provided building materials for nine other buildings. Syracuse partnered with BMRI for this project and the net result was that the cost to rehabilitate 9 buildings was only \$1,000 more per building than originally projected, which enabled the rehab work to use materials generally identical to the materials taken from the deconstruction building, and the materials were put to use rather than taking up landfill space. He also noted that the U.S. EPA will be developing standards for building deconstruction in the near future.

Mr. Cubit also stated that beginning in 2019 the City of Troy will be charging haulers a fee to remove building demolition materials to outside the City, and that the TCLB can expect the cost to raze buildings to increase a few thousand dollars.

**VIII. Adjournment:**

Chair Nichols asked if any meeting participants would like to discuss any other matters.

There being none, Chair Nichols motioned to adjourn the meeting at 9:41, which was seconded by Mr. Carmello. The Committee unanimously voted to adjourn.

---

**Meeting Outcomes:**

1. Circulate Q3 report and related info - Tozzi
2. Develop activity schedule for Land Bank Master Plan & discuss with Kate - Tozzi
3. Move conversations forward with the City regarding 'first look' and other potential ways to acquire property - Tozzi
4. Alert Bowers (early) that 990 needs to be completed by Nov. 15th - Tozzi
5. Circulate proforma provided by Enterprise Community - Tozzi