

Finger Lakes Regional Land Bank Corporation

February 22, 2021 at 3:00 pm

**Heroes 9-11-01 Conference Room or
Conference Call/GoToMeeting.com**

- Directors Present:** Jill Henry, Frank Sinicropi
- Directors Remotely Present:** Don Northrup, Kyle Barnhart, Melissa Nesbit, Bob Hayssen
- Directors Absent:** Cindy Garlick Lorenzetti
- Staff:** Joe McGrath, Amanda Forney
- Other Attendees:** Patrick Morrell, Michael Scaglione, Mitchell Rowe

1. Called to order at 3:04 pm by Chairperson Frank Sinicropi. A quorum was present.
2. Frank Sinicropi called for a motion to approve the minutes from the meeting of January 26, 2021. The motion was made by Don Northrup and seconded by Kyle Barnhart. Motion approved 6-0.
3. **Discussion on Land Bank Properties and Tax Levies:**

Mr. Sinicropi moved the new business of the agenda to the front of the meeting and opened the floor to discussion of the property tax exemption issue. Mr. McGrath explained that over the last few years, there have been issues with the tax rolls and the tax exempt status of the Land Bank. During the recent closing of the Varick properties, it became apparent that the Land Bank was on the tax rolls and showing that the Land Bank owed money due to tax bills not being paid.

Mr. McGrath stated that each year he received these tax bills and brought them to the Real Property Tax office to get the issue resolved. He believed these bills were being taken care of and that the tax exempt status would kick in. Mr. McGrath explained that because the issue was not resolved, it needs to be brought to the Seneca County Board of Supervisors by resolution to ensure that the tax exempt status is put in place and that overpayment by Seneca County is corrected.

Mr. Rowe stated that he spoke briefly with Mr. Ettman and was not sure if or how Seneca County will try to recoup the approximately \$50,000 that the County paid to make the taxes whole. Mr. Rowe stated that he was not aware of this particular issue and requested that he be notified in the future when problems like these arise.

Mr. Sinicropi stated that the Governance Committee will ensure the Land Bank will issue a letter to the Real Property Tax Director, town assessor, and town tax collectors any time

properties are acquired. Mr. Sinicropi stated that the By-laws will be amended to require this procedure. If the tax exempt status is not resolved following the letter, the issue will be brought to the County Manager. Mr. Sinicropi will work with the attorney for the Land Bank and letters will be attached to the deed for now.

Mr. McGrath stated each year they are required by PAAA compliance to review the Land Bank policies, which includes the acquisition policy that can be updated to include sending these letters. If there is not a confirmation that the tax status of new acquisitions is updated correctly, the issue can be escalated to ensure this issue does not occur again.

Mr. Morrell explained that this will be an ongoing issue going forward for the remaining properties that the Land Bank currently owns. Mr. Morrell believes this can be resolved but it will create issues in the transfer of the properties. Once a property gets a tax delinquency, it creates a title problem that needs to be resolved before the transfer occurs. Getting this squared up with the assessors is going to be the most efficient method going forward. Mr. Morrell stated that a policy should be able to address this problem in the future. He spoke with Mr. David Ettman, County Attorney, about the process and what the Seneca County Board of Supervisors will need to do to address these anticipated issues. It was stated that the amount of money should not cause any problems, regardless of the decision made to resolve this matter. Mr. Morrell believes that if credits are issued, there should not be too much of an issue.

Mr. Sinicropi stated that Mr. McGrath is often in the Treasurer's office looking into the properties that are left to go into foreclosure. By April 1st, Mr. McGrath can determine which properties are likely to be acquired by the Land Bank. David Ettman, County Attorney, will then review and submit to the judge. The judge puts the property in the County's name and ownership takes place immediately. At that point, letters could be sent out to the appropriate parties.

Mr. McGrath stated that the judge gives the judgment directly prior to the auction of properties. The County has titles to properties that are foreclosed upon for one day until they are transferred to new owners by auction. Instead of these particular properties going to the auction, they will go to the Land Bank. That one day period is the period in which the notifications would need to be sent to the appropriate parties to notify them of their tax exemption.

4. Resolutions:

- **21-10 Authorizing Pre-Possession Agreement for 16 Barker**

Jill Henry made a motion and Kyle Barnhart seconded. Motion approved 5-0.

Mr. McGrath stated that the Land Bank has been working towards closing with Habitat for Humanity and their attorney. The rehab of this property is finished but the closing has taken some time. Mr. McGrath explained that due to current housing issues, the partner family of Habitat for Humanity is requesting to sign a pre-possession agreement to allow them to move in prior to closing. Mr. McGrath believed they were working with Seneca Housing to participate in a mortgage program with HUD. The family will have to occupy the house for a year before being approved for a mortgage. The Land Bank

would also receive rental fees under this agreement. Mr. McGrath believes this is the best scenario given that the family will be able to move in to the house while the closing procedure is completed.

Melissa Nesbit confirmed that the family is required to live in the house for a year before becoming official homeowners. Ms. Nesbit stated that this agreement would be important, as time is ticking down for the family's current rental property.

Patrick Morrell stated that the agreement is straightforward and is a fairly standard practice in real estate in this scenario. It gives the family the ability to move into this home and it does not create a landlord-tenant relationship.

Melissa Nesbit abstained from voting due to Seneca Housing Inc. involvement with the partner family.

- **21-11 Appoint Attorney for FLRLBC**
Frank Sinicropi made a motion and Melissa Nesbit seconded. Motion approved 6-0.
- **21-12 Appoint Accounting Firm for FLRLBC**
Jill Henry made a motion and Frank Sinicropi seconded. Motion approved 6-0.

Mr. McGrath stated that this accounting firm is Bowers & Associates out of Syracuse, NY. The Land Bank began using this firm after a previous audit. The Land Bank received notice that the bookkeeping capabilities needed to be increased. This firm serves other land banks and also helps with PAAA compliance. Mr. McGrath stated that he has been happy with their services, speaking with them two or three times per week by phone or email. Mr. McGrath also stated that he is more confident than previously with the accuracy of the Land Bank's bookkeeping.

- **21-13 Establish Regular Meeting Schedule for 2021**
Frank Sinicropi made a motion and Jill Henry seconded. Motion approved 6-0.

Mr. McGrath stated that the board is looking at the 4th Monday of the month being the new meeting day. The meetings would begin at 3 pm. This change was made to ensure that the Land Bank attorney can attend and also to make it easier for people to join remotely.

5. CEO/Presidents Update & Discussion Items:

- **Introduction of new CFO/Treasurer**
Mr. McGrath introduced Michael Scaglione as the new CFO of the Land Bank. He explained that they have some experience together working with the Seneca County Planning Board. Mr. McGrath noted that he always had great questions to ask and believes that Michael cares a lot about details and community service.

Mr. Scaglione stated that he was born in Seneca County and has resided here his whole life. He is currently Vice President of the Bank of the Finger Lakes in Geneva, NY.

- **Presentation to BOS at February 23rd meeting**

Mr. McGrath wanted to make it known that he is giving a presentation at the Board of Supervisors meeting on February 23, 2021. Every year, it is required that a report be given to the municipality. Mr. McGrath submits the information and slideshow to the state as well. Since there are new Board members this year, he wanted to give a history of the Land Bank, how we got here, why we are here, and success stories in his presentation. He will also be including the Habitat for Humanity projects, 2021 projects, demolitions, and tax acquisitions.

- **Successful Sale of Route 89 Properties and Repayment of County Loan**

Mr. McGrath informed members that the closing and sale of the Route 89 properties was complete. The mortgage will be held by the Land Bank and the owners are required to demolish the structure within 12 months. If the structure is not demolished within 12 months, the mortgage will be enforced. Mr. McGrath stated that the buyers went to Florida and are expected back in late March with the intention of beginning work.

Mr. McGrath stated that the closing price was \$52,500. In 2019, the Land Bank received a CDBG loan from Seneca County for \$120,000 to clean up these properties. Mr. McGrath stated that about \$15,000 was used from that loan and that \$15,000 from the sale will be used to repay the county. Mr. McGrath thanked Patrick Morrell for his help, the Board members for their patience, and to everyone else for their support.

- **Ongoing Annual Audit Progress**

Mr. McGrath reminded members that the audit is in progress currently. The auditing firm is Bonadio, which is the same firm that is used by Seneca County. The audit is being held remotely, so there is a lot more back and forth as opposed to site visits and manual testing. Documents are scanned and sent upon request. Mr. McGrath expects the audit to be done within the next week or so and will receive a draft to bring to the audit committee. This will be sent to the Board of Directors at the end of March and upon approval, it will be sent to audit compliance.

- **PAAA Duties - Governance Committee Review of Policies**

Mr. McGrath stated that the Governance Committee and Audit Committee is served by Jill Henry, Frank Sinicropi, and Melissa Nesbit. They are required to review certain sets of policies adopted by the Land Bank or public authority each year. We spoke about updating the acquisition policy to ensure notification of title transfers are sent to the correct authorities. Mr. McGrath stated that a Governance Committee and Audit Committee meeting can be scheduled together prior to the March 22, 2021 Land Bank meeting.

6. CFO Report:

Frank Sinicropi made a motion and Melissa Nesbit seconded. Motion approved 6-0.

Mr. McGrath stated that since this is Mr. Scaglione's first meeting, he could give the report today and any input from Mr. Scaglione would be welcomed. Mr. McGrath went through each account, stating the description and balance of each.

Mr. McGrath stated that some bigger land banks that can more properties more consistently like to see that. They can tell whether or not they are up or down in terms of revenue on that end. They base the structure of their reports off of work they have done with other land banks.

7. New Business:

Mr. McGrath explained to the board that there may be expanded grant funding coming from the federal government for land banks. Bills may be added to a COVID relief fund or a future bill that supports land banks nationwide. The New York Land Bank Association is very involved in advocating and there may be additional advocacy needed at our level to reach out to NY Congressman Tom Reed.

Mr. Sinicropi sent out a letter as the chairperson of this board about these bills and funding, but we are still working on details for a time that we can advocate more effectively. A zoom call was scheduled with the Congressman's office and Mr. McGrath is hoping to have Mr. Sinicropi join this meeting. Tom Reed has 7 land banks in his district, so Mr. McGrath is hopeful that this Land Bank can do something to help this cause and increase funding for this program. Mr. McGrath stated that he will send out more information as he receives it.

8. Consideration of Executive Session:

None

9. Adjourn:

Mr. McGrath stated that the next meeting will be March 22, 2021 at 3 pm.

The Meeting was adjourned at 3:44 pm.

Respectfully Submitted,

Amanda Forney
Staff Resources Assistant
Seneca County Department of Planning and Community Development