

SEPTEMBER 21, 2020 REGULAR MEETING

Ingham County Land Bank Zoom Meeting

Virtually Meeting held via Zoom

<https://us02web.zoom.us/j/85808236395?pwd=NTVzREFia3EzZmRpOXJWajZyZjIxdz09>

By Phone: 1 929 205 6099 US (New York)

Meeting ID: 858 0823 6395

Passcode: 084902

September 21, 2020 – 4:30 p.m.

**CALL TO ORDER**

Chairperson Schertzing called the September 21, 2020 Regular Meeting of the Ingham County Land Bank to order at 4:30 p.m., held virtually in accordance with the Governor's Executive Order 2020-154 Regarding the Open Meetings Act.

Members Present: Schertzing, Grebner, Frischman, Crenshaw

Members Absent: Slaughter

Others Present: Tim Perrone, Alan Fox, David Burns, Roxanne Case

**APPROVAL OF THE MINUTES**

MINUTES OF AUGUST 17, 2020 ACCEPTED AND STAND AS AMENDED.

**ADDITIONS TO THE AGENDA**

None

**LIMITED PUBLIC COMMENT**

None

1. Commercial

A. Sale Status report

David Burns stated that the Land Bank, MEDC, and the Developer are working on joint agreements to administer the \$100,000 grant for pre-development, architecture and engineering expenses for the former bottling plant. David stated that we received an offer on the Worthington Place vacant property in Leslie. David also stated that the Land Bank was working on a potential buyer for the vacant commercial lot on 923 W Saginaw.

Commissioner Crenshaw asked about the status of the old Leslie High School. David stated that we had been working with the MEDC but they had to pull out early in the process. Director Case added that the City of Leslie recently became a non-CDBG targeted city, and therefore, less funds would be available. To order to reinstate

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CDBG status, the City of Leslie will need to complete a survey of their residents, and that would be a process that would take much time and energy.

Director Case stated that the old general store in Bell Oak, north of Webberville is getting closer to demolition. Director Case has been working with EGLE for a couple years, and EGLE has finally obtained approval. They have bid it out and have chosen a contractor. Demolition should occur yet this year.

**2. Residential**

A. List of Properties - Sold & In Progress, August 2020

David Burns stated that we have sold one of the condos listed on the “in-progress” section of the list, since this packet was put together and emailed out.

**3. Administration**

A. Accounts Payable – August 2020

COMMISSION CRENSHAW MOVED TO APPROVE. DIRECTOR FRISCHMAN SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

B. Resolution to Adopt a Transfer of the 401(k) through Paychex to a 457 with MERS (Municipal Employees’ Retirement System of Michigan)

COMMISSIONER CRENSHAW MOVED TO APPROVE AS AMENDED. COMMISSIONER GREBNER SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

**RESOLUTION TO ADOPT A TRANSFER OF THE 401(K) THROUGH PAYCHEX TO A 457 WITH MERS  
(MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN)**

**RESOLUTION 20-13**

**WHEREAS**, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, (the Act) establishes the State Land Bank Fast Track Authority; and

**WHEREAS**, the Act allows a foreclosing governmental unit to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Land Bank") to exercise those functions; and

**WHEREAS**, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

**WHEREAS**, the Ingham County Land Bank set up a 401(k) Plan in 2015, where employees have been contributing to a retirement saving program. As a governmental entity, the Land Bank should not be in a 401(k) and therefore needs to transition participating contributions to an eligible government approve program, such as a 457; and

**WHEREAS**, the Land Bank connected with the Municipal Employees' Retirement System (MERS) and hired Fraser Trebilcock Law Firm to sort through the legal ramifications and corrections. Proper steps must be taken to transition the funds to a 457. There are 4 basic steps: 1) Design and adopt a MERS 457 Plan for current and future contributions, 2) Freeze contributions to the 401(k) effective the day prior to starting the 457, 3) Submit a filing to the IRS through their Voluntary Correction Program, requesting approval of correction with a \$1500 application fee, 4) Transfer the frozen 401(k) monies into the 457 Plan, after the IRS approves. The whole process may take 8-12 weeks to be completed. The goal is to freeze the 401(k) Plan with the last contribution day of the payroll ending October 30, 2020, and begin new contributions with MERS on October 31, 2020; and

**WHEREAS**, the Land Bank intends to adopt a Uniform 457 Supplement Retirement Program through MERS to encourage participating employees to contribute to a retirement savings. If future Land Bank budgets allow, then the Land Bank will match or contribute to employees' contributions through a MERS Deferred Compensation Plan.

**THEREFORE BE IT RESOLVED**, the Land Bank Board of Directors agrees to complete the steps listed above and authorizes the Executive Director to execute contracts and participation agreements with MERS. The Board of Directors also authorizes the filing to the IRS for the Voluntary Correction Program through the assistance of Fraser Trebilcock Law Firm.

AYE: Schertzing, Grebner, Crenshaw, Frischman

NAY: None

Approved 9/21/2020

Absent: Slaughter

THE MOTION CARRIED UNANIMOUSLY.

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Director Case stated that as mentioned in previous meetings, the Land Bank should not be in a 401(k), as a unit of government. To correct this plan, there are 4 steps listed in the Resolution that will need to take place. The whole process will take 8-12 weeks, and we're hoping we can have this all completed by the end of the year. Most likely because our budget is going to be so tight next year, that matching staff contributions will not be an option.

### C. Communication from Executive Director

The Land Bank, during the setup of NSP and the hiring of staff, started paying into unemployment. The Land Bank wasn't really quite sure how to set up the program, because it was all so new for us and for MSHDA who was administering it through HUD. Technically, since we're a unit of govt, we are exempt and shouldn't pay into unemployment. So we sent in amendments to the IRS to correct this for the last 8-10 years. It's been quite a big project and a huge time factor. During this process and through many calls with the IRS, Director Case found out that we had some debt with the IRS that was outstanding. We sent out a check last week, along with some other documentation and filings that they required. I'm still working on getting us listed as exempt. For the IRS to approve us as exempt, they are requiring us to complete a Letter of Ruling process that will be a long process and costly because we'll need attorneys to complete. I've requested Eric to see if we can get some political clout to help us make the IRS understand that we are a local unit of govt.

Commissioner Grebner asked what the rough totals were of the amended returns that the Land Bank filed. Director Case stated that it was only \$300-500 per year that would be returned.

Director Case stated she is working on Budget 2021; it is going to be tight next year. First draft will be presented in October's board meeting. The new budget year is a good time to bring in our new financial contract hire, Kristy Moore.

November 1<sup>st</sup> marks the 15<sup>th</sup> anniversary of the Land Bank. Since the Covid, we are delaying the celebration until next year. However, we are planning a news story, may be a press release, some social media, flyers, and email announcements.

### D. Legal

Tim Perrone stated that we still have the one land contract forfeiture matter that is pending from earlier this year, and that we are still waiting on a court date. Mr. Perrone also stated that he helped the Land Bank with extending a reverter deadline on an As-Is sale from last year.

Chairperson Schertzing stated that Mr. Boortz reached out to him in regards to getting an extension on his deadline on 414 Baker St. Director Case stated that he has not reached out to Land Bank staff, but can't see why the deadline wouldn't be extended.

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4. Limited public comment

None

5. Adjournment

Chairperson Schertzing adjourned the meeting at 4:50pm.