



Minutes

Greater Syracuse Property Development Corporation

FINANCE COMMITTEE MEETING

Wednesday, October 14, 2015, 8:00 AM

431 E. Fayette Street, Suite 375

Syracuse, NY 13202

Committee Members Present: Daniel Barnaba, Dwight Hicks, Jim Corbett

Others Present: Katelyn Wright, Pat Stanczyk, Ben Gray

I. Call to order

Dan Barnaba called the meeting to order at 8:03 AM.

II. Roll Call

Mr. Barnaba noted that all committee members were present.

III. Proof of Notice

Mr. Barnaba confirmed that property notice of the meeting had been posted.

IV. New Business

A. Amend 2015 Budget

Ms. Wright and Mr. Stanczyk outlined proposed amendments to the 2015 budget, most of which were a reduction in costs due to slower than anticipated pace of acquisitions via foreclosure. In addition they recommended reduction in Attorney General grant income and a corresponding reduction in Renovation and Demolition expense as production of AG funded units was running behind schedule in 2015. After some discussion Jim Corbett moved to propose that the full board adopt the proposed 2015 budget amendment. Dwight Hicks seconded this motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY VOTED TO RECOMMEND THE FULL BOARD ADOPT THE PROPOSED 2015 BUDGET AMENDMENT.**

B. Adopt 2016-2019 Budget

Ms. Wright explained that an adopted budget must be submitted to the Authorities Budget Office (ABO) 60 days prior to the start of their fiscal year (10/31 in our case). She and Mr. Stanczyk walked the committee through the proposed budget line by line, explaining that it incorporates recent discussions about bringing property management in-house and so eliminates certain expenses such as intake inspections, and increases payroll costs in anticipation of two new hires. Ms. Wright presented a projection of overall savings that would be derived from bringing these functions in-house. Mr. Barnaba asked who these employees would report to and Ms. Wright indicated that they would report to Mr. Gray and work under his supervision as the Director of Property Management. Mr. Gray summarized his past experience in similar supervisory roles. Mr. Corbett and Mr. Barnaba asked about what safety procedures and protocols would be in place and Mr. Barnaba recommended the Land Bank consider adopting a safety manual similar to his at Eldan Homes; Ms. Wright noted that this was still being researched but that, for example, Opportunity HeadQuarters' employees do not climb ladders and any work from heights is contracted out as a risk reduction policy. All committee members indicated that they would want to see more detail about the insurance implications, but that they generally supported bringing these functions in-house and supported the Land Bank issuing job listings to fill these positions in advance of the current property management contract expiring 12/31. Mr. Barnaba continued the conversation, inquiring about ways the Land Bank might reduce other expenses such as real estate closings and bookkeeping.

Jim Corbett moved to recommend the full board adopt the proposed 2016-19 budget. Mr. Hicks seconded this motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY VOTED TO RECOMMEND THE FULL BOARD ADOPT THE PROPOSED 2016-19 BUDGET.**

V. Discussion

- **In House Property Management**

This item was discussed concurrently with the 2016-19 budget above.

- **\$1 house program**

Ms. Wright noted that the 2016-19 budget reviewed earlier included a line item for expense associated with this proposed program, which would entail a small stipend for \$1 house purchasers to fund \$10,000 in essential renovations needed by that particular property, in addition to marketing expense for the program and possible full renovation of a nearby multi-unit property. The committee agreed that the program itself and these expenditures would warrant discussion at a later date, but that it made sense to keep the item in the budget.

- **Sales Concerns**

Ms. Wright noted that numerous City officials have expressed concern that low-price land bank sales are driving down comps or at least the perception of comparable values in City neighborhoods and the year over year average sales price reported each week in the Post Standard. She explained that the current brokerage contracts with listing brokers run through May 2016. The committee discussed the fact that the MLS provides a good venue to advertise available properties, but that participation in the MLS means these low sales prices will be recorded and included in averages. All agreed the issue required further research and that options for the coming year included bringing sales in-house and/or no longer utilizing the MLS to promote listings. Mr. Hicks strongly recommended that the Land Bank continue to utilize the MLS and entice buyers agents to bring buyers to these properties.

VI. Adjournment

Jim Corbett moved to adjourn the meeting. Mr. Barnaba seconded this motion. All committee members present unanimously agreed to adjourn the meeting at 10:35 AM.