Meeting Minutes:  This document states the minutes before the Omaha Municipal Land Bank Board at their Public Hearing and Administrative meeting held on Wednesday, March 11, 2015.

Certification of Publication:  Omaha Municipal Land Bank Board Administrator certifies publication of this agenda in the Daily Record, the official newspaper of the City of Omaha on Wednesday, March 4, 2015.

Members Present:  
Tom McLeay, Chairman  
Jamie Berglund, Vice Chair  
Spencer Danner  
Ken Johnson  
Cathy Lang  
Randy Lenhoff  
Scott Semrad  
John Heine  
James Thele, Planning Director

Members Not Present:  
Diane Battiato  
Mike Riedmann  
Julia Plucker  
Julie Stavneak

Staff Present:  
Jennifer Taylor, City Law Department  
Debbie Hightower, Recording Secretary
PUBLIC MEETING:

Tom McLeay, Chair, called the meeting to order at 9:00 am, introduced the voting and non-voting board members, as well as the City staff. He stated that the Nebraska Open Meetings Law is in effect and a copy is available in the room for review.

Roll call was taken with 9 board members present (Diane Battiato, Mike Riedmann, Julia Plucker and Julie Stavneak were absent).

McLeay informed the public that a notice of the meeting was published on March 4, 2015 and was verified by Debbie Hightower, Recording Secretary. He stated that copies of the agenda are located in the back of the room and went on to explain the procedures of the meeting.

Motion by Jamie Berglund to approve the minutes from the February 11, 2015 meeting. Randy Lenhoff seconded the motion.

AYES: Berglund, Johnson, Danner, Lenhoff, Semrad, Lang, McLeay
MOTION CARRIED: 7-0

Lang stated that the Policy and Procedures Sub-Committee met on March 2nd and took all comments into consideration and reviewed all procedures for the six policies. The committee recommends approval of the policies as submitted. She stated that there may be a conversation relating to some potential statutory consistency issues and there may be a need to pursue legislation in the future to make revisions. Lang further stated that there was an issue in the flexibility in the amount of the automatically accepted bid as related to the three criteria on page two of Policy No. 1 (Automatically Accepted Bid). Policy No. 2 (Sale of Property): The amount of $50,000 for sale of property was left as is. Policy No. 3 (Ethical Guidelines and Conflict of Interest Rules): The policy can be revised at a later date. Policy No. 4 (Reporting Requirements): The due date for the report by statute is December 31st but the year-end for the Land Bank is December 31st. There will be a request to the legislature to move the reporting date to January 31st to allow time to prepare a report. Policy No. 5 (Public Engagement): The basic premise of public engagement was set out but will grow over time. Policy No. 6 (Relationship with LRC of the County of Douglas): The committee met with Dave Schreiner from the LRC but the policy was left as drafted.

Motion by Cathy Lang to approve Policies 1-6 as drafted. Randy Lenhoff seconded the motion.

AYES: Berglund, Johnson, Danner, Lenhoff, Semrad, Lang, McLeay
MOTION CARRIED: 7-0

Lenhoff recommended amending the motion to revise the amount from $50,000.00 to $25,000.00 in Policy No. 2. Berglund agreed.

Motion by Randy Lenhoff to approve the policies and procedures as amended: Policy No. 2, a) and b) to be reduced to $25,000.00. Ken Johnson seconded the motion.

AYES: Johnson, Danner, Lenhoff, Semrad, Lang, Berglund, McLeay
MOTION CARRIED: 7-0
Omaha Municipal Land Bank Board
Meeting Minutes – March 11, 2015

Semrad reported that the Executive Director Search Committee met on March 5th and discussed the process in hiring a search firm to create a larger pool of candidates. He stated that a search firm would need to be identified but the potential lead sources will be from the board of directors, Center for Community Progress and the Chamber of Commerce. Semrad further stated that Mutual of Omaha has volunteered their human resources department to recommend the best search firm to use. He stated that a search firm should be selected by the next meeting.

Berglund added that one of the donors who are contributing an unknown amount has stated that a portion of that donation could be used for a search firm but it could also be used in other ways besides the cost of a search firm. Semrad stated that the estimated cost of a search firm would be approximately $50-60,000.00. Berglund further stated that a search firm is usually about 30% of salary plus travel expenses.

Lenhoff stated that time is of the essence to get the process moving as quickly as possible. Danner questioned if the search firm would need to be paid if a candidate is selected from the initial pool of candidates. Semrad agreed that the initial pool of candidates would need to be excluded from the agreement with a search firm.

Motion by Cathy Lang to allow the Executive Director Search Committee to work with Mutual of Omaha in the review and recommendation of a search firm and to negotiate a provision with the search firm regarding the fee for the selection of a candidate from the initial pool. Randy Lenhoff seconded the motion.

Johnson questioned why the search firm should be compensated if the Executive Director is not chosen from the search firm’s candidates. Lang stated that a search firm should be compensated because they would assure that there is complete exposure regarding the search. Semrad agreed that there should be an agreement with the search firm.

In response to Heine, Semrad stated that the goal is to have several qualified candidates by the May meeting.

AYES: Danner, Lenhoff, Semrad, Lang, Berglund, Johnson, McLeay
MOTION CARRIED: 7-0

McLeay stated that a grant agreement, drafted by the City of Omaha, is an agreement between the Land Bank and the City of Omaha where the City of Omaha agrees to provide funding to the Land Bank in the amount of $150,000.00 for 2015. Lenhoff questioned the timing of the December 31st year-end report as stated in the agreement. Jennifer Taylor, City Law Department, answered that the grant agreement states that the Land Bank will be required to submit a report to the City Grant Administrator by July 31st and at that point in time the second half would be disbursed automatically. She further stated that future years can be discussed and negotiated with regard to possible grant agreements. The first disbursement will be issued after the City Council approves the grant agreement.

Motion by Randy Lenhoff to approve the grant agreement. Cathy Lang seconded the motion.
Berglund indicated that an operations budget needs to be in place to secure financial resources/donors. She suggested creating a draft budget that the board could agree upon and that a formal process can be formed once an Executive Director is in place. McLeay pointed out that the philanthropic community is questioning the amount of money needed. Lang asked if other land banks would have a sample or actual budgets that the board could use to make reasonable decisions about certain items. Berglund verified that an operations budget would need to be submitted by the April 8th meeting in order to submit a grant application which is due by April 15th. McLeay asked Lang and Lenhoff to review the past draft budget and provide input at the next board meeting. Berglund agreed to email the past draft budget to Lang and Lenhoff. McLeay further stated that the finance committee will meet and address the budget before the next board meeting.

McLeay suggested extinguishing the Policy and Procedures and By-Laws committees. Johnson pointed out that there will be more discussions with regard to policy and procedures. Lang commented that the Executive Director will most likely be in charge once hired. Danner suggested keeping the committee in place until the Executive Director is on board.

McLeay stated he has been doing research on the exact status of the land bank regarding the 501(c)(3) designation. A 501(c)(3) is a federal designation and is controlled by the federal code and whether an entity is a not-for-profit and can therefore receive donations that are tax exempt under the federal tax code. He further explained that the law is not crystal clear and the distinction becomes between whether the entity is considered an instrumentality of the State or not an instrumentality of the State. The City of Omaha and the State of Nebraska do not pay federal income taxes because they are an instrumentality of the State but the Land Bank is not clearly an instrumentality of the State, not a subdivision of the City of Omaha but a creation of State Statute and subsequent City ordinance. In looking through the law, it appears that the Land Bank would not be, by the Federal government, considered an instrumentality of the State, therefore the Land Bank can apply to the Federal government for a 501(c)(3) designation. Of course, the importance of the designation is for the philanthropic community who wants to donate to the land bank and if decided by the Federal government that the land bank has a charitable purpose and is not an instrumentality of the State, then the land bank can seek the designation. McLeay stated that he believes it would be a wise course to seek the designation because there have been a number of inquiries by the philanthropic community with regard to the 501(c)(3) designation. He further stated that the tax attorneys of McGrath North Law Firm have agreed to submit the application on behalf of the land bank, pro bono. Danner added that applying for the 501(c)(3) is a lengthy process. McLeay further added that filing for the 501(c)(3) would be helpful from the foundation’s standpoint by having a government information letter that confirms that the application has been filed.

Motion by Jamie Berglund to authorize McGrath North Law Firm to represent the Land Bank in the application process for the 501(c)(3). Randy Lenhoff seconded the motion.
Johnson added that the Land Bank is independent and McGrath North would need to know that there is no legal relationship.

AYES:  Semrad, Lang, Berglund, Johnson, Danner, Lenhoff, McLeay
MOTION CARRIED: 7-0

Berglund reported that there have been many great conversations with potential donors including familiar foundations and individuals. The operations budget is estimated at $450-500,000.00. She further added that there is one philanthropic individual leading the charge to secure donations. Berglund asked that the board be a resource to expand the fund development strategy. She further stated that a volunteer is needed to complete the grant application for The Peter Kiewit Foundation which is due by April 15th. Lang volunteered to assist with grant applications.

McLeay asked that the board members be more engaged and aware of opportunities for funding for the Land Bank. He further stated that the upcoming training session is scheduled for March 13th, 2015 at Mammel Hall 100 on the UNO South Campus.

Lang pointed out that Senator Mello is reviewing two minor changes to the Land Bank statutes: 1) Sec. 19-52.18 regarding default bid provision and Sec. 19-52.17 regarding the sale of tax delinquent properties through tax certificates, and 2) change the reporting date from December 31st to January 31st.

There were no public comments.

It was the consensus of the Board to adjourn the meeting at 10:00am.

Debbie Hightower, Planning Department
Recording Secretary