

Board of Directors Meeting

August 11, 2016

3:30 p.m.

Agenda

1. Roll Call
2. Public Comment
3. Approval of Minutes for the Meeting of July 14, 2016
4. Updates
 - JMT Contract
 - Property Transfers (summary attached)
 - Board of Ethics Advisory Opinion) (attached)
5. Approval of FY 17 Operating Budget
6. Amendment to Contract with Drexel University – Andrea Saah
7. Amendment to Contract with Drexel University – Fellows Program
8. Adjournment

This meeting is open to the public

PHILADELPHIA LAND BANK

BOARD MEETING MINUTES

A meeting of the Board of Directors of the Philadelphia Land Bank was held on Thursday, July 14, 2016 commencing at 3:30 p.m. in the offices of the Philadelphia Housing Development Corporation, being its regular meeting place, 17th Floor, 1234 Market Street, Philadelphia, Pennsylvania, pursuant to proper notices.

CALL TO ORDER

Ms. Rashid called the meeting to order at 3:40 p.m.

Ms. Rashid announced to the public that prior to today's Open Session, the Board conducted an Executive Session to discuss a personnel matter.

Agenda Item 1 **Roll Call**

The following members of the Board of Directors reported present: Majeedah Rashid, Chair; Paul L. Badger, Jr., Vice Chair (*arrived after roll call*); Jennifer Kates, Secretary; Anjali Chainani (*left at 3:50 p.m.*); Deborah McColloch, Treasurer; Nora Lichtash; Angel Rodriguez; Jennifer Rodriguez; Herbert Wetzel and Courtney Voss.

The following member of the Board of Directors was not present: Christian Dunbar.

The following staff members were present: Nicholas Scafidi, Esq., Tania Nikolic, Christi Jackson, Beau Bradley, Victoria Welch and Paul Chrystie. Cathy Califano, Office of Planning and Development, was also in attendance.

Public Attendees: The list of public attendees is attached to these minutes.

A quorum of directors was present and the meeting, having been duly convened, was ready to proceed with business.

Agenda Item 2 **Public Comment**

Ms. Rashid asked if any member of the public wished to comment upon any item on the Board's agenda.

Ms. Rashid recognized Mr. Ron Holt who asked when properties would be available for sale to the public. Mr. Scafidi responded that almost 4,000 properties have been priced below \$50,000

and are available for sale through the PhillyLandWorks website. Another 1,000 properties are available for prices above \$50,000.

Ms. Rashid recognized Ms. Christina Wills who wanted to know the protocol once Expressions of Interest are submitted. She stated that she has received no response. Mr. Scafidi advised her to send her Expressions of Interest directly to him and he will respond to her.

Ms. Rashid recognized Ms. Vandelyn Leach who commented that she was unable to log-in to the website and inquired about properties noted as "unavailable." Mr. Scafidi stated that properties are listed as unavailable if they are actively in use by public agencies or are being reserved for specific public projects. Mr. Bradley stated that he would assist Ms. Leach with any log-in issues.

Agenda Item 3
Approval of Board Minutes

Board Action

Ms. Rashid called for a motion to approve the minutes of the Board meeting of June 9, 2016.

Upon motion made and duly seconded, the minutes of June 9, 2016 were approved as presented.

Agenda Item 4
Appointment of Interim Executive Director

Mr. Scafidi recommended the appointment of Ms. Tania Nikolic to become the Interim Executive Director of the Philadelphia Land Bank. Mr. Scafidi stated that Ms. Nikolic is presently Deputy Executive Director of the Philadelphia Redevelopment Authority and that she is extremely well-qualified to serve as the Land's Bank Interim Executive Director.

Ms. Rashid called for a motion to approve the appointment of Ms. Tania Nikolic as the Interim Executive Director.

Upon motion made and duly seconded the appointment of Ms. Tania Nikolic as Interim Executive Director was approved as follows:

RESOLUTION NO. 2016 - 10

**RESOLUTION APPOINTING AN INTERIM EXECUTIVE DIRECTOR
OF PHILADELPHIA LAND BANK**

WHEREAS, the Pennsylvania Land Bank Act, 68 Pa. C.S.A. § 2101, *et seq.*, provides that a land bank may employ or enter into a contract for an executive director; and

WHEREAS, the Board wishes to appoint an individual to succeed Nicholas J. Scafidi as the Land Bank's Interim Executive Director.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Philadelphia Land Bank that Tania Nikolic shall serve as Interim Executive Director of the Land Bank until such time as the Board identifies and appoints a successor Executive Director.

Agenda Item 5
Updates

Mercadien, P.C., Certified Public Accountants

Mr. Scafidi stated that Mercadien was selected last year as the Land Bank's audit firm through the RFP process. At that time, the Board approved two one-year options to extend Mercadien's contract. Our Finance team has found Mercadien's work satisfactory and we have exercised our option to extend that contract for the FY 16 audit.

Pricing Model

Mr. Bradley reported that approximately 4,000 publicly-owned properties, valued at \$50,000 or less using the updated pricing model, are now available on PhillyLandWorks. Those properties which the Model valued as greater than \$50,000 will be placed for sale through competitive bidding.

Property Transfers

Ms. Andrea Saah reported that an additional 180 deeds have been recorded into the Land Bank and there are 200 PRA properties ready to be conveyed to the Land Bank as soon as we receive the formal approvals from City Council and PRA.

Agenda Item 6
Extension of JMT Contract

Mr. Bradley requested that the termination date for the Professional Services contract with JMT be extended from June 30, 2016 to December 31, 2016. This will allow JMT to complete all

goals for this phase of the project. JMT is aiming for the Fall release of an Alpha site. Mr. Bradley stated JMT is working very closely with the City's IT group to assess user needs. He stated that a high level of requirements are completed and JMT will speak to more user groups to document and address their concerns.

Ms. Rashid called for a motion to approve the extension of the JMT contract for time only.

Upon motion made and duly seconded the Motion was approved as follows:

RESOLUTION NO. 2016 – 11

RESOLUTION AUTHORIZING A FIRST AMENDMENT TO PROFESSIONAL SERVICES CONTRACT WITH JOHNSON, MIRMIRAN & THOMPSON, INC.

WHEREAS, on December 10, 2015, the Board adopted Resolution No. 2015- 28 which authorized a professional services contract with Johnson, Mirmiran & Thompson, Inc. ("JMT") to provide technical resources for the next phase of development for the Land Bank's GIS system architecture, web map applications and spatial tools, with an initial maximum compensation, including out-of-pocket expenses, not to exceed One Hundred Thousand Dollars (\$100,000).

WHEREAS, the Land Bank and JMT executed an Agreement For Professional Services with an effective date of January 7, 2016 and a termination date of June 30, 2016;

WHEREAS, the parties wish to extend the termination date of the Contract to allow completion of all services required thereunder, but without any change to compensation; and

WHEREAS, the Land Bank has determined that a time extension of the Contract is in the best interest of the Land Bank.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Philadelphia Land Bank that authorization is hereby given for the Land Bank to enter into a First Amendment to the Agreement For Professional Services with Johnson, Mirmiran & Thompson, Inc. to extend the termination date of the Contract from June 30, 2016 to December 31, 2016 without change to any other term or provision of the Contract.

FURTHER RESOLVING, that the Interim Executive Director of the Land Bank is authorized to prepare, execute and deliver an Agreement necessary to effectuate the purposes of this Resolution which shall contain such terms and conditions as the Interim Executive Director and General Counsel shall deem necessary or appropriate to protect the interests of the Land Bank.

Agenda Item 7

Extension of Contract with Drexel University – Andrea Saah

Mr. Scafidi informed the Board that he had approved an extension, for time only, of the Professional Services Contract with Drexel University for the services of Ms. Andrea Saah from June 30, 2016 to September 30, 2016. This approval falls within the powers granted to the Executive Director as the contract for Ms. Saah is less than \$50,000.

Agenda Item 8

Amendment to Contract with Drexel University – Fellows Program

Mr. Scafidi referenced the previously approved contract with Drexel University for deed reconciliation and pricing modeling work being done under the Drexel University Fellows' Program. The Philadelphia Redevelopment Authority has asked for the Land Bank's assistance in pricing its real estate assets to complete certain audit requirements.

The Office of Planning and Development has included \$20,000 in the Land Bank's FY 17 budget for these services. We are therefore asking the Board to approve a contract amendment in the amount of \$20,000 to allow Drexel University Fellows to perform this work.

Ms. Rashid called for a motion to approve the contract amendment for the Drexel University Fellows.

Upon motion made and duly seconded the Motion was approved as follows:

RESOLUTION NO. 2016 - 12

**RESOLUTION AUTHORIZING A THIRD AMENDMENT TO
PROFESSIONAL SERVICES CONTRACT WITH DREXEL UNIVERSITY**

WHEREAS, on May 14, 2015, the Board adopted Resolution No. 2015-14 which authorized a Professional Services Contract with Drexel University (the "Initial Drexel Contract") for the purpose of providing student assistance and research for (i) the transfer of property from the City land-holding agencies to the Land Bank, (ii) geospatial analysis necessary to support the land pricing model which the Land Bank was developing, and (iii) development of a Structure Hedonic Model for pricing of vacant structures;

WHEREAS, the parties entered into an amendment of the Initial Drexel Contract, effective December 17, 2015 and designated Amendment No. 1, for the sole purpose of extending the Term of the Initial Drexel Contract;

WHEREAS, by Resolution No. 2016 – 1 adopted January 14, 2016, the Land Bank approved a second amendment to the Initial Drexel Contract to increase compensation by an additional \$126,500 for a total maximum compensation not to exceed \$236,500 and extend the contract term to September 30, 2016 in order to allow completion of work undertaken in the Initial Drexel Contract;

WHEREAS, the Philadelphia Redevelopment Authority has requested the Land Bank's assistance by providing research necessary to perform a proper valuation of its land assets;

WHEREAS, the work requested by the Redevelopment Authority can be performed by the staff now working with the Land Bank pursuant to the Drexel Contract, as amended; and

WHEREAS, the Land Bank desires to provide this assistance to the Redevelopment Authority.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Philadelphia Land Bank that:

1. Authorization is hereby given for the Land Bank to enter into a Third Amendment to Professional Services Contract with Drexel University ("Third Amendment") to permit performance of the services requested by the Redevelopment Authority.
2. The Third Amendment shall provide for additional compensation of \$22,000, for a total maximum compensation not to exceed \$258,500, with a termination date of September 30, 2016.
3. The Interim Executive Director is authorized to prepare, execute and deliver a Second Amendment necessary to effectuate the purposes of this Resolution which shall contain such terms and conditions as the Interim Executive Director shall deem necessary or appropriate to protect the interests of the Land Bank.

There being no further business to come before the Board, Ms. Rashid declared the meeting adjourned.

SECRETARY TO THE BOARD

PHILADELPHIA LAND BANK

Board of Directors Meeting

Thursday, July 14, 2016

3:30pm

GUEST SIGN-IN SHEET

NAME	E-MAIL ADDRESS	COMPANY
1) Chosh Nyakwa		
2) Vondell Leach	rsvpproductions@	RSVP Productions
3) Christina Wills	oel.com	
4) _____	Christina Wills ^{gmail} gmail.com	Absurface
5) Row Holt	row.holt@gmail.com	COURTNEY'S DIST. SERVICE
6) Winnie Branton	wbranton@brantinstategies.com	Branton Strategies
7) Cadence Boustien	cadence@ersphilly.org	Esperanza Community Services
8) Jason Wallace	Jason Wallace jwallace@gmail.com	
9) Gabriel Goffrob	goffrobgabriel@yahoo.com	
10) Johnnie Whitchard	JohnnieMaryWhitchard@icloud.com	
11) _____		

DRAFT DEED REPORT (CITY)

8/5/2016

STEP	TOTAL APPROVED	COMPLETED 8.5.2016	LAST REPORT 7.14.2016	NET PROGRESS	% DONE OF APPROVED
COUNCIL RESOLUTION APPROVED TRANSFER	1207*	1160	1187	NA	100%
PUB TO PRA DEED DRAFTED, SENT TO CITY LAW	1160	1098	1063	35	95%
CITY LAW REVIEWED, SENT TO DEPT OF RECORDS	1160	978	950	28	84%
DEPT OF RECORDS REVIEWED, SENT TO PLB STAFF	1160	978	923	55	84%
PLB DRAFTED PRA-PLB DEED & PRINTED, SENT TO PUBLIC PROPERTY	1160	888	748	140	77%
PUB-PRA DEED EXECUTED BY PUBLIC PROPERTY, SENT TO PRA	1160	748	708	40	64%
PRA-PLB DEED EXECUTED BY PRA, SENT TO PLB	1160	708	708	0	61%
DEEDS SUBMITTED FOR RECORDING BY PLB	1160	708	615	93	61%

* 1207 approved parcels correspond to 1160 addresses in LAMA (due to consolidations, incorrect ownership, pending sales)etc.

Breakdown of the 62 parcels not yet at the Deed

Drafted stage:

16 need surveys

11 need vesting or prior deeds

3 have clouded title

Remaining parcels are in various stages of parcel reconciliation.

DRAFT DEED REPORT (PRA)

8/5/2016

STEP	TOTAL APPROVED	COMPLETED 8.5.2016	LAST REPORT 7.14.2016	NET PROGRESS	% DONE OF APPROVED
PRA BOARD APPROVED TRANSFER*	313	260	222	NA	NA
PRA TO PLB DEED DRAFTED, SENT TO DEPT OF RECORDS	260	166	145	21	64%
DEPT OF RECORDS REVIEWED, SENT TO PRA ATTORNEY	260	166	0	166	64%
PRA ATTORNEY REVIEWED, SENT TO PLB	260	0	0	0	0%
DEED FILE PREPARED BY PLB, SENT TO PRA	260	0	0	0	0%
DEED EXECUTED BY PRA, SENT TO PLB	260	0	0	0	0%
DEED RECORDED BY PLB	260	0	0	0	0%

* 313 approved parcels correspond to 260 addresses in LAMA (due to consolidation and incorrect ownership). 44 parcels of these parcels have been approved by the PRA board but not CC .

Breakdown of the 100 parcels not yet at the Deed Drafted stage:

3 need surveys

0 needs a corrective deed

19 need vesting or prior deeds

Remaining parcels are in various stages of parcel reconciliation.

DRAFT DEED REPORT (PHDC)

8/5/2016

STEP	TOTAL APPROVED	COMPLETED 8.5.2016	LAST COMPLETE 7.14.2016	NET PROGRESS	% DONE
PHDC TO PLB DEED DRAFTED	752	669	664	5	89%
PHDC ATTORNEY REVIEWED, SENT TO DEPT OF RECORDS	752	639	610	29	85%
DEPT OF RECORDS REVIEWED, SENT TO PLB	752	618	585	33	82%
DEED FILE PREPARED BY PLB	752	618	585	33	82%
DEED EXECUTED BY PHDC	752	587	585	2	78%
DEED RECORDED BY PLB	752	587	585	2	78%

Breakdown of the 83 parcels not yet at the Deed Drafted stage:

1 needs survey

5 need vesting or prior deeds

1 is possibly fraudulent

Remaining parcels are in various stages of parcel reconciliation.



CITY OF PHILADELPHIA

BOARD OF ETHICS
ONE PARKWAY BUILDING
1515 Arch Street
18TH Floor
Philadelphia, PA 19102-1504
(215) 686 – 9450
FAX 686 – 9453

Philadelphia Board of Ethics Board Opinion No. 2016-002

July 26, 2016

Nicholas J. Scafidi
Interim Executive Director and General Counsel
Philadelphia Land Bank
1234 Market Street, 17th Floor
Philadelphia, PA 19107

Re: Application of City Ethics and Lobbying Laws to the Land Bank

Dear Mr. Scafidi:

You requested a public advisory opinion from the Board of Ethics regarding the application of the City ethics and lobbying laws to the Philadelphia Land Bank, its board members, and staff. You also posed six specific questions that are addressed below.

I. Jurisdiction

The Pennsylvania Code authorizes a city of the first class to create a land bank by ordinance subject to terms and conditions the city deems reasonable and necessary for the land bank's operation. 68 Pa. C.S. § 2104. The City of Philadelphia created the Philadelphia Land Bank by adopting the Land Bank ordinance found at The Philadelphia Code ("Code") Chapter 16-700 ("Land Bank ordinance"). The ethics provision of the Land Bank ordinance states:

The Land Bank shall be governed by the State Adverse Interest Act of July 19, 1957 (P.L. 1017, No. 451) and 65 Pa. C.S. Ch. 11 [the State Ethics Act] (relating to ethics standards and financial disclosure). The Land Bank shall also be governed by § 20-600 (Philadelphia's "Standards of Conduct and Ethics") and § 20-1200 ("Lobbying"). As part of its policies, the Land Bank shall adopt strict ethical guidelines for Land Bank board members and employees, and promulgate rules addressing and protecting against potential conflicts of interest. These guidelines and rules shall supplement any applicable state and local laws.

Code § 16-709(2) ("Ethics and Conflicts of Interest"). The ethics provision of the Land Bank ordinance thus provides that the Land Bank is governed by the City Ethics Code, found at Code Chapter 20-600, and the City Lobbying Code, found at Code Chapter 20-1200, laws over which the Board of Ethics has jurisdiction. The ethics provision of the Land Bank ordinance otherwise echoes ethics restrictions for a land bank that are identified in the Pennsylvania Code. *See* 68 Pa. C.S. § 2115 (providing that board members and employees of a land bank shall be subject to the State Adverse Interest Act and the State Ethics Act and that a land bank may adopt supplemental conflict of interest rules and other ethical guidelines).

The Philadelphia Home Rule Charter vests the Board with the authority to administer and enforce all Charter and ordinance provisions pertaining to ethical matters. Charter § 4-1100. In addition to the substantive areas explicitly identified in Charter Section 4-1100, the Charter provides that the Board shall exercise such other powers and duties vested in and imposed upon it by ordinance and as City Council may from time to time assign the Board. *Id.* Therefore, pursuant to Charter Section 4-1100 and Code Section 16-709(2), the Board has the authority to determine the application of the Ethics Code and the Lobbying Code to the Land Bank and to provide for advice, administration, and enforcement of these ethics and lobbying provisions as to the Land Bank. *See id.*; Code § 16-709(2).

The Board renders advisory opinions concerning proposed future conduct to any person who is subject to, or reasonably could be subject to, a law within the Board's jurisdiction. Board Reg. 4 ¶ 4.5; *see also* Charter § 4-1100; Code § 20-606(1)(d). Board Regulation 4 describes the procedures for seeking an advisory opinion and for requesting reconsideration of an advisory opinion issued by the Board. Board Reg. 4 ¶¶ 4.0, 4.26.

The Pennsylvania Public Official and Employee Ethics Act (“State Ethics Act”), 65 Pa. C.S. §§ 1101 *et seq.*, contains restrictions that are separate from and in addition to those imposed by City ethics laws. The Philadelphia Home Rule Charter grants the Board jurisdiction to render advisory opinions regarding the State Ethics Act. *See* Charter § 4-1100. The Board’s authority to provide advice on the State Ethics Act is limited, and guidance from the Board regarding the State Ethics Act is not binding on any person and does not provide any protection against penalties or sanctions for a violation of the Act. Board Reg. 4, ¶ 4.4. For these reasons, provisions of the State Ethics Act that may be relevant to your request are merely outlined below. It is recommended that you seek specific advice from the State Ethics Commission concerning the application of the State Ethics Act to Land Bank board members and staff. An opinion from the State Ethics Commission provides protection from certain enforcement and penalties imposed for a violation of the Act. 65 Pa. C.S. §§ 1107(10), (11).

This Opinion does not address the application of the State Adverse Interest Act, which also applies to Land Bank board members and staff, because the Board does not have authority to opine on the State Adverse Interest Act.

II. Facts Provided by Requestor

This Opinion relies upon facts provided in your request letter dated March 12, 2016 and accompanying exhibits. The request letter is attached as Exhibit 1, and exhibits to the request letter are attached as Exhibits A and B. In addition to the request letter, you also provided facts through telephone conversations and subsequent confirming emails as described below.

A. May 9, 2016 Telephone Conversation and Confirming Emails

The Land Bank has twelve full-time staff positions consisting of six clerical positions and six non-clerical positions. The non-clerical positions are as follows: (1) Interim Executive Director and General Counsel; (2) Deputy Executive Director; (3) Director of Information Systems; (4) Director of Property Management; (5) Director of Property Disposition; and (6) Director of Analytics. The clerical positions include: (1) Data Services Support Clerk; (2) Housing Rehabilitation Inspector II; (3) three Clerk III positions; and (4) Service Representative I.

B. April 13, 2016 Telephone Conversation and April 14, 2016 Confirming Emails

You provided the facts directly below during an April 13, 2016 telephone conversation with Board staff and through confirming emails on April 14, 2016.

The Land Bank is involved in “transactions involving the City” as that term is defined in Code Section 20-601(27) in three main ways:

1. One way for the Land Bank to acquire land is to take title for that land from the City.
2. When the Land Bank acquires property at a City tax foreclosure sale, the City forgives its debt on that property.
3. The Land Bank requires City approvals (from City Council and the Vacant Property Review Committee) for every sale or lease (regardless of length of lease) of Land Bank property.

Much of the Land Bank’s work will include transactions involving the City, such as when the Land Bank wishes to acquire land from the City and in every instance where the Land Bank wishes to dispose of property in some fashion.

One example of a transaction in which the Land Bank engages that would not be a transaction involving the City is a contract with a software provider to develop a better IT program. This is an example of an organizational issue that does not involve the City or require City approval.

The Land Bank does not handle any adjudicative matters and does not conduct adjudications.

III. Discussion

The Land Bank ordinance provides that the Land Bank is governed by the City Lobbying Code and the City Ethics Code. The general application of these City laws to the Land Bank and its board and staff members is discussed below. Responses to six questions you have posed also follow.

A. City Lobbying Law

The Land Bank ordinance provides that the Land Bank is governed by City Code Chapter 20-1200, the Lobbying Code. Code § 16-709(2). As a result, the requirements and prohibitions of the City Lobbying Law provided in Code Chapter 20-1200 and Board Regulation 9 apply to efforts by lobbyists and principals to lobby the Land Bank. For example, a principal whose expenditures for lobbying of the Land Bank exceed \$2,500 in a quarter must register with the Board of Ethics. *See* Code §§ 20-1202(1), 20-1204(6); Board Reg. 9 ¶ 9.14.

Lobbying of the Land Bank entails efforts to influence administrative action or legislative action by the Land Bank and members of its board or staff. Code § 20-1201(18) (defining lobbying); Reg. 9 ¶ 9.1(X) (same). The terms “agency” and “City official or employee” are integral to the definitions of key concepts in the City Lobbying Law, such as lobbying, legislative action, administrative action, direct communication, and indirect communication. *See* Code §§ 20-1201(1), (9), (15), (17), (18). For purposes of application of the City Lobbying Law, the Land Bank is considered an “agency” and a Land Bank board or staff member is considered a “City official or employee.” *See* Code § 20-1201(3), (7) (defining “agency” and “City official or employee”); Board Reg. 9 ¶ 9.1(D), (J) (same). When the Board next amends Regulation 9 on Lobbying, the definitions of “agency” and “City official or employee” will be adjusted to reflect this coverage of the Land Bank and members of its board and staff as required by the Land Bank ordinance at Code Section 16-709(2).

B. City Ethics Code

The Land Bank ordinance provides that the Land Bank is governed by City Code Chapter 20-600, the City Ethics Code. Code § 16-709(2). Thus, the prohibitions and requirements of the Ethics Code apply to Land Bank board members and staff members. Based on the facts provided, the Land Bank has a structure that is similar to that of a City board or commission that is headed by a board comprised of part-time, uncompensated individuals who oversee a full-time, compensated staff. Taking note of this structure, we interpret the following Ethics Code terms as set forth below for the purpose of applying the Ethics Code to Land Bank board members and staff members:

- (1) References to “board” or “commission” in the Ethics Code include the Land Bank. *See, e.g.*, Code §§ 20-601(4) & (18), 20-602, 20-604, 20-610.

- (2) The term “agency” includes the Land Bank. *See Code § 20-601(1).*
- (3) The term “board or commission member” includes a Land Bank board member. *See Code § 20-601(4).*
- (4) The term “officer or employee” includes a Land Bank board member as well as a Land Bank staff member. *See Code § 20-601(18).*
- (5) The term “transaction involving the City” includes transactions involving the City or the Land Bank. *See Code § 20-601(27).*

Consequently, Ethics Code provisions apply to Land Bank board members in the manner they apply to members of a City board or commission. For example, Land Bank board members are required to attend annual ethics training and to file an annual statement of financial interests, commonly referred to as the City financial disclosure form.¹ *See Code §§ 20-606(1)(b)(iii), 20-610.* Similarly, Land Bank board members are not required to obtain written approval prior to accepting a gift from a restricted source that would benefit the City or the Land Bank and is reasonably related to their duties. *See Code § 20-604(3)(k), (6)(a).*

By contrast, Ethics Code provisions apply to Land Bank staff members in the manner they apply to City employees. Accordingly, Land Bank staff members are not subject to the annual ethics training and financial disclosure requirements of the Ethics Code, but Land Bank staff members must obtain written approval from the Executive Director of the Land Bank, or his or her designee, prior to accepting a gift from a restricted source pursuant to the gift ordinance exemption for a benefit to the City or the Land Bank. *See Code §§ 20-604(3)(k) & (6)(c), 20-606(1)(b)(iii), 20-610.*

Although many Ethics Code provisions are discussed in this Opinion, including in response to questions you posed, please refer to Code Chapter 20-600 for all restrictions and requirements of the Ethics Code. Please also note that Bill Number 160514 was introduced in City Council on May 19, 2016 and proposes to amend the conflict of interest provisions of the Ethics Code. The advice provided in this Opinion reflects application of these conflict of interest provisions as they currently stand.

¹ The City financial disclosure form requirement at Code Section 20-610(2)(c) regarding reporting of certain real estate interests, including those subject to action by a City board or commission, would include disclosure of any Land Bank-related interests, such as land sold or leased to or purchased or leased from the Land Bank. *See Code § 20-610(2)(c).*

C. Six Ethics Code Questions

The questions below regarding application of the Ethics Code are taken verbatim from your request letter at Exhibit 1, pages 5-7, but they are presented in a different order than in the request letter. In several instances the questions presented are general and lack specific facts. As a result, the corresponding responses provide only general guidance and illustrative examples. This is because ethics advice is highly fact-specific. If members of the Land Bank board or staff have questions about particular situations, they should seek specific guidance about the application of the City ethics laws to their particular facts.

1. Pre-Service Employment Relationship

Question: “What are the obligations for a Land Bank Board Member who was employed by an organization that is now seeking to do business (*e.g.*, as vendor or purchaser) with the Land Bank (*i.e.*, a ‘pre-service’ relationship)?”

Response: The Ethics Code does not contain a prohibition that applies to pre-service employment relationships that have terminated. As such, a Land Bank board member does not have a conflict of interest with respect to a former employer and is permitted to take official action that affects an organization that was formerly the board member’s employer. This assumes that no current relationship exists between the Land Bank board member or a relative and the organization that would give rise to a conflict of interest, such as a retained ownership interest in the organization. *See* Code § 20-607 (an official has a conflict of interest under the Ethics Code if the official is financially interested in official action or if a financial interest resides in certain relatives or a fellow member of a for-profit business); *see also* 65 Pa. C.S. § 1102 (an official has a conflict of interest under the State Ethics Act in using the authority of public office for the private pecuniary benefit of the official, certain relatives, or a business – including a non-profit entity – with which the official or a relative is associated).

Note that Code Section 20-609 prohibits a Land Bank board member from directly or indirectly disclosing or making available confidential information concerning the property, government or affairs of the City or the Land Bank without proper legal authorization for the purpose of advancing the board member’s own financial interest or the financial interest of any other person. *See* Code § 20-609. Therefore, a Land Bank board member is barred from sharing confidential information about the City or the Land Bank with the board member’s former employer.

2. Post-Service Restrictions

Question: “Post-Service Restrictions. May a Land Bank Board Member become an employee of an organization that obtained a contract with the Land Bank while that Member served on the Land Bank Board?”

Response: The Ethics Code does not contain a general restriction that would prohibit a former Land Bank board member from becoming an employee of an organization merely because that organization obtained a contract with the Land Bank while that individual served on the Land Bank board. The Ethics Code includes two post-service restrictions that are described below.

The conflict of interest provision at Code Section 20-607(c) prohibits a Land Bank board member from acquiring a financial interest in official action taken as a Land Bank board member during service on the Land Bank board and for two years after service ends. *See* Code § 20-607(c). For example, if a Land Bank board member took official action related to awarding a contract to an organization to provide services to the Land Bank, that board member would be prohibited, while sitting on the Land Bank board and for two years after completing Land Bank board service, from having money flow to him or her as a result of that contract having been awarded to the organization that now employs him or her. The former Land Bank board member would be barred from receiving compensation for work conducted or funds received pursuant to the organization’s contract with the Land Bank that he or she had participated in awarding.

Merely working for the organization in a manner that would be unconnected to the acquisition of a financial interest in the contract award would not be prohibited. To illustrate this point, suppose that a Land Bank board member votes to award a two-year contract to a tech company to provide technical assistance to the Land Bank. One month later, the board member’s service on the Land Bank board ends. One year after that, she decides to apply for a job with the same tech company. She may apply for the job, may accept employment with the tech company, and may work at the tech company on projects that do not involve the Land Bank contract. As an employee of the tech company, she would be prohibited until the two-year anniversary of the end of her Land Bank service from performing the contracted work for the Land Bank or from having her salary be paid from money the tech company receives as a result of the Land Bank contract that she had been involved in awarding.

A second Ethics Code post-service restriction, which is found at Code Section 20-603, would not apply to Land Bank board members because the provision applies only to

individuals who have been compensated for their service to the Land Bank, such as former Land Bank staff members. *See* Code § 20-603. This restriction would prohibit a former compensated Land Bank staff member from assisting another person, whether or not for compensation, in any transaction involving the City or the Land Bank² in which the individual participated while serving the Land Bank. *See id.* This restriction applies at any time subsequent to the staff member's Land Bank service.

In addition to the post-service restrictions of the Ethics Code, the State Ethics Act imposes a restriction on former public officials and former public employees. *See* 65 Pa. C.S. § 1102 (defining "public official" and "public employee"). For one year after leaving public service, former public officials and former public employees, whether or not they were compensated for their service, are prohibited from representing any person, including themselves, for promised or actual compensation on any matter before the governmental body with which they have been associated. *See* 65 Pa. C.S. § 1103(g). This post-service restriction prohibits personal appearances before and negotiations with a former governmental body as well as submitting contract proposals that are signed by or contain the name of a former public official or employee. *See, e.g.,* State Ethics Commission Advice of Counsel No. 10-553 at 3 (describing broad scope of behavior qualifying as representation); State Ethics Commission Advice of Counsel No. 10-604 at 4 (same).

3. Determination under Established Policy

Question: "Should there be a distinction between transactions which involve some discretionary decision (selection of vendor when there is more than one submission for a contract; selection of purchaser when there are multiple bids; request for reduction in

² Based on the facts provided, although many of the transactions in which the Land Bank and its board and staff members engage are transactions involving the City, some Land Bank transactions will not involve the City. For this reason, Ethics Code restrictions that utilize the term "transactions involving the City" must be read to include transactions involving the City or the Land Bank for the purpose of applying these provisions to Land Bank board and staff members. "Transactions involving the City or the Land Bank" include any proceeding, application, submission, request for a ruling, or other determination, contract, lease, claim, case, award, decision, decree, judgment or legislation including ordinances and resolutions or other particular matter which the City officer or employee in question believes, or has reason to believe (a) is or will be the subject of City or Land Bank action; or (b) is one to which the City or Land Bank is or will be a party; or (c) is one in which the City or Land Bank has a direct proprietary interest. This shall not include routine applications or requests for routine information or other matters that are of a ministerial nature and do not require the exercise of discretion on the part of any City officer or employee. *See* Code § 20-601(27) (defining "Transactions Involving the City").

price of property) and those that follow the literal rules of an established policy, e.g., sideyard sale consistent with the Land Disposition Policy?”

Response: For purposes of the Ethics Code conflict of interest provision, a distinction would generally not be made between determining the application of an established policy and engaging in a discretionary decision. This is because determining the application of an established policy ordinarily involves engaging in a discretionary decision.

The Ethics Code conflict of interest restriction requires an official to disqualify himself or herself from taking official action and to follow a public disclosure process if he or she is financially interested in official action that will be taken by himself or herself or by a board or body of which he or she is a member. *See* Code § 20-607(a); 20-608. Specifically, the Code conflict of interest provision prohibits a Land Bank board member or staff member from taking official action when (a) the board member or staff member has a personal financial interest in the action; or (b) a family member,³ a for-profit business of which the board member or staff member is a member, or a fellow member of such business has a financial interest in the action. *See* Code § 20-607; Board Opinion 2013-005 at 4. Official action is any act or omission taken by an officer or employee in his or her official capacity that requires discretion and is not ministerial in nature. Code § 20-601(17).

A Land Bank board or staff member’s evaluation of whether an application or request complies with the rules and requirements of an established Land Bank policy would not be considered ministerial in nature and would qualify as official action. This is because it is an evaluation in which the Land Bank board or staff member has discretion to determine that requirements are met or are not met. It follows that Code Section 20-607 prohibits a Land Bank board or staff member from evaluating compliance with an established policy in matters in which he or she has a conflict of interest. For instance, a Land Bank board or staff member is prohibited from participating in the consideration of his or her sibling’s application to the Land Bank to purchase a sideyard and is prohibited from being involved in the determination of whether selling land to the sibling would be consistent with Land Bank policy.

³ For Ethics Code conflict of interest purposes, a family member includes a parent, spouse, life partner, child, brother, sister or like relative-in-law. Code § 20-601(8).

The State Ethics Commission has similarly determined that under the State Ethics Act, the analysis of whether a submission, request, or other application conforms to an established policy is discretionary action that constitutes use of the authority of office that can give rise to a conflict of interest. *See, e.g., In re Gary Lucas*, State Ethics Comm'n Order No. 1546, Dec. 15, 2009 (mere act of signing an agreement that had already been approved by City Council was discretionary and supported a conflict of interest violation); *Snyder v. State Ethics Comm'n*, 686 A.2d 843 (1996) (checking whether a final plan conformed to a preliminary plan involved discretion and supported a conflict of interest violation). Courts have upheld the State Ethics Commission determinations on this issue. *G.L. v. State Ethics Comm'n*, 17 A.3d 445 (2011) (upholding State Ethics Commission Order No. 1546).

4. Disclosure and Disqualification Letters

Question: “Can there be a ‘blanket’ Disqualification Letter? That is, if a Land Bank Board Member provides a letter on one transaction disclosing his/her conflict with, *e.g.*, a related organization, must he/she provide a similar letter for every other transaction with that organization?”

Response: If a single conflict disclosure and disqualification letter filed by a Land Bank board member provides that he or she will not take official action in any future Land Bank matters involving an organization that gives rise to a conflict for the board member, then the board member is not required to file subsequent disclosure and disqualification letters when new matters involving that organization arise.

Under the Ethics Code, officials with a conflict of interest must not only abstain from taking official action in matters in which they have a conflict, but they must also follow procedures mandated by Code Section 20-608 for public disclosure of the conflict and disqualification from related matters.⁴ *See* Code § 20-608. Different disclosure and disqualification procedures are required depending on whether a conflict is related to legislation or to another type of matter. *Compare* Code § 20-608(1)(a), (b) *with* Code §

⁴ Note that in addition to the Ethics Code conflict of interest provision at Code Section 20-607, the Ethics Code representation restriction found at Code Section 20-602(5) also requires the filing of a disclosure and disqualification letter as set forth in Code Section 20-608. In the representation context, a Land Bank board or staff member who is a member of a for-profit organization is required to file a letter and refrain from taking official action if a fellow member of the organization is representing a person as an agent or attorney in a matter in which the Land Bank board or staff member has responsibility. *See* Code § 20-602(5).

20-608(1)(c). Prior to any Land Bank action on a matter not involving legislation in which a Land Bank board member has a conflict of interest, the board member must file a letter that makes public the nature and extent of the financial interest and states he or she is disqualified from taking official action on the relevant matter or matters. Code § 20-608(1)(c); *see also* Board Opinion 2012-001 at 6-7. The disclosure and disqualification letter should: (1) identify the official's name, position, and duties relevant to the conflict; (2) describe the financial interest and relationships that give rise to a conflict; and (3) include a statement that the official intends to be disqualified from taking official action in the relevant matter or matters. *See* Code § 20-608(1)(c); General Counsel Opinion 2012-515 at 5-6. The letter is required to be sent by certified or registered mail to three recipients: the Land Bank's Executive Director, the Board of Ethics (c/o its General Counsel), and the City Department of Records, which maintains a public record of such letters. *See* Code § 20-608(1)(c); Board Opinion 2012-001 at 6-7.

A Land Bank board member may file a single such disclosure and disqualification letter that provides that the board member will not take official action with respect to an organization of which he or she is a member in any future Land Bank matters. The Land Bank board member must abide by the disqualification stated in the letter and must not take official action with respect to any Land Bank matters in which the organization has a financial interest. Participation is prohibited not only in final decisions but also in any preliminary discussions, review, or action on a matter. *See* Board Opinion 2012-001 at 6.

By way of example, if a Land Bank board member files a single conflict disclosure and disqualification letter regarding a particular business of which the Land Bank board member is a co-owner stating that the Land Bank board member will not take official action with respect to the business in any future Land Bank matters, then the board member is not required to file subsequent disclosure and disqualification letters when new Land Bank matters involving the business arise. If a long period of time has passed since the Land Bank board member filed the single disclosure and disqualification letter relating to the business, then it may be helpful as a practical matter for the board member to file a new disclosure and disqualification letter to provide more timely notice of the conflict of interest to colleagues.

By contrast, the result is different if the board member's initial disclosure and disqualification letter provided that the board member was disqualifying himself or herself from official action in specific anticipated or pending matters that did not include the new transaction. In this case, a Land Bank board member would need to file a new conflict disclosure and disqualification letter for a new Land Bank transaction involving

an organization giving rise to a conflict. For example, if a Land Bank board member's initial conflict disclosure and disqualification letter stated that she was disqualifying herself from discussing and voting upon a particular land sale to a business in which she is a co-owner, then she would be required to file a second letter disclosing a conflict and disqualifying herself from taking official action on a lease application filed with the Land Bank a few months later by that business.

The Board notes that the Land Bank board has adopted a Public Disclosure and Disqualification Procedure for Conflict Issues for Land Bank board members. *See* Exhibit B to Exhibit 1. If Land Bank board members follow this procedure, they will be in compliance with the requirements of the Ethics Code conflict of interest provisions found at Code Sections 20-607 and 20-608. This Opinion does not address whether a single disclosure and disqualification letter would comport with the Land Bank's own procedure, as that is not within the Board's jurisdiction.

5. Representation before the Land Bank

Question: What are "[t]he obligations of a Land Bank Board Member who works for City Council when his/her Councilperson recommends the acquisition of specific property or must approve the conveyance of a property to a specific party[?] By way of example:

John is a Land Bank Board member and works for City Council Member Jane. John is an attorney but is not acting in his legal capacity as a Council staffer. The Councilwoman, through her staff, has asked the Land Bank to acquire a particular property through tax sale so that the property can be conveyed to support a project within her Council District. As part of Councilwoman Jane's staff, John interacts with the Land Bank and assists Jane with her request to the Land Bank by, among other things, acting as Jane's representative in her request to the Land Bank. This is part of John's duties as a Council staffer.

The Land Bank subsequently acquires the specified property through tax sale. The Land Bank Board has given the Executive Director of the Land Bank the authority to acquire property for all City agencies, but the Executive Director must still seek approval from the Land Bank Board to

acquire property through tax foreclosure. John as a Land Bank Board member would vote on whether to approve the acquisition.

The Land Bank Board is then ready to consider the sale of the property to the developer of the project and the Land Bank seeks and obtains a Council resolution authorizing that transfer. The Councilwoman introduces and votes in favor of that resolution. The Land Bank Board is then asked to take official action to approve the sale of the property to that developer. Does John have a conflict as a Land Bank Board member in this scenario?”

Response: Under the hypothetical facts provided, this Land Bank board member who works for a City Councilmember may not represent the Councilmember as an agent or attorney in transactions involving the Land Bank, but the Land Bank board member is permitted to take official action as a Land Bank board member on Land Bank transactions that involve the Councilmember.

The representation restriction in Code Section 20-602(2) applies to prohibit the situation presented in the hypothetical in which a single individual – the Land Bank board member – represents an outside interest – the Councilmember – before the Land Bank and also takes action as a Land Bank board member on the matter. *See* Code § 20-602(2). Specifically, the representation restriction provides that a Land Bank board member cannot represent another person directly or indirectly as an agent or attorney, whether or not for compensation, in any transaction involving the City or the Land Bank (a) in which he or she has at any time participated as a Land Bank board member through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise; (b) that is pending in the Land Bank during the board member’s service.⁵ *See id.*; Board Opinion 2014-004 at 6 (representation as an agent involves acting with authority on behalf of and in the best interests of a person with respect to a third party). While the representation restriction contains a number of exceptions, none apply in the hypothetical situation presented, and this Land Bank board member would be prohibited from assisting the Councilmember by representing the Councilmember in the Councilmember’s request to the Land Bank that property be acquired or sold in a certain manner. *See* Code § 20-602(1), (3)-(5).

⁵ Full-time, compensated Land Bank staff members are subject to a broader prohibition of representing another person directly or indirectly as an agent or attorney, whether or not for compensation, in any transaction involving the City or the Land Bank. *See* Code § 20-602(1)(a).

Although this Land Bank board member is prohibited from representing the Councilmember in transactions involving the Land Bank while he or she serves as a Land Bank board member, the Land Bank board member is permitted to take official action as a Land Bank board member on matters involving requests by the Councilmember. The City Code conflict of interest provision at Section 20-607 would not prohibit this Land Bank board member from participating as a Land Bank board member on Land Bank decisions to acquire or to sell the property as requested by the Councilmember. The Code conflict of interest provision prohibits a Land Bank board member from taking official action when (a) the board member has a personal financial interest in the action; or (b) a family member, a for-profit business of which the board member is a member, or a fellow member of such business has a financial interest in the action. *See* Code § 20-607; Board Opinion 2013-005 at 4.

Here, the Land Bank board member would not have a personal financial interest in these Land Bank decisions and votes because his or her compensation for serving as a member of the Councilmember's staff and the ability of the Councilmember's Office to employ the Land Bank board member would not be affected. *See* Board Opinion 2012-001 at 6 (conflict based on personal financial interest existed because requestor's compensation from outside employer and outside employer's ability to employ requestor would be affected); Board Opinion 2010-002 at 6 (no conflict in taking official action with respect to outside employer because requestor's salary from outside employer would remain the same regardless of the requestor's official action). In short, if a financial interest is not held by this Land Bank board member, the board member's family members, or any of the board member's colleagues in a for-profit business, then the Land Bank board member does not have a conflict of interest under the Ethics Code, and this board member may participate as a Land Bank board member in taking official action on Land Bank matters in which the Councilmember has made a request.

6. Membership in Outside Organizations

Question: What is “[t]he duty of Land Bank Board Members who are also City officials or Board Members of a related agency (such as PRA or PHDC) when considering agreements or transactions between the Land Bank and their other organization[?]”

Response: A Land Bank board member who is a board member or employee of a related agency may not represent that agency or organization as an agent or attorney in transactions involving the Land Bank, but under the Ethics Code, the Land Bank board

member is generally permitted to take official action in matters that involve the related agency or organization.

Under the representation restriction of the Ethics Code, a Land Bank board member cannot represent another person directly or indirectly as an agent or attorney, whether or not for compensation, in any transaction involving the City or the Land Bank (a) in which he or she has at any time participated through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise; or (b) that is pending in the Land Bank during the board member's service. *See* Code § 20-602(2). This means that a Land Bank board member who is also an employee of a government agency or a board member of a non-profit organization that is engaging in a transaction involving the Land Bank is prohibited from representing the agency or organization in the transaction involving the Land Bank. *See id.* For instance, a Land Bank board member who is also a board member of the Philadelphia Redevelopment Authority ("PRA") would be prohibited from representing the PRA in a transaction involving the Land Bank, including in negotiations regarding an agreement between the PRA and the Land Bank.

Although a Land Bank board member is prohibited from representing an outside entity with which the board member is affiliated in transactions involving the Land Bank, under the City Code conflict of interest provision, the board member is generally permitted to take official action as a Land Bank board member on matters that involve a government agency employer or a non-profit organization of which he or she is a board member. This assumes that no financial interest is held by (1) the Land Bank board member, such that the board member's compensation or continued employment would be affected; (2) a family member of the Land Bank board member; (3) a for-profit business of which the Land Bank board member is a member; or (4) a fellow member of such business. *See* Code § 20-607; *supra* Question 5 and citations. For example, a Land Bank board member who is also a board member of the PRA would be permitted under the Ethics Code to take official action as a Land Bank board member on matters that involve the PRA, including voting on an agreement between the PRA and the Land Bank.

Note that a conflict of interest would generally arise under the State Ethics Act with respect to either a non-profit entity or a for-profit entity with which the Land Bank board member is associated as an employee or as a member of the board of directors. The State Ethics Act conflict of interest provision prohibits a public official or public employee from using the authority of his or her office or confidential information received through holding public office for the private pecuniary benefit of himself or

herself, immediate family members⁶ and businesses with which the public official or employee is associated. *See* 65 Pa. C.S. §§ 1102, 1103(a). A public official or public employee is associated with a business for purposes of the State Ethics Act if the official or a member of the official's immediate family is a director, officer, owner or employee, or has a financial interest⁷ in the business. *See* 65 Pa. C.S. § 1102. "Business" under the Act includes corporations, partnerships, associations, organizations, sole proprietorships, and other entities, whether organized for profit or not-for-profit. *See id.*; *Rendell v. State Ethics Comm'n*, 983 A.2d 708, 716-17 (Pa. 2009) ("[W]e ultimately conclude that the term 'business,' as defined by Section 1102 of the Ethics Act, should be interpreted to include non-profit entities"); State Ethics Commission Advice of Counsel 12-513 at 3. As a result, a State Ethics Act conflict of interest can arise based on an official's use of the authority of his or her office for the pecuniary benefit of a non-profit entity or a for-profit entity for which he or she is a board member or employee.

* * * * *

Thank you for your concern about compliance with the City ethics laws and for seeking advice on behalf of the Land Bank. This Opinion is predicated on the information you have provided as stated here. Application of ethics laws is fact-specific. In several instances the questions you have posed are general, and therefore the accompanying responses are necessarily general. If members of the Land Bank board or staff have questions about specific situations, they should ask for specific advice on the application of the City ethics laws to those particular facts. Additionally, although this Opinion identifies State Ethics Act provisions that may apply, it is recommended that you seek State Ethics Act guidance from the State Ethics Commission on the application of the State Ethics Act to Land Bank board members and staff members.

⁶ Under the State Ethics Act, "immediate family" includes a parent, spouse, child, brother or sister. 65 Pa. C.S. § 1102.

⁷ Under the State Ethics Act, "financial interest" is defined as "[a]ny financial interest in a legal entity engaged in business for profit which comprises more than 5% of the equity of the business or more than 5% of the assets of the economic interest in indebtedness." 65 Pa. C.S. § 1102.

Since you requested a public opinion, this original Opinion will be made public.
Please let Board staff know if you have any questions.

BY THE PHILADELPHIA BOARD OF ETHICS

A handwritten signature in black ink, appearing to read "Michael H. Reed", followed by a long horizontal line extending to the right.

Michael H. Reed, Esq., Chair
Judge Phyllis W. Beck, (Ret.), Vice-Chair
Sanjuanita González, Esq., Member
Brian J. McCormick, Jr., Esq., Member
JoAnne A. Epps, Esq., Member

MEMORANDUM

Date: August 11, 2016
To: Board of Directors
From: Tania Nikolic
Re: Fiscal Year 17 Operating Budget

We are presenting for Board approval the Land Bank's Fiscal Year 17 Operating Budget. Attached is the proposed FY 17 Budget, and a comparison to the Land Bank's FY 16 Budget.

The FY 17 budget has been approved by the Office of Planning and Development and it has been thoroughly considered by the Board's Finance Committee. The Finance Committee has recommended that the FY 17 Operating Budget be approved.

The major elements of this budget include:

Staff: The budget provides for 17 full and part time staff position. Presently, 2 of these positions are vacant and funding for several other positions is shared with the Redevelopment Authority or PHDC.

Reimbursement of DHCD and PHDC costs: The Land Bank will pay for the support services provided by these agencies to avoid use of Federal funding to support Land Bank operations.

Purchase of Services: These expenditures include continued funding of the deed reconciliation project, audit fees and insurance costs.

Materials and Supplies / Equipment: Includes publication of the Land Bank's Board meeting schedule, printing of the Strategic Plan, creating signage on properties being considered for conveyance, and shared costs for use of a vehicle to conduct property inspections.

Information Services and Technology: Includes payment of the unspent portion of the current JMT contract and anticipates continuation of that contract through this fiscal year. Also, we plan to expand computer storage space, pay for software licenses and for maintenance of LAMA.

Real Estate: We anticipate acquisition of approximately 250 properties through the tax sale process and expect to continue funding legal positions within the Law Department for the deed reconciliation project. Storm Water Management fees have been budgeted in the event the city water department imposes these fees on Land Bank property. Emergency Property Maintenance will be done only for necessary repairs to Land Bank structures, as that need arises.

PHILADELPHIA LAND BANK FISCAL 2017 OPERATING BUDGET VS 2016

	FY 2017	FY 2016	VARIANCE
SALARIES	895,100	1,181,600	(286,500)
<i>Share of DHCD Support Salaries</i>	155,000	130,000	25,000
<i>Share of PHDC Admin Salaries</i>	257,600	253,000	4,600
<u>Fringe Benefits</u>			
FICA	68,500	90,400	(21,900)
Pensions	351,900	384,800	(32,900)
Health Benefits			
Major Medical	191,600	302,300	(110,700)
Prescription Plan	63,600	52,900	10,700
Dental	11,800	15,700	(3,900)
Vision	800	800	-
Life Insurance	5,200	12,000	(6,800)
Group Legal	2,000	2,160	(160)
Worker's Compensation	11,300	7,500	3,800
Unemployment Comp	13,100	16,000	(2,900)
Total Fringes	719,800	884,560	(164,760)
TOTAL LAND BANK SALARIES & FRINGES	2,027,600	2,449,160	(421,660)
<u>Purchase of Services</u>			
Telephone	9,700	6,800	2,900
Training, Travel & Conferences	15,000	25,000	(10,000)
Parking & Mileage	7,600	15,800	(8,200)
Postage	5,100	5,100	-
Advertising	10,000	30,000	(20,000)
Professional Services			
Strategic Plan	-	100,000	(100,000)
Communications	-	25,000	(25,000)
Fellows Program	70,000	-	70,000
Drexel Contract	25,000	75,000	(50,000)
Legal Fees	40,000	26,700	13,300
Audit and Accounting Consulting	38,500	40,000	(1,500)
Payroll & Realist System	4,000	6,400	(2,400)
Repair & Property Maintenance	6,100	6,400	(300)
Rent of Office Space	85,500	89,200	(3,700)
Insurance	171,800	309,000	(137,200)
Insurance broker fees	53,000	50,700	2,300
Total Purchase of Services	541,300	811,100	(269,800)
<u>Materials & Supplies</u>			
Books, Publications, Dues	5,000	5,100	(100)
Office Material & Supplies	5,000	5,000	-
Printing	15,100	20,200	(5,100)
Total Materials & Supplies	25,100	30,300	(5,200)
<u>Equipment</u>			
Tools and Equipment	1,400	4,700	(3,300)
Auto	7,400	22,000	(14,600)
Total Equipment	8,800	26,700	(17,900)
<u>Information Services & Technology</u>			
Information Technology Improvement	250,000	175,000	75,000
Software licenses	29,600	32,500	(2,900)
Purchase of data services	6,400	23,100	(16,700)
Purchase and maintenance of equipment	9,600	18,300	(8,700)
Total	295,600	248,900	46,700
<u>Real Estate</u>			
Acquisition & Disposition	360,000	407,500	(47,500)
Storm Water Management	300,000	-	300,000
Emergency Property Maintenance	50,000	350,000	(300,000)
Total	710,000	757,500	(47,500)
TOTAL COSTS	\$ 3,608,300	\$4,323,660	\$ (715,360)
<u>REVENUE</u>			
VPRC 2016 Net proceeds b/f	500,000	-	500,000
PRA Funding	1,900,000	3,823,660	(1,923,660)
City: General Funds	500,000	500,000	-
Land Bank Retained cash resources	708,300	-	708,300
Total	\$ 3,608,300	\$4,323,660	\$ (715,360)

RESOLUTION NO. 2016 -

**RESOLUTION APPROVING PHILADELPHIA LAND BANK OPERATING BUDGET
FOR FISCAL YEAR 2017**

WHEREAS, the Board of Directors has been presented with the proposed budget for Fiscal Year 2017 which itemizes the categories and amounts of expenses required to fund operations of the Philadelphia Land Bank (“Operating Budget”);

WHEREAS, the Finance Committee has recommended the approval of the Operating Budget;

WHEREAS, the Board has reviewed and considered the Operating Budget; and

WHEREAS, a majority of the entire Board of Directors of the Philadelphia Land Bank has voted in favor of adopting the Operating Budget.

NOW THEREFORE, BE IT RESOLVED by the Philadelphia Land Bank that:

1. The Operating Budget for Fiscal Year 2017, as presented to this Board and attached hereto, is hereby approved.
2. The Board will receive quarterly financial reporting comparing actual expenditures to Fiscal Year 2017 budgeted expenses.

MEMORANDUM

Date: August 11, 2016
To: Board of Directors
From: Tania Nikolic
Re: Proposed Amendment for Drexel Fellows Contract

The Land Bank has an existing contract with Drexel University to provide staff for technical assistance in our deed reconciliation project and pricing model work. First approved in May 2015, the “Fellows Program” has been the mainstay of the Deed Reconciliation project which has catalogued information on thousands of publicly-owned properties; created, and in many cases corrected, legal descriptions for those properties; and prepared and recorded deeds to almost 2,000 properties into the Land Bank.

The Fellows also supported the recent update to the Land Bank’s pricing model and are now assisting the Redevelopment Authority in pricing its assets for financial reporting purposes.

The FY 17 Operating Budget provides for continuation of this work in two respects: (1) adding \$70,000 for the Fellows; and (2) adding \$25,000 for the work being performed by Andrea Saah, Esquire, the team lead.

At this time, we are requesting the Board to approve contract extensions for these budgeted amounts. If approved, the Land bank will amend these contracts and allow the Fellows Program and Andrea to further their work.

RESOLUTION NO. 2016 -

**RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH
DREXEL UNIVERSITY – ANDREA SAAH**

WHEREAS, the Land Bank and Drexel University entered into an Agreement for Professional Services with an effective date of January 1 2016 to permit Drexel to allow, as an independent contractor, Andrea Saah to led the team of Fellows who are conducting research necessary for the transfer of property from the City land-holding agencies to the Land Bank;

WHEREAS, the initial Agreement provided for compensation not to exceed \$45,000;

WHEREAS, the Land Bank's Fiscal Year 17 Operating Budget provides further funding of \$25,000 for this position which will take maximum compensation to the amount of \$70,000; and

WHEREAS, the Land Bank wishes to continue with the work being performed by the Drexel Fellows by increasing compensation in accordance with the approved FY 17 Land Bank Operating Budget.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Philadelphia Land Bank that:

1. Authorization is hereby given for the Land Bank to enter into an Amended and Restated Professional Services Contract with Drexel University – Andrea Saah to further the work for the Deed Reconciliation Project.
2. The Amended and Restated Contract will provide for a maximum compensation of \$70,000 (inclusive of all amounts expended under the initial contract for Ms. Saah's services) with a termination date of the earlier of June 30, 2017 or expenditure of this authorized increase.
3. The Interim Executive Director is authorized to prepare, execute and deliver an Amended and Restated Professional Services Contract necessary to effectuate the purposes of this Resolution which shall contain such terms and conditions as the Interim Executive Director shall deem necessary or appropriate to protect the interests of the Land Bank.

RESOLUTION NO. 2016 -

**RESOLUTION AUTHORIZING AN AMENDED AND RESTATED
PROFESSIONAL SERVICES CONTRACT WITH DREXEL UNIVERSITY**

WHEREAS, on May 14, 2015, the Board adopted Resolution No. 2015-14 which authorized a Professional Services Contract with Drexel University (the "Initial Drexel Contract") for the purpose of providing student assistance and research for (i) the transfer of property from the City land-holding agencies to the Land Bank, (ii) geospatial analysis necessary to support the land pricing model which the Land Bank was developing, and (iii) development of a Structure Hedonic Model for pricing of vacant structures;

WHEREAS, the parties entered into an amendment of the Initial Drexel Contract, effective December 17, 2015 and designated Amendment No. 1, for the sole purpose of extending the Term of the Initial Drexel Contract;

WHEREAS, by Resolution No. 2016 – 1 adopted January 14, 2016, the Land Bank approved a second amendment to the Initial Drexel Contract to increase compensation by an additional \$126,500 for a total maximum compensation not to exceed \$236,500 and extend the contract term to September 30, 2016 in order to allow completion of work undertaken in the Initial Drexel Contract;

WHEREAS, by Resolution No. 2016 – 12 adopted July 14, 2016, the Land Bank approved a third amendment to the Initial Drexel Contract to increase compensation by an additional \$20,000 for a total maximum compensation not to exceed \$256,500 to assist the Philadelphia Redevelopment Authority in the valuation of its land assets;

WHEREAS, the Land Bank wishes to continue with the work being performed by the Drexel Fellows by increasing compensation in accordance with the approved FY 17 Land Bank Operating Budget.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Philadelphia Land Bank that:

1. Authorization is hereby given for the Land Bank to enter into an Amended and Restated Professional Services Contract with Drexel University to further the work for the Deed Reconciliation Project and provide the audit assistance requested by the Redevelopment Authority.
2. The Amended and Restated Contract will provide for additional compensation of \$70,000 (inclusive of authorization provided by Resolution 2016 – 12), with a termination date of the earlier of June 30, 2017 or expenditure of this authorized increase.

3. The Interim Executive Director is authorized to prepare, execute and deliver a Amended and Restated Professional Services Contract necessary to effectuate the purposes of this Resolution which shall contain such terms and conditions as the Interim Executive Director shall deem necessary or appropriate to protect the interests of the Land Bank.