



1234 Market St., 17th Floor, Philadelphia PA 19107
philadelphialandbank.org

Board of Directors Meeting

December 10, 2015

3:30 p.m.

Agenda

- 1 Roll Call
- 2 Public Comment
- 3 Approval of Minutes for the meeting of November 12, 2015
- 4 Updates
- 5 Approval of Audit
- 6 Selection of JMT, Inc. for Professional Services Contract
- 7 Approval of 2016 Board Meeting Calendar
- 8 Adjournment

This meeting is open to the public



1234 Market St., 17th Floor, Philadelphia PA 19107
philadelphialandbank.org

MEMORANDUM

Date: December 4, 2015
To: Board of Directors
From: Darren Williams
Re: Approval of FY 2015 Audited Financial Statements

Mercadien, P.C., the Land Bank's independent auditors, has finalized the annual financial audit for the year ending June 30 2015.

- Mercadien issued an Unqualified "Clean" Opinion of the Land Bank's financial statements.
- No Findings were reported.
- No material weaknesses were noted in internal controls.
- The Land Bank complied with all Governmental Auditing Standards.

Staff requests that the Board accept Mercadien's Independent Audit Report.

RESOLUTION NO. 2015 -

**RESOLUTION APPROVING PHILADELPHIA LAND BANK
AUDITED FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2015**

WHEREAS, the Land Bank Act, 68 Pa.C.S.A. § 2101, *et seq.*, requires the Philadelphia Land Bank to prepare an annual financial audit for submission to the Department of Community and Economic Development and Philadelphia City Council;

WHEREAS, the Land Bank has engaged the audit firm of Mercadien, P.C., Certified Public Accountants, to audit the Land Bank's financial statements for Fiscal Year 2015;

WHEREAS, Mercadien has issued its Independent Auditor's Report; and

WHEREAS, the Land Bank Board has reviewed, and desires to accept, the Independent Auditor's Report.

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

1. The Independent Auditor's Report of the Philadelphia Land Bank issued by Mercadien, P.C., Certified Public Accountants for Year Ended June 30, 2015 is hereby accepted.
2. Land Bank staff is directed to submit the Auditor's Report to the Department of Community and Economic Development and to Philadelphia City Council as required by the Land Bank Act.

PHILADELPHIA LAND BANK

City of Philadelphia,
State of Pennsylvania

Financial Statements
and
Supplementary Information

June 30, 2015

PHILADELPHIA LAND BANK
City of Philadelphia, State of Pennsylvania

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PHILADELPHIA LAND BANK

City of Philadelphia, State of Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of the Philadelphia Land Bank (Land Bank) provides an overview of the Land Bank's significant financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the attached financial statements for a comprehensive understanding of the reports.

Overview and Use of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the basic financial statements of the Land Bank. The annual financial report is comprised of three components: management's discussion and analysis, the basic financial statements (including related notes to the financial statements) and supplemental schedules required by the City of Philadelphia (the "City").

The financial statements are designed to provide readers with a broad overview of the finances of the Land Bank in a manner similar to private-sector business. These statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units on the accrual basis. Under this basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period they are incurred. Depreciation of capital assets is recognized in the statement of revenues, expenses and changes in net position.

The Land Bank is considered to be a governmental unit. As a result, the format of the attached statements conforms with GAAP as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The statement of net position presents information on all of the Land Bank's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the Land Bank's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Land Bank, you need to also consider non-financial factors such as the Land Bank's ability to continue receiving funding from the City, City Council's willingness to transfer properties into the Land Bank inventory and the Administration's willingness to provide resources to facilitate the operations of the Land Bank.

The statement of revenues, expenses and net position presents information on how the Land Bank's net position at June 30, 2015 is derived.

The statement of cash flows provides information about the sources and uses of cash during the fiscal year.

Basic Financial Statements

The Land Bank's audited Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are presented on pages 10 through 12.

PHILADELPHIA LAND BANK

City of Philadelphia, State of Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Assets

The Land Bank's total assets at June 30, 2015 consisted of the following:

<u>Current</u>	
Cash	\$ 1,166,560
Prepaid assets	510
<u>Non-Current</u>	
Capital Assets	<u>39,325</u>
Total Assets	<u><u>\$ 1,206,395</u></u>

Total assets of approximately \$1.21 million primarily comprise of cash on hand (\$1.17 million) and approximately \$39 thousand in non current assets. The net investment in capital assets included expenditure of approximately \$25 thousand on computer equipment and approximately \$14 thousand on accounting software.

Liabilities

The Land Bank's total liabilities at June 30, 2015 consisted of the following:

<u>Current</u>	
Accounts Payable	\$ 2,021
Accrued Liabilities	192,399
Compensated Absences	24,752
Intercompany Payable	255,670
Unearned Revenue	<u>690,182</u>
Total Liabilities	<u><u>\$ 1,165,024</u></u>

Total liabilities of approximately \$1.16 million primarily are comprised of:

- Accrued administrative expenses and contractual obligations as of June 30, 2015 for approximately \$192 thousand.
- Approximately \$256 thousand payable due to the Philadelphia Redevelopment Authority ("PRA") for reimbursement of expenses incurred on the Land Bank's behalf.
- Approximately \$690 thousand of unearned revenue at June 30, 2015 that went unexpended. The balance of this funding will remain under the Land Bank's budget authority and will be rolled over into Fiscal Year 2016 approved funding allocation.

PHILADELPHIA LAND BANK

City of Philadelphia, State of Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Revenue

In Fiscal Year 2015, the Land Bank received \$2,079,000 in total funding. \$275,000 from the City in general funds and \$1,804,000 from the PRA. As of June 30, 2015, the Land Bank recorded \$1,388,853 in revenue and had an unearned revenue balance of \$690,182. For Fiscal Year 2016, a funding commitment is expected again from both the City and PRA.

Expenses

The Land Bank's total expenses at June 30, 2015 consisted of the following:

For FY 2015, 54% of total expenses incurred pertain to personnel expenses, approximately \$727 thousand. Personnel includes five full time assigned staff and an indirect allocation of support staff expenses from Philadelphia Housing Development Corporation ("PHDC") as approved by the inter agency memorandum of understanding.

The majority of other expenses (44%) are attributed to outside contracts and service and are predominately technology related, approximately \$587 thousand. \$195 thousand for accounting and system services, \$175 thousand for the required strategic plan, \$35 thousand for the purchase of demographic data to support the land pricing model and \$65 thousand for data analytics. As the Land Bank grows, the ratio of personnel costs to total costs is expected to fall.

Net Position

The Land Bank's net position is derived for FY 2015 by the difference between revenue and expense through June 30, 2015. \$41,371 represents capital assets purchased during the fiscal year.

Alternative Funding

The Land Bank has been the recipient of funds made available directly or indirectly from the City to support the Land Bank's initial start up. As property is transferred into the Land Bank and tax foreclosure properties acquired, the Land Bank strives to reduce the dependency on the City for subsidy and within five years be able to finance its own activities and operation.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the statements and should be thoroughly read for a complete detailed understanding of the financial position and activities of the Land Bank.

PHILADELPHIA LAND BANK
City of Philadelphia, State of Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Issues That May Have a Significant Impact

In October 2015, a transitional labor agreement with Local 1971 (District Council 33) which represents employees at both PHDC, PRA and OHCD was ratified, which will facilitate the transition of staff to and from the Land Bank and allow the Land Bank to operate effectively. Land Bank staff is comprised of four (4) PHDC employees and one (1) PRA employee who is assigned to the Land Bank under a Memorandum of Understanding. PHDC's labor agreements expired in 2004. The lack of a contractual labor agreement delayed the startup of the Land Bank's operations. As labor agreements now permit, the Land Bank will take full responsibility for the City's "Front Door" for the sale of surplus vacant properties and will be responsible for daily customer service.

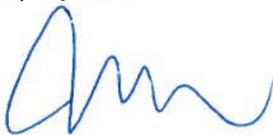
As of June 30, 2015 no land or property has been transferred into the Land Bank's inventory. The Land Bank expects to receive the majority of the City's surplus residential and small commercial properties, as well as those of the PHDC and the PRA. Before property can be transferred from the City or the PRA, City Council must authorize the transfer by resolution, and each individual deed must be reviewed by counsel. No property has yet been authorized by City Council for conveyance to the Land Bank. PHDC's properties are expected to be transferred to the Land Bank by the end of the calendar year, as PHDC sought court approval from Orphans Court for the transfer of PHDC assets under Pennsylvania's non-profit laws.

Upon successfully transferring property into the Land Bank, it is expected that the Land Bank will maintain the properties in its inventory so that they are not a blight on neighborhoods in which they are located.

The Land Bank has the unique authority to acquire property at the tax foreclosure auction without competing with private interests. This authority was granted by the Pennsylvania Land Bank Act, 68 Pa.C.S.A. §§ 2101-2120. It has only recently begun to be used by a small handful of communities around the Commonwealth, and has not yet been challenged or tested in the courts. The Land Bank will exercise this authority with the City Finance Director's consent, and in cooperation with the City's Revenue, Finance, Law, and Sheriff's offices. The proceeds from the sale of the tax foreclosed properties will contribute funds to support Land Bank operations.

Sincerely,

John Carpenter
Deputy Executive Director



Darren Williams
Director of Finance



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Philadelphia Land Bank
City of Philadelphia, State of Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Philadelphia Land Bank (the "Land Bank"), City of Philadelphia, State of Pennsylvania as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the Land Bank's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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- NEW YORK SOCIETY OF
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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Land Bank as of June 30, 2015 and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages one through four be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Land Bank's basic financial statements. The accompanying schedule of payments to other City agencies and capital assets are presented for purposes of additional analysis as required by the City of Philadelphia and is not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015 for the year ended June 30, 2015 on our consideration of the Land Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Land Bank's internal control over financial reporting and compliance.

Mercadieu, P.C.

Certified Public Accountants

November 23, 2015

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Philadelphia Land Bank
City of Philadelphia, State of Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Philadelphia Land Bank (the "Land Bank"), City of Philadelphia, State of Pennsylvania as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Land Bank's basic financial statements, and have issued our report thereon dated November 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Land Bank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Land Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of the Land Bank's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Land Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Land Bank's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Land Bank's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Meredien, P.C.

Certified Public Accountants

November 23, 2015

BASIC FINANCIAL STATEMENTS

PHILADELPHIA LAND BANK
City of Philadelphia, State of Pennsylvania

STATEMENT OF NET POSITION
June 30, 2015

Assets

Current Assets

Cash	\$ 1,166,560
Other current assets	<u>510</u>

Total Current Assets 1,167,070

Noncurrent Assets

Capital assets, net of accumulated depreciation	<u>39,325</u>
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Total Noncurrent Assets 39,325

Total Assets \$ 1,206,395

Liabilities

Current Liabilities

Accounts payable	\$ 2,021
Accrued liabilities	192,399
Compensated absences	24,752
Unearned revenue	690,182
Intergovernmental payable	<u>255,670</u>

Total Current Liabilities 1,165,024

Total Liabilities 1,165,024

Net Position

Net investment in capital assets	39,325
Unrestricted	<u>2,046</u>

Total Net Position \$ 41,371

PHILADELPHIA LAND BANK

City of Philadelphia, State of Pennsylvania

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2015

Operating Revenues

Revenues applicable to:

City of Philadelphia

\$ 275,000

Philadelphia Redevelopment Authority

1,113,818**Total Operating Revenues**1,388,818**Operating Expenses**

Personnel

727,117

Office rental

30,788

Outside services fees

587,496

Depreciation

2,046**Total Operating Expenses**1,347,447**Operating Income**

41,371

Net Position, Beginning of year-**Net Position, End of year**\$ 41,371

PHILADELPHIA LAND BANK
City of Philadelphia, State of Pennsylvania

STATEMENT OF CASH FLOWS
Year Ended June 30, 2015

Cash Flows From Operating Activities

Receipts from contracts with the City of Philadelphia and other agencies	\$ 2,079,000
Payments to employees for wages and benefits	(390,686)
Payments to suppliers for other costs	<u>(480,383)</u>

Net cash provided by operating activities 1,207,931

Cash Flows From Capital and Related Financing Activities

Purchase of capital assets	<u>(41,371)</u>
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Net cash used in capital and related financing activities (41,371)

Net Increase in Cash 1,166,560

Cash, Beginning of year -

Cash, End of year \$ 1,166,560

Reconciliation of Operating Income to Net Cash

Provided By Operating Activities	
Operating income	\$ 41,371
Adjustments to reconcile operating income to net cash provided by operating activities:	
Unearned revenue	690,182
Changes in operating assets and liabilities:	
Other current assets	(510)
Accounts payable	2,021
Accrued Liabilities	192,399
Compensated absences	24,752
Intergovernmental Payable	255,670
Depreciation	<u>2,046</u>

Net Cash Provided by (Used in) Operating Activities \$ 1,207,931

PHILADELPHIA LAND BANK

City of Philadelphia, State of Pennsylvania

NOTES TO FINANCIAL STATEMENTS

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Reporting Entity

The Philadelphia Land Bank (Land Bank) is an independent governmental unit. In December 2012 the Commonwealth of Pennsylvania enacted the *Pennsylvania Land Bank Act, 68 Pa.C.S.A. §§ 2101-2120*, authorizing the creation of “land banks” by municipalities as tools to facilitate the return of vacant, abandoned and tax delinquent land/properties to productive use. In December 2013, under the vision of Mayor Nutter, City Council President Darrell Clarke, Councilwoman Maria Quiñones Sánchez and Councilman Curtis Jones, City Council unanimously passed the ordinance which created the Philadelphia Land Bank, which Mayor Nutter signed into law. In July 2014, the Land Bank was incorporated.

The Land Bank is a new agency whose mission is to return vacant and tax delinquent property to productive reuse. The Land Bank will consolidate many of the land acquisition and disposition processes of the City under one umbrella, making it easier for private individuals and organizations to acquire properties that contribute to neighborhood disinvestment and turn them into assets for the community in which they are located. The Land Bank possesses a number of tools that will enable it to help return derelict properties to productive use. The Land Bank can:

- Acquire tax-delinquent properties through tax foreclosure.
- Clear the title to those properties so that new owners are not burdened by old liens.
- Consolidate properties owned by multiple public agencies into single ownership to speed property transfers to new private owners.
- Assist in the assemblage and disposition of land for community, nonprofit and for-profit uses.

The Land Bank is governed by a board of directors composed of eleven members, five (5) appointed by the Mayor and (5) by City Council, with the 11th appointed by the ten. All board members’ terms end with the end of the administration’s term in January 2016, although they will serve until they are replaced. Members serve at the pleasure of their appointing authority.

The Land Bank is funded both directly and indirectly through the City of Philadelphia (the “City”). In its inaugural year, the Land Bank received general fund dollars directly from the City and through the Philadelphia Redevelopment Authority (“PRA”) at the Mayor’s request. As of June 30, 2015, the City has not indicated any intention to suspend or terminate its funding relationship with the Land Bank.

Financial Reporting

The Land Bank is considered to be a governmental organization. As such, the Land Bank presents its financial statements in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Land Bank considers itself to be a special purpose governmental organization engaged only in business type activities.

NOTES TO FINANCIAL STATEMENTS

**A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Related Party and Memorandum of Understanding

There are no organizations or agencies that should be included in the Land Bank's financial statements. Through a Management Contract with the Philadelphia Housing Development Corporation (PHDC), PHDC manages, oversees and operates the everyday activities of the Land Bank, which includes the authority to act on behalf of the Land Bank, hiring dedicated full time Land Bank staff and organizing administrative and clerical support staff. PHDC personnel is also responsible for maintaining accurate financial records, facilitating the payment of operational expenses and debts and all external financial reporting.

Component Unit

The City of Philadelphia is considering the Land Bank as a potential Component Unit of the City, with its annual financial information being consolidated into the City's Comprehensive Annual Financial Report (CAFR). As of June 30, 2015 no formal decision has been determined to its component unit status; however the Land Bank will comply with City's guidelines in terms of both mandated required submissions and the implementation of GASB Statement No.'s 68, 69 & 70, if applicable.

Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. All pass-through funding is recognized as revenue when the related costs are incurred. Such costs could include costs of acquisition and rehabilitation of certain real property to be alternately conveyed to program beneficiaries.

Land Bank records all revenues derived and related expenses incurred from its programs and activities as operating revenues and expenses since they are generated from the Land Bank's daily operations needed to carry out its purposes.

In its accounting and financial reporting, the Land Bank follows the pronouncements of the Governmental Accounting Standards Board ("GASB") and other entities that promulgate accounting principles. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principles ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the *Codification of Governmental Accounting and Financial Reporting Standards* (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or other events within a source of authoritative GAAP described above and then may consider non-authoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board ("FASB"), Federal Accounting Standards Advisory Board, International Public

NOTES TO FINANCIAL STATEMENTS

**A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Measurement Focus and Basis of Accounting (Continued)

Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition - Government Grants and Contracts

The Land Bank records funding received in advance under contracts with the PRA and the City as unearned (Deferred) revenue until the related costs are incurred or services performed, at that time they are recognized as revenue. In accordance with the terms of the PHDC Management Contract, Land Bank reimburses PHDC for all eligible and allowable costs incurred on behalf of the Land Bank and recognizes revenue accordingly.

Property Held for Sale

Property held for development or sale will be stated at the lower of the cost of acquisition or an impaired value, which reflects the land/property true valuation in accordance with GASB Statement No.'s 34, 42 and 72. This methodology will be applied to long-held vacant properties, as well as, units recently acquired for sale. As of June 30, 2015, the Land Bank owned no real property.

Capital Assets and Depreciation

Capital assets are carried at cost or estimated historical cost, less accumulated depreciation. Capital assets are defined by the Land Bank as assets with a cost of more than \$500 and an estimated useful life in excess of one year. Depreciation is provided on the straight-line method over the estimated useful lives of the related assets as follows:

Buildings (operating real estate)	30 years
Leasehold improvements	10 years
Vehicles, furniture and equipment	10 years
Computer equipment & hardware	5 years

Lease Obligations

The Land Bank has no direct lease agreements through June 30, 2015. Reimbursement to PHDC for eligible leased products as defined by the Management Contract (Rent, Office copiers) is made monthly.

NOTES TO FINANCIAL STATEMENTS

**A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Compensated Absences

Land Bank staff are employed by PHDC and accrue leave time in accordance with PHDC personnel policies. PHDC employees accumulate sick and vacation time in accordance with their applicable contracts. Employees are not compensated for unused sick leave upon termination unless termination is due to retirement. Retiring employees are entitled to 30% of their accumulated sick time. Employees may carry over unused vacation on January 1, up to 560 hours. Compensated absences are accrued when incurred and reported as a liability. A corresponding entry is recorded to accounts receivable, since all such amounts are reimbursable by the respective agencies. The accrued liability for compensated absences is also reflected in PHDC's financial statements.

Other Postemployment Benefits

On behalf of Land Bank, PHDC accounts for other post-employment benefits under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires governmental agencies to recognize an expense under the accrual basis for the annual required other postemployment benefits contributions, regardless of amounts paid. The cumulative difference between amounts expensed and paid creates a liability (asset) similar to net pension obligations. For the year ended June 30, 2015, the Land Bank did not incur costs for other postemployment benefits.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when limitations on their use are imposed through external restrictions by creditors, grantors or laws or regulations of other governments. Unrestricted net position consists of all other net position not included in the above categories.

Income Taxes

The Land Bank is exempt from Federal income taxes under Section 115 [1] of the Internal Revenue Code. Accordingly, no provision for income taxes is presented in these financial statements. In addition, properties held for development are exempt from real estate taxes.

B. BUDGETARY INFORMATION

Annual budgets are adopted based upon approved funding commitments with outside grantor(s) (The City of Philadelphia, PRA) on a basis consistent with U.S. generally accepted accounting principles. All budgets continue to exist for the period defined in the scope of the funding management agreement. In December, the Land Bank prepares a subsequent year budget and submits it to the City for consideration. The Mayor decides the level of support and origin of funds the Land Bank receives.

The appropriated budget is prepared by account and function. Once the budget is funded, the Land Bank may make transfers of appropriations within the agency without written authorization from the grantor.

NOTES TO FINANCIAL STATEMENTS

C. CASH & CASH EQUIVALENTS

Legal and Contractual Restrictions

City of Philadelphia agencies are authorized by statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral (with their trust department or other custodians) obligations of the United States, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth. Under Pennsylvania Act 72 of 1971 (Act 72), as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. The Land Bank has no investments and receives no interest income for cash on deposit.

Analysis of Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Land Bank's deposits may not be returned to it. The Land Bank maintains its cash balances in accounts at a financial institution. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage up to \$250,000. The financial institution secures Land Bank deposits in excess of FDIC with a pledge of collateral in accordance with Act 72. The pool of assets applicable to the financial institution's collateralization consists of Government National Mortgage Association securities and other collateral eligible under the U.S. Treasury Tax and Loan Program as in effect on the effective date of Act 72.

D. CAPITAL ASSETS

Capital assets activity for the year ending June 30, 2015:

Capital Assets

Computers & equipment	\$	38,501
Furniture & equipment		2,870
Total Capital Assets		<u>41,371</u>
Less - accumulated depreciation		<u>(2,046)</u>
Total Capital Assets	\$	<u>39,325</u>

Depreciation expenses for capital assets was \$2,046 for the year ended June 30, 2015.

E. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2015 consist of the following:

Accounts Payable	\$	2,021
Accrued Administrative Expenses		192,399
PRA Payable		255,670
Compensated Absences		24,752
	\$	<u>474,842</u>

NOTES TO FINANCIAL STATEMENTS

F. COMMITMENTS AND CONTINGENCIES

Litigation

The Land Bank is not a named defendant in any pending lawsuits.

G. RELATED PARTY TRANSACTIONS

Related parties of the Land Bank include the City, PHDC and the PRA. Amounts payable to PRA are \$255,670 and to PHDC \$63,783 as of June 30, 2015. Substantially all assets, liabilities, revenues and expenses as of and for the year ended June 30, 2015 are included under and dependent upon contracts and management agreements with the City and its agencies.

H. PENSION PLAN

Plan Description

Land Bank staff participate in the City of Philadelphia Municipal Public Employee Retirement System, a cost-sharing, multiple-employer Public Employees Retirement System (PERS). The City of Philadelphia issues a publicly available financial report that includes the applicable financial statements and required supplementary information for the PERS. The report may be obtained by contacting the Director of Finance of the City of Philadelphia. All full-time employees are eligible and required to participate in the PERS. The PERS provides pension benefits, deferred allowances, and death and disability benefits. PHDC employees hired prior to January 1, 2002 participate in the J Plan. Under this plan, if an employee terminates his or her employment after at least 10 years of service but before reaching the age of 55, he or she may receive a refund of total contributions or defer pension benefits until reaching retirement age. Employees who retire after age 55 with at least one year of credited service are entitled to receive pension benefits for the rest of their lives equal to 2-1/2% of their final average compensation times the number of years for which they were employed by a participant in the PERS. After the first 20 years of service, the percentage of average final compensation to which an employee is entitled for each year of credited service decreases from 2-1/2% to 2%. Under Plan J, the highest maximum allowable benefit is 80%.

Participants in PERS may opt for early retirement with a reduced benefit. The Deferred Retirement Option Plan (DROP) was initiated on October 1, 1999. Under this plan, employees who reach retirement age may accumulate their monthly service retirement benefit in an interest bearing account at the Board of Pensions for up to four years and continue to be employed by PHDC.

PHDC employees hired after December 31, 2001 participate in Plan Y. Under this plan, employees with 10 years credited service may retire at age 60. Employees retiring after 60 are entitled to receive pension benefits for the rest of their lives equal to 2.2% of their final average compensation times the number of years for which they were employed by a participant in the PERS. After 10 years of service, the percentage of average final compensation to which an employee is entitled for each year of credited service decreases from 2.2% to 2%. Under Plan Y, the highest maximum allowable benefit is 100%.

NOTES TO FINANCIAL STATEMENTS

H. PENSION PLAN (CONTINUED)

Plan Description (Continued)

Employees under Plan Y who are not eligible to be represented by a union must vest their retirement benefits in 5 years rather than the normal 10-year vesting period. Members of the 5-year vesting (the Y5 Plan) are required to pay a higher contribution rate of .62 of one percent in addition to the normal Plan Y rate for 5 years. Their contribution rate then reverts to the normal Y Plan rate for the remainder of their employment.

Under each plan, provisions include death benefits, whereby the surviving beneficiary is entitled to receive 50% of monthly retirement payments. Additionally, the plans provide for disability benefits under which the disabled employee is entitled to receive benefits computed as if the employee were receiving a regular service pension. All Land Bank pension obligations and postemployment benefits are included in PHDC's financial statements.

Contributions Required and Made

Employees of PHDC are required to pay 3.75%, 1.95.% and 2.71%, of their gross earnings to the pension plan for the J Plan, Y Plan and Y5 Plan, respectively for 2015. PHDC is required to contribute at actuarially determined rates, which were 164.897% of covered payroll for the J Plan for 2015 and 8.798% of covered payroll for the Y Plan. PHDC makes quarterly payments to the City PERS within 30 days of the end of each quarter. The Land Bank reimbursed PHDC for \$43,920 in pension related expenses during fiscal year ended June 30, 2015.

I. RISK MANAGEMENT

General

The Land Bank is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Land Bank carries insurance.

J. SUBSEQUENT EVENTS

Management has evaluated subsequent events that occurred after the balance sheet date but before November 23, 2015, the date the financial statements were available to be issued. Based on this evaluation, the Land Bank has determined the following disclosure:

In October 2015, a transitional labor agreement with Local 1971 (DC 33) which represents employees at both PHDC, PRA and OHCD was ratified, which will facilitate the transition of staff to and from the Land Bank and allow the Land bank to operate effectively.

PHILADELPHIA LAND BANK

City of Philadelphia, State of Pennsylvania

NOTES TO FINANCIAL STATEMENTS

K. ACCOUNTING PRONOUNCEMENTS ISSUED, NOT YET IMPLEMENTED

The Governmental Accounting Standards Board issued Statement No. 72, "Fair Value Measurement and Application" effective for financial statements for periods beginning after June 15, 2015. This standard describes how fair value should be defined and measured, the use of various valuation techniques, and which information about fair value should be disclosed in the notes to the financial statements. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also states that investments generally should be measured at fair value. An investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. However, certain investments, such as money market investments, continue to be excluded from measurement at fair value. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment. Statement No. 72 requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement. These assets previously were required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy and valuation techniques. Governments should organize these disclosures by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

Land Bank's management has not yet determined the effect, if any, this Statement will have on the Land Bank's financial statements.

SUPPLEMENTARY INFORMATION

PHILADELPHIA LAND BANK
 City of Philadelphia, State of Pennsylvania

SCHEDULE OF PAYMENTS TO OTHER CITY AGENICES

*** Philadelphia Housing Development Corporation (PHDC)**

FY 2015 PHDC labor expenses

7/3/2015	\$ 64,726	May 2015 labor expenses
6/24/2015	105,504	March, April 2015 labor expenses
5/8/2015	92,554	Jan, Feb 2015 labor expenses
3/10/2015	86,847	Nov, Dec 2014 labor expenses
1/15/2015	56,775	October 2014 labor expenses
10/24/2014	179,025	July, Aug, Sept 2014 labor expenses
	<u>585,431</u>	

6/30/2015 Accrued labor expenses

7/29/2015	<u>63,782</u>	June 2015 labor expenses
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Credit card payment reimbursements

1/22/2015	3,110
4/23/2015	487
	<u>3,597</u>

Total reimbursed PHDC expenses.

\$ 652,811

*** Philadelphia Redevelopment Authority (PRA)**

Accrued labor & reimbursable expenses

6/30/2015	<u>\$ 255,670</u>	FY 2015 accrued expenses
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Total PRA expenses.

\$ 255,670

PHILADELPHIA LAND BANK
City of Philadelphia, State of Pennsylvania

SCHEDULE OF CAPITAL ASSETS

Computer Equipment (5 years)	Amount	Date Purchased	Useful Life (months)	FY 2015 Depreciation	Accumulated Depreciation	Net Book Value
Dell Latitude E74400 (Bradley)	\$ 1,429	3/22/2015	60	\$ 78	\$ 78	\$ 1,351
Dell Optiplex 7020 MT	669	3/20/2015	60	37	37	632
Dell Optiplex 7020 MT	669	3/20/2015	60	37	37	632
Dell Optiplex 7020 MT	669	3/20/2015	60	37	37	632
Dell Optiplex 7020 MT	669	3/20/2015	60	37	37	632
Dell Optiplex 7020 MT	669	3/20/2015	60	37	37	632
Dell Optiplex 7020 MT	669	3/20/2015	60	37	37	632
Dell Optiplex 7020 MT	669	3/20/2015	60	37	37	632
Dell Optiplex 7020 MT	669	3/20/2015	60	37	37	632
IBM 16GB Memory Kit (Server)	11,610	3/23/2015	60	630	630	10,980
Dell Precision T1700 GIS 42710-120	1,449	6/9/2015	60	17	17	1,432
Dell Precision T1700 GIS 42710-120	1,449	6/9/2015	60	17	17	1,432
Dell Precision T1700 GIS 42710-120	1,449	6/9/2015	60	17	17	1,432
	<u>22,739</u>			<u>1,058</u>	<u>1,058</u>	<u>21,681</u>
Computer Software (5 years)	Amount	Date Purchased	Useful Life (months)	FY 2015 Depreciation	Accumulated Depreciation	Net Book Value
Microsoft Dynamics SL 2015	15,762	3/10/2015	60	967	967	14,795
	<u>15,762</u>			<u>967</u>	<u>967</u>	<u>14,795</u>
Equipment (10 years)	Amount	Date Purchased	Useful Life (months)	FY 2015 Depreciation	Accumulated Depreciation	Net Book Value
Widmer S-3 Check Signer	975	5/7/2015	120	14	14	960
Epsom Home Cinema Projector	1,896	6/18/2015	120	6	6	1,889
	<u>2,870</u>			<u>21</u>	<u>21</u>	<u>2,849</u>
TOTAL	\$ 41,371			\$ 2,046	\$ 2,046	\$ 39,325

MEMORANDUM

Date: December 4, 2015
To: Board of Directors
From: William Bradley
Re: Selection of Johnson, Mirmiran & Thompson, Inc. for Professional Services Contract

In October 2015, the Land Bank issued a Request for Qualifications (RFQ) for Technical Services. There were eight (8) firms who responded (see below for list of respondents).

The proposals were provided to the Technical Advisory Committee which then formed a selection committee consisting of representatives from OIT, OHCD, the Land Bank and the Board. The Selection Committee determined that two of the proposals were most responsive in terms of ability, price and experience and each of these firms was interviewed on October 29, 2015. Following these interviews, the Selection Committee consensus was to recommend selection of Johnson, Mirmiran & Thompson, Inc., known as JMT Technology Group (JMT).

The rates between the two interviewed firms were similar; however, JMT was not the low bidder. Our recommendation of JMT is based on their project experience, the number of technical specialists and their availability to provide the complete array of services required for this project. JMT will provide staff to support stakeholder interviews that will inform the creation of user profiles. These profiles will be critical in designing, developing and deploying the improved technical systems and applications that will support the Land Bank's fundamental business operations.

We therefore request your approval of the proposed contract and scope of services with JMT Technology Group.

RFQ Respondents:

Urban Spatial Analysis , LLC.
LOVELAND Technologies
GeographIT
Johnson, Mirmiran & Thompson, Inc (JMT)
UIA-INC (University Informatics Associates)
ESRI
Sofbang & Oracle
Opportunity Space

Estimated Task Durations and Costs

Project Phases	Duration	Total Hours	Estimated Cost
Planning and Requirements	1/4/2016 – 2/12/2016	200	\$26,000
System Architecture Design	1/18/2016 – 2/12/2016	160	\$20,500
Application Design and Development	2/15/2016 – 06/30/2016	435	\$52,800
Totals	1/4/2016 – 6/30/2016	795	\$99,300

Project Milestones

Project Tasks	Target Date
Project Start	1/4/2016
System Architecture Review – Start	1/18/2016
JAD Sessions	Week of 1/25/2016
Business Requirements - Complete	2/12/2016
System Architecture Review - Complete	2/12/2016
Development Activities – Start	2/15/2016
Development Activities – Complete	6/30/2016

RESOLUTION NO. 2015 -

**RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH
JOHNSON, MIRMIRAN & THOMPSON, INC.**

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 professional services contract with Johnson, Mirmiran & Thompson, Inc. 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).

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.



1234 Market St., 17th Floor, Philadelphia PA 19107
philadelphialandbank.org

Board of Directors

2016 Meeting Schedule

All meetings are held at 3:30 p.m.

in the 17th floor boardroom of 1234 Market Street

January 14

February 11

March 10

April 14

May 12

June 9

July 14

August 11

September 8

October 13

November 10

December 8

PHILADELPHIA LAND BANK

BOARD MEETING MINUTES

A meeting of the Board of Directors of the Philadelphia Land Bank was held on Thursday, November 10, 2015 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 3:31 p.m.

ROLL CALL

The following members of the Board of Directors reported present: Majeedah Rashid, Chair; Paul L. Badger, Jr., Vice Chair; Jennifer Kates, Secretary; Deborah McColloch, Treasurer; Anjali Chainani; Christian Dunbar; Nora Lichtash; Angel Rodriguez; Courtney Voss and Herbert Wetzell.

The following member of the Board of Directors was not present: Jennifer Rodriguez.

The following staff members were present: Nicholas Scafidi, Esquire, John Carpenter, William Bradley, Guy Thigpen, Victoria Welch, Darren Williams and Paul Chrystie.

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

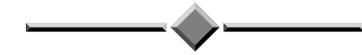
A quorum of directors was present and the meeting, having been duly convened, was ready to proceed with business.



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.

Mr. Holt asked why the Board accepted public comment only at the beginning of each meeting. Ms. Rashid replied that the Sunshine Act permits the Board to designate the time and manner of public comment and that public comment at the beginning of the meeting provides an orderly process which allows the Board to consider all comments before any official Board action is taken on individual agenda items.



Agenda Item 3
Approval of Board Minutes

Ms. Rashid called for a motion to approve the minutes of the Board meeting of October 8, 2015.

Upon motion made and duly seconded, the minutes of October 8, 2015 were approved as presented.



Agenda Item 4
Updates

Ms. Rashid asked staff to provide their update of Land Bank activities.

Mr. Williams reported that the Board's Finance Committee has reviewed a draft of the Land Bank Audit and Management Letter and that the final audit reports will be presented for Board approval in December.

Mr. Carpenter stated that we are preparing to issue an RFP for the maintenance of structures that the Land Bank acquires. We expect to present a proposed contract to the Board in January. The FY 16 budget provides adequate funding for these services.

Mr. Carpenter also reported that the pilot tax foreclosure project has received City approval which will allow the Land Bank to bid for approximately 70 properties at future tax foreclosure sales. We are working with City agencies and the Sheriff's Office in preparation for these acquisitions. We will keep the Board informed of our progress.

Mr. Scafidi reported that the Orphans' Court has granted approval for the transfer of PHDC properties to the Land Bank. Staff is completing the deed preparation work with the goal of recording deeds starting in early December.

At the request of Ms. Rashid, Mr. Scafidi notified the Board that at its December meeting, the Board will be asked to approve its meeting schedule for the Calendar Year 2016 which we propose as the second Thursday of each month.



Agenda Item 5
Appointment of Interim Executive Director

Ms. McColloch proposed a resolution that Nicholas J. Scafidi, the Land Bank's General Counsel, be appointed as the Land Bank's Interim Executive Director to serve until the Board appoints a permanent Executive Director.

Ms. Rashid called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved by unanimous vote of the Board as follows:

RESOLUTION NO. 2015 - 24

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

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

WHEREAS, with the resignation of the Land Bank's Executive Director, the Board now wishes to appoint an individual who will serve as the Land Bank's Interim Executive Director.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Philadelphia Land Bank that Nicholas J. Scafidi 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 6

Approval of 2015 Progress Report and Strategic Plan Update

Ms. Rashid announced that the Board would now consider the Proposed 2015 Progress Report and Strategic Plan Update. Ms. Rashid stated that each Board Member has received the Report and Update; that the Report and Update was the subject of a well-attended public hearing before several Board Members; and that a summary of public comments and revisions based on that public input was included in the final Report and Update.

Mr. Carpenter supplemented this information with a Memorandum to the Board which was included with the posting of the Board agenda.

Ms. Rashid called for a motion on the resolution to approve the Proposed 2015 Progress Report and Strategic Plan Update and for its submission to City Council. Upon motion made and duly seconded, the resolution was approved by unanimous vote of the Board as follows:

RESOLUTION NO. 2015 - 25

RESOLUTION APPROVING AND ADOPTING 2015 PROGRESS REPORT AND STRATEGIC PLAN UPDATE FOR THE PHILADELPHIA LAND BANK

WHEREAS, Chapter 16-700 of the Philadelphia Code, entitled “Philadelphia Land Bank” (the “Land Bank Ordinance”), requires the Land Bank Board of Directors to develop a strategic plan in coordination with the Philadelphia City Planning Commission to guide the acquisition, maintenance and disposition of Land Bank properties;

WHEREAS, the Land Bank has prepared, published and conducted a public hearing on its 2015 Progress Report and Strategic Plan Update; and

WHEREAS, the Board has given full consideration of the 2015 Progress Report and Strategic Plan Update and the public comments thereon.

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

1. The 2015 Progress Report and Strategic Plan Update as presented to this Board and attached hereto is hereby adopted.
2. Land Bank Counsel is directed to prepare an appropriate resolution for introduction into Philadelphia City Council to allow Council’s review, and to request Council’s approval, of the Land Bank’s 2015 Progress Report and Strategic Plan Update.



Agenda Item 7

Approval of Procurement Process and Financial Assistance Guidelines

Mr. Scafidi presented the Board with a proposed set of guidelines for the Land Bank’s procurement practices along with a set of rules for providing financial assistance, all as further outlined in a Memorandum to the Board that is part of the Board agenda.

Ms. Rashid called for a motion on the resolution to adopt the Procurement Process and Financial Assistance Guidelines. Upon motion made and duly seconded, the resolution was approved by unanimous vote of the Board as follows:

RESOLUTION NO. 2015 - 26

RESOLUTION ADOPTING PROCUREMENT PROCESS AND FINANCIAL ASSISTANCE GUIDELINES

FOR PHILADELPHIA LAND BANK

NOW THEREFORE, BE IT RESOLVED by the Philadelphia Land Bank that the Procurement Process and Financial Assistance Guidelines attached hereto as an Exhibit to this Resolution are hereby adopted.

ADJOURNMENT

There being no further business to come before the Board, Ms. Rashid declared the meeting adjourned at 3:52 p.m.

SECRETARY TO THE BOARD

PHILADELPHIA LAND BANK

Board of Directors

Thursday, November 12, 2015

3:30pm

GUEST SIGN-IN SHEET

NAME

COMPANY

E-MAIL ADDRESS

1)	Ron Holt	S/W DISTRICT SERVICES	SENATOR.HOLT@GMAIL.COM
2)	Brianne Lanza	ALM for everyone	briannelanza@aphila.org
3)	Andee Saah	PLB	
4)	Joel Adle	USA	
5)			
6)			
7)			
8)			
9)			
10)			
11)			