# WATERBURY LAND BANK AUTHORITY
# BOARD OF DIRECTORS MEETING

## Board of Directors Meeting Minutes

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| Meeting Date: | June 8, 2026 |
| Location: | Via Zoom |
| Call to Order: | 9:02 AM, Frederick Luedke, Chair |
| Attendees Directors: | Fred Luedke (Chair), Bob Polito (Treasurer), Gawdys Grullon (Secretary), Dan Lauer, Joel Becker, Lana Ogrodnik |
| Absent: | Dr. James Gatling (Vice Chair) |
| Staff Present: | Nancy MacMillan (Executive Director), Tiffany DuPree (Project Manager) |

**Summary**

The Chairman announced that the organization received a significant $5 million grant from the State Bond Commission through DECD to capitalize the Waterbury Land Bank Authority, though the implementation details and timeline remain unclear. The Waterbury Land Bank Authority board meeting focused on the organization's shift toward implementation of their $5 million grant from DECD, with discussions centered on rehabilitation of existing properties rather than new construction due to cost effectiveness. Nancy discussed an overview of a detailed financial analysis model showing that rehabbing properties would generate better returns than new construction, with projected sales exceeding rehabilitation costs by approximately $1million.

The board approved increasing the book keepers' hourly rate from $35 to $45, discussed the need for a construction manager to oversee rehabilitation projects, and addressed the importance of proper compliance monitoring for property sales. Fred emphasized that implementation would be the key focus moving forward, highlighting challenges including finding qualified contractors, managing multiple simultaneous projects, and working with the city to acquire improved properties rather than solely vacant land.

The group approved the minutes from the May 11th meeting and reviewed the financial report presented by Bob, which showed the organization maintaining a solid cash position with no financial contributions from supporters during the reporting period.

The Executive Director gave her report with details below. The discussion concluded with an acknowledgment that the focus would now shift toward implementation of the newly secured funds.

**1) Approval of Meeting Minutes:**
**Minutes of the last meeting.**
Fred Luedke invited a motion to have the Board accept and approve the Board Meeting minutes of the May 11, 2026, meeting as presented. Gawdys Grullon made the motion; Dan Lauer seconded the motion. There was no further discussion. The motion passed unanimously. Board Meeting Minutes from May 11, 2026. (See Attachment 1.)

**2) Financial Report:**
**Discussion regarding accounting.**
Treasurer, Bob Polito, provided the monthly financial reports (Balance Sheets, and Profit/Loss Statements prepared by our Book keeper via QuickBooks) to the Board.

The board reviewed the May financial report, which showed healthy liquidity with sufficient cash on hand.

The engagement letter prepared by Zackin Zimyeski Sullivan was signed by the Treasurer and approved unanimously by the Board.

Fred Luedke, Chair, invited a motion to have the Board accept and approve the April 2026 monthly financials, as presented or as amended. Lana Ogrodnik made the motion; Gawdys Grullon seconded the motion. The motion passed unanimously.

**3) Executive Director's Report:**
**Executive Director Monthly Update.**
Chairman Luedke asked the Board of Directors if anyone had questions regarding the Executive Directors report, prepared by Nancy MacMillan. There were no immediate specific questions or items highlighted from the Board.

**<u>Highlights</u>**
**Continuation of Financial Report:**
Nancy then presented a report on the hypothetical financial analyses which had been examined this past year, explaining that after extensive modeling, property rehabilitation was determined to offer the best return on investment compared to new construction. Fred elaborated on this decision, noting that construction costs of $300 per square foot would make new homes unaffordable in their target neighborhoods, while rehabilitation costs of $100 per square foot would be more sustainable. The discussion highlighted challenges with the city's current approach of auctioning improved properties rather than transferring them to the land bank program.

**Property Acquisition and Development Plan:**
Fred noted a plan to acquire properties, including potentially purchasing underwater properties at reduced prices, with a focus on rehabilitating existing homes rather than new construction. Nancy explained the financial model, which projects generating additional revenue through property sales and real estate tax revenues, with ongoing work to refine the model and prepare for potential funding.

**Operating Expense and Capital Expense Discussion:**
The group discussed the increased scrutiny that would come with larger funding amounts and agreed on the importance of proper governance and implementation. Nancy proposed repaying the operating budget from the capital budget to better separate project-related expenses from operating costs going forward.

**Capital to Operating Funds Transfer:**
Nancy proposed transferring approximately $60,000 from capital funds to operating funds to cover project-related expenses that had been previously paid using operating funds. The board discussed the importance of maintaining separation between capital and operating funds, with Robert suggesting that the amounts involved were de minimis in the context of the overall $5 million project. The board agreed to consult with their outside auditor to confirm if this approach aligns with proper project-level accounting practices.

**Nonprofit Administrative Cost Allocation:**
The group discussed nonprofit administrative cost allocation, with Fred suggesting a range of 10-15% based on United Way's model, while Nancy and Gawdys confirmed that 10-15% is the standard federal rate for nonprofits. They agreed to be meticulous in accounting for both funding streams to address potential public questions about administrative expenses. The group confirmed that their annual meeting scheduled for next month should proceed as planned to follow their bylaws, with Nancy needing to prepare a proposed budget for approval.

**Property Portfolio Development Update:**
Nancy reported that the organization currently owns 47 properties and has sold 14, with 13 pending from the city and 12-15 from private owners expected in the next few months. She noted that most properties are vacant and will be developed by reputable investors, with specific examples including 159 Cook Street and 55 Birch Place. The team discussed compliance efforts with Tiffany joining to handle property inspections and develop benchmarks for buyers, while the HUD project RFP is progressing with three contractors attending the information session and a question about using an adjacent property as a staging site for a model.

**Project Timeline and GIS Updates:**
Nancy provided an update on the project timeline, noting that developers have two and a half weeks to submit their proposal by the end of the month, with contract selection expected in July. She discussed her meeting with a GIS consultant from QDS who will help clean up and enhance their GIS data with access to municipal resources, working pro bono on Fridays. Nancy also met with Rick Dunn about rehabilitation concerns for turn-of-the-century housing stock, particularly regarding lead paint and asbestos issues, and discussed using the Brownfields Land Bank for remediation funding through Phase 1 assessments.

**Funding and Staffing Updates Meeting:**
Nancy provided updates on several funding and staffing matters. The organization received additional funding from Webster Bank Foundation and will pursue CDBG funds for future projects.

The board approved increasing the book keepers hourly rate from $35 to $45. Nancy discussed plans to hire a construction manager/consultant. The team is also working on a proposal for the Brass City Strategic Planning Initiative's Willow area promise zone project.

**Housing Rehabilitation Implementation Strategy:**
The team discussed shifting focus toward implementation of their housing rehabilitation projects, with Fred highlighting key challenges including finding qualified contractors and managing property sales in distressed neighborhoods. They agreed to pursue hiring a construction manager rather than an in-house construction specialist, with Joel recommending this approach as cost-effective and offering expertise in budgeting, disbursements, and project oversight. The group also discussed bringing in an MIT computer science expert to program financial analysis tools for projecting sources and uses of funds, which would help demonstrate sustainability of their revolving fund.

**Next Steps:**

- Consult with Troy (auditor) regarding the proposal to reimburse operating budget from capital funds for prior project-related expenditures, and report back to the board.
- Prepare a proposed budget for the upcoming annual meeting.
- Put out an RFQ to collect qualifications from construction managers and owner representatives for future rehabilitation projects.
- Research and develop a checklist for construction manager/contractor qualifications, referencing other organizations' standards.
- Work with GIS consultant to enhance and clean up the GIS database, including integration of property values, sales data, and tax revenues.
- Coordinate with Rick Dunn and the Naugatuck Valley COG to arrange Phase 1 environmental assessments for potential rehabilitation properties, ensuring compliance with Brownfields Land Bank requirements.
- Work with city and community development staff to identify target properties for rehabilitation and explore potential CDBG funding opportunities.
- Draft and submit a proposal for the Brass City Strategic Planning Initiative focused on properties within the Willow area/school district.
- Oversee the ongoing RFP process for the WOW project, including responding to contractor questions and evaluating proposals, with aim to select a contractor by month's end.
- Investigate with the city the possibility and insurance implications of using land bank property across the street from the WOW project as a staging site for a model home.
- Continue development of a more robust compliance and property inspection protocol, with Tiffany, including shorter-term benchmarks and photographic evidence for buyers/developers.
- Publish the drafted newsletter to the website after board review.
- Continue to monitor and report on compliance status of current property sales, especially those with pending or problematic buyer performance.
- Begin planning for the annual meeting, including preparation of officer elections and required reports.
- Continue to update and maintain the list of pending and upcoming property acquisitions and sales, and report to the board on status.

- Meet with New Haven and Hartford land banks in July to share best practices and learn from their experiences.
- Continue to pursue foundation grants (e.g., Webster Bank, ION Bank, Santander) and report on progress.
- Begin recruitment process for construction management oversight, whether as staff or contracted vendor, based on further research and board input.

After discussion about the foregoing items, there were no further questions.

Adjournment: Chairman Luedke introduced a motion to adjourn. Joel Becker made a motion. The motion was seconded by Dan Lauer. The motion passed unanimously. There being no further business, the meeting was adjourned at 10:11 AM.

This being a true and accurate record of the meeting of the Waterbury Land Bank Authority, as attested by:

Gawdys Grullon — 6/23/2026

WLB Secretary, Gawdys Grullon — Date