

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in regular session on the 24th day of May, 2013 at 3:07p.m. in the Fifth Floor Conference Room of the Lake County Administration Center with the following Directors present:

MALCOLM CHAFER
JOHN S. CROCKER, COUNTY TREASURER AND CHAIR
BLAIR J. HAMILTON
BETH A. KNEZEVICH
TIMOTHY S. MANROSS
ANTHONY J. ZAMPEDRO, MUNICIPAL DIRECTOR

Mr. Chafer moved to approve the minutes of March 29, 2013 and Mr. Manross seconded the motion.

AYES: 6

NAYS: -0-

ASBSTENTION: -0-

**LAKE COUNTY LAND REUTILIZATION CORPORATION
MEETING**

Friday, March 29, 2013 @ 3:06 pm
5th Floor Conference Room
Lake County Administration Building

1. CALL TO ORDER: John S. Crocker called the meeting to order at 3:06 pm

ROLL CALL: The following were present:

GABE CICONETTI	TIMOTHY MANROSS
MALCOLM CHAFER	JOHN M. ROGERS, ACTING SECRETARY
JOHN S. CROCKER	DANIEL P. TROY
BLAIR HAMILTON	ANTHONY ZAMPEDRO
BETH KNEZEVICH	

ALSO PRESENT: Jason Boyd

2. Motion to approve minutes of the February 14, 2013 meeting

Motion: Chafer	Second: Troy	Abstentions:
AYES: ALL	NAYS: NONE	Beth Knezevich, Blair Hamilton

**3. Resolution 2013-11 CONFIRMING APPOINTMENT OF JOHN M. ROGERS AS
LCLRC EXECUTIVE DIRECTOR AND AFFIRMING HIS CONTRACT AND
DETERMINING COMPENSATION**

Commissioner Troy asked for clarification regarding the commencement of the contract with Mr. Rogers. The contract date of commencement as specified is February 14, 2013. All work beginning on that date and afterwards is compensable. Commissioner Troy wished to confirm that everyone on the Board was comfortable passing the resolution on March 29 for work starting on February 14.

Mr. Crocker said it was in the minutes that the Board authorized it at the last meeting effective February 14th, 2013.

Motion: Cicconetti Second: Manross
AYES: ALL NAYS: NONE

Mr. Crocker indicated that Mr. Rogers had been performing work on behalf of the LCLRC between the dates of December 24th through the Treasurer's Office resignation date of February 14, 2013. Mr. Crocker expressed his opinion that Mr. Rogers was entitled to compensation for his work, at his present rate of \$60/hr. When asked as to the number of hours worked, Mr. Rogers indicated that he had worked 52.5 hours on behalf of the LCLRC, between the resignation date and February 14th date. There was discussion regarding payment for these hours and the consensus was for Mr. Rogers to provide the Board information as to the hours worked and the matter would be given further consideration.

4. UPDATE/DISCUSSION REGARDING:

A. FUNDING

I.) BUDGET

Mr. Rogers distributed a line item sheet displaying the LCLRC's current balance of \$350,020. This amount included \$350,000 from the DTAC collections as authorized by the State and pursuant to the MOU with the Board of Commissioners, and an additional \$20 to open the account. The first settlement \$441,709.99 was released by Mr. Crocker for the transfer to the LCLRC based upon the 5% share of the DTAC collections establishing the funding stream for the LCLRC. The original \$350,000 loan will be returned to the DTAC account when the \$441,709.99 is deposited to the LCLRC account. Mr. Rogers advised he will provide a financial report at every monthly LCLRC meeting.

Gabe Cicconetti asked about an application to Allstate for a \$1000 grant sent previously to Mr. Rogers. Mr. Rogers explained the application has been denied because the LCLRC does not have the appropriate designation with the IRS at this time. The accountant is preparing the proper documentation. We will re-apply when the (501)(C)(3) status has been approved.

Commissioner Troy clarified that the DTAC funds are not a predictable amount. That the funds are based on those who pay late with penalties and interest. Mr. Rogers agreed and noted that we should always be prepared for two fluctuating settlements each year. He estimates that the 2nd half 2012 collection will provide approximately half of what was received from the 1st half 2012 collection. He reminded Board members that until the funding was actually in place no action could be taken. With the April deposit we can now move forward.

For the benefit of the two new members Mr. Rogers reviewed the following:

- Moving Ohio Forward Demolition Program grant was received from the Atty. Gen. in the amount of \$500,000, with an additional \$1 million available as matching funds.
- Presently 84 homes throughout Lake County Communities have been identified for demolition. There will be periodic updates identifying homes that have been demolished and those that have been removed from the demolition list by the home owners or other legal actions.
- The estimated cost for demo is between \$8,000 and \$10,000 with our initial program estimated to be approximately \$800,000.
- The balance of monies originally allocated to Lake County will remain available to the LCLRC till December 31, 2013.
- Mr. Crocker had previously offered the \$150,000 matching funds if needed. But, with the \$441,709.99 initial allocation, we now have the necessary funding for the program's matching component.
- Executive Director's salary is to be paid at \$60/hr. with a maximum of 1000 hours. Mr. Rogers is a contract employee.
- The budget provides for an administrative assistant's position that will be discussed later in the meeting.
- The hourly rate for the LCLRC's attorney is \$125/hour with a budgeted amount of \$5,000 for 2013. The hourly rate for LCLRC's accountant is \$100/hr. and \$60/hr. for his assistant, with the amount budgeted not to exceed \$3000.
- Insurance premiums will vary during the year once properties come into the land banks possession. Initial costs are for various policies including, board member liabilities, etc.

II.) LEASE AGREEMENT

Mr. Rogers indicated that a budgeted amount of \$4712 was negotiated with the County for the rental of two offices on the 5th Floor of the Administrative Center. The offices are located next to the large conference room. Payments will be made monthly.

III.) IT AGREEMENT, INCLUDING PHONE AND INTERNET SERVICES

An agreement has also been reached with the County for phone service with estimated costs of \$500 for installation and \$30/mo. for service over the next 12 months. IT on call services rate is \$55/hr. with an estimated 10 hours for the year. There is an additional monthly charge for internet services to include, email, internet, server access and security @ \$20/month for each of two computers.

IV.) PURCHASE OF EQUIPMENT, SOFTWARE AND SUPPLIES

- To date approximately \$600 in office supplies have been purchased. A few miscellaneous items will be needed once the administrative assistant reviews the necessary supplies.
- \$8,800 has been budgeted for a web page. This quote was requested from the web-designer of the Western Reserve Land Conservancy. The WRLC website is well designed, informative and effective. As this quote is cost prohibitive for the early stages of the LCLRC Mr. Rogers will review opportunities with the County's IT Department, or other outside designers as are appropriate.
- Mr. Rogers has on order from IT; two computers, software, a printer and a copy machine. Delivery and set-up will be the first of May or shortly thereafter.

- Mr. Rogers plans to have monthly expenses and financial details available at every monthly board meeting once operations are in full swing. Most costs are initial, one-time, start-up fees.

MOTION TO APPROVE PROPOSED 2013 BUDGET:

Motion: Mr. Chafer

Second: Mr. Cicconetti

DISCUSSION:

Commissioner Troy discussed the overall funding and the second round application for the balance of the Attorney General's Moving Ohio Forward Demolition program. As the \$500,000 first appropriation continues, LCLRC will be able to match the additional \$150,000 matching funds with allocated DTAC monies later this year. Funds still remaining are close to \$825,000 that will be available in the form of yet another 50/50 match for more demolitions. Once these homes are identified, LCLRC or the respective community will provide the matching component. CT Consultants has been contracted to oversee all of the MOFD program.

LCLRC will be fully responsible for the ongoing administrative operations to include property ownership, property management, acquisitions, purchases, demos and other miscellaneous activities associated with the land bank. Commissioner Troy discussed that this organization is a quasi-governmental entity, utilizing government funds and government officials who are members of the LCLRC board, thus the necessity of an Administrative Assistant as well as an Executive Director. Mr. Rogers concurred stating that the land bank procurement process is a separate entity from the Moving Ohio Forward Demo program. CT Consultants has been hired for the specific role of managing the Moving Ohio Forward Demo program, yet both CT and the MOFD operations fall under the auspices of the LCLRC; its director, administrative assistant and acting board. Mr. Rogers reviewed potential procedures for land bank acquisitions, including the ability to bypass traditional foreclosure methods for *In Rem* actions on behalf of the Treasurer. This is accomplished by going directly to the Board of Revision; a method frequently utilized by Cuyahoga County.

Mr. Rogers anticipates meeting with Sen. Sherrod Brown soon regarding the LCLRC property acquisitions. He will discuss methods and similar strategies (HUD and others) used by the Cuyahoga County Land Bank to obtain properties.

VOTE TO APPROVE PROPOSED 2013 BUDGET

AYES: ALL

NAYS: NONE

B. POSITION OF ADMINISTRATIVE ASSISTANT

Mr. Rogers advised he has identified a person to serve as administrative assistant for the LCLRC. As stated earlier at a budgeted annual salary of \$40,000/yr. This prospective individual is currently working in a similar capacity for a non-profit organization in Cleveland. Mr. Rogers' plans are to offer the position with the understanding that the job would begin in early May, when the lease agreement with the County begins.

5. OTHER BUSINESS

- Listing of homes identified for demolition reviewed
- Discussion regarding tax status of the Corp., not-for-profit, tax exempt, charitable (501)(C)(3) pursued.

- Mr. Rogers met with Lake County communities March 1st (approximately 50% of communities attended) to review the protocol for devoting blighted properties to the LCLRC for demolition. Actions include: declare property blighted, obtain condemnation order, notify parties, obtain limited lien, obtain resolution authorizing demo, etc., (packet distributed identifying steps). Publicity from successful demos across Lake County will create interest and increase revenues for LCLRC.
- Mr. Rogers reviewed the Plain Dealer article detailing the process of the Cuyahoga County Land Bank purchasing properties (with values of less than \$25,000) for the price of \$100. Foreclosed properties more valuable than \$25,000 might not need to be demolished. Some properties were reconditioned for local Veterans. The objective is to get people into homes and improve properties that will perform.
- Lake County Administrator Jason Boyd suggested LCLRC find someone with the appropriate qualifications to visit local community sites, observe, assess, and recommend acceptable or non-acceptable properties. Discussion followed about “deed in escrow.”
- Reference earlier discussion of Mr. Rogers 52.5 work hour compensation: Mr. Crocker stated he originally was unaware that Mr. Rogers could no longer serve as a Deputy Treasurer once elected to the State Representative position until notification from the Prosecuting Attorney. That is why the Treasurer’s Office could no longer pay Mr. Rogers for time spend creating the LCLRC. He stated the 52.5 hours should them be paid from LCLRC funds. Commissioner Troy expressed his concern regarding paying retroactively for service provided prior to agreement. Mr. Cicconetti indicated that if documented we should consider payment. He stated, “I know we wouldn’t be where we are without the work John conducted in that time period.” Commissioner Troy then responded that he has a real problem authorizing any payment for work prior to February 14, 2013. Mr. Cicconetti asked if the payment could be categorized as consulting services. Commissioner Troy suggested that Mr. Rogers determine appropriate expenses incurred prior to February 14 and submit those for consideration at a future meeting.
- Maintain schedule of meetings for 4th Fridays.

6. ADJOURNMENT

Mr. Manross motioned to adjourn the meeting.

Mr. Chafer seconded the motion.

The meeting was adjourned at 3:59 pm by unanimous agreement.

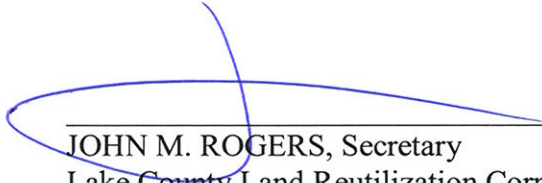
APPROVED: 5/24/13



JOHN S. CROCKER, CHAIR - LCLRC

The undersigned, Secretary of the Lake County Land Reutilization Corporation, certified that the foregoing is a true and correct transcription of the minutes of the meeting of Friday, March 29, 2013, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: 5/24/13



JOHN M. ROGERS, Secretary
Lake County Land Reutilization Corporation

LAKE COUNTY LAND REUTILIZATION CORPOARTION - PROPOSED 2013 BUDGET

Moving Ohio Forward Demolition Program Matching Funds													\$150,000.00
Director Salary +		Base Amount	Medicare	Social Security	State Unemployment	Workers Comp	FUCA	Health Insurance	est @ .124/1000/month \$25K Term Life Insurance	2.5% 401K Plan (?)			
		\$ 60,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000.00
Administrative Assistant Salary + (3/4 year)		\$ 40,000.00	\$ 580.00	\$ 2,480.00	\$ 280.00	\$ 1,080.00	\$ 200.00	\$ 20,010.00	\$ 37.20	\$ 1,000.00			\$ 65,667.20
Legal Services	\$250.00/month with an hourly rate of \$125.00/hour for any work in excess of the initial 24 hours.							estimated at (\$3,000.00 +\$2,000.00)					\$ 5,000.00
Accounting Services	\$200.00/month with an hourly rate of \$100.00/hour for any work in excess of the initial 24 hours.							estimated at (\$2,400.00 + \$600.00)					\$ 3,000.00
Quickbooks Plus with Payroll Software													
Business Checks from Chase	will be free for new accounts but will require transfering existing \$20.00 into a new account as our existing account is now older than 60 days.												
Insurance Services		\$ 15,234.00											\$15,234
Rent - includes Utilities	x12	\$ 392.71											\$ 4,712.50
Phone installation & service		\$ 500.00											\$500
Monthly phone bill/month	12 months	\$ 30.00											\$ 360.00
IT Services/year		\$ 260.00											\$ 260.00
IT service @\$55.00/hr * 10 hrs		\$ 555.00											\$ 555.00
Equipment													
Computers	x2	\$ 1,783.85											\$ 3,567.70
Monitors	x2	" "											
Office Professional Software	x2	" "											\$ 158.00
Quick Books Professional	x1	\$ 500.00											
Battery Back Up	x2	\$ 79.00	APC Back-UPS ES 550										\$ 1,572.00
Printers	x2	\$ 786.00											\$ 786.00
Printer Cartridges		\$ 500.00											\$ 500.00
Copy Machine		\$ 7,250.00											\$ 7,250.00
Copy Machine Service		\$ 765.00											\$ 765.00
See Attached Office Supplies		\$ 600.00											\$ 600.00
Web Page Design		\$ 8,800.00											\$ 8,800.00
and Upkeep	\$90./QTR	\$ 360.00											\$ 360.00
Letter Head-500 sheets w/logo and 2nd pg.		\$ 200.00											\$ 200.00
Business Cards	2 sets of 250 ea.	\$ 100.00											\$ 100.00
Milage Reimbursement		\$ 14,500.00	85 homes * 2 (double) * 3 (trips) * 50 (miles RT) * .55/mile - Demolition									\$ 14,500.00	
		\$ 1,650.00	Various estimate based on 250 miles per month * .55/mile									\$ 1,650.00	
		\$ 330.00	RT trip to Lucas County * 2 (trip) * 300 (miles RT) * .55									\$ 330.00	
		\$ 107.00	RT trip to Cuyahoga County * 3 (trip) * 65 (miles RT) * .55									\$ 107.00	\$ 16,587.00

Note:

Health insurance costs are based on the County's self insured rate for the Anthem/Rx (family 3)/Family 3 dental plan.

Actual costs will be dependent upon individuals insured and their family circumstances.

\$346,534.40