

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the **16th day of December, 2019 at 3:00 p.m.**, 8 N State St. Painesville City (KeyBank Building) Lower Level with the following Directors present:

**MAC CHAFER
GABE CICCONE
JERRY CIRINO
JACK CORNACHIO
LORRAINE FENDE**

**KENNETH FILIPIAK
TIMOTHY MANROSS
JEFFREY SHIBLEY
RON YOUNG**

Mac Chafer moved to approve the minutes of the Monday, June 24th, 2019 meeting and Gabe Cicconetti seconded the motion.

AYES: 7 NAYS: 0 ASBSTENTIONS: 2

**LAKE COUNTY LAND REUTILIZATION CORPORATION
3rd QUARTER MEETING**

Monday, September 23th, 2019 @ 3:01 p.m.

8 N State St, KeyBank Building (Lower Level), Painesville OH 44077-3955

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- 1. CALL TO ORDER:** Timothy Manross, Chairman called the meeting to order at 3:01 p.m.
ROLL CALL:

**MAC CHAFER
GABE CICCONE
JACK CORNACHIO
LORRAINE M. FENDE**

**KENNETH FILIPIAK
TIMOTHY MANROSS
JEFFREY SHIBLEY**

- 2. MOTION TO APPROVE THE MINUTES OF THE 2nd QUARTER MEETING HELD JUNE 24, 2019.**

Motion: Lorraine Fende Second: Jeff Shibley

AYES: 4 NAYS: 0 ABSTENTIONS: 1

(Two members were not present at time of vote)

- 3. RESOLUTION 2019-116**

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE: PP# 34A002D000070 (34206 Sylvia Dr, Eastlake)

Motion: Chafe

Second: Shibley

AYES: 6

NAYS: 0

ABSTENTIONS: 0

4. RESOLUTION 2019-117

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE: **PP# 15C034B000070 (223 Chestnut St, Painesville City)**

Motion: Chafer

Second: Shibley

AYES: 6

NAYS: 0

ABSTENTIONS: 0

As stated in previous meetings the two above resolutions are before the Board prior to completion of the demolitions. To protect the Land Bank’s interests the liens should be filed immediately upon demolition. Prior circumstances have shown that property owners may sell or transfer title to the parcel/s before our lien for the demotion related expenses has been filed with the Auditor. Current law prohibits an entity from applying a lien after title has transferred.

5. RESOLUTION 2019-118

A RESOLUTION ADOPTING A POLICY FOR THE OPERATION OF A RESERVE FUND FOR THE LAKE COUNTY LAND REUTILIZATION CORPORATION.

This resolution authorizes the creation of a reserve fund by the Land Bank. Mr. Rogers serves as a member of the Investment Advisory Board for the Ohio Tuition Trust Authority, a not-for-profit corporation in Ohio. OTTA’s 529 Program and its guaranteed tuition program comprises the 6th largest program of its type in the United States with assets exceeding \$11.5 billion dollars and investment accounts numbering over 650,000. The OTTA Board had adopted a reserve fund policy and a reserve fund account. Further research into the matter indicates that a not-for-profit, when able, should have in place a Reserve Fund and policy in place when financially viable. The recommendations from various sources suggest between three and twenty four months of operational funds be maintained in a reserve account.

Mr. Rogers reminded the Board that all existing funding programs, aside from the DTAC, will be concluding this year. The ongoing concern for the Land Bank is then future funding. To prepare for uncertainties in the future, Mr. Rogers is recommending that the Board create a reserve fund. The fund would enable the Board and the Land Bank to better to govern and maintain adequate funding levels. This fund will also, better position the Land Bank’s ability to respond to economic conditions that might adversely affect the organization and its ability to continuously carry out its mission, thereby helping to ensure the long term financial stability of the Land bank.

The actual value of the fund will be based upon the LCLRC's last 60 months cash flow and operational expenses. The proposal asks for an initial amount set aside to be \$650,000. This figure would be adjusted each year thereafter. Additionally, while any need to access the account would be subject to the approval of the Board. The policy authorizes the Executive Director the ability to transfer up to \$100,000 to the Land Bank's operational funds in the event the monies were needed, thus allowing the reserve to be replenished within three months. The Board must be advised of the activity at the next regularly scheduled board meeting subsequent to the transfers.

Mr. Rogers requested the approval of the resolution and draft policy governing this fund and its activity, which were circulated to the Board for review prior to this meeting.

Discussion continued with a concern raised by Lorraine Fende with respect to the amount of \$100,000. She expressed that she is not aware of any department head in a governmental entity having the authority to spend the amount Mr. Rogers had asked for and suggested the amount requested be reduced to \$50,000. Mr. Rogers noted that any expenditure made by the Land Bank would have been authorized during the budgetary process. He stated this type of need would only be occurring in an emergency such as paying a significant invoice before having received anticipated funds such as from a grant, but suggested that the \$50,000 limit would be fine.

A motion was made to amend Resolution 2019-118 as proposed to \$50,000.

Motion: Chafer	Second: Cicconetti	
AYES: 4	NAYS: 3	ABSTENTIONS: 0

The Resolution, as amended, was then considered by the Board for approval.

Motion: Chafer	Second: Fende	
AYES: 7	NAYS: 0	ABSTENTIONS: 0

OLD BUSINESS

6. LCLRC STATE AUDIT 2017-2018

Mr. Rogers was pleased to report that the State Audit for the Fiscal Years ending December 31, 2017 and December 31, 2018 has been completed. He assured the Board that Ms. Fredebaugh was diligent in her efforts to provide all information required by the auditor's staff in a timely manner and was extremely helpful, given that this audit was with a new team due

to the change to Auditor Faber from Auditor Yost.

All Board members received a draft of the Auditors results and reporting for their review. Until such time that the Report has been released and certified, the Auditor requests that we withhold any information pertaining to any discussion of the audit, releasing the audit results or disclosing any communications conducted during the course of the audit conference.

8. LCLRC PROPERTY UPDATE

The Land Bank currently holds clear title to 98 properties consisting of 113 parcels. Most of these parcels are listed for sale on our website. If not listed they are pending because of liens or a pending sale. Another 35 properties consisting of 37 parcels have issues with their title and remain unresolved. Until title has cleared they cannot be transferred or sold.

Since the June 26th Quarterly meeting report:

- LCLRC has acquired seven properties, (19 for the year)
- LCLRC has sold six parcels with proceeds amounting to \$69,000.00
- LCLRC has sales pending on seven parcels which should generate \$57,900.00 once titles have transferred.

Six parties (including Habitat for Humanity) have expressed interest in nine parcels. We have tentative agreements for the sale of these properties. Once completed, proceeds received by the Land Bank should amount to approximately \$85,350.00

Habitat for Humanity is interested in a double lot in Painesville. At the Board's direction during the last meeting, pricing for Habitat (a 501(C)(3) charity) will include a 20% discount off the Land Bank appraised value for the two parcels. As for the parcels either listed or to be listed for sale on our website, the estimated total value for these amount to just over a million dollars (\$1,039,230.00)

Jeff Shibley asked how long it takes to get the newly acquired properties on the website. Mr. Rogers stated that once we complete clean title searches, and there are no prospective buyers, we add them to the website.

9. COMMUNITY DEMOLITION RESOLUTIONS TO DATE:

Total Resolution Demolitions for 2019

- | | |
|---------------------------------------|--------------|
| • 1291 W Jackson St, Painesville City | \$ 30,644.25 |
| • 325 E Main St, Painesville City | \$ 30,025.80 |

● 233 Jefferson St, Painesville City	\$ 8,661.45
● 484 Fairlawn Ave, Painesville City	\$ 6,601.45
● 179 Courtland Blvd, Painesville City	\$ 12,989.55
● 33585 Morris Ave, Painesville City	\$ <u>22,022.25</u>
Total	\$ 110,944.75

10. NIP PROGRAM

Original Grant	\$ 1,250,000.00
Number of homes demolished/or to be demolished	64
Demolitions/estimated costs for program once completed	\$ 1,202,075.38
Estimated total reimbursements once completed	\$ <u>1,204,094.45</u>
Estimated unspent balance that be returned to OHFA	\$ 50,005.74
LCLRC will have used \$1,199,994.26 +/- of the original grant.	

11. MENTOR MARSH PROJECT

Mr. Rogers reported that an application has been made to the City of Mentor requesting a lot split involving the 60.8 acre parcel acquired from the Osborne Estate. Once the split has been authorized, the Land Bank will transfer title to the northern half of the land, which is not contaminated to the Cleveland Museum of Natural History. This will allow the Museum to continue their restorative efforts to the area without interruption. He added that he is grateful to Ken Filipiak of the City of Mentor as they have agreed to continue to cut the lawn at the front of the entrance to the Marsh site.

12. HUBBARD ROAD ABANDONED GAS WELL GRANT

Mr. Rogers reported that of the \$250,000 grant awarded in 2018 that we have spent \$164,108.08 and have been reimbursed for \$130,291.42 to date. We expect another draw before year’s end. Eight wet wells have been installed on the property with recent test results indicating there are two locations where soil sample results exceed action levels and one ground water location exceeding action levels. To address the issue, there is a planned excavation and disposal of the excavated soils expected within the next two –three months. Any disposition of the parcel will not likely occur until the summer of next year at a minimum, as all contaminated soil has to be replaced.

Mr. Rogers advised that he applied for and received a CDBG Grant amounting to \$10,000 for assistance with the replacement of the sidewalk and apron areas on two sides of the corner lot. Details of this work will be predicated on the additional asphalt clean-up that was missed when the wells were initially installed and is expected to occur after no residual contaminants are found at the site

13. COLLABORATIVE PROJECTS FOR 2019

Mr. Rogers reported that two projects have been completed thus far this year. One was for the property at 5825 Northway Dr. This project involved a Madison Township owned property and our share of the cost was \$2,240.63. The second project involved a property owned by Concord Twp. and was located at 6955 Northmeadow Dr. Our share of this project's cost was \$4,675.00. In both the LCLRC's share of the projects was 50% and our total to date for 2019 Collaborative Projects is \$6,915.63.

As an aside, the total spent on all demolitions to date since the Land Banks inception is \$4,097,910.23.

14. 29735 GREEN ROAD, WILLOWICK RENOVATION

Mr. Rogers took time to detail the remodel of the 1955 bungalow. The work included replacing the wiring, plumbing and kitchen cabinetry, constructing a new garage, adding a new covered breezeway between the garage and the house. Original rehab estimates were in the range of \$102,000.00 for this large corner lot. Not anticipated were necessary expenses to remove asbestos found in the basement furnace and ductwork together with having to replace the southerly foundation and wall in the basement. The Land Bank estimates the market value at approximately \$139,900.00. We are awaiting a point of sale inspection and would have to address any violations found by the city of Willowick before selling the property. Mr. Roger's invited all members of the Board to take time to visit the Willowick home. Once we have complied with all of the City's requirements and passed all inspections an open house is planned.

15. LCLRC NEW FINANCIAL BANK ACCOUNT PLAN

Mr. Rogers in his attempts to obtain a greater rate of interest on LCLRC accounts along with addressing the \$250,000 FDIC concerns, had hopes to participate in the State of Ohio's Star Plus account which would provide a higher interest rate than our existing bank. The State's Treasurer advised us we do not qualify for this pooled account plan due to our designation by the IRS as a 501(C)(3) charitable organization as opposed to a government entity. After checking with various institutions, he has set up a General and a Reserve account with Erie Bank in Mentor. Erie Bank participates in pooled collateral system much like the State's system. We expect to earn a similar rate of interest as what account holders in the State's program earn. We will maintain the \$250,000 maximum at Chase for working funds. Thus, all of our funds will be insured in accordance FDIC considerations.

16. NEW BUSINESS

Gabe Cicconetti announced he will not be able to attend the 2020 1st Quarterly and Annual Board meeting. Discussion ensued about the possibility of rescheduling the meeting. A decision was made to consider the schedule and any revision at the December meeting.

17. CHAIRMAN OF THE BOARD RECOGNIZES VISITORS

John Muzic of Painesville Township spoke to the Board explaining that he does not believe in remodeling homes using tax payer dollars. He believes this money should be spent on seniors and other more important issues. All of us need to be more frugal with our money and where we spend it. That by 2040 there will be 28% of the population over 65. Seven million people in the United States are behind on their car payments by three months. He asked about 265 N State. Mayor Manross responded that there has been no action taken on this building.

Arzella Melnyk of Kirtland wants to know why this property is not being listed on the Land Bank website. Mr. Rogers stated that it is because there is a motion before the Board, thus there can be no action until it has been removed. Discussion followed.

ADJOURNED

Chairman Manross, noting the there was no further business for the Board to discuss, asked for a motion to adjourn.

Motion: Fende	Second: Chafer
AYES: 7	NAYS: 0 ABSTENTIONS: 0

SCHEDULE OF QUARTERLY BOARD MEETINGS

Fourth Quarter – Monday, December 16, 2019 @ 3:00 PM

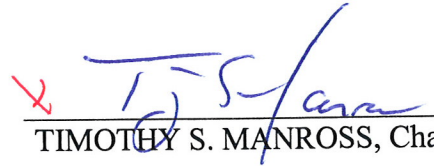
Annual Meeting – Monday, March 23, 2020 @ 3:00 PM

First Quarter – Monday, March 23, 2020 @ 3:30 PM

Second Quarter - Monday, June 22, 2020 @ 3:00 PM


Third Quarter – Monday, September 28, 2020 @ 3:00 PM

APPROVED: DECEMBER 16, 2019

A handwritten signature in blue ink, appearing to read 'T. S. Manross', with a red checkmark to its left. The signature is written over a horizontal line.
TIMOTHY S. MANROSS, Chairman

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held December 17, 2018 of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

DATED: DECEMBER 16, 2019

A handwritten signature in blue ink, appearing to read 'Linda S. Fredebaugh', written over a horizontal line.
LINDA S. FREDEBAUGH, Clerk