

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the **25th day of September at 3:00 p.m.**, 8 N State St, Ste 405, 4th Fl with the following Directors present:

**MAC CHAFER
GABE CICCONE
JACK CORNACHIO
KENNETH FILIPIAK**

**TIM MANROSS
JEFF SHIBLEY
RICHARD REGOVICH
MICHAEL ZUREN**

Richard Regovich moved to approve the minutes of the Monday, March 27th, 2023, 1st Jeff Shibley seconded the motion.

AYES: 6

NAYS: 0

ASBSTENTION: 2

**LAKE COUNTY LAND REUTILIZATION CORPORATION
1st QUARTER MEETING**

Monday, March 27th, 2023 @ 3:00 p.m.

8 N State St, KeyBank Building 4th Fl, Room 405, Painesville OH 44077-3955

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- 1. CALL TO ORDER:** Timothy Manross, Chairman called the meeting to order at 3:30 p.m.

ROLL CALL:

**HOLLY BARTONE
(FOR GABE CICCONE)
ROBERT FOWLER
(FOR KENNETH FILIPIAK)
JOHN HAMERCHECK**

**TIMOTHY MANROSS
JEFF SHIBLEY
RICHARD REGOVICH
MICHAEL ZUREN**

- 2. MOTION TO APPROVE THE MINUTES OF THE 4th QUARTER MEETING HELD DECEMBER 19th, 2022.**

Motion: Michael Zuren

Second: John Hamercheck

AYES: 6 (Tim late)

NAYS: 0

ABSTENTIONS: 0

- 3. RESOLUTION NO. 2023-146**

A RESOLUTION RECOGNIZING THE BROAD DUTY TO AFFIRMATIVELY FURTHER FAIR HOUSING AND TO RECOGNIZE THE MONTH OF APRIL 2023 AS FAIR HOUSING MONTH IN LAKE COUNTY, OHIO

4. RESOLUTION NO. 2023-147

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE LAKE COUNTY LAND REUTILIZATION CORPORATION TO SUBMIT GRANT REQUESTS TO THE LAKE COUNTY COMMISSIONERS FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND/OR HOME FUNDS.

Resolutions 2023-146 and 2022-147 are required each year to be passed by the Board to allow the Land Bank to apply for either Community Development Block Grants or HOME Funds, should the need arise. Presently the Land Bank does not have any projects or plans that would require either funding source. A motion from Michael Zuren and second by Robert Fowler passed the measures for now.

Motion: Michael Zuren

Second: Robert Fowler

AYES: 7

NAYS: 0

ABSTENTIONS: 0

OLD BUSINESS

5. LCLRC PROPERTY UPDATE

- We currently own 105 properties and have disposed of 130 properties or 132 parcels of land.
- The value of the sales to date is \$1,818,787.00 from which the Land Bank has netted \$1,722,259.66.
- There are currently 7 sales pending with a value of \$115,000.00. we estimate that we should net \$103,425.00 once all titles transfer.
- Three of these pending sales are properties listed with Howard Hanna who, as of today, currently have listed with them 33 parcels of land. The estimated market value of these properties is \$251,300.00.
- Since the Land Bank enlisted the assistance of Howard Hanna in 2019, they have successfully sold 38 parcels for just under \$498,800.00.

Lots that have no liens attached have either been listed for sale or are in the process of receiving an estimated market value prepared by Mac Chafer, whose volunteering to prepare theses for us is very much appreciated.

As discussed in the past, parcels the Land Bank receives with cloudy title are cleared, appraised and then listed for sale. The number of these parcels fluctuates as the Land Bank disposes of one and then receives another.

As of today, the Land Bank currently has 23 parcels with cloudy title and as such cannot be sold until cleared. Linda has been extremely helpful in reviewing and helping to clear liens on 19 of those properties.

NEW BUSINESS

6. PROPOSED BUDGET

Mr. Rogers explained that this year's budget is much like previous budgets, therefore he highlighted only the most significant line items.

REVENUES

- Land Bank revenue in 2022 was just under \$1,000,000 while expenses related to Land Bank properties were approximately \$200,000. Nuisance abatement expenses were \$51,100. Estimated demolition expenses for 2022 were far less than anticipated, as many of these requested demolitions did not develop during the year. Often homeowners' thwart efforts to demolish their homes knowing that a lien will be placed on their property when completed. They will be expected to pay back those costs on their next property tax bill for that year.
- This year's anticipated revenues of \$2,688,663 includes the ODOD Building and Site Revitalization Program of approximately \$1.2 million. Requests for reimbursements will begin as soon as all the demolition invoices have been paid to our contractors.
- We have received requests by two communities to demolish vacant gas stations. Mr. Rogers explained that Abandoned Gas Station Funds are available, but can only be used if the Land Bank owns the properties. If we are able to acquire, funding could be as much as \$2.7 million dollars.

EXPENSES

This year's budgetary expenses, as proposed, are just under \$5,000,000.00 and would be our largest to date.

- **Office Expenses**
Last year, our largest expense was the updating of our computer systems and software. With the equipment for Linda and myself, there is an additional system for a second employee in the future. We continue to utilize the County's IT Department to service our equipment. Otherwise, the budgeted figures mimic what has been proposed and approved in prior years.
- **Business Insurance**
Expenses including Business Owner's, Director's & Officer's Insurance, General Liability and Property Insurance all remain consistent with that of prior years.
- **DTAC Chargebacks**
Mr. Rogers took a moment to explain to the Board how the DTAC funding is made available to the Land Bank. The County is entitled to keep 10% of the DTAC funds of which 50% is distributed to the Land Bank and the remaining 50% is shared between the Prosecuting Attorneys Office and the Treasurer's Office for delinquent tax collections. We're about one half of the receipts from last year as compared to 2021's. We remain

cautious as to this estimate because it is based on the number of cases certified by the County Treasurer to the Prosecuting Attorney for foreclosure. Mike Zuren commented that these funds have gone down approximately \$1.5 million over the last two years.

- **Depreciation Expense**

While there is not a cash inflow or outflow with this expense, it is included to reconcile our QuickBooks figures.

- **Professional Fees**

The Land Bank's professional fees remain consistent with that of prior years.

While we continue to clear titles, if litigation is required, Mr. Rogers has budgeted the same estimated expenses as in prior years, with the hope that the efforts made will be less when incurred.

Commissioner Hamercheck asked about the \$60,000 budgeted amount for Quiet Title Actions. Mr. Rogers explained that the county prosecutor's practice is of only notifying the property owner of the foreclosure action, thus leaving the prospective sheriff's sale buyer unaware of the hidden liens on properties offered at the sale. The Land Bank's list of "unclear" properties multiplied by approximately \$2000 for a Quiet Title action is the number on the Land Bank budget. In the past seven months, the Land Bank has found ways to reach the lien holders, request and obtain releases – thereby eliminating the need to seek assistance through the judicial system, a much faster and less expensive way to clear title when successful.

This year we may be undergoing the required biannual State Audit, which has remained the same during each audit. We are still awaiting our contract from the State.

- **Employee Related Expenses**

The figure for Mr. Rogers' contract reflects the entire 1200 hours he is authorized to work. As you will note, last year Mr. Rogers worked less hours than the year prior and his pay reflected as much. This year's numbers have yet to be realized. The first two months of about \$5,000/mo. would equate to \$60K per year.

Linda's salary includes a 2% increase, although Mr. Rogers asks that the amount be increased to the percentage the Board approved in light of inflation. That percentage increase was five percent, which is what is being asked of the Board.

Also included are estimates for a second full-time employee as was authorized last year. This amount reflects a range, based on salary research for the type of work expected.

- **Payroll Expenses including Employee Hospitalization**

These figures are dictated by Linda's salary and the additional amounts needed when the Land Bank hires another employee. Mr. Rogers would like to explore a SEP retirement plan with the Land Bank matching 3% of the salary. Hospitalization figures of \$6,661.00

per year reflect estimates from research of various plans on the open marketplace. It is Mr. Rogers' opinion that any plan selected should be competitive with what other organizations offer.

- **Cooperative Collaborations**

\$2.8 million is the amount the Land Bank would be contributing to demolition work being done in cooperation with or on behalf of the communities in the year ahead. It is unlikely that all this money will be spent this year. A good part of these funds will be covered by the ODOD program along with some funding coming from the communities themselves. Mr. Rogers reviewed several of the Cooperative Projects.

- **LCLRC Owned Property**

These figures reflect amounts that the Land Bank incurs maintaining our properties. Bear in mind that the \$500,000 figure has been allocated each year and would be used for renovation and/or construction work.

The Land Bank has one house in Madison on Red Bird Road that was acquired late last year. Mr. Rogers is meeting with a contractor this week to see the building and discuss what if anything might be done to refurbish this historic 1820 home.

- **LCLRC Property Demolitions**

Historically Mr. Rogers have based his estimates on LCLRC obtaining 10 homes from the forfeiture process.

2023 - 0 properties to date

2022 - 8 properties

2021 - 5 properties

2020 - 8 properties

This year's budget is a conservative estimate and largely reflects ODOD work that has been or is in the process of being completed. Two homes are nearing schedules to come down this year, so far – with more to come.

- **Nuisance Abatement Demolitions**

1. Asbestos survey	\$1,009.23
2. Asbestos abatement	\$5,044.00
3. Demolition	\$13,076.37
4. Greening and reseeded	\$1,160.00
5. Soft or engineering costs	\$850.00
6. Administrative costs	<u>\$1,250.00</u>
TOTAL approx.	\$22,400.00 per home on average

A motion to approve the 2022 LCLRC Budget, including the recommended 5% salary increase for Linda, was made by Jeff Shibley, and seconded by Commission Regovich.

Motion: Jeff Shibley

Second: Commissioner Regovich

AYES: 7

NAYS: 0

ABSTENTIONS: 0

MEETING ADJORNED

SCHEDULE OF QUARTERLY BOARD MEETINGS

Second Quarter - Monday, June 26, 2023 @ 3:00 PM

Third Quarter - Monday, September 25, 2023 @ 3:00 PM

Fourth Quarter - Monday, December 18, 2023 @ 3:00 PM

Annual Meeting - Monday, March 25, 2024 @ 3:00 PM

First Quarter - Monday, March 25, 2024 @ 3:30 PM

APPROVED: SEPT 25, 2023

X 
TIM MANROSS, Chairman

DATED: SEPT 25, 2023


LINDA S. FREDEBAUGH, Clerk

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held March 27th, 2023 of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.