

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the **24th day of June at 3:00 p.m.**, 8 N State St, Ste 405, 4th Fl with the following Directors present:

**GABE CICCONE
JACK CORNACHIO
KENNETH FILIPIAK
JOHN HAMERCHECK**

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

Jack Cornachio moved to approve the minutes of the Tuesday, April 9, 2024 *Annual* meeting and Mike Zuren seconded the motion.

AYES: 6

NAYS: 0

ASBSTENTION: 1

**LAKE COUNTY LAND REUTILIZATION CORPORATION
ANNUAL MEETING**

Monday, April 9th, 2024 @ 3:00 p.m.

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

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

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

**JOHN HAMERCHECK
TIMOTHY MANROSS
RICHARD REGOVICH
MICHAEL ZUREN**

- 2.** No vote was taken on the minutes for the Land Bank's 2023 *Annual* Meeting as they were previously approved by the Board during its second quarterly meeting held on the 5th of September 2023.

3. AFFIRMATION OF THE CHAIRMAN AND VICE-CHAIRMAN

Mr. Rogers opened the meeting by advising that both Chairman Timothy Manross and Vice-Chairman, Gabe Cicconetti are willing to remain in their respective offices for 2024. A motion was made by Rich Regovich and seconded by Jack Cornachio to approve the reappointments. A vote was then taken. Terms will conclude on Monday, March 31, 2025.

FOR CHAIRMAN AND VICE-CHAIRMAN

Motion: Rich Regovich

Second: Jack Cornachio

AYES: 6

NAYS: 0

ABSTENTION: 0

4. **Annual Report – Financial Statements for the Year 2023** *(Report provided to Board)*

Mr. Rogers provided a Summary Overview of the LCLRC Annual Report - Financial Statements for the Year 2023.

As an Ohio Corporation, we are required by law to conduct an annual meeting to review the Land Bank's Financial Report, prepared by an outside independent accounting firm (NMS). This report provides a general overview of the Land Bank's finances in 2023 and will be submitted to the Ohio Auditor's Office after this meeting.

It is important to remember while reviewing this document, we operate on a cash basis whereas the report prepared by NMS and submitted to the State, reflects an accrual basis of accounting.

Format:

Mr. Rogers began with page 13 through page 19 of the report, pointing out NMS's notes regarding the LCLRC's Financial Statements, Revenues and Expenditures and/or various terms incorporated throughout the Statement.

Mr. Rogers explained that as previously done, he provides the Board with an overview of the Land Bank activities and/or position as is presented in the beginning portion of the report.

Referring to Page 3

Financial Highlights

- As of December 31, 2023, the **Statement of Net Position** on page 7 shows the Assets of the Corporation exceeded its Liabilities by \$7,313,521.
- The total net position for 2023 decreased by \$262,228, in comparison to an increase of \$278,348 as reported in 2022.
- The Corporation's total revenues on the **Statement of Activities**, amounted to \$1,507,427 in 2023, of which \$1,405,930 or 93.26% were program revenues and \$101,497 or 6.74% were general revenues.
- The Corporation had \$1,769,655 in total expenses in 2023 as compared to \$1,227,496 in 2022.

The statement of Net Position, provided in Table 1 on page 5 details a summary of the Land Banks net position for both the 2023 and 2022 calendar years.

Referring to Page 5 of the report

**Table 1
Net Position**

	<u>2023</u>	<u>2022</u>
Assets:		
Cash and cash equivalents	\$ 3,904,529	\$ 3,763,376
Liens Receivable	170,051	188,350
Accounts Receivable	36,110	36,110
Assets held for resale	3,187,987	3,567,383
Depreciable capital assets, net	<u>16,637</u>	<u>22,026</u>
Total assets	<u>7,315,314</u>	<u>7,577,245</u>
Liabilities:		
Accounts Payable	191	8
Accrued wages	<u>1,602</u>	<u>1,489</u>
Total liabilities	<u>1,793</u>	<u>1,497</u>
Net Position:		
Net investment in capital assets	16,637	22,026
Unrestricted	<u>7,296,884</u>	<u>7,553,722</u>
Total net position	<u>\$ 7,313,521</u>	<u>\$ 7,575,748</u>

2023 was the eleventh full year of operations for the Corporation. During 2023, the Corporation's overall financial position decreased by **\$262,228** as opposed to the increase of **\$278,348.00** seen in 2022. The single most significant factor for this change was the decrease in DTAC funds. Note that Michael Zuren, the County Treasurer has indicated that delinquencies have fallen and will likely continue to do so.

Overall:

1. The Land Bank saw an increase from the Sale of Properties:

In 2022: \$ 67,222.00 and in 2023: \$ 210,080.00 Up \$142,858.40

2. ODOD Grant Revenue: was slimmer than anticipated as reimbursements amounted to only **\$197,278.19** of the **\$1,214,663.00** budgeted. As the work is completed this year, we will see the differences in these amounts recovered.

3. DTAC receipts which stem from the penalties and interest received from delinquent property taxes were down by **\$315,160.00** in 2023:

In 2022: \$ 750,000.00 and in 2023: \$ 434,840.00

4. While there was a decrease in assets held for resale, **LCLRC saw an increase in Cash and Cash Equivalents**, due to a substantial increase in interest income earned in 2023 versus those amounts earned in prior years.

When the Land Bank obtains a forfeited parcel, it is recorded as an asset based on the Auditor's estimated market value, which is used for property tax purposes for the general public. Oftentimes, a property will have an existing Land Bank lien attached. If we take title to the property from the State of Ohio's Land Bank, the taxes including our liens are extinguished. If and when we sell a parcel, the value of the land sold and the cash received is frequently much lower than the Recorder's valuation. The net result is a substantially reduced value of our inventory or Assets Held For Resale, which also reduces our overall net position.

1. Consequently, we saw a substantial decrease in Forfeited Properties in comparison to the prior year:

In 2022: \$666,100.00 and in 2023: \$ 31,000.00 – down \$635,100.00

A summary of the Corporation's changes in net position are also presented in the Second Table on Page 5:

**Table 2
Changes in Net Position**

	<u>2023</u>	<u>2022</u>
Program Revenues:		
Capital grants & contributions	\$ 1,405,930	\$ 1,501,260
General Revenues:		
Interest	<u>101,497</u>	<u>4,225</u>
Total revenues	<u>1,507,427</u>	<u>1,505,845</u>
Program Expenses:		
Professional and contract services	1,706,754	1,167,587
Program Administration	<u>62,901</u>	<u>59,910</u>
Total program expenses	<u>1,769,655</u>	<u>1,227,496</u>
Increase (decrease) in net position	(262,228)	278,348
Net position, beginning of year	<u>7,575,749</u>	<u>7,297,400</u>
Net position, end of year	<u>\$7,313,521</u>	<u>\$ 7,575,749</u>

Referring to page 5 of the report

In 2023, the Land Bank's **revenues** totaled **\$1,507,427** and our **expenses** amounted to **\$1,706,655**. The sources of revenue included DTAC funds (*a percentage of the penalties and interests collected with delinquent property taxes*), grants and the sale of properties.

The comparative analysis of the Corporation's financial position and change in net position show:

- **Total Revenues decreased \$95,690.00** from 2022 due mainly to the decrease in DTAC funds.
- **Total Expenses increased \$542,159.00** from 2022, mainly due to the addition of new collaborative expenses for demolitions that are

forthcoming.

When reconciling End of Year Net Positions and Total Governmental Fund Balances as stated on pages 7, 8, 10, 11 & 12, in the amounts of \$7,313,521.00 and \$7,298,677.00 respectively, the difference between these figures, or \$16,637.00, which reflects the Land Bank's depreciable capital assets (*listed in Table 3 on page 6*), and our accounts payable at the end of the year, including Linda's year end accrued wages. Depreciable assets, accounts payable and accrued wages are not financial resources and therefore are not included in our fund balances.

The balance of our NMS report summarizes the Land Bank and its accounting policies with applicably defined descriptive terms.

Questions The Chairman asked if there were any questions. Mac Chafer asked about Page 6, referencing the \$542,159 increase in total expenses from 2022. Mr. Rogers explained it reflects demolition and related expenses that have not been reimbursed by the State as of yet (\$602,000). Thus, these figures are not reflected in this total. Reimbursements from ODOD are requested monthly.

Motion: Kenneth Filipiak

Second: Gabe Cicconetti

AYES: 8

NAYS: 0

ABSTENTION: 0

ADJOURNMENT

Hearing no further business, the meeting was adjourned.

AYES: 8

NAYS: 0

ABSTENTION: 0

SCHEDULE OF QUARTERLY BOARD MEETINGS

Second Quarter - Monday, June 24, 2024 @ 3:00 PM

Third Quarter – Monday, September 23, 2024 @ 3:00 PM

Fourth Quarter – Monday, December 16, 2024 @ 3:00 PM

Annual Meeting – Monday, March 24, 2025 @ 3:00 PM

First Quarter – Monday, March 24, 2025 @ 3:30 PM

ADJOURNMENT

APPROVED: JUNE 24, 2024


TIMOTHY MANROSS, CHAIRMAN

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held April 9th, 2024 of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: JUNE 24, 2024


LINDA S. FREDEBAUGH, CLERK