

MINUTES

Portage County Land Reutilization Corporation

Via Zoom

October 21, 2020

Meeting was called to order at 2:33 p.m. by Chairman, B. Cromes

ROLL CALL – Evelyn Beeman

Board Members Present

Brad Cromes Sue Fields
Kathleen Clyde Vicki Kline

Absent Bridget Susel

Also Present

Dan Morganti Chad Murdock
Frank Hairston Evelyn Beeman

APPROVAL OF OFFICIAL MEETING MINUTES

Annual and quarterly meeting minutes from July 15, 2020 were presented. A motion was made by Kathleen Clyde to approve the minutes as presented, seconded by Vicki Kline. Motion carried with 4 years.

REPORTS AND COMMUNICATIONS

Fiscal Report and Property Inventory – D. Morganti

Dan Morganti reviewed the financial statements for the third quarter of the year and through September 30, 2020. It was reported the Land Bank has received its DTAC funds for the second half of the year during the quarter bringing the year-to-date total to \$315,365.23. Dan Morganti noted about \$325,000 is what has been an average DTAC revenue expectancy since 2013. Brad Cromes made mention that this average was collected in a strong economy. Beginning fiscal year 2021 the collections will probably start lagging however, the DTAC payments may increase due to late fees being collected.

2020 Budget Revision reviewed by Dan Morganti. There was an electronic approval confirmed at the July 15, 2020 meeting, which is reflected in the first budget amendment shown. The second budget revisions were presented, including receiving additional NIP funding and some increases to the shown expense line items. B. Cromes asked about the IT and Phone/Internet line-item increase. This was a result of software costs, implementing managed IT services, and also the IP address had to be changed to a static IP because of firewall requirements which increased the monthly internet bill. Vicki Kline made a motion to approve the budget revisions as reviewed by Dan Morganti, seconded by Sue Fields. Motion carried with 4 years.

2019 990 filing Dan Morganti stated the filing deadline is November 16, 2020. The figures in the 990 reflect the financial statements, which were approved earlier in the year. The only change Dan noted was the need for address change to reflect the current office location. B. Cromes asked about past 990 filings. D. Morganti noted that past 990s have all been filed, there was a catching up period for 990s that were due between the time the Land Bank was formed and when it received its 501c3 status as a non-profit. A motion was made by Kathleen Clyde to approve the 990 filing as reviewed, seconded by Vicki Kline. The motion passed with 4 yeas.

New construction RLF account at Hometown Bank

Dan Morganti stated this account has been opened to support the New Construction Revolving Loan Fund Pilot Program as approved by the board at the July meeting. Signers need to be added to the account as follows:

- Dan Morganti, Executive Director
- Brad Cromes, Board Chair
- Bridget Susel, Board Treasurer

A motion was made by Vicki Kline to approve opening the RLF account at Hometown Bank, with the signers as noted Dan Morganti, Brad Cromes and Bridget Susel seconded by Sue Fields. Motion carried with 4 yeas.

Rules and Regulations (By-Laws update)

Chad Murdock reviewed 4 areas that were updated in the By-Laws for the committee. The removal of two appointed directors leaving the 5-member statutory directors in place. The question of whether or not the position of Secretary can be removed was addressed. The Ohio R.C. 1724.03(B) nonprofit corporation law states there must be a president, secretary and treasurer. Dan Morganti will assume most if not all of the responsibilities other than the title as executive director. The third issue addressed was if officer terms can be extended until 2021. Chad Murdock did not see a need to change the By-Laws to accommodate this. We will revisit this in January 2021. The fourth issue Dan Morganti as Executive Director is identified as the official records custodian. The final issue was if the president could create a committee as a whole. Chad Murdock stated under section 5.1 the chair of the board can create committees at their discretion. The By-Laws would not need to be amended for this reason. Brad Cromes reiterated the records custodian is not a requirement other than a verbal recommendation from the State Auditor to have a contact person to handle such requests. Chad Murdock stated it doesn't hurt. Dan Morganti stated he received 2 record requests this year. There being no further discussions a motion was made by Vicki Kline to accept the By-Laws revisions as reviewed, seconded by Kathleen Clyde. Motion carried with 4 yeas.

Social Media Policy

Brad Cromes stated telling our own story on social media is a really good tool to promote our accomplishments. Dan Morganti stated no changes have been made to the policy since the last work session. Dan Morganti stated both Facebook and Twitter will be utilized. There being no more discussion Vicki Kline made a motion to accept the Social Media Use and Management Policy as submitted, seconded by Sue Fields. Motion carried with 4 yeas.

Foreclosure Update

Dan Morganti stated the 2019 & 2020 foreclosure contract list was informational only and does not require approval. Dan did note there were 8 houses on the list that are initially being targeted for rehabilitation. The current foreclosure contract runs through April 2021.

Improved Property Disposition Policy

Dan Morganti stated there are 3 parts to the policy. 1) It overall promotes rehabilitation over demolition but recognizes that demolition will be needed in some instances. 2) The acquisition rehabilitation resale program is how the land bank has rehabbed houses to this point. The Land Bank has completed 4 to date. Under the ARR, the land bank decides to act as the developer itself and completes the renovation by bidding out the work to a list of pre-qualified contractors then oversees the rehabilitation work through to completion. Once renovations are fully completed, the property is disposed through the Land Bank's Open Market Real Estate Purchase Program. 3) The newest component of the program is the Deed-in-Escrow Rehabilitation Program. This is the most probably the most common type of housing rehab program utilized by land banks in the state. The land bank acquires property, specs out work to bring the house up to quality standards then offers the house for sale in its "as is" condition with the stipulation that these work specs need to be met. The purchaser gains possession of the property however, the land bank will hold the deed in escrow until the renovation is satisfactorily completed. The land bank will deliver the deed to the buyer at that time. Dan Morganti reviewed the property purchaser application and the housing quality standards which were included in the packet for all members. There being no further discussion a motion was made by Vicki Kline to adopt the residential improved property disposition program as reviewed by Dan Morganti, seconded by Kathleen Clyde. Motion carried with 4 yeas.

Other Business

Confirm/ratify electronic voting (September 21, 2020). Dispose of 1348 Bank Street, Atwater Township to Portage Investors, LLC for commercial end-use. Pursued 6370 Bridge Street, in Ravenna Township and entered into an agreement to transfer the improved property to the adjoining owner, with certain conditions for the purpose of demolition. Request from the forfeited land list 6762 Tallmadge Road in Edinburg Township and apply for Ohio Development Services Agency Abandoned Gas Station Cleanup funding. A motion was made by Kathleen Clyde to ratify all electronic voting from September 21, 2020 as noted, seconded by Vicki Kline. Motion carried with 4 yeas.

Extend Realtor Services

Dan Morganti stated in 2018 an RFP was issued to obtain Realtor services for 2018-2020. Sarah Taylor who was with Ohio Realty at that time was selected. With this time period coming to an end Sarah approached Dan Morganti with a new proposal that lowers the fee structure to keep doing the land bank work. Dan Morganti asked Sarah to submit a proposal so it can be reviewed by the members. A copy was given out to all members in their board packets. The new commission structure is a flat 6% on the first \$100,000 with a graduated structure between 5%-2% based on listing price beyond \$100,000. Additionally, there is a smaller commission fee on the lower priced properties. Dan did mention Sarah has done a good job marketing and selling land bank property and requests that the Land Bank extends this agreement through 2022. Brad Cromes asked if Sarah is still with Ohio Realty group and who the contract would be with. Dan stated that she is now with Assure Realty and there is no contract, just an agreement to use the services of Sarah individually rather than the broker. There being no further discussion Kathleen Clyde made a motion to approve extend Realtor services through 2022, seconded by Vicki Kline. Motion carried with 4 yeas.

Extend office lease agreement

The lease agreement between the Portage County Board of Commissioners and the Portage County Land Bank was presented for renewal beginning November 1, 2020 and ending October 31, 2021. The monthly rental is \$10.28 per sq. ft for a monthly amount of \$246.72. A motion was made by Brad

Cromes to renew the office rental agreement for a cost of \$246.72/month until October 31, 2021, seconded by Sue Fields. Motion carried with 2 yeas and 2 abstentions (K. Clyde and V. Kline). Dan thanked the Portage County Commissioners for making space available in the County Administration Building, as well as the Internal Service Department for their support.

Kathleen Clyde mentioned the County in conjunction with Job & Family Services has received a CARES Relief package for residents of Portage County to help with mortgage payments, utilities, and/or rental payments due to the COVID 19. There is an application on the Portage County website to request the funds. The deadline is November 6, 2020 @ 4:00 p.m.

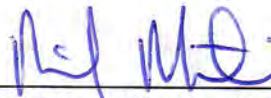
Dan Morganti reported on the Annual Ohio Land Bank Conference, which was held virtually in September. Dan stated that it was evident to him that the positive momentum of land banks is continuing in the state. Though it was a virtual event it provided a good opportunity to see what other Land Banks are accomplishing. There was a legal update related to the Board of Revision (BOR) foreclosure process being upheld by the Ohio Supreme Court. The Supreme Court opinion was written in a way that would be very hard to challenge in the future. The BOR could be a tool worth taking a look at in Portage County. There is a case in federal court related to the process that is still pending.

Two bills were recently introduced in the State Legislature that rework and revise some of the ways land banks can operate. SB 356 has been sent to committee. There were 3 main points presented at the conference: it would allow land bank staff to get access into property earlier in the foreclosure process, allow for electronic legal notices and make rules for city land banks to transact more similarly to county land banks. The Ohio Land Bank Association is asking for written support to pass this bill. Kathleen Clyde stated she would like to review closely before supporting.

The next scheduled meeting will be January 20, 2021 location TBD. There being no further business a motion was made by K. Clyde to adjourn the meeting at 3:20 p.m. seconded by V. Kline. Motion carried with 4 Yeas.



Brad Cromes, Chair



Dan Morganti, Executive Director/ Secretary