



CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION MINUTES AND ACTIONS OF BOARD OF DIRECTORS' REGULAR MEETING OF NOVEMBER 20, 2009

LOCATION: Conference Room 140
Lakeside Place
323 Lakeside Avenue W – Suite 160
Cleveland, OH 44113

DATE/TIME: November 20, 2009; 10:00 a.m. ET

PURPOSE: Regular business meeting for CCLRC Business

1. *Call to order.* A regular meeting of the Cuyahoga County Land Reutilization Corporation (the CCLRC) was held on November 20, 2009 at 323 Lakeside Avenue W, Suite 160, Cleveland, Ohio. The meeting was called to order at 10:02 a.m. Chair of the Board, County Treasurer James Rokakis, Mr. Paul Oyaski representing County Commissioner Jimmy Dimora, Mayor Georgine Welo of the City of South Euclid and Councilman Anthony Brancatelli, Ward 12 Councilman, representing the City of Cleveland were present and constituted a quorum for conducting the CCLRC's business at the meeting. Mayor Cyril Kleem of the City Berea, Mr. Chris Warren and Commissioner Peter Lawson Jones were not present.

2. *Approval of Minutes of Prior Board Meeting.* The minutes of the Special Board Meeting of September 25, 2009 were distributed and approved by voice vote without revision.

3. *Staff Reports:*

a. Gus Frangos, President of the CCLRC, reported as follows:

i. Several sources for property acquisitions established with various entities and progress with property acquisitions is good. Auditors' Office, Third Federal, Chase Bank all are working with the CCLRC on property acquisition and good progress with Fannie Mae is transpiring. The CCLRC hopes to acquire 150 to 200 qualified properties by the end of the year. Further, the Prosecutor's Office is moving properties through the system as required by S.B. 353.

ii. Bills are pending in the State Legislature to expand S.B. 353 to all counties with over 100,000 in population in Ohio. Mr. Frangos attended a legislative hearing in Columbus on November 18, 2009 on discussions for H.B. 313. At the legislative hearing, it was discovered that a lot of mis-information is circulating regarding S.B. 353. Mr. Frangos will do his best to stay apprised of all that is happening in Columbus regarding the H.B. 313 hearings.

iii. The President stated that the first Report to the legislature has been prepared and will arrive in Columbus by November 30, 2009.

iv. Treasurer Rokakis inquired about the status of contracts for field services since the pipelines for property acquisitions are now established. Mr. Frangos stated that contract negotiations are being finalized with Safeguard.

b. Vic Gaston, Controller for the CCLRC presented an update on finances. His report is attached to these minutes. Also, the budget for 2010 has been prepared. Mr. Frangos stated that the budget will have to be formally approved by the Board at a special meeting to be held in December, 2009.

c. Cheryl Stephens presented to the Board an update on property acquisitions. Twelve new properties have been acquired since the September Board Meeting. Negotiations on fifty-two (52) more are taking place with closing dates by December, 2009. The properties to be acquired are from the established pipelines of local

lenders, BOR, REO's and private individuals. Ms. Stephens introduced two new employees of the Acquisition Department: Field Service Acquisition Manager, Kimberly Steigerwald and James Mayer, Field Service Supervisor. Two companies the CCLRC is working with for preservation is Safeguard and AI's Home Service. Ms. Stephens further stated that the CCLRC helped facilitate a property transfer to the City of South Euclid. The transaction went smoothly.

Mr. Oyaski inquired whether the President of the CCLRC has authority to sign the documents necessary to submit the NSP2 documentation to the Federal Government. Mr. Oyaski inquired of Mr. Herdeg as to if there were any issues or questions surrounding Mr. Frangos' authority to sign the necessary documents for an award of NSP2 funds so timing does not become an issue. The award should be announced in December, 2009 with the signed agreement due back to HUD by January 31, 2010.

There being no further questions for staff. The Treasurer moved to discuss Resolution 2009-21.

4. *Resolution 2009-21.* Treasurer Rokakis offered for consideration and adoption Resolution 2009-21 acknowledging and approving the establishment of a Local Records Commission under Revised Code Section 149.412 and designating a fiscal representative and a legal representative to such commission. Robert Rink stated that the law requires the CCLRC to establish both a local records commission and a record retention policy. The Ohio Historical Society is in charge of record retention statewide. The Resolution establishes the CCLRC's own Local Records Commission. Mayor Welo suggested that this be taken very seriously and that all be kept abreast of this policy. The Records Commission consists of the Chair of the Board, the Legal Officer and the Fiscal Representative of the Corporation. Treasurer Rokakis suggested that since he is not familiar with records retention policy that Section 2 of the Resolution to be amended to include the language, "or a member of the Board designated by the Chair". Treasurer Rokakis appointed Mayor Welo as the designated representative of the Board to sit on the commission. Mr. Oyaski moves to adopt Resolution 2009.21 and amend Section 2 to include, "or his designee". Mayor Welo seconds the amendment. The resolution is approved as amended and it will read, "confirms the Chair of the Board or a member of the Board designated by the Chair." All Board Members approved the amended resolution.

Resolution 2009-21 was adopted by unanimous vote.

5. *Resolution 2009-22.* Treasurer Rokakis offered for consideration Resolution 2009-22 approving a Comprehensive Ethics Policy of the Corporation and amending Article VIII of the Code of Regulations of the Corporation with respect thereto. Treasurer Rokakis asked Mr. Rink to discuss this resolution. Mr. Rink stated that the Ethics Policy was sent to all Board Members and CCLRC staff for review and comments. Mr. Rink stated that Mr. Oyaski had suggested the "Whistle Blower" language be added to the Policy and recommended the Ethics Policy be approved as written. Mayor Welo suggested that a signed statement be given to Board Members and CCLRC staff to indicate that a copy of the Ethics Policy was received and read. Mr. Rink stated that the CCLRC will generate a form and also include this in the Employee Manual. Treasurer Rokakis directed that language be added to include that all Board Members and employees of the Corporation acknowledge receipt of the Ethics Policy and that they have read and understood same. There being no further discussion, Mr. Oyaski moved to adopt resolution 2009.22; Mayor Welo seconded said motion.

Resolution 2009-22 was adopted by unanimous vote.

6. *Other Business.* Mayor Welo stated that the census will be taken in 2010. Mayor Welo would like all members and staff to be diligent in informing others of the importance of being counted. Mr. Oyaski stated that the census is very valuable and to respond by mail as this saves a lot of expense. Mayor Welo suggested the posting of it on the CCLRC's website or on yard signs.

Mr. Rink stated that a Board meeting will need to take place in December to approve the 2010 budget and financing for the CCLRC. The date of December 18, 2009 at 10:00 a.m. was agreed upon.

Treasurer Rokakis asked for the financing report of Paul Komlosi.

7. Paul Komlosi presented an update on finances. The report is attached to the original of these minutes. Mr. Komlosi stated that continued work is taking place regarding the line of credit. Mr. Komlosi is hoping that at the December Board Meeting a resolution will be presented to approve the general frame work for financing for the CCLRC. Mr. Komlosi further stated that on October 22, 2009 the Board of County Commissioners approved the \$20,000,000 tax notes thereby triggering the mechanism for the CCLRC to receive its penalties and interest payment from the Treasurer's Office. Mr. Komlosi stated the necessity for putting a system in place for tracking monthly collection data on penalties and interest. The current County system is unable to track this data on a monthly basis. Mr. Komlosi stated that it would cost approximately \$90,000 to put such a system in place. The only entity to benefit from this would be the CCLRC. It was suggested that a resolution be placed before the Board authorizing the contracting for this software. Treasurer Rokakis indicated that this would be beneficial. Mr. Brancatelli inquired as to what the Corporation's plan was for issuing bonds in January. Mr. Komlosi stated that he is currently having discussions with the national bond rating agencies and that all possibilities are being explored along with all the options to bring the financing terms together.

8. *Adjournment.* There being no more business to come before the Board of Directors of the CCLRC, Mr. Paul Oyaski moved, seconded by Councilman Brancatelli, that the meeting of the Board of Directors of the CCLRC be adjourned. The meeting of the Board of Directors of the CCLRC was adjourned at approximately 11:30 a.m.

I hereby certify that the minutes related to the Board of Directors' meeting of November 20, 2009 set forth above are the minutes approved by the Board of Directors at their meeting of December 18, 2009.

/s/ Robert P. Rink

Robert P. Rink, Secretary

Cuyahoga County Land Reutilization Corporation