

UNIVERSITY HEIGHTS CITY BEAUTIFUL CORPORATION

April 25, 2022
6:00pm

Virtual (Zoom)

I. Roll Call

The meeting was called to order by Mr. Brennan at 6:02pm

Board members present:	Michael Dylan Brennan	Michele Weiss
	Sheri Sax	Justin Gould
	Win Weizer	
	Geoff Englebrecht	

Board members not present: Susan Drucker

Others Present:	Luke McConville	Dennis Kennedy
	Ben Schaefer	Spiro Sintsirmas
	Rebecca Slifer	Randall Slifer

II. Approval of Minutes

Mr. Brennan indicated that we had three sets of minutes to consider – June 25, 2020, November 16, 2021, and March 16, 2022. Mrs. Weiss asked that they be considered separately.

June 25, 2020

Ms. Weizer moved to accept the minutes and thanks Mr. Schaefer for locating the minutes as requested. Mrs. Weiss seconded the motion. A voice vote was taken and the ayes were determined to have it. Mrs. Sax abstained, as she was not a member of the CIC at the time.

March 16, 2022

Mr. Gould noted that he would abstain from this vote if taken, as he had not had a chance to review. Ms. Weizer asked that the notes reflect clearly that Mr. Gould abstained from the grant acceptance and voted in the affirmative on the insurance policy renewal. Mr. Schaefer recorded the change.

Mrs. Weiss made a motion to approve the minutes as amended. Ms. Weizer seconded the motion. A voice vote was called and the ayes carried the vote, with Mr. Gould abstaining.

November 16, 2021

Mrs. Weiss indicated that there were some details missing on these minutes, specifically regarding needing counsel for certain items, a certain law firm, etc. Mr. Brennan asked if Mr. Schaefer could review further and add in the details that Mrs. Weiss has noted.

Ms. Weizer made a motion to table the notes for the time being to allow those changes to be made. Mr. Brennan seconded the motion. A voice vote was taken and the ayes had it.

III. Motion to approve letter of engagement with James G. Zupka, CPA, Inc.

Mr. Kennedy indicated that this is part of the annual process for the audit of the CIC – using same firm the CIC has used in the past – and is a standard document to sign approving terms of arrangement between CIC and auditor, including the fee schedule (broken down into financial statement and 990 filing, totaling \$1200). The auditor requested return of a signed copy of the letter. Mr. Kennedy thought it would go on the agenda for the previous meeting, but as it did not, he is requesting Board approval at this time.

Mr. Brennan moved to approve the letter, with a second by Mr. Englebrecht.

Mr. Gould noted that he hasn't had a chance to review these documents yet, inclusive of the financial statements/990. Mr. Kennedy indicated he believed that the financial statements were circulated previously, and the 990 was sent in a corrected format earlier today. He noted that the figures are the same across both documents. Mr. Gould asked if these were sent in December, and Mr. Kennedy responded that the only thing he believed was sent at that time was the approval of the CIC's 501(c)3 status.

Ms. Weizer inquired as to what the cost was for last year's audit, and Mr. Kennedy noted that it was the same cost.

A voice vote was taken and the ayes have it. Ms. Weizer inquired if there were any abstentions, and none were indicated.

IV. Motion to approve GAAP financial statements for 2021

Mr. Kennedy noted that these are the actual results of operations for CIC for 2021. He indicated that there was not much activity – the transfer in from the City, expenses for legal and financial work, and one re-statement related to a property that was incorrectly attributed to the CIC in 2020 (was actually deeded to the City's land bank, not the CIC). The numbers included in these statements are based on numbers from a report circulated to members by Mr. Kennedy earlier in 2022. Mr. Kennedy

indicated that these statements need to be filed with the State of Ohio by April 30 (as opposed to IRS tax filing deadline for 990, which is May 15).

Mr. Brennan moved to approve the statements for filing, with a second by Mrs. Weiss.

A voice vote was taken, and the ayes carried the motion.

Mr. Gould asked if these statements are the same as the ones sent on February 24th. Mr. Kennedy noted that these are the numbers from that statement, but that report was an unaudited report which was later provided to auditors. The result of that is what is included in this report.

Mr. Gould indicated he is abstaining from the motion.

V. Motion to approve filing of IRS Form 990-EZ

Mr. Kennedy noted again that this document has a filing deadline of May 15, 2022. The information covered in the 990 is the same as the numbers in the financial statements. As noted, Mr. Kennedy found a small error that was corrected and is now seeking approval for filing.

Mr. Brennan made a motion to approve.

Mr. Gould noted that the work can be done to prepare the filing but that the item can be held for further review since the deadline isn't until May 15; this would give everyone extra time for review if they have not yet done so.

Mr. Brennan withdrew his motion. Ms. Weizer made a motion to table, and Mrs. Weiss seconded the motion. The ayes carried it.

Mr. Brennan noted that the Board would need to meet again shortly to meet the May 15 deadline.

VI. Motion to authorize addition of the CIC to the AmazonSmile registry

Mr. Kennedy notes that this is an opportunity presented to non-profit organizations (501(c)3 status). One-half of one percent of sales through AmazonSmile would be directed back to the CIC, and could be a unique/simple opportunity to raise some money for the organization. AmazonSmile users would have to select the CIC as their charity of choice.

Mrs. Weiss indicated that her professional organization uses this and, if you're able to spread the word, it's a very easy way to make a few hundred dollars. Mr. Gould also expressed his support. Mr. Brennan notes that there seems to be no reason why we wouldn't pursue this opportunity.

Mr. Brennan made a motion to approve, with a second by Mr. Gould. A voice vote was called, and the ayes had it.

VII. Discussion regarding receivership proposal

Mr. Englebrecht noted that he invited Mr. Sintsirmas for this discussion. Mr. Englebrecht noted that this was discussed at a recent Council meeting, and further noted that the CIC could be involved with and/or bring the cases against derelict properties. Mr. Englebrecht indicated that Mr. Sintsirmas has extensive knowledge and can speak in further detail.

Mr. Sintsirmas thanked the group and noted that he is open for questions. He noted that Council had the initial presentation and that there was lots of interest, but that it's also an alien concept to many. However, he notes that it is a great tool to deliver something to city – either the owner will fix the property and alleviate the issue for the City, or the property goes into receivership; then a court-appointed budget given to judge and approved, and the receiver fixes the house on a certain timeline. This could help remedy problems that have been long-outstanding.

Ms. Weizer noted that she understands the basic process, but wasn't involved in Council discussion; her question was about the quality of work done with these houses. She is curious if this is just general repair. Ms. Weizer indicated she had an instance on her block, in which a flipper came in and renovated the interior completely and added several amenities, and the house sold at a value higher than some similar new construction. She asked if a property in receivership would get a larger overhaul or just basic, needed repairs.

Mr. Sintsirmas stated that they want the city to be involved in these issues; often, if someone has a lot of fines, they will quit-claim to someone else to get rid of it. He indicated that when his organization goes to the court for receivership, it's due to certain nuisances as a starting point. The company then goes through the property, assesses its internal state, and is able to have further discussion about what needs to be/can be done. He noted that homes often do end up with larger renovation (including adding bathroom space for many older homes, etc.); the only caveat, he notes, is that receivership action requires that renovations don't outweigh the sellable value of the house. In short, Mr. Sintsirmas said, his group doesn't do builders grade, but instead wants to make the homes livable for families.

Ms. Weizer wondered if, with houses going through foreclosure and an issue being had with a sale/if the previous owner has title, can receivership work with that? Can we get the home out of foreclosure through this process?

Mr. Sintsirmas asked for clarification – is this property about to be/is being foreclosed, or has it already been foreclosed but is in limbo state?

Ms. Weizer indicated that it was the latter, in which the house is kind of in limbo, the bank doesn't want it in its name, etc.

Mr. Sintsirmas stated that it was a unique question that he hadn't heard previously, and would thus have to consult with more experienced colleagues. He indicated that, often when a house is actively in foreclosure, a court doesn't want to take a case of receivership because there will be a solution through foreclosure, although it

sounded like in this case, if it already went to foreclosure and is languishing, it might be something that can be done. Ms. Weizer indicated that she had recently reached out to Mr. Englebrecht about this instance.

Ms. Weizer stated that, in looking at foreclosure, the problem is not as bad as it was over the last several years, but that now some banks will now just walk away from properties. The city then has to step in and demolish because they've sat empty, people would come in and strip them clean, etc.; would like to address those with this process if we move forward. She stated that she didn't know if it'd be profitable for Mr. Sintsirmas's firm or what cost would be, but something to look at.

Mr. Sintsirmas clarified that the only financial responsibility of city is bringing the legal action. The judge will then appoint a receiver, that firm will come in and cover the cost of remodeling. It's more a matter of if the properties qualify, which ones are good candidates, etc.; he noted that they can try a few just to test the waters for the City.

Mr. McConville said he might be able to shed a little additional light. He explained that the lawsuit the CIC would be plaintiff in is in common pleas court as a nuisance action; the City would agree with the CIC that it's a nuisance and, on that basis, appoint a receiver. The CIC would ask for a particular entity as receiver; if the court agrees, the court reviews the plans for rehabilitation and its status before and after the work. The court can examine the amount of money set to be invested as well. After the repairs/remodel is done, the receiver asks court to place a lien on the property (a "super lien," superior to all other liens), and the receiver testifies, on the stand, about any and all funds expended on the property, line-by-line. The property then goes to auction, and if it doesn't sell, the receiver takes title and can sell the property on its own.

Mr. McConville also noted that, when a property is in foreclosure, possible for the county land bank to offer a property to the City or CIC, so it's possible for properties in foreclosure to be owned by CIC and, in those instances, CIC can solicit developers' bids for proposals to repair the property. In this instance, where developer is working directly with the CIC, more control would be had over design/renovation decisions.

Ms. Weizer thanked Mr. McConville and made one clarification: she doesn't think the CIC needs to go after full renovation in every home, but some homes lend themselves to that; not same approach to each home we address.

Mr. Sintsirmas stated that Mr. McConville is absolutely correct on process. One thing his company assesses is whether is a home is vacant and has been for some time. Before an action is even brought, the receiver can usually get a good idea of cost/needs before an action is even filed in court. The company considers if a home has been abandoned for long period (like 10 years), what is the rehab going to look like and is there any way to contact the owners/assess its status easily? If the bank that owns it is defunct, for example, it becomes very difficult sometimes; information

is critical. The receiver wants to know if someone is going to fight this and drag it out, or if it's a case where someone passed away, and so forth.

Mr. Gould noted that he wants to be very strategic about this so that we're meeting the goals of the CIC and the City. He appreciates work of Mr. Sintsirmas and his team, but reminded the groups that his organization is just one option. It may be advantageous to work with multiple developers; CIC may want to place some guardrails around how we handle this. Mr. Gould further noted that Mr. Yorkovich, as an independent attorney who has worked with other developers too, may be a good next presenter and could help us understand how we can be strategic about this. Some questions to address would be whether it's good for the CIC itself to be the receiver in some cases, or what happens if the court doesn't select our desired receiver, for example. Mr. Gould stated that it would be crucial to know how the program would be administered.

Mr. Brennan agreed with Mr. Gould and his observations, including that there may be other proposals that could be solicited. He stated that he knows we've had some interest from other groups following Mr. Sintsirmas's last presentation, and suspects that we'd do well to get more info and more proposals. Mr. Brennan stated his belief that there's lots of good work that could be done here, regardless of which path we may pursue, but thinks that we will want to do *something*, and is glad it seems like others are interested in pursuing this as well.

Mr. Gould said that it makes sense Mr. Brennan as Mayor hears from contractors, others who are interested in this work. He expressed a desire to look at people who are doing good work, but maybe lacking some capital – like minority-owned contractors – as ways to bring about some pursuit of universal goals

Mr. Sintsirmas also noted that he is willing to address any questions after this as well, as he is also an independent attorney aside from his work with this company. He noted his personal interest in these projects aside from the business prospects.

Mr. Brennan asked the group if there were any other questions at this point. With none, he thanked Mr. Sintsirmas for additional information and stated that the group will certainly have further discussion in near future.

VIII. Adjourn

Mr. Brennan moved to adjourn, seconded by Mr. Englebrecht. A voice vote was taken and the motion carried.

The meeting was adjourned at 6:53pm.