

MEETING MINUTES OF THE COOK COUNTY LAND BANK AUTHORITY
FINANCE COMMITTEE

September 24, 2015

Finance Committee of the Cook County Land Bank Authority met pursuant to notice on September 24, 2015 at 9:00 AM in the offices of the Metropolitan Planning Council, 140 South Dearborn, Suite 1400, Chicago, Illinois.

I. Call to Order and Roll Call

Committee Chair Holmes called the meeting of the Finance Committee to order.

Present: Directors Gainer, Holmes, Ostenburg, (3)

Absent: Director Friedman, Sherwin (2)

Also Present: Robert Rose (CCLBA Executive Director)

Other Present: **Angela Allen** (*Washington, Pittman & McKeever, LLC*), **Bob Benjamin** (*Cook County Treasurer's Office*), **George Blakemore** (*Concerned Citizen*), **Natasha Cornog** (*Cook County Land Bank Authority*), **Brady Gott** (*Cleanslate*), **Adam Gross** (*BPI*), **Cassidy Harper** (*Cook County Land Bank Authority*), **Calvin Jackson** (*CAEC*), **Michelle Jordan** (*Commissioner Larry Suffredin's Office*), **Jesse R. Juance** (*Concerned Citizen*)

II. Public Speakers

Chairman Holmes noted there was two (2) public speaker:

Angela Allen (Washington Pittman & McKeever)
George Blakemore (Concerned Citizen)

III. Executive Director's Report (Robert Rose)

Director Rose Executive Director's report covered CCLBA's financial review through third quarter, External Auditing Firm Services, and Status of Grants

Director Rose did a recap introduction of Cassidy Harper as CCLBA's financial consultant, Cassidy has been reviewing CCLBA's financial records ensuring CCLBA has a good financial reporting system in place to help generate unaudited financial statements, Cassidy will also be working to help produce trial balances and working papers for the financial audit.

Director Rose presented an overview of the Statement of Financial Position and Statement of Activities making mention that the refundable advances liabilities reflects cash that has not been advance from the Attorney General settlement this category recognizes all un-advanced cash that has been approved by IHDA and the remaining portion of the Attorney General settlement. Refundable advance represents the funds CCLBA has remaining in the bank to drawdown for operations of the organization.

Receivables include Citibank donation of \$900,000. These monies are reflected in the Receivables line and not the Refundable Advances line because the monies were a donation. Once the monies are received it will then move into CCLBA's 586 Special Funds Account as do all other donations.

Director Holmes commended Director Rose with a round of applause for securing the Citibank donation to CCLBA.

Director Rose provided clarity of Personnel Cost and Acquisition/Demo cost. Personnel are related to staff salaries/benefit cost to organization and Acquisition/Demolition cost are direct cost related to properties. Donations received Bank of America Wells Fargo etc.. monies goes in to 576 funds (Program Income) meaning the acquisition is "\$0" and legal fees are embedded in the "Overhead" line not all of CCLBA's legal fees are directed to acquisition.

Director Gainer suggested to separate cost over the last year what portion has gone to acquisition/demolition/staff cost to get a holistic perspective. Having Cassidy on board will allow CCLBA to produce a more detailed/robust statement defining categories and cost by activities/vendor level.

As requested, a breakdown of monthly expenditures was provided to finance committee.

As it is CCLBA mission to stabilize communities, it is also CCLBA's goal to maintain a positive net income/cash flow. CCLBA has received some good donations that have been turned around at low cost to homeowners and developers; this positive income is reflected as positive net income that flows into CCLBA's 586 Special Purpose fund account to be used at a later date at the discretion of CCLBA.

Citibank Donation was received in two installments: \$100,000.00 was received August 31 and the remaining \$900,000.00 will be reflected next quarter.

CCLBA will only come near 50% of all overall budget.

External Audit

CCLBA went through the RFP process to secure an auditing firm, CCLBA received two responses. Washington, Pittman and McKeever was selected on August 20, 2015. Angela Allen (WPM) spoke earlier regarding the companies experience. Three key reasons why WPM were selected are as follows:

- 3 year engagement with fixed pricing and caps on unexpected circumstances
- Extensive government/non-profit experience
- Partner and principal are members of engagement team

Goal is to have inception - 2014 audit completed by November 30, 2015 and 2015 audit to begin February, 2016.

Status of Grant

CCLBA has four (4) funding sources: MacArthur Foundation, IL Attorney General, IHDA Abandoned Properties Program, and IHDA Blight Reduction Program.

MacArthur Foundation

This grant was closed out in FY 2015, final report was submitted via MacGrants system, Director Rose had a positive conversation with Allison Clark, Program Manager, regarding future funding.

IL Attorney General National Mortgage Settlement

This is our largest source of funding. Progress report was submitted through May 31, 2015. Next report is due September 30, 2015. Director Rose has requested an extension to push back maturity date from two years to three years. Original settlement was due to expire in 2016. CCLBA will be requesting the second portion of settlement in the amount of \$2,250,000.00.

IHDA Abandoned Properties Program

Four (4) homes have been demolished, reimbursements totaling \$144,447 have been requested. This leaves a remaining balance of \$105,523 to be drawn down.

IHDA Blight Reduction Program

This is the program where CCLBA is working with other organization, there had to be a partnership between CCLBA/municipality or CCLBA/non-for-profit organization providing selective demolition. There are two rounds of this program. Under round one CCLBA has four executed agreements with Woodlawn and Englewood are the Chicago neighborhoods and Chicago Heights and Riverdale are the Suburban areas. Round two applications are due September 25, 2015. CCLBA will be submitting three more applications (repeats) Englewood, Riverdale, Chicago Heights, Maywood has indicated an interest. All agreements for the first round have been finalized, at the June Board meeting a resolution was passed for CCLBA to enter into a tri-party agreement with IHDA and various parties.

IV. Consent Agenda

Director Ostenburg, seconded by Gainer, moved to approve the Consent Agenda which includes the August 20, 2015 CCLBA Finance Committee meeting minutes. **The motion carried unanimously.**

V. Adjournment

Director Ostenburg, seconded by Director Gainer moved to adjourn. **The motion carried unanimously and the meeting was adjourned.**

Respectfully submitted,
Board of Directors of the Cook County Land Bank Authority


Calvin Holmes, Chairman, Finance Committee

