

The Board of Directors of the Cuyahoga County Land Reutilization Corporation (the "Board of Directors" or this "Board") met for its regular quarterly meeting on the 19th day of December, 2014 at 10:00 o'clock, a.m., eastern time, in Conference Room 140 of Lakeside Place at 323 W. Lakeside Ave., Cleveland, Ohio 44113 with the following Directors present:

Anthony Brancatelli, Councilman, Ward 12, City of Cleveland and Board Chair
Edward FitzGerald, Cuyahoga County Executive, represented by: Nathan Kelly
Thomas Fitzpatrick IV, Federal Reserve Bank of Cleveland
Pernel Jones, Jr., Cuyahoga County Council Appointee
Kevin Kennedy, Mayor of the City of North Olmsted
William Sheehan, Interim Cuyahoga County Treasurer
Bobbi Reichel, Executive Director, Campus District
Brad Sellers, Mayor of the City of Warrensville Heights
Chris Warren, Chief of Regional Development, City of Cleveland

Chris Warren moved the adoption of the following resolution (this "Resolution"):

RESOLUTION NO. 2014-3

APPROVING THE ANNUAL BUDGET OF
THE CORPORATION FOR FISCAL YEAR 2015

WHEREAS, Section 9.2 of the Code of Regulations of the Cuyahoga County Land Reutilization Corporation (respectively, the "Code of Regulations" and the "CCLRC") requires that at least thirty (30) days prior to the end of each fiscal year of the CCLRC, the President or other officer present to the each member of the Board of Directors the proposed annual budget of the CCLRC for the next succeeding fiscal year; and

WHEREAS, on November 25, 2014, the Chief Operating Officer caused to be sent by electronic mail to each member of the Board of Directors the proposed annual budget of the CCLRC for fiscal year 2015, a copy of which is attached to this Resolution as Attachment A (the "2015 Fiscal Year Budget"); and

WHEREAS, Section 9.2 of the Code of Regulations further requires that at a regular or special meeting of the Board, the Board conduct a public hearing on such budget prior to its adoption in final form; and

WHEREAS, the Board has conducted such public hearing immediately prior to its consideration of this Resolution; and

WHEREAS, Section 9.2 of the Code of Regulations permits the Board to approve at the meeting at which was held the public hearing on the annual budget or at another meeting called for the purpose the annual budget of the CCLRC which shall govern the expenditures of the CCLRC during the fiscal year to which such budget applies; and

WHEREAS, this Board now desires to approve the 2015 Fiscal Year Budget so that the operations of the CCLRC can continue uninterrupted into calendar year 2015; and

WHEREAS, the Board of Directors hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this Board, and that all the deliberations of this Board, and of its committees, if any, which resulted in formal actions, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Revised Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cuyahoga County Land Reutilization Corporation that:

Section 1. This Board hereby finds and determines that it has timely received, reviewed, and held a public hearing on the 2015 Fiscal Year Budget, as required under Section 9.2 of the Code of Regulations and that it now desires to approve and adopt such Budget, including changes, if any, that have been agreed to and approved by the Board during the public hearing on such Budget, so that the operations of the CCLRC can continue uninterrupted into calendar year 2015.

Section 2. This Board hereby approves and adopts for fiscal year 2015 of the CCLRC, the 2015 Fiscal Year Budget attached to this Resolution as Attachment A, including, however, the changes, if any, as have been agreed to and approved by this Board during the public hearing on such Budget.

Section 3. This Resolution shall take effect and be in force immediately upon its adoption.

Mayor Brad Sellers seconded the motion.

Upon roll call on the adoption of this Resolution, the vote was as follows:

Ayes: 9

Nays: 0

The undersigned, Secretary of the Cuyahoga County Land Reutilization Corporation, certifies that the foregoing is a true and correct excerpt from the minutes of the meeting of December 19, 2014, of the Board of Directors of the Cuyahoga County Land Reutilization Corporation, showing the adoption of the Resolution above set forth.

/s/ Robert Rink

Secretary

Cuyahoga County Land Reutilization
Corporation

Dated: December 19, 2014

FUNDING INFORMATION FOR RESOLUTION
(CHECK AND COMPLETE APPLICABLE SELECTION)



Not Applicable to this Resolution since only Budget and not specific expenditure is being authorized.



Fund to be charged: # _____
Account to be charged: # _____
Unencumbered Funds Available: \$ _____
Amount to be charged: \$ _____

Cuyahoga County Land Reutilization Corp. (CCLRC ONLY)

**2015 PROPOSED BUDGET
Income Statement**

			Year To Date Actual Oct. 31, 2014	Projected Final 2014 Actual	2015 Proposed Budget
Account Title		2014 Budget			
REVENUES:					
Income from Land Reutilization Fund		\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Cuyahoga County Bond - CCLRC		\$0	\$0	\$0	\$3,000,000
Cuyahoga County Bond - Suburbs		\$0	\$0	\$0	\$4,845,000
Grant Revenue					
OH A.G./CCLRC		\$60,000	\$845,873	\$845,873	\$0
OH A.G./CCLRC 2		\$0	\$202,202	\$202,202	\$0
OH A.G./Sub-recipient 2		\$0	\$400,000	\$400,000	\$0
OH AG Phase 3		\$0	\$0	\$451,985	\$0
OHFA HHF		\$7,795,000	\$3,127,965	\$5,000,000	\$6,340,000
NSP 2 CCLRC Revenue		\$0	\$0	\$0	\$400,000
NSP 2 Fund-Coalition Partners		\$1,000,000	\$0	\$60,000	\$920,000
CCLRC/County NSP 2 Program Income		\$500,000	\$145,419	\$267,000	\$0
NSP 2 CCLRC Program Income		\$0	\$32,600	\$35,000	\$0
Casino/CDBG Ward Allocation		\$0	\$0	\$40,000	\$0
Cleveland CDBG		\$100,000	\$0	\$0	\$0
Total Grant Revenue		\$9,455,000	\$4,754,058	\$7,302,060	\$7,660,000
Other Revenue					
Investment (Interest) Income		\$26,050	\$19,420	\$22,870	\$14,000
Other Income		\$16,900	\$38,137	\$41,101	\$51,284
Demolition Fees Reimbursed		\$840,000	\$1,232,149	\$1,925,149	\$1,050,000
Title Work/Acquisition Reimbursement		\$30,000	\$47,073	\$56,487	\$63,000
Title Company Joint Venture		\$21,250	\$0	\$0	\$25,000
Property Sales		\$1,361,500	\$1,554,118	\$1,842,900	\$1,875,000
Computer Consulting Revenue		\$0	\$0	\$10,000	\$80,000
Total Revenues		\$18,750,700	\$14,644,956	\$18,200,568	\$25,663,284
EXPENSES:					
CONTRACT/PROGRAM AND OPERATING EXPENSES:					
Contract Services					
Demolition		\$7,391,677	\$6,521,860	\$8,553,000	\$12,000,000
Rehabilitation		\$900,000	\$542,300	\$696,439	\$900,000
Field Services		\$1,714,952	\$1,130,617	\$1,460,617	\$1,587,000
Inspections - Acquisition Dept.		\$50,000	\$51,510	\$64,161	\$70,577
Inspections - Programs Dept.		\$160,168	\$97,850	\$121,350	\$160,000
Inspections - Affidavits		\$30,000	\$28,546	\$36,350	\$40,712
Lien Search		\$15,200	\$2,050	\$2,550	\$4,000
Title Exams		\$151,000	\$143,295	\$176,295	\$202,739
Environmental Expenses		\$2,208,323	\$1,553,208	\$2,218,300	\$3,000,000
Total Contract Services		\$12,621,320	\$10,071,235	\$13,329,062	\$17,965,028
Program Expenses					
NSP 2 Coalition Partners Reimbursements		\$1,000,000	\$0	\$60,000	\$920,000
A.G. Grant 2 Sub-recipient Reimbursements		\$0	\$400,000	\$400,000	\$0
A.G. Grant Sub-recipient CCLRC Match		\$0	\$348,410	\$348,410	\$0
Grant Programs Paid to Others		\$200,000	\$86,000	\$146,000	\$350,000
Other Program Expenses - Properties		\$266,566	\$176,478	\$206,109	\$247,331
Total Program Expenses		\$1,466,566	\$1,010,888	\$1,160,519	\$1,517,331
Total Program and Contract Expenses		\$14,087,886	\$11,082,124	\$14,489,581	\$19,482,359

Cuyahoga County Land Reutilization Corp. (CCLRC ONLY)

2015 PROPOSED BUDGET

Income Statement

Account Title	2014 Budget	Year To Date Actual Oct. 31, 2014	Projected Final 2014 Actual	2015 Proposed Budget
General Operating Expenses				
Employee Expenses				
Salaries	\$1,802,000	\$1,533,401	\$1,841,915	\$2,087,276
Employee Benefits	\$366,154	\$355,124	\$425,919	\$650,828
Employee Training and Seminars	\$6,694	\$6,300	\$7,550	\$8,305
FICA Tax	\$131,588	\$111,719	\$128,477	\$151,789
Unemployment Tax	\$9,807	\$18,465	\$22,158	\$27,064
Workers Compensation	\$3,020	\$2,838	\$3,750	\$6,842
Total Employee Expenses	\$2,319,263	\$2,027,846	\$2,429,768	\$2,932,104
Professional Expenses				
Accounting/Auditing Services	\$24,000	\$19,073	\$21,000	\$23,000
Computer Services/Maintenance	\$51,100	\$38,219	\$47,773	\$52,740
Consulting Services	\$30,000	\$5,680	\$7,100	\$30,000
Legal Expenses	\$50,000	\$4,414	\$5,517	\$35,000
Legislative Expenses	\$36,150	\$28,575	\$35,719	\$36,150
Communications Expense	\$88,500	\$49,524	\$61,905	\$60,000
Marketing/Advertising Expense	\$70,000	\$52,120	\$65,150	\$70,000
Other Misc. Professional Services	\$10,000	\$5,771	\$7,214	\$10,000
Total Professional Expenses	\$359,750	\$203,375	\$251,377	\$316,890
Office Expenses				
Bank Service Charges	\$800	\$1,443	\$1,693	\$3,100
Dues & Publications	\$16,667	\$13,009	\$14,809	\$15,698
Freight & Postage	\$9,884	\$5,909	\$6,509	\$7,160
Office and Printing Expense	\$55,000	\$36,074	\$43,374	\$49,880
Mileage, Parking, Meetings Exp.	\$67,968	\$57,746	\$68,746	\$79,058
Rent	\$91,075	\$74,084	\$89,216	\$92,999
Repairs & Maintenance	\$1,508	\$356	\$550	\$1,150
Telephone	\$2,253	\$2,090	\$2,613	\$2,874
Utilities Expense	\$14,024	\$11,953	\$16,164	\$17,781
Other Office Expenses	\$4,580	\$2,737	\$3,422	\$3,764
Total Office Expenses	\$263,759	\$205,402	\$247,096	\$273,463
Bond and Related Costs:				
Bond Interest	\$213,075	\$175,483	\$206,586	\$161,655
Bond Principal Paid to Trustee	\$1,280,000	\$640,000	\$1,280,000	\$1,330,000
Bond Valuation Changes and Fees	\$700	\$1,848	\$2,148	\$2,450
Total Bond and Related Costs	\$1,493,775	\$817,331	\$1,488,734	\$1,494,105
Other Operating Expenses:				
Business Insurance - non-properties	\$93,668	\$74,742	\$92,691	\$120,498
Charitable Contributions	\$12,000	\$3,900	\$4,800	\$5,520
Leased Equipment	\$21,141	\$15,465	\$19,308	\$25,552
Travel, Lodging, Meals	\$16,000	\$6,731	\$8,211	\$9,443
Total Other Operating Expenses	\$142,809	\$100,838	\$125,010	\$161,013
Total General Operating Expenses	\$4,579,356	\$3,354,792	\$4,541,986	\$5,177,575
Depreciation, Amortization, and Interest Expense				
Depreciation and Amortization Exp.	\$21,189	\$15,713	\$21,998	\$24,858
Interest Expense	\$0	\$163	\$163	\$500
Total Depreciation, Amortiz., and Other Expenses	\$21,189	\$15,876	\$22,161	\$25,358
Total Expenses	\$18,688,431	\$14,452,791	\$19,053,727	\$24,685,292
BEGINNING NET ASSETS	\$9,615,336	\$9,615,336	\$9,615,336	\$8,762,176
NET SURPLUS/(DEFICIT)	\$62,269	\$192,164	-\$853,160	\$977,992
ENDING NET ASSETS	\$9,677,605	\$9,807,500	\$8,762,176	\$9,740,168

Prepared by Michael DiMartino, CPA, Director of Finance

2015 Budget Notes

November 26, 2014

Revenues.

1. Cuyahoga County Bond-Suburbs. In as much as initial applications are not due, nor will awards be finalized, until after February 2015, only an educated rough estimate is possible. Accordingly we have used the amount of these funds we believe we can expend in 2015. It was arrived at by projecting the number of structures we will demolish in 2015, and the average cost of demolishing a 1-4 unit property, as well as projecting how many of these will be funded through other funding sources, and working backwards using the total expense figures shown for Demolition and Environmental Services. This projection is further complicated by a real lack of information regarding how many demolitions of larger structures (Up to \$100,000) will be requested.
2. OHFA HHF. This is the amount of funds projected to be remaining in our HHF grant on 12/31/14.
3. NSP 2 CCLRC. Funds remaining in the HUD Letter of Credit, County allocation. The County has requested the CCLRC use these funds for suburban target area demolitions. Funds must be expended by September 30, 2015.
4. NSP 2 Coalition Partners. These are the remaining funds in the HUD Letter of Credit for the City of Cleveland. They must be expended by September 30, 2015.
5. Demo Fee Reimbursements. This total reflects a decrease in fee received from Fannie Mae and an increase from REOs, the Regional Sewer Commission, and other 3rd parties.
6. Property Sales. Vast majority of this revenue comes in thorough the Deed In Escrow program. Some is from the sale of In House Renovations, some from the sale of vacant lots, and some from the sale of commercial properties.
7. Computer Consulting. This new line item is for revenues generated through the sale of our Property Profile System to other land banks. To date, one land bank has purchased our system, (Hamilton County) and Mahoning is seriously considering it. We are currently charging \$40,000 per land bank.

Expenses.

1. Demolition and Environmental Services. Figures are based on 1,200 demolitions at an average cost of \$12,500. This average reflects the fact that some HHF funded demolitions will receive additional support for "Greening". Twenty percent of the total expenses related to demolitions is assigned to the Environmental Services line item.

2. Employee Expenses. Increase reflects an average salary increase of 4%, and three new employees for the demolition staff. Additional funds for demolition staff expenses (\$1,000/property) are brought in through OHFA's HHF funded Neighborhood Improvement Program.
3. Bond Interest and Bond Principal Paid to Trustee: CCLRC Bond repayments will continue through 2017.