

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 13th day of December, 2013 at 10:00 o'clock, a.m., eastern time, in Conference Room 400 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
Jeannet Wright, Acting Cuyahoga County Treasurer
Bobbi Reichtel, Executive Director, Campus District
Brad Sellers, Mayor of the City of Warrensville Heights
Chris Warren, Chief of Regional Development, City of Cleveland

Bobbi Reichtel moved the adoption of the following resolution (this "Resolution"):

RESOLUTION NO. 2013-4

APPROVING THE ANNUAL BUDGET OF
THE CORPORATION FOR FISCAL YEAR 2014

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, 2013, 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 2014, a copy of which is attached to this Resolution as Attachment A (the "2014 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 2014 Fiscal Year Budget so that the operations of the CCLRC can continue uninterrupted into calendar year 2014; 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 2014 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 2014.

Section 2. This Board hereby approves and adopts for fiscal year 2014 of the CCLRC, the 2014 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.

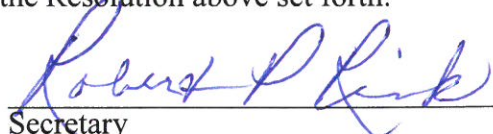
Mr. Thomas Fitzpatrick seconded the motion.

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 13, 2013, of the Board of Directors of the Cuyahoga County Land Reutilization Corporation, showing the adoption of the Resolution above set forth.


Secretary
Cuyahoga County Land Reutilization
Corporation

Dated: December 13, 2013

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: \$ _____

ATTACHMENT A
2014 FISCAL YEAR BUDGET
OF THE
CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION

CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION					2014 BUDGET SUBMISSION			
					2013 Amended Budget	Actual YTD October 31, 2013	2013 Full Year Projected	2014 Proposed Budget
REVENUES:								
Income from Land Reutilization Fund					\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Grant Revenue								
OH A.G./CCLRC					\$7,800,000	\$5,516,923	\$7,740,000	\$60,000
OH A.G./Sub-recipient					\$2,925,000	\$3,099,538	\$3,279,866	\$0
OHFA Hardest Hit Funds					\$0	\$0	\$0	\$7,795,000
Prosecutor Grant Matching Funds					\$2,500,000	\$2,382,811	\$2,382,811	\$0
NSP 2 Fund-Coalition Partners					\$3,500,000	\$2,200,979	\$2,260,979	\$1,000,000
NSP 2 - CCLRC Work					\$57,427	\$57,427	\$57,427	\$0
NSP III Fund					\$100,000	\$98,004	\$160,791	\$0
US EPA- Assessment Program					\$150,000	\$171,744	\$198,626	\$0
Enterprise-NPI Fund					\$45,250	\$0	\$45,250	\$0
County Veterans					\$100,000	\$100,000	\$100,000	\$0
CCLRC/County NSP 2 Program Income					\$0	\$0	\$0	\$500,000
Cleveland CDBG					\$0	\$0	\$0	\$100,000
NSP I Fund					\$21,053	\$21,053	\$21,053	\$0
Total Grant Revenue					\$17,198,730	\$13,648,478	\$16,246,803	\$9,455,000
Investment Income					\$20,900	\$19,241	\$20,581	\$26,050
Other Income					\$80,000	\$104,828	\$108,078	\$16,900
Demolition Fees Reimbursed					\$850,000	\$511,452	\$1,034,452	\$840,000
Title Work/Acquisition Reimbursement					\$4,000	\$12,359	\$30,122	\$30,000
Title Company Joint Venture					\$21,250	\$0	\$0	\$21,250
Property Sales					\$2,050,750	\$2,209,502	\$2,464,502	\$1,361,500
Total Revenues					\$27,225,630	\$23,505,860	\$26,904,538	\$18,750,700
CONTRACT/PROGRAM AND GENERAL OPERATING EXPENSES:								
Contract Services								
Demolition					\$8,640,000	\$6,066,632	\$8,222,132	\$7,391,677
Rehabilitation					\$400,000	\$188,321	\$248,321	\$900,000
Field Services					\$1,600,000	\$1,196,525	\$1,600,789	\$1,714,952
Inspections - Acquisition Dept.					\$75,600	\$39,130	\$43,630	\$50,000
Inspections - Programs Dept.					\$75,000	\$71,525	\$91,525	\$160,168
Inspections - Affidavits					\$35,000	\$22,516	\$24,166	\$30,000
Lien Search					\$16,000	\$10,925	\$13,425	\$15,200
Title Exams					\$105,000	\$126,002	\$140,902	\$151,000
Environmental Expenses					\$2,460,000	\$1,981,712	\$2,612,712	\$2,208,323
Other Contract Services					\$6,000	\$420	\$520	\$0
Total Contract Services					\$13,412,600	\$9,703,707	\$12,998,122	\$12,621,320
Program Expenses								
NSP 2 Coalition Partners Reimbursements					\$3,500,000	\$2,200,979	\$2,200,979	\$1,000,000
A.G. Grant Sub-recipient Reimbursements					\$2,925,000	\$3,099,538	\$3,279,916	\$0
A.G. Grant Sub-recipient CCLRC Match					\$2,377,868	\$2,552,406	\$4,000,000	\$0
Grant Programs Paid to Others					\$200,000	\$118,750	\$129,000	\$200,000
Other Program Expenses - Properties					\$190,000	\$158,782	\$195,394	\$266,566
Total Program Expenses					\$9,192,868	\$8,130,455	\$9,805,289	\$1,466,566
Total Program and Contract Expenses					\$22,605,468	\$17,834,162	\$22,803,411	\$14,087,886
General Operating Expenses								
Employee Expenses								
Salaries					\$1,762,489	\$1,433,854	\$1,721,465	\$1,802,000
Employee Benefits					\$354,572	\$305,072	\$365,072	\$366,154
Employee Training and Seminars					\$7,000	\$4,618	\$5,542	\$6,694
FICA Tax					\$136,148	\$104,442	\$125,330	\$131,588
Unemployment Tax					\$4,438	\$7,859	\$9,430	\$9,807
Workers Compensation					\$4,050	\$1,053	\$1,264	\$3,020
Total Employee Expenses					\$2,268,697	\$1,856,899	\$2,228,103	\$2,319,263

CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION				
2014 BUDGET SUBMISSION				
	2013 Amended Budget	Actual YTD October 31, 2013	2013 Full Year Projected	2014 Proposed Budget
Professional Expenses				
Accounting/Auditing Services	\$26,500	\$21,189	\$21,189	\$24,000
Computer Services/Maintenance	\$52,500	\$35,958	\$43,458	\$51,100
Consulting Services	\$75,500	\$14,450	\$17,800	\$30,000
Legal Expenses	\$35,500	\$7,700	\$15,700	\$50,000
Legislative Expenses	\$36,000	\$30,150	\$36,150	\$36,150
Communications Expense	\$88,500	\$55,287	\$68,562	\$88,500
Marketing/Advertising Expense	\$114,400	\$56,538	\$67,845	\$70,000
Other Misc. Professional Services	\$7,100	\$4,677	\$5,530	\$10,000
Total Professional Expenses	\$436,000	\$225,948	\$276,233	\$359,750
Office Expenses				
Bank Service Charges	\$4,000	\$750	\$750	\$800
Dues & Publications	\$8,000	\$12,861	\$15,433	\$16,667
Freight & Postage	\$8,500	\$6,694	\$9,324	\$9,884
Office and Printing Expense	\$45,000	\$28,211	\$33,853	\$55,000
Mileage, Parking, Meetings Exp.	\$44,500	\$52,757	\$63,521	\$67,968
Rent	\$85,118	\$70,931	\$85,117	\$91,075
Repairs & Maintenance	\$2,500	\$1,185	\$1,423	\$1,508
Telephone	\$4,500	\$1,788	\$2,146	\$2,253
Utilities Expense	\$11,950	\$11,130	\$13,356	\$14,024
Other Office Expenses	\$1,500	\$3,601	\$4,321	\$4,580
Total Office Expenses	\$215,568	\$189,909	\$229,244	\$263,760
Bond and Related Costs:				
Bond Interest	\$259,740	\$216,232	\$255,508	\$213,075
Bond Principal Paid to Trustee	\$1,235,000	\$617,500	\$1,235,000	\$1,280,000
Bond Investment Valuation Changes	\$1,500	\$626	\$626	\$700
Total Bond and Related Costs	\$1,496,240	\$834,358	\$1,491,134	\$1,493,775
Other Operating Expenses:				
Business Insurance - non-properties	\$72,500	\$95,660	\$120,717	\$93,668
Charitable Contributions	\$5,500	\$7,640	\$8,640	\$12,000
Leased Equipment	\$24,000	\$17,641	\$21,141	\$21,141
Travel, Lodging, Meals	\$6,750	\$14,746	\$15,771	\$16,000
Other Miscellaneous Operating Expenses	\$1,500	(\$2,321)	(\$2,321)	\$0
Total Other Operating Expenses	\$110,250	\$133,367	\$163,948	\$142,809
Total General Operating Expenses	\$4,526,755	\$3,240,480	\$4,388,662	\$4,579,357
Depreciation and Amortization Exp.	\$22,550	\$15,135	\$20,180	\$21,189
Interest Expense	\$7,500	\$0	\$0	\$0
Total Depn, Amort, Other Interest Exp	\$30,050	\$15,135	\$20,180	\$21,189
Total Expenses	\$27,162,273	\$21,089,777	\$27,212,253	\$18,688,432
Net Expenses Over (Under) Income	\$63,357	\$2,416,083	(\$307,715)	\$62,268
Ending Net Assets Balance	\$10,307,381	\$12,660,107	\$9,936,309	\$9,998,577
Prepared by Michael DiMartino, CPA, Director of Finance 11/22/13				

2014 Budget Notes

Revenues

1. OHFA HHF: Assumes grant of at least \$7,795,000 is awarded in early 2014.
2. NSP 2 Fund-Coalition Partner: Estimated NSP 2 revenue resulting from Cleveland NSP 2 Program Income.
3. CCLRC/County NSP 2 Program Income: Estimated County NSP 2 revenue from Program Income. Will be used to fund suburban target area nuisance abatement demolitions.
4. Cleveland CDBG: From Ward 4 allocation; to fund building improvements for Discovery Center.
5. Demolition Fee Reimbursement: Includes Reimbursements from Fannie Mae, REOs, and County Prosecutor.
6. Property Sales: Assumes \$ 941,500 from 169 Deed In Escrow sales, \$ 350,000 from 7 In House Rehab sales, and \$ 70,000 from the sale of vacant lots and miscellaneous properties.

Expenses

1. Demolition and Environmental Expense: Based on 800 demolitions with an average cost of \$12,000, 23% of which is for asbestos surveys and remediation and, therefore, assigned to the Environmental Expense line item.
2. Rehabilitation: Based on 16 In House rehabilitations at an average cost of \$ 50,000, plus \$100,000 for the renovation of the Discovery Center.
3. NSP 2 Coalition Partners Reimbursements: Estimated expenses from the use of Cleveland's Program Income.
4. Employee Expenses: Includes an average 4% increase for current employees, some vacation buy outs, and no new employees.
5. Bond Interest and Bond Principal Paid to Trustee: Bond repayments will continue through 2017.