

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 15th day of December, 2017 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:

Dan Brady, Cuyahoga County Council Appointee, represented by: Michael King
Anthony Brancatelli, Councilman, Ward 12, City of Cleveland and Board Chair
Armond Budish, Cuyahoga County Executive, represented by: Ken Surratt
Thomas Fitzpatrick IV, Federal Reserve Bank of Cleveland
Kevin Kennedy, Mayor of City of North Olmsted
W. Christopher Murray II, Cuyahoga County Treasurer
Bobbi Reichtel, Executive Director, Campus District
Brad Sellers, Mayor of the City of Warrensville Heights

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

RESOLUTION NO. 2017-3

APPROVING THE ANNUAL BUDGET OF
THE CORPORATION FOR FISCAL YEAR 2018

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 22, 2017, 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 2018, a copy of which is attached to this Resolution as Attachment A (the "2018 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 2018 Fiscal Year Budget so that the operations of the CCLRC can continue uninterrupted into calendar year 2018; 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 2018 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 review and in the public hearing on such Budget, so that the operations of the CCLRC can continue uninterrupted into calendar year 2018.

Section 2. This Board hereby approves and adopts for fiscal year 2018 of the CCLRC, the 2018 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.

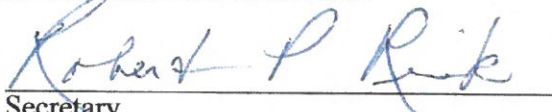
Mayor Brad Sellers seconded the motion.

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

Ayes: 8

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 15, 2017, 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 15, 2017

FUNDING INFORMATION FOR RESOLUTION	
(CHECK AND COMPLETE APPLICABLE SELECTION)	
<input checked="checked" type="checkbox"/>	Not Applicable to this Resolution since only Budget and not specific expenditure is being authorized.
<input type="checkbox"/>	Fund to be charged: # _____ Account to be charged: # _____ Unencumbered Funds Available: \$ _____ Amount to be charged: \$ _____

ATTACHMENT A

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
FISCAL YEAR 2018 BUDGET**

Cuyahoga County Land Reutilization Corp.
Projected 2017 Year-End and Proposed 2018 Budget

	Amended Budget 2017	Year To Date 10/31/2017	Projected Year-End 2017	Proposed Budget 2018
REVENUES:				
Income from Land Reutilization Fund	\$7,000,000	\$5,454,586	\$7,000,000	\$7,000,000
Cuyahoga County Program - CCLRC	\$3,000,000	\$513,389	\$1,060,158	\$1,700,000
Cuyahoga County Program - Suburbs	\$4,000,000	\$1,706,071	\$2,458,649	\$2,100,000
Grant Revenue				
OHFA/NIP	\$8,498,000	\$8,524,043	\$12,121,363	\$13,283,200
TCI Greening	\$0	\$13,063	\$22,004	\$30,000
ADAMHS Board	\$0	\$85,946	\$85,946	\$14,100
US EPA- Assessment Program	\$400,000	\$223,618	\$248,618	\$151,400
Total Grant Revenue	\$8,898,000	\$8,846,670	\$12,477,931	\$13,478,700
Investment Income	\$14,340	\$36,959	\$37,159	\$35,300
Other Income	\$13,000	\$33,767	\$36,067	\$36,000
Demolition Fees Reimbursed	\$600,000	\$1,450,756	\$1,604,656	\$312,000
Title Work/Acquisition Reimbursement	\$34,700	\$17,173	\$20,608	\$22,700
PPS Consulting	\$92,916	\$39,583	\$56,666	\$48,800
Property Sales	\$2,163,000	\$1,576,494	\$1,674,177	\$2,209,600
Total Revenues	\$25,815,956	\$19,675,449	\$26,426,071	\$26,943,100
CONTRACT/PROGRAM AND OPERATING EXPENSES:				
Contract Services				
Demolition	\$12,710,000	\$10,831,766	\$13,594,666	\$12,925,000
Rehabilitation/New Construction	\$947,099	\$442,559	\$592,559	\$1,380,000
Field Services	\$2,469,285	\$2,070,633	\$2,322,833	\$2,504,100
Inspections - Acquisition Dept.	\$127,300	\$120,015	\$135,015	\$149,000
Inspections - Programs Dept.	\$165,000	\$125,866	\$151,866	\$168,000
Inspections - Affidavits	\$101,800	\$79,960	\$95,952	\$106,000
Lien Search	\$1,000	\$0	\$0	\$1,000
Title Exams	\$107,500	\$66,872	\$80,372	\$88,500
Environmental Expenses	\$3,004,000	\$2,842,577	\$3,403,077	\$3,386,000
Total Contract Services	\$19,632,984	\$16,580,248	\$20,376,340	\$20,707,600
Program Expenses				
Grant Programs Paid to Others	\$200,000	\$80,000	\$80,000	\$200,000
Special Projects Grants Program	\$200,000	\$40,799	\$97,299	\$242,700
TCI Greening Expense	\$0	\$18,711	\$18,711	\$30,000
Other Program Expenses - Properties	\$698,846	\$452,696	\$745,113	\$1,136,000
Total Program Expenses	\$1,098,846	\$592,206	\$941,123	\$1,608,700
Total Program and Contract Expenses	\$20,731,830	\$17,172,455	\$21,317,463	\$22,316,300
General Operating Expenses				
Employee Expenses				
Salaries	\$2,492,762	\$1,946,343	\$2,418,930	\$2,530,000
Employee Benefits	\$730,078	\$569,892	\$684,232	\$737,500
Employee Training and Seminars	\$14,013	\$8,437	\$9,937	\$14,000
FICA Tax	\$183,672	\$141,816	\$177,969	\$188,600
Unemployment Tax	\$14,909	\$8,557	\$8,811	\$10,000
Workers Compensation	\$3,573	\$772	\$2,317	\$5,500
Total Employee Expenses	\$3,439,007	\$2,675,818	\$3,302,196	\$3,485,600

Professional Expenses

Accounting/Auditing Services	\$23,503	\$20,691	\$20,691	\$23,000
Computer Services/Maintenance	\$66,007	\$48,324	\$64,093	\$71,100
Consulting Services	\$32,000	\$20,826	\$26,026	\$35,000
Legal Expenses	\$30,000	\$21,733	\$25,869	\$30,000
Legislative Expenses	\$38,160	\$30,000	\$36,000	\$38,000
Communications Expense	\$75,500	\$62,638	\$75,166	\$75,000
Marketing/Advertising Expense	\$74,244	\$56,513	\$67,816	\$76,000
Other Misc. Professional Services	\$7,222	\$4,218	\$5,012	\$10,000
Total Professional Expenses	\$346,636	\$264,943	\$320,673	\$358,100

Office Expenses

Bank Service Charges	\$1,016	\$853	\$1,045	\$1,200
Dues & Publications	\$18,979	\$14,030	\$16,836	\$17,700
Freight & Postage	\$9,398	\$6,758	\$8,104	\$8,500
Office and Printing Expense	\$36,000	\$39,654	\$47,585	\$54,100
Mileage, Parking, Meetings Exp.	\$89,361	\$81,801	\$98,161	\$103,300
Rent	\$100,250	\$83,541	\$100,541	\$133,000
Repairs & Maintenance	\$1,100	\$0	\$0	\$1,500
Telephone	\$3,088	\$1,914	\$2,582	\$2,800
Utilities Expense	\$18,601	\$11,657	\$13,988	\$15,400
Other Office Expenses	\$3,740	\$3,153	\$3,784	\$50,000
Total Office Expenses	\$281,533	\$243,361	\$292,626	\$387,500

Other Operating Expenses:

Business Insurance - non-properties	\$165,000	\$140,373	\$165,606	\$179,800
Charitable Contributions	\$18,000	\$17,381	\$17,881	\$22,000
Leased Equipment	\$27,842	\$27,231	\$32,677	\$34,800
Travel, Lodging, Meals	\$13,763	\$2,729	\$3,274	\$15,000
Other Miscellaneous Operating Expenses	\$741	\$3,840	\$3,840	\$1,000

Total Other Operating Expenses**Total General Operating Expenses**

\$225,346	\$191,554	\$223,278	\$252,600
\$4,292,522	\$3,375,676	\$4,138,773	\$4,483,800

Depreciation, Amortization, Other Interest Expense

Depreciation and Amortization Exp.	\$30,475	\$21,551	\$28,065	\$30,500
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Total Depn, Amort, Other Interest Exp**Total Expenses**

\$30,475	\$21,551	\$28,065	\$30,500
\$25,054,827	\$20,569,682	\$25,484,301	\$26,830,600

BEGINNING NET ASSETS**NET SURPLUS/(DEFICIT)****ENDING NET ASSETS**

\$9,648,778	\$9,648,778	\$9,648,778	\$10,590,548
\$761,129	(\$894,233)	\$941,770	\$112,500
\$10,409,907	\$8,754,545	\$10,590,548	\$10,703,048

2018 Budget Notes

Revenues

1. Cuyahoga County Program - CCLRC demolition revenue is from our second \$3 million grant.
2. Cuyahoga County Program - Suburbs demolition revenue is from suburban applications already approved by the county.
3. OHFA/NIP revenues are used for demolition related expenses, including some greening of lots, as well as acquisition costs for some BOR acquisitions (\$1,300/property), maintenance costs (\$1,200 for 3 years. \$400/year hits Income Statement unless property is disposed of), and administrative costs (\$1,000 per demolition).
4. Demolition Fee Reimbursements are projected to drop due to fewer demolitions done for the Regional Sewer District
5. PPS Consulting Revenues are from PPS sales and consulting with 6 other land banks.
6. Property Sales revenue is composed of the sale of 98 Deed In Escrow houses at \$7,000 each, 9 In House Renovations at \$70,000 each, revenues of \$630,000 from 3 New Construction sales, and \$253,000 in revenues from commercial and vacant lot property sales.

Expenses

1. Demolition and Environmental Service related expenses are based on 1022 1 to 4 unit demolitions and the demolition of 45 larger structures. Environmental Service expenses make up 20% of total demolition and environmental expenses, plus an additional \$151,400 funded through a grant from EPA.
2. The Special Projects Grant expenses includes the remainder of the funding allocated in 2017 (grants were awarded but funding not yet expended) and \$100,000 for new grant awards . Grants are awarded on a competitive basis for housing renovations, to organizations serving special needs clients. This program reflects the CCLRC's role in the county's on-going Special Populations housing work.
3. The approximate \$ 460,000 of the proposed 2018 increase in Other Program Expenses- Properties results from payments to the County Administration and County Prosecutor for expenses associated with an increase in BOR tax foreclosures that will be acquired by the CCLRC for demolitions paid for through our OHFA/NIP program (HHF funding). These increased expenses will be reimbursed through our HHF grant with OHFA.
4. Personnel expenses include an estimated 4% increase for current staff, two new positions at \$40,000 each, and reflects a 7% increase in health insurance.