

The Board of Directors of the Cuyahoga County Land Reutilization Corporation (the "Board of Directors") met for a special meeting on the 15th day of December, 2010 at 10:00 o'clock, a.m., Eastern Time, in Conference Room 400 of Lakeside Place at 323 Lakeside Ave. NW, Cleveland, Ohio 44113 with the following Directors present:

James Rokakis, Cuyahoga County Treasurer  
Jimmy Dimora, Cuyahoga County Commissioner, represented by: Paul Oyaski  
Peter Lawson Jones, Cuyahoga County Commissioner, represented by: Monica Banks Hines  
Cyril Kleem, Mayor of the City of Berea  
Anthony Brancatelli, Councilman, Ward 12, City of Cleveland  
Chris Warren, Chief of Regional Development, City of Cleveland

Councilman Brancatelli moved the adoption of the following resolution (this "Resolution"):

RESOLUTION NO. 2010-14

APPROVING THE ANNUAL BUDGET OF  
THE CORPORATION FOR FISCAL YEAR 2011

WHEREAS, Section 9.3 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 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 December 2, 2010, the President 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 2011, a copy of which is attached to this Resolution as Attachment A (the "2011 Fiscal Year Budget"); and

WHEREAS, Section 9.3 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 9.3 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 2011 Fiscal Year Budget so that the operations of the CCLRC can continue uninterrupted into calendar year 2011; 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 2011 Fiscal Year Budget, as required under Section 9.3 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 2011.

Section 2. This Board hereby approves and adopts for fiscal year 2011 of the CCLRC, the 2011 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 Board hereby directs the Director of Finance and Treasurer of the Corporation to cause the 2011 Fiscal Year Budget, after incorporation of the changes, if any, approved in Section 2 of this Resolution, to be posted on the CCLRC's publicly available website for interested parties to view.

Section 4. This Resolution shall take effect and be in force immediately upon its adoption.

Mr. Paul Oyaski seconded the motion.

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

Ayes: 6

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, 2010, 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, 2010

FUNDING INFORMATION FOR RESOLUTION  
(CHECK AND COMPLETE APPLICABLE SELECTION)

☒

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

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

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION**  
**BUDGET FOR CASH AND STATEMENT OF ACTIVITIES**  
**FOR PERIODS ENDED DECEMBER 31, 2010 and 2011**

	<b>2010</b>	<b>2011</b>	
	<b>Projected Final Full 2010</b>	<b>NSP 2 Budget</b>	<b>Proposed Total 2011 Budget</b>
		<b>Included in Total 2011</b>	
<b>Projected Cash Balances beg. Year 2010+2011</b>	\$3,033,853		\$9,689,198
<b>REVENUES:</b>			
Operating Income from County	\$6,628,168		\$6,500,000
Grant Income-NSP/EDI/Cleveland Foundation:			
NSP 1	\$796,000	\$0	\$0
NSP 2- Consortium members funds received	\$20,000	\$16,400,000	\$16,400,000
NSP 2- CCLRC work	\$84,698	\$1,446,083	\$1,446,083
EDI	\$29,993	\$0	\$112,507
Cleveland Foundation Deconstruction	\$7,500	\$0	\$0
EPA Grant	\$0	\$0	\$75,000
Total Grant Income	\$938,191	\$17,846,083	\$18,033,590
<b>Bond Proceeds- Series A, gross of expenses</b>	\$9,000,000	\$0	\$0
Investment Income	\$26,871	\$0	\$48,000
Other Income	\$10,000	\$0	\$10,000
Demolition Fees	\$783,285	\$0	\$945,000
Property Sales	\$155,194	\$0	\$917,000
Land Sales	\$38,064	\$0	\$0
Title Work/Acquisition Reimbursement	\$103,123	\$0	\$228,600
<b>Total Revenues</b>	\$17,682,896	\$17,846,083	\$26,682,190
<b>PROGRAM AND OPERATING EXPENSES:</b>			
<b>Program Expenses:*</b>			
<b>Contract Services:</b>			
Demolition	\$1,357,554	\$702,000	\$4,758,000
Rehabilitation*	\$462,808	\$0	\$2,145,000
Field Services/Preservation Services	\$376,529	\$0	\$887,942
Acquisitions*	\$1,394,019	\$0	\$860,000
Lien Search	\$53,075	\$0	\$13,000
Title Exam	\$55,590	\$0	\$30,000
Environmental Services	\$83,266	\$142,884	\$968,884
Other Contract Services	\$51,674	\$60,510	\$112,184
<b>Total Contract Services</b>	\$3,834,515	\$905,394	\$9,775,010
NSP 2 Consortium Reimbursements	\$20,000	\$16,400,000	\$16,400,000
Grant Programs	\$35,000	\$ 65,000	\$265,000
Other Operating Expenses-Properties	\$21,999	\$0	\$44,700
<b>Total Program Expenses</b>	\$ 3,911,514	\$ 17,370,394	\$ 26,484,710
<b>General Operating Expenses:</b>			
<b>Employee Expenses:</b>			
Gross Wages	\$945,484	\$209,468	\$1,294,201
Employee Benefits Expense	\$145,192	\$62,409	\$258,108
Workers Compensation	\$2,350	\$628	\$3,882
Employee Training/Seminar Expense	\$7,622	\$0	\$8,000
Fica Tax	\$80,824	\$16,024	\$99,006
Unemployment Tax	\$9,044	\$2,160	\$10,800
<b>Total Employee Expenses</b>	\$1,190,516	\$290,689	\$1,673,997

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION**  
**BUDGET FOR CASH AND STATEMENT OF ACTIVITIES**  
**FOR PERIODS ENDED DECEMBER 31, 2010 and 2011**

	<b>2010</b>	<b>2011</b>	
	<b>Projected Final Full 2010</b>	<b>NSP 2 Budget</b>	<b>Proposed Total 2011 Budget</b>
	<b>Included in Total 2011</b>		
<b>Professional Services:</b>			
Accounting Services	\$15,000	\$0	\$16,500
Legal Services	\$90,000	\$0	\$50,000
Personnel Services	\$26,667	\$0	\$15,000
Computer Services/Maintenance	\$110,000	\$0	\$47,000
Legislative Services	\$42,000	\$0	\$42,000
Consulting Services	\$145,000	\$185,000	\$255,000
Other Misc. Professional Services	\$10,000	\$0	\$10,000
<b>Total Professional Services</b>	<b>\$438,667</b>	<b>\$185,000</b>	<b>\$435,500</b>
<b>Office Expenses:</b>			
Rent	\$75,000	\$0	\$95,000
Office and Printing Expense	\$22,000	\$0	\$23,000
Bank Service Charges	\$1,250	\$0	\$1,400
Dues & Publications	\$7,200	\$0	\$7,200
Freight & Postage	\$2,800	\$0	\$3,000
Telephone and Internet	\$2,600	\$0	\$3,000
Repairs & Maintenance	\$325	\$0	\$500
Utilities Expense	\$21,306	\$0	\$23,000
Parking & Mileage Expense	\$21,000	\$0	\$26,500
<b>Total Office Expenses</b>	<b>\$153,481</b>	<b>\$0</b>	<b>\$182,600</b>
<b>Bond Issuance Related Costs and Reserves:</b>			
Series A Bond Issuance Expenses	\$310,000	\$0	\$0
Trustee Reserve to be paid**	\$900,000	\$0	\$0
Debt Service Reserves to be paid**	\$1,494,980	\$0	\$1,496,200
Payoff LOC in 2010 from Bond proceeds	\$2,500,000	\$0	\$0
<b>Other Operating Expenses:</b>			
Leased Equipment	\$17,822	\$0	\$24,000
Business Insurance	\$66,988	\$0	\$75,000
Travel & Lodging	\$11,414	\$0	\$13,500
Meals	\$0	\$0	\$1,500
Charitable Contributions	\$600	\$0	\$700
Miscellaneous	\$18,568	\$0	\$20,000
<b>Total General Operating Expenses</b>	<b>\$ 7,103,037</b>	<b>\$ 475,689</b>	<b>\$ 3,922,997</b>
<b>Interest Expense:</b>			
Interest Expense -other than bonds	\$13,000	\$0	\$5,000
<b>Total Interest Expense</b>	<b>\$13,000</b>	<b>\$0</b>	<b>\$5,000</b>
<b>Total Expenses</b>	<b>\$ 11,027,551</b>	<b>\$ 17,846,083</b>	<b>\$ 30,412,707</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$6,655,345</b>	<b>\$0</b>	<b>(\$3,730,517)</b>
<b>Projected Cash Balances- End of Year</b>	<b>\$9,689,198</b>	<b>\$5,958,681</b>	

\* Note: property acquisitions and rehab costs will be capitalized on our financial statements, but are shown here before capitalization for easier understanding for cash flow budget purposes. A large portion of the 2010 acquisition expense is associated with NSP 1 purchases in the suburbs.

Note: depreciation and amortization have been removed in order to calculate net cash flow effects here.

\*\* These two bond reserves are not normal expenses but rather are required reserves that we have to set aside in order to finalize the bond issuance.

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION  
NOTES TO BUDGET FOR CASH AND STATEMENT OF ACTIVITIES  
FOR PERIODS ENDED DECEMBER 31, 2010 and 2011**

Item Category	Discussion
<b>Revenues:</b>	
NSP 2 Consortium partners	An equal amount of income and disbursements is shown in 2011 (\$16,400,000) due to us receiving the funds from HUD and reimbursing to our consortium members.
NSP 2 -CCLRC work	Our administrative and programatic efforts will produce \$1.4 million in revenues and related expenses in 2011.
Demolition Fees	This represents 300 homes per year in 2011 , less 10% rehabs, = 270 homes at \$3,500 each in reimbursement from Fannie Mae.
Property Sales	2011 property sales is based on the sale of 8 units renovated with corporate funds (approx. \$81,000/unit sales price), 17 homes to be renovated by private rehabbers with non-federal funds, ( 17 sold for \$4,000/unit), and 10 homes to be renovated by private rehabbers with federal funds (sold for \$20,000/unit).
<b>Program Expenses:</b>	
Demolition Expense	2011 expense based on 624 units funded through bond/corporate resources and 108 funded through NSP 2. Ave cost per unit \$6,500.
Acquisition Costs	We expect to acquire properties from the following sources in 2011: 600/year from HUD/ Fannie Mae bulk @ \$200 each = \$120,000; BOR 300/year @ \$800 each = \$240,000; assume 25 higher priced homes purchased for \$20,000 each = \$500,000. The total cost for all these is \$860,000 in 2011.
Environmental Services	In 2011 we expect to do asbestos surveys on all demolished units (\$425/survey) and that various levels of remediation will be needed (average cost approx. \$900/unit).