

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 14th day of December, 2012 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
Daniel Brady, Cuyahoga County Council Appointee
Edward FitzGerald, Cuyahoga County Executive, represented by: Nathan Kelly
Thomas Fitzpatrick IV, Federal Reserve Bank of Cleveland
Bobbi Reichtell, Executive Director, Campus District
Brad Sellers, Mayor of the City of Warrensville Heights
Richard Sensenbrenner, Cuyahoga County Treasurer, represented by: Michael Sweeney
Chris Warren, Chief of Regional Development, City of Cleveland

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

RESOLUTION NO. 2012-6

APPROVING THE ANNUAL BUDGET OF
THE CORPORATION FOR FISCAL YEAR 2013

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 21, 2012, 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 2013, a copy of which is attached to this Resolution as Attachment A (the "2013 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 2013 Fiscal Year Budget so that the operations of the CCLRC can continue uninterrupted into calendar year 2013; 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 2013 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 2013.

Section 2. This Board hereby approves and adopts for fiscal year 2013 of the CCLRC, the 2013 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. Fitzpatrick 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 14, 2012, 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 14, 2012

<u>FUNDING INFORMATION FOR RESOLUTION</u> (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: \$ _____

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
2013 BUDGET APPROVAL SUBMISSION**

	<u>2012 Budget</u>	<u>2012 Actual 10/31/12</u>	<u>2012 Full Year Projected</u>	<u>2013 Budget</u>
REVENUES:				
County Reutilization Fund	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Grant Income:				
Attorney General Grant - CCLRC Work	\$0	\$0	\$256,000	\$5,228,000
Attorney General Grant-Sub-Recipient Income	\$0	\$66,225	\$400,000	\$2,000,000
Prosecutor Grant Matching Funds	\$0	\$1,464,769	\$2,500,000	\$2,500,000
NSP 2 -Coalition Partners Revenue	\$21,900,000	\$14,707,437	\$18,400,000	\$3,500,000
NSP 2 - CCLRC Work	\$1,200,000	\$974,572	\$980,000	\$38,000
NSP 3	\$350,000	\$40,013	\$250,000	\$100,000
U.S. EPA Grant	\$150,000	\$52,415	\$97,415	\$150,000
Other Grant Income	\$60,000	\$0	\$0	\$50,000
Total Grant Income	\$23,660,000	\$17,305,431	\$22,883,415	\$13,566,000
Investment Income	\$18,500	\$15,376	\$23,026	\$20,900
Other Income	\$33,000	\$20,166	\$20,666	\$7,660
Demo Fees Reimbursed	\$1,164,375	\$1,055,000	\$1,085,200	\$700,000
Title Work/Acquisition Reimbursements	\$222,824	\$123,712	\$175,000	\$175,000
Title Company Joint Venture -revenue after tax				\$21,250
Property Sales	\$730,000	\$1,162,803	\$1,394,425	\$2,050,750
Total Revenues	\$32,828,699	\$26,682,488	\$32,581,732	\$23,541,560
CONTRACT/PROGRAM AND OPERATING EXPENSES:				
Contract Services:				
Demolition	\$4,238,000	\$4,363,217	\$5,435,124	\$6,300,000
Rehabilitation	\$1,300,000	\$506,886	\$608,263	\$800,000
Field Services	\$900,000	\$1,011,182	\$1,213,418	\$1,518,000
Inspections	\$90,000	\$157,940	\$189,528	\$287,130
Inspections - Acquisition Dept.			\$47,550	\$75,600
Inspections - Programs Dept.			\$141,978	\$182,185
Inspection - Affidavits				\$29,345
Lien Searches	\$40,726	\$11,575	\$14,000	\$16,000
Title Exams	\$53,886	\$78,871	\$95,000	\$105,000
Environmental Services	\$1,323,600	\$1,387,677	\$1,665,212	\$1,800,000
Other Contract Services	\$5,000	\$0	\$5,000	\$6,000
Total Contract Services	\$7,951,212	\$7,517,348	\$9,225,546	\$10,832,130
Program Expenses:				
NSP 2 -Coalition Partners Reimbursements Paid	\$21,900,000	\$14,707,437	\$18,400,000	\$3,500,000
MOF Sub-Recipient Expenses	\$0	\$66,225	\$400,000	\$4,000,000
Grant Programs Paid - Other	\$335,000	\$207,830	\$275,000	\$350,000
Other Property Expenses	\$95,200	\$205,590	\$308,128	\$369,754
Total Program Expenses	\$22,330,200	\$15,187,082	\$19,383,128	\$8,219,754
Total Program and Contract Expenses	\$30,281,412	\$22,704,430	\$28,608,674	\$19,051,884
General Operating Expenses:				
Employee Expenses:				
Salaries	\$1,609,804	\$1,292,541	\$1,597,079	\$1,747,489
Employee Benefits	\$376,829	\$228,581	\$319,055	\$354,572
Employee Training and Seminars	\$8,000	\$1,568	\$3,500	\$7,000
FICA Tax	\$123,150	\$91,711	\$117,123	\$135,000
Unemployment Taxes	\$3,393	\$3,689	\$4,000	\$4,400
Workers Compensation	\$5,752	\$2,706	\$3,500	\$4,000
Total Employee Expenses	\$2,126,928	\$1,620,796	\$2,044,257	\$2,252,461

CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
2013 BUDGET APPROVAL SUBMISSION

	<u>2012 Budget</u>	<u>2012 Actual 10/31/12</u>	<u>2012 Full Year Projected</u>	<u>2013 Budget</u>
Professional Services:				
Accounting/Auditing Services	\$14,000	\$21,000	\$25,000	\$26,500
Computer Services/Maintenance	\$49,770	\$40,532	\$50,532	\$52,500
Consulting Services	\$205,000	\$164,149	\$188,771	\$125,000
Legal Services	\$60,366	\$135,343	\$185,000	\$75,000
Legislative Services	\$36,000	\$29,933	\$35,933	\$36,000
Other Misc. Professional Services	\$93,350	\$129,137	\$143,000	\$0
Communications Expense				\$63,500
Marketing/Advertising Expense				\$114,400
Miscellaneous Professional Services				\$7,100
Total Professional Services	<u>\$458,486</u>	<u>\$520,094</u>	<u>\$628,236</u>	<u>\$500,000</u>
Office Expenses:				
Bank Service Charges	\$4,000	\$3,161	\$3,600	\$4,000
Dues and Publications	\$7,384	\$5,217	\$6,500	\$8,000
Freight and Postage	\$6,675	\$6,986	\$8,000	\$8,500
Office and Printing	\$48,413	\$36,253	\$43,000	\$45,000
Parking, Mileage, Meetings	\$50,264	\$37,282	\$42,282	\$44,500
Rent	\$103,658	\$67,678	\$81,550	\$85,118
Repairs and Maintenance	\$500	\$1,718	\$2,200	\$2,500
Telephone	\$5,848	\$1,731	\$2,300	\$4,500
Utilities	\$11,373	\$9,146	\$11,146	\$11,950
Other Office Expenses	\$0	\$0	\$1,000	\$1,500
Total Office Expenses	<u>\$238,115</u>	<u>\$169,172</u>	<u>\$201,578</u>	<u>\$215,568</u>
Bond and Related Costs:				
Bond Interest Expense	\$296,414	\$256,463	\$305,955	\$259,740
Bond Principal Paid to Trustee	\$1,185,000	\$592,500	\$1,185,000	\$1,235,000
Bond Investment Valuation Changes	\$1,250	\$1,250	\$1,500	\$1,500
Total Bond and Related Costs	<u>\$1,482,664</u>	<u>\$850,213</u>	<u>\$1,492,455</u>	<u>\$1,496,240</u>
Misc. Operating Expenses:				
Business Insurance - Non-properties	\$71,548	\$54,474	\$69,584	\$72,500
Charitable Contributions	\$2,284	\$5,200	\$5,200	\$5,500
Leased Equipment	\$23,508	\$17,921	\$22,263	\$24,000
Travel, Lodging, Meals	\$7,017	\$5,155	\$6,000	\$6,750
Other Miscellaneous Operating Expenses	\$4,000	(\$401)	\$1,000	\$1,500
Total Misc. Operating Expenses	<u>\$108,357</u>	<u>\$82,349</u>	<u>\$104,047</u>	<u>\$110,250</u>
Total General Operating Expenses	<u>\$4,414,550</u>	<u>\$3,242,624</u>	<u>\$4,470,573</u>	<u>\$4,574,519</u>
Depreciation and Amortization Expense	\$21,741	\$15,389	\$21,500	\$22,550
Interest Expense	\$5,839	\$5,839	\$5,839	\$7,500
Depreciation/Amort. and Other Interest Expense	<u>\$27,580</u>	<u>\$21,228</u>	<u>\$27,339</u>	<u>\$30,050</u>
Total Expenses	<u>\$34,723,542</u>	<u>\$25,968,282</u>	<u>\$33,106,586</u>	<u>\$23,656,453</u>
Increase/(Decrease) in Net Assets	<u>(\$1,894,843)</u>	<u>\$714,206</u>	<u>(\$524,854)</u>	<u>(\$114,893)</u>
Ending Net Assets Balance	<u>\$11,259,130</u>	<u>\$13,868,179</u>	<u>\$12,629,119</u>	<u>\$12,514,226</u>

Prepared by Michael DiMartino, CPA, Director of Finance 11/26/12

2013 Budget Notes

November 21, 2012

REVENUE

1. Budget projects that \$ 4,066,000 of AG MOF grant revenues remain at end of 2013 for use in 2014. In 2014, \$1,600,000 of this will go to Cleveland along with an additional \$2 million in County Prosecutor and/or CCLRC Corporate funds.
2. If our end of 2012 NSP 2 for Coalition Partners revenue figure is accurate, approximately \$2.4 million of the \$3.5 million in 2013 NSP 2 Coalition Partners Revenues will need to be drawn by February 11, 2013.
3. Property Sales Revenue of \$2,050,750 assumes \$1.5 million from sale of 300 Deed In Escrow homes for \$ 5,000/home, 10 sales of In House renovations at approx. \$54,000/home, for total revenues of \$543,750 and \$7,000 from the sale of vacant lots.

EXPENSES

1. The \$6,300,000 in Demolition expense and \$1,800,000 in Environmental Services expense figures are based on 900 demolitions with average cost of \$9,000/demolition.
2. \$1,518,000 in Field Service expenses is based on 1500 properties @\$762/property plus \$250 for utilities/property.
3. \$232,600 in Inspection expenses include \$44,000 for BOR affidavits.
4. Under Professional Services, for 2013 the old budget line item of Other Misc. Professional Services has been broken into three expense line items, Marketing, Communications, and Misc Professional Services.