

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 21<sup>st</sup> day of December, 2018 at 10:00 o'clock, a.m., eastern time, in the Board Conference Room of its offices located at 812 Huron Rd. E., Suite 800, Cleveland, Ohio 44115 with the following Directors present and voting on this Resolution as indicated:

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  
Nathan Kelly, Managing Director, Cushman & Wakefield/CRESCO  
Brad Sellers, Mayor of the City of Warrensville Heights  
Michael Summers, Mayor of City of Lakewood  
April Urban, CWRU Center on Urban Poverty and Community Development

Mayor Summers moved the adoption of the following resolution (this "Resolution"):

RESOLUTION NO. 2018-3

APPROVING THE ANNUAL BUDGET OF  
THE CORPORATION FOR FISCAL YEAR 2019

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, 2018, 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 2019, a copy of which is attached to this Resolution as Attachment A (the "2019 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 2019 Fiscal Year Budget so that the operations of the CCLRC can continue uninterrupted into calendar year 2019; 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 2019 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 2019.

Section 2. This Board hereby approves and adopts for fiscal year 2019 of the CCLRC, the 2019 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.

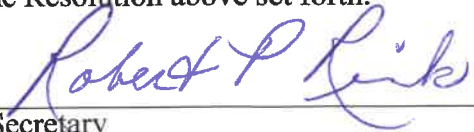
Mr. Ken Surratt seconded the motion.

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

Ayes: 7

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 21, 2018, 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 21, 2018

FUNDING INFORMATION FOR RESOLUTION (CHECK AND COMPLETE APPLICABLE SELECTION)	
<input 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 2019 BUDGET**

**Cuyahoga County Land Reutilization Corp.  
Projected 2018 Year-End and Proposed 2019 Budget**

	Amended Budget 2018	Year To Date 10/31/2018	Projected Year-End 2018	Proposed Budget 2019
<b>REVENUES:</b>				
Income from Land Reutilization Fund	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Cuyahoga County Program - CCLRC	\$1,700,000	\$254,642	\$1,468,211	\$3,670,000
Cuyahoga County Program - Suburbs	\$2,100,000	\$453,608	\$1,805,476	\$4,702,000
<b>Grant Revenue</b>				
OHFA/NIP	\$13,283,200	\$11,327,168	\$15,529,430	\$8,339,400
TCI Greening	\$30,000	\$13,865	\$19,907	\$10,000
US EPA- Assessment Program	\$151,400	\$67,244	\$75,594	\$82,200
<b>Total Grant Revenue</b>	<b>\$13,464,600</b>	<b>\$11,408,276</b>	<b>\$15,624,930</b>	<b>\$8,431,600</b>
Investment Income	\$35,300	\$104,017	\$149,491	\$186,700
Other Income	\$36,000	\$46,024	\$48,324	\$48,000
10th Anniversary Event Income	\$0	\$0	\$0	\$260,000
Demolition Fees Reimbursed	\$312,000	\$452,548	\$951,563	\$797,000
Title Work/Acquisition Reimbursement	\$22,700	\$15,268	\$17,668	\$17,800
PPS Consulting	\$48,800	\$52,500	\$52,500	\$45,000
Property Sales	\$2,209,600	\$2,877,111	\$3,635,824	\$2,146,000
<b>Total Revenues</b>	<b>\$26,929,000</b>	<b>\$22,663,995</b>	<b>\$30,753,988</b>	<b>\$27,304,100</b>
<b>CONTRACT/PROGRAM AND OPERATING EXPENSES:</b>				
<b>Contract Services</b>				
Demolition	\$12,925,000	\$11,743,724	\$15,292,085	\$13,512,000
Rehabilitation/New Construction	\$1,380,000	\$1,029,246	\$1,234,346	\$1,475,000
Field Services	\$2,504,100	\$2,219,267	\$2,550,516	\$2,678,900
Inspections - Acquisition Dept.	\$149,000	\$96,726	\$107,526	\$118,000
Inspections - Programs Dept.	\$168,000	\$81,688	\$98,025	\$108,000
Inspections - Affidavits	\$106,000	\$69,913	\$83,895	\$92,000
Title Exams/Lien Search	\$91,000	\$69,490	\$83,387	\$88,000
Environmental Expenses	\$3,386,000	\$2,254,259	\$3,466,162	\$2,733,000
<b>Total Contract Services</b>	<b>\$20,709,100</b>	<b>\$17,564,312</b>	<b>\$22,915,942</b>	<b>\$20,804,900</b>
<b>Program Expenses</b>				
Grant Programs Paid to Others	\$200,000	\$115,000	\$125,000	\$200,000
Special Projects Grants Program	\$242,700	\$49,736	\$99,736	\$230,000
TCI Greening Expense	\$30,000	\$22,544	\$29,044	\$10,000
Other Program Expenses - Properties	\$1,136,000	\$824,070	\$1,092,041	\$993,000
<b>Total Program Expenses</b>	<b>\$1,608,700</b>	<b>\$1,011,350</b>	<b>\$1,345,821</b>	<b>\$1,433,000</b>
<b>Total Program and Contract Expenses</b>	<b>\$22,317,800</b>	<b>\$18,575,662</b>	<b>\$24,261,763</b>	<b>\$22,237,900</b>
<b>General Operating Expenses</b>				
<b>Employee Expenses</b>				
Salaries	\$2,530,000	\$2,075,411	\$2,541,996	\$2,702,000
Employee Benefits	\$738,300	\$569,637	\$727,509	\$714,600
Employee Training and Seminars	\$14,000	\$11,428	\$16,428	\$18,000
FICA Tax	\$188,600	\$151,427	\$181,930	\$197,000
Unemployment Tax	\$10,000	\$10,494	\$11,574	\$10,900
Workers Compensation	\$5,500	\$851	\$851	\$1,800
<b>Total Employee Expenses</b>	<b>\$3,486,400</b>	<b>\$2,819,247</b>	<b>\$3,480,288</b>	<b>\$3,644,300</b>

<b>Professional Expenses</b>				
Accounting/Auditing Services	\$23,000	\$21,462	\$22,962	\$24,000
Computer Services/Maintenance	\$71,100	\$58,014	\$68,101	\$84,900
Consulting Services	\$184,000	\$110,686	\$171,926	\$127,400
Legal Expenses	\$30,000	\$51,387	\$78,387	\$50,000
Legislative Expenses	\$38,000	\$30,000	\$36,000	\$48,000
Communications Expense	\$75,000	\$55,102	\$55,102	\$85,000
Marketing/Advertising Expense	\$76,000	\$61,390	\$73,634	\$76,000
Other Misc. Professional Services	\$10,000	\$5,246	\$6,295	\$6,600
<b>Total Professional Expenses</b>	<b>\$507,100</b>	<b>\$393,287</b>	<b>\$512,407</b>	<b>\$501,900</b>
<b>Office Expenses</b>				
Bank Service Charges	\$1,200	\$1,225	\$2,825	\$6,000
Dues & Publications	\$17,700	\$33,032	\$35,519	\$42,000
Freight & Postage	\$8,500	\$6,763	\$8,107	\$8,500
Office and Printing Expense	\$54,100	\$41,054	\$48,213	\$50,300
Mileage, Parking, Meetings Exp.	\$103,300	\$83,412	\$97,780	\$89,700
Rent	\$133,000	\$87,055	\$112,638	\$154,000
Repairs & Maintenance	\$1,500	\$0	\$0	\$1,500
Telephone	\$2,800	\$1,792	\$2,682	\$4,800
Utilities Expense	\$15,400	\$14,765	\$17,665	\$18,500
10th Anniversary Event Expenses	\$0	\$0	\$0	\$260,000
Other Office Expenses	\$70,000	\$70,421	\$70,421	\$3,500
<b>Total Office Expenses</b>	<b>\$407,500</b>	<b>\$339,520</b>	<b>\$395,850</b>	<b>\$638,800</b>
<b>Other Operating Expenses:</b>				
Business Insurance - non-properties	\$179,800	\$150,323	\$175,923	\$185,200
Charitable Contributions	\$22,000	\$19,886	\$21,386	\$30,000
Leased Equipment	\$34,800	\$23,646	\$28,547	\$31,000
Travel, Lodging, Meals	\$15,000	\$15,987	\$17,187	\$19,000
Other Miscellaneous Operating Expenses	\$1,000	\$42,879	\$42,879	\$1,000
<b>Total Other Operating Expenses</b>	<b>\$252,600</b>	<b>\$252,721</b>	<b>\$285,922</b>	<b>\$266,200</b>
<b>Total General Operating Expenses</b>	<b>\$4,653,600</b>	<b>\$3,804,775</b>	<b>\$4,674,467</b>	<b>\$5,051,200</b>
<b>Depreciation, Amortization, Other Interest Expense</b>				
Depreciation and Amortization Exp.	\$30,500	\$26,239	\$36,946	\$49,100
(Gain)/Loss on Disposal of Assets	\$42,879	\$0	\$0	\$0
<b>Total Depn, Amort, Other Interest Exp</b>	<b>\$73,379</b>	<b>\$26,239</b>	<b>\$36,946</b>	<b>\$49,100</b>
<b>Total Expenses</b>	<b>\$27,044,779</b>	<b>\$22,406,675</b>	<b>\$28,973,175</b>	<b>\$27,338,200</b>
<b>BEGINNING NET ASSETS</b>	<b>\$9,789,264</b>	<b>\$9,789,264</b>	<b>\$9,789,264</b>	<b>\$11,570,077</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(\$115,779)</b>	<b>\$257,319</b>	<b>\$1,780,812</b>	<b>(\$34,100)</b>
<b>ENDING NET ASSETS</b>	<b>\$9,673,485</b>	<b>\$10,046,584</b>	<b>\$11,570,077</b>	<b>\$11,535,977</b>

## 2019 Budget Notes

### Revenues

1. Cuyahoga County Program - CCLRC demolition revenue is based on 240 CCLRC owned properties at an average cost of \$15,000 each.
2. Cuyahoga County Program - Suburbs demolition revenue is based on 295 suburban nuisance abatement demolitions at an average cost of \$16,300 each.
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). Revenues are based on 488 demolitions at an average cost of \$16,400 each.
4. U.S. EPA- Assessment Program grant funds are existing funds remaining in a grant that has an end date of October 2019.
5. Investment Income revenues have been increased to reflect CCLRC's participation in the State's STAR investment program.
6. Demolition Fee Reimbursements are primarily from REO, HUD, and Fannie Mae properties acquired through the National Stabilization Trust, some demolitions done for the Regional Sewer District, and from suburban nuisance abatement demolitions whose costs exceed the \$100,000/property county demo program limit.
7. PPS Consulting Revenues are from PPS sales and consulting with 5 other land banks.
8. Property Sales revenue is composed of the sale of 80 Deed In Escrow houses at \$7,000 each, 8 In House Renovations at \$90,000 each, revenues of \$596,000 from 2 New Construction sales, and \$270,000 in revenues from commercial and vacant lot property sales.
9. 10<sup>th</sup> Anniversary Event revenues are from fundraising and are used for expenses associated with the Event.

### Expenses

1. Demolition and Environmental Service related expenses are based on 1,100 demolitions. In addition to the County Demo Fund demolitions and the HHF funded demolitions identified under "Revenues" above, it is projected another 77 demolitions at an average cost of \$13,000 will be done with corporate funding. Environmental Service expenses make up approximately 16% of total demolition and environmental expenses, plus an additional \$81,000 in EPA grant funds.

2. The Special Projects Grant expenses includes funds from 2017 and 2018 grants that have not yet been drawn down, and an additional \$ 200,000 for new grant awards. Grants are awarded on a competitive basis for housing renovations to organizations serving special needs clients.
3. Approximately \$ 500,000 of the expenses shown under "Other Program Expenses- Properties" result from payments to the County Administration and County Prosecutor for expenses associated with 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% average merit increase for current staff.