

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 18th day of December, 2015 at 10:06, 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
W. Christopher Murray II, Cuyahoga County Treasurer
Bobbi Reichtel, Executive Director, Campus District
Edward Rypka, Chief of Regional Development, City of Cleveland
Brad Sellers, Mayor of the City of Warrensville Heights

Brad Sellers moved the adoption of the following resolution (this "Resolution"):

RESOLUTION NO. 2015-2

APPROVING THE ANNUAL BUDGET OF
THE CORPORATION FOR FISCAL YEAR 2016

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 24, 2015, 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 2016, a copy of which is attached to this Resolution as Attachment A (the "2016 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 2016 Fiscal Year Budget so that the operations of the CCLRC can continue uninterrupted into calendar year 2016; 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 2016 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 2016.

Section 2. This Board hereby approves and adopts for fiscal year 2016 of the CCLRC, the 2016 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.

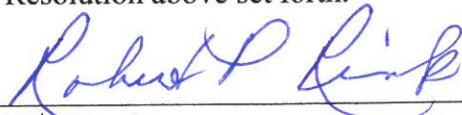
Ms. Bobbi Reichtell seconded the motion.

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 18, 2015, 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 18, 2015

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 (CCLRC ONLY)

11/25/15

2016 PROPOSED BUDGET - Income Statement- FINAL

REVISED 11/25/15

REVENUES:	Account Title	2015 Budget	Year To Date Actual Oct. 31, 2015	Projected Final Total 2015 Year	2016 Proposed Budget
General Revenue:					
	Income from Land Reutilization Fund	\$7,000,000	\$7,000,000.00	\$7,000,000	\$7,000,000
	Cuyahoga County Demo Program - CCLRC	\$3,000,000	\$82,598.50	\$815,000	\$3,000,000
	Cuyahoga County Demo Program - Suburbs	\$4,845,000	\$79,487.17	\$480,000	\$5,000,000
Grant Revenue:					
	Citi Grant	0	\$1,200,000.00	\$1,200,000.00	\$0.00
	OHFA HHF	\$6,340,000	\$5,434,636	\$6,488,000	\$5,076,000
	ADAMHS Board	\$0	\$0	\$0	\$100,000
	NSP 2 Fund-Coalition Partners	\$920,000	\$1,010,092	\$1,010,092	\$0
	NSP 2 - CCLRC Work	\$400,000	\$442,528	\$442,528	\$0
	Total Grant Revenue	\$7,660,000	\$8,087,256	\$9,140,620	\$5,176,000
Other Revenue:					
	Investment (Interest) Income	\$14,000	\$16,834	\$18,234	\$16,000
	Other Income	\$51,284	\$44,601	\$46,101	\$34,000
	Demolition Fees Reimbursed	\$1,050,000	\$827,936	\$993,524	\$1,000,000
	Title Work/Acquisition Reimbursement	\$63,000	\$43,563	\$52,276	\$55,000
	Title Company Joint Venture	\$25,000	\$0	\$0	\$0
	Property Sales	\$1,875,000	\$1,542,166	\$1,850,599	\$2,163,666
	Computer Consulting Revenue	\$80,000	\$0	\$10,000	\$157,500
	Total Revenues	\$25,663,284	\$17,724,443	\$20,406,354	\$23,602,166
EXPENSES:					
CONTRACT, PROGRAM, AND OPERATING EXPENSES:					
Contract Services:					
	Demolition	\$12,000,000	\$6,087,216	\$7,913,381	\$10,550,000
	Rehabilitation	\$900,000	\$732,439	\$878,927	\$900,000
	Field Services	\$1,587,000	\$1,341,979	\$1,543,276	\$1,600,000
	Inspections - Acquisition Dept.	\$70,577	\$60,985	\$68,913	\$70,000
	Inspections - Programs Dept.	\$160,000	\$97,665	\$117,198	\$160,000
	Inspections - Affidavits	\$40,712	\$33,583	\$40,300	\$42,000
	Lien Search	\$4,000	\$4,025	\$4,428	\$4,000
	Title Exams	\$202,739	\$76,840	\$99,891	\$200,000
	Environmental Expenses	\$3,000,000	\$1,843,224	\$2,211,869	\$3,150,000
	Total Contract Services	\$17,965,028	\$10,277,956	\$12,878,182	\$16,676,000
Program Expenses:					
	NSP 2 Coalition Partners Reimbursements	\$920,000	\$1,010,092	\$1,010,092	\$0
	Grant Programs Paid to Others	\$350,000	\$75,750	\$94,688	\$200,000
	Other Program Expenses - Properties	\$247,331	\$174,427	\$200,496	\$212,625
	Total Program Expenses	\$1,517,331	\$1,260,269	\$1,305,275	\$412,625
	Total Program and Contract Expenses	\$19,482,359	\$11,538,225	\$14,183,458	\$17,088,625
General Operating Expenses:					
Employee Expenses:					
	Salaries	\$2,087,276	\$1,694,113	\$2,040,383	\$2,272,585
	Employee Benefits	\$650,828	\$391,854	\$495,375	\$574,508
	Employee Training and Seminars	\$8,305	\$5,944	\$7,133	\$7,750
	FICA Tax	\$151,789	\$125,537	\$149,536	\$175,036
	Unemployment Tax	\$27,064	\$9,376	\$11,720	\$12,892
	Workers Compensation	\$6,842	\$1,632	\$2,191	\$3,356
	Total Employee Expenses	\$2,932,104	\$2,228,457	\$2,706,338	\$3,046,127

Cuyahoga County Land Reutilization Corporation (CCLRC ONLY)

11/25/15

2016 PROPOSED BUDGET - Income Statement- FINAL

REVISED 11/25/15

REVENUES:	Account Title	2015 Budget	Year To Date Actual Oct. 31, 2015	Projected Final Total 2015 Year	2016 Proposed Budget
Professional Expenses:					
	Accounting/Auditing Services	\$23,000	\$19,111	\$19,111	\$21,500
	Computer Services/Maintenance	\$52,740	\$42,054	\$50,465	\$67,394
	Consulting Services	\$30,000	\$7,903	\$9,484	\$25,000
	Legal Expenses	\$35,000	\$20,026	\$24,031	\$30,000
	Legislative Expenses	\$36,150	\$27,100	\$32,520	\$36,150
	Communications Expenses	\$60,000	\$49,840	\$59,808	\$70,000
	Marketing/Advertising Expenses	\$70,000	\$60,831	\$69,955	\$70,000
	Other Misc. Professional Services	\$10,000	\$5,134	\$6,160	\$12,000
	Total Professional Expenses	\$316,890	\$231,999	\$271,535	\$332,044
Office Expenses:					
	Bank Service Charges	\$3,100	\$670	\$804	\$1,100
	Dues & Publications	\$15,698	\$15,552	\$18,662	\$19,500
	Freight & Postage	\$7,160	\$7,162	\$8,594	\$10,000
	Office and Printing Expense	\$49,880	\$26,877	\$32,253	\$36,500
	Mileage, Parking, Meetings Exp.	\$79,058	\$60,435	\$72,522	\$79,000
	Rent	\$92,999	\$77,236	\$92,684	\$114,722
	Repairs & Maintenance	\$1,150	\$0	\$0	\$850
	Telephone	\$2,874	\$1,485	\$1,782	\$2,000
	Utilities Expenses	\$17,781	\$11,542	\$13,851	\$15,236
	Other Office Expenses	\$3,764	\$2,472	\$2,967	\$3,500
	Total Office Expenses	\$273,464	\$203,431	\$244,118	\$282,408
Bond and Related Costs:					
	Bond Interest	\$161,655	\$120,213	\$136,333	\$70,785
	Bond Principal Paid to Trustee	\$1,330,000	\$1,665,000	\$2,330,000	\$1,815,000
	Bond Valuation Changes and Fees	\$2,450	\$3,345	\$3,845	\$2,000
	Total Bond and Related Costs	\$1,494,105	\$1,788,557	\$2,470,177	\$1,887,785
Other Operating Expenses:					
	Business Insurance - non-properties	\$120,498	\$90,116	\$108,139	\$112,000
	Charitable Contributions	\$5,520	\$10,440	\$12,528	\$13,500
	Leased Equipment	\$25,552	\$18,647	\$22,376	\$25,733
	Travel, Lodging, Meals	\$9,443	\$5,208	\$6,250	\$7,050
	Other Miscellaneous Operating Expenses	\$0	\$1,625	\$1,950	\$2,145
	Total Other Operating Expenses	\$161,013	\$126,036	\$151,243	\$160,428
	Total General Operating Expenses	\$5,177,576	\$4,578,480	\$5,843,411	\$5,708,792
Depreciation, Amortization, Other Interest Expense:					
	Depreciation and Amortization Exp.	\$24,858	\$15,599	\$21,370	\$23,508
	Interest Expense	\$500	\$0	\$0	\$500
	Total Depreciation, Amortiz., and Other Expenses	\$25,358	\$15,599	\$21,370	\$24,008
	Total Expenses	\$24,685,293	\$16,132,304	\$20,048,240	\$22,821,424
	BEGINNING NET ASSETS	\$8,849,473	\$8,849,473	\$8,849,473	\$9,207,587
	NET SURPLUS/(DEFICIT)	\$977,991	\$1,592,139	\$358,114	\$780,742
	ENDING NET ASSETS	\$9,827,464	\$10,441,612	\$9,207,587	\$9,988,329

2016 Budget Notes

November 24, 2015

Revenue

1. Cuyahoga County Demolition Program-CCLRC revenues are comprised of approximately \$2 million from our grant ending September 2016 and \$1 million from our 2016-2017 grant.
2. Cuyahoga County Demolition Program-Suburbs assumes all grant funds approved before October 31, 2015, and approximately \$250,000 in 2016 grant approvals will be expended.
3. HHF revenues are used for demolition related expenses, including some greening of lots, as well as \$1,000 per parcel for administration and \$1,200 per parcel for field servicing.
4. Property Sales revenue is comprised of the sale of 16 In House renovations at \$80,000 each, 108 Deed In Escrow renovations at \$7,000 each, \$100,000 from sale of commercial properties, and \$33,000 in rental income.
5. Computer Consulting revenue is derived from the pre 2016 sale of PPS to four land banks, and the projected sale to one new land bank in 2016.

Expenses

1. Demolition and Environmental expenses are based on 960 residential demolitions (\$12,500/property) and 17 County funded suburban commercial demolitions (at a cost of \$1.7 million.) Environmental expenses make up approximately 23% of total demo related expenses.
2. Personnel expenses include an average increase of 4% in salaries for current staff and the addition of one staff person in December 2015 and two new staff in 2016.
3. The Bond Principal Paid to Trustees will come from restricted cash currently held by the bond trustees.