

**EXHIBIT 2**

**CLEVELAND PUBLIC LIBRARY**

**Finance Committee**

May 18, 2021

**YEAR 2022 TAX BUDGET**

WHEREAS, ***Ohio Revised Code*** Section 5705.28 requires the Board of Library Trustees to submit its Tax Budget for Fiscal Year 2022 to the Board of the Cleveland Metropolitan School District on or before June 1, 2021; and

WHEREAS, ***Ohio Revised Code*** Section 5705.30 requires the Board of the Cleveland Metropolitan School District to adopt and submit the Library's Year 2022 Tax Budget to the County Fiscal Officer on or before July 20, 2021; and

WHEREAS, ***Ohio Revised Code*** Section 5705.281 permits the County Budget Commission to waive the filing of tax budgets provided Alternate Tax Budget Information forms are filed; and

WHEREAS, The Cuyahoga County Budget Commission has requested use of Alternate Tax Budget Information forms; and

WHEREAS, The financial needs of Cleveland Public Library from **Tax Sources** for Fiscal Year 2022 have been determined to be at least \$64,488,000; now therefore be it

RESOLVED, That the Year 2022 Tax Budget and Alternate Tax Budget Information Forms for Cleveland Public Library be presented to the Board of the Cleveland Metropolitan School District and the Cuyahoga County Budget Commission as required by ***Ohio Revised Code***.



**BOARD OF TRUSTEES**

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Felton Thomas, Jr.  
*Executive Director & CEO*

**TO:** Members of the Board of Library Trustees  
Felton Thomas, Director

**FROM:** Carrie Krenicky, Chief Financial Officer

**RE:** Background and Assumptions for the 2022 Tax Budget

**DATE:** May 20, 2021 Board Meeting

Annually, the Cleveland Public Library submits the Alternate Tax Budget Information Forms as requested by the Cuyahoga County Budget Commission. These forms must be approved by the Board of Trustees on or before June 1 each year to allow for sufficient time to have it placed on Cleveland Metropolitan School District's Board agenda prior to the July 20, 2021 deadline for submission to the Cuyahoga County Budget Commission. The Tax Budget (sometimes referred to as the "request" or "needs" budget) documents the Library's need to receive revenue from tax sources, i.e. the Public Library Fund and the Library's general property tax levies, to cover the estimated expenditures for the budget year.

The Library uses a simplified approach for development of its 2022 Tax Budget as reflected in the use of the Alternate Tax Budget Information Forms. In lieu of having administrators develop a "wish list" budget that must be revisited and revised later in the year, we have set the 2022 expenses to \$63,018,262 based on current projections, with minimal program-by-program analysis. In the fall, there will be more information regarding funding and better estimates for CPL's year-end fund balances, and the entire administrative team will participate in the detailed development of the 2022 Appropriation Measure.



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### Revenue Assumptions (General Fund)

- Amount requested from property tax levies is estimated at \$40,988,000, which exceeds anticipated actual collections. The **full** collection rate (100%) of the 1 mill, the 2008 5.8 mill and the 2018 2.0 mill continuing levies based on collection year 2022 assessed values is estimated at \$41,036,593 and we are currently certified at 90.99%. Applying this rate brings the estimated amount down to \$37,339,195.
- Amount requested from PLF is \$23,500,000. 2021 PLF is certified for \$23,461,822 as of this date. 2022 is estimating that the percentage reverts to the statutory amount of 1.66% of the total General Revenue Fund and assumes some growth.

The total **estimated tax calculations** are **\$60,839,195**.

(\$37,339,195 + \$23,500,000)

The total **2022 Tax Budget request** is **\$64,488,000**.

(\$40,988,000 + \$23,500,000)

- Estimated **other revenues for 2022** from earned interest, fines and fees, etc., are estimated to be **\$1,188,647**.
- Estimated **beginning unencumbered balance** from the General fund is **\$20,010,845**.
- The overall **estimated revenue calculations** total **\$62,027,842** (\$60,839,195 + \$1,188,647).
- The total General Fund 2022 **Tax Budget Request** is **\$65,676,647** (\$64,488,000 + \$1,188,647), plus the estimated beginning unencumbered fund balance of \$20,010,845 totals \$85,687,492 of resources available for expenditures.

Cleveland Public Library's currently projected 2022 program of library service needs could exceed anticipated revenues. It is consistent with past practice and expected to request funds in excess of probable collections.

The Resolution for the Year 2022 Tax Budget Request is being distributed with the packet of materials for the May 20, 2021 Board Meeting.

Proposed 2022 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2020			2021		2022 Proposed
	Tax Budget 2020	Final Actual Budget 2020	Actual Rev/Exp 2020	Tax Budget 2021	(1) Actual Budget 2021	Tax Budget 2022
<b>General Fund</b>						
Beginning Unencumbered Balance	\$ 20,428,194	\$ 25,470,007	\$ 25,395,007	\$ 24,777,221	\$ 36,550,207	\$ 20,010,845
Property Taxes (includes Rollbacks)	41,000,000	39,635,307	39,635,307	40,700,000	37,339,195	40,988,000 (2)
Public Library Fund (PLF)	22,400,000	23,260,064	23,260,064	23,000,000	23,461,822	23,500,000 (3)
Other Sources	1,546,511	1,841,475	2,358,727	1,545,830	1,320,814	1,188,647
Total Current Revenue	64,946,511	64,736,846	65,254,098	65,245,830	62,121,830	65,676,647
Ret Adv/Advances Out		(85,009)			(10,000)	
Total Revenue With Beg Balance	85,374,705	90,121,844	90,649,105	90,023,051	98,662,037	85,687,492
Expenses & Encumbrances	(59,300,000)	(56,561,717)	(54,183,907)	(58,589,701)	(78,651,192)	(63,018,626) (4)
<b>Ending Unencumbered Balance</b>	<b>\$ 26,074,705</b>	<b>\$ 33,560,127</b>	<b>\$ 36,465,198</b>	<b>\$ 31,433,350</b>	<b>\$ 20,010,845</b>	<b>\$ 22,668,866</b>
<b>Special Revenue Funds</b>						
Beginning Unencumbered Balance	\$ 16,500,000	\$ 19,417,560	\$ 19,492,560	\$ 18,026,922	\$ 20,443,041	\$ 16,965,209
Other Sources	8,500,000	8,977,688	9,157,446	8,500,000	7,148,010	8,500,000
Total Current Revenue	8,500,000	8,977,688	9,157,446	8,500,000	7,148,010	8,500,000
Total Revenue With Beg Balance	25,000,000	28,395,248	28,650,006	26,526,922	27,591,051	25,465,209
Expenses & Encumbrances	(8,500,000)	(10,660,023)	(8,121,956)	(8,500,000)	(10,625,842)	(8,500,000)
<b>Ending Unencumbered Balance</b>	<b>\$ 16,500,000</b>	<b>\$ 17,735,225</b>	<b>\$ 20,528,050</b>	<b>\$ 18,026,922</b>	<b>\$ 16,965,209</b>	<b>\$ 16,965,209</b>
<b>Debt Service Fund</b>						
Beginning Unencumbered Balance	\$ -	\$ 2,893,176	\$ 2,893,176	\$ 704,003	\$ 705,398	\$ 79
Other Sources	0	1,104,835	1,104,857	2,589,701	2,588,330	3,294,426
Total Current Revenue	0	1,104,835	1,104,857	2,589,701	2,588,330	3,294,426
Total Revenue With Beg Balance	0	3,998,011	3,998,033	3,293,704	3,293,727	3,294,506
Expenses & Encumbrances	0	(3,292,635)	(3,292,635)	(3,293,704)	(3,293,704)	(3,294,506)
<b>Ending Unencumbered Balance</b>	<b>\$ -</b>	<b>\$ 705,376</b>	<b>\$ 705,398</b>	<b>\$ -</b>	<b>\$ 23</b>	<b>\$ (0)</b>

Proposed 2022 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2020			2021		2022 Proposed
	Tax Budget 2020	Final Actual Budget 2020	Actual Rev/Exp 2020	Tax Budget 2021	(1) Actual Budget 2021	Tax Budget 2022
<b>Capital Projects Fund</b>						
Beginning Unencumbered Balance	\$ 434,131	\$ 60,986,663	\$ 60,986,663	\$ 37,839,739	\$ 57,538,421	\$ 52,789,536
Other Sources	500,000	930,000	955,334	500,000	18,000,000	500,000
Total Current Revenue	500,000	930,000	955,334	500,000	18,000,000	500,000
Total Revenue With Beg Balance	934,131	61,916,663	61,941,997	38,339,739	75,538,421	53,289,536
Expenses & Encumbrances	(934,131)	(11,560,310)	(4,403,576)	(15,000,000)	(7,748,886)	(15,000,000)
<b>Ending Unencumbered Balance</b>	<b>\$ -</b>	<b>\$ 50,356,353</b>	<b>\$ 57,538,421</b>	<b>\$ 23,339,739</b>	<b>\$ 67,789,536</b>	<b>\$ 38,289,536</b>
<b>Permanent Funds</b>						
Beginning Unencumbered Balance	\$ 3,000,000	\$ 3,694,193	\$ 4,478,510	\$ 4,058,077	\$ 3,710,756	\$ 3,638,433
Other Sources	300,000	203,354	236,778	300,000	0	300,000
Total Current Revenue	300,000	203,354	236,778	300,000	0	300,000
Total Revenue With Beg Balance	3,300,000	3,897,548	4,715,288	4,358,077	3,710,756	3,938,433
Expenses & Encumbrances	(3,300,000)	(87,201)	(71,431)	(150,000)	(72,323)	(150,000)
<b>Ending Unencumbered Balance</b>	<b>\$ -</b>	<b>\$ 3,810,347</b>	<b>\$ 4,643,857</b>	<b>\$ 4,208,077</b>	<b>\$ 3,638,433.18</b>	<b>\$ 3,788,433</b>
<b>Agency Funds</b>						
Beginning Unencumbered Balance	\$ -	\$ 13,203	\$ 13,203	\$ -	\$ 14,810	\$ -
Other Sources	0	0	74,836	0	0	0
Total Current Revenue	0	0	74,836	0	0	0
Total Revenue With Beg Balance	0	13,203	88,039	0	14,810	0
Expenses & Encumbrances	0	(13,203)	(73,229)	0	(14,810)	0
<b>Ending Unencumbered Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,810</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Proposed 2022 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2020			2021		2022 Proposed
	Tax Budget 2020	Final Actual Budget 2020	Actual Rev/Exp 2020	Tax Budget 2021	(1) Actual Budget 2021	Tax Budget 2022
<b>ALL FUNDS</b>						
Beginning Unencumbered Balance	\$ 40,362,324	\$ 112,474,802	\$ 113,259,119	\$ 85,405,962	\$ 118,962,633	\$ 93,404,102
Property Taxes	41,000,000	39,635,307	39,635,307	40,700,000	37,339,195	40,988,000
Public Library Fund (formerly LLGSF)	22,400,000	23,260,064	23,260,064	23,000,000	23,461,822	23,500,000
Other Sources	10,846,511	13,057,353	13,887,978	13,435,531	29,057,153	13,783,073
Total Current Revenue	74,246,511	75,952,724	76,783,349	77,135,531	89,858,170	78,271,073
Ret Adv/Advances Out		(85,009)			(10,000)	
Total Revenue With Beg Balance	114,608,835	188,342,518	190,042,468	162,541,493	208,810,803	171,675,176
Expenses & Encumbrances	(72,034,131)	(82,175,090)	(70,146,734)	(85,533,405)	(100,406,757)	(89,963,132)
<b>Ending Unencumbered Balance</b>	<b>\$ 42,574,705</b>	<b>\$ 106,167,428</b>	<b>\$ 119,895,734</b>	<b>\$ 77,008,088</b>	<b>\$ 108,404,046</b>	<b>\$ 81,712,044</b>

- (1) The 2021 Actual Budget is current as of the April 6, 2021 Certificate of Estimated Resources and April 15, 2021 Board-approved Fourth Amendment to the Annual 2021 Appropriation.
- (2) Based on Collection Year 2021 effective rates & 100% collection rate of the 1.0 mill, 5.8 mill and 2.0 mill continuing levies as of the 1/01/21 Cuyahoga County Budget Commission's Schedule A with no increase to the assessed values.
- (3) PLF has been estimated, based on the State's budget bill (HB 110) for the FY 2022-2023 biennium including reverting from 1.7% to the 1.66% statutory levels of the total General Revenue Fund with some growth.
- (4) The proposed 2022 Tax Budget Expenditures/Encumbrances is based on 2022 projected expenditures estimated by increasing 2021 operating appropriation by 2%. Estimating \$59.2m appropriation for 2022 plus \$500,000 being transferred to 401 and a \$3.3m transfer for debt service payment.

**Revenue Sources Detail  
For The  
Proposed 2022 Tax Budget  
For Board Presentation May 20, 2021**

Prepared By:  
Carrie Krenicky

	2020		2021		2022 Proposed			
	Ending Budget 2020	Actual Revenue 2020	Current Budget 2021	Tax Budget 2022				
41200 Property Tax	37,057,038	\$37,057,038	\$ 37,057,038	\$37,057,038	34,939,195	\$34,939,195	\$ 40,988,000	\$40,988,000
41100 PLF (Public Library Fund)	23,260,064	\$ 23,260,064	\$ 23,260,064	\$ 23,260,064	23,461,822	23,461,822	\$ 23,500,000	\$ 23,500,000
41900 Rollbacks	\$ 2,578,269	\$ 2,578,269	\$ 2,578,269	\$ 2,578,269	\$ 2,400,000	\$ 2,400,000	\$ -	\$ -
<b>Total Property Tax &amp; Rollbacks</b>	<b>\$ 39,635,307</b>	<b>\$ 39,635,307</b>	<b>\$ 39,635,307</b>	<b>\$ 39,635,307</b>	<b>\$ 37,339,195</b>	<b>\$ 37,339,195</b>	<b>\$ 40,988,000</b>	<b>\$ 40,988,000</b>
<b>Total Tax Budget Request Per Board Resolution</b>							<b>\$ 64,488,000</b>	
<b>Other Sources</b>								
43110 Fines	2,800	2,946	2,946	2,946	1,800	1,800	1,800	1,800
43120 Fees	12,950	14,085	14,085	14,085	16,400	16,400	16,400	16,400
43130 Lost Books	30,390	31,974	31,974	31,974	26,400	26,400	26,400	26,400
43150 Products	4,120	4,179	4,179	4,179	6,200	6,200	6,200	6,200
43160 Passport Fee	3,066	3,066	3,066	3,066	3,100	3,100	3,100	3,100
43165 Photo Passport Fee	810	810	810	810	800	800	1,200	1,200
43170 Sales Tax	3,700	3,756	3,756	3,756	7,000	7,000	4,500	4,500
43180 Copiers	50,601	50,639	50,639	50,639	67,400	67,400	44,400	44,400
43195 Dup Services	4,615	6,427	6,427	6,427	2,900	2,900	6,000	6,000
44100 Investment Income	657,998	663,283	663,283	663,283	343,721	343,721	274,091	274,091
46500 Unrestricted Gifts	510	510	510	510	0	0	0	0
48100 Sales of Surplus Property	19,545	19,545	19,545	19,545	0	0	0	0
48300 Meeting Rooms	10,010	10,010	10,010	10,010	10,000	10,000	10,000	10,000
48600 Rebates Earned	200	203	203	203	25	25	200	200
48720 Refunds/Reimbursements	1,029,470	1,459,354	1,459,354	1,459,354	824,368	824,368	781,356	781,356
48900 Miscellaneous	10,690	12,942	12,942	12,942	10,700	10,700	13,000	13,000
49820 Return of Advances		75,000	75,000	75,000				
Subtotal Other	<u>1,841,475</u>	<u>2,358,727</u>	<u>2,358,727</u>	<u>2,358,727</u>	<u>1,320,814</u>	<u>1,320,814</u>	<u>1,188,647</u>	<u>1,188,647</u>
<b>Total Other Sources (TPP Tax &amp; Other)</b>	<b>1,841,475</b>	<b>2,358,727</b>	<b>2,358,727</b>	<b>2,358,727</b>	<b>1,320,814</b>	<b>1,320,814</b>	<b>1,188,647</b>	<b>1,188,647</b>
Total All Sources	\$ 64,736,846	\$ 65,254,098	\$ 65,254,098	\$ 65,254,098	\$ 62,121,830	\$ 62,121,830	\$ 65,676,647	\$ 65,676,647
Beginning Unencumbered Balance	\$ 25,395,007	\$ 25,395,007	\$ 25,395,007	\$ 25,395,007	\$ 36,550,207	\$ 36,550,207	\$ 20,010,845	\$ 20,010,845
Ret Adv/Advances Out	\$ (10,009)	\$ (10,009)	\$ (10,009)	\$ (10,009)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
<b>Total Available Revenue</b>	<b>\$ 90,121,844</b>	<b>\$ 90,649,105</b>	<b>\$ 90,649,105</b>	<b>\$ 90,649,105</b>	<b>\$ 98,662,037</b>	<b>\$ 98,662,037</b>	<b>\$ 85,687,492</b>	<b>\$ 85,687,492</b>

# ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit: Cleveland Public Library

For the Fiscal Year Commencing: January 1, 2022

Fiscal Officer Signature: Carrie Krenicky      Date: May 20, 2021

## COUNTY OF CUYAHOGA

### **Background**

Substitute House Bill No. 129 (HB129) effective June 3, 2002, was enacted by the 124th General Assembly in part to allow a county budget commission to waive the requirement that a taxing authority adopt a tax budget for a political subdivision or other taxing unit, pursuant to Ohio Revised Code (ORC) Section 5705.281.

### **Ohio Revised Code Section 5705.281**

Under the amended version of this section pursuant to HB 129, a county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive the tax budget for any subdivision or other taxing unit.

However, the commission may require the taxing authority to provide any information needed by the commission to perform its duties, including the division of the tax rates as provided under ORC Section 5705.04.

### **County Budget Commission Duties**

The county budget commission must still certify tax rates to each subdivision or other taxing unit, by March 1 for school districts and by September 1 for all other taxing authorities under ORC Section 5705.35, even when a tax budget is waived. Also, the commission is still required to issue an official certificate of estimated resources under ORC Section 5705.35 and amended official certificates of estimated resources under ORC Section 5705.36.

Therefore, when a budget commission is setting tax rates based on a taxing unit's need, for purposes of ORC Sections 5705.32, 5705.34, and 5705.341, its determination must be based on that other information the commission asked the taxing authority to provide under ORC Section 5705.281, when the tax budget was waived. Also, an official certificate must be based on that other information the commission asked the taxing authority to provide.

### **County Budget Commission Action**

On October 11, 2002, during the Cuyahoga County Budget Commission meeting, the commission with an affirmative vote of all members waived the requirement for taxing authorities of subdivisions or other taxing units (Including Schools) to adopt a tax budget as provided under ORC Section 5705.281, but shall require the filing of this Alternative Tax Budget Information document on an annual basis.

### **Alternative Tax Budget Information Filing Deadline**

For all political subdivisions excluding school districts, the fiscal officer must file one copy of this document with the County Fiscal Officer on or before July 20th. For school districts the fiscal officer must file one copy of this document with the County Fiscal Officer on or before January 20th.



# DIVISION OF TAXES LEVIED

(Levies Inside & Outside 10 Mill Limitation, Inclusive Of Debt Levies)  
 (List All Levies Of The Taxing Authority)

Cleveland Public Library  
 Tax Budget 2022

**SCHEDULE 1**

I	II	III	IV	V	VI	VII	VIII	IX
Fund	Purpose	Authorized By Voters On MM/DD/YY	Levy Type	Number Of Years Levy To Run	Tax Year Begins/ Ends	Collection Year Begins/ Ends	Maximum Rate Authorized	\$ AMOUNT Requested Of Budget Commission
General Fund	Current Expenses	11/5/1985	Replacement	Continuous	1985-	1986-	1.00	\$3,208,000.00
General Fund	Current Expenses	11/7/2017	Renewal with an Increase	Continuous	2018-	2019-	7.80	\$37,780,000.00
<b>Totals</b>								<b>\$40,988,000.00</b>

# STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

Cleveland Public Library  
Tax Budget 2022

## SCHEDULE 2

I	II	III	IV	V	VI	VII
Fund	Beginning			Total	Total	Ending
BY Type	Estimated Unencumbered Fund Balance	Property Taxes and Local Government Revenue/(PLF)	Other Sources Receipts	Resources Available for Expenditures	Estimated Expenditures & Encumbrances	Estimated Unencumbered Balance
General Fund	20,010,845.00	64,488,000.00	1,188,647.00	85,687,492.00	63,018,626.00	22,668,866.00
Special Revenue Funds	16,965,209.00	0.00	8,500,000.00	25,465,209.00	8,500,000.00	16,965,209.00
Debt Service Fund	79.00		3,294,426.00	3,294,506.00	3,294,506.00	0.00
Capital Projects Fund	52,789,536.00	0.00	500,000.00	53,289,536.00	15,000,000.00	38,289,536.00
Permanent Funds	3,638,433.00	0.00	300,000.00	3,938,433.00	150,000.00	3,788,433.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00
				0.00		0.00