

EXHIBIT 2

CLEVELAND PUBLIC LIBRARY

Board Meeting
May 17, 2022

YEAR 2023 TAX BUDGET

WHEREAS, ***Ohio Revised Code*** Section 5705.28 requires the Board of Library Trustees to submit its Tax Budget for Fiscal Year 2023 to the Board of the Cleveland Metropolitan School District on or before June 1, 2022; 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 2023 Tax Budget to the County Fiscal Officer on or before July 20, 2022; 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 2023 have been determined to be at least \$66,609,000; now therefore be it

RESOLVED, That the Year 2023 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 2023 Tax Budget

DATE: May 17, 2022 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, 2022 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 2023 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 2023 expenses to \$66,092,576 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 2023 Appropriation Measure.



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Revenue Assumptions (General Fund)

- Amount requested from property tax levies is estimated at \$41,309,000, 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 2023 assessed values is estimated at \$41,312,806 and we are currently certified at 91.54%. Applying this rate brings the estimated amount down to \$37,817,743.
- Amount requested from PLF is \$25,300,000. 2022 PLF is certified for \$25,288,857 as of this date. 2023 is estimating that the percentage does not revert to the statutory amount of 1.66% of the total General Revenue Fund and assumes no growth.

The total **estimated tax calculations are \$63,117,743.**

(\$37,817,743 + \$25,300,000)

The total **2023 Tax Budget request is \$66,609,000**

(\$41,309,000 + \$25,300,000)

- Estimated **other revenues for 2023** from earned interest, fines and fees, etc., are estimated to be **\$1,399,200.**
- Estimated **beginning unencumbered balance** from the General fund is **\$27,130,447.**
- The overall **estimated revenue calculations total \$64,516,943** (\$63,117,743 + \$1,399,200).
- The total General Fund 2023 **Tax Budget Request is \$68,008,200** (\$66,609,000 + \$1,399,200), plus the estimated beginning unencumbered fund balance of \$27,130,447 totals \$95,138,647 of resources available for expenditures.

Cleveland Public Library's currently projected 2023 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 2023 Tax Budget Request is being distributed with the packet of materials for the May 17, 2022 Board Meeting.

Proposed 2023 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2021			2022		2023 Proposed
	Tax Budget 2021	Final Actual Budget 2021	Actual Rev/Exp 2021	Tax Budget 2022	(1) Actual Budget 2022	Tax Budget 2023
General Fund						
Beginning Unencumbered Balance	\$ 24,777,221	\$ 36,550,207	\$ 36,465,198	\$ 20,010,845	\$ 28,730,273	\$ 27,130,447
Property Taxes (includes Rollbacks)	40,700,000	39,903,432	39,903,432	40,988,000	37,817,742	41,309,000 (2)
Public Library Fund (PLF)	23,000,000	26,230,690	26,230,690	23,500,000	25,288,857	25,300,000 (3)
Other Sources	1,545,830	1,372,739	1,536,941	1,188,647	1,287,904	1,399,200
Total Current Revenue	65,245,830	67,506,860	67,671,063	65,676,647	64,394,503	68,008,200
Ret Adv/Advances Out		(213,380)			(75,000)	
Total Revenue With Beg Balance	90,023,051	103,843,687	104,136,261	85,687,492	93,049,777	95,138,647
Expenses & Encumbrances	(58,589,701)	(76,455,872)	(75,619,368)	(63,018,626)	(65,919,330)	(66,092,576) (4)
Ending Unencumbered Balance	\$ 31,433,350	\$ 27,387,816	\$ 28,516,894	\$ 22,668,866	\$ 27,130,447	\$ 29,046,071
Special Revenue Funds						
Beginning Unencumbered Balance	\$ 18,026,922	\$ 20,443,041	\$ 20,528,050	\$ 16,965,209	\$ 21,164,403	\$ 17,844,114
Other Sources	8,500,000	8,586,252	8,931,733	8,500,000	7,737,959	8,500,000
Total Current Revenue	8,500,000	8,586,252	8,931,733	8,500,000	7,737,959	8,500,000
Total Revenue With Beg Balance	26,526,922	29,029,293	29,459,783	25,465,209	28,902,362	26,344,114
Expenses & Encumbrances	(8,500,000)	(11,069,604)	(8,082,000)	(8,500,000)	(11,058,248)	(8,500,000)
Ending Unencumbered Balance	\$ 18,026,922	\$ 17,959,689	\$ 21,377,783	\$ 16,965,209	\$ 17,844,114	\$ 17,844,114
Debt Service Fund						
Beginning Unencumbered Balance	\$ 704,003	\$ 705,398	\$ 705,398	\$ 79	\$ 333	\$ 139
Other Sources	2,589,701	2,588,600	2,588,640	3,294,426	3,294,215	3,294,820
Total Current Revenue	2,589,701	2,588,600	2,588,640	3,294,426	3,294,215	3,294,820
Total Revenue With Beg Balance	3,293,704	3,293,997	3,294,037	3,294,506	3,294,549	3,294,959
Expenses & Encumbrances	(3,293,704)	(3,293,704)	(3,293,704)	(3,294,506)	(3,294,506)	(3,294,959)
Ending Unencumbered Balance	\$ -	\$ 293	\$ 333	\$ -	\$ 43	\$ 0

Proposed 2023 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2021			2022		2023 Proposed
	Tax Budget 2021	Final Actual Budget 2021	Actual Rev/Exp 2021	Tax Budget 2022	(1) Actual Budget 2022	Tax Budget 2023
Capital Projects Fund						
Beginning Unencumbered Balance	\$ 37,839,739	\$ 57,538,421	\$ 57,538,421	\$ 52,789,536	\$ 48,499,526	\$ 7,848,418
Other Sources	500,000	18,561,569	18,561,905	500,000	9,200,000	3,000,000
Total Current Revenue	500,000	18,561,569	18,561,905	500,000	9,200,000	3,000,000
Total Revenue With Beg Balance	38,339,739	76,099,990	76,100,326	53,289,536	57,699,526	10,848,418
Expenses & Encumbrances	(15,000,000)	(36,157,949)	(27,600,800)	(15,000,000)	(31,051,108)	(3,000,000)
Ending Unencumbered Balance	\$ 23,339,739	\$ 39,942,042	\$ 48,499,526	\$ 38,289,536	\$ 26,648,418	\$ 7,848,418
Permanent Funds						
Beginning Unencumbered Balance	\$ 4,058,077	\$ 3,710,756	\$ 4,643,857	\$ 3,638,433	\$ 3,965,427	\$ 3,810,364
Other Sources	300,000	168,874	301,108	300,000	0	300,000
Total Current Revenue	300,000	168,874	301,108	300,000	0	300,000
Total Revenue With Beg Balance	4,358,077	3,879,630	4,944,965	3,938,433	3,965,427	4,110,364
Expenses & Encumbrances	(150,000)	(72,323)	(46,437)	(150,000)	(155,063)	(150,000)
Ending Unencumbered Balance	\$ 4,208,077	\$ 3,807,307	\$ 4,898,528	\$ 3,788,433	\$ 3,810,364.25	\$ 3,960,364
Agency Funds						
Beginning Unencumbered Balance	\$ -	\$ 14,810	\$ 14,810	\$ -	\$ 14,346	\$ -
Other Sources	0	0	77,570	0	0	0
Total Current Revenue	0	0	77,570	0	0	0
Total Revenue With Beg Balance	0	14,810	92,380	0	14,346	0
Expenses & Encumbrances	0	(14,810)	(78,034)	0	(14,346)	0
Ending Unencumbered Balance	\$ -	\$ -	\$ 14,346	\$ -	\$ -	\$ -

Proposed 2023 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2021			2022		2023 Proposed
	Tax Budget 2021	Final Actual Budget 2021	Actual Rev/Exp 2021	Tax Budget 2022	(1) Actual Budget 2022	Tax Budget 2023
ALL FUNDS						
Beginning Unencumbered Balance	\$ 85,405,962	\$ 118,962,633	\$ 119,895,734	\$ 93,404,102	\$ 102,374,310	\$ 56,633,482
Property Taxes	40,700,000	39,903,432	39,903,432	40,988,000	37,817,742	41,309,000
Public Library Fund (formerly LLGSF)	23,000,000	26,230,690	26,230,690	23,500,000	25,288,857	25,300,000
Other Sources	13,435,531	31,278,033	31,997,897	13,783,073	21,520,078	16,494,020
Total Current Revenue	77,135,531	97,412,155	98,132,019	78,271,073	84,626,677	83,103,020
Ret Adv/Advances Out		(213,380)			(75,000)	
Total Revenue With Beg Balance	162,541,493	216,161,408	218,027,753	171,675,176	186,925,987	139,736,502
Expenses & Encumbrances	(85,533,405)	(127,064,262)	(114,720,342)	(89,963,132)	(111,492,601)	(81,037,535)
Ending Unencumbered Balance	\$ 77,008,088	\$ 89,097,146	\$ 103,307,411	\$ 81,712,044	\$ 75,433,386	\$ 58,698,967

- (1) The 2022 Actual Budget is current as of the April 20, 2022 Certificate of Estimated Resources and April 19, 2022 Board-approved Fourth Amendment to the Annual 2022 Appropriation.
- (2) Based on Collection Year 2022 effective rates & 100% collection rate of the 1.0 mill, 5.8 mill and 2.0 mill continuing levies as of the 1/01/22 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 temporarily increased to 1.7% for FY 2022-2023 (July 1, 2021 through June 30, 2023) and not reverting to the 1.66% statutory levels of the total General Revenue Fund with no growth.
- (4) The proposed 2023 Tax Budget Expenditures/Encumbrances is based on 2023 projected expenditures estimated by increasing 2022 operating appropriation by 2%. Estimating \$59.8m appropriation for 2023 plus \$3,000,000 being transferred to 401 and a \$3.3m transfer for debt service payment.

**Revenue Sources Detail
For the
Proposed 2023 Tax Budget
For Board Presentation May 17, 2022**

Prepared By:
Carrie Krenicky

	2021		2022		2023 Proposed	
	Ending Budget 2021	Actual Revenue 2021	Current Budget 2022	Tax Budget 2023		

41200 Property Tax	\$ 37,304,357	\$37,304,357	\$ 37,304,357	\$37,304,357	35,317,742	\$35,317,742	\$ 41,309,000	\$41,309,000
41100 PLF (Public Library Fund)	26,230,690		26,230,690		25,288,857		25,300,000	
41900 Rollbacks	2,599,075	2,599,075	2,599,075	2,599,075	2,500,000	2,500,000	-	-
Total Property Tax & Rollbacks		\$39,903,432		\$39,903,432		\$ 37,817,742		\$ 41,309,000

Total Tax Budget Request Per Board Resolution	\$ 66,609,000
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Other Sources

42100 Federal Aid	\$ 4,680	\$ 4,680	\$ -	\$ -	
43110 Fines	1,213	1,284	1,214	1,200	
43120 Fees	13,478	14,212	13,479	20,000	
43130 Lost Books	32,656	34,135	32,657	32,000	
43150 Products	4,091	4,537	4,092	4,000	
43160 Passport Fee	3,923	4,658	3,923	10,000	
43165 Photo Passport Fee	890	980	890	2,000	
43170 Sales Tax	3,807	4,127	3,808	5,500	
43180 Copiers	53,925	63,154	53,925	50,000	
43195 Dup Services	5,647	5,677	5,647	6,000	
44100 Investment Income	414,895	420,604	354,077	464,421	
46500 Unrestricted Gifts	368	418	0	0	
48100 Sales of Surplus Property	18,244	58,783	0	10,000	
48300 Meeting Rooms	500	655	10,000	10,000	
48600 Rebates Earned	854	907	854	900	
48720 Refunds/Reimbursements	797,696	815,661	792,638	769,079	
48900 Miscellaneous	15,872	17,461	10,700	14,100	
49820 Return of Advances		85,009			
Subtotal Other		1,372,739	1,536,941	1,287,904	1,399,200

Total Other Sources (TPP Tax & Other)	\$ 1,372,739	\$ 1,536,941	\$ 1,287,904	\$ 1,399,200
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Total All Sources	\$ 67,506,860	\$ 67,671,063	\$ 64,394,503	\$ 68,008,200
Beginning Unencumbered Balance	36,465,198	36,465,198	28,730,273	27,130,447
Ret Adv/Advances Out	(128,371)		(75,000)	
Total Available Revenue	\$ 103,843,687	\$ 104,136,261	\$ 93,049,777	\$ 95,138,647

ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit: Cleveland Public Library

For the Fiscal Year Commencing: January 1, 2023

Fiscal Officer Signature: Carrie Krenicky Date: May 17, 2022

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 2023

SCHEDULE 1

I Fund	II Purpose	III Authorized By Voters On MM/DD/YY	IV Levy Type	V Number Of Years Levy To Run	VI Tax Year Begins/ Ends	VII Collection Year Begins/ Ends	VIII Maximum Rate Authorized	IX \$ AMOUNT Requested Of Budget Commission
General Fund	Current Expenses	11/5/1985	Replacement	Continuous	1985-	1986-	1.00	\$3,233,000.00
General Fund	Current Expenses	11/7/2017	Renewal with an Increase	Continuous	2018-	2019-	7.80	\$38,076,000.00
Totals								\$41,309,000.00

STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

Cleveland Public Library
Tax Budget 2023

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	27,130,447.00	66,609,000.00	1,399,200.00	95,138,647.00	66,092,576.00	29,046,071.00
Special Revenue Funds	17,844,114.00	0.00	8,500,000.00	26,344,114.00	8,500,000.00	17,844,114.00
Debt Service Fund	139.00		3,294,820.00	3,294,959.00	3,294,959.00	0.00
Capital Projects Fund	7,848,418.00	0.00	3,000,000.00	10,848,418.00	3,000,000.00	7,848,418.00
Permanent Funds	3,810,364.00	0.00	300,000.00	4,110,364.00	150,000.00	3,960,364.00