

**EXHIBIT 2**

**CLEVELAND PUBLIC LIBRARY**

**Board Meeting**

May 16, 2023

**YEAR 2024 TAX BUDGET**

WHEREAS, ***Ohio Revised Code*** Section 5705.28 requires the Board of Library Trustees to submit its Tax Budget for Fiscal Year 2024 to the Board of the Cleveland Metropolitan School District on or before June 1, 2023; 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 2024 Tax Budget to the County Fiscal Officer on or before July 20, 2023; 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 2024 have been determined to be at least \$69,441,000; now therefore be it

RESOLVED, That the Year 2024 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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*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 2024 Tax Budget

**DATE:** **May 16, 2023 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, 2023 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 2024 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 2024 expenses to \$74,751,005 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 2024 Appropriation Measure.

## Revenue Assumptions (General Fund)

- Amount requested from property tax levies is estimated at \$41,641,000, 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 \$41,641,918 and we are currently certified at 90.47%. Applying this rate brings the estimated amount down to \$37,673,443.
- Amount requested from PLF is \$27,800,000. 2023 PLF is certified for \$27,878,205 as of this date. 2024 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 \$65,473,443.**

(\$37,673,443 + \$27,800,000)

The total **2024 Tax Budget request is \$69,441,000**

(\$41,641,000 + \$27,800,000)

- Estimated **other revenues for 2024** from earned interest, fines and fees, etc., are estimated to be **\$2,519,349.**
- Estimated **beginning unencumbered balance** from the General fund is **\$28,269,559.**
- The overall **estimated revenue calculations total \$67,992,792** (\$65,473,443 + \$2,519,349).
- The total General Fund **2024 Tax Budget Request is \$71,960,349** (\$69,441,000+ \$2,519,349), plus the estimated beginning unencumbered fund balance of \$28,269,559 totals \$100,229,908 of resources available for expenditures.

Cleveland Public Library's currently projected 2024 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 2024 Tax Budget Request is being distributed with the packet of materials for the May 16, 2023 Board Meeting.

Proposed 2024 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2022			2023		2024 Proposed
	Tax Budget 2022	Final Actual Budget 2022	Actual Rev/Exp 2022	Tax Budget 2023	(1) Actual Budget 2023	Tax Budget 2024
<b>General Fund</b>						
Beginning Unencumbered Balance	\$ 20,010,845	\$ 28,730,273	\$ 28,516,894	\$ 27,130,447	\$ 26,231,855	\$ 28,269,559
Property Taxes (includes Rollbacks)	40,988,000	40,799,822	40,799,822	41,309,000	37,673,443	41,641,000 (2)
Public Library Fund (PLF)	23,500,000	28,375,981	28,375,981	25,300,000	27,878,205	27,800,000 (3)
Other Sources	1,188,647	1,736,172	1,832,332	1,399,200	1,837,290	2,519,349
Total Current Revenue	65,676,647	70,911,976	71,008,135	68,008,200	67,388,938	71,960,349
Ret Adv/Advances Out		(260,215)			(75,000)	
Total Revenue With Beg Balance	85,687,492	99,382,034	99,525,029	95,138,647	93,545,794	100,229,908
Expenses & Encumbrances	(63,018,626)	(75,969,330)	(73,634,553)	(66,092,576)	(65,276,234)	(74,751,005) (4)
<b>Ending Unencumbered Balance</b>	<b>\$ 22,668,866</b>	<b>\$ 23,412,704</b>	<b>\$ 25,890,476</b>	<b>\$ 29,046,071</b>	<b>\$ 28,269,559</b>	<b>\$ 25,478,904</b>
<b>Special Revenue Funds</b>						
Beginning Unencumbered Balance	\$ 16,965,209	\$ 21,164,403	\$ 21,377,783	\$ 17,844,114	\$ 20,845,978	\$ 17,659,314
Other Sources	8,500,000	8,580,883	8,621,067	8,500,000	8,321,714	8,500,000
Total Current Revenue	8,500,000	8,580,883	8,621,067	8,500,000	8,321,714	8,500,000
Total Revenue With Beg Balance	25,465,209	29,745,287	29,998,849	26,344,114	29,167,693	26,159,314
Expenses & Encumbrances	(8,500,000)	(11,361,957)	(8,811,491)	(8,500,000)	(11,508,379)	(8,500,000)
<b>Ending Unencumbered Balance</b>	<b>\$ 16,965,209</b>	<b>\$ 18,383,330</b>	<b>\$ 21,187,358</b>	<b>\$ 17,844,114</b>	<b>\$ 17,659,314</b>	<b>\$ 17,659,314</b>
<b>Debt Service Fund</b>						
Beginning Unencumbered Balance	\$ 79	\$ 333	\$ 333	\$ 139	\$ 18,931	\$ 15,093
Other Sources	3,294,426	3,306,981	3,313,103	3,294,820	3,282,150	3,277,157
Total Current Revenue	3,294,426	3,306,981	3,313,103	3,294,820	3,282,150	3,277,157
Total Revenue With Beg Balance	3,294,506	3,307,315	3,313,437	3,294,959	3,301,081	3,292,250
Expenses & Encumbrances	(3,294,506)	(3,294,506)	(3,294,506)	(3,294,959)	(3,294,959)	(3,292,250)
<b>Ending Unencumbered Balance</b>	<b>\$ -</b>	<b>\$ 12,809</b>	<b>\$ 18,931</b>	<b>\$ 0</b>	<b>\$ 6,122</b>	<b>\$ (0)</b>

Proposed 2024 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2022			2023		2024 Proposed
	Tax Budget 2022	Final Actual Budget 2022	Actual Rev/Exp 2022	Tax Budget 2023	(1) Actual Budget 2023	Tax Budget 2024
<b>Capital Projects Fund</b>						
Beginning Unencumbered Balance	\$ 52,789,536	\$ 48,499,526	\$ 48,499,526	\$ 7,848,418	\$ 29,214,862	\$ 5,047,722
Other Sources	500,000	19,588,250	19,617,405	3,000,000	1,201,378	8,800,000
Total Current Revenue	500,000	19,588,250	19,617,405	3,000,000	1,201,378	8,800,000
Total Revenue With Beg Balance	53,289,536	68,087,776	68,116,931	10,848,418	30,416,240	13,847,722
Expenses & Encumbrances	(15,000,000)	(43,537,029)	(38,902,070)	(3,000,000)	(5,389,392)	0
<b>Ending Unencumbered Balance</b>	<b>\$ 38,289,536</b>	<b>\$ 24,550,748</b>	<b>\$ 29,214,862</b>	<b>\$ 7,848,418</b>	<b>\$ 25,026,849</b>	<b>\$ 13,847,722</b>
<b>Permanent Funds</b>						
Beginning Unencumbered Balance	\$ 3,638,433	\$ 3,965,427	\$ 4,898,528	\$ 3,810,364	\$ 3,979,728	\$ 3,852,849
Other Sources	300,000	55,147	118,720	300,000	0	150,000
Total Current Revenue	300,000	55,147	118,720	300,000	0	150,000
Total Revenue With Beg Balance	3,938,433	4,020,574	5,017,248	4,110,364	3,979,728	4,002,849
Expenses & Encumbrances	(150,000)	(155,063)	(104,418)	(150,000)	(126,879)	(150,000)
<b>Ending Unencumbered Balance</b>	<b>\$ 3,788,433</b>	<b>\$ 3,865,511</b>	<b>\$ 4,912,829</b>	<b>\$ 3,960,364</b>	<b>\$ 3,852,849.34</b>	<b>\$ 3,852,849</b>
<b>Agency Funds</b>						
Beginning Unencumbered Balance	\$ -	\$ 14,346	\$ 14,346	\$ -	\$ 17,281	\$ -
Other Sources	0	0	70,861	0	0	0
Total Current Revenue	0	0	70,861	0	0	0
Total Revenue With Beg Balance	0	14,346	85,208	0	17,281	0
Expenses & Encumbrances	0	(14,346)	(67,927)	0	(17,281)	0
<b>Ending Unencumbered Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,281</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Proposed 2024 Tax Budget With Historical Perspective

Prepared By: Carrie Krenicky

	2022			2023		2024 Proposed
	Tax Budget 2022	Final Actual Budget 2022	Actual Rev/Exp 2022	Tax Budget 2023	(1) Actual Budget 2023	Tax Budget 2024
<b>ALL FUNDS</b>						
Beginning Unencumbered Balance	\$ 93,404,102	\$ 102,374,310	\$ 103,307,411	\$ 56,633,482	\$ 80,308,636	\$ 54,844,537
Property Taxes	40,988,000	40,799,822	40,799,822	41,309,000	37,673,443	41,641,000
Public Library Fund (formerly LLGSF)	23,500,000	28,375,981	28,375,981	25,300,000	27,878,205	27,800,000
Other Sources	13,783,073	33,267,434	33,573,488	16,494,020	14,642,533	23,246,506
Total Current Revenue	78,271,073	102,443,238	102,749,291	83,103,020	80,194,181	92,687,506
Ret Adv/Advances Out		(260,215)			(75,000)	
Total Revenue With Beg Balance	171,675,175	204,557,333	206,056,702	139,736,503	160,427,817	147,532,043
Expenses & Encumbrances	(89,963,132)	(134,332,230)	(124,814,965)	(81,037,535)	(85,613,124)	(86,693,255)
<b>Ending Unencumbered Balance</b>	<b>\$ 81,712,043</b>	<b>\$ 70,225,103</b>	<b>\$ 81,241,737</b>	<b>\$ 58,698,968</b>	<b>\$ 74,814,693</b>	<b>\$ 60,838,788</b>

- (1) The 2023 Actual Budget is current as of the April 11, 2023 Certificate of Estimated Resources and April 18, 2023 Board-approved Fourth Amendment to the Annual 2023 Appropriation.
- (2) Based on Collection Year 2023 effective rates & 100% collection rate of the 1.0 mill, 5.8 mill and 2.0 mill continuing levies as of the 1/01/23 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 2024 Tax Budget Expenditures/Encumbrances is based on 2024 projected expenditures estimated by increasing 2023 operating appropriation by 4%. Estimating \$64.5m appropriation for 2023 plus \$7,000,000 being transferred to 401 and a \$3.3m transfer for debt service payment.

**Revenue Sources Detail  
For the  
Proposed 2024 Tax Budget  
For Board Presentation May 16, 2023**

Prepared By:  
Carrie Krenicky

	2022		2023		2024 Proposed			
	Ending Budget 2022	Actual Revenue 2022	Current Budget 2023	Tax Budget 2024				
41200 Property Tax	\$ 38,347,376	\$38,347,376	\$ 38,347,376	\$38,347,376	35,173,443	\$35,173,443	\$ 41,641,000	\$41,641,000
41100 PLF (Public Library Fund)	28,375,981	28,375,981	27,878,205	27,800,000				
41900 Rollbacks	2,452,447	<u>2,452,447</u>	2,452,447	<u>2,452,447</u>	2,500,000	<u>2,500,000</u>	-	-
<b>Total Property Tax &amp; Rollbacks</b>	<b>\$40,799,822</b>	<b>\$40,799,822</b>	<b>\$37,673,443</b>	<b>\$41,641,000</b>				
<b>Total Tax Budget Request Per Board Resolution</b>							<b>\$ 69,441,000</b>	
<b>Other Sources</b>								
42100 Federal Aid	\$ -	\$ -	\$ -	\$ -				
43110 Fines	1,022	1,049	1,020	1,100				
43120 Fees	21,230	22,344	21,230	22,000				
43130 Lost Books	33,860	34,753	33,860	34,000				
43150 Products	5,111	5,350	5,110	5,100				
43160 Passport Fee	14,071	13,896	14,070	14,000				
43165 Photo Passport Fee	3,455	3,370	3,450	3,400				
43170 Sales Tax	5,151	5,146	5,150	5,100				
43180 Copiers	58,351	64,629	58,350	64,000				
43185 Class/Seminar Fees	2,105	2,105	0	0				
43195 Dup Services	7,328	8,670	7,330	8,500				
44100 Investment Income	699,010	692,111	911,700	1,741,778				
46100 Restricted Gifts	50,000	50,000	0	0				
46500 Unrestricted Gifts	10,470	10,945	0	0				
48100 Sales of Surplus Property	11,058	12,320	0	12,000				
48300 Meeting Rooms	7,987	8,487	7,990	8,400				
48600 Rebates Earned	1,138	1,123	1,140	1,000				
48720 Refunds/Reimbursements	784,102	789,859	746,170	577,971				
48900 Miscellaneous	20,722	21,177	20,720	21,000				
49820 Return of Advances		85,000						
Subtotal Other		<u>1,736,172</u>		<u>1,832,332</u>	<u>1,837,290</u>		<u>2,519,349</u>	
<b>Total Other Sources (TPP Tax &amp; Other)</b>		<b>\$ 1,736,172</b>		<b>\$ 1,832,332</b>	<b>\$ 1,837,290</b>		<b>\$ 2,519,349</b>	
Total All Sources	\$ 70,911,976	\$ 71,008,135	\$67,388,938	\$ 71,960,349				
Beginning Unencumbered Balance	28,516,894	28,516,894	26,231,855	28,269,559				
Ret Adv/Advances Out	(46,835)		(75,000)					
Total Available Revenue	<b>\$ 99,382,034</b>	<b>\$ 99,525,029</b>	<b>\$93,545,794</b>	<b>\$100,229,908</b>				

# ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit: Cleveland Public Library

For the Fiscal Year Commencing: January 1, 2024

Fiscal Officer Signature: Carrie Krenicky      Date: May 16, 2023

## 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 2024

**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	\$3,267,000.00
General Fund	Current Expenses	11/7/2017	Renewal with an Increase	Continuous	2018-	2019-	7.80	\$38,374,000.00
Totals								\$41,641,000.00

# STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

Cleveland Public Library  
Tax Budget 2024

## SCHEDULE 2

I Fund  BY Type	II Beginning  Estimated Unencumbered Fund Balance	III Property Taxes and Local Government Revenue/(PLF)	IV Other Sources Receipts	V Total  Resources Available for Expenditures	VI Total  Estimated Expenditures & Encumbrances	VII Ending  Estimated Unencumbered Balance
General Fund	28,269,559	69,441,000	2,519,349	100,229,908	74,751,005	25,478,903
Special Revenue Funds	17,659,314	0	8,500,000	26,159,314	8,500,000	17,659,314
Debt Service Fund	15,093		3,277,157	3,292,250	3,292,250	0
Capital Projects Fund	5,047,722	0	8,800,000	13,847,722	0	13,847,722
Permanent Funds	3,852,849	0	150,000	4,002,849	150,000	3,852,849