



CLEVELAND PUBLIC LIBRARY

## Current Financial Overview

Carrie Krenicky  
Chief Financial Officer



# General Fund Amended Certificate of Resources

## GENERAL FUND

CERTIFIED REVENUE	Prior Certificate (1)	Increase/ Decrease	Amended Certificate (2)	
Cash January 1	19,023,254.07	0.00	19,023,254.07	(3)
Taxes - General Property	24,914,507.45	0.00	24,914,507.45	
Public Library Fund (PLF)	21,528,119.75	0.00	21,528,119.75	
State Rollbacks/CAT	2,400,000.00	0.00	2,400,000.00	
Fines and Fees	381,033.86	0.00	381,033.86	
Earned Interest	524,913.00	0.00	524,913.00	
Unrestricted Gifts	0.00	0.00	0.00	
Miscellaneous	890,487.01	0.00	890,487.01	
Return of Advances/(Advances Out)	0.00	(125,015.00)	(125,015.00)	
<b>TOTAL RESOURCES</b>	<b>69,662,315.14</b>	<b>(125,015.00)</b>	<b>69,537,300.14</b>	

Certified Operating Revenue  
 \$50,639,061.07

Property Tax/Rollbacks = 54%  
 PLF = 43%

# General Fund

## Second Amendment to the Year 2018 Appropriation

APPROPRIATION	Prior Appropriation	Increase/ Decrease	Amended Appropriation
Salaries/Benefits	36,631,162.50	0.00	36,631,162.50
Supplies	1,001,537.75	0.00	1,001,537.75
Purchased/Contracted Services	10,752,186.41	0.00	10,752,186.41
Library Materials/ Information	6,734,347.09	0.00	6,734,347.09
Capital Outlay	1,090,467.00	0.00	1,090,467.00
Other Objects	155,408.01	0.00	155,408.01
<b>SUBTOTAL OPERATING</b>	<b>56,365,108.76</b>	<b>0.00</b>	<b>56,365,108.76</b>
Transfers	2,000,000.00	0.00	2,000,000.00
<b>TOTAL APPROPRIATION</b>	<b>58,365,108.76</b>	<b>0.00</b>	<b>58,365,108.76</b>

Certified Revenue = \$50.64 million

Certified Revenue should equal Total Appropriations (Balanced Budget)

Operating Appropriations exceeding Certified Revenue by **\$5.72 million**;  
the excess will be taken from the unencumbered balance.

# General Fund Projection for 2018-2023

## Revenue Assumptions

- **Public Library Fund (PLF)**

- CPL to continue to receive same % (41.1843%) per Agreement with 9 Libraries  
(contract expired 12/31/17; new 4-year agreement 1/01/18-12/31/21)

- Percentage of Revenue-based Funding remains at 1.68% of the General Revenue Fund tax sources as set temporarily with HB 49 for the FY 2018-2019 biennium

- 2018-2023 - As certified by ODT 12/19/17 with 0% growth in General Revenue Fund taxes per year

- **Property Tax**

- Based on TY17/CY18 certification; Total Tax Revenue \$30,738,811 at total collection rate 88.86% = \$27,314,507.45

- + estimated delinquent collections of \$1.7m

- + passage of a 2.0 mill additional continuing levy generating approximately \$8.1m annually beginning in 2019

- **Fines/Fees, Interest, Donations and Misc**

- Possible decrease in Fines and Fees beginning in 2019; flat/no growth in others

# General Fund Projection for 2018-2023

## Expenditure Assumptions

- **Salaries/Benefits**

- Appropriation for 2018 is projecting from current salary and benefits as of 10/16/2017; 2% annual salary increase; current wellness point structure; 0% increase in medical premiums with current enrollment; 0% increase in dental, vision, life.

- For 2019-2023 – 2.5% annual salary increase; current wellness point structure; 5% increase in medical premiums with current enrollment; 0% increase in dental, vision, life. (This reflects a general increase of 2.6% over 2018's projection)

- **Supplies, Purchased/Contracted Services, Library Materials and Capital & Other**

- Appropriations for 2018 is projecting from current requests in annual budget process
  - Increase 0% per annum

# General Fund Projection for 2018-2023

## Expenditure Assumptions cont'd

- **Transfers Out**

- In January, 2018, the Board approved \$2,000,000 transfer to fund 2018 building repairs

Beginning after Calendar Year 2019 with the passage of the 2.0 mill additional continuing levy, we will need to account for Building Maintenance, Capital Improvements/Projects funding in the Building & Repair fund along with Debt Service Payments

- Annual Cash Capital (\$1.5m estimated to fund on-going capital maintenance)

- Master Plan / Short Term Capital needs (\$4.6m estimated annual debt service)

*ie- a \$4.6m debt service payment would allow borrowing \$72m @ 4% over 25 years*

*This leaves \$2m to go towards operating expenditures*

# Revenue & Expenditures Where We Are (Our Current Levy)

## General Fund

Certified Operating Revenue  
\$50,639,061

	5-Year Renewal of 5.8 mill				
	Actual	Actual	Actual	Actual	Projected
	2014	2015	2016	2017	2018
<b>Total *Operating Revenue</b>	\$ 54,721,547	\$ 53,332,782	\$ 52,070,001	\$ 52,561,337	\$ 52,339,061
<b>Total *Operating Expenditures</b>	52,841,431	53,617,393	53,918,430	53,269,358	56,365,109
<b>Revenue +/- Expenditures</b>	<b>1,880,116</b>	<b>(284,611)</b>	<b>(1,848,429)</b>	<b>(708,020)</b>	<b>(4,026,048)</b>
Return of Advances Out	179,140	95,000	138,660	67,250	75,000
Advances/Transfers Out:	(3,619,500)	(109,160)	(1,570,250)	(1,401,500)	(2,000,000)
<b>Net Revenue +/- Expenditures</b>	<b>(1,560,244)</b>	<b>(298,771)</b>	<b>(3,280,019)</b>	<b>(2,042,270)</b>	<b>(5,951,048)</b>
Cash January 1	32,152,901	30,592,658	30,293,887	27,013,868	24,971,598
<b>Cash Balance December 31</b>	<b>\$ 30,592,658</b>	<b>\$ 30,293,887</b>	<b>\$ 27,013,868</b>	<b>\$ 24,971,598</b>	<b>\$ 19,020,550</b>
Encumbrance	7,683,457	5,848,058	5,702,168	6,023,344	5,900,000
<b>Unencumbered Balance</b>	<b>\$ 22,909,200</b>	<b>\$ 24,445,829</b>	<b>\$ 21,311,700</b>	<b>\$ 18,948,253</b>	<b>\$ 13,120,550</b>
Maintaining 3 months operating expenditures of cash reserves	\$ 13,210,358	\$ 13,404,348	\$ 13,479,607	\$ 13,317,339	\$ 14,091,277

\*Operating does NOT include Return of Advances Out, Transfers or Advances Out

# Revenue & Expenditures Where We're Heading (Renewal with Increase Levy)

Levy generating cash for Master Plan/Short Term Capital needs to support debt issuance

	Negative Cash Position with listed assumptions				
	Renewal of 5.8 mill w/2 mill increase				
	Projected	Projected	Projected	Projected	Projected
	2019	2020	2021	2022	2023
<b>Total *Operating Revenue</b>	\$ 60,194,061	\$ 60,194,061	\$ 60,194,061	\$ 60,194,061	\$ 60,194,061
<b>Total *Operating Expenditures</b>	57,317,519	58,294,692	59,297,271	60,325,918	61,381,309
<b>Revenue +/- Expenditures</b>	2,876,542	1,899,369	896,790	(131,857)	(1,187,248)
Annual Cash Capital to fund on-going capital maintenance	0	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Master Plan Financing (estimated annual debt service based on a total borrowing of \$72m)	0	(4,600,000)	(4,600,000)	(4,600,000)	(4,600,000)
<b>Net Revenue +/- Expenditures</b>	2,876,542	(4,200,631)	(5,203,210)	(6,231,857)	(7,287,248)
Cash January 1	19,020,550	21,897,092	17,696,461	12,493,251	6,261,394
<b>Cash Balance December 31</b>	\$ 21,897,092	\$ 17,696,461	\$ 12,493,251	\$ 6,261,394	\$ (1,025,853)
Encumbrance	5,900,000	5,900,000	5,900,000	5,900,000	5,900,000
<b>Unencumbered Balance</b>	\$ 15,997,092	\$ 11,796,461	\$ 6,593,251	\$ 361,394	\$ (6,925,853)
Maintaining 3 months operating expenditures of cash reserves	\$ 14,329,380	\$ 14,573,673	\$ 14,824,318	\$ 15,081,479	\$ 15,345,327

\*Operating does NOT include Return of Advances Out, Transfers or Advances Out



# Revenue & Expenditures

## Where We're Heading (Renewal with Increase Levy)

Levy NOT generating cash for Master Plan/Short Term Capital needs to support debt issuance, but for operating expenditures only

	Renewal of 5.8 mill w/2 mill increase				
	Projected	Projected	Projected	Projected	Projected
	2019	2020	2021	2022	2023
<b>Total *Operating Revenue</b>	\$ 60,194,061	\$ 60,194,061	\$ 60,194,061	\$ 60,194,061	\$ 60,194,061
<b>Total *Operating Expenditures</b>	57,317,519	58,294,692	59,297,271	60,325,918	61,381,309
<b>Revenue +/- Expenditures</b>	<b>2,876,542</b>	<b>1,899,369</b>	<b>896,790</b>	<b>(131,857)</b>	<b>(1,187,248)</b>
Annual Cash Capital to fund on-going capital maintenance	0	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Master Plan Financing (estimated annual debt service based on a total borrowing of \$72m)	0	0	0	0	0
<b>Net Revenue +/- Expenditures</b>	<b>2,876,542</b>	<b>399,369</b>	<b>(603,210)</b>	<b>(1,631,857)</b>	<b>(2,687,248)</b>
Cash January 1	19,020,550	21,897,092	22,296,461	21,693,251	20,061,394
<b>Cash Balance December 31</b>	<b>\$ 21,897,092</b>	<b>\$ 22,296,461</b>	<b>\$ 21,693,251</b>	<b>\$ 20,061,394</b>	<b>\$ 17,374,147</b>
Encumbrance	5,900,000	5,900,000	5,900,000	5,900,000	5,900,000
<b>Unencumbered Balance</b>	<b>\$ 15,997,092</b>	<b>\$ 16,396,461</b>	<b>\$ 15,793,251</b>	<b>\$ 14,161,394</b>	<b>\$ 11,474,147</b>
Maintaining 3 months operating expenditures of cash reserves	\$ 14,329,380	\$ 14,573,673	\$ 14,824,318	\$ 15,081,479	\$ 15,345,327

\*Operating does NOT include Return of Advances Out, Transfers or Advances Out

# Building & Repair Fund - Unencumbered Balance

Fund Balance, December 31, 2017	\$	10,649,453.06
Encumbrances		(40,044.25) Security Cameras
		(20,540.00) Lakeshore Facility (Roof)
		(382,118.77) South (Renovation)
		(87,463.40) Union Branch (Roof)
		(4,576,459.40) Safe, Warm & Dry Construction
		(12,900.00) Woodland (Raingardens and Storm Water Retention System)
Encumbrances		(5,119,525.82)
Unencumbered Balance 12/31/17	\$	<u>5,529,927.24</u>
Approved Budgets not encumbered		(950,100.00) Remaining Lakeshore Roof Budget; as approved by Board 6/13/17 (\$1,000,000) Owners Contingency Fund Balance - Safe, Warm & Dry Project Budget; as approved
		(73,008.69) by Board 12/21/17
		(2,800,296.25) Remaining South Budget; as approved by Board 2/16/17 (\$3,500,000)
		(1,218.42) Cleveland Digital Public Library (CDPL) Project - Phase 3
		Woodland (Raingardens and Storm Water Retention System) Budget; as approved by Board 6/13/17 (\$125,202). Expenditures being reimbursed by the Northeast Ohio
		(106,582.50) Sewer District through Burton Carr Bell
		(115,000.00) Remaining Glenville Parking Lot Budget; as approved by Board 10/19/17 (\$121,875)
		(178,121.51) Main Library Heat Conversion (Marlin CO and Settlement)
		Reimbursement to receive from the Northeast Ohio Sewer District through Burton
		125,202.00 Carr Bell
	Increase construction budget for South Branch Renovation; approved by Board	
	(1,000,000.00) 1/18/18	
	Transfer from the General Fund for 2018 Building repairs and maintenance of library	
	(2,000,000.00) facilities (not budgeted for in General Fund); approved by Board 1/18/18	
	2,000,000.00 2018 Building repairs and maintenance of library facilities	
Estimated Fund Balance 12/31/18	\$	<u><u>430,801.87</u></u>

# As we look to the Library's future

We have a healthy General Fund unencumbered balance, but we are appropriating over certified revenues.

As custodians of the public's trust, the people committed to us on November 7<sup>th</sup> and in response to this commitment we will ensure that our libraries enrich our neighborhoods as we develop our B.O.L.D. plan.

We should maintain 2 to 3 months of General Fund operating revenues or expenditures as a level of cash reserves in the General Fund\*. For us, with 2018's appropriation, that is about \$14m.

Administration along with the Board will consider developing a fund balance policy for our General fund unencumbered balance, where we specify purposes for various portions, to assist with facing present and future challenges and maintaining fiscal stability and accountability, while we fulfill our commitment to our patrons.



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Questions?