

EXHIBIT 6

CLEVELAND PUBLIC LIBRARY

Board Meeting

May 13, 2014

YEAR 2015 TAX BUDGET

WHEREAS, ***Ohio Revised Code*** Section 5705.28 requires the Board of Library Trustees to submit its Tax Budget for Fiscal Year 2015 to the Board of the Cleveland Metropolitan School District on or before June 1, 2014; 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 2015 Tax Budget to the County Fiscal Officer on or before July 20, 2014; and

WHEREAS, ***Ohio Revised Code*** Section 5705.281 permits the County Budget Commission to waive the filling 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 2015 have been determined to be at least \$53,300,000; now therefore be it

RESOLVED, That the Year 2015 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***.



CLEVELAND PUBLIC LIBRARY

325 Superior Avenue • Cleveland, Ohio 44114 • 216.623.2800 • www.cpl.org

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

FROM: Carrie Krenicky, Chief Financial Officer

RE: Background and Assumptions for the 2015 Tax Budget

DATE: **May 13, 2014 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 before May 31 each year to allow for sufficient time to have it placed on Cleveland Metropolitan School District's Board agenda prior to the July 20, 2014 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 2015 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 2015 expenses to \$61,265,719 based on current projections, with minimal program-by-program analysis in order to meet the current estimated revenue. 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 2015 Appropriation Measure.

Board of Library Trustees

Thomas D. Corrigan, President • Maritza Rodriguez, Vice President • Alan Seifullah, Secretary
Alice G. Butts • John M. Hairston, Jr. • Anthony T. Parker • Rick Werner

Felton Thomas, Jr., Director

Revenue Assumptions (General Fund)

- Amount requested from property tax levies is estimated at \$33,300,000, which exceeds anticipated actual collections. The **full** collection rate (100%) of the 1 mill perpetual and the 5.8 mill term levies for collection year 2014 is estimated at \$31,843,609 and we are currently certified at 82.09%. Applying this rate brings the estimated amount down to \$26,104,619.
- Amount requested from PLF, \$20,000,000, slightly exceeds anticipated actual collections. 2014 PLF was certified for \$19,744,566. 2015 is estimating no growth.

The total **estimated tax calculations** are **\$46,104,619**.

(\$26,104,619 + \$20,000,000)

The total **2015 Tax Budget request** is **\$53,300,000**.

(\$33,300,000 + \$20,000,000)

- Estimated **other revenues for 2015** from CLEVNET, earned interest, fines and fees, etc., are estimated to be **\$5,058,173**, including the Commercial Activity Tax (CAT Tax) which is estimated to generate only \$562,400 due to continued phase-out with complete elimination in 2016.
- Estimated **beginning unencumbered balance** from the General fund is **\$13,205,265**.
- The overall **estimated revenue calculations** total **\$51,162,792** (\$46,104,619 + \$5,058,173).
- The total General Fund 2015 **Tax Budget Request** is **\$58,358,173** (\$53,300,000 + \$5,058,173), plus the estimated beginning unencumbered fund balance of \$13,205,265 totals \$71,563,438 of resources available for expenditures.

Cleveland Public Library's currently projected 2015 program of library service needs could greatly exceed anticipated revenues. It is consistent with past practice and expected to request funds in excess of probable collections.

The Resolution for the Year 2015 Tax Budget Request is being distributed with the packet of materials for the May 13, 2014 Board Meeting.

Board of Library Trustees

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ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit: Cleveland Public Library

For the Fiscal Year Commencing: January 1, 2015

Fiscal Officer Signature: Carrie Krenicky Date: May 13, 2014

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

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,

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.

GUIDELINES FOR COMPLETING THE ALTERNATIVE TAX BUDGET INFORMATION

SCHEDULE 1

The general purpose of schedule 1 is to meet the requirement of Ohio Revised Code (ORC) Section 5705.04 which requires the taxing authority of each subdivision to divide the taxes levied into separate levies. For help use the schedule B issued by the budget commission for the current year and add any new levies. This will help to ensure that no levies are missed.

In column 1 list only those individual funds which are requesting general property tax revenue. In column 2 purpose refers to the following terms, inside, current expenses, and special levy for example. In column 4 levy type refers to renewal, additional, and replacement for example. In column 9 identify the amount of general property tax you wish to request.

NOTE:

The general purpose of column 9 is to demonstrate the need to produce property tax revenues to cover the estimated expenditures for the budget year. ORC Section 5705.341 states in part;

"Nothing in this section or any section of the ORC shall permit or require the levying of any rate of taxation, whether within the 10 mill limitation or whether the levy has been approved by the electors, the political subdivision or the charter of a municipal corporation in excess of such 10 mill limitation, unless such rate of taxation for the ensuing fiscal year is clearly required by a budget properly and lawfully, adopted under this

Property tax revenue includes real estate taxes, personal property taxes, homestead and rollback, and the personal property 10,000 exempt monies.

SCHEDULE 2

The general purpose of schedule 2 is to produce an Official Certificate of Estimated Resources for all funds. In column 3, total estimated receipts should include all revenues plus transfers in excluding property taxes and local government revenue. All taxing authorities, except school districts, must submit a list of all tax transfers.

SCHEDULE 3

The general purpose of schedule 3 is to provide inside/charter millage for debt service. The basic security for payment of general obligation debt is the requirement of the levy of ad valorem property taxes within the 10 mill limitation imposed by Ohio law. Ohio law requires a levy and collection of ad valorem property tax to

SCHEDULE 4

The general purpose of schedule 4 is to provide for the proper amount of millage to cover debt service requirements on voted bond issues. Major capital improvement projects are sometimes financed through the use of voted bonds. The taxing authority seeks voter approval of general obligation bonds and of the levy of property taxes outside the indirect debt limitation in whatever amount is necessary to pay debt

SCHEDULE 5

more details.

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 2015

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	\$3,300,000.00
General Fund	Current Expenses	11/5/2013	Renewal	5 years	2013-2017	2014-2018	5.80	\$30,000,000.00
Totals								\$33,300,000.00

STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

Cleveland Public Library
Tax Budget 2015

SCHEDULE 2

I	II	III	IV	V	VI	VII
Fund BY Type	Beginning Estimated Unencumbered Fund Balance	Property Taxes and Local Government Revenue/(PLF)	Other Sources Receipts	Total Resources Available for Expenditures	Total Estimated Expenditures & Encumbrances	Ending Estimated Unencumbered Balance
General Fund	13,205,265.00	53,300,000.00	5,058,173.00	71,563,438.00	61,265,719.00	10,297,719.00
Special Revenue Funds	9,000,000.00	0.00	2,000,000.00	11,000,000.00	2,000,000.00	9,000,000.00
Capital Projects Fund	8,400,000.00	0.00	0.00	8,400,000.00	2,000,000.00	6,400,000.00
Permanent Funds	1,700,000.00	0.00	130,000.00	1,830,000.00	130,000.00	1,700,000.00
				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
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				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

Proposed 2015 Tax Budget With Historical Perspective

Prepared By:
Carrie Krenicky

	2013			2014		2015 Proposed
	Tax Budget 2013	Final Actual Budget 2013	Actual Rev/Exp 2013	Tax Budget 2014	(2) Actual Budget 2014	Tax Budget 2015
General Fund						
Beginning Unencumbered Balance	\$ -	\$ 23,600,308	\$ 23,600,308	\$ 20,816,336	\$ 25,333,479	\$ 13,205,265
Property Taxes (includes Rollbacks)	38,000,000	27,998,332	27,999,460	3,300,000 (1)	26,140,419	33,300,000 (3)
Public Library Fund (formerly LLGSF)	20,000,000	20,336,112	20,290,195	21,000,000	19,744,566	20,000,000 (4)
Other Sources (Includes CAT Tax)	6,131,295	6,141,798	6,867,832	5,668,358 (1)	5,818,696	5,058,173 (5)
Total Current Revenue	64,131,295	54,476,241	55,157,488	29,968,358	51,703,681	58,358,173
Advances Out		(154,640)			(24,500)	
Total Revenue With Beg Balance	64,131,295	77,921,909	78,757,795	50,784,694	77,012,660	71,563,438
Expenses & Encumbrances	(64,131,295)	(54,675,785)	(53,578,956)	(50,784,694)	(63,807,395)	(61,265,719) (6)
Ending Unencumbered Balance	\$ -	\$ 23,246,124	\$ 25,178,839	\$ -	\$ 13,205,265	\$ 10,297,719
Special Revenue Funds						
Beginning Unencumbered Balance	\$ 9,000,000	\$ 11,449,606	\$ 11,449,606	\$ 9,000,000	\$ 12,423,157	\$ 9,000,000
Other Sources	2,000,000	2,990,238	4,067,316	2,000,000	3,164,474	2,000,000
Total Current Revenue	2,000,000	2,990,238	4,067,316	2,000,000	3,164,474	2,000,000
Total Revenue With Beg Balance	11,000,000	14,439,844	15,516,921	11,000,000	15,587,631	11,000,000
Expenses & Encumbrances	(2,000,000)	(11,793,146)	(2,939,125)	(2,000,000)	(13,095,574)	(2,000,000)
Ending Unencumbered Balance	\$ 9,000,000	\$ 2,646,698	\$ 12,577,797	\$ 9,000,000	\$ 2,492,058	\$ 9,000,000
Capital Projects Fund						
Beginning Unencumbered Balance	\$ -	\$ 15,525,280	\$ 15,525,280	\$ 10,000,000	\$ 12,134,882	\$ 8,400,000
Other Sources	3,000,000	50,000	0	0	3,689,751	0
Total Current Revenue	3,000,000	50,000	0	0	3,689,751	0
Total Revenue With Beg Balance	3,000,000	15,575,280	15,525,280	10,000,000	15,824,633	8,400,000
Expenses & Encumbrances	(3,000,000)	(15,575,280)	(3,390,398)	(10,000,000)	(15,824,633)	(2,000,000)
Ending Unencumbered Balance	\$ -	\$ -	\$ 12,134,882	\$ -	\$ -	\$ 6,400,000
Permanent Funds						
Beginning Unencumbered Balance	\$ 1,700,000	\$ 2,033,648	\$ 2,817,965	\$ 1,700,000	\$ 2,352,183	\$ 1,700,000
Other Sources	150,000	64,290	343,994	130,000	136,590	130,000
Total Current Revenue	150,000	64,290	343,994	130,000	136,590	130,000
Total Revenue With Beg Balance	1,850,000	2,097,938	3,161,959	1,830,000	2,488,773	1,830,000
Expenses & Encumbrances	(150,000)	(2,097,938)	(25,459)	(130,000)	(2,488,773)	(130,000)
Ending Unencumbered Balance	\$ 1,700,000	\$ -	\$ 3,136,500	\$ 1,700,000	\$ -	\$ 1,700,000

Proposed 2015 Tax Budget With Historical Perspective

Prepared By:
Carrie Krenicky

	2013			2014		2015 Proposed
	Tax Budget 2013	Final Actual Budget 2013	Actual Rev/Exp 2013	Tax Budget 2014	(2) Actual Budget 2014	Tax Budget 2015
Agency Funds						
Beginning Unencumbered Balance	\$ -	\$ 8,914	\$ 8,914	\$ -	\$ 10,449	\$ -
Other Sources	0	0	1,604	0	0	0
Total Current Revenue	0	0	1,604	0	0	0
Total Revenue With Beg Balance	0	8,914	10,518	0	10,449	0
Expenses & Encumbrances	0	(8,914)	(68)	0	(10,449)	0
Ending Unencumbered Balance	\$ -	\$ -	\$ 10,449	\$ -	\$ -	\$ -
ALL FUNDS						
Beginning Unencumbered Balance	\$ 10,700,000	\$ 52,617,756	\$ 53,402,072	\$ 41,516,336	\$ 52,254,151	\$ 32,305,265
Property Taxes	38,000,000 (1)	27,998,332	27,999,460	3,300,000	26,140,419	33,300,000
Public Library Fund (formerly LLGSF)	20,000,000	20,336,112	20,290,195	21,000,000	19,744,566	20,000,000
Other Sources	11,281,295 (1)	9,246,325	11,280,746	7,798,358	12,809,511	7,188,173
Total Current Revenue	69,281,295	57,580,769	59,570,401	32,098,358	58,694,496	60,488,173
Advances Out		(154,640)				
Total Revenue With Beg Balance	79,981,295	110,043,884	112,972,473	73,614,694	110,948,647	92,793,438
Expenses & Encumbrances	(69,281,295)	(84,151,063)	(59,934,006)	(62,914,694)	(95,226,824)	(65,395,719)
Ending Unencumbered Balance	\$ 10,700,000	\$ 25,892,821	\$ 53,038,467	\$ 10,700,000	\$ 15,721,823	\$ 27,397,719

- (1) The 2014 Tax Budget estimate for Property Tax does NOT include the 5.8 levy that expired in collection year 2013 nor the CAT Tax of \$1,375,390 which is included with Other Sources.
- (2) The 2014 Actual Budget is current as of the April 4, 2014 Certificate of Estimated Resources and April 17, 2014 Board-approved Third Amendment to the Annual 2014 Appropriation. Also including year-end estimated encumbrances of \$6,000,000 in the General Fund.
- (3) Based on Collection Year 2014's effective rates & 100% collection rate of the 11/5/13 voter-approved 5.8 mill renewal and the 1985 continuing 1.0 mill on the 12/12/13 Cuyahoga County Budget Commission's Schedule A with a small increase to the assessed values.
- (4) PLF has been estimated, with the percentage of revenue-based funding which resumed July 2013, as re-certified on 1/10/14 Certificate.
- (5) CAT Tax is considered as Other Sources revenue with the 2015 estimated amount being \$562,400 plus \$4,495,773 from other sources. This is a 59% reduction in CAT Tax from 2014 and will be completely eliminated in calendar year 2016. (2014 Other Sources = CAT \$1,375,390 + Other \$4,321,966)
- (6) The proposed 2015 Tax Budget Expenditures/Encumbrances represents projections prepared currently (3/06/2014). (Exp \$55,265,719 + Enc \$6,000,000)

**Revenue Sources Detail
For The
Proposed 2015 Tax Budget
For Board Presentation May 13, 2014**

Prepared By:
Carrie Krenicky

	2013		2014		2015 Proposed			
	Ending Budget 2013	Actual Revenue 2013	Current Budget 2014	Tax Budget 2015				
41200 Property Tax	25,429,116	\$ 25,429,116	\$ 25,429,115	\$ 25,429,115	\$ 24,140,419	\$ 24,140,419	\$ 33,300,000	\$ 33,300,000
41100 PLF (formerly LLGSF)	\$ 20,336,112		\$ 20,290,195		\$ 19,744,566		\$ 20,000,000	
41900 Rollbacks	\$ 2,569,216	\$ 2,569,216	\$ 2,570,345	\$ 2,570,345	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
Total Property Tax & Rollbacks		\$ 27,998,332		\$ 27,999,460		\$ 26,140,419		\$ 33,300,000
Total Tax Budget Request Per Board Resolution							\$ 53,300,000	
Other Sources								
41900 CAT	2,000,000	2,000,000	2,188,380	2,188,380	1,375,390	1,375,390	562,400	562,400
41900 Other Taxes			0	0				
Other								
42100 Federal Aid		0	0		0		0	
42200 State Aid		0	0		0		0	
43110 Fines	161,500		180,700		200,000		180,000	
43120 Fees	28,000		32,489		32,000		32,000	
43130 Lost Books	18,000		36,036		20,000		20,000	
43140 Book Deposits		0	0		0		0	
43150 Products	1,000		3,576		2,500		2,500	
43170 Sales Tax	500		10,315		8,000		8,000	
43180 Copiers	65,000		119,699		100,000		100,000	
43185 Class/Seminar Fees		0	1,282		0		0	
43190 Research Services		0	0		0		0	
43195 Dup Services	26,000		7,912		7,500		7,000	
44100 Investment Income	225,000		204,729		157,213		194,250	
45100 Computer Services	3,053,416		3,040,587		3,366,741		3,407,671	
45500 Other Services		0	7,831		0		0	
46500 Unrestricted Gifts	1,500		17,212		5,000		0	
48100 Sales of Surplus Property		0	7,413		0		0	
48300 Meeting Rooms		0	5,925		3,300		3,300	
48710 Retiree Insurance		0	0		0		0	
48720 Refunds/Reimbursement:	536,882		843,963		511,052		511,052	
48730 COBRA Contributions		0	4,911		0		0	
48800 Fines in Transit		0	(2,699)		0		0	
48900 Miscellaneous	25,000		50,079		30,000		30,000	
49820 Return of Advances			107,494					
Subtotal Other		4,141,798		4,679,452		4,443,306		4,495,773
Total Other Sources (CAT Tax & Other)							6,141,798	
Total All Sources	\$ 54,476,241		\$ 55,157,488		\$ 51,703,681		\$ 58,358,173	
Beginning Unencumbered Balance	\$ 23,600,308		\$ 23,600,308		\$ 25,333,479			
Advances Out	\$ (154,640)							
Total Available Revenue	\$ 77,921,909		\$ 78,757,795		\$ 77,037,160		\$ 58,358,173	

Print Date:
5/7/2014