

EXHIBIT 4

CLEVELAND PUBLIC LIBRARY

Finance Committee

May 19, 2015

YEAR 2016 TAX BUDGET

WHEREAS, ***Ohio Revised Code*** Section 5705.28 requires the Board of Library Trustees to submit its Tax Budget for Fiscal Year 2016 to the Board of the Cleveland Metropolitan School District on or before June 1, 2015; 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 2016 Tax Budget to the County Fiscal Officer on or before July 20, 2015; 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 2016 have been determined to be at least \$54,300,000; now therefore be it

RESOLVED, That the Year 2016 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 2016 Tax Budget

DATE: **May 21, 2015 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, 2015 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 2016 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 2016 expenses to \$63,908,576 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 2016 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 2015 is estimated at \$32,226,697 and we are currently certified at 79.68%. Applying this rate brings the estimated amount down to \$25,678,232.
- Amount requested from PLF, \$21,000,000, slightly exceeds anticipated actual collections. 2015 PLF was certified for \$20,544,751. 2016 is estimating the change in the percentage from 1.66% to 1.7% of the total General Revenue Fund.

The total **estimated tax calculations** are **\$46,678,232**.

(\$25,678,232 + \$21,000,000)

The total **2016 Tax Budget request** is **\$54,300,000**.

(\$33,300,000 + \$21,000,000)

- Estimated **other revenues for 2016** from earned interest, fines and fees, etc., are estimated to be **\$3,853,886**, including the Tangible Personal Property (TPP) tax reimbursement payments which is estimated to generate \$2,188,380, assuming the amount of 2014's calendar year distribution remains in tact.
- Estimated **beginning unencumbered balance** from the General fund is **\$19,111,564**.
- The overall **estimated revenue calculations** total **\$50,532,118** (\$46,678,232 + \$3,853,886).
- The total General Fund 2016 **Tax Budget Request** is **\$58,153,886** (\$54,300,000 + \$3,853,886), plus the estimated beginning unencumbered fund balance of \$19,111,564 totals \$77,265,450 of resources available for expenditures.

Cleveland Public Library's currently projected 2016 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 2016 Tax Budget Request is being distributed with the packet of materials for the May 21, 2015 Board Meeting.

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ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit: Cleveland Public Library

For the Fiscal Year Commencing: January 1, 2016

Fiscal Officer Signature: Carrie Krenicky Date: May 21, 2015

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 2016

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	\$3,300,000.00
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 2016

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	19,111,564.00	54,300,000.00	3,853,886.00	77,265,450.00	63,908,576.00	13,356,874.00
Special Revenue Funds	12,000,000.00	0.00	5,800,000.00	17,800,000.00	5,800,000.00	12,000,000.00
Capital Projects Fund	8,511,047.00	0.00	0.00	8,511,047.00	8,511,047.00	0.00
Permanent Funds	2,000,000.00	0.00	250,000.00	2,250,000.00	2,250,000.00	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 2016 Tax Budget With Historical Perspective

Prepared By:
Carrie Krenicky

	2014			2015		2016
	Tax Budget 2014	Final	Actual Rev/Exp 2014	Tax Budget 2015	(2)	Tax Budget 2016
		Actual Budget 2014			Actual Budget 2015	
General Fund						
Beginning Unencumbered Balance	\$ 20,816,336	\$ 25,178,839	\$ 25,178,839	\$ 13,205,265	\$ 23,004,201	\$ 19,111,564
Property Taxes (includes Rollbacks)	3,300,000	26,140,419	27,685,801	33,300,000 (1)	25,678,232	33,300,000 (3)
Public Library Fund (formerly LLGSF)	21,000,000	19,744,566	19,896,671	20,000,000	20,544,751	21,000,000 (4)
Other Sources (Includes TPP Tax)	5,668,358	6,631,686	7,318,216	5,058,173 (1)	3,792,955	3,853,886 (5)
Total Current Revenue	29,968,358	52,516,671	54,900,687	58,358,173	50,015,939	58,153,886
Return Adv/Advances Out		59,640				
Total Revenue With Beg Balance	50,784,694	77,755,150	80,079,527	71,563,438	73,020,140	77,265,449
Expenses & Encumbrances	(50,784,694)	(57,807,395)	(57,170,326)	(61,265,719)	(53,908,576)	(63,908,576) (6)
Ending Unencumbered Balance	\$ -	\$ 19,947,755	\$ 22,909,201	\$ 10,297,719	\$ 19,111,564	\$ 13,356,874
Special Revenue Funds						
Beginning Unencumbered Balance	\$ 9,000,000	\$ 12,577,797	\$ 12,577,797	\$ 9,000,000	\$ 13,990,266	\$ 12,000,000
Other Sources	2,000,000	3,650,578	4,326,390	2,000,000	7,966,429	5,800,000
Total Current Revenue	2,000,000	3,650,578	4,326,390	2,000,000	7,966,429	5,800,000
Total Revenue With Beg Balance	11,000,000	16,228,375	16,904,187	11,000,000	21,956,694	17,800,000
Expenses & Encumbrances	(2,000,000)	(13,081,677)	(2,818,921)	(2,000,000)	(19,464,637)	(5,800,000)
Ending Unencumbered Balance	\$ 9,000,000	\$ 3,146,698	\$ 14,085,266	\$ 9,000,000	\$ 2,492,058	\$ 12,000,000
Capital Projects Fund						
Beginning Unencumbered Balance	\$ 10,000,000	\$ 12,134,882	\$ 12,134,882	\$ 8,400,000	\$ 13,511,047	\$ 8,511,047
Other Sources	0	3,689,751	3,739,751	0	0	0
Total Current Revenue	0	3,689,751	3,739,751	0	0	0
Total Revenue With Beg Balance	10,000,000	15,824,633	15,874,633	8,400,000	13,511,047	8,511,047
Expenses & Encumbrances	(10,000,000)	(15,824,633)	(2,363,586)	(2,000,000)	(13,511,047)	(8,511,047)
Ending Unencumbered Balance	\$ -	\$ -	\$ 13,511,047	\$ 6,400,000	\$ -	\$ -
Permanent Funds						
Beginning Unencumbered Balance	\$ 1,700,000	\$ 2,352,183	\$ 3,136,500	\$ 1,700,000	\$ 2,591,959	\$ 2,000,000
Other Sources	130,000	136,590	305,402	130,000	216,512	250,000
Total Current Revenue	130,000	136,590	305,402	130,000	216,512	250,000
Total Revenue With Beg Balance	1,830,000	2,488,773	3,441,901	1,830,000	2,808,471	2,250,000
Expenses & Encumbrances	(130,000)	(2,488,773)	(65,626)	(130,000)	(2,808,471)	(2,250,000)
Ending Unencumbered Balance	\$ 1,700,000	\$ -	\$ 3,376,276	\$ 1,700,000	\$ -	\$ -

Proposed 2016 Tax Budget With Historical Perspective

Prepared By:
Carrie Krenicky

	2014			2015		2016 Proposed
	Tax Budget 2014	Final Actual Budget 2014	Actual Rev/Exp 2014	Tax Budget 2015	(2) Actual Budget 2015	Tax Budget 2016
Agency Funds						
Beginning Unencumbered Balance	\$ -	\$ 10,449	\$ 10,449	\$ -	\$ 11,164	\$ -
Other Sources	0	0	1,125	0	0	0
Total Current Revenue	0	0	1,125	0	0	0
Total Revenue With Beg Balance	0	10,449	11,574	0	11,164	0
Expenses & Encumbrances	0	(10,449)	(411)	0	(11,164)	0
Ending Unencumbered Balance	\$ -	\$ -	\$ 11,164	\$ -	\$ -	\$ -
ALL FUNDS						
Beginning Unencumbered Balance	\$ 41,516,336	\$ 52,254,150	\$ 53,038,467	\$ 32,305,265	\$ 53,108,637	\$ 41,622,610
Property Taxes	3,300,000 (1)	26,140,419	27,685,801	33,300,000	25,678,232	33,300,000
Public Library Fund (formerly LLGSF)	21,000,000	19,744,566	19,896,671	20,000,000	20,544,751	21,000,000
Other Sources	7,798,358 (1)	14,108,605	15,690,883	7,188,173	11,975,895	9,903,886
Total Current Revenue	32,098,358	59,993,589	63,273,355	60,488,173	58,198,879	64,203,886
Ret Adv/Advances Out		(95,000)			0	
Total Revenue With Beg Balance	73,614,694	112,152,740	116,311,823	92,793,438	111,307,516	105,826,496
Expenses & Encumbrances	(62,914,694)	(89,212,927)	(62,418,869)	(65,395,719)	(89,703,895)	(80,469,623)
Ending Unencumbered Balance	\$ 10,700,000	\$ 22,939,812	\$ 53,892,953	\$ 27,397,719	\$ 21,603,621	\$ 25,356,874

- (1) The 2015 Tax Budget estimate for Property Tax included Rollback/Homestead Tax of \$2,000,000, but excludes TPP Tax of \$2,188,380 which is included with Other Sources.
- (2) The 2015 Actual Budget is current as of the March 6, 2015 Certificate of Estimated Resources and March 19, 2015 Board-approved Second Amendment to the Annual 2015 Appropriation.
- (3) Based on Collection Year 2015'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 12/15/14 Cuyahoga County Budget Commission's Schedule A with a small increase to the assessed values.
- (4) PLF has been estimated, based on the House's version of the budget bill (HB 64) including the provision increasing the PLF from 1.66% to 1.7% of the total General Revenue Fund.
- (5) TPP Tax is considered as Other Sources revenue with the 2016 estimated amount being the same as calendar year 's 2014 distribution; assuming no changes in HB 64
- (6) The proposed 2016 Tax Budget Expenditures/Encumbrances represents projections currently at 2015's appropriation, including \$10 million for the Community Vision Plan

**Revenue Sources Detail
For The
Proposed 2016 Tax Budget
For Board Presentation May 21, 2015**

Prepared By:
Carrie Krenicky

	2014		2015		2016 Proposed					
	Ending Budget 2014	Actual Revenue 2014	Current Budget 2015	Tax Budget 2016						
41200 Property Tax	24,140,419	\$24,140,419	\$ 25,132,257	\$25,132,257	\$ 23,678,232	\$23,678,232	\$ 33,300,000	\$33,300,000		
41100 PLF (formerly LLGSF)	\$ 19,744,566		\$ 19,896,671		\$ 20,544,751		\$ 21,000,000			
41900 Rollbacks	\$ 2,000,000	\$ 2,000,000	\$ 2,553,544	\$ 2,553,544	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -		
Total Property Tax & Rollbacks	\$26,140,419		\$27,685,801		\$25,678,232		\$33,300,000			
Total Tax Budget Request Per Board Resolution							\$ 54,300,000			
Other Sources										
41900 TPP (CAT)	2,188,380	2,188,380	2,188,380	2,188,380	2,188,380	2,188,380	2,188,380	2,188,380		
41900 Other Taxes			0	0						
Other										
42100 Federal Aid	0		0		0		0			
42200 State Aid	0		0		0		0			
43110 Fines	200,000		138,489		180,700		150,000			
43120 Fees	32,000		32,986		32,500		32,500			
43130 Lost Books	20,000		61,841		36,000		50,000			
43140 Book Deposits	0		0		0		0			
43150 Products	2,500		5,724		3,600		5,000			
43170 Sales Tax	8,000		12,342		10,300		11,000			
43180 Copiers	100,000		143,215		120,000		140,000			
43185 Class/Seminar Fees	0		935		1,000		0			
43190 Research Services	0		57		0		0			
43195 Dup Services	7,500		3,398		7,900		2,500			
44100 Investment Income	157,213		275,183		235,638		284,258			
45100 Computer Services	3,366,741		3,466,381		0		0			
45500 Other Services	0		1,375		0		0			
46500 Unrestricted Gifts	5,000		11,127		0		0			
48100 Sales of Surplus Property	0		1,053		0		0			
48300 Meeting Rooms	3,300		19,275		7,000		15,000			
48710 Retiree Insurance	0		0		0		0			
48720 Refunds/Reimbursements	511,052		740,163		944,937		945,248			
48730 COBRA Contributions	0		0		0		0			
48800 Fines in Transit	0		(2,264)		0		0			
48900 Miscellaneous	30,000		39,415		25,000		30,000			
49820 Return of Advances			179,140							
Subtotal Other		4,443,306		5,129,836		1,604,575		1,665,506		
Total Other Sources (TPP Tax & Other)							6,631,686	7,318,216	3,792,955	3,853,886
Total All Sources	\$ 52,516,671		\$ 54,900,687		\$ 50,015,939		\$ 58,153,886			
Beginning Unencumbered Balance	\$ 25,178,839		\$ 25,178,839		\$ 23,004,201					
Ret Adv/Advances Out	\$ 59,640									
Total Available Revenue	\$ 77,755,150		\$ 80,079,527		\$ 73,020,140		\$ 58,153,886			