

**EXHIBIT 3**

**CLEVELAND PUBLIC LIBRARY**

**Finance Committee**

May 16, 2017

**YEAR 2018 TAX BUDGET**

WHEREAS, ***Ohio Revised Code*** Section 5705.28 requires the Board of Library Trustees to submit its Tax Budget for Fiscal Year 2018 to the Board of the Cleveland Metropolitan School District on or before June 1, 2017; 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 2018 Tax Budget to the County Fiscal Officer on or before July 20, 2017; 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 2018 have been determined to be at least \$52,100,000; now therefore be it

RESOLVED, That the Year 2018 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***.



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

**FROM:** Carrie Krenicky, Chief Financial Officer

**RE:** Background and Assumptions for the 2018 Tax Budget

**DATE:** **May 18, 2017 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, 2017 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 2018 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 2018 expenses to \$57,993,947 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 2018 Appropriation Measure.

**Board of Library Trustees**

Maritza Rodriguez, President · Alesha Washington, Vice President · Thomas D. Corrigan, Secretary  
Alice G. Butts · John M. Hairston, Jr. · Anthony Parker · Alan Seifullah  
**Felton Thomas, Jr., Executive Director, CEO**

## Revenue Assumptions (General Fund)

- Amount requested from property tax levies is estimated at \$31,100,000, 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 2017 is estimated at \$30,213,062 and we are currently certified at 87.24%. Applying this rate brings the estimated amount down to \$26,357,875.
- Amount requested from PLF, \$21,000,000, is lower than anticipated actual collections. 2017 PLF was certified for \$22,115,859.96. 2018 is estimating that the percentage reverts back to 1.66% of the total General Revenue Fund and assumes no growth.

The total **estimated tax calculations are \$47,357,875.**

(\$26,357,875 + \$21,000,000)

The total **2018 Tax Budget request is \$52,100,000.**

(\$31,100,000 + \$21,000,000)

- Estimated **other revenues for 2018** from earned interest, fines and fees, etc., are estimated to be **\$1,721,275**. The Tangible Personal Property (TPP) tax reimbursement payments has been completely phased out as of June 30, 2017.
- Estimated **beginning unencumbered balance** from the General fund is **\$13,998,512**.
- The overall **estimated revenue calculations** total **\$49,079,150** (\$47,357,875 + \$1,721,275).
- The total General Fund 2018 **Tax Budget Request** is **\$53,821,275** (\$52,100,000 + \$1,721,275), plus the estimated beginning unencumbered fund balance of \$13,998,512 totals \$67,819,787 of resources available for expenditures.

Cleveland Public Library's currently projected 2018 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 2018 Tax Budget Request is being distributed with the packet of materials for the May 18, 2017 Board Meeting.

# ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit: Cleveland Public Library

For the Fiscal Year Commencing: January 1, 2018

Fiscal Officer Signature: Carrie Krenicky      Date: May 18, 2017

## 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 2018

**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	\$3,100,000.00
General Fund	Current Expenses	11/5/2013	Renewal	5 years	2013-2017	2014-2018	5.80	\$28,000,000.00
Totals								\$31,100,000.00

# STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

Cleveland Public Library  
Tax Budget 2018

## 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	13,998,512.00	52,100,000.00	1,721,275.00	67,819,787.00	57,993,947.00	9,825,840.00
Special Revenue Funds	12,000,000.00	0.00	8,000,000.00	20,000,000.00	8,000,000.00	12,000,000.00
Capital Projects Fund	1,799,370.00	0.00	0.00	1,799,370.00	1,799,370.00	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
				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
				0.00		0.00
				0.00		0.00
				0.00		0.00

Proposed 2018 Tax Budget With Historical Perspective

Prepared By:  
Carrie Krenicky

	2016			2017		2018 Proposed
	Tax Budget 2016	Final Actual Budget 2016	Actual Rev/Exp 2016	Tax Budget 2017	(2) Actual Budget 2017	Tax Budget 2018
<b>General Fund</b>						
Beginning Unencumbered Balance	\$ 19,111,564	\$ 24,445,829	\$ 24,445,829	\$ 16,555,710	\$ 21,311,700	\$ 13,998,512
Property Taxes (includes Rollbacks)	33,300,000	27,779,733	27,799,640	31,100,000 (1)	26,357,875	31,100,000 (3)
Public Library Fund (formerly LLGSF)	21,000,000	21,419,757	21,419,757	23,776,000	22,115,860	21,000,000 (4)
Other Sources (Includes TPP Tax)	3,853,886	2,641,514	2,989,264	1,668,446 (1)	1,878,629	1,721,275
Total Current Revenue	58,153,886	51,841,004	52,208,661	56,544,446	50,352,364	53,821,275
Return Adv/Advances Out		68,410			(60,750)	
Total Revenue With Beg Balance	77,265,450	76,355,244	76,654,490	73,100,156	71,603,314	67,819,787
Expenses & Encumbrances	(63,908,576)	(56,476,215)	(55,342,790)	(65,666,574)	(57,604,803)	(57,993,947) (5)
<b>Ending Unencumbered Balance</b>	<b>\$ 13,356,874</b>	<b>\$ 19,879,029</b>	<b>\$ 21,311,700</b>	<b>\$ 7,433,582</b>	<b>\$ 13,998,512</b>	<b>\$ 9,825,840</b>
<b>Special Revenue Funds</b>						
Beginning Unencumbered Balance	\$ 12,000,000	\$ 14,622,361	\$ 14,622,361	\$ 12,000,000	\$ 15,983,778	\$ 12,000,000
Other Sources	5,800,000	8,607,771	9,145,649	7,500,000	8,317,516	8,000,000
Total Current Revenue	5,800,000	8,607,771	9,145,649	7,500,000	8,317,516	8,000,000
Return Adv/Advances Out		(109,160)			(40,750)	
Total Revenue With Beg Balance	17,800,000	23,120,973	23,768,010	19,500,000	24,260,545	20,000,000
Expenses & Encumbrances	(5,800,000)	(20,628,915)	(7,784,232)	(7,500,000)	(21,768,487)	(8,000,000)
<b>Ending Unencumbered Balance</b>	<b>\$ 12,000,000</b>	<b>\$ 2,492,058</b>	<b>\$ 15,983,778</b>	<b>\$ 12,000,000</b>	<b>\$ 2,492,058</b>	<b>\$ 12,000,000</b>
<b>Capital Projects Fund</b>						
Beginning Unencumbered Balance	\$ 8,511,047	\$ 9,083,635	\$ 9,083,635	\$ 2,705,172	\$ 8,876,395	\$ 1,799,370
Other Sources	0	1,503,500	1,503,500	8,500,000	1,330,000	0
Total Current Revenue	0	1,503,500	1,503,500	8,500,000	1,330,000	0
Total Revenue With Beg Balance	8,511,047	10,587,135	10,587,135	11,205,172	10,206,395	1,799,370
Expenses & Encumbrances	(8,511,047)	(10,587,135)	(1,710,740)	(11,205,172)	(10,206,395)	(1,799,370)
<b>Ending Unencumbered Balance</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ 8,876,395</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ (0)</b>

**Proposed 2018 Tax Budget With Historical Perspective**

Prepared By:  
Carrie Krenicky

	2016			2017		2018 Proposed
	Tax Budget 2016	Final Actual Budget 2016	Actual Rev/Exp 2016	Tax Budget 2017	(2) Actual Budget 2017	Tax Budget 2018
<b>Permanent Funds</b>						
Beginning Unencumbered Balance	\$ 2,000,000	\$ 2,683,120	\$ 3,467,436	\$ 2,000,000	\$ 2,887,010	\$ 2,000,000
Other Sources	250,000	137,536	281,860	200,000	236,530	250,000
Total Current Revenue	250,000	137,536	281,860	200,000	236,530	250,000
Total Revenue With Beg Balance	2,250,000	2,820,656	3,749,297	2,200,000	3,123,540	2,250,000
Expenses & Encumbrances	(2,250,000)	(2,820,656)	(77,970)	(2,200,000)	(3,123,540)	(2,250,000)
<b>Ending Unencumbered Balance</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ 3,671,327</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ -</b>
<b>Agency Funds</b>						
Beginning Unencumbered Balance	\$ -	\$ 18,241	\$ 18,241	\$ -	\$ 7,602	\$ -
Other Sources	0	0	113,759	0	0	0
Total Current Revenue	0	0	113,759	0	0	0
Total Revenue With Beg Balance	0	18,241	132,000	0	7,602	0
Expenses & Encumbrances	0	(18,241)	(124,399)	0	(7,602)	0
<b>Ending Unencumbered Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,602</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ALL FUNDS</b>						
Beginning Unencumbered Balance	\$ 41,622,610	\$ 50,853,187	\$ 51,637,503	\$ 33,260,882	\$ 49,066,486	\$ 29,797,881
Property Taxes	33,300,000 (1)	27,779,733	27,799,640	31,100,000	26,357,875	31,100,000
Public Library Fund (formerly LLGSF)	21,000,000	21,419,757	21,419,757	23,776,000	22,115,860	21,000,000
Other Sources	9,903,886 (1)	12,890,322	14,034,032	17,868,446	11,762,675	9,971,275
Total Current Revenue	64,203,886	62,089,812	63,253,429	72,744,446	60,236,410	62,071,275
Ret Adv/Advances Out		(15,750)				
Total Revenue With Beg Balance	105,826,496	112,927,249	114,890,932	106,005,328	109,302,896	91,869,156
Expenses & Encumbrances	(80,469,623)	(90,531,162)	(65,040,130)	(86,571,746)	(92,710,827)	(70,043,317)
<b>Ending Unencumbered Balance</b>	<b>\$ 25,356,873</b>	<b>\$ 22,396,087</b>	<b>\$ 49,850,802</b>	<b>\$ 19,433,582</b>	<b>\$ 16,592,069</b>	<b>\$ 21,825,840</b>



**Proposed 2018 Tax Budget With Historical Perspective**

Prepared By:  
Carrie Krenicky

2016			2017		2018 Proposed
	Final			(2)	
Tax Budget 2016	Actual Budget 2016	Actual Rev/Exp 2016	Tax Budget 2017	Actual Budget 2017	Tax Budget 2018

- (1) The 2017 Tax Budget estimate for Property Tax included Rollback/Homestead Tax of \$2,400,000, but excluded TPP Tax of \$12,490 which is included with Other Sources; however, the TPP Tax is now fully phased out for calendar year 2018.
- (2) The 2017 Actual Budget is current as of the April 11, 2017 Certificate of Estimated Resources and April 18, 2017 Board-approved Fourth Amendment to the Annual 2017 Appropriation.
- (3) Based on Collection Year 2017'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 12/21/15 Cuyahoga County Budget Commission's Schedule A with a small increase to the assessed values.
- (4) PLF has been estimated, assuming the State's next budget reverts back to 1.66% of the total General Revenue Fund and no growth.
- (5) The proposed 2018 Tax Budget Expenditures/Encumbrances represents what the 2017 expenditures are currently projecting and including a 3% increase.

**Revenue Sources Detail  
For The  
Proposed 2017 Tax Budget  
For Board Presentation May 19, 2016**

Prepared By:  
Carrie Krenicky

	2016		2017		2018 Proposed			
	Ending Budget 2016	Actual Revenue 2016	Current Budget 2017	Tax Budget 2018				
41200 Property Tax	25,322,947	\$25,322,947	\$ 25,338,596	\$25,338,596	\$ 23,957,875	\$23,957,875	\$ 31,100,000	\$31,100,000
41100 PLF ( formerly LLGSF)	\$ 21,419,757	\$ 21,419,757	\$ 22,115,860	\$ 22,115,860	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000
41900 Rollbacks	\$ 2,456,786	\$ 2,456,786	\$ 2,461,044	\$ 2,461,044	\$ 2,400,000	\$ 2,400,000	\$ -	\$ -
<b>Total Property Tax &amp; Rollbacks</b>	<b>\$27,779,733</b>	<b>\$27,799,640</b>	<b>\$26,357,875</b>	<b>\$26,357,875</b>	<b>\$31,100,000</b>	<b>\$31,100,000</b>	<b>\$31,100,000</b>	<b>\$31,100,000</b>
<b>Total Tax Budget Request Per Board Resolution</b>							<b>\$ 52,100,000</b>	
<b>Other Sources</b>								
41900 TPP (CAT)	565,829	565,829	565,829	565,829	12,490	12,490	0	0
41900 Other Taxes			0	0				
<b>Other</b>								
43110 Fines	122,720	104,509	122,720	122,720	105,000	105,000	105,000	105,000
43120 Fees	35,330	33,743	35,330	35,330	35,000	35,000	35,000	35,000
43130 Lost Books	59,290	53,936	59,290	59,290	54,000	54,000	54,000	54,000
43140 Book Deposits	0	15	0	0	0	0	0	0
43150 Products	6,710	7,754	6,710	6,710	7,800	7,800	7,800	7,800
43170 Sales Tax	11,630	12,692	11,630	11,630	12,700	12,700	12,700	12,700
43180 Copiers	160,420	166,849	160,420	160,420	167,000	167,000	167,000	167,000
43185 Class/Seminar Fees	1,000	0	1,000	1,000	0	0	0	0
43190 Research Services	0	0	0	0	0	0	0	0
43195 Dup Services	1,900	3,348	1,900	1,900	3,500	3,500	3,500	3,500
44100 Investment Income	422,870	451,089	387,440	387,440	393,347	393,347	393,347	393,347
45100 Computer Services	0	0	0	0	0	0	0	0
45500 Other Services	0	0	0	0	0	0	0	0
46500 Unrestricted Gifts	1,260	1,365	0	0	0	0	0	0
48100 Sales of Surplus Property	0	0	0	0	0	0	0	0
48300 Meeting Rooms	23,736	31,316	25,000	25,000	31,300	31,300	31,300	31,300
48720 Refunds/Reimbursements	1,201,059	1,378,306	1,024,699	1,024,699	881,628	881,628	881,628	881,628
48730 COBRA Contributions	0	0	0	0	0	0	0	0
48800 Fines in Transit	0	9,265	0	0	0	0	0	0
48900 Miscellaneous	27,760	30,589	30,000	30,000	30,000	30,000	30,000	30,000
49820 Return of Advances		138,660						
Subtotal Other	2,075,685	2,423,434	1,866,139	1,866,139	1,721,275	1,721,275	1,721,275	1,721,275
<b>Total Other Sources (TPP Tax &amp; Other)</b>							<b>2,641,514</b>	
Total All Sources	\$ 51,841,004	\$ 52,208,661	\$ 50,352,364	\$ 50,352,364	\$ 53,821,275	\$ 53,821,275	\$ 53,821,275	\$ 53,821,275
Beginning Unencumbered Balance	\$ 24,445,829	\$ 24,445,829	\$ 21,352,450	\$ 21,352,450	\$ 21,352,450	\$ 21,352,450	\$ 21,352,450	\$ 21,352,450
Ret Adv/Advances Out	\$ 68,410		\$ (101,500)	\$ (101,500)	\$ (101,500)	\$ (101,500)	\$ (101,500)	\$ (101,500)
Total Available Revenue	\$ 76,355,244	\$ 76,654,490	\$ 71,603,314	\$ 71,603,314	\$ 53,821,275	\$ 53,821,275	\$ 53,821,275	\$ 53,821,275