



# City of North Royalton

Mayor Larry Antoskiewicz

**Jenny Esarey**

**Finance Department**

Director of Finance

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Date: June 15, 2022

To: Mayor Antoskiewicz and City Council Members

From: Jenny Esarey, Finance Director

Re: 2023 Tax Budget

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The 2023 Tax Budget is being presented to City Council for review and approval.

The Cuyahoga County Budget Commission requires an Alternative Format for the Annual Tax Budget to be approved by City Council by July 15, 2022. It must be filed with the Cuyahoga County Budget Commission by July 20, 2022.

The purpose of the Annual Tax Budget is to demonstrate the need for Cuyahoga County to assess Real Estate (Property Taxes) on behalf of the City of North Royalton. Please note that the Tax Budget does not need to match the 2023 Permanent Appropriations Budget that will be discussed/approved by City Council later in 2022 (for Calendar Year 2023). The tax budget details a projected financial plan for the next calendar year, and shows that the City of North Royalton has "need" for the property tax revenues received (property taxes to be used to pay for known/projected expenditures).

Following is detail regarding the required various schedules of the 2023 Annual Tax Budget:

- Schedule 1 includes the estimated Tax Levies to be collected in 2023, which are based on 1<sup>st</sup> Half 2022 Collections (for tax year 2021). Please note that I contacted the Cuyahoga County Budget Commission and they will not provide a Schedule A (Estimated Tax Receipts based on 1<sup>st</sup> and 2<sup>nd</sup> Half Collections) until December 2022, so these figures being presented are estimates, which the county understands will most likely not match the Schedule A to be distributed later this year (December).
- Schedule 2 includes a detail of all funds with estimated beginning 2023 unencumbered balances, estimated 2023 property and local government revenues (if applicable), estimated other 2023 revenues, estimated 2023 expenditures and encumbrances, and the estimated ending 2023 unencumbered balances. The 2023 estimated expenditures and encumbrances are based on the 2022 Permanent Appropriations Budget, while removing one-time expenditures included in the 2022 budget (Ex – Splash Pad) and including the estimated wage increases approved by City Council. Please note that since the other figures included in the tax budget were based on the 2022 Annual Appropriations Budget, the 2023 Proposed Annual Appropriations will most likely change/update when being presented later this year for review/approval.
- Schedule 3 details the outstanding bonds the City of North Royalton currently has.
- Schedule 4 relates to Voted Debt, which the City of North Royalton does not have. (The City of North Royalton has bonds, but none of those bonds were specifically voted on by the residents as Voted Debt).
- Schedule 5 is for schools only, which is why this is blank.

I look forward to our discussion at the June 21, 2022 Finance Committee Meeting. Please let me know if you have any questions ahead of the meeting that you would like to discuss.

Thank you!

Jenny 😊

# ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit **City of North Royalton**

For the Fiscal Year Commencing **January 1, 2023**

Fiscal Officer Signature *Sammy Esarey* Date *June 15, 2022*

## 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.

Under the law in effect prior to June 3, 2002, the budget commission could only waive the tax budget for a subdivision or other taxing unit that was receiving a share of the county undivided local government fund or the county undivided local government revenue assistance fund under an alternative method or formula pursuant to ORC Sections 5747.53 and 5747.63. Thus, tax budgets could be waived only for counties, municipalities, townships, and park districts. This restriction is now removed.

### 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)

## CITY OF NORTH ROYALTON

# SCHEDULE 1

[illegible]

# STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

## CITY OF NORTH ROYALTON

## SCHEDULE 2

I	II	III	IV	V	VI	VII
Fund BY Type	Beginning Estimated Unencumbered Fund Balance	Property Taxes and Local Gov't Revenue	Other Sources Receipts	Total Resources Available For Expenditures	Total Estimated Expenditures & Encumbrances	Ending Estimated Unencumbered Balance
#101 General Fund	4,229,475.54	2,071,275.00	18,106,947.00	24,407,697.54	20,309,073.00	4,098,624.54
#321 General Bond Retirement Fund	214,809.80	459,000.00	1,827,109.00	2,500,918.80	2,444,942.76	55,976.04
#209 EMS Levy Fund	20,087.22	1,821,994.00	2,000,000.00	3,842,081.22	3,814,135.00	27,946.22
#215 Police Levy Fund	105,956.31	1,507,000.00	0.00	1,612,956.31	1,452,120.00	160,836.31
#216 Fire Levy Fund	163,682.99	1,073,575.00	0.00	1,237,257.99	1,129,400.00	107,857.99
#261 Police Pension Fund	25,287.36	344,250.00	350,000.00	719,537.36	694,950.00	24,587.36
#262 Fire Pension Fund	25,649.84	344,250.00	555,000.00	924,899.84	908,400.00	16,499.84
DARE Fund	0.00	0.00	0.00	0.00	0.00	0.00
COPS Grant Fund	0.00	0.00	0.00	0.00	0.00	0.00
#205 Enforcement & Education Fund	37,863.93	0.00	12,000.00	49,863.93	21,000.00	28,863.93
#206 Drug Law Enforcement Fund	22,444.66	0.00	500.00	22,944.66	200.00	22,744.66
#207 Police Facility Fund	28,027.70	0.00	1,105,000.00	1,133,027.70	1,096,160.00	36,867.70
#208 Law Enforcement Trust Fund	268,918.90	0.00	21,500.00	290,418.90	44,500.00	245,918.90
#210 Motor Vehicle License Tax Fund	62,392.52	0.00	225,000.00	287,392.52	225,000.00	62,392.52



# STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

## CITY OF NORTH ROYALTON

## SCHEDULE 2

I Fund BY Type	II Beginning Estimated Unencumbered Fund Balance	III Property Taxes and Local Gov't Revenue	IV Other Sources Receipts	V Total Resources Available For Expenditures	VI Total Estimated Expenditures & Encumbrances	VII Ending Estimated Unencumbered Balance
#211 SCMR Fund	566,455.09	0.00	5,431,000.00	5,997,455.09	5,598,412.00	399,043.09
#212 State Highway Fund	312,962.78	0.00	105,000.00	417,962.78	125,000.00	292,962.78
#213 City Income Tax Fund	27,922.34	0.00	500,000.00	527,922.34	500,000.00	27,922.34
#217 Recycling Grant Fund	6,517.73	0.00	6,000.00	12,517.73	6,000.00	6,517.73
#219 Office on Aging Fund	119,984.51	0.00	175,000.00	294,984.51	175,000.00	119,984.51
#221 NOPEC Grant Fund	53.73	0.00	100,000.00	100,053.73	100,000.00	53.73
#236 Court Computer Services Fund	27,713.68	0.00	0.00	27,713.68	10,000.00	17,713.68
#237 Community Diversion Fund	23,094.18	0.00	0.00	23,094.18	8,450.00	14,644.18
#238 Cemetery Maintenance & Improvement Fund	21,270.32	0.00	3,000.00	24,270.32	10,000.00	14,270.32
#239 Enterprise Zone Fund	4,133.52	0.00	38,800.00	42,933.52	38,800.00	4,133.52
#249 YMCA Special Revenue Fund	14,587.05	0.00	346,700.00	361,287.05	346,700.00	14,587.05
#254 ARPA Federal Funds	0.00	0.00	0.00	0.00	0.00	0.00
#260 Compensated Absences Fund	510,613.42	0.00	150,000.00	660,613.42	150,000.00	510,613.42
#341 Special Assessment Bond Retirement Fund	520,056.71	0.00	130,000.00	650,056.71	127,000.00	523,056.71

# STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

## CITY OF NORTH ROYALTON

## SCHEDULE 2

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Fund BY Type	Beginning Estimated Unencumbered Fund Balance	Property Taxes and Local Gov't Revenue	Other Sources Receipts	Total Resources Available For Expenditures	Total Estimated Expenditures & Encumbrances	Ending Estimated Unencumbered Balance					
#430 Service Capital Reserve Fund	111,843.30	0.00	67,000.00	178,843.30	0.00	178,843.30					
#431 Recreation Capital Improvement Fund	289,436.60	0.00	0.00	289,436.60	0.00	289,436.60					
#432 Future Capital Improvement Fund	1,246,126.21	0.00	200,000.00	1,446,126.21	209,837.00	1,236,289.21					
#433 Storm Sewer Drainage Fund	501,618.65	0.00	62,000.00	563,618.65	100,000.00	463,618.65					
#434 Fire Capital Improvement Fund	378,912.06	0.00	520,000.00	898,912.06	515,000.00	383,912.06					
#435 Route 82 Widening Fund	8,079.98	0.00	0.00	8,079.98	0.00	8,079.98					
#437 YMCA Capital Reserve Fund	88,680.80	0.00	50,000.00	138,680.80	50,000.00	88,680.80					
#442 Issue 1 - Bennett Road	6,837.02	0.00	0.00	6,837.02	0.00	6,837.02					
#443 Edgerton Road Waterline Fund	0.00	0.00	0.00	0.00	0.00	0.00					
#444 Excessive Load Fund	46,759.00	0.00	1,000.00	47,759.00	0.00	47,759.00					
#445 Water Main Fund	78,790.44	0.00	0.00	78,790.44	15,000.00	63,790.44					
#448 York Road Sewer Improvement Fund	46.52	0.00	0.00	46.52	0.00	46.52					
#451 Issue 1 Sprague Rd.	60,592.46	0.00	6,000.00	66,592.46	17,887.00	48,705.46					
#463 Energy Conservation CP Fund	0.00	0.00	0.00	0.00	0.00	0.00					

# STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

## CITY OF NORTH ROYALTON

## SCHEDULE 2

I Fund BY Type	II Beginning Estimated Unencumbered Fund Balance	III Property Taxes and Local Gov't Revenue	IV Other Sources Receipts	V Total Resources Available For Expenditures	VI Total Estimated Expenditures & Encumbrances	VII Ending Estimated Unencumbered Balance
#465 Traditions at Royalton TIF	106,839.96	0.00	265,240.00	372,079.96	200,000.00	172,079.96
#466 OMNI SLF Nor Roy TIF	0.00	0.00	0.00	0.00	0.00	0.00
#551 Wastewater Treatment Fund	4,541,246.73	0.00	4,260,000.00	8,801,246.73	5,046,395.00	3,754,851.73
#552 Wastewater Maintenance Fund	515,918.02	0.00	3,500,000.00	4,015,918.02	3,934,271.00	81,647.02
#553 Wastewater Debt Service Fund	969,377.85	0.00	360,000.00	1,329,377.85	1,270,800.00	58,577.85
#555 Wastewater Repair & Replacement Fund	1,891,983.49	0.00	465,000.00	2,356,983.49	500,000.00	1,856,983.49
#710 Ohio Benefit Cooperative Fund	0.00	0.00	0.00	0.00	0.00	0.00
#763 Improvement Holding Fund	258,695.31	0.00	0.00	258,695.31	100,000.00	158,695.31
#764 OBBS Fund	70.99	0.00	10,000.00	10,070.99	10,000.00	70.99
#766 Building Construction Bond Fund	450,372.20	0.00	50,000.00	500,372.20	155,000.00	345,372.20
#768 Office on Aging Trust Fund	13,904.89	0.00	1,000.00	14,904.89	500.00	14,404.89
#769 Unclaimed Funds	8,426.55	0.00	0.00	8,426.55	500.00	7,926.55



# UNVOTED GENERAL OBLIGATION DEBT

(Include General Obligation Debt To Be Paid From Inside/Charter Millage Only)  
(Do Not Include General Obligation Debt Being Paid By Other Sources)  
(Do Not Include Special Obligation Bonds & Revenue Bonds)

## CITY OF NORTH ROYALTON

## SCHEDULE 3

I	II	III	IV	V	VI
Purpose Of Bonds Or Notes	Date Of Issue	Final Maturity Date	Principal Amount Outstanding At The Beginning Of The Calendar Year	Amount Required To Meet Calendar Year Principal & Interest Payments	Amount Receivable From Other Sources To Meet Debt Payments
Industrial Prk, Phase 2	2003	12/1/2023	\$100,000.00	\$104,600.00	\$0.00
Street & Storm Sewer Bonds	2012	12/1/2026	\$2,245,000.00	\$472,962.50	\$443,087.50
Various Purpose Refunding Bonds	2014	12/1/2025	\$723,000.00	\$253,990.50	\$253,990.50
Various Purpose (YMCA) Bonds	2014	12/1/2034	\$435,000.00	\$46,350.00	\$0.00
Various Purpose/Refunding Bonds	2015	12/1/2035	\$5,790,000.00	\$796,962.50	\$747,837.50
YMCA Bonds (Refunded)	2021	12/1/2039	\$4,530,000.00	\$346,700.00	\$346,700.00
Refunding 2021 B Fire Engine and 2021 B Energy Conservation	2021	12/1/2034	\$2,875,000.00	\$312,850.00	\$83,800.00
Totals			\$16,698,000.00	\$2,334,415.50	\$1,875,415.50



(Bonds Or Notes Must Actually Be Issued In Order To Commence Collection Of Property Taxes For Debt Service)

[illegible]

# TAX ANTICIPATION NOTES

(Schools Only)

## SCHEDULE 5

Tax anticipation notes are issued in anticipation of the collection of the proceeds of a property tax levy. The amount of money required to cover debt service must be deposited into a bond retirement fund, from collections and distribution of the tax levy, in the amounts and at the times required to pay those debt charges as provided in the legislation authorizing the tax anticipation notes. (ORC Section 133.24)

The appropriation to the fund which normally receives the tax levy proceeds is limited to the balance available after deducting the amounts to be applied to debt service.

After the issuance of general obligation securities or of securities to which section 133.24 of the ORC applies, the taxing authority of the subdivision shall include in its annual tax budget, and levy a property tax in a sufficient amount, with any other monies available for the purpose, to pay the debt charges on the securities payable from property tax. (ORC Section 133.25)

	Name Of Tax Anticipation Note Issue	Name Of Tax Anticipation Note Issue
Amount Required To Meet Budget Year Principal & Interest Payments:		
Principal Due		
Principal Due Date		
Interest Due		
Interest Due Date		
Interest Due		
Interest Due Date		
Total		
Name Of The Special Debt Service Fund		

Amount Of Debt Service To Be Apportioned To The Following Settlements:		
February Real		
August Real		
June Tangible		
October Tangible		
Total		
Name Of Fund To Be Charged		