

# **Budget, Finance & Governance Committee**

## **City Manager's Recommended FY 2027 Budget Update**

May 26, 2026

## FY 2027 Strategic Priorities



**PUBLIC SAFETY & HEALTH**



**GROWING ECONOMIC OPPORTUNITIES**



**THRIVING NEIGHBORHOODS**



**FISCAL SUSTAINABILITY**



**EXCELLENT & EQUITABLE SERVICE DELIVERY**

# Operating Budget

## General Fund Long-Term Forecast

- The Recommended FY 2027 Budget Update is structurally balanced and does not rely on one-time sources to balance.
- From FY 2023 through FY 2025, the budget relied on American Rescue Plan funding to address revenue shortfalls. Those funds have expired.
- The City continues to be heavily reliant on income tax. From 2028 to 2031, the Finance Department predicts that income tax revenues will grow at nearly 3.0% annually with a compound annual growth rate of 2.83%. The biggest change since the previous forecast is economic policy uncertainty, notably the impact of policies at the Federal level.
- For FY 2028 through FY 2031 there continue to be projected deficits due to expenditures growing at a faster pace than projected revenues.
- The Administration will continue to push to find opportunities to enhance revenues, increase efficiency, and improve service delivery.

# City Manager's Recommended FY 2027 All Funds Operating Budget Update

(\$ in Millions)	<u>FY 2026-2027 Biennial Budget</u>			<u>From Approved FY 2026</u>		<u>From Approved FY 2027</u>	
	<u>Approved</u> <u>FY 2026</u>	<u>Approved</u> <u>FY 2027</u>	<u>Recommended</u> <u>FY 2027 Update</u>	<u>\$ Change</u>	<u>% Change</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Budget							
General Fund <sup>(1)(2)</sup>	\$569.4	\$570.5	\$616.2	\$46.8	8.2%	\$45.7	7.4%
Restricted Funds <sup>(3)(4)(5)</sup>	\$718.1	\$735.9	\$755.0	\$36.9	5.1%	\$19.1	2.5%
<b>Grand Total</b>	<b>\$1,287.5</b>	<b>\$1,306.4</b>	<b>\$1,371.1</b>	<b>\$83.6</b>	<b>6.5%</b>	<b>\$64.7</b>	<b>4.7%</b>

<sup>(1)</sup> The Approved FY 2026 and Approved FY 2027 General Fund Budgets include \$21.4 million and \$22.4 million respectively in Health Department funding that is transferred out to the Cincinnati Health District Fund. Additionally, the Approved FY 2026 and Approved FY 2027 General Fund Budgets do not include \$5.0 million and \$5.1 million respectively in transfers out for debt service and to other funds.

<sup>(2)</sup> The Recommended FY 2027 General Fund Budget Update includes \$22.9 million in Health Department funding that is transferred out to the Cincinnati Health District Fund. Additionally, the Recommended FY 2027 General Fund Budget Update does not include \$4.7 million in transfers out for debt service and to other funds.

<sup>(3)</sup> The Approved FY 2026 and Approved FY 2027 Restricted Funds Budgets do not include \$21.4 million and \$22.4 million respectively in Health Department funding that is transferred out to the Cincinnati Health District Fund.

<sup>(4)</sup> The Recommended FY 2027 Restricted Funds Budget Update does not include \$22.9 million in Health Department funding that is transferred out to the Cincinnati Health District Fund.

<sup>(5)</sup> The Approved FY 2026 Restricted Funds Budget reflects what was recommended for the Metropolitan Sewer District Fund at the time of the FY 2026-2027 Biennial Budget. It does not reflect the final Approved CY 2026 Budget for the fund.

## Balancing the FY 2027 General Fund Budget Update

- For the past several years, the City's continuation budget at the time of the Tentative Tax Budget (TTB) has resulted in a projected budget deficit ranging from \$16 million to \$33 million.
- For FY 2027, the continuation budget deficit was estimated at \$32.1 million at the time of the TTB.
- Material changes occurred since the TTB in December 2025 which resulted in an updated deficit amount of \$29.5 million.

## Performance Based Budgeting (PBB)

- Provides a linkage between the City's Performance Management process and the budget process and includes three distinct phases:
- Executive Finance Review (EFR): To update revenue estimates and fee schedules.
- Executive Performance Review (EPR): To discuss performance and resource challenges.
- Executive Budget Review – Capital (EBR-C): For departments to justify their capital budget requests with a particular focus on Cincy on Track (COT) spending.
- Executive Budget Review (EBR): To make more informed resource allocations decisions based on performance data.

# Balancing the FY 2027 General Fund Budget Update

## Revenue Adjustments (\$17.2 million):

- \$8.5 million of increased City Income Tax Revenue due to revised Department of Finance projections based on FY 2026 trends.
- \$6.0 million of new Ground Emergency Medical Transport (GEMT) Revenue based on the State of Ohio opting in to a Federal Medicaid supplemental reimbursement program to cover the uncompensated costs of transporting beneficiaries. This was a Futures Commission recommendation.
- \$4.5 million of increased Investment Revenue as reinvestment rates continue to trend higher than expected and more cash is actively managed to take advantage of market conditions.
- \$1.4 million of increased Admission Tax Revenue to account for anticipated increases for various events such as, athletic events, concerts, and theatre productions.

# Balancing the FY 2027 General Fund Budget Update

## Revenue Adjustments Continued (\$17.2 million):

- \$3.1 million of decreased Property Tax Revenue due to a revision from the Hamilton County Auditor's Office to correct an error in the original estimate.
- \$0.1 million of decreased miscellaneous revenue based on revisions from various departments, many of which were part of the Executive Finance Review (EFR) portion of Performance Based Budgeting (PBB).

# Balancing the FY 2027 General Fund Budget Update

## Expenditure Reductions (\$20.2 million):

- \$8.5 million: Position Vacancy Savings
- \$3.3 million: Realignment of Fire Recruit Class Timing
- \$2.4 million: Transfer In of Judgment Bond Resources for Pension Contribution
- \$1.2 million: Miscellaneous Non-Personnel Reductions
- \$1.1 million: Transfer of Expenditures to Other Eligible Funds
- \$1.0 million: Reduction of Fire Overtime

# Balancing the FY 2027 General Fund Budget Update

## Expenditure Reductions Continued (\$20.2 million):

- \$1.0 million: Service Reductions
- \$0.5 million: Employer Health Care Premium Reduction
- \$0.5 million: Increased Reimbursements
- \$0.3 million: Reduction of Funding to External Organizations
- \$0.2 million: Service Eliminations
- \$0.2 million: Mayor, Clerk, and Council Reductions

# Balancing the FY 2027 General Fund Budget Update

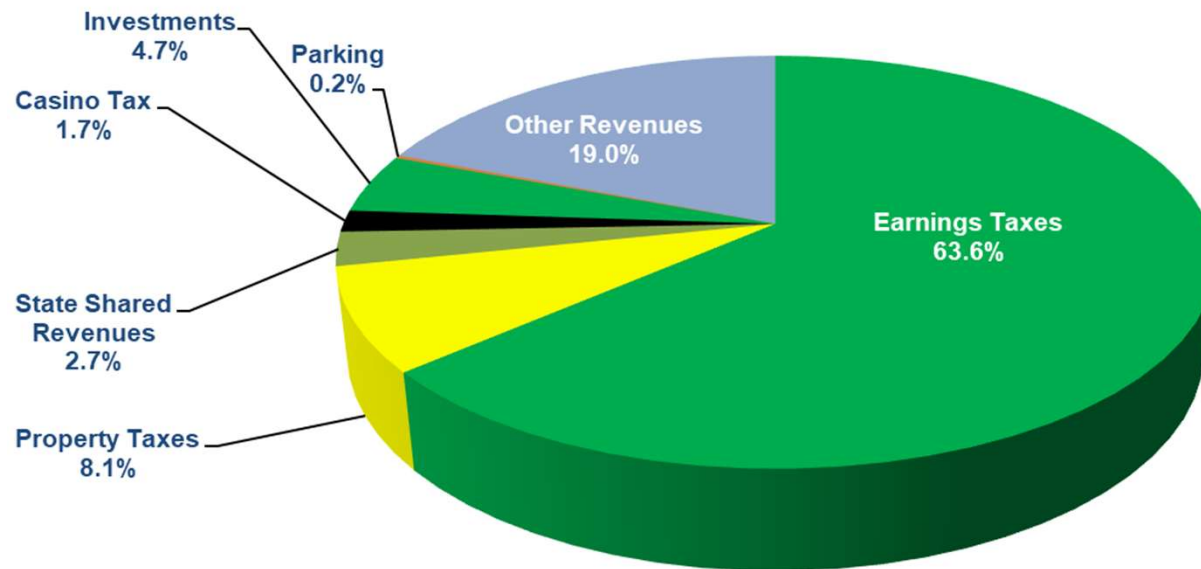
## Expenditure Increases (\$7.8 million):

- \$5.9 million: Various Department Budget Exceptions – Resources for CPD Drones as First Responders program, CFD wellness screenings, enterprise software and licenses, a Commercial Solid Waste Hauling audit, a parking meter audit and strategic plan, the continuation of the sidewalk repair pilot, among other items.
- \$1.0 million: Reserve for Contingencies
- \$0.1 million: Staffing Net of Reimbursements – Buyer added in Procurement for COT projects, Senior Computer Programmer Analyst added in ETS for cybersecurity.

# OPERATING BUDGET UPDATE

## FY 2027 General Fund Revenue

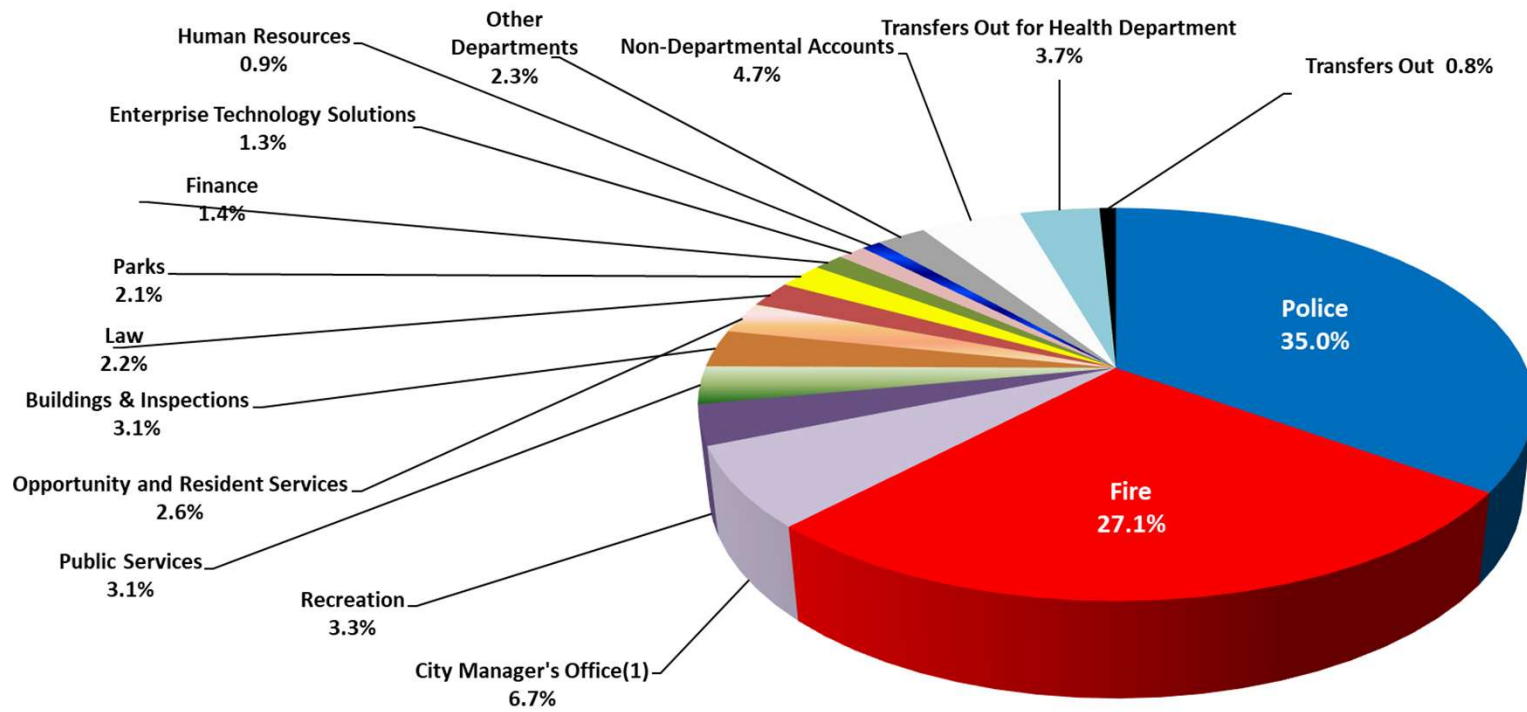
### \$618.5 million



Note: Does not include \$2.4 million transfers in.

# OPERATING BUDGET UPDATE

## General Fund Expenditures – \$620.9 million



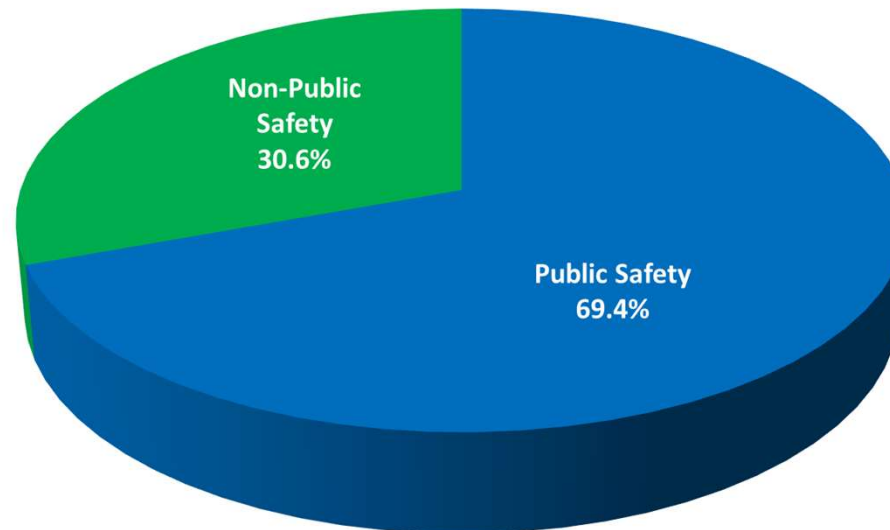
\*Other Departments include Transportation and Engineering, City Council, City Planning & Engagement, Economic Inclusion, Citizen Complaint Authority, Office of the Mayor, Clerk of Council, and Enterprise Services Division of Parking Facilities.

(1) CMO includes the Emergency Communications Center

# OPERATING BUDGET UPDATE

## General Fund Expenditures\*

Where does the money go?  
Public Safety and Non-Public Safety

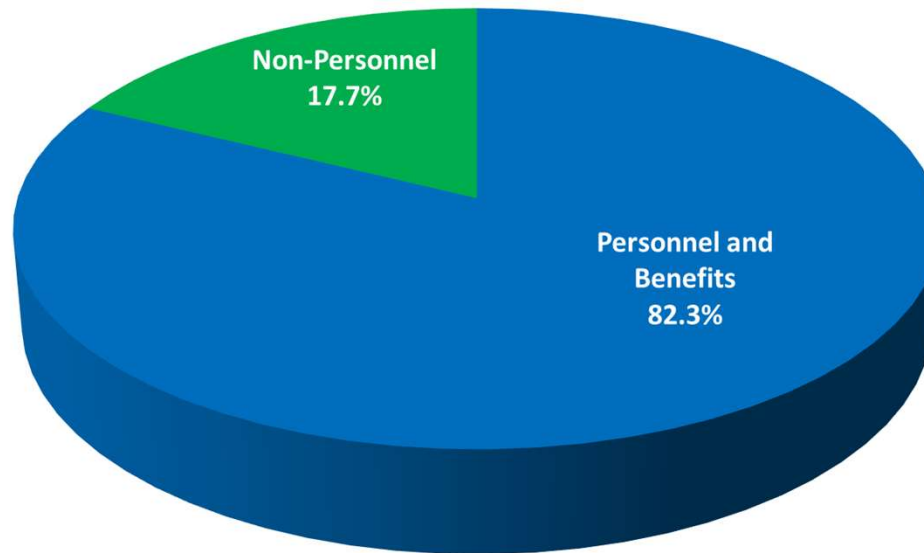


\*The Transfer Out for the Health Department is reflected here based on the budgeted expenses for the Health Department within these categories. Non-Departmental Accounts are not included.

# OPERATING BUDGET UPDATE

## General Fund Expenditures\*

Where does the money go?  
Personnel and Non-Personnel

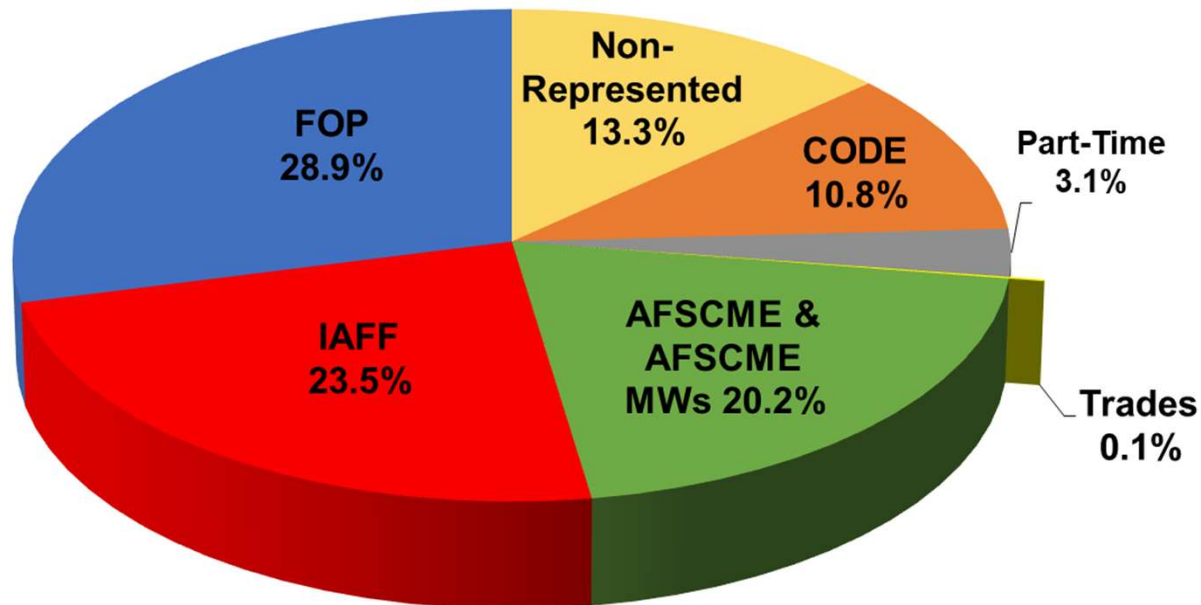


\*The Transfer Out for the Health Department is reflected here based on the budgeted expenses for the Health Department within these categories

# OPERATING BUDGET UPDATE

## General Fund Staffing\*

Personnel expenses represent 82.3% of the General Fund Budget with 83.5% of employees represented by labor contracts.



\*The Health Department FTEs budgeted as part of the Transfer Out are included within these categories.

# OPERATING BUDGET UPDATE

## General Fund Staffing: Public Safety

- Cincinnati Police Department Recruit Class:
  - 50 member class to start February 2027
- Cincinnati Fire Department Recruit Class:
  - Realigned to begin in early FY 2028
- Resources for CPD Drone as First Responders program
- Resources for CFD Wellness Screenings

# OPERATING BUDGET

## General Fund Staffing: Police

### Police Sworn FTE Estimates

Sworn FTE	July 1, 2026	November 2026 Police Recruit Class Graduation	June 30, 2027
<b>POLICE</b>	1,008	1,031	992

Estimates provided for start and end of fiscal year as well as months with expected recruit class graduation less expected attrition

- Even with a 50-person recruit class, it is projected that CPD will continue to be below their budgeted sworn strength of 1,059 FTEs due to projected continued high attrition combined with recruitment challenges.
- Challenges in police officer recruitment are a national trend, and the Administration will continue to work on improving recruitment efforts to attract additional officers in FY 2027 and retain existing officers.
- Budgeted overtime for CPD in FY 2027 is \$23,312,564 which includes \$14.0 million in reimbursable overtime due to the recent changes related to off-duty detail revenues flowing through the City.

# OPERATING BUDGET UPDATE

## General Fund Staffing: Fire

### Fire Sworn FTE Estimates

Sworn FTE	July 1, 2026	July 2026 Fire Recruit Class Graduation	June 30, 2027
<b>FIRE</b>	854	901	848

Estimates provided for start and end of fiscal year as well as months with expected recruit class graduation less expected attrition.

- After graduation of current Recruit Class 124, Fire will be over their budgeted sworn strength of 859 FTEs for much of the fiscal year.
- Class size and timing was carefully designed based on projected employee attrition and to balance overtime needs.
- Budgeted overtime for Fire in FY 2027 is \$8,145,350.

# OPERATING BUDGET UPDATE

## General Fund Expenditure Highlights: Leveraged Support

- In FY 2025, Leveraged Support was organized into seven categories: Arts, Economic Development and Neighborhood Support, Environment, Equity and Inclusion, Homelessness and Eviction Prevention, Human Services and Violence Prevention, and Workforce Programming and Poverty Reduction.
- Pursuant to Ordinance No. 0036-2025, the following three categories will continue to be managed by the Human Services Advisory Board: 1) Homelessness and Eviction Prevention, 2) Human Services and Violence Prevention, and 3) Workforce Programming and Poverty Reduction.
- For FY 2027, the Economic Development and Neighborhood Support category is no longer part of the competitive leveraged support application process.

# OPERATING BUDGET UPDATE

## General Fund Expenditure Highlights: Economic Development and Neighborhood Support

- The City Manager's Recommended FY 2027 Budget Update, including the Mayor's adjustments, includes \$686,000 for Economic Development and Neighborhood Support. These resources will be deployed to the following organizations through contracts for the services provided:

Economic Development and Neighborhood Support	City Manager Recommended FY 2027 Budget Update	Mayor's Adjustments to the Recommended FY 2027 Budget Update
Cincinnati Compass	\$47,450	\$50,000
Cincy Tech	\$71,175	\$75,000
Cintrifuse	\$71,175	\$75,000
Greater Cincinnati & Northern Kentucky African American Chamber of Commerce	\$293,764	\$313,313
Greater Cincinnati & Northern Kentucky African American Chamber of Commerce*	\$70,000	\$70,000
MORTAR Cincinnati	\$47,450	\$50,000
Red Bike	\$50,000	\$52,687
<b>Total Economic Development and Neighborhood Support</b>	<b>\$651,014</b>	<b>\$686,000</b>

\*Denotes funding to support the City's DEI Business Expo

# OPERATING BUDGET UPDATE

## General Fund Expenditure Highlights: Leveraged Support

- The City Manager's Recommended FY 2027 Budget Update includes \$938,561 for leveraged support for Arts, Environment, and Equity and Inclusion.
- A 5.1% reduction (\$50,439) was applied to these three leveraged support categories to balance the FY 2027 Budget Update which has since been proposed by the Mayor to be restored.
- The total amount of \$989,000 will be allocated between the three categories of leveraged support: Arts, Environment, and Equity and Inclusion.
- The City Manager will make recommendations to Council in August 2026 for these categories, which will be based on advisory boards for each category.

# OPERATING BUDGET UPDATE

## General Fund Expenditure Highlights: Competitive Grant Programs

- The Human Services Fund meets the goal of allocating 1.5% of General Fund Operating Budget Revenue at almost \$9.3 million.
- An additional \$992,180 in leveraged support will be managed by the Human Services Advisory Board for allocation.
- The Recommended FY 2027 Budget Update includes \$303,680 for Other Competitive Grant Programs as outlined in the following table.

# OPERATING BUDGET UPDATE

## General Fund Expenditure Highlights: Competitive Grant Programs

Funding for Competitive Grant Programs	City Manager Recommended FY 2027 Budget Update
<b>Human Services Funding</b>	
City Human Services Fund (administered by United Way)	\$9,277,000
Additional Funding Managed by Human Services Advisory Board*	\$992,180
<b>Total Human Services Funding</b>	<b>\$10,269,180</b>
<b>Other Competitive Grant Programs</b>	
Boots on the Ground Fund Program <sup>1</sup>	\$142,350
Community Urban Agriculture	\$18,980
Leveraged Support	\$1,589,575
Safe and Clean <sup>1</sup>	\$142,350
<b>Total Other Competitive Grant Programs</b>	<b>\$1,893,255</b>
<b>Grand Total</b>	<b>\$12,162,435</b>

\* Leveraged support funding moved to the Human Services Advisory Board management, per Ordinance No. 0036-2025.

<sup>1</sup> Denotes full or partial one-time funding.

# OPERATING BUDGET UPDATE

## General Fund Expenditure Highlights: City Operations and Programmatic Support

- The Recommended FY 2027 Budget Update includes \$5,632,900 for City Operations and Programmatic Support as outlined below.

City Operations Programmatic Support and Recipients	City Manager Recommended FY 2027 Budget Update
3CDC (For Fountain Square)	\$100,000
3CDC (Operating Support for Washington Park and Ziegler Park) <sup>1</sup>	\$450,000
3CDC - GeneroCity*	\$71,175
Career Pathways Initiative (CPI) (formerly Summer Youth Jobs Initiative - HR Portion)	\$1,007,960
Center for Closing the Health Gap*	\$474,500
Findlay Market Operating Budget Support	\$366,610
Greater Cincinnati and Northern Kentucky Film Commission (dba Film Commission)*	\$47,450
Keep Cincinnati Beautiful	\$189,800
Needle Exchange Program	\$142,350
Neighborhood Business Districts	\$113,880
Neighborhood Support Program / Community Councils	\$521,950
REDI Cincinnati*	\$237,250
Shelterhouse Volunteer Group*	\$308,425
Summer Youth Jobs Initiative - CRC Portion	\$237,250
The Port (formerly Greater Cincinnati Redevelopment Authority/Port Authority of Greater Cincinnati)	\$700,000
Urban League of Greater Southwestern Ohio*	\$94,900
WarmUp Cincy	\$332,150
Women Helping Women Domestic Violence Enhanced Response Team (WHW DVERT)	\$237,250
<b>Grand Total</b>	<b>\$5,632,900</b>

<sup>1</sup> In FY 2026, funding for 3CDC was reduced by \$75,000 as a revenue offset, and \$150,000 was transferred to the capital budget for Civic Space Improvements. These adjustments continue in FY 2027. Starting in FY 2027, \$200,000 in existing resources from the Parks Department were transferred to the City Manager's Office for this purpose. This does not represent new resources.

\* Moved from Leveraged Support to City Operations Programmatic Support starting in FY 2026

# OPERATING BUDGET UPDATE

## General Fund Expenditure Highlights: Fiscal Sustainability

- Recommended FY 2027 Budget Update includes a 19.25% employer pension contribution rate for members of the Cincinnati Retirement System (CRS). This is a 0.75 percentage point increase to continue to address current underfunding of the CRS. The FY 2026 rate was 18.5%.
- Health care premiums increasing by 4.5% for Calendar Year 2027

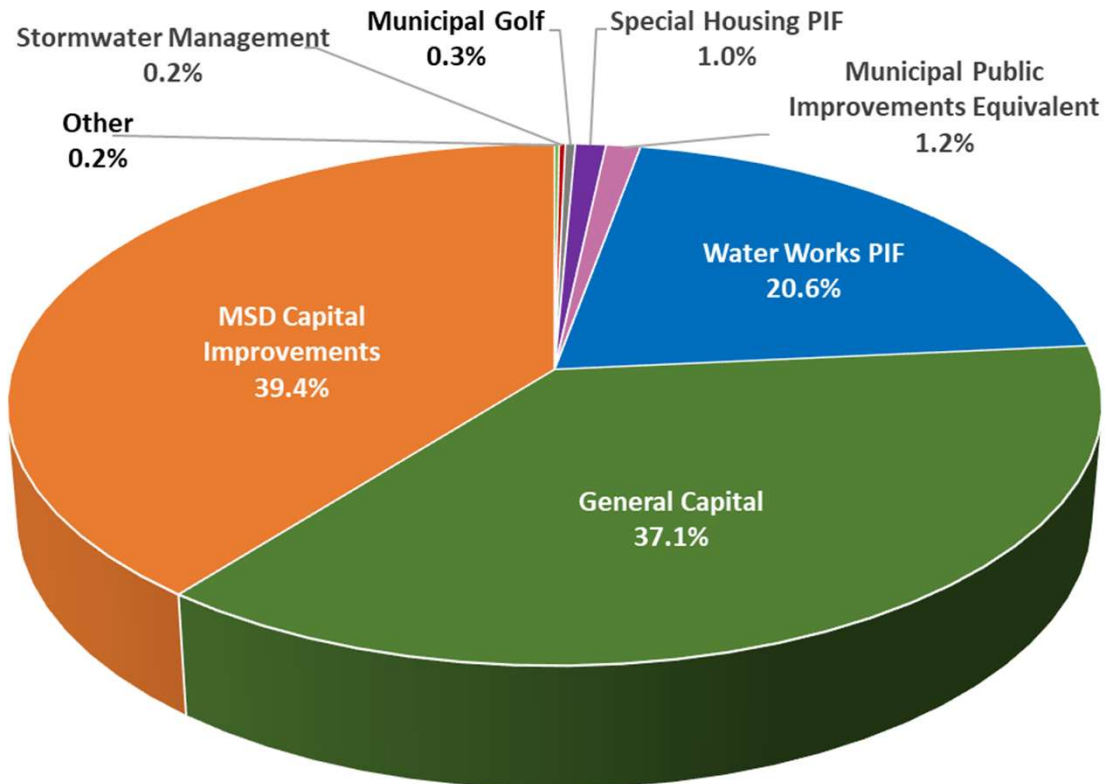
# OPERATING BUDGET UPDATE

## Restricted Funds

- Income Tax-Infrastructure Fund – Two Project Manager positions added in DPS to manage COT projects.
- Convention Center Fund – \$200k allocation for the Cincinnati Regional Sports Commission
- Various Funds – Shifting of Resources to / from various funds based on eligibility and available resources.
- Contribution of \$2.0 million total from all Restricted Funds to the Cincinnati Retirement System

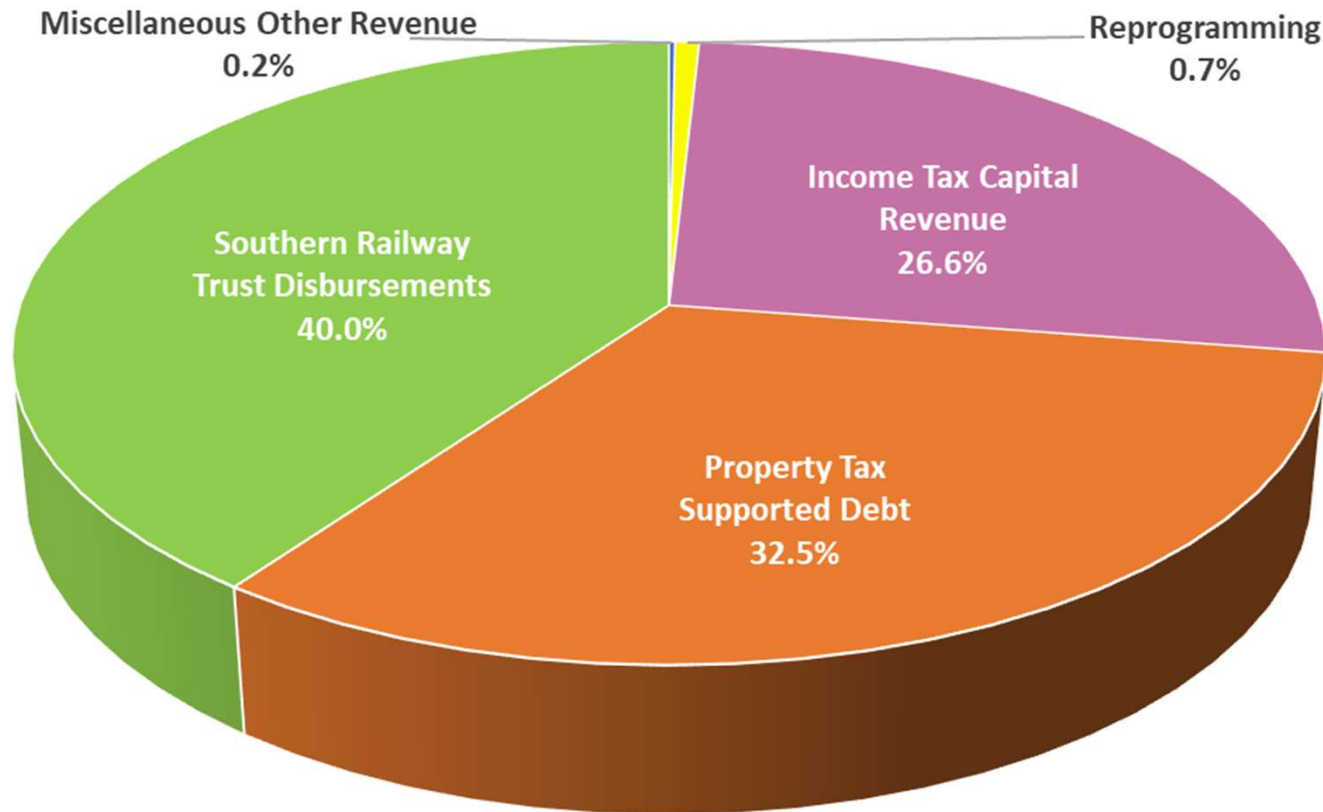
# Capital Budget

# Recommended FY 2027 All Funds Capital Budget Update

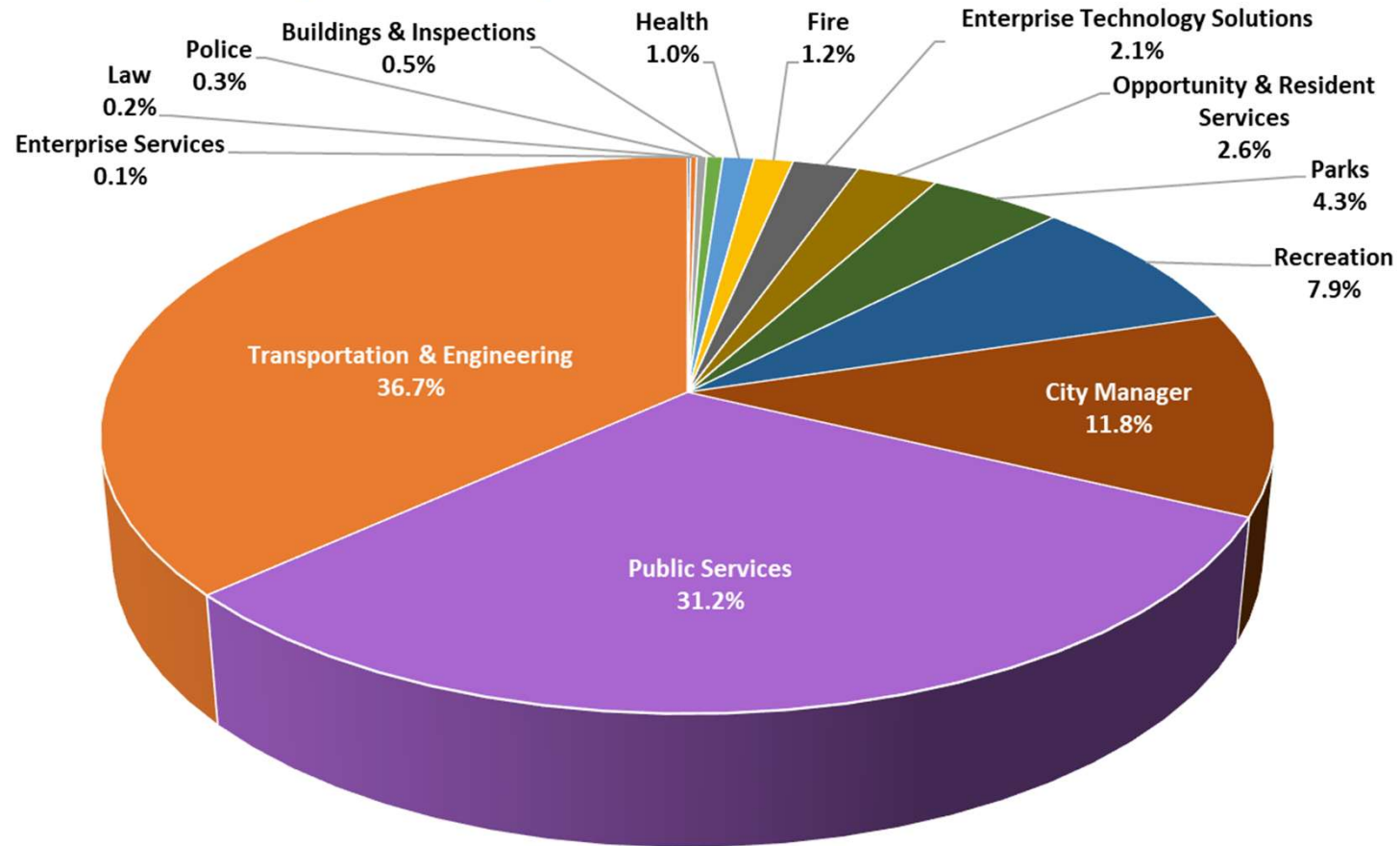


"Other" combines the amount for the following funds: Telecommunications Services, General Aviation, Convention Center, and Parking System Facilities. Individually, each of these funds consist of less than 0.1% of the FY 2027 All Funds Capital Budget Update. This chart does not include Grant Funds.

## General Capital Resources – \$144.85 million



## General Capital Expenditures – \$144.85 million



## General Capital Budget Highlights

- **Street Rehabilitation - \$22.0 million:** along with anticipated grant resources, this sum will result in an estimated 70 lane miles of preventative maintenance and rehabilitation combined
- **Fleet Replacements - \$17.3 million:** an increase of \$4.0 million from the planned allocation for FY 2027
- **City Facility Renovation and Repairs - \$8.5 million:** to address the backlog of ongoing repairs, alterations, and upgrades to City facilities such as those used by Police, Fire, and Public Services
- **Lunken Customs Facility - \$3.7 million:** improvements to meet demands of a modern airport
- **Dunham Recreation Center Facilities Renovation - \$4.5 million:** to begin construction
- **Community Budget Requests - \$2.1 million:** includes 10 subprojects across 9 neighborhoods

## General Capital Budget Highlights (continued)

- **McEvoy Park Renovation - \$1.3 million:** adjust loop road vehicle traffic; install new playground with safety buffers; install fencing and strategic plantings to activate the park, protect and separate amenities, and promote safety
- **Firefighter Personal Protective Equipment (PPE) - \$1.3 million:** replace firefighter turnout gear, fire helmets, bomb squad gear, and other personal protective equipment according to National Fire Protection Association standards, specifically includes “loaner” equipment
- **PIVOT Strategic Acquisition and Improvement - \$1.0 million:** will allow for site acquisition to address blight and public safety and promote community development.

## Capital Budget Highlights (continued)

- **Department of Opportunity and Resident Services**
  - **\$1.0 million:** Resources to support homeowners and tenants
  - **\$2.5 million:** Resources to support small businesses
  - **\$250k:** Resources to support resident services initiatives
  - These resources are proposed to be supplemented by a forthcoming ordinance that will redistribute existing DCED capital resources as follows:
    - **\$500k** for Small Business and Commercial Stabilization
    - **\$1.0 million** for Neighborhood and Community Infrastructure Needs (\$500k each for operating and capital needs)
- **Office of Strategic Growth**
  - **\$13.0 million:** Resources to create the Neighborhood Development Fund
  - **\$2.45 million:** Resources for the Affordable Housing Trust Fund, which represents an increase of \$550k for FY 2027
  - **\$500k:** Resources for strategic initiatives that will create economic growth
  - **\$476k:** Resources for the rehabilitation and maintenance of City-owned properties
  - These resources are proposed to be supplemented by a forthcoming ordinance that will redistribute existing DCED capital resources as follows:
    - **\$1.0 million** for Strategic Initiatives

# Recommended FY 2027 Capital Budget Update: Cincy on Track

- The Recommended FY 2027 Capital Budget Update includes \$58.0 million in Cincinnati Southern Railway (CSR) Infrastructure Trust disbursements.
- Funding from this source can only be used on existing City infrastructure projects.
- The Recommended CSR Infrastructure Trust disbursement allocation by department:
  - Transportation & Engineering      \$31.8 million
  - Public Services                      15.9 million
  - Recreation                              7.6 million
  - Parks                                      2.6 million
  - Health                                      0.2 million

Total:      \$58.0 million
- Each department will be presenting separately on their planned use of Cincy on Track funding.

# Questions?