



Department of Finance Budget Presentation

Budget & Finance Committee

February 28, 2022

Finance Department Table of Organization



Finance Department Purpose

Mission: The Finance Department works to ensure a strong financial foundation for the City of Cincinnati and its residents. Our core mission is to protect the fiscal integrity of the City through the financial management of taxpayer resources, collection of revenue, disbursements, employee safety programs, administration of payroll and benefits for City employees, debt management, prudent investments and the preparation of financial statements, among other duties.



shutterstock.com · 207849163

Finance Department Operations

- ***Accounts and Audits Division:*** monitor over 200 funds, expenditures, cash receipts, and contracts in the Cincinnati Financial System (CFS); prepare annual revenue estimates; compile the Annual Comprehensive Financial Report (ACFR); provide capital project and grant management; and manage city payroll
- ***Income Tax Division:*** review and audit City income tax returns; process income tax refunds; and collect income tax payments
- ***Risk Management Division:*** responsible for employee benefits, the Healthy Lifestyles Program, employee safety, workers' compensation, PEAP, and the Employee Health Services (EHS) Clinic
- ***Treasury Division:*** manage all City investments; print all City checks and process all electronic payments; administer City license programs and the Short-term Rental Tax Program; process all Admission Tax and Transient Occupancy Tax (TOT) returns; perform bank reconciliations and cash receipting functions; and oversee the City's Debt Program

Finance Department Accomplishments

- GFOA Certificate of Achievement for Excellence in Financial Reporting
- Launched a rapid COVID-19 testing and vaccination clinic for employees
- AA rating with Standard & Poor's and Aa2 rating with Moody's
- The Income Tax Division was able to reduce the processing cycle for posting a return from 18 months to just over 12 months while dealing with an 10/2/2020 tax rate change from 2.1% to 1.8%
- Named one of the top 100 Healthiest Employers in Greater Cincinnati by the Cincinnati Business Courier



Finance Department Accomplishments

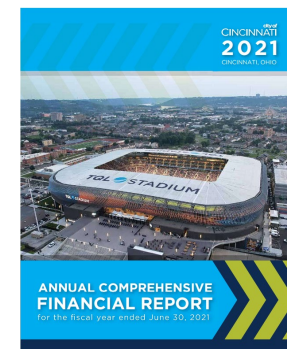
- Accounts and Audits processed over 22,000 certifications, 25,000 payments and approximately 15,700 cash receipts
- 99% of full-time employees (4,968 out of 5,026), completed open enrollment, whether over the phone or by logging in to COCBenefits.com
- Income Tax managed over 50,000 Individual Accounts, 16,000 Business Accounts and 18,500 Withholding Accounts, resulting in 72,000 annual returns processed, 9,000 refund claims and over 350,000 payment transactions processed
- Reduced the turn-around time for the Income Tax Audit Team to review nearly 50 JCTC Annual reports in less than two weeks for employer
- Employee Safety conducted 384 audits, training sessions and consultations within various departments



Finance Department

FY 2022 Key Performance Indicators

- Creation of Income Tax Selective Audit Program
- Invested approximately \$1 billion of cash generating investment income of more than \$4 million
- Increased reserves from 13.28% to 13.5% in accordance with the Stabilization Policy
- Completion of the FY 2022 Bond Sale
- Update Administrative Regulation 65
- Refunded bonds which generated 4.4% in NPV, or \$522,362, in GO debt service savings and 6.39% in NPV, or \$3.2 million, in Water debt service savings
- Completion of the FY 2021 Annual Comprehensive Financial Report (ACFR)



Finance Department Budget History

General Fund Operating Budget FY 2018 – FY 2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personnel Compensation	4,564,068	4,580,460	4,753,500	4,546,490	4,335,700
Fringe Benefits	1,580,483	1,569,300	1,598,970	1,428,700	1,500,300
Non-Personnel Expenses	1,207,242	1,014,980	966,200	1,002,275	1,367,800
Total	\$ 7,351,793	\$7,164,740	\$7,318,670	\$6,977,465	\$7,203,800

Finance Department Budget History

Bond Retirement Fund Operating Budget FY 2018 – FY 2022

Bond Retirement Fund 151	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personnel Compensation	334,354	317,090	304,780	236,100	300,200
Fringe Benefits	99,077	119,010	93,960	96,399	121,310
Non-Personnel Expenses	116,683,950	124,730,100	128,816,350	147,173,220	183,777,970
Total	\$117,117,381	\$ 125,166,200	\$ 129,215,090	\$ 147,505,719	\$ 184,199,480

Bond Retirement Fund 151 is the primary Principal Restricted Fund for the Finance Department. The Finance Department also receives appropriations from Parking System Facilities Fund 102, Income Tax Infrastructure Fund 302, Parking Meter Fund 303, and Urban Renewal Debt Retirement Fund 349.

Finance Department Budget History

- ERIP caused high staff turnover in financial positions across City departments resulting in lost knowledge base.
- Pandemic created additional workload including:
 - ✓ Change to Income Tax withholding rules and shift to remote work resulted in increased number of refunds to process.
 - ✓ New employee safety concerns, programs & procedures to implement and monitor.
 - ✓ Increased financial monitoring & reporting requirements due to pandemic related grants.

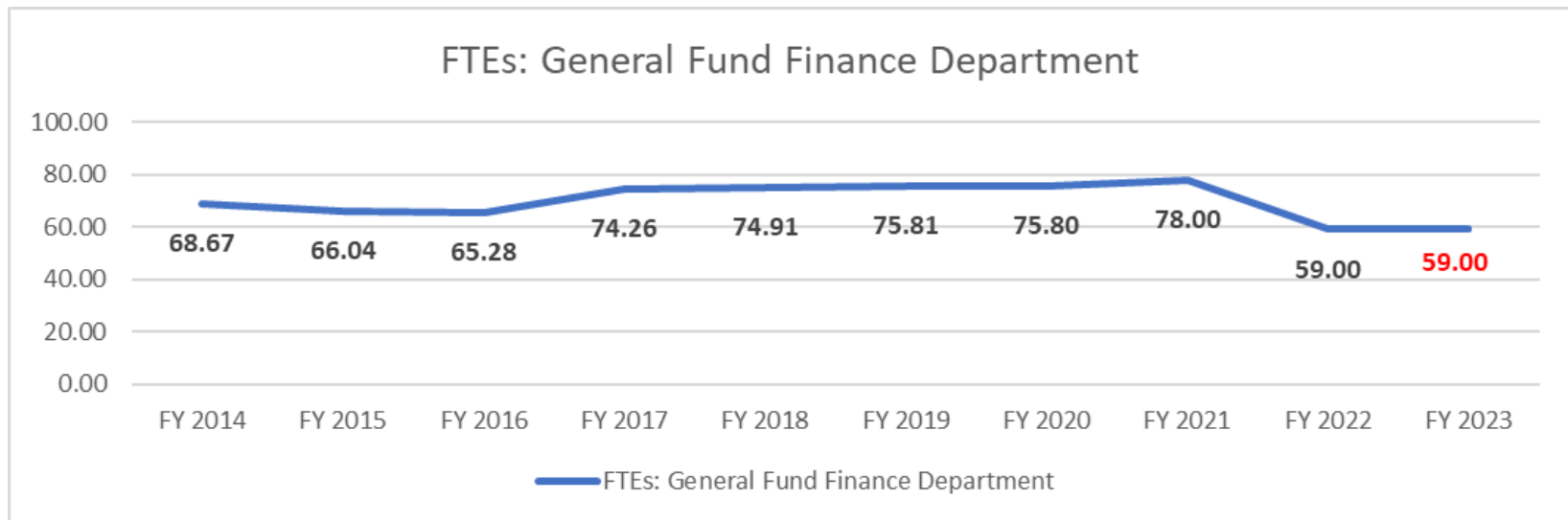
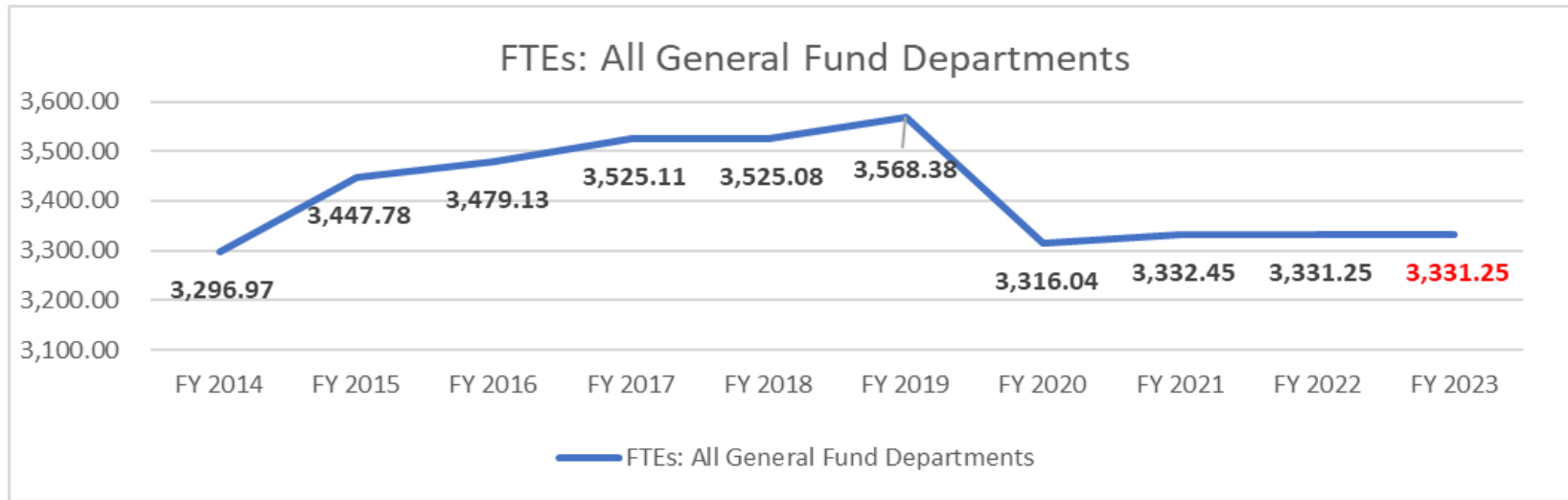
Finance Department FTE History

All Funds Operating Budget FY 2018 – FY 2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
General Fund 050	74.91	75.81	75.80	78.00	59.00
Bond Retirement Fund 151	3.45	3.00	3.00	2.00	3.00
Employee Safety & Risk Management Fund 212	10.83	8.75	9.00	17.00	15.00
Employee Workers' Comp Fund 213	1.00	1.00	1.00	1.00	1.00
Income Tax-Infrastructure Fund 302	3.00	3.00	3.00	3.00	2.00
Urban Renewal Debt Retirement Fund 349	2.36	2.00	2.00	2.00	2.00
Public Employee Assistance Program Fund 420	0.00	0.00	5.70	5.70	5.70
Risk Management Fund 711	4.00	5.00	4.00	4.00	4.00
Reproduction And Printing Fund 201	6.00	6.00	4.00	4.00	0.00
Total FTE	105.55	104.56	107.50	116.70	91.70

*The Purchasing Division was transferred to the City Manager's Office for FY 2022.

General Fund and Finance Department FTE History: FY 2014 – FY 2023



Finance Department

Significant Budget Issues – Operating

- Staffing – continued concerns about the ability to segregate duties to avoid theft or mismanagement of funds if additional positions are cut.
- Training – need to keep up on professional licensing requirements, GASB updates, cyber securities fraud, etc.

Finance Department Significant Budget Issues – Capital

- The Income Tax Call Center is outdated.



QUESTIONS?